COSALT PLC
("Cosalt" or "the Group")

Preliminary Results for 52 weeks ended 27 October 2002

Cosalt has two Operating Divisions: Industrial Services and Leisure Products. Industrial Services supplies marine and industrial safety products, corporate and industrial workwear, schoolwear, fibres and netting; Leisure Products supplies holiday homes and lighting for the leisure industry. The comparative results for 2001 are for a longer (61 week) period, following the acquisition by Cosalt of SEET plc in April 2001.

- Turnover rose by 4.7% to £142.70 million (2001: £136.32 million – 61 weeks)
- Profit before tax of £6.58 million, excluding exceptional costs and goodwill of £0.54 million (2001: £6.78 million – 61 weeks)
- Earnings per share for the period increased to 33.80p (2001: 33.32p – 61 weeks as restated)
- Final dividend of 12.00p per share (2001: 11.50p), making a total dividend for the period of 17.50p (2001: 16.75p) – the ninth consecutive year that the dividend has been increased.
- Integration of businesses acquired from SEET in 2001 almost complete.
- Safety & Protection operations maintain strong position, with further acquisitions being examined.
- Significantly improved performance at Holiday Homes, with good product range and strong market.
- Cosalt:Ballyclare increased operating profits – now fully integrated, with more efficient cost base and strengthened logistical support and overseas procurement.
- Better business mix and improving quality of earnings provide good grounds for optimism.

David Bolton, Chairman of Cosalt, said today:

"Despite the continuing background of economic uncertainty and the fact that there is still more to be done to realise the full potential from the activities acquired from SEET, the Board believes that the changes resulting from the recent acquisitions, creating a better business mix and improving quality of earnings, give it grounds for optimism."

28 January 2003

ENQUIRIES:

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COSALT PLC

Preliminary Results for 52 weeks ended 27 October 2002

CHAIRMAN'S STATEMENT

Introduction

I am pleased, in this my first Chairman's Statement, to report that the Group continues to make good progress. As has been previously reported, the year-end was changed last year following the acquisition of SEET plc, and the comparative figures shown against this year's results (for the 52 weeks to 27 October 2002) are for a 61 week period, in which the Group benefited significantly from the seasonal aspect of the Schoolwear activities acquired as part of SEET.

Results

Turnover for the 52 weeks ended 27 October 2002 was £142.70m (61 weeks to 28 October 2001 - £136.32m). Profit before tax was £6.58m, compared with £6.78m for the 61 weeks ended 28 October 2001. This excludes the exceptional items described below.

Earnings per share after exceptional charges and tax were 33.80p (61 weeks to 28 October 2001 – 33.32p as restated).

We are pleased to recommend an increase in the final dividend to 12.00p per ordinary share (2001 – 11.50p), making the total dividend for the year 17.50p, compared with 16.75p for the 61 weeks to 28 October 2001 - an increase of 4.5%. It remains the Board's intention to maintain a progressive dividend policy.

Exceptional items

In the first half of the year, the Group made a profit of £437,000 on the sale and lease-back of a freehold property.

We stated last year that there would be further rationalisation costs to be borne from the integration of the SEET businesses. In the second half, we have charged £852,000 to cover the cost of integrating Cosalt's Workwear business with Ballyclare Special Products Limited, and additionally to provide for the cost of scaling down the Distinctive Schoolwear manufacturing base in Newcastle. We also incurred re-organisation costs in our Lighting business, which are included in the above figure.

Business Review

Industrial Services

Safety & Protection
Our Safety & Protection activity continues to generate healthy profits and cash flows. Whilst the marine markets of Europe have been depressed for most of this year, and continue to be so, we are maintaining a strong market position which is being reinforced by the expansion of our activities into fire protection following last year's acquisition of Kenmore in North Shields. Prospects for further expansion of this activity are good. There are also other acquisitions under review in marine safety.

Cosalt:Ballyclare
As outlined in the Interim Statement, Cosalt's Workwear business has been integrated with Ballyclare Special Products, which was acquired with SEET, and this activity has now been re-branded Cosalt:Ballyclare.

Ballyclare's strengths in high-tech protective garments and related products supplied to the fire, military, police and utility markets complement Cosalt Workwear's leading position in the motor-car distribution and rail maintenance markets. Our ability to offer a widening customer base a complete head-to-toe managed package in these regulation-driven markets is, we believe, an important strength. Moreover, this offering is benefiting from ongoing improvements in overseas procurement, logistical support and wearer-specific packaging.

Whilst profits from this activity are much in line with expectation, they have been held back by the re-organisation outlined above, and the cost of preparing for significant new business (outlined in the Group Managing Director's report), from which we should see benefit in future years.

We have an excellent team of young people in this business and the Board believes its prospects for growth and development are good.

Schoolwear - Childrenswear
We are pleased with the way in which the management of Schoolwear and Childrenswear have responded to the Cosalt style of management. We have strong brands in Banner, Beau Brummel and Distinctive and profitability from these activities has been improved under Cosalt's ownership, as we hoped would be the case when we first contemplated this acquisition. Following the further scaling back of U.K. production capacity and ongoing rationalisation of the brands, the Board believes that prospects for the future are good in this business where Schoolwear is heavily second-half weighted in terms of seasonal profitability.

Whilst the performance of Banner's Fashionwear activities, including Menswear and Ladieswear, is being improved, their future is still under consideration.

Knox Group
Knox Fibres has had a poor year, resulting in operating losses. Whilst prospects at the present time are better, the longer term future of this activity is under review.

The Knox Netting activity maintains a leading position servicing the Scottish fish farming industry. Following a slow start to the year, with depressed salmon prices, the second half performance has been strong and prospects are encouraging - this business certainly features in our long-term plans.

Leisure Products

Cosalt Holiday Homes

Following a very difficult 2001 year, when the market was severely over-stocked, the performance of Holiday Homes has improved significantly, with a good product range in a buoyant market place. Whilst economic conditions may not be as favourable in the coming year, stocks are low, the order book is strong, and the long-standing quality of our management team gives us confidence that this business will continue to do well.

Cosalt Lighting

This small business has incurred losses in a very difficult market place. The U.K. market for its speciality products has declined dramatically, and whilst it is developing worthwhile business in the U.S., the future of this activity is under close scrutiny.

Finance

Whilst we obtained additional bank finance last year for the acquisition of SEET and three other smaller acquisitions in Safety and Protection, cash generation from our businesses has been good; we have adequate facilities from our supportive bankers and gearing at the year-end at 61% (2001 - 69%) was in line with our previous projections.

Looking forward, we are developing within Cosalt:Ballyclare long-term managed service contracts on a rental basis, for which facilities are in place. Cash management continues to be a top priority.

Pensions

Mention of FRS17 was made in the Chairman’s Statement last year and shareholders will see in a note to the accounts that the deficit on the Defined Benefits Plan has increased, after deferred tax credit, to £7.99m (28 October 2001 - £4.97m).

In accordance with accounting convention, the FRS17 calculation continues to be shown not in the Group accounts, but as a note to the balance sheet. It is not yet known on what basis this will, ultimately, have to be incorporated into the Group accounts.

In the meantime, the charge through the profit and loss account has increased under the SSAP24 standard from £0.82m in 2001 to £1.14m in the year to October 2002.

The Defined Benefits Plan was closed to new members in 2000. We have frozen pensionable salaries for three years from April 2002, and there will be a further reduction in future early retirement benefits implemented in April 2003, together with a significant increase in the contributions made by employed members.

Directors and Management

This is my first report as Chairman, having succeeded Gerry Camamile, who retired on 31 October 2002. Gerry's contribution in 33 years as a Board member, including 8 years as Chairman, was immense. His commitment, excellent judgement and friendship with Directors and senior management alike will be sadly missed.

Also, John McConnell retired in October, with our thanks for his contribution since 1996.

During the past year, David Hobdey (40) and James Dean (48) have been welcomed on to the Board as Non-Executive Directors and I believe that we have an excellent combination of experience and talent, ensuring a stable hand-over.

Bill Wood and Neil Carrick continue to provide strong leadership to Cosalt's experienced executive team, and I would like to thank both them, their staff and employees for their continuing dedication and efforts on behalf of the Group.

Outlook

Despite the continuing background of economic uncertainty and the fact that there is still more to be done to realise the full potential from the activities acquired from SEET, the Board believes that the changes resulting from the recent acquisitions, creating a better business mix and improving quality of earnings, give it grounds for optimism.

D.M. Bolton
CHAIRMAN

28 January 2003

COSALT PLC

Preliminary Results for 52 weeks ended 27 October 2002

Group Managing Director's Review of Operations

Overview

The Group's activities focus on two business areas: Industrial Services and Leisure Products. A summary of their financial performance is set out below.

	52 weeks ended 27 October 2002 £m	61 weeks ended 28 October 2001 £m
Turnover:		
Industrial Services	**85.97**	78.48
Leisure Products	**56.73**	57.84
	142.70	136.32
Operating Profit:		
Industrial Services	**4.50**	5.34
Leisure Products	**3.56**	3.12
	8.06	8.46
Goodwill and exceptional items	**(0.97)**	(0.67)
Total Operating Profit	**7.09**	7.79
Profit on disposal of fixed asset	**0.44**	-
Profit before interest and tax	**7.53**	7.79

Making comparisons between 2002 and the previous year is complicated by the fact that we benefited last year from seasonally high profits in the Schoolwear activity of SEET plc, which was acquired in April 2001. In addition, we also enjoyed nine extra trading weeks following the change of year-end to October.

However, 2002 has been a year of good progress, with the successful integration into the Group of the SEET businesses, and of Kenmore, Lewis and Marlift, also acquired last year, in the Safety & Protection business.

Review of Operations

Industrial Services

Safety & Protection

This business is involved in the manufacture, supply and servicing of marine and industrial safety products and apparel, with the principal brands being Cosalt, Perry, Crewsaver and Yak.

This business, including Crewsaver - the leading brand of inflatable life-jackets - has once again achieved a satisfactory result, with an operating profit for the year of £1.58m (61 weeks to October 2001 - £1.89m).

Whilst there is a lack of activity generally in the marine safety markets throughout Europe, we continue to maintain and strengthen our market leading position, and once again the business achieved a good return and cash generation for the Group.

Following the acquisition of Kenmore, we are developing across the branch network the specialised activity of inspecting and servicing fire safety equipment and breathing apparatus, largely in marine markets. Prospects for the continued development of this activity are good.

Cosalt:Ballyclare

During the 2002 year, Ballyclare Special Products (formerly part of SEET) has been integrated with Cosalt Workwear and the combined activity was re-branded as Cosalt:Ballyclare. This business designs, manufactures and procures high visibility protective clothing, high-tech fire protection garments and image workwear and corporate wear, which it supplies to a wide range of markets, including the M.O.D., a number of regional fire brigades, police forces, utilities, motor dealerships and rail maintenance companies.

Whilst there have been exceptional charges incurred on the re-organisation (as the Chairman outlines in his report), the integration of the two businesses is now complete. U.K. factory capacity has been reduced, costs taken out, customer service teams re-focussed and logistical support and overseas procurement strengthened.

Notwithstanding that management has concentrated on implementing these changes, the business improved its operating profits in 2002 to £1.35m (61 weeks to October 2001 - £1.02m).

Our strategy is to continue to develop the offering of a complete managed service, incorporating a variety of high tech garments, to a wide range of public and similar bodies, and to other regulation driven markets. To this end, we are delivering at the present time over £3m of products to the South-East England Consortium of fire brigades at the commencement of a seven year managed contract. Additionally, we have good forward orders from the M.O.D., Translink and the Post Office.

With the cost of capital being incurred largely in the early years, this is likely to lead to profitability on managed contracts being stronger in the later years.

We have a fine, committed management team at Cosalt:Ballyclare and prospects are good.

Schoolwear – Childrenswear

The Banner and Distinctive businesses (an important part of SEET) are involved principally in the manufacture, procurement and distribution of Schoolwear and Childrenswear together with Menswear and Ladieswear interests. The principal brands are Banner, Beau Brummel and Distinctive.

Operating profits at £1.36m for the year to October 2002 are close to the £1.52m achieved in the 61 weeks to 28 October 2001, notwithstanding the fact that last year only included the seasonally strong second half of the trading year.

I am pleased with the way in which the key managers in these businesses have responded to the Cosalt style of management and disciplines, and we are making good progress in taking out cost, developing overseas procurement, improving designs and creating better margins.

In Schoolwear, we are a market leader in supplying independent schools, and the Childrenswear business has several interesting niche markets.

Knox Group

Knox Netting manufactures and services net cages, principally for the Scottish fish farming industry and, additionally, manufactures industrial, sporting, safety and camouflage netting. Knox Fibres processes synthetic carpet yarns and fibres. 2002 was a very disappointing year for these businesses, with operating profits declining to £223,000, compared with £934,000 in the 61 weeks to October 2001. Both activities were adversely affected in the aftermath of the 11 September tragedy, but our market leading fish farm netting supply and service business had a strong finish to the year and prospects continue to be good.

As the Chairman outlines in his Statement, the future of the Fibres activity is under review.

Leisure Products

Cosalt Holiday Homes

Cosalt Holiday Homes designs and manufactures caravan holiday homes, leisure custom homes and residential park homes. Kingsform, a small business, makes furniture doors and panels for both Cosalt Holiday Homes and other customers.

2001 was a difficult year, but with a strong product range and a buoyant market place, operating profits for Holiday Homes in 2002 were 18.9% ahead at £3.72m (61 weeks to 28 October 2001 - £3.13m).

Not only has the caravan holiday homes business performed well, but it is pleasing to see growth in the leisure custom homes activity, which now makes a valuable contribution to the overall profitability of the Group.

The winter order book for both retail products and hire fleet units, for the major park operators at home and abroad, is good. I am confident that this business will continue to produce a good return and to generate cash for the Group, even if the market - as I anticipate – turns out to be somewhat less buoyant in the second half of the year.

Cosalt Lighting

Cosalt Lighting designs and manufactures commercial lighting and décor, complemented by stained and coloured glass windows and door furniture.

Operating losses increased during the 2002 year to £160,000, as turnover fell to £2.05m, compared with £3.00m in the 61 weeks to October 2001. However, costs have been reduced and the business, once again, rationalised. We are making good progress in developing sales into the U.S. market, but activity in the U.K. continues to decline. The future of this business is under review.

Capital Expenditure

Capital expenditure in the 52 weeks to October 2002 was £2.14m compared with £1.72m incurred in the 61 weeks to October 2001. The depreciation charge was £2.35m.

In addition to the above, £2.69m of garments were capitalised in connection with the managed contract with the South East Consortium of fire brigades. This was part of a delivery of over £3m of garments being supplied to the Consortium in January 2003.

Balance sheet - Borrowings

The balance sheet of the Group continues to strengthen and Shareholders' Funds increased during the year from £25.54m (as restated) to £27.58m.

Cash control continues to be good. Gearing increased last year as a result of the four acquisitions but at the October 2002 year-end was slightly better than previously forecast at 61% (October 2001 - 69%), a reflection both of the cash generative nature of Cosalt's businesses and Cosalt's ability to manage tightly its cash resources.

As I outlined last year, £6.3m of new acquisition funding was arranged through a 7 year term loan with interest rates capped.

We anticipate that in the coming year, as a result of capital being employed in new managed contracts, gearing may remain around current levels. We continue to have excellent working relationships with our bankers and to operate within their covenants.

Outlook

As I have said previously in these annual statements, the key strength of the Cosalt Group is the way in which it functions, with a small central team supporting the best endeavours of loyal, highly motivated and committed management teams across the activities, linked to prudent cash control and judicious financial planning.

Notwithstanding that our senior management team has been engaged during the year in further rationalisation of the UK manufacturing base and the integration of the SEET businesses into the Group, linked to fostering a change in the management culture of those activities acquired, we have completed another year of significant progress. The balance sheet has continued to strengthen and the dividend has been increased for the ninth consecutive year.

Equally as important as that achievement, however, is the fact that the nature of the Group's earnings is acquiring what we believe to be a more reliable and sustainable quality.

We have important brands in caravan holiday homes, marine safety, fish farming, fire protection, workwear and schoolwear. The drive and ambition of the Divisional teams, combined with the disciplines imposed from the centre, will continue to strengthen these – which means, in summary, that the future is promising.

Bill Wood
Group Managing Director

28 January 2003

COSALT PLC

Preliminary Results for 52 weeks ended 27 October 2002

Consolidated Profit and Loss Account

	52 weeks ended 27 October 2002			61 weeks ended 28 October 2001*		
	Before goodwill and exceptional items	**Goodwill amortisation and exceptional items**	**Total**	Before goodwill and exceptional items	Goodwill amortisation and exceptional items	Total
	£000's	**£000's**	**£000's**	£000's	£000's	£000's
Turnover	**142,695**	**-**	**142,695**	136,315		136,315
Operating profit						
Operating profit before goodwill amortisation and exceptional items	**8,062**	**-**	**8,062**	8,460	-	8,460
Goodwill amortisation	**-**	**(122)**	**(122)**	-	(60)	(60)
Reorganisation and redundancy Costs	**-**	**(852)**	**(852)**	-	(606)	(606)
Total Operating profit	**8,062**	**(974)**	**7,088**	8,460	(666)	7,794
Profit on disposal of fixed assets	**-**	**437**	**437**	-	-	-
Profit on ordinary activities before interest	**8,062**	**(537)**	**7,525**	8,460	(666)	7,794
Interest payable (net)	**(1,483)**	**-**	**(1,483)**	(1,682)	-	(1,682)
Profit on ordinary activities before taxation	**6,579**	**(537)**	**6,042**	6,778	(666)	6,112
Taxation on ordinary activities	**(2,078)**	**256**	**(1,822)**	(2,141)	188	(1,953)
Profit after taxation	**4,501**	**(281)**	**4,220**	4,637	(478)	4,159
Preference dividends	**(4)**	**-**	**(4)**	(4)	-	(4)
Profit attributable to ordinary shareholders	**4,497**	**(281)**	**4,216**	4,633	(478)	4,155
Ordinary dividends (equity shares)	**(2,184)**	**-**	**(2,184)**	(2,088)	-	(2,088)
Retained profits	**2,313**	**(281)**	**2,032**	2,545	(478)	2,067
Basic earnings per ordinary share	**36.05p**		**33.80p**	37.16p		33.32p
Diluted earnings per ordinary share	**36.03p**		**33.78p**	37.13p		33.30p
Dividend per share	**17.50p**		**17.50p**	16.75p		16.75p

* Restated for change of accounting policy

COSALT PLC

Preliminary Results for 52 weeks ended 27 October 2002

Consolidated statement of total recognised gains and losses

	52 weeks ended 27 October 2002	61 weeks ended 28 October 2001
	£000's	£000's
Profit for financial year	**4,220**	4,159
Total recognised gains and losses relating to financial year	**4,220**	4,159
Prior year adjustments	**(486)**	
Total gains and losses recognised since last annual report	**3,734**	

All operations are classed as continuing.

COSALT PLC

Preliminary Results for 52 weeks ended 27 October 2002

Consolidated Balance Sheet

	27 October 2002		28 October 2001*	
	£000's	**£000's**	£000's	£000's
Fixed assets				
Intangible assets – goodwill		**2,256**		2,368
Tangible fixed assets		**18,954**		17,316
		21,210		19,684
Current assets				
Stocks	**21,802**		21,434	
Debtors	**32,802**		30,224	
Bank and cash balances	**3,454**		2,710	
	58,058		54,368	
Creditors				
Amount falling due within one year	**43,975**		39,290	
Net current assets		**14,083**		15,078
Total assets less current liabilities		**35,293**		34,762
Creditors				
Amounts falling due after more than one year		**6,015**		7,358
		29,278		27,404
Provisions for liabilities and charges	**1,558**		1,714	
Deferred income:				
Grants not yet credited to profit	**139**	**1,697**	152	1,866
Net assets		**27,581**		25,538
Capital and reserves				
Called up share capital		**3,169**		3,167
Share premium account		**2,330**		2,321
Revaluation reserve		**470**		470
Investment property revaluation reserve		**67**		67
Other reserves		**1,148**		1,148
Profit and loss account		**20,397**		18,365
Shareholders' funds (including non-equity interests)		**27,581**		25,538

* Restated for change in accounting policy

COSALT PLC

Preliminary Results for 52 weeks ended 27 October 2002

Consolidated Cash Flow Statement

	52 weeks ended 27 October 2002		61 weeks ended 28 October 2001	
	£000's	**£000's**	£000's	£000's
Net cash inflow from operating activities		**9,685**		8,070
Returns on investments and servicing of finance:				
Interest paid	**(1,341)**		(1,482)	
Interest received	**18**		13	
Interest element of finance lease payments	**(111)**		(169)	
Non-equity dividends paid	**(4)**		(4)	
		(1,438)		(1,642)
Taxation				
Corporation tax paid		**(1,739)**		(2,254)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	**(4,182)**		(1,512)	
Purchase of intangible fixed assets	**-**		(10)	
Sale of tangible fixed assets	**1,263**		588	
		(2,919)		(934)
Acquisitions and disposals		**(190)**		(12,506)
Equity dividends paid		**(2,120)**		(2,076)
Net cash inflow / (outflow) before use of liquid funds and financing		**1,279**		(11,342)
Financing				
Issue of share capital	**11**		-	
New bank borrowings	**-**		7,800	
Repayment of bank and other borrowings	**(1,359)**		(3,196)	
Capital element of finance lease rental payments	**(759)**		(941)	
		(2,107)		3,663
Decrease in cash		**(828)**		(7,679)
Reconciliation of net cash flow to movement in net debt				
Decrease in cash		**(828)**		(7,679)
Cash outflow/(inflow) from decrease/ (increase) in debt and lease financing		**2,118**		(3,663)
Change in net debt from cash flows		**1,290**		(11,342)
Loans and finance leases on acquisition of subsidiary undertakings		**-**		(823)
Arrangement fees amortised		**(18)**		-
Inception of new finance leases		**(630)**		(242)
Movement in net debt in year/period		**642**		(12,407)
Net debt as at 28 October 2001		**(16,021)**		(3,614)
Net debt as at 27 October 2002		**(15,379)**		(16,021)

COSALT PLC

Preliminary Results for 52 weeks ended 27 October 2002

The turnover and results of the main activities were as follows:

	2002 £000's	2001 £000's
Turnover		
Industrial Services	**85,969**	78,478
Leisure Products	**56,726**	57,837
	142,695	136,315
Operating Profit		
Industrial Services	**4,502**	5,344
Exceptional items	**(745)**	(606)
Goodwill amortisation	**(122)**	(60)
Total Industrial Services	**3,635**	4,678
Leisure Products	**3,560**	3,116
Exceptional items	**(107)**	-
Total Leisure Products	**3,453**	3,116
Total Operating Profit	**7,088**	7,794
Profit on disposal of fixed asset	**437**	-
Interest payable (net)	**(1,483)**	(1,682)
Profit on ordinary activities before taxation	**6,042**	6,112

Operating Assets
The operating assets of the main activities at 27 October 2002 were as follows:

	Operating capital employed	
	2002 £000's	2001 £000's
Industrial Services	**31,469**	28,765
Leisure Products	**13,785**	13,382
	45,254	42,147
Non-operating assets and liabilities*	**(3,943)**	(1,880)
Net borrowings	**(13,730)**	(14,243)
Total net assets	**27,581**	26,024

* Non-operating assets and liabilities principally represents taxation, dividends and finance leases

COSALT PLC

Preliminary Results for 52 weeks ended 27 October 2002

Reconciliation of operating profit to cash flow from operating activities:

	2002 £000's	2001 £000's
Operating profit	**7,088**	7,794
Depreciation	**2,350**	2,152
Amortisation of goodwill	**122**	60
Profit on disposal of fixed asset	**-**	(59)
Capital grants income release	**(13)**	(33)
(Increase) / decrease in stocks	**(368)**	2,859
Increase in debtors	**(1,946)**	(2,099)
Increase/ (decrease) in creditors	**2,373**	(2,418)
Decrease in provisions	**79**	(186)
Net cash inflow from operating activities	**9,685**	8,070

Analysis of changes in net debt:

	At 28 October 2001 £000's	Cash Flows £000's	Other Non Cash Changes £000's	**At 27 October 2002 £000's**
Cash in hand and at bank	2,710	744	-	**3,454**
Overdrafts	(4,478)	119	-	**(4,358)**
Advances due within one year	(4,843)	(1,691)	-	**(6,534)**
	(6,611)	(828)	-	**(7,438)**
Debt due within one year	(1,341)	1,359	(1,268)	**(1,251)**
Debt due after one year	(6,291)	-	1,250	**(5,041)**
Finance leases	(1,778)	759	(630)	**(1,649)**
Total	(16,021)	1,290	(648)	**(15,379)**

COSALT PLC

Preliminary Results for 52 weeks ended 27 October 2002

Notes to the Accounts

1. The financial information set out above does not constitute the Company's statutory accounts for the 52 weeks ended 27 October 2002 or 61 weeks ended 28 October 2001 but is derived from those accounts. Statutory Accounts for 2001 have been delivered to the Registrar of Companies, and those for 2002 will be delivered following the Company's Annual General Meeting. The Auditors have reported on those accounts; their reports were unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985. Full accounts for Cosalt plc for the period ended 27 October 2002 will be sent to shareholders during February 2003 and will be available after that time from the Company Secretary, Cosalt plc, Fish Dock Road, Grimsby, N.E. Lincolnshire, DN31 3NW. Copies of this announcement are available from the same address.

2. The Group has amended its policy on deferred taxation in order to comply with Financial Reporting Standard 19 (FRS19). In accordance with FRS19 deferred taxation is now provided on the basis of full potential liability; no discounting has been applied. A prior year adjustment has been made to restate the comparative profit and loss and balance sheet figures to reflect this change in policy.

3. The figures of basic earnings per share are calculated on the profit attributable to ordinary shares of £4,216,000 (2001: £4,155,000), divided by the average number of shares in issue during the period, being 12,474,308 (2001: 12,468,353).

   For diluted earnings per share, the weighted average number of ordinary shares is adjusted for the dilutive effect of potential ordinary shares. The Group has only one category of dilutive potential ordinary shares which is that of share options granted to employees. Those options which have an exercise price which is less than the daily average mid-market price of the Company's ordinary shares during the period are considered dilutive.

	27 October 2002	28 October 2001
Weighted average number of shares in issue	12,474,308	12,468,353
Weighted average number of dilutive share options	10,191	10,100
Total number of shares for calculating diluted earnings per share	12,484,499	12,478,453

4. A final dividend of 12.00p per share is proposed and if approved will be payable on 26 March 2003 to shareholders on the register on 14 March 2003, absorbing £1,497,162.

5. This preliminary announcement was approved by the Board on 27 January 2003.