UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2005

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER: 1-4219

ZAPATA CORPORATION
(Exact name of Registrant as specified in its charter)

STATE OF NEVADA	C-74-1339132
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

100 MERIDIAN CENTRE, SUITE 350 ROCHESTER, NY	14618
(Address of principal executive offices)	(Zip Code)

(585) 242-2000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] or No [ ].

Indicate by "X" whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [X] No [ ]

As of August 1, 2005 the Registrant had outstanding 19,137,856 shares of common stock, $0.01 par value.

ZAPATA CORPORATION

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PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS AND NOTES

ZAPATA CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	JUNE 30, 2005 (UNAUDITED)	DECEMBER 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	$ 47,665	$ 67,433
Accounts receivable, net	53,759	53,376
Assets held in subsidiary deferred compensation plan	2,178	4,361
Inventories, net	82,451	67,324
Prepaid expenses and other current assets	8,564	6,515
Total current assets	194,617	199,009
Other assets:		
Intangible assets, net	5,007	6,158
Other assets	19,842	20,021
Total other assets	24,849	26,179
Property, plant and equipment, net	139,382	137,301
Total assets	$358,848	$362,489
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 3,920	$ 4,924
Accounts payable	18,370	19,395
Accrued and other current liabilities	32,836	32,880
Total current liabilities	55,126	57,199
Long-term debt	17,574	19,672
Pension liabilities	10,061	9,677
Other liabilities and deferred taxes	11,530	10,117
Total liabilities	94,291	96,665
Minority interest	81,667	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, $0.01 par, 132,000,000 shares authorized; 24,569,936 and 24,564,600 shares issued at June 30, 2005 and December 31, 2005, respectively; and 19,137,856 and 19,132,520 shares outstanding at June 30, 2005 and December 31, 2004, respectively	246	31
Capital in excess of par value	160,395	160,671
Retained earnings	55,383	54,841
Treasury stock, at cost, 5,432,080 shares	(31,668)	(31,668)
Accumulated other comprehensive (loss) income	(1,466)	2,439
Total stockholders' equity	182,890	186,314
Total liabilities and stockholders' equity	$358,848	$362,489

The accompanying notes are an integral part of the condensed consolidated financial statements.

ZAPATA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2005	2004	2005	2004
Revenues	$86,518	$92,314	$168,961	$186,601
Cost of revenues	74,953	76,123	145,928	155,258
Gross profit	11,565	16,191	23,033	31,343
Operating expense:				
Selling, general and administrative	9,385	9,262	18,673	18,849
Total operating expenses	9,385	9,262	18,673	18,849
Operating income	2,180	6,929	4,360	12,494
Other income (expense):				
Interest income	402	377	727	768
Interest expense	(400)	(702)	(841)	(1,406)
Other, net	280	49	(85)	(227)
	282	(276)	(199)	(865)
Income before income taxes and minority interest	2,462	6,653	4,161	11,629
Provision for income taxes	(1,297)	(4,280)	(2,454)	(6,611)
Minority interest in net income of consolidated subsidiaries	(701)	(1,536)	(1,165)	(2,383)
Net income to common stockholders	$ 464	$ 837	$ 542	$ 2,635
Earnings per share:				
Basic	$ 0.02	$ 0.04	$ 0.03	$ 0.14
Diluted	$ 0.02	$ 0.04	$ 0.03	$ 0.14
Weighted average common shares outstanding:				
Basic	19,135	19,131	19,134	19,131
Diluted	19,345	19,356	19,379	19,326

The accompanying notes are an integral part of the condensed consolidated financial statements.

ZAPATA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30,	
	2005	2004
Cash flows from operating activities:		
Net income	$ 542	$ 2,635
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,523	11,437
Amortization of purchase accounting adjustments	401	401
Loss on disposal of assets	140	182
Provisions for losses on receivables	153	206
Tax benefit from stock option exercises	187	369
Stock option modification expense	353	--
Minority interest in net income of consolidated subsidiaries	1,165	2,383
Deferred income taxes	943	2,745
Changes in assets and liabilities:		
Accounts receivable	(536)	1,153
Inventories	(15,128)	(1,244)
Assets held in deferred compensation plan	2,183	(598)
Prepaid expenses and other current assets	(1,075)	(214)
Other assets	(283)	(1,061)
Accounts payable	(1,025)	(12,311)
Pension liabilities	384	325
Accrued liabilities and other current liabilities	256	6,127
Other liabilities	(286)	12
Total adjustments	(645)	9,912
Net cash (used in) provided by operating activities	(103)	12,547
Cash flows from investing activities:		
Proceeds from disposition of assets	339	62
Gain on involuntary conversion	(307)	--
Purchase of short-term investments	--	(508)
Proceeds of maturities of short-term investments	--	29,351
Capital expenditures	(15,388)	(15,512)
Net cash (used in) provided by investing activities	(15,356)	13,393
Cash flows from financing activities:		
(Repayments of) proceeds from long-term obligations	(2,883)	1,335
Proceeds from stock option exercises	987	1,169
Net cash (used in) provided by financing activities	(1,896)	2,504
Effect of exchange rate changes on cash and cash equivalents	(2,413)	(29)
Net (decrease) increase in cash and cash equivalents	(19,768)	28,415
Cash and cash equivalents at beginning of period	67,433	43,934
Cash and cash equivalents at end of period	$ 47,665	$ 72,349

The accompanying notes are an integral part of the condensed consolidated financial statements.

ZAPATA CORPORATION
NOTES TO UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF OPERATIONS AND BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements included herein have been prepared by Zapata Corporation ("Zapata" or the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of such information. All such adjustments are of a normal recurring nature. Although Zapata believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including a description of significant accounting policies normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the financial statements and the notes thereto included in Zapata's 2004 Annual Report on Form 10-K filed with the Securities and Exchange Commission and with the information presented by Safety Components International, Inc., Omega Protein Corporation and Zap.Com Corporation in their 2004 Annual Reports on Form 10-K. The results of operations for the three month period ended June 30, 2005 are not necessarily indicative of the results for any subsequent quarter or the entire fiscal year ending December 31, 2005.

BUSINESS DESCRIPTION

Zapata Corporation ("Zapata" or the "Company") was incorporated in Delaware in 1954 and was reincorporated in Nevada in April 1999. The Company's principal executive offices are at 100 Meridian Centre, Suite 350, Rochester, New York 14618. Zapata's common stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol "ZAP."

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

Safety Components is a leading, low-cost, independent supplier of automotive airbag fabric and cushions and technical fabrics with operations in North America and Europe. Safety Components sells airbag fabric domestically and cushions worldwide to the major airbag module integrators that outsource such products. Safety Components also manufactures value-added technical fabrics used in a variety of niche industrial and commercial applications such as ballistics material for luggage, filtration, military tents and fire service apparel. The ability to interchange airbag and specialty technical fabrics using the same equipment and similar manufacturing processes allows Safety to more effectively utilize its manufacturing assets and lower per unit overhead costs. Safety Components trades on the over-the counter electronic bulletin board ("OTCBB"), under the symbol "SAFY."

Omega Protein produces and markets a variety of products produced from menhaden (a herring-like species of fish found in commercial quantities in the U.S. coastal waters of the Atlantic Ocean and Gulf of Mexico), including regular grade and value-added specialty fish meals, crude and refined fish oils and regular and value-added fish solubles. Omega's fish meal products are primarily used as a protein ingredient in animal feed for swine, cattle, aquaculture and household pets. Fish oil is utilized for animal and aquaculture feeds, industrial applications, additives to human food products and as a dietary supplement. Omega's fish solubles are sold primarily to livestock feed manufacturers, aquaculture feed manufacturers and for use as an organic fertilizer. Omega Protein trades on the New York Stock Exchange under the symbol "OME."

Zap.Com is a public shell company which does not have any existing business operations. Zap.Com is likely to search for assets or businesses that it can acquire so that it can become an operating company. Zap.Com may also consider developing a new business suitable for its situation. Zap.Com trades on the OTCBB under the symbol "ZPCM."

As used throughout this report, "Zapata Corporate" is defined as Zapata Corporation exclusive of its majority owned subsidiaries Safety Components, Omega Protein and Zap.Com.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

STOCK-BASED COMPENSATION

The Company accounts for stock-based compensation according to Accounting Principles Board Opinion No. 25 and the related interpretations under Financial Accounting Standards Board ("FASB") Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation." The Company adopted the required disclosure provisions under Statement of Financial Accounting Standards ("SFAS") No. 148 and continues to use the intrinsic value method of accounting for stock-based compensation. Had compensation expense for the Company's stock option grants been determined based on fair value at the grant date using the Black-Scholes option-pricing model, the Company's net income and earnings per share (basic and diluted) would have been as follows:

	THREE MONTHS ENDED JUNE 30,	
	2005 (UNAUDITED)	2004 (UNAUDITED)
	(IN THOUSANDS)	
Net income, as reported	$ 464	$ 837
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of tax effects:		
Zapata Corporate	(22)	(33)
Safety Components	--	--
Omega Protein	(536)	(89)
Zap.Com	(1)	--
Total pro forma expense	(559)	(122)
Pro forma net income	$ (95)	$ 715
Earnings per share:		
Basic - as reported	$0.02	$0.04
Basic - pro forma	$0.00	$0.04
Diluted - as reported	$0.02	$0.04
Diluted - pro forma	$0.00	$0.04

	SIX MONTHS ENDED JUNE 30,	
	2005 (UNAUDITED)	2004 (UNAUDITED)
	(IN THOUSANDS)	
Net income, as reported	$ 542	$2,635
Add: Stock-based employee compensation expense determined under APB No. 25, included in reported net income, net of tax effects	219	--
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of tax effects:		
Zapata Corporate	(264)	(65)
Safety Components	--	--
Omega Protein	(618)	(136)
Zap.Com	(3)	--
Total pro forma expense	(885)	(201)
Pro forma net income	$ (124)	$2,434
Earnings (loss) per share:		
Basic - as reported	$ 0.03	$ 0.14
Basic - pro forma	$(0.01)	$ 0.13
Diluted - as reported	$ 0.03	$ 0.14
Diluted - pro forma	$(0.01)	$ 0.13

On May 5, 2005, Omega Protein accelerated the vesting of all unvested, out-of-the-money, explicit service period stock options granted under Omega's 2000 Long-Term Incentive Plan. A stock option was considered "out-of-the-money" if the stock option exercise price was greater than $6.04 which was the closing price of Omega's common stock on the New York Stock Exchange on May 5, 2005. As a result of this action, stock options to purchase 390,000 shares of Omega's common stock became immediately exercisable. The vesting created modification of stock options; however, there was no impact on the fair value of the options. The weighted average exercise price of all the accelerated stock options was $9.98. Omega has reported that it believes that the future compensation expense that will be avoided, based on an implementation date for SFAS No. 123R of January 1, 2006, will be approximately $733,000 in 2006 and $237,000 in 2007.

Omega reported that the purpose of accelerating vesting was to eliminate future compensation expense that Omega would otherwise recognize in its Statement of Operations with respect to these accelerated stock options upon the adoption of SFAS No. 123R. As of June 30, 2005, Omega had not recognized any expense relating to the acceleration of vesting.

RECLASSIFICATION

Certain reclassifications of prior information have been made to conform to the current presentation.

NOTE 3. INVENTORIES

Inventories are summarized as follows:

	JUNE 30, 2005	DECEMBER 31, 2004
	(IN THOUSANDS)	
SAFETY COMPONENTS:		
Raw materials	$ 5,794	$ 7,153
Work-in-process	7,129	8,073
Finished goods	12,682	11,656
Total Safety Components inventory	$25,605	$26,882
OMEGA PROTEIN:		
Fish meal	$17,222	$18,693
Fish oil	15,665	11,118
Fish solubles	558	509
Unallocated inventory cost pool (including off season costs)	18,397	5,794
Other materials and supplies	5,004	4,328
Total Omega Protein inventory	$56,846	$40,442
Total consolidated inventory	$82,451	$67,324

NOTE 4. DEBT

Long-term debt consisted of the following:

	JUNE 30, 2005	DECEMBER 31, 2004
	(IN THOUSANDS)	
SAFETY COMPONENTS:		
Wachovia revolving credit facility due on October 8, 2006, interest at a variable rate of 6.0% at June 30, 2005 and 5.0% at December 31, 2004	$ --	$ 105
Wachovia Term A loan, due on October 8, 2006, interest at a variable rate of 6.0% at June 30, 2005 and 5.0% at December 31, 2004	1,781	2,048
KeyCorp equipment note due August 2005, interest rate of 1.3% over LIBOR	147	1,028
HBV Bank Czech Republic mortgage note due March 2007, interest rate of 1.7% over EURIBOR	1,835	2,640
Capital equipment notes payable, with various interest rates ranging from 6.42% to 8.36%, maturing at various dates through July 2008	948	1,171
Total Safety Components' debt	4,711	6,992
Less: current maturities	(2,216)	(3,263)
	$ 2,495	$ 3,729
OMEGA PROTEIN:		
U.S. Government guaranteed obligations (Title XI loan) collateralized by a first lien on certain vessels and certain plant assets:		
Amounts due in installments through 2016, interest from 5.7% to 7.6%	$16,388	$17,171
Amounts due in installments through 2014, interest at Eurodollar rates of 3.93% and 2.03% at June 30, 2005 and December 31, 2004, respectively, plus 4.5%	380	400
Other debt at 7.9% at June 30, 2005 and December 31, 2004	15	33
Total Omega Protein's debt	16,783	17,604
Less: current maturities	(1,704)	(1,661)
	$15,079	$15,943
Total consolidated long-term debt	$17,574	$19,672

SAFETY COMPONENTS

Safety has a credit facility with Wachovia Bank, National Association ("Wachovia"), successor by merger to Congress Financial Corporation (Southern). Safety has an aggregate $35.0 million revolving credit facility with Wachovia (the "Wachovia Revolver") expiring October 8, 2006. Under the Wachovia Revolver, Safety may borrow up to the lesser of (a) $35.0 million or (b) 85% of eligible accounts receivable, plus 60% of eligible finished goods, plus 50% of eligible raw materials. No amount was outstanding under the Wachovia Revolver at June 30, 2005 on Safety's consolidated balance sheet. The Wachovia Revolver also includes a $5.0 million letter of credit facility, which was unutilized at June 30, 2005.

In addition, Safety has a term facility with Wachovia (the "Wachovia Term A loan") under which $1.8 million was outstanding as of June 30, 2005. At June 30, 2005, $534,000 of the $1.8 million outstanding was included in current portion of long-term debt on Safety's consolidated balance sheet. The Wachovia Term A loan is payable in equal monthly installments of approximately $45,000, with the unpaid principal amount due on October 8, 2006. Additional amounts are not available for borrowing under the Wachovia Term A loan. In addition to the Wachovia Revolver and the Wachovia Term A loan, Safety also has an additional term loan (the "Wachovia Term B loan" and, collectively with the Wachovia Revolver and the Wachovia Term A loan, the "Wachovia Facilities") which is undrawn and under which $2.6 million was available as of June 30, 2005. At June 30, 2005, Safety's availability for additional borrowings (based on the maximum allowable limit) under the Wachovia Revolver and the Wachovia Term B loan was approximately $37.6 million.

The interest rate on the Wachovia Revolver and Wachovia Term A loan is variable, depending on the amount of Safety's Excess Availability (as defined in the Wachovia Facilities) at any particular time and the ratio of Safety's EBITDA, less certain capital expenditures made by Safety, to certain fixed charges of Safety (the "Fixed Charge Coverage Ratio"). Safety may make borrowings based on the prime rate as described in the Wachovia Facilities (the "Prime Rate") or the LIBOR rate as described in the Wachovia Facilities, in each case with an applicable margin applied to the rate. The Wachovia Term B loan bears interest at the Prime Rate plus 3%. At June 30, 2005, the margin on Prime Rate loans was 0.0% and the margin on LIBOR rate loans was 1.75%. Safety is required to pay a monthly unused line fee of 0.25% per annum on the unutilized portion of the Wachovia Revolver and a monthly fee equal to 1.75% per annum of the amount of any outstanding letters of credit.

Under the Wachovia Revolver and Wachovia Term A loan, Safety is subject to a covenant that requires it to maintain a certain tangible net worth. If Safety has borrowings outstanding under the Wachovia Term B loan, it is subject to additional financial covenants that require Safety: (i) to maintain EBITDA of no less than certain specified amounts, (ii) to maintain a Fixed Charge Coverage Ratio of no less than a specified amount, (iii) to maintain a ratio of certain indebtedness to EBITDA not in excess of a specified amount, and (iv) not to make capital expenditures in excess of specified amounts. In addition, Safety would be required to repay the Wachovia Term B loan to the extent of certain excess cash flow.

The Wachovia Facilities also impose limitations upon Safety's ability to, among other things, incur indebtedness (including capitalized lease arrangements); become or remain liable with respect to any guaranty; make loans; acquire investments; declare or make dividends or other distributions; merge, consolidate, liquidate or dispose of assets or indebtedness; incur liens; issue capital stock; or change its business. At June 30, 2005, Safety was in compliance with all financial covenants. At June 30, 2005, Safety was also in compliance with all non-financial covenants and had obtained a waiver of non-compliance from Wachovia for not timely dissolving an inactive subsidiary. Substantially all assets of Safety are pledged as collateral for the borrowings under the Wachovia Facilities.

OMEGA PROTEIN

Omega received $20.6 million in loans under the Title XI program. The Title XI loans are secured by liens on certain of Omega's fishing vessels and mortgages on Omega's Reedville, Virginia and Abbeville, Louisiana plants. Loans are now available under similar terms pursuant to the Title XI program without intervening lenders.

On October 1, 2003, pursuant to the Title XI program, the United States Department of Commerce approved the fiscal 2003 financing application made by Omega in the amount of $5.3 million. Omega closed on the $5.3 million Title XI loan on December 30, 2003.

In September 2004, the United States Department of Commerce Fisheries Finance Program approved Omega's financing application in an amount not to exceed $14 million (the "Approval Letter"). Borrowings under the Approval Letter are to be used to finance and/or refinance approximately 73% of the actual depreciable cost of Omega's future fishing vessels refurbishments and capital expenditures relating to shore-side fishing assets, for a term not to exceed 15 years from inception at interest rates determined by the U.S. Treasury. Final approval for all such future projects requires individual approval through the Secretary of Commerce, National Oceanic and Atmospheric Administration, and National Marine Fisheries Service ("National Marine Fisheries Service"). Borrowings under the United States Department of Commerce Fisheries Finance Program are required to be evidenced by secured agreements, undertakings, and other documents of whatsoever nature deemed by the National Marine Fisheries Service sole discretion, as necessary to accomplish the intent and purpose of the Approval Letter. Omega is required to comply with customary National Marine Fisheries Service covenants as well as certain special covenants. In December 2004, Omega submitted a $4.9 million financing request. Omega expects to receive the $4.9 million financing in the third quarter of 2005. As of June 30, 2005, Omega had no borrowings outstanding under the Approval Letter.

On December 20, 2000 Omega entered into a three-year $20 million revolving credit agreement with Bank of America, N.A. (the "Credit Facility"). Borrowings under this facility may be used for working capital and capital expenditures. On May 19, 2003, Omega amended the existing Credit Facility to among other things, extend the maturity until December 20, 2006, delete certain existing financial covenants and add certain affirmative covenants such as, a Leverage Ratio covenant not to exceed 3 to 1 at any time and a Fixed Charge Coverage Ratio covenant not to be less than 1 as of the end of each month, measured for the twelve-month period then ended. Omega is required to comply with the financial covenants from and after the last day of any month in which the Credit Facility's availability is less than $3 million on any date or the Credit Facility's availability averages less than $6 million for any calendar month. A commitment fee of 50 basis points per annum is payable on the unused portion of the Credit Facility. If at any time Omega's loan outstanding under the Credit Facility is $5 million or greater, the commitment fee on the unused portion will be 25 basis points per annum. Applicable interest is payable at alternative rates of LIBOR plus 2.25% or Prime plus 0%. The applicable interest rate will be adjusted (up or down) prospectively on a quarter basis from LIBOR plus 2.25% to LIBOR plus 2.75% or at Omega's option, Prime plus 0% to Prime plus 0.25%, depending upon the Fixed Charge Coverage Ratio being greater than 2.5 times to less than or equal to 1.5 times, respectively. The Credit Facility is collateralized by all of Omega's trade receivables, inventory and equipment. In addition, the Credit Facility does not allow for the payment of cash dividends or stock repurchases and also limits capital expenditures and investments. The Credit Facility was amended on July 26, 2005 to increase the annual limitation on capital expenditures from $11.0 million to $16.5 million for the fiscal year ending December 31, 2005. As of June 30, 2005, Omega had no borrowings outstanding under the Credit Facility. At June 30, 2005 and December 31, 2004, Omega had outstanding letters of credit totaling approximately $2.9 million and $2.7 million, respectively, issued primarily in support of worker's compensation insurance programs.

NOTE 5. COMMON STOCK

On April 6, 2005, the Company effected an eight-for-one stock split, resulting in approximately 19.1 million shares of common stock then outstanding. In addition, the Company's authorized shares increased to 132.0 million common stock shares, 1.6 million preferred stock shares and 14.4 million preference stock shares. The preferred and preference stock are undesignated "blank check" shares.

In accordance with SEC Staff Accounting Bulletin Topic 4C, all share information on the financial statements and notes to financial statements, 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.

NOTE 6. EARNINGS PER SHARE INFORMATION

The following reconciles amounts used in the computations of basic and diluted income per common share (in thousands, except per share amounts):

	FOR THE THREE MONTHS ENDED JUNE 30,					
	2005			2004		
	INCOME	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT	INCOME	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT
Basic income per common share	$464	19,135	$0.02	$837	19,131	$0.04
Effect of dilutive stock options		210			225	
Diluted earnings per common share	$464	19,345	$0.02	$837	19,356	$0.04

	FOR THE SIX MONTHS ENDED JUNE 30,					
	2005			2004		
	INCOME	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT	INCOME	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT
Basic income per common share	$542	19,134	$0.03	$2,635	19,131	$0.14
Effect of dilutive stock options		245			195	
Diluted earnings per common share	$542	19,379	$0.03	$2,635	19,326	$0.14

The following table details the potential common shares excluded from the calculation of diluted earnings per share because their exercise price was greater than the average market price for the period (in thousands, except per share amounts):

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2005	2004	2005	2004
Potential common shares excluded from the calculation of diluted earnings per share:				
Stock options (in thousands)	18	12	12	12
Weighted average price per share	$9.793	$10.938	$10.938	$10.938

NOTE 7. COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) are as follows:

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2005 (UNAUDITED)	2004 (UNAUDITED)	2005 (UNAUDITED)	2004 (UNAUDITED)
	(IN THOUSANDS)			
Net income to common stockholders	$ 464	$837	$ 542	$2,635
Currency translation adjustment, net of tax effects	(2,378)	16	(4,046)	(573)
Unrealized gain (loss) on hedging transactions, net of tax effects	94	(13)	141	(13)
Reclassification adjustment for losses in net income	--	5	--	5
	$(1,820)	$845	$(3,363)	$2,054

NOTE 8. COMMITMENTS AND CONTINGENCIES

LITIGATION

By letter dated November 2, 2004, a division employee, at the time a controller for the Safety's North American Automotive Group, filed a complaint with the U.S. Department of Labor, Occupational Safety & Health Administration ("OSHA"), pursuant to Section 806 of the Corporate and Criminal Fraud Accountability Act of 2002, Title VIII of the Sarbanes-Oxley Act of 2002 (the "Act"), alleging that a change in his duties in September 2004 resulted from his allegations of improprieties in the Company's operations in Mexico and California. Safety has reported that neither the internal investigations conducted by various levels of Safety's management nor the ensuing external investigation conducted by a forensic accounting firm engaged by the Audit Committee of Safety's Board of

Directors following notification by management of the issues raised substantiated any of the allegations. Due to circumstances unrelated to the investigation or the complaint, Safety terminated the employee on December 15, 2004. By letter dated December 15, 2004, the employee amended his complaint to allege that his termination was also in retaliation for his allegations. By letter dated February 14, 2005, Safety was notified by OSHA that it had completed its investigation and found that there is no reasonable cause to believe that Safety violated the Act, and that the employee has 30 days from his receipt of such notification to file an objection and request a hearing before an Administrative Law Judge. The employee has subsequently requested a hearing before an Administrative Law Judge. The employee filed such objection, but Safety has not received a notice of request for a hearing.

Zapata is involved in litigation relating to claims arising out of its past and current operations in the normal course of business. Zapata maintains insurance coverage against such potential ordinary course claims in an amount in which it believes to be adequate. While the results of any ultimate resolution cannot be predicted, in the opinion of Zapata's management, based upon discussions with counsel, any losses resulting from these matters will not have a material adverse effect on Zapata's results of operations, cash flow or financial position.

ENVIRONMENTAL MATTERS

Zapata and its subsidiaries are subject to various possible claims and lawsuits regarding environmental matters. Zapata's management believes that costs, if any, related to these matters will not have a material adverse effect on the consolidated results of operations, cash flows or financial position of the Company.

CAPITAL COMMITMENTS

In May 2005, Omega Protein closed on the purchase of a previously reported 40-acre facility containing office and warehouse space located next to its Moss Point, Mississippi facility. The purchase price was $1.8 million.

GUARANTEES

The Company has applied the disclosure provisions of FASB Interpretation No. 45 (FIN 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," to its agreements containing guarantee or indemnification clauses. These disclosure provisions expand those required by SFAS No. 5, "Accounting for Contingencies," by requiring a guarantor to disclose certain types of guarantees, even if the likelihood of requiring the guarantor's performance is remote. The following is a description of arrangements in which the Company is the guarantor.

Zapata's articles of incorporation, bylaws and certain other agreements contain indemnification clauses for its officers, directors and certain consultants for losses incurred as a result of claims made against such individuals arising out of, or because of their service to the Company. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, Zapata maintains director and officer liability insurance that limits this exposure. As a result of this insurance coverage, it is the opinion of Zapata's management that the estimated fair value of any liabilities under these indemnification agreements is minimal and should not materially impact the Company's financial position, results of operations or cash flows. These indemnification obligations were in effect prior to December 31, 2002 and are therefore grandfathered under the provisions of FIN No. 45. Accordingly, no liabilities have been recorded for the indemnification clauses in these agreements.

During February 2003, Zapata's directors and officers entered into indemnification agreements with the Company. These agreements provide additional rights to persons entitled to indemnification than is currently provided under the Company's Articles of Incorporation and By-laws and will protect the officers and directors from losses incurred as a result of claims made against such individuals arising out of, or because of their service to the Company. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, Zapata maintains director and officer liability insurance to limit potential exposure. As a result of this insurance coverage, it is the opinion of Zapata's management that the estimated fair value of any liabilities under these indemnification agreements is minimal and accordingly, no liabilities have been recorded under the provisions of FIN 45.

Throughout its history, the Company has entered into numerous transactions relating to the sale, disposal or spin-off of past operations. Pursuant to certain of these transactions, the Company may be obligated to indemnify other parties to these agreements. These obligations include indemnifications for losses incurred by such parties arising out of the operations of such businesses prior to these transactions or the inaccuracy of representations of information supplied by the Company in connection with such transactions. These indemnification obligations were in effect prior to December 31, 2002 and are therefore grandfathered under the provisions of FIN No. 45. Accordingly, no liabilities have been recorded for the indemnification clauses in these agreements.

In addition, Safety Components, Omega Protein and Zap.Com have articles of incorporation, bylaws and certain other agreements containing indemnification clauses for their officers and directors. The estimated fair values of any liabilities under these indemnification agreements are limited by insurance coverages and should not materially impact the Company's financial position, results of operations or cash flows. No liabilities have been recorded for the indemnification clauses in these agreements.

PURCHASE OBLIGATION

As of June 30, 2005, Omega Protein had normal purchase commitments for energy usage of approximately $2.5 million, that will be delivered in quantities expected to be used in the normal course of business during the 2005 fishing season.

NOTE 9. RELATED PARTY TRANSACTIONS

SAFETY COMPONENTS

After acquiring in excess of 80% of the voting interests in Safety Components, the Company entered into a Tax Sharing and Indemnity Agreement (the tax sharing agreement) with Safety Components. On or about April 1, 2004, Zapata's stock ownership percentage of Safety Components outstanding stock decreased below 80% due to stock option exercises by Safety Components' employees. As a result of Zapata's ownership of Safety Components outstanding stock falling below 80%, Zapata will not consolidate Safety Components into Zapata's consolidated income tax returns for periods subsequent to the first quarter of 2004.

The tax sharing agreement defines each company's respective rights and obligations relating to federal, state and other taxes for taxable periods attributable to the filing of consolidated or combined income tax returns as part of the Zapata affiliated tax group. Pursuant to this agreement, Safety Components is required to pay Zapata its share of federal income taxes, if any, for those periods. In addition, each party is required to reimburse the other party for its use of either party's tax attributes for those periods.

OMEGA PROTEIN CORPORATION

Upon completion of Omega's initial public offering in 1998, Omega and Zapata entered into certain agreements including the Administrative Services Agreement, which covers certain administrative services Omega provides to Zapata. The Administrative Services Agreement allows Omega to provide certain administrative services to Zapata at Omega's estimated cost. Zapata received no services under the agreement for the three and six months ended June 30, 2005 and reimbursed Omega approximately $4,000 and $10,000 for services provided under the agreement for the three and six months ended June 30, 2004.

ZAP.COM CORPORATION

Since its inception, Zap.Com has utilized the services of the Zapata's management and staff under a shared services agreement that allocated these costs on a percentage of time basis. Zap. Com also subleases its office space in Rochester, New York from Zapata. Under the sublease agreement, annual rental payments are allocated on a cost basis. Zapata has waived its rights under the shared services agreement to be reimbursed for these expenses since May 1, 2000. For the three months ended June 30, 2005 and 2004, approximately $3,000 and $4,000, respectively, was recorded as contributed capital for these services. For the six months ended June 30, 2005 and 2004, approximately $6,000 and 7,000, respectively, was recorded as contributed capital for these services.

OTHER

In February 2005, the Company modified the terms of certain outstanding stock options held by Darcie Glazer and Edward Glazer, to extend the early termination of the exercise period following Darcie Glazer's termination of employment with the Company in 2001. Consistent with FASB Interpretation No. 44, "Accounting for Certain Transactions involving Stock Compensation (an interpretation of APB Opinion No. 25)," the Company recorded a compensation charge of approximately $353,000 related to this modification.

NOTE 10. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2004, the FASB issued SFAS No. 123R, "Share-Based Payment." SFAS No. 123R is a revision of SFAS No. 123, "Accounting for Stock Based Compensation", and supersedes APB 25. Among other items, SFAS 123R eliminates the use of APB 25 and the intrinsic value method of accounting, and requires companies to recognize the cost of employee services received in exchange for awards of equity instruments, based on the grant date fair value of those awards, in the financial statements. On April 14, 2005, the Securities and Exchange Commission (SEC) announced that the effective date of SFAS 123R will be suspended until January 1, 2006, for calendar year companies. The Company currently expects to adopt SFAS 123R effective January 1, 2006, based on the new effective date announced by the SEC. The Company is in the process of reviewing the impact of the adoption of this statement and believes that the adoption of this standard may have a material effect on the Company's consolidated financial position and results of operations.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material. SFAS No. 151 will be effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The Company is in the process of reviewing the impact, if any, that the adoption of this statement will have on the Company's financial position, results of operations or cash flows.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets," which eliminates the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. SFAS No. 153 will be effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company is in the process of reviewing the impact, if any, that the adoption of this statement will have on the Company's financial position, results of operations or cash flows.

NOTE 11. QUALIFIED DEFINED BENEFIT PLANS

Zapata and Omega Protein have separate and independent noncontributory defined benefit pension plans covering certain U.S. employees. Additionally, Zapata has a supplemental pension plan, which provides supplemental retirement payments to certain former senior executives of Zapata.

The amounts shown below reflect the consolidated defined benefit pension plan expense for Zapata and Omega Protein, including Zapata's supplemental pension plan expense.

COMPONENTS OF NET PERIODIC BENEFIT COST

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2005 (UNAUDITED)	2004 (UNAUDITED)	2005 (UNAUDITED)	2004 (UNAUDITED)
	(IN THOUSANDS)			
Service cost	$ 10	$ 10	$ 21	$ 19
Interest cost	645	651	1,291	1,302
Expected return on plan assets	(734)	(750)	(1,468)	(1,500)
Amortization of transition assets and other deferrals	375	335	751	671
Net periodic benefit cost	$ 296	$ 246	$ 595	$ 492

Zapata and Omega have not made, and do not anticipate making any contributions to their respective pension plans during 2005. Additionally, neither company made any contributions to their respective pension plans during 2004.

NOTE 12. DERIVATIVES AND HEDGING

Safety Components monitors its risk associated with the volatility of certain foreign currencies against its functional currency, the U.S. dollar. Safety uses certain derivative financial instruments to reduce exposure to volatility of foreign currencies. Safety has formally documented all relationships between hedging instruments and hedged items, as well as risk management objectives and strategies for undertaking various hedge transactions. Derivative

financial instruments are not entered into for trading or speculative purposes.

Certain operating expenses at Safety's Mexican facilities are paid in Mexican pesos. To reduce exposure to fluctuations in the U.S. dollar and Mexican peso exchange rates, Safety entered into forward contracts on February 16, 2005 to buy Mexican pesos for periods and amounts consistent with the related, underlying forecasted cash outflows. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At June 30, 2005, Safety had outstanding forward exchange contracts that mature between July 2005 and December 2005 to purchase Mexican pesos with an aggregate notional amount of approximately $4.2 million. The fair values of these contracts at June 30, 2005 totaled approximately $246,000 which is recorded as an asset on Safety's Balance Sheet in "other current assets." Changes in the derivatives' fair values are deferred and recorded in the balance sheet as a component of "accumulated other comprehensive income" ("AOCI"), until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from AOCI to the consolidated statement of operations as cost of revenues.

Certain intercompany sales at Safety's Czech Republic facility are denominated and settled in Euros and certain of its operating expenses are paid in Czech Korunas. To reduce exposure to fluctuations in the Euro and Czech Koruna exchange rates, Safety entered into forward contracts on March 3, 2005 to buy Czech Korunas with Euros for periods and amounts consistent with the related, underlying forecasted cash outflows. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At June 30, 2005, Safety had outstanding forward exchange contracts that mature between July 2005 and December 2005 to purchase Czech Korunas with an aggregate notional amount of approximately $2.3 million. The fair values of these contracts at June 30, 2005 totaled approximately $75,000 which is recorded as an asset on Safety's Balance Sheet in "other current assets." Changes in the derivatives' fair values are deferred and recorded in the balance sheet as a component of AOCI, until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from AOCI to the consolidated statement of operations as cost of revenues.

NOTE 13. INVOLUNTARY CONVERSION

In August, 2004, a fire damaged a piece of equipment at Omega Protein's plant in Cameron, Louisiana. Insurance coverage for the loss provided for reimbursement of replacement value for the equipment damaged in the fire. As of June 30, 2005, Omega received $170,000 of the insurance proceeds and $145,000 was recorded in "accounts receivable." For the three and six month periods ended June 30, 2005, a net gain on involuntary conversion of approximately $307,000 was included in "other income (expense)," representing insurance proceeds received and receivable in excess of costs incurred.

NOTE 14. INDUSTRY SEGMENT AND GEOGRAPHIC INFORMATION

The following summarizes certain financial information of each segment for the three and six months ended June 30, 2005 and 2004 (in thousands):

	REVENUES	OPERATING INCOME (LOSS)	TOTAL ASSETS	DEPRECIATION AND AMORTIZATION	INTEREST (EXPENSE) INCOME NET	INCOME TAX (PROVISION) BENEFIT	CAPITAL EXPENDITURES
THREE MONTHS ENDED JUNE 30, 2005							
Safety Components	$ 59,008	$ 2,750	$118,166	$ 2,352	$(144)	$ (868)	$ 3,438
Omega Protein	27,510	764	194,186	3,331	(52)	(283)	5,545
Zap.Com	--	(35)	1,782	1	12	--	--
Corporate	--	(1,299)	44,714	8	186	(146)	--
	$ 86,518	$ 2,180	$358,848	$ 5,692	$ 2	$(1,297)	$ 8,983
THREE MONTHS ENDED JUNE 30, 2004							
Safety Components	$ 65,858	$ 5,404	$122,098	$ 2,941	$(215)	$(1,566)	$ 2,003
Omega Protein	26,456	2,975	190,734	2,590	(184)	(914)	8,302
Zap.Com	--	(48)	1,864	--	5	--	--
Corporate	--	(1,402)	49,511	10	69	(1,800)	--
	$ 92,314	$ 6,929	$364,207	$ 5,541	$(325)	$(4,280)	$10,305
SIX MONTHS ENDED JUNE 30, 2005							
Safety Components	$117,620	$ 6,316	$118,166	$ 4,842	$(307)	$(1,879)	$ 4,076
Omega Protein	51,341	1,042	194,186	6,661	(175)	(292)	11,312
Zap.Com	--	(65)	1,782	1	22	--	--
Corporate	--	(2,933)	44,714	19	346	(283)	--
	$168,961	$ 4,360	$358,848	$11,523	$(114)	$(2,454)	$15,388
SIX MONTHS ENDED JUNE 30, 2004							
Safety Components	$135,089	$11,136	$122,098	$ 5,784	$(422)	$(3,919)	$ 2,872
Omega Protein	51,512	4,187	190,734	5,629	(371)	(1,237)	12,640
Zap.Com	--	(90)	1,864	--	9	--	--
Corporate	--	(2,739)	49,511	24	146	(1,455)	--
	$186,601	$12,494	$364,207	$11,437	$(638)	$(6,611)	$15,512

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking statements in this Form 10-Q, future filings by the Company with the Securities and Exchange Commission ("Commission"), the Company's press releases and oral statements by authorized officers of the Company are intended to be subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainty, including without limitation those identified from time to time in press releases and other communications with stockholders by the Company and the filings made with the Commission by the Company, Safety Components International, Inc. ("Safety Components" or "Safety"), Omega Protein Corporation ("Omega Protein" or "Omega") and Zap.Com Corporation ("Zap.Com"), such as those disclosed under the caption "Significant Factors That Could Affect Future Performance and Forward-Looking Statements" appearing in Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operation" of this Report. The Company believes that forward-looking statements made by it are based on reasonable expectations. However, no assurances can be given that actual results will not differ materially from those contained in such forward-looking statements. The Company assumes no obligation to update forward-looking statements or to update the reasons actual results could differ from those projected in the forward-looking statements.

GENERAL

Zapata Corporation ("Zapata" or the "Company") was incorporated in Delaware in 1954 and was reincorporated in Nevada in April 1999. The Company's principal executive offices are at 100 Meridian Centre, Suite 350, Rochester, New York 14618. Zapata's common stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol "ZAP."

Zapata is a holding company which currently has two operating companies, Safety Components International, Inc. ("Safety Components" or "Safety") and Omega Protein Corporation ("Omega Protein" or "Omega"). As of June 30, 2005, the Company had approximately a 77% ownership interest in Safety Components and a 58% ownership interest in Omega Protein. Safety Components trades on the over-the counter electronic bulletin board ("OTCBB") under the symbol "SAFY" and Omega Protein trades on the New York Stock Exchange under the symbol "OME." In addition, Zapata owns 98% of Zap.Com Corporation ("Zap.Com"), which is a public shell company and trades on the OTCBB under the symbol "ZPCM."

During the quarter ended June 30, 2005, Messrs. Goldfarb, Hopkins, Wetzel and Waide resigned as members of the Board of Directors of Safety Components. None of the resignations were a result of a disagreement with Safety Components. Also during the quarter, the Board elected Daniel D. Tessoni as an independent Class I director and as chair of the Audit Committee. Mr. Tessoni was not named as a director pursuant to any arrangement or understanding with any other person. Mr. Tessoni is not a party to any transaction described in Item 404(a) of Regulation S-K involving the Zapata, Safety Components, or any related subsidiaries. As of the date of this report, Safety's Board of Directors comprises Mr. Daniel Tessoni; Mr. John Corey, Safety's President and CEO; Mr. Avram A. Glazer, Zapata's President and CEO; and Mr. Leonard DiSalvo, Zapata's VP--Finance and CFO.

During the quarter ended June 30, 2005, Ms. Darcie Glazer, a member of Zapata's Board of Directors, resigned as a member of the Board of Directors of Omega Protein. Also during the quarter, Omega's Board elected Mr. Leonard DiSalvo, Zapata's VP--Finance and CFO, as a member of Omega's Board of Directors.

ZAPATA CORPORATE

The Company effected an eight-for-one stock split of its outstanding shares of common stock, par value $.01 per share (the "Common Stock"), effective at the close of business on April 6, 2005. Where a number of shares of Common Stock is listed in this report for a date or period prior to the effective date of the stock split, that number of shares of Common Stock has been proportionately adjusted as if the eight-for-one stock split had been in effect on that prior date or during that prior period.

Zapata's Board of Directors has authorized the Company to purchase up to 4.0 million shares of its outstanding common stock in the open market or privately negotiated transactions. The shares may be purchased from time to time as determined by the Company. Any purchased shares would be placed in treasury and may subsequently be reissued for general corporate purposes. The repurchases will be made only at such times as are permissible under the federal securities laws. No time limit has been placed on the duration of the program and no minimum number or value of shares to be repurchased has been fixed. Zapata reserves the right to discontinue the repurchase program at any time and there can be no assurance that any repurchases will be made. As of the date of this report, no shares have been repurchased under this program.

Zapata continues to evaluate strategic opportunities for the use of its capital resources, including but not limited to the acquisition of other operating businesses, the minority interest of controlled subsidiaries, funding of start-up proposals and possible stock repurchases. The Company has not focused and does not intend to focus its acquisition efforts solely on any particular industry or geographical market. While the Company focuses its attention in the United States, the Company may investigate acquisition opportunities outside of the United States when management believes that such opportunities might be attractive. Similarly, the Company does not yet know the structure of any acquisition. The Company may pay consideration in the form of cash, securities of the Company or a combination of both. The Company may raise capital through the issuance of equity or debt and may utilize non-investment grade securities as a part of an acquisition strategy. Such investments often involve a high degree of risk and may be considered highly speculative.

As of the date of this report, Zapata is not a party to any agreements related to the acquisition of an operating business, business combination or for the sale or other transaction related to any of its subsidiaries. There can be no assurance that any of these possible transactions will occur or that they will ultimately be advantageous to Zapata or enhance Zapata stockholder value.

SAFETY COMPONENTS

Safety Components is a leading, low-cost, independent supplier of automotive airbag fabric and cushions and technical fabrics with operations in North America and Europe. Safety has recently entered into joint ventures to produce products in China and South Africa, although commercial production has not yet commenced in either of these locations. Safety Components sells airbag fabric domestically and cushions worldwide to the major airbag module integrators that outsource such products. Safety Components also manufactures value-added technical fabrics used in a variety of niche industrial and commercial applications such as ballistics material for luggage, filtration, military tents and fire service apparel. Safety has reported that the ability to interchange airbag and specialty technical fabrics using the same equipment and similar manufacturing processes allows Safety to more effectively utilize its manufacturing assets and lower per unit overhead costs.

As the automotive airbag industry has evolved, module integrators have outsourced significant portions of non-proprietary components, such as cushions, to companies like Safety Components specializing in the production of individual components. Safety believes that its module integrator customers will continue to outsource a portion of their cushion requirements as they focus on the development of proprietary technologies. Safety also believes that a majority of the module integrators purchase fabric from airbag fabric producers such as Safety. Like the automotive supply industry generally, Safety continues to experience significant competitive pressure. For example, Safety supplies airbag cushions and/or airbag fabric to its three most significant customers based upon releases from formal purchase orders, which typically cover periods of up to twelve months and are subject to periodic negotiation with respect to price and quantity. Safety expects that its customers, including these significant customers, will continue to seek to negotiate lower prices for our products. Although Safety believes that it has good working relationships with its customers due to its high volume and low-cost manufacturing capabilities and consistency of quality products and service, it cannot give assurances that purchases by its module integrator customers will continue at their current levels.

During the second quarter of 2004, one of Safety's largest raw materials suppliers implemented a price increase of approximately 11% on raw material yarn purchased for the Company's North America airbag fabric weaving facility. Safety's negotiations with its airbag cushion customers in North America to increase prices of certain of its products in order to preserve profit margins on these products were only partially successful and resulted in a mixture of agreements where such price increases were either agreed to or future sales price reductions were deferred. Safety's customers supply airbag modules to various automotive manufacturers. The automotive manufacturers have experienced rising inventories of unsold automobiles and trucks resulting in reduced production in order to balance inventory levels with sales. The impact of any further sustained reductions in production cannot be predicted but may impact the Company's results of operations and/or financial position adversely.

Safety has a $16.2 million intercompany note in the form of a loan from a U.S. subsidiary to a European subsidiary. This note has been classified as long-term in nature pursuant to U.S. generally accepted accounting principles which treat any changes in the value of the note due to fluctuations of currency rates between the U.S. dollar and the euro to be recorded as a separate component of equity (i.e. designated as a hedging transaction). On June 30, 2005 this note ceased to be designated as a hedging transaction and the European subsidiary began to pay down the note resulting in the note's equity component of approximately $6.2 million being frozen in the separate component of equity. Any gains or losses due to fluctuations in currency rates between the U.S. dollar and the euro in future periods will be included in net income in Safety's consolidated statements of operations.

Safety has experienced, and expects to continue to experience, variability in net sales and net income from quarter to quarter. Therefore, the results of the interim periods presented herein are not necessarily indicative of the results expected for any other interim period or the full year.

OMEGA PROTEIN

BUSINESS. Omega Protein is the largest U.S. producer of protein-rich meal and oil derived from marine sources. Omega's products are produced from menhaden (a herring-like fish found in commercial quantities), and includes regular grade and value-added specialty fish meals, crude and refined fish oils and fish solubles.

FISHING. Omega's harvesting season generally extends from May through December on the mid-Atlantic coast and from April through October on the Gulf coast. During the off-season and the first few months of each fishing season, Omega fills purchase orders from the inventory it has accumulated during the previous fishing season or in some cases, by re-selling meal purchased from other suppliers.

As of June 30, 2005, Omega owned a fleet of 66 fishing vessels and 32 spotter aircraft for use in its fishing operations and also leased additional aircraft where necessary to facilitate operations. During the 2005 fishing season in the Gulf of Mexico, which runs from mid-April through October, Omega is operating 31 fishing vessels and 28 spotter aircraft. The fishing area in the Gulf is generally located along the Gulf Coast, with a concentration off the Louisiana and Mississippi coasts. The fishing season along the Atlantic coast begins in early May and usually extends into December. During the 2005 season, Omega is operating 10 fishing vessels and 7 spotter aircraft along the mid-Atlantic coast, concentrated primarily in and around Virginia and North Carolina. The remaining fleet of fishing vessels and spotter aircraft are not routinely operated during the fishing season and are back-up to the active fleet, used for other transportation purposes, inactive or in the process of refurbishment in Omega's shipyard.

Omega converted several of its fishing vessels to "carry vessels" that do not engage in active fishing but instead carry fish from Omega's offshore fishing vessels to its plants. Utilization of carry vessels increases the amount of time that certain of Omega's fishing vessels remain offshore fishing productive waters and therefore increases Omega's fish catch per vessel employed. The carry vessels have reduced crews and crew expenses and incur less maintenance cost than the actual fishing vessels.

The fish catch is processed into three general types of products; fish meal, fish oil and fish solubles at Omega's four operating meal and oil processing plants, two in Louisiana, one in Mississippi and one in Virginia.

Omega's Health and Science Center located in Virginia provides 100-metric tons per day of fish oil processing capacity. The food-grade facility allows Omega to further refine its fish oil into fish oils of special quality and food grade oils that offer a long-chain Omega-3 content.

During 2004 and 2003, Omega experienced a poor fish catch (approximately 18% and 11%, respectively, below expectations and a similar reduction from 2002 actual results), combined with poor oil yields. The reduced fish catch was primarily attributable to adverse weather conditions and the poor oil yields were due to the reduced fat content of the fish. As a result of the poor fish catch and reduced yields, Omega experienced significantly higher per unit product costs (approximately 15% increase) during 2004 compared to 2003. The impact of higher cost inventories and fewer volumes available for sale was carried forward and has adversely affected Omega's earnings through the first and second quarters of 2005.

MARKETS. Omega's products are sold both in the U.S. and internationally. Omega's fish meal is sold primarily to domestic feed producers for utilization as a high-protein ingredient for the swine, aquaculture, dairy and pet food industries. International sales consist mainly of fish oil sales to Norway, Canada, Japan, Chile and Mexico. Omega's sales in these foreign markets are denominated in U.S. dollars and are not directly affected by currency fluctuations. Such sales could be adversely affected by changes in demand resulting from fluctuations in currency exchange rates.

Prices for Omega's products tend to be lower during the fishing season when product is more abundant than in the off-season. Throughout the entire year, prices are significantly influenced by supply and demand in world markets for competing products, particularly other globally produced fish meal and fish oil, as well as other animal proteins and soybean meal for its fish meal products, and vegetable fats and oils for its fish oil products when used as an alternative to vegetable fats and oils. Pricing for Omega's products has been volatile in the past several years and is attributable mainly to the international availability, or the perceived international availability, of fish meal and fish oil inventories. In an effort to reduce price volatility and to generate higher, more consistent profit margins, in fiscal 2000 Omega embarked on a quality control program designed to increase its capability of producing higher quality fish meal products and, in conjunction therewith, enhanced it sales efforts to penetrate premium product markets.

Since 2000, Omega's sales volumes of specialty meal products have increased approximately 41%. Future volumetric growth in specialty meal sales will be dependent upon increased harvesting efforts and market demand. Additionally, Omega is attempting to introduce its refined fish oil into the food market. Omega has made sales, which to date have not been material, of its refined fish oil, trademarked OmegaPure(R), to food manufacturers in the United States and Canada at prices that provide substantially improved margins over the margins that can be obtained from selling non-refined crude fish oil. Omega cannot estimate, however, the size of the actual domestic or international markets for Omega Pure(R) or how long it may take to develop these markets.

Part of Omega's business plan involves expanding its purchase and resale of other manufacturer's fish meal and fish oil products. Omega initially focused on the purchase and resale of Mexican fish meal and fish oil and revenues generated from these types of transactions. During 2003 and 2004, Omega's fish catch and resultant product inventories were reduced, primarily due to adverse weather conditions, and Omega further expanded its purchase and resales of other fish meals and oils (primarily Panamanian, Peruvian and Mexican fish meal and U.S. menhaden oil). Although operating margins from these activities are less than the margins typically generated from Omega's base domestic production, these operations provide Omega with a source of fish meal and oil to sell into other markets where Omega has not historically had a presence. Omega purchased products totaling approximately 15,950 and 17,800 tons, or approximately 17% and 8% of total volume sales, for the six months ended June 30, 2005 and the fiscal year ended December 31, 2004, respectively. Omega did not purchase fish meal or fish oil products during the quarter ended June 30, 2005. These purchases and resale transactions have historically been ancillary to Omega's base manufacturing and sales business.

Historically, approximately 35% to 40% of Omega's FAQ grade fish meal was sold on a two-to-twelve-month forward contract basis. The balance of FAQ grade fish meal and other products was substantially sold on a spot basis through purchase orders. Due to increasing customer demand for Omega's specialty meal and crude fish oil, approximately 43% and 50% of its specialty meals and crude fish oil had been sold on a forward contract basis during 2004 and 2003, respectively. The balance of FAQ grade fish meal, specialty meals, crude fish oil and other products was substantially sold on a spot basis. As of March 31, 2005, approximately 80% and 22% of Omega's fish meals and crude fish oil had either been sold or sold on a forward contract basis. The percentage of fish meals and crude fish oil sold on a forward contract basis fluctuate from year to year based upon perceived market availability. Omega's annual revenues are highly dependent on both annual fish catch and inventories and, in addition, inventory is generally carried over from one year to the next year. Omega determines the level of inventory to be carried over based on prevailing market prices of the products and anticipated customer usage and demand during the off-season. Thus, production volume does not necessarily correlate with sales volume in the same year and sales volumes will fluctuate from quarter to quarter. Omega's fish meal products have a useable life of approximately one year from date of production. Practically, however Omega attempts to empty its warehouses of the previous season's products by the second or third month of the new fishing season. Omega's crude fish oil products do not lose efficacy unless exposed to oxygen and, therefore, their storage life typically is longer than that of fish meal.

The following table sets forth Omega's revenues by product (in millions) and the approximate percentage of total revenues represented thereby, for the indicated periods:

	THREE MONTHS ENDED JUNE 30,				SIX MONTHS ENDED JUNE 30,			
	2005		2004		2005		2004	
	Revenues	Percent	Revenues	Percent	Revenues	Percent	Revenues	Percent
Regular Grade	$ 5.5	20.0%	$ 5.4	20.5%	$ 9.6	18.8%	$ 9.7	18.8%
Special Select	11.9	43.3	11.1	42.0	21.8	42.5	20.5	39.8
Sea-Lac	4.2	15.3	4.3	16.3	9.1	17.7	8.2	15.9
Crude Oil	4.0	14.5	3.6	13.6	7.3	14.2	9.6	18.7
Refined Oil	1.4	5.1	1.4	5.3	2.5	4.9	2.4	4.7
Fish Solubles	0.5	1.8	0.6	2.3	1.0	1.9	1.1	2.1
Total	$27.5	100.0%	$26.4	100.0%	$51.3	100.0%	$51.5	100.0%

COMPETITION. The marine protein and oil business is subject to significant competition from producers of vegetable and other animal protein products and oil products such as Archer Daniels Midland and Cargill. In addition, but to a

lesser extent, Omega competes with smaller domestic privately-owned menhaden fishing companies and international marine protein and oil producers, including Scandinavian herring processors and South American anchovy processors. Many of these competitors have greater financial resources and more extensive operations than Omega.

Omega competes on price, quality and performance characteristics of its products, such as protein level and amino acid profile in the case of fish meal. The principal competition for Omega's fish meal and fish solubles is from other global production of marine proteins as well as other protein sources such as soybean meal and other vegetable or animal protein products. Omega believes, however, that these other non-marine sources are not complete substitutes because fish meal offers nutritional values not contained in such other sources. Other globally produced fish oils provide the primary market competition for Omega's fish oil, as well as soybean and palm oil, from time to time.

Fish meal prices have historically borne a relationship to prevailing soybean meal prices, while prices for fish oil are generally influenced by prices for vegetable fats and oils, such as soybean and palm oils. Thus, the prices for Omega's products are established by worldwide supply and demand relationships over which Omega has no control and tend to fluctuate significantly over the course of a year, and from year to year.

In May 2005, Omega closed on the purchase of a previously reported 40-acre facility containing office and warehouse space located next to Omega's Moss Point, Mississippi facility. The purchase price was $1.8 million. Omega estimates that it will spend approximately $2.0 million during the remainder of 2005 for capital improvements to the property.

Omega's principal raw material is menhaden, a species of fish that inhabits coastal and inland tidal waters in the United States. Menhaden are undesirable for direct human consumption due to their small size, prominent bones and high oil content. Certain state agencies and state compacts impose resource depletion restrictions on menhaden pursuant to fisheries management legislation or regulations and may impose additional legislation or regulations in the future. For example, the Menhaden Management Board of the Atlantic States Marine Fisheries Commission ("ASMFC") voted in February 2005 to initiate the preparation of an addendum to the existing ASMFC Interstate Management Plan for Atlantic Menhaden which would limit the amount of commercial menhaden catch in the Chesapeake Bay for a two-year period. The proposal, if ultimately passed, would limit annual menhaden catch from the Chesapeake Bay to the Bay's 5-year average catch, or 110,400 metric tons. (Omega's Chesapeake Bay fish catch was 99,300 metric tons in 2004 or approximately 22% of Omega's total 2004 fish catch). Omega has participated in the public hearing and comment process in order to present evidence that the fishery is healthy, and that no cap is needed (and in fact, as proposed, may not be permissible under existing ASMFC regulations and policies). The imposition of management measures by the ASMFC such as the proposed cap, must, pursuant to the ASMFC's charter, be based on the "best scientific information available." Omega believes, based on consultations with its scientific and technical advisors, that the proposed cap falls short of this standard. After the public hearing and comment process is completed, the Menhaden Management Board may make a recommendation on the addendum to the ASMFC Interstate Fisheries Management Policy Board at a meeting scheduled for August 17, 2005. If that Board were to ultimately approve the addendum, the addendum would be sent to individual ASMFC member states for them to consider adoption and implementation. If any limitation were to be ultimately imposed, it would likely become effective for Omega's 2006 and 2007 fishing seasons. To date, Omega has not experienced any material adverse impact on its fish catch or results of operations as a result of these restrictions.

Omega from time to time considers potential transactions including, but not limited to, enhancement of physical facilities to improve production capabilities and the acquisition of other businesses. Certain of the potential transactions reviewed by Omega would, if completed, result in its entering new lines of business (generally including pet food manufacturers, aquaculture feed manufacturers, other protein additive manufacturers fertilizer companies and organic foods distributors) although historically, reviewed opportunities have been generally related in some manner to Omega's existing operations. Although Omega does not, as of the date hereof, have any commitment with respect to a material acquisition, it could enter into such agreement in the future.

Omega maintains insurance against physical loss and damage to its assets, coverage against liabilities to third parties it may incur in the course of its operations, as well as workers' compensation, United States Longshoremen's and Harbor Workers' Compensation Act and Jones Act coverage. Assets are insured at replacement cost, market value or assessed earning power. Omega's limits for liability coverage are statutory or $50 million. The $50 million limit is comprised of several excess liability policies, which are subject to deductibles, underlying limits and exclusions. Omega believes its insurance coverage to be in such form, against such risks, for such amounts and subject to such deductibles and self-retentions as are prudent and normal for its operations. Omega does not carry insurance against terrorist attacks, or against business interruption, in large part because of the high costs of such insurance.

Omega carries insurance for certain losses relating to its vessels and Jones Act liability for employees aboard its vessels (collectively, "Vessel Claims Insurance"). The typical Vessel Claims Insurance policy contains an annual aggregate deductible ("AAD") for which Omega remains responsible, while the insurance carrier is responsible for all applicable amounts which exceed the AAD. It is Omega's policy to accrue current amounts due and record amounts paid out on each claim. Once payments exceed the AAD, Omega records an insurance receivable for a given policy year.

SEASONAL AND QUARTERLY RESULTS. Omega's menhaden harvesting and processing business is seasonal in nature. Omega generally has higher sales during the menhaden harvesting season (which includes the second and third quarter of each year) due to increased product availability, but prices during the fishing season tend to be lower than during the off-season. As a result, Omega's quarterly operating results have fluctuated in the past and may fluctuate in the future. In addition, from time to time Omega defers sales of inventory based on worldwide prices for competing products that affect prices for Omega's products which may affect comparable period comparisons.

ZAP.COM

Zap.Com is a public shell company which does not have any existing business operations. From time to time, Zap.Com considers acquisitions that would result in it becoming an operating company. Zap.Com may also consider developing a new business suitable for its situation.

CONSOLIDATED RESULTS OF OPERATIONS

The following tables summarize Zapata's consolidating results of operations (in thousands). Certain reclassifications of prior information have been made to conform to the current presentation.

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
THREE MONTHS ENDED JUNE 30, 2005					
Revenues	$ --	$59,008	$27,510	$ --	$86,518
Cost of revenues	--	51,260	23,693	--	74,953
Gross profit	--	7,748	3,817	--	11,565
Operating expense:					
Selling, general and administrative	1,299	4,998	3,053	35	9,385
Operating (loss) income	(1,299)	2,750	764	(35)	2,180
Other income (expense)					
Interest income	186	14	190	12	402
Interest expense	--	(158)	(242)	--	(400)
Other, net	17	33	230	--	280
(Loss) income before income taxes and minority interest	(1,096)	2,639	942	(23)	2,462
Provision for income taxes	(146)	(868)	(283)	--	(1,297)
Minority interest in net income of consolidated subsidiaries(2)	--	(425)	(276)	--	(701)
Net (loss) income to common stockholders	$(1,242)	$ 1,346	$ 383	$(23)	$ 464
Diluted earnings per share					$ 0.02

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
THREE MONTHS ENDED JUNE 30, 2004					
Revenues	$ --	$65,858	$26,456	$ --	$92,314
Cost of revenues	--	55,060	21,063	--	76,123
Gross profit	--	10,798	5,393	--	16,191
Operating expense:					
Selling, general and administrative	1,402	5,394	2,418	48	9,262
Operating (loss) income	(1,402)	5,404	2,975	(48)	6,929
Other income (expense)					
Interest income	69	166	137	5	377
Interest expense		(381)	(321)		(702)
Other, net	--	99	(50)	--	49
(Loss) income before income taxes and minority interest	(1,333)	5,288	2,741	(43)	6,653
Provision for income taxes	(1,800)	(1,566)	(914)	--	(4,280)
Minority interest in net income (loss) of consolidated subsidiaries(2)	--	(794)	(743)	1	(1,536)
Net (loss) income to common stockholders	$(3,133)	$ 2,928	$ 1,084	$(42)	$ 837
Diluted earnings per share					$ 0.04

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
SIX MONTHS ENDED JUNE 30, 2005					
Revenues	$ --	$117,620	$51,341	$ --	$168,961
Cost of revenues	--	101,460	44,468	--	145,928
Gross profit	--	16,160	6,873	--	23,033
Operating expense:					
Selling, general and administrative	2,933	9,844	5,831	65	18,673
Operating (loss) income	(2,933)	6,316	1,042	(65)	4,360
Other income (expense)					
Interest income	346	26	333	22	727
Interest expense	--	(333)	(508)	--	(841)
Other, net	17	(293)	191	--	(85)
(Loss) income before income taxes and minority interest	(2,570)	5,716	1,058	(43)	4,161
Provision for income taxes	(283)	(1,879)	(292)	--	(2,454)
Minority interest in net income of consolidated subsidiaries(2)	--	(846)	(319)	--	(1,165)
Net (loss) income to common stockholders	$(2,853)	$ 2,991	$ 447	$(43)	$ 542
Diluted earnings per share					$ 0.03

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
SIX MONTHS ENDED JUNE 30, 2004					
Revenues	$ --	$135,089	$51,512	$ --	$186,601
Cost of revenues	--	112,813	42,445	--	155,258
Gross profit	--	22,276	9,067	--	31,343
Operating expense:					
Selling, general and administrative	2,739	11,140	4,880	90	18,849
Operating (loss) income	(2,739)	11,136	4,187	(90)	12,494
Other income (expense)					
Interest income	146	333	280	9	768
Interest expense	--	(755)	(651)	--	(1,406)
Other, net	--	(121)	(106)	--	(227)
(Loss) income before income taxes and minority interest	(2,593)	10,593	3,710	(81)	11,629
Provision for income taxes	(1,455)	(3,919)	(1,237)	--	(6,611)
Minority interest in net income (loss) of consolidated subsidiaries(2)	--	(1,380)	(1,005)	2	(2,383)
Net (loss) income to common stockholders	$(4,048)	$ 5,294	$ 1,468	$(79)	$ 2,635
Diluted earnings per share					$ 0.14

(1) For the three and six months ended June 30, 2005 and 2004, Safety's results of operations were adjusted for the continuing effects of certain purchase accounting adjustments. Net of tax effects, these adjustments reduced Zapata's consolidated net income by approximately $124,000 and $123,000 for the three months ended June 30, 2005 and 2004 and $249,000 and $249,000 for the six months ended June 30, 2005 and 2004, respectively.

(2) Minority interest represents Zapata's minority stockholders' interest in the net income (loss) of each segment.

For more information concerning segments, see Note 14 to the Company's Consolidated Financial Statements included in Item 1 of this Report.

THREE MONTHS ENDED JUNE 30, 2005 AND 2004

Zapata reported consolidated net income of $464,000 or $.02 per diluted share on consolidated revenues of $86.5 million for the three months ended June 30, 2005 as compared to consolidated net income of $837,000 or $0.04 per diluted share on consolidated revenues of $92.3 million for the three months ended June 30, 2004. On a consolidated basis, the decrease in net income resulted from decreased net income at Safety Components and Omega Protein.

The following is a more detailed discussion of Zapata's consolidated operating results:

REVENUES. Consolidated revenues decreased $5.8 million from $92.3 million for the three months ended June 30, 2004 to $86.5 million for the three months ended June 30, 2005. This decrease was attributable to decreased revenues of $6.9 million at Safety, partially offset by a $1.1 million increase at Omega. Safety's revenues were $59.0 million for the three months ended June 30, 2005 as compared to $65.9 for the comparable period of the prior year, while Omega Protein's revenues increased from $26.5 million to $27.5 million for the three months ended June 30, 2005.

Safety's decrease in revenues was due to a decrease in North American operations' net revenues of approximately $1.9 million, or 6%, compared to the quarter ended June 30, 2004, with the decrease principally due to decreased demand in the North America automotive market and increased customer in-sourcing of production, which frequently occurs when demand decreases. Net revenues for European operations decreased $5.0 million, or 14%, resulting from 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. The decrease in net revenues for European operations included the effect of approximately $1.0 million of favorable changes in foreign currency exchange rates compared to the quarter ended June 30, 2004.

Omega's increase in revenues was primarily due to a 7% increase in sales prices partially offset by a 3% decrease in sales volumes, of Omega's fish meal and fish oil sales activity. Omega experienced a $0.3 million decrease in revenues due to reduced sales volumes offset by a $1.6 million increase in revenues due to higher sales prices for its fish meal and fish oil.

COST OF REVENUES. Zapata's consolidated cost of revenues for the three months ended June 30, 2005 was $75.0 million, a $1.2 million decrease from $76.1 million for the comparable period of the prior year. This decrease was attributable to a decrease in cost of revenue at Safety, partially offset by an increase in cost of revenue at Omega.

Safety's decrease in cost of revenues was attributable to North American operations' cost of revenues decreasing approximately $884,000, or 4%, and European operations' cost of revenues decreasing $3.3 million, or 11%, compared to the quarter ended June 30, 2004. The overall decrease in cost of revenues is primarily attributable to the decrease in sales volumes in the corresponding time periods. Cost of revenues as a percentage of net revenues increased to 87% for the quarter ended June 30, 2005 from 85% for the quarter ended June 30, 2004. The increase in cost of revenues as a percentage of net revenues is a result of the fixed cost component of cost of revenues which was not reduced in proportion to the decrease in net revenues in the corresponding time periods, as well as inflationary increases on raw materials and supplies, offset by a decrease in depreciation expense of approximately $604,000 due to the maturation of the depreciable lives of certain property, plant and equipment.

Omega's cost of revenues, including depreciation and amortization, for the current quarter ended June 30, 2005 was $23.7 million, an increase from $21.1 million for the quarter ended June 30, 2004. Omega's cost of revenues as a percentage of its revenues increased 7% to 86% for the quarter ended June 30, 2005 as compared to the corresponding period in 2004. The increase in cost of revenues as a percentage of revenues was primarily due to the purchase of fish

meal at prices in excess of Omega's cost to produce similar products. Additionally, Omega experienced an increased cost of production primarily attributed to an increase in energy costs.

SELLING, GENERAL AND ADMINISTRATIVE. Consolidated selling, general, and administrative expenses increased $123,000 for the three months ended June 30, 2004 to $9.4 million for the three months ended June 30, 2005. This increase was attributable to an increase in selling, general and administrative expenses at Omega Protein, partially offset by decreases at Safety Components and Zapata Corporate.

Zapata Corporate's selling, general and administrative expenses decreased $103,000 from $1.4 million in the three months ended June 30, 2005. This decrease resulted primarily from reductions in professional fees partially offset by the expenses associated with Zapata's recent 8-for-1 stock split.

Safety's selling, general and administrative expenses increased $396,000 to $5.0 million for the quarter ended June 30, 2005 compared to the quarter ended June 30, 2004. The increase in selling, general and administrative expenses is attributable primarily to costs associated with Safety's joint venture operations, partially offset by reduced professional services. During the quarter ended June 30, 2005, Safety incurred costs of approximately $192,000 related to the ongoing joint venture pre-production activities in South Africa and China. Expenses from pre-production activities are expected to continue until commercial production begins at these joint venture facilities, which is expected to occur in the second half of 2005. Selling, general and administrative expenses as a percentage of net revenues increased to 8% for the quarter ended June 30, 2005 from 7% for the quarter ended June 30, 2004 as a result of certain fixed costs that were not reduced in proportion to the decrease in net revenues in the corresponding time periods.

Omega's selling, general, and administrative expenses increased $635,000 from $2.4 million in the second quarter ended June 30, 2004 compared to $3.1 million for the current quarter ended June 30, 2005. This increase was attributable primarily to increased consulting expenditures related to Omega's governmental relations program and Sarbanes-Oxley compliance efforts.

INTEREST INCOME. Consolidated interest income increased $25,000 from $377,000 for the three months ended June 30, 2004 to $402,000 for the comparable period of the current year. This increase was attributable to increases of $117,000 at Zapata Corporate and $53,000 at Omega Protein resulting from higher interest rates on investments. These increases were partially offset by a decrease of $152,000 at Safety Components.

INTEREST EXPENSE. Consolidated interest expense decreased $302,000 from $702,000 for the three months ended June 30, 2004 to $400,000 for the comparable period of 2005. This decrease resulted from lower interest expense of $223,000 at Safety Components, combined with a decrease of $79,000 at Omega Protein. Omega's decrease resulted primarily from lower Title XI loan and interest of approximately $54,000 which was capitalized in conjunction with the construction of certain fixed assets during the current quarter ended June 30, 2005, as compared to the quarter ended June 30, 2004. Safety's decrease was attributable to its average outstanding debt decreasing to $7.0 million from $17.9 million, partially offset by the average weighted interest rate for Safety's debt increasing to 5.54% from 3.78% for the quarter ended June 30, 2005 as compared to the quarter ended June 30, 2004. Because a substantial portion of Safety's debt carries interest rates based on the prime rate, such increases in Safety's average weighted interest rate is primarily attributable to increases totaling 200 basis points in the prime rate over the past 12 months.

OTHER EXPENSE, NET. Other income increased $232,000 to $281,000 for the three months ended June 30, 2005. On a consolidated basis, this increase resulted primarily from an increase of $281,000 at Omega Protein related to the recognition of a gain associated with the involuntary conversion of a piece of equipment resulting from a fire, partially offset by a decrease of $66,000 at Safety. Other expense at Safety Components is realized primarily from foreign transaction gains and losses resulting from the revaluation of intercompany balances between Safety's European subsidiaries and the U.S. parent company. Net foreign transaction losses during the quarter ended June 30, 2005 resulted from changes in foreign currency exchange rates of approximately 5.8% from those at March 31, 2005.

INCOME TAXES. The Company recorded a consolidated provision for income taxes of $1.3 million for the three months ended June 30, 2005 as compared to $4.3 million for the comparable period of the prior year. On a consolidated basis, the decrease in provision for income taxes was primarily the result of decreased pre-tax income recognized at Safety and Omega as compared to the comparable period of the prior year. Zapata Corporate recognized a provision of $146,000 as compared to a provision of $1.8 million in the comparable period of the prior year.

For all periods in which any of the Company's subsidiaries are consolidated for book purposes and not consolidated for tax purposes, Zapata will recognize a provision or benefit to reflect the increase or decrease in the difference between the Company's book and tax basis in each subsidiary. The provision or benefit will be equal to the sum of the Company's tax effected proportionate share of each subsidiary's net income or loss. Accordingly, the Company's effective tax rate for each period can vary significantly depending on the changes in the underlying difference between the Company's book and tax basis in its subsidiaries.

The Company's consolidated effective tax rate for the three months ended June 30, 2005 was 53%. The high effective rate was primarily the result of Zapata Corporate's current quarter recognition of a $146,000 provision for income taxes which reflects $538,000 of deferred tax liabilities recorded to reflect the Company's tax effected proportionate share of Omega and Safety's net income recognized during the period.

MINORITY INTEREST. Minority interest from the consolidated statements of operations represents the minority stockholders' interest in the net income or net loss of the Company's subsidiaries (approximately 23% of Safety Components, approximately 42% of Omega Protein and approximately 2% of Zap.Com). Increases or decreases in Zapata's ownership of its subsidiary's common stock will result in corresponding decreases or increases in the minority stockholders' interest in the net income or loss of Zapata's subsidiaries. For example, should Zapata's ownership percentage of Safety Components continue to decline due to stock option exercises of its employees, minority interest would increase and Zapata would consolidate less of Safety's net income or loss recognized during future periods. For the three months ended June 30, 2005, minority interest was a $701,000 reduction to net income for the minority interest's share in the net incomes of Safety Components and Omega Protein, partially offset by the minority interest's share in the net loss of Zap.Com.

SIX MONTHS ENDED JUNE 30, 2005 AND 2004

Zapata reported consolidated net income of $542,000 or $.03 per diluted share on consolidated revenues of $169.0 million for the six months ended June 30, 2005 as compared to consolidated net income of $2.6 million or $0.14 per diluted share on consolidated revenues of $186.6 million for the six months ended June 30, 2004. On a consolidated basis, the decrease in net income resulted from decreased net income at Safety Components and Omega Protein.

The following is a more detailed discussion of Zapata's consolidated operating results:

REVENUES. Consolidated revenues decreased $17.6 million from $186.6 million for the six months ended June 30, 2004 to $169.0 million for the six months ended June 30, 2005. This decrease was attributable to decreased revenues of $17.5 million at Safety and $172,000 at Omega. Safety's revenues were $117.6 million for the six months ended June 30, 2005 as compared to $135.1 for the comparable period of the prior year, while Omega Protein's revenues decreased from $51.5 million to $51.3 million for the six months ended June 30, 2005.

Safety's decrease in revenues was due to a decrease in North American operations' net revenues of approximately $6.2 million, or 10%, compared to the six months ended June 30, 2004, with the decrease principally due to decreased demand in the North America automotive market and increased customer in-sourcing of production which frequently occurs when demand decreases. Net revenues for European operations decreased $11.3 million, or 16%, resulting from 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. The decrease in net revenues for European operations included the effect of approximately $2.3 million of favorable changes in foreign currency exchange rates compared to the six months ended June 30, 2004.

Omega's decrease in revenues was primarily due to a 7% decrease in sales volumes of fish meal and fish oil sales activity. Omega experienced a $3.4 million decrease in revenues due to reduced sales volumes offset by a $3.2 million increase in revenues due to higher sales prices for its fish meal and fish oil.

COST OF REVENUES. Zapata's consolidated cost of revenues for the six months ended June 30, 2005 was $145.9 million, a $9.3 million decrease from $155.3 million for the comparable period of the prior year. This decrease was primarily attributable to decreases in cost of revenue at Safety of $11.4 million partially offset by an increase of $2.2 million at Omega.

Safety's decrease in cost of revenues was attributable to North American operations' cost of revenues decreasing approximately $4.1 million, or 8%, and European operations' cost of revenues decreasing $8.2 million, or 13%, compared to the six months ended June 30, 2004. The overall decrease in cost of revenues is primarily attributable to the decrease in net revenues in the corresponding time periods. Cost of revenues as a percentage of net revenues increased to 87% for the six months ended June 30, 2005 from 85% for the six months ended June 30, 2004. The increase in cost of revenues as a percentage of net revenues is a result of the fixed cost component of cost of revenues not being reduced in proportion to the decrease in net revenues in the corresponding time periods, as well as inflationary increases on raw materials and supplies, offset by a decrease in depreciation expense of approximately $945,000 due to the maturation of the depreciable lives of certain property, plant and equipment.

Omega's cost of revenues, including depreciation and amortization, for the current quarter ended June 30, 2005 was $44.6 million, an increase from $42.4 million for the six months ended June 30, 2004. Omega's cost of revenues as a percentage of its revenues increased 4% to 87% for the six months ended June 30, 2005 as compared to the corresponding period in 2004. The increase in cost of revenues as a percentage of revenues was primarily due to the purchase of fish meal at prices in excess of Omega's cost to produce similar products. Additionally, Omega experienced an increased cost of production primarily attributed to an increase in energy costs.

SELLING, GENERAL AND ADMINISTRATIVE. Consolidated selling, general, and administrative expenses decreased $176,000 from $18.8 million for the six months ended June 30, 2004 to $18.7 million for the six months ended June 30, 2005. This decrease was primarily attributable to a decrease in selling, general and administrative expenses at Safety Components, partially offset by an increase at Zapata Corporate and Omega Protein.

Zapata Corporate's selling, general and administrative expenses increased $194,000 from $2.7 million for the six months ended June 30, 2005. This increase resulted from a compensation charge of approximately $353,000 recorded in the first quarter of 2005 related to a stock option modification, partially offset by a decrease in professional fees.

Safety's decrease in selling, general and administrative expenses is attributable to reduced professional services and the one-time charge associated with the closure of Safety's U.K. facility of approximately $300,000 recorded in the six months ended June 30, 2004. Additionally, in the first six months of 2005, Safety incurred costs of approximately $476,000 related to the ongoing joint venture pre-production activities in South Africa and China. Expenses from pre-production activities are expected to continue until commercial production begins at these joint venture facilities, which is expected to occur in the second half of 2005. Selling, general and administrative expenses as a percentage of net revenues increased to 8% for the six months ended June 30, 2005 from 7% for the six months ended June 30, 2004 due to the corresponding decrease in net revenues in the period as a result of certain fixed costs not being reduced in proportion to the decrease in net revenues in the corresponding time periods.

Omega's selling, general, and administrative expenses increased $951,000 from $4.9 million in the first six months ended June 30, 2004 compared to $5.8 million for the current six months ended June 30, 2005. This increase was attributable primarily to increased consulting expenditures related to Omega's governmental relations program and Sarbanes-Oxley compliance efforts.

INTEREST INCOME. Consolidated interest income decreased $41,000 from $768,000 for the six months ended June 30, 2004 as compared to $727,000 for the comparable period of the current year. This decrease was primarily due to a decrease of $307,000 at Safety Components, partially offset by an increase in interest income of $200,000 at Zapata Corporate and $53,000 at Omega Protein as a result of higher interest rates as compared to 2004.

INTEREST EXPENSE. Interest expense decreased $565,000 from $1.4 million for the six months ended June 30, 2004 to $841,000 for the comparable period of 2005. This decrease resulted from lower interest expense of $422,000 at Safety Components, combined with a decrease of $143,000 at Omega Protein. Omega's decrease resulted primarily from lower Title XI loan balance and interest of approximately $95,000 which was capitalized in conjunction with the construction of certain fixed assets during the current six months ended June 30, 2005 as compared to the six months ended June 30, 2004. Safety's decrease was attributable to its average outstanding debt decreasing to $7.0 million from $17.3 million, offset by the average weighted interest rate for Safety's debt increasing to 5.31% from 3.73% for the six months ended June 30, 2005 as compared to the six months ended June 30, 2004. Because a substantial portion of Safety's debt carries interest rates based on the prime rate, such increases in Safety's average weighted interest rate is primarily attributable to increases totaling 200 basis points in the prime rate over the past 12 months.

OTHER EXPENSE, NET. Other expenses decreased $143,000 to $84,000 for the six months ended June 30, 2005. On a consolidated basis, this decrease resulted primarily from Omega Protein's recognition of other income of $192,000 for the six months ended June 30, 2005 as compared to recognition of other expense of $106,000 for the comparable period of the prior year. This change at Omega related to the recognition of a gain associated with the involuntary conversion of a piece of equipment resulting from a fire. This was partially offset by additional expense of $172,000 recognized at Safety Components. Other expense at Safety Components is realized primarily from foreign transaction gains and losses resulting from the revaluation of intercompany balances between Safety's European subsidiaries and the U.S. parent company. Net foreign transaction losses during the quarter ended June 30, 2005 resulted from changes in foreign currency exchange rates of approximately 9.4% from those at December 30, 2004.

INCOME TAXES. The Company recorded a consolidated provision for income taxes of $2.6 million for the six months ended June 30, 2005 as compared to $6.6 million for the comparable period of the prior year. On a consolidated basis, the decrease in provision for income taxes was primarily the result of decreased pre-tax income recognized at Safety and Omega as compared to the comparable period of the prior year. Zapata Corporate recognized a provision of $283,000 as compared to a provision of $1.5 million for the comparable period in the prior year.

For all periods in which any of the Company's subsidiaries are consolidated for book purposes and not consolidated for tax purposes, Zapata will recognize a provision or benefit to reflect the increase or decrease in the difference between the Company's book and tax basis in each subsidiary. The provision or benefit will be equal to the sum of the Company's tax effected proportionate share of each subsidiary's net income or loss. Accordingly, the Company's effective tax rate for each period can vary significantly depending on the changes in the underlying difference between the Company's book and tax basis in its subsidiaries.

The Company's consolidated effective tax rate for the six months ended June 30, 2005 was 59.0%. The high effective rate was primarily the result of Zapata Corporate's current quarter recognition of a $283,000 provision for income taxes which reflects $1.1 million of deferred tax liabilities recorded to reflect the Company's tax effected proportionate share of Omega and Safety's net income recognized during the period.

MINORITY INTEREST. Minority interest from the consolidated statements of operations represents the minority stockholders' interest in the net income or net loss of the Company's subsidiaries (approximately 23% of Safety Components, approximately 42% of Omega Protein and approximately 2% of Zap.Com). Increases or decreases in Zapata's ownership of its subsidiary's common stock will result in corresponding decreases or increases in the minority stockholders' interest in the net income or loss of Zapata's subsidiaries. For example, should Zapata's ownership percentage of Safety Components continue to decline due to stock option exercises of its employees, minority interest would increase and Zapata would consolidate less of Safety's net income or loss recognized during future periods. For the six months ended June 30, 2005, minority interest was a $1.2 million reduction to net income for the minority interest's share in the net incomes of Safety Components and Omega Protein, partially offset by the minority interest's share in the net loss of Zap.Com.

LIQUIDITY AND CAPITAL RESOURCES

Zapata, Safety Components, Omega Protein and Zap.Com are separate public companies. Accordingly, the capital resources and liquidity of Safety Components, Omega Protein and Zap.Com are legally independent of Zapata. The working capital and other assets of Safety Components, Omega Protein and Zap.Com are dedicated to their respective operations and are not expected to be readily available for the general corporate purposes of Zapata, except for any dividends that may be declared and paid to their respective stockholders. The credit facilities of Safety Components and Omega Protein currently prohibit any dividends from being declared or paid with respect to their respective outstanding capital stock, including the shares held by Zapata. For all periods presented in this Report, Zapata has not received any dividends from any of its consolidated subsidiaries.

As of June 30, 2005, the Company's consolidated contractual obligations and other commercial commitments have not changed materially from those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2004.

ZAPATA CORPORATE

Because Zapata does not guarantee or otherwise assume the liabilities of Safety Components, Omega Protein or Zap.Com or have any investment commitments to these majority-owned subsidiaries, it is useful to separately review the cash obligations of Zapata exclusive of its majority-owned subsidiaries ("Zapata Corporate").

Zapata Corporate's liquidity needs are primarily for operating expenses, litigation, insurance costs and possible Zapata stock repurchases. Zapata Corporate may also invest a significant portion of its cash and cash equivalents investments in the purchase of companies.

As of June 30, 2005, Zapata Corporate's contractual obligations and other commercial commitments have not changed materially from those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2004.

Zapata Corporate's current source of liquidity is its cash and cash equivalents and the interest income it earns on these funds. Zapata expects these assets to continue to be a source of liquidity except to the extent that they may be used to fund any acquisitions of companies, the minority interest of controlled subsidiaries, or repurchases of Zapata stock. Zapata Corporate's investments consist of U.S. Government agency securities and cash equivalents. As of June 30, 2005, Zapata Corporate's cash and cash equivalents were $26.7 million as compared to $28.7 million as of December 31, 2004. This decline resulted primarily from cash used by Zapata Corporate's operations.

In addition to its cash, cash equivalents, and interest income, Zapata Corporate has a potential secondary source of liquidity from dividends declared by Safety Components, Omega Protein or Zap.Com, provided a consent is obtained from their lenders. Also, the sale of the Company's holdings of common stock in these subsidiaries could provide another secondary source of liquidity. These holdings constitute "restricted stock" under SEC Rule 144 and may only be sold in the public market pursuant to an effective registration statement under the Securities Act of 1933 and under any required state securities laws or pursuant to an available exemption. These and other securities law restrictions could prevent or delay any sale by Zapata of these securities or reduce the amount of proceeds that might otherwise be realized therefrom. Currently, all of Zapata's equity securities holdings are eligible for sale under Rule 144. Zapata also has demand and piggyback registration rights for its Omega Protein and Zap.Com shares. The low trading volumes for Safety Components, Omega Protein and Zap.Com common stock may make it difficult for Zapata to sell any significant number of shares in the public market other than pursuant to an underwritten offering.

Zapata management believes that, based on current levels of operations and anticipated growth, cash flow from operations, together with other available sources of funds, will be adequate to fund its operational and capital requirements for at least the next twelve months. Depending on the size and terms of future acquisitions of operating companies or of the minority interest of controlled subsidiaries, Zapata may raise additional capital through the issuance of equity or debt. There is no assurance, however, that such capital will be available at the time, in the amounts necessary or with terms satisfactory to Zapata.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2005, the Company's off-balance sheet arrangements have not changed materially from those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2004.

SUMMARY OF CASH FLOWS

The following table summarizes Zapata's consolidating cash flow information (in thousands):

	ZAPATA CORPORATE	SAFETY COMPONENTS	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
SIX MONTHS ENDED JUNE 30, 2005					
CASH (USED IN) PROVIDED BY					
Operating activities	$(2,049)	$ 7,461	$ (5,476)	$(39)	$ (103)
Investing activities	--	(4,076)	(11,280)	--	(15,356)
Financing activities	23	(1,363)	(556)	--	(1,896)
Effect of exchange rate changes on cash and cash equivalents	--	(2,425)	12	--	(2,413)
Net decrease in cash and cash equivalents	$(2,026)	$ (403)	$(17,300)	$(39)	$(19,768)

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
SIX MONTHS ENDED JUNE 30, 2004					
CASH (USED IN) PROVIDED BY					
Operating activities	$(1,447)	$ 629	$ 13,427	$(62)	$12,547
Investing activities	28,843	(2,872)	(12,578)	--	13,393
Financing activities	--	3,087	(583)	--	2,504
Effect of exchange rate changes on cash and cash equivalents	--	(14)	(15)	--	(29)
Net (decrease) increase in cash and cash equivalents	$27,396	$ 830	$ 251	$(62)	$28,415

NET CASH PROVIDED BY OPERATING ACTIVITIES. Consolidated cash used in operating activities was $103,000 for the six months ended June 30, 2005 as compared to cash provided by operating activities of $12.5 million for the comparable period of the prior year. This change was driven primarily from Omega's change from cash provided by operating activities of $13.4 million for the six months ended June 30, 2004 to cash used in operating activities of $5.5 million for the comparable period of the current year. Omega's decrease in operating activities was primarily attributable to the change in activities relating to increased inventory. The change at Omega was partially offset by Safety's additional cash provided by operating activities of $6.8 million from $629,000 for the six months ended June 30, 2004. Safety's increase in cash provided by operating activities resulted primarily from an increase in accounts receivable due to a change in payment terms with a significant customer in return for foregoing early payment discounts, and a decrease in accounts payable resulting from a change in payment terms with a significant supplier in return for prompt payment discounts and payments of trade balances with certain significant suppliers.

NET CASH USED IN INVESTING ACTIVITIES. Consolidated cash used in investing activities was $15.4 million for the six months ended June 30, 2005 as compared to cash provided by investing activities of $13.4 million in the comparable period of the prior year. The change in cash (used in) provided by investing activities resulted primarily from activity at Zapata Corporate. Variations in Zapata Corporate's cash (used in) provided by investing activities typically result from the change in the mix of cash and cash equivalents and short-term investments during the period. All highly liquid investments with original maturities of three months or less are considered to be cash equivalents and all investments with original maturities of greater than three months are classified as either short or long-term investments. Zapata Corporate held short-term investments at December 31, 2003 which were sold during the six months ended June 30, 2004, resulting in cash provided by investing activities of $28.8 million, as compared to no cash used in or provided by investing activities during the six months ended June 30, 2005.

Safety expects to spend approximately $8.0 million for the remainder of 2005 on capital expenditures primarily for equipment to support expected new contracts with customers and information technology as well as approximately $1.7 million to support its joint ventures in South Africa and China. Omega anticipates making approximately $16.1 million in capital expenditures in 2005, which will be used to refurbish vessels, plant assets and to repair certain equipment.

NET CASH USED IN FINANCING ACTIVITIES. Consolidated cash used in financing activities was $1.9 million for the six months ended June 30, 2005 as compared to cash provided by financing activities of $2.5 million for comparable period of the prior year. This change was driven by Safety's cash used in financing of $1.4 million in the current year as compared to cash provided by financing of $3.1 million in the prior year, resulting from net repayments of Safety's credit facilities in the six months ended June 30, 2005.

The activities discussed above combined with unfavorable effects of foreign exchange rates of $2.4 million at Safety Components, partially offset by favorable foreign exchange rates of $12,000 at Omega Protein, resulted in a net decrease in cash and cash equivalents of approximately $19.8 million for the six months ended June 30, 2005.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 123R, "Share-Based Payment". SFAS No. 123R is a revision of SFAS No. 123, "Accounting for Stock Based Compensation", and supersedes APB 25. Among other items, SFAS 123R eliminates the use of APB 25 and the intrinsic value method of accounting, and requires companies to recognize the cost of employee services received in exchange for awards of equity instruments, based on the grant date fair value of those awards, in the financial statements. On April 14, 2005, the Securities and Exchange Commission (SEC) announced that the effective date of SFAS 123R will be suspended until January 1, 2006, for calendar year companies. The Company currently expects to adopt SFAS 123R effective January 1, 2006, based on the new effective date announced by the SEC. The Company is in the process of reviewing the impact of the adoption of this statement and believes that the adoption of this standard may have a material effect on the Company's consolidated financial position and results of operations.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material. SFAS No. 151 will be effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The Company is in the process of reviewing the impact, if any, that the adoption of this statement will have on the Company's financial position, results of operations or cash flows.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets," which eliminates the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. SFAS No. 153 will be effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company is in the process of reviewing the impact, if any, that the adoption of this statement will have on the Company's financial position, results of operations or cash flows.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

As of June 30, 2005, the Company's consolidated critical accounting policies and estimates have not changed materially from those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2004.

SIGNIFICANT FACTORS THAT COULD AFFECT FUTURE PERFORMANCE AND FORWARD-LOOKING STATEMENTS

1. Zapata believes that its results of operations, cash flows and financial condition could be negatively impacted by certain risks and uncertainties, including, without limitation, the risks and uncertainties identified in Zapata's other public reports and filings made with the SEC, press releases and public statements made by authorized officers of Zapata from time to time and those risks and uncertainties set forth below.

- Risks associated with the fact that a significant portion of Zapata's assets have consisted of securities, including equity and other interests in its operating companies. This could subject Zapata to the registration requirements of the Investment Company Act of 1940 (the "Investment Company Act"). The Investment Company Act requires registration of, and imposes substantial restrictions on, certain companies that engage, or propose to engage, primarily in the business of investing, reinvesting, owning, holding or trading in securities, or that fail certain statistical tests concerning a company's asset composition and sources of income. Zapata intends to actively participate in the management of its operating companies, consistent with applicable laws, contractual arrangements and other requirements. Accordingly, Zapata believes that it is primarily engaged in a business other

than investing, reinvesting, owning, holding or trading in securities. Further, Zapata endeavors to ensure that its holdings of investment securities constitute less than 40% of its total assets (excluding Government securities and cash) on an unconsolidated basis. Zapata intends to monitor and attempt to adjust the nature of its interests in and involvement with operating companies in order to avoid subjecting Zapata to the registration requirements of the Investment Company Act. There can be no assurance, however, that Zapata's business activities will not ultimately subject Zapata to the Investment Company Act. If Zapata were required to register as an investment company under the Investment Company Act, it would become subject to regulations that would have a material adverse impact on its financial position, results of operations and cash flows.

- Risks associated with the personal holding company penalty tax. Section 541 of the Internal Revenue Code of 1986, as amended (the "IRC"), subjects a corporation, which is a "personal holding company" as defined in the IRC, to a 15% penalty tax on "undistributed personal holding company income" in addition to the corporation's normal income tax. Generally, undistributed personal holding company income is based on taxable income, subject to certain adjustments, most notably a reduction for Federal incomes taxes. Personal holding company income is comprised primarily of passive investment income plus, under certain circumstances, personal service income. Zapata and its domestic subsidiaries (other than Safety and Omega) could become subject to the penalty tax if (i) 60% or more of its adjusted ordinary gross income is personal holding company income and (ii) 50% or more of its outstanding common stock is owned, directly or indirectly, by five or fewer individuals at any time during the last half of the taxable year. The Company believes that five or fewer of Zapata's stockholders hold 50% or more of its outstanding common stock for purposes of IRC Section 541. However, as of December 31, 2004, Zapata and its domestic subsidiaries (other than Safety and Omega) had no undistributed personal holding company income and therefore has not recorded a personal holding company tax liability. There can be no assurance that Zapata will not be subject to this tax in the future that in turn may materially and adversely impact the Company's financial position, results of operations and cash flows.

- Risks associated with a change of ownership pursuant to Section 382 of the Internal Revenue Code. Such risks could significantly or possibly eliminate Zapata's utilization of its net operating losses and/or alternative minimum tax credits. An ownership change for this purpose is generally a change in the majority ownership of a company over a three year period.

- Risks associated with the ownership by the Malcolm I. Glazer Family Limited Partnership of approximately 51.3% of our outstanding common stock. Our majority stockholder will have the ability to effectively control our management and affairs. In addition, any action requiring a simple-majority stockholder vote can be determined solely by our majority stockholder. This includes the ability to elect all members of our Board of Directors and determine the outcome of certain corporate actions requiring majority stockholder approval, such as merger and acquisition decisions, and the election of directors, or sale of all or substantially all of our assets. This level of ownership may also have a significant effect in delaying, deferring, or preventing a change in control of Zapata and may adversely affect the voting and other rights of other holders of our common stock.

- Risk that our earnings may be reduced in the future due to the potential impairment of our intangible assets. The Company's acquisition of Safety Components common stock resulted in the recognition of intangible assets. As required by applicable accounting rules, we evaluate the carrying value of our intangible assets whenever certain events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. If we determine through this process that the value of these assets has been impaired, we may be required to record impairment charges in our Statement of Operations. Such charges may be substantial.

- Risk that our subsidiaries' outstanding stock options could significantly dilute our ownership in these subsidiaries. Such dilution would cause the Company to consolidate proportionately less net income (or loss) recognized by our subsidiaries and would increase minority interest. Such dilution could also cause a loss of control (typically when ownership falls below 50%) which could lead to deconsolidation. Such investments would be subsequently accounted for under the equity method of accounting.

- Risk that the carrying value of the Company's prepaid pension asset could be significantly reduced. In the event that the Company decides to terminate its pension plan (the "Plan"), at the time of this decision, the Company would be required to incur a non-cash charge through earnings in an amount equal to the remaining balance of the Plan's unrecognized net losses and unrecognized prior service cost components of the Plan's prepaid pension asset. If not terminated, the Plan would continue to be subject to the additional minimum liability requirements of SFAS No. 87. Such requirements require the recognition of an additional pension liability in the amount of the unfunded accumulated benefit obligation in excess of accrued pension with an equal amount to be recognized net of the associated tax benefits in accumulated other comprehensive (loss) income. Accordingly, depending on market conditions, the Company may have to reverse its prepaid pension balance and record a pension liability through a non-cash charge to equity. As the Company has not determined if it will terminate the Plan, and due to the uncertainty of market conditions, the Company can provide no assurances as to the ultimate financial statement impact that Plan modifications or changes in market conditions may have.

- Risks related to the costs of defending litigation and the risk of unanticipated material adverse outcomes in such litigation or any other unfavorable outcomes or settlements. There can be no assurance that Zapata will prevail in any pending litigation and to the extent that the Company sustains losses growing out of any pending litigation which are not presently reserved or otherwise provided for or insured against, its business, results of operation and/or financial condition could be adversely affected.

- Risks associated with future acquisitions of operating companies. Any future acquisitions could be material in size and scope, and since the Company has not yet identified any additional assets, property or business that it may acquire or develop, potential investors in the Company will have virtually no substantive information about any such new business upon which to base a decision whether to invest in the Company. In any event depending upon the size and structure of any future acquisitions, stockholders may not have the opportunity to vote on the transaction, or access to any information about any new business until such time as a transaction is completed and the Company files a report with the SEC disclosing the nature of such transaction and/or business. For example, during September and October, 2003, stockholders were informed through press releases and SEC filings that the Company had acquired a significant stake in Safety Components. Such transactions materially affect the Company's financial position, results of operations and cash flows. In the Safety Components acquisition, the Company utilized approximately $47.8 million of its cash, cash equivalents and short-term investments and the acquisition contributed an additional $63.5 million to the Company's consolidated revenues for the fourth quarter of 2003.

There is no assurance that the Company will be successful in identifying any suitable future acquisition opportunities. If the Company does identify any additional potential acquisition opportunities, there is no assurance that the acquisition will be consummated, and if the acquisition does occur, there is no assurance that it will be successful in enhancing the Company's business or will increase the Company's earnings or not materially adversely affect the Company's financial condition. The Company faces significant competition for acquisition opportunities, which may inhibit its ability to complete suitable transactions or increase the cost that must be paid. Future acquisitions could also divert substantial management time, result in short term reductions in earnings or special transactions or other charges and may be difficult to integrate with existing operations or assets. We may, in the future, issue additional shares of common stock or other securities in connection with one or more acquisitions, which may dilute our stockholders. Depending upon the size and number of any future acquisitions, the Company may also borrow money to fund its acquisitions. In that event, the Company's stockholders would be subject to the risks normally associated with leveraged transactions, including the inability to service the debt or the dedication of a significant amount of cash flow to service the debt, limitations on the Company's ability to secure future financing and the imposition of certain operating restrictions.

2. Risks associated with Safety Components that may impact Zapata include the following, any of which could have a material adverse impact on Safety's financial position, results of operations and cash flows:

- The impact of competitive products and pricing, dependence of revenues upon several major module suppliers; the degree to which Safety's customers satisfy their airbag cushion requirements internally or from external sources; worldwide economic conditions; the results of cost savings programs being implemented; domestic and international automotive industry trends, including the marketplace for airbag related products; the ability of Safety Components to effectively control costs and to satisfy customers on timeliness and quality; approval by automobile manufacturers of airbag cushions currently in production; pricing pressures and labor strikes.

- Certain of Safety's consolidated net sales are generated outside the

United States. Foreign operations and exports to foreign markets are subject to a number of special risks including, but not limited to, risks with respect to fluctuations in currency exchange rates, economic and political destabilization and other disruption of markets, restrictive actions by foreign governments (such as restrictions on transfer of funds, export duties and quotas, foreign customs and tariffs and unexpected changes in regulatory environments), changes in foreign laws regarding trade and investment, difficulty in obtaining distribution and support, nationalization, the laws and policies of the United States affecting trade, foreign investment and loans and foreign tax laws. There can be no assurance that one or a combination of these factors will not have a material adverse effect on Safety's ability to increase or maintain its foreign sales or on its future results of operations.

In addition, Safety has a significant portion of its manufacturing operations in foreign countries and purchases a portion of its raw materials from foreign suppliers. The production costs, profit margins and competitive position of Safety are affected by the strength of the currencies in countries where it manufactures or purchases goods relative to the strength of the currencies in countries where its products are sold.

Certain of Safety's operations generate net sales and incur expenses in foreign currencies. Safety's financial results from international operations may be affected by fluctuations in currency exchange rates. Future fluctuations in certain currency exchange rates could adversely affect Safety's financial results. Safety monitors its risk associated with the volatility of certain foreign currencies against its functional currency, the U.S. dollar. The impact of changes in the relationship of other currencies to the U.S. dollar in the fiscal year ended December 31, 2004 has resulted in the recognition of other income of approximately $677,000. However, it is unknown what the effect of foreign currency rate fluctuations will have on Safety's financial position or results of operations in the future. In certain situations, Safety utilizes derivative financial instruments designated as cash flow hedges to reduce exposures to volatility of foreign currencies impacting the operation of its business.

- Our nominees on the Safety Components' Board of Directors do not comprise a majority of the board members. Therefore, we do not have the ability to directly influence the management of Safety Components and cannot be assured that the actions taken by the Safety Components Board of Directors will necessarily be consistent with Zapata's best interest.

3. Risks associated with Omega Protein that may impact Zapata include the following, any of which could have a material adverse impact on Omega's financial position, results of operations and cash flows:

RISKS RELATING TO OMEGA'S BUSINESS AND INDUSTRY:

- Omega is dependent on a single natural resource and may not be able to catch the amount of menhaden that it requires to operate profitably. Omega's primary raw material is menhaden. Omega's business is totally dependent on its annual menhaden harvest in ocean waters along the U.S. Atlantic and Gulf coasts. Omega's ability to meet its raw material requirements through its annual menhaden harvest fluctuates from year to year, and even at times month to month, due to natural conditions over which Omega has no control. These natural conditions, which include varying fish population, adverse weather conditions and disease, may prevent Omega from catching the amount of menhaden required to operate profitability.

- Fluctuation in "oil yields" derived from Omega's fish catch could impact Omega's ability to operate profitably. The "oil yield," or the percentage of oil derived from the menhaden fish, while it is relatively high compared to many species of fish, has fluctuated over the years and from month to month due to natural conditions relating to fish biology over which Omega has no control. The oil yield has at times materially impacted the amount of fish oil that Omega has been able to produce from its available fish catch and it is possible that oil yields in the future could also impact Omega's ability to operate profitably.

- Laws or regulations that restrict or prohibit menhaden or purse seine fishing operations could adversely affect Omega's ability to operate. The adoption of new laws or regulations at federal, regional, state or local levels that restrict or prohibit menhaden or purse seine fishing operations, or stricter interpretations of existing laws or regulations, could materially adversely affect Omega's business, results of operations and financial condition. In addition, the impact of a violation by Omega of federal, regional, state or local law or regulation relating to its fishing operations, the protection of the environment or the health and safety of its employees could have a material adverse affect on Omega's business, results of operations and financial condition.

One example of potentially restrictive regulation involves a vote by a regional regulatory board in February 2005 to permit discussion on, and consider for potential adoption, a proposal which could limit for a two-year period the annual amount commercial menhaden catch in the Chesapeake Bay to the Bay's 5-year average catch, or 110,400 metric tons.

- Omega's fish catch may be impacted by restrictions on its spotter aircraft. If Omega's spotter aircraft are prohibited or restricted from operating in their normal manner during Omega's fishing season, Omega's business, results of operations and financial condition could be adversely affected. For example, as a direct result of the September 11, 2001 terrorist attacks, the Secretary of Transportation issued a federal ground stop order that grounded certain aircraft (including Omega's fish-spotting aircraft) for approximately nine days. This loss of spotter aircraft coverage severely hampered Omega's ability to locate menhaden fish during this nine-day period and thereby reduced its amount of saleable product.

- Worldwide supply and demand relationships, which are beyond Omega's control, influence the prices that Omega receives for many of its products and may from time to time result in low prices for many of Omega's products. Prices for many of Omega's products are subject to, or influenced by, worldwide supply and demand relationships over which Omega has no control and which tend to fluctuate to a significant extent over the course of a year and from year to year. The factors that influence these supply and demand relationships are world supplies of fish meal made from other fish species, animal proteins and fats, palm oil, soy meal and oil, and other edible oils.

- New laws or regulation regarding contaminants in fish oil or fish meal may increase Omega's cost of production or cause Omega to lose business. It is possible that future enactment of increasingly stringent regulations regarding contaminants in fish meal or fish oil by foreign countries or the United States may adversely affect Omega's business, results of operations and financial condition. More stringent regulations could result in: (i) Omega's incurrence of additional capital expenditures on contaminant reduction technology in order to meet the requirements of those jurisdictions, and possibly higher production costs for Company's products, or (ii) Omega's withdrawal from marketing its products in those jurisdictions.

RISKS RELATING TO OMEGA'S ONGOING OPERATIONS:

- Omega's strategy to expand into the food grade oils market may be unsuccessful. Omega's attempts to expand its fish oil sales into the market for refined, food grade fish oils for human consumption may not be successful. Omega's expectations regarding future demand for Omega-3 fatty acids may prove to be incorrect or, if future demand does meet Omega's expectations, it is possible that purchasers could utilize Omega-3 sources other than Omega's products.

- Omega's quarterly operating results will fluctuate. Fluctuations in Omega's quarterly operating results will occur due to the seasonality of Omega's business, the unpredictability of Omega's fish catch and oil yields, and Omega's deferral of sales of inventory based on worldwide prices for competing products.

- Omega's business is subject to significant competition, and some competitors have significantly greater financial resources and more extensive and diversified operations than Omega. The marine protein and oil business is subject to significant competition from producers of vegetable and other animal protein products and oil products such as Archer Daniels Midland and Cargill. In addition, but to a lesser extent, Omega competes with small domestic privately-owned menhaden fishing companies and international marine protein and oil producers, including Scandinavian herring processors and South American anchovy and sardine processors. Many of these competitors have significantly greater financial resources and more extensive and diversified operations than Omega.

- Omega's foreign customers are subject to disruption typical to foreign countries. Omega's sales of its products in foreign countries are subject to risks associated with foreign countries such as changes in social, political and economic conditions inherent in foreign operations, including:

    - Changes in the law and policies that govern foreign investment and international trade in foreign countries;

    - Changes in U.S. laws and regulations relating to foreign investment and trade;

    - Changes in tax or other laws;

    - Partial or total expropriation;

    - Current exchange rate fluctuations;

    - Restrictions on current repatriation; or

    - Political disturbances, insurrection or war.

    In addition, it is possible that Omega, at any one time, could have a significant amount of its revenues generated by sales in a particular country which would concentrate Omega's susceptibility to adverse events in that country.

- Omega may undertake acquisitions that are unsuccessful and Omega's inability to control the inherent risks of acquiring businesses could adversely affect its business, results of operations and financial condition operations. In the future Omega may undertake acquisitions of other businesses, located either in the United States or in other countries, although there can be no assurances that this will occur. There can be no assurance that Omega will be able (i) to identify and acquire acceptable acquisition candidates on favorable terms, (ii) to profitably manage future businesses it may acquire, or (iii) to successfully integrate future businesses it may acquire without substantial costs, delays or other problems. Any of these outcomes could have a material adverse effect on Omega's business, results of operations and financial condition.

- Omega's failure to comply with federal U.S. citizenship ownership requirements may prevent it from harvesting menhaden in the U.S. jurisdictional waters. Omega's harvesting operations are subject to the Shipping Act of 1916 and the regulations promulgated thereunder by the Department of Transportation, Maritime Administration which require, among other things, that Omega be incorporated under the laws of the U.S. or a state, Omega's chief executive officer be a U.S. citizen, no more of Omega's directors be non-citizens than a minority of a number necessary to constitute a quorum and at least 75% of Omega's outstanding capital stock (including a majority of its voting capital stock) be owned by U.S. citizens. If Omega fails to observe any of these requirements, Omega will not be eligible to conduct its harvesting activities in U.S. jurisdictional waters. Such a lost of eligibility would have a material adverse effect on Omega's business, results of operations and financial condition.

- Omega may not be able to recruit, train and retain qualified marine personnel in sufficient numbers. Omega's business is dependent on its ability to recruit, train and retain qualified marine personnel in sufficient numbers such as vessel captains, vessel engineers and other crewmembers. To the extent that Omega is not successful in recruiting, training and retaining these employees in sufficient numbers, its productivity may suffer. If Omega were unable to secure a sufficient number of workers during periods of peak employment, the lack of personnel could have an adverse effect on Omega's business, results of operations and financial condition.

4. Risks associated with the foreign operations of our controlled subsidiaries that may impact Zapata include the following, (any of which could have a material adverse impact on any such subsidiary's financial position, results of operations and cash flows): the strength of local currencies of the countries in which its products are sold, changes in social, political and economic conditions inherent in foreign operations and international trade, including changes in the law and policies that govern foreign investment and international trade in such countries, changes in U.S laws and regulations relating to foreign investment and trade, changes in tax or other laws, partial or total expatriation, currency exchange rate fluctuations and restrictions on currency repatriation, the disruption of labor, political disturbances, insurrection or war and the effect of requirements of partial local ownership of operations in

certain countries.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

EQUITY PRICE RISK. As the Company considers its holdings of Safety Components, Omega Protein and Zap.Com common stock to be a potential source of secondary liquidity, the Company is subject to equity price risk to the extent of fluctuations in the market prices and trading volumes of these securities. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

INTEREST RATE RISK. Zapata Corporate and Zap.Com hold investment grade securities which may include a mix of U.S. Government or Government agency obligations, certificates of deposit, money market deposits and commercial paper rated A-1 or P-1. In addition, Omega Protein holds certificates of deposit and commercial quality grade investments rated A-2 P-2 or better with companies and financial institutions. As the majority of the Company's consolidated investment grade securities constitute short-term U.S. Government agency securities, the Company does not believe that the value of these instruments have a material exposure to interest rate risk. However, changes in interest rates do affect the investment income the Company earns on its cash equivalents and marketable securities and, therefore, impacts its cash flows and results of operations. Accordingly, there is inherent roll-over risk for the Company's investment grade securities as they mature and are renewed at current market rates. Using the Company's consolidated investment grade security balance of $47.7 million at June 30, 2005 as a hypothetical constant cash balance; an adverse change of 1% in interest rates would decrease interest income by approximately $119,000 and $238,000 during a three-and six-month period, respectively.

MARKET RISK. Both Safety and Omega are exposed to minimal market risk associated with interest rate movements on their borrowings. A one percent increase or decrease in the levels of interest rates on such borrowings would not result in a material change to the Company's results of operations.

CURRENCY EXCHANGE RATES AND FORWARD CONTRACTS. Safety's operations in Mexico, Germany, China, the United Kingdom and the Czech Republic expose Safety to currency exchange rate risks which are recorded in other expense (income), net on Safety's consolidated statements of operations. Based on the amounts outstanding at June 30, 2005, a hypothetical increase or decrease of 1% in the value of the U.S. dollar against the foreign currencies corresponding to the countries in which Safety has operations would result in a reduction or addition of approximately $125,000 in other expense (income), net. Safety's joint venture in China uses the yuan as its functional currency. In mid-July, the government of China announced an end to the yuan's peg to the U.S. dollar and tied it to a basket of currencies, the initial steps in anticipated reforms aimed at letting the currency float freely. Although Safety currently is unable to measure the effect that currency reforms by the government of China will have on its financial position, results of operations and cash flows, Safety's China joint venture is intended to produce airbag cushions for the Chinese domestic market and Asian markets. Because raw material sources, production and sales related to Safety's China joint venture are expected to occur primarily within China, currency reforms by the government of China are not expected to have a material impact on Safety's financial position or results of operations. Safety monitors its risk associated with the volatility of certain foreign currencies against its functional currency, the U.S. dollar. Safety uses certain derivative financial instruments to reduce exposure to volatility of foreign currencies. However, the changes in the relationship of other currencies to the U.S. dollar could have a material adverse effect on the consolidated financial statements if there were a sustained decline of these currencies versus the U.S. dollar. Safety has formally documented all relationships between hedging instruments and hedged items, as well as risk management objectives and strategies for undertaking various hedge transactions. Derivative financial instruments are not entered into for trading or speculative purposes.

Certain operating expenses at Safety's Mexican facilities are paid in Mexican pesos. To reduce exposure to fluctuations in the U.S. dollar and Mexican peso exchange rates, Safety entered into forward contracts on February 16, 2005 to buy Mexican pesos for periods and amounts consistent with the related, underlying forecasted cash outflows. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At June 30, 2005, Safety had outstanding forward exchange contracts that mature between July 2005 and December 2005 to purchase Mexican pesos with an aggregate notional amount of approximately $4.2 million. The fair values of these contracts at June 30, 2005 totaled approximately $246,000 which is recorded as an asset on Safety's Balance Sheet in "other current assets." Changes in the derivatives' fair values are deferred and recorded in the balance sheet as a component of "accumulated other comprehensive income" ("AOCI"), until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from

AOCI to the consolidated statement of operations as cost of revenues.

Certain intercompany sales at Safety's Czech Republic facility are denominated and settled in Euros and certain of its operating expenses are paid in Czech Korunas. To reduce exposure to fluctuations in the Euro and Czech Koruna exchange rates, Safety entered into forward contracts on March 3, 2005 to buy Czech Korunas with Euros for periods and amounts consistent with the related, underlying forecasted cash outflows. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At June 30, 2005, Safety had outstanding forward exchange contracts that mature between July 2005 and December 2005 to purchase Czech Korunas with an aggregate notional amount of approximately $2.3 million. The fair values of these contracts at June 30, 2005 totaled approximately $75,000 which is recorded as an asset on Safety's Balance Sheet in "other current assets." Changes in the derivatives' fair values are deferred and recorded in the balance sheet as a component of AOCI, until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from AOCI to the consolidated statement of operations as cost of revenues.

Although Omega Protein sells products in foreign countries, all of Omega's revenues are billed and paid for in US dollars. As a result, Omega's management does not believe that it is exposed to any significant foreign country currency exchange risk, and Omega does not utilize market risk sensitive instruments to manage its exposure to this risk.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES. An evaluation was performed under the supervision of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

Notwithstanding the foregoing, there can be no assurance that the Company's disclosure controls and procedures will detect or uncover all failures of persons within the Company and its consolidated subsidiaries to disclose material information otherwise required to be set forth in the Company's periodic reports. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable, not absolute, assurance of achieving their control objectives.

INTERNAL CONTROL OVER FINANCIAL REPORTING. No changes in internal control over financial reporting occurred during the quarter ended June 30, 2005 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

LITIGATION

By letter dated November 2, 2004, a division employee, at the time a controller for the Safety's North American Automotive Group, filed a complaint with the U.S. Department of Labor, Occupational Safety & Health Administration ("OSHA"), pursuant to Section 806 of the Corporate and Criminal Fraud Accountability Act of 2002, Title VIII of the Sarbanes-Oxley Act of 2002 (the "Act"), alleging that a change in his duties in September 2004 resulted from his allegations of improprieties in the Company's operations in Mexico and California. Safety has reported that neither the internal investigations conducted by various levels of Safety's management nor the ensuing external investigation conducted by a forensic accounting firm engaged by the Audit Committee of Safety's

Board of Directors following notification by management of the issues raised substantiated any of the allegations. Due to circumstances unrelated to the investigation or the complaint, Safety terminated the employee on December 15, 2004. By letter dated December 15, 2004, the employee amended his complaint to allege that his termination was also in retaliation for his allegations. By letter dated February 14, 2005, Safety was notified by OSHA that it had completed its investigation and found that there is no reasonable cause to believe that Safety violated the Act, and that the employee has 30 days from his receipt of such notification to file an objection and request a hearing before an Administrative Law Judge. The employee has subsequently requested a hearing before an Administrative Law Judge. The employee filed such objection, but Safety has not received a notice of request for a hearing.

Zapata is involved in litigation relating to claims arising out of its past and current operations in the normal course of business. Zapata maintains insurance coverage against such potential ordinary course claims in an amount in which it believes to be adequate. While the results of any ultimate resolution cannot be predicted, in the opinion of Zapata's management, based upon discussions with counsel, any losses resulting from these matters will not have a material adverse effect on Zapata's results of operations, cash flow or financial position.

ENVIRONMENTAL MATTERS

Zapata and its subsidiaries are subject to various possible claims and lawsuits regarding environmental matters. Zapata's management believes that costs, if any, related to these matters will not have a material adverse effect on the consolidated results of operations, cash flows or financial position of the Company.

ITEM 2. UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its Annual Meeting of Stockholders on June 1, 2005. The following are the results of the votes taken on the various matters presented to the Company's stockholders at the meeting.

All of the Board's nominees for directors were elected as follows:

CLASS I DIRECTORS: TERM ENDING 2008	FOR	WITHHOLD	NO VOTE
Darcie S. Glazer	16,049,859	1,965,335	1,122,662
Bryan G. Glazer	16,052,731	1,962,463	1,122,662

The proposal to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm was passed with the following vote:

FOR	AGAINST	ABSTAIN	NO VOTE
17,684,044	323,536	7,614	1,122,662

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits

The exhibits indicated by an asterisk (*) are incorporated by reference.

3(c)*	Certificate of Change to Certificate of Incorporation dated April 6, 2005 (Exhibit 99.1 to Current Report on Form 8-K filed April 8, 2005 (File No. 1-4219)).
3(d)*	Amended By-Laws of Zapata Corporation dated May 6, 2005 (Exhibit 3(d) to Quarterly Report on Form 10-Q filed May 6, 2005 (File No. 1-4219)).
31.1	Certification of CEO as required by Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO as required by Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of CEO Pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of CFO Pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ZAPATA CORPORATION (REGISTRANT)

Dated: August 8, 2005

By: /s/ Leonard DiSalvo

(Vice President-- Finance and Chief Financial Officer)

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Avram A. Glazer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zapata Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2005

/s/ Avram A. Glazer

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Avram A. Glazer
President and CEO

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Leonard DiSalvo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zapata Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2005

/s/ Leonard DiSalvo

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Leonard DiSalvo

Vice President -- Finance and CFO

EXHIBIT 32.1

CERTIFICATION OF CEO PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Zapata Corporation (the "Company") on Form 10-Q for the period ending June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Avram A. Glazer, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13a or 15d of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Avram A. Glazer

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Avram A. Glazer
Chairman of the Board, President and
Chief Executive Officer
August 8, 2005

This Certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

EXHIBIT 32.2

CERTIFICATION OF CFO PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Zapata Corporation (the "Company") on Form 10-Q for the period ending June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I. Leonard DiSalvo, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13a or 15d of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Leonard DiSalvo
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Leonard DiSalvo
Vice President - Finance and
Chief Financial Officer
August 8, 2005

This Certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.