Cosalt plc
("Cosalt" or "the Group")

Interim Results for the twenty-six weeks to 1 May 2005

Cosalt, a market leading manufacturer and supplier of Industrial Services and Leisure Products in the UK, announces interim results impacted by adverse market conditions in its Holiday Homes business, but the maintained dividend reflects confidence in the longer term performance of the business.

Financial Highlights

- Turnover from continuing activities of £58.56m (2004: £71.03m)
- Profit before tax from continuing activities* of £314,000 (2004: £2.16m)
- Earnings per share from continuing activities* of 1.64p (2004: 11.01p)
- Interim dividend maintained at 6.00p

*excluding exceptional items and goodwill

Operational Highlights

Industrial Services Division

- Margin and working capital improvements at Cosalt:Ballyclare
- Further market penetration in specialist marine activities and good contribution from Aberdeen Inflatables
- Improved performance from schoolwear/childrenswear

Leisure Products Division

- Caravan Holiday Homes impacted by industry-wide over-supply and challenging market conditions
- Remedial action underway to ensure efficient and flexible manufacturing base with lower break even point
- Good demand for market leading Leisure Custom Homes maintaining leading position in high-specification market
- Enhanced product range for 2005/06 season

David Bolton, Chairman, commented:
"The difficulties in the caravan holiday homes market will impact significantly on the results of the Group in the current year. However, the steps being taken to improve factory flexibility and produce lower cost units at Holiday Homes will be of significant benefit in the future. We are confident that this will produce better results next year, notwithstanding that more difficult economic conditions may result in a slow market recovery.

With these actions, and the initiatives being taken in Industrial Services to integrate the Cosalt:Ballyclare workwear/corporatewear business with the Banner schoolwear/ childrenswear activity, as well as our ongoing focus on cash control, the Board anticipates being able to maintain the Company's dividend."

28 June 2005

ENQUIRIES:

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CHAIRMAN'S STATEMENT

INTRODUCTION

Trading in the Industrial Services Division is in line with expectations. As outlined in the Preliminary Announcement in early February and reinforced in the Annual General Meeting Trading Statement on 4 April, trading in the caravan holiday homes market continues to be very challenging for our Leisure Products Division.

Group turnover on continuing activities for the 26 weeks to 1 May 2005 was lower at £58.56 million compared with £71.03 million for the 27 weeks to 2 May 2004, and profit before taxation on continuing activities, excluding exceptional items and goodwill, was £314,000 compared with £2.16 million (excluding £517,000 of losses on discontinued activities). The resulting earnings per share on continuing activities, excluding goodwill and exceptional items, were 1.64p (2004: 11.01p).

Whilst the performance of Cosalt Holiday Homes will lead to Group profits in the current financial year being very much lower than those of 2004, the action currently being taken by management gives the Board confidence to maintain the interim dividend at 6.00p. The dividend will be paid on 14 September 2005 to shareholders on the register on 19 August 2005.

BORROWINGS

The importance of cash management is recognised throughout all of the Group's activities. The seasonally high level of capital employed in the Holiday Homes business at the interim stage has been exacerbated by the current market difficulties. However, borrowings overall at the half year were in line with expectations and gearing of 76% (excluding FRS17 Pension Scheme deficit) was slightly better than that achieved at the comparative date last year (2004: 77%). We confidently anticipate lower borrowings at the October 2005 year end.

BUSINESS REVIEW

The Group is structured into two focused divisions - Industrial Services and Leisure Products. Following the sale of the Knox businesses in 2004, the Industrial Services Division now consists of marine and industrial safety, workwear/corporatewear and schoolwear/childrenswear. Leisure Products comprises caravan holiday homes and leisure custom homes.

INDUSTRIAL SERVICES

Turnover on continuing activities was £33.51 million (2004: £38.93 million), with operating profits on continuing activities slightly improved at £1.02 million (2004: £986,000).

Safety & Protection

Turnover was £16.68 million (2004: £17.30 million), resulting in an operating profit of £808,000 (2004: £886,000).

Despite making sound progress in improving market penetration in specialist marine ropes, defence, fire safety and offshore projects, trading conditions in general remain difficult in the mature UK marine market. However, with the potential for some legislation driven sales in the second half and a strong contribution from Aberdeen Inflatables, acquired in November 2004, we anticipate similar profits to those of last year.

We continue to appraise a number of potential complementary acquisitions.

Workwear/Corporatewear

Turnover was reduced at £9.31 million (2004: £13.81million), resulting in an operating profit of £206,000 (2004: £262,000).

Whilst turnover was down, following our successful exit from historic low margin business, which was a feature of the 2003 year and the first half of last year, working capital has been reduced, overheads brought into line and margins improved.

We have a strong management team in this business and whilst we anticipate a period of consolidation in the current year, as we outlined in the Preliminary Statement in February, several important new contracts won during the current year should impact favourably on the 2005/06 financial year.

Schoolwear/Childrenswear

Turnover on continuing activities was £7.52 million (2004: £7.81 million) resulting in an operating profit on continuing activities in this highly seasonal business of £11,000 (2004: loss of £162,000).

Schoolwear, the principal business, continues to strengthen its market leading position. The order book is satisfactory and we anticipate a good 'back to school' trading period.

Childrenswear, menswear and ladieswear, the supporting businesses, whilst operating in a difficult retail environment, are trading well with improved margins.

The quality of the business overall is stronger following the recent closure of the childrenswear concessions and the Distinctive childrenswear fashion business.

LEISURE PRODUCTS

Turnover was lower at £25.05 million (2004: £32.10 million) with operating profits of £186,000 (2004: £2.11 million).

Demand for our market leading leisure custom homes, including chalets and lodges, remains good and this sector of our business has seen improved efficiency and contributed an increased level of profitability in the first half.

As we outlined at the Annual General Meeting on the 4 April 2005, we continue to experience difficult trading in the caravan holiday homes market. The market was over supplied generally in 2004, resulting in higher levels of stock in the hands of dealers and park operators ahead of entering the spring/early summer trading season. Whilst most of that stock has now been cleared, consumer confidence is declining and the market for new units has moved towards the lower unit price economy sector. As a result, we have reduced production levels in order to ensure that we conclude the 2005 selling season with stocks and capital employed under control. This, however, will result in a much lower level of profitability this year.

Management has taken the opportunity to review thoroughly the manufacturing operation and action is being taken to ensure that we develop a lower cost and more flexible manufacturing base whilst realigning our product range in recognition of current market trends.

CHAIRMAN'S STATEMENT (CONT'D)

PENSIONS

As outlined in the Preliminary Announcement in early February, the Board decided to adopt FRS17 a year early from the commencement of the current financial year in order to provide some stability in the profit and loss account charge for the future. This does, however, result in the deficit in the Scheme of £7.92 million being included in the Group's balance sheet at 1 May 2005.

OUTLOOK

The difficulties in the caravan holiday homes market will impact significantly on the results of the Group in the current year. However, the steps being taken to improve factory flexibility and produce lower cost units at Holiday Homes will be of significant benefit in the future. We are confident that this will produce better results next year, notwithstanding that more difficult economic conditions may result in a slow market recovery.

Furthermore, we are integrating the Cosalt:Ballyclare workwear/corporatewear business with the Banner schoolwear/childrenswear activity. We expect this integration to be complete by January 2006. There is considerable scope for reducing the cost base of these activities and at the same time improving the overall flexibility and skill base through a centralised administration, better I.T. support and a more streamlined warehousing and logistics function. There will be some exceptional costs incurred, principally in the early months of the 2006 year, but the payback will be swift.

With these initiatives well under way and cash control continuing to be good throughout the Group, we anticipate being able to maintain the Company's dividend.

D.M. BOLTON
CHAIRMAN

27 June 2005

Consolidated profit and loss account

	26 weeks ended 1 May 2005				
	Continuing activities				
	Before goodwill amortisation and exceptional items	Goodwill amortisation and exceptional items	Total	Discontinued activities	Group total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	£000s	£000s	£000s	£000s	£000s
Turnover					
Continuing activities	**57,861**	**-**	**57,861**	**-**	**57,861**
Acquisitions	**700**	**-**	**700**	**-**	**700**
Discontinued activities	**-**	**-**	**-**	**1,181**	**1,181**
	58,561	**-**	**58,561**	**1,181**	**59,742**
Operating profit / (loss)					
Operating profit before goodwill amortisation and exceptional items	**1,211**	**-**	**1,211**	**33**	**1,244**
Goodwill amortisation	**-**	**(92)**	**(92)**	**-**	**(92)**
Redundancy, reorganisation and impairment	**-**	**(100)**	**(100)**	**-**	**(100)**
Group operating profit / (loss)					
Continuing activities	**1,067**	**(192)**	**875**	**-**	**875**
Acquisitions	**144**	**-**	**144**	**-**	**144**
Discontinued activities	**-**	**-**	**-**	**33**	**33**
	1,211	**(192)**	**1,019**	**33**	**1,052**
Loss on disposal of businesses	**-**	**-**		**(72)**	**(72)**
Loss on disposal of fixed assets	**-**	**-**		**(11)**	**(11)**
Profit / (loss) on ordinary activities before interest	**1,211**	**(192)**	**1,019**	**(50)**	**969**
Interest payable and similar charges (net)	**(687)**	**-**	**(687)**	**(22)**	**(709)**
Other finance charges – FRS17	**(210)**	**-**	**(210)**	**-**	**(210)**
Profit / (loss) on ordinary activities before taxation	**314**	**(192)**	**122**	**(72)**	**50**
Taxation on ordinary activities	**(94)**	**30**	**(64)**	**21**	**(43)**
Profit / (loss) after taxation	**220**	**(162)**	**58**	**(51)**	**7**
Preference dividends (non-equity shares)	**(2)**	**-**	**(2)**	**-**	**(2)**
Profit / (loss) attributable to ordinary shareholders	**218**	**(162)**	**56**	**(51)**	**5**
Ordinary dividends (equity shares)	**(796)**	**-**	**(796)**	**-**	**(796)**
Retained loss	**(578)**	**(162)**	**(740)**	**(51)**	**(791)**
Basic earnings per ordinary share	**1.64p**				**0.04p**
Diluted earnings per ordinary share	**1.64p**				**0.04p**
Dividend per share	**6.00p**				**6.00p**

There is no material difference between the reported results and those prepared on a historical cost basis.

Consolidated statement of total recognised gains and losses

	26 weeks ended 1 May 2005 (Unaudited) £000s
Profit for financial year	**7**
Total gains and losses recognised relating to the financial period	**7**
Prior year adjustments	**(8,431)**
Actuarial loss recognised on pension schemes	**-**
Deferred taxation associated with pension scheme	**-**
Total gains and losses recognised since last annual report	**(8,424)**

Consolidated profit and loss account

	27 weeks ended 2 May 2004 (Restated*)					
	Continuing activities					
	Before goodwill amortisation and exceptional items	Goodwill amortisation and exceptional items	Total	Discontinued activities	Group total	53 weeks ended 31 October 2004 (Restated*)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	£000s	£000s	£000s	£000s	£000s	£000s
Turnover						
Continuing activities	71,025	-	71,025	-	71,025	145,371
Acquisitions	-	-	-	-	-	-
Discontinued activities	-	-	-	4,550	4,550	9,314
	71,025	-	71,025	4,550	75,575	154,685
Operating profit / (loss)						
Operating profit before goodwill amortisation and exceptional items	3,097	-	3,097	(333)	2,764	8,709
Goodwill amortisation	-	(83)	(83)	-	(83)	(163)
Redundancy, reorganisation and impairment	-	-	-	(59)	(59)	(2,397)
Group operating profit / (loss)						
Continuing activities	3,097	(83)	3,014	-	3,014	8,253
Acquisitions	-	-	-	-	-	-
Discontinued activities	-	-	-	(392)	(392)	(2,104)
	3,097	(83)	3,014	(392)	2,622	6,149
Loss on disposal of businesses	-	(17)	(17)		(17)	(228)
Profit on disposal of fixed assets	-	(13)	(13)		(13)	1,075
Profit / (loss) on ordinary activities before interest	3,097	(113)	2,984	(392)	2,592	6,996
Interest payable and similar charges (net)	(730)	-	(730)	(125)	(855)	(1,604)
Other finance charges – FRS17	(210)	-	(210)	-	(210)	(419)
Profit / (loss) on ordinary activities before taxation	2,157	(113)	2,044	(517)	1,527	4,973
Taxation on ordinary activities	(694)	-	(694)	158	(536)	(1,384)
Profit / (loss) after taxation	1,463	(113)	1,350	(359)	991	3,589
Preference dividends (non-equity shares)	(2)	-	(2)	-	(2)	(4)
Profit / (loss) attributable to ordinary shareholders	1,461	(113)	1,348	(359)	989	3,585
Ordinary dividends (equity shares)	(799)	-	(799)	-	(799)	(2,491)
Retained profit / (loss)	662	(113)	549	(359)	190	1,094
Basic earnings per ordinary share	11.01p				7.45p	27.01p
Diluted earnings per ordinary share	10.90p				7.38p	26.89p
Dividend per share	6.00p				6.00p	18.75p

*Restated for change in accounting policy – see note 4.

There is no material difference between the reported results and those prepared on a historical cost basis.

COSALT PLC
INTERIM RESULTS FOR THE TWENTY-SIX WEEKS TO 1 MAY 2005

Consolidated statement of total recognised gains and losses

	27 weeks ended 2 May 2004 (Restated*) (Unaudited) £000s	53 weeks ended 31 October 2004 (Restated*) (Unaudited) £000s
Profit for financial year	991	3,589
Total gains and losses recognised relating to the financial period	991	3,589
Prior year adjustments		
Actuarial loss recognised on pension schemes	(619)	(1,237)
Deferred tax associated with pension schemes	186	371
Total gains and losses recognised since last annual report	558	2,723

*Restated for change in accounting policy – see note 4.

COSALT PLC
INTERIM RESULTS FOR THE TWENTY-SIX WEEKS TO 1 MAY 2005

Consolidated balance sheet

	As at 1 May 2005		As at 2 May 2004		As at 31 October 2004	
			(Restated*)		(Restated*)	
	(Unaudited)		(Unaudited)		(Audited)	
	£000s	**£000s**	£000s	£000s	£000s	£000s
Fixed assets						
Intangible assets - goodwill		**3,118**		2,900		2,740
Tangible fixed assets		**16,041**		17,439		18,201
Investments		**750**		-		-
		19,909		20,339		20,941
Current assets						
Stocks	**28,238**		30,044		25,673	
Debtors	**36,673**		38,500		31,656	
Bank and cash balances	**164**		489		1,743	
	65,075		69,033		59,072	
Creditors						
Amounts falling due within one year	**48,468**		49,862		40,832	
Net current assets		**16,607**		19,171		18,240
Total assets less current liabilities		**36,516**		39,510		39,181
Creditors						
Amounts falling due after more than one year		**3,240**		6,122		4,413
		33,276		33,388		34,768
Provisions for liabilities and charges	**1,428**		1,250		1,881	
Deferred income						
Grants not yet credited to profit	**75**	**1,503**	165	1,415	150	2,031
Net assets excluding pension liability		**31,773**		31,973		32,737
Net pension liability		**7,916**		7,796		8,089
Net assets including pension liability		**23,857**		24,177		24,648
Capital and reserves						
Called up share capital		**3,369**		3,369		3,369
Share premium account		**4,547**		4,547		4,547
Revaluation reserve		**443**		443		443
Investment property revaluation reserve		**67**		67		67
Other reserves		**1,148**		1,148		1,148
Profit and loss account		**14,283**		14,603		15,074
Shareholders' funds						
(Including non-equity interests)		**23,857**		24,177		24,648

*Restated for change in accounting policy – see note 4.

Consolidated summarised cash flow statement

	26 weeks ended 1 May 2005	27 weeks ended 2 May 2004 (Restated*)	53 weeks ended 31 October 2004 (Restated*)
	(Unaudited)	(Unaudited)	(Audited)
	£000s	£000s	£000s
Net cash (outflow)/inflow from operating activities	**(10,342)**	(2,598)	13,291
Returns on investments and servicing of finance	**(704)**	(824)	(1,651)
Taxation	**(5)**	(930)	(1,610)
Capital expenditure and financial investment	**(696)**	62	(1,081)
Acquisitions and disposals	**1,566**	(9)	(15)
Equity dividends paid	**(1,693)**	(1,739)	(2,456)
Net cash flow before use of liquid funds and financing	**(11,874)**	(6,038)	6,478
Financing	**(1,368)**	(1,616)	(2,942)
Decrease in cash	**(13,242)**	(7,654)	3,536
Summarised reconciliation of net cash flow to movement in net debt			
Decrease in cash	**(13,242)**	(7,654)	3,536
Repayment of long term loans	**1,185**	1,332	2,342
Repayment of capital elements of finance lease rentals	**183**	330	647
Inception of finance lease	**54**	(153)	(320)
Arrangement fees amortised	**(10)**	(10)	(19)
Movement in net debt	**(11,830)**	(6,155)	6,186
Opening net debt	**(12,282)**	(18,468)	(18,468)
Closing net debt	**(24,112)**	(24,623)	(12,282)
Summarised reconciliation of operating profit to net cash flow from operating activities			
Operating profit	**1,052**	2,622	6,149
Depreciation	**1,262**	1,415	2,564
Impairment	**-**	-	816
Amortisation of goodwill	**92**	83	163
Deferred government grants released	**(75)**	(8)	(23)
Changes in working capital	**(11,883)**	(6,064)	3,822
Other non-cash items	**(790)**	(646)	(200)
Net cash flow from operating activities	**(10,342)**	(2,598)	13,291

Note: The outflow of funds in the first half of the year is a normal feature of the Group's business and the amount shown as decrease in cash for the 26 weeks to 1 May 2005 includes an outflow of £1,710,000 (2004 an inflow of £1,016,000) of medium term sales finance in respect of the Holiday Homes business.

*Restated for change in accounting policy – see note 4.

Notes to the interim statement

1. Basis of preparation

This interim report has been approved by the Directors on 27 June 2005. It is prepared on the basis of the accounting policies set out on pages 29 and 30 of the Company's 2004 Annual Report and Accounts with the exception of the adoption of FRS17 as set out in note 4. The comparative figures for the financial period 53 weeks ended 31 October 2004 are not the Company's statutory accounts for that financial period. Those accounts have been reported on by the Company's Auditors and delivered to the Registrar of Companies. The report of the Auditors was unqualified and did not contain a statement under Section 23(2) or (3) of the Companies Act 1985.

2. Analysis of turnover and operating profit

	26 weeks ended 1 May 2005 (Unaudited) £000s	27 weeks ended 2 May 2004 (Restated*) (Unaudited) £000s	53 weeks ended 31 October 2004 (Restated*) (Audited) £000s
Turnover			
Industrial Services	**34,693**	43,477	92,845
Leisure Products	**25,049**	32,098	61,840
	59,742	75,575	154,685
Operating profit			
Industrial Services			
Operating profit before exceptional items	**1058**	667	4,180
Exceptional items	**(100)**	(59)	(2,397)
Goodwill amortisation	**(92)**	(83)	(163)
Total Industrial Services	**866**	525	1,620
Leisure Products			
Operating profit before exceptional items	**186**	2,097	4,529
Exceptional items	**-**	-	-
Total Leisure Products	**186**	2,097	4,529
Total operating profit	**1052**	2,622	6,149

Notes to the interim statement (Cont'd)

3. Reconciliation of movements in consolidated shareholders' funds for the twenty-six weeks to 1 May 2005

	26 weeks ended 1 May 2005 (Unaudited)	27 weeks ended 2 May 2004 (Restated*) (Unaudited)	53 weeks ended 31 October 2004 (Restated*) (Audited)
	£000s	£000s	£000s
Profit for the period	**7**	991	3,589
Dividends	**(798)**	(801)	(2,495)
	(791)	190	1,094
Net recognised gains and losses in period in respect to FRS17	**-**	(433)	(866)
Shares issued	**-**	47	47
Net (decrease) / increase in shareholders' funds for the period	**(791)**	(196)	275
Opening shareholders' funds (as previously stated)	**33,079**	31,840	31,840
Prior year adjustment	**(8,431)**	(7,467)	(7,467)
Opening shareholders' funds (as adjusted)	**24,648**	24,373	24,373
Closing shareholders' funds	**23,857**	24,177	24,648

4. Restatement of comparatives

During the period the Group has adopted Financial Reporting Standard 17 (Retirement Benefits) (FRS17). The impact of this change is to fully recognise the financial position of its defined benefit pensions scheme. The scheme is subject to triennial actuarial valuations, with the last formal valuation taking place as at 31 December 2004. This valuation will be updated as at 31 December each year thereafter. As at 30 April and 31 October each year the financial position of the pension scheme is updated to reflect the anticipated FRS17 cost of current and past service, the expected return on post employment scheme assets, the interest on post employment plan liabilities and cash contributions made to the scheme.

The result of adopting FRS17 has been to reduce accumulated profits by £8,431,000 at 31 October 2004. Had FRS17 not been adopted the profit before taxation for the twenty-six weeks ended 1 May 2005 would have been £104,000 less than that shown in these financial statements.

5. Earnings per share

The basic earnings per share are calculated on the basis of the profits attributable to ordinary shareholders and the average number of shares in issue for the period, being 13,275,169 for 1 May 2005 (13,273,874 for 2 May 2004 and 13,274,989 for 31 October 2004).

The diluted earnings per share are calculated on the basis of the profits attributable to ordinary shareholders and the average number of shares in issue for the period plus the average maximum potential number of shares which could be issued under the various Executive Share Option Schemes. The total number of shares used to calculate the diluted earnings are 13,337,894 (13,402,555 for 2 May 2004 and 13,334,021 for 31 October 2004).

Notes to the interim statement (Cont'd)

6. Interim dividend

The interim dividend of 6.00p per share will be paid on 14 September 2005 to shareholders on the register on 19 August 2005 absorbing £796,000.

7. Acquisitions

On 1 November 2004 the Group acquired the entire share capital of Aberdeen Inflatables Limited for a total cash consideration of £1,017,000. The provisional fair value of the net assets acquired, consideration paid and provisional goodwill arising were:

	Fair value of assets £000s
Fixed assets	357
Stock	190
Debtors	242
Cash and Bank	67
	856
Creditors	292
Provisions for liabilities and charges	7
Net assets acquired	557
Consideration	
Cash paid	817
Deferred consideration	200
Expenses	4
Total consideration and expenses	1,021
Goodwill	464

8. Post balance sheet events

Subsequent to the period end, the company has suffered a fire at one of its caravan holding areas. The extent of the fire was restricted but not before the Group had suffered uninsured losses of approximately £100,000.

9. International financial reporting standards

All listed companies are required to adopt International Financial Reporting Standards (IFRS) for accounting periods beginning after 1 January 2005. The adoption of IFRS will first be reflected in the Group's financial statements for the 26 weeks ended 30 April 2006.

The Group has identified the areas where IFRS differs with UK GAAP that have an impact on the Group's financial statements. Those changes to the Group's accounting policies and internal systems and procedures that are required will be implemented within the necessary timescale.

10. Taxation

The taxation charge for the interim period is based upon the estimated rate for the full year.

Copies of this report are being sent to shareholders. Further copies may be obtained from the Company's registered office at Fish Dock Road, Grimsby, North East Lincolnshire, DN31 3NW and on the Company's website www.cosalt.plc.uk

Independent review report by KPMG Audit Plc to Cosalt Plc

Introduction

We have been engaged by the company to review the financial information set out on pages 6 to 14 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Listing Rules of the Financial Services Authority. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where they are to be changed in the next annual accounts in which case any changes, and the reasons for them, are to be disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: *Review of interim financial information* issued by the Auditing Practices Board. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial date and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the 26 weeks ended 1 May 2005.

KPMG Audit Plc

Chartered Accountants
Leeds

27 June 2005