

TRAFFIC AND CAPACITY STATISTICS – January 2007

Summary of the headline figures

In January 2007, passenger capacity, measured in Available Seat Kilometres, was 1.5 per cent above January 2006. Traffic, measured in Revenue Passenger Kilometres, was lower by 2.8 per cent. This resulted in a passenger load factor down 3 points versus last year, to 69.5 per cent. The decrease in traffic comprised a 3.1 per cent decrease in premium traffic and a 2.7 per cent decrease in non-premium traffic. Cargo, measured in Cargo Tonne Kilometres, decreased by 18.1 per cent. Overall load factor fell by 3.2 points to 64.9 per cent.

This month's statistics were significantly impacted by the threat of industrial action. Premium volumes suffered the largest reductions as most tickets are flexible and refundable, and customers are easily able to move to other carriers. The ballot result in favour of strike action was announced on January 15 and the strike averted on January 29.

Market conditions

The market continues to show good demand in premium cabins. The weakness in some non-premium segments is also still a feature. The revenue outlook for the fourth quarter has been impacted by the threat of industrial action by the T&G. While the strike was averted, the estimated revenue loss is still some £80 million. Revenue guidance for the full year is now 3.25 – 3.75% growth.

Costs

While cost control remains strong, full year costs excluding fuel are expected to be some £50 million higher than last year. This reflects higher costs in the first quarter. Our full year fuel guidance has been revised down by £40 million reflecting the reduction in fuel prices. The fuel bill will now be accounted for on a continuing operations basis, and is expected to be some £1.95 billion.

Strategic Developments

Following a ballot for industrial action the T&G announced a series of planned strikes. As a result the airline cancelled 1,300 flights over a 48 hour period. While the dispute was averted and the schedule reinstated, supported by a seat sale of 500,000 tickets, the impact on lost bookings and revenue is expected to be some £80 million in the fourth quarter.

The BA Forum, which represents British Airways' unions, issued a statement recommending acceptance of changes to benefits to tackle the £2.1 billion deficit in the New Airways Pension Scheme (NAPS).

The airline reduced its fuel surcharge on longhaul flights under nine hours by from £35 to £30 per sector as a result of a fall in the price of oil.

British Airways announced modifications to its uniform rules to allow staff to wear a symbol of faith openly. The decision came after a comprehensive review of the airline's uniform policy and extensive consultation with a wide range of religious groups including representatives from the Church of England, the Catholic Church and the Muslim Council of Britain. The new policy was introduced on February 1, 2007.

The airline announced a new daily service between London Gatwick and Newquay. The flights will start on Monday March 20, 2007 operating on a Boeing 737.

February 5, 2007

Note: Traffic statistics will continue to include BA Connect until the transaction is completed.

BRITISH AIRWAYS MONTHLY TRAFFIC AND CAPACITY STATISTICS

Month of January

Financial year

BRITISH AIRWAYS SCHEDULED SERVICES				April through to Jan		
	2007	2006	Change (%)	2007	2006	Change (%)
Passengers carried (000)						
UK/Europe	1510	1599	-5.6	19673	19601	+0.4
Americas	542	562	-3.5	6301	6243	+0.9
Asia Pacific	145	166	-12.3	1556	1592	-2.3
Africa and Middle East	333	318	+4.9	2979	2612	+14.1
Total	2531	2644	-4.3	30509	30047	+1.5
Revenue passenger km (m)						
UK/Europe	1390	1425	-2.5	18608	18113	+2.7
Americas	3686	3795	-2.9	42479	41925	+1.3
Asia Pacific	1499	1727	-13.2	15886	16407	-3.2
Africa and Middle East	2292	2172	+5.6	20062	17654	+13.6
Total	8867	9119	-2.8	97034	94100	+3.1
Available seat km (m)						
UK/Europe	2526	2532	-0.2	26087	26669	-2.2
Americas	5294	5144	+2.9	54712	52816	+3.6
Asia Pacific	1989	2225	-10.6	20162	21367	-5.6
Africa and Middle East	2946	2670	+10.3	25912	22864	+13.3
Total	12755	12571	+1.5	126873	123715	+2.6
Passenger load factor (%)						
UK/Europe	55.0	56.3	-1.3pts	71.3	67.9	+3.4pts
Americas	69.6	73.8	-4.2pts	77.6	79.4	-1.8pts
Asia Pacific	75.4	77.6	-2.2pts	78.8	76.8	+2.0pts
Africa and Middle East	77.8	81.3	-3.5pts	77.4	77.2	+0.2pts
Total	69.5	72.5	-3.0pts	76.5	76.1	+0.4pts
Revenue tonne km (RTK) (m)						
Cargo tonne km (CTK)	338	412	-18.1	3964	4100	-3.3
Total RTK	1248	1335	-6.5	13771	13508	+1.9
Available tonne km (m)	1923	1961	-2.0	19495	19326	+0.9
Overall load factor (%)	64.9	68.1	-3.2pts	70.6	69.9	+0.7pts

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. Information on some factors which could result in material difference to the results is available in the Company's SEC filings, including, without limitation the Company's Report on Form 20-F for the year ended March 2006.

The estimated impact of the averted strike in Quarter 4 reflects the direct costs of the measures and the estimated revenue impacts, both direct and indirect. The estimate of £80 million is based on assumptions the company considers reasonable, but are judgemental.

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