Interim Results 2014

DART GROUP PLC

DART GROUP PLC

Interim Results

Dart Group PLC, the Leisure Travel and Distribution & Logistics Group ("the Group"), announces its interim results for the half year ended 30 September 2014. These results are presented under International Financial Reporting Standards ("IFRS").

Financial Highlights	**Half year ended 30 September 2014 (Unaudited)**	Half year ended 30 September 2013 (Unaudited)	Change
Group revenue	**£902.2m**	£787.1m	+15%
Group operating profit (underlying[1])	**£89.4m**	£81.2m	+10%
Operating profit margin (underlying[1])	**9.9%**	10.3%	(0.4ppt)
Group operating profit	**£72.4m**	£81.2m	(11%)
Operating profit margin	**8.0%**	10.3%	(2.3ppts)
Profit before tax (underlying[1])	**£88.7m**	£78.1m	+14%
Profit before tax	**£71.7m**	£78.1m	(8%)
Basic earnings per share (underlying[1])	**48.25p**	41.51p	+16%
Basic earnings per share	**38.93p**	41.51p	(6%)
Interim dividend per share	**0.75p**	0.60p	+25%

Note 1: Underlying profit references are stated excluding Separately disclosed items (Note 6)

* Group revenue increased 15% to £902.2m *(2013: £787.1m)* whilst underlying Group operating profit increased 10% to £89.4m *(2013: £81.2m)* underpinned by continued growth in the Leisure Travel business.

* Underlying profit before tax grew 14% to £88.7m *(2013: £78.1m)*. Interim dividend per share increased by 25% to 0.75p *(2013: 0.60p)*.

* As a result of a Supreme Court ruling delivered on 31 October 2014 on EU Regulation 261, the Group has made an exceptional provision of £17.0m for possible passenger compensation claims, which may be payable in certain circumstances, for historical flight delays which occurred over the past six years due to technical reasons. After accounting for this exceptional item, overall profit before tax fell 8% to £71.7m.

* Leisure Travel revenue growth of 16% to £824.1m *(2013: £708.9m)* reflects a 12% increase in total passengers flown, which is marginally below the increased seat capacity of 13%, and includes a 21% increase in package holiday customers.

* Distribution & Logistics contributed £78.1m of revenue *(2013: £78.2m)*.

* With winter 14/15 Leisure Travel bookings continuing to perform in line with expectations, the Board is optimistic that current market expectations for full year operating profit, before adjusting for the exceptional provision of £17.0m, will be achieved.

Chairman's Statement

I am pleased to report on the Group's trading performance for the half year ended 30 September 2014 in our two businesses, Leisure Travel - incorporating ***Jet2.com***, the North's leading leisure airline and ***Jet2holidays***, our ATOL protected package holidays operator - and Distribution & Logistics, comprising **Fowler Welch**, one of the UK's leading logistics providers.

Underlying Group operating profit increased 10% to £89.4m *(2013: £81.2m)* and underlying profit before tax by 14%, to £88.7m *(2013: £78.1m)*. After accounting for an exceptional provision of £17.0m, in relation to possible passenger compensation claims, which may be payable in certain circumstances, for historical flight delays under EU Regulation 261, Group profit before tax, fell by 8% to £71.7m.

The increase in underlying Group operating profit reflects improved trading in our Leisure Travel business in the later summer months, which was in contrast to the challenging market conditions experienced earlier in the season. However, increased losses are to be expected in the second half of the year as our expanding Leisure Travel operations, which concentrate on high volume leisure destinations in the Mediterranean, the Canary Islands and European Leisure Cities, invest in additional aircraft, advertising and people in readiness for the summer 15 season.

The Group generated increased net cash flow from operating activities of £93.2m *(2013: £89.5m)*, reflecting the improved Leisure Travel trading performance. Total capital expenditure of £25.5m *(2013: £42.7m)*, included continued investment in the long-term maintenance of our aircraft fleet. The business will be adding a further four aircraft in the second half of the financial year in readiness for summer 15, two of which will be leased.

Cash and money market deposits increased by £68.1m *(2013: £48.9m)*, resulting in total cash held at the reporting date of £331.8m *(2013: £269.8m)*, which included advance payments from Leisure Travel customers of £145.0m *(2013: £134.4m)*.

Underlying basic earnings per share increased to 48.25p from 41.51p. However, after accounting for the exceptional provision of £17.0m, overall basic earnings per share fell to 38.93p. In view of the outlook for the full year, the Board has decided to pay an increased interim dividend of 0.75p per share *(2013: 0.60p)*. The dividend will be paid on 2 February 2015 to shareholders on the register at 5 January 2015.

Leisure Travel

In the first half of the year, flight-only passengers grew by 8% to 3.07m (2013: 2.84m), whilst ***Jet2holidays*** took 0.77m (2013: 0.64m) customers on holiday, an increase of 21%. This growth is a reflection of the popularity of both our flight-only and package holiday products with package holiday customers now making up 33% of all passengers flown *(2013: 31%).*

Our leisure airline, ***Jet2.com***, flew 5.0m sector seats at an overall load factor of 91.8% equating to 4.6m flown passengers, an increase of 12% over the same period last year. Overall net ticket yield of £79.99 was 1.6% down as early season demand was slower than expected, which was particularly pronounced in relation to our Canary Islands and Eastern Mediterranean destinations. Retail revenue (non-ticket revenue) per passenger increased by 5% to £34.04 *(2013: £32.32)*; a result of continued focus on pre-departure, in-flight and ancillary product sales. The average price of a package holiday grew 3%.

As a result, Leisure Travel revenue grew by 16% to £824.1m *(2013: £708.9m)* at an underlying operating margin of 10.7% *(2013: 11.2%)*. Underlying operating profit grew 10.6% to £87.8m *(2013: £79.4m)*.

During summer 2014 the Leisure Travel business operated 54 aircraft *(2013: 49)* from its eight Northern UK bases – Belfast International, Blackpool, East Midlands, Edinburgh, Glasgow, Leeds Bradford, Manchester and Newcastle airports. In early October 2014, the owners of Blackpool Airport announced that the airport was to close on 15 October 2014, ending a long-standing relationship established in 2005. The two aircraft which were based at Blackpool Airport have since been redeployed into other existing bases.

We will continue to develop our customer-focused flying programme into summer 15, which will also include the addition of four new destinations - Antalya in Turkey, Enfidha in Tunisia, Kefalonia in Greece, and Malta.

EU Regulation 261

Subsequent to a judgment given on 11 June 2014, in which the Court of Appeal held that a technical defect was not in itself an extraordinary circumstance and that compensation for delay may be payable, ***Jet2.com*** had its application to the Supreme Court, to appeal the Court of Appeal's earlier decision, rejected.

Accordingly, the Consolidated Group Income Statement includes an exceptional provision of £17.0m in relation to possible passenger compensation claims, which may be payable in certain circumstances, for historical flight delays over the past six years.

KPIs	**Half Year Ended 30 Sept 14**	Half Year Ended 30 Sept 13	*Half Year End Change*	Year Ended 31 Mar 14
Owned aircraft at 30 September	**44**	44	*0%*	44
Aircraft on operating leases at 30 September	**10**	5	*100%*	6
Total sector seats available (capacity)	**5.03m**	4.44m	*13%*	6.16m
Total sectors seats flown	**4.62m**	4.11m	*12%*	5.61m
Flight-only passenger sectors flown	**3.07m**	2.84m	*8%*	3.95m
Package holiday passenger sectors flown	**1.54m**	1.27m	*21%*	1.66m
Package holiday customers	**0.77m**	0.64m	*21%*	0.83m
Overall load factor	**91.8%**	92.5%	*(0.7 ppt)*	91.0%
Overall net ticket yield per passenger sector (excl. taxes)	**£79.99**	£81.30	*(2%)*	£78.39
Retail revenue per passenger sector	**£34.04**	£32.31	*5%*	£32.14
Average package holiday price	**£593.26**	£577.80	*3%*	£571.53
Advance Leisure Travel sales as at the reporting date	**£266.8m**	£224.7m	*19%*	£484.9m

Distribution & Logistics

Fowler Welch is one of the UK's leading providers of distribution and logistics to the food industry supply chain, serving retailers, growers, importers and manufacturers through its distribution network.

The Company operates from a number of UK distribution sites, with major operations in the key produce growing and importing areas of Spalding in Lincolnshire, Teynham in Kent and Hilsea near Portsmouth. **Fowler Welch** also operates a 500,000 square foot ambient (non-temperature controlled) consolidation and distribution centre near Bury, Greater Manchester and a regional distribution centre in Washington, Tyne and Wear. A full range of added value services is provided including storage, case level picking, produce packing and an award-winning national distribution network.

Fowler Welch reported a slight revenue reduction of £0.1m to £78.1m *(2013: £78.2m)* whilst like-for-like operating profit of £2.1m was in line with the previous half year, at an operating margin of 2.7% *(2013: 2.7%)*.

Overall operating profit fell 11% to £1.6m *(2013: £1.8m)* as a result of expected start up losses at our new joint venture operation in Teynham, Kent which commenced operation in May 2014 storing, ripening and packing stone-fruit and exotic and organic fruits. Margins are encouraging in this business and with volumes now committed for the remainder of the current and following year, the operation is expected to generate a profit in the second half, which will continue into the financial year ending 31 March 2016.

A major distribution contract for a Danish pork product processor, which builds on existing business, was successfully implemented at Spalding making them **Fowler Welch's** second largest customer. At Heywood, the implementation of a substantial beverages contract was impacted by lower than anticipated stock holdings, however, the operation has now stabilised and further new revenues are planned for the final quarter.

The focus on operational efficiency following the roll out of our Enterprise transport planning system, has contributed to improved gross margins due to better visibility of vehicle performance, important in the context of increasing cost pressures in the industry in general.

The **Fowler Welch** business will continue to focus on growing its revenue pipeline and the successful development of existing and new business opportunities.

KPIs	**Half Year Ended 30 Sept 14**	Half Year Ended 30 Sept 13	*Half Year End Change*	Year Ended 31 Mar 14
Warehouse space (square feet)	**847,000**	847,000	-	847,000
Number of tractor units in operation	**450**	450	-	450
Number of trailer units in operation	**640**	640	-	640
Miles per gallon	**9.4**	9.0	*4%*	8.9
Fleet mileage	**21.4m**	21.9m	*(2%)*	42.6m

Outlook

We have been encouraged by the Group's underlying operating profit growth of 10%, particularly in light of the less than buoyant consumer demand and weak market pricing experienced in the early summer months. And, with winter 14/15 Leisure Travel bookings performing in line with expectations, the Board is optimistic that current market expectations for full year operating profit, before adjusting for the exceptional provision of £17.0m, will be achieved.

Philip Meeson
Chairman
20 November 2014

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Consolidated Group Income Statement (Unaudited)

For the half year ended 30 September 2014

Description	Note	Results before separately disclosed items £m	Separately disclosed items £m	Half year ended 30 September 2014 Unaudited Total £m	Half year ended 30 September 2013 Unaudited Total £m	Year ended 31 March 2014 Audited Total £m
Turnover	4	**902.2**	**-**	**902.2**	787.1	1,120.2
Net operating expenses	4, 6	**(812.8)**	**(17.0)**	**(829.8)**	(705.9)	(1,071.0)
Operating profit	4, 6	**89.4**	**(17.0)**	**72.4**	81.2	49.2
Finance income		**1.1**	**-**	**1.1**	0.8	1.4
Finance costs		**(0.6)**	**-**	**(0.6)**	(0.7)	(1.4)
Revaluation of derivative hedges		**(1.8)**	**-**	**(1.8)**	(3.2)	(3.3)
Revaluation of foreign currency balances		**0.6**	**-**	**0.6**	-	(3.8)
Net financing costs	7	**(0.7)**	**-**	**(0.7)**	(3.1)	(7.1)
Profit before taxation		**88.7**	**(17.0)**	**71.7**	78.1	42.1
Taxation	9	**(18.3)**	**3.4**	**(14.9)**	(17.9)	(6.2)
Profit for the period		**70.4**	**(13.6)**	**56.8**	60.2	35.9
All attributable to equity shareholders of the parent company						
Earnings per share	5					
- basic		**48.25p**		**38.93p**	41.51p	24.68p
- diluted		**47.56p**		**38.37p**	40.75p	24.28p

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Consolidated Group Statement of Comprehensive Income (Unaudited)

For the half year ended 30 September 2014

	Half year ended 30 September 2014 Unaudited £m	Half year ended 30 September 2013 Unaudited £m	Year ended 31 March 2014 Audited £m
Profit for the period attributable to equity holders of the parent company	**56.8**	60.2	35.9
Effective portion of changes in fair value movements in cash flow hedges	**(19.5)**	(14.4)	(33.8)
Net change in fair value of effective cash flow hedges transferred to profit	**21.4**	(24.7)	(16.9)
Taxation on components of other comprehensive income	**(0.4)**	9.0	11.5
Other comprehensive income & expense for the period, net of taxation	**1.5**	(30.1)	(39.2)
Total comprehensive income for the period attributable to equity holders of the parent company	**58.3**	30.1	(3.3)

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Consolidated Group Balance Sheet (Unaudited)

As at 30 September 2014

	30 September 2014 Unaudited £m	30 September 2013 Unaudited £m	31 March 2014 Audited £m
Non-current assets			
Goodwill	**6.8**	6.8	6.8
Property, plant and equipment	**274.6**	276.9	291.6
Derivative financial instruments	**2.3**	1.5	0.4
	283.7	285.2	298.8
Current assets			
Inventories	**2.4**	2.2	3.1
Trade and other receivables	**185.0**	140.7	285.9
Derivative financial instruments	**4.7**	2.6	1.4
Money market deposits	**29.5**	19.0	52.5
Cash and cash equivalents	**302.3**	250.8	211.2
	523.9	415.3	554.1
Total assets	**807.6**	700.5	852.9
Current liabilities			
Trade and other payables	**194.3**	183.1	107.0
Deferred revenue	**263.9**	224.7	484.5
Borrowings	**0.8**	0.8	0.8
Provisions	**24.4**	2.4	2.4
Derivative financial instruments	**31.6**	22.1	35.0
	515.0	433.1	629.7
Non-current liabilities			
Other non-current liabilities	**12.7**	8.9	10.7
Borrowings	**8.6**	9.4	9.0
Derivative financial instruments	**10.7**	8.2	2.2
Deferred tax liabilities	**20.3**	23.5	19.7
	52.3	50.0	41.6
Total liabilities	**567.3**	483.1	671.3
Net assets	**240.3**	217.4	181.6
Shareholders' equity			
Share capital	**1.8**	1.8	1.8
Share premium	**11.6**	11.2	11.4
Cash flow hedging reserve	**(25.3)**	(17.7)	(26.8)
Retained earnings	**252.2**	222.1	195.2
Total shareholders' equity	**240.3**	217.4	181.6

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Consolidated Group Cash Flow Statement (Unaudited)

For the half year ended 30 September 2014

	Half year ended 30 September 2014 Unaudited £m	Half year ended 30 September 2013 Unaudited £m	Year ended 31 March 2014 Audited £m
Cash flows from operating activities			
Profit on ordinary activities before taxation	**71.7**	78.1	42.1
Adjustments for:			
Finance income	**(1.1)**	(0.8)	(1.4)
Finance costs	**0.6**	0.7	1.4
Revaluation of derivative hedges	**1.8**	3.2	3.3
Revaluation of foreign currency balances	**(0.6)**	-	3.8
Depreciation	**42.5**	34.9	60.7
Equity settled share based payments	**0.2**	0.2	0.4
Operating cash flows before movements in working capital	**115.1**	116.3	110.3
Decrease / (increase) in inventories	**0.7**	(0.9)	(1.8)
Decrease / (increase) in trade and other receivables	**101.0**	85.1	(59.7)
Increase in trade and other payables	**77.9**	73.5	10.3
(Decrease) / increase in deferred revenue	**(218.2)**	(182.4)	77.5
Increase in provisions	**22.0**	0.4	0.3
Cash generated from operations	**98.5**	92.0	136.9
Interest received	**1.1**	0.7	1.4
Interest paid	**(0.6)**	(0.6)	(1.4)
Income taxes paid	**(5.8)**	(2.6)	(6.1)
Net cash from operating activities	**93.2**	89.5	130.8
Cash flows from investing activities			
Purchase of property, plant and equipment	**(25.5)**	(42.7)	(83.5)
Proceeds from sale of property, plant and equipment	**-**	-	0.2
Net decrease / (increase) in money market deposits	**23.0**	11.0	(22.5)
Net cash used in investing activities	**(2.5)**	(31.7)	(105.8)
Cash flows from financing activities			
Repayment of borrowings	**(0.4)**	(8.3)	(8.7)
New loans advanced	**-**	10.0	10.0
Proceeds on issue of shares	**0.2**	0.5	0.7
Equity dividends paid	**-**	-	(2.8)
Net cash (used in) / from financing activities	**(0.2)**	2.2	(0.8)
Effect of foreign exchange rate changes	**0.6**	(0.1)	(3.9)
Net increase in cash in the period	**91.1**	59.9	20.3
Cash and cash equivalents at beginning of period	**211.2**	190.9	190.9
Cash and cash equivalents at end of period	**302.3**	250.8	211.2

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Consolidated Group Statement of Changes in Equity
For the half year ended 30 September 2014

	Share capital £m	Share premium £m	Cash flow hedging reserve £m	Retained earnings £m	Total reserves £m
Balance at 1 April 2013 - Audited	**1.8**	**10.7**	**12.4**	**161.7**	**186.6**
Total comprehensive income for the period	-	-	(30.1)	60.2	30.1
Share based payments	-	-	-	0.2	0.2
Issue of share capital	-	0.5	-	-	0.5
Balance at 30 September 2013 - Unaudited	**1.8**	**11.2**	**(17.7)**	**222.1**	**217.4**
Total comprehensive income for the period	-	-	(9.1)	(24.3)	(33.4)
Dividends paid in the period	-	-	-	(2.8)	(2.8)
Share based payments	-	-	-	0.2	0.2
Issue of share capital	-	0.2	-	-	0.2
Balance at 31 March 2014 - Audited	**1.8**	**11.4**	**(26.8)**	**195.2**	**181.6**
Total comprehensive income for the period	-	-	1.5	56.8	58.3
Share based payments	-	-	-	0.2	0.2
Issue of share capital	-	0.2	-	-	0.2
Balance at 30 September 2014 - Unaudited	**1.8**	**11.6**	**(25.3)**	**252.2**	**240.3**

Dart Group PLC

Notes to the consolidated financial statements
For the half year ended 30 September 2014 (Unaudited)

1. General information

The accounts for Dart Group PLC (the "Group") have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("Adopted IFRS"). The Group's accounts consolidate the accounts of Dart Group PLC and its subsidiaries.

This interim financial report does not fully comply with IAS 34 "Interim Financial Reporting", which is not currently required to be applied by AIM companies.

The interim report for the half year ended 30 September 2014 was approved by the Board of Directors on 19 November 2014.

2. Accounting policies

Basis of preparation of the interim report

The unaudited consolidated interim financial report for the half year ended 30 September 2014 does not constitute statutory accounts as defined in s435 of the Companies Act 2006. The accounts for the year ended 31 March 2014 were prepared in accordance with IFRS and have been delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under s495(2) nor (3) of the Companies Act 2006. In this report, the comparative figures for the year ended 31 March 2014 have been audited, with the exception of the revised segmental disclosure in Note 4. The comparative figures for the half year ended 30 September 2013 are unaudited.

The financial statements have been prepared under the historical cost convention except for derivative financial instruments, which have been measured at fair value.

The Group uses forward foreign currency contracts and aviation fuel swaps to hedge exposure to foreign exchange rates and aviation fuel price volatility. The Group also uses forward EU Allowance contracts and forward Certified Emissions Reduction contracts to hedge exposure to Carbon Emissions Allowance price volatility. Such derivative financial instruments are stated at fair value.

Ineffectiveness in qualifying cash flow hedges under IAS 39 can arise as a result of the difference between the contractual profile of a hedge and the profile of transactions defined as the hedged item. IAS 39 requires ineffectiveness in qualifying cash flow hedges to be recorded in the income statement.

The Group's accounts are presented in pounds sterling and all values are rounded to the nearest £100,000 except where indicated otherwise.

Going concern

The Directors have prepared financial forecasts for the Group, comprising operating profit, balance sheet and cash flows through to 31 March 2017.

For the purposes of their assessment of the appropriateness of the preparation of the Group's unaudited interim accounts on a going concern basis, the Directors have considered the current cash position, the availability of bank facilities, forecasts of future trading through to 31 March 2017, including performance against financial covenants, and the assessment of principal risks and uncertainties.

2. Accounting policies - continued

Going concern - continued

Having considered the points outlined above, the Directors have a reasonable expectation that the Company and the Group will be able to operate within the considered levels of available facilities and cash for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing the financial statements for the half year ended 30 September 2014.

3. Adoption of new and revised standards

The following new or revised International Financial Reporting Standards and IFRIC interpretations will be adopted, where applicable, for the purpose of preparing future financial statements. The Group does not anticipate that the adoption of these new or revised standards and interpretations will have a material impact on its financial position or results from operations.

International Financial Reporting Standards	**Applies to periods beginning after**
IAS 27 - Separate Financial Statements	January 2016
Annual Improvements to IFRS - 2012-14 cycle	January 2016
IFRS 9 - Financial Instruments	January 2018

4. Segmental information

Business Segments

The Chief Operating Decision Maker ("CODM") is responsible for the overall resource allocation and performance assessment of the Group. The Board of Directors approves major capital expenditure, assesses the performance of the Group and also determines key financing decisions. Consequently, the Board of Directors is considered to be the CODM.

The Group's operating segments have been identified based on the internal reporting information provided to the CODM in order for the CODM to formulate allocation of resources to segments and assess their performance. Previously, the Leisure Airline, Package Holidays and Distribution & Logistics businesses were determined to represent operating segments. However, the Leisure Airline and Package Holidays businesses have been working progressively closer together as one Leisure Travel business and, following on from changes in the operational structure of the business, internal financial reporting to the CODM now represents one Leisure Travel operating segment. Consequently, the Group now has two operating segments: Leisure Travel and Distribution & Logistics.

Following the identification of the operating segments, the Group has assessed the similarity of their characteristics. Given the different performance targets, customer bases and operating markets of each of the operating segments, it is not currently appropriate to aggregate the operating segments for reporting purposes. Accordingly, both of the identified operating segments are disclosed as reportable segments for the half year ended 30 September 2014.

Group eliminations include the removal of intercompany assets and liabilities. Revenue from reportable segments is measured on a basis consistent with the income statement and is principally generated from within the UK, the Group’s country of domicile.

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Notes to the consolidated financial statements - continued

For the half year ended 30 September 2014 (Unaudited)

4. Segmental information – continued

	Distribution & Logistics £m	Leisure Travel £m	Group Eliminations £m	Consolidated Total £m
Half year to 30 September 2014 (Unaudited)				
Turnover	78.1	824.1	-	**902.2**
EBITDA	2.7	129.2	-	**131.9**
Underlying operating profit	1.6	87.8	-	**89.4**
Finance income	-	1.1	-	**1.1**
Finance costs	-	(0.6)	-	**(0.6)**
Revaluation of derivative hedges	-	(1.8)	-	**(1.8)**
Revaluation of foreign currency balances	-	0.6	-	**0.6**
Underlying profit before taxation	1.6	87.1	-	**88.7**
Separately disclosed items	-	(17.0)	-	**(17.0)**
Profit before taxation	1.6	70.1	-	**71.7**
Taxation	(0.3)	(14.6)	-	**(14.9)**
Profit after taxation	1.3	55.5	-	**56.8**
Assets and liabilities				
Segment assets	76.7	737.3	(6.4)	807.6
Segment liabilities	(32.9)	(540.8)	6.4	(567.3)
Net assets	43.8	196.5	-	**240.3**
Other segment information				
Property, plant and equipment additions	1.3	24.2	-	**25.5**
Depreciation and amortisation	(1.1)	(41.4)	-	**(42.5)**
Share based payments	-	(0.2)	-	**(0.2)**
Half year to 30 September 2013 (Unaudited)				
Turnover	78.2	708.9	-	**787.1**
EBITDA	2.8	113.3	-	**116.1**
Operating profit	1.8	79.4	-	**81.2**
Finance income	-	0.8	-	**0.8**
Finance costs	(0.1)	(0.6)	-	**(0.7)**
Revaluation of derivative hedges	-	(3.2)	-	**(3.2)**
Revaluation of foreign currency balances	-	-	-	**-**
Profit before taxation	1.7	76.4	-	**78.1**
Taxation	(0.3)	(17.6)	-	**(17.9)**
Profit after taxation	1.4	58.8	-	**60.2**
Assets and liabilities				
Segment assets	74.2	633.0	(6.7)	**700.5**
Segment liabilities	(34.6)	(455.2)	6.7	**(483.1)**
Net assets	39.6	177.8	-	**217.4**
Other segment information				
Property, plant and equipment additions	0.6	42.1	-	**42.7**
Depreciation and amortisation	(1.0)	(33.9)	-	**(34.9)**
Share based payments	-	(0.2)	-	**(0.2)**

Notes to the consolidated financial statements - continued

For the half year ended 30 September 2014 (Unaudited)

4. Segmental information – continued

	Distribution & Logistics £m	Leisure Travel £m	Group Eliminations £m	Consolidated Total £m
Year to 31 March 2014 (Unaudited)				
Turnover	153.2	967.0	-	**1,120.2**
EBITDA	5.7	104.2	-	**109.9**
Operating profit	3.6	45.6	-	**49.2**
Finance income	-	1.4	-	**1.4**
Finance costs	(0.3)	(1.1)	-	**(1.4)**
Revaluation of derivative hedges	-	(3.3)	-	**(3.3)**
Revaluation of foreign currency balances	-	(3.8)	-	**(3.8)**
Profit before taxation	3.3	38.8	-	**42.1**
Taxation	(0.6)	(5.6)	-	**(6.2)**
Profit after taxation	2.7	33.2	-	**35.9**
Assets and liabilities				
Segment assets	71.0	789.8	(7.9)	**852.9**
Segment liabilities	(32.7)	(646.5)	7.9	**(671.3)**
Net assets	38.3	143.3	-	**181.6**
Other segment information				
Property, plant and equipment additions	1.0	82.5	-	**83.5**
Depreciation and amortisation	(2.1)	(58.6)	-	**(60.7)**
Share based payments	(0.1)	(0.3)	-	**(0.4)**

5. Earnings per share

The calculation of earnings per share is based on the following:

	Half year to 30 September 2014 (Unaudited)	Half year to 30 September 2013 (Unaudited)	Year to 31 March 2014 (Audited)
Underlying profit for the period (£m)	**70.4**	60.2	35.9
Profit for the period (£m)	**56.8**	60.2	35.9
Weighted average number of ordinary shares in issue during the period used to calculate basic earnings per share	**145,907,224**	145,021,355	145,300,720
Weighted average number of ordinary shares in issue during the period used to calculate diluted earnings per share	**148,032,833**	147,727,104	147,703,529

Notes to the consolidated financial statements - continued

For the half year ended 30 September 2014 (Unaudited)

6. Separately disclosed items

Separately disclosed items are presented in the middle column of the half year ended 30 September 2014 Consolidated Group Income Statement in order to assist the reader's understanding of underlying business performance and to provide a more meaningful presentation. The right hand column presents the results for the half year showing all gains and losses recorded in the Consolidated Group Income Statement.

EU Regulation 261

Subsequent to a judgment given on 11 June 2014, in which the Court of Appeal held that a technical defect was not in itself an extraordinary circumstance and that compensation for delay may be payable, ***Jet2.com*** had its application to the Supreme Court, to appeal the Court of Appeal's earlier decision, rejected.

Accordingly, the Consolidated Group Income Statement includes an exceptional provision of £17.0m in relation to possible passenger compensation claims, which may be payable in certain circumstances, for historical flight delays over the past six years.

7. Net financing costs

	Half year to 30 September 2014 Unaudited	Half year to 30 September 2013 Unaudited	Year to 31 March 2014 Audited
Finance income - interest receivable	**1.1**	0.8	1.4
Finance costs - borrowings	**(0.6)**	(0.7)	(1.4)
Revaluation of derivative hedges:			
- ineligible for cash flow hedge accounting	**-**	(1.3)	(1.4)
- change in fair value of ineffective cash flow hedges	**(1.8)**	(1.9)	(1.9)
	(1.8)	(3.2)	(3.3)
Revaluation of foreign currency balances	**0.6**	-	(3.8)
Net financing costs	**(0.7)**	(3.1)	(7.1)

8. Dividends

The declared interim dividend of 0.75p per share *(2013: 0.60p)* will be paid, out of the Company's available distributable reserves, on 2 February 2015, to shareholders on the register at 5 January 2015. In accordance with IAS 1, dividends are recorded only when paid and are shown as a movement in equity rather than as a charge to the Income Statement.

Notes to the consolidated financial statements - continued
For the half year ended 30 September 2014 (Unaudited)

9. Taxation

The tax charge for the period of £14.9m *(2013: £17.9m)* reflects an estimated effective tax rate of approximately 21% *(2013: 23%)*. The Government has enacted a further reduction in the headline rate of corporation tax to 20% from 1 April 2015.

10. Reconciliation of net cash flow to movement in net cash

	Half year to 30 September 2014 Unaudited	Half year to 30 September 2013 Unaudited	Year to 31 March 2014 Audited
	£m	**£m**	£m
Increase in cash in the period	91.1	59.9	20.3
Decrease / (increase) in net debt in the period	0.4	(1.7)	(1.3)
Change in net cash resulting from cash flows in the period	91.5	58.2	19.0
Net cash at beginning of period	201.4	182.4	182.4
Net cash at end of period	292.9	240.6	201.4

11. Contingent liabilities

The Group has issued various guarantees in the ordinary course of business, none of which are expected to lead to a financial gain or loss.

12. Other matters

This report will be posted on the Group's website, www.dartgroup.co.uk and copies are available from the Group Company Secretary at the registered office address: Low Fare Finder House, Leeds Bradford International Airport, Leeds, LS19 7TU.