



# In summary

## Financial Highlights

	Change	2010	2009
Continuing Operations			
Revenue	+1%	<b>£459.1m</b>	£455.9m
Adjusted Profit before Taxation <sup>1</sup>	+9%	<b>£86.2m</b>	£79.1m
Statutory Profit before Taxation	+12%	<b>£81.4m</b>	£72.8m
Adjusted Earnings per Share <sup>2</sup>	+10%	<b>16.89p</b>	15.30p
Statutory Earnings per Share	+14%	<b>16.10p</b>	14.07p
Total Dividend per Share <sup>3</sup>	+7%	<b>8.50p</b>	7.93p
Return on Sales <sup>4</sup>		<b>18.8%</b>	17.3%
Return on Total Invested Capital <sup>5</sup>		<b>13.6%</b>	13.1%
Return on Capital Employed <sup>5</sup>		<b>61.3%</b>	47.7%

Pro-forma information:

<sup>1</sup> Adjusted to remove the amortisation of acquired intangible assets of £4.8m (2009: £6.3m).

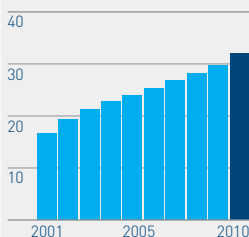
<sup>2</sup> Adjusted to remove the amortisation of acquired intangible assets. See note 2 to the accounts for details.

<sup>3</sup> Total dividend paid and proposed per share.

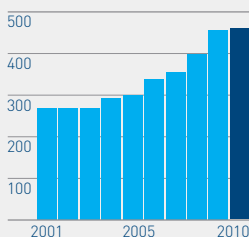
<sup>4</sup> Return on Sales is defined as adjusted<sup>1</sup> profit before taxation from continuing operations expressed as a percentage of revenue from continuing operations.

<sup>5</sup> Organic growth rates, Return on Total Invested Capital and Return on Capital Employed are non-GAAP performance measures used by management in measuring the returns achieved from the Group's asset base. See note 3 to the accounts for details.

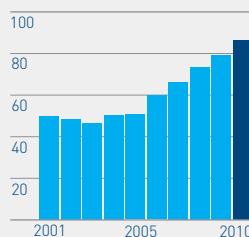
### Dividend paid and proposed (£m)



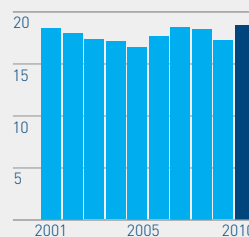
### Revenue (£m)



### Adjusted profit before taxation (£m)



### Return on Sales (%)



Front cover: a tag cloud derived from our Investment Proposition on page 1

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Accelerating momentum



See Global Capability p.03

Accomplished during uncertain and challenging economic conditions



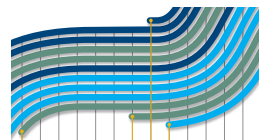
See how we've performed p.06

"Record profit and increased rate of dividend growth"



See Chairman's Statement p.08

See how Halma maintains momentum



See Case studies p.14

## Investment Proposition

Halma has an impressive record of creating sustained shareholder value through the economic cycle. Our reputation is built on consistently delivering record profits, high returns, strong cash flows, low levels of balance sheet gearing and a 30+ year track record of growing dividend payments by 5% or more every year. We are one of only three companies quoted on the London Stock Exchange with this record of dividend increases.

Halma's ability to achieve record profits through the recent period of unprecedented economic turbulence is derived from our strategy of operating in specialised global markets with resilient growth drivers and diverse end customers. Growth drivers include Health, Safety and Environmental regulation which stimulate 'non-discretionary' purchase of products whose quality and reliability requirements enable us to build competitive advantage.

In the past five years, closely targeted strategic investments have generated growth momentum to supplement our long-standing defensive qualities.

Organic growth momentum has been created by significantly increasing investment in management development, new product development and establishing platforms for growth in Asia, where Health, Safety and Environmental regulation is starting to emerge.

Organic growth generates the financial and business resources to fund acquisitions in our existing sectors. Through acquisitions we add value to our businesses by bringing new intellectual assets and a wider technological and geographic footprint.

Halma's defensive qualities, organic growth momentum and potential to acquire new businesses position us strongly to continue to create shareholder value and achieve even higher levels of performance in the future.

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Strong management teams equipped to succeed in challenging markets



See Board of Directors and Executive Team

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Good management of the cost base delivers high returns in all three sectors

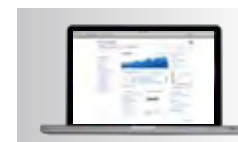


See Sector Reviews



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# HALMA

Halma p.l.c.  
Misbourne Court  
Rectory Way  
Amersham  
Bucks HP7 0DE

Tel: +44 (0)1494 721111  
Fax: +44 (0)1494 728032  
Web: [www.halma.com](http://www.halma.com)



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