

Stelios offers £5m bounty to fuel mutiny at easyJet

By Alan Tovey

SIR STELIOS Haji-Ioannou, the easyJet founder, is offering a £5m bounty to whistleblowers who can help force the carrier to scrap an order for more than 100 new Airbus planes.

Sir Stelios offered the reward as part of a long-running battle with easyJet management, whom he wants to cancel a £4.5bn deal for jets he claims it cannot afford and does not need with so many flights grounded.

In an open letter, Sir Stelios offered up to £5m of his own fortune in cash to anyone who can provide useful information that leads to the order being cancelled.

It came as Dave Calhoun, the Boeing boss, warned that air traffic is still likely to be 50pc lower than normal at the end of this year, and said that he expects at least one US airline to go bust.

Sir Stelios appealed for information from “current or past hard-working easyJet employees or anyone else who has seen anything suspicious by anyone inside easyJet in their dealings with Airbus”.

Whistleblowers will be offered anonymity and have any legal costs covered, Sir Stelios said. He added he is willing to hand over “around £10,000” for “quick wins/tips”.

The offer is also open to those outside the company, with the entrepre-

neur appealing to easyJet suppliers, Airbus employees and aircraft financiers and lawyers to come forward.

Sir Stelios said: “We are looking for small tips, anything from lavish entertainment at the Paris Air Show up to the equivalent of the QPR [Queens Park Rangers] sponsorship fee.

“Any unexplained wealth and/ or any ostentatious spending by easyJet employees could also give us a hint.”

The reward is the latest escalation in the campaign by Greek-Cypriot billionaire Sir Stelios, whose family is the airline’s largest shareholder with a 34pc stake.

He has labelled some of easyJet’s directors “scoundrels” and is threatening to sack them over the Airbus order, which he believes should be axed to save cash in the face of the pandemic.

An extraordinary meeting is scheduled for next Friday after the tycoon called a vote to try to remove four directors. Last month Sir Stelios complained to the Financial Conduct Authority about easyJet’s actions, saying it breached company rules by not getting investor consent to a decision to defer orders for 24 planes.

An easyJet spokesman said: “The board firmly rejects any insinuation that easyJet was involved in any impropriety.” The company hired accountant BDO to examine the process which led to Airbus winning the contract for new



Source: The Daily Telegraph {Business}
Edition:
Country: UK
Date: Wednesday 13, May 2020
Page: 2
Area: 292 sq. cm
Circulation: ABC 317817 Daily
Ad data: page rate £46,000.00, scc rate £214.00
Phone: 020 7931 2000
Keyword: Stelios Haji-ioannou



planes in 2013, he said.

The spokesman added: “The audit report confirmed that robust procurement, project management and governance processes had been followed.”

Mr Calhoun predicted coronavirus will put one of America’s major airlines out of business as he continued to talk down the sector’s near-term future. In a TV interview, he said it was most likely that a carrier would collapse by September. The prediction came despite America’s 10 largest airlines applying for US government support through a \$25bn (£20bn) bailout.

Mr Calhoun said he does not expect traffic levels to have recovered to even 25pc of normal by summer, and believes they will still be only around half of normal at the end of 2020. In response to the collapse in air traffic, Boeing has cut production rates of aircraft and announced plans to axe about 10pc of its staff, or 16,000 roles. Last week it raised \$25bn in a bond sale, taking its debt load to \$39bn, after saying it would not take state aid that could hand Washington an equity stake.

Mr Calhoun has also said he is confident Boeing will restart production of its troubled 737 Max jet, which has been grounded for over a year following two crashes that killed 346 people.

Airlines around the world are cutting staff numbers drastically to survive. British Airways earlier this month announced up to 12,000 redundancies – a quarter of its workforce.