



Date: 19 August 2003

THE WEIR GROUP PLC

INTERIM RESULTS 2003

“SOLID PERFORMANCE IN A DIFFICULT MARKET ENVIRONMENT”

Results for 26 weeks ended 27 June 2003 (unaudited)

| | Group Results | | | Continuing Operations ³ | | |
|---------------------------------|---------------|---------|--------|------------------------------------|---------------------|--------|
| | 2003 | 2002 | Change | 2003 | 2002 | Change |
| Turnover | £393.7m | £426.3m | -7.6% | £393.7m | £389.6m | +1.1% |
| Operating Profit ¹ | £26.7m | £26.6m | +0.5% | £26.7m | £23.5m | +13.5% |
| Pre-tax Profit ¹ | £23.6m | £25.6m | -7.8% | £23.6m | £23.2m ⁴ | +1.9% |
| Earnings per share ¹ | 8.9p | 9.7p | -8.2% | | | |
| Dividend | 3.35p | 3.25p | +3.1% | | | |
| Order Input ² | £368.4m | £365.8m | +0.7% | £368.4m | £352.2m | +4.6% |

¹ Excluding goodwill amortisation and exceptionals

² Excluding joint ventures and associates; calculated at constant 2003 exchange rates

³ Excludes discontinued businesses

⁴ Includes a proforma credit adjustment to the 2002 interest charge of £594,000

HIGHLIGHTS

- **Good profit generation despite difficult market conditions**
- **Strong turnover and profit growth in Engineering Products and Engineering Services**
- **Continued improvements in operational performance**
- **Strong momentum on product development and accessing new markets**
- **Dividend increase**

**Analysts Meeting rescheduled to 11.00am TODAY at UBS,
1 Finsbury, London, EC2M 2PP**

The Chairman of The Weir Group, Sir Robert Smith, commented: “During the first half of 2003, the Group’s continuing operations delivered a good financial performance growing input, turnover and profit despite challenging market conditions.

The year to date has been shaped by the successful execution of our operational initiatives delivering reduced costs and improving efficiencies when compared to the same period in 2002. The strong momentum behind these activities is expected to continue to deliver improving performances into the second half of the year.

The continued economic uncertainty in a number of our sectors makes it difficult to be definite in our outlook for the remainder of 2003. However, on balance, we anticipate the level of second half performance for continuing operations will be broadly in line with those of last year.

Furthermore Weir’s solid balance sheet, when combined with our programmes for new product and market developments, ensures we are well positioned for future growth.”

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Note to Editors: Print quality images are available to download at <http://www.newscast.co.uk>

GENERAL OVERVIEW

In the first six months to June 2003, turnover from continuing businesses at £393.7m was 1.1% above the same period in the previous year.

Comparable operating profit from continuing businesses before interest, taxation, goodwill and exceptionals was £26.7m compared with £23.5m last year, an increase of 13.5%.

During the first half, we have continued to execute successfully our operational improvement activity across the Group. In the Valves & Controls and Clear Liquid Divisions, the key initiatives to reduce costs and improve efficiency continue to yield good results. Before one-off restructuring, both divisions delivered stronger margins and profit performances on reduced turnover when compared to the same period last year.

In Minerals, we have built a dynamic global organisation which delivered stronger turnover and profits in the first half of 2003 when compared to 2002. The key initiatives to reduce costs, expand our product offering and improve efficiency continue to improve results and our geographic expansion agenda remains on track.

Our Services Division increased turnover and operating profit from continuing operations while laying the framework for future growth. Our plan to build a national Australian services organisation was completed to schedule. New cooperative relationships were cemented with Scottish & Southern Energy to develop renewable energy technology and with Siemens where selectively, we will jointly service the turbomachinery market on a global basis.

In Techna, as expected, turnover was significantly down against the comparable period of 2002 resulting in a first half loss of £1.3m compared to a £0.9m profit in the same period of 2002. The businesses remain in attractive markets which have been badly affected by the continuing tensions in the Middle East, delays in UK defence spending and global economic uncertainty.

Weir's share of turnover from our continuing Joint Ventures and Associates was £50.8m, 1.5% above 2002. Operating profit at £5.3m translated to an operating margin of 10.4% against 6.7% in 2002.

Order input for Group subsidiaries in the first half of 2003 was £368.4m (2002: £365.8m), marginally above the same period in 2002, with strong performances from our Services, Minerals and Techna Divisions offsetting shortfalls in our Clear Liquid and Valves & Controls Divisions. On a continuing basis, order input was up by 4.6%.

FINANCIAL HIGHLIGHTS

The combination of the sale or withdrawal from non-core operations in 2002 complicate comparisons with prior periods.

Total Group turnover fell 7.6% to £393.7m (2002: £426.3m), with stronger performances in our Engineering Products, Services and Joint Ventures and Associates being offset by £37m related to our discontinued activities, a £6.4m exchange impact and the effects of continued delays in large contract placements in Techna. On a continuing basis, turnover increased by 1.1%.

Operating profit excluding goodwill amortisation at £26.7m (2002: £26.6m) was 0.5% ahead of 2002 with Group subsidiaries at £21.4m (2002: £22.4m), down 4%. Our Joint Ventures and Associates companies contributed £5.3m against £4.2m in 2002. On a continuing basis, operating profit increased by 13.5%.

Group pre-tax profit excluding goodwill amortisation and exceptionals was down 7.8% on the previous year at £23.6m (2002: £25.6m) and reflects the reduction associated with our discontinuing operations, the increased costs of pensions and deferment in major capital orders offset in part by stronger performances from our Engineering Products and Services Division. On a continuing basis, pre-tax profit increased by 1.9%.

As advised in our March announcement, the Group's implementation of FRS 17 and the poor performance of equity markets had the effect of adding £2.8m of pension costs in the first half of 2003 when compared to 2002.

A tax charge of £5.4m (2002: £5.9m) gives an effective tax rate of 23%.

The resulting earnings per share excluding goodwill amortisation and exceptionals was 8.9p (2002: 9.7p).

The Group's net debt at the half year was £35.8m rising from £1.9m in funds position at the start of the year. The first half outflow includes £17.9m for the final dividend payment and an additional £10m contribution to the UK pension fund. Trade creditors decreased £13m due to the reduced level of activity in the Techna division.

DIVIDEND

An interim dividend of 3.35p (2002: 3.25p) is declared. The interim dividend will be paid on 7 November 2003 to shareholders on the register at the close of business on 3 October 2003.

REVIEW OF RESULTS

To assist in meaningful comparisons, the following review of results restates comparative 2002 figures at constant 2003 exchange rates and excludes the results of discontinued operations.

Engineering Products

Our Engineering Products businesses include the operations of our Minerals, Clear Liquid and Valves & Controls Divisions. Turnover from our continuing businesses was 3.5% above 2002 at £217.3m (2002: £210m) and operating profit increased 31% to £16.9m (2002: £12.9m).

At the operating profit level, the margin was 7.8% compared with 6.2% in 2002, driven by a stronger performance from the Minerals Division and an improved half year result from the Clear Liquid Division when compared to the poor performance in the first half of 2002.

The Minerals Division had an excellent first half growing its order input and profits through a combination of new and more competitive product offerings and the continued benefits being delivered from our operational improvement activity.

The Clear Liquid Division delivered major improvements in operational performance and profits benefited from a high mix of spares orders delivered in the first half of 2003. The effects of our product rationalisation and the Middle East conflict saw input reduce by £25m when compared to 2002 (2003: £69m).

The first half results for the Valves & Controls Division were affected by continued softening in the power and nuclear markets and a one-off £800k charge for further rationalisation of our French operations. Before the costs of rationalisation, the operating profit was improved when compared to 2002.

Engineering Services

Excluding discontinued businesses, turnover from Engineering Services was £89.7m (2002: £71.1m), resulting in an operating profit of £7.7m against £7.1m in the first half of 2002. At operating profit level the margin was 8.6% against 10% in 2002, due in large part, to the transfer of the Australian engineering business.

Transfer of our Australian operation to the Services Division resulted in an £8.1m turnover uplift with negligible profit which, when coupled to the subsequent downsizing costs, negatively impacted the first half margin performance of the Services Division by about 0.7%.

The traditional services businesses increased turnover by 15% when compared to the first half of 2002. Our hydro-refurbishment, asset management and Canadian services operations all performed well.

During the balance of 2003 we will continue our strategy to expand our activities into North America and bed down the operations in Australia. The costs of establishing these new growth avenues will continue to hold back margin performance for the balance of 2003.

Techna

Our Techna Division includes those businesses involved in design and project management of large scale projects.

Turnover from our Techna Division declined 31% to £35.8m (2002: £52.3m) resulting in a first half loss of £1.3m against a prior year profit of £0.9m.

The defence and nuclear operations experienced a decline in turnover and operating profit when compared to 2002. Although there have been much publicised delays in the important UK submarine and carrier programmes, we remain confident of our future participation in these projects. The significantly improved first half 2003 order input of £23.1m (2002: £12.2m) is an early indication of some positive movement in these markets.

The desalination and water treatment businesses experienced a decline in turnover and operating profit when compared to 2002. Aggressive competition in the Middle East has caused us to refocus on smaller project work. This strategy has been rewarded with the award of the £16.2m Kindasa desalination order and an improved first half order input of £32.5m against £19.2m in the same period of 2002.

Joint Ventures and Associates

Weir's share of turnover from continuing Joint Ventures and Associates at £50.8m was 1.5% above 2002 (2002: £50m). Operating profit of £5.3m (2002: £3.3m) produced an operating margin uplift to 10.4% (2002: 6.7%). Profit recognition and contract timing milestones delivered a strong first half performance at DML. In the second half, we expect performance to return to a similar level as experienced in the second half of 2002.

STRATEGY

Our programme for the execution of operational and strategic changes continued to make good progress during the first half of 2003. The plan of unlocking the potential within Weir remains on track and is the centrepiece of our strategy focused on the relentless pursuit of improvements in quality, efficiency and cost savings and closer alignment with our customers and markets.

The Clear Liquid, Minerals and Valves & Controls Divisions all launched ranges of new world-class products targeted at increasing our competitiveness and building Weir differentiation in the global market place.

Our expansion into strategically important markets remains on track with the Services Division completing its entry into Australia and good progress in the development of our US service centres. The Minerals Division has strengthened its position in India and investigations into having a larger presence in China will come to a conclusion in the near term.

Acquisition opportunities continue to be closely monitored and we are better prepared to manage a successful integration as and when the right opportunities present themselves.

THE BOARD

Lord Robertson of Port Ellen, currently Secretary General of NATO, has accepted an invitation to join the Board as a Non Executive Director from February 2004. He brings considerable international experience and value to the Board as we continue to develop Weir's global strategy, particularly in opening up new markets.

OUTLOOK

As anticipated, during the first half of 2003, the Group delivered significant performance gains and grew input, turnover and profit from continuing operations despite challenging market conditions. The continued strong performances from the Engineering Products and Services businesses in the first half have been sufficient to offset the increased cost of pensions and partially offset £1.0 million of currency translation losses and the poor result in Techna.

Within the Engineering Products businesses, all three divisions have strong momentum behind their productivity programmes. Our new product launches will progressively improve competitiveness and build market share and we expect to deliver further improvements in the balance of 2003.

In the Services Division, we have been equally successful at delivering performance gains, which we fully anticipate will continue during the balance of the year. We expect to deliver some margin improvement when compared to the first half but will not return to the levels of 2002 due to the one off costs necessary to establish our presence in the US market.

We would expect the Group's Services and Engineering Products businesses to continue to produce sufficiently strong results to offset the increased cost of pensions and other known costs in the second half. However, the less predictable currency movements and Techna's market sector make it more difficult to define the level of offset.

While customer plans would suggest otherwise, our experience indicates that we will encounter further slippage in funding approvals for major projects in the Techna Division. These delays have the potential to negatively impact Techna's second half profit performance.

Our Joint Venture and Associates businesses performed well in the first half with favourable profit taking milestones when compared to 2002. In the second half, we expect performance to return to a similar level as experienced in the second half of 2002.

The continued economic uncertainty in a number of our sectors makes it difficult to be definite in our outlook for the remainder of 2003. However, on balance, we anticipate that the level of second half performance for continuing operations will be broadly in line with those of last year.

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Consolidated Profit & Loss Account

| | | 26 weeks to 27 June 2003 | | | 26 weeks to 28 June 2002 | | | |
|------------------------------------|---|---|---|---------|---|---|---------|---------|
| | | Before amortisation of goodwill & exceptional items | Amortisation of goodwill & exceptional items | Total | Before amortisation of goodwill & exceptional items | Amortisation of goodwill & exceptional items | Total | |
| 52 weeks to 27 Dec 2002 | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Turnover | | | | | | | | |
| 685,246 | Group | - continuing | 342,857 | - | 342,857 | 339,521 | - | 339,521 |
| 15,964 | | - discontinued | - | - | - | 13,232 | - | 13,232 |
| 701,210 | | | 342,857 | - | 342,857 | 352,753 | - | 352,753 |
| 9,814 | Share of | - joint ventures | 4,459 | - | 4,459 | 4,950 | - | 4,950 |
| 91,631 | | - associates | 46,365 | - | 46,365 | 45,108 | - | 45,108 |
| 39,051 | | - discontinued associate | - | - | - | 23,481 | - | 23,481 |
| 841,706 | | | 393,681 | - | 393,681 | 426,292 | - | 426,292 |
| Operating profit | | | | | | | | |
| 50,056 | Group | - continuing - excluding exceptionals | 21,406 | - | 21,406 | 20,179 | - | 20,179 |
| (4,289) | | - exceptional item | - | - | - | - | - | - |
| (6,671) | | - goodwill amortisation | - | (3,393) | (3,393) | - | (3,403) | (3,403) |
| 2,699 | | - discontinued | - | - | - | 2,227 | - | 2,227 |
| 41,795 | | | 21,406 | (3,393) | 18,013 | 22,406 | (3,403) | 19,003 |
| 1,813 | Share of | - joint ventures | 826 | - | 826 | 984 | - | 984 |
| 5,870 | | - associates | 4,462 | - | 4,462 | 2,361 | - | 2,361 |
| (182) | | - associate's goodwill amortisation | - | (92) | (92) | - | (90) | (90) |
| 1,797 | | - discontinued associate | - | - | - | 810 | - | 810 |
| 51,093 | | | 26,694 | (3,485) | 23,209 | 26,561 | (3,493) | 23,068 |
| 10,539 | Exceptional items | | - | - | - | - | (103) | (103) |
| Interest & other income | | | | | | | | |
| (3,765) | Group | - net interest & other income | (1,431) | - | (1,431) | (2,149) | - | (2,149) |
| 1,779 | | - other finance income | (1,488) | - | (1,488) | 1,305 | - | 1,305 |
| 34 | Joint ventures | | 25 | - | 25 | 16 | - | 16 |
| (253) | Associates | | (184) | - | (184) | (121) | - | (121) |
| (2,205) | | | (3,078) | - | (3,078) | (949) | - | (949) |
| 59,427 | Profit on ordinary activities before tax | | 23,616 | (3,485) | 20,131 | 25,612 | (3,596) | 22,016 |
| 9,026 | Estimated tax on profit on ordinary activities | | 5,431 | - | 5,431 | 5,891 | - | 5,891 |
| 50,401 | Profit on ordinary activities after tax | | 18,185 | (3,485) | 14,700 | 19,721 | (3,596) | 16,125 |
| 245 | Minority interest | | 31 | - | 31 | 65 | - | 65 |
| 50,156 | Profit attributable to The Weir Group PLC | | 18,154 | (3,485) | 14,669 | 19,656 | (3,596) | 16,060 |
| 24.7p | Earnings per share | | | | 7.2p | | | 7.9p |
| 22.6p | Earnings per share excluding goodwill amortisation & exceptional items | | | | 8.9p | | | 9.7p |
| 24.6p | Diluted earnings per share | | | | 7.2p | | | 7.9p |

Segmental Analysis

Turnover and profit on ordinary activities before tax were contributed as follows:

| | 26 weeks to 27 June '03 Turnover £'000 | 26 weeks to 28 June '02 Turnover £'000 | 52 weeks to 27 Dec '02 Turnover £'000 | 26 weeks to 27 June '03 Profit £'000 | 26 weeks to 28 June '02 Profit £'000 | 52 weeks to 27 Dec '02 Profit £'000 |
|--|---|---|--|---|---|--|
| Engineering Products | | | | | | |
| Group - continuing - excluding exceptionals | 217,289 | 209,972 | 428,031 | 16,907 | 12,925 | 32,289 |
| - operating exceptional item | - | - | - | - | - | (4,289) |
| - discontinued | - | 3,362 | 3,362 | - | 133 | 182 |
| | 217,289 | 213,334 | 431,393 | 16,907 | 13,058 | 28,182 |
| Share of associate | 7 | 2 | 15 | (1) | - | (1) |
| | 217,296 | 213,336 | 431,408 | 16,906 | 13,058 | 28,181 |
| Techna | | | | | | |
| Group | 35,830 | 52,252 | 108,359 | (1,306) | 943 | 5,329 |
| Share of joint venture | 228 | 291 | 549 | 9 | (8) | 5 |
| | 36,058 | 52,543 | 108,908 | (1,297) | 935 | 5,334 |
| Engineering Services | | | | | | |
| Group - continuing | 89,738 | 71,094 | 151,629 | 7,713 | 7,083 | 15,099 |
| - discontinued | - | 9,649 | 12,505 | - | 1,994 | 2,525 |
| | 89,738 | 80,743 | 164,134 | 7,713 | 9,077 | 17,624 |
| Share of joint ventures | 4,231 | 4,659 | 9,265 | 817 | 992 | 1,808 |
| Share of associate | 46,358 | 45,106 | 91,616 | 4,463 | 2,361 | 5,871 |
| Share of associate - discontinued | - | 23,481 | 39,051 | - | 810 | 1,797 |
| | 140,327 | 153,989 | 304,066 | 12,993 | 13,240 | 27,100 |
| Segmental totals | | | | | | |
| Group | 342,857 | 346,329 | 703,886 | 23,314 | 23,078 | 51,135 |
| Joint ventures & associates | 50,824 | 73,539 | 140,496 | 5,288 | 4,155 | 9,480 |
| Goodwill amortisation - Engineering Products | - | - | - | (3,393) | (3,434) | (6,894) |
| Goodwill amortisation - Associates | - | - | - | (92) | (90) | (182) |
| Unallocated costs | - | - | - | (1,908) | (1,607) | (2,910) |
| Exchange adjustment - Group * | - | 6,424 | (2,676) | - | 966 | 464 |
| | 393,681 | 426,292 | 841,706 | 23,209 | 23,068 | 51,093 |
| Exceptional items - Engineering Products | - | - | - | - | (103) | (48) |
| - Engineering Services | - | - | - | - | - | 10,587 |
| Interest & other income | - | - | - | (3,078) | (949) | (2,205) |
| | 393,681 | 426,292 | 841,706 | 20,131 | 22,016 | 59,427 |

* For comparative purposes 2002 figures have been restated at the 27 June 2003 average exchange rates.

Dividends

| 52 weeks to 27 Dec '02 | | 26 weeks to 27 June '03 | 26 weeks to 28 June '02 |
|---------------------------|--------------------|----------------------------|----------------------------|
| | On ordinary shares | | |
| 12.0p | pence per share | 3.35p | 3.25p |
| 24,500 | costing - £'000 | 6,842 | 6,634 |

An interim dividend of 3.35p per ordinary share (2002: 3.25p per ordinary share) will be paid on 7 November 2003 to shareholders on the register at close of business on 3 October 2003.

Exceptional Items

| 52 weeks to 27 Dec '02 £'000 | | 26 weeks to 27 June '03 £'000 | 26 weeks to 28 June '02 £'000 |
|------------------------------------|--|-------------------------------------|-------------------------------------|
| 2,066 | (Loss)/profit on disposal of discontinued operations | - | (103) |
| 8,473 | Profit on disposal of discontinued associate | - | - |
| 10,539 | Non operating exceptional items | - | (103) |

The comparative figures for the 26 weeks to 28 June 2002 and for the 52 weeks to 27 December 2002 relate to the disposal of Molded Products which was completed on 28 June 2002 and the disposals of the businesses of Actuators and the turbo-drilling operations of Neyrfor-Weir Limited which were completed on 1 July 2002 and 31 July 2002 respectively. The results of these businesses for the prior year to the dates of disposal have been shown in the profit and loss account as 'discontinued'. The comparative profit on disposal of discontinued associate for the 52 weeks to 27 December 2002 relates to the disposal of First Engineering Limited which was completed on 7 October 2002. The results of this business for the prior year to the date of disposal have been shown in the profit and loss account as 'discontinued'.

The comparative figure of £4,289,000 in respect of operating exceptional items for the 52 weeks to 27 December 2002 relates to the net costs of closure (including tangible asset impairment losses) of the foundry activities at Hazleton Pumps Inc and the operations of Weir Pumps Limited at Girdlestone.

Tax

| 52 weeks to 27 Dec '02 £'000 | | 26 weeks to 27 June '03 £'000 | 26 weeks to 28 June '02 £'000 |
|------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| 2,594 | Group - United Kingdom | 26 | 745 |
| 8,896 | Group - overseas | 4,214 | 4,001 |
| 166 | Joint ventures | 122 | 152 |
| 2,166 | Associates | 1,069 | 993 |
| (4,007) | UK tax on exceptional item | - | - |
| (789) | Overseas tax on exceptional item | - | - |
| 9,026 | Tax on profit on ordinary activities | 5,431 | 5,891 |

Basis of Preparation

The interim financial statements are unaudited and do not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. These statements have been prepared on the basis of the accounting policies set out in the Group's 2002 Annual Report and Accounts and were approved by the Board of Directors on 18 August 2003. Financial statements for the 52 weeks to 27 December 2002 are abridged statements; full accounts with an unqualified audit report have been lodged with the Registrar.

Consolidated Balance Sheet

| 27 Dec 2002 | | 27 Jun 2003 | 28 Jun 2002 |
|-------------|---|-------------|-------------|
| £'000 | | £'000 | £'000 |
| | Fixed assets | | |
| 105,509 | Intangible assets - goodwill | 111,905 | 113,397 |
| 97,676 | Tangible assets | 99,391 | 109,687 |
| | Investments | | |
| 9,343 | Joint ventures - share of gross assets | 9,767 | 9,773 |
| 3,199 | - share of gross liabilities | 3,181 | 3,447 |
| 6,144 | | 6,586 | 6,326 |
| 13,468 | Associates | 16,407 | 17,567 |
| 539 | Other | 600 | 548 |
| 20,151 | | 23,593 | 24,441 |
| 223,336 | Total fixed assets | 234,889 | 247,525 |
| | Current assets | | |
| 95,034 | Stocks | 101,586 | 99,832 |
| 186,090 | Debtors | 197,091 | 195,903 |
| 153,056 | Cash at bank & in hand | 121,362 | 105,945 |
| 434,180 | | 420,039 | 401,680 |
| | Creditors falling due within one year | | |
| 1,918 | Bank overdrafts & short term debt | 1,911 | 6,354 |
| 9,980 | Other borrowings | 9,999 | 10,006 |
| 186,331 | Other creditors | 163,583 | 172,956 |
| 198,229 | | 175,493 | 189,316 |
| 235,951 | Net current assets | 244,546 | 212,364 |
| 459,287 | Total assets less current liabilities | 479,435 | 459,889 |
| | Less: | | |
| | Creditors falling due after more than one year | | |
| 137,237 | Loans | 143,319 | 145,721 |
| 1,542 | Obligations under finance leases | 1,389 | 1,845 |
| 33,114 | Provisions for liabilities & charges | 35,902 | 33,426 |
| | Deferred income | | |
| 147 | Grants not yet credited to profit | 86 | 241 |
| 560 | Minority interest | 568 | 449 |
| 286,687 | Net assets excluding retirement benefits | 298,171 | 278,207 |
| 106,594 | Retirement benefits - liability | 100,404 | 49,289 |
| 180,093 | Net assets including retirement benefits | 197,767 | 228,918 |
| | Capital & reserves | | |
| 25,522 | Called up share capital | 25,527 | 25,416 |
| 154,571 | Reserves | 172,240 | 203,502 |
| 180,093 | | 197,767 | 228,918 |

Consolidated Cash Flow Statement

| 52 weeks to 27 Dec 2002 £'000 | | 26 weeks to 27 Jun 2003 £'000 | 26 weeks to 28 Jun 2002 £'000 |
|-------------------------------------|---|-------------------------------------|-------------------------------------|
| | Cash (outflow)/inflow from operating activities | | |
| 59,739 | Funds generated by operations | 20,755 | 22,481 |
| 9,658 | (Increase)/decrease in working capital | (22,147) | 9,533 |
| (1,325) | Cash spent on exceptional items | (828) | (162) |
| 68,072 | | (2,220) | 31,852 |
| 1,329 | Dividends received from joint ventures | 325 | 400 |
| 1,811 | Dividends received from associates | - | 217 |
| (3,510) | Returns on investments & servicing of finance | (1,811) | (2,324) |
| (7,116) | Taxation | (3,363) | (3,531) |
| (10,274) | Net capital expenditure | (7,779) | (5,077) |
| 77 | (Purchase)/sale of investments | (62) | 45 |
| (927) | Acquisitions | (333) | (927) |
| 36,940 | Disposals | 2,740 | 5,288 |
| (23,766) | Equity dividends paid | (17,865) | (17,131) |
| 62,636 | Cash (outflow)/inflow before liquid resources & financing | (30,368) | 8,812 |
| (35,516) | Management of liquid resources | 45,581 | 11,767 |
| 4,054 | Financing - issue of shares | 88 | 2,253 |
| 96 | - new loans | 17 | 587 |
| (15,069) | - debt repaid | (5,621) | (5,280) |
| 3,246 | - foreign exchange hedging | (297) | 304 |
| (7,673) | | (5,813) | (2,136) |
| 19,447 | Increase in cash | 9,400 | 18,443 |

Reconciliation of Net Cash Flow to Movement in Net Funds/(Debt)

| £'000 | | £'000 | £'000 |
|----------|---|----------|----------|
| 19,447 | Increase in cash | 9,400 | 18,443 |
| 15,069 | Cash flow from debt repaid | 5,621 | 5,280 |
| (96) | Cash flow from new loans | (17) | (587) |
| 35,516 | Cash flow from management of liquid resources | (45,581) | (11,767) |
| 69,936 | Change in net funds/(debt) resulting from cash flows | (30,577) | 11,369 |
| (182) | Leases - inceptions | - | (190) |
| (1,859) | Exchange | (7,122) | (3,619) |
| 67,895 | Movement in net funds/(debt) during the period | (37,699) | 7,560 |
| (65,971) | Net funds/(debt) at 28 December 2002 | 1,924 | (65,971) |
| 1,924 | Net funds/(debt) at 27 June 2003 | (35,775) | (58,411) |

Reconciliation of Operating Profit to Net Cash (Outflow)/Inflow from Operating Activities

| 52 weeks to 27 Dec 2002 £'000 | | 26 weeks to 27 Jun 2003 £'000 | 26 weeks to 28 Jun 2002 £'000 |
|-------------------------------------|--|-------------------------------------|-------------------------------------|
| 41,795 | Operating profit | 18,013 | 19,003 |
| 23,510 | Depreciation, goodwill amortisation & grant credits | 11,259 | 12,596 |
| (1,612) | Surplus on disposal of tangible assets & investments | (235) | (627) |
| (7,726) | Funding of pension & post retirement costs | (10,614) | (6,929) |
| 3,772 | Increase/(decrease) in provisions | 2,332 | (1,562) |
| 59,739 | Funds generated by operations | 20,755 | 22,481 |
| 6,749 | (Increase)/decrease in stocks | (3,603) | 12,889 |
| 2,131 | (Increase)/decrease in debtors | (5,233) | 4,955 |
| 778 | (Decrease)/increase in creditors | (13,311) | (8,311) |
| 9,658 | (Increase)/decrease in working capital | (22,147) | 9,533 |
| (1,325) | Cash spent on exceptional items | (828) | (162) |
| 68,072 | Net cash (outflow)/inflow from operating activities | (2,220) | 31,852 |

Statement of Total Recognised Gains & Losses

| £'000 | | £'000 | £'000 |
|-----------|--|--------|----------|
| 43,409 | Profit excluding share of profit for joint ventures & associates | 10,823 | 13,245 |
| 1,681 | Share of joint ventures' profit | 729 | 848 |
| 5,066 | Share of associates' profit | 3,117 | 1,967 |
| 50,156 | Profit attributable to The Weir Group PLC | 14,669 | 16,060 |
| (129,832) | Actuarial loss | - | (45,558) |
| 39,523 | Tax thereon | - | 13,813 |
| (8,703) | Exchange differences on foreign currency net investments | 9,818 | (1,371) |
| - | Tax thereon | (59) | 235 |
| (48,856) | Total recognised gains/(losses) relating to the period | 24,428 | (16,821) |

Reconciliation of Movements in Shareholders' Funds

| 52 weeks to 27 Dec 2002 £'000 | | 26 weeks to 27 Jun 2003 £'000 | 26 weeks to 28 Jun 2002 £'000 |
|-------------------------------------|---|-------------------------------------|-------------------------------------|
| (48,856) | Total recognised gains/(losses) | 24,428 | (16,821) |
| (24,500) | Dividends | (6,842) | (6,634) |
| | Other movements | | |
| 4,650 | New share capital subscribed | 88 | 2,322 |
| (596) | Cost of issuing shares | - | (69) |
| (725) | Goodwill reinstated on disposal | - | - |
| (70,027) | Net addition/(reduction) to shareholders' funds | 17,674 | (21,202) |
| 250,120 | Opening shareholders' funds | 180,093 | 250,120 |
| 180,093 | Closing shareholders' funds | 197,767 | 228,918 |

Shareholders' funds are entirely attributable to equity interests.

Interim Results

The Interim Results will be sent to shareholders and copies will be available from The Weir Group PLC, 149 Newlands Road, Cathcart, Glasgow G44 4EX.

Interim Dividend Paid
7 November 2003

Interim dividend will be paid to shareholders on the register at close of business on 3 October 2003.

Details contained in the interim report can be downloaded from The Weir Group website at:
www.weir.co.uk