

PRESS RELEASE

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For immediate use

Heathrow losses show expansion is nothing but a fantasy

Heathrow's financial results for 2021 show a £3.8bn loss during the pandemic and passenger numbers at their lowest level for fifty years – since 1972 (1).

Nonsensically, Heathrow try to claim that this shows that the pandemic has strengthened the case for expansion despite passenger numbers remaining 23% below their own forecasts, and with 63% of destinations served by Heathrow retaining some form of travel restrictions.

It is clearer than ever that Heathrow's plans for a 3rd runway are nothing but an uneconomic fantasy. Campaigners share the widely acknowledged view that Heathrow would struggle to finance expansion, even prior to the pandemic.

Heathrow remain in a heated row with both the CAA and their airline customers over their plans to increase landing charges – the outcome of which will shape their ability to deliver even non-expansion related investment. Their ongoing, perilous financial situation was highlighted by their largest shareholder, Ferrovial, publicly questioning whether any further capital investment in the airport could still be attractive. (2)

Further, Heathrow have made no commitment in their latest business plan proposals submitted to the CAA for any expansion costs to be incurred over the next 5 years. They are also predicting a slower return of passenger demand, claiming 2019 levels may not return until 2026, if ever.

The fact that the UK economy is thriving (3), in spite of the lower levels of aviation activity, demonstrates the fallacious nature of Heathrow's assertion that aviation growth is crucial to national economic growth.

Paul McGuinness, Chair of the No 3rd Runway Coalition, said:

"Heathrow's debt stands at nearly £20bn, of which shareholders have pocketed over £8bn. Every asset is mortgaged to the hilt, the only money in the coffers is borrowed, and the airport is left reliant on increasing passenger charges just to continue to operate.

"Even Heathrow's biggest shareholder has no appetite to inject cash. So, rather than continuing to indulge in their self-interested fantasy, is it not time that the

airport rejoins the real world and withdraws its talk of expansion once and for all?"

ENDS.

Notes:

1. [https://www.heathrow.com/content/dam/heathrow/web/common/documents/company/investor/reports-and-presentations/financial-results/2021/Heathrow \(SP\) Limited Q4 2021 results%20release final.pdf](https://www.heathrow.com/content/dam/heathrow/web/common/documents/company/investor/reports-and-presentations/financial-results/2021/Heathrow%20(SP)%20Limited%20Q4%202021%20results%20release%20final.pdf)
2. <https://www.newcivilengineer.com/latest/heathrow-third-runway-in-doubt-after-ferrovial-pulls-funding-02-11-2021/>
3. <https://www.bloomberg.com/news/articles/2021-12-01/u-k-headed-for-best-growth-in-g-7-this-year-and-next-oecd-says>

For more information, contact:

Rob Barnstone on 07806947050 or rob@no3rdrunwaycoalition.co.uk