

TRAFFIC AND CAPACITY STATISTICS – December 2008*Summary of the headline figures*

In December 2008, passenger capacity, measured in Available Seat Kilometres, was 3.0 per cent below December 2007. Traffic, measured in Revenue Passenger Kilometres, fell by 3.4 per cent. This resulted in a passenger load factor decrease of 0.2 points versus last year, to 76.7 per cent. Traffic comprised a 12.1 per cent decrease in premium traffic and a 1.7 per cent fall in non-premium traffic.

Cargo, measured in Cargo Tonne Kilometres, fell by 14.3 per cent.

Market conditions

Trading conditions remain broadly unchanged, with longhaul premium traffic continuing the trend of recent months and non-premium traffic showing some resilience, helped by travel over the Christmas period. Financial guidance for the year remains unchanged.

Strategic Developments

The airline reduced its fuel surcharge on all flights from Thursday, December 18, with the surcharge on some longhaul flights reduced by nearly a third. The move reflected the reduction in the price of oil and the airline's fuel hedging policy for 2009/10.

British Airways announced new catering service contracts at its UK airports for the next ten years from April 1, 2010. Gate Gourmet will continue to provide catering services for longhaul flights from Heathrow. DHL in association with Northern Foods will provide catering services for shorthaul flights from Heathrow. Alpha Flight will continue to provide catering services for flights from London Gatwick and our other airports across UK and Ireland.

British Airways placed firm orders for a fleet of 11 new generation fuel-efficient aircraft for its wholly owned subsidiary BA CityFlyer. The new Embraer aircraft will fly exclusively from London City Airport, from September 2009, offering passengers unrivalled levels of space and comfort on board. Firm orders have been placed for six Embraer 170 and five Embraer 190SR efficiency jets, known as E-jets, with options for three more in an investment worth US\$376 million, based on current list prices.

British Airways Plc and Qantas Airways Ltd announced that after detailed discussions about a potential merger, talks had ended. British Airways and Qantas will continue to work together on their joint business between the UK and Australia and as part of the **oneworld** alliance.

The British Airways New Year 'World Offers' sale was launched on December 23, 2008. Offers apply to both shorthaul and longhaul destinations for selected travel dates between January and September 2009.

*January 6, 2009**Reminder - New format and restatement of traffic statistics*

With effect from October 2008, British Airways' traffic statistics now include data related to customers who have flown on 'frequent flyer' mileage redemption tickets. This change brings the Group into line with industry standards, and also into line with all major scheduled carriers. The historic data has also been restated on this basis, to create a like-for-like comparison.

BRITISH AIRWAYS SCHEDULED SERVICES

	Month of December			Financial year to date April to December		
	2008	2007	Change (%)	2008	2007	Change (%)
	Passengers carried (000)					
UK/Europe	1440	1518	-5.2	15980	16565	-3.5
Americas	615	638	-3.6	5965	6124	-2.6
Asia Pacific	133	152	-12.8	1411	1466	-3.7
Africa and Middle East	323	321	+0.7	2637	2743	-3.9
Total	2511	2630	-4.5	25993	26897	-3.4
Revenue passenger km (m)						
UK/Europe	1450	1469	-1.3	16603	16461	+0.9
Americas	4172	4284	-2.6	40183	41200	-2.5
Asia Pacific	1408	1586	-11.2	14469	15015	-3.6
Africa and Middle East	2154	2165	-0.5	17318	18399	-5.9
Total	9183	9505	-3.4	88572	91074	-2.7
Available seat km (m)						
UK/Europe	2290	2247	+1.9	23178	22197	+4.4
Americas	5184	5397	-3.9	50023	50006	+0.0
Asia Pacific	1737	1920	-9.5	17433	17608	-1.0
Africa and Middle East	2766	2790	-0.8	22393	22993	-2.6
Total	11977	12354	-3.0	113026	112804	+0.2
Passenger load factor (%)						
UK/Europe	63.3	65.4	-2.1pts	71.6	74.2	-2.6pts
Americas	80.5	79.4	+1.1pts	80.3	82.4	-2.1pts
Asia Pacific	81.1	82.6	-1.5pts	83.0	85.3	-2.3pts
Africa and Middle East	77.9	77.6	+0.3pts	77.3	80.0	-2.7pts
Total	76.7	76.9	-0.2pts	78.4	80.7	-2.3pts
Revenue tonne km (RTK) (m)						
Cargo tonne km (CTK)	360	420	-14.3	3606	3666	-1.6
Total RTK	1289	1383	-6.8	12445	12834	-3.0
Available tonne km (m)	1798	1882	-4.5	16970	17289	-1.8
Overall load factor (%)	71.7	73.5	-1.8pts	73.3	74.2	-0.9pts

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, discussions of the Company's Business Plan programs, 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 revise any forward-looking statement, whether as a result of new information, future events or otherwise.

It is not reasonably possible to itemize 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 a material adverse effect on the future operations or results of an airline operating in the global economy. Fuller information on some factors which could result in material difference to the results is available in the company's Annual Report for the year ended 31 March 2008, which is available on www.bashareholders.com.