

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

In July 2007, passenger capacity, measured in Available Seat Kilometres, was 1.1 per cent below July 2006. Traffic, measured in Revenue Passenger Kilometres, was lower by 2.9 per cent. This resulted in a passenger load factor down 1.5 points versus last year, to 81.2 per cent. The decrease in traffic comprised a 2.6 per cent decrease in premium traffic and a 2.9 per cent decrease in non-premium traffic.

Cargo, measured in Cargo Tonne Kilometres, fell by 5.2 per cent. Overall load factor fell by 0.3 points to 73.6 per cent.

A number of flights were cancelled as a result of external events including the terrorist attack at Glasgow airport on June 30, the security closure of Terminal 4 on July 3 and the extreme weather and flooding that occurred on July 20.

Market conditions

As the Heathrow terminals continue to operate above capacity this will affect our ability to recover quickly from any unexpected events. Combined with the continued weakness of the US dollar our revenue guidance is reduced by 1 per cent to around 4 per cent to reflect these risks.

Costs

Our revised cost guidance year on year is flat, excluding fuel, reflecting both expected exchange benefits from the weaker dollar and strong performance in the first quarter.

Fuel costs are now expected to be up £120 million on last year, £20 million worse than our previous guidance.

Strategic Developments

The new Transport Minister Ruth Kelly convened a summit of airline chief executives to look at security restrictions. BA's chief executive Willie Walsh made it very clear that the one piece of hand luggage restriction, which applies to customers departing and transferring through the UK, has no security justification and has become intensely irritating to customers.

At its AGM the airline announced new targets to improve its fuel efficiency by 25 per cent by 2025. This is on top of the 28 per cent improvement in fuel efficiency already achieved since 1990.

All services were suspended from Heathrow's Terminal 4 on Tuesday, July 3 from mid-day until 5pm as a result of a security alert. This caused widespread disruption.

International Aero Engines V2500 engines have been chosen to power BA's eight new Airbus A320 family aircraft that will be delivered in 2008-2010. The airline also signed a long-term maintenance agreement with IAE for the engines.

August 3, 2007

BRITISH AIRWAYS MONTHLY TRAFFIC AND CAPACITY STATISTICS

BRITISH AIRWAYS SCHEDULED SERVICES	Month of July			Financial year April through to July		
	2007	2006	Change (%)	2007	2006	Change (%)
Passengers carried (000)						
UK/Europe	1974	2026	-2.5	7357	7446	-1.2
Americas	686	719	-4.5	2667	2782	-4.1
Asia Pacific	163	172	-5.1	610	635	-3.8
Africa and Middle East	307	302	+1.6	1146	1124	+1.9
Total	3130	3218	-2.7	11780	11987	-1.7
Revenue passenger km (m)						
UK/Europe	1985	2024	-1.9	7316	7384	-0.9
Americas	4650	4851	-4.2	17985	18739	-4.0
Asia Pacific	1682	1769	-4.9	6242	6439	-3.1
Africa and Middle East	2020	2001	+1.0	7640	7479	+2.2
Total	10338	10645	-2.9	39183	40042	-2.1
Available seat km (m)						
UK/Europe	2547	2490	+2.3	9982	9703	+2.9
Americas	5701	5814	-1.9	22373	22593	-1.0
Asia Pacific	1987	2092	-5.0	7917	8211	-3.6
Africa and Middle East	2498	2477	+0.8	10002	9780	+2.3
Total	12733	12873	-1.1	50274	50286	-0.0
Passenger load factor (%)						
UK/Europe	77.9	81.3	-3.4 pts	73.3	76.1	-2.8 pts
Americas	81.6	83.4	-1.8 pts	80.4	82.9	-2.5 pts
Asia Pacific	84.7	84.6	+0.1 pts	78.8	78.4	+0.4 pts
Africa and Middle East	80.9	80.8	+0.1 pts	76.4	76.5	-0.1 pts
Total	81.2	82.7	-1.5 pts	77.9	79.6	-1.7 pts
Revenue tonne km (RTK) (m)						
Cargo tonne km (CTK)	382	402	-5.2	1570	1631	-3.7
Total RTK	1424	1465	-2.8	5515	5626	-2.0
Available tonne km (m)	1935	1984	-2.5	7686	7835	-1.9
Overall load factor (%)	73.6	73.9	-0.3 pts	71.8	71.8	+0.0 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.

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