



BRISTOL WATER PLC

(incorporated in England and Wales with limited liability with registered number 2662226)

£40,000,000

2.701 per cent. Index-Linked Secured, Guaranteed

Bonds due 2041

guaranteed by Bristol Water Core Holdings Limited

(incorporated in England and Wales with limited liability

with registered number 4637554)

This Supplement (the "**Supplement**"), to the Prospectus (the "**Prospectus**") dated 23 March 2011 constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is prepared in connection with the issue of £40,000,000 2.701 per cent. Index-Linked Secured, Guaranteed Bonds due 2041 (the "**Bonds**") by Bristol Water plc (the "**Issuer**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

The payment of all amounts owing in respect of the Bonds will be guaranteed by Bristol Water Core Holdings Limited (the "**Guarantor**") as described in the Prospectus.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer.

The Issuer and the Guarantor accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuer and the Guarantor (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.

Amendment of the Terms and Conditions of the Bonds:

By virtue of this Supplement, the following new Condition 19 (*Further Issues*) shall be inserted after Condition 18 (*Governing Law*) on page 52:

"19 Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the

Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of securities of other series where the Trustee so decides.”

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

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

An investor should be aware of its rights arising pursuant to Section 87Q(4) of the FSMA.

This Supplement has been approved by the United Kingdom Financial Services Authority (the “**FSA**”), 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 prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.