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## EasyJet to keep middle seats empty

 Proposal comes as budget carrier flags narrower loss for the half year

By **SCOTT REID** 

EasyJet expects to keep its middle seats empty when it resumes flying to enable social distancing in a move that it likely to impact revenues.

The budget airline's chief executive, Johan Lundgren, said the measure is aimed at encouraging passengers to fly after the coronavirus lockdown measures ease.

He said: "I expect that to happen. That is something that we will do because I think that is something that the customers would like to see.

"Then we will work out with the authorities and listen to the customers' views and points on what they believe is the right thing to do, particularly in the start-up period."

The majority of EasyJet aircraft are configured with mainly three seats in a row, either side of the aisle. The change would involve passengers in window and aisle seats having an empty seat next to them.

Lundgren said it would be possible to keep middle seats empty as "our assumption is that load factors will not get back to normal early on".

Headded: "I'm talking about

this as an initial phase. Nobody knows for how long that phase will be."

Lundgren did not speculate on the financial impact of the measure, but budget carriers often rely on filling planes – high load factors – to make flights profitable.

EasyJet also said it is set to report underlying pre-tax losses of between £185 million and £205m for the six months to the end of March, narrower than the deficit of £275m a year earlier.

But the airline added that

statutory pre-tax losses of up to £380m are expected due to a hit of as much as £185m for fuel and foreign exchange hedging costs.

The group's planes were fully grounded on 30 March, but it said more than half of disrupted passengers had chosen vouchers or alternative flights, meaning that bookings for winter are "well ahead" of the previous year.

Lundgren described the airline's first-half trading performance as "very strong prior to the impact of

coronavirus". He also criticised recent demands by the carrier's founder and largest single shareholder, <u>Sir Stelios Haji-Ioannou</u>, for it to cancel its entire £4.5 billion plane order with Airbus. Sir Stelios has also claimed that the airline will "run out of money by around August".

"Clearly it's not helpful," Lundgren said. "It's a distraction on what we're doing. But myself, the team and the board, we're absolutely focused on managing through this time. This is one of the worst crises that aviation has ever seen."

Richard Hunter, head of markets at Interactive Investor, said: "The world has turned upside down of late and, unsurprisingly, the tourism and travel sector was one of the first in the firing line.

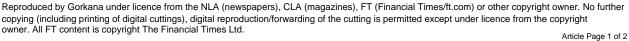
"With some costs unavoidable and revenues plunging to negligible levels, this crisis will prove to be an existential threat to some.

"As such, the most the airlines can manage at the current time is to display the measures they have taken, often at speed, to minimise cash burn.

"Indeed, EasyJet has been working hard behind the scenes to consolidate its financial position. The dividend, being fixed to earnings, was an inevitable early casualty."

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## **JOHAN LUNDGREN, CEO**



The airline's planes were fully grounded towards the end of last month

PICTURE: GETTY IMAGES