

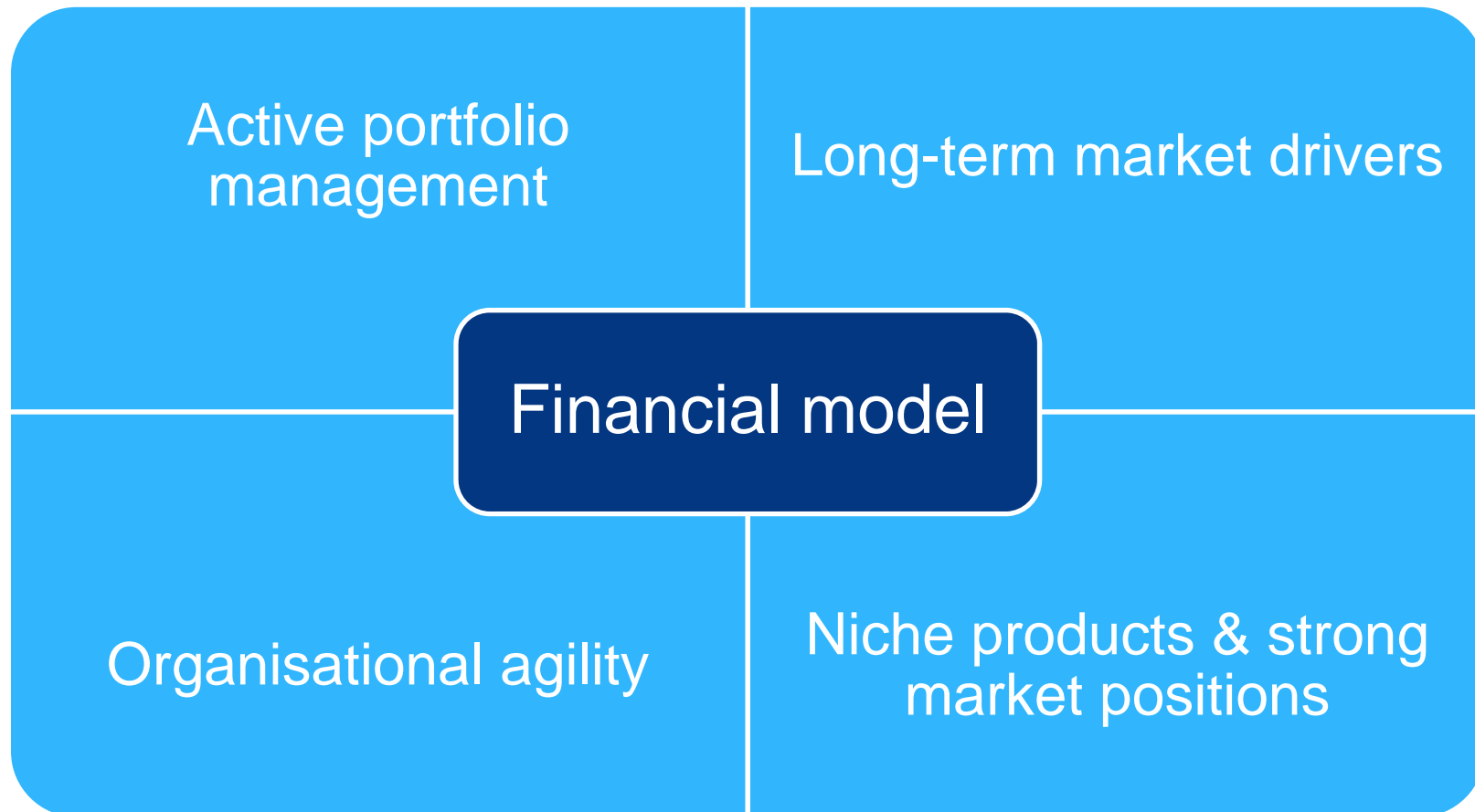
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Capital Markets Day

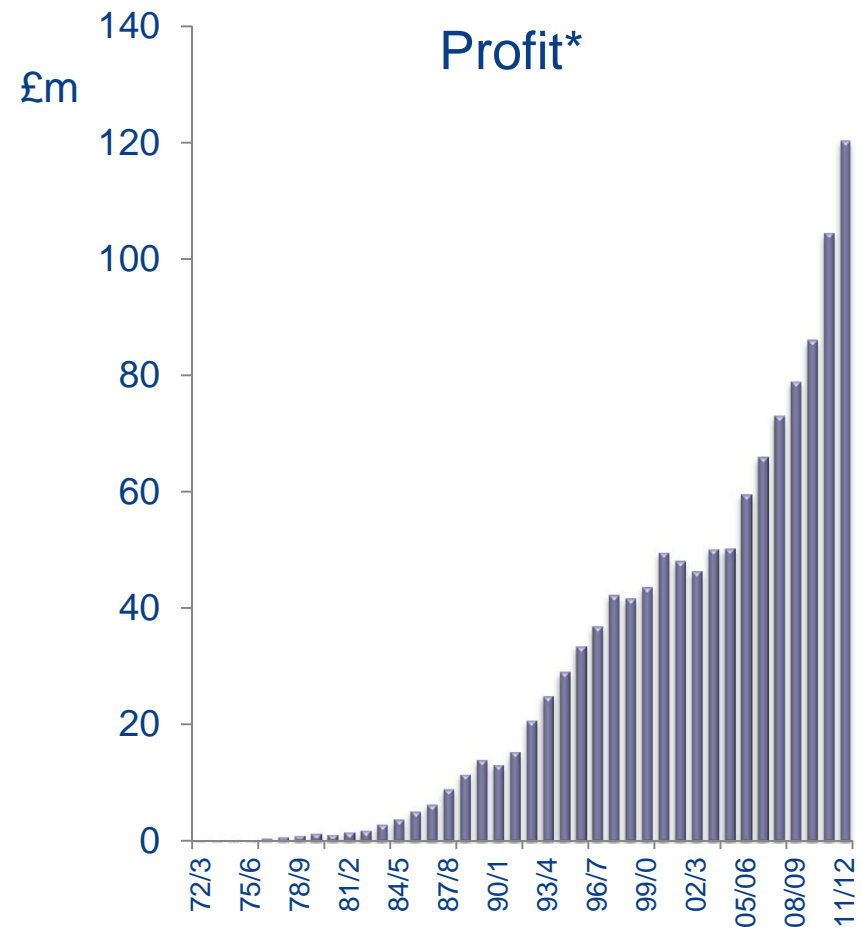
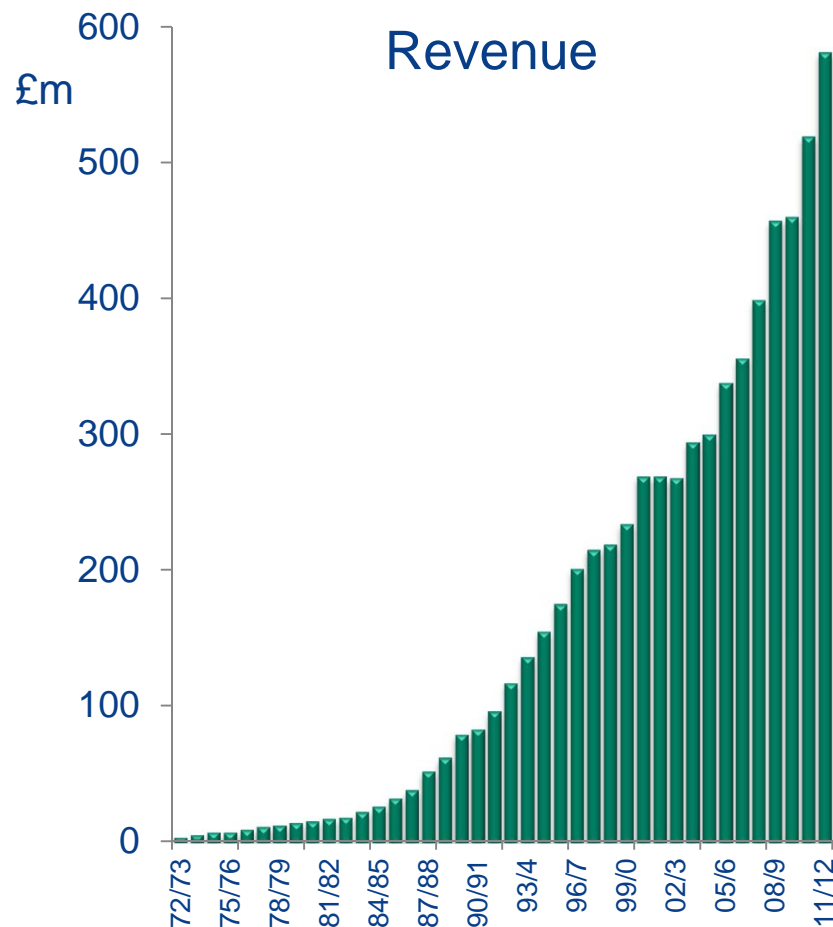
14 February, 2013

Andrew Williams – Chief Executive
Kevin Thompson – Finance Director
Adam Meyers – Director

Strategic model

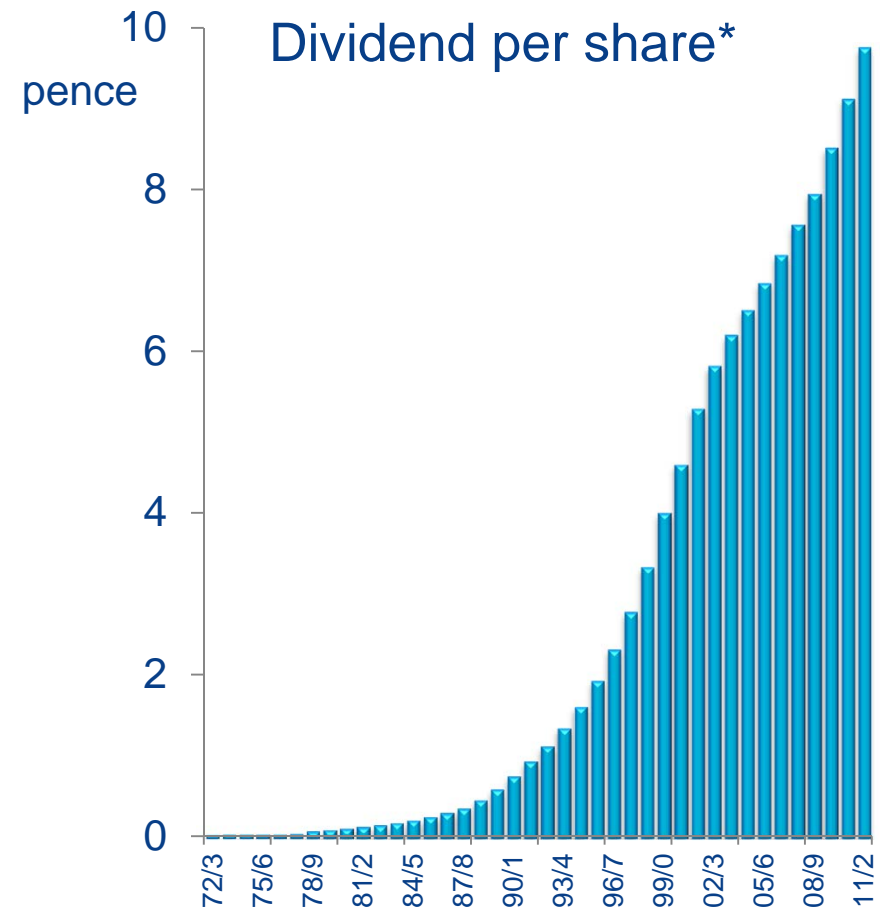
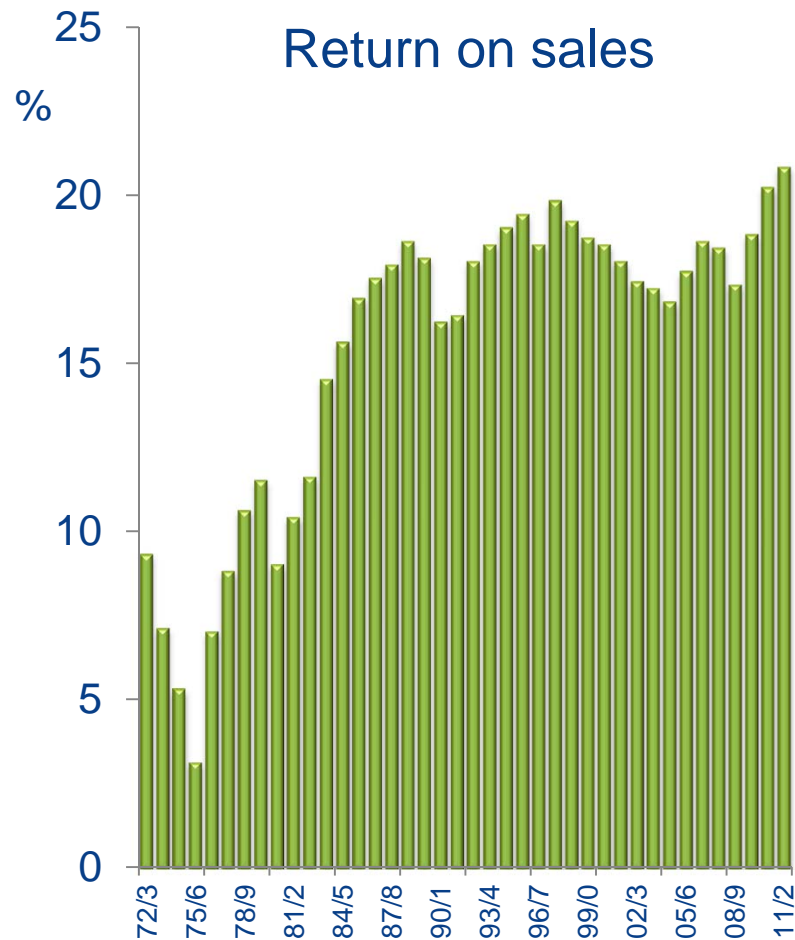


Sustained growth



* Before tax, amortisation of intangibles, acquisition costs, movement on contingent consideration and profit on disposal of operations

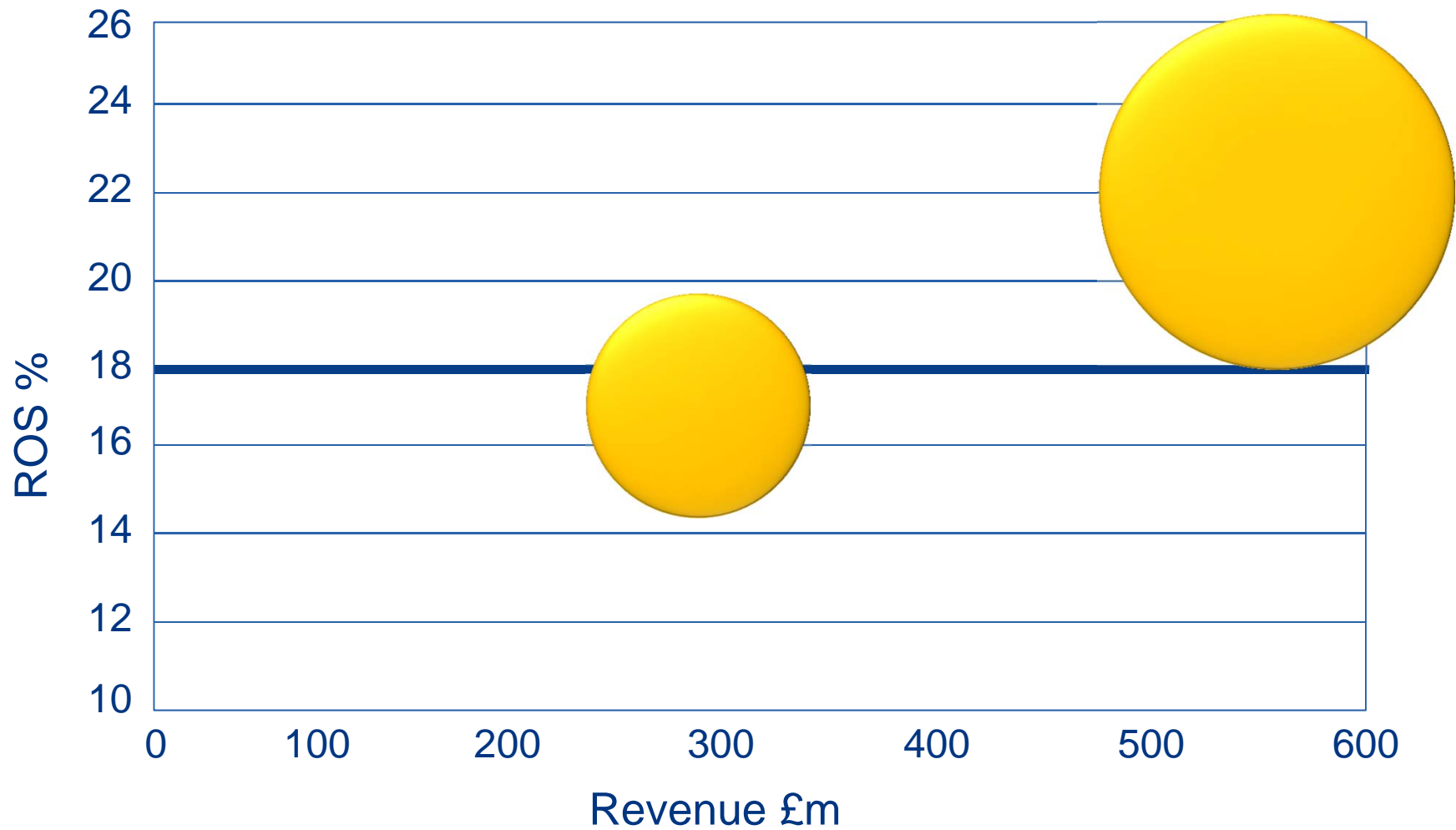
High returns



* Adjusted for scrip issues

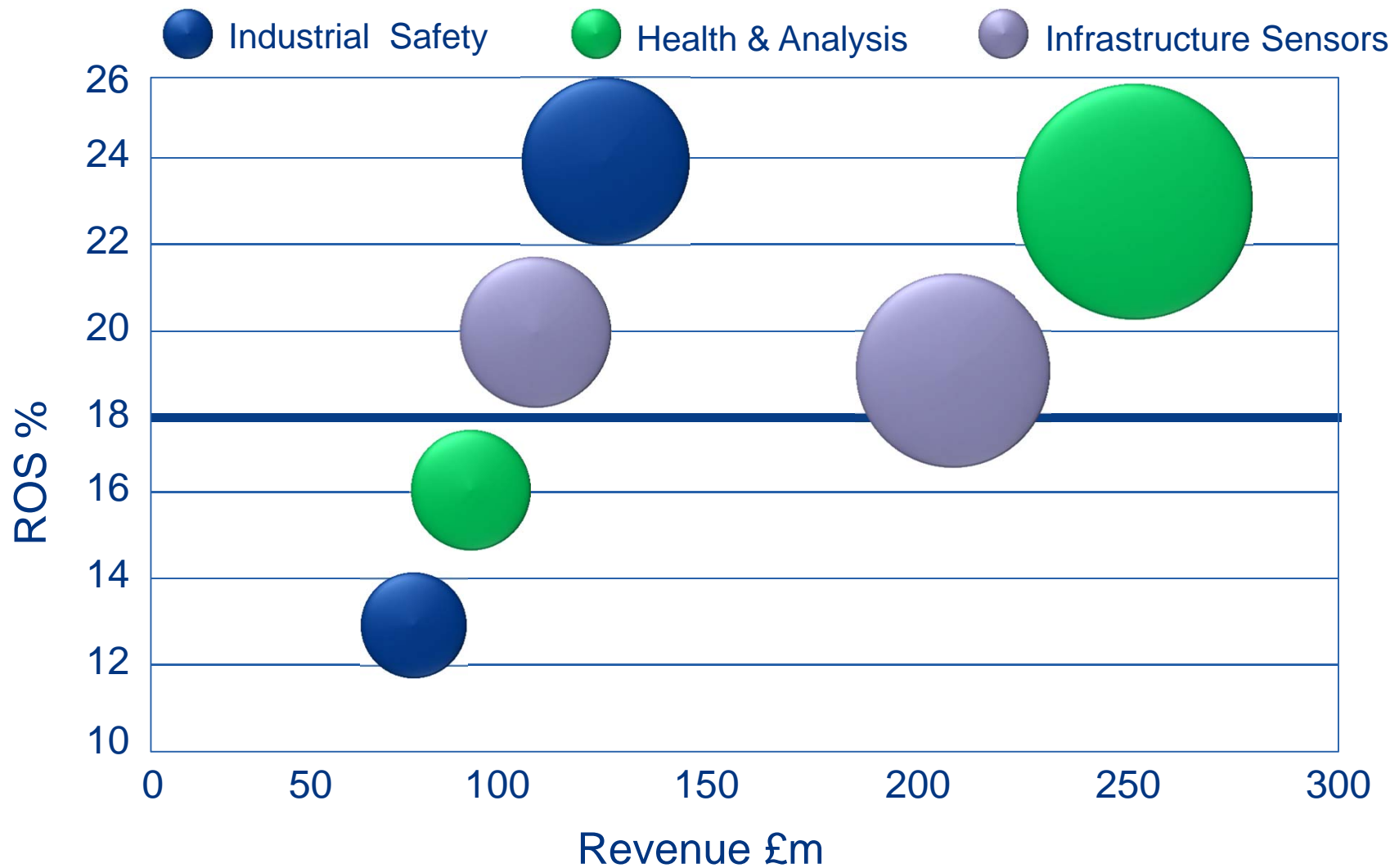
Growth 2005 - 2012

area proportional to profit



Sector growth 2005 - 2012

area proportional to profit



Reporting Sector changes

Industrial Safety	Process Safety
Infrastructure Sensors	Infrastructure Safety
Health & Analysis	Medical
	Environmental & Analysis

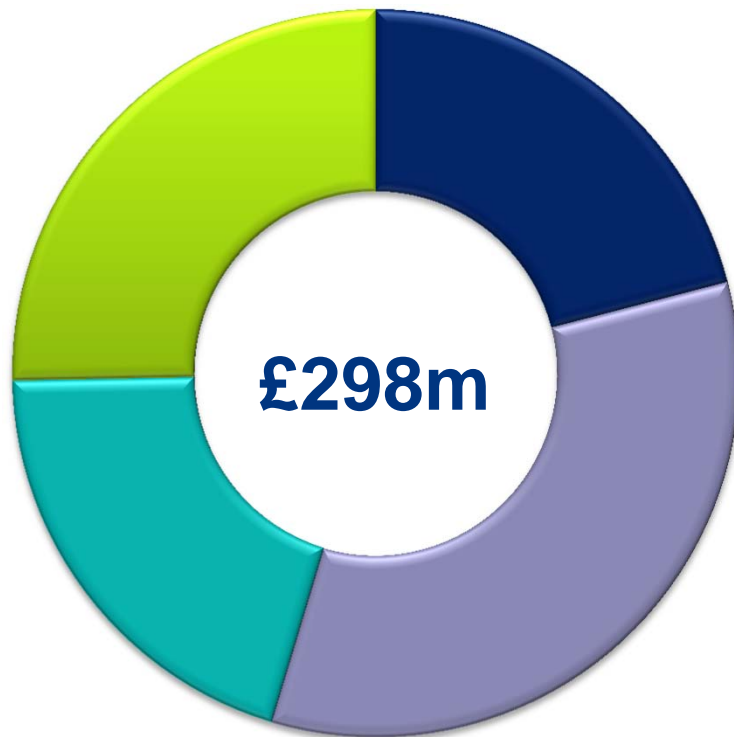
New sectors: primary growth drivers

	Health & Safety	Healthcare	Life-critical resources
Process Safety	●		●
Infrastructure Safety	●		
Medical		●	
Environmental & Analysis		●	●

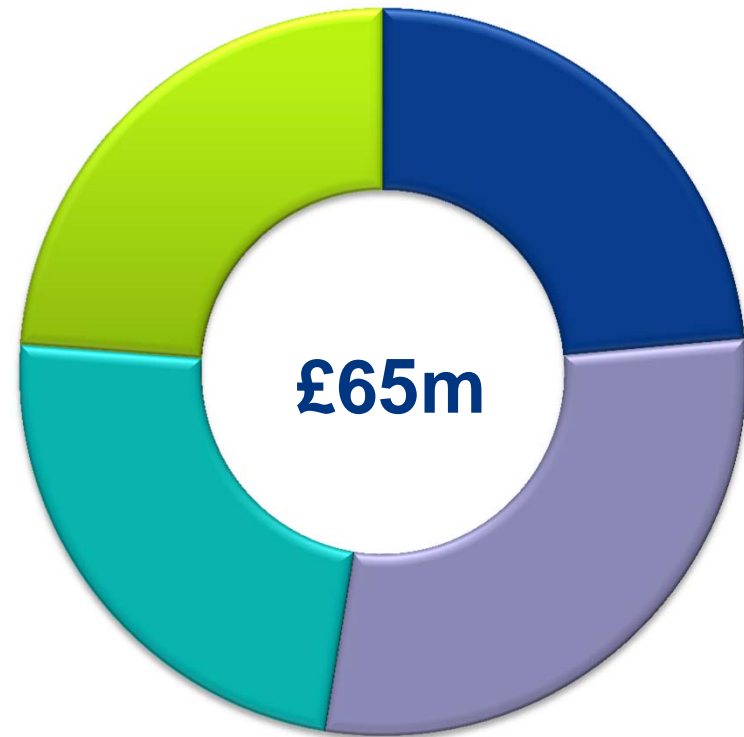
New sectors revenue and profit

HY 2012/13

Revenue



Profit*



■ Process Safety ■ Infrastructure Safety

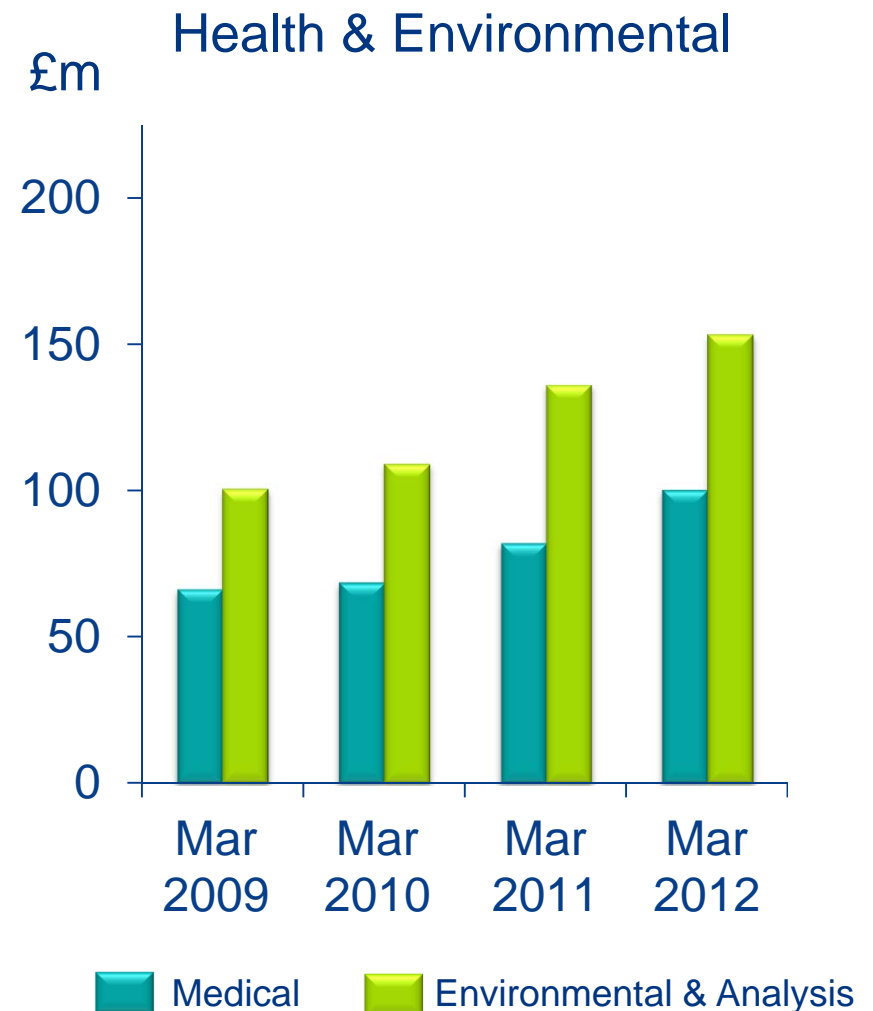
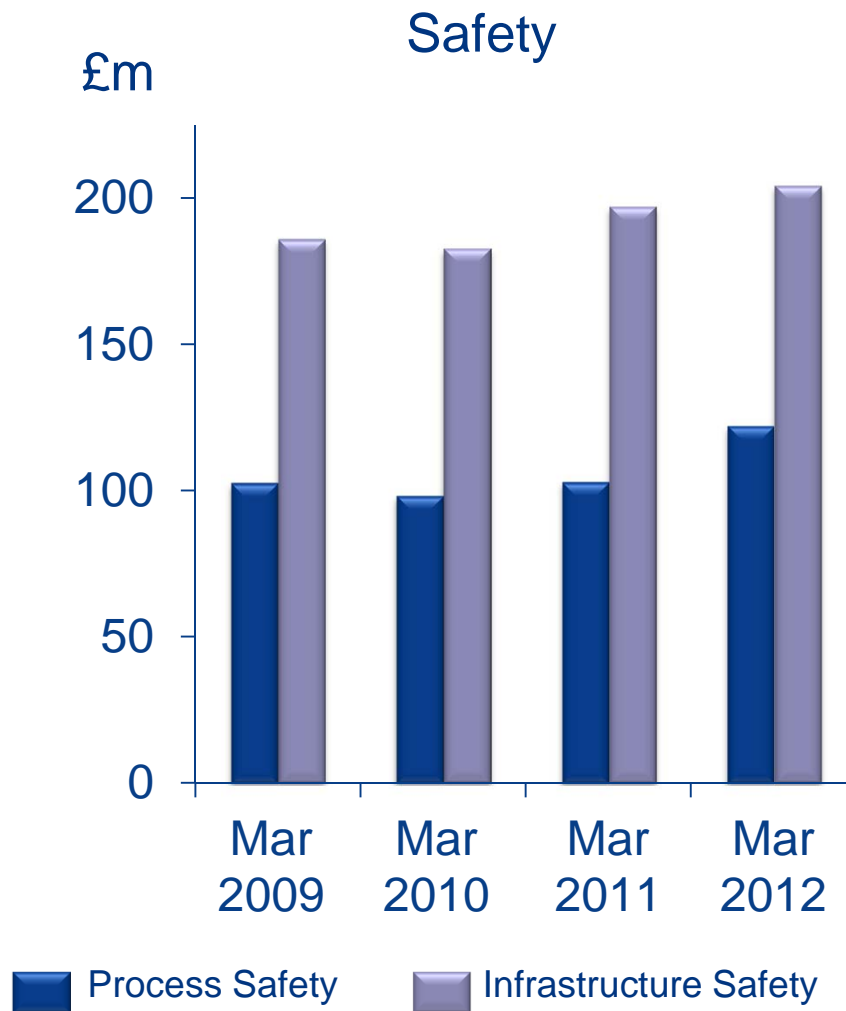
■ Medical ■ Environmental & Analysis

* Adjusted profit before finance expense and central costs

Halma Capital Markets Day – February 2013

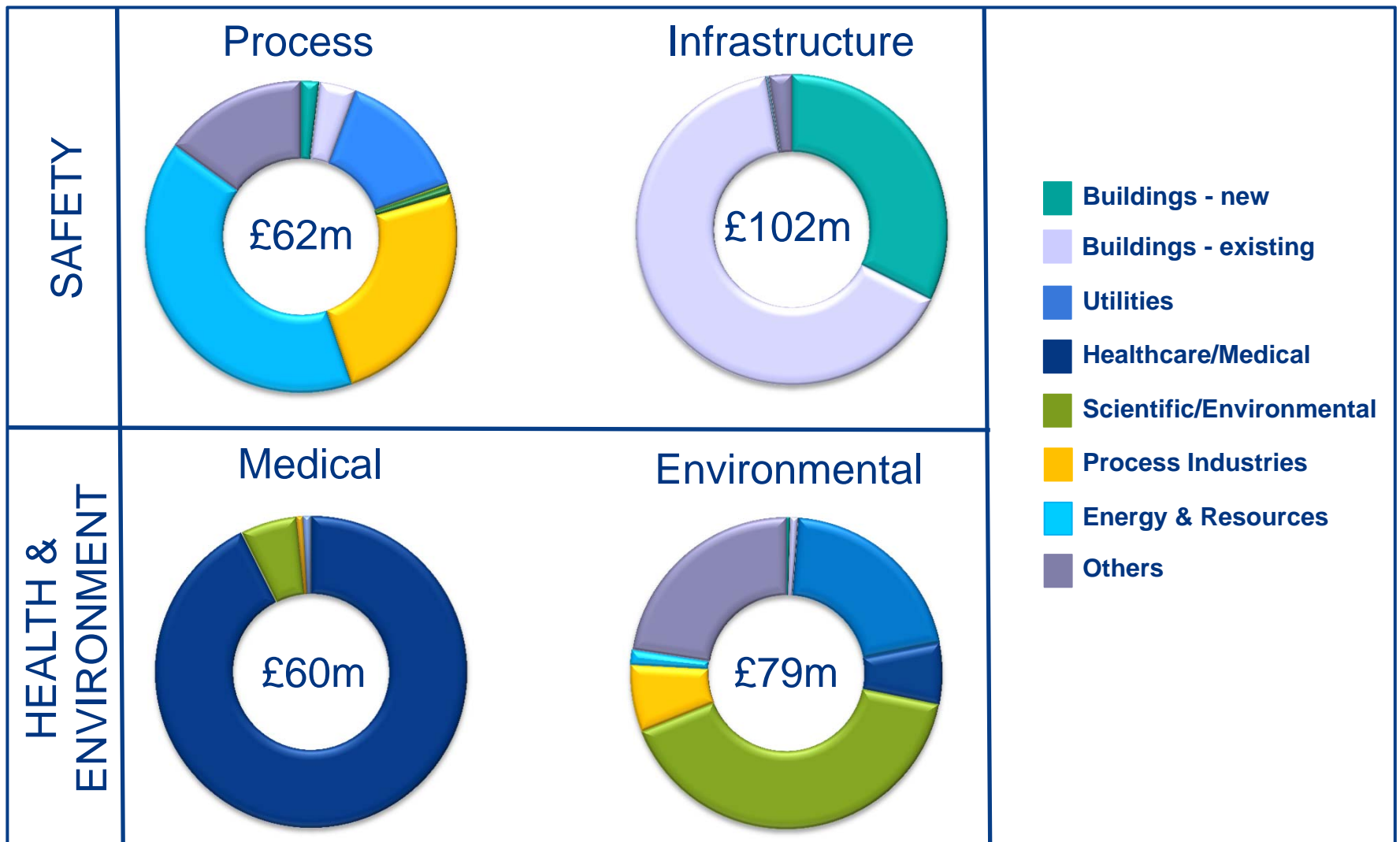
Revenue trends

Full year revenue



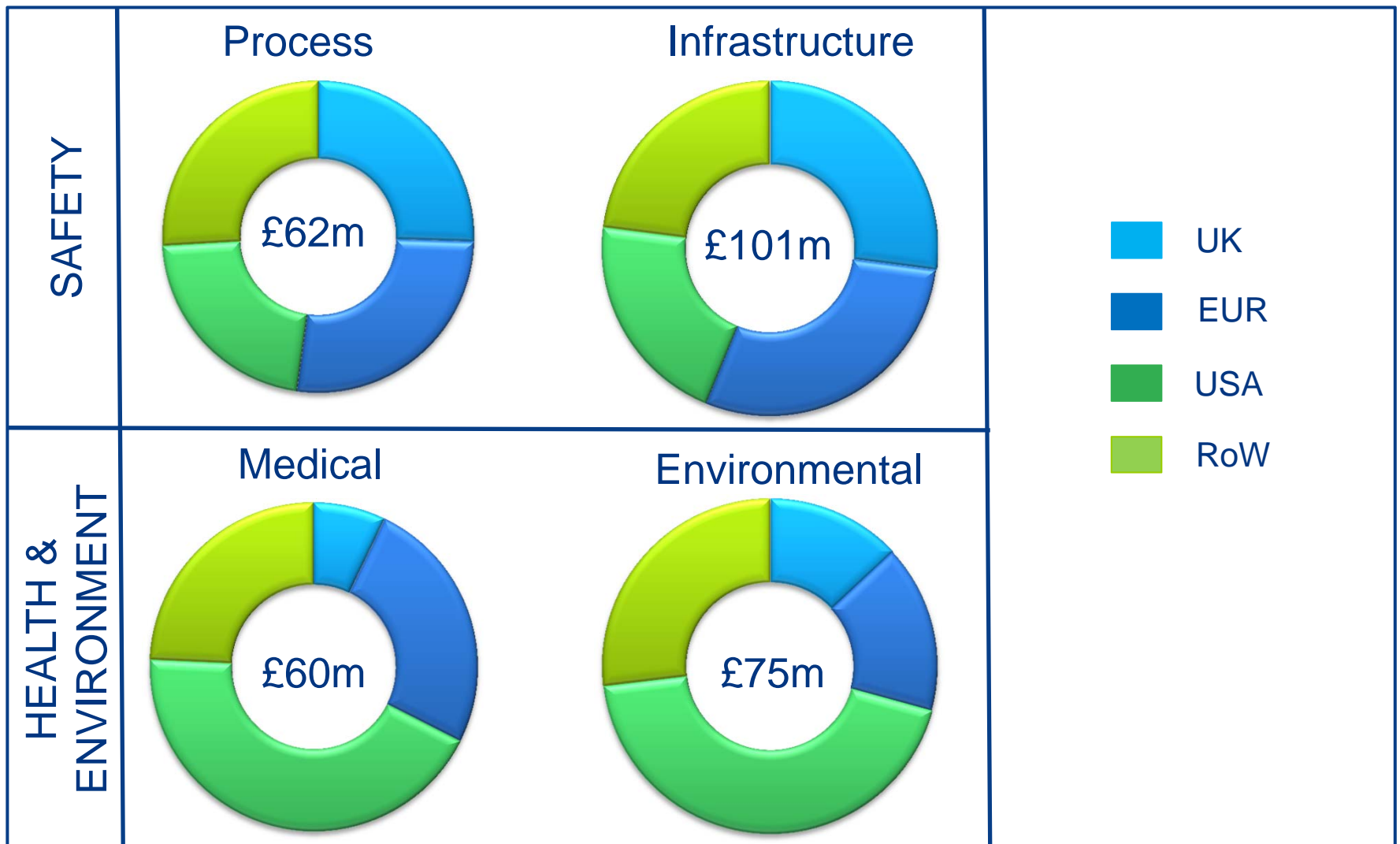
New sectors: revenue by end-market

HY 2012/13 gross revenue

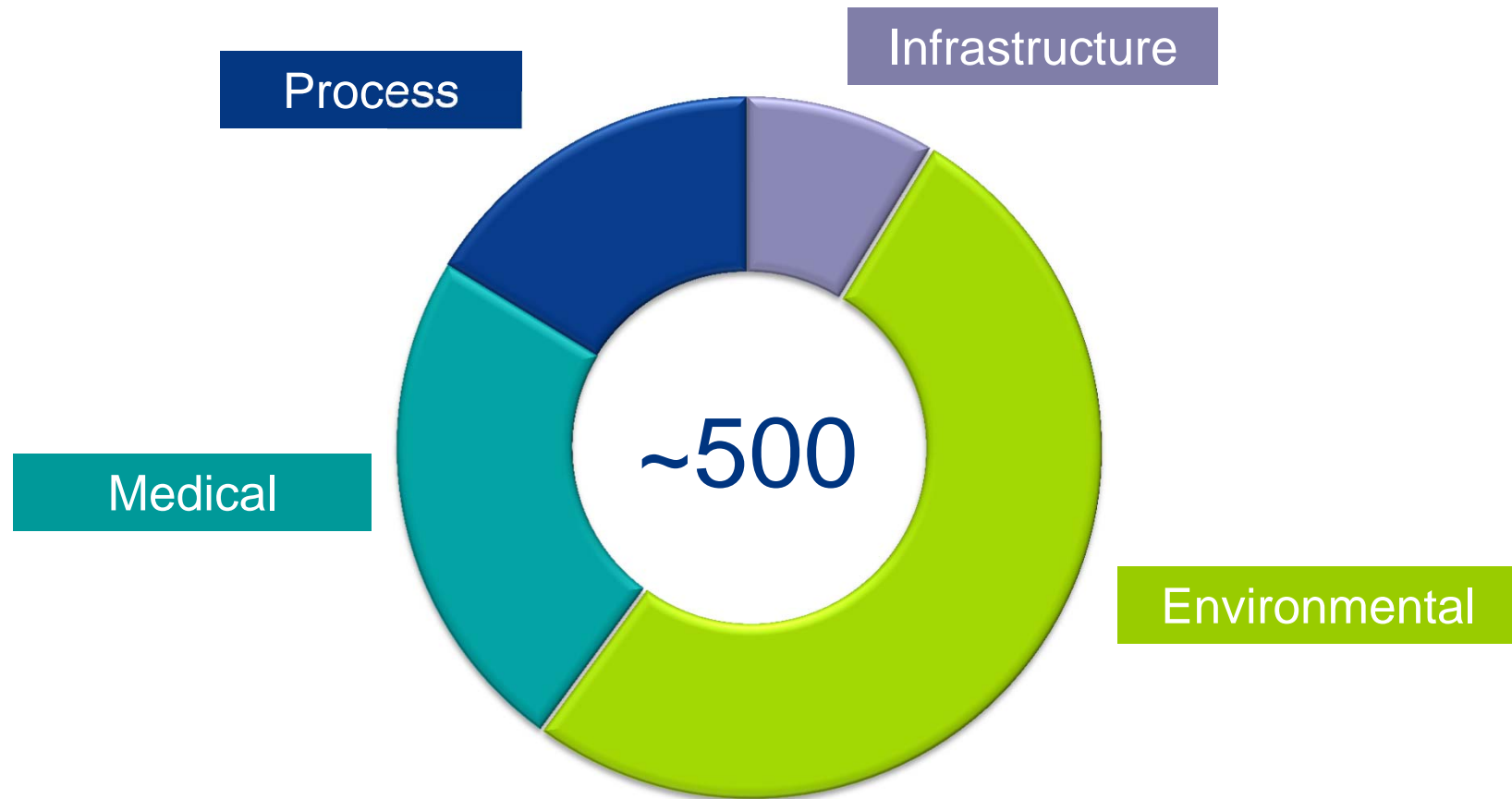


New sectors: revenue by region

HY 2012/13 external revenue



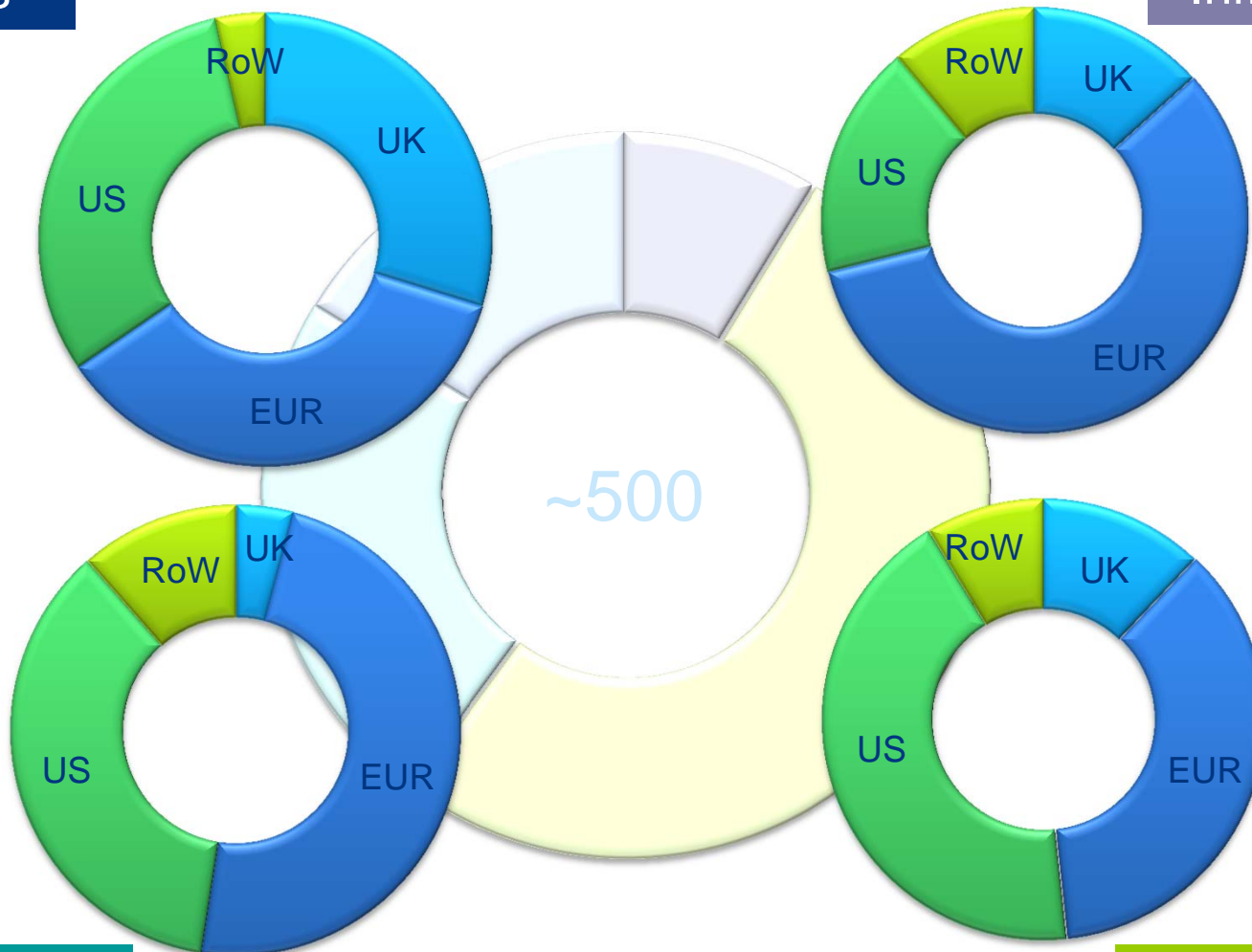
Acquisition pipeline: sectors



Acquisition pipeline: sectors and regions

Process

Infrastructure



Medical

Environmental

Summary

- Proven strategy and financial model
- New sectors
 - Reflects sector growth trends
 - Aligned with growth drivers
 - Aligned with end-markets
 - Simplifies reporting
 - Simplifies investor proposition

Active portfolio management 'deep dive'

- M&A model
- M&A track record & sustainability
- Case study: Health Optics division
- Q&A

M&A model: disciplined decision-making



M&A model: primary focus is growth

- Investment for growth
 - innovation, collaboration & market intelligence
 - management development
 - international expansion
 - mitigate risk

- Operational improvement
 - financial control and intelligence
 - lean operations

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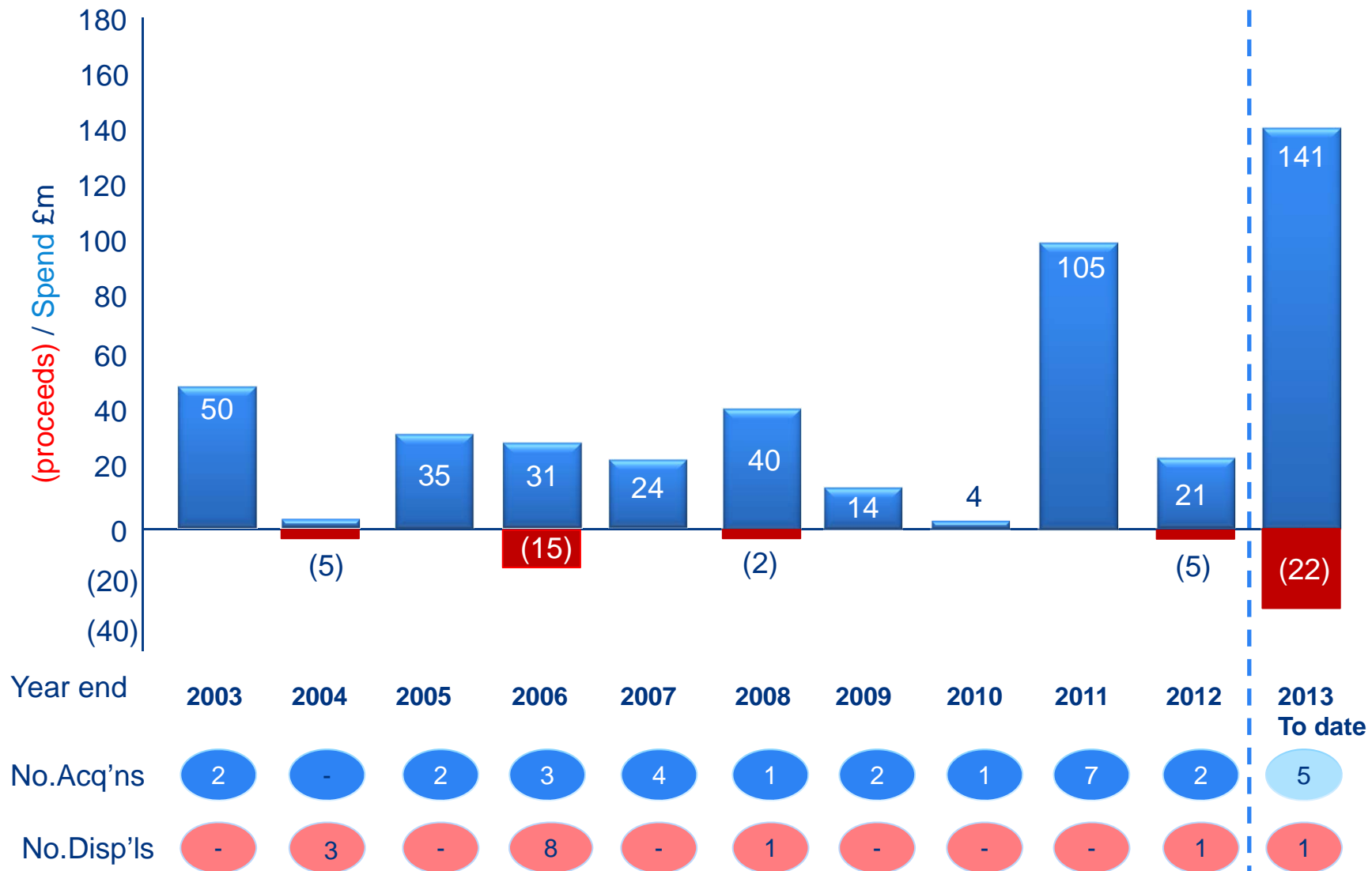
M&A model: DCEs drive the process

Resources Process	HALMA				EXTERNAL		Typical Timeline
	DCE*	GAE**	MDs	Finance	Broker	Advisors	
Search	●	●	●		●		6 mths – 3 yrs
Cultivate	●	●	●		●		
Agreement	●			●	●	●	2 - 3 mths
Due diligence	●	●	●	●		●	
Completion	●				●	●	3 - 6 mths
Integration	●		●	●			
Accountability	●						Future

* Divisional Chief Executive

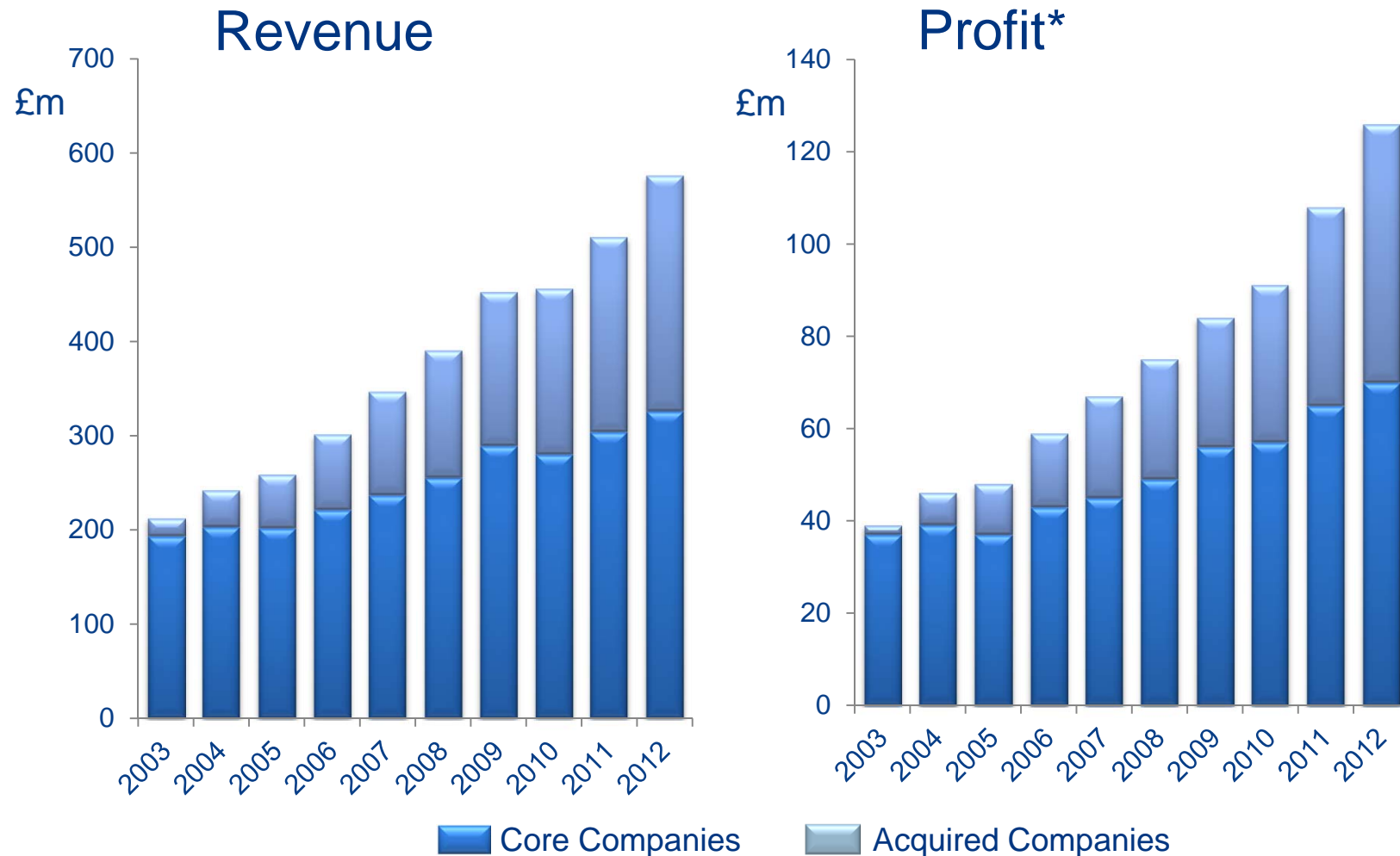
** Group Acquisition Executive

Summary of M&A activity since 2002/03



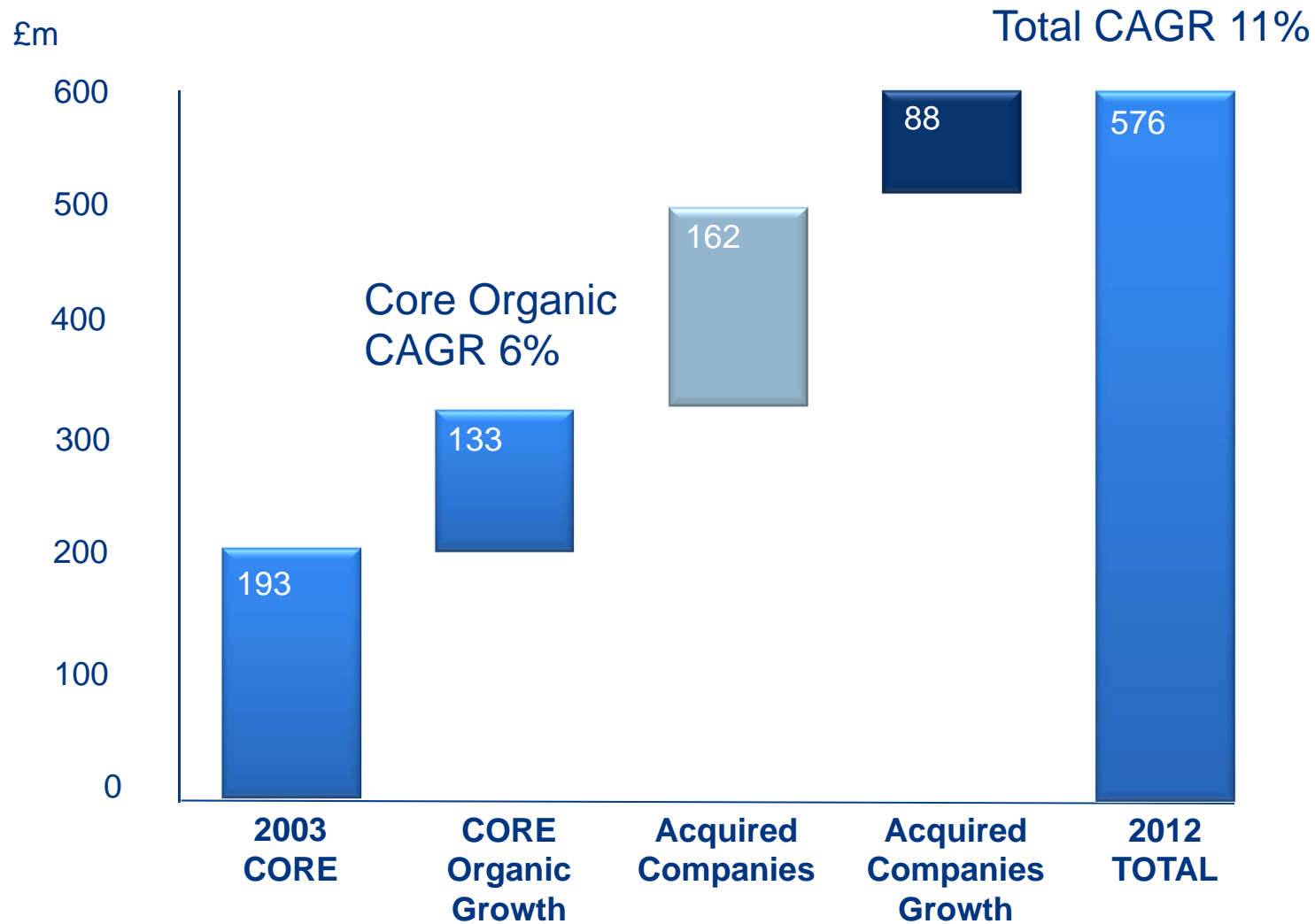
Revenue and profit* 2003 – 2012

Subsidiaries in Group at March 2012 before finance expense and central costs



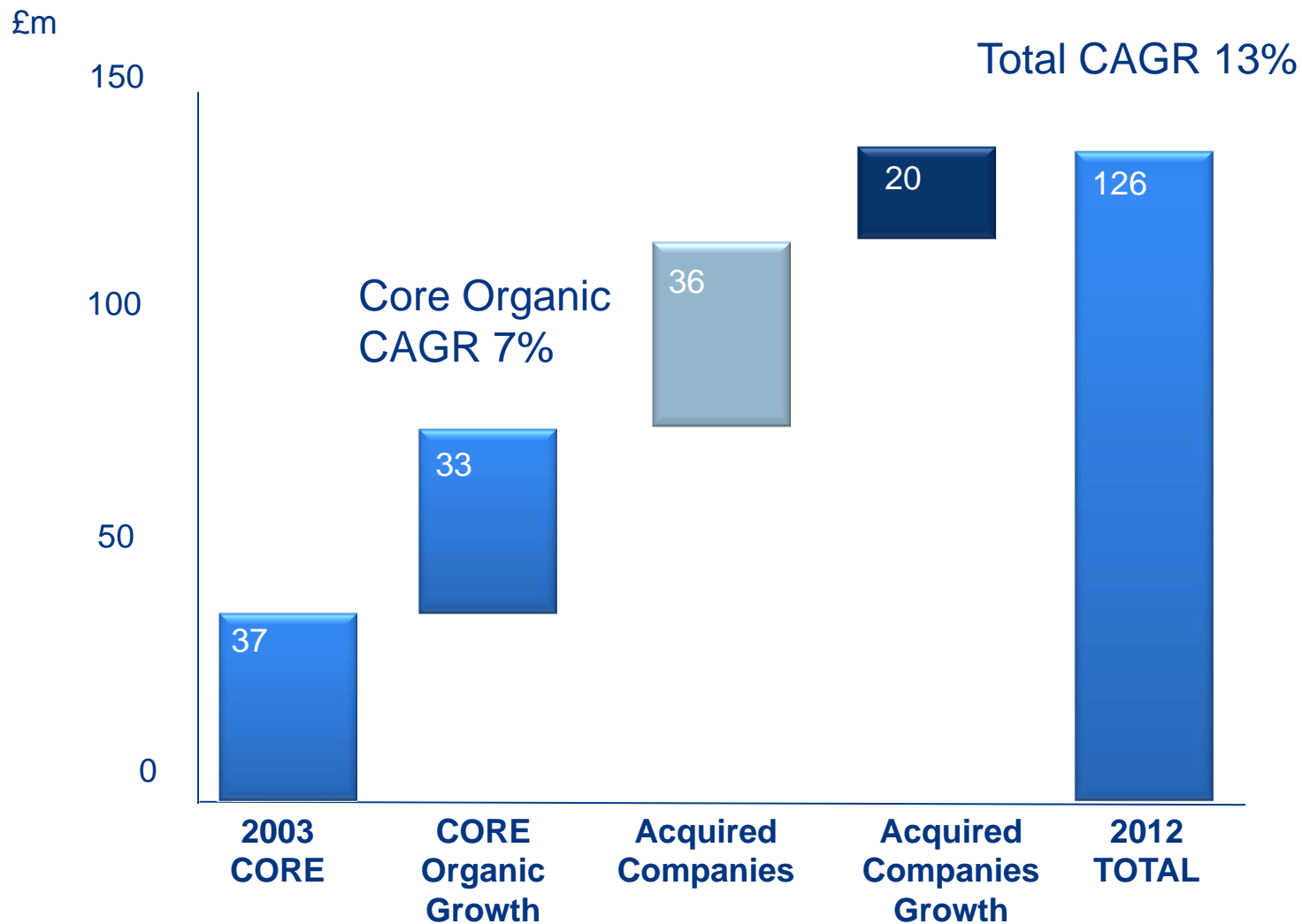
Revenue progression* 2003 – 2012

Subsidiaries in Group at March 2012



Profit progression* 2003 – 2012

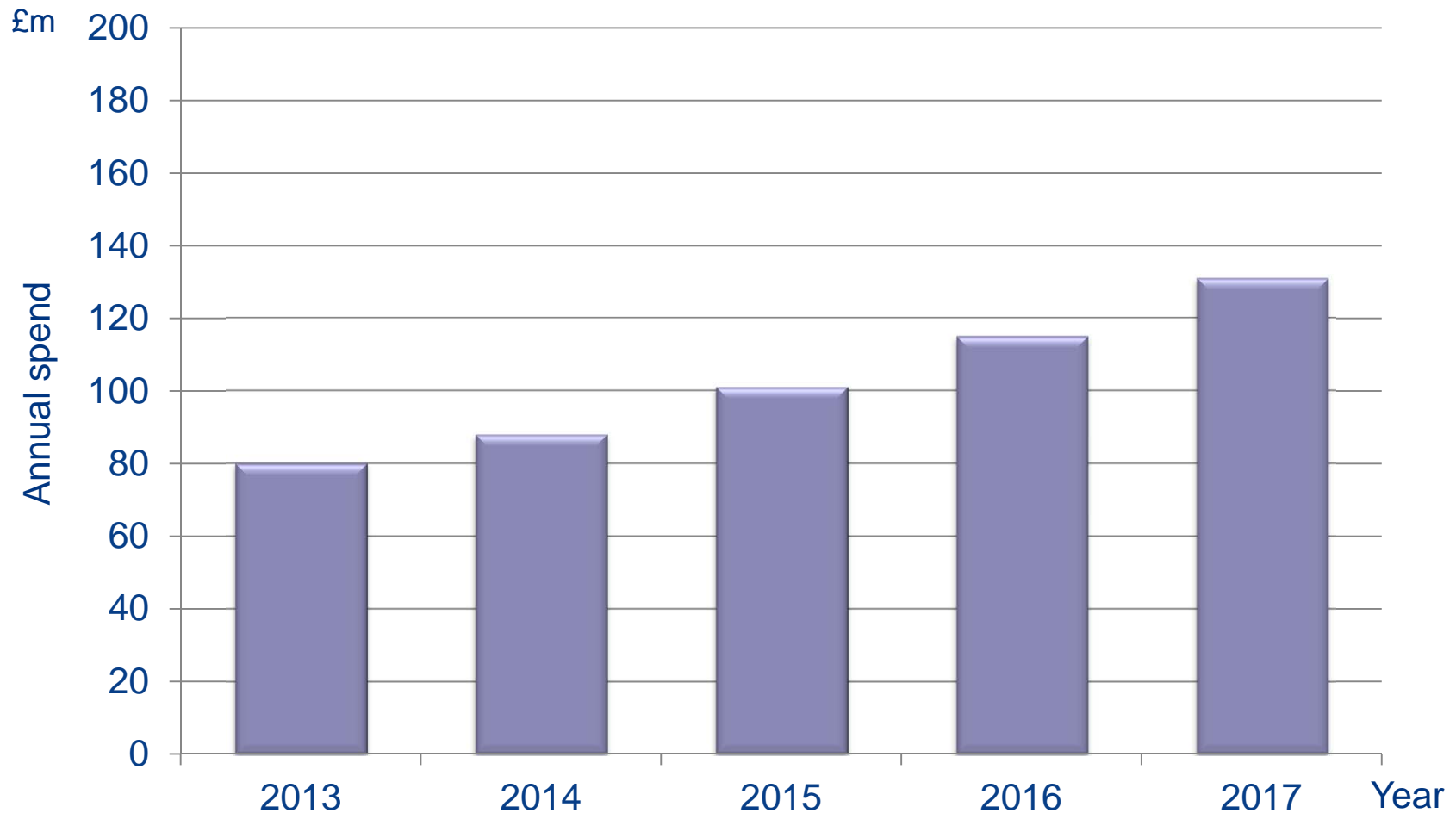
Subsidiaries in Group at March 2012 before finance expense and central costs



Optimal rate of growth has 3 key factors

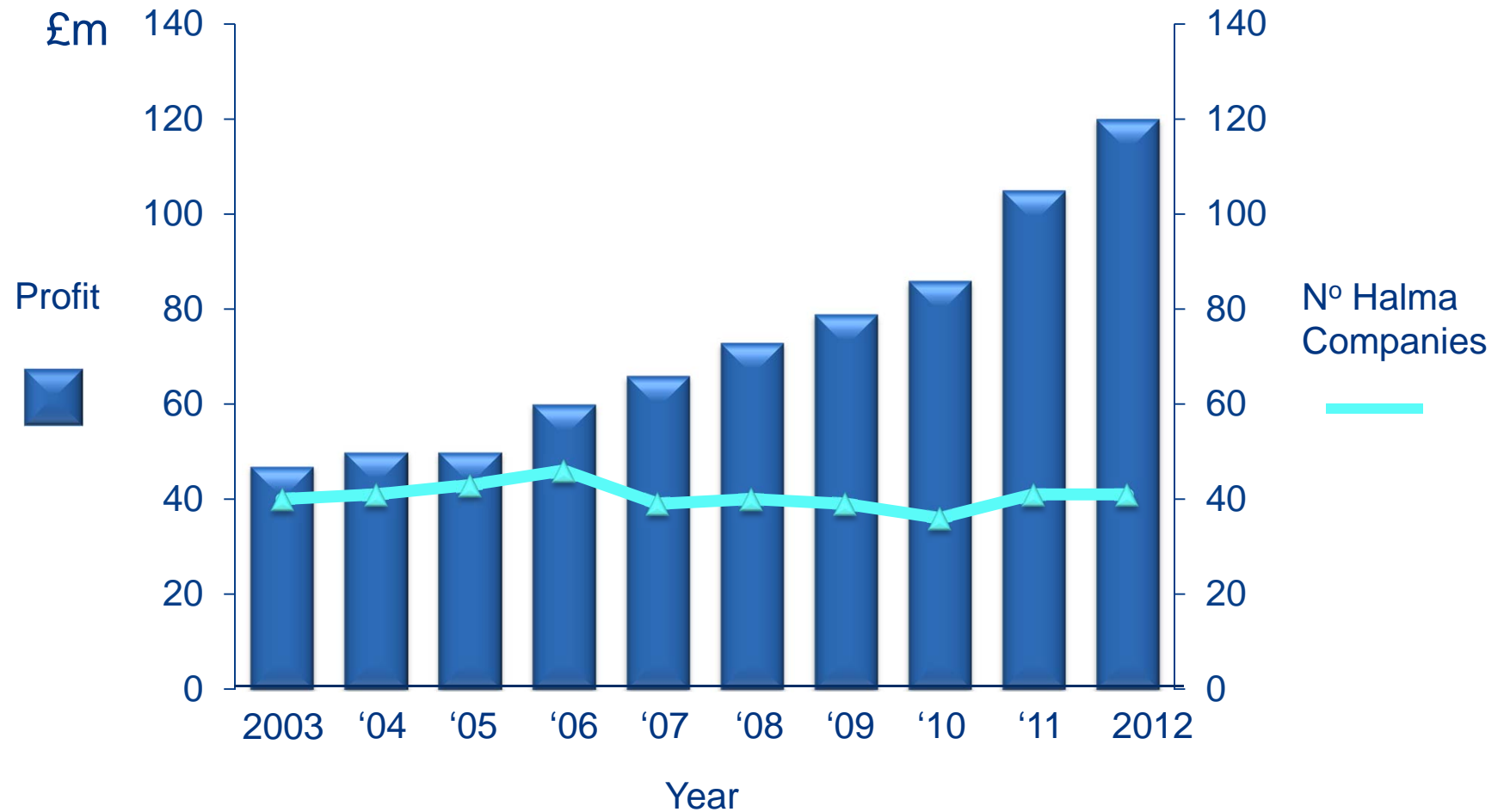


Acquisition spend for 15% pa total growth*



*assumes average multiple 8xEBIT; 7.5% organic growth; Net Debt <1.25xEBITDA

Span of control is a critical factor to manage

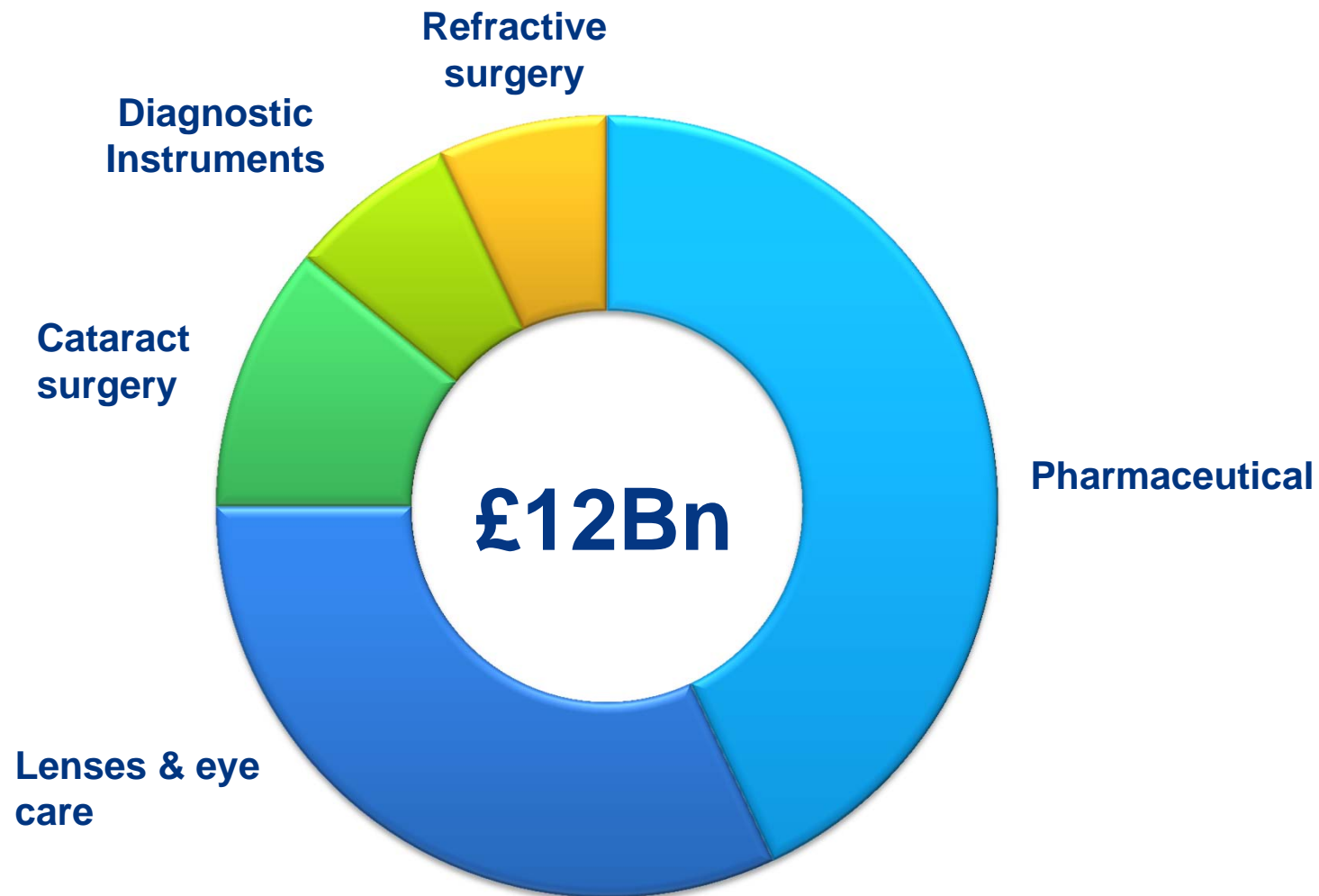


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Case Study: Health Optics division

Adam Meyers – Director

Health Optics division: ophthalmic market



Health Optics division: market characteristics

- Excellent long term drivers – Healthcare demand
 - Aging global demographics
 - Improving worldwide access
 - Increasingly difficult global regulations
- Well-established competitors
- Physician choice devices

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Health Optics division: what we make

Ophthalmology surgical

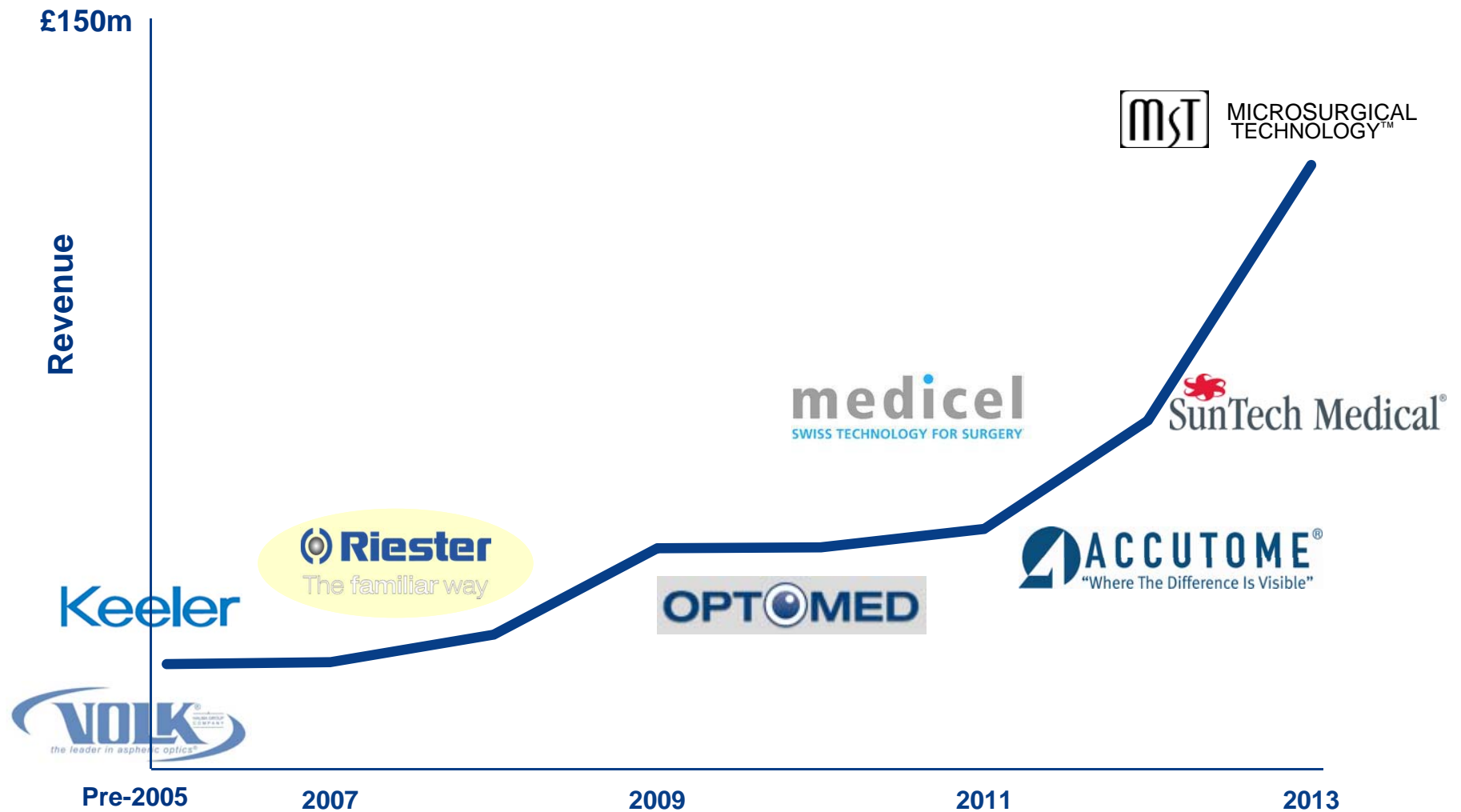


Ophthalmology diagnostics



Primary care diagnostics

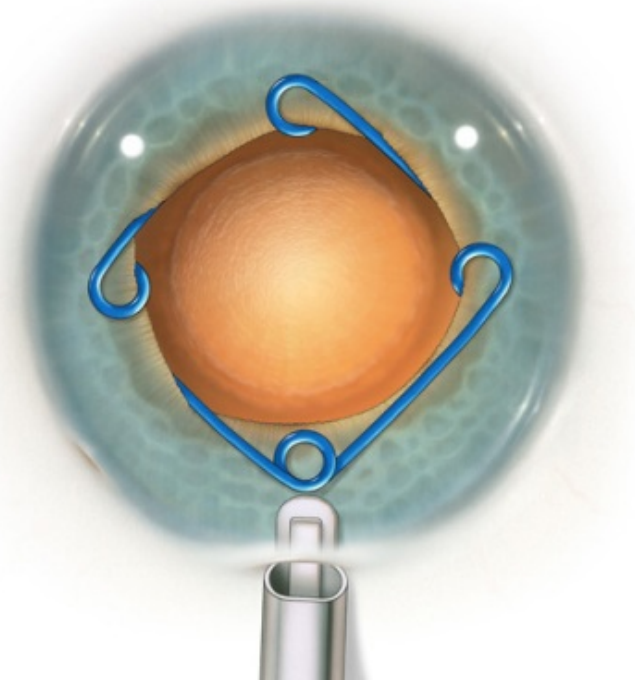
Health Optics division: evolution



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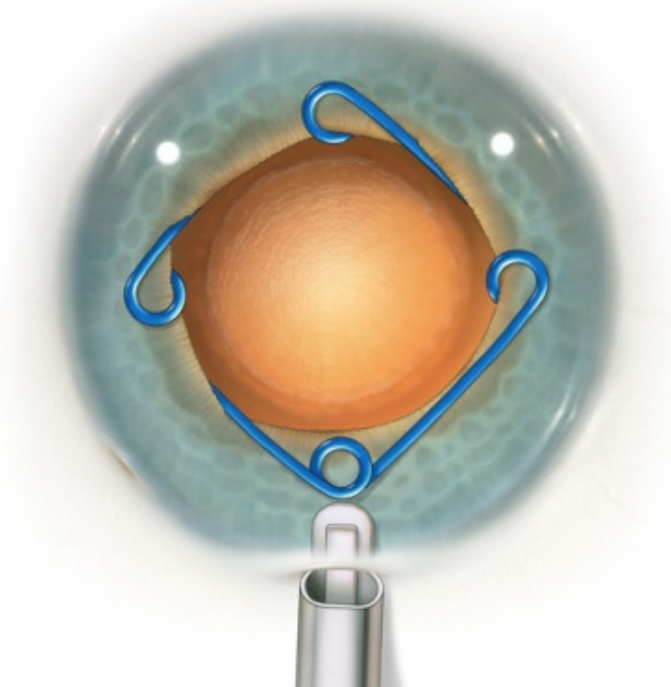
MicroSurgical Technology Inc.

- Ophthalmic surgical products, focusing on single-use devices in cataract surgery
- \$57M at closing with up to \$43M contingent consideration
- “Typical” M&A process



MicroSurgical Technology Inc.: next steps

- Execute Integration Plan
- RoW coverage
- Collaborate with Medice
- Explore Divisional synergies
 - Regulatory
 - US surgical sales
 - Capital investment












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Health Optics division – strong global presence



Health Optics division: expanding opportunities

	Ophthalmology			Primary Care	
	Diagnostic	Surgical	OEM	Physician	OEM
	●			●	
	●	●			
	●			●	
		●	●		
	●	●	●		
				●	●
 MICROSURGICAL TECHNOLOGY™		●			

 Core market
  Secondary market

Summary M&A

- Clear strategy, sustainable success
 - Disciplined M&A approach
 - Buy good businesses we understand
 - Primary focus is growth
 - DCEs drive the process
 - Organic growth/cash generation crucial
 - Growth opportunities always increasing

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Investor Event 2013



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Halma Innovation & Technology Exposition

Location: Orlando, Florida

Date: 29th/30th April, 2013

Disclaimer

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These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Halma plc. They involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person to be materially different from any results, performance or achievements expressed or implied by such statements. They are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributable to Halma plc or any of its shareholders or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included in this document speak only as of the date they were made and are based on information then available to Halma plc. Investors should not place undue reliance on such forward-looking statements, and Halma plc does not undertake any obligation to update publicly or revise any forward-looking statements.

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