CONSOLIDATED INCOME STATEMENT

	Notes	Unaudited 26 weeks to 29 September 2012			Unaudited 26 weeks to 1 October 2011			Audited 52 weeks to 31 March 2012
		Before adjustments* £000	Adjustments* (note 2) £000	Total £000	Before adjustments* £000	Adjustments* (note 2) £000	Total £000	Total £000
Continuing operations								
Revenue	2	298,078	–	298,078	279,997	–	279,997	579,883
Operating profit		62,700	(6,771)	55,929	58,158	(6,218)	51,940	109,910
Share of results of associates		(120)	–	(120)	(94)	–	(94)	(37)
Profit on disposal of continuing operations		–	8,188	8,188	–	–	–	3,543
Finance income	3	4,407	–	4,407	4,919	–	4,919	10,070
Finance expense	4	(6,209)	–	(6,209)	(5,482)	–	(5,482)	(11,512)
Profit before taxation		60,778	1,417	62,195	57,501	(6,218)	51,283	111,974
Taxation	5	(14,222)	1,632	(12,590)	(13,258)	1,612	(11,646)	(25,260)
Profit for the year attributable to equity shareholders		46,556	3,049	49,605	44,243	(4,606)	39,637	86,714
Earnings per share	6							
From continuing operations								
Basic		12.34p		13.14p	11.75p		10.52p	23.01p
Diluted				13.13p			10.50p	22.97p
Dividends in respect of the period	7							
Dividends (£000)				15,342			14,298	36,723
Per share				4.06p			3.79p	9.74p

* Adjustments include the amortisation of acquired intangible assets, acquisition transaction costs, movement on contingent consideration, profit on disposal of continuing operations, and the associated taxation thereon.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Profit for the period	49,605	39,637	86,714
Exchange differences on translation of foreign operations	(10,862)	3,384	(5,707)
Actuarial losses on defined benefit pension plans	(10,700)	(11,440)	(3,024)
Effective portion of changes in fair value of cash flow hedges	(162)	244	545
Tax relating to components of other comprehensive income	2,162	2,529	(11)
Other comprehensive expense for the period	(19,562)	(5,283)	(8,197)
Total comprehensive income for the period attributable to equity shareholders	30,043	34,354	78,517

The exchange differences of (£10,862,000) (26 weeks to 1 October 2011: £3,384,000; 52 weeks to 31 March 2012: (£5,707,000)) comprises £1,488,000 (26 weeks to 1 October 2011: (£1,120,000); 52 weeks to 31 March 2012: (£776,000)) which relate to net investment hedges.

CONSOLIDATED BALANCE SHEET

	Unaudited 29 September 2012 £000	Unaudited 1 October 2011 £000	Audited 31 March 2012 £000
Non-current assets			
Goodwill	**290,106**	273,049	267,471
Other intangible assets	**96,874**	80,665	74,483
Property, plant and equipment	**72,860**	72,508	72,118
Interests in associates	**5,023**	1,914	1,968
Deferred tax asset	**9,341**	11,148	11,039
	474,204	439,284	427,079
Current assets			
Inventories	**63,269**	63,310	57,368
Trade and other receivables	**116,286**	109,029	114,674
Tax receivable	**138**	448	288
Cash and cash equivalents	**43,000**	41,674	45,305
Derivative financial instruments	**355**	108	469
	223,048	214,569	218,104
Total assets	**697,252**	653,853	645,183
Current liabilities			
Borrowings	**–**	2,051	–
Loan notes	**2,515**	–	–
Trade and other payables	**84,379**	86,304	93,499
Provisions	**1,762**	2,691	2,618
Tax liabilities	**12,238**	12,627	11,870
Derivative financial instruments	**277**	380	126
	101,171	104,053	108,113
Net current assets	**121,877**	110,516	109,991
Non-current liabilities			
Borrowings	**114,594**	95,649	64,014
Retirement benefit obligations	**40,611**	44,590	32,997
Trade and other payables	**6,253**	14,971	13,388
Provisions	**3,193**	2,108	2,301
Deferred tax liabilities	**27,167**	24,927	26,258
	191,818	182,245	138,958
Total liabilities	**292,989**	286,298	247,071
Net assets	**404,263**	367,555	398,112
Equity			
Share capital	**37,869**	37,841	37,856
Share premium account	**22,350**	21,993	22,177
Treasury shares	**(2,958)**	(3,665)	(4,569)
Capital redemption reserve	**185**	185	185
Hedging and translation reserve	**18,149**	38,078	29,212
Other reserves	**(2,905)**	(96)	1,346
Retained earnings	**331,573**	273,219	311,905
Shareholders' funds	**404,263**	367,555	398,112

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	For the 26 weeks ended 29 September 2012							
	Share capital £000	Share premium account £000	Treasury shares £000	Capital redemption reserve £000	Hedging and translation reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2012 (audited)	37,856	22,177	(4,569)	185	29,212	1,346	311,905	398,112
Profit for the period	–	–	–	–	–	–	49,605	49,605
Other comprehensive income and expense:								
Exchange differences on translation of foreign operations	–	–	–	–	(10,862)	–	–	(10,862)
Actuarial losses on defined benefit pension plans	–	–	–	–	–	–	(10,700)	(10,700)
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	(162)	–	–	(162)
Tax relating to components of other comprehensive income	–	–	–	–	(39)	–	2,201	2,162
Total other comprehensive income and expense	–	–	–	–	(11,063)	–	(8,499)	(19,562)
Share options exercised	13	173	–	–	–	–	–	186
Dividends paid	–	–	–	–	–	–	(22,425)	(22,425)
Share-based payments	–	–	–	–	–	(3,991)	–	(3,991)
Deferred tax on share-based payment transactions	–	–	–	–	–	(260)	–	(260)
Excess tax deductions related to share-based payments on exercised options	–	–	–	–	–	–	987	987
Net movement in treasury shares	–	–	1,611	–	–	–	–	1,611
At 29 September 2012 (unaudited)	37,869	22,350	(2,958)	185	18,149	(2,905)	331,573	404,263

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

	For the 26 weeks ended 1 October 2011							
	Share capital £000	Share premium account £000	Treasury shares £000	Capital redemption reserve £000	Hedging and translation reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 2 April 2011 (audited)	37,824	21,744	(5,016)	185	34,511	3,634	262,503	355,385
Profit for the period	–	–	–	–	–	–	39,637	39,637
Other comprehensive income and expense:								
Exchange differences on translation of foreign operations	–	–	–	–	3,384	–	–	3,384
Actuarial losses on defined benefit pension plans	–	–	–	–	–	–	(11,440)	(11,440)
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	244	–	–	244
Tax relating to components of other comprehensive income	–	–	–	–	(61)	–	2,590	2,529
Total other comprehensive income and expense	–	–	–	–	3,567	–	(8,850)	(5,283)
Share options exercised	17	249	–	–	–	–	–	266
Dividends paid	–	–	–	–	–	–	(20,935)	(20,935)
Share-based payments	–	–	–	–	–	(3,261)	–	(3,261)
Deferred tax on share-based payment transactions	–	–	–	–	–	(469)	–	(469)
Excess tax deductions related to share-based payments on exercised options	–	–	–	–	–	–	864	864
Net movement in treasury shares	–	–	1,351	–	–	–	–	1,351
At 1 October 2011 (unaudited)	37,841	21,993	(3,665)	185	38,078	(96)	273,219	367,555

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

	For the 52 weeks ended 31 March 2012							
	Share capital £000	Share premium account £000	Treasury shares £000	Capital redemption reserve £000	Hedging and translation reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 2 April 2011 (audited)	37,824	21,744	(5,016)	185	34,511	3,634	262,503	355,385
Profit for the period	–	–	–	–	–	–	86,714	86,714
Other comprehensive income and expense:								
Exchange differences on translation of foreign operations	–	–	–	–	(5,707)	–	–	(5,707)
Actuarial losses on defined benefit pension plans	–	–	–	–	–	–	(3,024)	(3,024)
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	545	–	–	545
Tax relating to components of other comprehensive income	–	–	–	–	(137)	–	126	(11)
Total other comprehensive income and expense	–	–	–	–	(5,299)	–	(2,898)	(8,197)
Share options exercised	32	433	–	–	–	–	–	465
Dividends paid	–	–	–	–	–	–	(35,232)	(35,232)
Share-based payments	–	–	–	–	–	(2,082)	–	(2,082)
Deferred tax on share-based payment transactions	–	–	–	–	–	(206)	–	(206)
Excess tax deductions related to share-based payments on exercised options	–	–	–	–	–	–	818	818
Net movement in treasury shares	–	–	447	–	–	–	–	447
At 31 March 2012 (audited)	37,856	22,177	(4,569)	185	29,212	1,346	311,905	398,112

CONSOLIDATED CASH FLOW STATEMENT

	Notes	**Unaudited 26 weeks to 29 September 2012 £000**	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Net cash inflow from operating activities	8	**49,050**	36,571	97,687
Cash flows from investing activities				
Purchase of property, plant and equipment		**(7,595)**	(7,658)	(15,196)
Purchase of computer software		**(469)**	(753)	(1,293)
Purchase of other intangibles		**(6)**	–	(46)
Proceeds from sale of property, plant and equipment		**347**	370	1,244
Development costs capitalised		**(2,369)**	(2,005)	(4,718)
Interest received		**52**	132	212
Acquisition of businesses, net of cash acquired	10	**(80,004)**	(18,729)	(18,667)
Acquisition of investments in associates		**(3,187)**	–	–
Disposal of business, net of cash disposed	11	**18,955**	–	3,554
Net cash used in investing activities		**(74,276)**	(28,643)	(34,910)
Financing activities				
Dividends paid		**(22,425)**	(20,935)	(35,232)
Proceeds from issue of share capital		**186**	266	465
Purchase of treasury shares		**(3,700)**	(3,045)	(3,985)
Interest paid		**(1,150)**	(580)	(1,490)
Loan arrangement fee		**–**	–	(1,903)
Proceeds from borrowings		**50,630**	19,975	76,456
Repayment of borrowings		**–**	(4,305)	(94,050)
Net cash from/(used in) financing activities		**23,541**	(8,624)	(59,739)
(Decrease)/increase in cash and cash equivalents	8	**(1,685)**	(696)	3,038
Cash and cash equivalents brought forward		**45,305**	42,610	42,610
Exchange adjustments		**(620)**	(240)	(343)
Cash and cash equivalents carried forward		**43,000**	41,674	45,305

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1 Basis of preparation

General information

The Half Year Report, which includes the Interim Management Report and Condensed Financial Statements for the 26 weeks to 29 September 2012, has not been audited or reviewed by the Group's auditors and was approved by the Directors on 20 November 2012.

The Report has been prepared in accordance with International Accounting Standard 34, applying the accounting policies and presentation that were applied in the preparation of the Group's statutory accounts for the 52 weeks to 31 March 2012.

The figures shown for the 52 weeks to 31 March 2012 are based on the Group's statutory accounts for that period and do not constitute the Group's statutory accounts for that period as defined in Section 434 of the Companies Act 2006. These statutory accounts, which were prepared under International Financial Reporting Standards, have been filed with the Registrar of Companies. The audit report on those accounts was not qualified, did not include a reference to any matters for which the auditors drew attention by way of emphasis without qualifying the report, and did not contain statements under Sections 498 (2) or (3) of the Companies Act 2006.

The Report has been prepared solely to provide additional information to shareholders as a body to assess the Board's strategies and the potential for those strategies to succeed. It should not be relied on by any other party or for any other purpose.

The Report contains certain forward-looking statements which have been made by the Directors in good faith using information available up until the date they approved the Report. Forward-looking statements should be regarded with caution as by their nature such statements involve risk and uncertainties relating to events and circumstances that may occur in the future. Actual results may differ from those expressed in such statements, depending on the outcome of these uncertain future events.

The Directors believe the Group is well placed to manage its business risks successfully. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current committed facilities, which includes a £260m five-year revolving credit facility due to expire in October 2016. The Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the half-year Condensed Financial Statements.

2 Segmental analysis

Sector analysis

The Group has three main reportable segments (Health and Analysis, Infrastructure Sensors and Industrial Safety), which are defined by markets rather than product type. Each segment includes businesses with similar operating and market characteristics. These segments are consistent with the internal reporting as reviewed by the Chief Executive Officer.

These reportable segments remain unchanged from the 31 March 2012 consolidated accounts.

Segment revenue and results

	Revenue (all continuing operations)		
	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Health and Analysis	**135,157**	121,070	253,647
Infrastructure Sensors	**100,509**	101,102	204,280
Industrial Safety	**62,535**	58,007	122,240
Inter-segmental sales	**(123)**	(182)	(284)
Revenue for the period	**298,078**	279,997	579,883

Inter-segmental sales are charged at prevailing market prices and have not been disclosed separately by segment as they are not considered material. The Group does not analyse revenue by product group and has no material revenue derived from the rendering of services.

2 Segmental analysis continued

	Profit (all continuing operations)		
	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Segment profit before allocation of amortisation of acquired intangible assets, acquisition costs and profit on disposal of continuing operations			
Health and Analysis	**30,886**	27,953	57,848
Infrastructure Sensors	**18,907**	19,364	39,099
Industrial Safety	**15,335**	13,596	29,226
	65,128	60,913	126,173
Segment profit after allocation of amortisation of acquired intangible assets, acquisition costs and profit on disposal of continuing operations			
Health and Analysis	**24,416**	22,024	49,779
Infrastructure Sensors	**18,907**	19,364	39,276
Industrial Safety	**23,222**	13,307	28,627
Segment profit	**66,545**	54,695	117,682
Central administration costs	**(2,548)**	(2,849)	(4,266)
Net finance expense	**(1,802)**	(563)	(1,442)
Group profit before taxation	**62,195**	51,283	111,974
Taxation	**(12,590)**	(11,646)	(25,260)
Profit for the period	**49,605**	39,637	86,714

The accounting policies of the reportable segments are the same as the Group's accounting policies. For acquisitions after 3 April 2010, acquisition transaction costs and adjustments to contingent purchase consideration are recognised in the Consolidated Income Statement. Segment profit before these acquisition costs, the amortisation of acquired intangible assets and the profit on disposal of continuing operations is disclosed separately above as this is the measure reported to the Chief Executive Officer for the purpose of allocation of resources and assessment of segment performance.

The amortisation of acquired intangible assets, acquisition transaction costs, movements on contingent consideration (including any arising from foreign exchange revaluation) and profit on disposal of continuing operations are analysed as follows:

	For the 26 weeks ended 29 September 2012					
		Acquisition costs				
	Amortisation of acquired intangible assets £000	**Transaction costs £000**	**Adjustments to contingent consideration £000**	**Total amortisation charge and acquisition costs £000**	**Disposal of continuing operations (note 11) £000**	**Total £000**
Health and Analysis	**(6,128)**	**(1,468)**	**1,126**	**(6,470)**	**–**	**(6,470)**
Infrastructure Sensors	**–**	**–**	**–**	**–**	**–**	**–**
Industrial Safety	**(301)**	**–**	**–**	**(301)**	**8,188**	**7,887**
Total Group	**(6,429)**	**(1,468)**	**1,126**	**(6,771)**	**8,188**	**1,417**

The transaction costs mainly arose on the acquisitions in note 10 of Accutome, Inc. (£225,000), Sensorex Inc. (£295,000) and SunTech Medical Group Limited (£939,000).

	For the 26 weeks ended 1 October 2011					
		Acquisition costs				
	Amortisation of acquired intangible assets £000	Transaction costs £000	Adjustments to contingent consideration £000	Total amortisation charge and acquisition costs £000	Disposal of continuing operations (note 11) £000	Total £000
Health and Analysis	(4,901)	(66)	(962)	(5,929)	–	(5,929)
Infrastructure Sensors	–	–	–	–	–	–
Industrial Safety	(244)	(45)	–	(289)	–	(289)
Total Group	(5,145)	(111)	(962)	(6,218)	–	(6,218)

2 Segmental analysis continued

	For the 52 weeks ended 31 March 2012					
		Acquisition costs				
	Amortisation of acquired intangible assets £000	Transaction costs £000	Adjustments to contingent consideration £000	Total amortisation charge and acquisition costs £000	Disposal of continuing operations (note 11) £000	Total £000
Health and Analysis	(9,804)	(667)	(1,141)	(11,612)	3,543	(8,069)
Infrastructure Sensors	–	–	177	177	–	177
Industrial Safety	(548)	(51)	–	(599)	–	(599)
Total Group	(10,352)	(718)	(964)	(12,034)	3,543	(8,491)

The total assets of the Health and Analysis sector were £385,299,000 at 29 September 2012 (£332,051,000 at 1 October 2011; £317,280,000 at 31 March 2012), the increase in the period being primarily due to additional goodwill and acquired intangible assets arising from the three acquisitions (see note 10). The other two sectors' total assets have not been disclosed as there have been no material changes to those disclosed in the 2012 Annual Report.

Geographical information

The Group's revenue from external customers (by location of customer) is as follows:

	Revenue by destination		
	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
United States of America	**93,491**	78,598	161,951
Mainland Europe	**73,306**	75,264	154,428
United Kingdom	**57,213**	60,638	125,613
Asia Pacific and Australasia	**48,826**	41,611	87,277
Africa, Near and Middle East	**14,240**	13,024	27,750
Other countries	**11,002**	10,862	22,864
Group revenue	**298,078**	279,997	579,883

3 Finance income

	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Interest receivable	**52**	132	212
Expected return on pension assets	**4,355**	4,772	9,529
	4,407	4,904	9,741
Fair value movement on derivative financial instruments	**–**	15	329
	4,407	4,919	10,070

4 Finance expense

	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Interest payable on bank loans and overdrafts	**1,107**	543	1,383
Amortisation of finance costs	**317**	–	282
Interest charge on pension scheme liabilities	**4,615**	4,845	9,684
Other interest payable	**43**	37	107
	6,082	5,425	11,456
Fair value movement on derivative financial instruments	**108**	–	–
Unwinding of discount on provisions	**19**	57	56
	6,209	5,482	11,512

5 Taxation

The total Group tax charge for the 26 weeks to 29 September 2012 of £12,590,000 (26 weeks to 1 October 2011: £11,646,000; 52 weeks to 31 March 2012: £25,260,000) comprises a current tax charge of £13,130,000 (26 weeks to 1 October 2011: £11,457,000; 52 weeks to 31 March 2012: £25,409,000) and a deferred tax credit of £540,000 (26 weeks to 1 October 2011: charge of £189,000; 52 weeks to 31 March 2012: credit of £149,000). The tax charge is based on the estimated effective tax rate for the year.

The tax charge includes £9,501,000 (26 weeks to 1 October 2011: £7,903,000; 52 weeks to 31 March 2012: £15,635,000) in respect of overseas tax.

Deferred tax assets have been recognised at the rate at which they are expected to reverse. In the UK, this is at the standard rate of corporation tax, which from 1 April 2013 will reduce from 24% to 23%. This reduction in rate has resulted in a credit to the deferred tax asset of £282,000, of which £406,000 was charged to Other Comprehensive Income and £124,000 credited to the Income Statement.

6 Earnings per ordinary share

Basic earnings per ordinary share are calculated using the weighted average of 377,388,541 (1 October 2011: 376,659,210; 31 March 2012: 376,926,013) shares in issue during the period (net of shares purchased by the Company and held as treasury shares). Diluted earnings per ordinary share are calculated using 377,927,267 (1 October 2011: 377,319,197; 31 March 2012: 377,473,142) shares which includes dilutive potential ordinary shares of 538,726 (1 October 2011: 659,987; 31 March 2012: 547,129). Dilutive potential ordinary shares are calculated from those exercisable share options where the exercise price is less than the average price of the Company's ordinary shares during the period.

Adjusted earnings are calculated as earnings from continuing operations excluding the amortisation of acquired intangible assets, acquisition transaction costs, movement on contingent consideration and profit on disposal of continuing operations after tax. The Directors consider that adjusted earnings represent a more consistent measure of underlying performance. A reconciliation of earnings and the effect on basic earnings per share figures is presented below:

	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Earnings from continuing operations	**49,605**	39,637	86,714
Add back amortisation of acquired intangible assets (after tax)	**4,530**	3,783	7,561
Acquisition transaction costs (after tax)	**1,468**	111	691
Adjustments to contingent consideration (after tax)	**(859)**	712	786
Profit on disposal of continuing operations (after tax)	**(8,188)**	–	(3,543)
Adjusted earnings	**46,556**	44,243	92,209

	Per ordinary share		
	Unaudited 26 weeks to 29 September 2012 pence	Unaudited 26 weeks to 1 October 2011 pence	Audited 52 weeks to 31 March 2012 pence
Earnings from continuing operations	**13.14**	10.52	23.01
Add back amortisation of acquired intangible assets (after tax)	**1.21**	1.01	2.00
Acquisition transaction costs (after tax)	**0.39**	0.03	0.18
Adjustments to contingent consideration (after tax)	**(0.23)**	0.19	0.21
Profit on disposal of continuing operations (after tax)	**(2.17)**	–	(0.94)
Adjusted earnings	**12.34**	11.75	24.46

7 Dividends

			Per ordinary share
	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Amounts recognised as distributions to shareholders in the period			
Final dividend for the year to 31 March 2012 (2 April 2011)	**5.95**	5.56	5.56
Interim dividend for the year to 31 March 2012	**–**	–	3.79
	5.95	5.56	9.35
Dividends in respect of the period			
Interim dividend for the year to 30 March 2013 (31 March 2012)	**4.06**	3.79	3.79
Final dividend for the year to 31 March 2012	**–**	–	5.95
	4.06	3.79	9.74

	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Amounts recognised as distributions to shareholders in the period			
Final dividend for the year to 31 March 2012 (2 April 2011)	**22,425**	20,935	20,934
Interim dividend for the year to 31 March 2012	**–**	–	14,298
	22,425	20,935	35,232
Dividends in respect of the period			
Interim dividend for the year to 30 March 2013 (31 March 2012)	**15,342**	14,298	14,298
Final dividend for the year to 31 March 2012	**–**	–	22,425
	15,342	14,298	36,723

8 Notes to the Consolidated Cash Flow Statement

	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Reconciliation of profit from operations to net cash inflow from operating activities			
Profit on continuing operations before finance income and expense, share of results of associates and profit on disposal of continuing operations	**55,929**	51,940	109,910
Depreciation of property, plant and equipment	**6,262**	6,077	12,178
Amortisation of computer software	**677**	588	1,319
Amortisation of capitalised development costs and other intangibles	**1,824**	1,879	3,820
Amortisation of acquired intangible assets	**6,429**	5,145	10,352
Share-based payment expense in excess of amounts paid	**1,378**	1,250	2,432
Additional payments to pension scheme	**(3,346)**	(3,160)	(6,419)
Loss/(profit) on sale of property, plant and equipment and computer software	**13**	(64)	(495)
Operating cash flows before movement in working capital	**69,166**	63,655	133,097
Increase in inventories	**(3,021)**	(7,504)	(3,777)
Decrease/(increase) in receivables	**1,831**	3,140	(1,190)
Decrease in payables	**(7,543)**	(9,553)	(2,671)
Cash generated from operations	**60,433**	49,738	125,459
Taxation paid	**(11,383)**	(13,167)	(27,772)
Net cash inflow from operating activities	**49,050**	36,571	97,687

Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash and cash equivalents	**(1,685)**	(696)	3,038
Cash (inflow)/outflow from (drawdowns)/repayment of borrowings	**(50,630)**	(15,670)	17,594
Bank loan acquired	**(1,438)**	(1,144)	(1,144)
Loan notes issued	**(2,515)**	–	–
Exchange adjustments	**868**	(1,438)	(1,119)
	(55,400)	(18,948)	18,369
Net debt brought forward	**(18,709)**	(37,078)	(37,078)
Net debt carried forward	**(74,109)**	(56,026)	(18,709)

Analysis of net debt			
Cash and cash equivalents	**43,000**	41,674	45,305
Loan notes falling due within one year*	**(2,515)**	–	–
Bank loans falling due within one year	**–**	(2,051)	–
Bank loans falling due after more than one year	**(114,594)**	(95,649)	(64,014)
	(74,109)	(56,026)	(18,709)

* The loan notes were issued on 6 June 2012 and are convertible at par into cash at any time between six and twelve months from date of issue.

9 Non-GAAP measures

Return on capital employed

	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Operating profit before amortisation of acquired intangible assets, acquisition transaction costs and movement on contingent consideration, but after share of results of associates	**62,580**	58,064	121,907
Computer software costs within intangible assets	**2,421**	2,948	2,678
Capitalised development costs within intangible assets	**10,602**	9,823	10,508
Other intangibles within intangible assets	**179**	216	215
Property, plant and equipment	**72,860**	72,508	72,118
Inventories	**63,269**	63,310	57,368
Trade and other receivables	**116,286**	109,029	114,674
Trade and other payables	**(84,379)**	(86,304)	(93,499)
Provisions	**(1,762)**	(2,691)	(2,618)
Net tax liabilities	**(12,100)**	(12,179)	(11,582)
Non-current trade and other payables	**(6,253)**	(14,971)	(13,388)
Non-current provisions	**(3,193)**	(2,108)	(2,301)
Add back accrued contingent purchase consideration	**16,870**	29,142	29,110
Capital employed	**174,800**	168,723	163,283
Return on capital employed (annualised)	**71.6%**	68.8%	74.7%

Return on total invested capital

	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Post-tax profit before amortisation of acquired intangible assets, acquisition transaction costs, movement on contingent consideration and profit on disposal of continuing operations	**46,556**	44,243	92,209
Total shareholders' funds	**404,263**	367,555	398,112
Add back retirement benefit obligations	**40,611**	44,590	32,997
Less associated deferred tax assets	**(9,341)**	(11,148)	(7,920)
Cumulative amortisation of acquired intangible assets	**41,850**	31,663	36,306
Goodwill on disposals	**5,441**	5,441	5,441
Goodwill amortised prior to 3 April 2004	**13,177**	13,177	13,177
Goodwill taken to reserves prior to 3 April 1998	**70,931**	70,931	70,931
Total invested capital	**566,932**	522,209	549,044
Return on total invested capital (annualised)	**16.4%**	16.9%	16.8%

Organic growth

Organic growth measures the change in revenue and profit from continuing Group operations. The effect of acquisitions and disposals made during the current and prior financial periods has been equalised by adjusting the results for a pro-rated contribution based on their revenue and profit before taxation at the date of acquisition or disposal.

10 Acquisitions

The Group made three acquisitions during the period. Below are summaries of the assets and liabilities acquired and the purchase consideration of:

a) the total of all three acquisitions, including an adjustment to a prior period acquisition;

b) the three acquisitions, namely Accutome, Inc., Sensorex Inc. and SunTech Medical Group Limited.

(A) Total of all three acquisitions and adjustments to prior period acquisition

	Book value £000	Provisional fair value adjustments £000	Total £000
Non-current assets			
Intangible assets	12	31,436	31,448
Property, plant and equipment	1,641	(305)	1,336
Deferred tax	212	698	910
Current assets			
Inventories	7,379	(1,211)	6,168
Trade and other receivables	6,132	494	6,626
Cash and cash equivalents	3,641	(5)	3,636
Total assets	19,017	31,107	50,124
Current liabilities			
Trade and other payables	(3,219)	(595)	(3,814)
Overdrafts	(116)	–	(116)
Bank loans	(1,307)	–	(1,307)
Provisions	(100)	(316)	(416)
Corporation tax	(44)	539	495
Non-current liabilities			
Bank loans	(131)	–	(131)
Provisions	(21)	(25)	(46)
Deferred tax	–	(7,123)	(7,123)
Total liabilities	(4,938)	(7,520)	(12,458)
Net assets of businesses acquired	14,079	23,587	37,666
Cash consideration paid			67,760
Cash consideration to be paid (estimated)			804
Contingent purchase consideration (current period acquisitions)			6,977
Total consideration			75,541
Goodwill arising on current period acquisitions			37,875
Goodwill arising on prior period acquisitions			–
Goodwill arising on acquisitions			37,875

Due to their contractual dates, the fair value of receivables acquired (shown above) approximates to the gross contractual amounts receivable. The amount of gross contractual receivables not expected to be recovered is immaterial.

There are no material contingent liabilities recognised in accordance with paragraph 23 of IFRS 3 (Revised).

£9,586,000 of the goodwill arising on acquisitions in the period is expected to be deductible for tax purposes.

Together, all three acquisitions contributed £16,647,000 of revenue and £2,502,000 of profit after tax for the 26 weeks ended 29 September 2012. If these acquisitions had been held since the start of the financial period, it is estimated the Group's reported revenue and profit after tax would have been £2,621,000 and £418,000 higher, respectively.

10 Acquisitions continued
Adjustments were made to the book values of the net assets of the companies acquired to reflect their provisional fair values to the Group. Acquired inventories were valued at the lower of cost and net realisable value adopting Group bases and any liabilities for warranties relating to past trading were recognised. Other previously unrecognised assets and liabilities at acquisition were included and accounting policies were aligned with those of the Group where appropriate.

The adjustment to a prior period acquisition resulted in a reclassification of balances between asset and liability categories, although overall the net asset adjustment was £nil.

Analysis of cash outflow in the Consolidated Cash Flow Statement

	Unaudited 26 weeks to 29 September 2012 £000	Unaudited 26 weeks to 1 October 2011 £000	Audited 52 weeks to 31 March 2012 £000
Cash consideration in respect of current period acquisitions	**67,760**	13,383	13,305
Cash acquired on acquisitions	**(3,636)**	(49)	(49)
Overdrafts acquired on acquisitions	**116**	–	–
Contingent consideration paid in relation to prior period acquisitions*	**15,764**	5,395	5,411
Net cash outflow relating to acquisitions (per cash flow statement)	**80,004**	18,729	18,667
Bank loans acquired	**1,438**	1,144	1,144
Net cash outflow, including repayment of acquired bank loans	**81,442**	19,873	19,811

* Of the £15,764,000 (26 weeks to 1 October 2011: £5,395,000; 52 weeks to 31 March 2012: £5,411,000) contingent purchase consideration payment, £15,764,000 (26 weeks to 1 October 2011: £5,395,000; 52 weeks to 31 March 2012: £5,411,000) was provided in the prior period's financial statements.

(Bi) Accutome, Inc.

	Book value £000	**Provisional fair value adjustments £000**	**Total £000**
Non-current assets			
Intangible assets	**3**	**6,161**	**6,164**
Property, plant and equipment	**683**	**(39)**	**644**
Deferred tax	**–**	**375**	**375**
Current assets			
Inventories	**2,768**	**111**	**2,879**
Trade and other receivables	**1,809**	**(527)**	**1,282**
Total assets	**5,263**	**6,081**	**11,344**
Current liabilities			
Trade and other payables	**(1,418)**	**(392)**	**(1,810)**
Overdrafts	**(116)**	**–**	**(116)**
Bank loans	**(1,307)**	**–**	**(1,307)**
Provisions	**(49)**	**(94)**	**(143)**
Non-current liabilities			
Bank loans	**(131)**	**–**	**(131)**
Provisions	**–**	**(25)**	**(25)**
Deferred tax	**–**	**(2,342)**	**(2,342)**
Total liabilities	**(3,021)**	**(2,853)**	**(5,874)**
Net assets of businesses acquired	**2,242**	**3,228**	**5,470**
Cash consideration			**11,230**
Contingent purchase consideration			**3,120**
Total consideration			**14,350**
Goodwill arising on acquisition			**8,880**

10 Acquisitions continued

On 2 April 2012, the Group acquired 100% of the issued share capital of Accutome, Inc. (Accutome) for US$17,995,000 (US$20,298,000 including repayment of US$2,303,000 bank loans). Accutome, based in Pennsylvania, USA, with a wholly owned subsidiary located in The Netherlands, designs, manufactures and sells surgical and diagnostic instruments and a variety of pharmaceuticals for the ophthalmic marketplace. Accutome is best known for its leading ultrasound diagnostic equipment (used prior to cataract surgery and to diagnose certain eye conditions) and for its surgical instrumentation, featuring its leading diamond bladed surgical knives. Accutome forms part of the Health and Analysis sector and was acquired to further expand Halma's footprint in ophthalmic diagnostic and surgical instrumentation. The excess of the fair value of the consideration paid over the fair value of the assets acquired is represented by supplier arrangement intangibles of £2,102,000, customer-related intangibles of £2,861,000 and brand intangibles of £1,201,000 with residual goodwill arising of £8,880,000. The goodwill represents:

a) the value of the acquired workforce;

b) the ability to exploit Accutome's distribution arrangements;

c) potential synergies with other Halma companies within the ophthalmic market; and

d) the ability to exploit the Group's existing distribution arrangements, particularly outside North America.

Contingent consideration of between US$nil and US$5,000,000 is payable dependent on the profits of the acquired business for the period up to September 2013. The Directors estimate that contingent consideration of US$5,000,000 will be paid.

(Bii) Sensorex Inc.

	Book value £000	Provisional fair value adjustments £000	Total £000
Non-current assets			
Intangible assets	–	12,689	12,689
Property, plant and equipment	286	–	286
Current assets			
Inventories	564	(110)	454
Trade and other receivables	1,177	(5)	1,172
Total assets	2,027	12,574	14,601
Current liabilities			
Trade and other payables	(268)	(10)	(278)
Provisions	–	(193)	(193)
Total liabilities	(268)	(203)	(471)
Net assets of businesses acquired	1,759	12,371	14,130
Cash consideration			23,716
Contingent purchase consideration			–
Total consideration			23,716
Goodwill arising on acquisition			9,586

On 2 April 2012, the Group acquired the trade and assets of Sensorex Inc. (Sensorex) for US$38,003,000. Sensorex, based in California, USA, manufactures electrochemical sensors for water analysis applications. Sensorex forms part of the Health and Analysis sector and was acquired for its range of sensors and associated accessories, which are incorporated by OEMs manufacturing single and multi-parameter probes and instruments for monitoring water quality, a market that is forecast to see continued growth. The excess of the fair value of the consideration paid over the fair value of the assets acquired is represented by customer-related intangibles of £9,998,000 and technological know-how intangibles of £2,691,000 with residual goodwill arising of £9,586,000. The goodwill represents:

a) the value of the acquired workforce;

b) potential synergies with other Halma companies within the Water market, especially the hubs in China and India; and

c) the ability to exploit the Group's existing distribution arrangements, particularly outside the USA.

There are no contingent consideration payment arrangements.

10 Acquisitions continued

(Biii) SunTech Medical Group Limited

	Book value £000	Provisional fair value adjustments £000	Total £000
Non-current assets			
Intangible assets	9	12,586	12,595
Property, plant and equipment	672	(266)	406
Deferred tax	212	323	535
Current assets			
Inventories	4,047	(1,212)	2,835
Trade and other receivables	3,146	1,026	4,172
Cash and cash equivalents	3,641	(5)	3,636
Total assets	11,727	12,452	24,179
Current liabilities			
Trade and other payables	(1,540)	(191)	(1,731)
Provisions	(51)	(29)	(80)
Corporation tax	(37)	539	502
Non-current liabilities			
Provisions	(21)	–	(21)
Deferred tax	–	(4,783)	(4,783)
Total liabilities	(1,649)	(4,464)	(6,113)
Net assets of businesses acquired	10,078	7,988	18,066
Cash consideration			32,814
Cash consideration to be paid (estimated)			804
Contingent purchase consideration			3,857
Total consideration			37,475
Goodwill arising on acquisition			19,409

On 31 May 2012 the Group acquired 100% of the issued share capital of the SunTech Medical Group Limited (SunTech), which is primarily based in the USA, UK and China. The initial cash consideration of US$51,000,000 is adjustable based on the final level of agreed working capital. SunTech forms part of the Health and Analysis sector and is a pre-eminent supplier of clinical grade non-invasive blood pressure monitoring products and technologies. The excess of the fair value of the consideration paid over the fair value of the assets acquired is represented by customer-related intangibles of £6,103,000, technological know-how intangibles of £3,641,000 and brand intangibles of £2,842,000 with residual goodwill arising of £19,409,000. The goodwill represents:

a) the value of the acquired workforce; and

b) potential synergies with other Halma companies within the blood pressure monitoring market.

Contingent consideration of between US$nil and US$6,000,000 is payable dependent on the profits of the acquired business for the twelve months to December 2012. The Directors estimate that contingent consideration of US$6,000,000 will be paid.

11 Disposal of business

On 22 August 2012, the Group disposed of its Asset Monitoring sub-sector, comprising Tritech Holdings Limited and its subsidiary Tritech International Limited (together known as "Tritech"), for an initial cash consideration of £18.9 million. A further £0.8 million was paid in October 2012 in respect of cash and working capital held in the business at the time of sale. In addition, £2.1 million is retained in escrow and will be released to Halma on the anniversary of the transaction subject to any valid warranty/indemnity claims being made by the purchaser. The Directors estimate that the entire £2.1 million will be received. The profit on disposal is estimated to be £8.2 million, being the total £21.8 million consideration above less £1.3 million of transaction costs, £8.0 million of goodwill and £4.3 million of net assets. Due to the nature and size of the disposed operation, it has not been separately disclosed as a discontinued operation as defined by IFRS 5.

The cash inflow in the Consolidated Cash Flow Statement of £18,955,000 comprises £18,900,000 initial consideration for Tritech and £1,500,000 released from escrow for the prior year disposal of Volumatic Limited less £1,249,000 of transaction costs and £196,000 cash held by the disposed business.

The profit on disposal of £3.5 million and cash inflow of £3,554,000 in the 52 weeks to 31 March 2012 related entirely to the disposal of Volumatic Limited on 30 March 2012. Due to the nature and size of the disposed operation, it was not separately disclosed as a discontinued operation as defined by IFRS 5.

12 Other matters

Seasonality

The Group's financial results have not historically been subject to significant seasonal trends.

Equity and borrowings

Issues and repurchases of Halma plc's ordinary shares and drawdowns and repayments of borrowings are shown in the Consolidated Cash Flow Statement.

Related party transactions

There were no significant changes in the nature and size of related party transactions for the period to those reported in the 2012 Annual Report.

13 Principal risks and uncertainties

A number of potential risks and uncertainties exist which could have a material impact on the Group's performance over the second half of the financial year and could cause actual results to differ materially from expected and historical results.

The Group has in place processes for identifying, evaluating and managing key risks. These risks, together with a description of the approach to mitigating them, are set out on pages 61 to 63 in the 2012 Annual Report, which is available on the Group's website at www.halma.com.

The principal risks and uncertainties relate to:

- Operational risk
- Organic growth, supplier risk and competition
- Research and Development
- Intangible resources
- Laws and regulations
- Acquisitions
- Information Technology/Business Interruption
- Financial irregularities and international expansion
- Cash
- Treasury risks
- Economic conditions
- Pension deficit.

The Directors do not consider that the principal risks and uncertainties have changed since the publication of the 2012 Annual Report. However macro-economic uncertainty continues and movements in foreign exchange rates remain a risk to financial performance.

The macro-economic and political circumstances particularly in the Eurozone, but also globally, continue to generate uncertainty for our business. The Group operates in a broad spread of markets, which substantially limits the risk associated with instability in any given territory. Sales into Greece, Ireland, Italy, Portugal and Spain represented just £12 million in the first half of 2012/13 (4% of total Group sales). The Group does not have any significant operations within these countries. Group sales into Mainland Europe were £73 million (25% of total Group sales).

13 Principal risks and uncertainties continued

We mitigate the risk to demand by operating in markets underpinned by regulatory drivers (where customer spending is often non-discretionary), maintaining a diverse product portfolio and targetting continued growth in developing markets. In addition, Halma's model of autonomy allows local management to change strategy quickly when reacting to variable market conditions.

Although the Group uses forward foreign exchange contracts to mitigate its transactional currency exposure risk, it does not hedge the translation of its currency profits. In the first half year, the US$ was on average 3% stronger and the Euro and Swiss Franc on average 10% weaker relative to Sterling than in the first half of the previous year. The net result was a 2% negative impact on reported profit.

14 Responsibility statement

We confirm that to the best of our knowledge:

a) these Condensed Financial Statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union;

b) this Half Year Report includes a fair review of the information required by Disclosure and Transparency Rule (DTR) 4.2.7R (indication of important events during the period and description of principal risks and uncertainties for the remainder of the financial year); and

c) this Half Year Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

Andrew Williams
Chief Executive

Kevin Thompson
Finance Director

20 November 2012

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