DART GROUP PLC

Interim Report 2010

DART GROUP PLC

Interim Results

Dart Group PLC (the "Group"), the aviation and distribution group, announces its interim results for the half year ended 30 September 2010. These results are presented under International Financial Reporting Standards (IFRS).

Highlights

- Turnover up 25% to £340.4m (2009: £272.7m)
- Pre-tax profits up 38% to £38.7m (2009: £28.1m)
- Underlying pre-tax profits up 50% to £38.5m (2009: £25.7m)
- ***Jet2.com*** load factors increased to 87.5% (2009: 81.3%)
- Fowler Welch-Coolchain revenue up 23% to £70.4m (2009: £57.3m)
- £31.0m net cash generated from operating activities, before capex (2009: £12.2m)
- Interim dividend declared at 0.40p per share (2009: 0.36p)
- Full year results anticipated to be ahead of market expectations, despite increased losses forecast in the second half due to business growth

Chairman's Statement

I am pleased to report on the Group's trading for the six months ended 30 September 2010. The Group's profit before tax was £38.7m, an increase of 38% on last year (2009: £28.1m).

On an underlying basis (excluding the specific IAS39 mark to market adjustments), profit before tax amounted to £38.5m (2009: £25.7m), reflecting a stronger performance in the aviation business. ***Jet2.com,*** the Group's leisure airline, achieved both higher load factors and increased overall yield per passenger. Underlying EBITDA increased by 60% to £64.0m (2009: £40.0m).

Net cash flow from operations of £31.0m was generated in the period (2009: £12.2m), before total capital expenditure amounting to £35.0m (2009: £6.5m). The significant increase in capital expenditure reflected further investment in the business with the acquisition of a freehold distribution centre in Heywood, Greater Manchester, together with a higher number of aircraft engine overhauls than the previous year. After capital expenditure, the Group has reported an overall cash outflow of £4.2m in the period (2009: cash inflow £4.7m). Net cash at the end of the period amounted to £47.7m, a £31.6m improvement on September 2009, with ***Jet2.com*** customer advance payments of circa £40m at 30 September 2010.

The Board has decided to pay an increased interim dividend of 0.40p per share, in recognition of the Group's trading performance in the period. The dividend will be paid on 28 January 2011 to shareholders on the register at 7 January 2011.

Aviation

Jet2.com, the Group's leisure airline, has continued to focus on its core leisure routes from its seven Northern bases (Belfast, Blackpool, East Midlands, Edinburgh, Leeds Bradford, Manchester and Newcastle), and increased its services to Eastern Mediterranean destinations. The company operates 34 aircraft of which 30 (21 Boeing 737-300s and 9 Boeing 757-200s) are owned by the Group.

In total, Aviation revenues rose by 25% to £270m, as a result of increased passenger volumes, higher average revenues per passenger and continued growth in ***Jet2holidays***, the Group's ATOL bonded tour operator. This revenue growth was achieved despite the disruption to ***Jet2.com***'s flying programme caused by volcano Eyjafjallajökull, which resulted in the cancellation of over 400 flights. The overall profit impact as a result of this disruption is estimated to have amounted to £3m, comprising refunded flight revenues, compensation claims and the repatriation of customers who were stranded overseas, together with an estimate of lost revenues, offset by variable operating cost savings on cancelled flights.

In the six months to 30 September 2010 we flew 2.4m scheduled passengers (2009: 2.2m) with the total number of routes served from all bases rising to 117 (2009: 94). We were able to increase load factors in Summer 2010 through a combination of increased customer demand, the introduction of further enhancements to our yield management systems, additional sales of allocations to third party tour operators, the growth of ***Jet2holidays***, and by focusing on flying popular leisure routes at departure times convenient to our customers. Ticket yields increased 8% year on year partly as a result of the change in mix towards longer haul destinations. We provide our customers with the unique proposition of "great flight times", "22kg baggage allowance", "allocated seating" and "loyalty points for free flights" as they start their holidays with us.

Jet2.com has opened a base at Glasgow airport (its eighth UK location) from which services to nine sun destinations will be operated from March 2011 (which are also on sale as package holiday destinations with ***Jet2holidays***). We have expanded our operations at East Midlands, Newcastle and Manchester Airports for Summer 2011 with more flights to proven ***Jet2.com*** leisure destinations. Overall, we have planned a 26% increase in scheduled seat capacity; new destinations for next summer include Bodrum, Dordogne Valley (Brive) and Hurghada in Egypt, and we have increased capacity to the Balearics, Portugal and Spain.

For Winter 2010/11, ***Jet2.com*** has increased its overall seat capacity by 29%, driven by the first winter of services from East Midlands, the introduction of services supported by tour operators including to Hurghada, and increased flying to Salzburg and Geneva. A number of successful summer services will be flown with increased winter frequencies, including Manchester routes to Budapest, Murcia, Prague and Rome where competitors have either reduced or withdrawn capacity.

Jet2holidays, our ATOL protected tour operator, carried over 71,000 customers on package holidays in the half year to 30 September 2010, a 51% increase over the same period last year. We offer holiday packages encompassing flights, transfers, and accommodation ranging from budget self catering to five star luxury hotels. We intend that ***Jet2holidays*** will grow through providing our leisure customers with great holidays from their local airports, flying with ***Jet2.com***.

Retail revenues are continuously being developed, with revenue per passenger increasing to £25.93 during this half year (2009: £20.70). This increase is principally driven by sales made possible by our proprietary reservation system. Pre-ordered meals, advanced seat assignment, and extra leg room seats lend themselves well to the leisure profile of our customers and have all proved successful. We will grow our retail revenues with new features such as targeted discounted bundles, offering our customers more travel related products in one easy purchase e.g. tailored travel insurance, great value car hire, and hand-held entertainment devices.

Our passenger charter operation has operated 369 flights in the six months to 30 September 2010 (2009: 315) and forward bookings for the winter are encouraging. We are proud to fly our 18 nightly services for the Royal Mail ensuring that the first class post arrives on time, in line with demanding service levels. In total, charter revenues were up 5% in the first half of the year.

Distribution

The Group's logistics company, ***Fowler Welch-Coolchain***, provides an integrated supply chain solution for retailers, food manufacturers, growers and importers. Services provided from its 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. The company also has port operations in Felixstowe, Sheerness and Southampton which provide transport services for imported container traffic.

Our new 50,000 pallet capacity Heywood distribution centre, "The Hub", strategically located for Manchester and just two minutes from the M62, purchased in May 2010, has now been commissioned following completion of the initial investment in the site infrastructure. Improvements include enlarged and upgraded office space, loading and yard areas, enabling The Hub to become the focal point for our ambient business. It will replace our previous 19,000 pallet, leasehold, ambient site in Stockport prior to Christmas 2010 as planned. Year-on-year there has been an 18% increase in ambient business volumes, with several new customer wins and significant further growth from our supermarket customers. The much greater capacity of The Hub will facilitate growth in our ambient business. Encouragingly, the ambient sales pipeline is strong and there are also good prospects for new chilled distribution business, which will be operated from The Hub as it is developed.

In the North East, Washington has continued to grow with a year-on-year sales increase of 47% for the first six months. Developments are underway to replicate our North East Tesco store delivery operation in other regions in the near future. The company's European, Kent and Portsmouth sites have also traded strongly, each seeing sales growth in excess of 20%. Similarly, our new ambient contract in Desborough (Northamptonshire) has traded ahead of expected volumes in the first six months and we hope to see further growth here early in 2011.

Our Spalding distribution centre, the location of the Company's head office, remains the largest site in the network with substantial temperature controlled and ambient facilities, and is the principal consolidation point for many deliveries across the ***Fowler Welch-Coolchain*** network. An additional ten acres of land previously purchased immediately adjacent to the Spalding site is now under development, initially for vehicle parking, but with the expectation of additional warehouse space in the future.

Elsewhere, Bawdsey Haulage Limited, located in Felixstowe, has been renamed Fowler Welch (Containers) Limited and has been restructured to include the Sheerness port operations team, which will continue to be integrated into the ***Fowler Welch-Coolchain*** network in the remainder of this financial year.

Our IT infrastructure is being developed across the business. The Manhattan Warehouse Management System has been implemented across the company, yielding significant operating efficiencies. The next step in the systems evolution for ***Fowler Welch-Coolchain*** will be to upgrade the Transport Management System in 2011, enhancing the service offered to customers and giving greater transparency for managing fleet resources. Investment in fleet telemetry and engine diagnostics, together with a continued expansion of our double-deck trailer fleet, will not only generate fuel savings and operating efficiencies, but further reduce our carbon footprint.

Overall, revenues grew by 23% year-on-year as a result of both new business wins and additional volumes with existing customers, although operating margins have suffered due to higher short term vehicle lease costs and further investment in our own fleet to maintain our high standard of customer service levels. The acquisition and commissioning of The Hub has also resulted in short term dual running costs.

Whilst the marketplace remains extremely competitive, the outlook for ***Fowler Welch-Coolchain*** is encouraging. The company's focused 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 Group's stronger six-month trading period has outperformed our expectations, despite the Icelandic volcano. However, the Group expects to report increased losses in the second half of the financial year as a result of our ongoing investment for continued growth. This reflects expansion of the Aviation business's cost base, which is being carried through the traditionally loss making winter months, and ***Fowler Welch-Coolchain***'s growth related operating cost increases including the development of The Hub.

Nevertheless, I am pleased to report that ***Jet2.com's*** overall forward booking levels are encouraging and we expect that ***Fowler Welch-Coolchain*** will see continued revenue growth next year.

As a result of the Group's strong trading performance in the first half of the year, we expect full year results to be ahead of current market expectations.

Philip Meeson
Chairman 18 November 2010

www.dartgroup.co.uk

Enquiries:

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

Dart Group PLC

Consolidated Group Income Statement (unaudited)

For the half year ended 30 September 2010

Continuing operations	Note	**Half year ended 30 September 2010** Results before specific fair value movements £m	Specific fair value movements [1] £m	Results for the period £m	Half year ended 30 September 2009 Results before specific fair value movements £m	Specific fair value movements [1] £m	Results for the period £m	Year ended 31 March 2010 - Audited Results before specific fair value movements £m	Specific fair value movements [1] £m	Results for the year £m
Turnover	*4*	**340.4**	**-**	**340.4**	272.7	-	272.7	434.5	-	434.5
Net operating expenses		**(301.7)**	**0.2**	**(301.5)**	(247.4)	2.4	(245.0)	(415.1)	3.1	(412.0)
Operating profit		**38.7**	**0.2**	**38.9**	25.3	2.4	27.7	19.4	3.1	22.5
Finance income		**1.2**	**-**	**1.2**	2.2	-	2.2	1.9	-	1.9
Finance costs		**(1.4)**	**-**	**(1.4)**	(1.8)	-	(1.8)	(2.4)	-	(2.4)
Net financing costs		**(0.2)**	**-**	**(0.2)**	0.4	-	0.4	(0.5)	-	(0.5)
Profit on disposal of fixed assets		**-**	**-**	**-**	-	-	-	0.2	-	0.2
Profit before taxation		**38.5**	**0.2**	**38.7**	25.7	2.4	28.1	19.1	3.1	22.2
Taxation	7	**(10.7)**	**-**	**(10.7)**	(7.2)	(0.7)	(7.9)	(5.6)	(1.0)	(6.6)
Profit for the period (all attributable to equity shareholders of the Parent)		**27.8**	**0.2**	**28.0**	18.5	1.7	20.2	13.5	2.1	15.6
Earnings per share – total [2]	5									
- basic				**19.72p**			14.31p			11.06p
- diluted				**18.87p**			13.83p			10.62p
Non – GAAP measures										
Underlying earnings per share [3]										
- basic		**19.63p**			13.10p			9.54p		
- diluted		**18.79p**			12.67p			9.17p		

[1] In order to assist the reader to understand the underlying business performance, the Group discloses separately within the income statement specific IAS 39 fair value movements (refer to note 2 accounting policies – basis of preparation of the interim report).

[2] Earnings per share is calculated in accordance with IAS 33, "Earnings per share".

[3] Underlying earnings per share excludes specific fair value movements [1].

Dart Group PLC

Consolidated Group Statement of Comprehensive Income (unaudited)

For the half year ended 30 September 2010

	Half year ended 30 September 2010	Half year ended 30 September 2009	Year ended 31 March 2010 Audited
	£m	£m	£m
Profit for the period	**28.0**	20.2	15.6
Effective portion of changes in fair value movements in cash flow hedges	**(21.5)**	(0.5)	10.6
Net change in fair value of effective cash flow hedges transferred to profit	**-**	-	0.1
Taxation on components of other comprehensive income	**6.0**	0.1	(3.0)
Other comprehensive income & expense for the period, net of taxation	**(15.5)**	(0.4)	7.7
Total comprehensive income for the period, all attributable to owners of the parent	**12.5**	19.8	23.3

Dart Group PLC

Consolidated Group Balance Sheet (unaudited)

As at 30 September 2010

	30 September 2010	30 September 2009	31 March 2010 Audited
	£m	£m	£m
Non-current assets			
Goodwill	**7.0**	7.0	7.0
Property, plant and equipment	**201.3**	183.4	191.4
Derivative financial instruments	**1.2**	5.0	2.9
	209.5	195.4	201.3
Current assets			
Inventories	**0.4**	1.0	0.3
Trade and other receivables	**68.9**	45.4	66.8
Derivative financial instruments	**6.3**	6.3	18.8
Cash and cash equivalents	**48.0**	16.5	52.2
	123.6	69.2	138.1
Total assets	**333.1**	264.6	339.4
Current liabilities			
Trade and other payables	**163.0**	114.5	181.9
Borrowings	**0.3**	0.4	0.3
Derivative financial instruments	**12.0**	2.0	9.4
	175.3	116.9	191.6
Non-current liabilities			
Other non-current liabilities	**8.6**	6.1	6.6
Borrowings	**-**	-	0.3
Derivative financial instruments	**4.0**	7.3	0.3
Deferred tax	**16.8**	20.9	25.1
	29.4	34.3	32.3
Total liabilities	**204.7**	151.2	223.9
Net assets	**128.4**	113.4	115.5
Shareholders' equity			
Called up share capital	**1.8**	1.8	1.8
Share premium account	**9.5**	9.3	9.3
Cash flow hedging reserve	**(5.9)**	1.5	9.6
Retained earnings	**123.0**	100.8	94.8
Total shareholders' equity	**128.4**	113.4	115.5

Dart Group PLC

Consolidated Group Cash Flow Statement (unaudited)

For the half year ended 30 September 2010

	Half year ended 30 September 2010	Half year ended 30 September 2009	Year ended 31 March 2010 Audited
	£m	£m	£m
Cash flows from operating activities			
Profit before taxation from continuing operations	**38.7**	28.1	22.2
Adjustments for:			
Finance income	**(1.2)**	(2.2)	(1.9)
Finance costs	**1.4**	1.8	2.4
Profit on disposal of property, plant and equipment	**-**	-	(0.2)
Depreciation	**25.1**	14.7	33.0
Net financial derivative close out (gain) / cost	**(1.8)**	7.4	6.0
Equity settled share based payments	**0.2**	-	0.3
Specific fair value movements	**-**	(2.4)	(2.8)
Operating cash flows before movements in working capital	**62.4**	47.4	59.0
(Increase) / decrease in inventories	**(0.1)**	(0.6)	0.1
(Increase) / decrease in trade and other receivables	**(3.1)**	0.6	(21.8)
(Decrease) / increase in trade and other payables	**(27.3)**	(33.4)	40.0
Cash generated from operations	**31.9**	14.0	77.3
Interest paid	**(0.5)**	(1.8)	(2.4)
Income taxes paid	**(0.4)**	-	(1.7)
Net cash from operating activities	**31.0**	12.2	73.2
Cash flows from investing activities			
Purchase of property, plant and equipment	**(35.0)**	(5.8)	(32.1)
Business acquisitions	**-**	(0.7)	(0.5)
Proceeds from sale of property, plant and equipment	**-**	-	0.3
Net cash used in investing activities	**(35.0)**	(6.5)	(32.3)
Cash flows from financing activities			
Repayment of borrowings	**(0.3)**	-	(0.4)
Proceeds on issue of shares	**0.2**	-	-
Equity dividends paid	**-**	(1.0)	(1.5)
Net cash used in financing activities	**(0.1)**	(1.0)	(1.9)
Effect of foreign exchange rate changes	**(0.1)**	-	1.4
Net (decrease) / increase in cash in the period	**(4.2)**	4.7	40.4
Cash and cash equivalents at beginning of period	**52.2**	11.8	11.8
Cash and cash equivalents at end of period	**48.0**	16.5	52.2

Dart Group PLC

Consolidated Group Statement of Changes in Equity (unaudited)

For the half year ended 30 September 2010

	Share capital £m	Share premium £m	Cash flow hedging reserve £m	Retained earnings £m	Total reserves £m
Balance at 1 April 2009	**1.8**	**9.3**	**1.9**	**80.4**	**93.4**
Total comprehensive income for the period	-	-	(0.4)	20.2	19.8
Share based payments	-	-	-	0.2	0.2
Balance at 30 September 2009	**1.8**	**9.3**	**1.5**	**100.8**	**113.4**
Total comprehensive income for the period	-	-	8.1	(4.6)	3.5
Dividends paid in the period	-	-	-	(1.5)	(1.5)
Share based payments	-	-	-	0.1	0.1
Balance at 31 March 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**

Dart Group PLC

Notes to the consolidated financial statements
For the half year ended 30 September 2010 (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.

The interim report for the six months ended 30 September 2010 was approved by the Board of Directors on 17 November 2010.

2. Accounting policies

Basis of preparation of the interim report

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.

In order to allow a better understanding of the financial information presented, and specifically the Group's underlying business performance, the Group presents its income statement in three columns such that it identifies: (i) results before specific IAS 39 fair value movements; (ii) the effect of specific IAS 39 fair value movements; and (iii) results for the period. For the purpose of clarity, in the explanation of the basis of preparation applied to these consolidated financial statements, we describe these columns as the "left hand column", the "middle column" and the "right hand column" respectively.

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. 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, and therefore the Group records this ineffectiveness in the left hand column when it relates to a cash flow hedge, reflecting underlying performance.

IFRS compliant hedge documentation was not in place prior to 1 April 2007. Movements in the fair value of derivatives in existence at this time, along with subsequent fair value movements on these cash flow hedges that would have qualified for hedge accounting had the documentation requirement been met, are separately presented in the middle column 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 period showing all gains and losses recorded in the consolidated Group 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 2013.

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 and forecasts of future trading. The Directors have assessed the underlying assumptions and

Notes to the consolidated financial statements - continued
For the half year ended 30 September 2010 (unaudited)

2. Accounting policies (continued)

Going Concern (continued)

principal areas of uncertainty within these forecasts, in particular those related to market and customer risks, 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 forecasts and these considerations, the Directors have assessed future covenant compliance and headroom for the foreseeable future and conclude that it is appropriate for the unaudited financial statements for the period ended 30 September 2010 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.

- IAS 24 (revised 2009), "*Related Party Disclosures"* (effective for fiscal periods beginning on or after January 1, 2011).
- Amendments to IFRIC 14, *"IAS 19 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction"* (effective for fiscal periods beginning on or after January 1, 2011).
- IFRIC 19, "*Extinguishing Financial Liabilities with Equity Instruments"* (effective for fiscal periods beginning on or after July 1, 2010).
- IFRS 9, "*Financial Instruments"* (effective for fiscal periods beginning on or after January 1, 2013).
- The IASB's third annual improvements project, "*Improvements to International Financial Reporting Standards 2010*", published on May 6, 2010 (effective dates are dealt with on a standard-by-standard basis).

Dart Group PLC

Notes to the consolidated financial statements - continued

For the half year ended 30 September 2010 (unaudited)

4. Segmental information

Business Segments

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

- Aviation, comprising the Group's scheduled leisure airline and tour operations, trading under the ***Jet2.com*** and ***Jet2holidays.com*** brands; and
- Distribution, comprising the Group's logistic operations.

These divisions are the basis on which the Group reports its primary segmental information in the day-to-day management of the business. 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. All segment revenue is derived wholly from external customers hence intersegment revenue is nil. Revenue is principally generated from within the UK, the Group's country of domicile.

Segmental Revenues	**Half year to 30 September 2010**	Half year to 30 September 2009	Year to 31 March 2010 Audited
	£m	£m	£m
Aviation	**270.0**	215.4	312.0
Distribution	**70.4**	57.3	122.5
	340.4	272.7	434.5

5. Earnings per share

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

	Half year to 30 September 2010	Half year to 30 September 2009	Year to 31 March 2010 Audited
Profit for the period (£m)	**28.0**	20.2	15.6
Weighted average number of ordinary shares in issue during the period used to calculate basic earnings per share	**141,349,326**	141,089,854	141,117,098
Weighted average number of ordinary shares in issue during the period used to calculate diluted earnings per share	**147,718,753**	145,906,222	146,856,883

6. Dividends

An interim dividend has been proposed during the six month period to 30 September 2010 of 0.40p per share (2009: 0.36p).

Notes to the consolidated financial statements - continued

For the half year ended 30 September 2010 (unaudited)

7. Taxation

The tax charge for the period of £10.7m is calculated by applying an estimated effective tax rate of 28% to the profit for the period (2009: 28%). It was announced in the 2010 Budget that a corporation tax rate of 27% will apply from 1 April 2011. As a result the Group's reported deferred tax liability of £16.8m would reduce by £0.6m to £16.2m.

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

	Half year to 30 September 2010	Half year to 30 September 2009	Year to 30 March 2010 Audited
	£m	£m	£m
(Decrease) / increase in cash in the period	**(4.2)**	4.7	40.4
Movement in net debt in the period	**0.3**	(0.4)	0.4
Change in net cash resulting from cash flows in the period	**(3.9)**	4.3	40.8
Other non cash changes	**-**	-	(1.0)
Net cash at beginning of period	**51.6**	11.8	11.8
Net cash at end of period	**47.7**	16.1	51.6

9. 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.

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 Company'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.