

SUPPLEMENTARY PROSPECTUS DATED 18 JUNE 2008

SEVERN TRENT PLC

(incorporated with limited liability in England and Wales with registered number 2366619)

as an Issuer

SEVERN TRENT UTILITIES FINANCE PLC

(incorporated with limited liability in England and Wales with registered number 2914860)

as an Issuer

€3,500,000,000

Euro Medium Term Note Programme

SEVERN TRENT WATER LIMITED

(incorporated with limited liability in England and Wales with registered number 2366686)

as Guarantor of Notes issued by Severn Trent Utilities Finance Plc

This Supplement (the “**Supplement**”), to the Prospectus (the “**Prospectus**”) dated 3 August 2007, which comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the “**FSMA**”) and is prepared in connection with the €3,500,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by Severn Trent plc (“**Severn Trent**”) (as an Issuer), Severn Trent Utilities Finance plc (“**STUF**”) (as an Issuer) and Severn Trent Water Limited (“**STWL**”) (as Guarantor of Notes issued by STUF). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by Severn Trent, STUF and STWL.

Severn Trent, STUF and STWL each accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of Severn Trent, STUF and STWL (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.

This Supplement has been prepared for the purposes of: (i) incorporating by reference into this Supplement and thereby the Prospectus the announcement released by Severn Trent on 5 June 2008 entitled “Focus on Water” (excluding the section entitled “Outlook”); and (ii) the application to admit the “**Applicable Notes**” (as defined below) to the Official List of the UK Listing Authority and the application to admit the Applicable Notes to trading on the London Stock Exchange plc’s Regulated Market (which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC)).

Capitalised terms used in this Supplement shall have the meanings attributed to them in the Prospectus, save as the context otherwise requires.

Severn Trent’s financial results for the financial year ended 31 March 2008

By virtue of this Supplement, the announcement issued by Severn Trent on 5 June 2008 entitled "Focus on Water" (excluding the section entitled "Outlook") containing Severn Trent's financial results for the financial year ended 31 March 2008, is hereby incorporated in and forms part of this Supplement, and is thereby incorporated in and forms part of the Prospectus.

Applicable Notes

For the purposes of this Supplement, "**Applicable Notes**" means each of:

- (a) the JPY1,000,000,000 Floating Rate Notes due May 2009 issued under the Programme by Severn Trent with Series Number 57 and ISIN Code XS0191953768 (the "**Series 57 Notes**"); and
- (b) the JPY3,000,000,000 Fixed Rate Notes due 29 June 2015 issued under the Programme by Severn Trent with Series Number 73 and ISIN Code XS0222543836 (the "**Series 73 Notes**").

For the purposes of each of the Applicable Notes, the Terms and Conditions of the Notes set out in the Prospectus shall not apply.

The Terms and Conditions which shall apply to the Series 57 Notes are those set out in the offering circular dated 25 July 2003 and published by Severn Trent (as Issuer), STUF (as Issuer) and STWL (as Guarantor of the Notes issued by STUF) in relation to the Programme (the "**Series 57 Conditions**").

The Terms and Conditions which shall apply to the Series 73 Notes are those set out in the offering circular dated 8 October 2004 and published by Severn Trent (as Issuer), STUF (as Issuer) and STWL (as Guarantor of the Notes issued by STUF) in relation to the Programme (the "**Series 73 Conditions**").

Each of the Series 57 Conditions and the Series 73 Conditions are hereby incorporated by reference into this Supplement and thereby are incorporated in and form part of the Prospectus for the purposes of the relevant Series of the Applicable Notes only.

For any Notes issued under the Programme after the date of this Supplement, unless otherwise specified in the Final Terms relating to such Notes, the Terms and Conditions of the Notes set out in the Prospectus shall apply.

Copies of each document incorporated by reference in the Prospectus can be obtained from the registered office of the Issuer and the specified office of the Paying Agent for the time being in London, as described on pages 5 and 65, respectively, of the Prospectus.

General

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

Factors which could be material for the purpose of assessing the risks associated with the Notes issued under the Programme are set out on pages 11 to 16 of the Prospectus.

If documents which are incorporated by reference to this Supplement 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 except where such information or other documents are specifically incorporated by reference to this Supplement.

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

Save as disclosed in this Supplement, or any other supplements to the Prospectus issued by Severn Trent or STUF, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.