

FINAL TERMS

12 February 2018

UNITED UTILITIES WATER FINANCE PLC

Issue of GBP 300,000,000 2.000 per cent. Fixed Rate Notes due 2025
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 14 November 2017 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>.

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| 1. | (a) | Issuer: | United Utilities Water Finance PLC |
| | (b) | Guarantor | United Utilities Water Limited |
| 2. | (a) | Series Number: | 67 |
| | (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: | Sterling ("GBP") |
| 4. | | Aggregate Nominal Amount: | |
| | (a) | Series: | GBP 300,000,000 |
| | (b) | Tranche: | GBP 300,000,000 |
| 5. | | Issue Price: | 99.700 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 | GBP 1,000 |

interest for Notes in global form see Conditions):

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| 7. | (a) | Issue Date: | 14 February 2018 |
| | (b) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | 14 February 2025 |
| 9. | | Interest Basis: | 2.000 per cent. Fixed Rate (see paragraph 15 below) |
| 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: | Issuer Call (see paragraph 20 below) |
| 13. | (a) | Status of the Notes: | Senior, unsecured |
| | (b) | Date approval for issuance obtained: | 5 February 2018 |
| 14. | | Method of Distribution | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | | Fixed Rate Note Provisions | Applicable |
| | (a) | Rate of Interest: | 2.000 per cent. per annum payable annually in arrear on each Interest Payment Date |
| | (b) | Interest Payment Date(s): | 14 February in each year from and including 14 February 2019 up to and including the Maturity Date |
| | (c) | Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | GBP 20.00 per Calculation Amount |
| | (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): | 14 February 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

19. Notice periods for Condition 9.2 Minimum period: 30 days
Maximum period: 60 days
20. Issuer Call: Applicable
- (a) Optional Redemption Date(s): Any date from and including 14 November 2024 to but excluding the Maturity Date
- (b) Optional Redemption Amount: GBP 1,000 per Calculation Amount
- (c) If redeemable in part: Not Applicable
- (d) Notice periods: Minimum period: 30 days
Maximum period: 90 days
21. Investor Put: Not Applicable
22. Final Redemption Amount: GBP 1,000 per Calculation Amount
23. Early Redemption Amount payable on redemption for taxation reasons, indexation reasons or on event of default: GBP 1,000 per Calculation Amount

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: 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: | Barclays Bank PLC
Goldman Sachs International
RBC Europe Limited
The Royal Bank of Scotland plc (trading as NatWest Markets) |
| | (b) | Date of Agreement: | 12 February 2018 |
| 31. | | If non-syndicated, name of relevant Manager: | Not Applicable |
| 32. | | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D applicable |
| 33. | | Prohibition of Sales to EEA Retail Investors: | 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: 

Duly authorised

Signed on behalf of the Guarantor:

By: 

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 3,600

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- A3 by Moody's Investors Services Ltd ("Moody's")
- A- by Standard & Poor's Credit Market Service Europe Limited ("S&P")
- Each of Moody's and S&P 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 Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their 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: 2.046 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: XS1769818227

- (b) Common Code: 176981822
- (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
- (f) Intended to be held in a manner that would allow Eurosystem eligibility: Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

FINAL TERMS

17 September 2018

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC (“IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”) . Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

UNITED UTILITIES WATER FINANCE PLC

Issue of GBP 50,000,000 2.000 per cent. Fixed Rate Notes due 2025

(to be consolidated, become fungible and form a single Series with the existing GBP 300,000,000 2.000 per cent.

Fixed Rate Notes due 2025 issued on 14 February 2018 the “Original Notes”)

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 14 November 2017 and the supplement to it dated 21 June 2018 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/rns/rns.htm>.

1. (a) Issuer: United Utilities Water Finance PLC
- (b) Guarantor: United Utilities Water Limited
2. (a) Series Number: 67
- (b) Tranche Number: 2
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single series with the Original Notes on or after 29 October 2018 on exchange of the Temporary Global Note for the Permanent Global Note
3. Specified Currency or Currencies: Sterling ("GBP")
4. Aggregate Nominal Amount:
 - (a) Series: GBP 350,000,000
 - (b) Tranche: GBP 50,000,000
5. Issue Price: 99.157 per cent. of the Aggregate Nominal Amount plus 217 days' accrued interest for the period from and including 14 February 2018 to but excluding the Issue Date
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: 19 September 2018
- (b) Interest Commencement Date: 14 February 2018
8. Maturity Date: 14 February 2025
9. Interest Basis: 2.000 per cent. Fixed Rate (see paragraph 15 below)
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

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| 11. | Change of Interest Basis: | Not Applicable |
| 12. | Put/Call Options: | Issuer Call (see paragraph 20 below) |
| 13. | (a) Status of the Notes: | Senior, unsecured |
| | (b) Date approval for issuance obtained: | 12 September 2018 |
| 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: | 2.000 per cent. per annum payable annually in arrear on each Interest Payment Date |
| | (b) Interest Payment Date(s): | 14 February in each year up to and including the Maturity Date |
| | (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | GBP 20.00 per Calculation Amount |
| | (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): | 14 February 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 | Minimum period: 30 days
Maximum period: 60 days |
| 20. | Issuer Call: | Applicable |

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| (a) | Optional Redemption Date(s): | Any date from and including 14 November 2024 to but excluding the Maturity Date |
| (b) | Optional Redemption Amount: | GBP 1,000 per Calculation Amount |
| (c) | If redeemable in part: | Not Applicable |
| (d) | Notice periods: | Minimum period: 30 days
Maximum period: 90 days |
| 21. | Investor Put: | Not Applicable |
| 22. | Final Redemption Amount: | GBP 1,000 per Calculation Amount |
| 23. | Early Redemption Amount payable on redemption for taxation reasons, indexation reasons or on event of default: | GBP 1,000 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): | Not Applicable |
| 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: | NatWest Markets Plc |

32. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D applicable
33. Prohibition of Sales to EEA Retail Investors: 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, the Original Notes having been admitted to trading with effect from 14 February 2018.
- (c) Estimate of total expenses related to admission to trading: GBP 3,375

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- A3 by Moody's Investors Services Ltd ("Moody's")
- A- by Standard & Poor's Credit Market Services Europe Limited ("S&P")
- Each of Moody's and S&P 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 their 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: 2.141 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: Temporary ISIN Code XS1881593112 until the Notes are consolidated and form a single Series with the Original Notes with ISIN Code XS1769818227
- (b) Common Code: Temporary Common Code 188159311 until the Notes are consolidated and form a single Series with the Original Notes with Common Code 176981822
- (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
- (f) Intended to be held in a manner that would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.