

Virgin Atlantic consortium agrees to buy Flybe

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A consortium led by Britain's Virgin Atlantic will buy ailing low-cost carrier flybe

A consortium led by Britain's Virgin Atlantic on Friday said it will buy ailing no-frills airline Flybe for £2.2 million (\$2.8 million, 2.4 million

euros).

The group, which includes infrastructure specialist Stobart and investment firm Cyrus Capital Partners, said in a statement that their joint venture Connect Airways will pay just one pence per share under the deal.

Connect Airways will also purchase Stobart Air, which is Stobart Group's regional airline and aircraft leasing business.

"Cyrus, Stobart Group and Virgin Atlantic believe that combining Flybe and Stobart Air in a more integrated commercial cooperation with Virgin Atlantic's long-haul operations will create a fully-fledged UK network carrier under the Virgin Atlantic brand," they said in the statement.

Flybe had put itself up for sale in November after taking a major hit from weak passenger demand, rising fuel costs, a struggling pound and Brexit turmoil.

"The industry is suffering from higher [fuel costs](#), currency fluctuations and significant uncertainties presented by Brexit," said Flybe chief executive Christine Ourmieres-Widener.

"We have been affected by all of these factors which have put pressure on short-term financial performance."

She added: "By combining to form a larger, stronger, group, we will be better placed to withstand these pressures."

Cyrus will own a controlling 40-percent stake in the new company, while Virgin and Stobart will take 30 percent each.

The trio has committed to make a £20 million bridge loan available to support Flybe's current operations, while another £80 million will be provided to the combined group.

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