

Stobart Group Ltd

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'Steady Eddie' Stobart's inline with expectations in H1

Stobart Group (LON:STOB) said this morning its performance has been "significantly ahead" of the same period last year, but in line with City expectations.

And it expects continued growth in the second half as its new contracts start to deliver.

The transport group admitted market conditions had been tough. But the firm reckons its diversified base has helped weather the worst of the upheaval.

The company has expanded somewhat, beyond the Eddie Stobart haulage business, and it now operates rail, ports and air businesses too.

At the core, Eddie Stobart business volumes remain strong.

The company said it has benefited from new contracts including a deal worth £7 million per year, with British drinks manufacturer AG Barr. Furthermore, contracts with A W Jenkinson and Tesco are expected to add growth in the second half.

However, the company also cautioned that: "Increased volume volatility has created some challenges for the business which are being addressed through working closely with our customers".

Stobart's rail freight division is reported to be performing well, and the company is currently developing new routes with its customers.

However uncertainty over future Government spending, via Network Rail, has cast a shadow over the outlook for the company's rail engineering services business. "As a result, overall performance for this division is slightly below expectations".

That said Stobart Air's development of the London Southend airport will provide a boost for the rail engineering business. The company is currently upgrading the infrastructure at the airport, and both the railway station and the control tower are expected to be ready by the end of 2010.

Elsewhere, Stobart's port business is 'marginally ahead of expectations', with steady volumes, tight cost control but only limited growth.

The company also stated that the biomass business, acquired last month, is expected to be profitable for the full-year.

Price: 118.8

Market Cap: £445.09 m

1 Year Share Price Graph



Share Information

Code: STOB

Listing: LSE

52 week	High	Low
	209.5	98.1

Sector: **Business & education services**

Website: www.stobartgroup.co.uk

Company Synopsis:

Stobart Group is an infrastructure and support services business which owns and manages a range of key infrastructure sites and operates business divisions delivering critical support services to the energy, aviation and rail sectors.

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