



Zapata Corporation Announces Second Quarter Results for 2001

August 11, 2001

ROCHESTER, N.Y., Aug 10, 2001 (BUSINESS WIRE) -- Zapata Corporation (NYSE:ZAP) today announced its consolidated financial results for the quarter ended June 30, 2001.

For the quarter ended June 30, 2001, Zapata reported a net loss of \$9.6 million or \$4.03 per share compared to a net loss of \$410,000 or \$.17 per share for the comparable quarter last year. The net loss for the second quarter was primarily due to impairment charges on non-investment grade securities, partially offset by interest income.

For the six months ended June 30, 2001, Zapata reported a net loss of \$10.8 million or \$4.52 per share compared to a net loss of \$3.1 million or \$1.29 per share for the comparable period last year. The net loss for the six months was primarily due to impairment charges on non-investment grade securities and losses at Omega Protein, partially offset by interest income.

About Zapata Corporation

Zapata Corporation is a holding company that operates in the food segment and, until December 2000, the Internet segment. Zapata owns approximately 61% of the stock of Omega Protein Corporation (NYSE: OME), the nation's largest marine protein company, and approximately 38% of the stock of Viskase (NASDAQ:VCIC), a world leader in food packaging. Zapata is also the largest shareholder of Zap.Com Corporation (OTCBB: ZPCM).

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: The statements contained in this press release which are not historical fact are forward-looking statements based upon management's current expectations that are subject to risks, and uncertainties that could cause actual results, events and developments to differ materially from those set forth in or implied by forward looking statements. Factors that could cause actual results, events and developments to differ include, without limitation, those factors listed under the caption "Significant Factors That Could Affect Future Performance And Forward Looking Statements" in the Company's Annual Report on Form 10-K dated April 2, 2001 for the fiscal year ended December 31, 2000. Consequently all forward looking statements made herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results.

ZAPATA CORPORATION		
CONDENSED CONSOLIDATED BALANCE SHEETS		
(In thousands, except shares and per share amounts)		
	June 30, 2001 (Unaudited)	December 31, 2000
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 63,929	\$ 19,237
Short-term investments	20,077	55,384
Accounts receivable, net	8,779	11,971
Inventories, net	36,482	37,032
Prepaid expenses and other current assets	1,846	2,150
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Total current assets	131,113	125,774
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Investments and other assets:		
Long-term investments, available-for-sale	5,380	13,396
Other assets	34,043	33,315
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Total investments and other assets	39,423	46,711
Property and equipment, net	85,230	89,374
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Total assets	\$ 255,766	\$ 261,859
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		

Current maturities of long-term debt	\$ 1,267	\$ 1,227
Accounts payable	2,097	2,766
Accrued liabilities	22,895	21,153
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Total current liabilities	26,259	25,146
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Long-term debt	14,254	14,827
Other liabilities	4,678	4,820
Minority interest	51,976	52,071
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Total liabilities	97,167	96,864
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Commitments and contingencies		
Stockholders' equity:		
Preferred stock, (\$0.01 par), 200,000 shares authorized, 0 shares issued and outstanding as of June 30, 2001 and December 31, 2000	--	--
Preference stock, (\$0.01 par), 1,800,000 shares authorized, 0 shares issued and outstanding as of June 30, 2001 and December 31, 2000	--	--
Common stock, (\$0.01 par), 16,500,000 shares authorized; 3,069,859 and 3,067,718 shares issued; and 2,390,849 and 2,388,708 shares outstanding on June 30, 2001 and December 31, 2000	31	31
Capital in excess of par value	161,785	161,755
Retained earnings	28,550	39,389
Treasury stock, at cost, 679,010 shares at June 30, 2001 and December 31, 2000	(31,668)	(31,668)
Accumulated other comprehensive loss	(99)	(4,512)
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Total stockholders' equity	158,599	164,995
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Total liabilities and stockholders' equity	\$ 255,766	\$ 261,859
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ZAPATA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2001	2000	2001	2000
Revenues	\$ 19,053	\$ 20,873	38,099	40,261
Cost of sales	17,077	21,005	35,090	39,495
Gross Profit (Loss)	1,976	(132)	3,009	766
Operating Expense:				
Product development	---	971	---	1,494
Selling, general and administrative	2,968	3,966	5,948	8,185
Consulting (income) expense	---	(1,078)	---	1,057
Contract termination settlement	---	---	(403)	---
Total Operating Expenses	2,968	3,859	5,545	10,736
Operating Loss	(992)	(3,991)	(2,536)	(9,970)
Other Income (Expense):				
Interest income, net	700	2,575	1,670	3,933
Realized loss on non-investment grade securities	(10,006)	---	(10,923)	---
Impairment of long-lived assets	(232)	---	(232)	---
Other (expense) income, net	(12)	115	9	(4)
	(9,550)	2,690	(9,476)	3,929
Loss Before Income Taxes and Minority Interest	(10,542)	(1,301)	(12,012)	(6,041)
Benefit from income taxes	929	462	1,078	2,112
Minority interest in net (loss) income of consolidated subsidiary	(27)	429	136	846
Net Loss	\$ (9,640)	\$ (410)	(10,798)	(3,083)
Per Share Data (Basic and Diluted):				
Net Loss Per Share	\$ (4.03)	\$ (0.17)	\$ (4.52)	(1.29)
Weighted Average Common Shares and Common Share Equivalents Outstanding	2,391	2,389	2,390	2,389

CONTACT:
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Investor Relations
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