

SUPPLEMENTARY OFFERING CIRCULAR DATED 5 AUGUST 2013



UNITED UTILITIES PLC

(incorporated with limited liability in England)

UNITED UTILITIES WATER PLC

(incorporated with limited liability in England)

EUR 7,000,000,000

Euro Medium Term Note Programme

This supplement (the **"Supplement"**, which definition shall also include all information incorporated by reference herein) to the offering circular dated 19 November 2012 (the **"Offering Circular"**, which definition includes the Offering Circular as supplemented, amended or updated from time to time and includes all information incorporated by reference therein), which comprises a base prospectus for each of United Utilities PLC (**"UU"**) and United Utilities Water PLC (**"UW"**) (each an **"Issuer"** and together, the **"Issuers"**), constitutes a supplementary prospectus in respect of the Offering Circular for the purposes of Section 87G of the Financial Services and Markets Act 2000 (**"FSMA"**). This Supplement is prepared in connection with the Euro Medium Term Note Programme (the **"Programme"**) established by the Issuers.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and any other supplements to the Offering Circular issued by the Issuers. Except as otherwise provided in this Supplement, terms and expressions defined in the Offering Circular shall have the same meaning when used herein.

Each of the Issuers (together, the **"Responsible Persons"**) accepts responsibility for the information contained in this Supplement. To the best knowledge and belief of the Responsible Persons (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been approved by the United Kingdom Financial Conduct Authority (the **"FCA"**), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the **"Prospectus Directive"**) and relevant implementing measures in the United Kingdom, as a supplement to the Offering Circular. The Offering Circular constitutes a base prospectus prepared in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Notes under the Programme.

The purpose of this Supplement is to:

- (A) incorporate by reference pages 16 to 80 of UU's Annual Report and Accounts (as defined below);
- (B) incorporate by reference pages 40 to 78 of UUW's Annual Report and Accounts (as defined below); and
- (C) supplement the section entitled "Risk Factors" of the Offering Circular by (i) incorporating by reference three new risk factors from the Annual Reports and Accounts (as defined below) and, (ii) supplementing the risk factor entitled 'Future price limits' in the Offering Circular with a new development the Issuers consider to be significant, each as set out at paragraph 2 of this Supplement.

1. Documents Incorporated by Reference

- 1.1 On 1 July 2013, UU published its annual report and accounts for the financial year ended 31 March 2013 (the "**UU's Annual Report and Accounts**"). By virtue of this Supplement, the audited financial statements of UU for the year ended 31 March 2013 (together with the audit report prepared in connected therewith), which appear on pages 16 to 80 of UU's Annual Report and Accounts, are hereby incorporated in and form part of this Supplement, and are thereby incorporated in and form part of the Offering Circular.
- 1.2 On 1 July 2013, UUW published its annual report and accounts for the financial year ended 31 March 2013 (the "**UUW's Annual Report and Accounts**" and, together with UU's Annual Report and Accounts, the "**Annual Reports and Accounts**"). By virtue of this Supplement, the audited financial statements of UUW for the year ended 31 March 2013 (together with the audit report prepared in connected therewith), which appear on pages 40 to 78 of UUW's Annual Report and Accounts, are hereby incorporated in and form part of this Supplement, and are thereby incorporated in and form part of the Offering Circular.

2. Risk Factors

- 2.1 As a result of the publication of the Annual Reports and Accounts, the following paragraphs entitled:
 - (A) 'Counterparty risk', appearing on page 9 of UU's Annual Report and Accounts and on page 26 of UUW's Annual Report and Accounts;
 - (B) 'Bad debt risk', appearing on page 10 of UU's Annual Report and Accounts and on page 27 of UUW's Annual Report and Accounts;
 - (C) 'Significant and catastrophic events', appearing on page 11 of UU's Annual Report and Accounts and on page 28 of UUW's Annual Report and Accounts,

are each hereby incorporated in and form part of this Supplement, and are thereby incorporated in and form part of the Offering Circular.

- 2.2 The risk factor entitled 'Future price limits', appearing on page 11 of the Offering Circular, is hereby supplemented with the following:

"On 25 July 2013 Ofwat published its final approach to setting price controls for 2015-20, bringing to an end the consultation phase of the price review process on reforming the methodology and approach for setting prices from 2015. The price review process remains ongoing and it is expected that companies will submit their proposals to Ofwat for assessment by 2 December 2013. However, the final outcome of the price review process is not certain and there is a risk that its implementation could have a material impact on the income recovered from customers."

3. General

Copies of this Supplement and all information incorporated by reference in this Supplement and the Offering Circular can be obtained from the Issuers as described in the Offering Circular.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in, or incorporated by reference in, the Offering Circular, the statements in this Supplement will prevail.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference to this Supplement or where this Supplement is specifically defined as including such information. Any information contained in a document incorporated by reference in this Supplement which is not incorporated in, and does not form part of, this Supplement is not relevant for investors or is contained elsewhere in this Supplement.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.

No person is or has been authorised by the Issuers to give any information or to make any representation not contained in or not consistent with the Offering Circular or this Supplement or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, any of the Dealers or the Trustee.

Neither the delivery of the Offering Circular and/or this Supplement nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.