

## FINAL TERMS

23 July 2020

**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 (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), 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 Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, 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 eligible counterparties only target market** – Solely for the purposes of the 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 Directive 2014/65/EU (as amended, “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**

**LEI: 213800313INX42GDLR44**

**Issue of GBP 95,000,000 0.01 per cent. Index Linked Notes due July 2040**

**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 21 November 2019 and the supplements to it dated 26 February 2020, 22 May 2020 and 3 July 2020 which together constitute a base prospectus for the purposes of Regulation (EU) 2017/1129 (the “Prospectus Regulation”) (the “Offering Circular”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. 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/exchange/news/market-news/market-news-home.html>.

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|----|-----|----------------|------------------------------------|
| 1. | (a) | Issuer:        | United Utilities Water Finance PLC |
|    | (b) | Guarantor      | United Utilities Water Limited     |
| 2. | (a) | Series Number: | 74                                 |

- (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 95,000,000
- (b) Tranche: GBP 95,000,000
5. Issue Price: 116.807 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: 27 July 2020
- (b) Interest Commencement Date: Issue Date
8. Maturity Date: 27 July 2040
9. Interest Basis: Index Linked Interest (see paragraph 18 below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at Index Linked Redemption
11. Change of Interest Basis: Not Applicable
12. Put/Call Options: Not Applicable
13. (a) Status of the Notes: Senior, unsecured
- (b) Status of the Guarantee: Senior, unsecured
- (c) Date approval for issuance obtained: 16 July 2020
14. Method of Distribution: Non-syndicated

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

15.	<b>Fixed Rate Note Provisions</b>	Not Applicable
16.	<b>Floating Rate Note Provisions</b>	Not Applicable
17.	<b>Zero Coupon Note Provisions</b>	Not Applicable
18.	<b>Index Linked Interest/Redemption Note Provisions</b>	Applicable
(a)	Index:	CPI
(b)	Rate of Interest:	0.01 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 Canada Square Canary Wharf London E14 5LB
(d)	Specified Period(s)/Specified Interest Payment Dates:	Semi-annually in arrear, payable on 27 July and 27 January in each year, with the first coupon payment date on 27 January 2021, 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:	108.50
(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:	Minimum period: 30 days Maximum period: 60 days
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

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|-----|--|--|
| 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 |
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**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

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|-----|---|--|
| 24. | Form of Notes:  | Bearer Notes:<br><br>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   |

Signed on behalf of the Issuer:

By: ..... *B7 Murphy* .....

*Duly authorised*

Signed on behalf of the Guarantor:

By: ..... *B7 Murphy* .....

*Duly authorised*

## **PART B - OTHER INFORMATION**

### **1. LISTING**

- (a) Listing: London
- (b) Admission to trading: Application will be 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 listing on the Official List of the FCA with effect from the Issue Date.
- (c) Estimate of total expenses related to admission to trading: GBP 3,545

### **2. RATINGS**

Ratings: The Notes to be issued are expected to be rated:

A3 by Moody's Investors Services Ltd ("Moody's")

BBB+ by S&P Global Ratings Europe Limited ("S&P")

A- by Fitch Ratings Limited ("Fitch")

Moody's and Fitch are established in the United Kingdom and S&P is established in the European Union. Each of Moody's, S&P and Fitch 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 Issuer and 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" in the Offering Circular
- (b) Estimated net proceeds: GBP 110,300,700

### **5. YIELD**

Indication of yield: -0.766 per cent. semi-annual

The yield is calculated at the Issue Date on the basis of

the Issue Price. It is not an indication of future yield.

## **6. PERFORMANCE OF INTEREST RATES**

Not Applicable.

## **7. OPERATIONAL INFORMATION**

- |     |  |   |
|-----|--|---|
| (a) | ISIN:  | XS2209789234  |
| (b) | Common Code:   | 220978923   |
| (c) | CFI:   | As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN   |
| (d) | FISN:  | As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN   |
| (e) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable  |
| (f) | Delivery:  | Delivery against payment  |
| (g) | Names and addresses of additional Paying Agent(s) (if any):  | Not Applicable  |
| (h) | 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. |

## **8. BENCHMARKS REGULATION**

Not Applicable

## **9. DISTRIBUTION**

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|-----|--|---------------------|
| (a) | If syndicated, names of Managers:            | Not Applicable      |
| (b) | Date of Subscription Agreement:              | Not Applicable      |
| (c) | If non-syndicated, name of relevant Manager: | NatWest Markets Plc |

- (d) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D applicable
- (e) Prohibition of Sales to EEA and UK Retail Investors: Applicable
- (f) Prohibition of Sales to Belgian Consumers: Applicable