DART GROUP PLC

PRELIMINARY UNAUDITED RESULTS FOR YEAR ENDED 31 MARCH 2017

Dart Group PLC, the **Leisure Travel** and **Distribution & Logistics** group ("the Group"), announces its preliminary results for the year ended 31 March 2017. These results are presented under International Financial Reporting Standards ("IFRS").

Financial Highlights for the Year Ended 31 March	**2017 Unaudited**	2016 Audited	*Change*
Revenue	**£1,729.3m**	£1,405.4m	*23%*
Operating profit	**£103.0m**	£105.0m	*(2%)*
Operating profit margin	**6.0%**	7.5%	*(1.5 ppts)*
Underlying profit before taxation [1]	**£101.0m**	£105.5m	*(4%)*
Underlying profit before taxation margin	**5.8%**	7.5%	*(1.7 ppts)*
Profit before taxation	**£90.1m**	£104.2m	*(14%)*
Profit before taxation margin	**5.2%**	7.4%	*(2.2 ppts)*
Basic earnings per share	**51.80 p**	60.22 p	*(14%)*
Proposed final dividend per share	**3.897 p**	3.100 p	*26%*
Resulting total dividend per share	**5.272 p**	4.000 p	*32%*

[1] ***Underlying profit before taxation*** is defined as profit before taxation stated before foreign exchange revaluation losses

* **Group Revenue** increased by 23% to £1,729.3m (2016: £1,405.4m) as strong **Leisure Travel** customer demand and resilient ticket pricing for the summer 2016 season gave way to heavier price discounting in the second half of the year to achieve the planned growth in customer volumes.

* **Profit before taxation** reduced by 14% to £90.1m (2016: £104.2m). This result includes considerable investment to launch our two new ***Jet2.com*** operating bases at Birmingham and London Stansted Airports and also includes a £10.9m charge for foreign exchange revaluation losses (2016: £1.3m). Before accounting for these revaluation losses, **underlying profit before taxation** reduced by 4% to £101.0m (2016: £105.5m).

* In consideration of these results, **the Board is recommending a final dividend of 3.897p** (2016: 3.100p), bringing the proposed total dividend to 5.272p per share for the year ended 31 March 2017 (2016: 4.000p).

* **Distribution & Logistics** profit before tax decreased by £0.9m to £4.5m (2016: £5.4m) on improved revenues of £163.5m (2016: £144.0m), as profit margins were impacted by very competitive market conditions, particularly in the ambient sector, and a £0.4m bad debt write-off relating to a customer who went into administration.

* From the financial year starting 1 April 2018, the Group will implement a Discretionary **Colleague Profit Sharing Scheme**. 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** or **Distribution & Logistics** businesses. This scheme is intended to reward those colleagues who do not already participate in a performance related bonus or commission scheme and who have been continuously employed for at least 12 months. The first payment will be made in July 2019.

* Both our **Leisure Travel** and **Distribution & Logistics** businesses have made satisfactory starts to the new financial year. Given visibility on current forward bookings and the recent successful launch of our new operating bases at Birmingham and London Stansted Airports, the Board expects to meet current market expectations of underlying profit before taxation for the year ending 31 March 2018.

* Despite the considerable uncertainty around "Brexit" negotiations, we believe that the UK Government recognises the importance of aviation services and similarly, European countries appreciate the value that British tourists bring to their respective economies. Therefore, for the long-term, we remain confident in the resilience of our **Leisure Travel** business.

CHAIRMAN'S STATEMENT

I am pleased to report the Group's trading performance for the year ended 31 March 2017.

Profit before taxation reduced by 14% to £90.1m (2016: £104.2m). This result includes considerable investment to launch our two new ***Jet2.com*** operating bases at Birmingham and London Stansted Airports and also includes a £10.9m charge for foreign exchange revaluation losses (2016: £1.3m). Before accounting for these revaluation losses, **underlying profit before taxation** reduced by 4% to £101.0m (2016: £105.5m). **Basic earnings per share** fell by 14% to 51.80p (2016: 60.22p).

In consideration of these results, the Board is recommending a final dividend of 3.897p per share (2016: 3.100p), which will bring the total proposed dividend to 5.272p per share for the year (2016: 4.000p), an increase of 32%. This final dividend is subject to shareholders' approval at the Company's Annual General Meeting on 7 September 2017 and will be payable on 27 October 2017 to shareholders on the register at the close of business on 22 September 2017.

The profit performance in the year primarily reflects the continuing investment in, and success of, the Group's Leisure Travel business, which combines both ***Jet2.com***, our leisure airline and ***Jet2holidays***, our package holidays provider.

Jet2.com flew a total of 7.10m passengers (one-way passenger sectors) (2016: 6.07m), to and from popular sun, city and ski destinations during the year, an increase of 17%. Demand for our ***real package holidays*** continued to grow as ***Jet2holidays*** took 1.73m customers on package holidays (2016: 1.22m), an increase of 42%, representing 49% of overall flown passengers (2016: 40%). Our important flight-only product was enjoyed by 3.64m passengers in the year (2016: 3.63m). Average airline ticket yields at £86.65 (2016: £91.11) and average load factors at 91.5% (2016: 92.5%) were respectively 5% and one percentage point lower than those achieved in the prior year. The average price of a package holiday was £617 (2016: £616). As a result, revenue in our Leisure Travel business increased by 24% to £1,565.8m (2016: £1,261.4m).

In July and September 2016, we were delighted to announce Birmingham and London Stansted Airports as our 8th and 9th UK operating bases. Operations at both commenced on 30 March 2017, providing customers with a combined 58 new routes to Mediterranean and Canary Island holiday destinations. We believe both bases have great potential for our holiday business, further strengthening our position in the Midlands and enabling us to serve, for the first time, customers in North & East London and the East of England.

Our Distribution & Logistics business, **Fowler Welch**, achieved revenue growth of 14% to £163.5m (2016: £144.0m), primarily due to new contracts which commenced during the year. However, operating profit fell by £0.9m to £4.5m (2016: £5.4m) as operating margins were impacted by very competitive market conditions, particularly in the ambient sector, and a £0.4m bad debt write-off relating to a customer who went into administration.

The Group generated increased net cash from operating activities of £331.3m (2016: £243.9m). Total capital expenditure of £473.9m (2016: £213.5m) included the purchase of new and mid-life Boeing 737-800NG aircraft and pre-delivery payments, which have been substantially financed, for further new aircraft deliveries. We also invested in a new engineering facility at Manchester Airport, added a fourth flight simulator to our training centre in Bradford and continued to invest in the long-term maintenance of our aircraft fleet, whilst at **Fowler Welch** we completed the extension to our Teynham distribution centre.

As at 31 March 2017, the Group's cash and money market deposit balances had increased by £277.0m (2016: £109.2m) to £689.0m (2016: £412.0m) which included advance payments from Leisure Travel customers of £553.9m (2016: £385.8m) in respect of their future holidays and flights. Net cash (stated after borrowings) was £168.5m (2016: £321.1m).

I am also very pleased to announce that from the financial year starting 1 April 2018, the Group will implement a Discretionary Colleague Profit Sharing Scheme. This Scheme is intended to reward those colleagues who do not already participate in a performance related bonus or commission scheme and who have been continuously employed for at least 12 months. 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 or Distribution & Logistics businesses, and will be paid in proportion to each colleague's basic salary. The first payment will be made in July 2019 following the audit of the financial results for the year ending 31 March 2019.

Leisure Travel

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

In summer 2016, ***Jet2.com*** operated 63 aircraft from our then seven Northern UK airport bases to 63 destinations, serving 440 holiday resorts, including the addition of three new destinations: Girona in Spain, Naples and Berlin. With the commencement of operations from Birmingham and London Stansted Airports and the addition of two new destinations, Costa de Almeria in Spain and Halkidiki in Greece, the aircraft fleet has increased to 75 for summer 2017, with a commensurate increase in pilots, engineers and cabin crew.

Whether taking a holiday flight with ***Jet2.com***, or an end-to-end ***real package holiday*** with ***Jet2holidays***, we recognise that this is one of the most important family experiences of the year. Our core principles therefore are to be family friendly, offer value for money and give great service, so each of our customers ***"has a lovely holiday"***.

Passengers travel on ***Jet2.com*** operated aircraft, ensuring that we carefully control the quality of the flight experience. Our passenger numbers allow us to serve many of our 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, whilst optimising load factors which are consistently above 90%.

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 experience with customer helpers on hand to assist, whilst on board, our cabin crew and pilots are intent on ensuring that the holiday starts and finishes with a relaxed and pleasant flight.

Our ***real package holidays*** give us the opportunity to deliver a memorable experience to which we add value through innovation and customer service - the delivery of great service is at the heart of ***Jet2.com*** and ***Jet2holidays*** brand values. To underpin these values, we deliver a company-wide engagement programme called 'Take Me There', to ensure that every colleague in the business has received training on the importance of delivering service excellence at every point in our customers' journey.

Over 41% of our package holidays were sold on an all-inclusive basis offering a ‘Defined Price’ for the whole holiday experience, including flights, transfers, meals, alcohol for the adults and ice lollies for the kids. This is a resilient, great value offering for families on a tight budget and is particularly attractive for times of economic uncertainty.

Over the last 10 years, we have carefully developed relationships with over 2,900 hotels. We often place substantial deposits to secure a dependable and competitive room offering in the most attractive hotels, always ensuring that we are satisfying our customers’ need for choice and quality. Encompassing a wide range of great value 2 to 5-star accommodation, catering for young & old and families alike, many hotels have adjacent waterparks and other great attractions included in the package, adding enjoyment and interest to the overall holiday experience. And in June 2017, we launched ***Jet2Villas***, so our customers can now enjoy the freedom of a great value Villa Holiday wrapped up in one package, with ***Jet2.com*** flights, accommodation and car hire all included.

In summer 2017, over 450 customer helpers will be employed in our holiday 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. Our Resort Flight Check-In service, introduced at many hotels in summer 2016, has proven to be extremely popular and has been expanded to over 150 hotels for summer 2017. This service allows ***Jet2holidays*** customers to check-in their baggage for their return flight at their hotel, letting them enjoy their final day, bag and hassle free.

Having built a strong brand and reputation in the North of the UK for providing ***‘package holidays you can trust’***, we are committed to achieving the same reputation for providing wonderful holidays from our new bases at Birmingham and London Stansted Airports. Sustained levels of investment in product, brand and customer service excellence, plus the delivery of an attractive end-to-end product, which has proved its resilience over a number of years, gives us the greatest opportunity to retain and attract customers. We therefore believe we have a great future in the UK Leisure Travel marketplace.

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 added value 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 first half of the year, the business completed a 50,000 square foot extension to its Teynham facility. This demand-led capacity increase enabled the expansion of **Fowler Welch**'s joint venture fruit ripening and packing business, **Integrated Service Solutions (ISS)**, and builds capacity for further revenue opportunities at the site which serves local Kent growers, and is located close to the port of Dover and the Channel Tunnel, main arteries for fruit and produce imported into the UK.

In June 2016, a transport and distribution solution for Dairy Crest Limited based at Nuneaton in the Midlands, a new region for the business, was introduced to the network. Following a seamless implementation, which included the transfer of Dairy Crest colleagues and fleet to **Fowler Welch**, the business contributed positively in the year. This operation provides an important additional revenue stream and adds to the geographical reach of our significant chilled distribution services.

Fowler Welch has a strong and experienced management team and a skilled workforce that prides itself on high standards of customer service, price competitiveness and an ability to provide flexible and innovative solutions, critical qualities in a sector where both supplier and retailer supply chains are perpetually evolving to meet consumers' ever-changing shopping habits.

We are therefore pleased that several of the business initiatives laid in place by management are now coming to fruition and we remain encouraged by the many opportunities still available. We believe there is a bright, interesting and profitable future ahead for **Fowler Welch**.

Outlook

Both our **Leisure Travel** and **Distribution & Logistics** businesses have made satisfactory starts to the new financial year. Given visibility on current forward bookings and the recent successful launch of our new operating bases at Birmingham and London Stansted Airports, the Board expects to meet current market expectations of underlying profit before taxation for the year ending 31 March 2018.

Looking further ahead, there remains considerable uncertainty around "Brexit" negotiations and the effect these could have, both on our freedom to fly and on our customers' ability to travel to our leisure destinations. This is unsettling; however, we believe that the UK Government recognises the importance of aviation services, and similarly, European countries appreciate the value that British tourists bring to their respective economies. Therefore, for the long-term, we remain confident in the resilience of our Leisure Travel business and we are encouraged by the increasing proportion of customers choosing our great value, ***real package holidays***, which are not easily replicated by non-specialists, and have proven particularly popular in challenging economic times.

Philip Meeson
Executive Chairman
13 July 2017

BUSINESS AND FINANCIAL REVIEW

The Group's financial performance for the year ended 31 March 2017 is reported in line with International Financial Reporting Standards ("IFRS"), as adopted by the EU.

Summary Income Statement	**Unaudited**	Audited	*Change*
	2017	2016	
	£m	£m	
Revenue	**1,729.3**	1,405.4	*23%*
Net operating expenses	**(1,626.3)**	(1,300.4)	*(25%)*
Operating profit	**103.0**	105.0	*(2%)*
Net financing (costs) / income	**(2.0)**	0.5	
Group profit before FX revaluations and taxation	**101.0**	105.5	*(4%)*
Net FX revaluation losses	**(10.9)**	(1.3)	
Group profit before taxation	**90.1**	104.2	*(14%)*
Net financing costs (including net FX revaluations)	**12.9**	0.8	
Depreciation	**87.0**	88.7	*(2%)*
EBITDA	**190.0**	193.7	*(2%)*

Operating profit margin	**6.0%**	7.5%	*(1.5 ppts)*
Group profit before FX revaluations & taxation margin	**5.8%**	7.5%	*(1.7 ppts)*
Group profit before taxation margin	**5.2%**	7.4%	*(2.2 ppts)*
EBITDA margin	**11.0%**	13.8%	*(2.8 ppts)*

Strong customer demand and resilient ticket pricing for the summer 2016 season gave way to heavier price discounting in the second half of the year to achieve the planned growth in customer volumes for the Leisure Travel business. This customer volume increase, plus a 14% increase in Distribution & Logistics revenue to £163.5m (2016: £144.0m), resulted in Group revenue increasing by 23% to £1,729.3m (2016: £1,405.4m).

Whilst our higher margin package holidays product increased as a percentage of overall sales, contributing positively to the Group trading performance, increased losses in the second half of the year, primarily due to the considerable investment to launch the two new operating bases at Birmingham and London Stansted Airports, resulted in Group operating profit reducing by 2% to £103.0m (2016: £105.0m).

Net financing costs of £12.9m (2016: £0.8m) included a £10.9m charge (2016: £1.3m) for foreign exchange revaluation losses, arising from US dollar denominated debt used to fund the acquisition of aircraft, and other foreign currency denominated balances. 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 in order to comply with the requirements of IFRS.

As a result, the Group achieved a statutory profit before taxation of £90.1m (2016: £104.2m). Group EBITDA decreased by 2% to £190.0m (2016: £193.7m).

The Group's effective tax rate of 15% (2016: 15%) was lower than the 20% headline rate of corporation tax due to certain deferred tax liability reductions. Basic earnings per share reduced by 14% to 51.80p (2016: 60.22p).

Summary of Cash Flows	Unaudited 2017 £m	Audited 2016 £m	*Change*
EBITDA	**190.0**	193.7	*(2%)*
Other P&L adjustments	**0.4**	0.1	*300%*
Movements in working capital	**147.9**	61.0	*142%*
Interest and taxes	**(7.2)**	(10.9)	*34%*
Net cash generated from operating activities	**331.1**	243.9	*36%*
Purchase of property, plant & equipment	**(473.9)**	(213.5)	*(122%)*
Movement on borrowings	**424.4**	81.9	*418%*
Other items	**(4.6)**	(3.1)	*(48%)*
Net increase in cash and money market deposits	**277.0**	109.2	*154%*

Net cash generated from operating activities was £331.1m (2016: £243.9m), out of which capital expenditure of £473.9m (2016: £213.5m) was incurred. New loans totalling £515.6m (2016: £82.8m) were taken up, as the Group secured both commercial debt and finance lease funding for the purchase of its new Boeing 737-800NG aircraft deliveries, offset by £91.2m (2016: £0.9m) of aircraft pre-delivery loan repayments. This resulted in a net cash inflow [(a)] of £277.0m (2016: £109.2m) and a year-end gross cash position, including money market deposits, of £689.0m (2016: £412.0m). Net cash, stated after borrowings of £520.5m (2016: £90.9m), was £168.5m (2016: £321.1m).

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 £553.9m (2016: £385.8m). Of these customer advances, £82.9m (2016: £68.5m) 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 (2016: £5.2m).

Summary Balance Sheet	Unaudited 2017 £m	Audited 2016 £m	*Change*
Non-current assets [(b)]	**813.3**	426.6	*91%*
Net current assets [(c)]	**533.9**	372.3	*43%*
Cash and money market deposits	**689.0**	412.0	*67%*
Deferred revenue	**(1,078.0)**	(767.5)	*(40%)*
Borrowings	**(520.5)**	(90.9)	*(473%)*
Other liabilities	**(53.5)**	(29.2)	*(83%)*
Derivative financial instruments	**47.2**	(4.6)	
Total shareholders' equity	**431.4**	318.7	*35%*

(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.

(b) Stated excluding derivative financial instruments.

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

The Group continues to 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 £112.7m (2016: £161.5m) which comprised profit after taxation of £76.7m (2016: £88.8m) and a favourable movement in the cash flow hedging reserve. This movement was a result of the reversal of adverse mark-to-market balances on jet fuel forward contracts and in-the-money currency forward contracts held at the end of the previous financial year which matured in the year, and a further net in-the-money movement on all derivative types held, which mature after the reporting date.

During the financial year, the Group entered into an agreement with Boeing to purchase a further four new Boeing 737-800NG aircraft with an approximate list price of US$0.4 billion, to meet its programme of aircraft fleet replacement and planned Leisure Travel growth. The terms for these aircraft are substantially the same as those approved by the Board for 30 aircraft ordered from Boeing in 2015, the Company having negotiated significant discounts from the list price. These aircraft are expected to be funded through a combination of internal resources and debt and will be delivered between August 2018 and January 2019.

Segmental Performance - Leisure Travel

Overall flown passengers in the Leisure Travel business increased by 17% to 7.10m (one-way passenger sectors) (2016: 6.07m) as 1.73m customers (2016: 1.22m) chose our great value package holiday product, an increase of 42%, whilst 3.64m (2016: 3.63m) passengers chose our important flight-only product. Package holiday customers now represent 49% of overall flown customers (2016: 40%).

The increased mix of package holiday customers is particularly pleasing, as the longer duration, end-to-end holiday experience allows greater value to be added through product innovation and service at each point in the customer's journey. Delighting the customer from start to finish lends itself to brand loyalty and retention and a better quality of recurring revenue and profitability, compared to the more impulsive, price sensitive, shorter duration, flight-only product.

Resilient ticket pricing in the first half of the year gave way to a much sharper pricing environment in the second half, as overall net ticket price per passenger reduced by 5% to £86.65 (2016: £91.11). The average load factor achieved was 91.5% (2016: 92.5%). The percentage of customers taking all-inclusive package holidays grew from 39% to 41% of total holiday customers, whilst an increasing number chose higher value 4 and 5-star packages as the variety of hotels we offer continued to grow, demonstrating the quality and resilience of the package holiday product. However, price was invested to drive the increased package holiday customer volumes and market share, which led to the average price of a package holiday remaining stable at £617 (2016: £616).

Non-ticket retail revenue per passenger increased by 3% to £33.01 (2016: £31.98). This revenue stream, which is primarily discretionary in nature, continues to be optimised through our customer contact programme as we focus on Pre-departure Sales (principally hold bags and advanced seat assignment) and In-flight Sales (pre-ordered meals, drinks, snacks, cosmetics and perfumes) and ancillary products (car hire and travel insurance).

As a result, total Leisure Travel revenue grew by 24% to £1,565.8m (2016: £1,261.4m).

We continue to invest for the long-term success of the business and believe that both our new UK operating bases at Birmingham and London Stansted Airports have great potential for our holiday business. Therefore, although trading performance was bolstered by the 17% increase in overall customer volumes, the investment in promotional advertising and the early recruitment of staff to provide a resilient operation ahead of the launch of the two new operating bases, together with the more competitive pricing environment in the second half, meant Leisure Travel operating profit reduced by 1% to £98.5m (2016: £99.6m).

For many families, booking a holiday is the most important purchase of the year and we recognise that every customer is different and their buying habits unique. Therefore, continuously investing in IT development to deliver a smooth customer journey is of paramount importance to the business, whichever of our three booking channels is chosen.

Technology and how the customer interacts with it is perpetually evolving. Over half 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. Increasingly, customers are looking to engage with the overall brand and product experience when making an online booking. Recognising this, the business continues to invest in personalising content and imagery, therefore improving the overall customer experience and engagement and ensuring that conversion rates remain strong, whether the customer uses a PC, tablet or mobile phone.

The business also recognises that human interaction is important for many customers when making such an important purchase, to ensure their individual needs are catered for. Currently 17% (or approximately 300,000) of our package holiday customers book through our customer contact centres in Leeds and Manchester, which employ over 300 sales and customer service advisers. Our sales colleagues have an intimate knowledge of our products and are trained to handle calls in a friendly and informative manner. Once a booking has been made, our pre-travel services team takes over, answering queries and ensuring that customers are updated with post-booking information, or provided with any further pre-travel assistance as required.

Just under a third of our package holiday sales come through independent travel agents, who are considered very valuable and important distribution partners for the business. Our packages are sold by major high street travel agent chains, key multiple retailers, homeworker companies and independent agents.

Product innovation supported by a broad, imaginative marketing strategy helps to ensure that ***Jet2*** is front of mind when a customer considers booking a holiday.

- ***Jet2holidays*** benefits from its breadth of hotel choice and a family-focused approach, which includes free child places at hundreds of hotels and a consistently low £60 deposit.

- ***Jet2CityBreaks***, which offers a packaged flight and hotel product in attractive European Leisure Cities, continued to prove popular as passenger numbers grew in the year.

- Our recently launched villa proposition, ***Jet2Villas***, means our customers can now enjoy the freedom of a great value Villa Holiday wrapped up in one package with ***Jet2.com*** flights, accommodation and car hire all included.

- Our **Resort Flight Check-In** service introduced at many hotels in summer 2016, has proven to be extremely popular and has been expanded to over 150 hotels for summer 2017.

In common with the rest of the UK package travel industry, we have seen an increase in illness-related claims from UK consumers. We believe that many of these claims are questionable and we are working very closely with our hotel partners and the authorities on this issue. We will continue to actively lobby the UK Government for changes to legislation and are seeing some success in this area.

Looking forward, we will continue to invest to build brand and product awareness in our core markets, underpinned by strong and creative marketing campaigns and a keen focus on customer service. We remain confident that with considered investment, we are building a sustainable business that will have a bright future in the UK leisure travel market for many years to come.

Leisure Travel Financials	**Unaudited 2017 £m**	Audited 2016 £m	*Change*
Revenue	**1,565.8**	1,261.4	*24%*
Net operating expenses	**(1,467.3)**	(1,161.8)	*(26%)*
Operating profit	**98.5**	99.6	*(1%)*
Net financing (costs) / income	**(2.0)**	0.5	
Profit before FX revaluations and taxation	**96.5**	100.1	*(4%)*
Net FX revaluation losses	**(10.9)**	(1.3)	
Profit before taxation	**85.6**	98.8	*(13%)*
Net financing costs (including net FX revaluations)	**12.9**	0.8	
Depreciation	**84.5**	86.4	*(2%)*
EBITDA	**183.0**	186.0	*(2%)*

Operating profit margin	**6.3%**	7.9%	*(1.6 ppts)*
Profit before FX revaluations & taxation margin	**6.2%**	7.9%	*(1.7 ppts)*
Profit before taxation margin	**5.5%**	7.8%	*(2.3 ppts)*
EBITDA margin	**11.7%**	14.7%	*(3.0 ppts)*

Leisure Travel KPIs	**Unaudited 2017**	Audited 2016	*Change*
Number of routes operated during the year	**235**	227	*4%*
Leisure Travel sector seats available (capacity)	**7.76m**	6.56m	*18%*
Leisure Travel passenger sectors flown	**7.10m**	6.07m	*17%*
Leisure Travel load factor	**91.5%**	92.5%	*(1.0 ppt)*
Flight-only passenger sectors flown	**3.64m**	3.63m	-
Package holiday passenger sectors flown	**3.46m**	2.44m	*42%*
Package holiday customers	**1.73m**	1.22m	*42%*
Net ticket yield per passenger sector (excl. taxes)	**£86.65**	£91.11	*(5%)*
Average package holiday price	**£617**	£616	-
Non-ticket revenue per passenger sector	**£33.01**	£31.98	*3%*
Average hedged price of fuel (per tonne)	**$467**	$674	*(31%)*
Fuel requirement hedged – next 12 months	**97%**	99%	*(2.0 ppts)*
Advance sales made as at 31 March	**£1,078.0m**	£767.5m	*40%*

Segmental Performance - Distribution & Logistics

Revenue at **Fowler Welch** increased by 14% to £163.5m (2016: £144.0m) primarily due to the new Dairy Crest operation at Nuneaton which commenced in June 2016. Seasonal peaks were well managed and a further important improvement in vehicle miles per gallon was delivered from a continued focus on driver training and operational efficiency. The underlying performance of the business was encouraging, though lower than anticipated revenue at our Heywood ambient operation and a bad debt write off following the demise of a major poultry supplier, affected the profit in the year.

Revenue at our Spalding operation in Lincolnshire increased by 2%. This 156,000 square foot depot is one of the largest chilled food consolidation hubs in the UK and is the largest chilled site in the **Fowler Welch** network. Combining a consolidation service for fresh produce and chilled foods, the site picks over 41 million cases per annum and delivers approximately 50,000 pallets of food each week on behalf of local Lincolnshire growers and producers. From the heart of this important growing region, **Fowler Welch** delivers to all major retailers, successfully managing significant volume uplifts for Valentine's Day, Mothering Sunday, Easter, Halloween and Christmas.

Fowler Welch's Kent operations, at its Teynham and Paddock Wood distribution centres, sit in the heart of that county's fruit growing areas and their proximity to both the port of Dover and the Channel Tunnel make them ideally positioned to provide packing and distribution services. **Integrated Service Solutions (ISS)**, **Fowler Welch**'s joint venture that ripens, grades and packs a variety of stone fruit, berries and exotic fruits, achieved another year of growth as operations from the new 50,000 square foot extension at the Teynham depot commenced successfully in July 2016.

The Hilsea depot, which is located near to Portsmouth International Port, had another encouraging year with revenue growth of 10%. New volumes were secured from several existing customers, demonstrating the importance of this region in supplying salads, herbs and vegetables to UK retailers and underlining the strength of the range of warehousing, consolidation and distribution services offered.

The new Dairy Crest operation at Nuneaton, near Coventry, contributed positively in the year and we expect the operation to progressively expand as it is more fully integrated into the broader **Fowler Welch** distribution network.

The Heywood 'Hub', **Fowler Welch**'s 500,000 square foot ambient (non-temperature controlled) shared user storage and distribution centre near Bury, Greater Manchester saw a second year of depressed revenues, down 4% year-on-year. This revenue reduction reflected the highly competitive nature of the ambient grocery distribution market. Following increased sales efforts, the business was successful in securing several smaller contracts toward the end of the financial year and a material new contract commenced in the first quarter of the current financial year.

The dedicated site at Desborough, Northamptonshire, which provides distribution services to a major confectionery manufacturer, implemented new bespoke state-of-the-art trailers that can automatically load at production facilities as well as operate as conventional trailers, demonstrating our principles of ***listening, responding and delivering***. Similarly, the regional distribution sites in Washington, Tyne & Wear and Newton Abbot, near Exeter continued to provide high quality direct store delivery services to over 100 supermarkets.

The further development of services along the supply chain is contributing to a strong pipeline of growth opportunities with both existing and new clients. These added value services, combined with the core competency of consolidating multiple clients to provide the critical mass for efficient distribution, give confidence in the continued profitable growth of **Fowler Welch**.

Distribution & Logistics Financials	**Unaudited 2017 £m**	Audited 2016 £m	*Change*
Revenue	**163.5**	144.0	*14%*
Net operating expenses	**(159.0)**	(138.6)	*(15%)*
Operating profit	**4.5**	5.4	*(17%)*
Net financing costs	**-**	-	-
Profit before taxation	**4.5**	5.4	*(17%)*
Depreciation	**2.5**	2.3	*9%*
EBITDA	**7.0**	7.7	*(9%)*
Operating profit margin	**2.8%**	3.8%	*(1.0 ppt)*
Profit before taxation margin	**2.8%**	3.8%	*(1.0 ppt)*
EBITDA margin	**4.3%**	5.3%	*(1.0 ppt)*

Distribution & Logistics KPIs	**Unaudited 2017**	Audited 2016	*Change*
Warehouse space as at 31 March (square feet)	**897,000**	847,000	*6%*
Number of tractor units in operation	**487**	428	*14%*
Number of trailer units in operation	**669**	629	*6%*
Miles per gallon	**9.3**	9.1	*2%*
Annual fleet mileage	**40.5m**	39.0m	*4%*

Gary Brown
Group Chief Financial Officer
13 July 2017

For further information please contact:

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Joint Broker
Christopher Hardie

Buchanan **Tel: 020 7466 5000**
Financial PR
Richard Oldworth

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2017

	Unaudited Results for the year ended 31 March 2017 £m	Audited Results for the year ended 31 March 2016 £m
Revenue	**1,729.3**	1,405.4
Net operating expenses	**(1,626.3)**	(1,300.4)
Operating profit	**103.0**	105.0
Finance income	**3.1**	2.4
Finance costs	**(5.1)**	(1.9)
Net FX revaluation losses	**(10.9)**	(1.3)
Net financing costs	**(12.9)**	(0.8)
Profit before taxation	**90.1**	104.2
Taxation	**(13.4)**	(15.4)
Profit for the year	**76.7**	88.8
all attributable to equity shareholders of the parent		

Earnings per share		
- basic	**51.80p**	60.22p
- diluted	**51.48p**	59.89p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2017

	Unaudited year ended 31 March 2017 £m	Audited year ended 31 March 2016 £m
Profit for the year	**76.7**	88.8
Other comprehensive income / (expense)		
Cash flow hedges:		
Fair value gains in year	**36.5**	19.0
Add back losses transferred to income statement in year	**15.3**	76.9
Related taxation charge	**(9.9)**	(19.2)
	41.9	76.7
Total comprehensive income for the period	**118.6**	165.5
all attributable to equity shareholders of the parent		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2017

	Unaudited 2017 £m	Audited 2016 £m
Non-current assets		
Goodwill	**6.8**	6.8
Property, plant and equipment	**806.5**	419.8
Derivative financial instruments	**9.3**	15.2
	822.6	441.8
Current assets		
Inventories	**1.2**	1.1
Trade and other receivables	**707.8**	503.9
Derivative financial instruments	**74.7**	49.3
Money market deposits	**200.3**	70.0
Cash and cash equivalents	**488.7**	342.0
	1,472.7	966.3
Total assets	**2,295.3**	1,408.1
Current liabilities		
Trade and other payables	**136.3**	109.4
Deferred revenue	**1,076.3**	766.4
Borrowings	**129.6**	83.4
Provisions	**38.8**	23.3
Derivative financial instruments	**15.9**	64.5
	1,396.9	1,047.0
Non-current liabilities		
Other non-current liabilities	**-**	0.1
Deferred revenue	**1.7**	1.1
Borrowings	**390.9**	7.5
Derivative financial instruments	**20.9**	4.6
Deferred tax liabilities	**53.5**	29.1
	467.0	42.4
Total liabilities	**1,863.9**	1,089.4
Net assets	**431.4**	318.7
Shareholders' equity		
Share capital	**1.8**	1.8
Share premium	**12.5**	12.4
Cash flow hedging reserve	**38.2**	(3.7)
Retained earnings	**378.9**	308.2
Total shareholders' equity	**431.4**	318.7

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

	Unaudited 2017 £m	Audited 2016 £m
Profit on ordinary activities before taxation	**90.1**	104.2
Finance income	**(3.1)**	(2.4)
Finance costs	**5.1**	1.9
Net FX revaluation losses	**10.9**	1.3
Depreciation	**87.0**	88.7
Equity settled share based payments	**0.4**	0.1
Operating cash flows before movement in working capital	**190.4**	193.8
(Increase) / decrease in inventories	**(0.1)**	0.9
Increase in trade and other receivables	**(203.1)**	(138.3)
Increase in trade and other payables	**27.6**	16.6
Increase in deferred revenue	**310.5**	187.2
Increase / (decrease) in provisions	**13.0**	(5.4)
Cash generated from operations	**338.3**	254.8
Interest received	**3.1**	2.4
Interest paid	**(3.6)**	(1.9)
Income taxes paid	**(6.7)**	(11.4)
Net cash from operating activities	**331.1**	243.9
Cash flows used in investing activities		
Purchase of property, plant and equipment	**(473.9)**	(213.5)
Proceeds from sale of property, plant and equipment	**-**	0.2
Net increase in money market deposits	**(130.3)**	(4.5)
Net cash used in investing activities	**(604.2)**	(217.8)
Cash from financing activities		
Repayment of borrowings	**(91.2)**	(0.9)
New loans advanced	**515.6**	82.8
Proceeds on issue of shares	**0.1**	0.5
Equity dividends paid	**(6.6)**	(4.6)
Net cash from financing activities	**417.9**	77.8
Effect of foreign exchange rate changes	**1.9**	0.8
Net increase in cash in the year	**146.7**	104.7
Cash and cash equivalents at beginning of year	**342.0**	237.3
Cash and cash equivalents at end of year	**488.7**	342.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2017

	Share capital £m	Share premium £m	Cash flow hedging reserve £m	Retained earnings £m	**Total shareholders' equity £m**
Audited Balance 31 March 2015	**1.8**	**11.9**	**(80.4)**	**223.9**	**157.2**
Total comprehensive income for the year	-	-	76.7	88.8	**165.5**
Issue of share capital	-	0.5	-	-	**0.5**
Dividends paid in the year	-	-	-	(4.6)	**(4.6)**
Share based payments	-	-	-	0.1	**0.1**
Audited Balance at 31 March 2016	**1.8**	**12.4**	**(3.7)**	**308.2**	**318.7**
Total comprehensive income for the year	-	-	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**
Unaudited Balance at 31 March 2017	**1.8**	**12.5**	**38.2**	**378.9**	**431.4**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

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 2017 (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 and interest rate contracts 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. Such derivative financial instruments are stated at fair value.

Going concern

The Directors have prepared financial forecasts for the Group, comprising operating profit, profit before and after taxation, balance sheets and cash flows through to 31 March 2020.

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 2020, 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 2017.

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 scheduled holiday flights by its airline ***Jet2.com*** to destinations in the Mediterranean, the Canary Islands and to European Leisure Cities and the provision of ATOL licensed package holidays by its tour operator ***Jet2holidays***. 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 2017:

- Leisure Travel, which incorporates the Group’s ATOL licensed package holidays operator, ***Jet2holidays*** and its leisure airline, ***Jet2.com***; 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.

2. Segmental reporting (continued)

Unaudited 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 costs	(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)**

2. **Segmental reporting** (continued)

<u>**Audited**</u> <u>**Year ended 31 March 2016**</u>	**Leisure Travel £m**	**Distribution & Logistics £m**	**Group eliminations £m**	**Total £m**
Revenue	1,261.4	144.0	-	**1,405.4**
Operating profit	99.6	5.4	-	**105.0**
Finance income	2.4	-	-	**2.4**
Finance costs	(1.9)	-	-	**(1.9)**
Net FX revaluation losses	(1.3)	-	-	**(1.3)**
Net financing costs	(0.8)	-	-	**(0.8)**
Profit before taxation	98.8	5.4	-	**104.2**
Taxation	(14.5)	(0.9)	-	**(15.4)**
Profit after taxation	84.3	4.5	-	**88.8**
Assets and liabilities				
Segment assets	1,331.6	82.2	(5.7)	**1,408.1**
Segment liabilities	(1,065.0)	(30.1)	5.7	**(1,089.4)**
Net assets	266.6	52.1	-	**318.7**
Other segment information				
Property, plant and equipment Additions	210.6	2.9	-	**213.5**
Depreciation, amortisation and impairment	(86.4)	(2.3)	-	**(88.7)**
Share based Payments	(0.1)	-	-	**(0.1)**

3. Net operating expenses

	Unaudited 2017 £m	Audited 2016 £m
Direct operating costs		
Accommodation costs	**512.9**	344.0
Fuel	**203.4**	208.9
Landing, navigation and third party handling	**141.2**	132.8
Maintenance costs	**63.1**	62.4
Other direct operating costs	**56.7**	45.6
Aircraft and vehicle rentals	**54.7**	38.5
Subcontractor charges	**44.2**	38.2
Agent commission	**37.5**	29.0
In-flight cost of sales	**25.1**	19.2
Staff costs	**257.2**	204.4
Depreciation of property, plant & equipment incl. aircraft and engines	**87.0**	88.7
Other operating charges	**144.9**	89.7
Other operating income	**(1.6)**	(1.0)
Total net operating expenses	**1,626.3**	1,300.4

4. Net financing costs

	Unaudited 2017 £m	Audited 2016 £m
Finance income	**3.1**	2.4
Interest payable on aircraft and other loans	**(4.3)**	(1.9)
Interest payable on obligations under finance leases	**(0.8)**	-
Net FX revaluation losses	**(10.9)**	(1.3)
Net financing costs	**(12.9)**	(0.8)

5. Earnings per share

	Unaudited 2017 No.	Audited 2016 No.
Basic weighted average number of shares in issue	**148,079,465**	147,454,373
Dilutive potential ordinary shares: employee share options	**896,191**	809,398
Diluted weighted average number of shares in issue	**148,975,656**	148,263,771

	Unaudited Year to 31 March 2017	Audited Year to 31 March 2016
Basis of calculation – earnings (basic and diluted)		
Profit for the purposes of calculating basic and diluted earnings	**£76.7m**	£88.8m
Earnings per share – basic	**51.80p**	60.22p
Earnings per share – diluted	**51.48p**	59.89p

6. Financial information

The financial information set out above does not constitute Dart Group PLC's statutory accounts for the years ended 31 March 2017 or 31 March 2016. The financial information for 2016 is derived from the statutory accounts for the year ended 31 March 2016, which have been delivered to the Registrar of Companies. The Auditor has reported on the year ended 31 March 2016 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 2017 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 2017 Annual Report and Accounts (including the Auditor's Report) will be made available to shareholders during the week commencing 14 August 2017. The Dart Group PLC Annual General Meeting will be held on 7 September 2017.

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.