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The Supplement has been provided to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the co-arrangers or any dealer, nor any person who controls any co-arranger or dealer, nor any director, officer, employee or agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Supplement distributed to you in electronic format herewith and the hard copy version available to you on request from the Issuer.

BAA FUNDING LIMITED

(incorporated with limited liability in Jersey with registered number 99529)

Multicurrency programme for the issuance of Bonds

This prospectus supplement (the *Supplement*) is supplemental to and must be read in conjunction with the base prospectus dated 16 June 2011 (the *Base Prospectus*) as supplemented by a prospectus supplement dated 7 September 2011 (the *September 2011 Supplement* together with the Base Prospectus, the *Prospectus*), and constitutes a supplementary prospectus for the purposes of Directive 2003/71/EC (the *Prospectus Directive*) and relevant implementing measures in the United Kingdom and is prepared in connection with the £50,000,000,000 multicurrency programme for the issuance of Bonds (the *Programme*) established by BAA Funding Limited (the *Issuer*) as described in the Prospectus. Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the United Kingdom Financial Services Authority (the *FSA*), which is the United Kingdom competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom, as a prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

The purpose of this Supplement is to provide an update on developments in respect of the Competition Commission investigation into BAA ownership of UK airports.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus, and any other supplements to the Prospectus issued by the Issuer.

For so long as the Programme remains in effect or any Bonds shall be outstanding, copies of this Supplement may (when published) be inspected during normal business hours (in the case of Bearer Bonds) at the specified office of the Principal Paying Agent, (in the case of Registered Bonds) at the specified office of the Registrar and the Transfer Agents and (in all cases) at the registered office of the Bond Trustee.

To the extent that there is any inconsistency between any statement in, or incorporated by reference in, this Supplement and any other statement in, or incorporated by reference in, the Prospectus, the statements in, or incorporated by reference in, this Supplement will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

Supplement dated 3 February 2012

RESPONSIBILITY STATEMENT

Each of the Issuer and the Obligors accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuer and the Obligors (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

No other person has been authorised to give any information or to make representations contained in this Supplement and no other person accepts any responsibility or liability in respect of information contained or incorporated by reference in this Supplement.

DEVELOPMENTS IN RELATION TO THE COMPETITION COMMISSION INVESTIGATION INTO BAA'S OWNERSHIP OF UK AIRPORTS

On 1 February 2012 the Competition Appeal Tribunal announced that, following a judicial review, there are no grounds for the Competition Commission to adjust their decision that BAA should sell Stansted Airport. BAA is considering the judgment.