

## Founder of easyJet could be grounded in his fight to oust the board

By Oliver Gill

**SIR STELIOS HAJI-IOANNOU**, the easyJet founder, is facing an uphill struggle to oust the board, according to the airline's boss.

Johan Lundgren, chief executive, says that he has spoken to almost half of easyJet's investors, all of whom have given the board their backing ahead of a crunch vote this week.

Sir Stelios, who together with his family owns a 34pc stake in the airline, wants to remove five directors – including Mr Lundgren and John Barton, the chairman – following a row over a

£4.5bn order of 107 Airbus planes. There will be a ballot at a shareholder meeting on Friday, when a simple majority is required for the resolutions to be carried.

Mr Lundgren said: "I have now spoken to around 45pc of the shareholder base." In response to whether any of them would be supporting Sir Stelios, he added: "I don't want to sound complacent, but none. Nil."

City sources said that Blackrock and M&G, which together own 7.5pc of the airline, will also vote against Sir Stelios's resolutions. Blackrock and M&G declined to comment. Other than those

that have made public statements, Mr Lundgren declined to comment on the names of supportive investors.

Invesco, Phoenix Asset Management and Ninety One, which collectively own 15pc of the airline, have publicly backed the easyJet board. Sir Stelios

has urged the board to cancel the Airbus contract over fears it could render easyJet insolvent by the end of the year.

"Our shares will become worthless if we don't cancel the Airbus order," he said last month. He has also indicated that he would not support a rights issue if the board were to tap shareholders for cash.

"There is no business case to invest new money into easyJet unless the Airbus contract is cancelled," he said.

Mr Barton said in a letter to investors on Friday that easyJet "has sufficient liquidity for a prolonged grounding and to meet its existing obligations".

Meanwhile, Sir Stelios has offered a £5m reward to any "whistleblower" whose information would lead to the Airbus contract being cancelled.

He has attacked easyJet bosses as "scoundrels" for refusing to back down to his demands.

Having founded the airline 25 years ago, Sir Stelios quit easyJet's board following a row over its expansion plans.

Mr Lundgren said: "First and foremost, we've got to make sure that people get out there and vote.

"This is not something to be at all complacent about. I don't take shareholder support for granted and nor

should I. I know every airline in the world says they have the best contracts, but this is a good contract. Not only in the value but also in terms of the flexibility to defer deliveries of new aircraft.

"And you would basically break down the relationship of only one of two suppliers that exist in this world.

"Stelios is not wrong in that it is a good debate to have about the fleet – what should the fleet size be and how does it fit in with the current environment.

"Investors are worried that this is a distraction at a time when the airline is fighting for its life."



**Sir Stelios Haji-ioannou** has called easyJet bosses 'scoundrels' for refusing to back his Airbus demands