

TRAFFIC AND CAPACITY STATISTICS – October 2006

Summary of the headline figures

In October 2006, passenger capacity, measured in Available Seat Kilometres, was 0.8 per cent above October 2005. Traffic, measured in Revenue Passenger Kilometres, was higher by 1.1 per cent. This resulted in a passenger load factor up 0.2 points versus last year, to 74.9 per cent. The increase in traffic comprised a 2.1 per cent increase in premium traffic and a 1.1 per cent increase in non-premium traffic. Cargo, measured in Cargo Tonne Kilometres, decreased by 7.2 per cent. Overall load factor increased by 0.5 points to 70.4 per cent.

Market conditions

Overall market conditions are broadly unchanged. Longhaul premium transfer and shorthaul premium traffic, although recovering, continue to be affected by the tighter security arrangements currently in place. As a result, total revenue is now expected to be 4.5 per cent to 5 per cent higher than last year, down half a per cent from our previous guidance. We welcome the government's announcement yesterday on the re-introduction of liquids in cabin baggage which brings the UK into line with the rest of the EU. We will continue to support the BAA as they work to improve the customer experience across London's airports.

Costs

We expect that total costs, excluding fuel, will be flat compared to last year. Total fuel costs net of hedging for the year are expected to be some £400 million higher than last year, based on current prices and sterling dollar exchange rates.

Strategic Developments

British Airways launched a competition for new longhaul aircraft by issuing tender documents to aircraft and engine manufacturers. Airbus, Boeing as well as engine manufacturers Engine Alliance, General Electric and Rolls Royce plus other key component suppliers have been invited to bid. The competition is the first step in a lengthy process before the airline makes a decision on fleet growth and replacement for the next decade. Launching the competition highlights the need to tackle the airline's £2.1 billion pension deficit in the New Airways Pension Scheme (NAPS).

Martin George, commercial director, and Iain Burns, British Airways' head of communications resigned their positions with the airline on October 9. They had been on leave of absence since June 2006 when the Office of Fair Trading and the US Department of Justice began an investigation focused on long-haul passenger fuel surcharges. Robert Boyle, British Airways' director of planning was appointed commercial director and Thomas Coops, former communications director at Abbey National, was appointed interim head of corporate and media relations.

The airline launched a promotion offering savings of up to £1,455 on Club World return fares to 36 longhaul destinations this winter including New York, Shanghai and Tokyo.

The airline also launched a promotion offering savings of up to £185 to US and Canadian ski destinations this winter including Denver, Vancouver and Calgary.

Ends

November 3, 2006

109/CW/06

BRITISH AIRWAYS MONTHLY TRAFFIC AND CAPACITY STATISTICS

BRITISH AIRWAYS SCHEDULED SERVICES	Month of October			Financial year April through to Oct		
	2006	2005	Change (%)	2006	2005	Change (%)
Passengers carried (000)						
UK/Europe	2064	2024	+2.0	14766	14591	+1.2
Americas	589	615	-4.2	4658	4525	+2.9
Asia Pacific	165	172	-4.3	1130	1111	+1.7
Africa and Middle East	286	248	+15.3	1990	1714	+16.1
Total	3104	3059	+1.5	22543	21940	+2.7
Revenue passenger km (m)						
UK/Europe	1960	1869	+4.8	14088	13667	+3.1
Americas	3983	4139	-3.8	31403	30392	+3.3
Asia Pacific	1682	1774	-5.2	11494	11416	+0.7
Africa and Middle East	1951	1693	+15.2	13282	11500	+15.5
Total	9576	9476	+1.1	70268	66974	+4.9
Available seat km (m)						
UK/Europe	2693	2749	-2.1	18730	19264	-2.8
Americas	5492	5492	-0.0	39314	37687	+4.3
Asia Pacific	2085	2233	-6.6	14429	14844	-2.8
Africa and Middle East	2512	2210	+13.7	17154	14937	+14.8
Total	12782	12684	+0.8	89627	86732	+3.3
Passenger load factor (%)						
UK/Europe	72.8	68.0	+4.8pts	75.2	70.9	+4.3pts
Americas	72.5	75.4	-2.9pts	79.9	80.6	-0.7pts
Asia Pacific	80.7	79.4	+1.3pts	79.7	76.9	+2.8pts
Africa and Middle East	77.7	76.6	+1.1pts	77.4	77.0	+0.4pts
Total	74.9	74.7	+0.2pts	78.4	77.2	+1.2pts
Revenue tonne km (RTK) (m)						
Cargo tonne km (CTK)	407	439	-7.2	2810	2804	+0.2
Total RTK	1375	1380	-0.4	9884	9480	+4.3
Available tonne km (m)	1954	1973	-1.0	13810	13532	+2.1
Overall load factor (%)	70.4	69.9	+0.5pts	71.6	70.1	+1.5pts

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.

Investor Relations
Waterside (HCB3)
PO Box 365
Harmondsworth
UB7 OGB
Tel: +44 (0) 20 8738 694