

Investors' 'very low' bid wins Easyhotel

Robert Miller

A consortium of investors have taken control of Easyhotel for £139 million, despite protests from [Sir Stelios Haji-ioannou](#), the company's founder, that the offer was "very low".

Ivanhoé Cambridge, of Canada, and Icamap, of Luxembourg, working under the name of Citrus UK Bidco, said that they now held or had received acceptances for shares representing more than 50 per cent of Easyhotel's voting rights.

In a statement before the deal was announced, Sir Stelios accused the bidders of trying to "steal the company from under the noses of other investors". The offer values Easyhotel's shares at 95p and has been accepted by the board but dismissed by the founder. He said that the price gave "no value" to the business beyond its physical bricks-and-mortar assets.

Sir Stelios, 52, and his family own 27 per cent of Easyhotel. The bidders would need 75 per cent to take it private, but only 50 per cent plus one share to take charge of the board. The tycoon, who does not sit on the board, founded Easyhotel in 2004 and floated it ten years later. The "ultra-budget" chain owns 12 sites with 1,340 rooms and has a further 26 franchised outlets with 2,293 rooms. Its interests span Britain, continental Europe and Dubai and it has a further 17 hotels in development.

Sir Stelios, who launched Easyjet, his budget airline, in 1995, has been trying to buy more Easyhotel shares this week with the intention of taking his holding in the company to just under 30 per cent.

However, he said in a statement: "We managed to find only 10,000 shares at 95p and despite bidding up to 96p, we found no other willing sellers at that price. We will continue to buy shares in the open market up to the limit of just under 30 per cent."

Sir Stelios said that he was raising his stake to stop the bidding consortium taking the company private by acquir-

ing more than 75 per cent of the business. He added: "This purchase of a token number of shares, less than 0.01 per cent of the share capital, was all that was available to my brokers and is evidence that there are not many sellers at 95p. This is proof that the real value of an Easyhotel share today is well above Icamap's offer."

In its latest interim results for the six months to the end of March, Easyhotel reported a 52.6 per cent rise in revenue to £7.3 million, but also a 237 per cent fall into a pre-tax, half-year loss of £120,000. The company said that the temporary closure of its key Old Street hotel site in central London and higher depreciation from new hotels had dented a rise in sales and profit and it added that the outlook on the hotel market remained "uncertain".

Shares in Easyhotel were flat at 94½p at the close yesterday.

