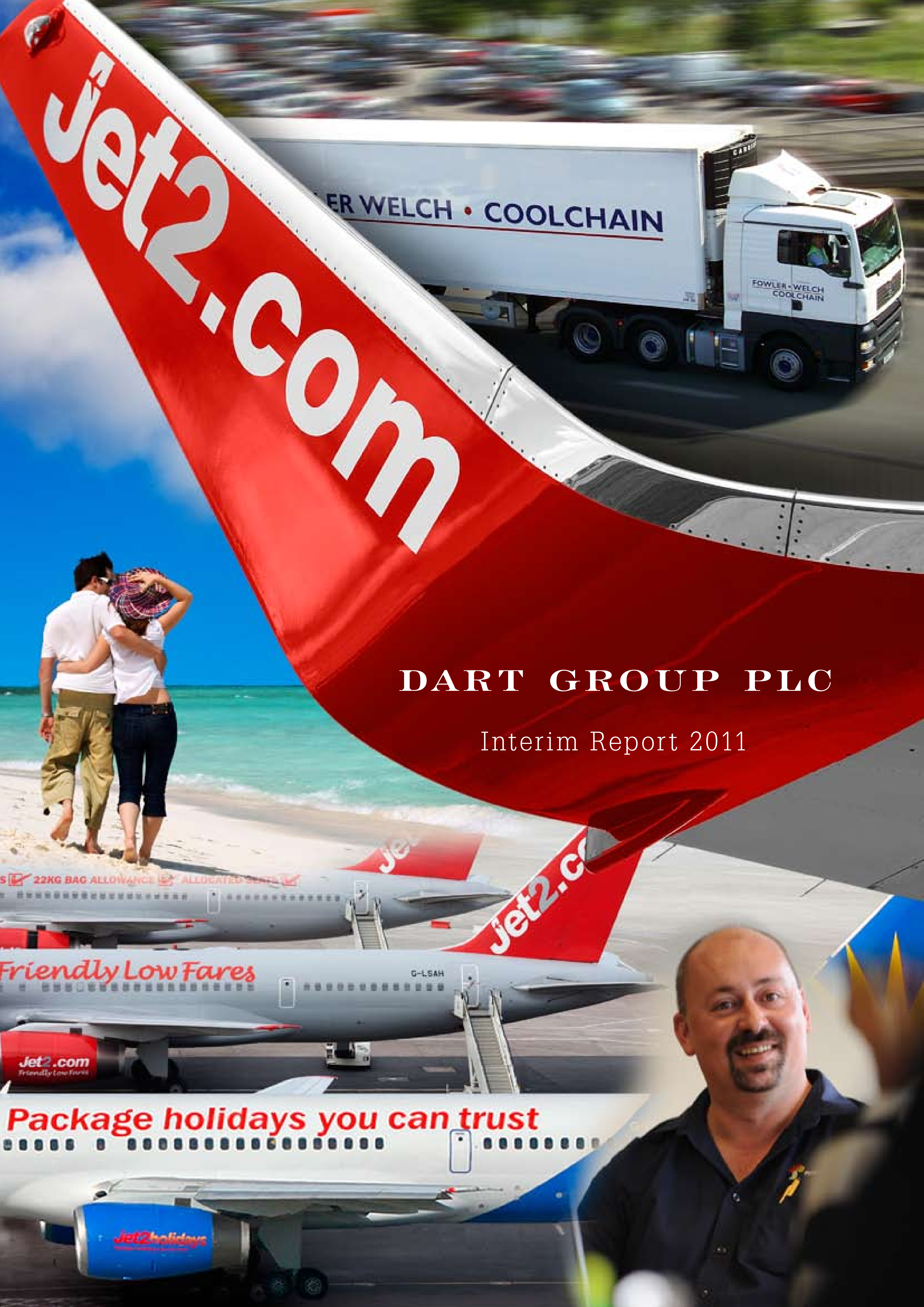

DART GROUP PLC

Interim Report 2011

DART GROUP PLC

Interim Results

Dart Group PLC the Leisure Airline, Package Holidays and Distribution & Logistics Group (the "Group"), announces its interim results for the half year ended 30 September 2011. These results are presented under International Financial Reporting Standards (IFRS).

Chairman's Statement

I am pleased to report on the performance of the Group's principal trading companies, ***Jet2.com, Jet2holidays*** and ***Fowler Welch***, for the six months ended 30 September 2011. The Group's profit before tax was £41.6m, an increase of 8% on last year (2010: £38.7m); turnover was up 31% at £445.7m (2010: £340.4m). The increase in profitability reflects improved performance in the ***Jet2holidays*** operation. ***Jet2.com's*** profit margins declined as a result of cost increases out-stripping revenue growth, in particular jet fuel costs, which increased by 24% per tonne. EBITDA decreased by 1% to £63.5m (2010: £64.0m).

Net cash flow from operations of £10.7m was generated in the period (2010: £31.0m). The reduction over last year reflected, in part, a lower operating margin within ***Jet2.com***. Total capital expenditure amounted to £10.6m (2010: £35.0m). The previous year included expenditure on the acquisition of a distribution centre in the North West for ***Fowler Welch***.

The Group had an overall cash inflow of £5.1m (2010: outflow £4.2m). Net cash, including money market deposits, at the end of the period amounted to £97.7m, a £50.0m improvement on 30 September 2010, with ***Jet2.com*** customer advance payments of circa £48m (2010: £40m).

Earnings per share has increased to 21.82p from 19.72p. The Board has decided to pay an increased interim dividend of 0.43p per share (2010: 0.40p), in line with the increased profit performance. The dividend will be paid on 27 January 2012 to shareholders on the register at 30 December 2011.

Leisure Airline

Jet2.com has grown significantly, with capacity up by 29% in the six months. In total, revenues rose by 27% to £316m, as a result of increased passenger volumes. The company flew 3.2m scheduled passengers (2010: 2.4m) in the period, an increase of 32%, with the total number of routes served from all bases rising to 148 (2010: 117). The growth of ***Jet2holidays*** accounted for almost a quarter of the increase in ***Jet2.com*** passenger volumes. Load factors were increased from 87.5% to 89.8%, however net ticket yields decreased from £53.79 to £52.63 as a result of the challenging trading conditions. This, coupled with rising costs - jet fuel in particular increasing 24% per tonne relative to the same period last year - and a weaker sterling exchange rate, resulted in a reduction in ***Jet2.com's*** operating margins.

A new base was established in Glasgow for Summer 2011, and aircraft were also added at Manchester, Newcastle and East Midlands. The company operates 38 aircraft focusing on its core high volume leisure routes from eight Northern UK bases (Belfast, Blackpool, East Midlands, Edinburgh, Glasgow, Leeds Bradford, Manchester and Newcastle).

Retail revenue per passenger increased 7% to £27.87 during the half year (2010: £25.93) through a continued focus on pre-departure, in-flight and ancillary product sales. We are also rapidly developing our database driven e-marketing campaigns targeting customers with relevant retail products prior to departure.

In total, aircraft charter sales were down 16% in the first half of the year. Activity reduced in the period as a result of both a decision not to operate passenger charter flights during our peak scheduled flying months and the weakness of the charter market in other months. However, forward charter bookings for the Winter are encouraging. We fly 18 nightly services for the Royal Mail ensuring that the first class post arrives on time, in line with demanding service levels.

For the coming Winter 2011/12, ***Jet2.com*** has increased capacity by 15%, with growth driven by the first Winter of services from Glasgow, plus increased frequency on leisure city routes from Manchester including Budapest and Prague. Additional services to the Canary Islands will fuel the continued growth of ***Jet2holidays*** as customers continue to seek alternative winter sun destinations to Egypt.

Looking forward to Summer 2012 we plan to grow capacity by around 12% (Summer 2011: 29%) with a third aircraft based in Glasgow, following the successful introduction of services this summer, in addition to new services and additional capacity at other bases to support the growth of ***Jet2holidays***. We have recently added Berlin, Istanbul and Pula in Croatia to the leisure destinations to be served next Summer.

Package Holidays

Jet2holidays, our ATOL protected tour operator, carried over 158,000 customers on package holidays in the half year to 30 September 2011 (2010: 71,300). Revenue increased by 146% to £83.3m (2010: £33.8m). This very considerable growth reflects our focused development of the package holiday product, improvements to the ***Jet2holidays.com*** website and our ability to offer great value holidays ideally suited to the current difficult economic environment. We offer holiday packages encompassing flights, transfers and accommodation ranging from budget self catering to five star luxury hotels, with all inclusive packages being particularly popular. A separate "Indulgent Escapes" brochure has been launched for Winter 2011/12 onwards focusing on luxury properties.

Jet2holidays has improved gross margins through the full implementation of its margin management system, which enables a very flexible and dynamic approach to the pricing of holidays. We have increased Holidays retail revenues by adding to the retail products sold through the ***Jet2holidays*** booking process, so our customers can start their holiday with an in-flight meal or an extra leg-room seat. We are continually developing the ***Jet2holidays.com*** website in order to make the online booking process easier and to increase the conversion of enquiries into sales. Travel agency distribution remains an important part of the overall sales mix, with circa 40% of sales being delivered through that channel via a range of national, regional and local agencies.

The Summer 2012 product range sees a significant expansion in the number of beach hotels. We have a team of hotel contractors with almost 90% of total holiday sales now being made to a hotel with which we have developed a direct relationship. We are also further developing the city product to provide a range of packaged city breaks across the ***Jet2.com*** network. Growth in airline capacity is focussed on developing ***Jet2holidays***, with new routes and additional capacity being concentrated on key Holidays destinations.

Distribution & Logistics

The Group's logistics company, ***Fowler Welch***, provides an integrated supply chain solution for retailers, food manufacturers, growers and importers. Services from distribution centres in Spalding (Lincolnshire), Teynham (Kent), Washington (Tyne & Wear), Heywood (Greater Manchester) and Portsmouth (Hampshire) include both chilled and ambient storage and distribution, together with value adding pick-to-order warehousing operations. Other operations are focussed around imports through our Dutch hub; container logistics in Alconbury (Cambridgeshire) and Sheerness (Kent); and transport and logistics solutions for customers in Desborough, Slough, Avonmouth and Newton Abbot. Overall revenues are up 5% year on year, despite a planned reduction in container activity, with strong growth in Washington (Tyne & Wear), the Netherlands and the South Coast. Operating margins are below last year principally as a result of further investment in the growth of the ***Fowler Welch*** network and operating infrastructure.

Having rationalised the Company's container operations with the closure of the Felixstowe site at the end of the last financial year, these are now centred on our Alconbury facility. This unit is now contributing positively as well as retaining this key service offering for our customers.

The Distribution business is in a strong position to capitalise on its significant pipeline of Ambient sales opportunities. In May 2010, the Group completed the purchase of a 500,000 sq. ft, 50,000 pallet, freehold distribution centre in Heywood, Greater Manchester "the Hub" which is now operating at break-even and offers significant potential for further growth.

In June 2011, a distribution centre was opened in Newton Abbot, Devon, initially dedicated to serving Tesco Express stores, similar to our operations in Washington, Tyne and Wear. This was implemented on time and within budget. The company intends to build further its business in the South West over the coming months.

The Distribution & Logistics business is very dependent on IT and we devote considerable resources to the development of IT systems and infrastructure. The next stage of the systems evolution has started with the successful implementation of phase one of a new Transport Management System at Heywood, ahead of its roll out across the whole transport network in 2012. This will provide the company with far greater visibility of resources and volumes.

Whilst the marketplace remains extremely competitive and price focussed, the outlook for ***Fowler Welch*** is encouraging. The company's commitment to operational excellence, its national network coverage, and its growing presence in the ambient arena positions it well for future growth.

Outlook

Performance in the first six-month trading period has been challenging in what has been a difficult retail trading environment. The Board still hopes that full year results will be in line with market expectations.

Jet2.com and ***Jet2holidays*** forward booking levels are encouraging for next summer and there is a significant new business pipeline at ***Fowler Welch***. However, in this challenging trading environment we expect limited opportunities to deliver profit growth in the short term.

Philip Meeson
Chairman　　17 November 2011

www.dartgroup.co.uk

Enquiries:

Philip Meeson, Chairman	Mobile: 07785 258666
Andrew Merrick, Group Finance Director	Mobile: 07788 565358
Andy Pedrette / Siobhan Sergeant, Smith & Williamson Corporate Finance Limited	020 7131 4000

Dart Group PLC

Consolidated Group Income Statement (unaudited)

For the half year ended 30 September 2011

Continuing operations	Note	**Half year ended 30 September 2011 Unaudited £m**	Half year ended 30 September 2010 Unaudited £m	Year ended 31 March 2011 Audited £m
Turnover	*4*	**445.7**	340.4	542.9
Net operating expenses		**(403.4)**	(301.5)	(516.0)
Operating profit		**42.3**	38.9	26.9
Finance income		**0.2**	1.2	1.3
Finance costs		**(0.9)**	(1.4)	(2.0)
Net financing costs		**(0.7)**	(0.2)	(0.7)
Profit on disposal of fixed assets		**-**	-	-
Profit before taxation		**41.6**	38.7	26.2
Taxation	7	**(10.5)**	(10.7)	(8.9)
Profit for the period (all attributable to equity shareholders of the parent company)		**31.1**	28.0	17.3

Earnings per share	5			
- basic		21.82p	19.72p	12.20p
- diluted		21.11p	18.87p	11.68p

Dart Group PLC

Consolidated Group Statement of Comprehensive Income (unaudited)

For the half year ended 30 September 2011

	Half year ended 30 September 2011 Unaudited £m	Half year ended 30 September 2010 Unaudited £m	Year ended 31 March 2011 Audited £m
Profit for the period attributable to equity holders of the parent company	**31.1**	28.0	17.3
Effective portion of changes in fair value movements in cash flow hedges	**(27.0)**	(21.5)	23.0
Net change in fair value of effective cash flow hedges transferred to profit	**-**	-	(1.8)
Taxation on components of other comprehensive income	**7.0**	6.0	(5.2)
Other comprehensive income & expense for the period, net of taxation	**(20.0)**	(15.5)	16.0
Total comprehensive income for the period attributable to equity holders of the parent company	**11.1**	12.5	33.3

Dart Group PLC

Consolidated Group Balance Sheet (unaudited)

As at 30 September 2011

	30 September 2011 Unaudited £m	30 September 2010 Unaudited £m	31 March 2011 Audited £m
Non-current assets			
Goodwill	**6.8**	7.0	6.8
Property, plant and equipment	**211.6**	201.3	222.2
Derivative financial instruments	**4.9**	1.2	19.7
	223.3	209.5	248.7
Current assets			
Inventories	**0.7**	0.4	0.8
Trade and other receivables	**76.0**	68.9	74.1
Derivative financial instruments	**15.7**	6.3	39.7
Money market deposits	**4.0**	-	8.5
Cash and cash equivalents	**103.4**	48.0	98.3
	199.8	123.6	221.4
Total assets	**423.1**	333.1	470.1
Current liabilities			
Trade and other payables	**114.1**	101.4	62.8
Deferred revenue	**88.1**	61.3	177.1
Borrowings	**0.8**	0.3	0.7
Provisions	**3.0**	0.3	3.9
Derivative financial instruments	**8.2**	12.0	24.7
	214.2	175.3	269.2
Non-current liabilities			
Other non-current liabilities	**9.0**	8.6	9.9
Borrowings	**8.9**	-	8.7
Derivative financial instruments	**4.5**	4.0	-
Deferred tax liabilities	**27.2**	16.8	34.4
	49.6	29.4	53.0
Total liabilities	**263.8**	204.7	322.2
Net assets	**159.3**	128.4	147.9
Shareholders' equity			
Share capital	**1.8**	1.8	1.8
Share premium	**9.7**	9.5	9.6
Cash flow hedging reserve	**5.6**	(5.9)	25.6
Retained earnings	**142.2**	123.0	110.9
Total shareholders' equity	**159.3**	128.4	147.9

Dart Group PLC

Consolidated Group Cash Flow Statement (unaudited)

For the half year ended 30 September 2011

	Half year ended 30 September 2011 Unaudited £m	Half year ended 30 September 2010 Unaudited £m	Year ended 31 March 2011 Audited £m
Cash flows from operating activities			
Profit on ordinary activities before taxation	**41.6**	38.7	26.2
Adjustments for:			
Finance income	**(0.2)**	(1.2)	(1.3)
Finance costs	**0.9**	1.4	2.0
Depreciation	**21.2**	25.1	37.1
Impairment of goodwill	**-**	-	0.2
Equity settled share based payments	**0.2**	0.2	0.4
Net financial derivative close out costs	**-**	(1.8)	(1.8)
Operating cash flows before movements in working capital	**63.7**	62.4	62.8
Decrease / (increase) in inventories	**0.1**	(0.1)	(0.5)
Increase in trade and other receivables	**(1.9)**	(3.1)	(7.3)
Increase in trade and other payables	**41.3**	32.7	6.7
(Decrease) / increase in deferred revenue	**(89.0)**	(60.3)	55.7
(Decrease) / increase in provisions	**(0.9)**	0.3	1.2
Cash generated from operations	**13.3**	31.9	118.6
Interest received	**0.2**	-	0.1
Interest paid	**(0.9)**	(0.5)	(1.6)
Income taxes paid	**(1.9)**	(0.4)	(3.3)
Net cash from operating activities	**10.7**	31.0	113.8
Cash flows from investing activities			
Purchase of property, plant and equipment	**(10.6)**	(35.0)	(68.0)
Proceeds from sale of property, plant and equipment	**-**	-	0.1
Net decrease / (increase) in money market deposits	**4.5**	-	(8.5)
Net cash used in investing activities	**(6.1)**	(35.0)	(76.4)
Cash flows from financing activities			
Repayment of borrowings	**(0.3)**	(0.3)	(0.6)
New loans advanced	**0.7**	-	9.4
Proceeds on issue of shares	**0.1**	0.2	0.3
Equity dividends paid	**-**	-	(1.6)
Net cash from / (used in) financing activities	**0.5**	(0.1)	7.5
Effect of foreign exchange rate changes	**-**	(0.1)	1.2
Net increase / (decrease) in cash in the period	**5.1**	(4.2)	46.1
Cash and cash equivalents at beginning of period	**98.3**	52.2	52.2
Cash and cash equivalents at end of period	**103.4**	48.0	98.3

Dart Group PLC

Consolidated Group Statement of Changes in Equity (unaudited)
For the half year ended 30 September 2011

	Share capital £m	**Share premium** £m	**Cash flow hedging reserve** £m	**Retained earnings** £m	**Total reserves** £m
Balance at 1 April 2010	**1.8**	**9.3**	**9.6**	**94.8**	**115.5**
Total comprehensive income for the period	-	-	(15.5)	28.0	12.5
Share based payments	-	-	-	0.2	0.2
Issue of share capital	-	0.2	-	-	0.2
Balance at 30 September 2010	**1.8**	**9.5**	**(5.9)**	**123.0**	**128.4**
Total comprehensive income for the period	-	-	31.5	(10.7)	20.8
Dividends paid in the period	-	-	-	(1.6)	(1.6)
Share based payments	-	-	-	0.2	0.2
Issue of share capital	-	0.1	-	-	0.1
Balance at 31 March 2011	**1.8**	**9.6**	**25.6**	**110.9**	**147.9**
Total comprehensive income for the period	-	-	(20.0)	31.1	11.1
Share based payments	-	-	-	0.2	0.2
Issue of share capital	-	0.1	-	-	0.1
Balance at 30 September 2011	**1.8**	**9.7**	**5.6**	**142.2**	**159.3**

Dart Group PLC

Notes to the consolidated financial statements

For the half year ended 30 September 2011 (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 comply with IAS 34 "Interim Financial Reporting", which is not currently required to be applied by AIM companies.

The interim report for the six months ended 30 September 2011 was approved by the Board of Directors on 16 November 2011.

2. Accounting policies

Basis of preparation of the interim report

The unaudited consolidated interim financial report for the six months ended 30 September 2011 does not constitute statutory accounts as defined in s435 of the Companies Act 2006. The accounts for the year ended 31 March 2011 were prepared under IFRS and have been delivered to the Register 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 2011 have been audited. The comparative figures for the period ended 30 September 2010 are unaudited.

The financial statements have been prepared under the historical cost convention except for all derivative financial instruments that have been measured at fair value and disposal groups held for sale that have been measured at the lower of fair value, less costs to sell, and their carrying amounts prior to the decision to treat them as held for sale.

The Group uses forward foreign currency contracts, currency option products 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 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 2014.

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, and other, facilities and forecasts of future trading. The Directors have assessed the current level of forward bookings for the Leisure Airline and Package Holidays businesses, the underlying assumptions and principal areas of uncertainty within future forecasts, in particular those related to market and customer risks which impact on future bookings, cost management, working capital management and treasury risks. A number of these are subject to market uncertainty and impact financial covenants. Recognising the potential uncertainty, the Directors have considered a range of actions available to mitigate the impact of these potential risks should they crystallise and have also reviewed the key strategies which underpin the forecast and the Group's ability to implement them successfully.

On the basis of the current liquidity position, the current Aviation forward booking profile, the forecasts and these considerations, the Directors have assessed future covenant compliance and headroom for the foreseeable future and concluded that it is appropriate for the unaudited financial statements for the period ended 30 September 2011 to be prepared on a going concern basis.

3. Adoption of new and revised standards

The following new or revised IFRS standards and IFRIC interpretations will be adopted for purposes of the preparation of future financial statements, where applicable. We do not anticipate that the adoption of these new or revised standards and interpretations will have a material impact on our financial position or results from operations.

- IFRS 10, "*Consolidated Financial Statements*" (effective for fiscal periods beginning on or after January 1, 2013).
- IFRS 13, "*Fair Value Measurement*" (effective for fiscal periods beginning on or after January 1, 2013).

4. Segmental information

Business Segments

The Group's businesses are organised into three operating segments:

- Leisure Airline, being the Group's scheduled leisure airline, trading under the ***Jet2.com*** brand;
- Package Holidays, being the Group's tour operation, trading under the ***Jet2holidays*** brand; and
- Distribution & Logistics, being the Group's logistic operation, trading under the ***Fowler Welch*** brand.

4. Segmental information - continued

These divisions are the basis on which the Group reports its primary segmental information in the day-to-day management of the business. Following the identification of the operating segments the Group has assessed the similarity of the characteristics of the operating segments. Given the differences between the operating segments, it is not appropriate to aggregate the segments for reporting purposes and therefore all of the identified operating segments are disclosed as reportable segments. The following is an analysis of the Group's revenue by operating segment.

Revenue from reportable segments is measured on a basis consistent with the income statement. Revenue is principally generated from within the UK, the Group's country of domicile.

Segmental Revenues	**Half year to 30 September 2011**	Half year to 30 September 2010 Restated	Year to 31 March 2011 Restated
	£m	£m	£m
Leisure Airline sales	**316.3**	249.6	369.5
Package Holidays sales	**83.3**	33.8	47.7
Distribution & Logistics sales	**74.2**	70.4	144.2
Inter-segment sales	**(28.1)**	(13.4)	(18.5)
Total revenue	**445.7**	340.4	542.9

The split of comparative segmental revenues have been updated to reflect the inclusion of Package Holidays as a reportable segment.

5. Earnings per share

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

	Half year to 30 September 2011 Unaudited	Half year to 30 September 2010 Unaudited	Year to 31 March 2011 Audited
Profit for the period (£m)	**31.1**	28.0	17.3
Weighted average number of ordinary shares in issue during the period used to calculate basic earnings per share	**141,943,410**	141,349,326	141,558,080
Weighted average number of ordinary shares in issue during the period used to calculate diluted earnings per share	**146,733,933**	147,718,753	147,818,902

Notes to the consolidated financial statements - continued
For the half year ended 30 September 2011 (unaudited)

6. Dividends

An interim dividend has been proposed during the six month period to 30 September 2011 of 0.43p per share (2010: 0.40p). The dividend will be paid, out of the Company's available distributable reserves, on 27 January 2012 to shareholders on the register at 30 December 2011. In accordance with IAS 1, dividends are recorded only when paid and are shown as a movement in equity rather than as a charge in the Income Statement.

7. Taxation

The tax charge for the period of £10.5m (£10.7m) is calculated by applying an estimated effective tax rate of 26% to the profit for the period (2010: 28%). The Government has also indicated that it intends to enact future reductions in the main tax rate of 1% each year down to 23% by 1 April 2014. As a result, the Group's reported deferred tax liability of £27.2m (£16.8m) would ultimately reduce by £3.2m to £24.0m.

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

	Half year to 30 September 2011 Unaudited	**Half year to 30 September 2010 Unaudited**	Year to 31 March 2011 Audited
	£m	**£m**	£m
Increase / (decrease) in cash in the period	5.1	(4.2)	46.1
(Increase) / decrease in net debt in the period	(0.3)	0.3	(8.8)
Change in net cash resulting from cash flows in the period	4.8	(3.9)	37.3
Other non-cash changes	-	-	-
Net cash at beginning of period	88.9	51.6	51.6
Net cash at end of period	93.7	47.7	88.9

9. Contingent liabilities

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

The Group is currently involved in litigation proceedings in the US against Sutra Inc and Novak Niketic, who provided use of the reservation system operated by ***Jet2.com*** until February 2008, in relation to the termination of the use of this system. An unspecified counterclaim has been lodged which is being vigorously defended by the Group in respect of which the Directors estimate approximately $2.5m liability in the unlikely event that the counterclaim is successful.

10. Other matters

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