

FINAL TERMS

4 October 2017

UNITED UTILITIES WATER FINANCE PLC

**Issue of EUR 28,000,000 1.707 per cent. Fixed Rate Notes due 6 October 2032
unconditionally and irrevocably guaranteed by UNITED UTILITIES WATER LIMITED
under the EUR 7,000,000,000
Euro Medium Term Note Programme**

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 15 November 2016 and the supplement to it dated 23 June 2017 which together constitute a base prospectus for the purposes of the Prospectus Directive (the "Offering Circular"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/news/market-news/ms/ms.htm>.

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| 1. | (a) | Issuer: | United Utilities Water Finance PLC |
| | (b) | Guarantor: | United Utilities Water Limited |
| 2. | (a) | Series Number: | 64 |
| | (b) | Tranche Number: | 1 |
| | (c) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 3. | | Specified Currency or Currencies: | Euro ("EUR") |
| 4. | | Aggregate Nominal Amount: | |
| | (a) | Series: | EUR 28,000,000 |
| | (b) | Tranche: | EUR 28,000,000 |
| 5. | | Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |

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| 6. | (a) | Specified Denominations: | EUR 100,000 and integral multiples of EUR 100,000 in excess thereof |
| | (b) | Calculation Amount for Notes in definitive form (and in relation to calculation of interest for Notes in global form see Conditions): | EUR 100,000 |
| 7. | (a) | Issue Date: | 6 October 2017 |
| | (b) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | 6 October 2032 |
| 9. | | Interest Basis: | 1.707 per cent. Fixed Rate |
| 10. | | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 11. | | Change of Interest Basis: | Not Applicable |
| 12. | | Put/Call Options: | Not Applicable |
| 13. | (a) | Status of the Notes: | Senior, unsecured |
| | (b) | Date approval for issuance obtained: | 30 August 2017 |
| 14. | | Method of Distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | | Fixed Rate Note Provisions: | Applicable |
| | (a) | Rate of Interest: | 1.707 per cent. per annum payable annually in arrear on each Interest Payment Date |
| | (b) | Interest Payment Date(s): | 6 October in each year commencing on 6 October 2018 up to and including the Maturity Date |
| | (c) | Fixed Coupon Amount(s) for Notes in definitive form (and in relation to | EUR 1,707 per Calculation Amount |

Notes in global form see
Conditions):

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| (d) | Broken Amount(s) for
Notes in definitive form
(and in relation to Notes
in global form see
Conditions): | Not Applicable |
| (e) | Day Count Fraction: | Actual/Actual (ICMA) |
| (f) | Determination Date(s): | 6 October in each year |
| 16. | Floating Rate Note Provisions: | Not Applicable |
| 17. | Zero Coupon Note Provisions: | Not Applicable |
| 18. | Index Linked
Interest/Redemption Note
Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 19. | Notice periods for Condition 9.2: | Not Applicable |
| 20. | Issuer Call: | Not Applicable |
| 21. | Investor Put: | Not Applicable |
| 22. | Final Redemption Amount: | EUR 100,000 per Calculation Amount |
| 23. | Early Redemption Amount
payable on redemption for
taxation reasons, indexation
reasons or on event of default: | EUR 100,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. | Form of Notes: | Bearer Notes: Temporary Global Note exchangeable
for a Permanent Global Note which is exchangeable
for Definitive Notes only upon an Exchange Event. |
| 25. | New Global Notes (“NGN”) /
New Safekeeping Structure
(“NSS”): | NGN |
| 26. | Additional Financial Centre(s): | London, TARGET 2 |

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| 27. | Talons for future Coupons or Receipts to be attached to Definitive Notes: | No |
| 28. | Redenomination applicable: | Redenomination not applicable |
| 29. | Details Relating to Instalment Notes: | Not Applicable |

DISTRIBUTION

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| 30. | (a) If syndicated, names of Managers: | Not Applicable |
| | (b) Date of Agreement: | Not Applicable |
| 31. | If non-syndicated, name of relevant Manager: | Goldman Sachs International (the “ Manager ”) |
| 32. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D applicable |
| 33. | EEA Retail Investor Selling Restriction: | Not Applicable |

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 7,000,000,000 Euro Medium Term Note Programme established by United Utilities PLC and United Utilities Water Finance PLC, with obligations under Notes issued by United Utilities Water Finance PLC unconditionally and irrevocably guaranteed by United Utilities Water Limited.

Signed on behalf of the Issuer:

By: BT Murphy
Duly authorised

Signed on behalf of the Guarantor:

By: BT Murphy
Duly authorised

PART B - OTHER INFORMATION

1. LISTING

- (a) Listing: London
- (b) Admission to trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from the Issue Date.
- (c) Estimate of total expenses related to admission to trading: GBP 300 (exclusive of VAT)

2. RATINGS

Ratings: The Notes to be issued are expected to be rated:

“A3” by Moody’s Investors Services Limited

“A-” by Standard and Poor’s Credit Market Services Europe Limited

Each of Moody’s Investors Services Limited and Standard and Poor’s Credit Market Services Europe Limited is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the CRA Regulation).

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuers, the Guarantor and their affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (a) Reasons for the offer: See “Use of Proceeds” section of the Offering Circular

5. YIELD

Indication of yield: 1.707 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES

Not Applicable

7. OPERATIONAL INFORMATION

- (a) ISIN: XS1695535994
- (b) Common Code: 169553599
- (c) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (d) Delivery: Delivery against payment
- (e) Names and addresses of additional Paying Agent(s) (if any): Not Applicable