DART GROUP PLC

Interim Report 2007

ANNOUNCEMENT

DART GROUP PLC

Interim Results

Dart Group PLC ("the Group"), the aviation and distribution group, announces its interim results for the six months ended 30 September 2007. These results are presented under International Financial Reporting Standards (IFRS).

Highlights

- Turnover up 27% to £252.9 million (2006 restated: £198.8m)
- Pre-tax profits up 15% to £18.4m (2006 restated: £16.0m)
- Underlying pre-tax profits down 39% to £12.2m (2006 restated: £20.1m)
- Aviation revenues up 33%
- Passengers flown increased by 51% to 2.6m (2006:1.7m)
- Owned fleet increased to 29 aircraft (2006: 26)
- ***Jet2holidays.com*** launched
- Distribution revenues (from continuing operations) up 11%
- Distribution fleet increased by 8%
- Unchanged interim dividend of 0.65p per share

Chairman's Statement

I am pleased to report on the Group's trading for the six months ended 30 September 2007. Profit before tax amounted to £18.4m (2006 restated: £16.0m). Net cash from operations reduced to £2.1m (2006: £22.8m) reflecting principally an increase in the seasonal reversal of advance payments in line with business growth. Capital expenditure in the first half amounted to £16.0m (2006: £25.0m) and primarily related to the overhaul of aircraft engines.

On an underlying basis (excluding the Specific IAS39 mark to market adjustments), ***Jet2.com*** profitability reduced as the emphasis has been placed on growth rather than margin in its scheduled operations, with capacity increased by 59% for the 2007 summer season. ***Fowler Welch-Coolchain*** has improved performance, turnover increasing by 11% at margins slightly behind the same period last year.

The Board has declared an unchanged dividend of 0.65p per share. The dividend will be paid on 11 January 2008 to shareholders on the register at 14 December 2007.

Jet2.com

Jet2.com has continued to grow its operations from its bases in the North (Belfast, Blackpool, Edinburgh, Leeds Bradford, Manchester and Newcastle) with passengers flown during the 6 months to 30 September rising to 2.6 million (2006: 1.7 million) and routes served increasing to 77 (2006: 49). During the period the company has operated 32 aircraft of which 29 (21 Boeing 737-300s and 8 Boeing 757-200s) are owned by the Group. The 235 seat Boeing 757-200, with its 3,500 nm range, greatly increases the leisure destinations that we can serve, whilst still offering very competitive economics to traditional Mediterranean resorts.

For the winter season, ***Jet2.com*** has increased its services to the Canary Islands from each of its bases, and added capacity to its ski destinations. The company has recently announced 8 new summer destinations from Leeds Bradford, including Cyprus and Crete. Ancillary revenues are continually being developed and have averaged a gross income of £8.60 per passenger during this half year (2006: £5.80).

Our freight and passenger charter business is thriving, making the most of both the enlarged 757 fleet and the passenger and freight capabilities of our 737 "quick change" aircraft. We continue to build our presence in this important market.

Jet2holidays.com, which offers a complete leisure package of flights, hotel, transfers etc., was launched in February 2007 and we expect, going forward, that this operation will make a significant contribution to the airline's passenger numbers, as well as offering packages with flights from other carriers. We plan to grow this business as quickly as possible in the medium term and for ***Jet2holidays.com*** to become a favoured choice for our leisure customers.

Finally, during the summer the relocation of our offices and staff to Leeds Bradford International Airport was completed. We are now well positioned to continue to develop and build our charter, scheduled and packaged leisure businesses based on ***Jet2.com's*** very significant brand awareness in the North.

Fowler Welch-Coolchain

The Group's logistics company, ***Fowler Welch-Coolchain,*** has grown its sales during the first half across each of its core activities.

Fowler Welch-Coolchain primarily provides an integrated supply chain solution to supermarkets and their suppliers, food manufacturers, growers and importers. Services provided include both chilled and ambient storage and distribution together with value added and pick to order warehousing operations. The ambient business purchased in April 2006, continues to show encouraging revenue growth and makes a positive contribution to the overall distribution network. Further opportunities exist in this area.

The freehold property purchased in the North East last year to replace our Gateshead, Tyne and Wear, distribution centre has been developed with a significant temperature controlled facility to enable further expansion in both the chilled and ambient businesses at that site. Further improvements will be completed during the second half of this financial year.

The company's significant Spalding depot continues to increase its revenues with ongoing growth in its key supermarket distribution business and with the successful introduction of new chilled storage, order picking and distribution contracts for several major food providers, together with the start of a new retailer managed ambient consolidation contract. These business wins should add approximately £6m per annum to turnover.

The business' warehousing and picking operations continue to expand, with in excess of one million cases picked on a weekly basis. A new contract commenced in Kent has led to the refurbishment of our Paddock Wood facility, which, coupled with the continuing development of all our sites, further increases our capacity in this core activity throughout the network.

Fowler Welch-Coolchain is a significant, successful, established business with considerable growth prospects in both its chilled and ambient (non temperature controlled) warehousing and distribution sectors. It continues to grow its business in a highly competitive market.

Outlook

On an underlying basis, we now expect second half performance to be in line with last year. This revised expectation is driven principally by a combination of winter revenues being lower than previously anticipated and an increase in aircraft maintenance costs.

The Group's underlying profitability for the year will therefore be significantly reduced from last year, reflecting the investment made in growing the scheduled airline operations, which have seen passenger growth of over 50% in the first half of the year. We believe this investment in the growth of the airline leaves us well placed to improve profitability going forward

Philip Meeson,
Chairman   22nd November 2007

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Dart Group Plc

Consolidated Profit and Loss Account (unaudited)

For the half year ended 30 September 2007

		Half year to 30 September 2007			Half year to 30 September 2006			Year to 31 March 2007		
	Note	**Before Specific IAS 39 mark to market adjustments £m**	**Specific IAS 39 mark to market adjustments £m**	**IFRS £m**	Before Specific IAS 39 mark to market adjustments £m	Specific IAS 39 mark to market adjustments £m	IFRS £m	Before Specific IAS 39 mark to market adjustments £m	Specific IAS 39 mark to market adjustments £m	IFRS £m
Turnover		**252.9**	**-**	**252.9**	198.8	-	198.8	349.0	-	349.0
Net Operating Expenses		**(238.7)**	**6.2**	**(232.5)**	(175.6)	(4.1)	(179.7)	(330.1)	(17.7)	(347.8)
Operating Profit		**14.2**	**6.2**	**20.4**	23.2	(4.1)	19.1	18.9	(17.7)	1.2
Profit on disposal of fixed assets		**-**	**-**	**-**	-	-	-	(0.1)	-	(0.1)
Finance Income		**-**	**-**	**-**	0.1	-	0.1	2.4	-	2.4
Finance Costs		**(2.0)**	**-**	**(2.0)**	(3.2)	-	(3.2)	(7.1)	-	(7.1)
Profit on ordinary activities before taxation		**12.2**	**6.2**	**18.4**	20.1	(4.1)	16.0	14.1	(17.7)	(3.6)
Taxation	5	**(3.0)**	**(1.6)**	**(4.6)**	(6.3)	1.2	(5.1)	(3.5)	5.3	1.8
Profit / (loss) for the period from Continuing operations		**9.2**	**4.6**	**13.8**	13.8	(2.9)	10.9	10.6	(12.4)	(1.8)
Discontinued operations Profit for the period		**-**	**-**	**-**	2.5	-	2.5	2.5	-	2.5
Profit for the period attributable to equity shareholders		**9.2**	**4.6**	**13.8**	16.3	(2.9)	13.4	13.1	(12.4)	0.7

Earnings per share - total	4									
- basic		**6.48p**		**9.78p**	12.07p		9.53p	9.73p		0.53p
- diluted		**6.44p**		**9.72p**	11.96p		9.44p	9.66p		0.52p
Earnings per share – continuing operations										
- basic		**6.48p**		**9.78p**	10.48p		7.77p	7.98p		(1.23)p
- diluted		**6.44p**		**9.72p**	10.39p		7.70p	7.92p		(1.22)p

Dart Group Plc

Consolidated Balance Sheet (unaudited)

As at 30 September 2007

	30 September 2007	30 September 2006 (restated)	31 March 2007 (restated)
	£m	£m	£m
Non-current assets			
Property, plant and equipment	**184.9**	149.7	185.5
Goodwill	**6.8**	6.8	6.8
Derivative financial instruments	**0.3**	0.6	0.5
Deferred tax assets	**6.2**	2.3	5.5
	198.2	159.4	198.3
Current assets			
Inventories	**0.2**	0.2	0.2
Trade and other receivables	**42.4**	26.1	44.0
Cash and cash equivalents	**4.1**	12.7	3.9
Derivative financial instruments	**2.6**	5.7	1.1
	49.3	44.7	49.2
Total Assets	**247.5**	204.1	247.5
Current liabilities			
Trade and other payables	**108.9**	89.3	138.1
Derivative financial instruments	**11.5**	1.3	11.3
Borrowings	**-**	2.1	-
	120.4	92.7	149.4
Non-current liabilities			
Borrowings	**36.1**	16.4	18.0
Derivative financial instruments	**8.2**	6.5	6.8
Deferred tax	**16.4**	14.7	14.3
	60.7	37.6	39.1
Total Liabilities	**181.1**	130.3	188.5
Net Assets	**66.4**	73.8	59.0
Capital and reserves			
Called up share capital	**1.8**	1.8	1.8
Share premium account	**9.3**	8.8	9.2
Cash flow hedging reserve	**(3.8)**	2.6	0.9
Profit and loss account	**59.1**	60.6	47.1
Shareholders' funds – equity interests	**66.4**	73.8	59.0

Consolidated Cash Flow Statement (unaudited)

For the half year ended 30 September 2007

	Note	**Six Months ended 30 September** **2007** £m	2006 (restated) £m	Year ended 31 March 2007 (restated) £m
Cash flows from operating activities				
Cash generated from operations	6	**2.1**	22.8	62.9
Interest received		**-**	0.3	1.1
Interest paid		**(1.5)**	(0.7)	(2.2)
Tax paid		**(1.1)**	(1.2)	(1.0)
Net Cash (used) / generated from operating activities		**(0.5)**	21.2	60.8
Cash flows from investing activities				
Proceeds from sale of tangible fixed assets		**0.1**	2.2	2.8
Purchase of tangible fixed assets		**(16.0)**	(25.0)	(72.5)
Proceeds from disposal of discontinued operations		**-**	3.8	3.8
Net Cash used in investing activities		**(15.9)**	(19.0)	(65.9)
Cash flows from financing activities				
Net proceeds from issue of ordinary shares		**0.1**	0.2	0.7
Net proceeds from long term borrowings		**18.1**	-	74.6
Repayment of long term borrowings		**-**	(13.0)	(88.1)
Dividends paid		**(2.0)**	(1.8)	(2.7)
Net Cash generated / (used) in financing activities		**16.2**	(14.6)	(15.5)
Effects of exchange rate changes		**0.4**	(0.9)	(1.5)
Net increase / (decrease) in cash and cash equivalents		**0.2**	(13.3)	(22.1)
Cash and cash equivalents at beginning of period		**3.9**	26.0	26.0
Cash and cash equivalents at end of period		**4.1**	12.7	3.9

Dart Group Plc

Consolidated Statement of Changes in Equity (unaudited)
For the half year ended 30 September 2007

	Share Capital £m	Share Premium £m	Cash Flow Hedging Reserve £m	Retained Earnings £m	Total Reserves £m
Balance at 1 April 2006	1.7	8.6	4.5	48.9	63.7
Movement on cash flow hedges	-	-	(2.7)	-	(2.7)
Deferred tax relating to cash flow hedges	-	-	0.8	-	0.8
Issue of shares under share option scheme	0.1	0.2	-	-	0.3
Share based payments	-	-	-	0.1	0.1
Profit for the period	-	-	-	13.4	13.4
Dividends paid	-	-	-	(1.8)	(1.8)
Balance at 30 September 2006	**1.8**	**8.8**	**2.6**	**60.6**	**73.8**
Movement on cash flow hedges	-	-	(2.5)	-	(2.5)
Deferred tax relating to cash flow hedges	-	-	0.8	-	0.8
Issue of shares under share option scheme	-	0.4	-	-	0.4
Share based payments	-	-	-	0.1	0.1
Loss for the period	-	-	-	(12.7)	(12.7)
Dividends paid	-	-	-	(0.9)	(0.9)
Balance at 31 March 2007	**1.8**	**9.2**	**0.9**	**47.1**	**59.0**
Movement on cash flow hedges	-	-	(6.5)	-	(6.5)
Deferred tax relating to cash flow hedges	-	-	1.8	-	1.8
Issue of shares under share option scheme	-	0.1	-	-	0.1
Share based payments	-	-	-	0.2	0.2
Profit for the period	-	-	-	13.8	13.8
Dividends paid	-	-	-	(2.0)	(2.0)
Balance at 30 September 2007	**1.8**	**9.3**	**(3.8)**	**59.1**	**66.4**

Notes to the consolidated financial statements
For the half year ended 30 September 2007 (unaudited)

1. General information

Dart Group plc and its subsidiary companies ("the Group") have previously prepared consolidated financial statements under UK Generally Accepted Accounting Principles ("UK GAAP"). In common with other companies listed on the Alternative Investment Market, the Group is required to adopt International Financial Reporting Standards ("IFRS") for its first consolidated financial statements for periods beginning on or after 1 January 2007.

The interim report for the six months ended 30 September 2007 was approved by the board of directors on 21st November 2007. The interim financial statements are un-audited but have been reviewed by KPMG Audit Plc.

2. Accounting policies

First time adoption of IFRS

The financial information has been prepared on the basis of the recognition and measurement requirements of adopted IFRS expected to be in effect for the year ending 31 March 2008. However, the adopted IFRS's that will be effective (or available for early adoption) in the annual financial statements for the year ending 31 March 2008 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 March 2008.

These statements are covered by IFRS 1, because they form part of the period included in the Group's first IFRS financial statements for the year ended 31 March 2008.

Comparative figures

The comparative figures in respect of 2006 have been restated to reflect the revised accounting policies. IFRS 1, *First-time adoption of International Financial Reporting Standards*, permits companies adopting IFRS for the first time to take some exemptions from the full requirements of IFRS and also certain elections in the transition period.

The exemptions and elections which the Group has taken advantage of along with reconciliations and explanations of the effect of adopting IFRS compliant accounting policies on the Group's equity (net assets), profits and cash flows are provided in the document entitled "IFRS Restatement 2006/07 Report", which can be found on the Group's website, www.dartgroup.co.uk.

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for all derivative financial instruments which have been measured at fair value. In addition this interim financial report does not comply with IAS 34, *Interim Financial Reporting,* which is not currently required to be applied under AIM rules.

Other than as detailed in the "IFRS Restatement 2006/07 Report", all other accounting policies, presentation and methods of computation remained the same as were applied in the preparation of the Group's financial statements for the year ended 31 March 2007.

The financial information contained in this statement does not constitute the Company's statutory accounts for the year ended 31 March 2007. Those accounts, which were prepared under UK GAAP, have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

Notes to the consolidated financial statements (continued)

For the half year ended 30 September 2007 (unaudited)

3. Segmental Information

For management purposes the Group is divided into two main segments, Aviation Services and Distribution. These divisions are the basis on which the Group reports its primary segment information in the day-to-day management of the business. The following is an analysis of the Group's revenue by operating segment. All of the segment revenue reported above is from external customers.

Segment Revenues	**Half year to 30 September 2007 £m**	Half year to 30 September 2006 £m	Year to 31 March 2007 £m
Aviation Services	**194.1**	145.7	239.0
Distribution	**58.8**	53.1	110.0
	252.9	198.8	349.0

4. Earnings per share

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

	Half year to 30 September 2007	Half year to 30 September 2006 (restated)	Year to 31 March 2007 (restated)
Profit for the period attributable to equity shareholders (£million)	**13.8**	13.4	0.7
Weighted average number of ordinary shares in issue during the period used to calculate basic earnings per share	**141,004,913**	139,501,501	140,073,882
Weighted average number of ordinary shares in issue during the period used to calculate diluted earnings per share	**141,915,649**	140,701,179	141,122,024

5. Taxation

The tax charge of £4.6 million is calculated by applying an estimated effective tax rate for the year to the half year profit.

The charge for deferred taxation has been calculated at a rate of 28% following the announcement in the 2007 budget by the Chancellor to reduce the rate of UK corporation tax to 28%. The benefit from the re-translation of the opening deferred tax liability to this lower rate gives rise to a lower effective tax rate of 25.1% for the year to 31 March 2008.

Notes to the consolidated financial statements (continued)

For the half year ended 30 September 2007 (unaudited)

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

	Half year to 30 September 2007	Half year to 30 September 2006 (restated)	Year to 31 March 2007 (restated)
	£m	£m	£m
Operating profit from continuing operations	**20.4**	19.1	1.2
Operating profit from discontinued operations	**-**	0.2	0.2
Depreciation and impairment	**15.6**	10.8	20.9
Profit on disposal of fixed assets	**-**	0.1	-
Specific mark to market adjustments	**(6.2)**	4.1	17.7
Share based payments	**0.2**	0.1	0.2
(Increase) / Decrease in debtors	**1.6**	(4.4)	(21.5)
(Decrease) / Increase in creditors	**(29.5)**	(7.2)	44.2
Net cash flow from operating activities	**2.1**	22.8	62.9

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

	Half year to 30 September 2007	Half year to 30 September 2006 (restated)	Year to 31 March 2007 (restated)
	£m	£m	£m
Decrease in cash in the period	**(0.2)**	(12.4)	(20.6)
Cash (inflow) / outflow from (increase) / decrease in net debt in the period	**(18.1)**	13.0	13.5
Change in net debt resulting from cash flows in the period	**(18.3)**	0.6	(7.1)
Exchange differences	**0.4**	(0.9)	(1.5)
Net debt at beginning of period	**(14.1)**	(5.5)	(5.5)
Net debt at end of period	**(32.0)**	(5.8)	(14.1)

8. Other matters

This report will posted on the Company's website and copies are available from the Company Secretary at the registered office of the Company, Building 470, Bournemouth International Airport, Christchurch, Dorset, BH23 6SE.