BRITISH AIRWAYS OWNER SAYS BRUSSELS BOMBS, BREXIT CLIP SALES

News / Airlines

British Airways parent IAG SA said demand for flights has been hurt by the Brussels terror attacks, weaker bookings in oil-based economies and the possibility of the UK exiting the European Union, causing the company to add fewer seats than planned for the spring season.

Shares of London-based IAG fell as much as 5 per cent after Chief Executive Officer Willie Walsh said Friday that the developments have impacted revenue trends and that he'll be limiting capacity growth to 4.9 per cent compared with the 5.2 per cent increase originally planned.

Demand is likely to revive in the third quarter as tourist travel from markets such as the US and Japan recovers and a decision is reached on a so-called Brexit following Britain's June 23 referendum, Walsh said on a conference call.

IAG reported an operating profit of €155 million (Dh651 million, $177 million) for the first quarter, excluding items, up from €25 million a year earlier, as it tapped lower oil prices. Analysts had expected earnings of €139 million, based on data compiled by Bloomberg.

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