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BUSINESS COMMENTARY *Alistair Osborne*

Expect turbulence

Lucky the new man in the easyJet chairman's seat has the "ability to tackle complex challenges", as senior independent director Julie Southern put it. Despite his stints running British Land, Royal Bank of Scotland and insurer RSA, Stephen Hester still hasn't had a challenge quite like Sir Stelios Haji-Ioannou, the holder of just over 25 per cent of the shares.

Yes, Hester used to say that his role at RBS was to "defuse the biggest time bomb ever put on a bank's balance sheet". And he got ousted from the taxpayer-controlled bank after a delightful bust-up with George Osborne. But whatever his skills, Hester's yet to try defusing Mount Stelios when he's about to go off. True, the walking volcano's been dormant lately, refusing to comment on Hester's £314,568-a-year new job that left the shares marginally higher at 800¾p. But who can forget how Stelios began the pandemic? From the comfort of his St Barts sunlounger, he tried to oust four so-called easyJet "scoundrels" over its Airbus contract.

They included John Barton, the chairman now making way for Hester. And, despite losing May 2020's EGM, Stelios can claim a victory of sorts. Six directors have since quit, even if ex-finance chief Andrew Findlay was the only other one he was trying to oust. Whatever, the airline has limped through the crisis, raising £5.5 billion liquidity, including debt finance, without any help from Stelios, who cut his stake rather than participate in an equity raise. Liquidity is now down to £2.9 billion. And while Hester is probably right the airline "can be winners in the European airline industry of the future", there's talk of another

£500 million cash-call to come.

The smart thing may be to have one and hope Stelios gets diluted to below the 25 per cent where he can block special resolutions. It could make Hester's life easier.

