

SUPPLEMENTARY OFFERING CIRCULAR DATED 28 JULY 2011



UNITED UTILITIES PLC

(incorporated with limited liability in England)

UNITED UTILITIES WATER PLC

(incorporated with limited liability in England)

EUR 7,000,000,000

Euro Medium Term Note Programme

This supplement (the "Supplement") to the offering circular dated 12 November 2010 (the "Offering Circular"), which comprises a base prospectus for each of United Utilities PLC ("UU") and United Utilities Water PLC ("UW") (each an "Issuer" and together, the "Issuers"), constitutes a supplementary prospectus in respect of the Offering Circular for the purposes of Section 87G of the Financial Services and Markets Act 2000 ("FSMA"). This Supplement is prepared in connection with the Euro Medium Term Note Programme (the "Programme") established by the Issuers and incorporates by reference the auditors' reports and statutory annual financial statements for the financial year ended 31 March 2011 in respect of each of the Issuers.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and any other supplements to the Offering Circular issued by the Issuers. Terms defined in the Offering Circular have the same meaning when used in this Supplement.

Each of the Issuers (together, the "Responsible Persons") accepts responsibility for the information contained in this Supplement. To the best knowledge and belief of the Responsible Persons (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.

Copies of this Supplement are available on the London Stock Exchange website (www.londonstockexchange.com).

Investors should be aware of their rights under Section 87Q(4) of FSMA.

Purpose

The purpose of this Supplement is to incorporate by reference the latest financial statements of each of the Issuers into the Offering Circular and to update the disclosures in the Offering Circular concerning two items of litigation and two risk factors which the Issuers consider to be material.

Annual reports and accounts

On 30 June 2011, UW published its report and financial statements for the financial year ended 31 March 2011 (the "UW Report") and on 7 July 2011, UU published its report and financial statements for the financial year ended 31 March 2011 (the "UU Report"). By virtue of this Supplement, the independent auditors' report and the statutory financial statements (and accompanying notes) of both UU (pages 33 to 111 of the UU Report) and UW (pages 37 to 80) of the UW Report) are incorporated in, and form part of, the Offering Circular. The remainder of the UW Report and the UU Report are not incorporated by reference into the Offering Circular and are not relevant for the purposes of the Offering Circular.

Risk factors

The Offering Circular shall be amended by the deletion of the section on page 11 of the Offering Circular entitled “The adoption of private sewers could adversely affect profitability” and its replacement with the following new wording:

“The adoption of private sewers could adversely affect profitability

In 2008, the government announced its intention to transfer sewers and pumping stations currently owned by private individuals and businesses to sewerage undertakers. The transfer is expected on 1 October 2011 for private sewers and by October 2016 for pumping stations. No allowance has been made in price limits for the costs associated with the transfer. Therefore, any costs incurred will represent an unbudgeted increase in operating and capital expenditure compared with the Ofwat allowance in the 2010–15 price determination.”

The Offering Circular shall be further supplemented by the inclusion of the following new information on page 13 of the Offering Circular as an additional section at the end of the section entitled “Risks relating to the Group and its business”:

“Government Market Reform Agenda

The government is introducing a White Paper later this year which may implement some or all of the recommendations contained in the 2009 Cave report which include: extending competition to all non-domestic customers and splitting off the company’s retail operations to facilitate the same; facilitation of abstraction licence trading to tackle over abstraction; reform of the special merger regime to allow mergers of water companies where these would be in the customer’s interest; and reform to the inset appointment regime with regulated access and supply frameworks.”

NOSS Consortium litigation

The Offering Circular shall be amended by the deletion of the first paragraph of the section entitled “Material litigation could have a material adverse effect on the Group’s business, results of operations, profitability or financial condition” on page 13 of the Offering Circular and by the deletion of the first paragraph of the section entitled “Litigation” on page 83 of the Offering Circular.

Manchester Ship Canal Company litigation

The Offering Circular shall be further amended by the deletion of the words “UJW will be filing a defence and counterclaim” in the section entitled “Material litigation could have a material adverse effect on the Group’s business, results of operations, profitability or financial condition” on page 13 of the Offering Circular and in the section entitled “Litigation” on pages 83-84 of the Offering Circular and their replacement with the words “UJW has filed a defence and counterclaim”.

General

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive (Directive 2003/71/EC) except where such information or other documents are specifically incorporated by reference in or are attached to this Supplement.

Copies of all of the documents incorporated by reference in the Offering Circular can be obtained from the registered offices of each Issuer and from the specified offices of the Paying Agents, for the time being in London and Frankfurt. Copies of this Supplement and all

documents incorporated by reference in the Offering Circular are available on the London Stock Exchange website (www.londonstockexchange.com).

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in, or incorporated by reference in, the Offering Circular, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.

No person is or has been authorised by the Issuers to give any information or to make any representation not contained in or not consistent with the Offering Circular or this Supplement or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, any of the Dealers or the Trustee.

Neither the delivery of the Offering Circular and/or this Supplement nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.