Heathrow Finance plc

Special purpose consolidated financial statements for the six months ended 30 June 2026

Unaudited

Company registration number: 06458635

Heathrow Finance plc

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Basis of preparation

The unaudited special purpose consolidated financial statements of Heathrow Finance plc (the 'Group'), comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated summary statement of cash flows have been prepared in order to comply with the requirements contained within the Heathrow Airport Holdings Limited Group's various borrowing facilities' undertakings for half year reporting. They are considered to fairly present the financial condition and operations of the Group as at 30 June 2026 and for the six months then ended.

The financial information for the six-month period ended 30 June 2026 has been prepared in accordance with the accounting policies expected to be applicable for the year ending 31 December 2026. The financial statements for the six-month period ended 30 June 2026 have been prepared on a basis consistent with that applied in the preparation of the financial statements for the year ended 31 December 2025.

The financial information set out herein does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2025 were approved by the Board of Directors on 24 February 2026 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under section 498(2) or (3) of the Companies Act 2006.

On behalf of the Board

Yuanyuan (Sally) Ding
Director

22 July 2026

Company registration number: 06458635

Heathrow Finance plc

Consolidated income statement for the six months ended 30 June 2026

	Note	**Unaudited Six months ended 30 June 2026 £m**	Unaudited Six months ended 30 June 2025 £m	Audited Year ended 31 December 2025 £m
Revenue	*1*	**1,729**	1,724	3,623
Operating costs	*2*	**(1,165)**	(1,105)	(2,284)
Other operating items:				
Fair value gain/(loss) on investment properties	*2*	**328**	(54)	(93)
Operating profit		**892**	565	1,246
Financing				
Finance income		**55**	67	124
Finance costs		**(463)**	(399)	(728)
Net finance costs		**(408)**	(332)	(604)
Profit before tax		**484**	233	642
Taxation charge		**(139)**	(70)	(182)
Profit for the period		**345**	163	460

Heathrow Finance plc

Consolidated statement of comprehensive income for the six months ended 30 June 2026

	Unaudited Six months ended 30 June 2026 £m	Unaudited Six months ended 30 June 2025 £m	Audited Year ended 31 December 2025 £m
Profit for the period	**345**	163	460
Items that will not be subsequently reclassified to the consolidated income statement			
Actuarial gain/(loss) on pensions			
Gain/(loss) on plan assets	**24**	(75)	(5)
Decrease in scheme liabilities	**55**	48	79
Items that may be subsequently reclassified to the consolidated income statement			
Cash flow hedges			
Gain/(loss) taken to equity	**12**	(39)	(83)
Transfer to finance costs	**24**	4	18
Impact of cost of hedging			
Gain taken to equity	**-**	4	8
Other comprehensive income/(expense) for the period, net of tax	**115**	(58)	17
Total comprehensive income for the period	**460**	105	477

Heathrow Finance plc

Consolidated statement of financial position as at 30 June 2026

	Unaudited 30 June 2026 £m	Audited 31 December 2025 £m
Assets		
Non-current assets		
Property, plant and equipment	**12,029**	11,647
Right of use asset	**302**	307
Investment properties	**2,938**	2,610
Intangible assets	**318**	307
Retirement benefit surplus	**121**	-
Derivative financial instruments	**900**	967
Trade and other receivables	**589**	575
	17,197	16,413
Current assets		
Inventories	**21**	20
Trade and other receivables	**666**	634
Derivative financial instruments	**56**	34
Term deposits	**1,682**	816
Cash and cash equivalents	**575**	524
	3,000	2,028
Total assets	**20,197**	18,441
Liabilities		
Non-current liabilities		
Borrowings	**(17,890)**	(17,018)
Derivative financial instruments	**(1,116)**	(981)
Deferred income tax liabilities	**(1,352)**	(1,203)
Lease liabilities	**(364)**	(370)
Retirement benefit obligations	**(19)**	(4)
Provisions	**(2)**	(2)
Trade and other payables	**(1)**	(2)
	(20,744)	(19,580)
Current liabilities		
Borrowings	**(1,849)**	(1,518)
Derivative financial instruments	**(103)**	(149)
Lease liabilities	**(43)**	(41)
Provisions	**(2)**	(2)
Current income tax liabilities	**(27)**	(6)
Trade and other payables	**(588)**	(564)
	(2,612)	(2,280)
Total liabilities	**(23,356)**	(21,860)
Net liabilities	**(3,159)**	(3,419)
Equity		
Capital and reserves		
Share capital	**3,109**	3,109
Merger reserves	**(994)**	(994)
Hedging reserve	**31**	(5)
Capital contribution reserve	**426**	426
Accumulated losses	**(5,731)**	(5,955)
Total equity	**(3,159)**	(3,419)

The special purpose consolidated financial statements of Heathrow Finance plc (Company registration number: 06458635) were approved by the Board of Directors and authorised for issue on 22 July 2026. They were signed on its behalf by:

Yuanyuan (Sally) Ding
Director

Martin Bailey
Director

Heathrow Finance plc

Consolidated statement of changes in equity for the six months ended 30 June 2026

	Share capital £m	Merger reserves £m	Hedging reserve £m	Capital Contribution reserve £m	Accumulated losses £m	Total shareholders' funds £m
Balance as at 1 January 2025 (audited)	3,109	(994)	52	426	(5,969)	(3,376)
Comprehensive income						
Profit for the year	-	-	-	-	460	460
Other comprehensive (expense)/income:						
Cash flow hedges						
Loss taken to equity	-	-	(83)	-	-	(83)
Transfer to finance costs	-	-	18	-	-	18
Impact of cost of hedging						
Gain taken to equity	-	-	8	-	-	8
Actuarial (loss)/gain on pensions						
Loss on plan assets	-	-	-	-	(5)	(5)
Decrease in scheme liabilities	-	-	-	-	79	79
Total comprehensive (expense)/income	-	-	(57)	-	534	477
Transaction with owners						
Dividends paid	-	-	-	-	(520)	(520)
Total transaction with owners	-	-	-	-	(520)	(520)
Balance as at 31 December 2025 (audited)	**3,109**	**(994)**	**(5)**	**426**	**(5,955)**	**(3,419)**
Comprehensive income						
Profit for the period	**-**	**-**	**-**	**-**	**345**	**345**
Other comprehensive income						
Cash flow hedges						
Gain taken to equity	**-**	**-**	**12**	**-**	**-**	**12**
Transfer to finance costs	**-**	**-**	**24**	**-**	**-**	**24**
Actuarial gain on pensions						
Gain on plan assets	**-**	**-**	**-**	**-**	**24**	**24**
Decrease in scheme liabilities	**-**	**-**	**-**	**-**	**55**	**55**
Total comprehensive income	**-**	**-**	**36**	**-**	**424**	**460**
Transaction with owners:						
Dividends paid	**-**	**-**	**-**	**-**	**(200)**	**(200)**
Total transaction with owners	**-**	**-**	**-**	**-**	**(200)**	**(200)**
Balance as at 30 June 2026 (unaudited)	**3,109**	**(994)**	**31**	**426**	**(5,731)**	**(3,159)**

Heathrow Finance plc

Consolidated statement of cash flows for the six months ended 30 June 2026

	Unaudited Six months ended 30 June 2026 £m	Unaudited Six months ended 30 June 2025 £m	Audited Year ended 31 December 2025 £m
Cash flows from operating activities			
Profit before tax	**484**	233	642
Adjustments for:			
Net finance costs	**408**	332	604
Depreciation and amortisation	**351**	340	695
Write-offs	**-**	-	3
Fair value (gain)/loss on investment properties	**(328)**	54	93
Working capital changes:			
(Increase)/decrease in trade and other receivables	**(22)**	9	45
Increase in inventories	**(1)**	(1)	(3)
Decrease in trade and other payables	**(13)**	(98)	(137)
Increase in provisions	**-**	-	1
Difference between pension charge and cash contributions	**(1)**	(5)	(22)
Cash generated from operations	**878**	864	1,921
Taxation:			
Corporation tax paid	**(9)**	(35)	(59)
Group relief paid	**-**	-	(10)
Net cash generated from operating activities	**869**	829	1,852
Cash flows from investing activities			
Purchase of:			
Property, plant and equipment	**(564)**	(512)	(1,168)
Investment properties	**(1)**	(2)	(4)
Intangible assets	**(40)**	-	(43)
Increase in term deposits[(1)]	**(866)**	(625)	(291)
Interest received	**31**	45	95
Net cash used in investing activities	**(1,440)**	(1,094)	(1,411)
Cash flows from financing activities			
Dividends paid	**(200)**	(256)	(520)
Proceeds from issuance of bonds	**1,347**	497	1,121
Repayment of bonds	**-**	(516)	(1,198)
Fees and other financing items	**(8)**	(1)	(6)
Repayment of term loans	**(135)**	-	(100)
Proceeds from issuance of term notes	**-**	-	289
External interest paid[(2)]	**(338)**	(314)	(709)
Settlement of accretion on index-linked swaps	**(24)**	(12)	(86)
Early settlement of accretion on index-linked swaps[(3)]	**-**	(157)	(157)
Payment of lease liabilities	**(20)**	(19)	(40)
Net cash generated from/(used in) financing activities	**622**	(778)	(1,406)
Net increase/(decrease) in cash and cash equivalents	**51**	(1,043)	(965)
Cash and cash equivalents at beginning of period	**524**	1,489	1,489
Cash and cash equivalents at end of period	**575**	446	524

(1) Term deposits have an original maturity of over three months.
(2) Includes £10 million of lease interest paid (six months ended 30 June 2025: £10 million; year ended 31 December 2025: £20 million).
(3) During the six months ended 30 June 2025 and the year ended 31 December 2025 the Group elected to early pay £157 million of accrued accretion, which was due to be settled within the following 12 months in line with the liquidity profile assessment of the Group.

Notes to the consolidated financial information for the six months ended 30 June 2026

1 Segment and revenue reporting

The Group is organised into business units according to the nature of the services provided. Most revenue is derived from the activities carried out within the Airport. The exception to this is Heathrow Express, which is a separately identifiable operating segment under IFRS 8, with distinct revenues, costs and separately identifiable assets and liabilities. Information reported to the HAHL Board as Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance relates to the operations of two operating segments, as follows:

- Heathrow Airport (Aeronautical and commercial operations within the Airport and its boundaries).
- Heathrow Express (Rail income from the Heathrow Express rail service between Heathrow and London).

The performance of the above segments is measured on a revenue and adjusted EBITDA basis. The reportable segments derive their revenues from a number of sources and this information is also provided to the Board on a monthly basis.

Table (a)	**Unaudited Six months ended 30 June 2026 £m**	Unaudited Six months ended 30 June 2025 £m	Audited Year ended 31 December 2025 £m
Revenue			
Aeronautical			
Movement charges	**398**	421	837
Parking charges	**56**	53	110
Passenger charges	**587**	605	1,311
Total aeronautical revenue	**1,041**	1,079	2,258
Retail			
Retail concessions[(1)]	**132**	135	293
Non-concession retail[(1)]	**56**	52	112
Catering	**48**	44	96
Car parking	**92**	91	197
Travel services[(1)]	**45**	43	93
Total retail revenue	**373**	365	791
Other			
Other regulated charges	**161**	138	288
Property revenue	**17**	13	32
Property (lease-related income)	**72**	67	135
Non-Heathrow Express rail income	**17**	18	26
Heathrow Express	**48**	44	93
Total other revenue	**315**	280	574
Total revenue	**1,729**	1,724	3,623
Segment analysis:			
Heathrow Airport	***1,681***	*1,680*	*3,530*
Heathrow Express	***48***	*44*	*93*
Adjusted EBITDA[(2)]	**915**	959	2,034
Segment analysis:			
Heathrow Airport	***902***	*942*	*1,996*
Heathrow Express	***13***	*17*	*38*
Reconciliation to statutory information:			
Depreciation and amortisation	**(351)**	(340)	(695)
Operating profit (before certain re-measurements)	**564**	619	1,339
Fair value gain/(loss) on investments properties (certain re-measurements)	**328**	(54)	(93)
Operating profit	**892**	565	1,246
Finance income	**55**	67	124
Finance costs	**(463)**	(399)	(728)
Profit before tax	**484**	233	642

(1) The Directors have updated the aggregation of some items of revenue. The updated aggregation has been reflected in the comparative amounts for the six months ended June 2025. This affects the categories of 'retail concessions' (as previously reported of £125 million), 'non-concession retail' (previously 'other retail' of £30 million), and 'travel services' (previously 'other services' of £75 million).

(2) Adjusted EBITDA is profit before interest (net finance costs), taxation, depreciation, amortisation, fair value gains and losses on investment properties and exceptional items (if any).

Notes to the consolidated financial information for the six months ended 30 June 2026 *continued*

1 Segment and revenue reporting *continued*

Table (b)	**Unaudited Six months ended 30 June 2026**		Unaudited Six months ended 30 June 2025		Audited Year ended 31 December 2025	
	Depreciation & amortisation[1]	**Fair value gain[2]**	Depreciation & amortisation[1][3]	Fair value loss[2]	Depreciation & amortisation[1]	Fair value loss[2]
	£m	**£m**	£m	£m	£m	£m
Heathrow Airport	**(331)**	**328**	(321)	(54)	(656)	(93)
Heathrow Express	**(20)**	**-**	(19)	-	(39)	-
Total	**(351)**	**328**	(340)	(54)	(695)	(93)

(1) Includes intangible amortisation charges of £28 million (six months ended 30 June 2025: £26 million; year ended 31 December 2025: £58 million).
(2) Reflects fair value gain or loss on investment properties only.
(3) The split of depreciation and amortisation between the Heathrow Airport and Heathrow Express segments for the six months ended 30 June 2025 has been updated to reflect the impact of IFRS 16 adjustments to Heathrow Express leases.

Table (c)	**Unaudited Six months ended 30 June 2026**		Audited Year ended 31 December 2025	
	Assets	**Liabilities**	Assets	Liabilities
	£m	**£m**	£m	£m
Heathrow Airport	**16,344**	**(958)**	15,561	(933)
Heathrow Express	**519**	**(42)**	539	(48)
Total operations[1]	**16,863**	**(1,000)**	16,100	(981)
Unallocated assets and liabilities:				
Cash and cash equivalents, term deposits and external borrowings	**2,257**	**(19,739)**	1,340	(18,536)
Derivative financial instruments	**956**	**(1,219)**	1,001	(1,130)
Deferred and current tax assets/(liabilities)	**-**	**(1,379)**	-	(1,209)
Retirement benefit surplus/(obligations)	**121**	**(19)**	-	(4)
Total	**20,197**	**(23,356)**	18,441	(21,860)

(1) The Directors have re-allocated the right-of-use assets and lease liabilities (previously £307 million and £411 million respectively) to operational categories where they can be reliably apportioned. The updated allocation has been reflected in the comparative amounts for the year ended 31 December 2025.

Notes to the consolidated financial information for the six months ended 30 June 2026 *continued*

2 Operating costs

	Unaudited Six months ended 30 June 2026 £m	Unaudited Six months ended 30 June 2025 £m	Audited Year ended 31 December 2025 £m
Employment	**235**	230	472
Operational[1]	**254**	226	468
Maintenance	**126**	122	262
Business rates	**69**	59	116
Utilities	**56**	59	113
Other general expenditure[2]	**74**	69	158
Operating costs before depreciation and amortisation and certain re-measurements	**814**	765	1,589
Depreciation and amortisation			
Property, plant and equipment	**301**	293	594
Intangible assets	**28**	26	58
Right of use assets	**22**	21	43
	351	340	695
Operating costs before certain re-measurements	**1,165**	1,105	2,284
Fair value (gain)/loss on investment properties (certain re-measurements)	**(328)**	54	93
Total operating costs	**837**	1,159	2,377

(1) Operational costs consist of expenditure in relation to the standard operations of the airport.
(2) The largest balance in this category is marketing costs of £26 million (six months ended 30 June 2025: £26 million; year ended 31 December 2025: £62 million). Other expenses in this category are individually immaterial.

3 Net debt

	Unaudited Accounting value 30 June 2026 £m	Unaudited Accounting value 31 December 2025 £m
Current borrowings – *Issuer*	**310**	174
Current borrowings – *Security Parent and subsidiaries*	**1,539**	1,344
Current lease liabilities	**43**	41
Total current borrowings[1]	**1,892**	1,559
Non-current borrowings – *Issuer*		
Bonds	**697**	971
Loans	**1,027**	1,027
Non-current borrowings – *Security Parent and subsidiaries*		
Bonds	**14,216**	13,070
Loans	**1,950**	1,950
Non-current lease liabilities	**364**	370
Total non-current borrowings	**18,254**	17,388
Total debt	**20,146**	18,947
Cash and cash equivalents and term deposits[2]	**(2,257)**	(1,340)
Total net debt	**17,889**	17,607

(1) Current borrowings includes interest accrued on debt.
(2) Includes cash and cash equivalents of £575 million (31 December 2025: £524 million) and term deposits with an original maturity of over three months of £1,682 million (31 December 2025: £816 million).

Notes to the consolidated financial information for the six months ended 30 June 2026 *continued*

4 Regulatory Asset Base and Nominal Net Debt

Regulatory Asset Base ('RAB')	**Unaudited 30 June 2026 £m**	Audited 31 December 2025 £m
	21,662	21,263

Consolidated nominal debt	**Unaudited 30 June 2026 £m**	Unaudited 31 December 2025 £m
Nominal senior debt	**15,570**	14,527
Nominal junior debt	**2,708**	2,296
Nominal issuer debt	**2,004**	2,139
	20,282	18,962

Consolidated nominal net debt	**Unaudited 30 June 2026 £m**	Unaudited 31 December 2025 £m
Nominal senior and junior net debt	**16,350**	15,706
Nominal issuer net debt	**1,675**	1,916
	18,025	17,622