



## Press release from Heathrow Hub, Extended Runway scheme

# Heathrow Airport remains vague on passenger fees whilst awarding investors a £455m dividend

- **Heathrow awards investors a £455m dividend**
- **John Holland-Kaye admits it may have to increase passenger fees or face a Carillion-style financial crisis**
- **CAA says lack of clarity on Heathrow Airport fees and costs is “uncomfortable”**
- **Extending the northern runway is £5bn cheaper and guarantees keeping passenger fees flat**

**27th June 2018** – Only two days after the vote in Parliament in favour of a 3<sup>rd</sup> runway, Heathrow Airport is already celebrating with the announcement today in its Investor Report of a £455m dividend for investors. This is in addition to the £3.1bn of dividends it has already paid to investors over the last four years.

It is Heathrow Hub’s contention that the current regulatory regime for Heathrow Airport provides a perverse incentive for it to run up high costs in order to enhance shareholder returns and this is why it has proposed such an expensive and complex 3<sup>rd</sup> runway plan.

The news of the continued large dividends paid to Heathrow’s investors coincided with Richard Moriarty, the chief executive of the CAA, saying in a speech today that the current lack of certainty about the 3<sup>rd</sup> Runway’s costs is “an uncomfortable position to be in” and he urged the Airport to “move really fast to develop them.”

The publication of the half-yearly [Investor Report](#) [the dividend disclosure is on Slide 6] follows admissions by Heathrow’s CEO, John Holland-Kaye, that it could not commit to keeping passenger fees flat – at £22 they are already the highest in the world - and that to do so could lead to a Carillion-style financial crisis.

Heathrow Airport claims the 3<sup>rd</sup> runway will cost £14bn but the precise costs, the scheme design, how it will be financed and how much passengers and airlines will pay in charges remain a mystery and have not been fully addressed either by Heathrow Airport or the Department for Transport.



By contrast, Heathrow Hub's proposal to extend the northern runway at Heathrow (ENR), is at least £5bn cheaper than Heathrow's 3<sup>rd</sup> runway and has a detailed cost breakdown. Furthermore, it can be built in phases, with the first phase costing £3.9bn; a huge difference compared to the £14bn 3<sup>rd</sup> runway price tag. As a result, Heathrow Hub has guaranteed that passenger fees will remain flat. Low passenger fees are critical to maintaining regional connectivity.

Jock Lowe, director of Heathrow Hub, said: "Richard Moriarty is totally right about Heathrow's vague promises on costs. We have campaigned tirelessly to show that our scheme is cheaper, simpler, quicker and quieter but the DfT has consistently refused to acknowledge our evidence. We have complained to the Competition and Markets Authority about the flawed process and are still hopeful that common sense will prevail, and our scheme be adopted."

#### **Contacts**

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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 and was deemed viable by the Airports Commission. For more information and images, please visit: [www.heathrowhub.com](http://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 Hub's principal investor, Anthony Clake, has committed to giving any profits he makes from the scheme to London and Heathrow charities with a focus on youth and the environment.