

Final Terms dated 26 June 2012

**BAA Funding Limited**

Issue of Sub-Class A-22 CAD400,000,000 4.000 per cent. Fixed Rate Bonds due 2021

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 14 June 2012 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 <http://www.londonstockexchange.com/prices-and-news/prices-news/home.htm>.

**Dealers****BofA Merrill Lynch****CIBC World Markets****RBC Capital Markets****HSBC**

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	18
	(ii)	Sub-Class Number:	A-22
3		Relevant Currency or Currencies:	Canadian Dollar (“CAD”)
4		Aggregate Nominal Amount of Bonds admitted to trading:	
	(i)	Series:	CAD400,000,000
	(ii)	Tranche:	CAD400,000,000
	(iii)	Sub-Class:	CAD400,000,000
5	(i)	Issue price:	99.367 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds (required only for listed issues):	CAD395,988,000.00
6	(i)	Specified Denominations:	CAD150,000 and integral multiples of CAD1,000 in excess thereof up to and including CAD299,000. No Bonds in definitive form will be issued with a denomination above CAD299,000.
	(ii)	Calculation Amount:	CAD1,000
7	(i)	Issue Date:	3 July 2012
	(ii)	Interest Commencement Date (if different from the Issue Date):	Issue Date
8	(i)	Scheduled Redemption Date:	3 July 2019
	(ii)	Maturity Date:	3 July 2021

9	Instalment Date:	Not Applicable
10	Interest Basis:	4.000 per cent. Fixed Rate
11	Redemption/Payment Basis:	Redemption at par
12	Change of Interest or Redemption/Payment Basis:	Condition 6(d) 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
<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>		
17	Fixed Rate Bond Provisions:	Applicable
	(i) Interest Rate:	4.000 per cent. per annum payable semi-annually in arrear
	(ii) Screen Rate Determination:	
	- Relevant Rate:	6-month CDOR
	- Interest Determination Date(s):	The first day of each Interest Period
	- Page	Reuters Screen CDOR
	- Relevant Time:	10:00 a.m. Toronto Time
	ISDA Determination:	
	- Floating Rate Option:	Not Applicable
	- Designated Maturity:	Not Applicable
	- Specified Duration	Not Applicable
	- Reset Date:	Not Applicable
	(iii) Step-Up Fixed Fee Rate:	4.000 per cent per annum
	(iv) Interest Determination Date:	As defined in Condition 6(i)
	(v) Interest Payment Date(s):	3 January and 3 July in each year, commencing 3 January 2013, each Interest Payment Date subject to adjustment in accordance with the Following Business Day Convention in respect of payment dates only.
	(vi) First Interest Payment Date:	3 January 2013
	(vii) Fixed Coupon Amount:	CAD20.00 per Calculation Amount
	(viii) Broken Amount(s):	Not Applicable
	(ix) Day Count Fraction:	Whenever it is necessary to compute any amount of accrued interest in respect of the Bonds for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest will be calculated on the basis of the actual number of days in the period and a year of 365 days (" <b>Actual / Actual Canadian Compound Method</b> ").
	(x) Other terms relating to the method of calculating interest for Fixed Rate Bonds:	Condition 6(d) is applicable.
	(xi) Reference Gilt:	Not Applicable
	(xii) Comparable German Bund Issue:	Not Applicable
	(xiii) Alternative Redemption Amount:	Not Applicable
	- Reuters Screen:	Not Applicable
18	Floating Rate Bond Provisions:	Not Applicable
19	Zero Coupon Bond Provisions:	Not Applicable
20	Indexed Bond Provisions:	Not Applicable
21	Dual Currency Bond Provisions:	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>		
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):	The Redemption Amount of each Fixed Rate Bond denominated in CAD will be an amount equal to

the greater of (i) the Principal Amount Outstanding and (ii) the Canada Yield Price, in each case, plus accrued but unpaid interest on the Principal Amount Outstanding (if any).

For the purposes of the foregoing:

"**Canada Yield Price**" means an amount equal to the sum of the present values of all remaining scheduled payments of principal and interest (not including any portion of payment of interest accrued as of the date of redemption) from the redemption date to the respective due dates for such payments until maturity of the Bonds (and, for purposes of such calculation, the date of maturity of the Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date) computed on a semi-annual basis by discounting such payments (assuming a 365 day year) to the redemption date at the Government of Canada Yield plus 0.655%.

"**Government of Canada Yield**" means, with respect to any redemption date, the mid market yield to maturity on the third business day ("**Determination Date**") preceding the redemption date, compounded semi-annually, which a non-callable Government of Canada Bond would carry if issued, in Canadian Dollars in Canada, at 100% of its principal amount on such date with a term to maturity which most closely approximates the remaining term to maturity of the Bonds (and, for purposes of such calculation, the date of maturity of the Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date) from such redemption date, such yield to maturity being the average of the yields provided by two Canadian investment dealers selected from time to time by the Issuer at noon (Toronto time) on such Determination Date.

	(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:	CAD1,000 per Calculation Amount
25	<b>Early Redemption Amount:</b> 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):	As set out in the Conditions

#### **GENERAL PROVISIONS APPLICABLE TO THE BONDS**

26	<b>Form of Bonds:</b>	Registered Bonds
	(i) If issued in Bearer form:	Not Applicable
	(ii) If Registered Bonds:	Global Bond Certificate exchangeable for

## Individual Bond Certificates

		Global Bond Certificate registered in the name of a common depository for CDS Clearing and Depository Services Inc.
		No
27	New Global Note:	No
28	Relevant Financial Centre(s) or other special provisions relating to Payment Dates:	Toronto
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 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:	Not Applicable
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
<b>BORROWER LOAN TERMS</b>		
36	Interest rate on relevant Term Advance/Index Linked Advances:	6-months LIBOR plus 2.1975 per cent. per annum
37	Term of relevant Term Advance/Index Linked Advances:	Maturing on 3 July 2019
38	Other relevant provisions:	Not Applicable
<b>DISTRIBUTION</b>		
39	(i) If syndicated, names of Managers:	CIBC World Markets Inc., HSBC Securities (Canada) Inc., Merrill Lynch Canada Inc. and RBC Dominion Securities Inc.
	(ii) Stabilising Manager (if any):	Not Applicable
40	If non-syndicated, name of Dealer:	Not Applicable
41	Additional selling and transfer restrictions:	Each Dealer has severally (and not jointly) represented and warranted to the Issuer that:

(a) the sale and delivery of any Bonds to any purchaser who is a resident of Canada or otherwise subject to the laws of Canada or who is purchasing for a principal who is a resident of Canada or otherwise subject to the laws of Canada (each such purchaser or principal a “**Canadian Purchaser**”) by such Dealer shall be made so as to be exempt from the prospectus filing requirements and exempt from, or in compliance with, the dealer registration requirements of all applicable securities laws, regulations, rules, instruments, rulings and orders, including those applicable in each of the provinces and territories of Canada (the “**Canadian Securities Laws**”);

(b) the Dealer (or its registered affiliate) is a dealer registered as an “investment dealer” or “exempt market dealer” as defined under applicable Canadian Securities Laws, and is otherwise in compliance with the representations, warranties, and agreements set out herein;

(c) each Canadian Purchaser is entitled under the Canadian Securities Laws to acquire the Bonds without the benefit of a prospectus qualified under the Canadian Securities Laws, and that such purchaser has represented that:

(i) it is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions (NI 45-106), and is purchasing the Bonds from a dealer registered as an “investment dealer” or “exempt market dealer” as defined under applicable Canadian Securities Laws, and

(ii) if such purchaser is resident in British Columbia, it is also a “permitted client” as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations;

(d) it will comply with all relevant Canadian Securities Laws concerning any resale of the Bonds and will prepare, execute, deliver, and file all documentation required by the applicable Canadian Securities Laws to permit each resale by the Dealers of Bonds to a Canadian Purchaser;

(e) it will ensure that each Canadian Purchaser purchasing from it:

(i) has represented to it that such Canadian Purchaser is a resident in and subject to the Canadian Securities Laws of a province or territory of Canada, or is a corporation, partnership, or other entity resident and created in or organised under the laws of Canada or any province or territory thereof; and

(ii) consents to disclosure of all required information about the purchase to the relevant Canadian securities regulatory authorities;

(f) the offer and sale of the Bonds will not be made through or accompanied by any advertisement of the Bonds, including, without limitation, in printed media of general and regular paid circulation, radio, television, or telecommunications, including electronic display or any other form of advertising or as part of a general solicitation in Canada;

(g) it has not provided and will not provide to any Canadian Purchaser any document or other material that would constitute an offering

memorandum (other than the preliminary and final version of the Canadian Offering Memorandum) or future oriented financial information within the meaning of Canadian Securities Laws;

(h) it will ensure that each Canadian Purchaser is advised that no securities commission, stock exchange or other similar regulatory authority in Canada has passed upon the Canadian offering memorandum or the merit of the Bonds described therein, nor has any such securities commission, stock exchange or other similar regulatory authority in Canada made any recommendation or endorsement with respect to, the Bonds;

(i) it has not made and it will not make any written or oral representations to any Canadian Purchaser:

(i) that any person will resell or repurchase the Bonds purchased by such Canadian Purchaser;

(ii) that the Bonds will be freely tradeable by the Canadian Purchaser without any restriction or holding period;

(iii) that any person will refund the purchase price of the Bonds; or

(iv) as to the future price or value of the Bonds; and

(j) it will inform each Canadian Purchaser:

(i) that we are not a "reporting issuer" and are not, and may never be, a reporting issuer in any province or territory of Canada and there currently is no public market in Canada for any of the Bonds, and one may never develop;

(ii) that the Bonds will be subject to resale restrictions under applicable Securities Law; and

(iii) such Canadian Purchaser's name and other specified information will be disclosed to the relevant Canadian securities regulators or regulatory authorities and may become available to the public in accordance with applicable laws.


**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



**PART B – OTHER INFORMATION****1 LISTING**

- (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 3 July 2012.
- (iii) Estimate of total expenses related to admission to trading: £3,650

**2 RATINGS**

Ratings: The Bonds to be issued have been rated: Standard & Poor's Credit Market Services Europe Limited, a division of The McGraw-Hill companies: A- (sf) (stable)  
Fitch Ratings Ltd.: A- (stable)

Standard & Poor's Credit Market Services Europe Limited, a division of The McGraw-Hill Companies and Fitch Ratings Ltd. are established in the European Community and are registered under Regulation (EC) No 1060/2009.

A rating must be issued by a credit rating agency established in the European Community and registered under the Regulation (EC) No 1060/2009 (the "**CRA Regulation**") unless the rating is provided by a credit rating agency that operated in the European Community before 7 June 2010 and which has submitted an application for registration in accordance with the CRA Regulation and such application for registration has not been refused.

**3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

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**

Reasons for the offer: See "*Overview*" in the Prospectus.

**5 YIELD**

**Indication of yield:** The yield is 4.105 per cent. per annum, calculated as the yield to maturity at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**6 OPERATIONAL INFORMATION**

Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): CDS Clearing and Depository Services Inc.

Delivery:

Delivery free of payment

Names and addresses of additional Paying Agent(s) (if any):

BNY Trust Company of Canada  
320 Bay Street, 11th Floor  
Toronto, Ontario  
M5H 4A6  
Canada

ISIN Code:  
Common Code:  
CUSIP:

CA G0753UAX32  
080002114  
G0753UAX3