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Dr Ben Spencer MP
House of Commons
London, SW1A 0AA

by email

Dear Dr Spencer,

Thank you for your interest in British Airways.

The aviation industry is facing the worst downturn ever witnessed in its history. The Covid-19 pandemic has seen worldwide government restrictions on travel and a collapse in demand. Airlines are not generating any income. At Group level we are still burning through €200m in cash each week. Our entire focus is to ensure that the company has the liquidity to survive the immediate crisis. We must act now to secure the maximum number of jobs possible, consistent with the new reality of a changed airline industry in a severely weakened global economy.

Our immediate actions included taking advantage of the support offered by both the UK and Spanish Governments in the form of employment support and guarantees for financing on commercial terms. We welcome the Chancellor's decision to extend the Job Retention Scheme in the UK and, as Willie Walsh CEO of IAG said in his evidence to the Transport Select Committee last week, we applaud Mr Sunak's swift action in dealing with this crisis. However, while this brings some welcome relief, it is not a permanent financial solution. It merely buys us a few extra days to address the restructuring that our business requires to survive in a future with fewer passengers.

The Prime Minister's decision to now quarantine people arriving in the UK by air, the Health Secretary's comments that it was unlikely that "big, lavish international holidays" were going to be possible this summer and the Transport Secretary's comments that people would be taking a big risk if they book a summer holiday, have all seriously set back recovery plans for our industry.

In fact, we do not see BA's business returning to 2019 levels until 2023/4. That means we must restructure our businesses across the entire group – not just British Airways. We need

to take all necessary measures to ensure the company survives and is ready for the future business environment which will inevitably be different.

Under the Trades Union and Labour Relations (Consolidation) Act 1992, we have begun consultations with our elected representatives and are open to any ideas on how to mitigate the impact of Covid-19 on our business. As I said, our aim is to save as many jobs as possible while securing BA's long-term future.

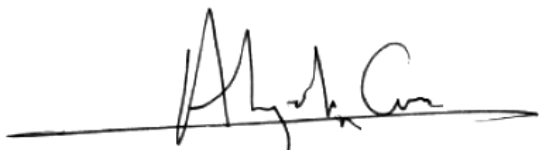
From a customer perspective I understand this has been very disruptive as we have been forced to cancel flights through no fault of the airline. I can assure you that all of BA's customers who are entitled to a refund will get one if they request one.

I am happy to share the following information. As of last week, British Airways has provided cash refunds on 921,000 tickets involving 2.11 million flights. There are 47,400 bookings outstanding which are being processed.

In addition to the cash refunds, 346,000 bookings were cancelled by customers in return for a voucher and there are 1,700 bookings where a voucher has been requested but has not yet been processed.

I believe this demonstrates the excellent work being done by the team at British Airways to responds to the needs of our customers.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alex Cruz', written over a horizontal line.

Alex Cruz
Chairman and CEO
British Airways