BRITISH AIRWAYS

INTERIM RESULTS 1998-99 (unaudited)

		Three months ended September 30			Six months ended September 30		
		1998	*1997*	Change	**1998**	*1997*	Change
Turnover	£m	**2,440**	*2,244*	8.7%	**4,728**	*4,460*	6.0%
Operating profit	£m	**262**	*201*	30.3%	**435**	*341*	27.6%
Profit before tax	£m	**240**	*210*	14.3%	**385**	*430*	(10.5)%
Retained profit for the period	£m	**162**	*101*	60.4%	**293**	*265*	10.6%
Capital and reserves at period end	£m	**3,615**	*3,329*	8.6%	**3,615**	*3,329*	8.6%
Earnings per share							
Basic	p	**20.6**	*14.7*	40.1%	**33.2**	*31.0*	7.1%
Fully diluted	p	**19.1**	*13.9*	37.4%	**30.9**	*28.8*	7.3%
Dividends per share	p	**5.10**	*4.7*	8.5%	**5.10**	*4.7*	8.5%

GROUP PROFIT AND LOSS ACCOUNT (unaudited)

	Three months ended September 30			Six months ended September 30		
	1998 £m	*1997 £m*	Change	**1998 £m**	*1997 £m*	Change
Traffic Revenue						
Scheduled passenger	**2,091**	*1,895*	10.3%	**4,011**	*3,757*	6.8%
Scheduled cargo	**137**	*147*	(6.8)%	**279**	*297*	(6.1)%
Non-scheduled services	**22**	*17*	29.4%	**39**	*33*	18.2%
	2,250	*2,059*	9.3%	**4,329**	*4,087*	5.9%
Other revenue	**190**	*185*	2.7%	**399**	*373*	7.0%
TOTAL TURNOVER	**2,440**	*2,244*	8.7%	**4,728**	*4,460*	6.0%
Employee costs	**622**	*556*	11.9%	**1,215**	*1,128*	7.7%
Depreciation	**158**	*138*	14.5%	**307**	*271*	13.3%
Aircraft operating lease costs	**36**	*28*	28.6%	**70**	*61*	14.8%
Fuel and oil costs	**183**	*201*	(9.0)%	**363**	*405*	(10.4)%
Engineering and other aircraft costs	**170**	*153*	11.1%	**327**	*293*	11.6%
Landing fees and en route charges	**194**	*198*	(2.0)%	**373**	*382*	(2.4)%
Handling charges, catering and other operating costs	**323**	*296*	9.1%	**651**	*602*	8.1%
Selling costs	**319**	*309*	3.2%	**628**	*630*	(0.3)%
Accommodation, ground equipment costs and currency differences	**173**	*164*	5.5%	**359**	*347*	3.5%
TOTAL OPERATING EXPENDITURE	**2,178**	*2,043*	6.6%	**4,293**	*4,119*	4.2%
OPERATING PROFIT	**262**	*201*	30.3%	**435**	*341*	27.6%
Income from interests in associated undertakings	**21**	*24*	(12.5)%	**22**	*29*	(24.1)%
Other income	**18**	*1*	nm	**19**	*11*	72.7%
Profit on sale of fixed assets and investments	**3**	*27*	nm	**9**	*157*	nm
Net interest payable	**(64)**	*(43)*	48.8%	**(100)**	*(108)*	(7.4)%
PROFIT BEFORE TAX	**240**	*210*	14.3%	**385**	*430*	(10.5)%
Taxation	**(24)**	*(60)*	(60.0)%	**(38)**	*(121)*	(68.6)%
PROFIT AFTER TAX	**216**	*150*	44.0%	**347**	*309*	12.3%
Minority share of losses after tax		*3*	nm		*8*	nm
PROFIT FOR THE PERIOD	**216**	*153*	41.2%	**347**	*317*	9.5%
Dividends paid and proposed	**(54)**	*(52)*	3.8%	**(54)**	*(52)*	3.8%
RETAINED PROFIT FOR THE PERIOD	**162**	*101*	60.4%	**293**	*265*	10.6%

nm: Not meaningful

OPERATING AND FINANCIAL STATISTICS (unaudited)

MAINLINE SCHEDULED SERVICES	Three months ended September 30			Six months ended September 30		
	1998	*1997*	Change	**1998**	*1997*	Change
TRAFFIC AND CAPACITY						
RPK (m)	**33,429**	*29,040*	15.1%	**62,746**	*56,282*	11.5%
ASK (m)	**43,672**	*38,007*	14.9%	**85,029**	*75,305*	12.9%
Passenger load factor(%)	**76.5**	*76.4*	0.1pts	**73.8**	*74.7*	(0.9)pts
CTK (m)	**1,077**	*1,032*	4.4%	**2,141**	*2,064*	3.7%
RTK (m)	**4,416**	*3,934*	12.3%	**8,397**	*7,676*	9.4%
ATK (m)	**6,222**	*5,430*	14.6%	**12,142**	*10,788*	12.6%
Overall load factor (%)	**71.0**	*72.4*	(1.4)pts	**69.2**	*71.2*	(2.0)pts
Passengers carried (000)	**10,508**	*9,369*	12.2%	**19,965**	*18,317*	9.0%
Tonnes of cargo carried (000)	**213**	*199*	7.0%	**423**	*396*	6.8%
FINANCIAL						
Passenger revenue per RPK (p)	**5.89**	*6.14*	(4.1)%	**6.01**	*6.28*	(4.3)%
Cargo revenue per CTK(p)	**12.44**	*14.15*	(12.1)%	**12.75**	*14.24*	(10.5)%
Average fuel price (US cents/US gallon)	**48.00**	*65.34*	(26.5)%	**50.12**	*66.13*	(24.2)%
TOTAL GROUP OPERATIONS ***(including Deutsche BA and Air Liberte and 'go')***						
TRAFFIC AND CAPACITY						
RPK (m)	**35,543**	*30,884*	15.1%	**66,678**	*59,640*	11.8%
ASK (m)	**46,792**	*40,909*	14.4%	**90,822**	*80,606*	12.7%
RTK (m)	**4,630**	*4,098*	13.0%	**8,787**	*7,973*	10.2%
ATK (m)	**6,533**	*5,711*	14.4%	**12,707**	*11,300*	12.5%
Passengers carried (000)	**12,608**	*11,194*	12.6%	**24,017**	*21,807*	10.1%
FINANCIAL						
Total traffic revenue per RTK (p)	**48.62**	*50.24*	(3.2)%	**49.28**	*51.26*	(3.9)%
Total traffic revenue per ATK (p)	**34.46**	*36.05*	(4.4)%	**34.08**	*36.17*	(5.8)%
Net operating expenditure per RTK (p)	**42.96**	*45.34*	(5.2)%	**44.33**	*46.98*	(5.6)%
Net operating expenditure per ATK (p)	**30.45**	*32.53*	(6.4)%	**30.65**	*33.15*	(7.5)%
OPERATIONS						
Average Manpower Equivalent (MPE)	**64,106**	*61,321*	4.5%	**63,522**	*60,702*	4.6%
ATKs per MPE (000)	**101.9**	*93.1*	9.5%	**200.0**	*186.2*	7.4%
Aircraft in service at period end	**344**	*324*	20	**344**	*324*	20

CHAIRMAN’S STATEMENT

Group Results

Operating profits for the three months ended September 30, 1998 were £262 million -- up £61 million or 30.3%, on turnover 8.7% higher. Profits before tax were £240 million -- up £30 million or 14.3% on the same period last year.

Operating profits for the first half were up 27.6% at £435 million. Profits before tax for the first half were £385 million compared with £430 million last year. Last year’s results were distorted by the Cabin Crew industrial dispute and profits from the disposal of US Airways shares.

An increased dividend of 5.1 pence per share has been declared.

Business Performance

The Business Efficiency Programme (BEP) continues to drive down costs; in the second quarter unit costs were 4.8% lower than a year ago at constant exchange rates. Savings from the Programme are now targeted to exceed £600 million this year. Savings achieved to date have been taken to profit and in part reinvested in product improvements and actions to improve baggage handling and punctuality. So far this year the benefits from cost efficiencies have largely offset the reduction in unit yields caused by weak premium cabin mix and high levels of discounting.

Turnover

The 8.7% increase in Group turnover in the quarter was generated on a flying programme 14.4% bigger in available tonne kilometres (ATK). Mainline passenger load factor was marginally up on a year ago at 76.5%. However, largely due to the increased strength of sterling, a weaker mix of premium-cabin passengers and intense competition for non premium passengers, mainline passenger yields (revenue per passenger kilometre - RPK) fell by 4.1% year-over-year. We believe our overall market share has strengthened.

Cargo tonnes carried were up 7% on a year ago though yields fell. We are holding our own in this market, and expect significant improvement in yields with the opening of the new World Cargo Centre.

First half turnover was up 6% on a flying programme 12.5% bigger in ATKs. Mainline passenger yields were down 4.3%, with passenger load factor down 0.9 points.

Unit Costs

Unit costs (per ATK) were reduced in the quarter by 6.4% year-over-year, primarily as a result of very satisfactory cost efficiencies and improved productivity from the BEP and higher volumes. Despite capacity growth of 14.4%, total operating costs increased by just 6.6%.

For the six month period, unit costs fell by 7.5% with total operating costs rising by only 4.2%.

Group Operating Margin

At 10.7%, Group operating margin for the quarter improved by a valuable 1.7 points over the same period last year. Cost efficiencies and lower fuel prices were the main reasons for the improvement; these benefits largely offset the yield decline. Last year’s operating margin was adversely affected by the Cabin Crew industrial dispute.

A similar improvement was seen in the operating margin for the first half -- up 1.6 points on last year at 9.2%.

Non Operating Items

The quarter to September 30, 1998 includes our share of Qantas profits before tax for the half year ended June 30, 1998 of £19 million, down from £22 million last year because of the strength of sterling.

Interest expense for the quarter was up year-over-year mainly because of new aircraft, our investment in the future.

The effective tax rate for the quarter was low at 10%, reflecting the level of capital expenditure on aircraft.

Earnings Per Share

Profits attributable to shareholders for the quarter increased by 41.2% to £216 million, equivalent to earnings of 20.6p per share compared with 14.7p last year.

For the six month period, profits attributable to shareholders were up by 9.5% to £347 million, equivalent to earnings of 33.2p per share compared with 31p last year.

Dividend

The Board has decided to delay the payment of the interim dividend to 7 April 1999. This will save the Company over £14 million in irrecoverable Advance Corporation Tax which otherwise would have been payable. The Board has declared an interim dividend of 5.1 pence per share, up 8.5% on last year. The dividend will be payable to shareholders on the register at November 20, 1998.

Net Debt / Total Capital Ratio

Borrowings, net of cash and short term loans and deposits, amounted to £4,950 million at September 30, 1998, an increase of £347 million since March 31, 1998. Capital and reserves have risen by £294 million, giving a net debt / total capital ratio of 57.8%, down slightly from March 31, 1998.

Aircraft Fleet

During the quarter we have revised our fleet strategy to radically tailor our fleet plans which will reduce future capital expenditure. The changes made take account of lower projected growth rates, the continuing impact of stronger Sterling on transfer traffic, decreasing non-premium yields, constrained infrastructure and alliance networks. The changes will increase our flexibility to meet changing market conditions.

The regional jet purchases announced on August 25 are part of these changes. Our 59 firm orders for Airbus A319s and A320s together with options for a further 129 Airbus, A319s, A320s and A321s provide us with aircraft that will combine passenger appeal with new levels of cost efficiency and flexibility. At the same time we also announced firm orders for a further 16 Boeing 777s which improve our premium/non premium passenger mix and reduce fleet replacement costs.

In the quarter the number of aircraft in service in the Group increased by 4 to 344. This increase included one Boeing 747-400, one Boeing 777, one Boeing 767, four 737-300s and three DC-10s were returned to mainline service. One Boeing 747-100 was sold, two ATR42 were sub-leased out and two 737-200s and one BAe ATPs were stood down pending disposal.

New World Traveller

On November 3 we launched our new World Traveller product. The enhancements include seat back videos, new seats to provide better back and head support, new food trays and help yourself refreshment bars. Executive club members will be able to use telephone check-in and there will also be new treasure chest packs for children. We believe these enhancements will continue to appeal to the wide diversity of travellers in this cabin.

Alliance Development

oneworld

On September 21 we announced the launch of the new global alliance **one**world which links American Airlines, British Airways, Canadian Airlines, Cathay Pacific and Qantas Airways into a globe-spanning airline network. The emphasis of the **one**world alliance is on quality, service and, above all, people. Announcements will be made from February about our plans for the future.

American Airlines

We continue to develop our strategic alliance with American Airlines in various ways. Our customers now think and act globally. The alliance will benefit them and smooth their journeys around the world; competition will be increased.

We have no doubt that global alliances will be one of the driving forces of the airline industry in the years ahead, but they have to be constructed on the right terms. It would not be in our shareholders interests for British Airways to surrender large numbers of slots (without compensation) and support unrestrained open skies as the price for approval.

While we continue to seek regulatory clearance for our alliance with American Airlines, we intend to build our **one**world Alliance which already includes Cathay, Qantas and Canadian Airlines, as well as American.

We aim to secure the right deal over the right period of time – in the best interests of the Airline and of British industry as a whole.

LOT Polish Airlines

In October we announced that from the winter British Airways and LOT Polish Airlines will be offering six weekly code-share flights between Krakow and Gatwick, three by each airline. In addition LOT will move its offices to Gatwick’s North Terminal and our frequent flyer awards programmes will be linked. The two airlines will continue to improve and expand UK/Poland services.

Outlook

Air travel continues to grow despite an increase in economic uncertainty over the past three months. Recent reductions in UK inflation levels and falling interest rates both in the UK and around the world should help to restore business confidence. We are endeavouring to offset current weak premium demand and falling overall yields with a variety of sales initiatives and improved products such as our new World Traveller service. The strategic rationalisation of our fleet will in the medium-term improve our returns and ensure we are in a flexible position to respond to future market changes. At the same time we continue to drive our cost base lower through our three year Business Efficiency Programme (BEP) which is on track to deliver £1 billion of annual efficiencies.

Note:
Copies of the summary Interim Statement will be issued to all shareholders through the medium of the British Airways Investor newspaper. Copies of the full Interim Report are available from the Company’s registered office.

GROUP BALANCE SHEET

	September 30 (unaudited)		March 31 (audited)
	1998 £m	*1997 £m*	1998 £m
FIXED ASSETS			
Tangible assets	**9,180**	*8,092*	8,667
Investments	**367**	*399*	388
	9,547	*8,491*	9,055
CURRENT ASSETS			
Stocks	**89**	*73*	75
Debtors	**1,605**	*1,548*	1,432
Cash, short-term loans and deposits	**764**	*1,168*	738
	2,458	*2,789*	2,245
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	**(2,815)**	*(3,113)*	(2,821)
NET CURRENT LIABILITIES	**(357)**	*(324)*	(576)
TOTAL ASSETS LESS CURRENT LIABILITIES	**9,190**	*8,167*	8,479
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Borrowings and other creditors	**(5,416)**	*(4,652)*	(4,978)
Convertible Capital Bonds 2005	**(126)**	*(150)*	(150)
	(5,542)	*(4,802)*	(5,128)
PROVISIONS FOR LIABILITIES AND CHARGES	**(33)**	*(60)*	(30)
MINORITY INTERESTS		*24*	
	3,615	*3,329*	3,321
CAPITAL AND RESERVES			
Called up share capital	**263**	*259*	260
Reserves	**3,352**	*3,070*	3,061
	3,615	*3,329*	3,321

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	Six months ended September 30 (unaudited)		Year ended March 31 (audited)
	1998 £m	*1997 £m*	1998 £m
Profit for the period	**293**	*265*	460
Other recognised gains and losses relating to the period			
Exchange movements	**(42)**	*(12)*	(18)
Total recognised gains and losses	**251**	*253*	442

These summary financial statements were approved by the Directors on November 9, 1998.

GROUP CASH FLOW STATEMENT

	Six months ended September 30 (unaudited)		Year ended March 31 (audited)
	1998 £m	*1997 £m*	1998 £m
CASH INFLOW FROM OPERATING ACTIVITIES	**605**	*483*	736
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	**(137)**	*(97)*	(257)
TAXATION	**(12)**	*(54)*	(134)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	**(128)**	*257*	161
ACQUISITIONS AND DISPOSALS	**(1)**	*80*	75
EQUITY DIVIDENDS PAID	**(113)**	*(104)*	(148)
Cash inflow before management of liquid resources and financing	**214**	*565*	433
MANAGEMENT OF LIQUID RESOURCES	**(14)**	*(513)*	(90)
FINANCING	**(190)**	*(75)*	(372)
Increase/(decrease) in cash in the period	**10**	*(23)*	(29)

GROUP FINANCING (REQUIREMENT)/SURPLUS			
Cash inflow before management of liquid resources and financing	**214**	*565*	433
Acquisitions under loans, finance leases and hire purchase arrangements	**(629)**	*(560)*	(1,302)
Total financing (requirement)/surplus for the period	**(415)**	*5*	(869)

Total tangible fixed asset expenditure, net of progress payment refunds	**814**	*713*	1,638

NOTES TO THE ACCOUNTS
For the period ended September 30, 1998

1 ACCOUNTING CONVENTION

The accounts have been prepared on the basis of the accounting policies set out in the Report and Accounts for the year ended March 31, 1998 in accordance with all applicable United Kingdom accounting standards and the Companies Act 1985 and are consistent with those applied in the previous year.

	Six months ended September 30		Year ended March 31
	1998 £m	*1997 £m*	1998 £m
2 RECONCILIATION OF OPERATING PROFIT TO CASH INFLOW FROM OPERATING ACTIVITIES			
Group operating profit	**435**	*341*	504
Depreciation charges	**307**	*271*	551
Other items not involving the movement of cash	**(21)**	*18*	(27)
Increase in stocks and debtors	**(205)**	*(138)*	(34)
Increase/(decrease) in creditors	**89**	*(9)*	(258)
Cash inflow from operating activities	**605**	*483*	736
3 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Increase/(decrease) in cash during the period	**10**	*(23)*	(29)
Cash outflow from decrease in debt and lease financing	**197**	*87*	394
Cash outflow from liquid resources	**14**	*513*	90
Change in net debt resulting from cash flows	**221**	*577*	455
New loans and finance leases taken out and hire purchase arrangements made	**(629)**	*(560)*	(1,302)
Conversion of Convertible Capital Bonds	**24**	*76*	76
Exchange movements	**37**	*(31)*	126
Movement in net debt during the period	**(347)**	*62*	(645)
Net debt at April 1	**(4,603)**	*(3,958)*	(3,958)
Net debt at period end	**(4,950)**	*(3,896)*	(4,603)

NOTES TO THE ACCOUNTS (continued)
For the period ended September 30, 1998

		Three months ended September 30		Six months ended September 30	
		1998 £m	*1997 £m*	**1998 £m**	*1997 £m*
4	OTHER INCOME AND CHARGES				
	Income from trade investments	**2**	*1*	**2**	*1*
	US Airways preferred stock dividend received				*4*
	Other	**16**		**17**	*6*
		18	*1*	**19**	*11*
5	NET INTEREST PAYABLE				
	Interest payable less amount capitalised	**82**	*67*	**157**	*133*
	Interest receivable	**(18)**	*(21)*	**(38)**	*(36)*
	Currency (profits)/losses on retranslation of general purpose loans		*(3)*	**(19)**	*11*
		64	*43*	**100**	*108*

6 TAXATION

Tax on the profit on ordinary activities has been provided for on the basis of the estimated rate of charge for the period ending September 30, 1998.

7 DIVIDENDS PAID AND PROPOSED

The amount charged to the profit and loss account includes £1 million in relation to 1997-98 final dividends paid to Convertible Capital Bond holders,(1996-97: £3 million), who converted their bonds in June 1998, in accordance with the terms of the Bonds.

8 EARNINGS PER SHARE

Basic earnings per share are calculated on a weighted average of 1,046,245,000 ordinary shares (September 1997: 1,022,276,000; March 1998: 1,030,021,000). Fully diluted earnings per share are calculated on a weighted average of 1,149,028,000 ordinary shares (September 1997: 1,130,520,000; March 1998: 1,132,032,000) after allowing for the conversion rights attaching to the adjustments to income to eliminate interest payable on the Convertible Capital Bonds and to include notional interest receivable on the subscription cash for shares.

The number of shares in issue at September 30, 1998 was 1,053,165,000 (September 1997: 1,036,970,000; March 1998: 1,038,905,000) ordinary shares of 25 pence each.

NOTES TO THE ACCOUNTS (continued)
For the period ended September 30, 1998

		September 30		March 31
		1998 £m	*1997 £m*	1998 £m
9	TANGIBLE ASSETS			
	Fleet	**7,655**	*6,753*	7,227
	Property	**1,261**	*1,089*	1,181
	Equipment	**264**	*250*	259
		9,180	*8,092*	8,667
10	INVESTMENTS			
	Associated undertakings	**300**	*329*	321
	Trade investments	**67**	*70*	67
		367	*399*	388
11	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	Loans	**31**	*234*	74
	Finance leases	**93**	*100*	97
	Hire purchase arrangements	**222**	*151*	185
		346	*485*	356
	Overdrafts - unsecured	**19**	*18*	17
	Corporate taxation	**59**	*108*	65
	Other creditors and accruals	**2,391**	*2,502*	2,383
		2,815	*3,113*	2,821
12	BORROWINGS AND OTHER CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR			
	Loans	**981**	*1,013*	996
	Finance leases	**1,008**	*1,131*	1,049
	Hire purchase arrangements	**3,234**	*2,267*	2,773
		5,223	*4,411*	4,818
	Corporate taxation	**25**	*50*	
	Other creditors and accruals	**168**	*191*	160
		5,416	*4,652*	4,978
13	RESERVES			
	Balance at April 1	**3,061**	*2,733*	2,733
	Retained profit for the period	**293**	*265*	284
	Exchange adjustments	**(42)**	*(12)*	(18)
	Net Movement on goodwill		*7*	(23)
	Share premium arising from issue of ordinary share capital	**40**	*77*	85
		3,352	*3,070*	3,061

14 The figures for the three months and six months ended September 30, 1998 and 1997 are unaudited and do not constitute full accounts within the meaning of Section 240 of the Companies Act 1985. The figures for the year ended March 31, 1998 have been extracted from the full accounts for that year which have been delivered to the Registrar of Companies and on which the auditors have issued an unqualified audit report.

REPORT OF THE AUDITORS TO BRITISH AIRWAYS Plc

We have examined the interim financial information set out on page 2 and pages 7 to 11 in respect of the six months ended September 30, 1998, which is the responsibility of, and has been approved by, the Directors. Our responsibility is to report on the results of our review.

Our review was carried out having regard to the Bulletin, 'Review of interim financial information', issued by the Auditing Practices Board. This review consisted principally of obtaining an understanding of the process for the preparation of the interim financial information, applying analytical procedures to the underlying financial data, assessing whether accounting policies have been consistently applied, and making enquiries of the Group's management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and verification of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the interim financial information.

On the basis of our review:

- we are not aware of any material modifications that should be made to the interim financial information as presented; and

- in our opinion the interim financial information has been prepared using accounting policies consistent with those adopted by British Airways Plc in its accounts for the year ended March 31, 1998.

Ernst & Young
London

November 9, 1998

UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (US GAAP) INFORMATION

The accounts have been prepared in accordance with accounting principles accepted in the United Kingdom which differ in certain respects from those generally accepted in the United States. The significant differences are the same as those set out in the Report and Accounts for the year ended March 31, 1998.

The adjusted net income and shareholders' equity applying US GAAP are set out below:

	Three months ended September 30		Six months ended September 30	
	1998 £m	*1997 £m*	**1998 £m**	*1997 £m*
Profit for the period as reported in the Group profit and loss account	**216**	*153*	**347**	*317*
US GAAP adjustments	**(28)**	*(6)*	**(42)**	*72*
Net income as so adjusted to accord with US GAAP	**188**	*147*	**305**	*389*
Net income per Ordinary Share as so adjusted				
Basic	**18.0p**	*14.1p*	**29.2p**	*38.1p*
Diluted	**17.0p**	*13.4p*	**27.6p**	*35.4p*
Net income per American Depositary Share as so adjusted				
Basic	**180p**	*141p*	**292p**	*381p*
Diluted	**170p**	*134p*	**276p**	*354p*

	September 30		March 31
	1998 £m	*1997 £m*	1998 £m
Shareholders' equity as reported in the Group balance sheet	**3,615**	*3,329*	3,321
US GAAP adjustments	**(492)**	*(657)*	(277)
Shareholders' equity as so adjusted to accord with US GAAP	**3,123**	*2,672*	3,044

AIRCRAFT FLEET

MAINLINE (see Note 1 below)	On balance sheet Aircraft	Operating leases off balance sheet: Exten-dible	Operating leases off balance sheet: Other	Total (see Note 2 below)	Future deli-veries	Options
	Number in service with Group companies at September 30, 1998					
Concorde	7			**7**		
Boeing 747-100	13		1	**14**		
Boeing 747-200	13	3		**16**		
Boeing 747-400	48			**48**	8	
Boeing 777	19			**19**	26	16
McDonnell Douglas DC-10-30	6	2		**8**		
Boeing 767-300	28			**28**		
Boeing 757-200	47	3	1	**51**	6	
Airbus A319 (see Note 5 below)					39	129
Airbus A320	10			**10**	20	
Boeing 737-200	11		13	**24**		
Boeing 737-300			9	**9**		
Boeing 737-400	27		7	**34**		
Turbo Props (see Note 3 below)	2	7	13	**22**		
Sub total	231	15	44	**290**	99	145
DEUTSCHE BA, AIR LIBERTE and ‘go’						
McDonnell Douglas DC-10-30			3	**3**		
McDonnell Douglas MD83	3		6	**9**		
Boeing 737-300			23	**23**		
Fokker 100	4	7		**11**		
Fokker F28	4			**4**		
Turbo Props (see Note 4 below)		2	2	**4**		
Sub total	11	9	34	**54**		
GROUP TOTAL	**242**	**24**	**78**	**344**	**99**	**145**

Notes:

1 Includes those operated by British Airways Plc, British Airways (European Operations at Gatwick) Ltd and Brymon Airways Ltd.

2 Excludes 1 Fokker F28,4 ATR 72s, 5 ATR 42s, 2 Embraer and 4 Saab 2000s subleased to other carriers and 1 B747-400 delivered but not yet in service.

3 Includes 7 BAe ATPs, 2 de Havilland Canada DHC-7-100s and 13 de Havilland Canada DHC-8s.

4 Includes 2 ATR 72s and 2 ATR 42s.

5 Options include reserved delivery positions and, if taken, may be A319, A320 or A321.