

**TRAFFIC AND CAPACITY STATISTICS – June 2005***Summary of the headline figures*

In June 2005, passenger capacity, measured in Available Seat Kilometres, was 3.0 per cent above June 2004. Traffic, measured in Revenue Passenger Kilometres, was higher by 4.7 per cent. This resulted in a passenger load factor up 1.2 points versus last year, to 78.9 per cent. The increase in traffic comprised an 8.6 per cent increase in premium traffic and a 4.1 per cent increase in non-premium traffic. Cargo, measured in Cargo Tonne Kilometres, fell by 1.6 per cent. Overall load factor was flat at 71.2 per cent.

For the April to June quarter, ASKs rose by 1.7 per cent, with RPKs rising by 2.7 per cent. This resulted in an increase in passenger load factor of 0.7 points, to 75.6 per cent. This comprised a 8.6 per cent increase in premium traffic and a 1.7 per cent increase in non-premium traffic. CTKs fell by 2.3 per cent.

*Market conditions*

Market conditions remain broadly unchanged.

*Costs*

As reported on June 24, 2005 total fuel costs for the year to March 2006 are estimated to be £450 million higher than last year. The company now has 70% hedging cover in place at an average cost of \$42 for the remainder of the financial year and 30% cover for calendar 2006 at an average cost of \$46.

*Strategic Developments*

British Airways increased its fuel surcharge in the UK on June 24 from £16 to £24 per sector (£48 return trip) on longhaul and from £6 to £8 (£16 a return trip) on shorthaul as a result of further rises in the price of oil. Total revenue for the year to March 2006 is expected to improve by 4.5-5.5 per cent, up from the 4-5 per cent figure issued at the full year results on May 13, 2005, due to the impact of these latest fuel surcharges.

The airline launched a five times a week service between London Heathrow and Shanghai's Pudong airport operated by Boeing 777 aircraft.

The company launched a new television commercial promoting its softest ever multi-award winning flat bed in Club World.

The 'manage my booking' feature on ba.com was revamped to offer customised travel advice to passengers with a handy point-by-point list of tasks to help ensure their trip goes without a hitch.

British Airways announced its support for the 'Sustainable Aviation' initiative, a comprehensive programme to address aviation's impact on the environment.

British Airways announced it will launch a new winter service to Grenoble in December this year. The new service will operate five times a week from Gatwick, with prices from £79 return.

July 5, 2005

**BRITISH AIRWAYS MONTHLY TRAFFIC AND CAPACITY STATISTICS**

<b>BRITISH AIRWAYS SCHEDULED SERVICES</b>	<b>Month of June</b>			<b>Financial year April through to June</b>		
	<b>2005</b>	<i>2004</i>	<b>Change (%)</b>	<b>2005</b>	<i>2004</i>	<b>Change (%)</b>
<b>Passengers carried (000)</b>						
UK/Europe	<b>2133</b>	<i>2157</i>	-1.1	<b>6087</b>	<i>6230</i>	-2.3
Americas	<b>678</b>	<i>665</i>	+2.0	<b>1937</b>	<i>1918</i>	+1.0
Asia Pacific	<b>158</b>	<i>134</i>	+17.7	<b>430</b>	<i>385</i>	+11.8
Africa and Middle East	<b>236</b>	<i>235</i>	+0.5	<b>700</b>	<i>707</i>	-1.1
<b>Total</b>	<b>3205</b>	<i>3190</i>	+0.5	<b>9154</b>	<i>9241</i>	-0.9
<b>Revenue passenger km (m)</b>						
UK/Europe	<b>2003</b>	<i>1937</i>	+3.4	<b>5659</b>	<i>5549</i>	+2.0
Americas	<b>4552</b>	<i>4436</i>	+2.6	<b>12962</b>	<i>12799</i>	+1.3
Asia Pacific	<b>1609</b>	<i>1369</i>	+17.5	<b>4427</b>	<i>3967</i>	+11.6
Africa and Middle East	<b>1580</b>	<i>1564</i>	+1.1	<b>4692</b>	<i>4700</i>	-0.2
<b>Total</b>	<b>9743</b>	<i>9305</i>	+4.7	<b>27740</b>	<i>27015</i>	+2.7
<b>Available seat km (m)</b>						
UK/Europe	<b>2726</b>	<i>2618</i>	+4.1	<b>8207</b>	<i>7842</i>	+4.7
Americas	<b>5368</b>	<i>5284</i>	+1.6	<b>16016</b>	<i>15913</i>	+0.6
Asia Pacific	<b>2160</b>	<i>1938</i>	+11.5	<b>6084</b>	<i>5687</i>	+7.0
Africa and Middle East	<b>2092</b>	<i>2142</i>	-2.3	<b>6365</b>	<i>6624</i>	-3.9
<b>Total</b>	<b>12346</b>	<i>11982</i>	+3.0	<b>36672</b>	<i>36065</i>	+1.7
<b>Passenger load factor (%)</b>						
UK/Europe	<b>73.5</b>	<i>74.0</i>	-0.5pts	<b>69.0</b>	<i>70.8</i>	-1.8s pt
Americas	<b>84.8</b>	<i>83.9</i>	+0.9pts	<b>80.9</b>	<i>80.4</i>	+0.5s pt
Asia Pacific	<b>74.5</b>	<i>70.6</i>	+3.9pts	<b>72.8</b>	<i>69.8</i>	+3.0s pt
Africa and Middle East	<b>75.5</b>	<i>73.0</i>	+2.5pts	<b>73.7</b>	<i>71.0</i>	+2.7s pt
<b>Total</b>	<b>78.9</b>	<i>77.7</i>	+1.2pts	<b>75.6</b>	<i>74.9</i>	+0.7s pt
<b>Revenue tonne km (RTK) (m)</b>						
Cargo tonne km (CTK)	<b>396</b>	<i>402</i>	-1.6	<b>1184</b>	<i>1212</i>	-2.3
Total RTK	<b>1367</b>	<i>1330</i>	+2.8	<b>3946</b>	<i>3898</i>	+1.2
Available tonne km (m)	<b>1919</b>	<i>1867</i>	+2.8	<b>5717</b>	<i>5638</i>	+1.4
<b>Overall load factor (%)</b>	<b>71.2</b>	<i>71.2</i>	+0.0pts	<b>69.0</b>	<i>69.1</i>	-0.1s pt

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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