

SUPPLEMENTARY OFFERING CIRCULAR DATED 16 February 2010



UNITED UTILITIES PLC

(incorporated with limited liability in England)

UNITED UTILITIES WATER PLC

(incorporated with limited liability in England)

EUR 7,000,000,000

Euro Medium Term Note Programme

This supplement (the "Supplement") to the offering circular dated 12 November 2009 (the "Offering Circular"), which comprises a base prospectus for each of United Utilities PLC and United Utilities Water PLC (each an "Issuer" and together, the "Issuers"), constitutes a supplementary prospectus in respect of the Offering Circular for the purposes of Section 87G of the Financial Services and Markets Act 2000 ("FSMA"). This Supplement is prepared in connection with the Euro Medium Term Note Programme (the "Programme") established by the Issuers.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and any other supplements to the Offering Circular issued by the Issuers. Except as otherwise provided in this Supplement, terms and expressions defined in the Offering Circular shall have the same meaning when used herein.

Each of the Issuers (together, the "Responsible Persons") accepts responsibility for the information contained in this Supplement. To the best knowledge and belief of the Responsible Persons (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.

Copies of this Supplement are available on the London Stock Exchange website (www.londonstockexchange.com).

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

Additional information

The Offering Circular shall be supplemented by the inclusion of the following new information on page 69 of the Offering Circular at the end of the section entitled "2009 water price review":

"On 26 November 2009, Ofwat published its final determination of price limits for the period 1 April 2010 to 31 March 2015, which for U UW included:

Capital investment

A total capital investment programme included in the price limits of £3.6 billion (in 2007/08 prices), including infrastructure renewals expenditure of £0.7 billion. This comprises £1.4 billion in relation to the water service and £2.2 billion in respect of the wastewater service. Of this £3.6 billion capital programme, investment to meet tighter regulatory quality standards, enhance service to customers and maintain the supply/demand balance is £1.7 billion. The remainder of the investment relates to maintenance of U UW's substantial water and wastewater assets and infrastructure.

The capital expenditure incentive scheme ratios are 94 for the water service and 108 for the wastewater service.

Efficiency

An underlying operating efficiency improvement of 1.2% per annum in respect of the water service and 2.4% per annum in relation to the wastewater service.

Return on capital

An average real, fully post-tax return of 4.5%.

Customer prices

An average annual real price decrease of 0.4% across the customer base over the five-year period, with the following profile:

	2010/11	2011/12	2012/13	2013/14	2014/15
K factor	-4.3	-0.2	+0.6	+1.0	+1.2

On 21 January 2010, UUG announced that UUG had accepted the final determination.”

Credit ratings

The Offering Circular shall be amended by the deletion of the section entitled “Long-term credit ratings of UU and UUG following the Ofwat price determination” on page 69 of the Offering Circular and its replacement with the following new information:

“Credit ratings of UU and UUG following the Ofwat price determination

Following Ofwat’s publication of the final determination on 26 November 2009 and UUG’s announcement of UUG’s decision to accept the final determination on 21 January 2010, both Moody’s and Standard & Poor’s have made announcements in respect of the credit ratings of UU and UUG.

On 21 January 2010, Moody’s affirmed the Baa1/P-2 credit ratings of UU and the A3/P-2 credit ratings of UUG and confirmed that the outlook on all ratings is stable.

On 28 January 2010, Standard & Poor’s announced that in light of Ofwat’s final determination, it had lowered the long-term corporate credit ratings of UUG to BBB+ and of UU to BBB-. Standard & Poor’s affirmed UUG’s A-2 short-term corporate credit rating and lowered the short-term corporate credit rating of UU to A-3. Standard & Poor’s confirmed that the outlook on all ratings is stable.”

Group capital structure and A3 target credit rating for UUG

The Offering Circular shall be further supplemented by the inclusion of the following new information on page 72 of the Offering Circular at the end of the section entitled “Group capital structure and A3 target credit rating for UUG”:

“Following the 2009 water price review, the Group continues to target an A3 Moody’s credit rating for UUG, which it believes best mirrors the regulatory assumptions underpinning the final determination and remains appropriate to maintain efficient access to debt capital markets.”

Recent developments

The Offering Circular shall be further supplemented by the inclusion of the following new information on page 73 of the Offering Circular as an additional section at the end of UU's business description:

“Recent developments

On 16 November 2009, UU announced the disposal of its investment in Northern Gas Networks Holdings Limited for approximately £86 million in cash and on 12 November 2009, UU agreed the sale of its economic interest in Manila Water Company for approximately £44 million in cash.

As part of UU's continuing focus on its core activities, UU continues to assess further opportunities to crystallise value from its non-regulated business. As at the date of this Supplement, UU has received several preliminary expressions of interest. Although no decision has been taken to sell any further non-regulated businesses, UU will continue to evaluate these expressions of interest.”

General

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

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.

No person is or has been authorised by the Issuers to give any information or to make any representation not contained in or not consistent with the Offering Circular or this Supplement or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, any of the Dealers or the Trustee.

Neither the delivery of the Offering Circular and/or this Supplement nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.