

SUPPLEMENTARY PROSPECTUS DATED 11 JANUARY 2012 TO THE PROSPECTUS
DATED 1 JULY 2011



SEVERN TRENT UTILITIES FINANCE PLC

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

SEVERN TRENT EUROPEAN PLACEMENT S.A.

(a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg, registered with the registry of trade and companies of Luxembourg under number B140270 and whose registered office is at 1A, rue Thomas Edison, L-1445 Strassen, Luxembourg)
as an Issuer

SEVERN TRENT PLC

(incorporated with limited liability in England and Wales with registered number 2366619)
**as an Issuer, and as the Guarantor of Notes issued by
Severn Trent European Placement S.A.**

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

€4,000,000,000

Euro Medium Term Note Programme

This Supplementary Prospectus (the “**Supplementary Prospectus**” which definition shall also include all information incorporated by reference herein) constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the “**Act**”) and Article 16 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and has been prepared by Severn Trent Plc, Severn Trent Utilities Finance Plc and Severn Trent European Placement S.A. (each an “**Issuer**” and together the “**Issuers**”) for use in connection with Notes issued from time to time under the above-mentioned €4,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by the Issuers. A Prospectus dated 1 July 2011 (the “**Prospectus**”) has been prepared by the Issuers and approved as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive by the Financial Services Authority in its capacity as competent authority under the Act (the “**UK Listing Authority**”), for use in connection with the Programme. This Supplementary Prospectus supplements, updates and forms part of the Prospectus and should be read in conjunction therewith, together with any other supplements to the Prospectus. The purpose of this Supplementary Prospectus is to include interim financial information for the six months

ended 30 September 2011 and amend the date given for the significant change statement in the Prospectus.

Terms defined in the Prospectus have the same meaning when used in this Supplementary Prospectus.

Pages 3 to 27 (inclusive) (other than "Further Information" on page 12 therein) of the regulatory announcement entitled "Half-Yearly Financial Report" (the "Half-Yearly Financial Report"), issued by Severn Trent Plc dated 25 November 2011 and filed with this Supplementary Prospectus, is hereby incorporated in, and forms part of, this Supplementary Prospectus and the Prospectus. Any information contained in the Half-Yearly Financial Report which is not expressly incorporated by reference in this Supplementary Prospectus does not form part of this Supplementary Prospectus and is either not relevant to investors or is covered elsewhere in the Supplementary Prospectus or the Prospectus.

Any documents themselves incorporated by reference in the Half-Yearly Financial Report incorporated by reference in this Supplementary Prospectus shall not form part of this Supplementary Prospectus.

The paragraph "Significant or Material Change" on page 79 of the Prospectus shall be deemed to be amended by replacing the reference to "31 March 2011" in the fourth line thereof with a reference to "30 September 2011".

General Information

The Issuers and the Guarantors accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Issuers and the Guarantors (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of all documents or information incorporated by reference in this Supplementary Prospectus can be obtained as described in the Prospectus.

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

Save as disclosed in this Supplementary Prospectus and any supplement previously issued by the Issuers and the Guarantors, 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.

Investors should be aware of their rights under section 87Q(4) of the Act.