

easyJet says Stelios pressure 'highly undesirable' Airline calls shareholder vote on directors in latest escalation of dispute

By Bethan Staton in London

EasyJet's chief executive has hit out at a "highly undesirable" intervention by its founder and largest shareholder, Stelios Haji-loannou, as the airline called a general meeting in the latest escalation of a dispute over its Airbus contract.

The budget carrier announced on Monday that investors would vote on a resolution to remove four of its directors, put forward by Mr Haji-loannou as part of a long-running campaign to make the company reduce its fleet and cancel its Airbus contract.

Johan Lundgren, chief executive, who is among the directors that shareholders will vote on removing, said the intervention was "unhelpful" and "a distraction" as the industry battled with the effects of the coronavirus pandemic.

"It's highly undesirable," he said. "Quite frankly we should be spending our time

on the big issues that are at hand."

Mr Haji-loannou, who with his family holds a 33.7 per cent share in easyJet, has for years been at loggerheads with the company's management over his demand that it reduce its fleet to 250 from 344.

He has said the current size damages the airline's profitability and has insisted it cancel its contract with Airbus for an order of 107 aircraft.

In a colourfully worded statement on Monday, he criticised easyJet's directors for keeping the Airbus deal in place.

"The scoundrels have not said how they can save easyJet from bankruptcy and keep paying Airbus. Cancelling the Airbus contract is the only chance we have to save easyJet," he said.

EasyJet has urged shareholders to vote against Mr Haji-loannou's motion. It argues the Airbus contract is flexible enough to allow it to drop its fleet, substantially reducing capital expenditure costs.

Mr Lundgren said the company had deferred the delivery of 24 aircraft from Airbus and next year would receive no new aircraft for the first time in history.

"We believe it is right to have that contract in place," he said.

Mr Lundgren said easyJet was now focusing on a return to business following the coronavirus lockdown measures, which have caused the carrier to ground its entire fleet.

He said the airline was "working closely" with regulators on planning to return to business and that these preparations had come "more to a head" in recent days, although health and safety remained the number one priority in planning a return to normal.