

Sir Stelios at odds with investors over ousting of Fastjet chairman

By Ben Martin

SIR Stelios Haji-Ioannou is on a collision course with Fastjet's major shareholders over his campaign to oust the troubled African airline's chairman.

The Greek-Cypriot entrepreneur, who co-founded Aim-listed Fastjet and is best-known for setting up easyJet, has called for investors to remove Colin Child, just nine months after he became the budget airline's chairman.

Shares in loss-making Fastjet have more than halved since the start of the year after the airline issued a string of warnings about its faltering finances.

As a result, Sir Stelios, who is its second-largest investor, has been heavily critical of the new chairman's leadership.

However, two big shareholders have leapt to Mr Child's defence, and have said they will defy the easyJet entrepreneur at a crunch vote on Tuesday.

Tom Dobell, fund manager at Fastjet's biggest shareholder, M&G, told *The Sunday Telegraph* that the investment firm supported embattled Mr Child "unequivocally".

"He has done a terrific job for all shareholders despite the demanding circumstances and Sir Stelios and I have politely agreed to differ on this point," Mr Dobell said.

M&G holds a 15pc stake in Fastjet, while the easyJet entrepreneur owns 12.6pc. A third investor, also supportive of Mr Child, declined to be identified.

Sir Stelios successfully lobbied for the exit of Fastjet's chief executive, Ed Winter, in March and since then Mr Child has been acting as executive chairman.

Nico Bezuidenhout will join Fastjet

£29m

Fastjet's annual loss after being hit by sharp falls in African currencies and a downturn in Tanzania's aviation market

as its new boss at the start of August, and another investor said that removing Mr Child so soon after Mr Winter's departure would cause too much board uncertainty. "I'm supportive of management," the investor said. "More disruption won't help."

He added that he agreed with some of Sir Stelios's criticisms, including the tycoon's argument that the airline's Gatwick head office should be moved to Africa to cut costs.

However, the investor said Mr Bezuidenhout, who joins from South Africa's Mango Airlines, was "a really good recruit" and that he was optimistic Fastjet's new chief executive will be able start a turnaround.

Fastjet has been hit by a downturn in Tanzania's aviation market and falls in African currencies against the dollar. Earlier this month, it posted an annual pre-tax loss from continuing operations of \$41m (£29m). Sir Stelios is concerned that Fastjet could run out of cash, and the airline said it may have to tap investors for further funds.

