

# BA's 'business only' service from London City

By Angela Monaghan

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British Airways is set to launch a business class only service flying from City Airport in London to New York from 2009.

## | Alistair Osborne: BA's business move is a coup for London City

The airline said today that it was confident the niche service on Airbus A318 aircraft would be a success because City Airport is easy to get to for London's business community.

It is the first service that BA will operate from City Airport, a small airport, and will rival business airlines Eos, which flies from Stansted to New York, and Silverjet. Silverjet launched in 2006 and flies to New York and Dubai from Luton airport.

BA revealed the plans as it announced a strong performance for the first nine months of the year. Pre-tax profit rose 35pc to £788m in the nine months to December 31, ahead of analysts' expectations.



Fuel costs during the period were volatile, falling £36m in the first six months and then rising by £72m in the third quarter. Overall fuels costs rose 2.4pc because of rising price of oil, and BA is expecting fuel costs to rise by more than a total of £100m in the full year.

Its 'premium' long-haul part of the business performed well, driving premium traffic up by 4.2pc. However, BA warned that demand for short-haul premium flights had weakened, and the market for non-premium flights to the US "remained soft."

In a statement the company said it was in line to meet full year expectations, including a 10pc operating margin. Meeting the target will trigger bonuses for the board and the rest of the airline's employees.

It said: "Our revenue guidance for the full year continues at 3 to 3.5pc in spite of weakness in short-haul premium and some non-premium markets. Longhaul premium traffic continues to be strong, supporting our decision to make more premium capacity available.

We have seen some fall in non-premium bookings in the January booking period compared to last year."

A weak dollar in the US helped BA to reduce total costs by 1.5pc or £101m in the first nine months. Employee costs fell by 6.9pc to £1.6bn because of lower pension and severance payments.



Willie Walsh, chief executive of BA

In January a BA 777 from Beijing crash landed at Heathrow. That plane has been written off the insurance claim has been agreed in full.

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