

IMPORTANT NOTICE

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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 22 January 2016 and the supplementary prospectus dated 27 April 2016 (the *Prospectus*) 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 supplementary prospectus 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*), 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 the consolidated results of Heathrow (SP) Limited for the six months ended 30 June 2016;
- b) provide an update regarding changes to the Board of Directors of Heathrow Airport Holdings Limited and changes to the boards of the Group companies;
- c) provide an update in relation to the expansion of Heathrow Airport; and
- d) provide an update on Heathrow price regulation.

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

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 30 November 2016

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 2016

On 22 July 2016, Heathrow (SP) Limited announced the publication of its consolidated results for the six months ended 30 June 2016 (the *Group Consolidated Financial Statements*). By virtue of this Supplement, the Group Consolidated Financial Statements are incorporated by reference 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. Information contained in the documents incorporated by reference into this Supplement, which is not itself incorporated by reference herein, is not relevant for investors.

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.

CHANGES TO THE BOARD OF HEATHROW AIRPORT HOLDINGS LIMITED AND BOARDS OF THE GROUP COMPANIES

With effect from 17 May 2016, Michael Uzielli resigned as director of the following companies: Heathrow Airport Holdings Limited, the Issuer, Heathrow (SP) Limited, Heathrow (AH) Limited and Heathrow Airport Limited.

On 17 May 2016, Javier Echave was appointed as Acting Chief Financial Officer. Javier was also appointed a director of the following companies: the Issuer, Heathrow (SP) Limited, and Heathrow (AH) Limited.

On 1 June 2016, Brian Woodhead resigned as a director of Heathrow Express Operating Company Limited. Jonathan Coen and Simon Earles were appointed as directors of Heathrow Express Operating Company Limited on 5 July 2016.

On 22 June 2016, Lord Paul Deighton was appointed as a non-executive director and chairman of Heathrow Airport Holdings Limited, to replace Sir Nigel Rudd who stepped down on 22 June 2016.

CFO APPOINTMENT

On 10 November 2016, Javier Echave's appointment as Chief Financial Officer was confirmed. Javier was also appointed as a director of Heathrow Airport Holdings Limited and Heathrow Airport Limited, and a member of the Executive Committee.

Javier is a highly experienced Finance Director having held senior roles in the UK and Europe, ranging from strategic corporate finance, planning, investment appraisal and financing. Since joining Heathrow in 2008, he has advised the Board and Chief Executive Officer on establishing the current capital structure and positioning Heathrow with a strong credit rating in the financial markets. Over the past four years, as Finance Director for Operations, Investment and Performance, Javier has played a key role enabling Heathrow Airport's passenger service transformation while delivering an ambitious efficiency programme, set up a robust financial investment capability for Heathrow's capital programme, and led an internal cultural transformation around safety. He previously worked as senior manager with Ferrovial, a Spanish-based world leading infrastructure operator and municipal services group.

UK GOVERNMENT DECISION ON EXPANSION OF HEATHROW AIRPORT

On 25 October 2016, the UK Government announced its support for the new north west runway scheme at Heathrow Airport proposed by Heathrow and recommended by the Airports Commission on 1 July 2015. The scheme will now be taken forward by the UK Government in the form of a draft National Policy Statement for consultation, which is expected to be published in early 2017.

HEATHROW PRICE REGULATION – EXTENSION OF Q6 BY ONE YEAR

Following consultation, on 13 October 2016, the CAA published a formal notice of a proposed modification to Heathrow's economic licence. The proposed modification is to extend Heathrow's current regulatory period (Q6), which runs from 1 April 2014 to 31 December 2018, by one year so that it will end on 31 December 2019, rolling over the current price control of RPI -1.5% for the additional year.