

NORISH plc

**Interim Report to Shareholders
For the six months to 30 June 2005**



NORISH

Norish plc

Interim Report to Shareholders

For the six months to 30 June 2005

Results

Norish plc announces pre-tax profits of £0.9m (after net exceptional gains of £0.7m) for the six months ended 30 June 2005. This compares with pre-tax profits of £0.2m for the same period last year. Turnover from continuing operations increased by £0.3m to £5.4m. The adjusted earnings per share increased to 1.7p compared to 1.2p for the same period last year.

The cold storage division performed well with high occupancy in the first half of the year increasing gross profit from £0.2m to £0.5m, despite increasing power costs.

Our ambient facilities at York and Felixstowe performed marginally better than last year.

An exceptional gain of £0.9m resulted from the sale of our Belvedere facility in April 2005 for £2.8m, net of costs. This reflects the Company's strategy in exiting from its commodity activities in raw material storage of cocoa and coffee.

In August 2005 we exercised our option to acquire the land and property of the York facility from RSH Properties for a total consideration, net of costs, of £2.0m. This facility is an ambient food storage warehouse which has been leased since 2000.

The company incurred an exceptional reorganisation cost of £0.2m in restructuring the business to meet its current needs.

Outlook

The business historically performs well in the second half of the year and at this stage we have no reason to believe that this will not be the case. However, we will be experiencing high energy costs in the fourth quarter and at present we are introducing a number of initiatives to combat these increasing costs.

Financial Strength

Shareholders funds at 30 June 2005 were £6.1m compared with £5.2m at 31 December 2004. Net cash surplus at 30 June 2005 was £1.3m, compared with a net debt of £2.0m at 31 December 2004.

Board Changes

Norman Hatcliff joined the board in July 2005 as Group Operations Director. He joined the company in 2000 and has extensive experience in the logistics industry having previously worked with Exel and TDG. In the past two years he has been responsible for all of the Company's commercial and operational activities.

Iain Buntain, Finance Director has decided to leave the company to pursue other business interests. I would like to take the opportunity to thank Iain for all his work and effort in helping the company through some difficult years culminating in the successful restructuring of the business. Aidan Hughes, Company Secretary will assume responsibility for the Company's finance function. Aidan is a Chartered Accountant and has been with the business since 1996.

Dividend

The board has decided to declare an interim dividend of €1.25c to be payable on 28 October 2005 for those shareholders on the record as at 30 September 2005.

Ted O'Neill
Executive Chairman

9 September 2005

Norish plc
Consolidated Profit & Loss Account
Six Months to 30 June 2005

	Six months to 30 June 2005 €000 (Unaudited)	Six months to 30 June 2005 £'000 (Unaudited)	Six months to 30 June 2004 £'000 (Unaudited)
Group turnover			
Continuing operations	8,003	5,362	5,089
Discontinuing operations (see Note)	546	366	935
	<u>8,549</u>	<u>5,728</u>	<u>6,024</u>
Cost of sales	(7,845)	(5,256)	(5,521)
	<u>704</u>	<u>472</u>	<u>503</u>
Gross profit			
Administrative expenses	(361)	(242)	(260)
Exceptional item – reorganisation costs	(294)	(197)	0
	<u>200</u>	<u>134</u>	<u>2</u>
Operating profit			
Continuing operations	200	134	2
Discontinuing operations (see Note)	(151)	(101)	241
	<u>49</u>	<u>33</u>	<u>243</u>
Exceptional item – profit on sale of property – discontinuing operations (see Note)	1,281	858	0
	<u>1,330</u>	<u>891</u>	<u>243</u>
Profit on ordinary activities before interest			
Interest payable less interest receivable	(37)	(25)	(65)
	<u>1,293</u>	<u>866</u>	<u>178</u>
Profit on ordinary activities before taxation			
Tax on profit on ordinary activities	(15)	(10)	(80)
	<u>1,278</u>	<u>856</u>	<u>98</u>
Profit for the period	<u>=====</u>	<u>=====</u>	<u>=====</u>
Basic and diluted earnings per share	€15.1c	10.1p	1.2p
Adjusted earnings per share; excluding goodwill amortisation and exceptional items	€2.5c	1.7p	1.2p

Note : Discontinuing operations represent cocoa and coffee commodity storage activities that will be discontinued operations by year-end. The interim results have been analysed to show those operations separately from continuing operations.

The unaudited financial information presented in pounds sterling as of and for the period ended 30 June 2005 is also expressed in Euro, solely for convenience, at the rate of €1 = £0.67, the closing rate for the period. No representation is made that the pounds sterling amounts have been, could have been or could be converted into Euro at that or any other rate.

Norish plc
Consolidated Balance Sheet
As at 30 June 2005

	30 June 2005 €000 (Unaudited)	30 June 2005 £'000 (Unaudited)	30 June 2004 £'000 (Unaudited)
Fixed assets			
Intangible assets – goodwill	334	224	239
Tangible fixed assets	8,073	5,409	7,591
	<u>8,407</u>	<u>5,633</u>	<u>7,830</u>
Current assets			
Debtors	4,555	3,052	3,475
Cash at bank and in hand	2,490	1,668	46
	<u>7,045</u>	<u>4,720</u>	<u>3,521</u>
Creditors: due within one year	(5,369)	(3,597)	(4,125)
Net current assets/(liabilities)	<u>1,676</u>	<u>1,123</u>	<u>(604)</u>
Total assets less current liabilities	<u>10,083</u>	<u>6,756</u>	<u>7,226</u>
Creditors: due after more than one year	0	0	(1,274)
Provisions for liabilities and charges	(976)	(654)	(718)
Net assets	<u>9,107</u>	<u>6,102</u>	<u>5,234</u>
	=====	=====	=====
Capital and reserves			
Called up share capital	2,228	1,493	1,493
Share premium account	4,711	3,156	3,156
Capital conversion reserve fund	34	23	23
Profit and loss account	2,134	1,430	562
Shareholders' funds - equity	<u>9,107</u>	<u>6,102</u>	<u>5,234</u>
	=====	=====	=====

Norish plc
Consolidated Cash Flow Statement
Six Months to 30 June 2005

	30 June 2005 €000 (Unaudited)	30 June 2005 £'000 (Unaudited)	30 June 2004 £'000 (Unaudited)
Net cash inflow from operating activities	1,146	768	657
Returns on investments and servicing of finance	(37)	(25)	(65)
Taxation	(105)	(70)	5
Capital expenditure and financial investment	3,981	2,667	(222)
Equity dividends paid	(178)	(119)	(220)
Net cash inflow before financing activities	<u>4,807</u>	<u>3,221</u>	<u>155</u>
Financing activities	(1,607)	(1,077)	(172)
Increase/(decrease) in cash in the period	<u>3,200</u> =====	<u>2,144</u> =====	<u>(17)</u> =====
Reconciliation of Net Cash Flow to Movement in Net Funds / (Debt)			
Increase/(decrease) in cash in the period	3,200	2,144	(17)
Decrease in debt	1,607	1,077	172
Change in net debt resulting from cash flows	<u>4,807</u>	<u>3,221</u>	<u>155</u>
Net debt at 1 January	(2,936)	(1,967)	(2,700)
Net funds/(debt) at 30 June	<u>1,871</u> =====	<u>1,254</u> =====	<u>(2,545)</u> =====

Norish plc
Adjusted Earnings per Share
Six Months to 30 June 2005

	30 June 2005 €000 (Unaudited)	30 June 2005 £'000 (Unaudited)	30 June 2004 £'000 (Unaudited)
Profit for the period attributable to shareholders	1,278	856	98
Goodwill amortisation	10	7	7
Exceptional items (after tax at 30% where appropriate)			
- Reorganisation costs	206	138	-
- Profit on sale of property	(1,281)	(858)	-
	-----	-----	-----
Adjusted Earnings	213	143	105
	=====	=====	=====
Weighted average number of ordinary shares	8,466,230	8,466,230	8,466,230
Adjusted earnings per share	€2.5c	1.7p	1.2p
	=====	=====	=====

The adjusted earnings per share figure is presented in order to illustrate earnings per share on a consistent basis over time after eliminating the impact of goodwill amortisation and significant non-recurring items.

INFORMATION FOR SHAREHOLDERS

Register

The Company's share register and related records are now maintained by Computershare Services (Ireland) Ltd., to whom shareholder enquires, should be addressed.

Their address is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.
Telephone +353 (1) 2163100.

Website

The group's website can be accessed at www.norish.com