DART GROUP PLC

PRELIMINARY UNAUDITED RESULTS FOR YEAR ENDED 31 MARCH 2018

Dart Group PLC, the **Leisure Travel** and **Distribution & Logistics** group ("the Group"), announces its preliminary results for the year ended 31 March 2018. These results are presented under International Financial Reporting Standards ("IFRS").

Financial Highlights for the Year Ended 31 March	**2018 Unaudited**	2017 Audited	*Change*
Revenue	**£2,391.8m**	£1,729.3m	*38%*
Operating profit	**£130.6m**	£103.0m	*27%*
Operating profit margin	**5.5%**	6.0%	*(0.5 ppts)*
Profit before FX revaluations and taxation [1]	**£114.6m**	£101.0m	*13%*
Profit before FX revaluations and taxation margin	**4.8%**	5.8%	*(1.0 ppts)*
Profit before taxation	**£134.6m**	£90.1m	*49%*
Profit before taxation margin	**5.6%**	5.2%	*0.4 ppts*
Basic earnings per share	**74.59 p**	51.80 p	*44%*
Proposed final dividend per share	**6.0 p**	3.897 p	*54%*
Resulting total dividend per share	**7.5 p**	5.272 p	*42%*

[1] ***Profit before FX revaluations and taxation*** is included as an alternative performance measure in order to aid users in understanding the ongoing performance of the Group.

* **In a year of strong passenger growth for both *Jet2.com* and *Jet2holidays*, Group Revenue increased by 38%** to £2,391.8m (2017: £1,729.3m). ***Jet2.com*** flew a total of 10.38m passenger sectors (2017: 7.10m), an increase of 46%, which included a 45% increase in demand for our ***Real Package Holidays™*** as 2.50m (2017: 1.73m) customers enjoyed a ***Jet2holidays*** package holiday.

* **Profit before taxation** improved by 49% to £134.6m (2017: £90.1m). This result includes a £20.0m gain on foreign exchange revaluations (2017: £10.9m loss). Before accounting for these revaluation gains / (losses), **profit before FX revaluations and taxation** improved by 13% to £114.6m (2017: £101.0m).

* The increased profits reflect the continuing strong demand for our Leisure Travel products - holiday flights with our leading leisure airline ***Jet2.com*** and package holidays with our ATOL (*) protected tour operator ***Jet2holidays***.

* In consideration of these results, **the Board is recommending a final dividend of 6.0p** (2017: 3.897p), bringing the proposed total dividend to 7.5p per share for the year ended 31 March 2018 (2017: 5.272p).

* **Distribution & Logistics** profit before tax decreased by £0.1m to £4.4m (2017: £4.5m) on improved revenues of £168.6m (2017: £163.5m), as additional operational support was provided to a key customer over the Christmas period.

* Demand for our leisure travel product has strengthened since the start of the new financial year and given current forward bookings we expect that Group profit before foreign exchange revaluations and taxation for the financial year ending 31 March 2019, will substantially exceed current market expectations.

* Looking further ahead, emerging cost pressures coupled with the overall uncertain UK economic outlook, particularly related to Brexit and how it may impact on consumer spending, means we remain unclear how demand will develop in the medium term.

* For the long term however, our strategy remains consistent - to grow both our flight-only and package holiday products. **Real Package Holidays™** take considerable organisation and attention to detail and are not easily replicated by non-specialists. The Group dedicates significant resources to deliver an innovative and industry leading product and together with our scale, experience, competitiveness and customer focused approach, we believe we have a strong and resilient **Leisure Travel** business.

OUR CHAIRMAN'S STATEMENT

I am pleased to report on the Group's continuing positive trading performance for the year ended 31 March 2018.

Profit before taxation which includes a £20.0m gain for foreign exchange revaluations (2017: £10.9m loss) increased by 49% to £134.6m (2017: £90.1m). Before accounting for these revaluation gains, **profit before FX revaluations and taxation** increased by 13% to £114.6m (2017: £101.0m). **Basic earnings per share** increased by 44% to 74.59p (2017: 51.80p).

In consideration of these results, the Board is recommending a final dividend of 6.0p per share (2017: 3.897p), which will bring the total proposed dividend to 7.5p per share for the year (2017: 5.272p), an increase of 42%. This final dividend is subject to shareholders' approval at the Company's Annual General Meeting on 6 September 2018 and will be payable on 26 October 2018 to shareholders on the register at the close of business on 21 September 2018.

The increased profits reflect the continuing strong demand for our Leisure Travel products - holiday flights with our leading leisure airline ***Jet2.com*** and package holidays with our ATOL *(*)* protected tour operator ***Jet2holidays***. Our important flight-only product was enjoyed by 5.37m passengers in the year (2017: 3.64m), a growth of 48%, whilst demand for our ***Real Package Holidays™*** continues to grow, as ***Jet2holidays*** took 2.50m customers on package holidays (2017: 1.73m), an increase of 45%.

During the year, ***Jet2.com*** flew a total of 10.38m flight-only and package holiday passengers (one-way passenger sectors) (2017: 7.10m), primarily to and from sun, city and ski destinations, an increase of 46%. Average load factors, including from our popular new operating bases at Birmingham and London Stansted airports, increased to 92.2% (2017: 91.5%). Our customer volumes allow us to serve many destinations daily and others several times a week during the spring, summer and autumn months, enabling us to offer a great choice of variable duration holidays at affordable prices.

Average airline ticket yields at £73.65 (2017: £86.65) were 15% lower than the prior year against a 45% increase in seat capacity and very competitive pricing in summer 2017. Some price investment was also made to support demand at the two new operating bases in their first seasons of operation. However, the average price of a ***Jet2holidays*** package holiday grew by 3% to £633 (2017: £617) and as a result, revenue in our Leisure Travel business increased by 42% to £2,223.2m (2017: £1,565.8m).

Our Distribution & Logistics business, **Fowler Welch**, achieved revenue growth of 3% to £168.6m (2017: £163.5m). However, profit before taxation fell by £0.1m to £4.4m (2017: £4.5m), as additional operational support was provided to a key customer over the Christmas period, while varying retailer demand and shorter production runs, led to cost pressures at our fruit ripening and packing joint venture, **Integrated Service Solutions (ISS)**.

We are very pleased that the financial year ending 31 March 2019 sees the start of our Discretionary Colleague Profit Sharing Scheme, to reward those colleagues who do not already participate in performance related bonus or commission schemes and who have been employed for at least 12 months at each financial year end. The profit share will be calculated at the rate of 5% of profit before taxation, excluding foreign currency revaluations and other exceptional items, for the respective Leisure Travel and Distribution & Logistics businesses. We are delighted to be sharing our success with our wonderful colleagues!

Leisure Travel

We take people on holiday! Our UK Leisure Travel business specialises in the provision of scheduled holiday flights by our award-winning leisure airline, ***Jet2.com***, and ATOL licensed package holidays by our acclaimed tour operator, ***Jet2holidays***, to destinations in the Mediterranean, the Canary Islands and to European Leisure Cities.

Whether taking a holiday flight with ***Jet2.com***, or ***Real Package Holidays™*** with ***Jet2holidays***, we recognise that this is one of the most important family experiences of the year. We therefore do our very best to ensure each of our customers ***"has a lovely holiday"*** that can be both eagerly anticipated and fondly remembered, supported by our core principles of being family friendly, offering value for money and giving great customer service.

We know that a great holiday experience, which creates wonderful memories, engenders loyalty and repeat bookings for our ***Real Package Holidays™***, to which we can add value through innovation and customer service. We continually strive to improve our customers' choice, experience and enjoyment and believe that sustained investment in our products, brands and customer service excellence, plus the consistent delivery of an attractive holiday experience, gives us the greatest opportunity to retain and attract new customers – the key to continuing profitable growth.

In the past year we have expanded our hotel portfolio to over 3,400 hotels (summer 2017: over 2,900 hotels), often placing substantial deposits to secure dependable and competitive room offerings in the most attractive properties. Encompassing a wide range of great value 2 to 5-star accommodation, catering for the young, not so young and families alike, many have adjacent waterparks and other great attractions included in the package, adding to the overall holiday experience.

Our market leading **Resort Flight Check-In®** service, which allows ***Jet2holidays***' customers to check-in their bags at their hotel before going to the airport for their flight home, continues to be extremely popular. As a result, we have expanded the service to over 250 hotels for summer 2018 (summer 2017: over 180 hotels) in 9 key holiday destinations – Alicante; Fuerteventura; Gran Canaria; Lanzarote; Larnaca; Majorca; Malaga; Paphos; and Tenerife.

Jet2Villas, our new ATOL protected ***Jet2.com*** flight + car + villa package was launched in June 2017 and offers a range of over 1,600 self-catering villas, many with a private pool, in more than 30 European beach destinations, all at very competitive prices and for just a £60 per person deposit! ***Jet2CityBreaks***, which offers a packaged flight + hotel in attractive European Leisure Cities also continues to grow profitably at a very encouraging rate.

And, in summer 2018, over 600 customer helpers will be employed in resorts to look after our customers, backed up by 24-hour helplines to give practical assistance in all eventualities. Together with our airport-to-hotel transfer services, everything is organised to make our customers' holidays easy and carefree.

For those passengers who have arranged their own accommodation, our flights offer competitive fares, convenient flight times, allocated seating and a 22kg baggage allowance. At check-in, we aim to deliver a speedy and friendly service, with customer helpers on hand to assist. We carefully control the quality of the flight experience, with passengers travelling on ***Jet2.com*** operated aircraft with our cabin crew and pilots intent on ensuring that the holiday starts and finishes with a relaxed and pleasant flight.

In summer 2017, ***Jet2.com*** operated 75 aircraft (summer 2016: 64) and we were very pleased to be recognised as the Top UK Airline for Punctuality of flights running on time over the previous 12 months, by the world's leading travel intelligence company OAG. We have continued to develop our customer-focused flying programme into summer 2018 where the aircraft fleet has increased to 90, with a commensurate increase in pilots, engineers and cabin crew.

The delivery of consistently great service is very much at the heart of ***Jet2.com*** and ***Jet2holidays*** brand values and to underpin this, we enthusiastically promote a company-wide engagement programme called 'Take Me There', ensuring every colleague in the business has received training on the importance of delivering service excellence at each point in our customers' journey. We are therefore very pleased to have been recognised in the latest UK Customer Satisfaction Index published by the Institute of Customer Service, as the highest ranked airline and package tour operator for customer service and by **TripAdvisor** as the only UK and European airline ranked in the Top 10 Airlines in the World.

Jet2holidays has now grown to be the UK's second largest ATOL licensed package holidays tour operator. Whilst our flight-only product remains very important, we believe our expanding package holiday business has tremendous potential. Consistently organising high quality, enjoyable, dependable and memorable holidays for our customers and delighting them from start to finish, engenders brand loyalty and repeat bookings. This, together with sustained investment in product and service, leads us to believe we have a great future in the UK Leisure Travel marketplace.

(*) ATOL, which is managed by the Civil Aviation Authority ('CAA'), is a statutory licensing scheme which also provides financial protection to consumers of licensable air travel. As a licensing scheme it ensures that only businesses regarded as financially robust and fit can sell licensable travel, and as a financial protection scheme it ensures that if an ATOL holder fails, affected consumers are either repatriated or receive a replacement holiday or a refund.

Distribution & Logistics

Our distribution business, **Fowler Welch**, is one of the UK's leading providers of food supply-chain services, serving retailers, processors, growers and importers through its distribution network. A full range of value added services is provided, including the packing of fruits, storage and case-level picking and an award-winning national distribution network.

The business operates from nine prime UK distribution sites, with major temperature-controlled operations in the key produce growing and importing areas of Spalding in Lincolnshire; Teynham and Paddock Wood in Kent; and Hilsea near Portsmouth.

Further regional distribution sites are located at Nuneaton near Coventry; Washington, Tyne and Wear; and at Newton Abbott, Devon. Ambient (non-temperature-controlled) consolidation and distribution services are provided at Heywood near Bury, Greater Manchester; and Desborough, Northamptonshire.

During the year, the business benefited from the first full year of its Dairy Crest operation at Nuneaton, which commenced in June 2016. This operation adds to the geographical reach of our significant chilled distribution services and contributed positively in the year.

Fowler Welch continues to focus on growing its revenue pipeline and developing existing and new business opportunities. The development of innovative value adding solutions for its customers was recently recognised, as **Fowler Welch** won The Grocer Gold Logistics Supplier of the Year Award 2018. With its well-positioned supply chain network, a strong and experienced management team, a skilled workforce that prides itself on high standards of customer service, price competitiveness and an ability to provide flexible and innovative solutions, we are encouraged by the opportunities available for **Fowler Welch**.

Outlook

Demand for our leisure travel product has strengthened since the start of the new financial year and given current forward bookings we expect that Group profit before foreign exchange revaluations and taxation for the financial year ending 31 March 2019, will substantially exceed current market expectations.

Looking further ahead, emerging cost pressures coupled with the overall uncertain UK economic outlook, particularly related to Brexit and how it may impact on consumer spending, means we remain unclear how demand will develop in the medium term.

For the long term however, our strategy remains consistent - to grow both our flight-only and package holiday products. ***Real Package Holidays™*** take considerable organisation and attention to detail and are not easily replicated by non-specialists. The Group dedicates significant resources to deliver an innovative and industry leading product and together with our scale, experience, competitiveness and customer focused approach, we believe we have a strong and resilient **Leisure Travel** business.

Philip Meeson
Executive Chairman

12 July 2018

BUSINESS & FINANCIAL REVIEW

The Group's financial performance for the year ended 31 March 2018 is reported in line with International Financial Reporting Standards ("IFRS"), as adopted by the EU.

Summary Income Statement	**Unaudited 2018 £m**	Audited 2017 £m	*Change*
Revenue	**2,391.8**	1,729.3	*38%*
Net operating expenses	**(2,261.2)**	(1,626.3)	*(39%)*
Operating profit	**130.6**	103.0	*27%*
Net financing costs	**(16.3)**	(2.0)	
Profit on disposal of property, plant & equipment	**0.3**	-	
Group profit before FX revaluations and taxation	**114.6**	101.0	*13%*
Net FX revaluation gains / (losses)	**20.0**	(10.9)	
Group profit before taxation	**134.6**	90.1	*49%*
Net financing (income) / costs (including net FX revaluations)	**(3.7)**	12.9	
Depreciation	**111.6**	87.0	*(28%)*
EBITDA	**242.5**	190.0	*28%*

Operating profit margin	**5.5%**	6.0%	*(0.5 ppts)*
Group profit before FX revaluations & taxation margin	**4.8%**	5.8%	*(1.0 ppts)*
Group profit before taxation margin	**5.6%**	5.2%	*0.4 ppts*
EBITDA margin	**10.1%**	11.0%	*(0.9 ppts)*

It was a strong year of passenger growth for both ***Jet2.com*** and ***Jet2holidays***, but challenging in terms of summer 2017 pricing. However, net ticket yields improved in the second half of the year as the pricing environment normalised. The passenger volume increase, plus a £5.1m increase in Distribution & Logistics revenue to £168.6m (2017: £163.5m), resulted in Group revenue increasing by 38% to £2,391.8m (2017: £1,729.3m).

The growth of our leisure travel products resulted in an overall 46% increase in passenger sectors flown (2017: 17% increase). However, the mix of our higher margin package holidays decreased slightly as a percentage of overall passengers to 48.3% (2017: 48.7%), as a result of stronger flight-only demand in the second half and the dilution effect of the first seasons of operation of our two new operating bases at Birmingham and London Stansted.

Operating losses for the second half increased, as we continued to invest in people, aircraft and marketing in readiness for our expanded summer 2018 flying programme, together with careful cost investment to further differentiate our product and improve the customer experience. As a result, overall Group operating profit for the year increased by 27% to £130.6m (2017: £103.0m).

Net financing income of £3.7m (2017: net cost of £12.9m) was after both a charge for finance costs of £21.1m (2017: £5.1m) and a credit of £20.0m (2017: £10.9m charge) for foreign exchange revaluation gains arising from US dollar denominated aircraft debt and other foreign currency denominated balances. The year-on-year increase in finance costs was a result of borrowings drawn to fund the acquisition of the Group's new Boeing 737-800NG aircraft deliveries. The revaluation of the US dollar aircraft debt cannot be naturally offset against the value of the aircraft, which is fixed in pounds sterling at the point of acquisition to comply with the requirements of IFRS.

As a result, the Group achieved a statutory profit before taxation for the year of £134.6m (2017: £90.1m). Group EBITDA increased by 28% to £242.5m (2017: £190.0m). The Group's effective tax rate of 18% (2017: 15%) was marginally lower than the 19% headline rate of corporation tax due to the recognition of deferred tax at 17%. Basic earnings per share increased by 44% to 74.59p (2017: 51.80p).

Summary of Cash Flows	**Unaudited**	Audited	*Change*
	2018	2017	
	£m	£m	
EBITDA	**242.5**	190.0	*28%*
Other P&L adjustments	**0.1**	0.4	*(75%)*
Movements in working capital	**184.6**	147.9	*25%*
Interest and taxes	**(12.3)**	(7.2)	*(71%)*
Net cash generated from operating activities	**414.9**	331.1	*25%*
Purchase of property, plant & equipment	**(411.1)**	(473.9)	*13%*
Movement on borrowings	**329.4**	424.4	*(22%)*
Other items	**(13.6)**	(4.6)	*(196%)*
Net increase in cash and money market deposits [(a)]	**319.6**	277.0	*15%*

(a) Cash flows are reported including the movement on money market deposits (cash deposits with maturity of more than three months from point of placement) to give readers an understanding of total cash generation. The Consolidated Cash Flow Statement reports net cash flow excluding these movements.

The Group generated increased net cash flow from operating activities of £414.9m (2017: £331.1m), driven by the Leisure Travel business trading performance. Total capital expenditure incurred of £411.1m (2017: £473.9m) includes the purchase of both new Boeing 737-800NG and mid-life aircraft, plus pre-delivery payments, which have been substantially financed, for further new aircraft deliveries. Additionally, we continued to invest in the long-term maintenance of our existing aircraft fleet and funded the set-up of aircraft self-handling operations at East Midlands, Birmingham and London Stansted airports.

New loans totalling £458.2m (2017: £515.6m) were drawn down, as the Group secured both commercial debt and on balance sheet finance lease funding for the purchase of the new Boeing aircraft deliveries, offset by £128.8m (2017: £91.2m) of aircraft loan repayments. Overall, this resulted in a net cash inflow of £319.6m (2017: £277.0m) and an improved year-end gross cash position, including money market deposits, of £1,008.6m (2017: £689.0m). Net cash, stated after borrowings of £806.6m (2017: £520.5m), was £202.0m (2017: £168.5m).

The Group continues to be funded, in part, by payments received in advance of travel from its Leisure Travel customers, which at the reporting date amounted to £747.5m (2017: £553.9m). Of these customer advances, £80.3m (2017: £82.9m) was considered restricted by the Group's merchant acquirers as collateral against a proportion of forward bookings paid for by credit or debit card. These balances become unrestricted once our customers have travelled. At the reporting date, the business had no cash placed with counterparties in the form of margin calls to cover out-of-the-money hedge instruments (2017: £nil).

Summary Balance Sheet	**Unaudited**	Audited	*Change*
	2018	2017	
	£m	£m	
Non-current assets [(b)]	**1,089.8**	813.3	*34%*
Net current assets [(c)]	**725.2**	533.9	*36%*
Cash and money market deposits	**1,008.6**	689.0	*46%*
Deferred revenue	**(1,455.7)**	(1,078.0)	*(35%)*
Borrowings	**(806.6)**	(520.5)	*(55%)*
Deferred tax	**(71.5)**	(53.5)	*(34%)*
Derivative financial instruments	**39.1**	47.2	*(17%)*
Total shareholders' equity	**528.9**	431.4	*23%*

(b) Stated excluding derivative financial instruments.

(c) Stated excluding cash and cash equivalents, money market deposits, deferred revenue, borrowings and derivative financial instruments.

In December 2017, the Group completed the refinancing of its existing banking facilities, replacing them with a £100m committed 5-year facility. The Group continues to comfortably exceed the UK Civil Aviation Authority's required levels of 'available liquidity', which is defined as free cash plus available undrawn banking facilities.

Total shareholders' equity increased by £97.5m (2017: £112.7m) which primarily comprised profit after taxation of £110.7m (2017: £76.7m) and an adverse (2017: favourable) movement in the cash flow hedging reserve. This movement was primarily a result of the reversal of in-the-money currency and jet fuel forward contracts held at the end of the previous financial year which matured in the year, offset by a net out-the-money movement on currency forward contracts, which mature after the reporting date.

Segmental Performance - Leisure Travel

Flown passengers in the Leisure Travel business increased by 46% to 10.38m (one-way passenger sectors) (2017: 7.10m). Encouragingly, 58% of the total year-on-year passenger growth of 3.28m resulted from our two new operating bases at Birmingham and London Stansted which are already proving popular, with many passengers having chosen ***Real Package Holidays*™** with ***Jet2holidays***.

Average net ticket price per passenger reduced by 15% to £73.65 (2017: £86.65) as a challenging first half of the year gave way to a more normalised pricing environment in the second half. The average load factor increased to 92.2% (2017: 91.5%), a particularly encouraging performance given this included the first year of operation from our two new bases.

The percentage of customers taking shorter duration package holidays increased during the year, whilst the percentage taking all-inclusive holidays at 41% and higher value 4 and 5-star packages at 54% has remained consistent. The cost of acquiring hotel rooms increased, primarily because of the stronger Euro which directly impacted package holiday price. Some of this cost increase was absorbed by the business to drive increased package holiday customer volumes and to drive market share. The overall average price of a package holiday increased to £633 (2017: £617).

Non-ticket retail revenue per passenger increased by 1% to £33.25 (2017: £33.01). This revenue stream, which is primarily discretionary in nature, continues to be optimised through our customer contact programme as we focus on both Pre-departure and In-flight sales.

As a result, total Leisure Travel revenue grew by 42% to £2,223.2m (2017: £1,565.8m).

The ***Real Package Holidays*™** experience allows greater value to be added through product innovation and service at each point in the customer's journey. We recognise that investing for the long-term success of the business, leading the market in differentiating our product and pleasing the customer from start to finish, lends itself to customer brand loyalty and therefore a better quality of recurring revenue and profitability.

Our market leading **Resort Flight Check-In®** service, which allows customers to check-in their baggage for their return flight at their hotel and enjoy a hassle and bag free final day in resort, is extremely attractive. As a result, this service has been expanded to over 250 hotels in 9 key holiday destinations for summer 2018 (summer 2017: 180 hotels). Our ***Jet2Villas*** product, launched in June 2017 is also proving popular, offering the freedom of a great value ***Jet2.com*** flight + car + villa holiday wrapped up in one ATOL protected package and has been expanded to over 1,600 villas in more than 30 destinations for summer 2018. We also took the opportunity to set up our own aircraft self-handling operations at East Midlands, Birmingham and London Stansted airports, to improve on-time performance and customer service.

This incremental investment, together with the pre-summer 2018 costs required to support the ongoing growth in the flying programme, led to an increase in second-half losses, resulting in the overall Leisure Travel operating profit for the year increasing by 28% to £126.2m (2017: £98.5m).

For many families, booking a holiday is the most important purchase of the year and we recognise that every customer has different aspirations and needs. Our booking channels reflect this, as close to 60% of our package holidays are sold online via ***Jet2holidays.com***, whilst 97% of our flight-only seats are booked directly on the ***Jet2.com*** website.

Investment in, and development of, digital strategy is integral to the Leisure Travel business. Its capability helps to build customer loyalty, drive revenue growth and deliver greater customer satisfaction. Increasing numbers of customers make online bookings through mobile platforms as functionality and accessibility improve and the development of our websites and apps continue to deliver efficiencies as customers find it easier to search for, and ultimately book, holiday flights and package holidays. Additionally, we continue to build on the strong foundation of our existing Customer Relationship Management programme and are working to increasingly deliver personalised communications to customers to strengthen our already strong relationships with them.

We also recognise that personal interaction is important for many customers when making such an important purchase, to ensure their individual needs are catered for. Currently 17% (or approximately 400,000) of our package holiday customers book through our customer contact centres in Leeds, Manchester and Palma, Majorca, which employ over 500 sales and customer service advisers. Approximately a quarter of our package holiday sales come through independent travel agents, who are considered very valuable and important distribution partners for the business.

Looking forward, we will continue to innovate and differentiate our product supported by a broad, imaginative marketing strategy and underpinned by great customer service, to ensure that ***Jet2*** is always front of mind when a customer considers booking a holiday.

Leisure Travel Financials	**Unaudited 2018 £m**	Audited 2017 £m	*Change*
Revenue	**2,223.2**	1,565.8	*42%*
Net operating expenses	**(2,097.0)**	(1,467.3)	*(43%)*
Operating profit	**126.2**	98.5	*28%*
Net financing (costs) / income	**(16.3)**	(2.0)	
Profit on disposal of property, plant & equipment	**0.3**	-	
Profit before FX revaluations and taxation	**110.2**	96.5	*14%*
Net FX revaluation losses	**20.0**	(10.9)	
Profit before taxation	**130.2**	85.6	*52%*
Net financing costs (including net FX revaluations)	**(3.7)**	12.9	
Depreciation	**108.9**	84.5	*(29%)*
EBITDA	**235.4**	183.0	*29%*
Operating profit margin	**5.7%**	6.3%	*(0.6 ppts)*
Profit before FX revaluations & taxation margin	**5.0%**	6.2%	*(1.2 ppts)*
Profit before taxation margin	**5.9%**	5.5%	*0.4 ppts*
EBITDA margin	**10.6%**	11.7%	*(1.1 ppts)*

Leisure Travel Key Performance Indicators	**Unaudited 2018**	Audited 2017	*Change*
Number of routes operated during the year	**306**	235	*30%*
Leisure Travel sector seats available (capacity)	**11.27m**	7.76m	*45%*
Leisure Travel passenger sectors flown	**10.38m**	7.10m	*46%*
Leisure Travel load factor	**92.2%**	91.5%	*0.7 ppts*
Flight-only passenger sectors flown	**5.37m**	3.64m	*48%*
Package holiday passenger sectors flown	**5.01m**	3.46m	*45%*
Package holiday customers	**2.50m**	1.73m	*45%*
Net ticket yield per passenger sector (excl. taxes)	**£73.65**	£86.65	*(15%)*
Average package holiday price	**£633**	£617	*3%*
Non-ticket revenue per passenger sector	**£33.25**	£33.01	*1%*
Average hedged price of fuel (per tonne)	**$516**	$467	*10%*
Fuel requirement hedged – next 12 months	**90%**	97%	*(7.0 ppts)*
Advance sales made as at 31 March	**£1,455.7m**	£1,078.0m	*35%*

Segmental Performance - Distribution & Logistics

Revenue at **Fowler Welch** increased by 3% to £168.6m (2017: £163.5m) as the full year effect of the Dairy Crest operation at Nuneaton, plus growth at our Teynham, Washington and Heywood sites, was partially offset by lower revenue at our Spalding operation.

Our 156,000 square foot depot at Spalding in the major growing region of Lincolnshire, is one of the largest chilled food consolidation hubs in the UK and is the largest chilled site in the **Fowler Welch** network. Revenue from this operation reduced by 3.5% in the year, primarily a result of the planned movement of volume to other company sites to create space to upgrade the warehouse facility. The subsequent £2m investment in new white walling, lighting and racking, to what is already a very successful operation, has created a more efficient and modern environment from which to attract new customers.

Revenue from our Kent operations at Teynham and Paddock Wood distribution centres increased by close to 7%, primarily due to the commencement of a new contract for the distribution of salads. These distribution facilities sit in the heart of the county's fruit growing areas and provide packing and distribution services for this important local industry and for businesses importing fruit and produce from across the English Channel.

Integrated Service Solutions (ISS), **Fowler Welch**'s joint venture operation at Teynham, which ripens, grades and packs a variety of stone fruit, berries and exotic fruits, had a challenging year as volume fluctuation, new line implementation, shorter production runs and retailer promotional peaks stretched the operational team. Recovery took time to implement and pleasingly, with improved controls now in place, the final quarter's performance was encouraging and this has continued into the new financial year.

The Hilsea depot, which is located near to Portsmouth International Port, warehouses, consolidates and distributes supplies of salads, herbs and vegetables to UK retailers. In what was another year of encouraging performance, the business increased operating profit from slightly reduced revenues, as it delivered operating efficiency improvements.

The regional distribution operations at Washington in Tyne and Wear and Newton Abbot, near Exeter in Devon, provide direct store delivery services on behalf of leading retailers to over 100 stores every day. Both improved their operating profit performance year-on-year, as they reacted swiftly to handle additional volume following the failure of a major UK wholesaler.

The operation at Nuneaton, near Coventry, significantly improved its operating profit performance, due to a full year of trading (the operation having commenced in June 2016), the planned transfer of incremental volume from Spalding to allow upgrades to that depot, plus new customer wins as the operation progressively expands.

The Heywood 'Hub' is Fowler Welch's 500,000 square foot ambient (non-temperature controlled) shared user and distribution centre near Bury, Greater Manchester. Considerable operational progress was made during the year as several new suppliers for its major retail client were successfully implemented. In addition, a new material commercial agreement with a mixed fruit soft drink manufacturer was implemented. With strong customer relationships and ongoing investment in its infrastructure, the year ahead for Heywood is set to be positive.

Several projects were also successfully delivered in the year - the roll out of a fleet of Lithium Ion warehouse handling equipment to improve operating efficiency and a further 4.1% improvement in vehicle miles per gallon, a result of continued focus on driver training and operational efficiency – these were key factors in **Fowler Welch** winning the ***Waste2Zero Award for Best Practice in Logistics.***

Though the marketplace remains extremely competitive, **Fowler Welch**'s principles of adding value for customers through Listening, Responding and Delivering remain undiminished. With its strong and committed team, a well-positioned national network of sites and the expertise to operate effectively in both the temperature-controlled (chill and produce) and ambient arenas, **Fowler Welch** has strong operational foundations from which to continue to grow.

Distribution & Logistics Financials	**Unaudited**	Audited	*Change*
	2018	2017	
	£m	£m	
Revenue	**168.6**	163.5	*3%*
Net operating expenses	**(164.2)**	(159.0)	*(3%)*
Operating profit	**4.4**	4.5	*(2%)*
Net financing costs	**-**	-	-
Profit before taxation	**4.4**	4.5	*(2%)*
Depreciation	**2.7**	2.5	*(8%)*
EBITDA	**7.1**	7.0	*1%*
Operating profit margin	**2.6%**	2.8%	*(0.2 ppts)*
Profit before taxation margin	**2.6%**	2.8%	*(0.2 ppts)*
EBITDA margin	**4.2%**	4.3%	*(0.1 ppts)*

Distribution & Logistics Key Performance Indicators	**Unaudited**	Audited	*Change*
	2018	2017	
Warehouse space as at 31 March (square feet)	**897,000**	897,000	-
Number of tractor units in operation	**515**	487	*6%*
Number of trailer units in operation	**742**	669	*11%*
Miles per gallon	**9.7**	9.3	*4%*
Annual fleet mileage	**49.4m**	40.5m	*22%*

Gary Brown
Group Chief Financial Officer

12 July 2018

For further information please contact:

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Arden Partners **Joint Broker** Christopher Hardie	**020 7614 5900**
Buchanan **Financial PR** Richard Oldworth	**020 7466 5000**

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2018

	Unaudited Results for the year ended 31 March 2018 £m	Audited Results for the year ended 31 March 2017 £m
Revenue	**2,391.8**	1,729.3
Net operating expenses	**(2,261.2)**	(1,626.3)
Operating profit	**130.6**	103.0
Finance income	**4.8**	3.1
Finance costs	**(21.1)**	(5.1)
Net FX revaluation gains / (losses)	**20.0**	(10.9)
Net financing income / (expense)	**3.7**	(12.9)
Profit on disposal of property, plant & equipment	**0.3**	-
Profit before taxation	**134.6**	90.1
Taxation	**(23.9)**	(13.4)
Profit for the year	**110.7**	76.7
all attributable to equity shareholders of the parent		

Earnings per share		
- basic	**74.59p**	51.80p
- diluted	**74.25p**	51.48p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2018

	Unaudited year ended 31 March 2018 £m	Audited year ended 31 March 2017 £m
Profit for the year	**110.7**	76.7
Other comprehensive income / (expense)		
Cash flow hedges:		
Fair value gains	**50.6**	36.5
Add back (gains) / losses transferred to income statement	**(58.7)**	15.3
Related taxation credit / (charge)	**1.5**	(9.9)
Revaluation of foreign operations	**0.7**	-
	(5.9)	41.9
Total comprehensive income for the period	**104.8**	118.6
all attributable to equity shareholders of the parent		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2018

	Unaudited 2018 £m	Audited 2017 £m
Non-current assets		
Goodwill	**6.8**	6.8
Property, plant and equipment	**1,083.0**	806.5
Derivative financial instruments	**23.7**	9.3
	1,113.5	822.6
Current assets		
Inventories	**1.8**	1.2
Trade and other receivables	**937.4**	707.8
Derivative financial instruments	**64.3**	74.7
Money market deposits	**220.2**	200.3
Cash and cash equivalents	**788.4**	488.7
	2,012.1	1,472.7
Total assets	**3,125.6**	2,295.3
Current liabilities		
Trade and other payables	**172.3**	136.3
Deferred revenue	**1,450.6**	1,076.3
Borrowings	**88.6**	129.6
Provisions	**41.7**	38.8
Derivative financial instruments	**40.7**	15.9
	1,793.9	1,396.9
Non-current liabilities		
Deferred revenue	**5.1**	1.7
Borrowings	**718.0**	390.9
Derivative financial instruments	**8.2**	20.9
Deferred tax	**71.5**	53.5
	802.8	467.0
Total liabilities	**2,596.7**	1,863.9
Net assets	**528.9**	431.4
Shareholders' equity		
Share capital	**1.9**	1.8
Share premium	**12.7**	12.5
Cash flow hedging reserve	**31.6**	38.2
Retained earnings	**482.0**	378.9
Other reserves	**0.7**	-
Total shareholders' equity	**528.9**	431.4

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

	Unaudited 2018 £m	Audited 2017 £m
Profit on ordinary activities before taxation	**134.6**	90.1
Finance income	**(4.8)**	(3.1)
Finance costs	**21.1**	5.1
Net FX revaluation (gains) / losses	**(20.0)**	10.9
Depreciation	**111.6**	87.0
Profit on disposal of property, plant & equipment	**(0.3)**	-
Equity settled share based payments	**0.4**	0.4
Operating cash flows before movement in working capital	**242.6**	190.4
Increase in inventories	**(0.6)**	(0.1)
Increase in trade and other receivables	**(230.5)**	(203.1)
Increase in trade and other payables	**33.5**	27.6
Increase in deferred revenue	**377.7**	310.5
Increase in provisions	**4.5**	13.0
Cash generated from operations	**427.2**	338.3
Interest received	**4.8**	3.1
Interest paid	**(17.2)**	(3.6)
Income taxes received / (paid)	**0.1**	(6.7)
Net cash from operating activities	**414.9**	331.1
Cash flows used in investing activities		
Purchase of property, plant and equipment	**(411.1)**	(473.9)
Proceeds from sale of property, plant and equipment	**0.3**	-
Net increase in money market deposits	**(19.9)**	(130.3)
Net cash used in investing activities	**(430.7)**	(604.2)
Cash from financing activities		
Repayment of borrowings	**(128.8)**	(91.2)
New loans advanced	**458.2**	515.6
Proceeds on issue of shares	**0.3**	0.1
Equity dividends paid	**(8.0)**	(6.6)
Net cash from financing activities	**321.7**	417.9
Effect of foreign exchange rate changes	**(6.2)**	1.9
Net increase in cash in the year	**299.7**	146.7
Cash and cash equivalents at beginning of year	**488.7**	342.0
Cash and cash equivalents at end of year	**788.4**	488.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

	Share capital £m	Share premium £m	Cash flow hedging reserve £m	Retained earnings £m	Other reserves £m	**Total shareholders' equity £m**
Audited Balance at 31 March 2016	**1.8**	**12.4**	**(3.7)**	**308.2**	**-**	**318.7**
Total comprehensive income	-	-	41.9	76.7	-	**118.6**
Issue of share capital	-	0.1	-	-	-	**0.1**
Dividends paid in the year	-	-	-	(6.6)	-	**(6.6)**
Share based payments	-	-	-	0.6	-	**0.6**
Audited Balance at 31 March 2017	**1.8**	**12.5**	**38.2**	**378.9**	**-**	**431.4**
Total comprehensive income	-	-	(6.6)	110.7	0.7	**104.8**
Issue of share capital	0.1	0.2	-	-	-	**0.3**
Dividends paid in the year	-	-	-	(8.0)	-	**(8.0)**
Share based payments	-	-	-	0.4	-	**0.4**
Unaudited Balance at 31 March 2018	**1.9**	**12.7**	**31.6**	**482.0**	**0.7**	**528.9**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

1. Accounting policies and general information

The Group's financial statements consolidate the financial statements of Dart Group PLC and its subsidiaries and have been prepared and approved by the Board of Directors in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("Adopted IFRS").

Whilst the information included in this preliminary announcement has been computed in accordance with Adopted IFRS, this announcement does not itself contain sufficient information to comply with Adopted IFRS. Dart Group PLC expects to publish full financial statements in August 2018 (see note 7).

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.

The Group uses forward foreign currency contracts and interest rate and aviation fuel swaps to hedge exposure to foreign exchange rates, interest 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 price volatility.

Going concern

The Directors have prepared financial forecasts for the Group, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2021.

For the purpose of assessing the appropriateness of the preparation of the Group's accounts on a going concern basis, the Directors have considered the current cash position, the availability of banking facilities and sensitised forecasts of future trading through to 31 March 2021, including performance against financial covenants and the assessment of principal areas of uncertainty and risk.

Having considered the points outlined above, the Directors have a reasonable expectation that the Company and the Group will be able to operate within the levels of available banking facilities and cash for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2018.

2. Segmental reporting

Business segments

The Chief Operating Decision Maker ("CODM") is responsible for the overall resource allocation and performance assessment of the Group. The Board of Directors approves major capital expenditure, assesses the performance of the Group and also determines key financing decisions. Consequently, the Board of Directors is considered to be the CODM.

For management purposes, the Group is organised into two operating segments: Leisure Travel and Distribution & Logistics. These operating segments are consistent with how information is presented to the CODM for the purpose of resource allocation and assessment of their performance and as such, they are also deemed to be the reporting segments.

The Leisure Travel business specialises in the provision of scheduled holiday flights by its airline, ***Jet2.com***, and ATOL licensed package holidays by its tour operator, ***Jet2holidays***, to destinations in the Mediterranean, the Canary Islands and to European Leisure Cities. Resource allocation decisions are based on the entire route network and the deployment of its entire aircraft fleet.

The Distribution & Logistics business is run on the basis of the evaluation of distribution centre-level performance data. However, resource allocation decisions are made based on the entire distribution network. The objective in making resource allocation decisions is to maximise the segment results rather than the results of the individual distribution centres within the network.

Group eliminations include the removal of inter-segment asset and liability balances.

Following the identification of the operating segments, the Group has assessed the similarity of their characteristics. Given the different performance targets, customer bases and operating markets of each, it is not appropriate to aggregate the operating segments for reporting purposes and, therefore, both are disclosed as reportable segments for the year ended 31 March 2018:

- Leisure Travel, which incorporates the Group's leisure airline, ***Jet2.com*** and its ATOL licensed package holidays operator, ***Jet2holidays***; and
- Distribution & Logistics, incorporating the Group's logistics company, **Fowler Welch**.

The Board assesses the performance of each segment based on operating profit, and profit before and after taxation. Revenue from reportable segments is measured on a basis consistent with the Consolidated Income Statement.

Revenue is principally generated from within the UK, the Group's country of domicile. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

No customer represents more than 10% of the Group's revenue. Segment revenue reported below represents revenue generated from external customers. There were no intersegment sales in the current year (2017: nil).

2. **Segmental reporting** (continued)

<u>**Unaudited**</u> <u>**Year ended 31 March 2018**</u>	**Leisure Travel £m**	**Distribution & Logistics £m**	**Group eliminations £m**	**Total £m**
Revenue	2,223.2	168.6	-	**2,391.8**
Operating profit	126.2	4.4	-	**130.6**
Finance income	4.8	-	-	**4.8**
Finance costs	(21.1)	-	-	**(21.1)**
Net FX revaluation gains	20.0	-	-	**20.0**
Net financing income	3.7	-	-	**3.7**
Profit on disposal of property, plant and equipment	0.3	-	-	**0.3**
Profit before taxation	130.2	4.4	-	**134.6**
Taxation	(23.2)	(0.7)	-	**(23.9)**
Profit after taxation	107.0	3.7	-	**110.7**
Assets and liabilities				
Segment assets	3,044.0	86.5	(4.9)	**3,125.6**
Segment liabilities	(2,574.7)	(26.9)	4.9	**(2,596.7)**
Net assets	469.3	59.6	-	**528.9**
Other segment information				
Property, plant and equipment additions	405.2	5.9	-	**411.1**
Depreciation, amortisation and impairment	(108.9)	(2.7)	-	**(111.6)**
Share based payments	(0.3)	(0.1)	-	**(0.4)**

2. Segmental reporting (continued)

Audited Year ended 31 March 2017	Leisure Travel £m	Distribution & Logistics £m	Group eliminations £m	Total £m
Revenue	1,565.8	163.5	-	**1,729.3**
Operating profit	98.5	4.5	-	**103.0**
Finance income	3.0	0.1	-	**3.1**
Finance costs	(5.0)	(0.1)	-	**(5.1)**
Net FX revaluation losses	(10.9)	-	-	**(10.9)**
Net financing expense	(12.9)	-	-	**(12.9)**
Profit before taxation	85.6	4.5	-	**90.1**
Taxation	(12.5)	(0.9)	-	**(13.4)**
Profit after taxation	73.1	3.6	-	**76.7**
Assets and liabilities				
Segment assets	2,214.2	86.1	(5.0)	**2,295.3**
Segment liabilities	(1,838.6)	(30.3)	5.0	**(1,863.9)**
Net assets	375.6	55.8	-	**431.4**
Other segment information				
Property, plant and equipment additions	468.7	5.2	-	**473.9**
Depreciation, amortisation and impairment	(84.5)	(2.5)	-	**(87.0)**
Share based payments	(0.3)	(0.1)	-	**(0.4)**

3. Net operating expenses

	Unaudited 2018 £m	Audited 2017 £m
Direct operating costs		
Accommodation costs	**837.7**	512.9
Fuel	**222.3**	203.4
Landing, navigation and third-party handling	**219.4**	141.2
Maintenance costs	**77.7**	63.1
Aircraft and vehicle rentals	**63.1**	54.7
Agent commission	**48.1**	37.5
Subcontractor charges	**40.3**	44.2
In-flight cost of sales	**35.4**	25.1
Other direct operating costs	**87.1**	56.7
Staff costs including agency staff	**336.8**	257.2
Depreciation of property, plant & equipment	**111.6**	87.0
Other operating charges	**183.9**	144.9
Other operating income	**(2.2)**	(1.6)
Total net operating expenses	**2,261.2**	1,626.3

4. Net financing income / (expense)

	Unaudited 2018 £m	Audited 2017 £m
Finance income	**4.8**	3.1
Interest payable on aircraft and other loans	**(13.0)**	(4.3)
Interest payable on obligations under finance leases	**(8.1)**	(0.8)
Net foreign exchange revaluation gains / (losses)	**20.0**	(10.9)
Net financing income / (expense)	**3.7**	(12.9)

5. Earnings per share

	Unaudited 2018 No.	Audited 2017 No.
Basic weighted average number of shares in issue	**148,415,077**	148,079,465
Dilutive potential ordinary shares: employee share options	**682,262**	896,191
Diluted weighted average number of shares in issue	**149,097,339**	148,975,656

	Unaudited Year to 31 March 2018	Audited Year to 31 March 2017
Basis of calculation – earnings (basic and diluted)		
Profit for the purposes of calculating basic and diluted earnings	**£110.7m**	£76.7m
Earnings per share – basic	**74.59p**	51.80p
Earnings per share – diluted	**74.25p**	51.48p

6. Financial information

The financial information set out above does not constitute Dart Group PLC's statutory accounts for the years ended 31 March 2018 or 31 March 2017. The financial information for 2017 is derived from the statutory accounts for the year ended 31 March 2017, which have been delivered to the Registrar of Companies. The Auditor has reported on the year ended 31 March 2017 accounts; their report:

i. was unqualified;
ii. did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report; and
iii. did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The statutory accounts for the year ended 31 March 2018 will be finalised on the basis of the financial information presented by the Board of Directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.

7. Annual report and accounts

The 2018 Annual Report and Accounts (including the Auditor's Report) will be made available to shareholders during the week commencing 13 August 2018. The Dart Group PLC Annual General Meeting will be held on 6 September 2018.

8. Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.