

Fastjet defies Sir Stelios and moves to raise more cash

By Ben Martin

TROUBLED Africa-focused airline Fastjet, which defeated a shareholder revolt by Sir Stelios Haji-Ioannou today, is to raise more cash to keep itself in the air, just 15 months after tapping its long-suffering investors for £50m.

The Aim-listed budget carrier said it had started the fund-raising process and that it expected to have the emergency financing by July. The loss-making airline, which warned earlier this year that it might need more cash, has been hit by a sharp downturn in the Tanzanian aviation market, its most important country, as well as the damaging weakness of African currencies against the dollar.

Frustrated by Fastjet's performance, Sir Stelios, its co-founder and second-biggest shareholder, had launched a campaign to oust its chairman, Colin Child, at a shareholder meeting yesterday, having succeeded in removing Fastjet's chief executive Ed Winter in March.

Despite vocal criticism of the airline, the tycoon failed to unseat Mr Child, however, after other major sharehold-

ers, including fund manager Tom Dobbell of M&G, threw their backing behind the embattled chairman. Some 9.6m shares were voted in favour of removing Mr Child and 33m were against. Sir Stelios holds 8.6m, equivalent to 12.6pc of the airline.

One of Sir Stelios' biggest concerns has been the rate at which Fastjet has been burning through cash. The entre-



Sir Stelios Haji-Ioannou's attempt to remove Fastjet chairman Colin Child was defeated by other shareholders

preneur who founded easyJet criticised the carrier's high costs and urged it to slash overheads by moving its Gatwick headquarters to Africa.

Fastjet said yesterday: "The company needs to raise further finance to provide essential working capital and also to effect the necessary changes to its operations, reduce costs further and pursue revenue generating initiatives."

