

SUMMARISED BALANCE SHEET

	At 30.06.03 (UNAUDITED) £	At 30.06.02 (UNAUDITED) £	At 31.12.02 (AUDITED) £
FIXED ASSETS			
intangible assets	150,269	161,156	154,713
tangible assets	651,870	650,654	677,601
	<u>802,139</u>	<u>811,810</u>	<u>832,314</u>
CURRENT ASSETS			
stocks	1,772,166	2,266,723	1,793,480
debtors	751,276	1,112,977	1,282,625
cash at bank	122,881	101,213	85,241
	<u>2,646,323</u>	<u>3,480,913</u>	<u>3,161,346</u>
CREDITORS - amounts falling due within 1 year	2,799,665	(2,818,755)	2,837,186
Net current (liabilities)/assets	<u>(153,342)</u>	<u>662,158</u>	<u>324,160</u>
Total assets less current liabilities	648,797	1,473,968	1,156,474
CREDITORS - amounts falling due after more than 1 year	(184,000)	(216,000)	(168,000)
DEFERRED TAXATION	103,032	(7,601)	-
NET ASSETS	<u>567,829</u>	<u>1,250,367</u>	<u>988,474</u>
CAPITAL & RESERVES			
called up share capital	249,813	249,813	249,813
share premium account	336,766	336,766	336,766
revaluation reserve	32,264	32,965	32,264
profit & loss account (deficit)	(51,014)	630,823	369,631
	<u>567,829</u>	<u>1,250,367</u>	<u>988,474</u>

NOTES TO THE FINANCIAL INFORMATION

1. The interim results are unaudited and do not comprise full accounts within the meaning of Section 240 of the Companies Act 1985. The results for the year ended 31st December 2002 are in abbreviated form and have been extracted from the published accounts filed with the Registrar of Companies. These were audited and reported upon without qualification by PriceWaterhouseCoopers and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.
2. No interim dividend is being proposed or paid.
3. The loss per share has been calculated on the 12,490,650 ordinary shares in issue (30.6.02 12,490,650).

Copies of this report will be sent to all shareholders and are available on request free of charge from the registered office of the company.

DOWNTEX Plc

INTERIM REPORT 2003

Chairman's Statement

The interim results for the 6 months ended 30th June 2003 were worse than expected.

The manufacturing environment within the UK remains very difficult, which has reflected in our results. Our manufacturing operation in Bolton was ultimately closed in March and steps are currently being taken to downsize our Altrincham factory. This should hopefully be completed by the middle of September. However, despite reductions in overheads, this by itself was not sufficient to prevent the losses incurred, whilst demand for our core product range remains weak.

We have successfully opened 2 new retail outlets (bringing our complement up to 11), one in Northenden and the other in Chorley, which have already started to trade. Early results are encouraging. We are also in negotiations in respect of 4 more retail outlets.

Results for the 26 weeks ended 30th June 2003

The Company made a loss before taxation for the period of £420,645 (loss £186,876) on turnover of £2,253,245 (£2,903,456).

Outlook

Whilst cost cutting is still a priority and our order book has begun to pick up, I do not however expect to see a return to profitability until the second half of 2004. The company has drawn down £425,000 of the loan facility made available by Mr D E M Mond and is heavily reliant on his financial support. With that in mind the Directors are examining a number of strategies, which will be announced at the appropriate time.

Gerald Carey, FCIB
Chairman

28th August 2003

PROFIT AND LOSS ACCOUNT

Note	(UNAUDITED)		(AUDITED)
	26 wks ended 30 th June 2003	26 wks ended 30 th June 2002	Year ended 31 st Dec 2002
	£	£	£
Turnover	2,253,245	2,903,456	6,120,441
Operating Loss	(382,578)	(155,626)	(483,298)
Net Interest Payable	(38,067)	(31,250)	(76,080)
Loss on Ordinary Activities before Taxation	(420,645)	(186,876)	(559,378)
Taxation credit	-	-	110,609
Loss for the Period	(420,645)	(186,876)	(448,769)
Dividends	2	-	-
Deficit for the Period	(420,645)	(186,876)	(448,769)
Loss per Ordinary Share	3	(3.37p)	(0.15p) (3.59p)

The Company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains or losses has been presented.

The interim results have been prepared on the basis of the accounting policies set out in the Company's accounts for the year ended 31st December 2002, and are neither audited or reviewed.

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