

FINAL TERMS

9 June 2016

UNITED UTILITIES WATER FINANCE PLC

**Issue of HKD 600,000,000 2.90 per cent. Fixed Rate Notes due June 2031
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 17 November 2015 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: | 53 |
| | (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: | Hong Kong Dollars ("HKD") |
| 4. | | Aggregate Nominal Amount: | |
| | (a) | Series: | HKD 600,000,000 |
| | (b) | Tranche: | HKD 600,000,000 |
| 5. | | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 6. | (a) | Specified Denominations: | HKD 1,500,000 |
| | (b) | Calculation Amount: | HKD 1,500,000 |

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| 7. | (a) | Issue Date: | 13 June 2016 |
| | (b) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | 13 June 2031 |
| 9. | | Interest Basis: | 2.90 per cent. Fixed Rate |
| 10. | | Redemption/Payment Basis: | Par |
| 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: | 26 May 2016 |
| 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: | 2.90 per cent. per annum payable annually in arrear on each Interest Payment Date |
| | (b) | Interest Payment Date(s): | 13 June in each year, commencing 13 June 2017, up to and including the Maturity Date |
| | (c) | Fixed Coupon Amount(s): | HKD 43,500 per Calculation Amount |
| | (d) | Broken Amount(s): | Not Applicable |
| | (e) | Day Count Fraction: | Actual/Actual (ICMA) |
| | (f) | Determination Date(s): | 13 June in each year |
| 16. | | Floating Rate Note Provisions | Not Applicable |
| 17. | | Zero Coupon Note Provisions | Not Applicable |

18. **RPI Linked Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

19. Notice periods for Condition 8.2 Not Applicable

20. Issuer Call: Not Applicable

21. Investor Put: Not Applicable

22. Final Redemption Amount: HKD 1,500,000 per Calculation Amount

(i) Minimum Final Redemption Amount: Not Applicable

(ii) Maximum Final Redemption Amount: Not Applicable

23. Early Redemption Amount payable on redemption for taxation reasons, indexation reasons or on event of default: HKD 1,500,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of 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: No

26. Additional Financial Centre(s): London, Hong Kong

27. Talons for future Coupons to be attached to Definitive Notes: No

28. Redenomination applicable: Redenomination not applicable

DISTRIBUTION

29. (a) If syndicated, names of Managers: Not Applicable

(b) Date of Subscription Agreement: Not Applicable

30. If non-syndicated, name of relevant Manager: Goldman Sachs International

31. Whether TEFRA D or TEFRA C rules TEFRA D applicable
applicable or TEFRA rules 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: BF Murphy

Duly authorised

Signed on behalf of the Guarantor:

By: BF 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: £2,700

2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- "A3" by Moody's Investors Services Ltd
- "BBB+" by Standard and Poor's Credit Market Services Europe Limited
- Each of Moody's Investors Services Ltd and Standard and Poor's Credit Market Services Europe Ltd 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 Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Dealer 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: 2.90 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

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| (a) | ISIN: | XS1432572318 |
| (b) | Common Code: | 143257231 |
| (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 |