Press release | The Weir Group PLC

Excellent Engineering Solutions

Date: 31 July 2012

STRONG PROFIT GROWTH IN FIRST HALF OF 2012

The Weir Group PLC, a global engineering solutions provider to the mining, oil & gas and power markets, today reports its 2012 interim results

Results for 26 weeks ended	**29 June 2012**	**1 July 2011**	**Change**
Continuing Operations			
Order input[1]	£1,312m	£1,220m	+8%
Revenue	£1,325m	£1,031m	+29%
Operating profit[2]	£248m	£186m	+33%
Operating margin[2]	18.7%	18.0%	+70pts
Profit before tax[2]	£226m	£178m	+27%
Cash from operations	£141m	£129m	+10%
Earnings per share[2]	76.4p	60.1p	+27%
Reported earnings per share	69.9p	56.3p	+24%
Dividend per share	8.0p	7.2p	+11%
Return on capital employed[3]	30.6%	28.1%	+250pts
Net debt	£844m	£673m[4]	

KEY POINTS

- Strong trading in the Minerals and Power & Industrial divisions
- Strengthening aftermarket performance; input up 17%, revenue up 29%
- H1 upstream revenue and margin expectations met; H2 pressure pumping markets challenging
- Acquisition integrations progressing well and trading in line with expectations
- Profit before tax up 27% to £226m
- 11% increase in interim dividend to 8.0p

Keith Cochrane, Chief Executive, commented:

"These results bear out the strength of our well-diversified Group. Effective execution of our growth strategy in Minerals and Power & Industrial and a good first contribution from acquisitions have offset the challenging pressure pumping market conditions faced by Oil & Gas.

In the second half we anticipate a strong performance from the Minerals and Power & Industrial Divisions and some improvement in Oil & Gas upstream pressure pumping aftermarket demand relative to the second quarter, although the timing of any improvement remains uncertain. Assuming no significant change in macro economic conditions, full year profit before tax, amortisation and exceptional items is expected to be between £440m-£460m with the low end of the range reflecting no improvement on Q2 in upstream Oil & Gas."

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A live webcast of the management presentation to the investment community will begin at 8am (BST) on 31 July 2012. Access details for the webcast, copies of this release and the slide presentation are available at www.weir.co.uk

Notes:

1. 2011 restated at 2012 average exchange rates
2. Adjusted to exclude exceptional items and intangibles amortisation. Reported operating profit and profit before tax were £225m (2011: £175m) and £203m (2011: £167m) respectively. 2011 restated to reflect acquisition fair value accounting.
3. Calculated as continuing operations EBIT (excluding acquisitions) for the last twelve months divided by average net assets excluding pension deficit (net of deferred tax), net debt and Seaboard and Novatech net assets
4. 30 December 2011 net debt

GENERAL OVERVIEW

The Group has continued to perform well, benefiting from a strong opening orderbook and delivering record first half profits. Generally positive conditions in mining equipment markets, alongside effective ongoing delivery of strategic growth initiatives in Power & Industrial, demonstrate the benefit of Weir's diverse presence in its three chosen end markets and ongoing focus on effective execution in changing market conditions. Despite challenging North American pressure pumping markets, investment in the capability and broadened product portfolio of the Oil & Gas division enabled it to meet its first half revenue expectations, supported by a strong first contribution from acquisitions.

In Minerals, good project activity continued across key mining equipment markets, in particular Africa, South America and Canadian oil sands. Increasing ore production and the growing installed base contributed to strengthening aftermarket activity across the period. In Oil & Gas, challenging conditions in the North American pressure pumping markets significantly impacted Weir SPM. Original equipment input fell, as flat end market demand combined with forward ordering in 2011 and resulted in excess frac pump capacity. This also affected aftermarket demand together with lower utilisation rates as equipment moved from dry gas to liquids-rich basins and frac pump service intensities fell. A positive first half performance from Power & Industrial was supported by strong organic growth across the business with good progress particularly in the emerging markets of Southeast Asia.

As Weir seeks to grow ahead of its end markets, it has delivered effectively against its strategic priorities. The integrations of Weir Seaboard and Weir Novatech are progressing well, leveraging the product range and geographic presence of the Oil & Gas division. Capacity has been added to target growth opportunities, expanding production of upstream flow equipment with foundry expansion underway in Minerals to serve the Canadian oil sands market and meet global demand for the broader product range. Innovation momentum resulted in the launch of five new products for upstream oil and gas markets and the development of a new screens range to support Minerals' focus on the adjacent comminution sector. A focus on supply chain activities has seen centres of excellence established in key Group-wide spend categories, with early improvements in cost, efficiency and supplier responsiveness. Finally, the establishment of a Weir Environment, Health and Safety (EHS) system has contributed to a significant reduction in accident rates.

FINANCIAL HIGHLIGHTS

Order input in constant currency was 8% higher at £1,312m (2011: £1,220m) and, on a like for like basis, was 1% lower after excluding recent acquisitions (Weir International, Weir Seaboard and Weir Novatech). Original equipment orders were 2% lower (13% lower on a like for like basis), as growth in Minerals and Power & Industrial was offset by lower frac pump orders at Oil & Gas. Aftermarket orders were up 17% (11% higher like for like) with strong production trends across mining markets and good service activity in global power and oil and gas markets. Aftermarket represented 55% of total orders (2011: 51%) in the period. Orders from emerging markets were 17% higher at £494m, representing 38% of total input.

Revenue grew by 29% from £1,031m in 2011 to £1,325m with a negative net currency impact of £4m. In constant currency terms, this represents a 29% increase in revenues, reflecting the record Oil & Gas opening orderbook, strong Minerals order growth and the first contributions from recent acquisitions. Like for like revenues in constant currency were up 20%, with original equipment up 17% and aftermarket revenues up 22%. Including acquisitions, original equipment and aftermarket revenues both increased by 29%. Emerging market revenues grew by 25% driven by increasing sales in South America and Africa in particular.

Operating profit before exceptional items and intangibles amortisation increased by 33% to £248m (2011: £186m) after a net positive foreign exchange impact of £1m. On a constant currency basis, operating profit increased by 32% and on a like for like basis increased by 21%, principally driven by organic revenue growth in the Minerals and Oil & Gas divisions. Operating profit before exceptional items and intangibles amortisation includes one-off charges of £3m for acquisition integration. Total one-off charges in the first half of 2011 were £7m. EBITDA before exceptional items increased by 33% to £272m (2011: £204m).

Operating margin increased from 18.0% (18.2% on a constant currency basis) to 18.7%, primarily reflecting increased contributions from the higher margin Oil & Gas division, including recent acquisitions. Margins were 18.5% on a like for like basis, excluding the impact of these acquisitions.

Net finance costs before exceptional items were £21.5m (2011: £7.8m) due to the increase in net debt following the Seaboard and Novatech acquisitions. In February, the Group raised attractively priced long term debt in the US private placement market. Notes to the value of US$1bn were issued with a weighted average term of 9.6 years at a weighted average coupon of 4.16%. The proceeds were used to fund the Novatech acquisition and repay certain borrowing facilities.

Profit before tax from continuing operations before exceptional items and intangibles amortisation increased by 27% to £226m (2011: £178m). Reported profit before tax from continuing operations increased by 22% to £203m (2011: £167m) reflecting intangibles amortisation of £18m (2011: £11m) and exceptional items of £5.2m. The increased intangibles amortisation was driven by the recent acquisitions. The exceptional items of £5.2m relate to two items. First, £4.5m representing the uplift of inventory to net realisable value on acquisition being charged against profits as the inventory is sold and secondly, the unwinding of the discount on the contingent consideration liability of £0.7m.

Tax charge for the period was £65m (2011: £51m) on profit before tax from continuing operations before exceptional items and intangibles amortisation and represents an underlying effective tax rate of 28.8% (2011: 28.7%).

Earnings per share from continuing operations before exceptional items and intangibles amortisation increased by 27% to 76.4p (2011: 60.1p). Reported earnings per share including exceptional items, intangibles amortisation and the impact of discontinued operations was 69.9p (2011: 56.3p).

Cash generated from operations was 10% higher at £141m (2011: £129m). Higher operating profits were largely offset by working capital outflows of £127m (2011: £76m) with total working capital on a constant currency basis representing 19.5% of revenues (2011: 13.2%). Net capital expenditure was £53m (2011: £33m) as investment plans to target growth continued although planned capex at Weir SPM was reduced. Net free cash outflow after all financing costs, tax and dividends was £40m (2011: inflow £2m). Cash outflows of £121m (2011: £12m) in respect of acquisitions of subsidiaries were principally incurred on the acquisition of Novatech. After non cash movements of £10m, net debt increased by £171m to £844m when compared to December 2011.

Dividend – an interim dividend of 8.0p (2011: 7.2p) is declared, an 11% increase. The dividend will be paid on 2 November 2012 to shareholders on the register on 5 October 2012.

DIVISIONAL HIGHLIGHTS

MINERALS

Weir Minerals is the global leader in slurry handling equipment and the associated aftermarket for abrasive high wear applications used in mining, oil sands and flue gas desulphurisation markets.

	H1 2012	H1 2011	Change	H2 2011
Order input[1]	£726m	£652m	+11%	£597m
Revenue[1]	£665m	£544m	+22%	£661m
Operating profit[1,2]	£120m	£100m	+20%	£113m
Operating margin[1,2]	18.0%	18.4%	-40pts	17.0%

(1) 2011 restated at 2012 average exchange rates

(2) Adjusted to exclude intangibles amortisation

Market conditions in key global mining equipment markets were generally positive. South America continued to enjoy a buoyant environment and provided significant orders for greenfield and brownfield projects across the early cycle and core slurry pump product lines. High activity levels continue at North American oil sands projects with good input from the wider North American mining sector. Input trends in Australia were supported by large iron ore and coal projects although some customer caution around the timing of future projects was evident. African input rose by more than one third with strong activity outside of South Africa in particular. Project activity in Russia, Scandinavia and North Africa provided the focus for our European operations, with Eurozone markets generally subdued.

Good progress was made against the division's strategic priorities with ongoing success in driving sales of the full product portfolio. Weir Minerals Malaysia has developed best-cost manufacturing capability to support global growth in pumps and cyclones. The division took new products to market, including the Multiflo high-wall dewatering pump, a new range of large screen equipment and also developed the Gladiator frac slurry pump for the Oil & Gas division. Investment in foundry capacity is ongoing, with work underway on expansion of the UK facility and plans approved to expand North American production capability, adding 10% to divisional capacity when fully operational. In Europe, the acquisition of a small mining services business in Northern Sweden expanded our footprint in the growing Scandinavian market. In Chile our leading service presence helped the division to secure a 5-year copper mine service contract expected to be worth in excess of US$100m.

Order input increased by 11% to £726m (2011: £652m). Original equipment orders grew 9% with sequential second quarter input in line with the record first quarter. Aftermarket orders grew 13% and strengthened across the period with good progress in a number of categories including slurry pump spares, valves, cyclones and screen media. Original equipment orders represented 43% of total order input (2011: 44%).

Good growth was achieved across all key mining regions. In Brazil, the early cycle GEHO business won a £16m order for an iron ore pipeline project. In Chile, the division won slurry pump and process equipment orders at two copper projects worth £10m, with several other large orders received for copper projects in Peru and Mexico. Activity levels in Africa remained strong, with the pump rental business growing strongly and increased levels of recurring business. The Multiflo dewatering business secured a £4m order for pumps for a gold mine in Papua New Guinea whilst a £10m order for a package of ancillary products was received for a large iron ore project in Australia.

In North America, oil sands projects continue to present opportunities and the first order for KHD High Pressure Grinding Rolls for the Canadian market was received for a precious metals project. A £2m order for vertical pumps enabled the division to continue successfully targeting the Russian market whilst a £9m project was awarded for a phosphate pipeline in Morocco. Emerging markets input was 50% (2011: 50%) of total order input.

Revenue increased by 22% to £665m (2011: £544m) reflecting the strong opening orderbook and increasing momentum in shorter cycle aftermarket orders. Revenue increased across all key mining regions as high activity levels continued in copper, gold, oil sands and other mining projects. Original equipment represented 39% of revenues (2011: 38%).

Operating profit increased by 20% to £120m (2011: £100m), with underlying revenue growth across all regions contributing to the increase.

Operating margins of 18.0% were 40bps lower than the comparative period but 100bps higher than H2 2011 due to increasing spares in the revenue mix.

Capital expenditure totalled £21m (2011: £21m) and included investment in rubber manufacturing capacity in Chile and upgrades to the Johannesburg facility to integrate Linatex hose and screens manufacturing.

OIL & GAS

Weir Oil & Gas designs and manufactures well service pumps, flow control equipment and high-pressure wellhead solutions and provides aftermarket support principally for the upstream oil and gas markets.

	H1 2012	H1 2011	Change	H2 2011
Order input[1]	£373m	£401m	-7%	£474m
Revenue[1]	£492m	£329m	+49%	£422m
Operating profit[1,2]	£123m	£84m	+46%	£102m
Operating margin[1,2]	25.0%	25.5%	-50pts	24.2%

(1) 2011 restated at 2012 average exchange rates

(2) Adjusted to exclude exceptional items and intangibles amortisation

In North American pressure pumping markets, the combination of lower North American natural gas prices and relatively high oil prices prompted an industry shift from gas to oil and liquids-rich shale formations. US horizontal gas-focused rig count declined by 31% and oil and liquids rig count increased by a similar percentage such that overall rig count was broadly flat over the period. Service company start-ups and high levels of forward ordering in late 2011, in expectation of growing activity levels, combined with these rig count movements to create substantial excess frac pump capacity in North America. Aftermarket activity was also impacted in the period, as utilisation fell as a result of this overcapacity combined with dislocation arising from the gas to liquids switch and increasing equipment wear life attributable to lower pressure oil rich basins and changes in customer operating procedures. This led to material overstocking of certain aftermarket components, reducing short term demand, which in recent months has resulted in a more competitive environment for these products. In addition, customers were also impacted by the extended weather related spring break-up in Canada. The wellhead market, served by Weir Seaboard, was supported by the higher numbers of wells drilled compared to the first half of 2011.

Activity levels in Weir's Middle East Service markets grew strongly, with increased Saudi production and the ongoing rebuilding of Iraqi oilfield infrastructure. We also saw the first signs of an easing of original equipment pricing pressure in downstream markets.

Weir's pressure pumping focused operations (Weir SPM, Weir Mesa and Weir Novatech) have responded quickly to the rapidly changing trading conditions by in-sourcing machining, reducing headcount and identifying operating cost savings to ensure the business protects margins and profitability at lower activity levels. Good progress was made on a number of market share growth initiatives. North American flow equipment capacity was added to shorten customer lead times and Weir Novatech products are now fully integrated within the Oil & Gas sales structure, enabling the division to offer 'bundled' expendable packages. SPM also launched five new products featuring patent protected technology which will be introduced to the market during H2 2012. Outside North America, international opportunities continue to progress, with activity in China, Saudi Arabia, Australia and Argentina showing early promise and like for like upstream international input growing by 58% in the period.

The integration of Weir Seaboard has progressed well, validating confidence in growth opportunities with plans developed to deliver these over the next 12-18 months. Trading has been in line with acquisition expectations and the switch in activity from gas to liquids-rich basins was well managed.

Middle East Service operations delivered a strong first half performance. Downstream operations performed in line with expectations as we started to realise the benefits of low cost sourcing initiatives.

Order input at £373m (2011: £401m) was 7% lower, (29% lower like for like) due to changing conditions in North American pressure pumping markets and below our prior expectations as the anticipated recovery in aftermarket activity failed to fully materialise across the second quarter. Original equipment input fell 29% (53% like for like), while aftermarket input was up 20% but flat like for like with strong growth in Services and a more modest upstream performance offset by a reduction in downstream spares orders.

Like for like upstream businesses' (SPM and Mesa) order input fell by 37% to £211m (US$333m) on a like for like basis, with a total of US$84m of 2011 orders cancelled and reflected as an opening orderbook adjustment. Like for like upstream aftermarket input was 3% higher than the prior year period with growth in flow control products and service activities offset by lower fluid end demand as a result of excess customer inventory. Like for like upstream original equipment input was 61% lower than the prior year. Input from Seaboard and Novatech increased by 11% compared to the equivalent pre-acquisition period. Input across downstream and Service operations grew by 12%, including a US$20m service contract for Iraqi oilfield infrastructure.

Revenue increased by 49% (21% like for like) to £492m (2011: £329m). Upstream revenues increased to £317m (US$500m) like for like, up 18% on 2011 and in line with expectations, benefiting from a strong opening orderbook but down sequentially in the second quarter. Revenues of £93m ($146m) from Seaboard and Novatech were 20% higher than the equivalent pre-acquisition period. Service and downstream revenues grew 34%.

Operating profit including joint ventures increased by 46% (23% like for like) with a £22m contribution from Seaboard and Novatech (before integration costs) 31% higher than the equivalent pre-acquisition period. Good profit progression at service operations was supported by strong activity levels in Saudi Arabia and Iraq. In addition, one-off restructuring costs of £3.0m related to the Seaboard integration have been recognised in the period (2011: £3.6m).

Operating margins were 25.0% (2011: 25.5%) and 25.9% on a like for like basis, supported by increasing operating efficiencies in upstream and service operations. Like for like upstream margins improved by 50bps while underlying margins of recent acquisitions improved by 200bps on the comparable pre-acquisition period.

Capital expenditure was £23m (2011: £12m) with investment in expanded flow capacity at SPM and the newly acquired businesses of Seaboard and Novatech. In response to the lower demand environment in North America, the previously announced US$75m expansion of Weir SPM has been reduced by US$15m.

POWER & INDUSTRIAL

Weir Power & Industrial designs, manufactures and provides aftermarket support for specialist and critical-service rotating and flow control equipment, focused on the global power markets.

	H1 2012	H1 2011	Change	H2 2011
Order input[1]	£196m	£161m	+22%	£147m
Revenue[1]	£154m	£139m	+11%	£164m
Operating profit[1,2]	£11.7m	£8.4m	+39%	£18.0m
Operating margin[1,2]	7.6%	6.0%	+160pts	11.0%

(1) 2011 restated at 2012 average exchange rates

(2) Adjusted to exclude intangibles amortisation

Global nuclear markets remained subdued, albeit we saw the first signs of a resumption in project activity as post-Fukushima stress testing and safety reviews were completed. Despite this period of uncertainty, the division secured substantial contract wins with South Korean EPC contractors for international new build nuclear activity. The acquisition in 2011 of HIM Tech, now Weir International, was an important factor in securing these contract wins.

Across other power markets, the low domestic natural gas price in the US has provided impetus to new gas-fired power projects. The North American hydro renewables market also continued to provide opportunities for refurbishment and optimisation contracts. European power and industrial markets remain challenging due to economic conditions within the Eurozone whilst North American general industrial activity showed signs of improvement, particularly in the first quarter.

The positive first half performance was largely due to successful delivery of the division's strategic priorities with good contributions from its recent acquisitions. Substantial growth in South East Asian oil and gas markets was achieved during the period, with further opportunities being pursued. The development of regional sales hubs supported growth across the broadened valves portfolio, with competitiveness enhanced by low cost sourcing initiatives. Investment in engineering resources has led to ten new product initiatives with market introductions planned over the next two years.

Order input increased by 22% (15% like for like) to £196m (2011: £161m) as a result of growth across all business lines including an £11m contribution from the South Korean acquisition. Nuclear input at £46m (2011: £43m) reflected the positive impact of Weir International in a difficult nuclear market. Input from the power sector was 59% (2011: 55%), while orders from Middle East and Asia Pacific emerging markets increased by 40% including good progress in oil and gas markets.

Revenue was up 11% to £154m (2011: £139m) with like for like revenues increasing by 9%.

Operating profit increased by £3.3m against a comparative period impacted by costs associated with the cessation of Libyan activity and acquisition costs of £2.9m.

Operating margins were 7.6% (2011: 6.0%) as strategic initiatives took effect and cost competitiveness measures gained traction alongside a reduction in one-off costs.

Capital expenditure was £11m (2011: £4m). Work is nearing completion on the new Montreal service centre facility with further investment underway to support growth initiatives in emerging markets.

RISKS & UNCERTAINTIES

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 32 to 36 of the Annual Report 2011, a copy of which is available on the Group website at www.weir.co.uk. The Board considers that these remain a current reflection of the risks and uncertainties facing the business for the remaining 26 weeks of the financial year. The Board has considered the risk to the business of the continuing uncertainty in the Eurozone and, based on the markets and geographies in our footprint, considers this should not have a significant impact on the Group.

MANAGEMENT CHANGES

Keith Ruddock was appointed as Group General Counsel and Company Secretary following the retirement of Alan Mitchelson, Company Secretary at the Group's AGM on 9 May. As announced on 29 February, Scot Smith, Divisional Managing Director, Minerals will shortly leave the Group. He is replaced from 1 August by Dean Jenkins, currently Divisional Managing Director, Power & Industrial. Kevin Spencer, currently Regional Managing Director, Europe, Weir Minerals, succeeds Dean Jenkins.

OUTLOOK

MINERALS

Conditions across the mining and oil sands markets are expected to remain generally positive in the second half with a good pipeline of new project opportunities supporting a broadly similar level of original equipment input to the first half. Despite signs of customer caution over project timings in the Australian market, macro-economic uncertainty and lower commodity prices have generally not impacted previously approved projects or production levels.

Supported by the opening orderbook, we expect further sequential growth in original equipment revenue as a number of major projects are delivered. Project commissioning during 2012 will contribute to continued growth in aftermarket revenues as we benefit from the growing installed base. Combined with a strong first half performance, we now expect full year revenues, profits and margins to be ahead of our previous expectations with full year operating margins in line with the first half.

OIL & GAS

The outlook for pressure pumping remains challenging with frac pump overcapacity expected to lead to minimal original equipment orders well into 2013. Excess equipment and lower service intensities have prolonged the impact of overstocking on aftermarket orders meaning second half revenues for SPM and Mesa will be lower than previous guidance. Recent customer commentary suggests the US onshore drilling market should remain stable at current commodity prices and we expect this to translate into improving aftermarket demand at some point in H2 2012. However, second half revenues for upstream operations will be impacted by the timing of the demand pick-up, the unwinding of excess inventory, and the success of our actions to gain market share in flow control and pump expendables. Full year expectations for Seaboard remain unchanged.

We expect to see a continuation of the positive trends in our downstream operations with the benefits of a new Polish facility and low cost sourcing supporting second half prospects. Service market conditions are expected to remain positive. Together, we expect full year revenues and profits to be lower than previous expectations with operating margins in line with last year.

POWER & INDUSTRIAL

Market conditions are expected to remain mixed, with good opportunities in emerging and oil and gas markets offsetting expected subdued conditions in developed markets. Nuclear activity is increasing with the conclusion of post-Fukushima safety reviews although this is not likely to impact orders substantially until 2013.

The strong first half performance, together with the first results from our strategic initiatives, leaves the division well placed to continue to deliver strong input, revenue and profit progression over the full year.

GROUP

While the global economic outlook remains uncertain, we expect the Group to continue to benefit from its global presence and diverse exposure across its chosen markets.

In the second half we anticipate a strong performance from the Minerals and Power & Industrial Divisions and some improvement in Oil & Gas upstream pressure pumping aftermarket demand relative to the second quarter, although the timing of any improvement remains uncertain. Assuming no significant change in macro economic conditions, full year profit before tax, amortisation and exceptional items is expected to be between £440m-£460m with the low end of the range reflecting no improvement on Q2 in upstream Oil & Gas.

The Group's leading positions in markets with positive fundamentals, together with a business model proven through the cycle, leaves Weir well placed to deliver sustainable long term growth.

This interim report includes 'forward-looking statements'. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding the Weir Group's financial position, business strategy, plans (including development plans and objectives relating to the Company's products and services) and objectives of management for future operations, are forward-looking statements. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past business and financial performance cannot be relied on as an indication of future performance.

Consolidated Income Statement

for the 26 weeks ended 29 June 2012

52 weeks ended 30 Dec 2011 Total Restated (note 1)		Notes	**26 weeks ended 29 June 2012**			26 weeks ended 1 July 2011		
			Before exceptional items & intangibles amortisation	**Exceptional items & intangibles amortisation (note 3)**	**Total**	Before exceptional items & intangibles amortisation Restated (note 1)	Exceptional items & intangibles amortisation (note 3) Restated (note 1)	Total Restated (note 1)
£m		Notes	**£m**	**£m**	**£m**	£m	£m	£m
	Continuing operations							
2,292.0	Revenue	2	**1,324.7**	**-**	**1,324.7**	1,030.6	-	1,030.6
	Continuing operations							
403.1	Operating profit before share of results of joint ventures		**244.6**	**(22.5)**	**222.1**	184.0	(11.3)	172.7
4.8	Share of results of joint ventures		**2.9**	**-**	**2.9**	1.9	-	1.9
407.9	**Operating profit**	2	**247.5**	**(22.5)**	**225.0**	185.9	(11.3)	174.6
(20.1)	Finance costs		**(21.5)**	**(0.7)**	**(22.2)**	(7.5)	-	(7.5)
4.3	Finance income		**0.9**	**-**	**0.9**	0.5	-	0.5
(1.3)	Other finance costs - retirement benefits		**(0.9)**	**-**	**(0.9)**	(0.8)	-	(0.8)
390.8	**Profit before tax from continuing operations**		**226.0**	**(23.2)**	**202.8**	178.1	(11.3)	166.8
(112.4)	Tax expense	4	**(65.0)**	**6.2**	**(58.8)**	(51.1)	3.2	(47.9)
278.4	**Profit for the period from continuing operations**		**161.0**	**(17.0)**	**144.0**	127.0	(8.1)	118.9
19.9	Profit for the period from discontinued operations		**-**	**3.3**	**3.3**	-	-	-
298.3	**Profit for the period**		**161.0**	**(13.7)**	**147.3**	127.0	(8.1)	118.9
	Attributable to							
298.3	Equity holders of the Company		**161.9**	**(13.7)**	**148.2**	126.9	(8.1)	118.8
-	Non-controlling interests		**(0.9)**	**-**	**(0.9)**	0.1	-	0.1
298.3			**161.0**	**(13.7)**	**147.3**	127.0	(8.1)	118.9
	Earnings per share	5						
141.2p	Basic - total operations				69.9p			56.3p
131.8p	Basic - continuing operations		76.4p		68.3p	60.1p		56.3p
139.8p	Diluted - total operations				69.7p			55.8p
130.5p	Diluted - continuing operations		76.2p		68.2p	59.6p		55.8p

Consolidated Statement of Comprehensive Income

for the 26 weeks ended 29 June 2012

52 weeks ended 30 Dec 2011 Restated (note 1) £m		Note	**26 weeks ended 29 June 2012 £m**	26 weeks ended 1 July 2011 Restated (note 1) £m
298.3	**Profit for the period**		**147.3**	118.9
	Other comprehensive income (expense)			
(1.1)	(Losses) gains taken to equity on cash flow hedges		**(0.1)**	1.8
(18.9)	Exchange losses on translation of foreign operations		**(18.6)**	(16.3)
(1.4)	Exchange (losses) gains on net investment hedges		**(2.5)**	15.5
(45.0)	Actuarial (losses) gains on defined benefit plans	10	**(19.4)**	0.5
(1.5)	Reclassification adjustments taken to income statement on cash flow hedges		**(0.3)**	(1.2)
12.2	**Tax relating to other comprehensive income (expense)**		**4.5**	(0.3)
(55.7)	**Net other comprehensive income (expense)**		**(36.4)**	-
242.6	**Total net comprehensive income for the period**		**110.9**	118.9
	Attributable to			
242.6	Equity holders of the Company		**112.4**	118.8
-	Non-controlling interests		**(1.5)**	0.1
242.6			**110.9**	118.9

Consolidated Balance Sheet

at 29 June 2012

30 Dec 2011 Restated (note 1) £m		Notes	**29 June 2012 £m**	1 July 2011 Restated (note 1) £m
	ASSETS			
	Non-current assets			
321.8	Property, plant & equipment		**351.0**	269.5
-	Investment property		**-**	3.8
1,370.7	Intangible assets		**1,470.0**	955.8
11.4	Investments in joint ventures		**13.5**	11.6
38.0	Deferred tax assets		**36.3**	25.1
0.1	Derivative financial instruments	11	**0.4**	0.4
1,742.0	**Total non-current assets**		**1,871.2**	1,266.2
	Current assets			
466.6	Inventories		**517.4**	391.6
517.0	Trade & other receivables		**509.5**	407.7
19.6	Construction contracts		**25.5**	28.3
6.4	Derivative financial instruments	11	**17.3**	11.1
11.6	Income tax receivable		**7.0**	0.6
113.9	Cash & short-term deposits		**120.8**	61.0
1,135.1	**Total current assets**		**1,197.5**	900.3
2,877.1	**Total assets**		**3,068.7**	2,166.5
	LIABILITIES			
	Current liabilities			
92.0	Interest-bearing loans & borrowings		**67.2**	9.1
568.4	Trade & other payables		**503.0**	483.8
26.8	Construction contracts		**18.9**	16.7
24.4	Derivative financial instruments	11	**43.9**	22.2
33.4	Income tax payable		**22.9**	30.5
55.1	Provisions		**46.8**	48.2
800.1	**Total current liabilities**		**702.7**	610.5
	Non-current liabilities			
695.1	Interest-bearing loans & borrowings		**897.6**	340.9
15.5	Other payables		**18.3**	15.6
15.2	Derivative financial instruments	11	**5.1**	22.9
36.6	Provisions		**33.6**	36.4
112.4	Deferred tax liabilities		**132.7**	76.9
84.7	Retirement benefit plan deficits	10	**104.3**	64.4
959.5	**Total non-current liabilities**		**1,191.6**	557.1
1,759.6	**Total liabilities**		**1,894.3**	1,167.6
1,117.5	**NET ASSETS**		**1,174.4**	998.9
	CAPITAL & RESERVES			
26.6	Share capital		**26.7**	26.6
38.0	Share premium		**38.0**	38.0
(5.6)	Treasury shares		**(3.6)**	(5.6)
0.5	Capital redemption reserve		**0.5**	0.5
83.5	Foreign currency translation reserve		**63.0**	103.0
(1.6)	Hedge accounting reserve		**(1.9)**	0.8
974.0	Retained earnings		**1,051.1**	834.7
1,115.4	**Shareholders equity**		**1,173.8**	998.0
2.1	Non-controlling interests		**0.6**	0.9
1,117.5	**TOTAL EQUITY**		**1,174.4**	998.9

Consolidated Cash Flow Statement

for the 26 weeks ended 29 June 2012

52 weeks ended 30 Dec 2011 £m		Notes	**26 weeks ended 29 June 2012 £m**	26 weeks ended 1 July 2011 £m
	Continuing operations			
	Cash flows from operating activities			
302.6	Cash generated from operations	12	**141.5**	128.6
(6.6)	Additional pension contributions paid		**-**	-
(97.3)	Income tax paid		**(65.8)**	(42.6)
198.7	Net cash generated from operating activities		**75.7**	86.0
	Continuing operations			
	Cash flows from investing activities			
(386.0)	Acquisitions of subsidiaries	12	**(118.6)**	(12.2)
-	Disposal of subsidiaries	12	**(0.4)**	-
(95.4)	Purchases of property, plant & equipment & intangible assets	7	**(55.6)**	(36.6)
4.0	Other proceeds from sale of property, plant & equipment & intangible assets		**2.3**	3.3
4.3	Interest received		**1.9**	1.1
4.1	Dividends received from joint ventures		**0.9**	0.4
(469.0)	Net cash used in investing activities		**(169.5)**	(44.0)
	Continuing operations			
	Cash flows from financing activities			
(0.4)	Purchase of shares for equity settled share-based incentives		**-**	(0.4)
469.0	Proceeds from borrowings		**635.7**	36.1
(50.8)	Repayments of borrowings		**(463.7)**	(51.9)
(55.4)	Settlement of external debt of subsidiary on acquisition		**(1.9)**	-
(10.9)	Settlement of derivative financial instruments		**-**	-
(17.7)	Interest paid		**(10.2)**	(8.3)
1.7	Proceeds from increase in non-controlling interests		**-**	0.4
(59.5)	Dividends paid to equity holders of the Company	6	**(54.8)**	(44.3)
276.0	Net cash generated from (used in) financing activities		**105.1**	(68.4)
5.7	**Net increase (decrease) in cash & cash equivalents from continuing operations**		**11.3**	(26.4)
24.6	**Net increase in cash & cash equivalents from discontinued operations - investing activities**		**-**	-
79.5	Cash & cash equivalents at the beginning of the period		**108.6**	79.5
(1.2)	Foreign currency translation differences		**(4.0)**	0.6
108.6	**Cash & cash equivalents at the end of the period**	12	**115.9**	53.7

Consolidated Statement of Changes in Equity

for the 26 weeks ended 29 June 2012

	Share capital	**Share premium**	**Treasury shares**	**Capital redemption reserve**	**Foreign currency translation reserve**	**Hedge accounting reserve**	**Retained earnings**	**Attributable to equity holders of the Company**	**Non-controlling interests**	**Total equity**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
At 31 December 2010	26.6	38.0	(6.8)	0.5	103.8	0.4	758.8	921.3	0.4	921.7
Profit for the period	-	-	-	-	-	-	118.8	118.8	0.1	118.9
Gains taken to equity on cash flow hedges	-	-	-	-	-	1.8	-	1.8	-	1.8
Exchange losses on translation of foreign operations	-	-	-	-	(16.3)	-	-	(16.3)	-	(16.3)
Exchange gains on net investment hedges	-	-	-	-	15.5	-	-	15.5	-	15.5
Actuarial gains on defined benefit plans	-	-	-	-	-	-	0.5	0.5	-	0.5
Reclassification adjustments taken to the income statement on cash flow hedges	-	-	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Tax relating to other comprehensive income	-	-	-	-	-	(0.2)	(0.1)	(0.3)	-	(0.3)
Total net comprehensive income for the period	-	-	-	-	(0.8)	0.4	119.2	118.8	0.1	118.9
Proceeds from increase in non-controlling interests	-	-	-	-	-	-	-	-	0.4	0.4
Cost of share-based payments inclusive of tax credits	-	-	-	-	-	-	2.2	2.2	-	2.2
Dividends	-	-	-	-	-	-	(44.3)	(44.3)	-	(44.3)
Exercise of LTIP awards	-	-	1.2	-	-	-	(1.2)	-	-	-
At 1 July 2011 (restated note 1)	**26.6**	**38.0**	**(5.6)**	**0.5**	**103.0**	**0.8**	**834.7**	**998.0**	**0.9**	**998.9**
At 30 December 2011 (restated note 1)	26.6	38.0	(5.6)	0.5	83.5	(1.6)	974.0	1,115.4	2.1	1,117.5
Profit for the period	-	-	-	-	-	-	148.2	148.2	(0.9)	147.3
Losses taken to equity on cash flow hedges	-	-	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Exchange losses on translation of foreign operations	-	-	-	-	(18.0)	-	-	(18.0)	(0.6)	(18.6)
Exchange losses on net investment hedges	-	-	-	-	(2.5)	-	-	(2.5)	-	(2.5)
Actuarial losses on defined benefit plans	-	-	-	-	-	-	(19.4)	(19.4)	-	(19.4)
Reclassification adjustments taken to the income statement on cash flow hedges	-	-	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Tax relating to other comprehensive income	-	-	-	-	-	0.1	4.4	4.5	-	4.5
Total net comprehensive income for the period	-	-	-	-	(20.5)	(0.3)	133.2	112.4	(1.5)	110.9
Issue of shares	0.1	-	-	-	-	-	-	0.1	-	0.1
Cost of share-based payments inclusive of tax charge	-	-	-	-	-	-	0.7	0.7	-	0.7
Dividends	-	-	-	-	-	-	(54.8)	(54.8)	-	(54.8)
Exercise of LTIP awards	-	-	2.0	-	-	-	(2.0)	-	-	-
At 29 June 2012	**26.7**	**38.0**	**(3.6)**	**0.5**	**63.0**	**(1.9)**	**1,051.1**	**1,173.8**	**0.6**	**1,174.4**
At 31 December 2010	26.6	38.0	(6.8)	0.5	103.8	0.4	758.8	921.3	0.4	921.7
Profit for the period	-	-	-	-	-	-	298.3	298.3	-	298.3
Losses taken to equity on cash flow hedges	-	-	-	-	-	(1.1)	-	(1.1)	-	(1.1)
Exchange losses on translation of foreign operations	-	-	-	-	(18.9)	-	-	(18.9)	-	(18.9)
Exchange losses on net investment hedges	-	-	-	-	(1.4)	-	-	(1.4)	-	(1.4)
Actuarial losses on defined benefit plans	-	-	-	-	-	-	(45.0)	(45.0)	-	(45.0)
Reclassification adjustments taken to the income statement on cash flow hedges	-	-	-	-	-	(1.5)	-	(1.5)	-	(1.5)
Tax relating to other comprehensive income	-	-	-	-	-	0.6	11.6	12.2	-	12.2
Total net comprehensive income for the period	-	-	-	-	(20.3)	(2.0)	264.9	242.6	-	242.6
Proceeds from increase in non-controlling interests	-	-	-	-	-	-	-	-	1.7	1.7
Cost of share-based payments inclusive of tax credits	-	-	-	-	-	-	11.0	11.0	-	11.0
Dividends	-	-	-	-	-	-	(59.5)	(59.5)	-	(59.5)
Exercise of LTIP awards	-	-	1.2	-	-	-	(1.2)	-	-	-
At 30 December 2011 (restated note 1)	**26.6**	**38.0**	**(5.6)**	**0.5**	**83.5**	**(1.6)**	**974.0**	**1,115.4**	**2.1**	**1,117.5**

Notes to the Financial Statements

1. Basis of preparation

These interim condensed financial statements are for the 26 week period ended 29 June 2012 and have been prepared on the basis of the accounting policies set out in the Group's 2011 Annual Report and in accordance with IAS34 "Interim Financial Reporting" as adopted by the European Union and the Disclosure and Transparency Rules of the Financial Services Authority. These interim condensed financial statements have been prepared on the going concern basis as the directors, having considered available relevant information, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

During the 52 weeks ended 30 December 2011, the provisional fair values attributed to the 2010 acquisitions were finalised and during the 26 weeks ended 29 June 2012, the provisional fair values attributed to the 2011 acquisition of Weir International were finalised and the provisional fair values attributed to Weir Seaboard were updated. In accordance with IFRS3, the net impact of the adjustments to the provisional fair values has been recognised by means of a decrease to goodwill and the adjustments to the provisional amounts have been recognised as if the accounting for the business combinations had been completed at the relevant acquisition dates. As such, all affected balances and amounts have been restated in the financial statements. To this effect, the Consolidated Balance Sheet and affected notes present restated comparative information as at 1 July 2011 and as at 30 December 2011. The Consolidated Income Statement for the 52 weeks ended 30 December 2011 has been restated to reflect £0.7m amortisation of customer relationships and for the 26 weeks ended 1 July 2011 has been restated to reflect £0.8m amortisation of customer relationships and depreciation on property, plant and equipment. Further details of the adjustments made to the provisional fair values can be found in note 8.

These interim condensed financial statements are unaudited but have been formally reviewed by the auditors and their report to the Company is set out on page 26. The information shown for the 52 weeks ended 30 December 2011 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted, with the exception of the restatement noted above, from the Group's 2011 Annual Report which has been filed with the Registrar of Companies. The report of the auditors on the financial statements contained within the Group's 2011 Annual Report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006.

These interim condensed financial statements were approved by the Board of Directors on 31 July 2012.

2. Segment information

For management purposes the Group is organised into three operating divisions: Minerals, Oil & Gas and Power & Industrial. These three divisions are organised and managed separately based on the key markets served and each is treated as an operating segment and a reportable segment in accordance with IFRS8. The operating and reportable segments were determined based on the reports reviewed by the Chief Executive which are used to make operational decisions.

The Minerals segment designs and manufactures pumps, hydrocyclones, valves and other complementary equipment for the mining, flue gas desulphurisation and oil sands markets. The Oil & Gas segment manufactures pumps and ancillary equipment and provides aftermarket support for the global upstream and downstream oil and gas markets. The Power & Industrial segment designs, manufactures and provides aftermarket support for rotating and flow control equipment to the global power generation and industrial sectors. All other segments, which are disclosed as Group companies, include the results of Liquid Gas Equipment which supplies equipment to the liquefied petroleum gas marine and onshore markets.

The Chief Executive assesses the performance of the operating segments based on operating profit from continuing operations before exceptional items and intangibles amortisation, including impairment ("segment result"). Finance income and expenditure and associated interest-bearing liabilities and derivative financial instruments are not allocated to segments as all treasury activity is managed centrally by the Group treasury function. The amounts provided to the Chief Executive with respect to total assets are measured in a manner consistent with that of the financial statements. The assets are allocated based on the operations of the segment and the physical location of the asset.

Transfer prices between segments are set on an arm's length basis in a manner similar to transactions with third parties.

The segment information for the reportable segments for the 26 weeks ended 29 June 2012, the 26 weeks ended 1 July 2011 and the 52 weeks ended 30 December 2011 is disclosed below.

	Minerals		Oil & Gas		Power & Industrial		Total continuing operations	
	June 2012	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Revenue								
Sales to external customers	**664.9**	550.8	**492.3**	324.1	**154.5**	140.9	**1,311.7**	1,015.8
Inter-segment sales	**2.3**	2.4	**7.8**	6.0	**2.1**	3.2	**12.2**	11.6
Segment revenue	**667.2**	553.2	**500.1**	330.1	**156.6**	144.1	**1,323.9**	1,027.4
Group companies sales to external customers							**13.0**	14.8
Eliminations							**(12.2)**	(11.6)
							1,324.7	1,030.6
Sales to external customers - at 2012 average exchange rates								
Sales to external customers	**664.9**	543.8	**492.3**	329.4	**154.5**	139.1	**1,311.7**	1,012.3
Group companies sales to external customers							**13.0**	14.8
							1,324.7	1,027.1
Result (restated note 1)								
Segment result before share of results of joint ventures	**119.9**	101.0	**120.1**	80.3	**11.7**	8.6	**251.7**	189.9
Share of results of joint ventures	**-**	-	**2.9**	1.9	**-**	-	**2.9**	1.9
Segment result	**119.9**	101.0	**123.0**	82.2	**11.7**	8.6	**254.6**	191.8
Group companies							**1.3**	0.6
Unallocated expenses							**(8.4)**	(6.5)
Operating profit before exceptional items & intangibles amortisation							**247.5**	185.9
Exceptional items & intangibles amortisation							**(23.2)**	(11.3)
Net finance costs before exceptional items							**(20.6)**	(7.0)
Other finance costs - retirement benefits							**(0.9)**	(0.8)
Profit before tax from continuing operations							**202.8**	166.8
Segment result - at 2012 average exchange rates								
Segment result before share of results of joint ventures	**119.9**	100.2	**120.1**	82.2	**11.7**	8.4	**251.7**	190.8
Share of results of joint ventures	**-**	-	**2.9**	1.9	**-**	-	**2.9**	1.9
Segment result	**119.9**	100.2	**123.0**	84.1	**11.7**	8.4	**254.6**	192.7
Group companies							**1.3**	0.6
Unallocated expenses							**(8.4)**	(6.5)
Operating profit before exceptional items & intangibles amortisation							**247.5**	186.8
Total assets (restated note 1)								
Property, plant & equipment	**190.8**	180.9	**108.7**	50.7	**50.8**	37.7	**350.3**	269.3
Working capital assets	**498.4**	451.9	**401.7**	253.7	**152.0**	126.1	**1,052.1**	831.7
	689.2	632.8	**510.4**	304.4	**202.8**	163.8	**1,402.4**	1,101.0
Investments in joint ventures	**-**	-	**13.5**	11.6	**-**	-	**13.5**	11.6
Segment assets	**689.2**	632.8	**523.9**	316.0	**202.8**	163.8	**1,415.9**	1,112.6
Group companies assets							**2.2**	3.5
Unallocated assets							**1,650.6**	1,050.4
Total assets							**3,068.7**	2,166.5

2. Segment information (continued)

	Minerals Dec 2011 £m	Oil & Gas Dec 2011 £m	Power & Industrial Dec 2011 £m	Total continuing operations Dec 2011 £m
Revenue				
Sales to external customers	1,216.3	742.7	306.7	2,265.7
Inter-segment sales	5.2	14.7	6.6	26.5
Segment revenue	1,221.5	757.4	313.3	2,292.2
Group companies sales to external customers				26.3
Eliminations				(26.5)
				2,292.0
Sales to external customers - at 2012 average exchange rates				
Sales to external customers	1,205.1	750.8	303.2	2,259.1
Group companies sales to external customers				26.3
				2,285.4
Result (restated note 1)				
Segment result before share of results of joint ventures	213.9	178.3	26.8	419.0
Share of results of joint ventures	-	4.8	-	4.8
Segment result	213.9	183.1	26.8	423.8
Group companies				3.0
Unallocated expenses				(14.1)
Operating profit before exceptional items & intangibles amortisation				412.7
Exceptional items & intangibles amortisation				(5.5)
Net finance costs before exceptional items				(15.1)
Other finance costs - retirement benefits				(1.3)
Profit before tax from continuing operations				390.8
Segment result - at 2012 average exchange rates				
Segment result before share of results of joint ventures	212.8	181.2	26.4	420.4
Share of results of joint ventures	-	4.9	-	4.9
Segment result	212.8	186.1	26.4	425.3
Group companies				3.0
Unallocated expenses				(14.1)
Operating profit before exceptional items & intangibles amortisation				414.2
Total assets (restated note 1)				
Property, plant & equipment	187.4	89.5	44.3	321.2
Working capital assets	470.9	394.7	143.2	1,008.8
	658.3	484.2	187.5	1,330.0
Investments in joint ventures	-	11.4	-	11.4
Segment assets	658.3	495.6	187.5	1,341.4
Group companies assets				3.2
Unallocated assets				1,532.5
Total assets				2,877.1

3. Exceptional items & intangibles amortisation

52 weeks ended 30 Dec 2011 Restated (note 1) £m		**26 weeks ended 29 June 2012 £m**	26 weeks ended 1 July 2011 Restated (note 1) £m
	Recognised in arriving at operating profit from continuing operations		
(23.8)	Intangibles amortisation	**(18.0)**	(11.3)
-	Exceptional item - fair value inventory uplift	**(4.5)**	-
19.0	Exceptional item - past service gain on UK defined benefit scheme	**-**	-
(4.8)		**(22.5)**	(11.3)
	Recognised in finance costs		
(0.7)	Exceptional item - unwind of discount in respect of contingent consideration	**(0.7)**	-
	Recognised in arriving at profit for the period from discontinued operations		
19.9	Exceptional items (net of tax of £nil)	**3.3**	-

Under IFRS, at acquisition, inventory values are adjusted from their carrying values (generally at cost of production) to a fair value, which includes profit attributable to the degree of completion of the inventory. This resulted in a fair value uplift totalling £4.5m for Weir Seaboard and Weir Novatech combined. This uplift is charged to the income statement as the inventory is sold, thereby reducing operating profits. All of the uplifted inventory was sold in the 26 weeks ended 29 June 2012 giving rise to a charge to the income statement of £4.5m which has been treated as an exceptional item.

4. Income tax expense

52 weeks ended 30 Dec 2011 Restated (note 1) £m		**26 weeks ended 29 June 2012 £m**	26 weeks ended 1 July 2011 Restated (note 1) £m
(11.4)	Group - UK	**(1.8)**	(0.5)
(101.0)	Group - overseas	**(57.0)**	(47.4)
(112.4)	Total income tax expense in the Consolidated Income Statement	**(58.8)**	(47.9)
	The total income tax expense is disclosed in the Consolidated Income Statement as follows:		
(114.2)	- continuing operations before exceptional items & intangibles amortisation	**(65.0)**	(51.1)
(4.8)	- exceptional items	**1.4**	-
6.6	- intangibles amortisation	**4.8**	3.2
(112.4)	Total income tax expense in the Consolidated Income Statement	**(58.8)**	(47.9)
(0.8)	Total income tax expense included in the Group's share of results of joint ventures	**(0.6)**	(0.3)

5. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of dilutive share awards).

The following reflects the profit and share data used in the calculation of earnings per share.

52 weeks ended 30 Dec 2011 Restated (note 1)		**26 weeks ended 29 June 2012**	26 weeks ended 1 July 2011 Restated (note 1)
	Profit attributable to equity holders of the Company		
298.3	Total operations * (£m)	**148.2**	118.8
278.4	Continuing operations * (£m)	**144.9**	118.8
282.1	Continuing operations before exceptional items & intangibles amortisation * (£m)	**161.9**	126.9
	Weighted average share capital		
211.2	Basic earnings per share (number of shares, million)	**212.0**	211.0
213.4	Diluted earnings per share (number of shares, million)	**212.6**	213.0

The difference between the weighted average share capital for the purposes of the basic and the diluted earnings per share calculations is analysed as follows.

52 weeks ended 30 Dec 2011 Shares Million		**26 weeks ended 29 June 2012 Shares Million**	26 weeks ended 1 July 2011 Shares Million
211.2	Weighted average number of ordinary shares for basic earnings per share	**212.0**	211.0
2.2	Effect of dilution: LTIP awards	**0.6**	2.0
213.4	Adjusted weighted average number of ordinary shares for diluted earnings per share	**212.6**	213.0

The profit attributable to equity holders of the Company used in the calculation of both basic and diluted earnings per share on continuing operations before exceptional items and intangibles amortisation is calculated as follows.

52 weeks ended 30 Dec 2011 Restated (note 1) £m		**26 weeks ended 29 June 2012 £m**	26 weeks ended 1 July 2011 Restated (note 1) £m
278.4	Net profit attributable to equity holders from continuing operations *	**144.9**	118.8
3.7	Exceptional items & intangibles amortisation net of tax	**17.0**	8.1
282.1	Net profit attributable to equity holders from continuing operations before exceptional items & intangibles amortisation *	**161.9**	126.9

* Adjusted for (£0.9m) (June 2011: £0.1m; December 2011: £nil) attributable to non-controlling interests.

6. Dividends paid & proposed

52 weeks ended 30 Dec 2011 £m		**26 weeks ended 29 June 2012 £m**	26 weeks ended 1 July 2011 £m
	Declared & paid during the period		
	Equity dividends on ordinary shares		
44.3	Final dividend for 2011: 25.8p (2010: 21.0p)	**54.8**	44.3
15.2	Interim dividend: see below (2011: 7.2p)	**-**	-
59.5		**54.8**	44.3
54.5	Final dividend for 2011 proposed for approval by shareholders at the AGM: 25.8p	**-**	-
-	Interim dividend for 2012 declared by the Board: 8.0p (2011: 7.2p)	**17.0**	15.2

The proposed final dividend and the declared interim dividend are based on the number of shares in issue, excluding treasury shares held, at the date the financial statements were approved and authorised for issue. The actual dividend paid may differ due to increases or decreases in the number of shares in issue between the date of approval of the financial statements and the record date for the dividend.

7. Property, plant & equipment & intangible assets

52 weeks ended 30 Dec 2011 £m		**26 weeks ended 29 June 2012 £m**	26 weeks ended 1 July 2011 £m
	Purchases of property, plant & equipment & intangible assets		
18.0	Land & buildings	**6.6**	6.5
72.1	Plant & equipment	**46.3**	27.5
5.3	Intangible assets	**2.7**	2.6
95.4		**55.6**	36.6
0.4	Impairment of plant & equipment	**-**	-

8. Business combinations

On 4 January 2012, the Group completed the acquisition of Gema Industri AB and Gema Industrigummi AB ("Gema") for a net cash consideration of £5m. Based in Gallivare, Sweden, Gema's core business is providing maintenance services to mines in northern Sweden. At 29 June 2012, the Group had acquired 100% of the voting shares of Gema Industrigummi AB and 98% of the voting shares of Gema Industri AB and is in the process of acquiring the remaining shares in accordance with Swedish company law.

On 22 February 2012, the Group completed the acquisition of 100% of the voting shares of Novatech LLC ("Weir Novatech") for a cash consideration of US$192m (£121m), net cash consideration of US$176m (£111m). Based in Dallas, Texas, Weir Novatech produces a wide variety of valves for high pressure applications used in unconventional upstream oil and gas operations. The fair values of Weir Novatech are disclosed in the following table. The fair values are provisional pending the finalisation of the complete fair value exercise in respect of each class of asset. The fair values will be finalised during the second half of the financial year. There will be certain intangible assets included in the £52.5m of goodwill recognised that cannot be individually separated and reliably measured due to their nature. These items include anticipated business growth, synergies and an assembled workforce. The provisional fair value and gross amount of the trade receivables amount to £5.1m. None of the trade receivables have been impaired.

	Provisional fair values Weir Novatech 2012 £m
Property, plant & equipment	**6.8**
Inventories	**7.3**
Intangible assets	
- customer relationships	**53.4**
- trade name	**4.5**
- order backlog	**1.8**
- intellectual property	**4.7**
Trade & other receivables	**5.2**
Cash & cash equivalents	**10.2**
Interest-bearing loans & borrowings	**(1.9)**
Trade & other payables	**(1.9)**
Provisions	**(0.1)**
Deferred tax	**(23.0)**
Fair value of net assets	**67.0**
Goodwill arising on acquisition	**52.5**
Total consideration	**119.5**
Cash consideration	**121.4**
Settlement of external debt of subsidiaries on acquisition	**(1.9)**
Total consideration	**119.5**

	2012 £m
The total net cash outflow on current year acquisitions was as follows	
Weir Novatech	
- cash & cash equivalents acquired	**10.2**
- cash paid	**(121.4)**
Gema - net cash outflow	**(5.4)**
Total cash outflow	**(116.6)**

8. Business combinations (continued)

The Group acquired 60% of the voting shares of Weir International on 1 July 2011 and 100% of the voting shares of Weir Seaboard on 14 December 2011. In the 2011 annual report and accounts, the fair values on acquisition of Weir Seaboard and Weir International were provisional, due to the timing of the transactions. In the 26 weeks ended 29 June 2012, the fair values of Weir Seaboard have been updated although remain provisional with the main area of outstanding work to be performed being in relation to property, plant and equipment. A full asset tagging and verification exercise has commenced and will be completed in the second half of 2012. The fair values will be finalised by the end of the financial year. The fair values of Weir International have been finalised resulting in adjustments to the provisional fair values attributed. The following table summarises the adjustments made to the provisional fair values during the period.

	Provisional fair values			Adjustments to provisional fair values			Restated fair values		
	Weir Seaboard 2011 £m	Weir International 2011 £m	Total 2011 £m	Weir Seaboard 2011 £m	Weir International 2011 £m	Total 2011 £m	Weir Seaboard 2011 £m	Weir International 2011 £m	Total 2011 £m
Property, plant & equipment									
- land & buildings	0.6	-	0.6	-	-	-	0.6	-	0.6
- plant & equipment	22.5	0.1	22.6	-	-	-	22.5	0.1	22.6
Intangible assets									
- brand name	-	-	-	31.5	-	31.5	31.5	-	31.5
- customer relationships	-	-	-	157.7	7.6	165.3	157.7	7.6	165.3
Inventories	29.6	0.7	30.3	(3.2)	-	(3.2)	26.4	0.7	27.1
Trade & other receivables	42.3	1.1	43.4	(0.2)	-	(0.2)	42.1	1.1	43.2
Cash & cash equivalents	2.2	0.2	2.4	-	-	-	2.2	0.2	2.4
Interest-bearing loans & borrowings	(55.4)	(0.2)	(55.6)	-	-	-	(55.4)	(0.2)	(55.6)
Trade & other payables	(41.5)	(1.6)	(43.1)	(3.0)	-	(3.0)	(44.5)	(1.6)	(46.1)
Provisions									
- warranty	(1.5)	-	(1.5)	(1.4)	-	(1.4)	(2.9)	-	(2.9)
Income tax	6.3	(0.1)	6.2	-	-	-	6.3	(0.1)	6.2
Deferred tax	1.1	-	1.1	(31.0)	-	(31.0)	(29.9)	-	(29.9)
Fair value of net assets	6.2	0.2	6.4	150.4	7.6	158.0	156.6	7.8	164.4
Goodwill arising on acquisition	379.6	23.6	403.2	(150.4)	(7.6)	(158.0)	229.2	16.0	245.2
Total consideration	385.8	23.8	409.6	-	-	-	385.8	23.8	409.6
Cash consideration	432.1	9.8	441.9	-	-	-	432.1	9.8	441.9
Settlement of external debt on acquisition	(55.4)	-	(55.4)	-	-	-	(55.4)	-	(55.4)
Contingent consideration	9.1	14.0	23.1	-	-	-	9.1	14.0	23.1
Total consideration	385.8	23.8	409.6	-	-	-	385.8	23.8	409.6
The cash outflow on acquisition was as follows									
Cash & cash equivalents acquired	2.2	0.2	2.4	-	-	-	2.2	0.2	2.4
Cash paid	(432.1)	(9.8)	(441.9)	-	-	-	(432.1)	(9.8)	(441.9)
Net cash outflow	(429.9)	(9.6)	(439.5)	-	-	-	(429.9)	(9.6)	(439.5)

Together, Weir Seaboard and Weir Novatech contributed £92.6m to revenue and £22.5m to operating profit in the 26 weeks ended 29 June 2012. The contribution of Weir Novatech to revenue and to profit for the period from continuing operations after exceptional items and intangibles amortisation was not material and so has not been separately disclosed. The combined revenue and profit for the period from continuing operations after exceptional items and intangibles' amortisation of the Group, assuming that Weir Novatech had been acquired at the start of 2012, would have been £1,331.3m and £144.9m respectively. The revenue and operating profit of Gema have not been disclosed as they are deemed to be immaterial.

9. Interest-bearing loans and borrowings

As part of the acquisition of Weir Seaboard in 2011, the Group entered into two bank loans. Firstly, a US$300m term loan, amortising in equal instalments semi-annually to 22 September 2014. Secondly, a US$380m bridging loan repayable at the earlier of 23 May 2013 or 7 days after a Debt Capital Markets issue.

On 16 February 2012, the Group issued US$1bn of senior unsecured fixed rate notes through a private placement to US investors with maturities of 7, 10 and 11 years and an average interest of 4.16%. The proceeds were used to repay the US$380m bridging loan taken out to fund the Seaboard acquisition, to fund the acquisition of Novatech and repay other borrowing facilities.

At 29 June 2012 the total committed banking facilities are £516.3m with £nil being drawn. At 30 December 2011 the total committed banking facilities were £515.8m with £165.9m being drawn.

10. Pensions & other post-employment benefit plans

30 Dec 2011 £m		**29 June 2012** **£m**	1 July 2011 £m
84.7	Plans in deficit	**104.3**	64.4

The increase in deficit of £19.6m in the 26 weeks ended 29 June 2012 was primarily due to actuarial losses of £19.4m, driven by current market conditions, being recognised in the Consolidated Statement of Comprehensive Income.

An initial assessment of the impact of IAS19 (Revised) on the financial statements has been undertaken and calculated to be an increased charge to the Income Statement of around £3m.

11. Derivative financial instruments

30 Dec 2011 £m		**29 June 2012** **£m**	1 July 2011 £m
	Included in non-current assets		
0.1	Forward foreign currency contracts designated as cash flow hedges	**-**	0.4
-	Other forward foreign currency contracts	**0.4**	-
0.1		**0.4**	0.4
	Included in current assets		
0.6	Forward foreign currency contracts designated as cash flow hedges	**0.6**	1.7
-	Forward foreign currency contracts designated as net investment hedges	**0.9**	1.3
5.8	Other forward foreign currency contracts	**15.8**	8.1
6.4		**17.3**	11.1
	Included in current liabilities		
2.1	Forward foreign currency contracts designated as cash flow hedges	**2.7**	0.4
0.4	Forward foreign currency contracts designated as net investment hedges	**1.1**	-
12.9	Cross currency swaps designated as net investment hedges	**24.5**	10.7
9.0	Other forward foreign currency contracts	**15.6**	11.1
24.4		**43.9**	22.2
	Included in non-current liabilities		
0.7	Forward foreign currency contracts designated as cash flow hedges	**0.1**	0.5
14.3	Cross currency swaps designated as net investment hedges	**3.5**	22.2
0.2	Other forward foreign currency contracts	**1.5**	0.2
15.2		**5.1**	22.9
33.1	Net derivative financial liabilities	**31.3**	33.6

12. Additional cash flow information

52 weeks ended 30 Dec 2011 Restated (note 1) £m		26 weeks ended 29 June 2012 £m	26 weeks ended 1 July 2011 Restated (note 1) £m
	Continuing operations		
	Cash generated from operations		
407.9	Operating profit	**225.0**	174.6
-	Non cash exceptional items	**4.5**	-
(4.8)	Share of results of joint ventures	**(2.9)**	(1.9)
61.1	Depreciation & amortisation of property, plant & equipment & intangible assets	**42.1**	29.8
0.4	Impairment of plant & equipment	**-**	-
(0.8)	Gains on disposal of property, plant & equipment	**(0.4)**	(1.0)
(19.0)	Defined benefit plans past service gain	**-**	-
(1.3)	Funding of pension & post-retirement costs	**(0.7)**	(0.6)
4.9	Employee share schemes	**3.8**	2.2
4.5	Net foreign exchange including derivative financial instruments	**3.7**	0.6
5.0	(Decrease) increase in provisions	**(7.0)**	1.0
457.9	Cash generated from operations before working capital cash flows	**268.1**	204.7
(137.6)	Increase in inventories	**(52.7)**	(83.3)
(127.8)	Decrease (increase) in trade & other receivables & construction contracts	**7.5**	(57.2)
110.1	(Decrease) increase in trade & other payables & construction contracts	**(81.4)**	64.4
302.6	Cash generated from operations	**141.5**	128.6
(6.6)	Additional pension contributions paid	**-**	-
(97.3)	Income tax paid	**(65.8)**	(42.6)
198.7	Net cash generated from operating activities	**75.7**	86.0
	Acquisitions of subsidiaries		
(384.1)	Current period acquisitions	**(114.7)**	(9.8)
(1.9)	Previous periods acquisitions deferred consideration paid	**(3.9)**	(2.4)
(386.0)		**(118.6)**	(12.2)
	Disposals of subsidiaries		
-	Previous periods disposals	**(0.4)**	-
(55.4)	Settlement of external debt of subsidiary on acquisition	**(1.9)**	-
(384.1)	Acquisition of subsidiaries - current year acquisitions	**(114.7)**	(9.8)
(439.5)	Total cash outflow on acquisition of subsidiaries - current year	**(116.6)**	(9.8)
(1.9)	Previous periods acquisitions deferred consideration paid	**(3.9)**	(2.4)
-	Previous periods disposals	**(0.4)**	-
(441.4)	Total cash outflow relating to acquisitions	**(120.9)**	(12.2)
	Cash & cash equivalents comprise the following		
113.9	Cash & short-term deposits	**120.8**	61.0
(5.3)	Bank overdrafts & short-term borrowings	**(4.9)**	(7.3)
108.6		**115.9**	53.7
	Reconciliation of net increase (decrease) in cash & cash equivalents to movement in net debt		
5.7	Net increase (decrease) in cash & cash equivalents from continuing operations	**11.3**	(26.4)
24.6	Net increase in cash & cash equivalents from discontinued operations - investing activities	**-**	-
(362.8)	Net (increase) decrease in debt	**(170.1)**	15.8
(332.5)	Change in net debt resulting from cash flows	**(158.8)**	(10.6)
(0.9)	Lease inceptions	**-**	(0.1)
(55.6)	Loans acquired	**(2.3)**	-
(0.6)	Foreign currency translation differences & amortisation of issue costs	**(9.7)**	5.3
(389.6)	Change in net debt during the period	**(170.8)**	(5.4)
(283.6)	Net debt at the beginning of the period	**(673.2)**	(283.6)
(673.2)	Net debt at the end of the period	**(844.0)**	(289.0)
	Net debt comprises the following		
113.9	Cash & short-term deposits	**120.8**	61.0
(92.0)	Current interest-bearing loans & borrowings	**(67.2)**	(9.1)
(695.1)	Non-current interest-bearing loans & borrowings	**(897.6)**	(340.9)
(673.2)		**(844.0)**	(289.0)

13. Related party disclosures

The following table provides the total amount of significant transactions which have been entered into with related parties for the relevant financial period and outstanding balances at the period end.

52 weeks ended 30 Dec 2011 £m		**26 weeks ended 29 June 2012 £m**	26 weeks ended 1 July 2011 £m
0.5	Sales of goods to related parties - joint ventures	**0.1**	0.1
0.2	Sales of services to related parties - joint ventures	**-**	0.1
0.8	Purchases of goods from related parties - joint ventures	**1.0**	0.1
1.6	Purchases of services from related parties - joint ventures	**0.1**	0.1
1.5	Amounts owed to related parties - group pension plans	**1.1**	1.1

14. Legal claims

The Company and certain subsidiaries are, from time to time, parties to legal proceedings and claims which arise in the normal course of business.

The Company is subject to a claim relating to a civil action for damages arising from the UN Oil for Food Programme which has been raised in the United States against just under 100 companies. The action will be robustly defended.

To the extent not already provided for, the directors do not anticipate that the outcome of these proceedings and claims, either individually or in aggregate, will have a material adverse effect upon the Group's financial position.

15. Exchange rates

The principal exchange rates applied in the preparation of these interim condensed financial statements were as follows.

52 weeks ended 30 Dec 2011		**26 weeks ended 29 June 2012**	26 weeks ended 1 July 2011
	Average rate (per £)		
1.60	US dollar	**1.58**	1.62
1.56	Australian dollar	**1.53**	1.57
1.15	Euro	**1.22**	1.15
1.59	Canadian dollar	**1.59**	1.58
2.68	Brazilian real	**2.94**	2.64
774.99	Chilean peso	**776.98**	768.49
11.64	South African rand	**12.53**	11.15
	Closing rate (per £)		
1.55	US dollar	**1.55**	1.61
1.51	Australian dollar	**1.55**	1.50
1.20	Euro	**1.25**	1.11
1.58	Canadian dollar	**1.60**	1.55
2.89	Brazilian real	**3.24**	2.51
805.90	Chilean peso	**789.68**	752.16
12.53	South African rand	**13.06**	10.86

Directors Statement of Responsibilities

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS34 "Interim Financial Reporting" as adopted by the European Union, and that the interim report herein includes a fair review of the information required by the Disclosure and Transparency Rules of the Financial Services Authority, paragraphs DTR 4.2.7 and DTR 4.2.8.

The directors of The Weir Group PLC are listed in the Group's 2011 Annual Report with the exception of Alan Mitchelson, Michael Dearden and Stephen King who resigned on 9 May 2012.

A list of current directors is maintained on The Weir Group PLC website which can be found at www.weir.co.uk.

On behalf of the Board

Jon Stanton

Finance Director

31 July 2012

Independent Review Report to The Weir Group PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim report for the 26 weeks ended 29 June 2012 which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity and the related notes 1 to 15. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors Responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim report for the 26 weeks ended 29 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP

Glasgow

31 July 2012

Shareholder Information

The Board have declared an interim dividend of 8.0p (2011: 7.2p). The dividend will be paid on 2 November 2012 to shareholders on the register on 5 October 2012. Shareholders may have their dividends reinvested in Weir Group shares by participating in its Dividend Reinvestment Plan (DRIP). If you wish to participate in the DRIP, please apply online at **www.investorcentre.co.uk** or alternatively, you can complete a DRIP mandate form obtainable from the Company's registrar, Computershare Investor Services. The final date for receipt of DRIP elections is 12 October 2012.

Financial Calendar

Ex-dividend date for interim dividend

3 October 2012

Record date for interim dividend

5 October 2012

Shareholders on the register at this date will receive the dividend

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Final day for receipt of DRIP elections

12 October 2012

Interim dividend paid

2 November 2012

The interim report can be downloaded from The Weir Group PLC website at:

www.weir.co.uk