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If you have sold all your shares in British Caledonian Group plc, please hand this document and the accompanying Form of Acceptance to the purchaser or the stockbroker, licensed dealer, bank or other agent through whom the sale was effected for transmission to the purchaser.

by

Lazard Brothers & Co., Limited

on behalf of

for the whole of the share capital of



British Caledonian Group plc

The procedure for acceptance is set out on pages 8 and 9.


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DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:—

British Airways or BA	British Airways Plc
BA Group	BA and its subsidiaries
British Caledonian or B-Cal	British Caledonian Group plc
B-Cal Group	B-Cal and its subsidiaries
BA shares	the existing issued ordinary shares of 25p each in British Airways
new BA shares	the ordinary shares of 25p each in British Airways to be issued, credited as fully paid, pursuant to the Revised Offer
B-Cal shares	the existing issued fully paid ordinary shares of £1 each in British Caledonian and any ordinary shares of £1 each in British Caledonian issued fully paid pursuant to the exercise of options under the B-Cal Share Option Scheme while the Revised Offer remains open for acceptance
B-Cal Share Option Scheme	the British Caledonian Group plc Executive Share Option Scheme
Cash Offer	the offer contained herein by Lazard Brothers on behalf of BA to acquire B-Cal shares for cash
Form of Acceptance	the pink form of acceptance and election relating to the Revised Offer
Lazard Brothers	Lazard Brothers & Co., Limited
Listing Particulars	the listing particulars relating to the issue of BA shares and dated 25th November, 1987
Loan Notes	the loan notes to be issued by BA pursuant to the Loan Note Alternative
Loan Note Alternative	the loan note alternative set out in this document under which holders of B-Cal shares who accept the Revised Offer may elect to receive all or part of their consideration in Loan Notes
Original Offer	the offer contained in the Original Offer Document
Original Offer Document	the offer document dated 25th November, 1987 containing an offer by Lazard Brothers on behalf of BA for all B-Cal shares
Revised Offer	together, the Cash Offer, the Share Offer and the Loan Note Alternative
Share Offer	the offer contained herein by Lazard Brothers on behalf of BA to acquire B-Cal shares for new BA shares
Supplementary Listing Particulars	the supplementary listing particulars contained in Appendix IV of this document
United States	the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction
US person	a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States and an estate or trust the income of which is subject to United States federal income taxation regardless of its source

Directors:**Lord King of Wartnaby (Chairman)****R. A. Henderson****Sir Colin Marshall****N. G. E. Dunlop****B. E. S. Collins****A. M. Davies****J. W. Jessop****Sir Francis Kennedy****H. U. A. Lambert****British Airways Plc****Registered Office:****Speedbird House,****Heathrow Airport (London),****Hounslow TW6 2JA.****Registered in England****No. 1777777**
 18th December, 1987

To the holders of B-Cal shares and, for information only, to the holders of options under the B-Cal Share Option Scheme.

Dear Sir or Madam,

Revised Offer for British Caledonian

We announced on 10th December, 1987 our intention to make a revised offer for all British Caledonian's shares including an offer to buy all your shares for cash. This cash offer values British Caledonian at approximately £200 million.

We are offering you a choice so that you can either

accept £9.72 in cash for each B-Cal share you own; or

elect for Loan Notes of a nominal amount of £9.72 for each B-Cal share; or

accept the Share Offer which, on the basis set out on page 5 values each B-Cal share at £7.95.

Details of the Revised Offer are set out on pages 5 to 10. This is a generous offer, giving all British Caledonian shareholders an opportunity to obtain a good price for the whole of their investment.

British Caledonian's position

I said in my letter to you of 20th November that British Caledonian could not stay as it is. Its financial difficulties could not be disguised. I believe this position is accepted by the B-Cal Board, who have said that they expect their 1987 audit:

"to confirm a loss on trading activities, which will be offset by exceptional profits resulting from the sale of certain assets and subsidiaries. Save as aforesaid, there has been no material change in the financial or trading position of the B-Cal Group since 31st October, 1986, the date of the latest published audited accounts of B-Cal, other than in the ordinary course of business".

In the year to 31st October, 1986 British Caledonian's airline activities lost £25.5 million.

The airline therefore needs to find new owners who will be able to realise sufficient synergistic and other benefits from a merger and will invest sufficient capital to turn around the performance of B-Cal's business and to ensure its continued development.

The BA solution

British Airways' intervention is quite simply to build the world's most successful airline. We are fully committed to developing B-Cal's business. BA has the financial and marketing strength to manage the merged airline to the benefit of its employees, customers and shareholders.

This is the only solution which can provide long term job security and enhanced career prospects. We have said that BA sees a need for reductions in manpower across the merged airline. But we have also made clear that these reductions should be achievable by voluntary severance and natural wastage within the merged airline.

The SAS non-solution

The proposals announced by SAS provide no long term solution for B-Cal's problems. SAS would not guarantee B-Cal's debts. The synergies which could be derived are extremely limited. The amount of new money proposed to be invested in B-Cal is wholly inadequate, particularly since B-Cal intends to incur up to £11 million of new debt in order to enable the Employee Trust to subscribe for shares.

The suggestion that the proposal would secure B-Cal's independence does not add up: Sir Adam Thomson has himself said that there is no future for independent medium-sized airlines.

We have no doubt that much more money would be needed to keep B-Cal going as an independent airline. But where would that extra money come from? And how much would your remaining shares be worth?

Do not be fooled. The SAS proposal is barely a short-term palliative. It is certainly not a longer-term solution.

Our revised offer provides

- shareholders an opportunity to realise the whole of their investment at a very full cash price. The SAS proposals do not provide this;
- employees enhanced longer-term job security and career prospects. The SAS proposals do not provide this;
- the UK civil aviation industry a unique opportunity for growth, including the creation of more opportunities for other independent British airlines. The SAS proposals do not provide this.

There is no other credible offer on the table which will safeguard B-Cal's business. Accept BA's full offer.

Yours faithfully,

King of Wartnaby

Lazard Brothers & Co., Limited

Registered Office:
21 Moorfields,
London EC2P 2HT.

Registered in England
No. 162175

18th December, 1987

To the holders of B-Cal shares and, for information only, to the holders of options under the B-Cal Share Option Scheme.

Dear Sir or Madam,

Revised Offer for British Caledonian on behalf of British Airways

Introduction

On 10th December, 1987, the Board of British Airways announced that a revised offer would be made by Lazard Brothers on behalf of British Airways to acquire the whole of the issued share capital of British Caledonian. This document contains the terms of the Revised Offer which we are now making on behalf of BA and includes Supplementary Listing Particulars.

Your attention is drawn to the letter from the Chairman of British Airways on pages 3 and 4 in which he explains why B-Cal shareholders should accept the Revised Offer.

The Revised Offer

The Revised Offer consists of the Cash Offer, the Share Offer and the Loan Note Alternative.

On behalf of British Airways, we hereby offer to acquire, on the terms and subject to the conditions set out or referred to herein, all the B-Cal shares on the following basis:—

The Cash Offer

For each B-Cal share	£9.72 in cash
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The Cash Offer values B-Cal at approximately £200 million (assuming the exercise of all outstanding options under the B-Cal Share Option Scheme).

The Share Offer

For every 22 B-Cal shares	115 new BA shares
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and so in proportion for any other number of B-Cal shares.

Fractions of new BA shares will not be allotted to accepting shareholders of B-Cal. The new BA shares representing the aggregate of fractional entitlements will be sold in the market and the net cash proceeds distributed *pro rata* to relevant accepting shareholders of B-Cal, except that individual amounts of less than £2 will not be distributed but will be retained by British Airways.

The Share Offer values each B-Cal share at approximately £7.95 based on the mid-market quotation for BA shares on 17th December, 1987 (the latest practicable date before the printing of this document) of 152p, as derived from The Stock Exchange Daily Official List.

Acceptances of the Cash Offer and/or the Share Offer should be received by 3.00 p.m. on Tuesday, 5th January, 1988.

The Share Offer is subject to the restrictions concerning B-Cal shareholders who are US persons or whose registered address is in the United States, as more fully described in paragraph 3 of Part B of Appendix I. This document is not being posted to addresses in the United States.

The B-Cal shares will be acquired free from all liens, charges and encumbrances and together with all rights now and hereafter attaching thereto, including the right to all dividends and other distributions (if any) declared, made or paid hereafter.

The new BA shares to be issued under the Share Offer will be issued credited as fully paid and will rank *pari passu* in all respects with the existing BA shares including the right to receive in full all dividends and other distributions declared, made or paid after the date hereof save that they will not rank for the interim dividend of 2.25p (net) per share payable on 15th January, 1988 in respect of the year ending 31st March, 1988.

Your attention is drawn to the further terms and conditions of the Cash Offer and the Share Offer set out or referred to in this letter, in Appendix I and in the Form of Acceptance.

The Loan Note Alternative

B-Cal shareholders who accept the Cash Offer may elect to receive Loan Notes as consideration for all or part of their holding of B-Cal shares, instead of cash, on the following basis:

For each B-Cal share	£9.72 nominal of Loan Notes
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Loan Notes will not be allotted in respect of fractions of £1.

The Loan Notes will be redeemed by BA on 29th March, 1998 unless redeemed earlier at the option of note holders on any interest payment date on or after 29th March, 1989. They will carry interest at a fixed rate of 10¼ per cent. per annum. Interest will be payable (less income tax at the basic rate) half-yearly on 29th March and 30th September in each year. The terms of the Loan Notes are more fully described in Appendix II. Their value has been estimated by Rowe & Pitman Limited as at 17th December, 1987 to be approximately 100¼ per cent. of their par value. It is not intended that the Loan Notes be listed or dealt in on any stock exchange.

The Loan Note Alternative is subject to the same restrictions concerning B-Cal shareholders who are US persons or whose registered address is in the United States as the Share Offer.

Elections for the Loan Note Alternative should be received by 3.00 p.m. on Tuesday, 5th January, 1988.

The Cash Alternative offer contained in our letter of 20th November, 1987 (as defined therein) has now lapsed and is no longer available.

Financial effects of acceptance

Capital

The B-Cal shares are not listed on any stock exchange and cannot therefore be readily attributed a market value. The Cash Offer values each B-Cal share at £9.72 and the Share Offer values each B-Cal share at approximately £7.95, on the basis set out above; holders of B-Cal shares who elect for the Loan Note Alternative will receive Loan Notes with a nominal value of £9.72 per B-Cal share.

Income

No dividend was paid in respect of B-Cal shares for the year ended 31st October, 1986. Holders of B-Cal shares who accept the Share Offer and receive new BA shares will receive dividends declared or paid in the future on those shares except for the interim dividend of 2.25p (net) per share payable on 15th January, 1988. B-Cal shareholders who accept the Cash Offer should be able to reinvest the proceeds, after taking account of any liability to taxation, to produce an income. B-Cal shareholders who elect for the Loan Note Alternative will receive interest half-yearly at the annual rate (before tax) of 10¼ per cent. of the total nominal amount of the Loan Notes they receive.

Taxation

(a) The Share Offer and Loan Note Alternative

The Directors of British Airways have been advised that a shareholder who, together with persons connected with him, holds not more than 5 per cent. of the B-Cal shares and who accepts the Share Offer or accepts the Cash Offer and elects for the Loan Note Alternative will not, if the Revised Offer becomes unconditional in all respects and to the extent that he receives new BA shares or Loan Notes, as the case may be, be treated as effecting a disposal or part disposal for the purposes of UK taxation of capital gains.

Any accepting shareholder who, together with persons connected with him (if any), holds more than 5 per cent. of the B-Cal shares should note that an application has been made for clearance under Section 88 of the Capital Gains Tax Act 1979 in respect of the Revised Offer.

A subsequent disposal of all or any of the new BA shares or Loan Notes will constitute a disposal or part disposal for the purposes of UK taxation of capital gains and may give rise to a liability to taxation.

The Loan Notes will constitute qualifying corporate bonds within the meaning in Section 64 of the Finance Act 1984, with the result that neither a chargeable gain nor an allowable loss in respect of the Loan Notes should arise on a disposal thereof. However, on such a disposal (or part disposal), the whole (or corresponding part) of any chargeable gain (or allowable loss) which a B-Cal shareholder would have made had he disposed of his B-Cal shares at their market value immediately before the Revised Offer becoming unconditional in all respects will fall to be taken into account for capital gains purposes and accordingly a liability to taxation may arise. A disposal of a Loan Note may also give rise to a liability to income taxation in respect of accrued interest under the accrued income scheme introduced by the Finance Act 1985.

(b) The Cash Offer

Acceptance of the Cash Offer will, if the Revised Offer becomes unconditional in all respects, constitute a disposal or part disposal for the purposes of UK taxation of capital gains and may give rise to a liability to taxation.

(c) General

Any holder of B-Cal shares who is subject to taxation in any jurisdiction other than the UK or who is for any other reason in any doubt about his own tax position should consult his professional adviser.

Management and Employees

BA intends that the employees of B-Cal Group retained by the merged airline should in due course be employed by BA on similar terms of employment as comparable employees in BA. BA has acknowledged that the merger will lead to a reduction in requirements for staff of the order of 2,000 employees before taking account of the employment consequences resulting from the return of licences to the Civil Aviation Authority. Subject to consultation with trade unions, BA believes that reductions in the UK should be achievable by voluntary severance and natural wastage across the merged airline (BA recruits around 3,000 employees a year). The existing rights, including pension rights, of B-Cal Group employees will be fully safeguarded.

B-Cal Share Option Scheme

The Revised Offer extends to B-Cal shares issued under the B-Cal Share Option Scheme while the Revised Offer remains open for acceptance. Appropriate proposals will, in due course, be made to the holders of options under the B-Cal Share Option Scheme.

Restrictions on ownership of shares in BA

Rights of BA to operate, in particular on international routes, could be withdrawn if BA ceased to be substantially owned and effectively controlled by UK nationals. Accordingly, the articles of association of BA contain powers which may be used to limit the number or voting rights of shares in which non-UK nationals own interests or, if necessary, to require their compulsory disposal, or

to restrict the transferability of shares. As at 17th December, 1987, approximately 19 per cent. of the BA shares were Foreign Interest Shares (as defined in the Form of Acceptance).

The articles of association also restrict, until 31st January, 1992, the maximum proportion of BA's issued share capital in which any person (including connected persons) may be interested to 15 per cent.

The relevant provisions of the articles of association, which could be altered at any time by a special resolution, are described in more detail in paragraph B of Part 7 of the Listing Particulars.

To enable the Directors of BA to identify Foreign Interest Shares, holders of B-Cal shares who accept the Share Offer will have to provide a declaration as to the nationality of persons having interests in new BA shares. Further details are contained in the Form of Acceptance.

Procedure for acceptance

IF YOU HAVE NOT ALREADY ACCEPTED THE ORIGINAL OFFER, to accept the Revised Offer you must complete and sign Part A of the enclosed Form of Acceptance in accordance with the instructions contained therein (which form part of the Revised Offer).

The Form of Acceptance, duly completed and signed, should be returned by post or delivered in the pre-paid envelope, together with all the relevant share certificates and/or other document(s) of title, to Lloyds Bank Plc, Registrar's Department, Issue Section, PO Box 1000, 11 Bishopsgate, London EC2N 3LB, so as to be received as soon as possible and in any event not later than 3.00 p.m. on Tuesday, 5th January, 1988.

(a) The Cash Offer

If you wish to receive cash for all your B-Cal shares you do not need to complete any other part of the Form of Acceptance.

(b) The Loan Note Alternative

If you wish to elect for the Loan Note Alternative in respect of all or part of your holding of B-Cal shares for which you accept the Cash Offer, you must also complete Part B of the enclosed Form of Acceptance and return it in accordance with the instructions contained therein (which form part of the Revised Offer). You should note that failure to comply with the instructions in all respects may result in your being deemed to have accepted the Cash Offer but not to have elected for the Loan Note Alternative.

(c) The Share Offer

To accept the Share Offer you must, in addition to Part A, complete and sign Part C of the enclosed Form of Acceptance in accordance with the instructions contained therein (which form part of the Revised Offer) and, if applicable, complete the nationality declaration contained in Part D.

(d) General

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should nevertheless be completed and signed and returned as indicated above. The share certificate(s) and/or other document(s) of title should be forwarded as soon as possible thereafter. Although no cash payment and no allotment of new BA shares or Loan Notes will be made or share certificates or Loan Notes despatched until such document(s), or an acceptable indemnity in lieu thereof, is/are received, BA and Lazard Brothers reserve the right to treat acceptances of the Revised Offer as valid even though not complete in all respects or not accompanied by all the relevant share certificates and/or other document(s) of title.

No acknowledgement of receipt of documents will be given.

The enclosed pre-paid envelope, addressed to Lloyds Bank Plc, Registrar's Department, may be used to return your Form of Acceptance.

If you wish to obtain guidance on how to complete the Form of Acceptance you may telephone Lloyds Bank Plc on (01) 623 1288; Extensions 1082 or 1691.

(e) Overseas shareholders

The attention of shareholders not resident in the United Kingdom is drawn to paragraph 3 of Part B of Appendix I and to the relevant provisions set out in the Form of Acceptance.

The new BA shares and the Loan Notes have not been, and are not intended to be, registered under the United States Securities Act of 1933, as amended. BA is therefore precluded by US securities laws from issuing new BA shares, Loan Notes or other securities to any B-Cal shareholder who either (i) has a registered address in the United States or (ii) deletes the declaration incorporated in paragraph 3 of Part B and paragraph 3 of Part C of the enclosed Form of Acceptance to the effect that he is not a US person, does not hold any B-Cal shares in respect of which he has accepted the Revised Offer on behalf of a US person and will not hold or acquire any new BA shares or Loan Notes for the account or benefit of a US person or with a view to the offer, sale or delivery of any new BA shares or Loan Notes in the United States or to US persons.

Accordingly, any such B-Cal shareholder who accepts the Share Offer will thereby authorise Lazard Brothers or its agents to sell the new BA shares to which he may become entitled on his behalf in the market and to remit to him the net sale proceeds after the deduction of expenses. In addition any such B-Cal shareholder who accepts the Cash Offer and elects for the Loan Note Alternative will be deemed to have accepted the Cash Offer but not elected for the Loan Note Alternative.

Sales and transfers of new BA shares and Loan Notes will be restricted to those in favour of persons making a like declaration until the date six months after the date of first allotment of the new BA shares or Loan Notes, as the case may be, and in connection therewith the ancillary provisions (including those relating to delivery of certificates for new BA shares on The Stock Exchange) set out in paragraph 3 of Part B of Appendix I will apply.

IF YOU HAVE ALREADY ACCEPTED THE ORIGINAL OFFER you are entitled to receive the full benefit of the Revised Offer without taking any further action. Accordingly if you have accepted the Original Offer you need take no further action, unless you wish to alter the form of consideration you would like to receive. All those who sought to accept the Cash Alternative under the Original Offer will, unless they otherwise indicate, be deemed to have elected to receive the Cash Offer under the Revised Offer. All other acceptors of the Original Offer will be deemed to have elected for the Share Offer under the Revised Offer, unless they otherwise indicate. If, therefore, you accepted shares under the Original Offer and now wish to receive cash, you should fill in a new Form of Acceptance.

Settlement and Dealings

(a) Settlement

Subject to the Revised Offer becoming unconditional in all respects, cheques resulting from the acceptance of the Cash Offer, definitive certificates for the new BA shares and Loan Notes and any fractional entitlements will be despatched:—

- (i) in the case of acceptances received, complete in all respects, by the date when the Revised Offer becomes or is declared unconditional in all respects, within 21 days of such date; or
- (ii) in the case of acceptances received, complete in all respects, after such date but while the Revised Offer remains open for acceptance, within 21 days of such receipt.

(b) Dealings

Application will be made to the Council of The Stock Exchange for the new BA shares to be admitted to the Official List. It is expected that dealings therein will commence on the first dealing day following the date on which the Revised Offer becomes or is declared unconditional in all respects, for normal account settlement. Pending the despatch of definitive share certificates, transfers will be certified against the register.

(c) General

All documents and remittances sent by or to holders of B-Cal shares will be sent by post at their risk. If the Revised Offer lapses, Forms of Acceptance, share certificates and/or other documents of title will be returned by post within 14 days of the Revised Offer lapsing.

All cash payments will be made by cheque drawn on a town clearing branch of Lloyds Bank Plc.
All mandates and other instructions in force relating to dividend payments on B-Cal shares will, unless and until revoked, continue in force in relation to dividend payments on the new BA shares.

Further Information

Your attention is drawn to the following Appendices which form part of this document:—

Appendix I Conditions and further terms of the Revised Offer

Appendix II Particulars of the Loan Notes

Appendix III Additional information

Appendix IV Supplementary Listing Particulars

Yours faithfully,
for Lazard Brothers & Co., Limited

Peter Grant
Deputy Chairman

APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE REVISED OFFER

PART A. The Revised Offer is subject to the following conditions—

- (i) valid acceptances being received (and not, where permitted, withdrawn) by 3.00 p.m. on 5th January, 1988 (or such later time(s) and/or date(s) as BA may decide) in respect of not less than 90 per cent. of the B-Cal shares to which the Revised Offer relates (or such lesser percentage as BA may decide) provided that this condition will not be satisfied unless BA shall have acquired or agreed to acquire B-Cal shares, pursuant to the Revised Offer or otherwise, carrying more than 50 per cent. of the votes exercisable at a general meeting of B-Cal including for this purpose, to the extent (if any) required by the Panel on Take-overs and Mergers, any votes which could arise on the exercise in full of options capable of exercise during the Offer period (as defined by the City Code on Take-overs and Mergers) granted under the B-Cal Share Option Scheme; and for this purpose, the expression B-Cal shares to which the Revised Offer relates used above shall mean the aggregate of (i) the B-Cal shares issued or allotted before the date of the Original Offer and (ii) the B-Cal shares allotted on or after the date of the Original Offer but on or before the first closing date or such later date as the Board of BA may determine, but excluding shares which, at the date of the Original Offer, are held by BA or its associates (within the meaning of Section 430E of the Companies Act 1985);
- (ii) no government or governmental, quasi-governmental, supranational or trade agency or regulatory body or court or other person having instituted or threatened any action, proceedings, suit or investigation or enacted, made or proposed any statute or regulation or order or done anything that might (a) make the Revised Offer or the proposed acquisition of the B-Cal shares by BA illegal or restrict, prohibit, delay or otherwise materially interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge the Revised Offer or the acquisition of any B-Cal shares by BA, (b) require the divestiture by the BA Group or the B-Cal Group of all or any material proportion of its business, assets or property or result in withdrawal or revocation of any of its licences or impose any material limitation on its ability to conduct its business and to own its assets or properties and which is material in the context of the relevant group as a whole, (c) impose material limitations on the ability of BA to acquire or hold or to exercise effectively all rights of ownership of B-Cal shares or (d) otherwise adversely affect in any material respect the B-Cal Group or the BA Group except that this condition (ii) shall not apply to the fulfilment by BA of its commitment to the Monopolies and Mergers Commission to act in accordance with the proposals BA put forward which are described in the Commission's report Cm 247 dated 4th November, 1987;
- (iii) assurances satisfactory to BA having been received from the appropriate regulatory authorities that the Air Operator's Certificates and Air Transport Licences of the B-Cal Group will not be affected by the merger being implemented in such a way that the merged airline can operate as one carrier for the purpose of designation by the United Kingdom on international routes;
- (iv) all authorisations, orders, grants, confirmations, consents, permissions and approvals necessary for or in respect of the Revised Offer and the proposed acquisition of B-Cal by BA being obtained in a form satisfactory to BA from appropriate governments, governmental, quasi-governmental, supranational or trade agencies and regulatory bodies, and such authorisations, orders, grants, confirmations, consents, permissions and approvals remaining in full force and effect;
- (v) no member of the B-Cal Group having, since 31st October, 1986 (except as disclosed in B-Cal's published audited Report and Accounts for the year ended 31st October, 1986 or otherwise disclosed to BA or Lazard Brothers in writing before 10th December, 1987 or pursuant to intra-group transactions): (a) issued or authorised or proposed the issue of additional shares of any class (other than pursuant to options then outstanding) or securities convertible into, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities, (b) declared, paid or made or proposed to declare, pay or make any dividend or distribution (c) authorised or proposed or announced its intention to propose any merger or acquisition or disposal of assets (other than in the ordinary course of trading) or shares or change in its share or loan capital, (d) issued any debentures or (save in the ordinary course of business) incurred any indebtedness or contingent liability which is material in the context of the B-Cal Group taken as a whole, (e) entered into any contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long term or unusual nature or which involves or could involve an obligation of a nature or magnitude which is material in the context of the B-Cal Group taken as a whole, (f) entered into any contract or other transaction otherwise than in the ordinary course of business which is material in the context of the B-Cal Group taken as a whole or (g) entered into any agreement with respect to any of the transactions or events referred to in this paragraph (v);
- (vi) there being no provision of any agreement or other instrument to which any member of B-Cal Group is a party or by or to which any such company may be bound or be subject which could as a consequence of the proposed acquisition result, to an extent which is material in the context of B-Cal Group taken as a whole, in (a) any moneys borrowed by any such company becoming repayable, (b) any such agreement being terminated or materially modified or any material action being taken or arising thereunder, or (c) the business of any such company with any other body, firm or company being materially and adversely affected;
- (vii) since 31st October, 1986, no material litigation or arbitration proceedings having been instituted or threatened against any member of B-Cal Group;
- (viii) since 31st October, 1986, there having been no material adverse change in the financial or trading position of B-Cal Group otherwise than as a result of seasonal fluctuations in trading;
- (ix) the Council of The Stock Exchange admitting to the Official List the new BA shares.

The Board of BA reserves the right to waive, in whole or in part, all or any of conditions (ii) to (viii) inclusive.

PART B. Except as varied in this document, the terms set out in Parts B and C of Appendix I to the Original Offer Document apply to the Revised Offer. References therein to the Offer and the Form of Acceptance, respectively and unless the context otherwise requires, shall be construed as references to the Revised Offer and the pink Form of Acceptance accompanying this document. The Cash Alternative referred to in the Original Offer Document has now lapsed and is not available for acceptance. Except where the context otherwise requires, references in this Appendix and in the Form of Acceptance (i) to the Revised Offer, the Cash Offer, the Share Offer or the Loan Note Alternative shall include any extension or revision thereof or any other cash alternative and (ii) to the Revised Offer becoming unconditional shall be construed as references to the Revised Offer becoming unconditional as to acceptances, whether or not any other condition of the Revised Offer remains to be fulfilled. References in this document and in the Form of Acceptance to the Revised Offer becoming unconditional shall (unless the context otherwise expressly requires) include references to the Revised Offer being declared unconditional.

1. Acceptance period

- (i) Although no revision is envisaged, if the Revised Offer is revised it will remain open for acceptance for a period of at least fourteen days from the date of posting written notification of the revision to B-Cal shareholders. Except with the consent of the Panel on Take-overs and Mergers, no revision of the Revised Offer may be posted to B-Cal shareholders after 2nd February, 1988.
- (ii) The Revised Offer, whether revised or not, shall not be capable of becoming unconditional after 5.00 p.m. on 16th February, 1988, nor of being kept open after that time unless it has become unconditional. However, BA reserves the right, with the permission of the Panel on Take-overs and Mergers, to extend the Revised Offer to a later date. BA may not, for the purpose of determining whether the condition as to acceptances has been satisfied, take into account acceptances received or purchases of B-Cal shares made after 1.00 p.m. on 16th February, 1988, or such later date, as the case may be.

2. Announcements

By 5.00 p.m. on 16th February, 1988 (or any other date beyond which BA has stated that the Revised Offer will not be extended and such statement has not been withdrawn), BA will (unless otherwise permitted by the Panel on Take-overs and Mergers) make an appropriate announcement as to whether the Revised Offer is unconditional or has lapsed.

3. Overseas shareholders and restrictions on transfer

The making of the Revised Offer to certain persons not resident in the United Kingdom or who are citizens or nationals of other countries may not be permitted or may otherwise be affected by the laws of the relevant jurisdictions; B-Cal shareholders not resident in the United Kingdom or who are citizens or nationals of other countries should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person wishing to accept the Revised Offer to satisfy himself as to the full observance of the laws of the relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required and the compliance with other necessary formalities.

The new BA shares and the Loan Notes have not been and will not be registered under the United States Securities Act of 1933, as amended. Accordingly the new BA shares and Loan Notes may not be offered, sold or delivered in the United States or to US persons. BA intends to apply six months from the date of allotment of the new BA shares for a listing of such shares on the New York Stock Exchange and The Toronto Stock Exchange. Until such applications have been made, the new BA shares may not be dealt in on such exchanges. No such application is intended to be made with regard to the Loan Notes. Therefore accepting B-Cal shareholders who wish to accept shares will have to make the following declaration in the Form of Acceptance:

"I/We declare that I am/we are not (a) US person(s), do not hold any B-Cal shares in respect of which I/we have accepted the Revised Offer on behalf of a US person, and will not hold or acquire any of the new BA shares referred to herein for the account or benefit of a US person or with a view to the offer, sale or delivery, directly or indirectly, of any new BA shares in the United States or to US persons."

Accepting B-Cal Shareholders who wish to receive Loan Notes will have to make a similar declaration.

Any acceptance of the Share Offer and/or election for the Loan Note Alternative received from a person appearing to Lazard Brothers in its complete discretion to be a US person or from a person who does not give such a declaration shall constitute, in respect of the new BA shares or Loan Notes to which such acceptor becomes entitled, an irrevocable and unconditional request and authority to Lazard Brothers and/or its agents:—

in respect of new BA shares accepted under the Share Offer:

- (a) to sell such shares on behalf of such acceptor in the market as soon as practicable following such shares being allotted;
- (b) to receive the document(s) of title in respect of such shares and to execute instrument(s) of transfer in respect of such shares; and
- (c) to remit the net proceeds of such sale(s) (after deducting the expenses of sale) as soon as reasonably practicable to the person whose name and address are set out in box 5 of Part A of the Form of Acceptance or, if none is set out, to the first-named registered holder at his registered address; and

in respect of Loan Notes to disregard the election for the Loan Note Alternative and to remit the cash due in accordance with the Cash Offer.

The new BA shares will be in registered form and during the period of restriction (as defined below) certificates for new BA shares will bear a summary of the restriction provided for by the paragraph below and the prescribed declaration set out above. The certificates are below called "endorsed certificates". The Loan Notes will similarly bear a summary of the restrictions.

During the period of restriction none of the new BA shares represented or to be represented by any endorsed certificate shall be sold or transferred in the United States, or sold or transferred elsewhere except to a person giving the prescribed declaration, and only endorsed certificates will constitute good delivery on The Stock Exchange for transactions in new BA shares. At any time after the expiry of the period of restriction BA will upon lodgment of any endorsed certificate, provided the prescribed declaration is duly completed by the holder (or by the transferee named in a valid instrument of transfer lodged therewith for registration), issue a fresh share certificate bearing no reference to the restriction, and, other than in the case of a transfer where such a declaration is given by the transferee, after the expiry of the period of restriction endorsed certificates will not constitute good delivery on The Stock Exchange for transactions in any BA shares. The "period of restriction" in relation to new BA shares is the period until the date six months after the date of first allotment thereof.

Copies of the Revised Offer Document are not being posted to United States addresses. Additional copies are being sent to B-Cal at its registered address.

Morgan Guaranty Trust Company of New York, as depositary for BA shares, will not issue American Depositary Receipts in respect of, or accept for deposit, endorsed certificates for new BA shares.

The provisions of this paragraph supersede any terms of the Revised Offer inconsistent herewith.

4. General

All references in this document and in the Form of Acceptance to 5th January, 1988 shall (except where the context otherwise requires), if the expiry date of the Revised Offer be extended, be deemed to refer to the expiry date of the Revised Offer as so extended.

APPENDIX II

PARTICULARS OF THE LOAN NOTE ALTERNATIVE

1. General

The Loan Notes have been authorised pursuant to a resolution of the Board of BA and will be constituted by a Loan Note Instrument which will be governed by English law. The Loan Note Instrument will contain, *inter alia*, provisions to the effect set out below.

2. Form and status

The Loan Notes will be issued in denominations and multiples of £1 and will constitute unsecured obligations of BA. The Loan Note Instrument will not contain any restrictions on borrowings or charging or disposal of assets by BA or on the issue of further loan notes or other debentures.

3. Interest

The rate of interest will be 10% per cent. per annum payable (less any tax required to be deducted) in equal semi-annual instalments on 29th March and 30th September in each year ("interest payment dates") except that in the case of an incomplete period, interest shall be calculated on the basis of the actual number of days elapsed in the relevant interest period and a year of 365 days. The first interest payment on any Loan Note will be made on 29th March, 1988 in respect of the period from (and including) the date when the first Loan Note is issued to (but excluding) that interest payment date. The period from (and including) the date of issue of the first Loan Notes to (but excluding) the first interest payment date and the period from (and including) an interest payment date to (but excluding) the next following interest payment date is herein called an "interest period".

4. Repayment

- (a) Unless previously repaid or redeemed under this paragraph or purchased under paragraph (5) below, the Loan Notes will be repaid at par on 29th March, 1998 with accrued interest (less any tax required to be deducted).
- (b) A holder of Loan Notes shall be entitled to require BA to repay on 29th March, 1989 or any subsequent interest payment date either the whole or any part (being £100 or any multiple thereof) of the principal amount represented by any Loan Note registered in his name and remaining outstanding to be repaid at the rate of £1 for each £1 nominal of Loan Notes together with accrued interest (less any tax required to be deducted) by giving not less than 30 days' prior notice in writing to BA at its registered office in accordance with the Loan Note Instrument and the conditions set out on the Loan Note certificate.
- (c) If at any time after 29th March, 1989 the aggregate nominal amount of Loan Notes outstanding is less than 10 per cent. of the aggregate nominal amount of the Loan Notes issued under the Revised Offer or £250,000 (whichever is the lower), BA shall be entitled to redeem all outstanding Loan Notes at the rate of £1 for each £1 nominal of Loan Notes together with accrued interest (less any tax required to be deducted) on giving not less than 60 days' notice in writing, expiring on any interest payment date, to the holders of the outstanding Loan Notes.

5. Purchase of Loan Notes

BA may from time to time purchase any Loan Notes at any price by tender (available to all holders of the Loan Notes alike), private treaty or otherwise. Any Loan Notes so purchased, or repaid or redeemed as described in paragraph (4) above, shall forthwith be cancelled and BA shall not be at liberty to reissue the same.

6. Miscellaneous

- (a) The Loan Notes will be registered and will be transferable without restriction (subject to the provisions referred to in paragraph 3 of Part B of Appendix I).
- (b) No application has been or is intended to be made to any stock exchange for the Loan Notes to be listed or dealt in.
- (c) The conditions endorsed on the Loan Notes and the rights of the holders of the Loan Notes will be subject to modification, compromise or release in any respect with the sanction of an extraordinary resolution of the holders of the Loan Notes (as defined in the Loan Note Instrument) and with the consent of BA.

APPENDIX III

ADDITIONAL INFORMATION

1. Introduction

This document should be read in conjunction with the Original Offer Document and the Listing Particulars, copies of which are available from Lazard Brothers, 21 Moorfields, London EC2P 2HT.

2. Responsibility for information in this document

The Directors of BA, whose names appear on page 3, accept responsibility for the information contained in this document. The information relating to B-Cal and B-Cal Group has been derived from public sources and the Directors of BA only accept responsibility for the correctness and fairness of its reproduction or presentation. To the best of the knowledge and belief of the Directors of BA (who have taken all reasonable care to ensure that such is the case), the information contained in this document, other than aforesaid, is in accordance with the facts and, when read in conjunction with the Original Offer Document and the Listing Particulars, does not omit anything likely to affect the import of such information.

3. Material Changes

Save as disclosed in this document, the Directors of BA are not aware of any material changes in the information set out in the Original Offer Document and the Listing Particulars in relation to the BA Group or, from information published by B-Cal, the B-Cal Group save for information or statements announced or issued by B-Cal since 25th November, 1987 which are or may be material.

4. Market Quotations

The following table shows the mid-market quotation for BA shares, derived from The Stock Exchange Daily Official List, on the first dealing day of December, 1987, on 9th December, 1987, the day before the announcement of the Revised Offer, and on 17th December, 1987, the latest practicable date before the printing of this document:—

Date	BA shares
1st December, 1987	130p xd
9th December, 1987	137p xd
17th December, 1987	152p xd

5. Disclosure of Interests

- (a) At 17th December, 1987 (the latest practicable date before the printing of this document) BA had agreed to acquire 1,735,679 B-Cal shares and during the period from 20th November, 1986 to 17th December, 1987 (the latest practicable date before the printing of this document) had made the following dealings for value in B-Cal shares:—

Date of transaction	Nature of transaction	Number of B-Cal shares	Price per B-Cal share
14th December, 1987	Purchase	256,310	£9.72
15th December, 1987	Purchase	1,003,119	£9.72
17th December, 1987	Purchase	375,000	£9.72
17th December, 1987	Purchase	67,500	£9.72
17th December, 1987	Purchase	33,750	£9.72

- (b) Save as disclosed in the Original Offer Document, the Listing Particulars, the Supplementary Listing Particulars and herein, none of the Directors of BA nor any of their connected persons and neither BA nor any person acting in concert with BA for the purposes of the Revised Offer nor any person with whom BA or any person acting in concert with BA has an arrangement of the kind referred to in Note 6(b) on Rules 8.1, 8.2 and 8.3 of the City Code on Take-overs and Mergers (i.e. any agreement or understanding, formal or informal, of whatever nature relating to securities in BA or B-Cal which may be an inducement to deal or refrain from dealing in such securities) holds, controls, or is beneficially or non-beneficially interested in an options to subscribe for, or securities convertible into, shares in BA or B-Cal or has dealt therein for value during the period commenced on 20th November, 1986 and ended on 17th December, 1987 (the latest practicable date before the printing of this document).

6. Available Resources

Lazard Brothers is satisfied that BA has adequate resources available to implement in full the maximum cash consideration payable by BA under the Cash Offer which would amount to approximately £200 million.

7. General

- (a) Lazard Brothers and Rowe & Pitman Limited have given and have not withdrawn their written consent to the issue of this document with the references to them in the form and context in which they appear.
- (b) The expenses of, or incidental to, the preparation and circulation of the Revised Offer will be paid by BA.
- (c) Copies of the Listing Particulars and of this document incorporating Supplementary Listing Particulars are available for collection from or inspection at the registered office of BA, Speedbird House, Heathrow Airport (London), Hounslow TW6 2JA, during the Offer period and for collection from or inspection at the Company Announcements Office for 14 days from 18th December, 1987.

APPENDIX IV

SUPPLEMENTARY LISTING PARTICULARS

1. Introduction

These supplementary listing particulars are supplementary to, and should be read in conjunction with, the listing particulars of British Airways Plc dated 25th November, 1987 ("the Listing Particulars"), copies of which have been delivered for registration to the Registrar of Companies in England and Wales as required by section 149 of the Financial Services Act 1986.

2. Definitions

The definitions used in the Listing Particulars also apply in these supplementary listing particulars unless the context requires otherwise.

The following additional definitions apply throughout these supplementary listing particulars unless the context requires otherwise:—

"B-Cal shares"	the existing issued fully paid ordinary shares of £1 each in British Caledonian and any ordinary shares of £1 each in British Caledonian issued fully paid pursuant to the exercise of options under the B-Cal Share Option Scheme while the Revised Offer remains open for acceptance
"Cash Offer"	the offer contained in the Revised Offer Document by Lazard Brothers on behalf of BA to acquire B-Cal shares for cash
"Loan Notes"	the loan notes to be issued by BA pursuant to the Loan Note Alternative
"Loan Note Alternative"	the loan note alternative set out in the Revised Offer Document under which holders of B-Cal shares who accept the Cash Offer may elect to receive all or part of their consideration in Loan Notes
"new BA shares"	the ordinary shares of 25p each in British Airways to be issued, credited as fully paid, pursuant to the Revised Offer
"Revised Offer"	the offer contained in the Revised Offer Document made by Lazard Brothers on behalf of BA to acquire the B-Cal shares
"Revised Offer Document"	the document dated 18th December, 1987 containing the Revised Offer
"Share Offer"	the offer contained in the Revised Offer Document by Lazard Brothers on behalf of BA to acquire B-Cal shares for new BA shares

References in the Listing Particulars to the Offer shall be construed (except where the context requires otherwise) as references to the Revised Offer.

3. Responsibility for supplementary listing particulars

The issue of these supplementary listing particulars has been approved by the Board of Directors of British Airways.

The Directors of British Airways whose names appear in the Listing Particulars accept responsibility for the information contained in these supplementary listing particulars. The information relating to B-Cal and the B-Cal Group has been derived from published sources and the Directors of British Airways only accept responsibility for the correctness and fairness of its reproduction or presentation. To the best of the knowledge and belief of the Directors of British Airways (who have taken all reasonable care to ensure that such is the case), the information contained in these supplementary listing particulars, other than aforesaid, is in accordance with the facts and, when read in conjunction with the Listing Particulars, does not omit anything likely to affect the import of such information.

4. Details of the Revised Offer

- (a) On 10th December, 1987 BA announced the Revised Offer to acquire the B-Cal shares. Full details of the Revised Offer, comprising the Cash Offer, the Loan Note Alternative and the Share Offer, are set out in the Revised Offer Document.
- (b) Under the terms of the Cash Offer, Lazard Brothers have offered to acquire, on behalf of BA, the whole of the share capital of B-Cal. Holders of B-Cal shares who elect to accept the Cash Offer will receive £9.72 in cash for each fully paid ordinary share of £1 in B-Cal. The Cash Offer values the ordinary share capital of B-Cal (assuming the exercise of all outstanding options under the B-Cal Share Option Scheme) at approximately £200 million. The cash will be provided from BA's existing resources.
- (c) Under the terms of the Loan Note Alternative holders of B-Cal shares may elect, by way of alternative to the Cash Offer, to receive Loan Notes issued by BA of a nominal amount equivalent to the cash they would be entitled to receive under the Cash Offer. The Loan Notes will carry a fixed interest rate of 10¼ per cent. per annum, payable half yearly in arrears. Any Loan Notes not previously repaid will be repaid in March, 1998. Rowe & Pitman Limited estimated their value as at 17th December, 1987 to be approximately 100¼ per cent. of their par value.
- (d) On 20th November, 1987 Lazard Brothers on behalf of BA posted an offer of new BA shares to holders of B-Cal shares. This offer has been extended as part of the Revised Offer and constitutes the Share Offer. The terms of the Share Offer are 115 new BA ordinary shares of 25 pence each for every 22 B-Cal shares and so in proportion for any other number of B-Cal shares.

Based on the mid-market quotation for the BA shares of 152p on 17th December, 1987 (the latest practicable date prior to the printing of this document) as derived from The Stock Exchange Daily Official List the aggregate value of the new BA shares to be issued, assuming the Share Offer were to be accepted for all the B-Cal shares in issue, is approximately £159 million. This amount could be increased up to a maximum of approximately £164 million as a result of the exercise of rights under the B-Cal Share Option Scheme.

Under the terms of the Share Offer, fractions of new BA shares will not be allotted to accepting holders of B-Cal shares. The new BA shares representing the aggregate of fractional entitlements will be sold in the market and the net cash proceeds distributed pro rata to relevant accepting holders of B-Cal shares, except that individual amounts of less than £2 will not be distributed but will be retained for the benefit of British Airways.

- (e) The Revised Offer is subject to the terms and conditions set out in the Revised Offer Document.
 - (f) The Cash Alternative offered by Lazard Brothers, S.G. Warburg Securities and Phillips & Drew Limited as set out in the Offer Document has lapsed and is no longer open for acceptance.
 - (g) Subject to the Revised Offer becoming unconditional in all respects, cheques resulting from the acceptance of the Cash Offer, definitive certificates for the new BA shares and Loan Notes resulting from elections for the Loan Note Alternative and any fractional entitlements will be despatched:—
 - (i) in the case of acceptances received, complete in all respects, by the date when the Revised Offer becomes or is declared unconditional in all respects, within 21 days of such date; or
 - (ii) in the case of acceptances received, complete in all respects, after such date but while the Revised Offer remains open for acceptance, within 21 days of such receipt.
 - (h) The Loan Notes to be issued under the Loan Note Alternative will be registered and will be transferable without restriction. No application has been or is intended to be made to any stock exchange for the Loan Notes to be listed or dealt in. The conditions endorsed on the Loan Notes and the rights of the holders of the Loan Notes will be subject to modification, compromise or release in any respect with the sanction of an extraordinary resolution of the holders of the Loan Notes (as defined in the Loan Note Instrument) and with the consent of BA.
- The Loan Notes have not been and will not be registered under the United States Securities Act of 1933, as amended. Accordingly the Loan Notes may not be offered, sold or delivered in the United States or to US persons.

5. Information on BA

- (a) On 7th December, 1987 the EEC Council of Ministers adopted a number of measures relating to the formulation of a common air transport policy within the European Communities and the application of competition rules to the air transport sector. The measures, which will come into effect on 1st January, 1988, provide for more liberal fare setting, capacity sharing and market access arrangements than presently prevail, and apply the competition rules of the EEC Treaty to all arrangements between airlines. Following adoption of the measures, the EEC Commission has indicated that it will discontinue action it had previously taken against BA under Article 89 of the EEC Treaty.
- (b) On 10th December, 1987 BA announced marketing arrangements with United Airlines ("UA") of the United States under which BA and UA would, *inter alia*, share airport facilities at a number of airports (including JFK Airport in New York), co-ordinate schedules and share flight codes. Associated with these arrangements BA and UA have agreed to share the capital cost of the redevelopment of BA's terminal building at JFK Airport.

6. B-Cal's current trading

In their circular to holders of B-Cal shares and to holders of options under the B-Cal Share Option Scheme dated 9th December, 1987 the Directors of B-Cal stated that "The audit for the financial year ended 31st October, 1987 of B-Cal will be completed shortly. The Directors expect the audit to confirm a loss on trading activities, which will be offset by exceptional profits resulting from the sale of certain assets and subsidiaries."

The information in the Listing Particulars relating to the B-Cal Group should be read as subject to and qualified by information and statements announced or issued by B-Cal since 25th November, 1987 which are or may be material.

7. Pro-Forma Combined Net Assets Statement

The following is an illustrative pro-forma statement of the combined net assets of BA Group and B-Cal Group. The figures are based on the unaudited consolidated balance sheet of BA Group at 30th September, 1987 and the audited consolidated balance sheet of B-Cal Group at 31st October, 1986. The combined pro-forma net assets summary has been adjusted to reflect the Revised Offer, on the assumption that all of the B-Cal Group shareholders will accept the Cash Offer, and the estimated costs of the Offer and of the Revised Offer.

	BA Group £m	B-Cal Group £m	Combined £m
Fixed assets			
Intangible	—	4	4
Tangible	1,369	338	1,707
Investments	20	3	23
Total fixed assets	1,389	345	1,734
Current assets	1,049	245	1,091
Creditors - amounts falling due within one year	(1,283)	(264)	(1,547)
Net current liabilities	(234)	(19)	(456)
Total assets less current liabilities	1,155	326	1,278
Creditors - amounts falling due after one year	(343)	(222)	(565)
Provisions for liabilities and charges	(72)	(7)	(79)
Net assets	740	97	634

No account has been taken of any other change in the financial position of BA Group since 30th September, 1987 (the date as at which its interim unaudited balance sheet was prepared) or of B-Cal Group since 31st October, 1986 (the date as at which its latest published balance sheet was prepared).

8. General

- (a) Save as disclosed herein, the Directors of BA are not aware of any material change in the information set out in the Listing Particulars in relation to the BA Group or, from information published by B-Cal, the B-Cal Group,

save for information or statements announced or issued by B-Cal since 25th November, 1987 which are or may be material.

- (b) On the assumption that the Revised Offer becomes unconditional in all respects, the total expenses of, or incidental to, the preparation and circulation of the Offer, the Revised Offer, the Listing Particulars, these supplementary listing particulars and other related documents payable by BA are estimated to amount to approximately £3 million.
- (c) On 26th November, 1987 leave was granted in the Divisional Court for Air Europe Limited to apply for judicial review of the report of the Monopolies and Mergers Commission relating to the proposed merger of B-Cal with BA, published by the Secretary of State for Trade and Industry on 11th November, 1987. A hearing on Air Europe Limited's application started on 17th December, 1987.

9. Documents available for inspection

Copies of the following documents, together with those documents listed as available for inspection in section I. of Part V of the Listing Particulars, may be inspected at the offices of Linklaters & Paines, Barrington House, 59/67 Gresham Street, London EC2V 7JA and at the registered office of British Airways, Speedbird House, Heathrow Airport (London), Hounslow TW6 2JA while the Revised Offer remains open for acceptance:—

- (a) the consent letters of Lazard Brothers and Rowe & Pitman Limited to the references to them contained in the Revised Offer Document and the supplementary listing particulars;
- (b) the Revised Offer Document including these supplementary listing particulars and the accompanying Form of Acceptance; and
- (c) the draft instrument constituting the Loan Notes.

18th December, 1987