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Stobart board in counter coup

By Mark Wembridge and David Oakley



A group of senior directors at [Stobart Group](#) have reversed January's investor-led boardroom coup by axing the transport company's executive chairman after only two months in the job.

Investors said that Andrew Tinkler, Stobart chief executive, had won the latest round of a battle to determine the struggling haulier's strategic direction, after Avril Palmer-Baunack's position as executive chairman was eliminated.

These investors said that the company's decision to hold on to its portfolio of disparate businesses was contrary to the wishes of some other large shareholders, which have lobbied Stobart to sell off its underperforming assets.

A top 10 investor said: "It looks like Andrew Tinkler has won the power struggle to control the group and stick with the company in its current form rather than divesting or selling any of the assets."

The boardroom counter-coup reverses the move by some large investors, including 36 per cent shareholder Invesco Perpetual, pushed for the removal of Rodney Baker-Bates as Stobart's non-executive chairman and for Ms Palmer-Baunack's appointment.

Neil Woodford, the head of UK equities at Invesco and one of the most influential fund managers in the City, managing more than £100bn among the shareholders to back Ms Palmer-Baunack.

One top 20 shareholder said: "I think there is a strategic row. On the one hand, Neil Woodford and Invesco and some other investors pushed Stobart to focus on its haulier business, which is why they pushed to give Ms Palmer-Baunack an executive role. The fact she has been removed from that position taken away suggests the company is no longer looking to sell off assets."

As well as its transport and distribution business, Stobart Group owns Southend and Carlisle airports, an engineering services division and a portfolio that was acquired through related-party transactions with Mr Tinkler and Mr Stobart and a unit that provides biomass energy generation.

Stobart, the UK's biggest road-haulage company by revenues, on Tuesday said that none of its divisions were underperforming and stressed that there was no strategy to sell off assets.

Shares in Stobart, down a third over the past 12 months, rose 5.6 per cent to 85p on Tuesday after the company said that trading in the year to February 28 had been 'modestly ahead' of market expectations

The move to oust Ms Palmer-Baunack, who will stay on as a non-executive until mid-May, returns responsibility for the day-to-day running of Stobart Group to Mr Tinkler and William Stobart, chief operating officer.

Together Mr Tinkler and Mr Stobart own 12.6 per cent of the company, which last month slipped out of the FTSE 250 after underperforming the index by almost 20 per cent in the three months to March.

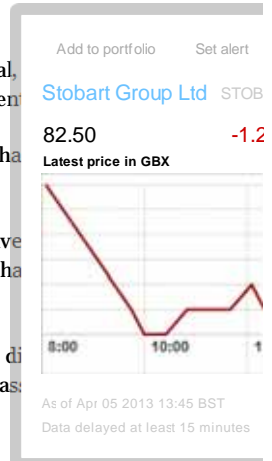
"The board has decided that the role of executive chairman is no longer appropriate and Ms Palmer-Baunack will stand down from this role with immediate effect," said Stobart, attributing its decision to improved recent trading.

The company, whose Eddie Stobart-branded green articulated lorries are regular sights on Britain's motorways, also on Tuesday announced the departure of Alan Kelsey as senior independent director.

Ms Palmer-Baunack joined the haulier last year following the Cumbria-based haulier's £12.4m takeover of Autologic, the formerly Aim-traded automotive logistics group.

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However, those market expectations had been previously lowered in January when the gloomy economic outlook forced Stobart to issue a profit warning and discontinue running its chilled transport division as a standalone business.



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