

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, on 19 February 2019, Flybe received a preliminary and highly conditional outline contingency proposal from an investor group led by Bateleur Capital LLC and Mesa Air Group Inc., with indicative support from Mr Andrew Tinkler and other un-named institutional shareholders (together, the "Investor Group") for a capital injection and replacement of funding provided by Connect Airways Limited ("Connect Airways") (the "Indicative Proposal").

The Indicative Proposal states that it is conditional on and subject to a significant number of items. In particular, the Indicative Proposal is subject to completion of the sale of Flybe's operating businesses to Connect Airways in accordance with the share purchase agreement dated 15 January 2019 (the "SPA") not occurring. As the Investor Group is aware, Flybe is bound by the terms of the SPA to complete the sale of its operating subsidiaries to Connect Airways if the conditions to the SPA are satisfied or waived by Connect Airways.

The Indicative Proposal is also conditional on CAA consent and agreements being reached with Flybe's credit card acquirers, banks, lessors, OEMs and pension fund trustees. Furthermore, a key aspect of the Indicative Proposal requires the publication of a prospectus and the passing of a "whitewash" resolution (as defined in the Takeover Code) by Flybe's independent shareholders.

Flybe has now drawn down the first £15 million of the £20 million secured committed credit facility, as referred to in the announcement of 15 January 2019. The sums utilised under the credit facility from the Connect Airways shareholders are repayable not later than 22 February 2019. The arrangements with the Company's credit card acquirers and banks are vital to enable Flybe to continue to trade and are conditional themselves upon the SPA completing.

Therefore, the Board does not believe that the Indicative Proposal is executable in the timeframe required to enable Flybe to continue to trade. Accordingly, the Board emphasises to shareholders that it continues to regard the arrangements entered into with Connect Airways as being the only viable option available to the Company which provides the security that the business needs to continue to trade successfully. The arrangements with Connect Airways preserve the interests of Flybe's stakeholders, customers, employees, partners and pension members.

Flybe continues to work with Connect Airways on the sale of Flybe's operating businesses. The SPA is subject to only a limited number of conditions and progress is being made to meet those conditions on time in anticipation of completion on or before 22 February 2019.

Enquiries:

Maitland/AMO

Andy Donald

Finlay Donaldson

+44 (0)20 7379 5151

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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 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain.

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