

FINAL TERMS

19 January 2018

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 ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), 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 Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (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.

UNITED UTILITIES WATER FINANCE PLC

**Issue of EUR 30,000,000 1.700 per cent. Fixed Rate Notes due 23 January 2033
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 14 November 2017 which constitutes a base prospectus for the purposes of the Prospectus Directive (the "Offering Circular"). 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 Offering Circular. 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 Offering Circular. 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/news/market-news/rns/rns.htm>.

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| 1. | (a) | Issuer: | United Utilities Water Finance PLC |
| | (b) | Guarantor | United Utilities Water Limited |
| 2. | (a) | Series Number: | 66 |
| | (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: | Euro ("EUR") |

4. Aggregate Nominal Amount:
- (a) Series: EUR 30,000,000
- (b) Tranche: EUR 30,000,000
5. Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
6. (a) Specified Denominations: EUR 100,000 and integral multiples of EUR 100,000 in excess thereof.
- (b) Calculation Amount for Notes in definitive form (and in relation to calculation of interest for Notes in global form see Conditions): EUR 100,000
7. (a) Issue Date: 23 January 2018
- (b) Interest Commencement Date: Issue Date
8. Maturity Date: 23 January 2033
9. Interest Basis: 1.700 per cent. Fixed Rate (see paragraph 15 below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
11. Change of Interest Basis: Not Applicable
12. Put/Call Options: Not Applicable
13. (a) Status of the Notes: Senior, unsecured
- (b) Date approval for issuance obtained: 23 November 2017
14. Method of Distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** Applicable
- (a) Rate of Interest: 1.700 per cent. per annum payable annually in arrear on each Interest Payment Date.

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| (b) | Interest Payment Date(s): | 23 January in each year (commencing on 23 January 2019) up to and including the Maturity Date. |
| (c) | Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | EUR 1,700 per Calculation Amount |
| (d) | Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | Not Applicable |
| (e) | Day Count Fraction: | Actual/Actual (ICMA) |
| (f) | Determination Date(s): | 23 January in each year |
| 16. | Floating Rate Note Provisions | Not Applicable |
| 17. | Zero Coupon Note Provisions | Not Applicable |
| 18. | Index Linked Interest/Redemption Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 19. | Notice periods for Condition 9.2 | Not Applicable |
| 20. | Issuer Call: | Not Applicable |
| 21. | Investor Put: | Not Applicable |
| 22. | Final Redemption Amount: | EUR 100,000 per Calculation Amount |
| 23. | Early Redemption Amount payable on redemption for taxation reasons, indexation reasons or on event of default: | EUR 100,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. | Form of Notes: | Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event. |
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| 25. | New Global Notes (“NGN”) / New Safekeeping Structure (“NSS”): | NGN |
| 26. | Additional Financial Centre(s): | London, TARGET2 |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Notes: | No |
| 28. | Redenomination applicable: | Redenomination not applicable |
| 29. | Details Relating to Instalment Notes | Not Applicable |

DISTRIBUTION

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| 30. | (a) If syndicated, names of Managers: | Not Applicable |
| | (b) Date of Agreement: | Not Applicable |
| 31. | If non-syndicated, name of relevant Manager: | Goldman Sachs International |
| 32. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D applicable |
| 33. | Prohibition of Sales to EEA Retail Investors: | Applicable |

(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 7,000,000,000 Euro Medium Term Note Programme established by United Utilities PLC and United Utilities Water Finance PLC, with obligations under Notes issued by United Utilities Water Finance PLC unconditionally and irrevocably guaranteed by United Utilities Water Limited.

Signed on behalf of the Issuer:

By: BT Murphy

[Duly authorised]

Signed on behalf of the Guarantor:

By: BT Murphy

[Duly authorised]

PART B - OTHER INFORMATION

1. LISTING

- (a) Listing: London
- (b) Admission to trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from the Issue Date.
- (c) Estimate of total expenses related to admission to trading: GBP 1,750 (exclusive of VAT)

2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- "A3" by Moody's Investors Services Limited
- "A-" by Standard and Poor's Credit Market Services Europe Limited
- Each of Moody's Investors Services Limited and Standard and Poor's Credit Market Services Europe Limited is established in the European Union and 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 their 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 Issuers, 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" section of the Offering Circular.

5. YIELD

- Indication of yield: 1.700 per cent. per annum
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES

Not applicable.

7. OPERATIONAL INFORMATION

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| (a) | ISIN: | XS1754982061 |
| (b) | Common Code: | 175498206 |
| (c) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not applicable |
| (d) | Delivery: | Delivery against payment |
| (e) | Names and addresses of additional Paying Agent(s) (if any): | Not applicable |
| (f) | 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. |