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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 supplemental prospectuses dated 7 September 2011 (the *September 2011 Supplement*) and 3 February 2012 (the *February 2012 Supplement*) together with the Base Prospectus and the September 2011 Supplement, 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:

- (a) to provide an update on developments in respect of the Competition Commission investigation into BAA ownership of UK airports;
- (b) to incorporate by reference certain financial information of BAA (SP) Limited; and
- (c) to provide an update on the board of directors of BAA Funding Limited.

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 06 March 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 29 February 2012, BAA initiated appeal proceedings against the Competition Appeal Tribunal's judgment of 1 February 2012, which found in favour of the Competition Commission's decision of 19 July 2011 that required BAA to sell Stansted Airport. BAA believes that the judgment is flawed and is seeking to appeal the judgment.

ANNUAL FINANCIAL STATEMENTS OF BAA (SP) LIMITED FOR THE FINANCIAL YEAR ENDED DECEMBER 2011

On 22 February 2012, BAA (SP) Limited published its audited annual consolidated financial statements for the financial year ended 31 December 2011 (the **SP Annual Financial Statements**). A copy of the SP Annual Financial Statements have been filed with the Financial Services Authority and, by virtue of this Supplement, the SP Annual Financial Statements are incorporated in, and form part of, the Prospectus.

Copies of the documents deemed to be incorporated by reference in this Prospectus 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 this Prospectus are also available at <http://www.baa.com/financialinformation> (the "Special Purpose Website"). The information contained on the Special Purpose Website must be considered together with all the information contained elsewhere in this Prospectus. The Special Purpose Website does not form part of BAA's website, and BAA's website does not form any part of this Prospectus. The Special Purpose Website is provided for convenience only, and its content does not form any part of this Prospectus.

CHANGES TO THE BOARD OF DIRECTORS OF BAA FUNDING LIMITED

On 16 February 2012 Neville Scott was appointed a director of BAA Funding Limited replacing Vincent Rapley who resigned on 31 January 2012.