

**SUPPLEMENTARY OFFERING CIRCULAR DATED 21 June 2018**



**UNITED UTILITIES PLC**  
(incorporated with limited liability in England)

**UNITED UTILITIES WATER FINANCE PLC**  
(incorporated with limited liability in England)

**with obligations under Notes issued by United Utilities Water Finance PLC to be  
unconditionally and irrevocably guaranteed by**

**UNITED UTILITIES WATER LIMITED**  
(incorporated with limited liability in England)

**EUR 7,000,000,000**  
**Euro Medium Term Note Programme**

This Supplementary Offering Circular (the “**Supplement**”) to the Offering Circular dated 14 November 2017 (the “**Offering Circular**”, which definition includes the Offering Circular as supplemented, amended or updated from time to time and includes all information incorporated by reference therein) which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (“**FSMA**”) and is prepared in connection with the EUR 7,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by United Utilities PLC (“**UU**”) and United Utilities Water Finance PLC (“**UUWF**”) (each an “**Issuer**” and together the “**Issuers**”). The payments of all amounts due in respect of Notes issued by UUWF will be unconditionally and irrevocably guaranteed by United Utilities Water Limited (“**UW**” or the “**Guarantor**”).

This Supplement is supplemental to, forms part of 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 and the Guarantor (together, the “**Responsible Persons**”) accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of each 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.

Neither this Supplement nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuers, the Guarantor, any of the Dealers or the Trustee to any person to subscribe for or to purchase any

Notes.

This Supplement has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority under Part VI of FSMA, for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom, as a supplement to the Offering Circular.

## 1. Purpose

The purpose of this Supplement is to:

- (A) incorporate by reference pages 34 – 107 (inclusive) of the Report and Financial Statements for the year ended 31 March 2018 for UU ("**UU's Report and Financial Statements**");
- (B) incorporate by reference pages 6 – 17 (inclusive) of the Report and Financial Statements for the year ended 31 March 2018 for UUWF ("**UUWF's Report and Financial Statements**");
- (C) incorporate by reference pages 85 – 149 (inclusive) of the Report and Financial Statements for the year ended 31 March 2018 for UUW ("**UUW's Report and Financial Statements**");
- (D) supplement the section entitled "Risk Factors" on pages 10 – 18 (inclusive) of the Offering Circular by:
  - (i) incorporating by reference the table appearing under the title "Principal risks and uncertainties" on page 56 of the Annual Report and Financial Statements for the year ended 31 March 2018 for United Utilities Group PLC ("**UUG**") ("**UUG's Annual Report and Financial Statements**"); and
  - (ii) incorporating by reference the information appearing under the column entitled "Current key risks, issues and uncertainties" on page 57 of UUG's Annual Report and Financial Statements; and
- (E) supplement the general legends and disclaimers section on page 3 of the Offering Circular and the legends at the start of the pro forma final terms set out on pages 27 – 37 (inclusive) of the Offering Circular, in each case in relation to Directive 2014/65/EU ("**MiFID II**").

## 2. Documents incorporated by reference

2.1 On 15 June 2018 the following documents were published:

- (A) UU's Report and Financial Statements;
- (B) UUWF's Report and Financial Statements;

- (C) UUW's Report and Financial Statements; and
- (D) UUG's Annual Report and Financial Statements.

2.2 By virtue of this Supplement:

- (A) the audited financial statements of UU for the year ended 31 March 2018 (together with the audit report prepared in connection therewith), which appear on pages 34 – 107 (inclusive) of UU's Report and Financial Statements, are hereby incorporated in and form part of this Supplement, and are thereby incorporated in and form part of the Offering Circular;
- (B) the audited financial statements of UUWF for the year ended 31 March 2018 (together with the audit report prepared in connection therewith), which appear on pages 6 – 17 (inclusive) of UUWF's Report and Financial Statements, are hereby incorporated in and form part of this Supplement, and are thereby incorporated in and form part of the Offering Circular;
- (C) the audited financial statements of UUW for the year ended 31 March 2018 (together with the audit report prepared in connection therewith), which appear on pages 85 – 149 (inclusive) of UUW's Report and Financial Statements, are hereby incorporated in and form part of this Supplement, and are thereby incorporated in and form part of the Offering Circular.

**3. Supplements to the section entitled "Risk Factors" on pages 10 – 18 (inclusive) of the Offering Circular**

The section entitled "Risk Factors" on pages 10 – 18 (inclusive) of the Offering Circular is supplemented with the:

- (A) table appearing under the title "Principal risks and uncertainties" on page 56 of UUG's Annual Report and Financial Statements"; and
- (B) information appearing under the column entitled "Current key risks, issues and uncertainties" on page 57 of UUG's Annual Report and Financial Statements.

These risk factors are hereby incorporated in and form part of the Supplement, and are thereby incorporated in and form part of the Offering Circular.

**4. Supplementing the general legends and disclaimers section and pro forma final terms in relation to MiFID II**

- 4.1 The general legends and disclaimers section on page 3 of the Offering Circular is supplemented by inserting the following legend immediately following the legend entitled "*IMPORTANT – EEA RETAIL INVESTORS*":

**"MiFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the

Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.”

- 4.2 The pro forma final terms set out on pages 27 – 37 of the Offering Circular is supplemented by inserting the following optional legend, immediately following the legend entitled “*PROHIBITION OF SALES TO EEA RETAIL INVESTORS*”:

“**[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of each 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.]”

## 5. General

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

Copies of this Supplement and all information incorporated by reference in this Supplement and the Offering Circular can be obtained from the Issuers in the manner described in the Offering Circular.

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.

If documents which are incorporated by reference 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 or where this Supplement is specifically defined as including such information. Any information contained in a document incorporated by reference in this Supplement which is not incorporated in, and does not form part of, this Supplement is not relevant for investors or is contained elsewhere in this Supplement.

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. Copies of UU's Report and Financial Statements, UUWF's Report and Financial Statements, U UW's Report and Financial Statements and UUG's Annual Report and Financial Statements, each of which are incorporated by reference into, and form part of, this Supplement are available for viewing at <http://www.morningstar.co.uk/uk/NSM>.