



Date: 9 March 2010

THE WEIR GROUP PLC PRELIMINARY RESULTS 2009
Results for 53 weeks ended 1 January 2010

	2009	2008	Change
Continuing Operations			
Order input ¹	£1,302m	£1,595m	-18%
Revenue	£1,390m	£1,354m	+3%
Operating profit ²	£205m	£185m	+11%
Operating margin ²	14.7%	13.7%	+1.0%
Profit before tax ²	£187m	£176m	+6%
Cash from operations ²	£302m	£214m	+41%
Earnings per share ²	64.1p	59.3p	+8%
Dividend per share	21.0p	18.5p	+14%
Net debt	£119m	£240m	

¹ 2008 restated at 2009 average exchange rates

² Adjusted to exclude intangibles amortisation. Reported operating profit, profit before tax and earnings per share were £188m (2008: £168m); £170m (2008: £160m) and 58.8p (2008: 53.8p) respectively.

HIGHLIGHTS

- Resilient aftermarket contributed 54% of revenues;
- Record operating profit benefiting from positive currency effect;
- Margin benefiting from stronger aftermarket and cost management;
- Exceptional free cash flow generation;
- Net debt halved in the year;
- Stabilisation of Minerals order input;
- Stronger current trading driving a more positive outlook for Weir SPM;
- Power & Industrial to benefit from record nuclear order book;
- 2010 expectations upgraded.

Keith Cochrane, Chief Executive, commented:

“In a difficult global economic environment the Weir Group has again performed strongly in 2009, delivering an exceptional cash performance and making good progress against our key priorities.

We have an excellent platform for growth and a clear strategy to extend the Group’s presence in three attractive markets with positive long-term fundamentals.

As we enter 2010 the Group is in robust financial health and well placed to capitalise on market opportunities. Although the pace and timing of global economic recovery remains uncertain and forward visibility limited, we are now targeting a broadly similar level of profitability to that achieved in 2009.”

Contact details: The Weir Group PLC
Keith Cochrane, Chief Executive
Helen Walker, Public Relations Manager
Maitland
Suzanne Bartch
Rowan Brown

Available through UBS
Tel. 020 7567 8000 (switchboard);
(Mobile: 07789 032296)
Tel. 020 7379 5151
(Mobile: 07769 710 335)

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

GENERAL OVERVIEW

We have delivered a strong set of results that demonstrate the quality and resilience of our business model. A higher proportion of aftermarket revenues, a growing contribution from emerging markets and effective cost base management largely mitigated the impact of reduced demand for original equipment products. An outstanding level of cash generation in the year coupled with our committed bank facilities and long dated fixed rate notes issued in January 2010 mean we start the year in a strong financial position.

Our South American Minerals operations delivered a record operating performance and we won a number of notable contracts in the Chinese nuclear new build and Middle East downstream oil and gas markets. We also retained our Canadian Naval Engineering contract for a further fifteen years. Positive emerging trends at Weir SPM were also evident towards the end of the year.

FINANCIAL HIGHLIGHTS

Order input in constant currency at £1,302m was 18% lower than the prior year in total and on a like for like basis after adjusting for prior year acquisitions and disposals. Original equipment orders were down 34% reflecting lower capital spending across most of our end markets while aftermarket orders held up well ending the year only 2% lower than 2008, with aftermarket orders represented 58% (2008: 48%) of total input. Each of the divisions reported lower input levels in 2009, with other Group companies input falling to £12m (2008: £76m).

Revenue in constant currency declined by 7%, reflecting a strong opening order book, offset by lower input levels over the year. Like for like revenues were similarly down 7% reflecting the impact of prior year acquisitions and disposals. Reported revenue grew by 3% to £1,390m (2008: £1,354m) with a net currency benefit of £145m, principally due to the weakening of sterling relative to the average US dollar, euro and Australian dollar rates. Aftermarket sales represented 54% (2008: 50%) of revenue and our exposure to emerging markets grew to 43% (2008: 40%) of revenues with stronger contributions from both South America and Africa. Revenues from other Group companies fell from £110m to £36m in part due to prior year disposals.

Operating profit from continuing operations before intangibles amortisation increased by 11% to £204.7m (2008: £185.0m) including a net foreign currency benefit of £29.4m. On a constant currency basis operating profits reduced by 5%, principally due to lower volumes at Weir SPM and one-off restructuring costs of £6.2m, partly offset by a net contribution from prior year acquisitions and disposals of £10.7m. The profit contribution from other Group companies was £6.8m (2008: £2.0m).

Operating margin in constant currency increased from 14.3% to 14.7%, reflecting the favourable impact of a higher proportion of aftermarket revenues and proactive management of the cost base.

Net finance costs increased to £17.7m (2008: £8.8m) due to an increase in pension scheme finance costs of £3.3m, one-off costs of £3.7m on cancellation of floating to fixed rate interest rate swaps (in advance of the issue of a series of fixed rate notes in January 2010) and reduced interest rate differential benefits from our US dollar balance sheet hedging programme.

Profit before tax from continuing operations before intangibles amortisation increased by 6% to £187.0m (2008: £176.2m). Reported profit before tax from continuing operations increased by 7% to £170.4m (2008: £159.5m) reflecting intangibles amortisation of £16.6m (2008: £16.7m).

Profit from discontinued operations of £5.2m (2008: £57.8m) relates to the release of certain warranty provisions in relation to prior year disposals and in 2008 included a gain of £55.1m on the sale of Strachan & Henshaw.

Tax charge for the year of £52.2m (2008: £51.8m) on profits before tax from continuing operations before intangibles amortisation of £187.0m (2008: £176.2m) represents an underlying effective tax rate of 27.9% (2008: 29.4%) reflecting a lower proportion of US profits which are taxed at a higher rate.

Earnings per share from continuing operations before intangibles amortisation increased by 8% to 64.1p (2008: 59.3p). Reported earnings per share including intangibles amortisation and discontinued operations were 61.2p (2008: 81.4p).

Cash generated from operations increased 41% to £302.3m (2008: £214.4m), principally driven by a net working capital inflow of £66.2m (2008: £9.0m outflow) and increased profitability. We benefited from an unusually high level of advance payments on major contracts and expect to see an associated unwind of around £30m in working capital during 2010. Overall working capital on a constant currency basis is now 10% of revenues (2008: 13%) Additional pension contributions of £11.1m (2008: £6.5m) were paid in the period principally in respect of the enhanced transfer offer to certain deferred members of the main UK scheme and agreed special contributions to the UK schemes. Capital expenditure reduced to £40.6m (2008: £53.3m) and settlement of derivative financial instruments resulted in cash outflows of £16.5m (2008: £4.2m). Net free cashflow after all financing costs, tax and dividends was £141.1m (2008: £60.7m). Taken together with the adverse impact of the translation of foreign currency borrowings of £18.9m (2008: £63.5m), net debt reduced by £120.7m to £119.2m (2008: £239.9m) reflecting a net debt/EBITDA ratio of 0.5 times (2008: 1.1 times).

Dividend - the Board is recommending a 14% increase in the full year dividend, with a final dividend of 16.20p (2008: 13.85p) making a total of 21.0p for the year (2008: 18.5p). If approved at the annual general meeting it will be paid on 3 June 2010 to shareholders on the register on 7 May 2010.

DIVISIONAL HIGHLIGHTS

MINERALS

	2009	2008	Change
Order input ¹	£718m	£897m	-20%
Revenue ¹	£813m	£825m	-1%
Operating profit ^{1,2}	£134m	£130m	+2%
Operating margin ^{1,2}	16.4%	15.8%	+0.6%

¹ 2008 restated at 2009 average exchange rates

² Adjusted to exclude intangibles amortisation

Despite the global economic downturn and associated decline in commodity prices, the Minerals division has continued to perform strongly benefiting from improved operating efficiencies, proactive management of the cost base, resilient aftermarket and the continued development of the product portfolio. This performance demonstrates the resilience of the division's business model. During the year Weir Minerals Chile won an extensive service maintenance contract with Minera Escondida, the world's largest copper mine and Weir Minerals Netherlands was awarded a substantial order to supply Geho pumps to the Toromocho copper mine in Peru.

Order input decreased by 20% reflecting a 36% decline in original equipment and a 3% reduction in aftermarket orders, resulting in a higher proportion of aftermarket orders (58%) compared to the prior year (2008: 48%). Excluding the impact of the CH Warman acquisition, input was down 23% on a like for like basis. Order input trends reflect the division's broad geographic spread and commodity exposure. Input in our Netherlands business, which is largely driven by major greenfield mining development, was down 44% while our Andean business with a focus on copper mining achieved input growth of 10%. The success of integrating our 2007 acquisition Multiflo was evident with input for that business increasing by 51%. We experienced a significant reduction in orders for flue gas desulphurisation equipment, particularly in North America, pending clarification of proposed environmental legislation. Demand for products for the Canadian oil sands market remained strong with a range of follow-on orders booked in the year. The relative resilience of aftermarket orders reflected the decline in commodity production volumes offset to some extent by an absolute increase in the installed base.

Revenue decreased by 1% reflecting the strong opening order book, a full year contribution from the prior year CH Warman acquisition and more robust shorter cycle aftermarket input trends. Our global footprint continues to drive increasing exposure to emerging markets which represented 52% of revenues in 2009 (2008: 46%) with further good progress in both South America and Africa.

Operating profit increased by 2% reflecting a full year benefit from the CH Warman acquisition, now successfully integrated, and the impact of stronger operating margins offset by restructuring and one-off costs of £5.5m.

Operating margins improved to 16.4% reflecting a higher proportion of aftermarket sales and the success of our pro-active approach to downturn planning which resulted in tangible cost savings in operations, procurement and manufacturing. The division also benefited from further development of lean best practices in all of our facilities worldwide.

Capital expenditure totalled £29.7m (2008: £32.2m) and included the enhancement of the slurry pump range and a new state of the art foundry in Brasil. In addition, the culmination of two years of product development work by the Netherlands business has resulted in the launch of the Apexs pump, focused on mine dewatering applications, complementing the well established Geho pump range.

OIL & GAS

	2009	2008	Change
Order input ¹	£305m	£332m	-8%
Revenue ¹	£299m	£323m	-7%
Operating profit ^{1,2}	£52m	£73m	-29%
Operating margin ^{1,2}	17.4%	22.6%	-5.2%

¹ 2008 restated at 2009 average exchange rates

² Adjusted to exclude intangibles amortisation

During 2009, the North American upstream market experienced a substantial reduction in activity with lower demand for natural gas resulting in higher gas storage levels, reduced rig counts and reduced prices. There were a significant number of project opportunities in the downstream market. These were principally driven by expansion of refining capacity in the Middle East, although Middle East service operations were impacted by reduced production volumes. The division has performed well in these market conditions, taking swift and decisive action to manage costs while also driving greater operating efficiencies. During the year Weir Gabbioneta was awarded several major multi-million Euro contracts including orders for process pumps to OJSC Taneco refinery in Russia and for the major Qafco 5 ammonia project in Qatar.

Order input was 8% lower. Weir SPM was impacted by the difficult market through much of the year. This was mitigated by market share gains and improving demand in the final quarter such that input was only 9% lower at £145m (US\$ 227m) (2008: £160m (US\$250m)). These reductions were partly offset by our downstream business, Weir Gabbioneta, which performed strongly achieving good organic growth with input of £101m (2008: £90m).

Revenue decreased by 7%, broadly following the input trend. Weir SPM finished the year with revenues of £131m (US\$206m) against the prior year's £176m (US\$275m), a reduction of 26% which compared favourably with market trends and exceeded our prior expectations of revenue of around US\$175m. Our revenue performance benefited from lean improvements giving rise to competitive lead times and new products quickly gaining traction. Weir Gabbioneta played a significant part in mitigating the lower volumes at Weir SPM with revenues increasing by 56% to £98m (2008: £63m).

Operating profit including joint ventures decreased by 29% reflecting the combination of Weir SPM backlog clearance in the first half of 2008 and lower Weir SPM volumes through much of 2009.

Operating margins were 17.4% (2008: 22.6%) reflecting the operating leverage effect of lower volumes at SPM partly offset by our actions to reduce costs at the beginning of 2009 in response to the severity of the downturn.

Capital expenditure totalled £7.1m (2008: £10.1m) and included six new service centres and high pressure pump test facilities for Weir SPM. On 5 March 2010 we further extended our geographic reach and service offering with the AUS\$7m acquisition of Petroleum Certification Services, an Australian based specialist inspection and recertification business.

POWER & INDUSTRIAL

	2009	2008	Change
Order input ¹	£266m	£289m	-8%
Revenue ¹	£242m	£240m	+1%
Operating profit ^{1,2}	£23m	£20m	+16%
Operating margin ^{1,2}	9.5%	8.3%	+1.2%

¹ 2008 restated at 2009 average exchange rates

² Adjusted to exclude intangibles amortisation

The Power & Industrial division has made good progress in developing its presence in global power markets with a clear focus on the nuclear and hydro markets. Sales to emerging markets, especially China, are making a growing contribution. Improving operating margins reflect increased plant utilisation and further operational efficiencies. Our Canadian services business retained a CAD\$600m 15 year contract to operate the Naval Engineering Test Establishment in Montreal providing a solid base load for that business going forward.

Order input declined by 8% with original equipment 18% lower and aftermarket in line with the prior year. This reflects the timing of large contract awards in the power markets with weaker industrial markets partly offset by increased power station life extension and service work. Overall the proportion of orders from the power sector continued to grow with some £33m of specialist valve input achieved from the Chinese nuclear new build programme scheduled for delivery in 2011 onwards. The strong power performance was offset by a decline in industrial and oil and gas orders from Canada and Europe reflecting weaker market conditions.

Revenue increased by 1%, with the power sector increasing by 19% and now accounting for 56% of divisional revenues (2008: 48%). This reflects a strong opening order book and increased refurbishment and life extension support to power stations in Europe and North America. Oil and gas revenues declined 22% as a consequence of a general market downturn in new project activity. The proportion of the division's revenue generated from emerging markets increased to 21% compared to 20% in 2008.

Operating profit increased by 16% reflecting the flow through of the underlying margin improvement and early returns on the investment in people, technology and plant made in recent years.

Operating margins increased to 9.5% driven by increased operational efficiencies and lower product costs aided by our manufacturing capabilities and developing supply chain in China.

Capital expenditure was £3.7m (2008: £10.2m). Investment in our products and facilities continues to be critical to the future success of the division. Further investment has been made in the Suzhou facility to expand the range of products manufactured in China.

STRATEGY

The Weir Group, with its strong positions in very attractive end markets, extensive global presence and dedication to operational discipline has an excellent platform for growth. We will continue to extend the Group's position in the minerals, oil & gas and power sectors, all of which are high growth, long cycle markets with positive fundamentals. Our strategy will be delivered through sustainable organic growth complemented by skilfully integrated targeted acquisitions. We will invest in technology, infrastructure and people to grow market share and our installed base of original equipment. This will include broadening our competitive portfolio of products and added-value services, with the emphasis on those products that will provide a strong stream of aftermarket opportunities.

The immediate priority for 2010 is to extend operational excellence beyond the factory floor, into functional areas that have a direct impact on our ability to grow and support our continued drive for greater customer focus. With operational excellence prioritised throughout the business, we will generate growth through three key drivers. First, we will drive product sales through innovation and creativity. We will continue to take an innovative approach to the research, testing and development of new materials and products. Second, we will support collaboration in the form of co-operative alliances and cross-divisional initiatives to promote our total capability for customers in all end markets and to leverage off best practice across the Group. Third, we will exploit and strengthen our emerging markets footprint. There are significant opportunities for us to further internationalise more products through both our existing and expanding geographical network.

OUTLOOK

MINERALS

While project enquiry levels are up and major miners have announced planned increases in their 2010 capital expenditure levels, we remain cautious as to timing of conversion into original equipment orders. Furthermore, product lead times dictate any flow through to revenues will not be evident until later in 2010. These factors together with our lower opening order book mean that original equipment revenues are likely to be lower through the first part of 2010. Aftermarket sales have now stabilised and we would expect these to grow in line with underlying commodity production trends determined by commodity prices and global economic growth. Aftermarket sales will also benefit from a growing installed base of original equipment. The medium term outlook for the division remains positive reflecting growing emerging market demand for resources.

OIL & GAS

Although forward visibility is still limited, the immediate outlook for our upstream business is more positive than at the start of 2009. This is based on increases in rig counts since they bottomed in mid-2009 and higher demand for aftermarket products and services as the industry moves to harsher shale formations. We expect any recovery in our Middle East service operations to be slow. Our downstream order book provides a solid underpinning for 2010, although we anticipate a more challenging environment for new orders. The medium term outlook for upstream remains strong, with rig counts forecast to continue to rise, an increasing bias towards unconventional drilling and emerging interest in shale fracturing beyond North America.

POWER & INDUSTRIAL

We enter 2010 with a record order book and the division's financial performance in 2010 will benefit from a strong nuclear workload. Whilst we are cautious of the speed of recovery in industrial markets, the outlook for the global nuclear power market is becoming more positive, driven by environmental concerns combined with a growing demand for power particularly in Asia. At the same time, the need for life extension and refurbishment of existing power plants in the UK, Europe and North America will continue to grow given lead times for new build in these markets. Our global footprint, track record and nuclear expertise means we are well placed to benefit from these opportunities over the medium term.

GROUP

We have an excellent platform for growth and a clear strategy to extend the Group's presence in three markets with positive long-term fundamentals. Although the pace and timing of global economic recovery remains uncertain and forward visibility limited, we are now targeting a broadly similar level of profitability to that achieved in 2009.

This information 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.

AUDITED RESULTS
Consolidated Income Statement
for the 53 weeks ended 1 January 2010

	Notes	53 weeks ended 1 January 2010			52 weeks ended 26 December 2008		
		Before exceptional items & intangibles amortisation £m	Exceptional items & intangibles amortisation (note 3) £m	Total £m	Before exceptional items & intangibles amortisation £m	Exceptional items & intangibles amortisation (note 3) £m	Total £m
Continuing operations							
Revenue	2	1,390.2	-	1,390.2	1,353.6	-	1,353.6
Continuing operations							
Operating profit		200.1	(16.6)	183.5	180.6	(16.7)	163.9
Share of results of joint ventures		4.6	-	4.6	4.4	-	4.4
Operating profit		204.7	(16.6)	188.1	185.0	(16.7)	168.3
Finance costs		(18.7)	-	(18.7)	(17.2)	-	(17.2)
Finance income		2.5	-	2.5	6.6	-	6.6
Other finance (costs) income - retirement benefits		(1.5)	-	(1.5)	1.8	-	1.8
Profit before tax from continuing operations		187.0	(16.6)	170.4	176.2	(16.7)	159.5
Tax expense	4	(52.2)	5.4	(46.8)	(51.8)	5.3	(46.5)
Profit for the period from continuing operations		134.8	(11.2)	123.6	124.4	(11.4)	113.0
Profit for the period from discontinued operations	5	5.2	-	5.2	2.8	55.0	57.8
Profit for the period		140.0	(11.2)	128.8	127.2	43.6	170.8
Attributable to							
Equity holders of the Company		140.0	(11.2)	128.8	127.2	43.6	170.8
Earnings per share							
	6						
Basic - total operations				61.2p			81.4p
Basic - continuing operations		64.1p		58.8p	59.3p		53.8p
Diluted - total operations				60.8p			80.9p
Diluted - continuing operations		63.6p		58.3p	59.0p		53.6p

Consolidated Statement of Comprehensive Income

for the 53 weeks ended 1 January 2010

	53 weeks ended 1 January 2010	52 weeks ended 26 December 2008 (as restated - note 1)
	£m	£m
Profit for the period	128.8	170.8
Other comprehensive income		
Losses taken to equity on cash flow hedges	(0.5)	(11.1)
Exchange (losses) gains on translation of foreign operations	(51.2)	204.3
Exchange gains (losses) on net investment hedges	38.3	(127.2)
Actuarial losses on defined benefit plans	(57.7)	(62.0)
Reclassification adjustments taken to the income statement		
- on cash flow hedges	12.9	(5.5)
- exchange losses on disposal of foreign operations - discontinued operations	-	(0.4)
Tax relating to other comprehensive income	12.7	22.4
Net other comprehensive income	(45.5)	20.5
Total net comprehensive income for the period	83.3	191.3
Attributable to		
Equity holders of the Company	83.3	191.3

Consolidated Balance Sheet

at 1 January 2010

	Notes	1 January 2010 £m	26 December 2008 (as restated - note 1) £m	28 December 2007 (as restated - note 1) £m
ASSETS				
Non-current assets				
Property, plant & equipment		199.4	189.6	136.3
Investment property		4.2	4.5	4.8
Intangible assets		739.9	791.8	503.2
Investments in joint ventures		9.7	10.3	7.2
Deferred tax assets		28.7	20.8	3.1
Retirement benefit plan surpluses		-	-	37.4
Derivative financial instruments	10	0.3	8.1	1.2
Total non-current assets		982.2	1,025.1	693.2
Current assets				
Inventories		235.3	269.6	173.5
Trade & other receivables		240.5	309.2	255.2
Construction contracts		25.9	30.6	32.8
Derivative financial instruments	10	7.2	47.5	10.6
Income tax receivable		3.4	1.3	1.8
Cash & short-term deposits		57.0	74.1	54.2
Total current assets		569.3	732.3	528.1
Total assets		1,551.5	1,757.4	1,221.3
LIABILITIES				
Current liabilities				
Interest-bearing loans & borrowings		2.0	71.4	8.5
Trade & other payables		336.3	353.6	257.8
Construction contracts		23.2	46.7	55.9
Derivative financial instruments	10	16.8	90.6	11.8
Income tax payable		23.7	25.7	20.8
Provisions		33.8	30.5	22.8
Total current liabilities		435.8	618.5	377.6
Non-current liabilities				
Interest-bearing loans & borrowings		174.2	242.6	217.0
Derivative financial instruments	10	31.0	70.1	5.1
Provisions		36.7	36.4	22.6
Deferred tax liabilities		60.4	63.0	51.0
Retirement benefit plan deficits	9	71.0	29.9	8.6
Total non-current liabilities		373.3	442.0	304.3
Total liabilities		809.1	1,060.5	681.9
NET ASSETS		742.4	696.9	539.4
CAPITAL & RESERVES				
Share capital		26.6	26.6	26.5
Share premium		38.0	38.0	37.7
Treasury shares		(7.9)	(7.9)	(9.3)
Capital redemption reserve		0.5	0.5	0.5
Foreign currency translation reserve		64.0	76.9	0.2
Hedge accounting reserve		0.6	(8.3)	3.5
Retained earnings		620.4	570.9	479.8
Shareholders equity		742.2	696.7	538.9
Non-controlling interest		0.2	0.2	0.5
TOTAL EQUITY		742.4	696.9	539.4

Consolidated Cash Flow Statement

for the 53 weeks ended 1 January 2010

	Notes	53 weeks ended 1 January 2010 £m	52 weeks ended 26 December 2008 £m
Continuing operations			
Cash flows from operating activities			
Cash generated from operations	11	302.3	214.4
Additional pension contributions paid		(11.1)	(6.5)
Income tax paid		(43.6)	(49.0)
Net cash generated from operating activities		247.6	158.9
Continuing operations			
Cash flows from investing activities			
Acquisitions of subsidiaries	11	(0.1)	(140.9)
Disposals of subsidiaries	11	(1.4)	80.6
Purchases of property, plant & equipment & intangible assets	8	(40.6)	(53.3)
Other proceeds from sale of property, plant & equipment & intangible assets		1.5	1.2
Interest received		2.5	6.2
Dividends received from joint ventures		5.9	3.5
Net cash used in investing activities		(32.2)	(102.7)
Continuing operations			
Cash flows from financing activities			
Proceeds from issue of ordinary shares		-	0.4
Purchase of shares for LTIP awards		(1.4)	-
Proceeds from borrowings		50.5	244.9
Repayments of borrowings		(187.3)	(238.7)
Settlement of derivative financial instruments		(16.5)	(4.2)
Interest paid		(18.7)	(16.3)
Dividends paid to equity holders of the Company		(39.2)	(35.7)
Net cash used in financing activities		(212.6)	(49.6)
Net increase in cash & cash equivalents from continuing operations		2.8	6.6
Net decrease in cash & cash equivalents from discontinued operations - operating activities		-	(2.2)
Net decrease in cash & cash equivalents from discontinued operations - investing activities		-	(0.3)
Cash & cash equivalents at the beginning of the period		53.6	46.1
Foreign currency translation differences		(0.7)	3.4
Cash & cash equivalents at the end of the period	11	55.7	53.6

Consolidated Statement of Changes in Equity
for the 53 weeks ended 1 January 2010

	Share capital £m	Share premium £m	Treasury shares £m	Capital redemption reserve £m	Foreign currency translation reserve £m	Hedge accounting reserve £m	Retained earnings £m	Attributable to equity holders of the Company £m	Non-controlling interest £m	Total equity £m
At 28 December 2007 (as previously reported - note 1)	26.5	37.7	(9.3)	0.5	0.2	3.5	485.6	544.7	0.5	545.2
Impact of restatement (note 1)	-	-	-	-	-	-	(5.8)	(5.8)	-	(5.8)
At 28 December 2007 (as restated - note 1)	26.5	37.7	(9.3)	0.5	0.2	3.5	479.8	538.9	0.5	539.4
Profit for the period	-	-	-	-	-	-	170.8	170.8	-	170.8
Losses taken to equity on cash flow hedges	-	-	-	-	-	(11.1)	-	(11.1)	-	(11.1)
Exchange gains on translation of foreign operations	-	-	-	-	204.3	-	-	204.3	-	204.3
Exchange losses on net investment hedges	-	-	-	-	(127.2)	-	-	(127.2)	-	(127.2)
Actuarial losses on defined benefit plans	-	-	-	-	-	-	(62.0)	(62.0)	-	(62.0)
Reclassification adjustments taken to the income statement	-	-	-	-	-	-	-	-	-	-
- on cash flow hedges	-	-	-	-	-	(5.5)	-	(5.5)	-	(5.5)
- exchange losses on disposal of foreign operations - discontinued operations	-	-	-	-	(0.4)	-	-	(0.4)	-	(0.4)
Tax relating to other comprehensive income	-	-	-	-	-	4.8	17.6	22.4	-	22.4
Total net comprehensive income for the period	-	-	-	-	76.7	(11.8)	126.4	191.3	-	191.3
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	(0.3)	(0.3)
Cost of share-based payments net of tax	-	-	-	-	-	-	1.8	1.8	-	1.8
Dividends	-	-	-	-	-	-	(35.7)	(35.7)	-	(35.7)
Exercise of options & LTIP awards	0.1	0.3	1.4	-	-	-	(1.4)	0.4	-	0.4
At 26 December 2008 (as restated - note 1)	26.6	38.0	(7.9)	0.5	76.9	(8.3)	570.9	696.7	0.2	696.9
At 26 December 2008 (as previously reported - note 1)	26.6	38.0	(7.9)	0.5	76.9	(8.3)	581.8	707.6	0.2	707.8
Impact of restatement (note 1)	-	-	-	-	-	-	(10.9)	(10.9)	-	(10.9)
At 26 December 2008 (as restated - note 1)	26.6	38.0	(7.9)	0.5	76.9	(8.3)	570.9	696.7	0.2	696.9
Profit for the period	-	-	-	-	-	-	128.8	128.8	-	128.8
Losses taken to equity on cash flow hedges	-	-	-	-	-	(0.5)	-	(0.5)	-	(0.5)
Exchange losses on translation of foreign operations	-	-	-	-	(51.2)	-	-	(51.2)	-	(51.2)
Exchange gains on net investment hedges	-	-	-	-	38.3	-	-	38.3	-	38.3
Actuarial losses on defined benefit plans	-	-	-	-	-	-	(57.7)	(57.7)	-	(57.7)
Reclassification adjustments taken to the income statement on cash flow hedges	-	-	-	-	-	12.9	-	12.9	-	12.9
Tax relating to other comprehensive income	-	-	-	-	-	(3.5)	16.2	12.7	-	12.7
Total net comprehensive income for the period	-	-	-	-	(12.9)	8.9	87.3	83.3	-	83.3
Cost of share-based payments net of tax	-	-	-	-	-	-	2.8	2.8	-	2.8
Dividends	-	-	-	-	-	-	(39.2)	(39.2)	-	(39.2)
Exercise of LTIP awards	-	-	-	-	-	-	(1.4)	(1.4)	-	(1.4)
At 1 January 2010	26.6	38.0	(7.9)	0.5	64.0	0.6	620.4	742.2	0.2	742.4

Notes to the Financial Statements

1. Basis of preparation

The preliminary results for the 53 weeks ended 1 January 2010 ("2009") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applied in accordance with the provisions of The Companies Act 2006. The accounting policies applied in preparing these preliminary results are unchanged from those set out in the Group's 2008 annual report except as described below.

In order to provide the users of the financial statements with a more relevant presentation of the Group's underlying performance, profit for each financial year has been analysed between:

- i) profit before exceptional items and intangibles amortisation; and
- ii) the effect of exceptional items and intangibles amortisation.
 - a. Exceptional items are material items of income and expense which, because of the nature and infrequency of the events giving rise to them, merit separate presentation to allow a better understanding of the elements of the Group's financial performance for the period and are presented on the face of the income statement to facilitate comparisons with prior periods and assessment of trends in financial performance.
 - b. Intangibles amortisation, including impairment, has been shown separately to provide increased visibility over the impact of increased acquisition activity on intangible assets.

Further analysis of the items included in the column "Exceptional items & intangibles amortisation" is provided in note 3 to the financial statements.

While updating the valuation of the Group's retirement benefit plans for the purposes of the Group's 2009 interim condensed financial statements the qualified actuary who advises the Company identified an error in their model used to calculate the actuarial valuation of the Group's UK retirement benefit plans for the periods ended 28 December 2007 and 26 December 2008. The impact of this was to understate the retirement benefit plan deficits on a cumulative basis by £8.1m at 28 December 2007 and £15.2m at 26 December 2008. There was also a corresponding overstatement of net deferred tax liabilities of £2.3m and £4.3m at those respective period ends. The impact on the Consolidated Statement of Comprehensive Income was to increase actuarial losses on defined benefit plans by £7.1m and to decrease tax on items taken directly to equity by £2.0m in the 52 weeks ended 26 December 2008. There is no material impact on the Consolidated Income Statement. The net impact was to overstate Group net assets by £5.8m and £10.9m at 28 December 2007 and 26 December 2008 respectively. All affected balances and amounts have been restated in these financial statements.

To this effect, the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity and affected notes present restated comparative information for the 52 weeks ended 26 December 2008. In addition, as required by IAS1, the Consolidated Balance Sheet and affected notes also present restated comparative information for the 52 weeks ended 28 December 2007.

IFRS7 (Amendment) Financial Instruments: Disclosures: Improving Disclosures about Financial Instruments: The amended standard requires additional disclosures about fair value measurement in the form of a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. As permitted by the amended standard, comparative information for the disclosures required by the amendments has not been provided in this first year of implementation. The amended disclosures will be presented in note 30 of the Group's 2009 annual report.

IFRS8 Operating Segments: In adopting IFRS8 the Group concluded that the operating segments were the same as the business segments determined under IAS14 "Segment Reporting". Details of these operating segments are disclosed in note 2. The full disclosure requirements of IFRS8 and the related revised comparative information will be presented in note 3 of the Group's 2009 annual report.

IAS1 (revised) Presentation of Financial Statements: The adoption of IAS1 (revised) has required the reconciliation of movements in equity, previously disclosed in note 25 to the Group's 2008 annual report, to be presented as a primary statement entitled, "Consolidated Statement of Changes in Equity". In addition the Consolidated Statement of Recognised Income & Expense has been replaced with the Consolidated Statement of Comprehensive Income. In addition to some presentational changes this has resulted in a tax charge of £1.0m in relation to the cost of share-based payments for the 52 weeks ended 26 December 2008 being reclassified from the former Consolidated Statement of Recognised Income & Expense to the Consolidated Statement of Changes in Equity.

IAS23 (revised) Borrowing Costs: In adopting IAS23 (revised) the Group has amended its accounting policy and, from 1 January 2009, now capitalises borrowing costs on qualifying assets. The implementation of this policy has had no material impact on the Group's financial statements.

In addition to the above, the following standards and interpretations have been adopted in these financial statements and have not had a material impact on the Group's financial statements in the period of initial application.

- IFRS2 (Amendment) Share-based Payment: Vesting Conditions and Cancellations
- IAS32 (Amendment) Financial Instruments: Presentation: Puttable Financial Instruments and Obligations Arising on Liquidation
- IFRIC13 Customer Loyalty Programmes
- IFRIC14 IAS19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Improvements to IFRS

In May 2008, the International Accounting Standards Board issued an omnibus of amendments to its standards, primarily with a view to removing inconsistencies and to clarify wording. There are separate transitional provisions for each standard. The adoption of the amendments did not have any impact on the financial position or performance of the Group. Some of the key amendments and their impact are detailed below.

IFRS8 Operating Segments: clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. On the basis that the chief operating decision maker reviews segment assets and liabilities this information will be presented in note 3 of the Group's 2009 annual report.

IAS7 Statement of Cash Flows: explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will impact the presentation in the cash flow statement of the contingent consideration upon cash settlement in relation to the acquisition of Weir SOS which was completed in 2008.

IAS36 Impairment of Assets: when discounted cash flows are used to estimate "fair value less costs to sell" additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate "value in use". This amendment has no impact on the Group because the recoverable amount of its cash generating units is estimated using "value in use". The amendment also clarified that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment as defined in IFRS8 before aggregation for reporting purposes. This amendment has no impact on the Group as the annual impairment test is performed before aggregation.

The Group has also adopted the following standards which have been issued with an effective date after the date of these financial statements.

IAS27 (Amendment) Consolidated and Separate Financial Statements: The adoption of this standard has resulted in the separate disclosure of each item of other comprehensive income in the Consolidated Statement of Changes in Equity. In addition, minority interests are now referred to as "non-controlling interests".

IFRS3 (revised) Business Combinations: IFRS3 (revised) is applied to business combinations arising from 27 December 2008. This requires recognition of subsequent changes in the fair value of contingent consideration in the income statement rather than against goodwill. In addition, transaction costs are required to be recognised immediately in the income statement. As there have been no business combinations in the 53 weeks ended 1 January 2010 the adoption of this standard has had no impact on the Group's financial statements in the period of initial application.

These preliminary results for the 53 weeks ended 1 January 2010 do not constitute statutory accounts as defined in Section 435 of The Companies Act 2006. They are extracted from the full statutory accounts, which were approved by a Committee of the Board of Directors on 9 March 2010. A copy of those full statutory accounts will be lodged with the Registrar of Companies in due course. The report of the auditors on those financial statements is unqualified and does not contain a statement under Section 498 (2) or Section 498 (3) of The Companies Act 2006 concerning accounting records or failure to obtain necessary information and explanations.

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 Group 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. In 2008, it also included the results of the Canadian distribution business and the Materials and Foundries businesses up to the dates of disposal on 29 August, 2 and 3 October 2008 respectively. None of the businesses disposed of were of a sufficient size to meet the definition of a discontinued operation under IFRS5.

The Group 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 are not allocated to segments as all treasury activity is managed centrally by the Group treasury function.

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

The segment information provided to the Group Executive for the reportable segments for the 53 weeks ended 1 January 2010 and the 52 weeks ended 26 December 2008 is disclosed below.

	Minerals		Oil & Gas		Power & Industrial		Total continuing operations	
	2009	2008	2009	2008	2009	2008	2009	2008
	£m	£m	£m	£m	£m	£m	£m	£m
Revenue								
Sales to external customers								
- existing operations	734.5	697.2	287.1	271.7	242.0	222.8	1,263.6	1,191.7
- acquisitions*	78.8	45.2	11.9	8.2	-	-	90.7	53.4
Sales to external customers	813.3	742.4	299.0	279.9	242.0	222.8	1,354.3	1,245.1
Inter-segment sales	2.3	2.5	5.6	0.7	2.8	7.4	10.7	10.6
Segment revenue	815.6	744.9	304.6	280.6	244.8	230.2	1,365.0	1,255.7
Group companies sales to external customers								
- ongoing operations							35.9	74.4
- other disposals*							-	34.1
Group companies inter-segment sales							-	2.6
Eliminations							(10.7)	(13.2)
							1,390.2	1,353.6
Sales to external customers - at 2009 average exchange rates								
- existing operations	734.5	772.8	287.1	313.1	242.0	240.1	1,263.6	1,326.0
- acquisitions*	78.8	52.6	11.9	9.7	-	-	90.7	62.3
Sales to external customers	813.3	825.4	299.0	322.8	242.0	240.1	1,354.3	1,388.3
Group companies sales to external customers								
- ongoing operations							35.9	74.4
- other disposals*							-	36.0
							1,390.2	1,498.7
Result								
Segment result								
- existing operations	118.6	107.1	44.8	55.1	23.0	18.0	186.4	180.2
- acquisitions*	15.0	7.4	2.6	1.5	-	-	17.6	8.9
Segment result	133.6	114.5	47.4	56.6	23.0	18.0	204.0	189.1
Share of results of joint ventures	-	-	4.6	4.4	-	-	4.6	4.4
Segment result	133.6	114.5	52.0	61.0	23.0	18.0	208.6	193.5
Group companies								
- ongoing operations							4.9	4.6
- other disposals*							1.9	(2.6)
Unallocated expenses							(10.7)	(10.5)
Operating profit before exceptional items & intangibles amortisation							204.7	185.0
Exceptional items & intangibles amortisation							(16.6)	(16.7)
Net finance costs							(16.2)	(10.6)
Other finance (costs) income - retirement benefits							(1.5)	1.8
Profit before tax from continuing operations							170.4	159.5
Segment result - at 2009 average exchange rates								
- existing operations	118.6	121.0	44.8	65.6	23.0	19.9	186.4	206.5
- acquisitions*	15.0	9.4	2.6	2.0	-	-	17.6	11.4
Segment result	133.6	130.4	47.4	67.6	23.0	19.9	204.0	217.9
Share of results of joint ventures	-	-	4.6	5.2	-	-	4.6	5.2
Segment result	133.6	130.4	52.0	72.8	23.0	19.9	208.6	223.1
Group companies								
- ongoing operations							4.9	4.6
- other disposals*							1.9	(2.6)
Unallocated expenses							(10.7)	(10.7)
							204.7	214.4

* Acquisitions include Weir Warman, Weir Mesa and Weir SOS. The results of Weir SPM are no longer included within "acquisitions" as Weir SPM was part of the Group for the whole of 2008. Other disposals include the Materials and Foundries businesses and the Canadian distribution business for 2008.

There are no material revenues derived from a single external customer.

3. Exceptional items & intangibles amortisation

	2009 £m	2008 £m
Recognised in arriving at operating profit from continuing operations		
Intangibles amortisation	(16.6)	(14.4)
Impairment of intangibles	-	(2.3)
	(16.6)	(16.7)
Recognised in arriving at profit for the period from discontinued operations		
Exceptional items	-	55.1
Intangibles amortisation	-	(0.1)
	-	55.0

4. Income tax expense

	2009 £m	2008 £m
Group - UK	(9.5)	(12.9)
Group - overseas	(37.3)	(36.4)
Total income tax expense in the Consolidated Income Statement	(46.8)	(49.3)
The total income tax expense is disclosed in the consolidated income statement as follows		
Tax expense - continuing operations before exceptional items & intangibles amortisation	(52.2)	(51.8)
- intangibles amortisation	5.4	5.3
- within profit from discontinued operations	-	(2.8)
Total income tax expense in the Consolidated Income Statement	(46.8)	(49.3)
The total income tax expense included in the Group's share of results of joint ventures is as follows		
Joint ventures	(0.8)	(0.8)

5. Discontinued operations

During the 53 weeks ended 1 January 2010 there were no disposals of businesses which were of a sufficient size to meet the definition of a discontinued operation under IFRS5.

On 21 April 2008, the Group disposed of Weir Strachan & Henshaw for a net cash consideration of £63.7m resulting in a gain on disposal of £55.1m after a tax charge of £2.4m. The net liabilities disposed of amounted to £1.9m and direct disposal costs and provisions amounted to £8.5m. Foreign exchange gains suspended in equity on the retranslation of the overseas operations disposed of, amounting to £0.4m, were recycled to the income statement as part of the gain on sale in accordance with IAS21. In 2009, following the expiry of certain warranty periods, an unutilised amount of £5.2m has been released to the income statement.

6. Earnings per share

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

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

	2009	2008
Basic earnings per share		
Profit attributable to equity holders of the Company		
- Total operations (£m)	128.8	170.8
- Continuing (£m)	123.6	113.0
- Continuing before exceptional items & intangibles amortisation (£m)	134.8	124.4
Weighted average share capital (number of shares, million)	210.3	209.9
Diluted earnings per share		
Profit attributable to equity holders of the Company		
- Total operations (£m)	128.8	170.8
- Continuing (£m)	123.6	113.0
- Continuing before exceptional items & intangibles amortisation (£m)	134.8	124.4
Weighted average share capital (number of shares, million)	212.0	211.0

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.

	2009 Shares Million	2008 Shares Million
Weighted average number of ordinary shares for basic earnings per share	210.3	209.9
Effect of dilution: share options	-	0.1
LTIP awards	1.7	0.6
conditional share award	-	0.4
Adjusted weighted average number of ordinary shares for diluted earnings per share	212.0	211.0

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.

	2009 £m	2008 £m
Net profit attributable to ordinary shareholders from continuing operations	123.6	113.0
Exceptional items & intangibles amortisation net of tax	11.2	11.4
Net profit attributable to ordinary shareholders from continuing operations before exceptional items & intangibles amortisation	134.8	124.4

There have been no share options (2008: nil) exercised between the reporting date and the date of signing of these financial statements.

7. Dividends paid & proposed

	2009 £m	2008 £m
Declared & paid during the period		
Equity dividends on ordinary shares		
Final dividend for 2008: 13.85p (2007: 12.35p)	29.1	25.9
Interim dividend for 2009: 4.80p (2008: 4.65p)	10.1	9.8
	39.2	35.7
Proposed for approval by shareholders at the annual general meeting		
Final dividend for 2009: 16.20p (2008: 13.85p)	34.1	29.1

The proposed dividend is 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 final dividend may differ due to increases or decreases in the number of shares in issue between the date of approval of the report and financial statements and the record date for the final dividend.

8. Property, plant & equipment & intangible assets

	2009 £m	2008 £m
Purchases of property, plant & equipment & intangible assets		
- land & buildings	2.8	9.5
- plant & equipment	34.7	41.3
- intangible assets	3.1	2.5
	40.6	53.3
Impairment of plant & equipment	1.0	2.8
Impairment of intangible assets	-	2.3

The impairment of plant & equipment, for all respective periods, relates to specific assets in a number of locations across the Group where associated product lines have been changed or updated to reflect changing market conditions. The impairment of intangible assets in 2008 relates to previously recognised development costs and reflects changing market outlook in respect of those specific products.

9. Pensions & other post-employment benefit plans

	2009 £m	2008 (as restated - note 1) £m	2007 (as restated - note 1) £m
Plans in surplus	-	-	37.4
Plans in deficit	(71.0)	(29.9)	(8.6)
	(71.0)	(29.9)	28.8

The net Group deficit for retirement benefit obligations at the period end was £71.0m (2008: £29.9m; 2007: net surplus of £28.8m) reflecting a reduction in bonds yields and the impact of updating mortality assumptions partly offset by better than expected equity returns.

10. Derivative financial instruments

Set out in the table below is a summary of the types of derivative financial instruments included within each balance sheet category.

	2009 £m	2008 £m
Included in non-current assets		
Forward foreign currency contracts designated as cash flow hedges	0.1	2.3
Other forward foreign currency contracts	0.2	5.8
	0.3	8.1
Included in current assets		
Forward foreign currency contracts designated as cash flow hedges	2.3	5.4
Forward foreign currency contracts designated as net investment hedges	0.4	0.8
Other forward foreign currency contracts	4.5	41.3
	7.2	47.5
Included in current liabilities		
Forward foreign currency contracts designated as cash flow hedges	1.6	10.9
Forward foreign currency contracts designated as net investment hedges	-	1.4
Interest rate swaps designated as cash flow hedges	0.6	2.2
Cross currency swaps designated as net investment hedges	10.4	15.5
Other forward foreign currency contracts	4.2	60.6
	16.8	90.6
Included in non-current liabilities		
Forward foreign currency contracts designated as cash flow hedges	0.1	3.0
Interest rate swaps designated as cash flow hedges	-	3.5
Cross currency swaps designated as net investment hedges	30.7	61.3
Other forward foreign currency contracts	0.2	2.3
	31.0	70.1
Net derivative financial liabilities	40.3	105.1

11. Additional cash flow information

	2009 £m	2008 £m
Continuing operations		
Net cash generated from operations		
Operating profit	188.1	168.3
Share of results of joint ventures	(4.6)	(4.4)
Depreciation & amortisation of property, plant & equipment & intangible assets	44.8	37.2
Impairment of plant & equipment & intangible assets	1.0	5.1
Gains on disposal of property, plant & equipment	(0.1)	(0.1)
Defined benefit plan curtailments & settlements	(3.7)	2.4
Funding of pension & post-retirement costs	(2.1)	(1.1)
Employee share schemes	1.6	2.8
Net foreign exchange including derivative financial instruments	1.8	0.3
Increase in provisions	9.3	12.9
Decrease (increase) in inventories	30.8	(42.8)
Decrease (increase) in trade & other receivables & construction contracts	68.2	(10.1)
(Decrease) increase in trade & other payables & construction contracts	(32.8)	43.9
Cash generated from operations	302.3	214.4
Additional pension contributions paid	(11.1)	(6.5)
Income tax paid	(43.6)	(49.0)
Net cash generated from operating activities	247.6	158.9
Acquisitions of subsidiaries		
Current year acquisitions	-	(140.9)
Previous year acquisitions deferred consideration paid	(0.1)	-
	(0.1)	(140.9)
Disposals of subsidiaries		
Discontinued operations disposals	-	60.6
Other current year disposals	1.2	20.4
Previous year disposals	(2.6)	(0.4)
	(1.4)	80.6
Cash and cash equivalents comprise the following		
Cash & short-term deposits	57.0	74.1
Bank overdrafts & short-term borrowings	(1.3)	(20.5)
	55.7	53.6
Reconciliation of net increase in cash & cash equivalents to movement in net debt		
Net increase in cash & cash equivalents from continuing operations	2.8	6.6
Net decrease in cash & cash equivalents from discontinued operations	-	(2.5)
Net decrease (increase) in debt	136.8	(6.2)
Change in net debt resulting from cash flows	139.6	(2.1)
Leases acquired	-	(0.6)
Loans acquired	-	(2.4)
Foreign currency translation differences	(18.9)	(63.5)
Change in net debt during the period	120.7	(68.6)
Net debt at the beginning of the period	(239.9)	(171.3)
Net debt at the end of the period	(119.2)	(239.9)
Net debt comprises the following		
Cash & short-term deposits	57.0	74.1
Current interest-bearing loans & borrowings	(2.0)	(71.4)
Non-current interest-bearing loans & borrowings	(174.2)	(242.6)
	(119.2)	(239.9)

12. 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 year and outstanding balances at the period end.

	2009	2008
	£m	£m
Sales of goods to related parties - joint ventures	1.3	0.2
Purchases of goods from related parties - joint ventures	0.4	0.2
Amounts owed to related parties - group pension schemes	0.2	0.2

13. 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.

In 2004, an announcement was made to the London Stock Exchange in connection with the Group's involvement in the UN sanctioned Oil for Food Programme. The Group continues to cooperate fully with the on-going investigations by UK authorities in this connection. In addition, the Group is subject to a claim relating to an action for damages arising from the UN Oil for Food Programme which has been raised in the United States against just under 100 companies. This 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.

14. Exchange rates

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

	2009	2008
Average rate (per £)		
US dollar	1.57	1.85
Australian dollar	1.99	2.17
Euro	1.12	1.25
Canadian dollar	1.78	1.96
Closing rate (per £)		
US dollar	1.61	1.46
Australian dollar	1.80	2.14
Euro	1.13	1.04
Canadian dollar	1.69	1.79

The Group's operating profit from continuing operations before exceptional items and intangibles amortisation was denominated in the following currencies.

	2009	2008
	£m	£m
US dollar	88.7	90.9
Australian dollar	20.5	22.3
Euro	51.7	38.0
Canadian dollar	8.6	14.7
Other	35.2	19.1
Operating profit from continuing operations before exceptional items & intangibles amortisation	204.7	185.0

15. Events after the balance sheet date

On 11 January 2010, the Group issued the equivalent of US\$250.0m of five year (US\$110.0m) and eight year (US\$140.0m) fixed rate notes. Resulting from this, the Group repaid US\$145.0m and CAD\$110.0m of its variable rate borrowings.