

UK budget airline Flybe snubs counter-bid

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Ailing low-cost carrier Flybe has agreed to takeover by a consortium led by Britain's Virgin Atlantic

Ailing no-frills British airline Flybe on Wednesday rejected a counterbid and repeated its backing for a takeover from a consortium led by Britain's Virgin Atlantic.

In a statement, Flybe confirmed [media speculation](#) that it had received a new "highly conditional" proposal from a group comprising US airline Mesa Air and New York-based investment group Bateleur Capital.

The troubled carrier said that it "does not believe that the (new) indicative proposal is executable in the timeframe required to enable Flybe to continue to trade".

The news comes one month after Flybe agreed to a takeover from Virgin's consortium—which also comprised infrastructure specialist Stobart and investment firm Cyrus Capital Partners—in a [joint venture](#) called Connect Airways.

Flybe added Wednesday that it would continue to work with Connect Airways.

"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," it said.

"The arrangements with Connect Airways preserve the interests of Flybe's stakeholders, customers, employees, partners and pension members."

The news comes amid troubled times for smaller airlines, who are more exposed to spiking [fuel costs](#) and Brexit uncertainty than their larger rivals.

Britain's flybmi last weekend announced it had ceased operations and was filing for administration, a process in which outside accountants are brought in to try and find a buyer for all or part of a troubled company.

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