

FINAL TERMS

8 February 2019

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each 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 Directive 2014/65/EU (as amended, “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 manufacturers’ 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 manufacturers’ target market assessment) and determining appropriate distribution channels.

UNITED UTILITIES WATER FINANCE PLC

LEI: 213800313INX42GDLR44

Issue of GBP 250,000,000 2.625 per cent. Fixed Rate Notes due 2031

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: | 70 |
| | (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: | Sterling (“GBP”) |
| 4. | | Aggregate Nominal Amount: | |
| | (a) | Series: | GBP 250,000,000 |

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| (b) | Tranche: | GBP 250,000,000 |
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5. Issue Price: 99.794 per cent. of the Aggregate Nominal Amount
6. (a) Specified Denominations: GBP 100,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP 199,000. No Notes in definitive form will be issued with a denomination above GBP 199,000.
- (b) Calculation Amount for Notes in definitive form (and in relation to calculation of interest for Notes in global form see Conditions): GBP 1,000
7. (a) Issue Date: 12 February 2019
- (b) Interest Commencement Date: Issue Date
8. Maturity Date: 12 February 2031
9. Interest Basis: 2.625 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: Issuer Call (see paragraph 20 below)
13. (a) Status of the Notes: Senior, unsecured
- (b) Date approval for issuance obtained: 5 February 2019
14. Method of Distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** Applicable
- (a) Rate of Interest: 2.625 per cent. per annum payable annually in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): 12 February in each year from and including 12 February 2020 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);

(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): 12 February 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: Applicable

(a) Optional Redemption Date(s): Any date from and including 12 November 2030 to but excluding the Maturity Date

(b) Optional Redemption Amount: GBP 1,000 per Calculation Amount

(c) If redeemable in part: Not Applicable

(d) Notice periods: Minimum period: 30 days
Maximum period: 90 days

21. Investor Put: Not Applicable

22. Final Redemption Amount: GBP 1,000 per Calculation Amount

23. Early Redemption Amount payable on redemption for taxation reasons, indexation reasons or on event of default: GBP 1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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

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| 25. | New Global Notes (“NGN”) / New Safekeeping Structure (“NSS”): | NGN |
| 26. | Additional Financial Centre(s): | Not Applicable |
| 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: | Barclays Bank PLC
HSBC Bank plc
RBC Europe Limited |
| | (b) Date of Agreement: | 8 February 2019 |
| 31. | If non-syndicated, name of relevant Manager: | Not Applicable |
| 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: B4 Murphy

Duly authorised

Signed on behalf of the Guarantor:

By: B4 Murphy

Duly authorised

PART B - OTHER INFORMATION

1. LISTING

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| (a) | Listing: | London |
| (b) | Admission to trading: | Application is expected to be made for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from the Issue Date. |
| (c) | Estimate of total expenses related to admission to trading: | GBP 4,500 |

2. RATINGS

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| Ratings: | The Notes to be issued are expected to be rated: |
| | A3 by Moody's Investors Services Ltd ("Moody's") |
| | A- by S&P Global Ratings 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 Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their 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

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| (a) | Reasons for the offer | See "Use of Proceeds" section of the Offering Circular |
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5. YIELD

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| Indication of yield: | 2.645 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

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| (a) | ISIN: | XS1950827078 |
| (b) | Common Code: | 195082707 |
| (c) | CFI: | DTFXFB |
| (d) | FISN: | UNITED UTILITIE/1EMTN 20310212 |
| (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: | Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

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| 8. | BENCHMARKS
REGULATION <i>(Floating Rate
Notes calculated by reference to
benchmarks only)</i> | Not Applicable |
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