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THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER WILL BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION WILL BE CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

22 February 2018

Flybe plc

Statement Regarding Possible Offer

Flybe plc ("Flybe" or the "Company") (LSE: FLYB) notes the recent media speculation and subsequent announcement made by Stobart Group Limited ("Stobart Group"). Flybe confirms that it has not received any approach from Stobart Group regarding a possible offer by Stobart Group for Flybe.

Flybe shareholders are strongly advised to take no action at this stage. There can be no certainty that any firm offer will be made nor as to the terms on which any firm offer might be made.

Further announcements will be made in due course as appropriate.

In accordance with Rule 2.6(a) of the Code, Stobart Group must, by not later than 5.00 p.m. on 22 March 2018, either announce a firm intention to make an offer for Flybe in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended by the Board of Flybe with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code and will cease to apply in circumstances set out in Rule 2.6(b) of the Code (a firm intention to make an offer for Flybe in accordance with Rule 2.7 being announced by another offeror prior to that deadline).

As a consequence of the announcement, an offer period has now commenced in respect of Flybe in accordance with the rules of the Code and the attention of shareholders is drawn to the disclosure requirements of Rule 8 of the Code, which are summarised below.

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In accordance with Rule 26.1 of the Code, a copy of this announcement will, subject to certain restrictions relating to persons resident in restricted jurisdictions, be available at www.flybe.com/investors/. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement. The person responsible for arranging for the release of this announcement on behalf of Flybe is Catherine Ledger, General Counsel and Company Secretary. For the avoidance of doubt, the content of the website referred to above is not incorporated into and does not form part of this announcement.

IMPORTANT NOTICES

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction. Any offer (if made) will be made solely by certain offer documentation which will contain the full terms and conditions of any offer (if made), including details of how such offer may be accepted. This announcement has been prepared in accordance with English law and the Code, and information disclosed may not be the same as that which would have been prepared in accordance with laws outside of the United Kingdom. The release, distribution or publication of this announcement in jurisdictions outside of the United Kingdom may be restricted by laws of the relevant jurisdictions, and therefore persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

ABOUT FLYBE

Flybe is Europe's largest regional airline and flies more UK domestic flights than any other airline - 53% of all UK flights within mainland Britain. Flybe currently operates 211 routes serving 15 countries from 80 departure points in the UK and Europe* and is the largest scheduled airline by air traffic movements at Aberdeen, Belfast City, Birmingham, Cardiff, Exeter, Isle of Man, Jersey, Newquay and Southampton airports**. Flybe operates a fleet of 81 aircraft - 56 Bombardier Q400, 9 Embraer E195, 11 E175 & 5 ATR 72s and was recognised as the most punctual UK-based airline in the latest report on 'Best and Worst Airlines' issued by leading consumer watchdog Which? in January 2018.

*Flown under the Flybe brand including all routes on sale Feb 2018 - Oct 2018

**Source: UK CAA Oct 2017

ABOUT EVERCORE

Evercore Partners International LLP ("**Evercore**"), which is authorised and regulated by the Financial Conduct Authority in the UK, is acting exclusively as financial adviser to Flybe and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Flybe for providing the protections afforded to clients of Evercore nor for providing advice in connection with the matters referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Evercore in connection with this announcement, any statement contained herein, the acquisition or otherwise. Apart from the responsibilities and liabilities, if any, which may be imposed on Evercore by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Evercore nor any of its affiliates accepts any responsibility or liability whatsoever for the contents of this announcement, and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this announcement, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf, in connection with Flybe or the matters described in this document. To the fullest extent permitted by applicable law, Evercore and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this announcement or any statement contained therein.

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RULE 2.9 REQUIREMENT

In accordance with Rule 2.9 of the Code, the Company confirms that as at close of business on 21 February 2018, its issued share capital consisted of 216,656,776 ordinary shares of 1 pence each, with ISIN Number GB00B4QMR10, which carry voting rights of one vote per share.

DISCLOSURE REQUIREMENTS OF THE TAKEOVER CODE

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

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