

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

In June 2006, passenger capacity, measured in Available Seat Kilometres, was 3.1 per cent above June 2005. Traffic, measured in Revenue Passenger Kilometres, was higher by 6.6 per cent. This resulted in a passenger load factor up 2.7 points versus last year, to 81.6 per cent. The increase in traffic comprised a 11.7 per cent increase in premium traffic and a 5.7 per cent increase in non-premium traffic. Cargo, measured in Cargo Tonne Kilometres, increased by 2.2 per cent. Overall load factor increased by 2.2 points to 73.4 per cent.

For the April to June quarter, ASKs rose by 4.1 per cent, with RPKs rising by 7.7 per cent. This resulted in an increase in passenger load factor of 2.6 points, to 78.2 per cent. This comprised a 9.8 per cent increase in premium traffic and a 7.4 per cent increase in non-premium traffic. CTKs rose by 1.9 per cent.

*Market conditions*

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

*Strategic Developments*

British Airways announced that it is assisting the Office of Fair Trading (OFT) and the United States Department of Justice (DOJ) in an investigation into alleged cartel activity involving BA and other airlines in relation to pricing of passenger air transportation, including fuel surcharges. BA's policy is to conduct its business in full compliance with all applicable competition laws. Martin George, Commercial Director, and Iain Burns, Head of Communications, have been given leave of absence during the investigation.

British Airways won the title of Airline of the Year 2006 at the annual Skytrax World Airline Awards.

Jumping four places from last year's line-up, the airline beat key competitors from all over the world, including the Asia Pacific region, to take the award. The results found that the number of premium passengers to nominate BA was higher than any of the other airlines in the top ten.

The company's head of environmental affairs, Andrew Sentance said that the European Union had an historic opportunity to limit aviation's impact on climate change by producing a workable scheme for emissions trading. Dr Sentance said plans to incorporate aviation emissions in Europe's carbon trading scheme had made "good progress" in the last three years and could be implemented by 2010 at the latest.

Following Department for Transport recommendations the airline introduced changes to its baggage policies to make them easier for air travellers and to reduce queues at airports. The new guidelines mean changes to hand, checked and excess baggage allowances and are being phased in from early July across the airline's global network.

British Airways and Malév Hungarian Airlines signed an agreement that will enable the two airlines to begin codesharing on each other's flights from November 1, 2006. Malev's flight code will be placed on BA's three daily flights from London Heathrow to Budapest and BA's flight code will be placed on Malév's two daily flights from Budapest to London Gatwick.

July 5, 2006

**BRITISH AIRWAYS MONTHLY TRAFFIC AND CAPACITY STATISTICS**

BRITISH AIRWAYS SCHEDULED SERVICES	Month of June			Financial year April through to June		
	2006	2005	Change (%)	2006	2005	Change (%)
<b>Passengers carried (000)</b>						
UK/Europe	2187	2133	+2.5	6197	6087	+1.8
Americas	724	678	+6.8	2063	1937	+6.5
Asia Pacific	158	158	+0.5	463	430	+7.5
Africa and Middle East	276	236	+17.1	823	700	+17.6
<b>Total</b>	<b>3346</b>	<b>3205</b>	<b>+4.4</b>	<b>9546</b>	<b>9154</b>	<b>+4.3</b>
<b>Revenue passenger km (m)</b>						
UK/Europe	2065	2003	+3.1	5845	5659	+3.3
Americas	4870	4552	+7.0	13888	12962	+7.1
Asia Pacific	1611	1609	+0.1	4670	4427	+5.5
Africa and Middle East	1838	1580	+16.3	5478	4692	+16.8
<b>Total</b>	<b>10383</b>	<b>9743</b>	<b>+6.6</b>	<b>29881</b>	<b>27740</b>	<b>+7.7</b>
<b>Available seat km (m)</b>						
UK/Europe	2669	2726	-2.1	7989	8207	-2.7
Americas	5633	5368	+4.9	16779	16016	+4.8
Asia Pacific	2023	2160	-6.3	6119	6084	+0.6
Africa and Middle East	2406	2092	+15.0	7303	6365	+14.7
<b>Total</b>	<b>12731</b>	<b>12346</b>	<b>+3.1</b>	<b>38189</b>	<b>36672</b>	<b>+4.1</b>
<b>Passenger load factor (%)</b>						
UK/Europe	77.3	73.5	+3.8pts	73.2	69.0	+4.2pts
Americas	86.5	84.8	+1.7pts	82.8	80.9	+1.9pts
Asia Pacific	79.6	74.5	+5.1pts	76.3	72.8	+3.5pts
Africa and Middle East	76.4	75.5	+0.9pts	75.0	73.7	+1.3pts
<b>Total</b>	<b>81.6</b>	<b>78.9</b>	<b>+2.7pts</b>	<b>78.2</b>	<b>75.6</b>	<b>+2.6pts</b>
<b>Revenue tonne km (RTK) (m)</b>						
Cargo tonne km (CTK)	405	396	+2.2	1224	1184	+3.4
Total RTK	1440	1367	+5.3	4200	3946	+6.4
Available tonne km (m)	1961	1919	+2.2	5914	5717	+3.4
<b>Overall load factor (%)</b>	<b>73.4</b>	<b>71.2</b>	<b>+2.2pts</b>	<b>71.0</b>	<b>69.0</b>	<b>+2.0pts</b>

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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