

FOR IMMEDIATE RELEASE

### **Weir Minerals Expands Comminution Product Offering With Acquisition Of Trio**

The Weir Group PLC has entered into an agreement to acquire Trio Engineered Products, a Chinese-American manufacturer of crushing and separation equipment for the mining and aggregates markets, for an enterprise value of \$220m.

Trio is currently represented in South Africa by crushing and screening equipment manufacturer Pilot Crushtec International. "The current distribution agreement remains intact and it is business as usual," René Calitz, Strategic Marketing and Communications Manager, Weir Minerals Africa, says.

Weir is a global market leader in the provision of pumping equipment to the mining mill circuit, where rock is separated from ore. The acquisition of Trio will build upon Weir's recent successful entry into the adjacent comminution segment of the mill circuit. "This agreement will allow Weir Minerals to build upon its successful comminution strategy," Keith Cochrane, Chief Executive, Weir Group, says.

"We will use our Group's unrivalled global capability to promote Trio's range of complementary products, extending our addressable market and offering our mining customers a wider range of highly engineered equipment and services. Trio's established manufacturing capability and its scale and presence in aggregates markets also provides a further platform for growth," Cochrane says.

In addition, Weir Minerals' global platform and relationships across mining markets will be utilised to accelerate Trio's original equipment revenue growth and capture a greater proportion of the aftermarket opportunity from the installed base of Trio equipment. Trio has limited service presence outside of China.

It will also allow for cross-selling of Weir's product range in the sand and aggregates markets through Trio's well established sales channels in North America and China. Mike Burke, Chief Executive of Trio, said: "This agreement is strategically compelling for Trio, allowing the company to leverage Weir's market-leading service centre network to accelerate growth and better serve our customers' aftermarket needs on a truly global basis."

The sand and aggregate markets accounted for 56% of Trio's revenues in 2013. Trio is based in Shanghai, China, where it has two manufacturing plants. The company also has facilities in the US. In 2013, 31% of revenue was generated in North America, mainly in the growing aggregates sector, while 25% was derived from China, mainly serving the domestic mining industry. The balance was spread broadly across Australia, South America, Africa and Europe. In 2014, Trio is expected to generate revenues of \$120m, with operating profit margins broadly in-line with that of the Weir Minerals division.

Trio is being acquired from majority owner Navis Capital and the company's management team. Trio's three founders have agreed to remain with the company following acquisition. Completion of the acquisition is subject to the fulfilment of certain conditions and is anticipated to take place before the end of October 2014.

**Notes:**

1. Weir will acquire 100% of Trio Engineered Products (Hong Kong) Limited for US\$133m with the balance of the consideration relating to the acquisition of 100% of Trio Engineered Products, Inc. of the USA.
2. The consideration payable is US\$237.5m inclusive of net cash balances held by the Company, these being US\$17.5m as at 31 August 2014. The consideration is subject to adjustment, with US\$14.7m deferred for up to 18 months and payment conditional on the realisation of certain working capital balances and the achievement of agreed management goals.
3. Exchange rate of £1 = US\$1.5919 at closing in London on 14 October 2014

**About Trio:**

Founded in 1998, Trio designs and manufactures a range of crushers, screens, feeders, washers and material handling solutions for the aggregates and minerals markets. Trio provides engineered solutions for heavy duty applications utilising its broad range of robust equipment and has developed a strong position in Chinese mining and US aggregates markets. The company employs around 700 people across its operations in China and the US, with revenues growing from US\$74m in 2010 to US\$108m in 2013.

**About Weir:**

The Weir Group is one of the world's leading engineering businesses. It is committed to creating innovative engineering solutions. It provides products and services to customers in the minerals, oil

and gas and power sectors. Weir's customer base includes the world's largest mining houses, major oil services businesses and nuclear and conventional power generation companies. Weir is a FTSE 100 company founded in 1871 and headquartered in Glasgow, Scotland. Its commitment to engineering excellence, research and customer focus extends equipment wear life and operational capability in some of the world's most challenging environments. Weir is committed to going where its customers go, with a worldwide network of around 200 manufacturing facilities and service centres. The business has a presence in more than 70 countries, with over 15 000 people around the world working in three divisions: Minerals, Oil & Gas and Power & Industrial. Annual revenues were more than £2.4 billion in 2013, of which almost two thirds came from the provision of services and aftermarket support.

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