

## FINAL TERMS

### **UK MIFIR product governance / Professional investors and ECPs only target market –**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

### **EU PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS -**

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

### **UK PRIIPs Regulation / PROHIBITION OF SALES TO UK RETAIL INVESTORS**

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") or (ii) a customer within the meaning of the provisions of the FSMA (as amended) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Final Terms dated 1 March 2024

**Heathrow Funding Limited**

Issue of Sub-Class B-13 £350,000,000 6.000 per cent. Fixed Rate Sustainability-Linked  
Bonds due 2032

under the Bond Programme

**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 30 June 2023 and the supplements to it dated 27 October 2023 and 26 February 2024 which together constitute a base prospectus for the purposes of the assimilated Prospectus Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the “EUWA”) (the “UK Prospectus Regulation”). This document constitutes the Final Terms of the Bonds described herein for the purposes of Article 8.2 of the UK Prospectus Regulation and must be read in conjunction with such Prospectus as so supplemented. 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 as so supplemented. The Prospectus and each of the supplements are available for viewing at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

1	(i)	Issuer:	Heathrow Funding Limited
	(ii)	Obligors:	Heathrow Airport Limited, Heathrow (SP) Limited, Heathrow (AH) Limited, Heathrow Express Operating Company Limited
2	(i)	Series Number	13
	(ii)	Sub-Class Number:	B-13
	(iii)	Date on which the Bonds will be considered and form a single series:	Not Applicable
3		Relevant Currency or Currencies:	Pound sterling (£)
4		Aggregate Nominal Amount of Bonds admitted to trading:	
	(i)	Series:	£350,000,000
	(ii)	Tranche:	£350,000,000
	(iii)	Sub-Class:	£350,000,000
5	(i)	Issue price:	99.621 per cent. of the Aggregate Nominal Amount
6	(i)	Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Bonds in definitive form will be issued with a denomination above £199,000.

	(ii)	Calculation Amount:	£1,000
7	(i)	Issue Date:	5 March 2024
	(ii)	Interest Commencement Date (if different from the Issue Date):	Issue Date
8	(i)	Scheduled Redemption Date:	5 March 2032
	(ii)	Maturity Date:	5 March 2032
9		Instalment Date:	Not Applicable
10		Interest Basis:	6.000 per cent. Fixed Rate
11		Redemption/Payment Basis:	Redemption at par, subject to any Step Up Event
12		Change of Interest or Redemption/Payment Basis:	Conditions 6(d) and 6(f)(ii) are applicable
13		Put/Call Options:	Issuer Call Option (further particulars specified below)
14		Date Board approval for issuance of Bonds obtained:	29 February 2024

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15		Fixed Rate Bond Provisions:	Applicable
	(i)	Interest Rate:	6.000 per cent. per annum payable annually in arrear.
	(ii)	Screen Rate Determination:	
		- Relevant Rate:	Not Applicable
		- Benchmark:	Not Applicable
		- Relevant Screen Page:	Not Applicable
		- Relevant Screen Page Time:	Not Applicable
		- Interest Determination Date:	Not Applicable
		- SOFR Rate Cut-Off Date:	Not Applicable
		- SONIA Rate Cut-Off Date:	Not Applicable
		- SARON Rate Cut-Off Date:	Not Applicable
		- TONA Rate Cut-Off Date:	Not Applicable
		- Lookback Days:	Not Applicable
		- Observation Shift Days:	Not Applicable
		- Relevant Number:	Not Applicable
		- Interest Accrual Period End Dates:	Not Applicable

- Interest Payment Delay:	Not Applicable
- SOFR Index Start:	Not Applicable
- SOFR Index End:	Not Applicable
- SAION Index Start:	Not Applicable
- SAION Index End:	Not Applicable
- SONIA Index Start:	Not Applicable
- SONIA Index End:	Not Applicable

## ISDA Determination:

- Floating Rate Option:	Not Applicable
- Designated Maturity:	Not Applicable
- Specified Duration	Not Applicable
- Reset Date:	Not Applicable
- Overnight Rate Compounding Method:	Not Applicable
- Index Method:	Not Applicable
(iii) Step-Up Fixed Fee Rate:	Not Applicable
(iv) Interest Determination Date:	Not Applicable
(v) Interest Payment Date(s):	5 March in each year, up to and including the Maturity Date
(vi) First Interest Payment Date:	5 March 2025
(vii) Fixed Coupon Amount(s):	£60.00 per Calculation Amount
(viii) Broken Amount(s):	Not Applicable
(ix) Day Count Fraction:	Actual/Actual (ICMA)
(x) Business Day Convention:	Modified Following Business Day Convention
(xi) Reference Gilt:	UKT 1.000% due 31 January 2032
(xii) Comparable German Bund Issue:	Not Applicable
(xiii) Comparable United States Treasury Securities:	Not Applicable
(xiv) Fixed Rate Bond denominated in CAD:	Not Applicable
(xv) Fixed Rate Bonds denominated in AUD:	Not Applicable
(xvi) Fixed Rate Bonds denominated in NOK:	Not Applicable

(xvii)	Fixed Rate Bonds denominated in SGD:	Not Applicable
(xviii)	Fixed Rate Bonds denominated in HKD:	Not Applicable
(xix)	Fixed Rate Bonds denominated in SEK:	Not Applicable
(xx)	Fixed Rate Bonds denominated in MXN:	Not Applicable
16	Floating Rate Bond Provisions:	Not Applicable
17	Zero Coupon Bond Provisions:	Not Applicable
18	Indexed Bond Provisions:	Not Applicable
19	Step Up Option:	Not Applicable
20	Premium Payment Option:	Applicable.
	(i) Step Up Event:	In the Air Carbon KPI Step Up Event; and On the Ground Carbon KPI Step Up Event
	(ii) In the Air Carbon KPI Percentage Reference Year(s):	Financial Year ended 31 December 2030
	(iii) On the Ground Carbon KPI Percentage Reference Year(s):	Financial Year ended 31 December 2030
	(iv) In the Air Carbon KPI Percentage Threshold:	15 per cent.
	(v) On the Ground Carbon KPI Percentage Threshold:	46.2 per cent.
	(vi) Premium Payment Amount:	1.0 per cent. in respect of the In the Air Carbon KPI Step Up Event or the On the Ground Carbon KPI Step Up Event

#### **PROVISIONS RELATING TO REDEMPTION**

19	Issuer Call Option:	Applicable in accordance with Condition 8(d)
	(i) Optional Redemption Date(s):	As specified in Condition 8(d)
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	Calculated in accordance with Condition 8(d)
	(iii) If redeemable in part:	
	(iv) Minimum Redemption Amount:	Not Applicable
	(v) Maximum Redemption Amount:	Not Applicable
	(vi) Notice period (if other than as set out in the Conditions):	Not Applicable

20	Put Option:	Not Applicable
21	Final Redemption Amount of each Bond:	Determined in accordance with Condition 8(a) or Condition 8(b), subject to any Step Up Event
	In cases where the Redemption Amount is Index-Linked or other variable-linked:	Not Applicable
22	<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):	Determined in accordance with Condition 8(d), Condition 8(e), Condition 8(f) or Condition 8(g), as the case may be, subject to any Step Up Event

### GENERAL PROVISIONS APPLICABLE TO THE BONDS

23	<b>Form of Bonds:</b>	Registered
	(i) If issued in Bearer form	Not Applicable
	(ii) If Registered Bonds:	Regulation S Global Bond Certificate registered in the name of a nominee for the common depositary for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Bond Certificates in the circumstances described in such Regulation S Global Bond Certificate
25	Relevant Financial Centre(s):	London
26	Talons for future Coupons or Receipts to be attached to Definitive Bonds (and dates on which such Talons mature):	Not Applicable
27	Details relating to Instalment Bonds:	Not Applicable

### THIRD PARTY INFORMATION

The description of the ratings in Part B, paragraph 2 of these Final Terms has been extracted from the websites of S&P Global Ratings UK Limited ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**"). The Issuer and each Obligor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by S&P and Fitch, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:   
Duly authorised

Signed on behalf of Heathrow Airport Limited:

By:   
Duly authorised

Signed on behalf of Heathrow Express Operating Company Limited:

By:   
Duly authorised

Signed on behalf of Heathrow (SP) Limited:

By:   
Duly authorised

Signed on behalf of Heathrow (AH) Limited:

By:   
Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING

- |       |   |  |
|-------|---|--|
| (i)   | Listing   | London   |
| (ii)  | Admission to trading:                                       | Application is expected to be made by the Issuer (or on its behalf) for the Bonds to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the Financial Conduct Authority with effect from 5 March 2024. |
| (iii) | Estimate of total expenses related to admission to trading: | £5,850   |

### 2 RATINGS

The Bonds to be issued are expected to be rated:  
S&P: BBB-  
Fitch: BBB

An obligation rated 'BBB' by S&P exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

(Source:

<https://www.spglobal.com/ratings/en/about/intro-to-credit-ratings>)

Obligations rated 'BBB' by Fitch are judged to indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this activity.

(Source:

<https://www.fitchratings.com/research/fund-asset-managers/rating-definitions-24-04-2023>).

### 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



(i)	Reasons for the offer:	See “ <i>Overview</i> ” in the Prospectus
(ii)	Estimated net proceeds:	£346,836,000
(iii)	Estimated total expenses:	£5,850

## 5 YIELD

Indication of yield: 6.146 per cent. per annum. The yield is calculated 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):	Not Applicable
Delivery:	Delivery against payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
ISIN Code:	Regulation S XS2777627907
Common Code:	Regulation S 277762790
Prohibition of Sales to EEA Retail Investors:	Applicable
Prohibition of Sales to UK Retail Investors:	Applicable
Method of distribution:	Syndicated
Names of Lead Managers:	Lloyds Bank Corporate Markets plc, Mizuho International plc, MUFG Securities EMEA plc, NatWest Markets Plc, SMBC Nikko Capital Markets Limited, Goldman Sachs International, National Australia Bank Limited (ABN: 12 004 044 937)