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For immediate release

Grupo Ferrovial, S.A.

Terms of possible cash offer for BAA plc

Grupo Ferrovial, S.A. ("Ferrovial") notes the announcement earlier today by BAA plc ("BAA") regarding its response to Ferrovial's recent approach to BAA.

On behalf of a consortium comprising Ferrovial Infraestructuras, S.A. (a subsidiary of Ferrovial), Caisse de dépôt et placement du Québec ("CDP") and an investment company directed by GIC Special Investments Pte Ltd ("GIC SI") (together the "Consortium"), Ferrovial confirms that earlier today it submitted to the Chairman of BAA the outline terms of a possible cash offer for the entire issued and to be issued ordinary share capital of BAA (the "Proposal").

The Consortium believes the Proposal offers attractive value for BAA shareholders and hence is disappointed that BAA has chosen to reject the Proposal without further discussion.

The Proposal

Subject to the satisfaction or waiver of the pre-conditions set out below, and on the terms and conditions to be set out in any firm offer announcement, the Consortium is prepared to make an offer of 810 pence per share in cash for the entire issued and to be issued ordinary share capital of BAA.

The Proposal values the existing issued share capital of BAA at £8.75bn and represents a premium of 27 per cent. to the average share price of 637p for the 30 days ended on 6 February 2006, the day before speculation began about the possibility of an offer for BAA, and a premium of 32 per cent. to the average share price of 615p for the 12 months ended on 6 February 2006.

The Proposal represents a multiple of 19.3x BAA's undiluted pre-exceptional earnings per share of 41.9p for the year ended 31 March 2005.

It is the strong preference of the Consortium to proceed with the transaction on a recommended basis. Therefore, the Consortium would be willing to increase its offer by a small increment in return for BAA agreeing to grant the limited due diligence access set out below and recommending the Consortium's offer.

Pre-conditions

The pre-conditions to the Proposal are as follows:
(i) completion of the limited due diligence set out below to the reasonable satisfaction of the Consortium;
(ii) agreement with the trustees of the pension scheme on any required additional contributions and receipt of the appropriate clearance(s) from the pensions regulator; and
(iii) the unanimous recommendation of the BAA board.

The Consortium reserves the right to waive, in whole or in part, any of the above pre-conditions at its discretion.

Financing

The offeror will be a newco which has been established specifically for the purposes of this transaction ("Bidco"). Equity in Bidco will be subscribed for by Ferrovial Infraestructuras, S.A., CDP and an investment company directed by GIC SI, with Ferrovial indirectly holding an interest of more than 60 per cent. The equity documents required to implement the transaction have been signed by the Consortium members.

It is intended that debt finance for Bidco will be provided by Citigroup, Royal Bank of Scotland and Banco Santander (together, "the Banks"). Term sheets for the required debt facilities have been signed by the Consortium and the Banks.

The Consortium is committed to safe long-term funding in the global bond markets and, as such, plans to consult with BAA's existing bondholders (through the Association of British Insurers) to help develop its long-term funding plans.

The Consortium's plans for the BAA business

The Consortium's aim is to maximise BAA's operational and financial efficiency, whilst also focusing on security, safety, good airline and passenger service and environmental issues. The Consortium is committed to the long-term ownership and continued development of BAA's business, and to the investment needs of the business in the future. Key to this is its intention to keep together the UK regulated assets of the group and to work co-operatively with the UK Government and the CAA to deliver the White Paper recommendations for runway and terminal development.

The Consortium has had regard to all BAA's disclosed investment projects across its seven UK airports. The Consortium intends to focus on investment in the UK and to enhance airport capacity, in particular, in South East England. The Consortium also intends to retain and support current executive management. The Consortium members have substantial experience in running infrastructure assets, including airports.

Due diligence

Assisted by its team of advisers, the Consortium has completed an extensive due diligence exercise based on public information. In addition, the Consortium has requested that the board of BAA discloses the following limited information:

- A copy of the trust deed relating to, and rules of, the BAA group's final salary occupational pension scheme (the "Scheme") and details of the mortality assumptions used in calculating the Scheme's IAS 19 deficit as at 30 September 2005 and copies of the BAA Group's employee share schemes' rules and related trust deeds.
- Details of the deferred tax liability and schedule of reversion relating to the BAA group's accelerated capital allowances.
- Details of the BAA group's debt facilities (including copies of the trust deeds in respect of its public debt, including its convertible bonds) and the gross debt, cash, net debt and reserves / distributable reserves of BAA and its material UK subsidiaries.

- Details of the BAA group's outstanding derivative (including hedging) position, contingent liabilities and performance guarantee exposures, as at the latest month end.
- Copies of the latest financial covenant compliance certificates delivered by the BAA group in respect of all of its existing public debt.
- Details of the BAA group's capex budget for the fiscal years ending 31 March 2006 and 31 March 2007 including details of payments made and outstanding, segmented accordingly for Terminal 5.
- Confirmation that none of the provisions in any of the BAA group's contracts or other arrangements relating to Budapest, Indianapolis, Naples and the Australian airports in which it has an interest are triggered by a change of control of, or a transfer of any shares in, any relevant member of the BAA group. To the extent that there are any such provisions, details of those provisions.
- Details of the BAA group's total sales (in US dollars) derived either from assets located in the US or contracts relating to such assets, including reimbursements or other consideration paid to the BAA group pursuant to contracts in the US.

Pension scheme deficit

The Consortium has assumed in its financial analysis an accelerated schedule of contributions to eliminate the BAA group's current pension scheme deficit over a period of time. Following receipt of the pensions related information referred to above, the Consortium will be ready to submit a proposal to the trustees of the pension scheme, and is confident that it can reach a satisfactory agreement with them, and obtain clearance(s) from the pensions regulator, before an offer is made.

The Consortium has requested that the board of BAA facilitates access to the trustees as a matter of urgency.

Anti-trust and Regulatory

The Consortium has taken extensive advice on anti-trust and regulatory matters on the basis of which it believes that no material anti-trust or regulatory issues are likely to arise in relation to the Proposal.

The Proposal will be reviewable by the European Commission and the Consortium is confident that it will be cleared during a Phase I review. In order to help ensure this, the Consortium members would be willing to make such remedy commitments in relation to non-BAA assets as may reasonably be necessary in order to secure such Phase I clearance. It is anticipated that the required notification will be submitted to the European Commission soon.

In relation to all other jurisdictions in which BAA operates, the Consortium is confident that the implementation of the Proposal will not give rise to any material anti-trust or regulatory issues. In relation to Australia, the Consortium members would be willing to make such commitments as may be necessary to ensure compliance with the Australian Airports Act.

Civil Aviation Authority

The Consortium has taken advice regarding the regulatory regime under which BAA and its UK airport subsidiaries operate. It endorses BAA's current approach in the ongoing price review regarding BAA's London airports, and sees this as a "business as usual" issue.

The Consortium is fully committed to achieving the ambitions of the Government's White Paper and has a detailed business plan which provides significant investment to do so. It is confident that the CAA will be comfortable with its business plan, financial structure and ability to deliver its investment commitments.

Other matters

The Consortium intends to make appropriate offer(s) to the holders of BAA's convertible bonds at a value which reflects the enhanced conversion rate of the convertibles which applies in the event of a change of control.

The Consortium also intends to make appropriate offers to the holders of options.

The Consortium is prepared to offer a loan note alternative (consistent with market norms) to the cash consideration offered for the BAA shares ("the Loan Notes") if this were considered important by the board of BAA.

The Consortium's current preference is to implement the transaction by way of a scheme of arrangement.

The Consortium intends that the existing employment rights of all BAA group employees would continue to be safeguarded and accrued rights to pension benefits protected in accordance with statutory requirements.

This announcement does not constitute an announcement of a firm intention to make an offer under Rule 2.5 of the City Code on Takeovers and Mergers ("the Code"). Accordingly, there can be no certainty that any offer will ultimately be made, even if the pre-conditions to the Proposal are satisfied or waived.

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INFORMATION ON FERROVIAL

Ferrovial is one of Europe's leading construction, services and infrastructure concession groups, with annual revenues of €8,989 million, more than 68,000 employees and a presence in 40 countries worldwide. Ferrovial was founded as a construction company in 1952 and, while it maintains construction as one of its core activities, is now a diversified group, with other businesses (infrastructure, property and services) that are complementary to its core activity. In recent years, Ferrovial's strategy has been to expand and diversify in terms of activities and regions. In the 1997 to 2005 period, equity investments amounted to €6 billion, 80% in infrastructure and services. In 2005 Ferrovial derived 59% of its operating profit from infrastructure and services business.

Ferrovial has also made significant investments overseas, with 46% of operating profit coming from outside Spain. Ferrovial has investments throughout Europe (the UK, Ireland, Italy, Portugal and Poland), Canada, the US, Australia and Latin American countries, mainly Chile. Ferrovial's revenues amounted to €8,989 million in 2005, and net income was €416 million.

Ferrovial's infrastructure projects include the operation, through its Cintra subsidiary, of the 407 ETR motorway in Toronto and the Chicago Skyway toll road, and has recently been selected preferred bidder for the maintenance and operation of the Indiana Toll Road. In the UK, through its Amey subsidiary, Ferrovial jointly holds a 30-year contract to upgrade and maintain the Jubilee, Northern and Piccadilly London Underground Lines. Ferrovial's airport investments include owning 50% of Bristol, 100% of Belfast City and 20.9% of Sydney airport. Ferrovial has also recently acquired 100% of the share capital of the Swiss airport handling company, Swissport International AG, which operates in more than 180 airports worldwide and employs over 20,000 people.

INFORMATION ON CDP

CDP is a financial institution that manages funds primarily for public and private pension and insurance plans. As at 31 December 2005, it held CA $122.2 billion of net assets. CDP invests in the main financial markets as well as in private equity and real estate.

CDP's private equity unit focuses mainly on companies that offer predictable current income for its infrastructure portfolio. CDP partners with dynamic companies in various sectors, offering them a wide range of financing products, which comprise mainly equity investments and loans. As at 31 December 2005, the private equity portfolio had a net asset value of CA $10.9 billion.

INFORMATION ON GIC SI

GIC SI is the private equity investment arm of the Government of Singapore Investment Corporation Pte Ltd ("GIC"). It manages a diversified global portfolio of investments in private equity, venture capital and infrastructure funds, as well as direct investments in private companies. From providing capital to US leveraged buyout and venture capital firms in the early 80s, GIC SI's portfolio has since grown significantly. Today, operating out of offices in Singapore, London, New York, San Francisco and Beijing, GIC SI is one of the largest private equity investors worldwide.

GIC is a global investment management company established in 1981 to manage Singapore's foreign reserves. GIC invests internationally in equities, fixed income, money market instruments, real estate and special investments. Since inception, GIC has grown from managing a few billion dollars, to more than US$100 billion today. GIC strives to achieve good long-term returns on assets under management, to preserve and enhance Singapore's reserves.

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Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of BAA, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. The requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of BAA, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of BAA by Ferrovial or BAA, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative reference to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The Loan Notes which may be issued pursuant to the Proposal have not been, and will not be, registered under the US Securities Act of 1933 (the "Securities Act"), as amended, or under the securities laws of any jurisdiction of the United States nor have the relevant clearances been, 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 Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws in such jurisdiction. The Loan Notes will not be listed on any stock exchange. Accordingly, the Loan Notes may not be offered, sold, resold or delivered, directly or indirectly, in, into or from the United States (or to US Persons, as defined in Rule 902 of Regulation S under the Securities Act), Japan (or to residents of Japan) 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. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the Loan Notes, or determined if this document is accurate or complete. Any representation to the contrary is a criminal offence.

Notice to US holders of BAA securities: An offer for BAA would be for the securities of a corporation organised under the laws of England and would be subject to the procedure and disclosure requirements of England, which are different from those of the United States. The financial information included in this document has not been prepared in accordance with generally accepted accounting principles in the United States ("US GAAP") and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP. Also, the settlement procedure with respect to the offers will be consistent with UK practice, which differs from US domestic tender offer procedures in certain material respects, particularly with regard to date of payment.

It may be difficult for US holders of BAA securities to enforce their rights and any claim arising out of the US federal securities laws, since the Consortium, its members and BAA are located outside of the United States, and some or all of their officers and directors may be resident outside of the United States. US holders of BAA securities may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement.

To the extent permitted by applicable law and in accordance with normal UK practice, the Consortium and its members or their respective nominees, or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, BAA securities other than pursuant to any such offer, such as in open market or privately negotiated purchases outside the United States during the period in which the offer remains open for acceptance. In accordance with the requirements of Rule 14e-5 and any exemptive relief granted by the SEC, such purchases, or arrangements to purchase, must comply with English law, the City Code and the Listing Rules. In addition, in accordance with Rule 14e-5(b) of the US Exchange Act, Citigroup Global Markets Limited and HSBC will continue to act as exempt market makers in BAA securities on the London Stock Exchange. Any information about such purchases will be disclosed as required in the UK and will be available from the Regulatory News Service on the London Stock Exchange website, www.londonstockexchange.com