DART GROUP PLC

INTERIM REPORT 2004

Chairman's Statement

I am pleased to report on the Group's trading for the six months ended 30 September 2004. Profit before tax and amortisation of goodwill has risen to £11.1m (2003 – £7.4m) on turnover of £140.4m (2003 – £119.7m). It is anticipated that the seasonal pattern of profitability seen last year will be repeated this year as ***Jet2.com*** is profitable in the summer months and will make a loss in the weaker winter period.

First half capital expenditure amounted to £22.8m, and primarily related to the purchase of three Boeing 737-300 aircraft. A fourth aircraft was delivered in October 2004. Net borrowings at 30 September 2004 were £14.4m (31 March 2004 – £15.0m), representing gearing of 30.5% (31 March 2004 – 37%).

The Group's policy is to borrow US dollars in order to finance its US dollar denominated Boeing 737 aircraft fleet. This provides a natural balance sheet hedge as assets are largely equal and opposite to liabilities. At 30 September 2004 US dollar assets and liabilities amounted to US$ 130.9m. This structure has also contributed to the net interest receivable in the profit and loss account as the Group has been able to deposit sterling at higher rates of interest than its US dollar borrowing costs.

All known fuel requirements for ***Jet2.com*** have been hedged for the rest of this financial year together with a significant proportion of the current forecast requirements for 2005/6, at average rates lower than the current market price. Neither the Aviation Services Division's contract charter operations nor the Distribution Division currently has any material exposure to oil price risk, as this is substantially covered in fuel escalation clauses in our commercial contracts.

The Board is pleased to declare an interim dividend of 2.04p per share (2003 – 1.85p), an increase of 10.3%. The dividend will be paid on 6 January 2005 to shareholders on the register as at 26 November 2004.

Aviation Services

The Aviation Services Division comprises **Channel Express (Air Services)** and **Benair Freight International**, the Group's freight forwarder. Channel Express operates contract charter passenger and freight services and, trading as ***Jet2.com***, scheduled low cost services from the North of England and Northern Ireland.

The company's aircraft fleet consists of Airbus A300B4 Eurofreighters and Boeing 737-300 passenger and Quick Change aircraft. The final three Fokker F27 freighters will be withdrawn from service in January 2005. The Eurofreighters are contracted to leading express parcel companies and operate night freight services into their European hubs.

The Boeing 737-300 Quick Change aircraft fly night freight services for Royal Mail, after which they are quickly changed back into passenger configuration for daytime operations. We have experienced a stronger than expected demand for these aircraft from our passenger charter customers which has contributed to the improved results.

The company's ***Jet2.com*** scheduled low cost services have also experienced higher than expected demand at its Leeds Bradford and Belfast International Airport bases. Over half a million passengers were flown between the UK and city break and Mediterranean sun destinations during the six months to 30 September 2004. Capacity at Leeds Bradford and Belfast International Airports is being increased for the summer of 2005 in order to serve more destinations with greater frequency.

On 29 September we announced a third base, at Manchester Airport, where initially six aircraft will serve at least ten European destinations by May 2005. Additionally, a three times daily low cost **Manchester – London Gatwick** service will commence on 17 January 2005. We expect to continue to develop ***Jet2.com*** services in the North, providing our customers with a friendly and efficient low cost service.

It is very pleasing to be able to report **Benair Freight International's** continued success. Profitable growth has been sustained in both its core freight operations and specialist ornamental fish importing business. This is a reflection of the competitive and customer focused service the company offers.

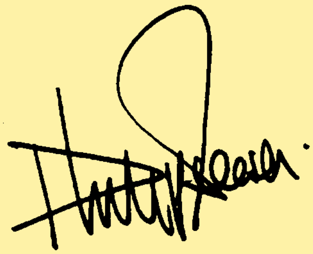
Distribution

Fowler Welch-Coolchain, the Group's temperature-controlled distributor of fresh produce, horticulture and food products, primarily on behalf of supermarkets and their suppliers, trades in a challenging market. Pricing is always under pressure whilst service levels must remain high. However, the company is organised to deliver excellent transportation services at competitive rates and is continually seeking new business for both its UK and European operations. The trend for supermarkets to source direct from overseas producers is helping the division's European business and relationships are being formed with continental hauliers to meet this demand cost-effectively.

To bring further efficiencies, the division's businesses continue to be streamlined and costs reduced, lowering the fixed cost base. Incremental volumes, which our enthusiastic distribution team win, directly enhance the division's profitability. Fowler Welch-Coolchain has recently won additional business that requires storage and picking services prior to onward distribution. We are currently competing for further opportunities of this nature. There is considerable optimism for the future profitable growth of our distribution business.

Outlook

Each of the markets in which the Group trades is, of course, extremely competitive. However, I believe that shareholders will be encouraged by our anticipated full year financial performance.



Philip Meeson
Chairman

18 November 2004

www.dartgroup.co.uk

Unaudited Interim Consolidated Results

for the half year to 30 September 2004

	Note	**Half year to 30 September 2004 (unaudited) £'000**	Half year to 30 September 2003 (unaudited) £'000	Year to 31 March 2004 (audited) £'000
Turnover – continuing operations	1	**140,381**	119,661	228,200
Net operating expenses, excluding amortisation of goodwill		**(129,365)**	(112,496)	(219,195)
Amortisation of goodwill		**(248)**	(248)	(497)
Net operating expenses		**(129,613)**	(112,744)	(219,692)
Operating profit – continuing operations		**10,768**	6,917	8,508
Profit on disposal of fixed assets		**40**	446	365
Net interest receivable/(payable)	2	**60**	(237)	(353)
Profit on ordinary activities before taxation		**10,868**	7,126	8,520
Taxation		**(3,535)**	(2,368)	(2,868)
Profit on ordinary activities after taxation		**7,333**	4,758	5,652
Dividends		**(701)**	(636)	(2,099)
Retained profit for the period	3	**6,632**	4,122	3,553
Earnings per share				
– basic		**21.34p**	13.86p	16.46p
– basic, excluding the amortisation of goodwill		**22.06p**	14.58p	17.91p
– diluted		**21.27p**	13.83p	16.43p
Dividend per share		**2.04p**	1.85p	6.11p

Statement of Total Recognised Gains and Losses

	Half year to 30 September 2004 (unaudited) £'000	Half year to 30 September 2003 (unaudited) £'000	Year to 31 March 2004 (audited) £'000
Profit on ordinary activities after taxation	**7,333**	4,758	5,652
Foreign exchange movement on foreign equity investments	**19**	(13)	(63)
Total gains and losses recognised in the period	**7,352**	4,745	5,589

Consolidated Balance Sheet

at 30 September 2004

	Note	**30 September 2004 (unaudited) £'000**	31 March 2004 (audited) £'000
Fixed assets			
Intangible assets		**7,532**	7,780
Tangible assets		**86,353**	75,264
		93,885	83,044
Current assets			
Stock		**1,648**	2,216
Debtors		**34,118**	31,221
Cash at bank and in hand		**18,409**	13,362
		54,175	46,799
Current liabilities			
Creditors: amounts falling due within one year		**(61,131)**	(55,793)
Net current liabilities		**(6,956)**	(8,994)
Total assets less current liabilities		**86,929**	74,050
Creditors: amounts falling due after more than one year		**(29,554)**	(25,093)
Provision for liabilities and charges		**(10,055)**	(8,293)
		(39,609)	(33,386)
Net assets		**47,320**	40,664
Capital and reserves			
Called up share capital		**1,718**	1,718
Share premium account		**7,707**	7,702
Profit and loss account	3	**37,895**	31,244
Shareholders' funds – equity interests		**47,320**	40,664

Consolidated Cash Flow Statement

for the half year to 30 September 2004

	Note	**Half year to 30 September 2004 (unaudited) £'000**	Half year to 30 September 2003 (unaudited) £'000	Year to 31 March 2004 (audited) £'000
Net cash inflow from operating activities	4	**24,369**	19,939	36,111
Returns on investment and servicing of finance				
Interest paid: bank and other loans		**(282)**	(333)	(853)
Interest received: bank		**292**	96	302
		10	(237)	(551)
Taxation				
Corporation and overseas tax paid		**(479)**	(1,462)	(506)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		**(22,812)**	(19,008)	(28,156)
Disposal of tangible fixed assets		**1,885**	453	2,137
		(20,927)	(18,555)	(26,019)
Equity dividends paid		**(1,464)**	(1,463)	(2,099)
Cash inflow/(outflow) before financing		**1,509**	(1,778)	6,936
Financing				
Ordinary share capital issued		**5**	15	30
Other loans repaid		**(4,794)**	(5,777)	(18,553)
Other loans advanced		**8,842**	12,941	16,052
		4,053	7,179	(2,471)
Increase in cash in the period	5	**5,562**	5,401	4,465

Notes to the Interim Results

at 30 September 2004

1. Turnover

	Half year to 30 September 2004 (unaudited) £'000	Half year to 30 September 2003 (unaudited) £'000	Year to 31 March 2004 (audited) £'000
Distribution	**51,048**	58,005	112,076
Aviation Services	**89,333**	61,656	116,124
	140,381	119,661	228,200
Turnover arising within:			
The United Kingdom and the Channel Islands	**137,091**	116,374	222,804
Mainland Europe	**2,777**	2,753	4,368
The Far East	**513**	534	1,028
	140,381	119,661	228,200

Analyses of profit before taxation and net assets between the different segments of the Group are not given as, in the opinion of the directors, such analyses would be seriously prejudicial to the commercial interests of the Group.

2. Net interest receivable/(payable)

	Half year to 30 September 2004 (unaudited) £'000	Half year to 30 September 2003 (unaudited) £'000	Year to 31 March 2004 (audited) £'000
On bank loans and overdrafts	**(50)**	(178)	(21)
On other loans	**(232)**	(265)	(835)
Other interest payable	**–**	–	(5)
	(282)	(443)	(861)
Interest receivable	**292**	96	303
	10	(347)	(558)
Interest capitalised within tangible fixed assets	**50**	110	205
	60	(237)	(353)

3. Profit and loss account reserve

	Half year to 30 September 2004 (unaudited) £'000	Half year to 30 September 2003 (unaudited) £'000	Year to 31 March 2004 (audited) £'000
Balance at the beginning of the period	**31,244**	27,754	27,754
Retained profit for the period	**6,632**	4,122	3,553
Currency translation differences	**19**	(13)	(63)
	37,895	31,863	31,244

Notes to the Interim Results

at 30 September 2004

4. Reconciliation of operating profit to net cash flow from operating activities

	Half year to 30 September 2004 (unaudited) £'000	Half year to 30 September 2003 (unaudited) £'000	Year to 31 March 2004 (audited) £'000
Operating profit	**10,768**	6,917	8,508
Depreciation	**10,861**	13,033	18,759
Amortisation of goodwill	**248**	248	497
Decrease in stock	**568**	153	236
(Increase) in debtors	**(2,897)**	(2,265)	(309)
Increase in creditors	**4,802**	1,866	8,480
Exchange differences	**19**	(13)	(60)
	24,369	19,939	36,111

5. Reconciliation of net cash flow to movement in net debt

	Half year to 30 September 2004 (unaudited) £'000	Half year to 30 September 2003 (unaudited) £'000	Year to 31 March 2004 (audited) £'000
Increase in cash in the period	**5,562**	5,401	4,465
Cash (inflow)/outflow from (increase)/decrease in net debt in the period	**(4,048)**	(7,164)	2,501
Change in net debt resulting from cashflows in the period	**1,514**	(1,763)	6,966
Exchange differences	**(933)**	1,467	6,169
Net debt at 1 April	**(15,032)**	(28,167)	(28,167)
Net debt at end of period	**(14,451)**	(28,463)	(15,032)

6. Other matters

The financial information for the year to 31 March 2004 does not constitute statutory accounts, as defined in Section 240 of the Companies Act 1985, but is based on the statutory accounts for the year then ended. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

The accounts to 30 September 2004 have been prepared using accounting policies consistent with those adopted for the year to 31 March 2004.

Basic earnings per share has been calculated by reference to earnings of £7,333,000 (2003: £4,758,000) and a weighted average number of ordinary shares in issue of 34,358,217 (2003: 34,340,047).

This report is being sent to all shareholders and copies are available from the Company Secretary at the registered office of the Company, Building 470, Bournemouth International Airport, Christchurch, Dorset, BH23 6SE.

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