

Norish plc

Interim Report to Shareholders

For the six months to 30 June 2006

Results

Norish plc announces pre-tax profits of £0.3m for the six months ended 30 June 2006. This compares with pre-tax profits of £0.9m (after net exceptional gains of £0.7m) for the same period last year. Turnover from continuing operations increased by £0.7m to £5.2m. The adjusted earnings per share increased to 2.2p compared to 1.7p for the same period last year.

We started the year with high occupancy levels which have subsequently reduced across the business.

The Bury St Edmunds site did not perform as well as expected due to the loss of storage product from the closure of a customer's factory. We are confident that we will replace this lost business in the second half of the year.

Our ambient food storage business experienced full occupancy for the first 6 months resulting in the use of third party warehouses to help cope with the additional volumes. This is likely to continue well into the second half of the year.

The group generated cash of £0.5m in the first half of the year to reduce the net debt of the company to £6.7m.

Outlook

As is being experienced throughout industry, we are struggling to pass the full impact of high energy costs to our customers. Our trading environment continues to be difficult and I would caution against over-optimism in the second half of the year.

Board Changes

Aidan Hughes was appointed to the board on the 7th September 2006 as Finance Director. He joined the company in 1996 and has been responsible for the Company's finance function over the past year. He will also continue in the role as Company Secretary.

Norman Hatcliff has been appointed Managing Director. He joined the company in 2000 and was appointed to the board as Operations Director in July 2005.

Financial Strength

Shareholders funds at 30 June 2006 were £6.3m compared with £6.1m at 31 December 2005. Net debt at 30 June 2006 was £6.7m, compared with a net debt of £7.2m at 31 December 2005.

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Dividend

The board has decided to declare an unchanged interim dividend of €1.25c (2005:€1.25c) to be payable on 27 October 2006 for those shareholders on the record as at 29 September 2006.

Ted O'Neill
Executive Chairman

8 September 2006

Norish plc
Consolidated Profit & Loss Account
Six Months to 30 June 2006

	Six months to 30 June 2006 €000 (Unaudited)	Six months to 30 June 2006 £'000 (Unaudited)	Six months to 30 June 2005 £'000 (Unaudited)
Group turnover			
Continuing operations (see Note)	7,575	5,227	4,536
Discontinued operations (see Note)	-	-	1,192
	<u>7,575</u>	<u>5,227</u>	<u>5,728</u>
Cost of sales	(6,630)	(4,575)	(5,256)
	<u>945</u>	<u>652</u>	<u>472</u>
Gross profit			
Administrative expenses	(277)	(191)	(242)
Exceptional item – reorganisation costs	-	-	(197)
	<u>668</u>	<u>461</u>	<u>134</u>
Operating profit			
Continuing operations	668	461	134
Discontinued operations (see Note)	-	-	(101)
	<u>668</u>	<u>461</u>	<u>33</u>
Exceptional item – profit on sale of property – discontinued operations (see Note)	-	-	858
	<u>668</u>	<u>461</u>	<u>891</u>
Profit on ordinary activities before interest			
Interest payable less interest receivable	(270)	(186)	(25)
	<u>398</u>	<u>275</u>	<u>866</u>
Profit on ordinary activities before taxation			
Tax on profit on ordinary activities	(138)	(95)	(10)
	<u>260</u>	<u>180</u>	<u>856</u>
Profit for the period	<u>=====</u>	<u>=====</u>	<u>=====</u>
Basic and diluted earnings per share	€3.1c	2.1p	10.1p
Adjusted earnings per share; excluding goodwill amortisation and exceptional items.	€3.2c	2.2p	1.7p

Note : Discontinued operations in the prior year represented cocoa and coffee commodity related services and non-food storage activities that were discontinued as at the end of December 2005. Continuing operations turnover in 2006 includes £0.5m in respect of premises at Felixstowe that we currently sub-let. These premises previously operated as a non-food storage site and such activities form part of the discontinued operations results for the prior period.

The unaudited financial information presented in pounds sterling as of and for the period ended 30 June 2006 is also expressed in Euro, solely for convenience, at the rate of €1 = £0.69, 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 2006

	30 June 2006 €000 (Unaudited)	30 June 2006 £'000 (Unaudited)	30 June 2005 £'000 (Unaudited)
Fixed assets			
Intangible assets – goodwill	303	209	224
Tangible fixed assets	18,849	13,006	5,409
	<u>19,152</u>	<u>13,215</u>	<u>5,633</u>
Current assets			
Debtors	3,886	2,681	3,052
Cash at bank and in hand	736	508	1,668
	<u>4,622</u>	<u>3,189</u>	<u>4,720</u>
Creditors: due within one year	(4,012)	(2,768)	(3,597)
	<u>610</u>	<u>421</u>	<u>1,123</u>
Net current assets			
	<u>19,762</u>	<u>13,636</u>	<u>6,756</u>
Total assets less current liabilities			
	<u>19,762</u>	<u>13,636</u>	<u>6,756</u>
Creditors: due after more than one year	(9,783)	(6,750)	-
Provisions for liabilities and charges	(917)	(633)	(654)
	<u>9,062</u>	<u>6,253</u>	<u>6,102</u>
Net assets	<u>9,062</u>	<u>6,253</u>	<u>6,102</u>
	=====	=====	=====
Capital and reserves			
Called up share capital	2,164	1,493	1,493
Share premium account	4,574	3,156	3,156
Capital conversion reserve fund	33	23	23
Profit and loss account	2,291	1,581	1,430
	<u>9,062</u>	<u>6,253</u>	<u>6,102</u>
Shareholders' funds	<u>9,062</u>	<u>6,253</u>	<u>6,102</u>
	=====	=====	=====

Norish plc
Consolidated Cash Flow Statement
Six Months to 30 June 2006

	30 June 2006 €000 (Unaudited)	30 June 2006 £'000 (Unaudited)	30 June 2005 £'000 (Unaudited)
Net cash inflow from operating activities	1,103	761	768
Returns on investments and servicing of finance	(270)	(186)	(25)
Taxation	271	187	(70)
Capital expenditure and financial investment	(313)	(216)	2,667
Equity dividends paid	(104)	(72)	(119)
Net cash inflow before financing activities	<u>687</u>	<u>474</u>	<u>3,221</u>
Financing activities	(362)	(250)	(1,077)
Increase in cash in the period	<u>325</u> =====	<u>224</u> =====	<u>2,144</u> =====
Reconciliation of net cash flow to movement in net (debt) / funds			
Increase in cash in the period	325	224	2,144
Decrease in debt	362	250	1,077
Change in net debt resulting from cash flows	<u>687</u>	<u>474</u>	<u>3,221</u>
Net debt at 1 January	(10,458)	(7,216)	(1,967)
Net (debt)/funds at 30 June	<u>(9,771)</u> =====	<u>(6,742)</u> =====	<u>1,254</u> =====

Norish plc
Adjusted Earnings per Share
Six Months to 30 June 2006

	30 June 2006 €000 (Unaudited)	30 June 2006 £'000 (Unaudited)	30 June 2005 £'000 (Unaudited)
Profit for the period attributable to shareholders	261	180	856
Goodwill amortisation	10	7	7
Exceptional items (after tax at 30% where appropriate)			
- Reorganisation costs	-	-	138
- Profit on sale of property	-	-	(858)
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Adjusted Earnings	271	187	143
	=====	=====	=====
Weighted average number of ordinary shares	8,466,230	8,466,230	8,466,230
Adjusted earnings per share	€3.2c	2.2p	1.7p
	=====	=====	=====

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 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