

## FINAL TERMS

Final Terms dated 1 November 2011

### WALES & WEST UTILITIES FINANCE PLC

Issue of Sub-Class A3 £250,000,000 4.625 per cent. Secured Guaranteed Bonds due 2023  
under the £5,000,000,000 Guaranteed Bond 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 Prospectus dated 24 October 2011 which constitutes (i) a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and (ii) listing particulars for the purposes of Listing Rule 2.2.11 of the Listing Rules of the Financial Services Authority (the "**Listing Rules**"). This document constitutes the Final Terms of the Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing during normal business hours at Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB and copies may be obtained from the same address.

Repayment of the principal and payment of any interest or premium in connection with the Bonds has not been guaranteed by any Financial Guarantor or by any other financial institution.

- |    |       |  |  |
|----|-------|--|--|
| 1. | (i)   | Issuer:  | Wales & West Utilities Finance plc   |
|    | (ii)  | Guarantors:  | Wales & West Utilities Limited and Wales & West Utilities Holdings Limited   |
|    | (iii) | Financial Guarantors:  | Not Applicable   |
| 2. | (i)   | Series Number:   | 2011-1   |
|    | (ii)  | Sub-Class Number:  | A3   |
| 3. |       | Relevant Currency or Currencies                                | Sterling ("£")   |
| 4. |       | Aggregate Nominal Amount:                                      |  |
|    | (i)   | Series:  | £250,000,000   |
|    | (ii)  | Sub-Class:   | £250,000,000   |
|    | (iii) | Tranche:   | £250,000,000   |
| 5. | (i)   | Issue Price:   | 99.493 per cent. of the Aggregate Nominal Amount   |
|    | (ii)  | Net proceeds: (required only for listed issues)                | £248,732,500   |
| 6. | (i)   | Specified Denominations:                                       | £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Bonds in definitive form will be issued with a denomination above £199,000. |
|    | (ii)  | Calculation Amount:  | £1,000   |
| 7. | (i)   | Issue Date:  | 4 November 2011  |
|    | (ii)  | Interest Commencement Date (if different from the Issue Date): | Not Applicable   |

8. Maturity Date: 13 December 2023
9. Instalment Date: Not Applicable
10. Interest Basis: 4.625 per cent. Fixed Rate
11. Redemption/Payment Basis: Redemption at par
12. Change of Interest or Redemption/Payment Basis: Not Applicable
13. Call Options: Issuer Call Option (further particular specified below)
14. (i) Status and Ranking: The Class A Wrapped Bonds and Class A Unwrapped Bonds rank *pari passu* among each other in terms of interest and principal payments and rank in priority to the Class B Bonds.
- (ii) Status of the Guarantees: Senior
- (iii) Status of the Financial Guarantee: Not Applicable
- (iv) FG Event of Default: Not Applicable
- (v) Date Board approval for issuance of Bonds and Guarantee obtained: 14 October 2011
15. Method of distribution: Syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. Fixed Rate Bond Provisions: Applicable
- (i) Interest Rate: 4.625 per cent. per annum payable annually
- (ii) Interest Payment Date(s): 13 December in each year commencing on 13 December 2012
- (iii) Fixed Coupon Amount(s): £46.25 per £1,000 in Nominal Amount (save in respect of the long first coupon in respect of the first Interest Period (from, and including, the Issue Date to, but excluding, the first Interest Payment Date) where it shall be the Broken Amount referred to in 16(iv) below)
- (iv) Broken Amount(s): There will be a long first coupon in respect of the first Interest Period (from, and including, the Issue Date to, but excluding, the first Interest Payment Date) which will be £51.19 per £1,000 in Nominal Amount
- (v) Day Count Fraction: Actual/Actual ICMA
- (vi) Determination Date: 13 December in each year
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Bonds: Not Applicable
- (viii) Reference Gilt: UKT 4 per cent. due March 2022

17.	Floating Rate Bond Provisions:	Not Applicable
18.	Zero Coupon Bond Provisions:	Not Applicable
19.	Indexed Bond Provisions:	Not Applicable
20.	Dual Currency Bond Provisions	Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

21.	Call Option:	Applicable in accordance with Condition 8(b)
	(i) Optional Redemption Date(s):	Any Interest Payment Date
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	Applicable in accordance with Condition 8(b)
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period (if other than as set out in the Conditions):	Applicable in accordance with Condition 8(b)
22.	Final Redemption Amount:	Par
	(i) In all cases where the Final Redemption Amount is Index-Linked or other variable linked (if required or if different from that set out in the Conditions):	Not Applicable
	(ii) Index/Formula/variable (if required or if different from that set out in the Conditions):	Not Applicable
	(iii) Party responsible for calculating the Final Redemption Amount (if not the Agent Bank):	Not Applicable
	(iv) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable (if required or if different from that set out in the Conditions):	Not Applicable
	(v) Determination Date(s):	Not Applicable
	(vi) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted (if required or if different from that set out in the Conditions):	Not Applicable

23. Early Redemption Amount: Par
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on prepayment of an Issuer/WWU Loan Agreement or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): Not Applicable

#### GENERAL PROVISIONS APPLICABLE TO THE BONDS

24. Form of Bonds: Bearer
- (i) If issued in Bearer form: Temporary Global Bond exchangeable for a Permanent Global Bond which is exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond
- (ii) If Registered Bonds: Not Applicable
- (iii) New Global Notes: Yes
25. Relevant Financial Centre(s) or other special provisions relating to Payment Dates: London
26. Talons for future Coupons or Receipts to be attached to Definitive Bonds (and dates on which such Talons mature): Not Applicable
27. Details relating to Partly Paid Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Bonds and interest due on late payment: Not Applicable
28. Details relating to Instalment Bonds: Not Applicable
- (i) Instalment Date: Not Applicable
- (ii) Instalment Amount: Not Applicable
29. Redenomination, renominatisation and reconventioning provisions: The provisions in Condition 19 apply
30. Consolidation provisions: Not Applicable
31. Other terms or special conditions: Not Applicable
32. TEFRA rules: TEFRA D

#### ISSUER/WWU LOAN TERMS

33. Interest rate on relevant Term Advance/ Index Linked Advances: 4.625 per cent. per annum

34. Term of relevant Term Advance/Index Linked Advances: 13 December 2023

35. Other relevant provisions: Not Applicable

**DISTRIBUTION**

36. (i) If syndicated, names of Managers: Banco Santander, S.A., Barclays Bank PLC, BNP Paribas and The Royal Bank of Scotland plc

(ii) Stabilising Manager (if any): Not Applicable

37. If non-syndicated, name of Dealer: Not Applicable

38. Additional selling restrictions: Not Applicable

**LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the details required to list the issue of Bonds described herein pursuant to the listing of the Programme for the issuance of up to £5,000,000,000 Secured Guaranteed Bonds financing Wales & West Utilities Limited.

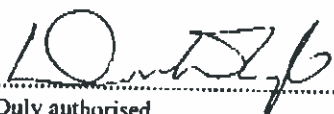
**RESPONSIBILITY**

The Issuer and each Guarantor accepts responsibility for the information contained in this Final Terms.

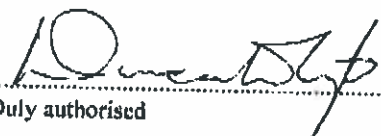
Signed on behalf of the Issuer:

By:  .....  
Duly authorised

Signed on behalf of Wales & West Utilities Limited:

By:  .....  
Duly authorised

Signed on behalf of Wales & West Utilities Holdings Limited:

By:  .....  
Duly authorised

## PART B — OTHER INFORMATION

### 1. Listing

- (i) Listing: London
- (ii) Admission to trading: Application will be made for the Bonds to be admitted to trading on the regulated market of the London Stock Exchange Plc with effect from 4 November 2011.
- (iii) Estimate of total expenses related to admission to trading: £3,600

### 2. Ratings

Ratings: The Bonds to be issued have been rated:

S&P: A- (sf)

Fitch: A- (stable)

Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Ltd. are established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation").

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in Chapter 12 (*Subscription and Sale*) of the Prospectus, so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer.

### 4. Reasons for the offer, estimated net proceeds and total expenses

Reasons for the offer: See Chapter 9 (*Use of Proceeds*) wording in the Prospectus.

### 5. YIELD

Indication of yield: 4.679 per cent.

### 6. Operational information

ISIN Code: XS0702021311

Common Code: 070202131

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if

any):

Intended to be held in a No  
manner which would allow  
Eurosystem eligibility