

Final Terms dated 7 December 2009

EXECUTION VERSION

BAA Funding Limited

Issue of Sub-Class A-11 £235,000,000 Indexed Bonds due 2041

under the Bond Programme

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States or to U.S. Persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. See "Subscription and Sale" and "Transfer Restrictions" in the accompanying Prospectus.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Prospectus dated 20 November 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at www.londonstockexchange.com/prices-and-news/prices-news/home.htm.

Repayment of the principal and payment of any interest or premium in connection with the Bonds has not been guaranteed by a Financial Guarantor or by any other financial institution.

Co Arrangers for the Programme

Citi

The Royal Bank of Scotland

Dealers

**Banco Bilbao Vizcaya Argentaria,
S.A.**

BNP PARIBAS

Caja Madrid

CALYON Crédit Agricole CIB

Citi

HSBC

RBC Capital Markets

**Santander Global Banking &
Markets**

The Royal Bank of Scotland

1	(i)	Issuer	BAA Funding Limited
	(ii)	Obligors:	Heathrow Airport Limited, Stansted Airport Limited, BAA (SP) Limited, BAA (AH) Limited, Heathrow Express Operating Company Limited
	(iii)	Financial Guarantor:	Not Applicable
2	(i)	Series Number	3
	(ii)	Sub-Class Number:	A-11
3		Relevant Currency or Currencies:	Pound Sterling ("£")
4		Aggregate Nominal Amount of Bonds admitted to trading:	
	(i)	Series:	£235,000,000
	(ii)	Tranche:	£235,000,000
	(iii)	Sub-Class:	£235,000,000
5	(i)	Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds (required only for listed issues):	£235,000,000
6	(i)	Specified Denominations:	£50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. No Bonds in definitive form will be issued with a denomination above £99,000.
	(ii)	Calculation Amount:	£1,000

7	(i)	Issue Date:	9 December 2009
	(ii)	Interest Commencement Date (if different from the Issue Date):	Issue Date
8	(i)	Scheduled Redemption Date:	9 December 2039
	(ii)	Maturity Date:	9 December 2041
9		Instalment Date:	Not Applicable
10		Interest Basis:	Index Linked Interest (further particulars specified below)
11		Redemption/Payment Basis:	Index Linked Redemption
12		Change of Interest or Redemption/Payment Basis:	Condition 6(e) (<i>Indexed Bonds</i>) is applicable
13		Put/Call Options:	Issuer Call Option (further particulars specified below)
14		Status and Ranking:	The Class A Bonds rank <i>pari passu</i> among each other in terms of interest and principal payments and rank in priority to the Class B Bonds
15		Listing:	London Stock Exchange
16		Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17		Fixed Rate Bond Provisions:	Not Applicable
18		Floating Rate Bond Provisions:	Not Applicable
19		Zero Coupon Bond Provisions:	Not Applicable
20		Indexed Bond Provisions:	Applicable
	(i)	Index/Formula:	UK Retail Price Index, as set out in the definition of "Index" or "Index Figure" in Condition 7(a). Paragraph (i) of the definition of "Index" or "Index Figure" shall not apply. The definition of Index Ratio in Condition 7(a) shall be amended to read: "Index Ratio" applicable to any day means the Index Figure applicable to such day divided by the Base Index Figure. The words "applicable to the month in which such payment falls to be made" in Condition 7(b) shall be replaced by the words "applicable to the day on which such payment falls to be made".
	(ii)	Interest Rate:	3.334 per cent. per annum
	(iii)	Screen Rate Determination (applicable following the Scheduled Redemption Date only):	
		– Relevant Rate:	6-month LIBOR
		– Interest Determination Date(s):	The first day of each Interest Period
		– Page:	Reuters page LIBOR01
		– Relevant Time:	11.00 a.m. London time
		ISDA Determination:	
		– Floating Rate Option:	Not Applicable
		– Designated Maturity:	Not Applicable
		– Specified Duration:	Not Applicable
		– Reset Date:	Not Applicable

(iv)	Step-Up Fixed Fee Rate:	4.00 per cent. per annum
(v)	Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Agent Bank):	Not Applicable
(vi)	Provisions for determining Coupon in the event of changes in circumstances, disruptions, cessation or fundamental changes to the Index:	Applicable – Condition 7(c) and 7(e)
(vii)	Interest or calculation period(s)	Interest Period as defined in Condition 6(i)
(viii)	Interest Payment Dates:	9 June and 9 December in each year, commencing 9 June 2010, each Interest Payment Date subject to adjustment in accordance with the Following Business Day Convention in respect of payment dates only
(ix)	First Interest Payment Date:	9 June 2010
(x)	Business Day Convention:	Following Business Day Convention
(xi)	Business Centre:	London
(xii)	Minimum Indexation Factor:	Not Applicable
(xiii)	Maximum Indexation Factor:	Not Applicable
(xiv)	Base Index Figure:	215.48065
(xv)	Limited Indexation Month(s):	Not Applicable
(xvi)	Reference Gilt:	1.125 per cent. Treasury Stock due November 2037
(xvii)	Day Count Fraction:	Actual/Actual (ICMA)
(xviii)	Alternative Redemption Amount:	Not Applicable
	– Reuters Screen:	Not Applicable
21	Dual Currency Bond Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

22	Issuer Call Option:	Applicable in accordance with Condition 8(d)
	(i) Optional Redemption Date(s):	Any Interest Payment Date
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	As set out in Condition 8(d)
	(iii) If redeemable in part:	As set out in Condition 8(d)
	(iv) Minimum Redemption Amount:	Not applicable
	(v) Maximum Redemption Amount:	Not applicable
	(vi) Notice period (if other than as set out in the Conditions):	As set out in Condition 8(d)
23	Put Option:	Not Applicable
24	Final Redemption Amount of each Bond:	As set out in Condition 8(b)
	In cases where the Redemption Amount is Index-Linked or other variable-linked:	
	(i) Index/Formula/variable:	UK Retail Price Index, as set out in the definition of "Index" or "Index Figure" in Condition 7(a). Paragraph (i) of the definition of "Index" or "Index Figure" shall not apply. The definition of Index Ratio in Condition 7(a) shall be amended to read: " Index Ratio "

applicable to any day means the Index Figure applicable to such day divided by the Base Index Figure.

The words "applicable to the month in which such payment falls to be made" in Condition 7(b) shall be replaced by the words "applicable to the day on which such payment falls to be made".

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| (ii) | Party responsible for calculating the Final Redemption Amount (if not the Agent Bank): | Not Applicable |
| (iii) | Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: | Applicable – Condition 7(b) |
| (iv) | Determination Date(s): | Maturity Date or Scheduled Redemption Date |
| (v) | Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: | Applicable – Condition 7(c) and 7(e) |
| (vi) | Payment Date: | 9 December 2041 |
| (vii) | Minimum Final Redemption Amount: | Not Applicable |
| (viii) | Maximum Final Redemption Amount: | Not Applicable |

- 25 **Early Redemption Amount:** As set out in the Conditions
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions);

GENERAL PROVISIONS APPLICABLE TO THE BONDS

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| 26 | Form of Bonds: | Registered Bonds |
| (i) | If issued in Bearer form: | Not Applicable |
| (ii) | If issued in Registered form: | Global Bond Certificate exchangeable for Individual Bond Certificates
Global Bond Certificate registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg |
| 27 | New Global Note: | No |
| 28 | Relevant Financial Centre(s) or other special provisions relating to Payment Dates: | Not Applicable |
| 29 | Talons for future Coupons or Receipts to be attached to Definitive Bonds (and dates on which such Talons mature): | Not Applicable |
| 30 | Details relating to Partly Paid Bonds: amount of each payment comprising the Issue Price and date on which each payment | Not Applicable |

is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Bonds and interest due on late payment:

31	Details relating to Instalment Bonds:	Not Applicable
32	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
33	Consolidation provisions:	The provisions of Condition 1(c) apply
34	Other final terms:	Not Applicable
35	TEFRA rules:	Not Applicable

BORROWER LOAN TERMS

36	Interest rate on relevant Term Advance/Index Linked Advances:	3.334 per cent. per annum (with the amount of interest payable being subject to indexation in accordance with the Index Ratio applicable to the Bonds in accordance with Condition 7)
37	Term of relevant Term Advance/Index Linked Advances:	Maturing on 9 December 2039
38	Other relevant provisions:	Not Applicable

DISTRIBUTION

39	(i) If syndicated, names of Managers:	Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., BNP Paribas, London Branch, Caja de Ahorros y Monte de Piedad de Madrid, CALYON, Citigroup Global Markets Limited, HSBC Bank plc, Royal Bank of Canada Europe Limited, The Royal Bank of Scotland plc
	(ii) Stabilising Manager (if any):	The Royal Bank of Scotland plc
40	If non-syndicated, name of Dealer:	Not Applicable
41	Additional selling and transfer restrictions:	Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Bonds described herein pursuant to the listing of the Programme for the issuance of up to £50,000,000,000 of Bonds.

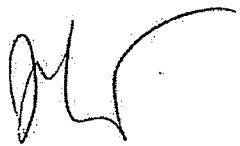
RESPONSIBILITY

The Issuer and each Obligor accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

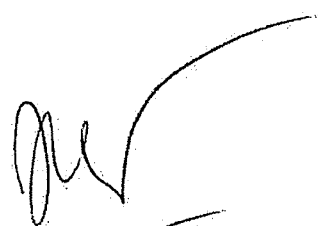
Duly authorised



Signed on behalf of Heathrow Airport Limited:

By:

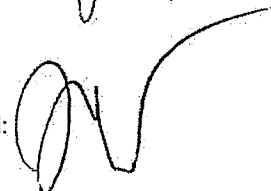
Duly authorised



Signed on behalf of Stansted Airport Limited:

By:

Duly authorised



Signed on behalf of Heathrow Express Operating Company Limited:

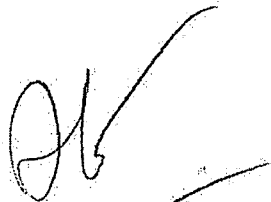
By:

Duly authorised

Signed on behalf of BAA (SP) Limited:

By:

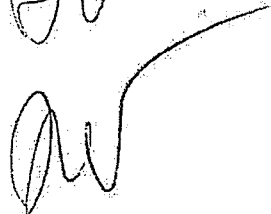
Duly authorised



Signed on behalf of BAA (AH) Limited:

By:

Duly authorised



Signed on behalf of the Issuer:

By:

Duly authorised

Signed on behalf of Heathrow Airport Limited:

By:

Duly authorised

Signed on behalf of Stansted Airport Limited:

By:

Duly authorised

Signed on behalf of Heathrow Express Operating Company Limited:

By: *Richard L. Robinson Managing Director*

Duly authorised

Signed on behalf of BAA (SP) Limited:

By:

Duly authorised

Signed on behalf of BAA (AH) Limited:

By:

Duly authorised

PART B – OTHER INFORMATION

1 Listing

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| (i) | Listing | London |
| (ii) | Admission to trading: | Application has been made for the Bonds to be admitted to trading on the London Stock Exchange with effect from 9 December 2009. |
| (iii) | Estimate of total expenses related to admission to trading: | £3,600 |

2 Ratings

- | | |
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| Ratings: | The Bonds to be issued have been rated: |
| | S&P: A- |
| | Fitch: A- |

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

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| Reasons for the offer: | See “Overview of the Programme and Financing Structure” in the Prospectus. |
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5 PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Information on the UK Retail Price Index can be found on Bloomberg Page UKRPI.

6 Operational information

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|---|--------------------------|
| Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): | Not Applicable |
| Delivery: | Delivery against payment |
| Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| ISIN Code: | XS0471438456 |
| Common Code: | 047143845 |