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If you have sold or otherwise transferred all your shares in 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.

17 March 2006

Dear Shareholder,



BAA response to Grupo Ferrovial S.A. ("Ferrovial")

This morning BAA received a pre-conditional proposal from Ferrovial and its consortium partners to make a cash offer for BAA of 810 pence per share (the "Proposal"). The following is the text of an announcement released today in which the Board unanimously rejected the proposal which does not begin to reflect the true value of BAA's unique portfolio of airport assets.

"BAA plc ("BAA") has today received a pre-conditional proposal from Grupo Ferrovial SA ("Ferrovial") and its consortium partners to make a cash offer for BAA at 810 pence per share. This proposal is conditional, inter alia, on due diligence and a recommendation from the Board of BAA. The proposal goes on to say that the Consortium would be willing to increase its offer by 'a small increment' in return for BAA agreeing to grant limited due diligence access and recommending the Consortium's offer.

The Board of BAA met this morning and has no hesitation in rejecting this proposal, which does not begin to reflect the true value of BAA's unique portfolio of airport assets. On the basis of this proposal, the Board does not believe it is in shareholders' interests for it to enter into discussions with Ferrovial.

Marcus Agius, Chairman of BAA, commented: *"Since Ferrovial made its first announcement about BAA five weeks ago, attention has focused upon the value of our assets and the quality of our management. We believe that a period of exceptional opportunity lies ahead. Delivering enhanced value to our shareholders remains this company's first priority."*

This announcement is made without Ferrovial's consent. There can be no certainty that an offer will be made nor as to the terms on which any offer might be made."

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

For legal and regulatory reasons we cannot comment further on the Proposal at this time. However, should you have any shareholder queries not directly related to the Proposal, please telephone freephone 0800 169 5569.

Yours sincerely

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

Marcus Agius
Chairman

If you would like this letter in an alternative format, please call us on 0800 731 4227. Alternatively an accessible version of this document can be found on our website - www.baa.com/investor

The directors of BAA accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the directors of BAA (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.