



Press release

Heathrow Airport doubles dividends to £1.1bn on higher passenger charges

Thursday 22nd February, 2018 – Heathrow Airport has today announced its annual results for 2017, including a 3.1% increase in passengers to a record 78m. However, in the results of Heathrow (SP) Ltd it also discloses that it has paid a massive dividend of £1.1bn, up from £596m in 2016.

Heathrow is able to pay these large sums to investors because it continues to raise passenger charges under the pricing regime regulated by the Civil Aviation Authority. The perverse working of this regime means Heathrow Airport's shareholders are incentivised to spend as much as possible. According to the Airports Commission, the cost of Heathrow Airport's 3rd runway proposal would require passenger charges to rise from the current £20 to £28 - £30. IAG believes it could go higher to £40, and says they rose 8% last year on long haul routes.

A spokesman for Heathrow Hub, the independent proposal to expand Heathrow via an extended runway, said: "Heathrow Airport's shareholders and its board vetoed our cheaper, simpler, quieter scheme in 2016 because they would make less money and not because of any technical objection. This plainly is against the public interest.

"As Willie Walsh, chief executive of British Airways owner IAG and other airline executives told the Transport Select Committee this week, Heathrow Airport's plans for a 3rd Runway could cost billions more than the admitted budget of £14bn and are going to result in even higher charges for passengers. We should have zero confidence in Heathrow Airport's vague commitments to hold costs down.

"Heathrow Airport's 3rd Runway plans are another infrastructure project waiting to go wrong. We call on Lillian Greenwood, chair of the Transport Select Committee, to amend the National Policy Statement which she is reviewing so that our cheaper, simpler, quieter extended runway is taken forward instead. Our first phase is the cheapest option for expansion, at £3.8bn, and would have no impact on current passenger charges."



The dividends paid by Heathrow (SP) Ltd are disclosed on pages 13-14 of the [release](#) on the investor page of Heathrow Airport's website. Note 3.3.3 explains how the dividends were divided between shareholders and the repayment of debt and interest.

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Notes to editors

Heathrow Hub is an independent proposal for expansion at Heathrow, by extending the existing northern runway westwards away from London, negating the need to build a third runway. Planes would land at one end and take off at the other. The scheme is cheaper, quicker and simpler. It also destroys fewer houses. For more information and images, please visit: www.heathrowhub.com

Heathrow Hub's proposal to extend the Northern Runway has been independently costed at £3.9bn for its first phase, or £9.7bn for the full scheme. It can be funded by keeping existing passenger fees flat.

Heathrow shareholders

Ultimate controlling entity	Equity ownership
Ferrovial	25.00%
Qatar Holding	20.00%
Caisse de depot et placement du Quebec	12.62%
Government of Singapore Investment Corp	11.20%
Alinda Airports	11.18%
China Investment Corporation	10.00%
USS	10.00%