

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

In May 2007, passenger capacity, measured in Available Seat Kilometres, was 0.1 per cent below May 2006. Traffic, measured in Revenue Passenger Kilometres, was lower by 2.1 per cent. This resulted in a passenger load factor down 1.5 points versus last year, to 73.3 per cent. The decrease in traffic comprised a 2.1 per cent decrease in premium traffic and a 2.1 per cent decrease in non-premium traffic.

May 2006 was a particularly strong month with premium up 13.9 per cent and non-premium up 5.7 per cent leading to soft year on year performance. The unusual timing of bank holidays in the UK and continental Europe, continuing carry-on baggage restrictions at Heathrow and the weak US dollar also impacted volumes in May 2007. Premium growth in the first half of the year is unlikely due to high comparative seat factors.

Cargo, measured in Cargo Tonne Kilometres, fell by 2.0 per cent. Overall load factor rose 0.6 points to 69.2 per cent.

Market conditions

Some weakness in non-premium, particularly on the North Atlantic and in shorthaul domestic, continues. Premium demand is expected to continue driving high seat factors. Visibility around forward bookings continues to be limited.

Revenue and costs

The continuing weak US dollar, while not helpful to revenue, is having a positive impact on costs.

Strategic Developments

The airline filed an application with the US DoT for permission to operate services between any point in the EU and US to enable it to grow the most profitable part of its business.

Agreement was reached on new working practices for all 6,000 ground staff involved in the move to Heathrow's Terminal 5. The final ballot, by check-in and customer service staff, showed overwhelming support for more efficient ways of working, ahead of the move to the airline's new home in Terminal 5.

British Airways and Amadeus signed an agreement for the distribution of the airline's fares and inventory to Amadeus travel agencies and corporations. All four GDSs have now agreed to new contracts.

The company joined TPG Capital, Vista Capital, Inversiones Ibersuizas and Quercus Equity to investigate a possible consortium bid for Iberia. No guarantee was given that a formal bid will be made. The airline has previously ruled out further capital investment as part of any consortium bid and will not make an independent bid for the airline.

British Airways' 13 flights a week to Vancouver move from London Heathrow Terminal 4 to Terminal 1 on June 1, 2007 to ease congestion and provide smoother connections for customers.

Eight new Airbus A320 family aircraft were ordered for delivery in 2008-2010 marking the first step towards establishing a single fleet across the British Airways' network. The airline will also upgrade the Gatwick shorthaul fleet by replacing the oldest 14 Boeing 737s with Airbus A319 aircraft.

June 5, 2007

BRITISH AIRWAYS MONTHLY TRAFFIC AND CAPACITY STATISTICS

BRITISH AIRWAYS SCHEDULED SERVICES	Month of May			Financial year April through to May		
	2007	2006	Change (%)	2007	2006	Change (%)
Passengers carried (000)						
UK/Europe	1783	1791	-0.5	3524	3502	+0.6
Americas	645	668	-3.5	1278	1338	-4.5
Asia Pacific	140	144	-3.2	293	304	-3.7
Africa and Middle East	266	267	-0.4	552	546	+1.1
Total	2833	2871	-1.3	5647	5690	-0.8
Revenue passenger km (m)						
UK/Europe	1767	1770	-0.2	3484	3461	+0.6
Americas	4336	4499	-3.6	8600	9012	-4.6
Asia Pacific	1417	1455	-2.6	2981	3061	-2.6
Africa and Middle East	1781	1777	+0.2	3698	3640	+1.6
Total	9302	9501	-2.1	18763	19175	-2.2
Available seat km (m)						
UK/Europe	2537	2460	+3.1	4981	4807	+3.6
Americas	5612	5673	-1.1	11038	11146	-1.0
Asia Pacific	2021	2078	-2.7	3984	4095	-2.7
Africa and Middle East	2526	2494	+1.3	5026	4897	+2.6
Total	12696	12705	-0.1	25030	24945	+0.3
Passenger load factor (%)						
UK/Europe	69.7	71.9	-2.2pts	69.9	72.0	-2.1pts
Americas	77.3	79.3	-2.0pts	77.9	80.9	-3.0pts
Asia Pacific	70.1	70.0	+0.1pts	74.8	74.7	+0.1pts
Africa and Middle East	70.5	71.3	-0.8pts	73.6	74.3	-0.7pts
Total	73.3	74.8	-1.5pts	75.0	76.9	-1.9pts
Revenue tonne km (RTK) (m)						
Cargo tonne km (CTK)	402	411	-2.0	787	820	-4.0
Total RTK	1340	1360	-1.5	2675	2760	-3.1
Available tonne km (m)	1936	1981	-2.3	3825	3954	-3.3
Overall load factor (%)	69.2	68.6	+0.6pts	69.9	69.8	+0.1pts

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.