

**TRAFFIC AND CAPACITY STATISTICS – March 2008***Summary of the headline figures*

In March 2008, passenger capacity, measured in Available Seat Kilometres, was 1.6 per cent below March 2007. Traffic, measured in Revenue Passenger Kilometres, fell by 2.8 per cent. This resulted in a passenger load factor decrease of 0.9 points versus last year, to 75.4 per cent. Traffic comprised a 5.0 per cent decrease in premium traffic and a 2.3 per cent fall in non-premium traffic. Comparisons between March 2007 and 2008 are complicated by the timing of Easter, which fell in April in 2007, and by the de-linking of UK school holidays from the Easter period and into the middle of April. This altered both premium and non-premium travel patterns, an impact which is also likely to be seen in April's statistics.

Cargo, measured in Cargo Tonne Kilometres, rose by 11.5 per cent.

The figures also reflect the events which surrounded the opening of Terminal 5 on 27 March. The impact was borne by the shorthaul schedule, where there were 300 cancelled flights, equating to 0.2 percentage points of capacity. The financial impact of these events is estimated to be around £16 million, reflecting all costs associated with the disruption and lost revenue opportunities. Although there remains a small number of cancellations for today and tomorrow, the Terminal 5 performance is steadily improving.

*Market conditions*

Market conditions remain unchanged. Underlying conditions in longhaul premium traffic continue to be strong, while shorthaul premium and longhaul non-premium continue to be weak.

*Strategic Developments*

The opening of Terminal 5 was affected by operational problems that caused major disruption. The airline is working hard with BAA to resolve these issues.

British Airways increased its stake in the Spanish airline Iberia to 13.15 per cent. The purchase reflects the strategic importance of Iberia to BA. The airline bought 28,745,767 shares at an average price of €2.34 per share.

At its annual Investor Day British Airways released its market guidance for the financial year 2008/9. Revenue is forecast to increase by 4 – 4.5 per cent to over £9.1 billion, based on capacity measured in available seat kilometers (ASKs) up 2.4 per cent. Fuel costs are expected to be up by some £450 million to £2.5 billion, an increase of 20 per cent

British Airways is launching a dozen new routes from Gatwick to European hotspots this summer. The new routes to Alicante, Faro, Gibraltar, Ibiza, Malaga, Malta, Palma, Paphos, and Tunis replace services previously operated by franchise partner GB Airways following the end of that franchise agreement. There are also new flights to Antalya, Genoa and Poznan.

The Civil Aviation Authority announced that Heathrow's charges over five years from April 1, 2008 will rise by 23.5 per cent above inflation in year one and by 7.5 per cent above inflation each year between 2009 and 2013. BAA will be allowed a cost of capital of 6.2 per cent. BA said the decision demonstrates conclusively that the airport regulation system has failed, to the detriment of customers.

The first Airbus A380 passenger service flew into Heathrow. British Airways will handle maintenance of the Singapore Airlines A380s at Heathrow. BA flight crew begin preparations for delivery of the airline's own fleet of 12 A380s from April 2012. BA's Captain Jim Harlow is the first UK airline pilot to qualify to fly the A380.

*April 3, 2008*

**BRITISH AIRWAYS SCHEDULED SERVICES**

	Month of March			Financial year April to March		
	2008	2007	Change (%)	2007/8	2006/07	Change (%)
<b>Passengers carried (000)</b>						
UK/Europe	1648	1695	-2.8	20269	20250	+0.1
Americas	610	614	-0.6	7478	7371	+1.5
Asia Pacific	153	163	-6.0	1818	1844	-1.4
Africa and Middle East	306	325	-5.7	3553	3597	-1.2
Total	2718	2796	-2.8	33118	33061	+0.2
<b>Revenue passenger km (m)</b>						
UK/Europe	1613	1623	-0.6	19981	19966	+0.1
Americas	4139	4158	-0.5	50392	49728	+1.3
Asia Pacific	1586	1674	-5.3	18729	18851	-0.6
Africa and Middle East	2062	2214	-6.9	23843	24296	-1.9
Total	9400	9669	-2.8	112946	112842	+0.1
<b>Available seat km (m)</b>						
UK/Europe	2399	2386	+0.6	29084	28044	+3.7
Americas	5382	5408	-0.5	65941	64870	+1.7
Asia Pacific	1914	1996	-4.1	23256	23937	-2.8
Africa and Middle East	2771	2879	-3.8	31206	31448	-0.8
Total	12466	12669	-1.6	149488	148299	+0.8
<b>Passenger load factor (%)</b>						
UK/Europe	67.2	68.0	-0.8pts	68.7	71.2	-2.5pts
Americas	76.9	76.9	+0.0pts	76.4	76.7	-0.3pts
Asia Pacific	82.8	83.9	-1.1pts	80.5	78.8	+1.7pts
Africa and Middle East	74.4	76.9	-2.5pts	76.4	77.3	-0.9pts
Total	75.4	76.3	-0.9pts	75.6	76.1	-0.5pts
<b>Revenue tonne km (RTK) (m)</b>						
Cargo tonne km (CTK)	431	387	+11.5	4890	4715	+3.7
Total RTK	1367	1368	-0.1	16248	16170	+0.5
Available tonne km (m)	1863	1926	-3.2	22819	22936	-0.5
Overall load factor (%)	73.3	71.0	+2.3pts	71.2	70.5	+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. 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).