

SHAREHOLDERS APPROVE CONNECT AIRWAYS ACQUISITION

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FOR IMMEDIATE RELEASE
4 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)

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

FLYBE SHAREHOLDERS APPROVE ACQUISITION BY CONNECT AIRWAYS LIMITED

Results of the Court Meeting and the General Meeting

Flybe Group plc ("Flybe" or the "Company") is pleased to announce that at the Court Meeting and the General Meeting held earlier today in connection with the recommended cash offer for Flybe by Connect Airways Limited ("Connect Airways"), under which Connect Airways will acquire the entire issued and to be issued share capital of Flybe (the "Acquisition") to be effected by means of a Court sanctioned scheme of arrangement under section 899 of the Companies Act 2006 (the "Scheme"):

- the requisite majorities of the Scheme Shareholders voted to approve the Scheme at the Court Meeting; and
- the requisite majority of Flybe Shareholders voted to pass the special resolution to approve and implement the Scheme (including, without limitation, the amendment of Flybe's articles of association) at the General Meeting.

Details of the resolutions passed are set out in the notices of the Court Meeting and the General Meeting contained in the scheme document dated 7 February 2019 in relation to the Acquisition (the "Scheme Document").

At the Voting Record Time, the Company had 216,656,776 ordinary shares in issue. Therefore, the total number of voting rights in the Company was 216,656,776. The ordinary shares have a nominal value of 1 pence each.

The results of the shareholder votes will not impact the assets, flights and operations of Flybe Limited, which continue to operate as normal under the ownership of Connect Airways following the completion of the sale of Flybe's two operating subsidiaries, Flybe Limited (including Flybe Aviation Services Limited) and Flybe.com Limited, as announced on 22 February 2019.

Voting results of the Court Meeting

The table below sets out the results of the poll at the Court Meeting held on 4 March 2019. Each Scheme Shareholder, present in person or by proxy, was entitled to one vote per Scheme Share held at the Voting Record Time.

Resolution	Number of	% of the voting	Number of	% of the total	Number of
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	Scheme Shareholders who voted	Scheme Shareholders	Scheme Shares which were voted	Scheme Shares which were voted	Scheme Shares voted as a % of the issued ordinary share capital
For	179	63.03	89,733,527	87.02	41.42
Against	105	36.97	13,383,312	12.98	6.18
Total	284	100	103,116,839	100	47.59

Voting results of the General Meeting

The table below sets out the results of the poll at the General Meeting held on 4 March 2019. Each Flybe Shareholder, present in person or by proxy, was entitled to one vote per Flybe Share held at the Voting Record Time.

Special Resolution	Number of Flybe Shares voted	% of the total Flybe Shares which were voted
For	65,170,611	82.84
Against	13,504,107	17.16
Withheld*	30,021	0
Total	78,674,718	100

* A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes "For" or "Against" the special resolution.

Effective Date and Timetable

Completion of the Acquisition remains subject to the satisfaction or waiver of the remaining Conditions set out in the Scheme Document, including the Court sanctioning the Scheme at the Court Hearing which is scheduled for 10.30 am on 8 March 2019.

Subject to the Scheme receiving the sanction of the Court on that date, the Scheme is expected to become Effective on 11 March 2019.

It is also expected that the listing of and dealings in Flybe Shares will be suspended from 7.30 am on 11 March 2019. The last day of dealing in, and for registration of transfers of, Flybe Shares will therefore be 8 March 2019. As previously announced, an application has been made to the FCA for the cancellation of Flybe Shares on the standard listing segment of the Official List and to the London Stock Exchange for the cancellation of admission to trading of Flybe Shares on the Main Market for listed securities. Such cancellations are expected to occur by not later than 8.00 am on 12 March 2019, one day later than in the expected timetable of principal events set out on page 11 of the Scheme Document.

The expected timetable of principal events for the implementation of the Scheme otherwise remains as set out on page 11 of the Scheme Document. If any of the dates and/or times in the expected timetable change, the revised dates and/or times will be notified by announcement through a Regulatory Information Service.

General

Copies of all the resolutions passed at the Court Meeting and the General Meeting have been submitted to the FCA and will shortly be available for inspection on the National Storage Mechanism at www.morningstar.co.uk/uk/NSM.

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.

All references in this announcement to times are to times in London (unless otherwise stated).

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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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.flybeplc.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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