

easyJet's Stelios offers £5m reward in Airbus deal fight

Airline's founder seeks 'useful information' to help stop order for 107 aircraft

By Bethan Staton in London

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EasyJet founder Stelios Haji-loannou has offered a multimillion pound reward for information that could lead to the cancellation of the airline's contract with Airbus as he upped the stakes in his dispute with the carrier.

Sir Stelios, easyJet's biggest shareholder, announced on Tuesday that he would pay from his own pocket up to £5m for "useful information" in his fight to stop a multibillion pound order for 107 Airbus aircraft.

The entrepreneur, who founded the budget carrier in 1995, has attempted to remove four easyJet directors, including chairman John Barton and chief executive Johan Lundgren, over the deal, which he says the group cannot afford.

He wants the airline to reduce its fleet

from 344 jets to about 250 to increase profitability.

Sir Stelios criticised the carrier in a statement announcing the £5m reward, saying the company's directors wanted to maintain the contract despite "evidence that this obligation to pay Airbus will drive easyJet into insolvency by December 2020".

The reward was issued in an attempt to "establish why easyJet directors still want to pursue" the Airbus contract, he said.

EasyJet has consistently disputed Mr Haji-loannou's claims of wrongdoing on the part of its directors, and maintained the Airbus contract is sustainable.

"The board firmly rejects any insinuation that easyJet was involved in any

impropriety," the company said. "EasyJet has maintained the highest standards of governance and scrutiny in respect of its aircraft procurement processes."

The carrier maintains that sufficient flexibility is built into the Airbus deal, and last month announced it would defer the order of 24 aircraft over the next three years to reduce Capex costs. With its fleet grounded owing to the pandemic, the company is under unprecedented pressure to cut costs.

Mr Haji-loannou's £5m reward comes ahead of a general meeting on May 22, announced last month in response to his resolution to remove the four directors. EasyJet has recommended shareholders vote against the resolution.

"The board of easyJet firmly believes that holding a general meeting is an unnecessary distraction at a time when the airline industry is facing an unprecedented challenge," Mr Barton said at the time.