

**SUPPLEMENTARY PROSPECTUS DATED 19 FEBRUARY 2020 TO THE PROSPECTUS
DATED 20 JUNE 2019**



SEVERN TRENT UTILITIES FINANCE PLC

(incorporated with limited liability in England and Wales with registered number 2914860)

as an Issuer

SEVERN TRENT PLC

(incorporated with limited liability in England and Wales with registered number 2366619)

as an Issuer

SEVERN TRENT WATER LIMITED

(incorporated with limited liability in England and Wales with registered number 2366686)

as the Guarantor of Notes issued by Severn Trent Utilities Finance Plc

€6,000,000,000

Euro Medium Term Note Programme

This Supplementary Prospectus (the "**Supplementary Prospectus**") which definition shall also include all information incorporated by reference herein) constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000, as amended (the "**Act**") and Article 16 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") and has been prepared by Severn Trent Plc and Severn Trent Utilities Finance Plc (each an "**Issuer**" and together the "**Issuers**") and Severn Trent Water Limited (the "**Guarantor**") for use in connection with Notes issued from time to time under the above-mentioned €6,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by the Issuers. A prospectus dated 20 June 2019 (the "**Prospectus**") has been prepared by the Issuers and Severn Trent Water Limited and approved as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive by the United Kingdom Financial Conduct Authority in its capacity as competent authority under the Act, for use in connection with the Programme. This Supplementary Prospectus supplements, updates and forms part of the Prospectus and should be read in conjunction therewith, together with any other supplements to the Prospectus. Except as otherwise provided in this Supplementary Prospectus, terms and expressions defined in the Prospectus have the same meaning when used in this Supplementary Prospectus.

The purpose of this Supplementary Prospectus is to:

- (a) incorporate by reference into the Prospectus interim financial information for the six months ended 30 September 2019;
- (b) provide an update on the PR19 final determination (the "**Final Determination**") plans for Severn Trent Water Limited and Hafren Dyfrdwy Cyfyngedig;
- (c) provide an update on the AMP7 dividend policy;

- (d) update the ratings from Moody's Investors Service Limited ("**Moody's**") referenced in the Prospectus; and
- (e) update the Prospectus by including disclosure in relation to the Issuers' Sustainable Finance Framework.

Interim Financial Results

Pages 3 to 13 (inclusive) and pages 17 to 42 (inclusive) of the regulatory announcement entitled "Half Yearly Financial Report" (the "**Half Yearly Financial Report**"), issued by Severn Trent Plc dated 21 November 2019 and filed with this Supplementary Prospectus, are hereby incorporated in, and form part of, this Supplementary Prospectus and the Prospectus. Any information contained in the Half Yearly Financial Report which is not expressly incorporated by reference in this Supplementary Prospectus does not form part of this Supplementary Prospectus and is either not relevant to investors or is covered elsewhere in the Supplementary Prospectus or the Prospectus. Any information or documents which are incorporated by reference, either expressly or implicitly, in the Half Yearly Financial Report incorporated by reference in this Supplementary Prospectus shall not form part of this Supplementary Prospectus for the purposes of the Prospectus Directive.

Final Determination and AMP7 Dividend Policy

Following a detailed review, both Severn Trent Water Limited and Hafren Dyfrdwy Cyfyngedig has decided to accept the Final Determination for the period 2020-2025 published by Ofwat on 16 December 2019.

The Severn Trent Plc Board has reviewed the Final Determination alongside current performance and, taken together with other market considerations, has announced that the dividend policy for AMP7 will be growth of at least CPIH.

The regulatory announcement filed with this Supplementary Prospectus and dated 28 January 2020 is hereby incorporated in, and forms part of, this Supplementary Prospectus and the Prospectus. Any information or documents which are incorporated by reference, either expressly or implicitly, in this announcement incorporated by reference in this Supplementary Prospectus shall not form part of this Supplementary Prospectus for the purposes of the Prospectus Directive.

Ratings from Moody's

Following Severn Trent's acceptance of Ofwat's Final Determination, Moody's have on 31 January 2020 downgraded to Baa1 from A3 the issuer rating of Severn Trent Water Limited as well as the senior unsecured debt ratings of Severn Trent Utilities Finance Plc, whose issuance is guaranteed by Severn Trent Water Limited. Concurrently, the rating agency downgraded to Baa2 from Baa1 the issuer and senior unsecured debt ratings of Severn Trent Plc. The P-2 short-term ratings have been affirmed. All ratings have a stable outlook.

References to the Moody's rating on the cover page of the Prospectus and on page 6 are accordingly amended.

Sustainable Finance Framework

The following section shall be inserted into the Prospectus as a new page 67 and the page numbers thereafter renumbered accordingly:

"SUSTAINABLE FINANCE FRAMEWORK

In connection with the issuance of Green Bonds under the Programme, the Group has published a sustainable finance framework which follows the guidelines specified in the June 2018 edition of the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines as published by the International Capital Market Association (ICMA) and the Green Loan Principles and Sustainability Linked Loan Principles as published by the Loan Market Association in March 2018 and March 2019 (the "**Sustainable Finance Framework**").

The Sustainable Finance Framework has been published at:

<https://www.severntrent.com/investors/debt-investors/sustainable-finance-framework/>."

Significant Change

There has been no other significant change in the financial or trading position of Severn Trent Plc and its subsidiaries taken as a whole since 30 September 2019.

General Information

The Issuers and the Guarantor accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of this Supplementary Prospectus, the Prospectus and all documents or information incorporated by reference in this Supplementary Prospectus are available for inspection during normal office hours from the registered office of each Issuer and from the specified offices of the Paying Agents.

To the extent that there is any inconsistency between (a) any statement in this Supplementary Prospectus or any statement incorporated by reference into the Prospectus by this Supplementary Prospectus and (b) any other statement in or incorporated in the Prospectus prior to the date of this Supplementary Prospectus, the statements in (a) above will prevail. Save as disclosed in this Supplementary Prospectus there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.