

Stelios battles Easyjet over £4.5bn planes

by **Matt Oliver**

EASYJET'S founder has gone to war with the struggling airline over its plans to spend £4.5bn on aircraft.

Stelios Haji-ioannou, 53, claimed the company should not be seeking a government bailout and is urging it to scrap its order for planes with Airbus instead.

In an ultimatum to Easyjet's board, he threatened to launch a campaign to unseat one director every seven weeks unless bosses gave in to his demands.

Easyjet grounded its entire fleet yesterday because of the coronavirus crisis, effectively leaving it without any source of revenue. The airline and its rivals have held talks with the Government about possible taxpayer-funded loans to help them stave off collapse.

Yesterday Jonathan Hinkles, boss of regional carrier Loganair, became the latest executive to warn the industry needed support to get through 'this impossibly difficult period'. But Stelios, who owns



34pc of Easyjet with his family and recently received a £60m dividend, argues that the company should issue shares to raise cash instead and suggested he would participate.

He repeated his claim that the real 'elephant in the room' was a £4.5bn order Easyjet has made with Airbus for 107 aircraft. He urged Easyjet's board to cancel the Airbus order citing the coronavirus as a so-called 'force majeure', a common clause in contracts that

accounts for 'unforeseeable circumstances'. And he warned Easyjet's board in a letter that if they did not respond to his demands by Wednesday, he would 'serve upon you notices of general meetings to remove non-executive directors for dereliction of duty'.

Stelios told them: 'It is unquestionable that the payments to Airbus constitute the largest single threat to the solvency of the company.

'Yet you refuse to even mention the word "Airbus" in your public announcements.'

The businessman also argued against plans to seek government loans, saying it would 'only postpone the problem'.

'If we don't pay Airbus we don't need government loans,' he added. 'Unless you accept to address my points, I will instigate a rolling programme to remove one non-executive director every seven weeks.'

Easyjet said it was trying to 'defer and reduce' the payments to Airbus. A spokesman said: 'We will respond privately to the letter shortly.'