

BAA plc

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www.baa.com/bid

This document is important and requires your immediate attention. Not for release, publication or distribution in, into or from Canada.

26 June 2006



Dear Shareholder,

ADI's recommended offer for BAA is successful

Today, Airport Development and Investment Limited ("ADI") declared its offer for BAA plc ("BAA") unconditional in all respects. This means that ADI now controls BAA as, at 1pm today, it either owned or had received valid acceptances in respect of 83.37% of BAA's issued shares. The offer will remain open for acceptance until further notice. If you wish to accept the offer and require any assistance on the actions you need to take, including if you have not received or have lost a copy of the offer document or form of acceptance, please call Computershare on 0800 408 1003 (or +44 870 703 6266, from outside the UK).

ADI is the investment vehicle of the consortium led by Ferrovial Infraestructuras, S.A.

Adjournment of Annual General Meeting

BAA Shareholders will have received notice of the BAA Annual General Meeting ("AGM") which is due to take place on 14 July 2006. However, the BAA Board has now resolved that the meeting will be adjourned immediately after it has commenced. No business will be transacted at this meeting and we therefore strongly suggest that BAA Shareholders do not attend.

BAA Shareholders accepting the offer should not complete proxy forms or vote online in relation to the resolutions set out in the AGM notice of 15 May 2006.

Final dividend

The BAA Board has also resolved that an interim dividend of 15.25 pence per BAA Share will be paid to eligible BAA Shareholders, being those on the register on 9 June 2006, in place of the final dividend of the same amount that was to be proposed at the BAA AGM. The interim dividend does not require the approval of BAA Shareholders and will be paid to eligible BAA Shareholders on or around 11 August 2006. No further dividend will be paid to BAA Shareholders in respect of the financial year ended 31 March 2006.

Yours sincerely

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

Marcus Agius
Chairman

If you would like this document in an alternative format, please call us on 0800 731 4247.

If you are in any doubt regarding the contents of this letter or the action you should take, you should seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if you are outside the United Kingdom, from an appropriately authorised independent financial advisor.

The directors of BAA accept responsibility for the information contained in this letter. 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 letter is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of BAA have received financial advice from N M Rothschild & Sons Limited ("Rothschild") and UBS Limited ("UBS"). In providing this advice, Rothschild and UBS have placed reliance on the commercial assessment of the directors.

Rothschild, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for BAA and no-one else in connection with the matters referred to herein and will not be responsible to anyone other than BAA for providing the protections afforded to clients of Rothschild or for giving advice in relation to such matters.

UBS is acting exclusively for BAA and no-one else in connection with the matters referred to herein and will not be responsible to anyone other than BAA for providing the protections afforded to clients of UBS, nor for providing advice in relation to such matters.