

BRITISH AIRWAYS PLC  
Form 20-F  
August 02, 2004

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
FORM 20-F**

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

or

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: March 31, 2004

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 1-9384

**BRITISH AIRWAYS Plc**

(Exact name of Registrant as specified in its charter)

England and Wales

(Jurisdiction of incorporation or organization)

Waterside, PO Box 365, Harmondsworth, UB7 0GB England

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares Ordinary Shares of 25p each	New York Stock Exchange New York Stock Exchange*

\* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary Shares of 25p each

1,082,845,212

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark which financial statement item the registrant has elected to follow.

Itemo    Itemx  
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### INTRODUCTORY NOTE

Unless the context indicates otherwise, the Company, BA or British Airways refers to British Airways Plc and BA Group or Group referred to British Airways, its subsidiaries and its quasi-subsidiary. Airline refers to British Airways Plc, British Airways CitiExpress Limited, dba (formerly Deutsche BA Luftfahrtgesellschaft mbh) (until June 30, 2003), and for historical comparatives Air Libert . Qantas refers to Qantas Airways Limited and Iberia refers to Iberia Lineas A reas de Espana, S.A..

BA publishes its Financial Statements expressed in UK ( UK ) pounds Sterling. In this document references to US Dollars, US \$, or \$ are to US ( US ) Dollars, references to pounds Sterling, Sterling or   and pence or p are to UK currency, references to Japanese Yen, Yen or   are to the currency of Japan, references to Euro or   are to the currency of the European Union and references to A\$ are to Australian Dollars. For the convenience of the reader, this document contains translations of certain pounds Sterling amounts to US Dollars at \$1.8400 to  1.00, the noon buying rate in New York City for cable transfers in pounds Sterling as certified for customs purposes by the Federal Reserve Bank of New York (the Noon Buying Rate) on March 31, 2004. These translations should not be construed as representations that the pounds Sterling amounts actually represent such US Dollar amounts or could be converted into US Dollars at the rate indicated. The Noon Buying Rate on June 30, 2004 was \$1.8124 to  1.00. For historical information regarding rates of exchange between US Dollars and pounds Sterling, see Item 3 Key Information Exchange Rates. For a discussion of the Group's exposure to exchange rate fluctuations arising from its operations, see Item 5 Operating and Financial Review and Prospects Other Matters Foreign Currency Risk and Item 11 Quantitative and Qualitative Disclosures about Market Risk Foreign Currency Risk.

Cash dividends, if any, paid by BA will be in pounds Sterling, and exchange rate fluctuations will affect the US Dollar amounts received by holders of American Depositary Shares ( ADS ) on conversion of such dividends. Moreover, fluctuations in the exchange rates between pounds Sterling and the US Dollar will affect the US Dollar equivalent of the pounds Sterling price of the ordinary shares of the Company (the Ordinary Shares) on the London Stock Exchange, and, as a result, are likely to affect the market price of the ADS traded on the New York Stock Exchange in the US.

The Company's fiscal year ends on March 31 of each year, and references herein to fiscal year or fiscal are to the year ended March 31 of the year specified.

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Certain information contained in this report, including, without limitation, in Item 4 Information on the Company and Item 8 Financial Information Legal Proceedings as well as certain statements made throughout Item 5 Operating and Financial Review and Prospects and Item 11 Quantitative and Qualitative Disclosures about Market Risk are forward-looking and 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 included in this document and in documents incorporated herein by reference generally may be identified by the words will, expects, plans, anticipates, intend and similar expressions that indicate the statement addresses the future. 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 Future Size and Shape (FSAS) program, cost reductions, aircraft financing, 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 at the time of such statement. 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 practicable 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. Some factors that could significantly affect expected capacity, load factors, yields, revenues, expenses, unit costs, capital expenditures, cash flows and margins include the airline pricing environment, customer demand, fuel and other commodity costs, capacity decisions of other carriers, cost of safety and security measures, actions of the UK and other governments, foreign currency exchange rate fluctuations, inflation, the economic environment of the airline industry, the general economic environment, the commencement or escalation of hostilities, terrorist activities, health scares, the ability to reach labor and wage agreements, industrial actions such as strikes, compensation levels in the industry, the status of the Company's relationships with the union groups, and other factors discussed herein, including under Item 3 Key Information Risk Factors.

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### SPECIALIST TERMS

Available seat kilometers (ASK)	the number of seats available for sale multiplied by the distance flown
Available tonne kilometers (ATK)	the number of tonnes of capacity available for the carriage of passengers and cargo multiplied by the distance flown
Revenue passenger kilometers (RPK)	the number of revenue passengers carried multiplied by the distance flown
Cargo tonne kilometers (CTK)	the number of revenue tonnes of cargo (freight and mail) carried multiplied by the distance flown
Revenue tonne kilometers (RTK)	the number of revenue tonnes of cargo and passengers carried multiplied by the distance flown
Load factor	the percentage relationship of revenue passengers and/or cargo carried to capacity available
Passenger load factor	RPK expressed as a percentage of ASK
Overall load factor	RTK expressed as a percentage of ATK
Frequent flyer RPKs as a percentage of total RPKs	the amount of frequent flyer RPKs expressed as a percentage of total RPKs is indicative of the proportion of total passenger traffic that is represented by redemption of frequent flyer miles in the year
Passenger yield	passenger revenue from airline operations divided by RPK
Total traffic revenue per RTK	revenue from total traffic (passenger scheduled and non-scheduled and cargo) divided by RTK
Total traffic revenue per ATK	revenue from total traffic (passenger scheduled and non-scheduled and cargo) divided by ATK
Codesharing	co-operation between two airlines where one airline sells tickets using its own flight code for the other airline's flight

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Punctuality	the industry's standard measured as the percentage of flights departing within 15 minutes of schedule
Regularity	the percentage of flights completed to flights scheduled, excluding flights canceled for commercial reasons
Unduplicated route kilometers	all scheduled flight stages counted once, regardless of frequency or direction
Manpower equivalent (MPE)	number of employees adjusted for part-time workers, overtime and contractors

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**PART 1**

**Item 1 Identity of Directors, Senior Management and Advisers**

Not applicable.

**Item 2 Offer Statistics and Expected Timetable**

Not applicable.

**Item 3 Key Information**

**Selected Financial Data**

The summarized financial information (expressed in pounds Sterling) set out below is derived from the audited consolidated Financial Statements of the Group presented elsewhere herein or otherwise included in BA's annual reports and which were audited by Ernst & Young LLP, independent registered public accounting firm. The data should be read in conjunction with, and are qualified in their entirety by reference to, such Financial Statements and accompanying notes included elsewhere in this report.

*Group Profit and Loss Account*

	Year ended March 31					
	2004	2004	2003	2002	2001	2000
	(in millions, except per Ordinary Share amounts)					
	\$ (1)	£	£	£	£	£
Amounts in accordance with UK GAAP						
Turnover	13,910	7,560	7,688	8,340	9,278	8,940
Cost of sales	(12,895)	(7,008)	(7,263)	(8,291)	(8,757)	(8,679)
Gross profit	1,015	552	425	49	521	261
Administrative expenses	(270)	(147)	(130)	(159)	(141)	(177)
Operating profit/(loss)	745	405	295	(110)	380	84
Share of operating profit in associates	107	58	39	22	64	75
Total operating profit/(loss) including associates	852	463	334	(88)	444	159
Other income and charges	24	13	(4)	21	1	5
	(85)	(46)	60	145	(69)	249

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(Loss)/profit on sales of fixed assets and investments

Net interest payable	(368)	(200)	(255)	(278)	(226)	(408)
Profit/(loss) before tax	423	230	135	(200)	150	5
Tax	(156)	(85)	(50)	71	(69)	(56)
Profit/(loss) after tax	267	145	85	(129)	81	(51)
Equity minority interests	(2)	(1)		(1)	(2)	
Non-equity minority interests	(26)	(14)	(13)	(12)	(12)	(11)
Profit/(loss) for the year	239	130	72	(142)	67	(62)
Dividends					(193)	(195)
Retained profit/(loss) for the year	239	130	72	(142)	(126)	(257)
Earnings/(loss) per Ordinary Share (2)						
Basic	0.22	12.1p	6.7p	(13.2)p	6.2p	(5.8)p
Diluted	0.22	12.1p	6.7p	(13.2)p	6.2p	N/a
Basic weighted average number of shares	1,070	1,070	1,073	1,076	1,075	1,075
Diluted weighted average number of shares	1,070					