

## FINAL TERMS

8 February 2017

### UNITED UTILITIES WATER FINANCE PLC

**Issue of GBP 60,000,000 0.093 per cent. CPI Linked Notes due 10 February 2037  
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 which constitutes 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/rns/rns.htm>.

- |    |     |  |   |
|----|-----|--|---|
| 1. | (a) | Issuer:  | United Utilities Water Finance PLC  |
|    | (b) | Guarantor:   | United Utilities Water Limited  |
| 2. | (a) | Series Number:   | 60  |
|    | (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:                                      | Pounds Sterling (“ <b>GBP</b> ”)  |
| 4. |     | Aggregate Nominal Amount:  |   |
|    | (a) | Series:  | GBP 60,000,000  |
|    | (b) | Tranche:   | GBP 60,000,000  |
| 5. |     | Issue Price:   | 100.00 per cent. of the Aggregate Nominal Amount  |
| 6. | (a) | Specified Denominations:   | GBP 100,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP 199,000. No |

Notes in definitive form will be issued with a denomination above GBP 199,000.

- |     |   |  |
|-----|---|--|
| (b) | Calculation Amount for Notes in definitive form (and in relation to calculation of interest for Notes in global form see Conditions): | GBP 1,000                                    |
| 7.  | (a) Issue Date:   | 10 February 2017                             |
|     | (b) Interest Commencement Date:   | Issue Date                                   |
| 8.  | Maturity Date:  | 10 February 2037                             |
| 9.  | Interest Basis:   | CPI Linked Interest (see paragraph 18 below) |
| 10. | Redemption/Payment Basis:   | CPI Linked Redemption                        |
| 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:  | 2 February 2017                              |
| 14. | Method of Distribution:   | Non-syndicated                               |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |     |   |                                       |
|-----|---|---------------------------------------|
| 15. | Fixed Rate Note Provisions:                       | Not Applicable                        |
| 16. | Floating Rate Note Provisions:                    | Not Applicable                        |
| 17. | Zero Coupon Note Provisions:                      | Not Applicable                        |
| 18. | Index Linked Interest/Redemption Note Provisions: | Applicable – Conditions 6 and 7 apply |
|     | (a) Index:  | CPI                                   |

(b)	Rate of Interest:	0.093 per cent. per annum multiplied by the Index Ratio (in accordance with Condition 6.3).
(c)	Name and address of Calculation Agent:	Citibank, N.A., London Branch Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB
(d)	Specified Period(s)/Specified Interest Payment Dates:	Semi-annually in arrears on 10 February and 10 August in each year, commencing on 10 August 2017 and up to and including the Maturity Date.
(e)	Business Day Convention:	Following Business Day Convention
(f)	Additional Business Centre(s):	Not Applicable
(g)	Day Count Fraction:	Actual/Actual (ICMA)
(h)	Base Index Figure:	101.56071
(i)	Index Figure applicable to:	Not Applicable
(j)	t:	3
(k)	Reference Gilt:	Not Applicable
(l)	Minimum Rate of Interest:	Not Applicable
(m)	Maximum Rate of Interest:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

19.	Notice periods for Condition 9.2:	Not Applicable
20.	Issuer Call:	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount:	Nominal Amount, subject in the case of Condition 9.1 to indexation as provided in Condition 7.2.

- |     |  |   |
|-----|--|---|
| 23. | Early Redemption Amount payable on redemption for taxation reasons, indexation reasons or on event of default: | Nominal Amount, subject in the case of Condition 9.2 and Condition 12 to indexation as provided in Condition 7.2. |
|-----|--|---|

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- |     |   |  |
|-----|---|--|
| 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):   | Not Applicable   |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Notes: | Yes  |
| 28. | Redenomination applicable:  | Redenomination not applicable  |
| 29. | Details Relating to Instalment Notes:                                     | Not Applicable   |

#### DISTRIBUTION

- |     |  |   |
|-----|--|---|
| 30. | (a) If syndicated, names of Managers:                                      | Not Applicable  |
|     | (b) Date of Agreement:   | Not Applicable  |
| 31. | If non-syndicated, name of relevant Manager:                               | The Royal Bank of Scotland plc (trading as NatWest Markets) (the “Manager”) |
| 32. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D applicable<br>Regulation S  |
| 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: ..... *BH Murphy* .....

*Duly authorised*

Signed on behalf of the Guarantor:

By: ..... *BH 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 2,700 (exclusive of VAT)

### 2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- "A3" by Moody's Investors Services Limited
  - "BBB+" 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: 0.093 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: XS1563467569

(b) Common Code: 156346756

(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