

Acquisition of Labsphere, Inc

08 Feb 2007

Halma, the leading safety, health and sensor technology group, announces the completion on 7 February 2007 of the acquisition of Labsphere, Inc ('Labsphere') from X-Rite, Inc for an initial cash consideration of \$13.9 million (£7.0 million) and deferred cash consideration of \$1.5 million (£0.8 million) pending the finalisation of the completion accounts. If the completion accounts to 31 December 2006 demonstrate net tangible assets below \$8 million (£4.1 million), the deferred consideration is adjustable \$1 for \$1.

Unaudited accounts for the calendar year 2006 show revenues of \$12.5 million (£6.3 million) and operating profit of \$2.4 million (£1.2 million).

The acquisition, which is immediately earnings enhancing, has been funded from Halma's existing cash and debt facilities.

Labsphere, based in North Sutton, New Hampshire, USA, is a world leader in the design and manufacture of innovative light testing and measurement products and specialised optical coatings. These high quality devices and materials are used by a wide range of end users, including government and commercial organisations for testing, measuring and calibrating optoelectronic devices against widely accepted National Standards of performance, to conform with regulations or drive technical advances.

Andrew Williams, Halma's Chief Executive, commented, "Labsphere enhances Halma's presence in the growing photonics market and complements our existing businesses where technical and marketing collaboration opportunities exist. Together with Ocean Optics, Halma now has two leading companies in this exciting market where we are well placed to grow organically and through further acquisitions."

1 A copy of this announcement, together with other information about Halma, may be viewed on its website: www.halma.com.

2 This statement is not intended to constitute a profit forecast for the current financial period or for any future period. In addition, this statement should not be taken to mean that the earnings per share of Halma will necessarily match or exceed the historic reported earnings per share of Halma.

3 Exchange rate used: \$1.97/£1.

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