



COMPLETION OF SALE OF FLYBE LTD AND FLYBE.COM LTD

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Flybe Group PLC
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Flybe Group plc

Completion of Sale of Flybe Limited and Flybe.com Limited to Connect Airways Limited

Further to the announcement on 15 January 2019, Flybe Group plc ("Flybe" or the "Company") announces that the share purchase agreement (the "SPA") between Flybe and Connect Airways Limited ("Connect Airways") regarding the sale of Flybe's two operating subsidiaries, Flybe Limited (including Flybe Aviation Services Limited) and Flybe.com Limited, has completed in accordance with its terms on 21 February 2019.

Flybe's assets and operations are now owned by Connect Airways and Flybe flights continue to operate as normal. Following the completion of the sale under the SPA, Flybe Group plc is now a non-trading entity with no subsidiaries and no material assets other than the limited cash received under the SPA, which is required to cover transaction, residual and rundown costs of the Company. It is not anticipated that after meeting these costs there would be any remaining funds available for distribution to shareholders.

The separate recommended cash offer by Connect Airways announced on 11 January 2019, under which it is proposed that Connect Airways will acquire the entire issued and to be issued share capital of the Company by means of a scheme of arrangement (the "Scheme"), remains conditional on the approval of the Scheme by Flybe shareholders at the court meeting and the passing of the special resolution at the general meeting called in connection with the Scheme, the satisfaction or waiver of the other conditions to the Scheme and the approval of the Court. These meetings will take place on 4 March 2019.

The Flybe directors strongly advise shareholders to vote in favour of the Scheme at the shareholder meetings on 4 March 2019 in order to receive the consideration under the Scheme of 1 pence per share as otherwise shareholders are likely to receive no value for their shares in the Company.

As outlined in the Scheme document dated 7 February 2019, if the Scheme is approved, application will be made to the Financial Conduct Authority for the cancellation of the standard listing of the Flybe shares on the Official List and to the London Stock Exchange for the cancellation of the admission to trading of Flybe shares on London Stock Exchange's Main Market for listed securities. It is expected that such de-listing and cancellation of admission to trading would take effect at or shortly after the Scheme effective date, expected to be 11 March 2019.

As previously announced, if the Scheme is not approved, the Flybe directors intend to take steps to wind-up Flybe Group plc. Flybe will therefore shortly apply to the Financial Conduct Authority and the London Stock Exchange respectively requesting the cancellation of listing of the Company's shares on the Official List and the cancellation of admission to trading of the Company's shares on London Stock Exchange's Main Market for listed securities. In accordance with Listing Rule 5.2.8R, the cancellation notice period of 20 business days has now commenced and cancellation is expected to take effect at or shortly after 8.00 a.m. on 25 March 2019, unless the Scheme becomes effective before such date, in which case the cancellation of listing of the Company's shares will take effect at or shortly after the Scheme effective date, expected to be 11 March 2019.

The cancellation of listing and of admission to trading of the Company's shares is expected to significantly reduce the liquidity and marketability of the Flybe shares if the Scheme does not become effective.

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