

**TRAFFIC AND CAPACITY STATISTICS – December 2007***Summary of the headline figures*

In December 2007, passenger capacity, measured in Available Seat Kilometres, was 2.0 per cent above December 2006. Traffic, measured in Revenue Passenger Kilometres, rose 1.0 per cent. This resulted in a passenger load factor down 0.7 points versus last year, to 73.5 per cent. The increase in traffic comprised a 6.5 per cent increase in premium traffic and a 0.1 per cent rise in non-premium traffic.

Cargo, measured in Cargo Tonne Kilometres, rose by 9.1 per cent.

For the first nine months of the financial year, ASKs rose 0.9 per cent, with RPKs rising by 0.1 per cent. This resulted in a passenger load factor down 0.6 points to 77.0 per cent. The change in RPKs comprised a 4.2 per cent rise in premium traffic and 0.6 per cent fall in non-premium traffic. CTKs for the period were rose 1.3 per cent

*Market conditions*

Longhaul premium markets remain strong, while shorthaul premium traffic is weak. Our guidance on revenue of a 3-3.5 per cent increase for the year remains unchanged.

*Strategic Developments*

The Department for Transport announced the lifting of the one bag restriction on hand baggage for passengers flying in and out of the UK from January 7, subject to airports meeting security criteria.

British Airways was awarded 'World's Leading Airline, 2007' at the World Traveller Awards which recognise outstanding achievement within the global travel industry.

The airline announced a New Year sale with up to 25 per cent off flights, accommodation and car hire. There are 64 routes on offer including Australia, Bermuda, the Caribbean, Far East, Mauritius, Middle East, North and South Africa, North America and South America and selected European destinations. The sale runs from 27 December 2007 until midnight on 22 January 2008 for selected travel dates during 2008.

A £5 million new extension to British Airways' interiors plant in South Wales was formally opened by Welsh First Minister Rhodri Morgan.

British Airways featured Terminal 5 for the first time in the airline's Christmas advertising in outdoor, press and online sites with the tagline 'Come together this Christmas'. The terminal opens in 82 days' time.

*January 4, 2008*

**BRITISH AIRWAYS SCHEDULED SERVICES**

|                                   | Month of December |       |            | Financial year         |        |            |
|-----------------------------------|-------------------|-------|------------|------------------------|--------|------------|
|                                   | 2007              | 2006  | Change (%) | April to December 2007 | 2006/7 | Change (%) |
| <b>Passengers carried (000)</b>   |                   |       |            |                        |        |            |
| UK/Europe                         | 1456              | 1446  | +0.7       | 15895                  | 15926  | -0.2       |
| Americas                          | 611               | 575   | +6.2       | 5821                   | 5759   | +1.1       |
| Asia Pacific                      | 144               | 137   | +5.0       | 1386                   | 1411   | -1.8       |
| Africa and Middle East            | 309               | 335   | -7.9       | 2650                   | 2646   | +0.2       |
| Total                             | 2520              | 2493  | +1.1       | 25752                  | 25741  | +0.0       |
| <b>Revenue passenger km (m)</b>   |                   |       |            |                        |        |            |
| UK/Europe                         | 1409              | 1414  | -0.4       | 15758                  | 15819  | -0.4       |
| Americas                          | 4095              | 3867  | +5.9       | 39155                  | 38794  | +0.9       |
| Asia Pacific                      | 1505              | 1431  | +5.2       | 14234                  | 14387  | -1.1       |
| Africa and Middle East            | 2073              | 2280  | -9.1       | 17734                  | 17768  | -0.2       |
| Total                             | 9082              | 8992  | +1.0       | 86881                  | 86767  | +0.1       |
| <b>Available seat km (m)</b>      |                   |       |            |                        |        |            |
| UK/Europe                         | 2247              | 2126  | +5.7       | 22197                  | 21270  | +4.4       |
| Americas                          | 5397              | 5222  | +3.3       | 50006                  | 49418  | +1.2       |
| Asia Pacific                      | 1920              | 1811  | +6.1       | 17608                  | 18173  | -3.1       |
| Africa and Middle East            | 2790              | 2958  | -5.7       | 22993                  | 22966  | +0.1       |
| Total                             | 12354             | 12117 | +2.0       | 112804                 | 111826 | +0.9       |
| <b>Passenger load factor (%)</b>  |                   |       |            |                        |        |            |
| UK/Europe                         | 62.7              | 66.5  | -3.8 pts   | 71.0                   | 74.4   | -3.4 pts   |
| Americas                          | 75.9              | 74.0  | +1.9 pts   | 78.3                   | 78.5   | -0.2 pts   |
| Asia Pacific                      | 78.4              | 79.0  | -0.6 pts   | 80.8                   | 79.2   | +1.6 pts   |
| Africa and Middle East            | 74.3              | 77.1  | -2.8 pts   | 77.1                   | 77.4   | -0.3 pts   |
| Total                             | 73.5              | 74.2  | -0.7 pts   | 77.0                   | 77.6   | -0.6 pts   |
| <b>Revenue tonne km (RTK) (m)</b> |                   |       |            |                        |        |            |
| Cargo tonne km (CTK)              | 422               | 385   | +9.1       | 3667                   | 3619   | +1.3       |
| Total RTK                         | 1343              | 1308  | +2.7       | 12414                  | 1239   | +0.2       |
| Available tonne km (m)            | 1884              | 1852  | +1.7       | 17293                  | 1735   | -0.3       |
| Overall load factor (%)           | 71.3              | 70.6  | +0.7 pts   | 71.8                   | 71.4   | +0.4 pts   |

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 2007, which is available on [www.bashareholders.com](http://www.bashareholders.com).