



**THE TIMES**

## **I'll personally sue easyJet scoundrels, says Stelios**

By Robert Lea, Industrial Editor

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Sir Stelios Haji-Ioannou, founder and the largest shareholder in Easyjet, has stepped his increasingly intemperate attack on the board of the airline by saying that he will “personally sue those scoundrels” if they go ahead with a multibillion-pound order to acquire more than a 100 new aircraft from Airbus.

In his latest missive on the financial crisis at the carrier he founded 25 years ago and in which he retains a 34 per cent stake, he called the tapping of the UK taxpayer for a £600 million loan “a scandal”. Further, he accused the chairman, John Barton, of “dirty tricks” in delaying his call for a general meeting of the company to begin removing directors.

In a statement, Easyjet’s board said that it was standing by its directors and by its decision to ask for a government loan. It said that it was in talks with Airbus and that a general meeting of shareholders would be “an unhelpful distraction”. There is no legal bar on Easyjet accessing the government scheme.

Easyjet is the second biggest of the pan-European short-haul airlines after Ryanair and a strong player in the UK market. It is the biggest operator at Gatwick and Luton and the second largest carrier at Manchester and Stansted. It employs 15,000 people.

It has grounded its entire 33-strong fleet because of the travel restrictions around Europe put in place to slow the spread of the coronavirus and furloughed or put workers on leave.

Sir Stelios, 53, already incensed that Easyjet directors have ignored his demands for it to drop its orders with Airbus, has been further infuriated by the board’s decision to block a requisition of a general shareholders meeting on a clerical technicality; and then go ahead with taking a £600 million loan from the taxpayer.



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In a statement, Sir Stelios said that his previous and regular rows with the Easyjet board since he stepped down as a director ten years ago are a “legitimate corporate tension between the paid managers and a shareholder”.

However, he said that the latest spat had taken the relationship to “an all-time low.”

His main beef is the £4.5 billion of capital expenditure that Easyjet has committed to over the coming four years at a time when he says its annualised revenues of £6 billion have fallen to zero, but he was also sharply critical of the blocking of his call for a meeting to remove the non-executive director Andreas Bierwirth.

“Never in the last ten years of disputes and corporate voting has any other set of directors ever picked such a cheap point. Only desperate people trying to postpone having to face their own shareholders in a vote would ever resort to such a dirty trick,” he alleged.

Prickled also by the Easyjet board’s previous response that “a general meeting would be an unhelpful distraction,” he is now upping the ante, as reported in The Times earlier this week, by re-requisitioning the meeting to include the additional removal of the finance director Andrew Findlay.

Of the decision to take a £600 million loan from the government, Sir Stelios claimed that it “could be the biggest scandal in British corporate history and UK government support since the bailout of the UK banks by the UK taxpayer in 2008”.

He continued: “Easyjet will have to repay [it] in one year from now. It is not a gift and it is not equity. It is more like you borrowing money on your credit card for one year.”

He accused Easyjet directors of not wanting to shore up the finances of a company that its own stockbroker, Credit Suisse, has warned could run out of money this summer.

If the plane acquisitions were to go ahead, he claimed: “I will personally sue those scoundrels involved for breach of their fiduciary duties.”



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Easyjet replied in a statement: “We remain absolutely focused on removing expenditure from the business, engaging with all of our business partners and suppliers including Airbus, and on safeguarding jobs and short-term liquidity. This is why we moved to secure an additional £600 million through the UK government’s CCFF [covid corporate financing facility] and \$500 million through our existing revolving credit facility [overdraft].

“The board fully supports Andrew Findlay, Easyjet’s chief financial officer, and stands by its collective decision to access the CCFF, which was made in the best interests of the company.

“We continue to believe that holding a general meeting would be an unhelpful distraction from tackling the many immediate issues our business faces.”