

FINAL TERMS

1 July 2019

MiFID II product governance / Professional investors and eligible counterparties 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 manufacturers’ 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 manufacturers’ target market assessment) and determining appropriate distribution channels.

UNITED UTILITIES WATER FINANCE PLC

LEI: 213800313INX42GDLR44

Issue of GBP 250,000,000 2.000 per cent. Fixed Rate Notes due 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 21 November 2018 and the supplement to it dated 17 June 2019 which together constitute 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: | 71 |
| | (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 250,000,000 |

- (b) Tranche: GBP 250,000,000
5. Issue Price: 98.546 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: 3 July 2019
- (b) Interest Commencement Date: Issue Date
8. Maturity Date: 3 July 2033
9. Interest Basis: 2.000 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: Issuer Call (see paragraph 20 below)
13. (a) Status of the Notes: Senior, unsecured
- (b) Date approval for issuance obtained: 25 June 2019
14. Method of Distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: Applicable
- (a) Rate of Interest: 2.000 per cent. per annum payable annually in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): 3 July in each year from and including 3 July 2020 up to and including the Maturity Date
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in): GBP 20.00 per Calculation Amount

relation to Notes in global form
see Conditions):

- | | | |
|-----|---|----------------------|
| (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): | 3 July 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: | Minimum period: 30 days Maximum period: 60 days |
| 20. | Issuer Call: | Applicable |
| (a) | Optional Redemption Date(s): | Any date from and including 3 April 2033 to but excluding the Maturity Date |
| (b) | Optional Redemption Amount: | GBP 1,000 per Calculation Amount |
| (c) | If redeemable in part: | Not Applicable as the Notes are not redeemable in part |
| (d) | Notice periods: | Minimum period: 30 days Maximum period: 90 days |
| 21. | Investor Put: | Not Applicable |
| 22. | Final Redemption Amount: | GBP 1,000 per Calculation Amount |
| 23. | Early Redemption Amount payable on redemption for taxation reasons or on event of default: | GBP 1,000 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): | Not Applicable |
| 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: | Goldman Sachs International HSBC Bank plc NatWest Markets Plc Bank of China Limited, London Branch Mizuho International plc |
| | (b) Date of Subscription Agreement: | 1 July 2019 |
| 31. | If non-syndicated, name of relevant Manager: | Not Applicable |
| 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: | Not Applicable |
| 34. | Prohibition of Sales to Belgian Consumers: | Applicable |

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 is expected to be 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 4,500

2. RATINGS

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

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

A- by S&P Global Ratings Europe Limited ("S&P")

A- by Fitch Ratings Limited ("Fitch")

Each of Moody's, S&P and Fitch 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 Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers 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

See "Use of Proceeds" section of the Offering Circular

5. YIELD

Indication of yield: 2.121 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

- (a) ISIN: XS2022043256
- (b) Common Code: 202204325
- (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