24 October 2013

Stobart Group Limited
("Stobart" or the "Group")

Interim Results for the six months ended 31 August 2013

Stobart Group Limited, a leading provider of multimodal Transport, Distribution, Biomass, and Infrastructure services today announces its interim results for the six months to 31 August 2013.

Group Overview

- The Group is on track with its four year strategy to deliver shareholder value
- Our mature businesses continue to perform well and our growth businesses have increased volumes, revenues and profits
- With our investment phase virtually complete our focus is on driving value from all our businesses
- In Air and Biomass we aim to increase volumes and drive profitability from the strong platform we have created
- Elsewhere our focus is on efficiency gains, cash generation and selective realisations alongside continued excellence of customer service

Financial highlights

- Revenue from continuing operations was £330.2m (2012: £247.4m) including Automotive revenue of £54.5m (2012: £nil)
- Underlying operating profit* was £20.9m (2012: £19.7m)
- Underlying profit before tax** was £13.8m (2012: £13.1m)
- Interim dividend of 2.0p (2012: 2.0p) per share payable on 6 December 2013
- Profit before tax from continuing operations of £10.4m (2012: £10.5m)
- Earnings per share from continuing operations of 2.7p (2012: 2.6p)
- Loss on discontinued operation of £0.3m (2012: loss £2.9m)
- Net cash generated from continuing operations £29.6m (2012: £16.4m)
- Group property assets at £336.4m (28 February 2013: £347.7m)
- Net debt at £203.0m (28 February 2013: £216.4m)

Divisional underlying profit summary

	31 August 2013 £'m	31 August 2013 £'m	Restated 31 August 2012 £'m	Restated 31 August 2012 £'m
Underlying operating profit*		20.9		19.7
Finance costs, finance income and share-based payments		(7.1)		(6.6)
Operation-based divisions				
Transport & Distribution	14.3		14.1	
Biomass	1.6		0.8	
Infrastructure & Civil Engineering	1.3		0.4	
Air	0.1		(0.3)	
Asset-based division				
Estates	1.2		2.8	
Central costs and eliminations	(4.7)		(4.7)	
Underlying profit before tax**		**13.8**		**13.1**
Separately disclosed items		(3.4)		(2.6)
Profit before tax		**10.4**		**10.5**

* Underlying operating profit is a non-GAAP measure shown on the Income Statement.
** Underlying profit before tax is a non-GAAP measure and comprises the reported underlying operating profit of £20.9m (2012: £19.7m) less share-based payments of £0.3m (2012: £1.3m) less finance costs of £7.0m (2012: £5.6m) plus finance income of £0.2m (2012: £0.3m).

Operational Highlights

- Iain Ferguson appointed Non-Executive Chairman
- Profits ahead of last year in all operating divisions
- Improvements and efficiencies made in the Automotive (previously Autologic) business including investment in new vehicles and closure of head office
- Profitable disposals in the Estates portfolio in the period realising £25m cash. A further disposal completed early in the second half
- Internal rate of return on the Moneypenny portfolio of 19.6% since acquisition
- Launch of fourth home-based easyJet aircraft at London Southend Airport helped to increase passenger numbers to 528,000 - up 43% from comparative period
- London Southend Airport rated best UK airport in Which? customer satisfaction survey
- Biomass tonnages increased to 354,000, up 52% from comparative period despite some customer plant commissioning outages
- Three major contracts / framework agreements signed for future Biomass supplies – already announced

Andrew Tinkler, Chief Executive Officer, said:

"We are on track to deliver value across all of our divisions in line with our strategy. Our market-leading Transport business continues to perform well and our growing Air and Biomass divisions are beginning to deliver on their potential."

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HALF YEAR REVIEW

Strategy

The Group continues to pursue its strategy of creating value from its strategic investments in transport, logistics, biomass fuel supply and estates. With the investment phase virtually complete we have created a firm foundation for growth. Within the Group we have mature businesses, where our focus is on growing profitability by increasing efficiency and building incrementally, and on realising value where appropriate, and growth businesses, where generating the returns we expect requires strong top line growth. We are focussed on optimising the value of these businesses and aim to deliver strong returns in line with our four year plan.

Results summary

Results for the six months to 31 August 2013

	Six months to 31 August 2013 £'m	Restated Six months to 31 August 2012 £'m
Revenue from continuing operations	330.2	247.4
Underlying operating profit*	20.9	19.7
Underlying profit before tax**	13.8	13.1
Profit before tax from continuing operations	10.4	10.5
Loss from discontinued operations (net of tax)	(0.3)	(2.9)
Earnings per share from continuing operations	2.7p	2.6p

* Underlying operating profit is a non-GAAP measure shown on the Income Statement.
** Underlying profit before tax is a non-GAAP measure and comprises the reported underlying operating profit of £20.9m (2012: £19.7m) less share based payments of £0.3m (2012: £1.3m) less finance costs of £7.0m (2012: £5.6m) plus finance income of £0.2m (2012: £0.3m).

The prior year figures have been restated where appropriate to re-classify the chilled transport pallet network as discontinued.

Divisional review

Transport and Distribution

Revenue for the Transport and Distribution division was £297.5m (2012: £222.9m), including Automotive revenue of £54.5m (2012: £nil), and divisional profit before tax was £14.3m (2012: £14.1m).

The Transport and Distribution division achieved a solid result in the period despite considerable demand volatility. The period started with the coldest spring in many years and was followed by very hot summer weather, leading to significant fluctuations in volumes from our consumer-facing customers. It is encouraging to note that the growth in Eddie Stobart has continued to exceed market GDP, at approximately 6% on a like for like basis.

Our advanced planning systems allow us to continue to operate the fleet efficiently whilst meeting our customers' needs during this demanding period. In addition, our proprietary network performance analysis tools allow us to improve efficiency continuously and reduce wasted time.

We have started to bring the Automotive (previously Autologic) fleet up to date by introducing new and remounted vehicles as well as introducing the innovative detachable semi-trailers which have been successfully trialled. The semi-trailer is designed to be operated by standard tractor units from the Eddie Stobart fleet which allows us to flex capacity during peaks in demand with UK car registrations in March and September and improve utilisation and profitability. The programme to replace and refresh the old fleet of vehicles is on-going.

The existing Autologic head office in Northampton was closed, with operational management transferred to regional offices, bringing them closer to operations.

The discontinuance of the chilled transport pallet network has been completed successfully.

Outlook

The division continues to perform in line with management expectations. The second half of the financial year is the busier period for the division and the result for the year is dependent on continuing efforts to maximise efficiency and reduce waste, with particular focus on Automotive.

Stobart Estates

Revenue for the Stobart Estates division was £4.9m (2012: £6.8m) and profit before tax was £1.2m (2012: £2.8m).

The Estates division comprises all of the Group's freehold and long leasehold property interests including investment properties and properties occupied by the Group, including the airports. The divisional profit before tax includes on-going rental operations as well as profit from disposals and valuation movements.

The Moneypenny investment property portfolio has a current occupancy rate of 97.1% and delivered an internal rate of return of 19.6% since acquisition in February 2012.

It has been a busy six month period for the division, with the disposal of the long-term transport and warehousing hub at Appleton Thorn, which is occupied by Group businesses, under a sale and leaseback transaction, practical completion of the residential development at 37 Soho Square, London and the disposal of a further property at Luton. Early sales progress on the 37 Soho Square development has been very encouraging, with the disposal of two flats and a commercial unit having completed in the period under review.

The total proceeds on the above disposals amounted to £24.8m and the profit on disposal was £3.7m.

The division's result reflects the fact that it is charged for all of the Group's property-related borrowings, including those related to London Southend Airport. The rent from the airport operation for use of the airport assets reflects that division's EBITDAR (earnings before interest, tax, depreciation, amortisation and internal rent) and is expected to grow with increasing passenger numbers in the years ahead.

Outlook

In September 2013 the investment property at Eastbourne was sold for an initial consideration of £25.0m in cash, with further consideration payable contingent on the outcome of outstanding rent reviews. The expected profit on disposal is £0.4m, taking the total gain on the property since acquisition in February 2012 to £2.1m. This property was the highest value single property in the Moneypenny portfolio. In addition, terms have been agreed for the disposal of a further flat at 37 Soho Square, which is expected to complete in October 2013, leaving just two flats remaining.

We continue to focus on active asset management and to consider assets for sale when we believe we have no further opportunities to add value. The portfolio is financed by a fixed rate facility that matures on 30 April 2017 and we will continue to seek to optimise the use of that facility.

A hearing date has been set in February 2014 for the Judicial Review of the planning application at Carlisle airport and we are looking at all options. We remain confident of the long term prospects for delivering value at the site for the Group as a whole.

There are no new major operational capital expenditure projects anticipated for the rest of the year.

The results of the Estates division are expected to vary as the Group is focussed on maximising value from each property.

Infrastructure and Civil Engineering

Revenue for the Infrastructure and Civil Engineering division was £17.5m (2012: £16.2m) and divisional profit before tax was £1.3m (2012: £0.4m.). This includes £7.9m of external revenue, a significant increase on prior year external revenue of £4.6m.

The terminal building extension at London Southend Airport is the final major project currently planned at the airport and is expected to be completed in January 2014. The Civil Engineering division has added value to, and enhanced the Group's control over, the transformation of the airport.

The margins on external rail and other engineering works have been healthy in the period. Works have included cable hardening for Network Rail North East and track reballasting on the Manchester Metrolink and London Underground. The volumes have been relatively low but the potential for further work is significant.

Outlook

Following a period of intensive work for Group businesses, we are focussing once again on exploring opportunities in external rail infrastructure. There are significant opportunities to develop work with Network Rail as Control Period 5 is due to commence in April 2014. We will be bidding for a number of five year contracts with main focus on plain line track renewals in the North West.

The division will continue to support the Group's Estates division in providing valuable engineering work where our sites are developed, though this is expected to be at a lower level than in the last few years as major Group works are reducing significantly.

Stobart Air

Revenue for the Stobart Air division was £10.4m (2012: £7.9m) and the divisional profit before tax was £0.1m (2012: loss £0.3m).

EBITDAR (Earnings before interest, tax, depreciation, amortisation and internal rent) is a key measure for London Southend Airport and was £0.7m for the period, ahead of £0.2m for the same period in 2012.

The latest Which? airport passenger customer satisfaction survey reported that London Southend Airport topped the ratings with a customer satisfaction score of 84% and maximum five star rating in five of the ten categories assessed. In addition, operationally the airport is still the best performing UK airport in the easyJet network for on-time performance.

Passenger numbers in the period were 528,000 - up 43% from 368,000 in the comparative period as the impact of the fourth home-based easyJet Airbus 319 has increased the number of available destinations. Passenger load factors were particularly strong in July and August although movements have been lower than expected. In addition, passenger numbers have been steadily improving on the Aer Lingus Dublin route.

Commercial income streams have started to deliver with the hotel, railway station, car parking and shopping income all showing year on year improvements. There is further work to do and we have started to strengthen the management team with the appointment of a new Operations Director and Chief Financial Officer to help optimise commercial and airline opportunities.

Outlook

Developing London Southend Airport has been a major undertaking and we are very pleased with our achievements to date. We have delivered an outstanding facility on time and we are already delivering a customer experience that has resulted in market-leading customer feedback. From this very promising platform we aim to grow passenger numbers and revenues across our income streams. With the airport infrastructure in place, increased revenues should translate into improved profitability. With a capacity of more than 5 million passengers per annum, London Southend Airport has potential to create significant value for shareholders and our focus is on achieving that potential.

Performance of airports is seasonal with winter volumes expected to be lower than summer but we expect to complete the year at London Southend Airport with the level of passenger numbers where we are profitable in EBITDA terms. The airport infrastructure is almost complete with the terminal building extension expected to open in January 2014. This extension gives extra capacity with a new security layout, new arrivals hall, additional check-in desks, additional gates and retail and commercial space.

Discussions are being held with a number of European-based airlines with a view to commencing services in winter 2013 and beyond. Discussions will start in earnest when the asset construction is complete and prospective new airline customers are able to see all of the airport's facilities in operation.

The existing short stay car parking and drop off facility will be enhanced starting from October 2013 and will be completed by January 2014. This will improve safety and offer additional commercial opportunities. Improvements are also being made to the fire station and fire training ground.

Stobart Biomass

Revenue for the Stobart Biomass division was £11.3m (2012: £6.6m) and divisional profit before tax was £1.6m (2012: £0.8m).

Tonnage supplied in the period was 354,000 tonnes; up 52% from 232,000 in 2012 following the new contracts with Iggesund, Dalkia and Helius which commenced at the end of the last financial year.

UK operations have been disrupted by customers' plant outages, which are expected to reduce after commissioning issues are resolved. The reduction in UK volumes has led to an increase in export supplies which demonstrates our versatility but has an impact on our margins.

The Department for Energy and Climate Change (DECC) is currently in consultation on its proposed Electricity Market Reforms (EMR) which are intended to confirm the future pricing mechanism for Biomass power generation. Currently the sector operates under the Renewable Obligation (RO) regime and this is expected to be replaced by Contracts for Difference (CfD).

The proposals are designed to support low carbon electricity generation and to unlock £110bn of investment to ensure 15% of the UK energy demand is met by renewables by 2020. The CfD regime is expected to succeed the RO system in March 2017. The change should lead to greater certainty and stability of revenues for power generators and plant developers, and protect consumers from volatile price increases. Final proposals are expected to be published in December 2013.

Outlook

Whilst growth in the short term is steady, the longer term potential is very positive. Stobart Biomass has established itself as a respected fuel supplier and a key partner in the development of biomass power facilities. We have signed a contract with RWE Npower Renewables, for a plant which is expected to be operational later this year, and also with Evermore Renewable Energy for a plant expected to be operational in late 2015. We have also signed a framework agreement with Greensphere Capital to supply to plants in which they expect to invest and begun to enter into supply contracts under that framework. The total potential tonnage supply is c1.25m tonnes per annum across these four contracts.

Joint ventures

Our investment in Aer Arann is progressing well for the Group with approximately 70,000 passengers travelling on the Dublin route to London Southend annually and over 1.1 million passengers carried annually by the airline under its 10 year Aer Lingus Regional franchise agreement. In addition, opportunities are being considered to increase passenger throughput at London Southend airport using a similar model. The restructuring of Aer Arann in December 2012 has resulted in a new management team leading the business, enhanced management information systems and improved load factors. Aer Arann was recently awarded the bronze award in the 'Airline of the year' category in the European Regional Airline awards. In addition to the Aer Arann investment we will also generate future returns from an investment in a leasing company which owns and leases aircraft to Aer Arann.

Restructuring costs

The restructuring costs in the period principally comprise the exit costs of senior management previously at Autologic and London Southend Airport.

Tax

The effective tax rate for the period is 11.3%. This rate is lower than the standard rate of 23% principally due to the effect on the deferred tax balances of the reduction to 20% (effective from 1 April 2015) of the corporation tax rate, which was substantively enacted on 2 July 2013.

Balance sheet, debt and gearing

The Group maintains a strong balance sheet, with net assets of £457.7m (28 February 2013: £462.1m). This includes property assets with a total book value of £336.4m (2012: £347.7m).

Net debt decreased to £203.0m (28 February 2013: £216.4m) after cash generated from continuing operating activities of £29.6m exceeded net finance costs of £6.8m and dividends of £13.6m. Cash received from disposals of property, plant and equipment and investment property of £28.7m exceeded capital expenditure of £18.7m. There was a cash gain from working capital movements of £6.9m which can be attributed to timing of payments and is expected to be reversed at the year end.

The gearing ratio was 44.3% (28 February 2013: 46.8%) and the gearing ratio excluding fleet financing and related assets, was 36.3% (28 February 2013: 38.4%).

The ratio of net debt to book value of Group property assets was 60.3% (28 February 2013: 62.2%).

Corporate social responsibility

In May we published our full CSR Report 2013. This can be found on our website at www.stobartgroup.co.uk.

Brand

The Eddie Stobart brand is the highest ranked name in the Supply Chain, Distribution & Freight Services category in the Business Superbrands listings. The successful Channel 5 “Trucks and Trailers” TV series is filming for its sixth series.

In September 2013 we welcomed over 16,000 visitors to ‘Stobart Fest’ which took place at Carlisle Airport and our Stobart Members Club continues to grow.

Dividend

The Board has declared an interim dividend of 2.0p, which will be paid on 6 December 2013 to shareholders on the register as at 8 November 2013.

Board changes

Iain Ferguson joined the Board as Non-Executive Chairman on 1 October 2013. The Group also announced today that Andrew Wood will join the Board as a Non-executive Director and Senior Independent Director with effect from 1 November 2013.

In accordance with the Group’s earlier announcements, Rodney Baker-Bates will step down from the Board at the end of the calendar year. The Board would like to thank Rodney for his dedicated service to the Board over many years as a Director and previously as Chairman.

Key risks and uncertainties

As with any business, risk assessment and the implementation of mitigating actions and controls are vital to successfully achieving the Group's strategy. The Board has overall responsibility for risk management and internal control within the context of achieving the Group's objectives. The key risks are set out in our 2013 Annual Report.

Going concern

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the interim financial statements have been prepared on a going concern basis.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU
- the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year

(b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The above statement of directors' responsibilities was approved by the Board on 24 October 2013.

Iain Ferguson	**Andrew Tinkler**	**Ben Whawell**
William Stobart	**Paul Orchard-Lisle**	**Rodney Baker-Bates**
Michael Kayser		

24 October 2013

Stobart Group Limited

Condensed Consolidated Income Statement
For the six months ended 31 August 2013

	Notes	Six months ended 31 August 2013 Unaudited £'000	Restated Six months ended 31 August 2012 Unaudited £'000	Year ended 28 February 2013 Audited £'000
Continuing operations				
Revenue	3	**330,190**	**247,379**	**572,412**
Operating expenses - underlying		(312,177)	(229,773)	(534,173)
Share of post-tax profits of associates and joint ventures		272	500	997
Gain in value of investment properties		546	1,200	5,173
Profit on disposal of investment property		2,852	-	-
(Loss)/profit on disposal of / (loss)/gain in value of asset held for sale		(750)	387	495
Underlying operating profit		**20,933**	**19,693**	**44,904**
Share-based payments		(300)	(1,300)	(1,244)
Profit on disposal of business		-	-	8,511
New territory and new business set up costs		-	(635)	(1,020)
Transaction costs		(1,038)	(1,712)	(2,759)
Restructuring costs		(2,208)	(169)	(793)
Amortisation of acquired intangibles		(148)	(111)	(381)
Profit before interest and tax		**17,239**	**15,766**	**47,218**
Finance costs		(7,044)	(5,608)	(11,963)
Finance income		245	341	777
Profit before tax		**10,440**	**10,499**	**36,032**
Tax	4	(1,183)	(1,591)	(5,101)
Profit from continuing operations		**9,257**	**8,908**	**30,931**
Discontinued operation				
Loss from discontinued operation, net of tax		(307)	(2,939)	(13,409)
Profit for the period		**8,950**	**5,969**	**17,522**
Profit attributable to:				
Owners of the Company		8,945	5,969	17,519
Non-controlling interests		5	-	3
Profit for the period		**8,950**	**5,969**	**17,522**

Stobart Group Limited

Condensed Consolidated Income Statement
For the six months ended 31 August 2013

	Notes	Six months ended 31 August 2013 Unaudited £'000	Restated Six months ended 31 August 2012 Unaudited £'000	Year ended 28 February 2013 Audited £'000
	6			
Earnings per share – continuing operations				
Basic		2.70p	2.60p	9.02p
Diluted		2.69p	2.59p	8.98p
Earnings per share				
Basic		2.61p	1.74p	5.11p
Diluted		2.60p	1.73p	5.09p

Stobart Group Limited

Condensed Consolidated Statement of Other Comprehensive Income
For the six months ended 31 August 2013

	Notes	Six months ended 31 August 2013 Unaudited £'000	Restated Six months ended 31 August 2012 Unaudited £'000	Year ended 28 February 2013 Audited £'000
Profit for the period		**8,950**	**5,969**	**17,522**
Exchange differences on translation of foreign operations		(309)	(463)	559
Cash flow hedge		466	107	476
Revaluation of property, plant and equipment		-	-	781
Tax on items relating to components of other comprehensive income		(93)	(25)	(266)
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods, net of tax		**64**	**(381)**	**1,550**
Defined benefit plan actuarial gains		-	-	649
Tax on items relating to components of other comprehensive income		-	-	(148)
Other comprehensive income/(expense) not being reclassified to profit or loss in subsequent periods, net of tax		**-**	**-**	**501**
Other comprehensive income for the period, net of tax		**64**	**(381)**	**2,051**
Total comprehensive income for the period, net of tax		**9,014**	**5,588**	**19,573**
Total comprehensive income attributable to:				
Owners of the Company		9,009	5,588	19,570
Non-controlling interests		5	-	3
Total comprehensive income for the period		**9,014**	**5,588**	**19,573**

Stobart Group Limited

Condensed Consolidated Statement of Financial Position
As at 31 August 2013

	Notes	31 August 2013 Unaudited £'000	28 February 2013 Audited £'000
Non-current assets			
Property, plant and equipment			
- Land and buildings	**7**	248,789	247,497
- Plant and machinery	**7**	31,865	32,118
- Fixtures, fittings and equipment	**7**	4,014	5,338
- Commercial vehicles	**7**	25,726	27,215
		310,394	312,168
Investment in associates and joint ventures		16,306	16,086
Investment property		69,320	89,526
Intangible assets		286,066	286,214
Other investments		7	7
Other receivables		4,226	4,930
		686,319	**708,931**
Current assets			
Inventories		3,019	4,251
Corporation tax		-	1,338
Trade and other receivables		127,358	128,869
Cash and cash equivalents	**8**	46,684	32,488
Assets of disposal groups classified as held for sale		18,275	10,700
		195,336	**177,646**
Total assets		**881,655**	**886,577**
Non-current liabilities			
Loans and borrowings	**8**	214,009	215,707
Defined benefit pension scheme		4,679	4,794
Other liabilities		22,507	21,348
Deferred tax		25,762	26,905
		266,957	**268,754**
Current liabilities			
Trade and other payables		120,611	122,542
Loans and borrowings	**8**	35,634	33,194
Corporation tax		771	-
		157,016	**155,736**
Total liabilities		**423,973**	**424,490**
Net assets		**457,682**	**462,087**

Stobart Group Limited

Condensed Consolidated Statement of Financial Position
As at 31 August 2013

	Notes	31 August 2013 Unaudited £'000	28 February 2013 Audited £'000
Capital and reserves			
Issued share capital		35,434	35,397
Share premium		301,065	300,788
Foreign currency exchange reserve		(521)	(212)
Reserve for own shares held by employee benefit trust		(386)	(386)
Hedge reserve		(659)	(1,032)
Revaluation reserve		781	781
Retained earnings		121,960	126,748
Group Shareholders' Equity		**457,674**	**462,084**
Non-controlling interest		8	3
Total Equity		**457,682**	**462,087**

Stobart Group Limited

Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 August 2013

For the six months ended 31 August 2013

Unaudited

	Issued share capital £'000	Share premium £'000	Foreign currency exchange reserve £'000	Reserve for own shares held by EBT £'000	Hedge reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 March 2013	35,397	300,788	(212)	(386)	(1,032)	781	126,748	462,084	3	462,087
Profit for the period	-	-	-	-	-	-	8,945	8,945	5	8,950
Other comprehensive income	-	-	(309)	-	373	-	-	64	-	64
Total comprehensive income/(expense) for the period	-	-	(309)	-	373	-	8,945	9,009	5	9,014
Share based payment credit	-	-	-	-	-	-	300	300	-	300
Tax on share-based payment credit	-	-	-	-	-	-	(142)	(142)	-	(142)
Dividends	37	277	-	-	-	-	(13,891)	(13,577)	-	(13,577)
Balance at 31 August 2013	**35,434**	**301,065**	**(521)**	**(386)**	**(659)**	**781**	**121,960**	**457,674**	**8**	**457,682**

For the six months ended 31 August 2012

Unaudited

	Issued share capital £'000	Share premium £'000	Foreign currency exchange reserve £'000	Reserve for own shares held by EBT £'000	Hedge reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 March as previously reported	35,397	300,788	(771)	(488)	(1,423)	139,203	472,706
Prior period adjustment	-	-	-	-	-	(863)	(863)
Restated balance at 1 March 2012	**35,397**	**300,788**	**(771)**	**(488)**	**(1,423)**	**138,340**	**471,843**
Profit for the period	-	-	-	-	-	5,969	5,969
Other comprehensive income / (expense)	-	-	(463)	-	82	-	(381)
Total comprehensive income / (expense)	-	-	(463)	-	82	5,969	5,588
Share issue costs	-	(80)	-	-	-	-	(80)
EBT shares vested	-	-	-	102	-	-	102
Share based payment credit	-	-	-	-	-	1,354	1,354
Tax on share based payment	-	-	-	-	-	(85)	(85)
Purchase of treasury shares	-	-	-	-	-	(9,519)	(9,519)
Dividends	-	-	-	-	-	(13,921)	(13,921)
Balance at 31 August 2012	**35,397**	**300,708**	**(1,234)**	**(386)**	**(1,341)**	**122,138**	**455,282**

Stobart Group Limited

Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 August 2013

For the year to 28 February 2013

Audited

	Issued share capital £'000	Share premium £'000	Foreign currency exchange reserve £'000	Reserve for own shares held by EBT £'000	Hedge reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 March 2012	35,397	300,788	(771)	(488)	(1,423)	-	139,203	472,706	-	472,706
Prior period adjustment	-	-	-	-	-	-	(1,746)	(1,746)	-	(1,746)
Restated balance at 1 March 2012	**35,397**	**300,788**	**(771)**	**(488)**	**(1,423)**	**-**	**137,457**	**470,960**	**-**	**470,960**
Profit for the year	-	-	-	-	-	-	17,519	17,519	3	17,522
Other comprehensive income	-	-	559	-	391	781	320	2,051	-	2,051
Total comprehensive income/(expense) for the year	-	-	559	-	391	781	17,839	19,570	3	19,573
Employee benefit trust shares vested	-	-	-	102	-	-	-	102	-	102
Share based payment credit	-	-	-	-	-	-	1,544	1,544	-	1,544
Tax on share-based payment credit	-	-	-	-	-	-	278	278	-	278
Purchase of treasury shares	-	-	-	-	-	-	(9,519)	(9,519)	-	(9,519)
Dividends	-	-	-	-	-	-	(20,851)	(20,851)	-	(20,851)
Balance at 28 February 2013	**35,397**	**300,788**	**(212)**	**(386)**	**(1,032)**	**781**	**126,748**	**462,084**	**3**	**462,087**

Stobart Group Limited

Condensed Consolidated Statement of Cash Flows
For the six months ended 31 August 2013

	Notes	Six months ended 31 August 2013 Unaudited £'000	Restated Six months ended 31 August 2012 Unaudited £'000	Year ended 28 February 2013 Audited £'000
Cash generated from continuing operations	**10**	**29,614**	**16,428**	**41,395**
Cash outflow from discontinued operations		(3,935)	(5,510)	(9,483)
Income taxes paid		(357)	(557)	(3,707)
Net cash flow from operating activities		**25,322**	**10,361**	**28,205**
Acquisition of subsidiaries and other businesses – net of cash acquired		(429)	(9,684)	(16,676)
Disposal of subsidiaries – net of cash disposed		-	-	13,088
Purchase of property, plant and equipment and investment property		(18,727)	(21,971)	(45,202)
Proceeds from sale of property, plant and equipment and investment property		26,748	11,073	23,353
Proceeds from disposal of assets held for sale		1,925	8,117	11,727
VAT inflow / (outflow) in relation to disposal of property		3,500	(4,584)	(4,583)
Net amounts (advanced to)/ repaid by joint ventures		(4,959)	(3,632)	(7,038)
Interest received		245	341	673
Net cash flow from investing activities		**8,303**	**(20,340)**	**(24,658)**
Issue of ordinary shares less costs of issue		(21)	(80)	-
Dividend paid on ordinary shares		(13,556)	(13,921)	(20,851)
Proceeds from new finance leases		5,470	6,106	18,489
Repayment of capital element of finance leases		(7,678)	(10,643)	(16,173)
Proceeds from new borrowings		9,965	29,594	38,626
Repayment of borrowings		(11,698)	(9,366)	(16,852)
Purchase of treasury shares		-	(9,519)	(9,519)
Proceeds from grant		1,500	-	3,000
Interest paid		(7,044)	(6,725)	(12,936)
Other finance and transaction costs		(610)	(567)	(819)
Net cash flow from financing activities		**(23,672)**	**(15,121)**	**(17,035)**

Stobart Group Limited

Condensed Consolidated Statement of Cash Flows
For the six months ended 31 August 2013

	Notes	Six months ended 31 August 2013 Unaudited £'000	Restated Six months ended 31 August 2012 Unaudited £'000	Year ended 28 February 2013 Audited £'000
Increase/(decrease) in cash and cash equivalents		9,953	(25,100)	(13,488)
Cash and cash equivalents at beginning of period		12,913	26,401	26,401
Cash and cash equivalents at end of period		**22,866**	**1,301**	**12,913**
Cash and cash equivalent (includes £28.2m restricted cash – see note 8)		46,684	16,346	32,488
Overdraft		(23,818)	(15,045)	(19,575)
Cash and cash equivalents at end of period		**22,866**	**1,301**	**12,913**

1 Accounting policies of Stobart Group Limited

Corporate information

The condensed consolidated financial statements of the Group for the six months ended 31 August 2013 were authorised for issue in accordance with a resolution of the directors on 24 October 2013.

Stobart Group Limited is a Guernsey registered company whose ordinary shares are publicly traded on the London Stock Exchange.

The principal activities of the Group are described in note 3.

Basis of preparation

The condensed consolidated financial statements of the Group for the six months ended 31 August 2013 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 28 February 2013. Except for the 28 February 2013 comparatives, the financial information set out herein is unaudited but has been reviewed by the auditors, KPMG LLP, and their report to the Company is attached.

The comparative financial information set out in these interim consolidated financial statements does not constitute the Group's statutory accounts for the period ended 28 February 2013 but has been derived from the accounts. Statutory accounts for the period ended 28 February 2013 have been published, KPMG Audit Plc has reported on those accounts. Their audit report was unqualified and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report. The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union.

Going concern

The Group has considerable financial resources, together with contracts with a number of customers and suppliers. The financial forecasts show that borrowing facilities are adequate such that the Group can operate within these facilities and meet its obligations when they fall due for the foreseeable future. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Restatement of 31 August 2012 financial information

The results of the chilled transport pallet network for the comparative interim period to 31 August 2012 have been restated as discontinued operations. This is in order to be consistent with the treatment in the full year to 28 February 2013 and the current year.

Separately disclosed items

Transaction costs comprise costs of making investments or costs of financing transactions that are not permitted to be debited to the cost of investment or as issue costs. These costs include costs of any aborted transactions.

Restructuring costs comprise costs of integration plans and other business reorganisation and restructuring undertaken by management. Costs include cost rationalisation, brand harmonisation, site closure costs, certain short term duplicated costs, asset write downs and other costs related to the reorganisation and integration of businesses. These are principally expected to be one off in nature.

Amortisation of acquired intangibles comprises the amortisation of intangible assets identified as fair value adjustments in acquisition accounting.

Significant accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group‘s annual financial statements for the year ended 28 February 2013. Any new amended Accounting Standards applicable for the period do not have a significant effect. These accounting policies are expected to be applied for the full year to 28 February 2014.

The following accounting standards, amendments and interpretations are not yet effective and have not been adopted early by the Group:

International Financial Reporting Standards ("IFRS")	Effective for accounting periods commencing on or after
IFRS 9: 'Financial instruments'	1 January 2015
Amendments to existing standards	
IFRS 10: 'Consolidated financial statements	1 January 2014
IFRS 12: 'Disclosure of interests in Other Entities'	1 January 2014
IAS 27 (revised 2011): 'Separate financial statements'	1 January 2014
Amendment to IAS 32 on Financial instruments asset and liability offsetting	1 January 2014
Amendment to IAS 36 on Impairment of assets	1 January 2014
Amendment to IAS 39 on Financial Instruments: Recognition and Measurement	1 January 2014

From the 1 March 2013 the following standards, amendments and interpretations became effective and were adopted by the Group:

International Financial Reporting Standards ("IFRS")	
IFRS 13: 'Fair Value Measurement'	1 January 2013
IAS 27 (revised 2011): 'Separate financial statements'	1 January 2013
IAS 28 (revised 2011): 'Associates and joint ventures'	1 January 2013
Amendments to existing standards	
Amendment to IAS 1: 'Presentation of financial statements' on OCI	1 July 2012
Amendment to IFRS 1: 'First time adoption' on government grants	1 July 2013
Amendment to IFRS 7 on Financial instruments asset and liability offsetting	1 July 2013
Amendment to IAS 19 (revised 2011): 'Employee benefits'	1 January 2013

The adoption of these standards, amendments and interpretations has not had a material effect on the net assets, results and disclosures of the Group.

2 Seasonality of operations

There is no significant seasonal effect on revenues and profits between the first and second six months of the financial year. In line with retail cycles, the higher seasonal sales in the month's pre-Christmas are balanced by the lower seasonal sales in the month's post-Christmas, both in the second six months of our financial year.

3 Segmental information

The operating segments within continuing operations are Stobart Transport & Distribution, Stobart Estates, Stobart Infrastructure & Civil Engineering, Stobart Air and Stobart Biomass.

The Stobart Transport & Distribution segment specialises in contract logistics including road haulage, rail freight, ports handling and warehousing.

The Stobart Estates segment specialises in management, development and realisation of Group land and buildings assets.

The Stobart Infrastructure & Civil Engineering segment specialises in delivering internal and external infrastructure and development projects including rail network operations.

The Stobart Air segment specialises in operation of commercial airports and joint venture investments in an airline and aircraft leasing company.

The Stobart Biomass segment specialises in supply of sustainable biomass for the generation of renewable energy.

The Board of Directors is regarded as the Chief Operating Decision Maker (CODM). The Board monitors the results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. The main segmental profit measures are earnings before interest, tax, depreciation and amortisation and also profit before tax both shown before separately disclosed items.

Income taxes, restructuring costs, non-fleet finance costs and certain central costs are managed on a group basis and are not allocated to operating segments.

Period ended 31 August 2013	Stobart Transport & Distribution £'000	Stobart Estates £'000	Stobart Infrastructure & Civil Engineering £'000	Stobart Air £'000	Stobart Biomass £'000	Adjustments and eliminations £'000	Group £'000
Revenue							
External	295,200	3,898	7,914	10,384	11,294	1,500	330,190
Internal	2,309	1,014	9,568	-	-	(12,891)	-
Total revenue	**297,509**	**4,912**	**17,482**	**10,384**	**11,294**	**(11,391)**	**330,190**
Segment EBITDA	**20,545**	**7,547**	**2,186**	**430**	**1,737**	**(3,807)**	**28,638**
Segment PBT	**14,309**	**1,180**	**1,364**	**112**	**1,568**	**(4,699)**	**13,834**
Transactions costs written off							(1,038)
Restructuring costs							(2,208)
Amortisation of acquired intangibles							(148)
Profit before tax							**10,440**

Inter-segment revenues are eliminated on consolidation.

Included in adjustments and eliminations are central costs of £4,034,000 (2012: £4,591,000) and intragroup profit of £665,000 (2012: £184,000).

Restated Period ended 31 August 2012	Stobart Transport & Distribution £'000	Stobart Estates £'000	Stobart Infrastructure & Civil Engineering £'000	Stobart Air £'000	Stobart Biomass £'000	Adjustments and eliminations £'000	Group £'000
Revenue							
External	222,861	5,182	4,613	7,923	6,594	206	247,379
Internal	-	1,620	11,628	-	-	(13,248)	-
Total revenue	**222,861**	**6,802**	**16,241**	**7,923**	**6,594**	**(13,042)**	**247,379**
Segment EBITDA	**20,047**	**7,513**	**1,284**	**175**	**861**	**(4,388)**	**25,492**
Segment PBT	**14,108**	**2,824**	**420**	**(253)**	**802**	**(4,775)**	**13,126**
New territory and business set up costs							(635)
Transactions costs written off							(1,712)
Restructuring costs							(169)
Amortisation of acquired intangibles							(111)
Profit before tax							**10,499**

Segment assets	Stobart Transport & Distribution £'000	Stobart Estates £'000	Stobart Infrastructure & Civil Engineering £'000	Stobart Air £'000	Stobart Biomass £'000	Adjustments and eliminations £'000	Group £'000
At 31 August 2013	**413,885**	**361,808**	**14,458**	**12,306**	**59,237**	**19,961**	**881,655**
At 28 February 2013	406,305	356,191	13,550	25,465	60,804	24,262	886,577

4 Taxation

Taxation on profit on ordinary activities

Tax charged in the income statement	Six months ended 31 August 2013 Unaudited £'000	Restated Six months ended 31 August 2012 Unaudited £'000	Year ended 28 February 2013 Audited £'000
Current income tax:			
UK Corporation tax - continuing operations	2,434	1,919	5,133
Overseas tax	127	118	617
Adjustment in respect of prior years	-	(44)	596
Total current tax	2,561	1,993	6,346
Deferred tax:			
Origination and reversal of temporary differences	(111)	116	1,378
Impact of change in rate	(1,302)	(518)	(2,330)
Adjustment in respect of prior years	35	-	(293)
Total deferred tax	(1,378)	(402)	(1,245)
Total charge in the income statement	**1,183**	**1,591**	**5,101**

A reduction in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012. The March 2013 Budget announced that the UK corporation tax rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. Reductions in the rate from 23% to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 August 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

5 Dividends

A final dividend of 4.0p per share (2012: 4.0p) totalling £13,890,703 (2012: £13,920,934 paid on 6 July 2012) was declared on 16 May 2013 and was paid on 5 July 2013. £13,556,225 was paid in cash and £334,478 was satisfied by issue of shares under a scrip offer.

An interim dividend of 2.0p (2012: 2.0p) per share totalling £6,952,711 (2012: £6,930,352 paid on 7 December 2012) was declared on 24 October 2013 and will be paid on 6 December 2013. This is not recognised as a liability at 31 August 2013.

6 Earnings per share

The following table reflects the income and share data used in the basic and diluted earnings per share calculations:

	Six months ended 31 August 2013 Unaudited	Restated Six months ended 31 August 2012 Unaudited	Year ended 28 February 2013 Audited
Numerator	**£'000**	**£'000**	**£'000**
Continuing operations			
Profit used for basic earnings	9,257	8,908	30,931
Discontinued operations			
Profit used for basic earnings	(307)	(2,939)	(13,409)
Denominator	**Number**	**Number**	**Number**
Weighted average number of shares used in basic EPS	343,480,176	343,091,380	342,976,555
Effects of employee share options	259,368	966,376	1,602,998
Weighted average number of shares used in diluted EPS	**343,739,544**	**344,057,756**	**344,579,553**

7 Property, plant and equipment

Additions and disposals

During the six months ended 31 August 2013, the Group acquired or developed assets with a cost of £16,514,000 (2012: £21,971,000). This included development of the terminal extension at London Southend Airport.

Assets with a book value of £10,235,000 (2012: £10,239,000) were disposed of by the Group during the six months ended 31 August 2013 resulting in a net profit on disposal of £952,000 (2012: £834,000).

Capital commitments

At 31 August 2013, the Group had capital commitments of £6,280,000 (2012: £3,496,000) principally relating to the development of investment property.

8 Analysis of net debt

	31 August 2013 Unaudited £'000	28 February 2013 Audited £'000
Loans and borrowings		
Non-current		
Fixed rate:		
- Obligations under finance leases and hire purchase contracts	28,445	27,181
- Loan notes	-	3,745
- Bank loans	67,841	68,659
Variable rate:		
- Obligations under finance leases and hire purchase contracts	855	379
- Bank loans	116,868	115,743
	214,009	**215,707**
Current		
Fixed rate:		
- Obligations under finance leases and hire purchase contracts	6,692	10,353
- Loan notes	2,820	-
Variable rate:		
- Obligations under finance leases and hire purchase contracts	782	1,119
- Overdrafts	23,818	19,575
- Bank loans	1,522	2,147
	35,634	**33,194**
Total loans and borrowings	249,643	248,901
Cash	46,684	32,488
Net debt	**202,959**	**216,413**

Included in cash is £28.2m which is held in an asset proceeds account as at 31 August 2013 and its use was restricted to reinvestment in new property assets or repayment of the property loan.

9 Fair values

Financial Assets and Liabilities

The book value and fair values of financial assets and financial liabilities are as follows:

	Book Value 31 August 2013 Unaudited £'000	Fair Value 31 August 2013 Unaudited £'000
Financial Assets		
Cash	46,684	46,684
Trade receivables	86,728	86,728
Financial Liabilities		
Trade payables	52,808	52,808
Overdrafts	23,818	23,818
Loans and borrowings	189,051	189,051
Finance leases and hire purchase arrangements	36,774	36,774
Interest rate swap	1,033	1,033

	Book Value 28 February 2013 Audited £'000	Fair Value 28 February 2013 Audited £'000
Financial Assets		
Cash	32,488	32,488
Trade receivables	84,786	84,786
Financial Liabilities		
Trade payables	60,264	60,264
Overdrafts	19,575	19,575
Loans and borrowings	190,294	190,294
Finance leases and hire purchase arrangements	39,032	39,032
Interest rate swap	1,499	1,499

For trade and other receivables/payables with a remaining life of less than one year, the carrying amount is considered to reflect the fair value.

The fair values of loans and borrowings have been calculated by discounting the expected future cash flows at prevailing interest rates.

Fair Value Hierarchy

The fair value hierarchy is explained in the Annual Report.

Liabilities measured at Fair Value as at 31 August 2013

	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Interest rate swap	1,033	-	1,033	-

Liabilities measured at Fair Value as at 28 February 2013

	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Interest rate swap	1,499	-	1,499	-

During the six months ended 31 August 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

10 Cash generated from operations

	Six months ended 31 August 2013 Unaudited £'000	Restated Six months ended 31 August 2012 Unaudited £'000	Year to 28 February 2013 Audited £'000
Profit before tax on continuing operations	**10,440**	**10,499**	**36,032**
Adjustments to reconcile profit before tax to net cash flows:			
Non-cash:			
Movement in unrealised gain on revaluation of investment properties	(546)	(1,200)	(5,173)
Realised profit on sale of property, plant and equipment and investment properties	(3,788)	(834)	(866)
Share of post-tax profits of associates and joint ventures accounted for using the equity method	(272)	(500)	(997)
Profit on disposal of business	-	-	(8,511)
Loss/(profit) on disposal of / loss/(gain) in value of assets held for sale	750	(387)	(495)
Depreciation of property, plant and equipment	8,005	6,666	14,679
Amortisation of intangibles	148	111	381
Finance income	(245)	(341)	(777)
Interest expense	7,044	5,608	11,963
Release of grant income	(164)	-	(199)
Non-operating transaction costs	1,038	1,712	2,759
Share option charge	300	1,300	1,406
Working capital adjustments:			
Decrease / (increase) in inventories	1,232	(685)	(1,909)
Decrease / (increase) in trade and other receivables	7,777	(8,238)	(1,535)
(Decrease) / increase in trade and other payables	(2,105)	2,717	(5,363)
Cash generated from continuing operations	**29,614**	**16,428**	**41,395**

11 Related parties

WA Developments International Limited, VLL Limited and Ast Signs Limited are all companies part owned by A Tinkler or W Stobart, directors of the Group. The Group made sales of £90,000 (2012: £338,000) and purchases of £491,000 (2012: £482,000) from these companies together during the six months to 31 August 2013. £184,000 was due from the Group to these companies at 31 August 2013 (2012: £798,000 due to the Group).

As part of restructuring the Board, Avril Palmer-Baunack left the company on 16 May 2013. In accordance with her long term employment contract with Autologic Holdings Limited, she received a severance payment of £1,131,346 which was paid net of appropriate deductions for income tax and national insurance, plus benefits on termination with a value of £36,150.

Key management remuneration will be reported in the Annual Report for the full year to 28 February 2014.

Independent Review Report to Stobart Group Limited

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2013 which comprises the Interim Consolidated Income Statement, the Interim Consolidated Statement of Comprehensive Income, the Interim Consolidated Statement of Financial Position, the Interim Consolidated Statement of Changes in Equity and the Interim Consolidated Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2013 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Nicola Quayle
for and on behalf of KPMG LLP
Chartered Accountants
St James' Square, Manchester, M2 6DS
24 October 2013