

THIRD QUARTER RESULTS 2000-2001 (unaudited)

		Three months ended		Increase/ (Decrease)	Nine months ended		Increase/ (Decrease)
		December 31			December 31		
		2000	<i>1999</i>		2000	<i>1999</i>	
Turnover	£m	2,295	<i>2,198</i>	4.4%	7,157	<i>6,833</i>	4.7%
Operating profit/(loss)	£m	80	<i>(2)</i>	nm	441	<i>209</i>	111.0%
Operating margin	%	3.5	<i>(0.1)</i>	3.6pts	6.2	<i>3.1</i>	3.1pts
Profit/(loss) before tax	£m	65	<i>(60)</i>	nm	215	<i>180</i>	19.4%
Retained profit/(loss) for the period	£m	58	<i>(71)</i>	nm	136	<i>90</i>	51.1%
Capital and reserves at period end	£m	3,652	<i>3,652</i>		3,652	<i>3,652</i>	
Earnings per share							
<i>Basic</i>	p	5.4	<i>(6.6)</i>	nm	17.8	<i>13.7</i>	29.9%
<i>Diluted</i>	p	5.3	<i>(6.6)</i>	nm	17.5	<i>13.6</i>	28.7%

nm: Not meaningful

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GROUP PROFIT AND LOSS ACCOUNT (unaudited)

	Three months ended			Nine months ended		
	December 31		Increase/ (Decrease)	December 31		Increase/ (Decrease)
	2000 £m	1999 £m		2000 £m	1999 £m	
Traffic Revenue						
<i>Scheduled passenger</i>	1,921	1,826	5.2%	6,016	5,705	5.5%
<i>Scheduled cargo</i>	154	153	0.7%	446	422	5.7%
<i>Non-scheduled services</i>	9	14	(35.7)%	43	63	(31.7)%
	2,084	1,993	4.6%	6,505	6,190	5.1%
<i>Other revenue</i>	211	205	2.9%	652	643	1.4%
TOTAL TURNOVER	2,295	2,198	4.4%	7,157	6,833	4.7%
<i>Employee costs</i>	593	605	(2.0)%	1,765	1,874	(5.8)%
<i>Depreciation</i>	181	162	11.7%	532	476	11.8%
<i>Aircraft operating lease costs</i>	58	50	16.0%	163	138	18.1%
<i>Fuel and oil costs</i>	319	219	45.7%	822	585	40.5%
<i>Engineering and other aircraft costs</i>	161	166	(3.0)%	499	520	(4.0)%
<i>Landing fees and en route charges</i>	149	162	(8.0)%	488	525	(7.0)%
<i>Handling charges, catering and other operating costs</i>	326	332	(1.8)%	1,014	995	1.9%
<i>Selling costs</i>	254	284	(10.6)%	850	869	(2.2)%
<i>Accommodation, ground equipment costs and currency differences</i>	174	220	(20.9)%	583	642	(9.2)%
TOTAL OPERATING EXPENDITURE	2,215	2,200	0.7%	6,716	6,624	1.4%
OPERATING PROFIT/(LOSS)	80	(2)	nm	441	209	111.0%
Share of operating profits in associates		1	(100.0)%	28	31	(9.7)%
TOTAL OPERATING PROFIT/(LOSS) INCLUDING ASSOCIATES	80	(1)	nm	469	240	95.4%
Other income and charges		(2)	(100.0)%	2	1	100.0%
(Loss)/profit on sale of fixed assets and investments	(6)	60	(110.0)%	(73)	251	(129.1)%
Interest						
<i>Net payable</i>	(74)	(66)	12.1%	(221)	(194)	13.9%
<i>Retranslation credits/(charges) on currency borrowings</i>	65	(51)	nm	38	(118)	nm
PROFIT/(LOSS) BEFORE TAX	65	(60)	nm	215	180	19.4%
Taxation	(5)	(8)	(37.5)%	(15)	(25)	(40.0)%
PROFIT/(LOSS) AFTER TAX	60	(68)	nm	200	155	29.0%
Non equity minority interest*	(2)	(3)	nm	(9)	(8)	nm
PROFIT/(LOSS) FOR THE PERIOD	58	(71)	nm	191	147	29.9%
Dividends paid and proposed				(55)	(57)	(3.5)%
RETAINED PROFIT/(LOSS) FOR THE PERIOD	58	(71)	nm	136	90	51.1%

nm: Not meaningful

* Cumulative Preferred Securities

OPERATING AND FINANCIAL STATISTICS (unaudited)

MAINLINE SCHEDULED SERVICES	Three months ended		Increase/ (Decrease)	Nine months ended		Increase/ (Decrease)
	December 31			December 31		
	2000	1999		2000	1999	
<i>TRAFFIC AND CAPACITY</i>						
RPK (m)	27,531	27,841	(1.1)%	91,208	90,666	0.6%
ASK (m)	40,088	41,708	(3.9)%	124,981	127,644	(2.1)%
Passenger load factor(%)	68.7	66.8	1.9pts	73.0	71.0	2.0pts
CTK (m)	1,243	1,267	(1.9)%	3,675	3,418	7.5%
RTK (m)	4,000	4,043	(1.1)%	12,807	12,454	2.8%
ATK (m)	6,010	6,106	(1.6)%	18,554	18,518	0.2%
Overall load factor (%)	66.6	66.2	0.4pts	69.0	67.3	1.7pts
Passengers carried (000)	8,512	8,535	(0.3)%	28,347	28,265	0.3%
Tonnes of cargo carried (000)	238	248	(4.0)%	705	673	4.8%
<i>FINANCIAL</i>						
Passenger revenue per ASK (p)	4.51	4.04	11.6%	4.53	4.13	9.7%
Passenger revenue per RPK (p)	6.56	6.06	8.3%	6.20	5.82	6.5%
Cargo revenue per CTK(p)	12.23	11.76	4.0%	12.03	12.05	(0.2)%
Average fuel price before hedging (US cents/US gallon)	113.63	78.67	44.4%	100.70	64.86	55.3%
TOTAL GROUP OPERATIONS <i>(including Deutsche BA, 'go', CityFlyer Express and in 1999 only Air Liberte)</i>						
<i>TRAFFIC AND CAPACITY</i>						
RPK (m)	29,008	30,192	(3.9)%	96,397	98,097	(1.7)%
ASK (m)	42,347	45,347	(6.6)%	132,506	138,625	(4.4)%
RTK (m)	4,128	4,270	(3.3)%	13,276	13,174	0.8%
ATK (m)	6,230	6,460	(3.6)%	19,313	19,587	(1.4)%
Passengers carried (000)	10,493	11,084	(5.3)%	34,741	35,800	(3.0)%
<i>FINANCIAL</i>						
Total traffic revenue per RTK (p)	50.48	46.67	8.2%	49.00	46.99	4.3%
Total traffic revenue per ATK (p)	33.45	30.85	8.4%	33.68	31.60	6.6%
Net operating expenditure per RTK (p)	48.54	46.72	3.9%	45.68	45.40	0.6%
Net operating expenditure per ATK (p)	32.17	30.88	4.2%	31.40	30.54	2.8%
<i>OPERATIONS</i>						
Average Manpower Equivalent (MPE)	62,831	65,800	(4.5)%	63,601	65,529	(2.9)%
ATKs per MPE (000)	99.1	98.2	0.9%	303.7	298.9	1.6%
Aircraft in service at period end	340	356	(16)	340	356	(16)

CHAIRMAN'S STATEMENT

Group Performance

Group profit before tax for the three months ended December 31, 2000 was £65 million. This compares with a loss of £60 million in the same period last year.

The year-over-year improvement of £125 million reflected the elimination of unprofitable capacity and continued cost efficiencies. Smaller aircraft, higher frequencies and a higher mix of premium passengers all characterise the current strategy and contributed to the improvement. Yields were up on a year ago for the fifth successive quarter; excluding the impact of higher fuel prices, unit costs were unchanged. Productivity improved just under 1%, despite capacity reductions. Operating profit was £80 million; operating margin 3.5%.

Group profit before tax for the nine months to December 31 was £215 million; operating profit more than doubled to £441 million.

Turnover

Group turnover for the three months was up 4.4% -- at £2,295 million -- on flying capacity 6.6% lower in available seat kilometres (ASK). Mainline passenger yields were up 8.3%. In line with our strategy, we continued to grow point-to-point business faster than transfer, premium faster than non-premium, and longhaul faster than shorthaul. Premium traffic grew 2.4%; non premium declined 1.8%.

For the nine month period, turnover grew 4.7% to £7,157 million on flying capacity 4.4% lower.

In the quarter, Cargo yields increased 4% compared with last year, although lower volumes were a partial offset.

Unit Costs

Unit costs for the three months were 4.2% higher than the same quarter last year. But for the substantial increase in fuel prices (net of hedging) they would have been unchanged, despite the upward pressure caused by the reduction in capacity. Cost efficiencies more than offset cost increases in respect of wage awards, supplier price increases and adverse exchange rate changes.

Non Operating Items

Net interest expense for the quarter was £9 million. This included a book credit for the revaluation of yen debts (used to fund aircraft acquisitions) of £65 million, compared to a charge the previous year of £51 million. The revaluation -- a non cash item required by standard accounting practice -- results from the weakening of the yen against sterling.

Losses on disposals of fixed assets and investments for the three months were £6 million. Last year profits of £60 million were made, primarily from disposal of part of our investment in Equant.

For the nine month period, losses on disposals were £73 million, including a £56 million book loss on the disposal of Air Liberte.

Earnings Per Share

For the three month period, the profit attributable to shareholders was £58 million, equivalent to 5.4 pence per share, an improvement of 12 pence per share over last year.

For the nine month period, the profit attributable to shareholders was £191 million, equivalent to 17.8 pence per share, compared with 13.7 pence last year.

Net Debt / Total Capital Ratio

Borrowings, net of cash and short term loans and deposits, were £5,782 million at December 31; down £134 million since the start of the year, due primarily to improved operating profit. This reduction improved the net debt/total capital ratio by 2.6 points to 61.3%.

Shareholders' funds have increased since the start of the year because of retained profit and the write back of goodwill on the Air Liberte disposal.

Aircraft Fleet

In the quarter ending December 31, 2000 the fleet in service increased by 6 aircraft to 340.

Additions included 3 Boeing 777, 4 Airbus A319, 2 Boeing 737-500, 1 Embraer RJ145 and 2 Avro RJ100. Disposals included 1 Boeing 767-300, 1 Boeing 757-200, 2 Boeing 737-200 and 1 ATR 42 operated by CityFlyer Express. One Boeing 747-400 is also on lease to Qantas.

Concorde services remain suspended following the Air France accident in July. Modifications to the fuel tank have begun and we remain confident that the Civil Aviation Authority in the UK will re-issue the certificate of airworthiness. While the safety modifications are made, a £14 million package of product improvements, including a new cabin interior and new seats, will be installed. Services are expected to resume later this year.

Strategic Developments

Following a review of Gatwick operations, we announced a change from previous attempts to build Gatwick as a transfer hub. The key elements of the new plan, which will be implemented over two years, include reducing longhaul destinations from 43 to around 25; some routes will be eliminated and others relocated to Heathrow. Gatwick's shorthaul business will be refocused on serving local point-to-point business and the operations and management of our two subsidiaries (CityFlyer and BA's European Operations at Gatwick) will be simplified and integrated at the North Terminal.

Subsidiaries and Associates

In December, Thomas Cook and British Airways announced that they plan to merge their UK holiday businesses, to create a joint venture company. The company will be owned on a 50/50 basis by the parents and is expected to commence around the end of March 2001.

British Airways announced its intention to sell its no-frills airline **go** in November. Expressions of interest were received from a large number of parties; discussions are progressing with some half a dozen shortlisted potential purchasers. We expect to conclude the sale during the next few months and achieve a substantial profit on our £25 million investment. Meanwhile, **go** continues to prosper; it has added seven new routes this winter, and is financially ahead of target.

The British Airways London Eye, now successfully established as a major tourist attraction, carried its three millionth passenger.

Alliance Development

British Airways has reaffirmed its commitment to the **oneworld** global alliance. In November, the chief executives of the eight full member airlines agreed unanimously a vision for its development, with a key focus on the services we offer customers, and new developments in Sales, Marketing, Purchasing and Information Technology.

Top level discussions have also been held with American Airlines on how to build the relationship between the two carriers, both on a one-on-one basis and as part of **oneworld**. We continue to strengthen links with other partners too; this winter code-share agreements have been extended with Qantas, Aer Lingus and Iberia. Rod Eddington succeeded Lord Marshall as one of British Airways' three designated directors on the board of Qantas on February 1, 2001.

Zambian Air Services became British Airways' 12th franchise partner when it launched flights in January 2001.

Outlook

Implementation of the fleet and network strategy is progressing well and will continue to raise margins over the next few years. The strategy, including the restructuring of Gatwick, will further reduce capacity (by 9% next year); the business will be less volume dependent and better able to withstand any slowdown in world economic growth.

Product upgrades also continue on track. Our new Club World cabin is winning market share from competitors. Embodiment of the new First cabin continues. Such product initiatives give our employees new opportunities to demonstrate their outstanding customer service skills.

Current strategy is to increase shareholder value; it concentrates growth on profitable segments where customer service is at its best. A leaner more valuable airline will result.

GROUP BALANCE SHEET (unaudited)

	December 31		March 31
	2000 £m	(unaudited) 1999 £m	(audited) 2000 £m
FIXED ASSETS			
Intangible Assets	60	58	62
Tangible Assets	10,494	10,117	10,294
Investments	516	385	567
	11,070	10,560	10,923
CURRENT ASSETS			
Stocks	70	85	78
Debtors	1,252	1,436	1,368
Cash, short-term loans and deposits	1,365	1,546	1,146
	2,687	3,067	2,592
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(3,199)	(3,168)	(3,366)
NET CURRENT LIABILITIES	(512)	(101)	(774)
TOTAL ASSETS LESS CURRENT LIABILITIES	10,558	10,459	10,149
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Borrowings and other creditors	(6,730)	(6,600)	(6,615)
Convertible Capital Bonds 2005	(113)	(113)	(113)
	(6,843)	(6,713)	(6,728)
PROVISIONS FOR LIABILITIES AND CHARGES	(63)	(94)	(81)
	3,652	3,652	3,340
CAPITAL AND RESERVES			
Called up share capital	271	270	270
Reserves	3,180	3,198	2,877
	3,451	3,468	3,147
Minority interest	17		16
Non equity minority interest	184	184	177
	3,652	3,652	3,340
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (unaudited)			
	Nine months ended		Year ended
	December 31		March 31
	(unaudited)		(audited)
	2000 £m	1999 £m	2000 £m
Profit/(loss) for the period	191	147	(21)
Other recognised gains and losses relating to the period			
<i>Exchange and other movements</i>	(8)	(5)	(20)
Total recognised gains and losses	183	142	(41)

These summary financial statements were approved by the Directors on February 5, 2001.

GROUP CASH FLOW STATEMENT (unaudited)

	Nine months ended December 31 (unaudited)		Year ended March 31 (audited)
	2000 £m	1999 £m	2000 £m
CASH INFLOW FROM OPERATING ACTIVITIES	1,102	837	1,186
DIVIDENDS RECEIVED FROM ASSOCIATES	33	29	44
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(223)	(193)	(315)
TAXATION	2	6	(2)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(243)	(33)	(146)
ACQUISITIONS AND DISPOSALS	26	(70)	(218)
EQUITY DIVIDENDS PAID	(137)	(188)	(242)
Cash inflow before management of liquid resources and financing	560	388	307
MANAGEMENT OF LIQUID RESOURCES	(240)	(303)	9
FINANCING	(336)	(3)	(319)
(Decrease)/increase in cash in the period	(16)	82	(3)

GROUP FINANCING SURPLUS /(REQUIREMENT)

Cash inflow before management of liquid resources and financing	560	388	307
Acquisitions under loans, finance leases and hire purchase arrangements	(464)	(394)	(659)
Total financing surplus /(requirement) for the period	96	(6)	(352)

Total tangible fixed asset expenditure, net of progress payment refunds

1,014	895	1,291
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NOTES TO THE ACCOUNTS

For the period ended December 31, 2000

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, 2000 in accordance with all applicable United Kingdom accounting standards and the Companies Act 1985 and are consistent with those applied in the previous year.

	Nine months ended December 31		Year ended March 31
	2000 £m	1999 £m	2000 £m
2 RECONCILIATION OF OPERATING PROFIT TO CASH INFLOW FROM OPERATING ACTIVITIES			
Group operating profit	441	209	84
Depreciation charges	532	476	648
Other items not involving the movement of cash	(1)	34	39
Decrease/(increase) in stocks and debtors	43	(62)	4
Increase in creditors	87	180	411
Cash inflow from operating activities	1,102	837	1,186
3 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
(Decrease)/increase in cash during the period	(16)	82	(3)
Net cash outflow from decrease in debt and lease financing	339	200	516
Cash outflow/(inflow) from liquid resources	240	303	(9)
Change in net debt resulting from cash flows	563	585	504
New loans and finance leases taken out and hire purchase arrangements made	(464)	(394)	(659)
Divested from subsidiary undertakings sold during the period	69		
Assumed from subsidiary undertakings acquired during the period		(42)	(42)
Conversion of Convertible Capital Bonds		13	13
Exchange movements	(34)	(176)	(206)
Movement in net debt during the period	134	(14)	(390)
Net debt at April 1	(5,916)	(5,526)	(5,526)
Net debt at period end	(5,782)	(5,540)	(5,916)

	Three months ended December 31		Nine months ended December 31	
	2000 £m	1999 £m	2000 £m	1999 £m
4 OTHER INCOME AND CHARGES				
Income from trade investments			1	2
Other		(2)	1	(1)
		(2)	2	1
Other income and charges represented by:				
Group		(2)	2	1
Associates		(2)	2	1

NOTES TO THE ACCOUNTS (continued)

For the period ended December 31, 2000

	Three months ended		Nine months ended	
	December 31		December 31	
	2000 £m	1999 £m	2000 £m	1999 £m
5 PROFIT ON SALE OF FIXED ASSETS AND INVESTMENTS				
Net profit on sale of investment in Galileo International Inc.				149
Net profit on part disposal of investment in Equant		58		58
Net loss on disposal of Air Liberte			(56)	
Net (loss)/profit on disposal of other fixed assets and investments	(6)	2	(17)	44
	(6)	60	(73)	251
Represented by:				
Group	(6)	60	(74)	247
Associates			1	4
	(6)	60	(73)	251
6 INTEREST				
Net payable:				
Interest payable less amount capitalised	96	90	287	261
Interest receivable	(22)	(24)	(66)	(67)
	74	66	221	194
Retranslation (credits)/charges on currency borrowings	(65)	51	(38)	118
	9	117	183	312
Net interest payable represented by:				
Group	9	116	178	307
Associates		1	5	5
	9	117	183	312

7 TAXATION

Tax on the profit on ordinary activities has been provided for on the basis of the estimated rate of charge for the year ending March 31, 2001.

8 DIVIDENDS PAID AND PROPOSED

There was no charge to the profit and loss account in relation to 1999-00 final dividends paid to Convertible Capital Bond holders (1998-99: £1 million), who converted their bonds in June 2000, in accordance with the terms of the bonds.

9 EARNINGS PER SHARE

Basic earnings per share are calculated on a weighted average of 1,075,341,000 ordinary shares (December 1999: 1,072,572,000) as adjusted for shares held for the purposes of employee share ownership plans including the Long Term Incentive Plan. Diluted earnings per share are calculated on a weighted average of 1,123,517,000 ordinary shares (December 1999: 1,122,661,000) after allowing for the conversion rights attaching to the Convertible Capital Bonds and for adjustments to income to eliminate interest payable on the Convertible Capital Bonds.

The number of shares in issue at December 31, 2000 was 1,082,234,000 (December 31, 1999: 1,081,247,000; March 31, 2000: 1,081,515,000) ordinary shares of 25 pence each.

NOTES TO THE ACCOUNTS (continued)*For the period ended December 31, 2000*

	2000 £m	December 31 1999 £m	March 31 2000 £m
10 TANGIBLE ASSETS			
Fleet	8,583	8,325	8,437
Property	1,441	1,428	1,488
Equipment	470	364	369
	10,494	10,117	10,294
11 INVESTMENTS			
Associated undertakings	483	325	507
Trade investments	8	35	35
Investment in own shares	25	25	25
	516	385	567
12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Loans	75	222	140
Finance leases	89	91	120
Hire purchase arrangements	339	278	288
	503	591	548
Overdrafts - unsecured		8	5
Corporate taxation	35	44	18
Other creditors and accruals	2,661	2,525	2,795
	3,199	3,168	3,366
13 BORROWINGS AND OTHER CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR			
Loans	988	995	903
Finance leases	1,929	1,573	1,768
Hire purchase arrangements	3,614	3,806	3,725
	6,531	6,374	6,396
Other creditors and accruals	199	226	219
	6,730	6,600	6,615
14 RESERVES			
Balance at April 1	2,877	3,087	3,087
Retained profit/(loss) for the period	136	90	(216)
Exchange and other adjustments	(8)	(5)	(20)
Reduction in reserves resulting from shares issued to a Qualifying Employee Share Ownership Trust in relation to the 1993 Share Save Scheme		(2)	(2)
Net movement on goodwill	173	7	7
Premium arising from issue of ordinary share capital	2	21	21
	3,180	3,198	2,877

15 The figures for the three months and nine months ended December 31, 2000 and 1999 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, 2000 have been extracted from the full accounts with certain minor presentational changes for that year, which have been delivered to the Registrar of Companies and on which the auditors have issued an unqualified audit report.

INDEPENDENT REVIEW REPORT TO BRITISH AIRWAYS Plc

Introduction

We have been instructed by the Company to review the financial information set out on page 2 and pages 7 to 11 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for both the three months and nine months ended December 31, 2000.

Ernst & Young
London

February 5, 2001

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, 2000.

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

	Three months ended December 31		Nine months ended December 31	
	2000 £m	1999 £m	2000 £m	1999 £m
Profit/(loss) for the period as reported in the Group profit and loss account	58	(71)	191	147
US GAAP adjustments	16	(28)	17	(95)
Net income/(loss) as so adjusted to accord with US GAAP	74	(99)	208	52
Net income/(loss) per Ordinary Share as so adjusted				
Basic	6.9p	(9.3)p	19.3p	4.8p
Diluted	6.8p	(9.3)p	19.0p	4.8p
Net income/(loss) per American Depositary Share as so adjusted				
Basic	69p	(93)p	193p	48p
Diluted	68p	(93)p	190p	48p

	December 31		March 31
	2000 £m	1999 £m	2000 £m
Shareholders' equity as reported in the Group balance sheet	3,451	3,468	3,147
US GAAP adjustments	(1,116)	(529)	(758)
Shareholders' equity as so adjusted to accord with US GAAP	2,335	2,939	2,389

AIRCRAFT FLEET

Number in service with Group companies at December 31, 2000

MAINLINE (Notes 1 & 2)	On balance sheet		Operating leases off balance sheet		Total	Future Deliveries	Options
	Aircraft	Extendible		Other			
Concorde (Note 3)	7				7		
Boeing 747-200	12		3		15		
Boeing 747-400	56				56		
Boeing 777	38				38	5	16
Boeing 767-300	21				21		
Boeing 757-200	44		2	2	48		
Airbus A318						12	12
Airbus A319 (Note 4)	5		10	4	19	20	122
Airbus A320	10				10	20	
Boeing 737-200				4	4		
Boeing 737-300				7	7		
Boeing 737-400	22		5	7	34		
Boeing 737-500				7	7		
Embraer RJ145				6	6	1	14
Turbo Props (Note 5)				16	16		
Sub total	215		20	53	288	58	164
DEUTSCHE BA, 'go' and CITYFLYER EXPRESS (Note 6)							
Boeing 737-300				31	31		
Avro RJ100			12		12	4	6
Turbo Props (Note 7)			9		9		
Sub total			21	31	52	4	6
GROUP TOTAL	215		41	84	340	62	170

Notes:

- 1 Includes those operated by British Airways Plc, British Airways (European Operations at Gatwick) Ltd and Brymon Airways Ltd.
- 2 Excludes 1 McDonnell Douglas DC-10-30, 5 Boeing 737-200s and 3 Boeing 757-200s stood down pending disposal or return to lessor, 1 Boeing 747-400 sub-leased to Qantas, 2 Boeing 737-500s and 2 Boeing 777 - 200ER delivered but not yet in service.
- 3 7 Concorde are currently stood down as a result of the investigation into the Air France accident of July 25. Modification work has commenced and we are confident that Concorde will resume service in the not too distant future, pending the reissuing of a certificate of airworthiness by the Civil Aviation Authority.
- 4 Options include reserved delivery positions and, if taken, may be A319, A320 or A321.
- 5 de Havilland Canada DHC-8s.
- 6 Net reductions since March 31, 2000 include 14 McDonnell Douglas aircraft, 15 Fokker aircraft and 3 ATR aircraft, totalling 32 aircraft disposed of with Air Liberte.
- 7 7 ATR 72s and 2 ATR 42s for CityFlyer Express.