

This document is important and requires your immediate attention.

If you are in any doubt regarding the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in BAA plc ("BAA"), please send this letter at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

9 February 2006



Dear Shareholder,

Announcement of possible offer by Grupo Ferrovial SA

The following is the text of an announcement released on 8 February 2006 by Grupo Ferrovial SA ("Ferrovial") in relation to a possible offer for your company:

"Further to recent movements in BAA's share price, Ferrovial announces that it is currently considering making an offer for the entire issued and to be issued share capital of BAA. Any such offer would be in cash and would be likely to be as part of a consortium.

Ferrovial's considerations are at a preliminary stage and there is no certainty that any offer will be made. No approach has yet been made to the board of BAA.

A further announcement will be made when appropriate."

Subsequent to that announcement, your Board issued the following announcement on 8 February 2006:

"The board of BAA plc notes the announcement today by Grupo Ferrovial SA that it is at a preliminary stage of considering whether to make a cash offer for BAA, likely to be as part of a consortium.

BAA has not received any proposal from Ferrovial and strongly advises shareholders not to take any action at this time.

The board of BAA is confident about the future of its business. It has a unique portfolio of worldclass airport assets, including the three regulated London airports and others in the UK, Italy, Hungary and Australia. The further development of these airports, which is supported by their relevant governments, will create substantial opportunities for the group.

The board believes that BAA is well placed to continue to generate significant shareholder value from this growing portfolio of assets."

We will keep you informed of developments and in the meantime **BAA shareholders are advised to take no action.**

Yours sincerely

A handwritten signature in black ink, appearing to read "Marcus Agius".

Marcus Agius
Chairman

Directors:

Marcus Agius, Chairman
Tony Ball, Non-Executive Director
Mike Clasper, Chief Executive Officer
Mark Clare, Non-Executive Director
Margaret Ewing, Chief Financial Officer
Chris Fay, Senior Independent Non-Executive Director
Janis Kong, Executive Chairman, Heathrow Airport
Mike Toms, Planning and Regulatory Affairs Director
Tony Ward, Services Director

This document is being sent in accordance with Rule 2.6 of the City Code on Takeovers and Mergers (the "City Code"). The directors of BAA accept responsibility for the information contained in this letter, except that the only responsibility accepted by the directors of BAA in respect of the information contained in this letter relating to Ferrovial, which has been compiled from published sources, is to ensure that such information has been correctly and fairly reproduced and presented. Subject as aforesaid, to the best of the knowledge and belief of such directors (who have taken all reasonable care to ensure that such is the case); the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, any person who, alone or acting together with any other person(s) pursuant to an agreement or understanding (whether formal or informal) to acquire or control relevant securities of BAA, owns or controls, or becomes the owner or controller, directly or indirectly, of one per cent. or more of any class of securities of BAA is required to disclose, by not later than 12.00 noon (London time) on the London business day following the date of the relevant transaction, dealings in such securities (or in any option in respect of, or derivative referenced to, any such securities) during the period to the date on which the offer becomes or is declared unconditional as to acceptances or lapses or is otherwise withdrawn.

Under the provisions of Rule 8.1 of the City Code, all dealings in relevant securities of BAA by BAA or Ferrovial, or by any of their respective "associates" (within the meaning of the City Code) must also be disclosed.

If you are in any doubt as to the application of Rule 8 to you, please contact an independent financial adviser authorised under the Financial Services and Markets Act 2000, consult the website of the Panel on Takeovers and Mergers (the "Panel") at www.thetakeoverpanel.org.uk or contact the Panel on telephone number +44 20 7638 0129; fax +44 20 7236 7013.

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