

TRAFFIC AND CAPACITY STATISTICS – August 2006

Summary of the headline figures

In August 2006, passenger capacity, measured in Available Seat Kilometres, was 5.1 per cent above August 2005. Traffic, measured in Revenue Passenger Kilometres, was higher by 5.0 per cent. This resulted in a passenger load factor down 0.1 points versus last year, to 77.8 per cent. The increase in traffic comprised a 9.5 per cent increase in premium traffic and a 4.4 per cent increase in non-premium traffic. Cargo, measured in Cargo Tonne Kilometres, rose by 3.5 per cent. Overall load factor increased by 2.2 points to 71.7 per cent.

Security Impact

During the period August 10-17 the airline cancelled some 1,280 flights as a result of the disruption at the London airports. The airline estimates that the financial impact for the month of August was around £40 million. This includes lost revenue and increased costs of hotel accommodation, catering and baggage repatriation.

Since the disruption there has been some impact on forward bookings. The overall level of bookings has returned to levels experienced last year, but is still weaker than the trend of the past few months. The recovery of premium and non-premium transfer traffic, for example, is lagging due to the limitations on carry on baggage at London.

Market conditions

Visibility is limited as we emerge from the issues surrounding the August security increases, but underlying market conditions continue to be good.

Strategic Developments

British Airways called on the Office of Fair Trading to refer its study on the UK airports market to the Competition Commission because of its concerns about current airport regulation and ownership.

The airline said separate ownership of London Heathrow and London Stansted airports should be considered because decisions on new runways in South East England should not be concentrated in the hands of one company.

In the event of a break-up of BAA, the airline said there will be a continued need for strong regulation to protect users against monopoly power, particularly at London Heathrow and London Gatwick.

The airline sold its Travel Clinic business to MASTA (Medical Advisory Services for Travellers Abroad) who will become British Airways Preferred Partner for travel health services from this month.

Alan McDonald, British Airways' Director of Engineering, announced his retirement after 40 years at the airline. He will be succeeded by Garry Copeland, currently General Manager Quality and Engineering Services from September 15.

September 5, 2006

BRITISH AIRWAYS MONTHLY TRAFFIC AND CAPACITY STATISTICS

BRITISH AIRWAYS SCHEDULED SERVICES	Month of August			Financial year April through to Aug.		
	2006	<i>2005</i>	Change (%)	2006	<i>2005</i>	Change (%)
Passengers carried (000)						
UK/Europe	2045	<i>2063</i>	<i>-0.9</i>	10545	<i>10432</i>	+1.1
Americas	646	<i>629</i>	+2.6	3429	<i>3261</i>	+5.2
Asia Pacific	164	<i>159</i>	+3.2	799	<i>765</i>	+4.5
Africa and Middle East	294	<i>249</i>	+17.8	1419	<i>1209</i>	+17.4
Total	3149	<i>3101</i>	+1.5	16192	<i>15667</i>	+3.4
Revenue passenger km (m)						
UK/Europe	2014	<i>1972</i>	+2.1	10058	<i>9791</i>	+2.7
Americas	4357	<i>4243</i>	+2.7	23102	<i>21885</i>	+5.6
Asia Pacific	1668	<i>1631</i>	+2.3	8116	<i>7864</i>	+3.2
Africa and Middle East	1938	<i>1656</i>	+17.0	9420	<i>8088</i>	+16.5
Total	9978	<i>9502</i>	+5.0	50697	<i>47628</i>	+6.4
Available seat km (m)						
UK/Europe	2641	<i>2742</i>	-3.7	13386	<i>13777</i>	-2.8
Americas	5629	<i>5268</i>	+6.9	28225	<i>26838</i>	+5.2
Asia Pacific	2095	<i>2121</i>	-1.2	10315	<i>10439</i>	-1.2
Africa and Middle East	2457	<i>2062</i>	+19.1	12239	<i>10603</i>	+15.4
Total	12822	<i>12194</i>	+5.1	64165	<i>61657</i>	+4.1
Passenger load factor (%)						
UK/Europe	76.3	<i>71.9</i>	+4.4pts	75.1	<i>71.1</i>	+4.0pts
Americas	77.4	<i>80.5</i>	-3.1pts	81.8	<i>81.5</i>	+0.3pts
Asia Pacific	79.6	<i>76.9</i>	+2.7pts	78.7	<i>75.3</i>	+3.4pts
Africa and Middle East	78.9	<i>80.3</i>	-1.4pts	77.0	<i>76.3</i>	+0.7pts
Total	77.8	<i>77.9</i>	-0.1pts	79.0	<i>77.2</i>	+1.8pts
Revenue tonne km (RTK) (m)						
Cargo tonne km (CTK)	378	<i>365</i>	+3.5	2012	<i>1956</i>	+2.9
Total RTK	1404	<i>1319</i>	+6.4	7094	<i>6707</i>	+5.8
Available tonne km (m)	1957	<i>1897</i>	+3.2	9906	<i>9615</i>	+3.0
Overall load factor (%)	71.7	<i>69.5</i>	+2.2pts	71.6	<i>69.7</i>	+1.9pts

Certain statements included in this statement may be forward-looking and may involve 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 and financing plans, expected future revenues and 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 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 a material adverse effect on the future operations or results of an airline operating in the global economy.

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