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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.

FOR IMMEDIATE RELEASE

23 November 2018

Flybe Group plc

Statement Regarding Media Speculation

The Board of Flybe Group plc ("Flybe" or the "Company") notes the recent media speculation and confirms that Virgin Atlantic Airways Limited ("Virgin Atlantic") is one of the parties it is in discussions with as part of the formal sale process announced on 14 November 2018.

There can be no certainty that an offer will be made, nor as to the terms on which any offer will be made.

Further announcements will be made in due course as appropriate.

As announced on 14 November 2018, the Panel on Takeovers and Mergers (the "Takeover Panel") has agreed that any discussions with third parties may be conducted within the context of a formal sale process. Accordingly, Virgin Atlantic will not be subject to the 28-day deadline referred to in Rule 2.6(a) of the Code for so long as it is participating in the formal sale process.

The Company continues to be in an offer period as defined in the Code and the dealing disclosure requirements set out below continue to apply.

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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 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.

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The information contained within this announcement is considered by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No.596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain.

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 (excluding London). Flybe currently operates 192 routes serving 14 countries from 75 departure points in the UK and Europe* and is the largest scheduled airline by air traffic movements at Aberdeen, Belfast City, Birmingham, Cardiff, Doncaster Sheffield, Exeter, Glasgow, Isle of Man, Jersey, Manchester, Newquay and Southampton airports**. Flybe operates a fleet of 76 aircraft - 54 Bombardier Q400, 6 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 Nov 2018 - Aug 2019

**Source: CAA Aug 2018

ABOUT EVERCORE

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DISCLOSURE REQUIREMENTS OF THE CITY CODE ON TAKEOVERS AND MERGERS

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 not later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by not 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 not 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 Takeover 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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