



Zapata Corporation Announces Third Quarter 2005 Results

November 15, 2005

ROCHESTER, N.Y.--(BUSINESS WIRE)--Nov. 14, 2005--Zapata Corporation (NYSE: ZAP) today announced its consolidated financial results for the third quarter ended September 30, 2005.

Zapata reported consolidated net loss from continuing operations \$3.7 million or \$(.20) per diluted share on revenues from continuing operations of \$31.4 million for the three months ended September 30, 2005 as compared to consolidated net loss from continuing operations of \$614,000 or \$(.03) per diluted share on revenues from continuing operations of \$41.5 million for the quarter ended September 30, 2004. For the nine months ended September 30, 2005, Zapata reported consolidated net loss from continuing operations of \$6.2 million or \$(.32) per diluted share on revenues from continuing operations of \$82.8 million as compared to consolidated net loss from continuing operations of \$3.3 million or \$(.17) per diluted share on revenues from continuing operations of \$93.0 million for the comparable period of 2004.

The decrease in consolidated revenue from continuing operations resulted from decreased revenue recognized by Omega Protein Corporation (OTCBB: OME). Omega Protein reported a net loss of \$6.1 million on revenues of \$31.4 million for quarter ended September 30, 2005 as compared to net income of \$1.8 million on revenues of \$41.5 million for the comparable quarter last year. Additionally, Omega reported a net loss of \$5.4 million on revenues of \$82.8 million for the nine month period ended September 30, 2005 as compared to net income of \$4.3 million on revenues of \$93.0 million for the comparable period of the prior year. As previously reported, during the quarter ended September 30, 2005, Omega suffered wind and flood damages to three of its four fish processing facilities as a result of Hurricanes Katrina and Rita. The direct impact of the two hurricanes upon Omega was loss of physical inventories and physical damage to the plants. The interruption of processing capabilities caused Omega to address the impact of abnormal downtime of its processing facilities, which resulted in the immediate recognition of costs which would ordinarily have been captured as inventory costs. Omega recognized an estimated loss of \$13.2 million, net of insurance recoveries, resulting from natural disasters during the three and nine months ended September 30, 2005. This estimate may change as more information becomes available.

Zapata previously announced that it has agreed to sell to an affiliate of WL Ross & Company all of its shares of Safety Components International, Inc. (OTCBB: SAFY) for \$51.2 million. As a result, Zapata has classified Safety Components as discontinued operations and prior periods have been restated accordingly. Zapata expects that this transaction will close during the fourth quarter of 2005. At that time, the Company will record the cash proceeds and cease to consolidate Safety Components.

Although Zapata has agreed to sell its shares of Safety Components for \$51.2 million and originally purchased these shares for \$47.8 million, the Company recorded an accounting loss on the transaction of approximately \$10.8 million during the quarter ended September 30, 2005. Despite selling its interest in Safety Components for a cash gain, Zapata recorded an accounting loss primarily due to Safety Components' generation of net income subsequent to Zapata's acquisition of Safety's common stock. During the periods in which Zapata consolidated Safety's results of operations, Safety Components recognition of net income caused Zapata's carrying value in the investment in Safety's common stock to increase by its share of Safety's net income. Accordingly, concurrent with the approval of Zapata's board of directors to sell its interest in Safety Components, Zapata was required to record a loss equal to the difference between its carrying value in Safety Component's common stock and the net selling price.

Including discontinued operations, Zapata reported a consolidated net loss of \$13.2 million or \$(.69) per diluted share for the three months ended September 30, 2005 as compared to consolidated net income of \$784,000 or \$.04 for the same period last year. For the nine months ended September 30, 2005, Zapata reported a consolidated net loss of \$12.6 million or \$(.66) per diluted share compared to consolidated net income of \$3.4 million or \$.18 per diluted share for the comparable period of 2004.

Safety Components contributed approximately \$1.4 million of net income to Zapata's consolidated results for each of the quarters ended September 30, 2005 and 2004, respectively. Additionally, Safety contributed approximately \$4.4 million of net income to Zapata's consolidated results for the nine month period ended September 30, 2005, as compared to \$6.7 million for the comparable period of the prior year. Safety's year to date results reflect a decreased overall demand in the automotive market and decisions by certain customers to curtail outsourcing and begin production of certain programs using their own facilities.

About Zapata:

Zapata is a holding company which currently has two operating companies, Safety Components International, Inc. and Omega Protein Corporation. As of September 30, 2005, the Company had a 77% ownership interest in Safety Components and a 58% ownership interest in Omega Protein. In addition, Zapata owns 98% of Zap.Com Corporation (OTCBB: ZPCM), which is a public shell company.

Zapata effected an eight-for-one stock split of its outstanding shares of common stock, par value \$.01 per share, effective at the close of business on April 6, 2005. All share information on the financial statements and in this release, including per share amounts, have been proportionally adjusted as if the eight-for-one stock split had been effective as of the date or period presented.

The Company makes certain reports available free of charge on its website at www.zapatacorp.com as soon as reasonably practicable after this information is electronically filed, or furnished to, the United States Securities and Exchange Commission.

"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this release which are not historical facts are "forward-looking" statements that involve risks and/or uncertainties including without limitation, the possibility that the sale of Safety Components will not close or that the closing of the sale may be delayed, and those risks as described in the "Significant Factors That Could Affect Future Performance and Forward-Looking Statements" in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2005. You are cautioned not to place undue reliance on any forward-looking statements. The Company's actual actions or results may differ materially from

those expected or anticipated in the forward-looking statements. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release.

ZAPATA CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Per Share Amounts)

	September 30, 2005 (unaudited)	December 31, 2004
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$38,191	\$63,249
Accounts receivable, net	26,139	14,505
Inventories, net	50,285	40,442
Prepaid expenses and other current assets	3,827	2,373
Assets related to discontinued operations	74,706	78,440
	-----	-----
Total current assets	193,148	199,009
	-----	-----
Other assets, net	23,019	19,648
Property, plant and equipment, net	92,823	97,820
Non-current assets related to discontinued operations	32,470	46,012
	-----	-----
Total assets	\$341,460	\$362,489
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$1,713	\$1,661
Accounts payable	2,199	2,567
Accrued and other current liabilities	19,760	13,977
Liabilities related to discontinued operations	30,681	38,994
	-----	-----
Total current liabilities	54,353	57,199
	-----	-----
Long-term debt	14,680	15,943
Pension liabilities	10,255	9,677
Other liabilities and deferred taxes	6,743	6,333
Non-current liabilities related to discontinued operations	6,785	7,513
	-----	-----
Total liabilities	92,816	96,665
	-----	-----
Minority interest	79,524	79,510
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par; 1,600,000 shares authorized; none issued or outstanding	--	--
Preference stock, \$.01 par; 14,400,000 shares authorized; none issued or outstanding	--	--
Common stock, \$.01 par, 132,000,000 shares authorized; 24,569,936 and 24,564,600 shares issued at September 30, 2005 and December 31,		

2004, respectively; and 19,137,856 and 19,132,520 shares outstanding at September 30, 2005 and December 31, 2004, respectively	246	31
Capital in excess of par value	160,357	160,671
Retained earnings	42,232	54,841
Treasury stock, at cost, 5,432,080 shares	(31,668)	(31,668)
Accumulated other comprehensive (loss) income	(2,047)	2,439
Total stockholders' equity	169,120	186,314
Total liabilities and stockholders' equity	\$341,460	\$362,489

ZAPATA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2005	2004	2005	2004
Revenues	\$31,418	\$41,501	\$82,759	\$93,013
Cost of revenues	24,032	36,376	68,500	78,821
Gross profit	7,386	5,125	14,259	14,192
Operating expense:				
Selling, general and administrative	4,738	3,737	13,567	11,451
Loss resulting from natural disaster, net	13,183	--	13,183	--
Total operating expenses	17,921	3,737	26,750	11,451
Operating (loss) income	(10,535)	1,388	(12,491)	2,741
Other income (expense):				
Interest income	334	244	1,035	678
Interest expense	(337)	(63)	(845)	(713)
Other, net	(59)	(57)	149	(160)
	(62)	124	339	(195)
(Loss) income before income taxes and minority interest	(10,597)	1,512	(12,152)	2,546
Benefit (provision) for income taxes	4,285	(1,392)	3,710	(4,084)
Minority interest in net loss (income) of consolidated subsidiaries	2,583	(734)	2,264	(1,738)
Net loss from continuing operations	(3,729)	(614)	(6,178)	(3,276)

Discontinued operations:

(Loss) income before taxes and minority interest (including loss on disposal)	(8,846)	2,452	(3,130)	13,046
Provision for income taxes	(223)	(653)	(2,102)	(4,572)
Minority interest	(353)	(401)	(1,199)	(1,780)
	-----	-----	-----	-----

Net (loss) income from discontinued operations	(9,422)	1,398	(6,431)	6,694
---	---------	-------	---------	-------

Net (loss) income to common stockholders	\$ (13,151)	\$ 784	\$ (12,609)	\$ 3,418
	=====	=====	=====	=====

Net (loss) income per common
share - basic and diluted

Loss from continuing operations	\$(0.20)	\$(0.03)	\$(0.32)	\$(0.17)
Discontinued operations, net of income taxes and minority interest	(0.49)	0.07	(0.34)	0.35
	-----	-----	-----	-----

(Loss) income per common share - basic and diluted	\$(0.69)	\$0.04	\$(0.66)	\$0.18
	=====	=====	=====	=====

Weighted average common shares
outstanding:

Basic	19,136	19,131	19,135	19,131
	=====	=====	=====	=====
Diluted	19,136	19,354	19,135	19,336
	=====	=====	=====	=====

CONTACT: Zapata Corporation
Leonard DiSalvo, 585-242-8703
<http://www.zapatacorp.com>

SOURCE: Zapata Corporation