

BRITISH AIRWAYS



BRITISH AIRWAYS



Certain information included in these statements is forward-looking and involves risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward looking statements.

Forward-looking statements include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, expected future revenues, financing plans and expected expenditures and divestments. All forward-looking statements in this report are based upon information known to the Company on the date of this report. The Company undertakes no obligation to publicly update or revised any forward-looking statement, whether as a result of new information, future events or otherwise.

It is not reasonably possible to itemise all of the many factors and specific events that could cause the Company's forward looking statements to be incorrect or that could otherwise have material adverse effect on the future operations or results of an airline operating in the global economy. Information on some factors which could result in material difference to the results is available in the Company's SEC filings, including, without limitation the Company's Report on Form 20-F for the year ended March 2004.

BRITISH AIRWAYS

Q2 & Interim Results

05/06

4th November 2005

Martin Broughton

Chairman

BRITISH AIRWAYS



John Rishton

Chief Financial Officer

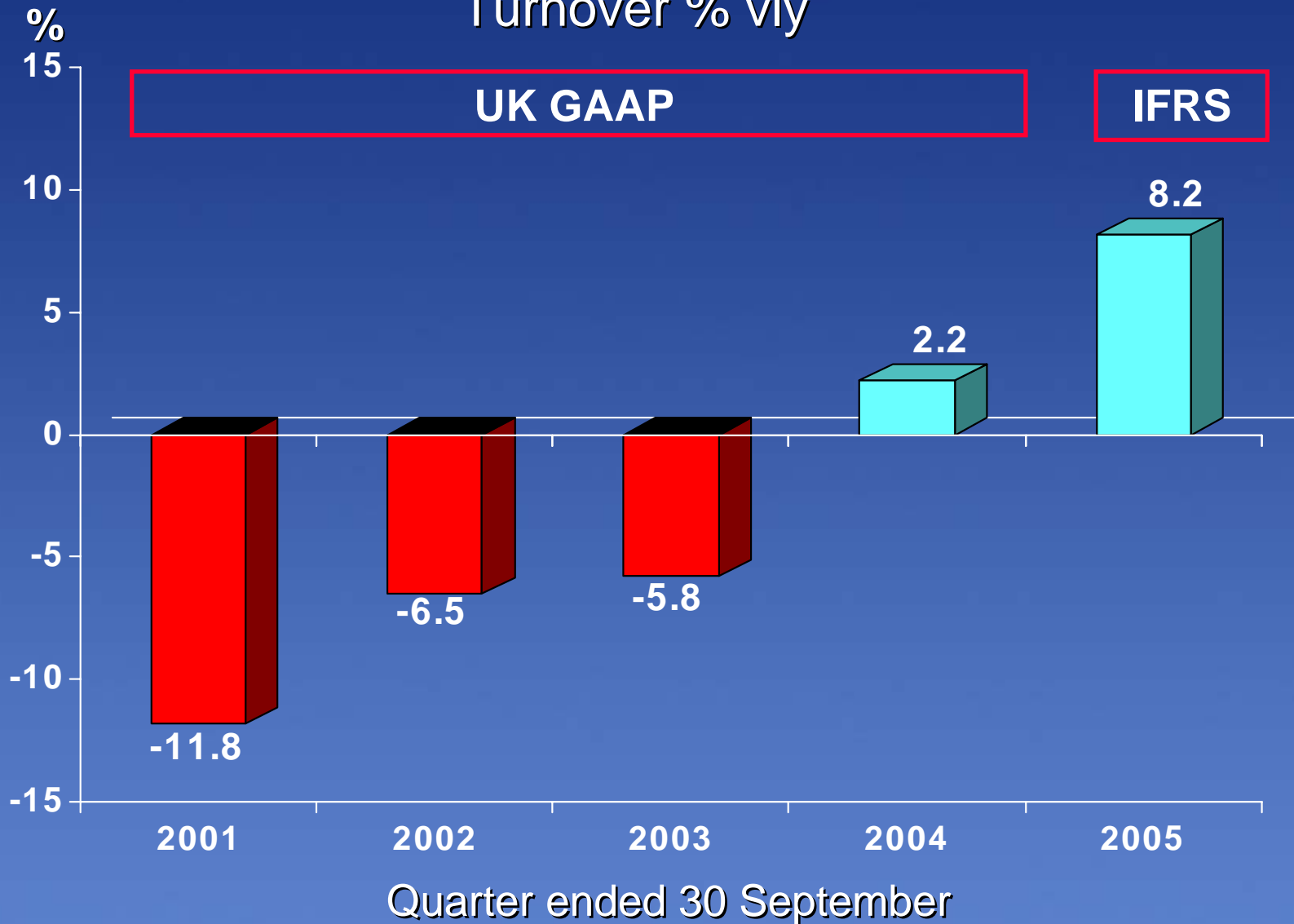
Headline numbers

	3 Months £m	vly	6 Months £m	vly
Turnover	2,205	8.2%	4,264	8.2%
Operating profit	261	6.5%	437	16.8%
Operating margin	11.8%	(0.2)pts	10.2%	0.7pts
EBITDAR	511	2.2%	924	8.3%
Pre-tax profit	241	(17.7)%	365	(0.8)%

Period ended September 30, 2005

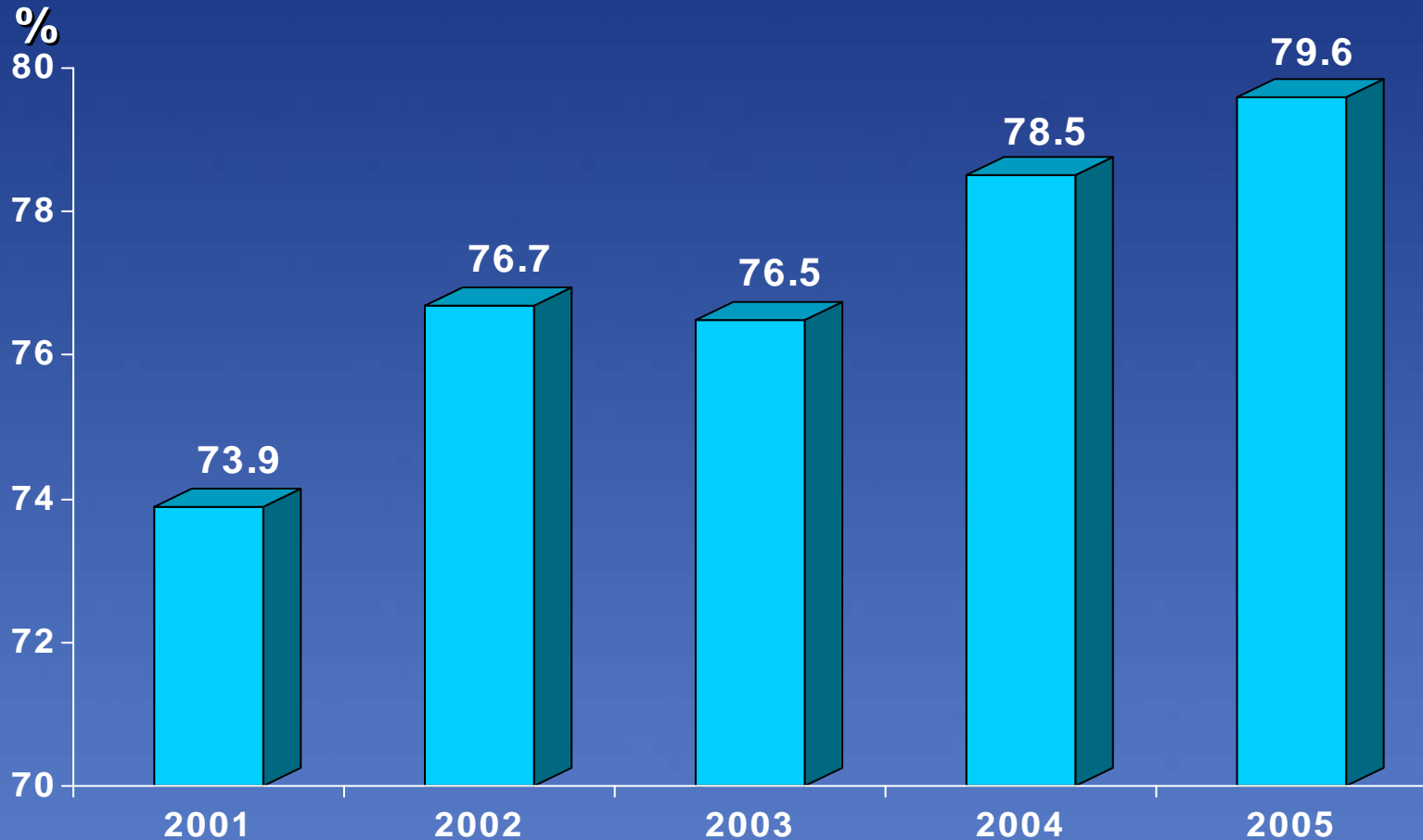
Revenue up

Turnover % vly



Seat factors strong

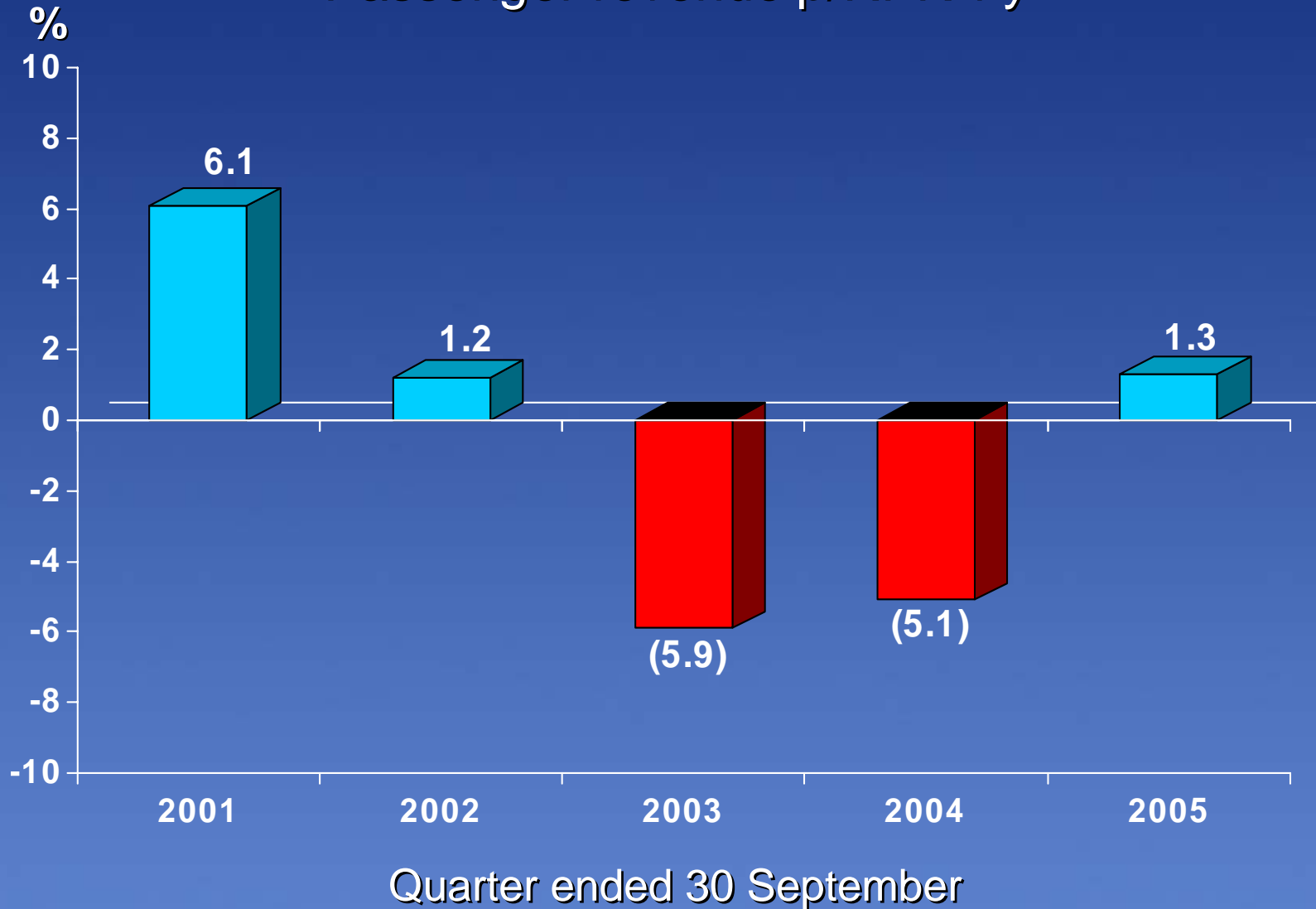
Passenger seat factor



Quarter ended 30 September

Yields stabilising

Passenger revenue p/RPK vly



Yield increase driven by mix

Yield analysis % vly 2005/06

	Q2
Price	0.5
Mix	1.1
Exchange	(0.3)
	<hr/>
	1.3
	<hr/>

Quarter 2 costs

Capacity up 2.4%

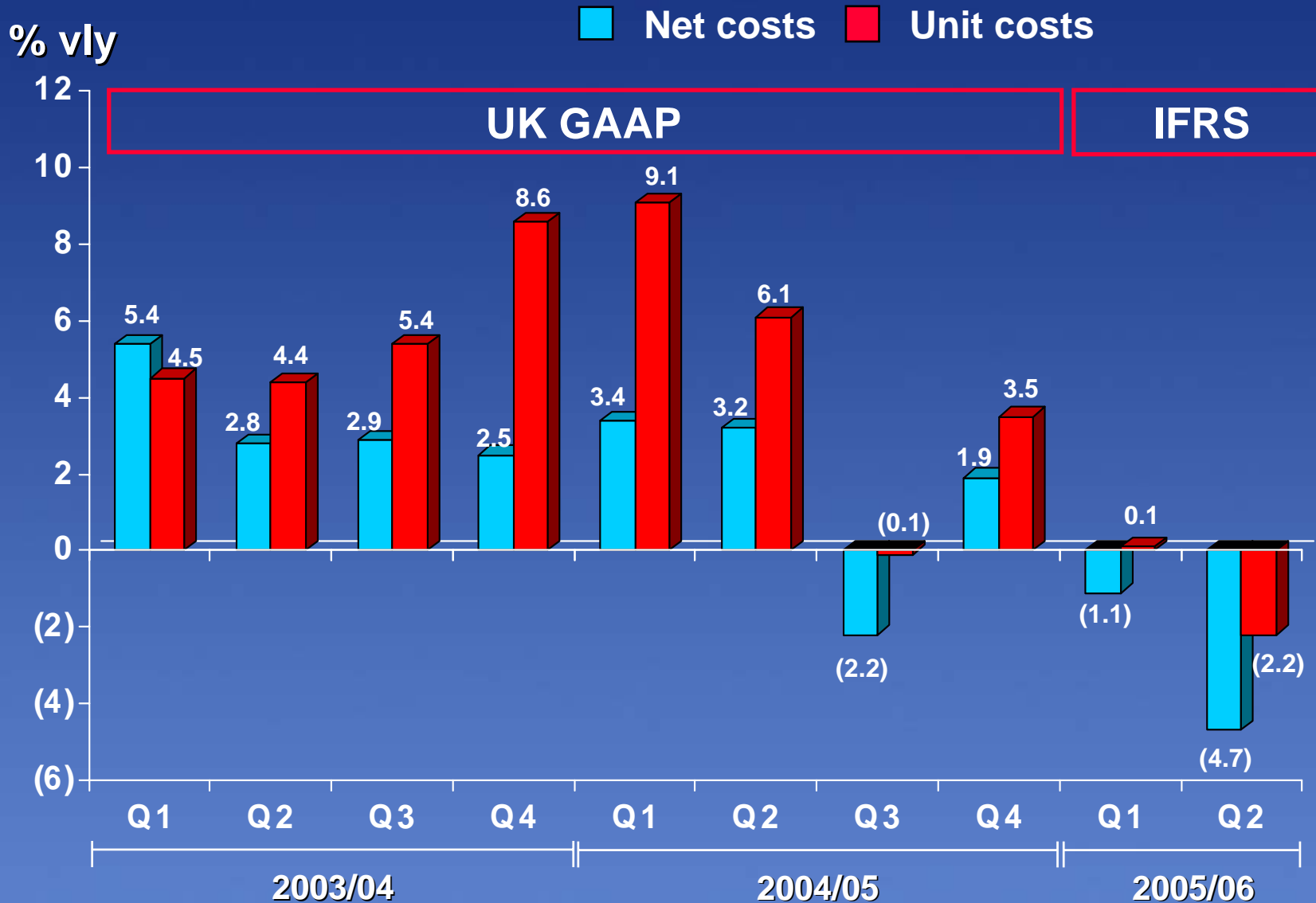
Net costs up 4.7%

Unit costs up 2.2%

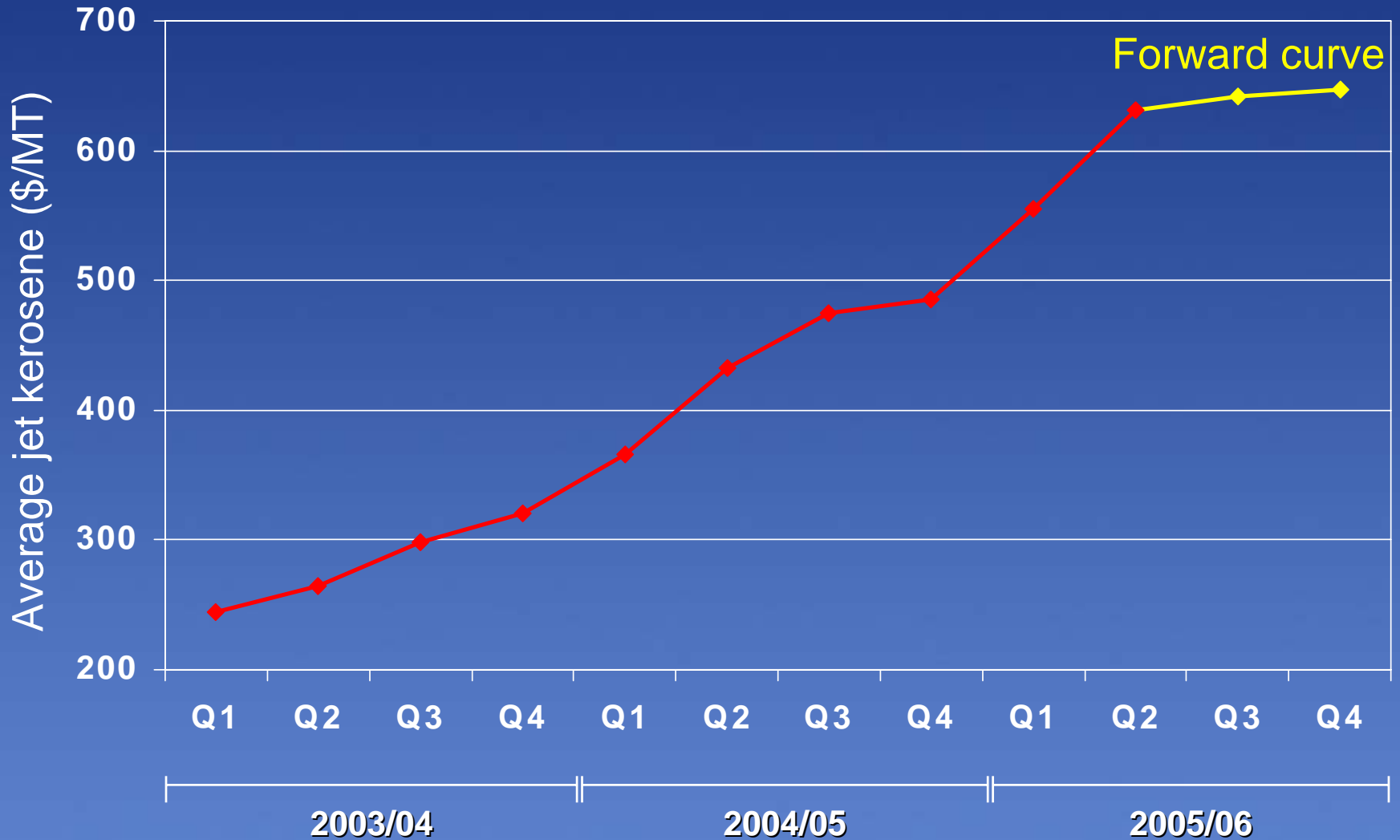
Quarter 2 net costs up 4.7%

	£m	vly
Employee costs	568	3.3% up
Fuel & oil	410	51.3% up
Engineering & other aircraft	118	2.6% up
Landing & en route charges		145 flat
Handling, catering etc	248	4.6% up
Selling costs	106	21.5% down
Other	349	2.6% up
TOTAL EXPENDITURE	1,944	8.4% up
Other revenue	(292)	35.8% up
NET OPERATING COST	1,652	4.7% up

Cost performance impacted by fuel



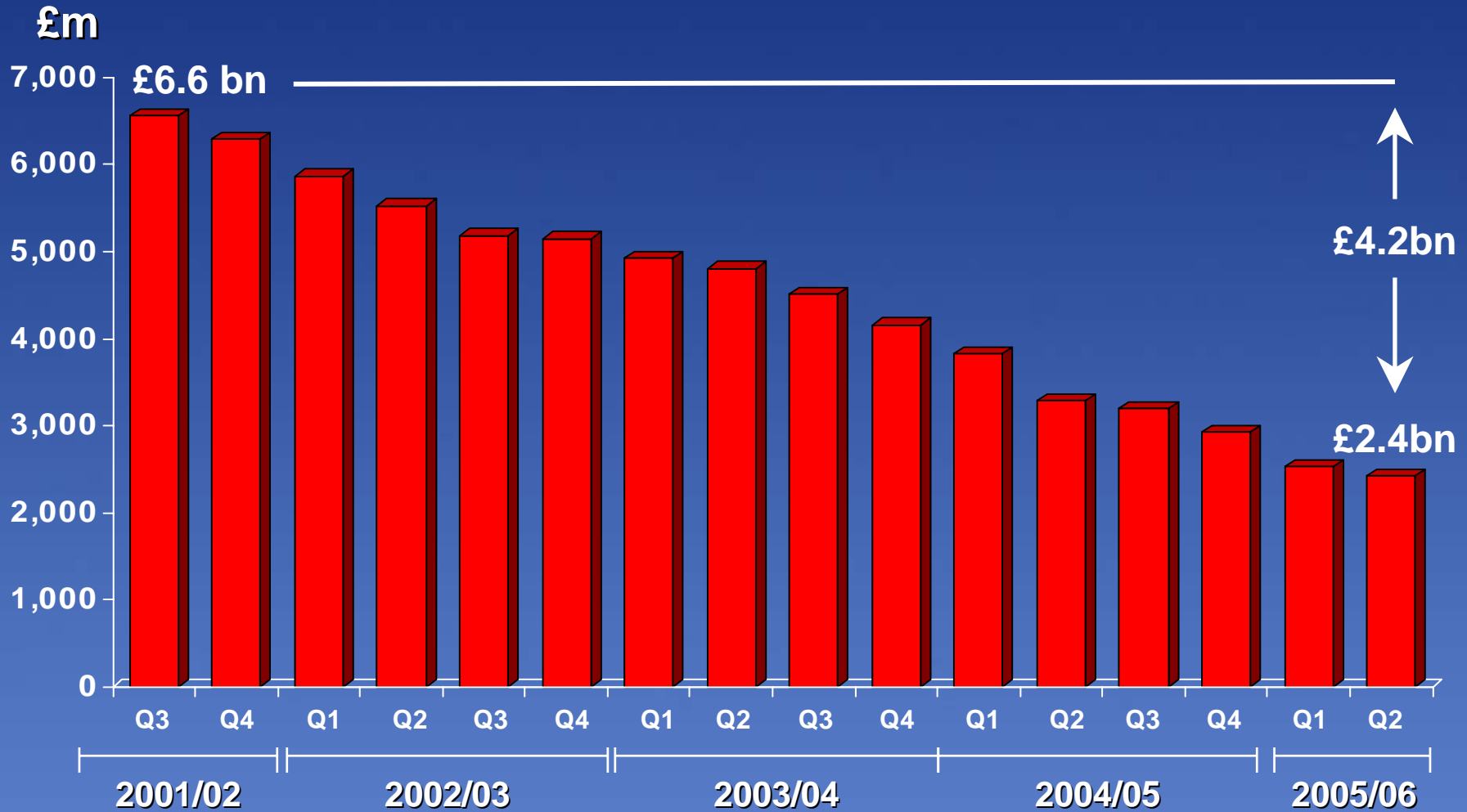
Fuel price continues to rise



Fuel hedging position

	Hedging cover	Average cap (Brent equivalent)
2005 / 06	81%	\$45
2006 /07	50%	\$55

Net debt £4.2 billion lower



October traffic statistics

- Premium up 6.8%
- Volumes up 6.4%
- Capacity up 5.7%
- Seat factor up 0.5pts

Financial year 2005/06 outlook

Revenue



6-7% growth up 0.5%

Fuel total



cost + £525m

Non fuel costs



flat

Capex



<£350m

In summary

Reasonable results

BRITISH AIRWAYS



Willie Walsh

Chief Executive Officer

No change to Business Plan priorities

- Fit for 5
- Investing in products and people
- Building a competitive cost base



10% operating margin

Significant opportunity & challenge

Transforms the BA Heathrow operation

- Single campus operation
- Room to grow from 2011
- Excellent surface transport connectivity

A catalyst for business change

- Economies of scale
- New, more efficient and more relevant ways of working
- Improved Customer experience
- More efficient Aircraft operations

Looking forward

- Industry consolidation
- Open skies
- Shorthaul
- Fleet renewal / expansion
- Building a competitive cost base

BRITISH AIRWAYS



Questions

BRITISH AIRWAYS

