

OPENSKIES AND L'AVION TO JOIN FORCES

British Airways Announces Agreement to Acquire French Airline L'Avion to Integrate with New Transatlantic Subsidiary OpenSkies

Paris/New York, July 2, 2008 – British Airways today announced an agreement to acquire French airline L'Avion and integrate the company with its new subsidiary OpenSkies. OpenSkies recently launched daily flights between Paris Orly Airport and New York John F. Kennedy Airport. L'Avion operates two Boeing 757 aircraft between Paris Orly and Newark Airport. The combined airline will operate up to three daily flights between Paris Orly and the New York area using Boeing 757 aircraft. The value of the acquisition is Euro 68 million, which covers the purchase of the airline and Euro 33 million of cash in its business.

“L'Avion has built a fantastic business offering high-value premium service that has inspired tremendous customer loyalty on both sides of the Atlantic,” said Dale Moss, Managing Director of OpenSkies. “Together, we share common values and a deep commitment to safety, innovation and customer service. L'Avion will provide OpenSkies with immediate scale, increased access to Paris Orly and an experienced, talented employee base. This is a combination of two companies that are focused on bringing comfort and personalization to transatlantic travel.”

“We are thrilled about this agreement, which brings together two like-minded airlines with complimentary business models and a focus on low costs and high value to create a premium transatlantic carrier,” said Marc Rochet, Chief Executive Officer of L'Avion. “We look forward to being a part of the high-quality customer experience that will become synonymous with OpenSkies, all backed by the vision of British Airways.”

Once the two airlines are integrated, customers can expect to experience benefits that will further improve the Paris – New York offering, including an increased schedule and BA Executive Club privileges. OpenSkies and L'Avion currently operate a codeshare with L'Avion selling seats on OpenSkies flights.

L'Avion has accommodated more than 65,000 customers since its start on January 3rd, 2007. The airline has experienced steadily increasing load factors since launch and consistently outperformed its business plan objectives.

L'Avion's configuration of 2x2 seats offers a wide central aisle and spacious feeling akin to a large private jet. Each seat reclines to 140 degrees, separated from the seat in front by nearly four feet and equipped with individual power supply. L'Avion offers French cuisine with freshness, quality and elegance mixed with a great selection of French wines and Champagne. The airline uses DigEplayers XT as its in-flight entertainment system to offer an extensive choice of movies, games, and music on-demand.

With no more than 82 passengers on each flight, OpenSkies offers a unique travel experience with superior service, competitive fares and exceptional value. OpenSkies features three cabins: *BIZ*SM, a business class service featuring the only fully lie-flat beds on the Paris – New York route; *PREM+*SM, a completely new service category featuring reclining seats with a 52" pitch; and *ECONOMY*, featuring a cabin containing only thirty seats.

With no more than 30 passengers per class, the OpenSkies travel experience also includes personal entertainment units with 50-plus hours of programming, fresh and healthy meal service, and an extensive wine list.

About OpenSkies

OpenSkies is a premium transatlantic airline offering guests superior service, competitive fares and exceptional value. OpenSkies will initially fly between Paris – Orly Airport and New York – JFK Airport. Other European destinations being considered for the airline include Amsterdam, Brussels, Frankfurt and Milan. The airline will offer guests innovative features onboard, including lie-flat beds in business class, personal entertainment units with 50+ hours of programming, and fresh and healthy meal service. Backed by British Airways, OpenSkies is the first airline created as a result of the Open Skies agreement, which allows airlines to fly between any U.S. and E.U. destination.

About L’Avion

L’Avion is the first French airline that offers all business class service at affordable prices to travelers. L’Avion operates two Boeing 757-200 with 90 Business Class seats only. L’Avion flies between Paris-Orly and New York-Newark twice daily, 5 times a week.

For more information: www.lavion.com or call 1 (866)-692-6759.

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Notes to Editors:

L’Avion is the trading name for Elysair which is privately owned by Société de Participation Aérienne.

The airline was launched in January 2007; L’Avion operates two aircraft with a single 90-seat business class cabin. It is based in Paris and employs 77 staff.

Completion of the deal is conditional on clearance from the relevant regulatory authorities.

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