BRITISH AIRWAYS SIX MONTH RESULTS

1 January 2026 – 30 June 2026

British Airways Plc ('BA' or the 'Group') presents its consolidated results for the six months ended 30 June 2026.

Period results summary

- Total revenue of £7,426 million (2025: £7,045 million);
- Operating profit before exceptional items of £885 million (2025: profit of £824 million);
- Cash, cash equivalents and other interest-bearing deposits increased by £812 million to £2,665 million (31 December 2025: £1,853 million);
- Borrowings decreased by £303 million to £6,974 million (31 December 2025: £7,277 million); and
- The Group's liquidity* position increased by £0.8 billion to £4.5 billion (31 December 2025: £3.7 billion).

* Total liquidity includes Cash, cash equivalents and other interest-bearing deposits, plus committed and undrawn general and aircraft-specific financing facilities.

Performance summary

For the six months ended 30 June

Reported results (£ million)	**2026**	2025	*Higher/(lower)*
Passenger revenue	**6,976**	6,570	*6.2%*
Total revenue	**7,426**	7,045	*5.4%*
Total expenditure on operations	**(6,571)**	(6,221)	*5.6%*
Operating profit	**855**	824	*3.8%*

Alternative performance measures (£ million)	**2026**	2025	*Higher/(lower)*
Total revenue before exceptional items[1]	**7,426**	7,045	*5.4%*
Total expenditure on operations before exceptional items[1]	**(6,541)**	(6,221)	*5.1%*
Operating profit before exceptional items[1]	**885**	824	*7.4%*

Operating figures	**2026**	2025	*Higher/(lower)*
Available seat kilometres (ASK[2]) (m)	**86,222**	87,266	*(1.2)%*
Revenue passenger kilometres (RPK[2]) (m)	**71,677**	71,458	*0.3%*
Cargo tonne kilometres (CTK[2]) (m)	**1,562**	1,875	*(16.7)%*
Passenger load factor[2] (%)	**83.1**	81.9%	*1.2 pts*
Passengers carried (000)	**22,115**	21,936	*0.8%*
Passenger revenue per ASK[2] (p)	**8.09**	7.53	*7.5%*
Passenger revenue per RPK[2] (p)	**9.73**	9.19	*5.9%*
Non-fuel costs per ASK[2] (p)	**5.35**	5.20	*2.9%*

[1]Exceptional items in the six months to 30 June 2026 (2025: no exceptional items) relate to costs associated with the Working as One BA people change programme, as explained in Note 3 of the Consolidated Interim Financial Statements.

[2]Defined in the Annual Report and Accounts for the year ended 31 December 2025 and should be read in conjunction with this document.

Management review
British Airways made an operating profit before exceptional items of £885 million in the first half of 2026, compared to £824 million in the first half of 2025.

The airline experienced a strong performance during the first half of the year, despite significant increases in the price of jet fuel and capacity decreasing by 1.2 per cent compared to the equivalent period in 2025, driven by reduced flying as a result of the conflict in the Middle East. British Airways continued to transform its business and deliver for its customers, investors and colleagues as part of its multi billion investment programme.

Operational Performance and Resilience
During the first six months of the year, British Airways maintained a resilient and reliable operational performance continuing to prioritise its departure within 15 minutes performance metric (D15). The airline recorded an average of 83.0% D15 slightly down from the first six months of 2025 (84.4%) due to technical difficulties faced within so fleet and a priority given to regularity, over D15, for part of the airline's operation.

British Airways Mainline, recorded over 84% D15 for a second year in a row during the first six months of 2026. . In April 2026, Mainline had its strongest April on record with 88.6% D15, and in Quarter 1, it recorded its strongest quarterly performance to date, achieving 86.2% D15 – 1.2% ahead of its target and placing it fourth among the top-performing global operators for punctuality in February 2026 according to Cirium.

During the first six months of 2026, the airline operated 98.7% of its schedule, carrying a total of 22.44 million passengers. There were 1,248 on-the-day cancellations, with operations impacted by geopolitical uncertainty in the Middle East from March, and adverse weather conditions and industrial action across Europe in May. Despite these external events, 98.6% and 98.7% of scheduled flights operated in March and May respectively.

Since March, the airline has been focused on reducing colleague and customer uncertainty stemming from political instability in the Middle East. To support forward planning, it made the decision to suspend services to Dubai, Riyadh and Tel Aviv, in addition to Amman and Bahrain, until the end of the summer season. It continues to review the situation and airspace stability in the Middle East and will only restart services subject to safety and security reviews.

Offsetting the reduction in flights to and across the Middle East, and to meet the short-term increased demand for other destinations, the airline adjusted its schedule to offer customers a range of alternative travel options. From 1 June, it began operating larger aircraft on its Delhi route offering 59 additional seats per flight and switched from a 787 aircraft to a 777 on its Hyderabad route, providing 68 additional seats per flight.

It also added new flights to its schedule, adding an additional flight per day to Bangalore and Nairobi, starting 1 June until 24 October and making the total number of weekly flights to both destinations to 14. It also introduced an additional daily flight to Mumbai, starting 1 June until 19 June, making its total weekly flights 21.

Middle East developments meant the airline needed to remain agile in the first six months of 2026. Navigating political uncertainties alongside high oil prices significantly increased the cost of operating the airline. However, IAG's jet fuel hedging strategy and new technologies introduced through British Airways' transformation investment ensured access to the right tools and data to plan, pivot and operate efficiently.

At London Heathrow, our Engineering and Maintenance colleagues introduced a new operating model organised along fleet lines which will enable more reliable and efficient operations and help to support the airline's punctuality goals.

However, the airline was significantly affected by a major baggage performance issue due to a worldwide outage of Brock, Heathrow's baggage handling system, in May. The outage occurred on 11 and 29 May and was exacerbated by London Heathrow Terminal 5 infrastructure outages on 15, 16, 29 and 30 May. Consequently, more than 20,000 British Airways customer bags were missed. While outside of the airlines control, British Airways apologised to its customers and deployed extra staff to help the airport solve the issues. It had sought £10 million from London Heathrow but absorbed knock-on costs of the disruption.

At Gatwick, its subsidiary British Airways Engineering Gatwick (BAEG), marked its first anniversary since opening its hangar doors in 2025. BAEG has added resilience and capacity to BA Engineering and Maintenance operations and helped to ensure we deliver for our customers with a safe and reliable fleet. In the first 12 months, BAEG colleagues delivered 62,622 hours of maintenance across the Group's B777 and short haul Airbus fleets based at Gatwick.

Our People
British Airways continued to invest in its people, welcoming more than 2,100 new colleagues to the business in the first six months of the year, including 25 apprentices across the business as part of its commitment to developing future talent.

In April it launched its fully funded pilot training programme -Speedbird Pilot Academy – for a fourth year running, designed to remove financial barriers to entering the profession. In addition to 150 fully funded external places, it dedicated 10 internal places for British Airways colleagues to apply and begin a new career pathway.

The airline also made improvements to its Cabin Crew management structure with a clearer focus on performance and growth opportunities.

Through its Working as One BA people change programme, the airline focused efforts on creating a simpler, more efficient organisation better equipped to deliver its strategic priorities. The programme reduces duplication, simplifies management structures, and enables faster decision-making and greater cost and performance discipline.

Our Customers

Customers had the opportunity to book with confidence during the uncertainty stemmed from the Middle East, a core focus for British Airways in the first six months of 2026, via The British Airways Holidays Promise locking in the price at booking and allowing customers to make a booking to secure the cost and make payments later.

British Airways continued to make improvements to its customer offering, and became the first UK airline to introduce Starlink WiFi, with installation starting in March 2026. It had its sixth aircraft in maintenance where Starlink would be fitted, and two other aircraft following closely behind in line with planned maintenance. Onboard entertainment was further improved with a new partnership with Audible, to bring more than 250 hours of podcasts and audiobooks to the skies.

The first six months of the year also saw the airline expand its network with new direct routes to St Louis in the USA, Tivat in Montenegro, Toulon in France and Guernsey.

The airline has recently announced the rollout of its new Club World amenity kits to Heathrow in August, following the successful launch on long-haul flights from London Gatwick last year. New World Traveller bedding and pillows are being introducing across the airline's entire long-haul network from this month.

On the ground, the airline has been improving airport lounges for passengers. Its Glasgow lounge was refurbished and reopened to customers in June 2026 and in April 2026, the brand-new Whispering Angel rosé bar at London Heathrow Terminal 3 opened, alongside the refresh of its Whispering Angel bar in London Heathrow Terminal 5B. British Airways also partnered with London-based coffee brand, Grind, making it the new partner for complimentary coffee served across its lounges globally and premium cabins.

Our Transformation

British Airways continued its major transformation programme supported by its multibillion investment, and has modernised its cloud and data platforms, completing the move from legacy data centres. The airline is increasingly integrating technology, data and AI-style tools into its operations, helping colleagues predict problems before they happen, improving operational efficiency, resilience and reducing preventable delays and cancellations.

New tools included the Flight Watch programme, which uses advanced data to identify weather risks early and work with air traffic control to reroute or adjust aircraft plans to avoid cancellations, and the BA Integrated Planning Platform, helping to better coordinate aircraft, flight schedules and crew, enabling teams to identify flights at risk of delay and taking necessary steps to minimise knock-on impacts for customers.

British Airways' Engineering and Maintenance colleagues leveraged data and technology by rolling out modernised core systems and new programmes that transform how it plans, records and manages engineering work across all sites. Improvements also enable the airline to use shared data and AI tools with sister operational companies across IAG, further improving efficiency.

The airline has invested in improvements at London Heathrow for both colleague and customer experience. A new customer service app for Heathrow colleagues allows them to check customers in, perform regulatory checks and support rebookings from an iPad allowing greater flexibility across the terminal.

In a major boost to our customer proposition, all 12 aircraft in the British Airways B787-8 fleet now feature upgraded cabins with new award-winning Club Suites.

In June, the airline reached an important milestone on its transformation journey with the launch of its new BA app. It follows months of extensive testing and makes every stage of the customer journey simpler and more intuitive, acting as a real-time travel companion.

Our Responsible Business

British Airways continues to work on removing access barriers to empower customers with disabilities or health conditions to have a safe and dignified travel experience. In the first six months of 2026, the airline introduced a voluntary dementia e-learning programme to equip British Airways colleagues with better knowledge and awareness to help support customers with dementia and other non-visible disabilities. The learning was informed by people with lived experience of dementia and developed as part of our long-term partnership with Alzheimer's Society.

Also, in the first six months of the year, thanks to British Airways customers and colleagues, the airline reached the landmark total of £31 million raised for its Flying Start partnership with Comic Relief since the partnership began in 2010.

On board its aircraft, the airline is continuing its journey to remove single use plastic. During the first six months of the year, it replaced the plastic packaging around Club World and World Traveller Plus headsets with a paper band, which will remove 17 tonnes of single-use plastic annually. This contributed to more than 415 tonnes of single-use plastic now removed across British Airways operation since 2022 (representing 19.65% of the baseline level in 2022).

Government Affairs

British Airways continued to engage closely with the UK Government to promote policies that support aviation growth and the wider economic benefits the sector brings to the UK.

The airline maintained regular contact with the Department for Transport (DfT) and the Foreign, Commonwealth and Development Office (FCDO) during the Middle East conflict, to stay aligned on travel guidance, operational decisions and charter activity.

British Airways also engaged with ministers, officials and parliamentary committees to highlight the latest launch of the Speedbird Pilot Academy, which contributed to recognition of the programme in Parliament and supported further positive engagement with MPs on skills and workforce development.

To mark National Apprenticeship Week, the airline was proud to place its mobile flight simulator outside 10 Downing Street for an event attended by the Prime Minister. GCSE students and ministers were all able to experience the simulator on the famous street.

In May, BA operated a special government charter flight to Los Angeles as part of the 'Greater Together' trade mission, bringing together senior leaders from government, business and industry to strengthen UK-US ties. In July, the airline worked with the government to mark the start of the UK-India Free Trade Agreement. The airline continued to work closely with international governments to maintain strong relationships, supporting operational resilience and delivery for customers.

Our Outlook

British Airways remains committed to maintaining a stable and efficient operation, giving customers more choice and flexibility, while continuing to adapt to the evolving situation in the Middle East. From mid-September customers will see a third daily flight added to its weekly operation to Delhi, as it continues to adapt its schedule in response to disruption and provide alternative travel options.

Looking ahead to the second half of the year, British Airways is expanding its winter schedule, introducing new long-haul routes from London to Melbourne in Australia, and Colombo in Sri Lanka, as well as increased frequencies to popular leisure routes including Cape Town, Tokyo, Barbados and Cairo, and key US destinations, such as Baltimore, Houston and New Orleans.

More customers will gain access to the new BA app, and future developments are already in the works include the ability to redeem reward flights and vouchers, greater personalisation, expanded self-service options, and new tools such as real-time baggage tracking – all designed to deliver an even smoother, more connected end-to-end experience. The airline is continuing with the rollout of Starlink across its 787 fleet and remains on track with its planned schedule to embody all aircraft.

Financial review
Consolidated income statement for the six months ended 30 June

£ million	Reported 2026	Exceptional items	Before exceptional items 2026	Reported 2025	Exceptional items	Before exceptional items 2025	*Higher/ (lower)*
Passenger revenue	**6,976**	-	**6,976**	6,570	-	6,570	*6.2%*
Cargo revenue	**369**	-	**369**	393	-	393	*(6.1)%*
Other revenue	**81**	-	**81**	82	-	82	*(1.2)%*
Total revenue	**7,426**	-	**7,426**	7,045	-	7,045	*5.4%*
Employee costs	**1,631**	30	**1,601**	1,535	-	1,535	*4.3%*
Handling, catering and other operating costs	**818**	-	**818**	852	-	852	*(4.0)%*
Landing fees and en-route charges	**585**	-	**585**	542	-	542	*7.9%*
Engineering and other aircraft costs	**421**	-	**421**	482	-	482	*(12.7)%*
Property, IT and other costs	**308**	-	**308**	321	-	321	*(4.0)%*
Selling costs	**237**	-	**237**	237	-	237	*0.0%*
Depreciation, amortisation and impairment	**637**	-	**637**	597	-	597	*6.7%*
Net gain on sale of property, plant and equipment	**-**	-	**-**	(2)	-	(2)	*nm*
Currency differences	**4**	-	**4**	(26)	-	(26)	*nm*
Total expenditure on operations (excluding fuel costs)	**4,641**	30	**4,611**	4,538		4,538	*1.6%*
Fuel costs and emission charges	**1,930**	-	**1,930**	1,683	-	1,683	*14.7%*
Total expenditure on operations	**6,571**	30	**6,541**	6,221	-	6,221	*5.1%*
Operating profit	**855**	(30)	**885**	824	-	824	*7.4%*
Non-operating items	**132**	-	**132**	72	-	72	*nm*
Profit before tax	**987**	(30)	**1,017**	896	-	896	*13.5%*
Tax	**(219)**	7	**(226)**	(178)	-	(178)	*27.0%*
Profit after tax	**768**	(23)	**791**	718	-	718	*10.2%*

nm = not meaningful

Revenue
Overall capacity for the six-month period decreased by 1.2% versus 2025 driven by reduced flying as a result of the conflict in the Middle East. Passenger load factors reached 83.1%, an increase of 1.2 percentage points versus 2025. This translated to total passenger revenue for the first six months of the year of £6,976 million (2025: £6,570 million), an increase of 6.2% compared to the same period in 2025. Passenger unit revenue (passenger revenue per ASK) was 7.5% per cent higher than the first six months of 2025. CTKs decreased by 16.7% versus 2025 due to the conflict in the Middle East and the cancellation of Hong Kong freighter leading to a reduction in Cargo revenue of 6.1%. Other revenue decreased by 1.2% versus 2025 due to a reduction in Scope III sales.

Expenditure on operations
Total operating costs before exceptional items increased by 5.1% to £6,541 million (2025: £6,221 million). Fuel costs increased by £247 million, or 14.7%, to £1,930 million due to the increase in fuel price which was largely driven by the conflict in the Middle East, partially mitigated by the decrease in flying. Operating expenditure excluding fuel, increased by 2.9% to £4,641 million (2025: £4,538 million), largely driven by an increase in employee costs, increased landing fees and an increase in depreciation as a result of investment in the business.

Exceptional items
There was one exceptional item for the six-month period ended 30 June 2026 (2025: none) relating to costs associated with the Working as One BA people change programme as detailed in Note 3 of the Consolidated Interim Financial Statements.

Non-operating items
The Group's net non-operating credit for the six-month period was £132 million in 2026 (2025: £72 million credit). Non-operating items during the period include a net gain of £186 million (2025: net gain of £175 million) relating to the share of post-tax results of associates, finance income of £49 million (2025: £60 million), net financing credits of £48 million (2025: credits of £36 million) relating to pensions, net losses of £14 million (2025: net losses of £10 million) relating to the revaluation of foreign currency denominated debts and related derivatives, finance costs of £151 million (2025: £194 million) and a net gain of £14 million relating to other non-operating items (2025: gain of £5m).

Tax
The tax charge for the period was £219 million (2025: £178 million). The effective rate for the period was 22% (2025: 20%) being lower (2025: lower) than the tax charge (2025: tax charge) at the applicable UK corporation tax rate for the period of 25% (2025: 25%). Refer to note 6 for further detail.

Capital expenditure
Total capital expenditure paid in the period amounted to £537 million (2025: £864 million) which included £313 million (2025: £666 million) of fleet related spend (aircraft, aircraft progress payments, spares, modifications, heavy maintenance costs and refurbishments) and £224 million (2025: £198 million) on property, equipment, software and slots. During the period, the Group took delivery of 1 aircraft, an A320neo.

Principal risks and uncertainties

BA has continued to maintain its processes to identify, assess, and manage risks under IAG's Enterprise Risk Management (ERM) framework. The principal risks and uncertainties affecting BA are detailed in the Principal risks and uncertainties section of the 2025 Annual report and accounts and these remain relevant. The BA Board monitors the risk landscape and challenges management on its plans to address and adapt to changes that influence or impact BA's performance, including its response to significant geopolitical events such as the outbreak of war or market shocks, volatility in financial markets and friction in trade flows, disruption in operations and supply chain, and AI and other emerging technologies that could transform the business or the aviation industry.

In assessing its principal risks, BA has considered its risk environment including: (i) ongoing market volatility and macro-economic uncertainty, fuel pricing and operational and customer disruption; (ii) energy price increases and security over jet fuel supply; (iii) outcomes to markets and demand resulting from central bank or governmental policy decisions that may reduce customer confidence in key customer segments or markets; (iv) resilience to the cyber threat environment, further heightened by geopolitical conflicts, with the acceleration in agentic AI to gain unauthorised access to systems or data within BA or its supply chain; (v) BA's operational, IT and technical resilience to adapt to unplanned events; (vi) increased friction impacting the flow of goods and creating further supply chain delays in aircraft maintenance, especially for engines and components; (vii) status of expansion plans and proposed costs for London Heathrow; (viii) mandates for the use of synthetic sustainable jet fuel and carbon schemes; and (ix) managing the cost base and any new inflationary effects and managing AI and agentic AI adoption and transformational change at pace.

No new principal risks were identified through the risk management discussions and assessments in the year to date. Where further action has been required, the BA Board has considered potential mitigations, and, where appropriate or feasible, BA has implemented or confirmed plans that would appropriately address those risks.

From the risks identified in the 2025 Annual report and accounts, given the current environment, the main risks that continue to be a key area of focus, due to their potential implications for BA, are outlined below.

- Critical third parties in the supply chain. The aviation sector is affected by its reliance on the global supply chain with the additional stresses of inflationary pressures and friction in global trade driven by geopolitical events and tariffs. Procurement specialists work with all critical suppliers to understand any potential disruption which could impact the availability of new fleet, engines or critical goods or reliability of critical services. BA is particularly focused on aircraft and engine manufacturers, given lack of fleet and engine availability and engines' durability problems, to understand their recovery plans and ensure that the additional cost and complexity of delivery delays is minimised or resilience to mitigate third party weaknesses is optimised. Airport infrastructure developments and BA's dependency on airport planners in hub airports, to enable growth in a timely, cost effective manner or to minimise operational impacts, are assessed and proactively managed. Expansion plans for London Heathrow airport could see the costs of inefficient infrastructure developments impacting on traffic and network, growth and fleet decisions.
- Data and cybersecurity. Ongoing geopolitical conflicts, protectionist stances between regions and governments and the acceleration in agentic AI to gain unauthorised access to systems or data and to scale attacks sees increased exposure across all sectors particularly those with complex, interconnected supply chains. These can have a significant impact with uncertain recovery times or require limitations on operations to address and resolve or restore data loss. BA is further developing its security defences and extending monitoring and recovery capabilities and that of its third parties to protect itself.
- Economic, political and regulatory environment. Wider macroeconomic events continue to drive significant market uncertainty and volatility as well as financial factors including inflation, interest rates, fuel price and foreign exchange rates. The status of the negotiations between the US and Iran and its impact on demand, as well as operations, remain under review. The tone of dialogue and political responses between countries to ongoing conflicts or relative policy position may cause operational disruption to BA or its third parties as well as see shifts in investment, change in support for the aviation industry or increased costs. The rise of populist governments and the trend of regulatory and policy disparity between key regions or significant reversal in government policy approaches, may see further protectionism which could result in market or competitive distortion.
- Operational and IT resilience. BA's operational environment remains highly reliant on the ability to adapt operational and customer processes to external event changes, particularly with a volatile geopolitical environment creating short term operational and airspace disruptions. BA continues with the delivery of significant IT infrastructure transformation to modernise and digitalise its IT estate, as well as securing increased technical resilience. BA is affected by its reliance on the global supply chain and the impacts of delays in aircraft deliveries, scarcity of components and engines on aircraft turnarounds, aircraft on the ground and reduced aircraft utilisation. BA is focused on minimising the impact of any unplanned outages or disruption to customers with additional resilience built into its network.
- Sustainable aviation. BA monitors and assesses the outcomes of UK policy on carbon costs from mandates on the aviation sector. Current mandates and policy proposals could see an increase in competitive distortion, particularly from the costs of mandates for the use of synthetic sustainable jet fuel.
- Transformation, innovation and AI. BA has identified initiatives within its cost base to help offset inflationary price increases driven by geopolitical events and the additional costs of resilience and disruption management. Use of AI and agentic AI models provide solutions to operational bottlenecks or disruption events, optimise outcomes or re-engineer ways of working supported by data driven insights. BA is focused on securing skillsets and implementing organisational structures for future ways of working as AI tools and end to end domain transformation is embedded. An AI governance framework with IAG oversight is in place across AI enabled initiatives. The talent and cultural mindset needed to deliver the transformation, innovation and growth plans to meet BA's ambition will be critical to delivery success.

The BA Board has been appraised of regulatory, competitor and governmental responses on an ongoing basis.

By order of the Board

Signed by:
Sean Doyle
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Sean Doyle
Chairman and Chief Executive Officer
4 August 2026

Signed by:
Gabriel Perdiguero de la Torre
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Gabriel Perdiguero de la Torre
Chief Financial and Transformation Officer
4 August 2026

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Forward-looking statements:

This announcement contains forward-looking statements within the meaning of applicable securities laws. This cautionary statement is made for the purpose of providing protection for such forward-looking statements and is intended to qualify all forward-looking statements made in, or incorporated by reference into, this announcement. These statements can be identified by the fact that they do not relate only to historical or current facts. By their nature, they involve risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Actual results could differ materially from those expressed or implied by such forward-looking statements

Forward-looking statements often use words such as "expects", "believes", "may", "will", "could", "should", "would", "might", "continues", "intends", "plans", "targets", "predicts", "estimates", "envisages", "anticipates", "aims", "seeks", "projects", "forecasts", "outlook" or "guidance", or the negative or other variations of such words, or comparable terminology. They include, without limitation, any and all projections or expectations relating to the results of operations, financial condition, cash flows, dividend policy, capital allocation, fleet and capacity plans, route network development, competitive position, industry trends, strategy and regulatory developments of British Airways and its subsidiary undertakings from time to time (the 'Group'), as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditure, acquisitions and divestments relating to the Group and discussions of the Group's business plans, and its assumptions, expectations, objectives and resilience with respect to climate and sustainability scenarios. All forward-looking statements in this announcement are based upon information known to the Group on the date of this announcement and speak as of the date of this announcement. Except as required by applicable law, regulation or the rules of any stock exchange on which the Group's securities are admitted to trading, the Group expressly disclaims any obligation or undertaking to release publicly any update, revision, or correction to any forward-looking statement contained herein to reflect any change in the Group's expectations or any change in events, conditions, assumptions, or circumstances on which any such statement is based.

Actual results may differ from those expressed or implied in the forward-looking statements in this announcement as a result of any number of known and unknown risks, uncertainties and other factors, including, but not limited to: changes in general economic, business, or market conditions; fuel price volatility; foreign exchange rate fluctuations; changes in interest rates and financing conditions; the impact of pandemics, public health emergencies, or travel restrictions; terrorist incidents, armed conflicts, or geopolitical instability; changes in applicable laws, regulations, or government policy (including taxation, emissions trading schemes, and environmental regulation); the loss, reduction, or reallocation of airport slots or changes to slot allocation rules and regulations, labour relations, industrial action, or workforce constraints; disruptions to IT systems or cybersecurity incidents; the outcome of litigation or regulatory proceedings; changes in competitive dynamics, consumer demand, or booking patterns; supply chain disruptions; climate-related risks; and the Group's ability to execute its business strategy, achieve anticipated synergies, or manage its fleet and capacity plans — many of which are difficult to predict and are generally beyond the control of the Group, and it is not reasonably possible to enumerate all factors that could cause actual results to differ materially from those anticipated. Accordingly, readers of this announcement are cautioned against relying on forward-looking statements. Further information on the primary risks of the business and the Group's risk management process is set out in the Risk management and principal risk factors section in the Annual report and accounts 2025; this document is available on www.iairgroup.com. All forward-looking statements made on or after the date of this announcement and attributable to BA are expressly qualified in their entirety by the primary risks set out in that section.

Where forward-looking statements in this announcement are based on data, forecasts, or estimates sourced from third parties, the Group has not independently verified such information and makes no representation or warranty, express or implied, as to its accuracy, completeness, or reliability.

To the fullest extent permitted by applicable law, neither the Group nor any of its directors, officers, employees, or advisers accepts any liability whatsoever for any loss, howsoever arising, from any use of, or reliance on, forward-looking statements contained in this announcement or any information on which such statements are based.

These cautionary statements qualify all forward-looking statements contained in this announcement and all forward-looking statements attributable to the Group or to persons acting on its behalf, whether made in writing or orally, including in investor presentations, earnings calls, or other communications.

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BRITISH AIRWAYS PLC

Unaudited Condensed Consolidated Interim Financial Statements
1 January 2026 – 30 June 2026

Consolidated income statement

For the six months ended 30 June

£ million	Note	**2026**	2025
Passenger revenue		**6,976**	6,570
Cargo revenue		**369**	393
Other revenue		**81**	82
Total revenue		**7,426**	7,045
Employee costs		**1,631**	1,535
Fuel costs and emission charges		**1,930**	1,683
Handling, catering and other operating costs		**818**	852
Landing fees and en-route charges		**585**	542
Engineering and other aircraft costs		**421**	482
Property, IT and other costs		**308**	321
Selling costs		**237**	237
Depreciation, amortisation and impairment	8	**637**	597
Net gain on sale of property, plant and equipment		**-**	(2)
Currency differences		**4**	(26)
Total expenditure on operations		**6,571**	6,221
Operating profit		**855**	824
Finance costs	5a	**(151)**	(194)
Finance income	5b	**49**	60
Net financing credit relating to pensions	5c	**48**	36
Net currency retranslation costs		**(14)**	(10)
Share of profits in investments accounted for using the equity method	11	**186**	175
Other non-operating costs	5d	**14**	5
Total net non-operating credits		**132**	72
Profit before tax		**987**	896
Tax	6	**(219)**	(178)
Profit after tax		**768**	718

Consolidated statement of other comprehensive income

For the six months ended 30 June

£ million	Note	**2026**	2025
Items that may be reclassified subsequently to net profit			
Cash flow hedges:			
Fair value movements in equity		**707**	(322)
Reclassified and reported in net profit		**(315)**	34
Fair value movements on cost of hedging		**(12)**	(16)
Cost of hedging reclassified and reported in net profit		**13**	13
Currency translation differences		**(4)**	9
Share of movements in comprehensive income of associates	11	**13**	6
		402	(276)
Items that will not be reclassified to net profit			
Remeasurements of post-employment benefit obligations		**67**	87
		67	87
Total other comprehensive income/(loss), net of tax		**469**	(189)
Profit after tax for the period		**768**	718
Total comprehensive income for the period		**1,237**	529

Consolidated balance sheet

£ million	Note	**30 June 2026**	31 December 2025
Non-current assets			
Property, plant and equipment	8	**12,142**	12,227
Intangible assets	8	**1,423**	1,343
Investments accounted for using the equity method	11	**2,751**	2,553
Other equity investments		**42**	42
Employee benefit assets	15	**1,875**	1,800
Derivative financial instruments		**70**	10
Carbon-related and other non-current assets		**598**	551
Total non-current assets		**18,901**	18,526
Current assets			
Non-current assets held for sale	10	**3**	-
Inventories		**181**	180
Trade receivables		**915**	751
Carbon-related and other current assets		**1,527**	1,070
Current tax receivable		**63**	-
Derivative financial instruments		**293**	36
Current interest-bearing deposits		**60**	260
Cash and cash equivalents		**2,605**	1,593
Total current assets and receivables		**5,647**	3,890
Total assets		**24,548**	22,416
Shareholders' equity			
Issued share capital		**290**	290
Share premium		**1,512**	1,512
Other reserves		**5,798**	4,565
Total shareholders' equity		**7,600**	6,367
Total equity		**7,600**	6,367
Non-current liabilities			
Borrowings	14	**5,228**	5,542
Employee benefit obligations	15	**48**	62
Deferred tax liability		**900**	589
Provisions	16	**648**	559
Derivative financial instruments		**27**	149
Other non-current liabilities		**280**	264
Total non-current liabilities		**7,131**	7,165
Current liabilities			
Borrowings	14	**1,745**	1,735
Trade and other payables		**2,602**	2,405
Deferred revenue		**5,048**	4,187
Derivative financial instruments		**136**	301
Current tax payable		**3**	7
Provisions	16	**283**	249
Total current liabilities		**9,817**	8,884
Total liabilities		**16,948**	16,049
Total equity and liabilities		**24,548**	**22,416**

Consolidated cash flow statement

For the six months ended 30 June

£ million	Note	2026	2025
Cash flow from operating activities			
Operating profit		**855**	824
Depreciation, amortisation and impairment		**637**	597
Net gain on sale of property, plant and equipment		**-**	(2)
Employer contributions to defined benefit pension schemes net of service and administration costs		**(10)**	(7)
Decrease/(increase) in provisions (excluding carbon-related obligations)		**25**	(33)
Purchase of carbon assets net of the change in carbon obligations		**50**	(43)
Unrealised currency differences		**9**	(53)
Other movements		**25**	(30)
Interest paid		**(134)**	(177)
Interest received		**44**	60
Tax paid		**(92)**	(112)
Net cash flows generated from operating activities before movements in working capital		**1,409**	1,024
Increase in trade receivables		**(164)**	(36)
Increase in inventories		**(1)**	(45)
Increase in other receivables and current assets (excluding carbon-related assets)		**(472)**	(127)
Increase in trade payables		**135**	144
Increase in deferred revenue		**875**	718
Increase in other payables and current liabilities		**19**	140
Net cash flows generated from operating activities		**1,801**	1,818
Cash flow from investing activities			
Acquisition of property, plant and equipment and intangible assets		**(537)**	(863)
Proceeds from sale of property, plant and equipment and intangible assets		**2**	2
Dividends received		**5**	1
Increase in interest bearing deposits		**200**	79
Net cash flows used in investing activities		**(330)**	(781)
Cash flow from financing activities			
Proceeds from borrowings		**-**	128
Repayments of borrowings		**(118)**	(32)
Repayment of lease liabilities		**(256)**	(377)
Settlement of derivative financial instruments		**(76)**	(40)
Net cash flows used in financing activities		**(450)**	(321)
Net increase in cash and cash equivalents		**1,021**	716
Net foreign exchange differences		**(9)**	147
Cash and cash equivalents at 1 January		**1,593**	1,624
Cash and cash equivalents at period end		**2,605**	2,487

Reconciliation to Total cash, cash equivalents and other interest-bearing deposits		
Cash and cash equivalents at period end	**2,605**	2,487
Interest-bearing deposits maturing after more than three months	**60**	391
Cash, cash equivalents and other interest-bearing deposits	**2,665**	2,878

Consolidated statement of changes in equity

For the six months ended 30 June 2026

£ million	Issued share capital	Share premium	Other reserves	Retained earnings	**Total equity**
As at 1 January 2026	290	1,512	290	4,275	**6,367**
Profit for the period	-	-	-	768	**768**
Transactions with owners, recorded directly in equity					
Share-based payment charge	-	-	6	-	**6**
Share-based payment recharge	-	-	(6)	-	**(6)**
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**
Other comprehensive income for the period	-	-	389	80	**469**
Total comprehensive income for the period, net of tax	-	-	389	848	**1,237**
Cost of share-based payments	-	-	-	2	**2**
Hedges transferred to the balance sheet, net of tax	-	-	(7)	-	**(7)**
Capital contribution	-	-	1	-	**1**
As at 30 June 2026	**290**	**1,512**	**673**	**5,125**	**7,600**

For the six months ended 30 June 2025

£ million	Issued share capital	Share premium	Other reserves	Retained earnings	Total Equity
As at 1 January 2025	290	1,512	233	2,782	4,817
Profit for the period	-	-	-	718	718
Transactions with owners, recorded directly in equity					
Share-based payment charge	-	-	7	-	7
Share-based payment recharge	-	-	(7)	-	(7)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	-
Other comprehensive loss for the period	-	-	(282)	93	(189)
Total comprehensive loss for the period, net of tax	-	-	(282)	811	529
Hedges transferred to the balance sheet, net of tax	-	-	(4)	-	(4)
As at 30 June 2025	290	1,512	(53)	3,593	5,342

Notes to the accounts

For the six months ended 30 June 2026

1 Corporate information and basis of preparation

British Airways Plc (hereinafter 'British Airways', 'BA' or the 'Group') is a public limited company incorporated in the United Kingdom and registered in England and Wales.

The condensed consolidated interim financial statements were prepared in accordance with IAS 34 and authorised for issue by the Board of Directors on 4 August 2026. The condensed consolidated interim financial statements herein are not the Group's statutory accounts and are unaudited.

Going concern

At 30 June 2026, the Group had total liquidity of £4.5 billion (31 December 2025: total liquidity of £3.7 billion), comprising cash and cash equivalents of £2.6 billion (31 December 2025: £1.6 billion) and interest-bearing deposits of £0.1 billion (31 December 2025: £0.3 billion) and £1.8 billion of committed and undrawn general facilities (31 December 2025: £1.8 billion). The Group has no financial covenants associated with its loans and borrowings.

In its assessment of going concern, the Group has modelled two scenarios referred to below as the Base Case and the Downside Case over a period of at least twelve months from the date of the approval of these condensed consolidated interim financial statements (the 'going concern period'). The Group's three-year business plan was used in the creation of the Base Case, which was prepared for and approved by the Board in December 2025 and was subsequently refreshed with the latest available internal and external information in June and July 2026. The refreshed business plan takes into account the Board's and management's views on capacity, based on the potential impact of the wider economic and geopolitical environment on the Group across the going concern period. The key inputs and assumptions underlying the Base Case, through to 30 September 2027, include:

- the Group has assumed that the committed and undrawn general facilities of £1.8 billion will not be drawn over the going concern period.
- of the capital commitments detailed in Note 8, £1,254 million is due to be paid over the period to 30 September 2027; and
- while the Group does not expect to finance all expected aircraft deliveries over the going concern period, for those it does expect to finance, it has forecast securing all £309 million, of the aircraft financing that is currently uncommitted, to align with the timing and payments for those aircraft deliveries it expects to finance, including aircraft delivered prior to the balance sheet date that had not had their financing secured at the balance sheet date.

The Downside Case applies stress to the Base Case to model adverse commercial and operational impacts over the going concern period represented by: reduced levels of capacity operated in each month, including reductions of 25 per cent for three months over the going concern period; reduced passenger unit revenue per ASK; increases in the price of jet fuel by 20 per cent above that assumed in the Base Case; and increased operational costs. In the Downside Case, over the going concern period capacity would be 11 per cent down when compared to the Base Case. The Directors consider the Downside Case to be a severe but plausible scenario.

Having reviewed the Base Case and the Downside Case, the Directors have a reasonable expectation that the Group has sufficient liquidity to continue in operational existence for a period of at least twelve months from the date of approval of these condensed consolidated interim financial statements and hence continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the six months to 30 June 2026.

2 Material accounting policies

Critical accounting judgements and key sources of estimation uncertainty

Except as described below, the accounting policies adopted in the presentation of the condensed consolidated interim financial statements for the six months to 30 June 2026 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year to 31 December 2025.

In preparing the condensed consolidated interim financial statements for the six months to 30 June 2026, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses consistent with those disclosed in the Group's annual consolidated financial statements for the year to 31 December 2025.

New material accounting policies relevant to the current reporting period

There are no new material accounting policies in the six-month period to 30 June 2026.

New standards, interpretations and amendments adopted by the Group

The following amendments and interpretations apply for the first time in 2026, but do not have a material impact on the consolidated financial statements of the Group:

- Classification and measurement of financial instruments – amendments to IFRS 9 and IFRS 7 effective for periods beginning on or after 1 January 2026.

The IASB and IFRIC have issued the following standards, amendments and interpretations with an effective date after the end date of these financial statements:

IFRS 18 Presentation and disclosure in financial statements
IFRS 18 becomes effective for periods beginning on or after 1 January 2027 and replaces IAS 1 Presentation of financial statements. IFRS 18 is applicable retrospectively. The new standard introduces the following:

- A requirement to classify all income and expenses within the Income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, for which the first three are new. There is no change to the existing recognition and measurement criteria within IFRS, and accordingly, there will be no change to profit after tax;
- The disclosure of all Income statement non-GAAP measures used to monitor the financial performance of the Group, referred to as Management-defined performance measures (MPMs), are disclosed within a single note to the financial statements;
- Additional guidance on the aggregation and disaggregation of information in the financial statements; and
- In the Cash flow statement, interest received and interest paid, currently presented within cash flows from operating activities, will be reclassified to cash flows from investing activities and cash flows from financing activities, respectively.

The Group is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The initial expected material impacts on the Group's consolidated financial statements are as follows:

- In the Income statement, foreign exchange differences will be classified in the category where the related income and expense form the item giving rise to the foreign exchange difference;
- In the Income statement, ineffectiveness arising from hedge relationships as well as realised and unrealised gains/losses on derivatives not qualifying for hedge accounting will be classified in the category where the related underlying transaction is recorded;
- In the cash flow statement, interest received and interest paid will be classified within cash flows from investing activities and cash flows from financing activities, respectively; and
- The introduction of MPMs and their interaction with existing Alternative performance measures (APMs).

Significant changes and transactions in the current reporting period

There are no significant changes or transactions in the six-month period to 30 June 2026.

Notes to the accounts continued
For the six months ended 30 June 2026

3 Exceptional items

Exceptional items are those that in the Board's and management's view need to be separately disclosed by virtue of their size or incidence to supplement the understanding of the entity's financial performance. The Management Committee of the Group uses financial performance on a pre-exceptional basis to evaluate operating performance and to make strategic, financial and operational decisions, and externally because it is widely used by security analysts and investors in evaluating the performance of the Group between reporting periods and against other companies.

There has been one exceptional item recorded in the six months to 30 June 2026 (six months to 30 June 2025: none). The exceptional charge of £30m million is attributable to the Working as One BA people change programme, which right-sizes and supports more efficient working within the Group's central functions. The exceptional charge has been recorded within Employee costs in the Income statement.

The table below reconciles the summarised reported Income statement to the Income statement before exceptional items of the Group for the six months to 30 June 2026 and 2025, respectively:

For the six months ended 30 June

£ million	Reported 2026	Exceptional items	Before exceptional items 2026	Reported 2025	Exceptional items	Before exceptional items 2025
Passenger revenue	**6,976**	-	**6,976**	6,570	-	6,570
Cargo revenue	**369**	-	**369**	393	-	393
Other revenue	**81**	-	**81**	82	-	82
Total revenue	**7,426**	-	**7,426**	7,045	-	7,045
Employee costs	**1,631**	30	**1,601**	1,535	-	1,535
Fuel costs and emission charges	**1,930**	-	**1,930**	1,683	-	1,683
Handling, catering and other operating costs	**818**	-	**818**	852	-	852
Landing fees and en-route charges	**585**	-	**585**	542	-	542
Engineering and other aircraft costs	**421**	-	**421**	482	-	482
Property, IT and other costs	**308**	-	**308**	321	-	321
Selling costs	**237**	-	**237**	237	-	237
Depreciation, amortisation and impairment	**637**	-	**637**	597	-	597
Net gain on sale of property, plant and equipment	**-**	-	**-**	(2)	-	(2)
Currency differences	**4**	-	**4**	(26)	-	(26)
Total expenditure on operations	**6,571**	30	**6,541**	6,221	-	6,221
Operating profit	**855**	(30)	**885**	824	-	824
Finance costs	**(151)**	-	**(151)**	(194)	-	(194)
Finance income	**49**	-	**49**	60	-	60
Net financing credit relating to pensions	**48**	-	**48**	36	-	36
Net currency retranslation costs	**(14)**	-	**(14)**	(10)	-	(10)
Share of profits in investments accounted for using the equity method	**186**	-	**186**	175	-	175
Other non-operating costs	**14**	-	**14**	5	-	5
Total net non-operating credits/(costs)	**132**	-	**132**	72	-	72
Profit before tax	**987**	(30)	**1,017**	896	-	896
Tax	**(219)**	7	**(226)**	(178)	-	(178)
Profit after tax	**768**	(23)	**791**	718	-	718

Notes to the accounts continued

For the six months ended 30 June 2026

4 Seasonality

The Group's business is highly seasonal with demand strongest during the summer months. Accordingly, higher revenues and operating profits are usually expected in the latter six months of the financial year than in the first six months.

5 Finance costs, income and other non-operating credits

For the six months ended 30 June

a Finance costs

£ million	**2026**	2025
Interest expenses on:		
Bank borrowings	**-**	(1)
Asset financed liabilities	**(53)**	(65)
Lease liabilities	**(62)**	(69)
Provisions unwinding of discount	**(9)**	(11)
Capitalised interest on progress payments	**12**	11
Other finance costs	**(39)**	(59)
Total finance costs	**(151)**	(194)

b Finance income

£ million	**2026**	2025
Interest on other interest-bearing deposits	**49**	60
Total finance income	**49**	60

c Net financing credit relating to pensions

£ million	**2026**	2025
Net financing credit relating to pensions	**48**	36
Total net financing credit relating to pensions	**48**	36

d Other non-operating credits

£ million	**2026**	2025
Realised gains/(loss) on derivatives not qualifying for hedge accounting	**9**	(2)
Income received from other equity investments	**5**	7
Total other non-operating credits	**14**	5

Notes to the accounts continued

For the six months ended 30 June 2026

6 Tax

The tax charge in the Income statement was as follows:

£ million	**2026**	2025
Current tax	**(51)**	(23)
Deferred tax	**(168)**	(155)
Total tax	**(219)**	(178)

The effective rate for the period was 22 per cent (2025: 20 per cent) being lower (2025: lower) than the tax charge (2025: tax charge) at the applicable UK corporation tax rate for the period of 25 per cent (2025: 25 per cent).

Reconciliation of the total tax charge

£ million	**2026**	2025
Accounting profit before tax	**(987)**	(896)
Corporation tax rate	**25%**	25%
Tax at standard corporation tax rate	**247**	224
Non-deductible expenses	**4**	6
Intra-group associates' profits	**(47)**	(45)
Effect of pension fund accounting	**(7)**	(6)
Adjustments in respect of prior periods	**22**	(1)
Effect of tax rates in foreign jurisdictions	**2**	-
Other non-taxable income	**(2)**	-
Tax charge in the income statement	**219**	178

Tax-related contingent liabilities

The Group has certain contingent liabilities that could be reliably estimated, across all taxes, at 30 June 2026 amounting to £14 million (31 December 2025: £14 million). While the Group does not consider it more likely than not that there will be material losses on these matters, given the inherent uncertainty associated with tax litigation and tax audits, there can be no guarantee that material losses will not eventuate. As the Group considers that it is more probable than not of success in each of these matters, it is not appropriate to make a provision for these amounts.

Engagement with tax authorities

The Group is subject to audit and enquiry by tax authorities in the territories in which it operates, and engages with those tax authorities in a cooperative manner.

Unrecognised temporary differences

As at 30 June 2026, the Group has unrecognised temporary differences of £308 million (31 December 2025: £297 million) relating mainly to UK capital losses the Group does not reasonably expect to utilise.

7 Dividends

No dividends were paid during the six months to 30 June 2026 (30 June 2025: £nil).

8 Property, plant, equipment and intangibles

£ million	Owned property, plant and equipment	Right of use assets	**Total property, plant and equipment**	**Intangible assets**
Net book value at 1 January 2026	9,046	3,181	**12,227**	**1,343**
Additions	429	4	**433**	**148**
Modification of leases	-	59	**59**	**-**
Disposals	(4)	(4)	**(8)**	**-**
Depreciation, amortisation and impairment	(386)	(183)	**(569)**	**(68)**
Reclassifications[1]	50	(50)	**-**	**-**
Net book value as at 30 June 2026	**9,135**	**3,007**	**12,142**	**1,423**

£ million	Owned property, plant and equipment	Right of use assets	Total property, plant and equipment	Intangible assets
Net book value at 1 January 2025	8,092	3,564	11,656	1,218
Additions	828	20	848	111
Modification of leases	-	68	68	-
Disposals	-	(1)	(1)	-
Depreciation, amortisation and impairment	(337)	(200)	(537)	(60)
Reclassifications[1]	72	(72)	-	-
Net book value as at 30 June 2025	8,655	3,379	12,034	1,269

1 Amounts with a net book value of £50 million (2025: £72 million) were reclassified from Right of use assets to Owned Property, plant and equipment. The assets reclassified related partly to leases with purchase options that were grandfathered as Right of use assets upon transition to IFRS 16, for which the Group had been depreciating over the expected useful life of the aircraft, incorporating the purchase option and partly to leases without purchase options, where a fixed buyout payment was agreed and paid, and title of the aircraft subsequently transferred to the Group.

At 30 June 2026, long-term borrowings of the Group are secured on fleet assets with a net book value of £3,304 million (31 December 2025: £3,433 million). There is also property pledged as security with a net book value of of £657 million (31 December 2025: £653 million).

Capital expenditure recognised and contracted for but not provided for at 30 June 2026 amounts to £10,511 million (31 December 2025: £10,131 million). The majority of capital expenditure commitments are denominated in US dollars and as such the commitments are subject to changes in foreign exchange rates.

9 Impairment review

Goodwill and intangible assets with indefinite lives are tested for impairment annually and when circumstances indicate the carrying value may be impaired. As of 30 June 2026, there are no indicators that the carrying value may exceed the recoverable amount and accordingly, no impairment test has been performed.

10 Non-current assets held for sale

At 30 June 2026, the Group classified four aircraft with total carrying value of £3 million as held for sale. Management is committed to the sale of these aircraft, and its completion is expected within 12 months of the reporting date. The assets are remeasured at the lower of their carrying amount and their fair value less costs to sell, which resulted in a write-down of £1 million recorded to depreciation, amortisation and impairment.

Notes to the accounts continued
For the six months ended 30 June 2026

11 Investments accounted for using the equity method

For the six months ended 30 June

£ million	**2026**	2025
Balance on 1 January	**2,553**	2,553
Share of attributable results	**186**	175
Share of movements in comprehensive income of associates	**13**	6
Dividends received	**-**	(1)
Exchange adjustments	**(1)**	5
As at 30 June	**2,751**	2,738

12 Financial instruments

a Financial assets and liabilities by category

The Group's financial instruments as at 30 June 2026 and 31 December 2025 by nature and classification for measurement purposes is as follows:

As at 30 June 2026

	Financial assets				
£ million	Amortised cost	Fair value through OCI	Fair value through income statement	Non-financial assets	**Total carrying amount**
Non-current financial assets					
Other equity investments	-	42	-	-	**42**
Derivative financial instruments	-	-	70	-	**70**
Other non-current assets	26	-	-	572	**598**
Current financial assets					
Trade receivables	915	-	-	-	**915**
Derivative financial instruments	-	-	293	-	**293**
Other current assets	494	-	-	1,096	**1,590**
Other current interest-bearing deposits	60	-	-	-	**60**
Cash and cash equivalents	2,605	-	-	-	**2,605**

	Financial liabilities				
£ million	Amortised cost	Fair value through OCI	Fair value through income statement	Non-financial liabilities	**Total carrying amount**
Non-current financial liabilities					
Interest bearing long-term borrowings	2,966	-	-	-	**2,966**
Lease liabilities	2,262	-	-	-	**2,262**
Derivative financial instruments	-	-	27	-	**27**
Other long-term liabilities	58	-	-	222	**280**
Current financial liabilities					
Current portion of long-term borrowings	1,135	-	-	-	**1,135**
Lease liabilities	610	-	-	-	**610**
Trade and other payables	1,782	-	-	820	**2,602**
Derivative financial instruments	-	-	136	-	**136**

Notes to the accounts continued

For the six months ended 30 June 2026

12 **Financial instruments** continued

a **Financial assets and liabilities by category** continued

As at 31 December 2025

	Financial assets				
£ million	Amortised cost	Fair value through OCI	Fair value through income statement	Non-financial assets	Total carrying amount
Non-current financial assets					
Other equity investments	-	42	-	-	42
Derivative financial instruments	-	-	10	-	10
Other non-current assets	27	-	-	524	551
Current financial assets					
Trade receivables	751	-	-	-	751
Derivative financial instruments	-	-	36	-	36
Other current assets	317	-	-	753	1,070
Other current interest-bearing deposits	260	-	-	-	260
Cash and cash equivalents	1,593	-	-	-	1,593

	Financial liabilities				
£ million	Amortised cost	Fair value through OCI	Fair value through income statement	Non-financial liabilities	Total carrying amount
Non-current financial liabilities					
Interest bearing long-term borrowings	3,060	-	-	-	3,060
Lease liabilities	2,482	-	-	-	2,482
Derivative financial instruments	-	-	149	-	149
Other long-term liabilities	55	-	-	209	264
Current financial liabilities					
Current portion of long-term borrowings	1,151	-	-	-	1,151
Lease liabilities	584	-	-	-	584
Trade and other payables	1,684	-	-	721	2,405
Derivative financial instruments	-	-	301	-	301

b **Fair values of financial assets and financial liabilities**

The fair values of the Group's financial instruments are disclosed in hierarchy levels depending on the nature of the inputs used in determining the fair values and using the following methods and assumptions:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Level 1 methodologies (market values at the balance sheet date) were used to determine the fair value of listed asset investments classified as equity investments and listed interest-bearing borrowings. The fair value of financial liabilities and financial assets incorporates own credit risk and counterparty credit risk, respectively.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of financial instruments that are not traded in an active market is determined by valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Derivative instruments are measured based on the market value of instruments with similar terms and conditions using forward pricing models, which include forward exchange rates, forward interest rates, forward fuel curves and corresponding volatility surface data at the reporting date. The determination of the fair value of derivative financial assets and liabilities are detailed in the 2025 Annual report and accounts.

The fair value of the Group's interest-bearing borrowings, excluding lease liabilities, is determined by discounting the remaining contractual cash flows at the relevant market interest rates at the balance sheet date. The fair value of the Group's interest-bearing borrowings is adjusted for own credit risk.

Notes to the accounts continued

For the six months ended 30 June 2026

12 **Financial instruments** continued

b **Fair values of financial assets and financial liabilities** continued

Level 3: Inputs for the asset or liability that are not based on observable market data. The principal method of such valuation is performed using a valuation model that considers the present value of the dividend cash flows expected to be generated by the associated assets.

The fair value of cash and cash equivalents, other current interest-bearing deposits, trade receivables, other current assets and trade and other payables approximate their carrying value largely due to the short-term maturities of these instruments.

The carrying amounts and fair values of the Group's financial assets and liabilities as at 30 June 2026 are set out below:

	Fair value				Carrying value
£ million	Level 1	Level 2	Level 3	**Total**	**Total**
Financial assets:					
Other equity investments	-	-	42	**42**	**42**
Other assets	-	20	-	**20**	**17**
Derivative financial assets[1]	-	363	-	**363**	**363**
Financial liabilities:					
Interest-bearing loans and borrowings	-	3,992	-	**3,992**	**4,101**
Derivative financial liabilities[2]	-	163	-	**163**	**163**

[1]Current portion of derivative financial assets is £293 million.
[2]Current portion of derivative financial liabilities is £136 million.

The carrying amounts and fair values of the Group's financial assets and liabilities as at 31 December 2025 are set out below:

	Fair value				Carrying value
£ million	Level 1	Level 2	Level 3	Total	Total
Financial assets:					
Other equity investments	-	-	42	42	42
Other assets	-	19	-	19	16
Derivative financial assets[1]	-	46	-	46	46
Financial liabilities:					
Interest-bearing loans and borrowings	-	4,200	-	4,200	4,210
Derivative financial liabilities[2]	-	449	-	449	449

[1]Current portion of derivative financial assets is £36 million.

[2]Current portion of derivative financial liabilities is £301 million.

There has been no transfer between levels of fair value hierarchy during the period.

c **Level 3 financial assets**

The carrying value of Level 3 financial assets at 30 June 2026 was £42 million (31 December 2025: £42 million). There were no changes in fair value or other movements for the period ended 30 June 2026 (30 June 2025: no changes).

13 Share capital

Total share capital amounted to £290 million at 30 June 2026 (31 December 2025: £290 million). The number of shares on issue at 30 June 2026 was 896,700 A1 shares (31 December 2025: 896,700) and 99,308 A2 shares (31 December 2025: 99,308) with a par value of £289.70 each, amounting to £289 million (31 December 2025: £289 million), and 1,000,000 B shares (31 December 2025: 1,000,000) and 147,963 C shares (31 December 2025: 147,963) with a par value of £1.00 each, amounting to £1 million (31 December 2025: £1 million).

14 Borrowings

	30 June 2026			31 December 2025		
£ million	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Bank and other loans	**924**	**5**	**929**	945	14	959
Asset financed liabilities	**211**	**2,961**	**3,172**	206	3,046	3,252
Lease liabilities	**610**	**2,262**	**2,872**	584	2,482	3,066
Interest bearing borrowings	**1,745**	**5,228**	**6,973**	1,735	5,542	7,277

Bank and other loans are repayable up to 2027. Long-term borrowings of the Group amounting to £3,197 million (31 December 2025: £3,288 million) are secured on fleet assets with a net book value of £3,304 million (31 December 2025: £3,433 million). Asset financed liabilities are all secured on the associated aircraft.

15 Employee benefits

The Group operates a variety of post-employment benefit arrangements, covering both defined contribution and defined benefit schemes.

Defined contribution schemes

The main defined contribution scheme is the British Airways Pension Plan ('BAPP'). It offers a choice of contribution rates and the ability to opt for cash instead of a pension.

Defined benefit schemes

The principal funded defined benefit pension schemes within the Group are the Airways Pension Scheme ('APS') and the New Airways Pension Scheme ('NAPS'), both of which are in the UK and are closed to new members.

APS has been closed to new members since 1984, but remains open to future accrual. The benefits provided under APS are based on final average pensionable pay and, for the majority of members, are subject to inflationary increases in payment.

NAPS has been closed to new members since 2003 and closed to future accrual since 2018. Following closure, members' deferred pensions are increased annually by inflation up to 5% per annum (measured using the Government's annual Pension Increase (Review) Orders, which since 2011 have been based on CPI).

Triennially, the Trustees of APS and NAPS undertake actuarial valuations, which are subsequently agreed with British Airways to determine the cash contributions and any deficit payment plans through to the next valuation date, as well as ensuring that the schemes have sufficient funds available to meet future benefit payments to members. These actuarial valuations are prepared using the principles set out in UK Pension legislation. This differs from the IAS 19 'Employee benefits' valuation, which is used for deriving the Income statement and Balance sheet positions, and uses a best-estimate approach overall. The different purpose and principles lead to different assumptions being used, and therefore a different estimate for the liabilities and funding levels.

The triennial valuations as at 31 March 2024 for APS and NAPS resulted in a surplus of £153 million for APS and a surplus of £1,730 million for NAPS. The actuarial valuations performed for APS and NAPS are different to the valuation performed as at 30 June 2026 under IAS 19 'Employee Benefits' mainly due to timing differences of the measurement dates and to the specific scheme assumptions in the actuarial valuation performed as at 31 March 2024 compared with IAS 19 requirements used in the accounting valuation assumptions as at the reporting date.

Cash payments and funding arrangements

Cash payments in respect of pension obligations comprise normal employer contributions made by the Group and any deficit contributions required. Given the surpluses in APS and NAPS arising from the triennial valuations, as at 31 March 2024, neither scheme has a deficit contribution plan.

Total payments for the six months to 30 June 2026 net of service costs made by the Group were £10 million (six months to 30 June 2025: £13 million). The Group expects to pay £nil in employer contributions to APS and NAPS over the six month period to 31 December 2026.

Notes to the accounts continued

For the six months ended 30 June 2026

15 **Employee benefits** continued

Scheme assets

£ million	APS	NAPS	Other	Total
				As at 30 June 2026
Scheme assets at fair value[2,3]	**4,588**	**12,611**	**329**	**17,528**
Present value of scheme liabilities[3]	**(4,444)**	**(10,270)**	**(357)**	**(15,071)**
Net pension asset/(liability)	**144**	**2,341**	**(28)**	**2,457**
Effect of the asset ceiling[1]	**(36)**	**(585)**	**-**	**(621)**
Other employee benefit obligations	**-**	**-**	**(9)**	**(9)**
	108	**1,756**	**(37)**	**1,827**
Represented by:				
Employee benefit assets				**1,875**
Employee benefit obligations				**(48)**
Net employee benefit assets				**1,827**

£ million	APS	NAPS	Other	Total
				As at 31 December 2025
Scheme assets at fair value[2,3]	4,743	12,803	314	17,860
Present value of scheme liabilities[3]	(4,584)	(10,577)	(354)	(15,515)
Net pension asset/(liability)	159	2,226	(40)	2,345
Effect of the asset ceiling[1]	(40)	(557)	-	(597)
Other employee benefit obligations	-	-	(10)	(10)
	119	1,669	(50)	1,738
Represented by:				
Employee benefit assets				1,800
Employee benefit obligations				(62)
Net employee benefit assets				1,738

[1]Both APS and NAPS are in an IAS 19 accounting surplus, which would be available to the Group as a refund upon wind up of the scheme. This refund is restricted due to withholding taxes that would be payable by the Trustee arising on both the net pension asset and the future contractual minimum funding requirements.
[2]Included within the fair value of scheme assets are £0.6 billion of private equities and alternatives at 30 June 2026, where the fair value has been determined based on the most recent third-party valuations. The dates of these valuations typically precede the reporting date and have been adjusted for any cash and foreign exchange movements between the date of the valuation and the reporting date. Typically, the valuation approach and inputs for these investments are not updated through to the reporting date unless there are indications of significant market movements.
[3]Includes Additional Voluntary Contributions (AVCs), which the Trustees hold as assets to secure additional benefits on a defined contribution basis for those members who elect to make such AVCs. At 30 June 2026, such assets were £258 million (31 December 2025: £260 million) with a corresponding amount recorded in the scheme liabilities.

Scheme liability assumptions

At each balance sheet date the assumptions used to determine the obligations under the APS and NAPS are reviewed and updated to reflect the market condition at that date. The principal assumptions used for the purpose of the IAS 19 valuation were as follows:

	At 30 June 2026		At 31 December 2025	
Per cent per annum	**APS**	**NAPS**	APS	NAPS
Discount rate	**5.60**	**5.90**	5.25	5.50
Rate of increase in pensionable pay	**3.05**	**N/A**	2.90	N/A
Rate of increase of pensions in payment	**3.05**	**2.55**	2.90	2.45
RPI rate inflation	**3.05**	**2.90**	2.90	2.80
CPI rate of inflation	**N/A**	**2.55**	N/A	2.45

Further information on the basis of the assumptions is included in note 28 of the Annual Report and Accounts for the year ended 31 December 2025.

16 Provisions

£ million	Restoration and handback	Restructuring	Legal claims and contractual disputes	Carbon obligations	Other	Total
Balance at 1 January 2026	640	20	8	121	19	808
Provisions recorded during the period	69	33	-	88	19	209
Reclassifications	-	-	-	-	-	-
Utilised during the period	(53)	(7)	-	-	(17)	(77)
Extinguished during the period	-	-	-	(25)	-	(25)
Release of unused amounts	(14)	(5)	(1)	(1)	-	(21)
Unwinding of discount	9	-	-	-	-	9
Remeasurements	24	-	-	-	-	24
Exchange differences	4	-	-	-	-	4
As at 30 June 2026	**679**	**41**	**7**	**183**	**21**	**931**
Analysis:						
Current	134	41	6	93	9	283
Non-current	545	-	1	90	12	648
	679	**41**	**7**	**183**	**21**	**931**

17 Contingent liabilities

There are a number of other legal and regulatory proceedings against the Group in a number of jurisdictions. At 30 June 2026, where they could be reliably estimated, such liabilities amounted to £4 million (31 December2025: £4 million). The Group does not consider it probable that there will be an outflow of economic resources with regard to these proceedings and accordingly no provisions have been recorded.

Contingent liabilities associated with employment and indirect taxes are presented in note 6.

18 Financial risk management

The Group is exposed to a variety of financial risks: market risk (including fuel price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. The principal impact of these on the condensed consolidated interim financial statements are discussed below:

Fuel price risk
The Group is exposed to fuel price risk. In order to mitigate such risk, under the Group's fuel price risk management strategy, a variety of over-the-counter derivative instruments are entered into. The Group strategy is to hedge a proportion of fuel consumption up to three years within the approved hedging profile.

At 30 June 2026, the fair value of the fuel derivative instruments was a £250 million net asset, representing an increase of £409 million since 1 January 2026 (£159 million net liability).

Foreign currency risk
The Group is exposed to foreign currency risk on revenue, purchases and borrowings that are denominated in a currency other than sterling. The currencies in which these transactions are primarily denominated are US dollar and euro. The Group has a number of strategies to hedge foreign currency risk, including hedging a proportion of its foreign currency sales and purchases for up to three years.

At 30 June 2026, the fair value of foreign currency derivative instruments was a £54 million net liability, representing a decrease in the liability of £193 million since 1 January 2026 (£247 million net liability).

Interest rate risk
The Group is exposed to changes in interest rates on debt and cash deposits. In order to mitigate the interest rate risk, the Group's policies allow a variety of over-the-counter derivative instruments to be entered into.

At 30 June 2026, the fair value of interest rate derivative instruments was an £3 million net asset representing an increase of £1 million since 1 January 2026 (£2 million net asset).

18 Financial risk management continued

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has policies and procedures to monitor the risk by assigning limits to each counterparty by underlying exposure and by operating company and by only entering into transactions with counterparties with a very low credit risk.

At each period end, the Group assesses the effect of counterparties' and the Group's own credit risk on the fair value of derivatives.

The financial assets recognised in the financial statements, net of impairment losses (if any), represent the Group's maximum exposure to credit risk, without taking into account any guarantees in place or other credit enhancements.

19 Related party transactions

The Group had transactions in the ordinary course of business during the six months ended 30 June 2026 with related parties.

	Six months ended 30 June	
£ million	**2026**	2025
Sales of goods and services:		
Sales to/purchases on behalf of IAG[1]	**1**	21
Sales to/purchases on behalf of subsidiary undertakings of the parent[2]	**96**	66
Sales to/purchases on behalf of significant shareholders of the parent[3]	**68**	53
Sales to associates[4]	**266**	262
Purchases of goods and services:		
Purchases from IAG[1]	**68**	20
Purchases from subsidiary undertakings of the parent[2]	**134**	171
Purchases from significant shareholders of the parent[3]	**19**	33
Purchases from associates[4]	**38**	50

Period end balances arising from sales and purchases of goods and services:

	30 June	31 December
£ million	**2026**	2025
Receivables from related parties:		
Amounts owed by IAG[1]	**1**	*22*
Amounts owed by subsidiary undertakings of the parent[2]	**84**	63
Amounts owed by significant shareholders of the parent[3]	**31**	66
Amounts owed by associates[4]	**339**	291
Payables to related parties:		
Amounts owed to IAG[1]	**916**	947
Amounts owed to subsidiary undertakings of the parent[2]	**37**	50
Amounts owed to significant shareholders of the parent[3]	**-**	-
Amounts owed to associates[4]	**1,975**	1,843

[1]The transactions between BA and IAG principally comprise mainly of a long-term loan, management fee in respect of services provided by IAG and recharges between the entities in respect of invoices settled on behalf of the other party. Transactions with IAG are carried out on an arm's length basis. The long-term loan owed to and from the Group bear market rates of interest.
[2]Amounts owed by and to subsidiary undertakings of IAG related to other subsidiaries of the IAG Group. Sales include interline transactions amounting to £54 million (2025: includes £15 million) where BA have flown a passenger on behalf of a related party airline and there are revenues and associated costs within BA's income statement. In these transactions, the passenger is the end consumer and the related party airline acts as the agent. Purchases exclude interline transactions amounting to £53 million (2025: excludes £51 million) where a related party airline has flown a passenger on behalf of BA. In these transactions, BA acts as the agent and there are no revenues or associated costs within BA's income statement.
[3]Amounts owed by and to significant shareholders of IAG. Sales include interline transactions amounting to £29 million (2025: includes £29 million) where BA have flown a passenger on behalf of a related party airline and there are revenues and associated costs within BA's income statement. In these transactions, the passenger is the end consumer and the related party airline acts as the agent. Purchases exclude interline transactions amounting to £80 million (2025: excludes £151 million) where a related party airline has flown a passenger on behalf of BA. In these transactions, BA acts as the agent and there are no revenues or associated costs within BA's income statement.
[4]Sales and purchases with associates are made at normal market prices and outstanding balances are unsecured. Cash settlement is expected within the standard settlement terms. Sales include interline transactions amounting to £88 million (2025: includes £60 million) where BA have flown a passenger on behalf of a related party airline and there are revenues and associated costs within BA's income statement. In these transactions, the passenger is the end consumer and the related party airline acts as the agent. Purchases exclude interline transactions amounting to £72 million (2025: excludes £96 million) where a related party airline has flown a passenger on behalf of BA. In these transactions, BA acts as the agent and there are no revenues or associated costs within BA's income statement. Amounts owed to associates primarily relate to sales to associates where the associate has paid BA in advance of the flight to which the sale pertains.

19 Related party transactions continued

The Group have not benefited from any guarantees for any related party receivables or payables. During the year ended 30 June 2026 the Group has not made any allowance for expected credit losses relating to amounts owed by related parties (31 December 2025: £nil).

The Group has a euro-denominated floating rate fixed term loan agreement with the IAG. A repayment of £528 million (€600 million) was made on 18 December 2025 with the remaining loan balance of £916 million (€1,047 million) repayable in November 2026. No repayments have been made in the six months to 30 June 2026.

The Group provided a long-term shareholder loan to LanzaJet, a company which specialises in the generation of SAFs of which the Group has a 9% equity interest, classified as an associate and presented within Investments accounted for using the equity method in the Balance Sheet. The loan is repayable in June 2044. There has been no repayment received in the six months to 30 June 2026 for the long-term shareholder loan provided to LanzaJet. The total amount outstanding as at 30 June 2026 is £16 million (31 Dec 2025: £15 million) including interest earned of £1 million (31 Dec 2025: £1 million).

On 1 April 2024, the Group sold 100% of its existing British Airways Holidays Limited (British Airways Holidays) business to its associate, Avios Group (AGL) Limited. As at 30 June 2026, the Group held a balance of £73 million (31 Dec 2025: £70 million) within other non-trade receivables for the deferred consideration receivable on this sale. In December 2025, the Group and the Company received £75 million from AGL for the deferred consideration, while the remainder is receivable in December 2026.

Directors' and Officers' loans and transactions

There were no loans or credit transactions with Directors or Officers of the Group in the six months to 30 June 2026 or that arose during the year that need to be disclosed in accordance with the requirements of sections 412 and 413 to the Companies Act 2006.

20 Post balance sheet events

No significant events have taken place between the reporting date and the date of this report.

Notes to the accounts continued

For the six months ended 30 June 2026

Fleet table

Number in service with Group companies at 30 June 2026

	Owned	Finance lease	Operating lease	Total June 2026	Total December 2025	Changes since Dec 2025	Future deliveries	Options
Airbus A319	9	-	12	**21**	23	*(2)*	-	-
Airbus A320	42	26	26	**94**	93	*1*	6	-
Airbus A321	13	8	10	**31**	31	-	4	-
Airbus A350	2	14	2	**18**	18	-	6	12
Airbus A380	8	4	-	**12**	12	-	-	-
Boeing 777-200	41	-	2	**43**	43	-	-	-
Boeing 777-300	9	-	7	**16**	16	-	-	-
Boeing 777-9	-	-	-	**-**	-	-	24	9
Boeing 787-8	8	2	2	**12**	12	-	-	-
Boeing 787-9	2	7	9	**18**	18	-	-	-
Boeing 787-10	3	7	2	**12**	12	-	38	10
Embraer E190	9	-	11	**20**	20	-	-	-
TOTAL OPERATIONS	**146**	**68**	**83**	**297**	298	*(1)*	**78**	**31**

Notes:

1. Aircraft are reported based on their contractual definitions as opposed to their accounting determination. For accounting purposes, while all operating leases are presented as lease liabilities, finance leases are presented as either lease liabilities or asset financed liabilities, depending on the nature and timing of the individual arrangement.

2. Includes aircraft operated by British Airways Plc, BA Cityflyer Limited and BA Euroflyer Limited.

3. As well as those aircraft in service the Group also holds 5 aircraft (31 December 2025: 4) not in service, 4 of these aircraft have been classified as held for sale (31 December 2025: nil).