FINAL TERMS

20 January 2012

Severn Trent Utilities Finance Plc
(incorporated with limited liability in England and Wales with registered number 2914860)

Issue of £250,000,000 4.875 per cent. Guaranteed Notes due January 2042
Guaranteed by Severn Trent Water Limited

under the €4,000,000,000
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 Terms and Conditions set forth in the Prospectus dated 1 July 2011 as supplemented by a Supplement dated 11 January 2012 (the "**Prospectus**") which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended (the "**Prospectus Directive**"). 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 Prospectus. 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 Prospectus. The Prospectus is available for viewing at, and copies may be obtained during normal business hours from, the registered office of the Issuer at Severn Trent Centre, 2 St John's Street, Coventry CV1 2LZ, United Kingdom.

1.	(i)	Issuer:	Severn Trent Utilities Finance Plc
	(ii)	Guarantor:	Severn Trent Water Limited
2.	(i)	Series Number:	96
	(ii)	Tranche Number:	1
3.	Specified Currency or Currencies:		Sterling ("**£**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	£250,000,000
	(ii)	Tranche:	£250,000,000
5.	Issue Price:		99.206 per cent. of the Aggregate Nominal Amount of the Tranche
6.	(i)	Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Notes in definitive form will be issued with a denomination above £199,000.
	(ii)	Calculation Amount:	£1,000

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7.	(i)	Issue Date	24 January 2012
	(ii)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		24 January 2042
9.	Interest Basis:		4.875 per cent. Fixed Rate (*further particulars specified below*)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest Basis or Redemption/Payment Basis:		Not Applicable
12.	Put/Call Options:		Redemption at the option of the Noteholders on a Put Event (*further particulars specified below at item 24*)
13.	(i)	Status of the Notes:	Senior
	(ii)	Status of the Guarantee:	Senior
14.	Method of distribution:		Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate(s) of Interest:	4.875 per cent. per annum payable annually in arrear
	(ii)	Interest Payment Date(s):	24 January in each year from and including 24 January 2013 up to and including the Maturity Date
	(iii)	Fixed Coupon Amount(s):	£48.75 per Calculation Amount
	(iv)	Broken Amount(s):	Not Applicable
	(v)	Day Count Fraction:	Actual/Actual (ICMA)
	(vi)	Determination Date(s):	24 January in each year
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
16.	**Floating Rate Note Provisions**		Not Applicable
17.	**Zero Coupon Note Provisions**		Not Applicable
18.	**Index Linked Interest Note Provisions**		Not Applicable

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19.	**Dual Currency Interest Note Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Issuer Call:	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount:	£1,000 per Calculation Amount
23.	Early Redemption Amount Payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(f)):	As set out in Condition 6(f)
24.	Put Event:	Applicable. For the purposes of Condition 6(e), the Event Put Amount shall be £1,000 per Calculation Amount.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	(i) Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
	(ii) New Global Note:	Yes
26.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Yes. One Talon in the event that more than 27 Coupons would otherwise be required to be included in any Coupon sheet attached to each definitive bearer Note. Each Talon shall be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet attached to the relevant definitive bearer Note matures.
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable

29.	Details relating to Instalment Notes:		
	(i)	Instalment Amount(s):	Not Applicable
	(ii)	Instalment Date(s):	Not Applicable
30.	Redenomination applicable:		Redenomination not applicable
31.	Other terms or special conditions:		Not Applicable

DISTRIBUTION

32.	(i)	If syndicated, names of Managers:	Barclays Bank PLC Citigroup Global Markets Limited HSBC Bank plc The Royal Bank of Scotland plc
	(ii)	Stabilising Manager (if any):	The Royal Bank of Scotland plc
33.	If non-syndicated, name of relevant Dealer:		Not Applicable
34.	U.S. Selling Restrictions:		Reg. S Category 2, TEFRA D
35.	Additional selling restrictions:		Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue and admission to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's regulated market of Notes described herein pursuant to the €4,000,000,000 Euro Medium Term Note Programme of Severn Trent Plc, Severn Trent Utilities Finance Plc and Severn Trent European Placement S.A.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of Severn Trent Utilities Finance Plc as Issuer:

By: ....
Duly authorised

Signed on behalf of Severn Trent Water Limited as Guarantor

By: ....
Duly authorised

PART B - OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING**	Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and for listing on the Official List of the UK Listing Authority with effect from the Issue Date.
2.	**RATINGS**	
	Ratings:	The Notes to be issued have been rated BBB+ (stable) by Standard & Poor's Credit Market Services Europe Limited and A3 (stable) by Moody's Investors Service Limited. Each of Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Limited is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). As such, each of Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.

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

Save as described in "Subscription and Sale" and for any fees payable to the Managers, so far as the Issuer and the Guarantor is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND EXPENSES RELATED TO ADMISSION TO TRADING

(i)	Reasons for the offer	See *"Use of Proceeds"* wording in Prospectus
(ii)	Estimated net proceeds:	£247,015,000
(iii)	Estimate of total expenses related to admission to trading:	£4,590

5.	**YIELD**	4.926 per cent. per annum.
	Indication of yield:	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

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6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable

7. PERFORMANCE OF RATES OF EXCHANGE (Dual Currency Notes Only)

Not Applicable

8. OPERATIONAL INFORMATION

(i)	ISIN Code:	XS0735781675
(ii)	Common Code:	073578167
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):	Not Applicable
(iv)	Delivery:	Delivery against payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(vi)	Intended to be held in a manner which would allow Eurosystem eligibility:	No

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