DART GROUP PLC

INTERIM REPORT 2013

Jet2.com
Friendly low fares

Jet2holidays
Package holidays you can trust

FowlerWelch
Listening... Responding... Delivering

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 2013. These results are presented under International Financial Reporting Standards (IFRS).

Financial Highlights	**2013**	**2012**	**Change**
Group revenue	£787.1m	£584.5m	+35%
Group operating profit	£81.2m	£58.5m	+39%
Overall operating margin	10.3%	10.0%	+0.3%
Profit before tax	£78.1m	£57.0m	+37%
Basic earnings per share	41.51p	30.11p	+38%
Half year dividend	0.60p	0.54p	+11%

- Group revenue increased 35% to £787.1m (2012: £584.5m) whilst profit before tax increased 37% to £78.1m (2012: £57.0m) underpinned by continued strong growth in both the Leisure Airline and Package Holiday businesses.

- Leisure Airline revenue growth of 19% to £463.2m (2012: £388.0m) reflects a 13% increase in passengers flown and increases in ticket yields and non-ticket retail revenues.

- Package Holidays achieved 110% growth in revenues to £380.1m (2012: £180.6m), with customer numbers increasing by 103% to 634,866.

- Distribution & Logistics contributed £78.2m of revenues (2012: £80.3m).

- With our Leisure Travel operations becoming increasingly seasonal as we continue to grow the business, winter losses are expected to increase materially. Accordingly, with the important winter booking period still to come, the Board remains cautiously optimistic in relation to full year profit growth.

Chairman's Statement

I am pleased to report on the Group's performance for the six months ended 30 September 2013 in our three businesses, ***Jet2.com***, the North's leading leisure airline, ***Jet2holidays***, the ATOL protected package holidays operator and **Fowler Welch**, one of the UK's leading logistics providers. Group profit before tax increased 37% to £78.1m (2012: £57.0m) whilst overall Group turnover increased by 35% to £787.1m (2012: £584.5m). The increase in profitability reflects a satisfactory summer for ***Jet2.com***, underpinned by the continued successful growth of the ***Jet2holidays*** business. Our leisure travel operations continue to concentrate on the Mediterranean, the Canary Islands and European Leisure Cities, which means that the business is becoming increasingly seasonal as it continues to grow and, as a result, increased losses are to be expected in the second half of the year.

The Group generated an increased net cash flow from operating activities of £89.5m (2012: £81.0m), reflecting further trading performance improvements and business growth in both ***Jet2.com*** and ***Jet2holidays***, together with increased ***Jet2holidays*** forward bookings. Total capital expenditure amounted to £42.7m (2012: £26.1m) as two aircraft were acquired in the period together with spend incurred on group infrastructure and the enhancement and long term maintenance of the Group's aircraft fleet.

Cash and money market deposits increased by £48.9m in the period (2012: £54.8m), resulting in a balance of £269.8m (2012: £206.8m) at the end of the half year, which included advance payments from ***Jet2.com*** and ***Jet2holidays*** customers of circa £134m (2012: £98m).

Basic earnings per share increased to 41.51p from 30.11p. In view of the outlook for the full year the Board has decided to pay an increased interim dividend of 0.60p per share (2012: 0.54p). The dividend will be paid on 3 February 2014 to shareholders on the register at 3 January 2014.

Leisure Airline

Our Leisure Airline, ***Jet2.com,*** increased its flown passengers by 13.1% to 4.1m in the period (2012: 3.6m) and revenues by 19.4% to £463.2m. This growth was driven by an increase in ***Jet2holidays*** passenger numbers which represented 31% of all passengers flown (2012: 17%). The average load factor increased from 91.6% to 92.5% as passenger growth outstripped the seat capacity growth of 12%. Despite challenging market conditions, ticket yields (excluding government taxes) increased by 9.2%, as more emphasis was placed on higher yielding Mediterranean and Canary Island destinations. Retail revenue (non-ticket revenue) per passenger increased by 7.8% due to a continued focus on pre-departure, in-flight and ancillary product sales. As a result, ***Jet2.com***'s operating profit margin ended the half ahead of last year.

During summer 2013 the company operated 53 aircraft (2012: 44) focusing on core high volume leisure destinations from its eight Northern UK bases – Belfast International, Blackpool, East Midlands, Edinburgh, Glasgow, Leeds Bradford, Manchester and Newcastle airports.

For winter 2013/14, ***Jet2.com*** has increased its scheduled capacity by 23%, reducing Charter activity in the process, with growth provided by additional scheduled flights to Mediterranean and Canary Island destinations.

Capacity for summer 2014 is to grow by a further 14% (summer 2013: 12%) with additional services from each of our bases, which will increase frequency and support the growth of both ***Jet2.com*** and ***Jet2holidays***. In total we have added 26 new services, including three new destinations – Fuerteventura, Verona and Vienna for next year.

Package Holidays

Our ATOL protected tour operator, ***Jet2holidays***, grew its customer numbers by 103%, as 634,866 customers enjoyed our package holidays in the period. As a result, revenue increased by 110% to £380.1m (2012: £180.6m). This growth continues to be fuelled by further improvements to the ***Jet2holidays*** product range and a fully integrated approach with ***Jet2.com***, underpinned by a relentless focus on providing a great value offering to our Northern based customers.

Our customers continue to demand great value but are not willing to reduce quality. Therefore, our holidays are ideally suited to the current difficult economic environment as we offer packages encompassing flights, transfers and accommodation ranging from budget self catering, to five star luxury hotels, with all inclusive and three and four star packages being particularly popular.

For summer 2014 we are continuing to build product and brand awareness in our core markets. These actions, together with the development of our overall product range and focused growth in airline capacity to our popular leisure destinations, will support the continuing growth of ***Jet2holidays***.

Distribution & Logistics

Fowler Welch is one of the UK's leading logistics providers to the food industry supply chain, serving retailers, growers, importers and manufacturers across its network of eleven sites. A full range of added value services is provided including storage, case level picking and an award-winning national distribution network.

Overall revenues decreased by 2.6%, primarily as a result of contract losses towards the end of last financial year, which has led to the decision to close our European operating base in Holland. The business was also adversely affected by the unexpectedly varied profile of seasonal volumes required by our supermarket customers during late July, August and September, which required extra resource to uphold service levels. This, together with investments made in people and infrastructure to support future sustainable profit growth, meant that operating profits reduced as compared to the first half of 2012/13.

Growth opportunities remain positive with Heywood, our ambient shared user storage and distribution site in Greater Manchester, revenues up 3% and additional contracts secured for implementation toward the end of the current financial year. The key produce distribution sites of Spalding, Kent and Hilsea have buoyant pipelines. New contracted volume has been secured for Spalding commencing early next financial year whilst a broader set of services tailored to the produce sector are planned to commence in the next six months in Kent. The additional warehouse space secured at Hilsea at the end of the last financial year will see a new storage and picking contract implemented in the second half.

Though the marketplace remains extremely competitive and price-focused, the outlook for **Fowler Welch** remains encouraging through its well positioned national network of sites, the focus on its core activities of added value services and its growing reputation in the ambient arena.

Outlook

Whilst the Group's trading performance during the first six months of the year has been satisfactory, our leisure travel operations are becoming increasingly seasonal as we continue to grow the business and winter losses are expected to increase materially. Accordingly, with the important winter booking period still to come, the Board remains cautiously optimistic in relation to profit growth for the financial year ending 31 March 2014.

Philip Meeson
Chairman
21 November 2013

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Dart Group PLC

Consolidated Group Income Statement (unaudited)
For the half year ended 30 September 2013

Continuing operations	Note	**Half year ended 30 September 2013 Unaudited £m**	Half year ended 30 September 2012 Unaudited £m	Year ended 31 March 2013 Audited £m
Turnover	*4*	**787.1**	584.5	869.2
Net operating expenses		**(705.9)**	(526.0)	(831.3)
Operating profit		**81.2**	58.5	37.9
Finance income		**0.8**	1.0	3.6
Finance costs		**(3.9)**	(2.5)	(1.0)
Net financing costs		**(3.1)**	(1.5)	2.6
Profit before taxation		**78.1**	57.0	40.5
Taxation	7	**(17.9)**	(13.9)	(9.3)
Profit for the period (all attributable to equity shareholders of the parent company)		**60.2**	43.1	31.2

Earnings per share	5			
- basic		41.51p	30.11p	21.73p
- diluted		40.75p	29.12p	21.44p

Dart Group PLC

Consolidated Group Statement of Comprehensive Income (unaudited)

For the half year ended 30 September 2013

	Half year ended 30 September 2013 Unaudited £m	Half year ended 30 September 2012 Unaudited £m	Year ended 31 March 2013 Audited £m
Profit for the period attributable to equity holders of the parent company	**60.2**	43.1	31.2
Effective portion of changes in fair value movements in cash flow hedges	**(14.4)**	(17.3)	(3.3)
Net change in fair value of effective cash flow hedges transferred to profit	**(24.7)**	-	-
Taxation on components of other comprehensive income	**9.0**	4.1	0.6
Other comprehensive income & expense for the period, net of taxation	**(30.1)**	(13.2)	(2.7)
Total comprehensive income for the period attributable to equity holders of the parent company	**30.1**	29.9	28.5

Dart Group PLC

Consolidated Group Balance Sheet (unaudited)

As at 30 September 2013

	30 September 2013 Unaudited £m	30 September 2012 Unaudited £m	31 March 2013 Audited £m
Non-current assets			
Goodwill	**6.8**	6.8	6.8
Property, plant and equipment	**276.9**	236.7	269.1
Derivative financial instruments	**1.5**	0.4	1.0
	285.2	243.9	276.9
Current assets			
Inventories	**2.2**	1.1	1.3
Trade and other receivables	**140.7**	105.6	226.2
Derivative financial instruments	**2.6**	6.2	22.2
Money market deposits	**19.0**	6.0	30.0
Cash and cash equivalents	**250.8**	200.8	190.9
	415.3	319.7	470.6
Total assets	**700.5**	563.6	747.5
Current liabilities			
Trade and other payables	**183.1**	159.1	92.0
Deferred revenue	**224.7**	159.8	407.1
Borrowings	**0.8**	0.8	0.8
Provisions	**2.4**	3.0	2.1
Derivative financial instruments	**22.1**	5.3	4.2
	433.1	328.0	506.2
Non-current liabilities			
Other non-current liabilities	**8.9**	11.5	11.4
Borrowings	**9.4**	8.1	7.7
Derivative financial instruments	**8.2**	1.1	0.3
Deferred tax liabilities	**23.5**	25.6	35.3
	50.0	46.3	54.7
Total liabilities	**483.1**	374.3	560.9
Net assets	**217.4**	189.3	186.6
Shareholders' equity			
Share capital	**1.8**	1.8	1.8
Share premium	**11.2**	10.1	10.7
Cash flow hedging reserve	**(17.7)**	1.9	12.4
Retained earnings	**222.1**	175.5	161.7
Total shareholders' equity	**217.4**	189.3	186.6

Dart Group PLC

Consolidated Group Cash Flow Statement (unaudited)

For the half year ended 30 September 2013

	Half year ended 30 September 2013 Unaudited £m	Half year ended 30 September 2012 Unaudited £m	Year ended 31 March 2013 Audited £m
Cash flows from operating activities			
Profit on ordinary activities before taxation	**78.1**	57.0	40.5
Adjustments for:			
Finance income	**(0.8)**	(1.0)	(3.6)
Finance costs	**3.9**	2.5	1.0
Depreciation	**34.9**	24.1	45.5
Equity settled share based payments	**0.2**	0.2	0.4
Operating cash flows before movements in working capital	**116.3**	82.8	83.8
(Increase) / decrease in inventories	**(0.9)**	0.3	0.1
Decrease / (increase) in trade and other receivables	**85.1**	11.8	(108.5)
Increase in trade and other payables	**73.5**	82.4	29.2
(Decrease) / increase in deferred revenue	**(182.4)**	(97.0)	150.3
Increase in provisions	**0.4**	1.3	0.4
Cash generated from operations	**92.0**	81.6	155.3
Interest received	**0.7**	1.0	1.4
Interest paid	**(0.6)**	(0.5)	(1.1)
Income taxes paid	**(2.6)**	(1.1)	(5.3)
Net cash from operating activities	**89.5**	81.0	150.3
Cash flows from investing activities			
Purchase of property, plant and equipment	**(42.7)**	(26.1)	(79.7)
Net decrease in money market deposits	**11.0**	71.0	47.0
Net cash (used in) / from investing activities	**(31.7)**	44.9	(32.7)
Cash flows from financing activities			
Repayment of borrowings	**(8.3)**	(0.4)	(0.8)
New loans advanced	**10.0**	-	-
Proceeds on issue of shares	**0.5**	0.3	0.9
Equity dividends paid	**-**	-	(2.1)
Net cash from / (used in) financing activities	**2.2**	(0.1)	(2.0)
Effect of foreign exchange rate changes	**(0.1)**	-	0.3
Net increase in cash in the period	**59.9**	125.8	115.9
Cash and cash equivalents at beginning of period	**190.9**	75.0	75.0
Cash and cash equivalents at end of period	**250.8**	200.8	190.9

Dart Group PLC

Consolidated Group Statement of Changes in Equity (unaudited)

For the half year ended 30 September 2013

	Share capital £m	Share premium £m	Cash flow hedging reserve £m	Retained earnings £m	Total reserves £m
Balance at 1 April 2012	**1.8**	**9.8**	**15.1**	**132.2**	**158.9**
Total comprehensive income for the period	-	-	(13.2)	43.1	29.9
Share based payments	-	-	-	0.2	0.2
Issue of share capital	-	0.3	-	-	0.3
Balance at 30 September 2012	**1.8**	**10.1**	**1.9**	**175.5**	**189.3**
Total comprehensive income for the period	-	-	10.5	(11.9)	(1.4)
Dividends paid in the period	-	-	-	(2.1)	(2.1)
Share based payments	-	-	-	0.2	0.2
Issue of share capital	-	0.6	-	-	0.6
Balance at 31 March 2013	**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	**1.8**	**11.2**	**(17.7)**	**222.1**	**217.4**

Notes to the consolidated financial statements

For the half year ended 30 September 2013 (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 six months ended 30 September 2013 was approved by the Board of Directors on 14 November 2013.

2. Accounting policies

Basis of preparation of the interim report

The unaudited consolidated interim financial report for the six months ended 30 September 2013 does not constitute statutory accounts as defined in s435 of the Companies Act 2006. The accounts for the year ended 31 March 2013 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 2013 have been audited. The comparative figures for the period ended 30 September 2012 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.

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 2016.

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, the net current liability position - principally a result of continued investment in our fleet - and forecasts of future trading.

2. Accounting policies - continued

The Directors have assessed the current level of forward bookings for the Leisure Airline and Package Holidays businesses, Distribution & Logistics contracts and agreements, 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 assumptions are subject to market uncertainty and impact financial covenants. Recognising this 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 Leisure Airline and Package Holidays forward booking profile, Distribution & Logistics contracts and agreements, 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 2013 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.

International Financial Reporting Standards	Applies to periods beginning after
IFRS 9 *Financial Instruments*	January 2015

4. Segmental information

Business Segments

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

- Leisure Airline, comprising the Group's scheduled leisure airline, ***Jet2.com***;
- Package Holidays, comprising the Group's ATOL protected tour operator, ***Jet2holidays***; and
- Distribution & Logistics, comprising the Group's logistics company, **Fowler Welch.**

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 their characteristics. Given the differences between them, it is not deemed appropriate to aggregate them 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.

Group eliminations include the removal of seat sales by Leisure Airline to the Package Holidays business. 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.

Notes to the consolidated financial statements - continued
For the half year ended 30 September 2013 (unaudited)

4. Segmental information - continued

Segmental turnover	**Half year to 30 September 2013 Unaudited**	Half year to 30 September 2012 Unaudited	Year to 31 March 2013 Audited
	£m	£m	£m
Leisure Airline	**463.2**	388.0	556.2
Package Holidays	**380.1**	180.6	244.8
Distribution & Logistics	**78.2**	80.3	155.2
Group eliminations	**(134.4)**	(64.4)	(87.0)
Total turnover	**787.1**	584.5	869.2

5. Earnings per share

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

	Half year to 30 September 2013 Unaudited	Half year to 30 September 2012 Unaudited	Year to 31 March 2013 Audited
Profit for the period (£m)	**60.2**	43.1	31.2
Weighted average number of ordinary shares in issue during the period used to calculate basic earnings per share	**145,021,355**	143,112,650	143,618,691
Weighted average number of ordinary shares in issue during the period used to calculate diluted earnings per share	**147,727,104**	147,947,206	145,545,022

6. Dividends

An interim dividend has been proposed during the six month period to 30 September 2013 of 0.60p per share (2012: 0.54p). The dividend will be paid, out of the Company's available distributable reserves, on 3 February 2014 to shareholders on the register at 3 January 2014. 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.

Notes to the consolidated financial statements - continued

For the half year ended 30 September 2013 (unaudited)

7. Taxation

The tax charge for the period of £17.9m (2012: £13.9m) is calculated by applying an estimated effective tax rate of 23% to the profit for the period (2012: 24%). The Government has indicated that it intends to enact future reductions in the main tax rate, including a reduction to 21% by 1 April 2014. As a result, the Group's reported deferred tax liability of £23.5m (2012: £25.6m) would ultimately reduce by £2.0m to £21.5m.

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

	Half year to 30 September 2013 Unaudited	**Half year to 30 September 2012 Unaudited**	Year to 31 March 2013 Audited
	£m	**£m**	£m
Increase in cash in the period	59.9	125.8	115.9
(Increase) / decrease in net debt in the period	(1.7)	0.4	0.8
Change in net cash resulting from cash flows in the period	58.2	126.2	116.7
Net cash at beginning of period	182.4	65.7	65.7
Net cash at end of period	240.6	191.9	182.4

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.

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.