

**TRAFFIC AND CAPACITY STATISTICS –December 2005***Summary of the headline figures*

In December 2005, passenger capacity, measured in Available Seat Kilometres, was 2.6 per cent above December 2004. Traffic, measured in Revenue Passenger Kilometres, was higher by 4.7 per cent. This resulted in a passenger load factor up 1.5 points versus last year, to 74.2 per cent. The increase in traffic comprised a 9.3 per cent increase in premium traffic and a 4.1 per cent increase in non-premium traffic. Cargo, measured in Cargo Tonne Kilometres, rose by 0.2 per cent. Overall load factor rose by 0.8 points at 71.1 per cent.

For the October to December quarter, ASKs rose by 4 per cent, with RPKs rising by 5.8 per cent. This resulted in an increase in passenger load factor of 1.3 points, to 74.1 per cent. This comprised a 9.3 per cent increase in premium traffic and a 5.2 per cent increase in non-premium traffic. CTKs fell by 2.2 per cent.

*Market conditions*

Market conditions remain broadly unchanged, as significant promotional activity is required to deliver seat factors.

*Strategic Developments*

Two BA employees were dismissed after being found guilty of gross misconduct for playing leading roles in orchestrating un-balloted and illegal industrial action at Heathrow airport during the summer in support of employees dismissed from the airline's catering supplier, Gate Gourmet.

A third employee, also found guilty of gross misconduct, was issued with a final written warning, suspended without pay for one month and banned from staff air travel privileges.

The House of Lords ruled that legal action against British Airways, and other airlines, is unfounded under the terms of the Warsaw Convention in relation to claims for compensation for the occurrence of deep vein thrombosis (DVT). The House of Lords is the final court of appeal for UK civil cases. This means that the decision is final and no claims for injury or death caused by DVT during the normal operation of an aircraft can now be brought against airlines in the UK.

The withdrawal of BA's daily service from London Heathrow to Melbourne via Singapore from March 25, 2006, was announced. Melbourne flights will transfer to Qantas as part of the Joint Services Agreement. Qantas will now operate two daily flights to Melbourne, one via Singapore and one via Hong Kong.

Services from Gatwick to Grenoble, five times a week, began with prices from £79 return.

More than 1.5 million discounted tickets were announced in a World Offers sale for travel on selected dates between 5th January and 9th December 2006. Longhaul prices start from £249 to New York (a saving of £131 on the current fare), Cairo and Abu Dhabi from £279, Orlando from £299 (a saving of £170), Barbados from £399 (a saving of £223) and Hong Kong from £399 (a saving of £137).

*January 5, 2006*

**April through to Dec**

<b>BRITISH AIRWAYS SCHEDULED SERVICES</b>	<b>2005</b>	<b>2004</b>	<b>Change (%)</b>	<b>2005</b>	<b>2004</b>	<b>Change (%)</b>
<b>Passengers carried (000)</b>						
UK/Europe	<b>1680</b>	1734	-3.1	<b>18001</b>	18334	-1.8
Americas	<b>585</b>	580	+0.8	<b>5682</b>	5543	+2.5
Asia Pacific	<b>164</b>	141	+15.8	<b>1426</b>	1252	+13.9
Africa and Middle East	<b>299</b>	278	+7.4	<b>2294</b>	2286	+0.3
Total	<b>2728</b>	2734	-0.2	<b>27402</b>	27416	-0.1
<b>Revenue passenger km (m)</b>						
UK/Europe	<b>1505</b>	1533	-1.8	<b>16687</b>	16452	+1.4
Americas	<b>3915</b>	3876	+1.0	<b>38131</b>	37059	+2.9
Asia Pacific	<b>1703</b>	1459	+16.7	<b>14680</b>	12879	+14.0
Africa and Middle East	<b>2039</b>	1879	+8.5	<b>15482</b>	15281	+1.3
Total	<b>9162</b>	8747	+4.7	<b>84981</b>	81671	+4.1
<b>Available seat km (m)</b>						
UK/Europe	<b>2402</b>	2459	-2.3	<b>24138</b>	23489	+2.8
Americas	<b>5048</b>	5154	-2.0	<b>47673</b>	47130	+1.2
Asia Pacific	<b>2224</b>	1964	+13.3	<b>19142</b>	17502	+9.4
Africa and Middle East	<b>2669</b>	2449	+9.0	<b>20194</b>	20180	+0.1
Total	<b>12343</b>	12026	+2.6	<b>111146</b>	108301	+2.6
<b>Passenger load factor (%)</b>						
UK/Europe	<b>62.7</b>	62.4	+0.3pts	<b>69.1</b>	70.0	-0.9pts
Americas	<b>77.5</b>	75.2	+2.3pts	<b>80.0</b>	78.6	+1.4pts
Asia Pacific	<b>76.6</b>	74.3	+2.3pts	<b>76.7</b>	73.6	+3.1pts
Africa and Middle East	<b>76.4</b>	76.7	-0.3pts	<b>76.7</b>	75.7	+1.0pts
Total	<b>74.2</b>	72.7	+1.5pts	<b>76.5</b>	75.4	+1.1pts
<b>Revenue tonne km (RTK) (m)</b>						
Cargo tonne km (CTK)	<b>436</b>	435	+0.2	<b>3685</b>	3738	-1.4
Total RTK	<b>1361</b>	1318	+3.3	<b>12169</b>	11892	+2.3
Available tonne km (m)	<b>1914</b>	1875	+2.1	<b>17354</b>	16943	+2.4
Overall load factor (%)	<b>71.1</b>	70.3	+0.8pts	<b>70.1</b>	70.2	-0.1pts

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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