

COMPANIES FORM NO. 429(4)
Notice to non-assenting shareholders

429(4)

*Pursuant to section 429(4) of the Companies Act 1985
as inserted by Schedule 12 to the Financial Services Act 1986*

To:

SRN:

No. of BAA Shares:

Compulsory Acquisition

A takeover offer (the "Offer") was made on 20 April 2006 by Airport Development and Investment Limited ("ADI") to acquire all of the outstanding Ordinary Shares in BAA (the "BAA Shares"). On 6 June 2006, ADI increased the Offer, and the Offer was recommended by the board of BAA plc ("BAA") (such increased offer being the ("Ordinary Recommended Final Offer*")).

ADI has, within 4 months of making of the Offer, acquired or contracted to acquire not less than nine-tenths in value of the BAA Shares. ADI gives notice that it now intends to exercise its rights under section 429 of the Companies Act 1985 to acquire the BAA Shares held by you.

The terms of the Ordinary Recommended Final Offer* are set out in the revised offer document (the "Revised Offer Document") dated 12 June 2006 and the revised form of acceptance (the "Revised Form of Acceptance") sent to holders of BAA Shares ("BAA Shareholders"), and provide for BAA Shares to be acquired on the following basis:

935 pence in cash for each BAA Share

In addition, BAA Shareholders who validly accept the Ordinary Recommended Final Offer* and who are entitled to receive the proposed final dividend of 15.25 pence per BAA Share, to be paid by BAA on 11 August 2006 in respect of the financial year ended 31 March 2006, will be entitled to retain such dividend.

ADI had made available the Ordinary Partial Share Alternative and the Ordinary Additional Share Election (as defined and as described in the Revised Offer Document), but these alternatives have lapsed in accordance with their terms and are therefore not available to BAA Shareholders.

Unless otherwise determined by ADI, the Ordinary Recommended Final Offer* is not being, and will not be, made, directly or indirectly, in or into or by the use of the mails of, or by any other means of interstate or foreign commerce of, or any facility of a national securities exchange of Canada, or any jurisdiction where to do so would violate the laws of that jurisdiction and will not be capable of acceptance by any such use, means or facility or from within Canada or any such jurisdiction.

As an alternative (the "Loan Note Alternative") to all or part of the cash consideration which would otherwise be receivable under the Ordinary Recommended Final Offer*, BAA Shareholders (other than, unless otherwise determined by ADI and the relevant clearances are obtained or steps are taken, US Persons, as defined in Regulation S under the US Securities Act of 1933, or persons in, or resident in, Canada, Australia, Japan or certain other jurisdictions, as further described in the Revised Offer Document) who validly accept the Ordinary

Recommended Final Offer* will, subject to the terms and conditions set out in the Revised Offer Document and the Revised Form of Acceptance, be able to elect to receive loan notes (“Loan Notes”) to be issued by ADI on the following basis:

£1 nominal of Loan Notes for every £1 of cash consideration under the Ordinary Recommended Final Offer*

As the terms of the Ordinary Recommended Final Offer* include a choice of consideration, you may, within 6 weeks of the date of this notice, indicate your choice by sending a written communication to ADI at the address specified at the end of this notice, specifying (i) the proportions in which you wish to receive your consideration in cash and/or Loan Notes and (ii) the address to which your cash and/or Loan Notes should be sent. If you do not indicate your choice in such manner within the 6 week period beginning on the date of this notice and do not make an application to the Court (see below), ADI will acquire each BAA Share for 935 pence in cash. This choice is not available to US Persons, as defined in Regulation S under the US Securities Act of 1933, or persons in, or resident in, Canada, Australia, Japan or certain other jurisdictions, as further described in the Revised Offer Document, unless otherwise determined by ADI and the relevant clearances are obtained or steps are taken.

The Ordinary Recommended Final Offer* remains open for acceptance by BAA Shareholders, subject to the restrictions set out in the Revised Offer Document, and can be accepted by following the procedure set out in the Revised Offer Document (including, for BAA Shares held in certificated form, completing the Revised Form of Acceptance).

The Loan Notes that may be issued pursuant to the Loan Note Alternative will not be transferable and have not been and will not be listed on any stock exchange and, unless otherwise determined by ADI, have not been, and will not be, registered under the US Securities Act of 1933 or under the securities laws of any jurisdiction of the United States, nor have the relevant clearances been obtained, nor will they be, nor have any steps been taken, nor will any steps be taken to enable the Loan Notes to be offered in compliance with applicable securities laws of Canada, Australia or Japan (or any province or territory thereof, if applicable) or any other jurisdiction if to do so would constitute a violation of the relevant laws in such jurisdiction. Accordingly, unless otherwise determined by ADI and the relevant clearances are obtained or steps are taken, the Loan Notes may not be offered, sold, resold or delivered, directly or indirectly, in, into or from the United States (or to, or for the account or benefit of US Persons, as defined in Regulation S under the US Securities Act of 1933), Canada, Australia or Japan (or to any residents thereof) or any other jurisdiction (or to residents in that jurisdiction) if to do so would constitute a violation of the relevant laws in such jurisdiction.

NOTE: You are entitled under section 430C of the Companies Act 1985 to make an application to Court within 6 weeks of the date of this notice for an order that ADI shall not be entitled and bound to acquire your BAA Shares or that different terms to those referred to herein shall apply to the acquisition. If you are contemplating such an action you may wish to seek legal advice.



For and on behalf of
Airport Investment and Development Limited

Dated: 24 July 2006

Any communications regarding the above notice should be addressed to ADI's receiving agent, Computershare Investor Services PLC, PO Box 858, The Pavilions, Bridgwater Road, Bristol, BS99 5WE (telephone: 0800 408 0103, or +44 870 703 6266 from outside the UK) between 8.30 am and 5.30 pm on any London business day.

* ADI reserves the right to increase, extend or otherwise amend the Recommended Final Offers* (or any part thereof) (i) with the recommendation of the BAA Board; or (ii) if a firm intention to make a competing offer for BAA is announced; or (iii) with the consent of the Panel; or (iv) if BAA issues an announcement of the kind referred to in Rule 31.9 of the City Code.