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BUSINESS COMMENTARY *Alistair Osborne*

Easy target

Here we go again. Sir Stelios Haji-Ioannou is limbering up for his usual protest vote at next month's easyJet AGM (report, page 39). This time, though, the man who controls a one-third stake is voting only 15 million of his family's shares, or 3 per cent of those in issue, against the re-election of chairman John Barton. Last year, it was 20 million.

Read into that what you will. Perhaps the legendary dividend snaffler was one quarter more exercised about cajoling easyJet to lift the divvy payout ratio to 50 per cent than he is over his present complaint: the airline's "fleet plan". Whatever, it's nothing new to find Sir Grumpy from Monaco whingeing about the number of planes easyJet insists on flying. Moreover, when you look at the figures for the latest quarter, promptly sending the shares down another 9 per cent to 981p, he might even have a point.

Despite what Dame Carolyn McCall, the easyJet chief executive, styles as growing "with purpose in our core markets", revenue per seat fell another 8.2 per cent last quarter. And that was marginally better than expected. Thanks to an industry splurge on new planes, fuelled by cheap oil, those flying seats are earning less than they used to — a situation unlikely to be improved by easyJet's plans to increase capacity by 9 per cent this year. Sir Stelios is demanding a reduction in "incremental aircraft" from 2018.

True, easyJet needs to grow and stay competitive: in its Luton home base, for example, it's 17 per cent expansion merely maintains market share. Yet, even allowing for easyJet being more exposed to the weak pound, one simple fact stands out: its shares are down more than 40 per cent in 12 months versus a 3 per cent rise for Ryanair. When it comes to managing capacity and costs, the Irish airline is doing a far better job.