

Fastjet's cash row takes off

FASTJET backer Sir Stelios Haji-Ioannou has turned up the heat on the low-cost African airline by demanding the removal of its chairman Colin Child.

The bitter row between the easyJet founder and Fastjet in which he holds a 12.6 per cent stake escalated as he reiterated his concerns that it could run out of money.

Child joined the Tanzania-focused airline last September in a non-executive role but took the controls in March after chief executive Ed Winter bailed out under pressure from Stelios.

Stelios has already threatened to take back the Fastjet brand claiming the airline had breached its licence agreement by halting the publication of monthly passenger statistics. The company denied this and said it had taken legal advice after he flagged the risk of an "insolvency event".

Fastjet has hit financial turbulence after weakness in emerging market currencies, turmoil in commodity markets and state spending cuts.

Stelios, pictured, said he had now "lost faith" in Child's ability to turn around the company's fortunes.

He added: "Child was appointed

By **David Shand**

with a specific mandate from shareholders to replace the chief executive and move the head office from Gatwick to Tanzania. He has failed completely to achieve any of the two objectives and in the meantime the company has suffered another nine months of cash burn, reducing its cash resources to a critical level."

Investors are still waiting for last year's accounts to be published, which Stelios put down to Child's wanting to "postpone the bad news". The chairman was also accused of not taking action on cost-cutting to boost its financial health. Stelios called for Rob Burnham, who is already on the Fastjet board, to be appointed interim chairman if Child is voted off, while the airline should look to promote internally someone based in Dar es Salaam to be acting chief executive.

Stelios added: "Then the cost-cutting should start otherwise the company will run out of money. We believe the process of asking shareholders for their support in a vote will inject a sense of urgency and good things will then happen."

