



## SCHEME EFFECTIVE & INTENDED ADJOURNMENT OF MEETING

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**FOR IMMEDIATE RELEASE  
11 March 2019**

### **RECOMMENDED CASH OFFER**

**FOR**

**FLYBE GROUP PLC**

**BY**

**CONNECT AIRWAYS LIMITED**

(a company jointly-owned by DLP Holdings S.à.r.l., Stobart Aviation Limited and Virgin Travel Group Limited, a wholly-owned subsidiary of Virgin Atlantic Limited)

***effected by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006***

### **SCHEME EFFECTIVE**

#### **INTENDED ADJOURNMENT OF GENERAL MEETING CONVENED FOR 22 MARCH 2019**

On 11 January 2019, the Boards of Flybe Group plc ("Flybe" or the "Company") and Connect Airways Limited ("Connect Airways") announced that they had reached agreement on the terms of a recommended cash offer for Flybe by Connect Airways pursuant to which it was proposed that Connect Airways acquire the entire issued and to be issued share capital of Flybe (the "Acquisition"). The Acquisition was to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme") the terms of which were set out in the scheme circular published on 7 February 2019 (the "Scheme Document").

Further to the announcement on 8 March 2019 that the Court had sanctioned the Scheme, the Board of Flybe announces that the Court Order has been delivered to the Registrar of Companies today and, accordingly, the Scheme has now become effective in accordance with its terms.

Dealings in Flybe Shares have been suspended from trading on the Main Market for listed securities of the London Stock Exchange with effect from 7.30 a.m. today. The listing of Flybe Shares on the Official List of the FCA and the admission of Flybe Shares to trading on the Main Market for listed securities of the London Stock Exchange will be cancelled by no later than 8.00 a.m. tomorrow, 12 March 2019.

The latest date for the dispatch of cheques or settlement through CREST of the consideration due to Scheme Shareholders is 25 March 2019.

#### **Requisitioned General Meeting convened for 22 March 2019**

The Scheme having now become effective, Connect Airways will be the sole registered shareholder of the Company at the voting record time of the requisitioned general meeting convened for 22 March 2019 (the "Requisitioned Meeting"). Accordingly, persons who were Flybe Shareholders before the Scheme became effective will not be eligible to attend or vote at the Requisitioned Meeting and should not travel to, return forms of proxy, or otherwise attempt to vote, in relation to the resolutions set out in the notice of, the Requisitioned Meeting as their votes will not be counted. Connect Airways, as sole shareholder, intends to procure that the Requisitioned Meeting is

adjourned indefinitely.

## **General**

Unless otherwise defined, all capitalised terms in this announcement have the meaning given to them in the Scheme Document, a copy of which is available on the Flybe website at [www.flybeplc.com/strategic-review-formal-sale-process](http://www.flybeplc.com/strategic-review-formal-sale-process).

All references in this announcement to times are to times in London.

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## **IMPORTANT NOTICES**

*Evercore, which is authorised and regulated by the FCA in the United Kingdom, is acting solely for Flybe as financial adviser in relation to the matters referred to in this announcement and for no one else. Evercore will not be responsible to anyone other than Flybe for providing the protections afforded to its clients or for providing advice in relation to the contents of this announcement or any arrangement referred to herein. 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 regulatory regime would be illegal, void or unenforceable, neither Evercore, nor any of its 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 other than Flybe in connection with this announcement, any statement contained herein or otherwise, 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 relation to Flybe or the matters contained in this announcement. 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 in it.*

## **OVERSEAS JURISDICTIONS**

*The release, publication or distribution of this announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves about, and observe, any applicable restrictions. Flybe Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.*

*This announcement has been prepared for the purposes of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

*The statements contained in this announcement are not to be construed as legal, business, financial or tax advice.*

## **NOTES TO US INVESTORS IN FLYBE**

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If in the future, Connect Airways exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend such Takeover Offer into the United States, the Acquisition will be made pursuant to applicable UK tender offer rules and securities laws and otherwise in accordance with the requirements of the Code. Accordingly, any such Takeover Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable to tender offers made in accordance with US procedures and law. Financial information included in this announcement and the Scheme Document has been or will be prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of Flybe Shares to enforce their rights and any claim arising out of the US federal securities laws, since Flybe is located in a non-US jurisdiction, and some or all of its officers and directors may be residents of a non-US jurisdiction. US holders of Flybe Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Neither the SEC nor any securities commission of any state of the United States has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this announcement. Any representation to the contrary is a criminal offence in the United States.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Connect Airways or its nominees or

brokers (acting as agents) may from time to time make certain purchases of or arrangements to purchase, Flybe Shares outside the United States, other than pursuant to the Acquisition, until the date on which the Takeover Offer and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to an RIS and will be available on the London Stock Exchange website.

#### **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

*This announcement contains statements about the Connect Airways Group and the Flybe Group which are, or may be deemed to be, "forward-looking statements" and which are prospective in nature. All statements other than statements of historical fact included in this announcement may be forward-looking statements. They are based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "anticipates", "believes", "targets", "aims", "projects", "future-proofing" or words or terms of similar substance or the negative of such words or terms, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Connect Airways Group's or the Flybe Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on the Connect Airways Group's or the Flybe Group's business.*

*Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause the actual results, performance or achievements of the Connect Airways Group or the Flybe Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These factors include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Flybe Group, refer to the annual report and accounts of the Flybe Group for the financial year ended 31 March 2018. Each of the Connect Airways Group and the Flybe Group, and each of their respective members, directors, officers, employees, advisers and persons acting on their behalf expressly disclaims any intention or obligation to update or revise any forward-looking or other statements contained in this announcement, whether as a result of new information, future events or otherwise, except as required by applicable law.*

*No member of the Connect Airways Group, nor the Flybe Group, nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.*

*Except as expressly provided in this announcement, no forward-looking or other statements have been reviewed by the auditors of the Connect Airways Group or the Flybe Group. All subsequent oral or written forward-looking statements attributable to any member of the Connect Airways Group or Flybe Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.*

#### **NO PROFIT FORECAST OR PROFIT ESTIMATE**

*No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Flybe or Connect Airways, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Flybe or Connect Airways, as appropriate.*

#### **PUBLICATION ON A WEBSITE**

*In accordance with Rule 26.1 of the Code, a copy of this announcement will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Flybe's website at [www.flybepc.com/strategic-review-formal-sale-process](http://www.flybepc.com/strategic-review-formal-sale-process) promptly and in any event by no later than 12 noon (London time) on the Business Day following the date of this announcement. For the avoidance of doubt the contents of that website is not incorporated into, and does not form part of this announcement.*

#### **RIGHT TO RECEIVE COPIES IN HARD COPY FORM**

*Any person entitled to receive a copy of documents, announcements and information relating to the Acquisition is entitled to receive such documents (including information incorporated by reference into such documents by reference to another source) in hard copy form. Such person may request that all future documents, announcements and information in relation to the Acquisition are sent to them in hard copy form.*

*A hard copy form will not be sent to any person unless requested from Link Asset Services by way of either written request to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or request by telephone on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:30am and 5:30pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.*

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