

FINAL TERMS

17 January 2019

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of the 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 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.

UNITED UTILITIES WATER FINANCE PLC

LEI: 213800313INX42GDLR44

Issue of HKD 320,000,000 2.867 per cent. Fixed Rate Notes due 2026
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 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: | 69 |
| | (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: | Hong Kong dollars ("HKD") |
| 4. | | Aggregate Nominal Amount: | |

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| | (a) | Series: | HKD 320,000,000 |
| | (b) | Tranche: | HKD 320,000,000 |
| 5. | | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 6. | (a) | Specified Denominations: | HKD 2,000,000 and integral multiples of HKD 1,000,000 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): | HKD 1,000,000 |
| 7. | (a) | Issue Date: | 21 January 2019 |
| | (b) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | 21 January 2026 |
| 9. | | Interest Basis: | 2.867 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: | 14 January 2019 |
| 14. | | Method of Distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | | Fixed Rate Note Provisions | Applicable |
| | (a) | Rate of Interest: | 2.867 per cent. per annum payable annually in arrear on each Interest Payment Date |
| | (b) | Interest Payment Date(s): | 21 January (commencing 21 January 2020) in each year 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):	HKD 28,670 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):	21 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

19.	Notice periods for Condition 9.2:	Minimum period: 30 days Maximum period: 60 days
20.	Issuer Call:	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount:	HKD 1,000,000 per Calculation Amount
	(i) Minimum Final Redemption Amount:	Not Applicable
	(ii) Maximum Final Redemption Amount:	Not Applicable
23.	Early Redemption Amount payable on redemption for taxation reasons, indexation reasons or on event of default:	HKD 1,000,000 per Calculation Amount
	(i) Minimum Early Redemption Amount:	Not Applicable
	(ii) Maximum Early Redemption Amount:	Not Applicable

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 |
| 25. | New Global Notes ("NGN") / New Safekeeping Structure ("NSS"): | NGN |
| 26. | Additional Financial Centre(s): | London |
| 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 Subscription Agreement: | Not Applicable |
| 31. | If non-syndicated, name of relevant Manager: | HSBC Bank plc |
| 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 will be made for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from 21 January 2019.
- (c) Estimate of total expenses related to admission to trading: GBP 2,185

2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- A3 by Moody's Investors Services Ltd ("Moody's")
- A- by Standard & Poor's Credit Market Services 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 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 its 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

- Reasons for the offer: See "Use of Proceeds" section of the Offering Circular.

5. YIELD

- Indication of yield: 2.867 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: XS1937712898
- (b) Common Code: 193771289
- (c) CFI: DTFXFB
- (d) FISN: UNITED UTILITIES/2.86EMTN 20260121
- (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: No.

Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

- 8. BENCHMARKS REGULATION** Not Applicable
(Floating Rate Notes calculated by reference to benchmarks only)