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HEATHROW 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 December 2014 and the supplementary prospectus dated 13 March 2015 (the *Prospectus*) and any other supplements to the Prospectus issued by the Issuer and constitutes a supplementary prospectus for the purposes of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (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 Heathrow 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 as a prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom by the United Kingdom Listing Authority of the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 as amended (*FSMA*) (the *UK Listing Authority* or *UKLA*), which is the United Kingdom's competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom.

The purpose of this Supplement is to:

- a) incorporate by reference certain financial information of Heathrow Airport Limited, Heathrow (SP) Limited, Heathrow (AH) Limited and Heathrow Express Operating Company Limited (together, the *Obligors*) and the Issuer;
- b) provide an update regarding changes to the Board of Directors of Heathrow Airport Holdings Limited, and a change of Chief Information Officer of Heathrow; and
- c) provide an update regarding the Airport Commission's recommendation for Heathrow expansion.

For so long as the Programme remains in effect or any Bonds remain 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 17 September 2015

RESPONSIBILITY STATEMENT

Each of the Obligors and the Issuer accept 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.

SIGNIFICANT NEW FACTORS

SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS OF HEATHROW (SP) LIMITED FOR THE SIX MONTHS ENDED 30 JUNE 2015

On 24 July 2015, Heathrow (SP) Limited announced the publication of its consolidated results for the six months ended 30 June 2015 (the *Group Consolidated Financial Statements*). By virtue of this Supplement, the Group Consolidated Financial Statements are incorporated in, and form part of, the Prospectus. (For the avoidance of doubt, any further information or documents incorporated by reference in the Group Consolidated Financial Statements do not form part of the Prospectus.)

Copies of the documents deemed to be incorporated by reference in the Prospectus and this Supplement may be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>. For convenience, copies of the documents deemed to be incorporated by reference in the Prospectus and this Supplement are also available at <http://www.heathrowairport.com/about-us/global/financial-information> (the *Special Purpose Website*). The information contained on the Special Purpose Website must be considered together with all the information contained elsewhere in the Prospectus and this Supplement. The Special Purpose Website does not form part of Heathrow's website, and Heathrow's website does not form any part of the Prospectus and/or this Supplement. The Special Purpose Website is provided for convenience only, and its content does not form any part of the Prospectus and/or this Supplement for the purpose of the listing rules of the UK Listing Authority.

CHIEF FINANCIAL OFFICER

Michael Uzielli was appointed Chief Financial Officer of Heathrow Airport Holdings Limited on 1 June 2015. He was previously Finance Director for British Gas.

CHIEF INFORMATION OFFICER

Stuart Birrell was appointed Chief Information Officer of Heathrow on 1 July 2015. He was previously Chief Information Officer for Formula 1's McLaren Group.

AIRPORTS COMMISSION RECOMMENDATION TO EXPAND HEATHROW AIRPORT

London is the largest air travel origin and destination market in the world, and Heathrow Airport is the primary airport in London and the UK's only hub airport. The airport is capacity constrained to 480,000 permitted flight arrivals and departures annually and operates the busiest two runways worldwide. In 2014, Heathrow Airport operated at over 98 per cent. of its maximum flight capacity. The capacity shortage has arisen principally due to a lack of consistent sustained government support for capacity expansion. While there has been free capacity at other London airports for many years, this has not been seen as a substitute for operating from Heathrow Airport for network airlines given the importance of the transfer traffic dynamic of a hub airport such as Heathrow Airport in supporting these airlines' business models. As a result, Heathrow Airport continues to operate at capacity.

At the end of 2012 the UK Government established the Airports Commission, chaired by Sir Howard Davies. The Commission was tasked with examining the requirement for additional airport capacity to maintain the UK's position as Europe's most important aviation hub. Following assessment of proposals from multiple promoters in July 2013, the Airports Commission shortlisted three schemes at the end of 2013 for detailed analysis and assessment: 1) a 3,500 metre runway proposed by Heathrow to the north west of Heathrow Airport; 2) a separate proposal by Heathrow Hub Limited to lengthen Heathrow Airport's existing northern runway to 6,000 metres; and 3) a new runway at Gatwick airport south of the existing runway.

On 1 July 2015, the Airports Commission clearly and unanimously recommended Heathrow's new North West runway plan, following three years of consultation, evidence gathering and analysis. It recognises the unique role that Heathrow plays as Britain's only hub airport. The Commission recommended that Heathrow expansion is the strongest solution to help British businesses compete for global growth and support a truly national recovery built on exports, skills and investment.

The Commission also confirmed that Heathrow's new plan can be delivered while reducing its local and environmental impacts. It confirmed that it can be delivered within carbon and air quality limits and with significantly fewer people impacted by aircraft noise than today.

The proposed expansion is expected to cost £16 billion. The programme includes a 3,500 metre North West runway, related enabling infrastructure and new taxiway systems, an additional main terminal and satellite building, automated baggage facilities and passenger track transit for ease of movement around the airport. Cost estimates also include community compensation and the acquisition of land and property.

The major funding requirement is not expected until planning consent is obtained, which is assumed to be achievable by 2020, with the new runway operational from 2025. The UK Government is currently reviewing the report and is expected to make a policy decision by the end of 2015.