

**TRAFFIC AND CAPACITY STATISTICS – January 2006***Summary of the headline figures*

In January 2006, passenger capacity, measured in Available Seat Kilometres, was 3 per cent above January 2005. Traffic, measured in Revenue Passenger Kilometres, was higher by 3.3 per cent. This resulted in a passenger load factor up 0.2 points versus last year, to 72.5 per cent. The increase in traffic comprised a 7.8 per cent increase in premium traffic and a 2.6 per cent increase in non-premium traffic. Cargo, measured in Cargo Tonne Kilometres, was flat. Overall load factor was also flat at 68.1 per cent.

*Market conditions*

Some yield improvement is still expected for this financial year. Consequently, revenue is now expected to grow by more than 8%.

Despite the improved revenue outlook, market conditions remain broadly unchanged as significant promotional activity is required to maintain seat factors.

*Costs*

Underlying costs excluding fuel are now expected to be some 1% higher than the guidance we gave at the beginning of the year, which was flat.

Fuel costs continue to be a challenge for the industry, but our guidance is unchanged with total fuel costs expected to be up by £525 million this year.

*Strategic Developments*

British Airways' regional subsidiary, British Airways CitiExpress, was relaunched as BA Connect in a major drive to improve profitability and compete more aggressively in the UK regions by offering more choice and lower fares slashed by more than 40 per cent.

The airline announced that it aims to comply fully with new US government Advanced Passenger Information legislation by March 7, 2006. The new legislation requires extra passenger information from all non-US passport holders travelling to the US including their country of residence and a first night destination address as well as data found in their passport.

At a speech at the Wings Club in New York, chairman Martin Broughton called on the United States government to show courage and free the aviation industry from its regulatory straitjacket by scrapping existing foreign ownership rules. He challenged the US administration to create a genuine dialogue with Congress over the potential benefits of allowing overseas companies to take majority stakes in American carriers.

*February 3, 2006*

**BRITISH AIRWAYS MONTHLY TRAFFIC AND CAPACITY STATISTICS**

<b>BRITISH AIRWAYS SCHEDULED SERVICES</b>	<b>Month of January</b>			<b>Financial year April through to Jan</b>		
	<b>2006</b>	<b>2005</b>	<b>Change (%)</b>	<b>2006</b>	<b>2005</b>	<b>Change (%)</b>
<b>Passengers carried (000)</b>						
UK/Europe	<b>1599</b>	1599	+0.0	<b>19601</b>	19934	-1.7
Americas	<b>562</b>	577	-2.6	<b>6243</b>	6120	+2.0
Asia Pacific	<b>166</b>	147	+12.8	<b>1592</b>	1399	+13.8
Africa and Middle East	<b>318</b>	299	+6.1	<b>2612</b>	2585	+1.0
<b>Total</b>	<b>2644</b>	2622	+0.9	<b>30047</b>	30038	+0.0
<b>Revenue passenger km (m)</b>						
UK/Europe	<b>1425</b>	1407	+1.3	<b>18113</b>	17859	+1.4
Americas	<b>3795</b>	3881	-2.2	<b>41925</b>	40940	+2.4
Asia Pacific	<b>1727</b>	1512	+14.2	<b>16407</b>	14391	+14.0
Africa and Middle East	<b>2172</b>	2025	+7.2	<b>17654</b>	17306	+2.0
<b>Total</b>	<b>9119</b>	8825	+3.3	<b>94100</b>	90496	+4.0
<b>Available seat km (m)</b>						
UK/Europe	<b>2532</b>	2545	-0.5	<b>26669</b>	26034	+2.4
Americas	<b>5144</b>	5185	-0.8	<b>52816</b>	52315	+1.0
Asia Pacific	<b>2225</b>	1979	+12.4	<b>21367</b>	19481	+9.7
Africa and Middle East	<b>2670</b>	2497	+6.9	<b>22864</b>	22678	+0.8
<b>Total</b>	<b>12571</b>	12206	+3.0	<b>123715</b>	120508	+2.7
<b>Passenger load factor (%)</b>						
UK/Europe	<b>56.3</b>	55.3	+1.0pts	<b>67.9</b>	68.6	-0.7pts
Americas	<b>73.8</b>	74.8	-1.0pts	<b>79.4</b>	78.3	+1.1pts
Asia Pacific	<b>77.6</b>	76.4	+1.2pts	<b>76.8</b>	73.9	+2.9pts
Africa and Middle East	<b>81.3</b>	81.1	+0.2pts	<b>77.2</b>	76.3	+0.9pts
<b>Total</b>	<b>72.5</b>	72.3	+0.2pts	<b>76.1</b>	75.1	+1.0pts
<b>Revenue tonne km (RTK) (m)</b>						
Cargo tonne km (CTK)	<b>412</b>	412	+0.0	<b>4100</b>	4148	-1.1
Total RTK	<b>1335</b>	1305	+2.3	<b>13508</b>	13196	+2.4
Available tonne km (m)	<b>1961</b>	1917	+2.3	<b>19326</b>	18865	+2.4
<b>Overall load factor (%)</b>	<b>68.1</b>	68.1	+0.0pts	<b>69.9</b>	69.9	+0.0pts

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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