

THIRD QUARTER RESULTS 2001-2002 (unaudited)

		Three months ended December 31			Nine months ended December 31		
		<u>2001</u>	<u>2000</u>	Increase/ (Decrease)	<u>2001</u>	<u>2000</u>	Increase/ (Decrease)
Turnover	£m	1,839	2,295	(19.9)%	6,387	7,157	(10.8)%
Operating (loss)/profit	£m	(187)	80	nm	(65)	441	nm
Operating margin	%	(10.2)	3.5	(13.7)pts	(1.0)	6.2	(7.2)pts
(Loss)/profit before tax	£m	(160)	65	nm	(115)	215	nm
Retained (loss)/profit for the period	£m	(144)	36	nm	(99)	64	nm
Capital and reserves at period end	£m	2,265	2,579	(12.2)%	2,265	2,579	(12.2)%
Earnings/(loss) per share							
<i>Basic</i>	p	(13.4)	3.3	nm	(9.2)	11.1	nm
<i>Diluted</i>	p	(13.4)	3.3	nm	(9.2)	11.0	nm

nm: Not meaningful

na: Not applicable

Comparatives have been restated to reflect the adoption of FRS19 'Deferred Tax'

GROUP PROFIT AND LOSS ACCOUNT (unaudited)

	Three months ended December 31			Nine months ended December 31	
	2001 £m	2000 £m	Restated/ Increase/ (Decrease)	2001 £m	2000 £m
Traffic Revenue					
<i>Scheduled Passenger</i>	1,533	1,921	(20.2)%	5,383	6,016
<i>Scheduled Cargo</i>	121	154	(21.4)%	363	446
<i>Non-scheduled services</i>	8	9	(11.1)%	43	43
	1,662	2,084	(20.2)%	5,789	6,505
<i>Other revenue</i>	177	211	(16.1)%	598	652
TOTAL TURNOVER	1,839	2,295	(19.9)%	6,387	7,157
<i>Employee costs</i>	561	593	(5.4)%	1,781	1,765
<i>Depreciation</i>	221	181	22.1%	599	532
<i>Aircraft operating lease costs</i>	46	58	(20.7)%	147	163
<i>Fuel and oil costs</i>	265	319	(16.9)%	842	822
<i>Engineering and other aircraft costs</i>	161	161		476	499
<i>Landing fees and en route charges</i>	150	149	0.7%	478	488
<i>Handling charges, catering and other operating costs</i>	243	326	(25.5)%	845	1,014
<i>Selling costs</i>	161	254	(36.6)%	630	850
<i>Accommodation, ground equipment costs and currency differences</i>	218	174	25.3%	654	583
TOTAL OPERATING EXPENDITURE	2,026	2,215	(8.5)%	6,452	6,716
OPERATING (LOSS)/PROFIT	(187)	80	nm	(65)	441
Share of operating profits in associates	(4)		nm	4	28
TOTAL OPERATING (LOSS)/PROFIT INCLUDING ASSOCIATES	(191)	80	nm	(61)	469
Other income	1		nm	1	2
Profit/(loss) on sale of fixed assets and investments	34	(6)	nm	135	(73)
Interest					
<i>Net payable</i>	(89)	(74)	20.3%	(252)	(221)
<i>Retranslation credits on currency borrowings</i>	85	65	30.8%	62	38
(LOSS)/PROFIT BEFORE TAX	(160)	65	nm	(115)	215
Tax	18	(27)	nm	25	(87)
(LOSS)/PROFIT AFTER TAX	(142)	38	nm	(90)	128
Non equity minority interest*	(2)	(2)		(9)	(9)
(LOSS)/PROFIT FOR THE PERIOD	(144)	36	nm	(99)	119
Dividends paid and proposed					(55)
RETAINED (LOSS)/PROFIT FOR THE PERIOD	(144)	36	nm	(99)	64

nm: Not meaningful

* Cumulative Preferred Securities

**OPERATING AND FINANCIAL
STATISTICS (unaudited)**

Three months ended			Nine months ended		
December 31		Increase/	December 31		Increase/
2001	2000	(Decrease)	2001	2000	(Decrease)

TOTAL AIRLINE OPERATIONS (Note 1)

(including British Regional Air Lines from May 10th, 2001 and go until June 14th, 2001)

TRAFFIC AND CAPACITY

RPK (m)	23,106	29,008	(20.3)%	81,049	96,396	(15.9)%
ASK (m)	35,449	42,347	(16.3)%	116,058	132,506	(12.4)%
Passenger load factor(%)	65.2	68.5	(3.3)pts	69.8	72.7	(2.9)pts
CTK (m)	998	1,243	(19.7)%	3,028	3,676	(17.6)%
RTK (m)	3,341	4,128	(19.1)%	11,124	13,276	(16.2)%
ATK (m)	5,436	6,230	(12.7)%	17,529	19,313	(9.2)%
Overall load factor (%)	61.5	66.3	(4.8)pts	63.5	68.7	(5.2)pts
Passengers carried (000)	8,574	10,493	(18.3)%	31,173	34,741	(10.3)%
Tonnes of cargo carried (000)	183	240	(23.8)%	570	710	(19.7)%

FINANCIAL

Passenger revenue per RPK (p)	6.67	6.65	0.3%	6.69	6.29	6.4%
Passenger revenue per ASK (p)	4.35	4.56	(4.6)%	4.68	4.57	2.4%
Cargo revenue per CTK(p)	12.12	12.39	(2.2)%	11.99	12.13	(1.2)%
Total traffic revenue per RTK (p)	49.75	50.48	(1.4)%	52.04	49.00	6.2%
Total traffic revenue per ATK (p)	30.57	33.45	(8.6)%	33.03	33.68	(1.9)%
Average fuel price before hedging (US cents/US gallon)	78.24	113.63	(31.1)%	84.97	100.70	(15.6)%

OPERATIONS

Average Manpower Equivalent (MPE)	55,758	58,988	(5.5)%	58,492	58,633	(0.2)%
ATKs per MPE (000)	97.5	105.6	(7.7)%	299.7	329.4	(9.0)%
Aircraft in service at period end	367	340	27	367	340	27

TOTAL GROUP OPERATIONS

FINANCIAL

Net operating expenditure per RTK (p)	55.34	48.55	14.0%	52.62	45.68	15.2%
Net operating expenditure per ATK (p)	34.01	32.17	5.7%	33.40	31.40	6.4%

Note 1: Excludes non airline activity companies, principally, Airmiles Travel Promotions Ltd, Mileage Ltd, BA Holidays Ltd, BA Travel Shops Ltd, Speedwing International Group and The London Eye Company Ltd.

CHAIRMAN'S STATEMENT

Group Performance

Group loss before tax for the three months ended December 31, 2001 was £160 million - compared to a profit of £65 million last year.

Operating loss - - at £187 million was £267 million worse than last year's operating profit. This reflected both immediate reduction in demand following the September 11 terrorist attacks in the United States and the slowdown in the United States and other economies. Passenger yields for the quarter were up 0.3 % on a year ago; total costs were down 8.5% but units costs were up 5.7%, on capacity down 12.7%.

Group loss before tax for the nine months to December 31, was £115 million; operating loss -- at £65 million -- was down £506 million on the same period a year ago.

Turnover

Group turnover for the three months was down 19.9% versus last year -- at £1,839 million -- on a flying programme 16.3% smaller in available seat kilometres (ASK). Passenger yields were up 0.3% despite a weaker mix of premium passengers and special promotional fares prior to Christmas to attract passengers back into the air. The impact of September 11 and the economic slowdown in the United States reduced traffic, measured in revenue passenger kilometres, by 20.3% in the quarter. Premium traffic declined 27.3% and non premium 16.2%.

For the nine month period, turnover declined by 10.8% to £6,387 million on a flying programme 12.4% smaller.

In the three month period, Cargo revenue continued to be affected by September 11, declining 21.4%, principally as a result of reduced demand -- tonnage was down 23.8% compared to last year.

Unit Costs

Despite a 12.7% reduction in capacity (measured in available tonne kilometres) unit costs increased by only 5.7%. This reflected the swift cost control actions we took in the immediate aftermath of September 11. By December 31, we had reduced our manpower equivalent levels by 5,800 or 80% of the target of 7,200. We expect to achieve the remaining reductions, as planned, by the end of this financial year. Reduced advertising spend, capital thriftiness, other expenditure reductions and cash preservation actions have also exceeded initial estimates.

Productivity for the quarter (as measured by ATKs per manpower equivalent) declined by 7.7% year over year as the manpower reductions lag behind the capacity reductions.

Non Operating Items

Profits on disposals of fixed assets and investments for the three months were £34 million, compared to a £6 million loss for the same period last year. The profit included £23 million on the disposal of our shares in France Telecom (formerly shares held in Equant).

For the nine month period, profits on disposal were £135 million, including a £98 million profit on the disposal of **go**. Last year's loss on disposal for the same nine months of £73 million largely reflected the book loss on the disposal of Air Liberte.

Non Operating Items (Continued)

Net interest expense for the quarter was £5 million lower than last year, mainly because book credits for the revaluation of yen debts (used to fund aircraft acquisitions) were £20 million higher. The year over year revaluation benefit -- a non cash item required by standard accounting practice -- results from the strengthening of sterling against the yen. This benefit more than offset the increased interest charge incurred from an increased level of net debt.

Earnings/(Loss) Per Share

For the three month period, the loss attributable to shareholders was £144 million, equivalent to a loss per share of 13.4 pence, compared with earnings of 3.3 pence per share last year.

For the nine month period, the loss attributable to shareholders was £99 million, equivalent to a loss per share of 9.2 pence, compared with earnings of 11.1 pence per share last year.

Net Debt / Total Capital Ratio

Borrowings, net of cash and short term loans and deposits were £6,562 million at December 31, 2001 - up £339 million since March 31, 2001 -- due primarily to further finance leases, new general purpose loans and borrowings taken on by the Group on the acquisition of British Regional Air Lines. Net debt/total capital ratio increased by 2 points to 66.5%.

As at December 31, 2001 we had cash and deposits of £1,224 million, an increase of £164 million during the quarter. At the same date we had committed undrawn facilities of £573 million.

During the third quarter we generated a positive cashflow from operations of £47 million. After payments for capital expenditure and interest payments on our existing debt there was a cash outflow of £78 million. This is better than previous expectations given the cyclicity of our business. We also made £129 million of scheduled debt repayments in the quarter.

Aircraft Fleet

In the quarter ending December 31, 2001 the fleet in service reduced by 6 aircraft to 367.

This included additions of 2 Boeing 777s and 5 Airbus A319s. Disposals included 2 Boeing 747-200s, 3 Boeing 757-200s, 1 Boeing 737-400, 1 Turbo prop and 6 further 747-200s stood down pending sale. In addition, 6 767-300s are temporarily out of service.

Concorde resumed services to New York on November 7, 2001 and to Barbados on December 1, 2001. Four aircraft have now been returned to service.

Subsidiaries and Associates

On May 10, we completed the purchase of British Regional Air Lines and on June 14, we sold our no frills subsidiary **go**.

On October 25 and December 10 Qantas completed rights issues to fund future aircraft orders. We decided not to participate in either of these rights issues and as a consequence our shareholding in Qantas has fallen from 25% to 21.4%.

Government Compensation

We have registered our compensation claim with Her Majesty's Government in respect of the four day closure of United States and Israel air space following the events of September 11. We anticipate notification of the compensation to be given by the Government before the end of February and will include any such claim received in our fourth quarter results.

Alliance Development

In August we announced plans with American Airlines for a new alliance that includes profit sharing on nine transatlantic routes, codesharing, frequent flyer interchangeability and joint scheduling, pricing and marketing. The US Department of Transportation's regulatory conditions for anti-trust immunity for the proposed alliance were rejected by British Airways and American Airlines on January 25 as too high and unrealistic.

American Airlines remains British Airways partner of choice across the Atlantic. Both airlines pledged to continue to develop the bilateral relationships within the **oneworld** alliance which is still a central plank of the alliance strategy. British Airways and American Airlines will continue to give passengers access to each others' networks and will deliver as much of the customer proposition as they can within the existing legal boundaries.

Outlook

The general economic weakness in many of our key markets is expected to continue. The initial uncertainty and concern caused by the events of September 11 have diminished and as a consequence there is an improving revenue trend.

We expect to complete our review of the future size and shape of our business later in February and plan to announce any restructuring costs at that time.

GROUP BALANCE SHEET (unaudited)

	December 31 Restated	March 31 Restated
	2001 £m	2000 £m
FIXED ASSETS		
Intangible assets	108	60
Tangible assets	10,745	10,396
Investments	463	516
	11,316	10,972
CURRENT ASSETS		
Stocks	163	168
Debtors	1,058	1,252
Cash, short-term loans and deposits	1,224	1,365
	2,445	2,785
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	(3,222)	(3,199)
NET CURRENT LIABILITIES	(777)	(414)
TOTAL ASSETS LESS CURRENT LIABILITIES	10,539	10,558
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Borrowings and other creditors	(7,069)	(6,730)
Convertible Capital Bonds 2005	(112)	(113)
	(7,181)	(6,843)
PROVISIONS FOR DEFERRED TAX	(1,040)	(1,073)
PROVISIONS FOR LIABILITIES AND CHARGES	(53)	(63)
	2,265	2,579
CAPITAL AND RESERVES		
Called up share capital	271	271
Reserves	1,804	2,107
	2,075	2,378
Minority interest	8	17
Non equity minority interest	182	184
	2,265	2,579

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (unaudited)

	Nine months ended December 31 Restated	Year ended March 31 Restated
	2001 £m	2000 £m
(Loss)/profit for the period	(99)	119
Other recognised gains and losses relating to the period		64
Exchange and other movements	10	(30)
Total recognised gains and losses	(89)	111

These summary financial statements were approved by the Directors on February 4, 2002.

GROUP CASH FLOW STATEMENT (unaudited)

	Nine months ended December 31		Year ended March 31
	2001 <i>£m</i>	2000 <i>£m</i>	2001 <i>£m</i>
CASH INFLOW FROM OPERATING ACTIVITIES	658	1,102	1,251
DIVIDENDS RECEIVED FROM ASSOCIATES	15	33	33
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(240)	(223)	(342)
TAX		2	15
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(55)	(243)	(457)
ACQUISITIONS AND DISPOSALS	(19)	26	26
EQUITY DIVIDENDS PAID	(137)	(137)	(194)
Cash inflow before management of liquid resources and financing	222	560	332
MANAGEMENT OF LIQUID RESOURCES	(301)	(240)	159
FINANCING	81	(336)	(521)
Increase/(decrease) in cash in the period	2	(16)	(30)
GROUP FINANCING (REQUIREMENT)/SURPLUS			
Net cash inflow before management of liquid resources and financing	222	560	332
Acquisitions under finance leases and hire purchase arrangements	(526)	(464)	(663)
Total financing (requirement)/surplus for the period	(304)	96	(331)
Total tangible fixed asset expenditure, net of progress payment refunds	807	1,014	1,405

NOTES TO THE ACCOUNTS

For the period ended December 31, 2001

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, 2001 in accordance with all applicable United Kingdom accounting standards and the Companies Act 1985 and are consistent with those applied in the previous year, with the exception of the implementation of FRS 19 'Deferred Tax'. As described in Note 7, the comparative figures have been restated as a result of implementing this standard. In addition, expendable stocks have been reclassified from fixed assets to stocks and comparative figures restated.

	Nine months ended December 31		Year ended March 31
	2001 £m	2000 £m	2001 £m
2 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO CASH INFLOW FROM OPERATING ACTIVITIES			
Group operating (loss)/profit	(65)	441	380
Depreciation and amortisation	599	532	715
Other items not involving the movement of cash		(1)	(1)
Decrease/(increase) in stocks and debtors	355	43	(38)
(Decrease)/increase in creditors	(231)	87	195
Cash inflow from operating activities	658	1,102	1,251
3 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Increase/(decrease) in cash during the period	2	(16)	(30)
Net cash (inflow)/outflow from decrease in debt and lease financing	(81)	339	524
Cash outflow/(inflow) from liquid resources	301	240	(159)
Change in net debt resulting from cash flows	222	563	335
New finance leases taken out and hire purchase arrangements made	(526)	(464)	(663)
Divested from subsidiary undertakings sold during the period		69	69
Assumed from subsidiary undertakings acquired during the year	(117)		
Conversion of Convertible Capital Bonds	1		
Exchange movements	81	(34)	(48)
Movement in net debt during the period	(339)	134	(307)
Net debt at April 1	(6,223)	(5,916)	(5,916)
Net debt at period end	(6,562)	(5,782)	(6,223)

	Three months ended December 31		Nine months Dec	
	2001 £m	2000 £m	2001 £m	
4 OTHER INCOME				
Income from trade investments	1		1	
Other			1	
Other income represented by:				
Group	1		1	
Associates			1	
	1		1	

NOTES TO THE ACCOUNTS (continued)

For the period ended December 31, 2001

	Three months ended December 31		Nine months ended December 31	
	2001 £m	2000 £m	2001 £m	2000 £m
5 PROFIT/(LOSS) ON SALE OF FIXED ASSETS AND INVESTMENTS				
Net profit on disposal of go			98	
Net profit on disposal of shares in France Telecom (formerly shares held in Equant)	23		23	
Net loss on disposal of Air Liberte				(56)
Net profit/(loss) on disposal of other fixed assets and investments	11	(6)	14	(17)
	34	(6)	135	(73)
Represented by:				
Group	34	(6)	135	(74)
Associates				1
	34	(6)	135	(73)
6 INTEREST				
Net payable:				
Interest payable less amount capitalised	104	96	296	287
Interest receivable	(15)	(22)	(44)	(66)
	89	74	252	221
Retranslation credits on currency borrowings	(85)	(65)	(62)	(38)
	4	9	190	183
Net interest payable represented by:				
Group	4	9	186	178
Associates			4	5
	4	9	190	183
7 TAX				
<p>During the period ended June 30, 2001 the company implemented FRS 19 'Deferred Tax', which requires full provision for deferred tax. Under the options allowed the company chose not to discount the resulting provision. Within the tax credit for the nine months ended December 31, 2001 is a net credit of £21 million which arises as a result of implementing this standard, including a charge of £11 million relating to the sale of go and our shares in France Telecom (formerly shares held in Equant)(net of £19 million capital losses brought forward). In addition the comparatives have been restated, resulting in an increase to the tax charge of £72 million for the nine months ended December 31, 2000 and an increase to the tax charge of £50 million for the year ended March 31, 2001. The deferred tax provision is included on balance sheet and amounts to £1,040 million at December 31, 2001 (March 31, 2001: £1,051 million; December 31, 2000: £1,073 million). None of the deferred tax is expected to become payable in the foreseeable future.</p>				
8 EARNINGS/(LOSS) PER SHARE				
<p>Basic earnings/(loss) per share for the quarter ended December 31, 2001 are calculated on a weighted average of 1,076,077,000 ordinary shares (December 2000: 1,075,490,000) and for the nine months ended December 31, 2001, on a weighted average of 1,076,091,000 ordinary shares (December 2000: 1,075,341,000) as adjusted for shares held for the purposes of employee share ownership plans including the Long Term Incentive Plan. Diluted earnings/(loss) per share for the quarter ended December 31, 2001 are calculated on a weighted average of 1,076,077,000 ordinary shares (December 2000: 1,085,179,000) and for the nine months ended December 31, 2001 on a weighted average of 1,079,118,000 ordinary shares (December 2000: 1,084,536,000).</p>				
<p>The number of shares in issue at December 31, 2001 was 1,082,754,000 (December 31, 2000: 1,082,234,000; March 31, 2001: 1,082,552,000) ordinary shares of 25 pence each.</p>				

NOTES TO THE ACCOUNTS (continued)

For the period ended December 31, 2001

	December 31		March 31
	2001 £m	2000 £m	2001 £m
9 TANGIBLE ASSETS			
Fleet	8,864	8,485	8,761
Property	1,372	1,441	1,418
Equipment	509	470	483
	10,745	10,396	10,662
10 INVESTMENTS			
Associated undertakings	396	483	381
Trade investments	42	8	20
Investment in own shares	25	25	25
	463	516	426
11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Loans	57	75	49
Finance leases	268	89	106
Hire purchase arrangements	499	339	329
	824	503	484
Overdrafts - unsecured			3
Corporate tax	27	35	31
Other creditors and accruals	2,371	2,661	2,790
	3,222	3,199	3,308
12 BORROWINGS AND OTHER CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR			
Loans	1,416	988	992
Finance leases	2,437	1,929	2,240
Hire purchase arrangements	2,997	3,614	3,327
	6,850	6,531	6,559
Other creditors and accruals	219	199	229
	7,069	6,730	6,788
13 RESERVES			
Balance at April 1	1,893	2,877	2,877
Prior year adjustment *		(1,001)	(1,001)
Balance at April 1 as restated (see Note 7)	1,893	1,876	1,876
Retained (loss)/profit for the period	(99)	64	(129)
Exchange and other adjustments	10	(8)	(30)
Net movement on goodwill		173	173
Premium arising from issue of ordinary share capital		2	3
	1,804	2,107	1,893

* Prior year adjustment relates to the adoption of FRS19 'Deferred Tax'

14 The figures for the three months and nine months ended December 31, 2001 and 2000 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, 2001 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 within the Group Profit and Loss Account, Group Balance Sheet, Group Cash Flow Statement and Notes to the Accounts and we have read the other information contained in the third quarter results and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The third quarter results, 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 for use in the United Kingdom. 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 United Kingdom 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, 2001.

Ernst & Young LLP
London

February 4, 2002

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, 2001, with the exception of the implementation of FRS 19 'Deferred Tax'. The comparatives have been adjusted to reflect this change. In addition the company has adopted FAS 133 effective from April 1, 2001.

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

	Three months ended December 31 Restated		Nine months ended December 31 Restated	
	2001 £m	2000 £m	2001 £m	2000 £m
(Loss)/profit for the period as reported in the Group profit and loss account	(144)	36	(99)	119
US GAAP adjustments	(35)	38	35	89
Net (loss)/ income as so adjusted to accord with US GAAP	(179)	74	(64)	208
Net (loss)/income per Ordinary Share as so adjusted				
Basic	(16.6p)	6.9p	(5.9p)	19.3p
Diluted	(16.6p)	6.8p	(5.9p)	19.0p
Net (loss)/income per American Depositary Share as so adjusted				
Basic	(166)p	69p	(59)p	193p
Diluted	(166)p	68p	(59)p	190p

	December 31 Restated		March 31
	2001 £m	2000 £m	Restated 2001 £m
Shareholders' equity as reported in the Group balance sheet	2,075	2,378	2,164
US GAAP adjustments	28	(43)	170
Shareholders' equity as so adjusted to accord with US GAAP	2,103	2,335	2,334

AIRCRAFT FLEET

Number in service with Group companies at December 31, 2001

	On balance sheet Aircraft	Operating Leases off balance sheet Extendible	Leases Other	Total Dec 2001	Changes since Sept 2001	Future Deliveries	Options
AIRLINE OPERATIONS (Note 1 & 2)							
Concorde (Note 3)	7			7			
Boeing 747-200					(8)		
Boeing 747-400	56			56			
Boeing 777	45			45	2		
Boeing 767-300 (Note 4)	21			21			
Boeing 757-200	30	2	1	33	(3)		
Airbus A318						12	12
Airbus A319 (Note 5)	21	10	2	33	5	6	117
Airbus A320	10			10		20	
Boeing 737-300			28	28			
Boeing 737-400	21	5	7	33	(1)		
Boeing 737-500			10	10			
Turbo Props (Note 6)		5	40	45	(1)		
Embraer RJ145	12	5	10	27		2	17
Avro RJ100	1	15		16			
British Aerospace 146	3			3			
GROUP TOTAL (Note 7)	227	42	98	367	(6)	40	146

Notes:

- 1 Includes those operated by British Airways Plc, British Airways (European Operations at Gatwick) Ltd, Brymon Airways Ltd, CityFlyer Express, Deutsche BA and British Regional Air Lines.
- 2 Excludes 1 Boeing 737 - 400, 3 Boeing 757 - 200s, 10 Boeing 747 - 200s and 1 Jetstream 41 stood down pending disposal or return to lessor, 1 Boeing 747 - 400 sub-leased to Qantas, 1 Embraer RJ145 delivered but not yet in service.
- 3 4 Concorde are currently stood down undergoing safety modifications following the investigation into the Air France incident of July 25, 2000. These safety modifications have been fitted on three aircraft and services were resumed on November 7, 2001.
- 4 Includes 6 Boeing 767 - 300s temporarily out of service.
- 5 Options include reserved delivery positions and, if taken, may be A319, A320 or A321.
- 6 Includes 12 Jetstream 41 aircraft, 13 British Aerospace ATP aircraft, 5 ATR72 aircraft and 15 de Havilland Canada DHC-8 aircraft.
- 7 Includes 12 Jetstream 41 aircraft, 13 British Aerospace ATP aircraft, 20 Embraer 145 aircraft (including 1 future delivery and 3 options) and 3 British Aerospace 146 aircraft acquired with the purchase of British Regional Air Lines.