

THAMES WATER UTILITIES CAYMAN FINANCE LIMITED

Issue of Sub-Class A1 £50,000,000 Index-Linked Unwrapped Bonds due 2040
under the £10,000,000,000 Guaranteed Bond 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 Prospectus dated 25 July 2008 and the Supplemental Prospectus dated 4 December 2008 which together constitute (i) a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and (ii) listing particulars for the purposes of Listing Rule 2.2.11 of the Listing Rules of the Financial Services Authority (the "**Listing Rules**"). This document constitutes the Final Terms of the Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus and the Supplemental Prospectus are available for viewing at Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB.

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| 1. | (i) | Issuer: | Thames Water Utilities Cayman Finance Limited. |
| | (ii) | Guarantors: | Thames Water Utilities Holdings Limited, Thames Water Utilities Limited and Thames Water Utilities Finance Limited. |
| | (iii) | Financial Guarantors: | Not Applicable. |
| 2. | (i) | Series Number: | 4 |
| | (ii) | Sub-Class Number: | Not Applicable |
| 3. | | Relevant Currency or Currencies | Pounds Sterling ("£"). |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | £50,000,000 |
| | (ii) | Sub-Class: | £50,000,000 |
| | (iii) | Tranche: | £50,000,000 |
| 5. | (i) | Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount. |
| | (ii) | Net proceeds: (required only for listed issues) | £49,750,000. |

6. Specified Denominations: £50,000.
- "Tradeable Amount" £1,000 (in excess of the Specified Denomination up to and including £99,000). No Bonds in definitive form will be issued with a denomination over £99,000.
7. (i) Issue Date: 15 December 2008.
- (ii) Interest Commencement Date Issue Date.
(if different from the Issuer Date):
8. Maturity Date: 15 December 2040.
9. Instalment Date: Not Applicable.
10. Interest Basis: Index Linked Interest (further particulars specified below).
11. Redemption/Payment Basis: Redemption at par, subject to indexation as provided in Condition 7.
12. Change of Interest or Redemption/Payment Basis: Not Applicable.
13. Call Options: Not Applicable.
14. (i) Status and Ranking: The Class A Wrapped and Class A Unwrapped Bonds rank *pari passu* among each other in terms of interest and principal payments and rank in priority to the Class B Bonds.
- (ii) Status of the Guarantees: Senior.
- (iii) Status of the Financial Guarantee: Not Applicable.
- (iv) FG Event of Default: Not Applicable.
- (v) Date Board approval for issuance of Notes and Guarantees obtained: 9 July 2008
15. Method of distribution: Non-syndicated.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Bond Provisions: Not Applicable.

17.	Floating Rate Bond Provisions:	Not Applicable.
18.	Zero Coupon Bond Provisions:	Not Applicable.
19.	Indexed Bond Provisions:	Applicable - Condition 7.
(i)	Index/Formula:	UK Retail Price Index, as set out in Condition 7(a).
(ii)	Interest Rate:	3.853 per cent. per annum, subject to the application of the Index Ratio in accordance with Condition 7 (b).
(iii)	Base Index Figure:	218.08387
(iv)	Any other terms relating to Indexation if different from those set out in the Conditions:	Not Applicable
(v)	Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Agent Bank):	Not Applicable.
(vi)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	Applicable — Condition 7(c) and 7(e) “3 month lag”.
(vii)	Interest Payment Dates:	15 June and 15 December in each year up to and including the Maturity Date.
(viii)	First Interest Payment Date:	15 June 2009.
(ix)	Business Day Convention:	Following Business Day Convention
(x)	Business Centre(s):	London.
(xi)	Minimum Indexation Factor:	1.00.
(xii)	Maximum Indexation Factor:	1.05.
(xiii)	Limited Indexation Month(s):	March and September
(xiv)	Reference Gilt	UK Retail Price Index 1.125 per cent. November 2037.
(xv)	Day Count Fraction:	Actual/Actual ICMA.

20. Dual Currency Bond Provisions Not Applicable.

PROVISIONS RELATING TO REDEMPTION

21. Call Option: Not Applicable
22. Final Redemption Amount: Principal Amount Outstanding, as adjusted for indexation, plus accrued but unpaid interest.
- The Redemption Amount of each Bond payable on redemption for an Event of Default in accordance with Condition 11(c) is the Principal Amount Outstanding, as adjusted for indexation, plus accrued but unpaid interest.

GENERAL PROVISIONS APPLICABLE TO THE BONDS

23. Form of Bonds: Bearer
- (i) If issued in Bearer form: Temporary Global Bond exchangeable for a Permanent Global Bond which is exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond.
- (ii) If Registered Bonds: Not Applicable.
24. Relevant Financial Centre(s) or other special provisions relating to Payment Dates: London.
25. Talons for future Coupons or Receipts to be attached to Definitive Bonds (and dates on which such Talons mature): Yes. Talons will be attached to Definitive Bonds if required.
26. Details relating to Partly Paid Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Bonds and interest due on late payment: Not Applicable.
27. Details relating to Instalment Bonds: Not Applicable.

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| 28. | Redenomination, renominatisation and reconventioning provisions: | The provisions in Condition 19 apply. |
| 29. | Consolidation provisions: | Not Applicable. |
| 30. | Other terms or special conditions: | Not Applicable. |
| 31. | TEFRA rules: | TEFRA D. |

ISSUER/TWUL LOAN TERMS

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| 32. | Interest rate on relevant Term Advance/Index Linked Advances: | 3.853 per cent. per annum, subject to the application of the Index Ratio as stated at clause 19. |
| 33. | Term of relevant Term Advance/Index Linked Advances: | Until 15 December 2040 (or earlier redemption of the A1 Bonds). |
| 34. | Other relevant provisions: | None |

DISTRIBUTION

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| 35. | (i) If syndicated, names of Managers: | Not Applicable. |
| | (ii) Stabilising Manager (if any): | Not Applicable |
| 36. | If non-syndicated, name of Dealer: | Royal Bank of Canada Europe Limited. |
| 37. | Additional selling restrictions: | Not Applicable. |

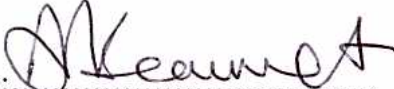
LISTING AND ADMISSION TO TRADING APPLICATION

This Final Terms comprises the details required to list the issue of Bonds described herein pursuant to the listing of the Programme for the issuance of up to £10,000,000,000 Guaranteed Bonds financing Thames Water Utilities Limited.

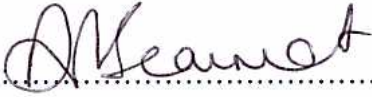
RESPONSIBILITY

The Issuer and each Guarantor accepts responsibility for the information contained in these Final Terms.

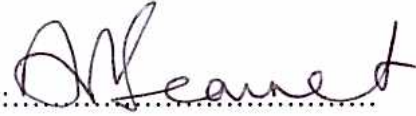
Signed on behalf of the Issuer:

By: 
 Duly authorised

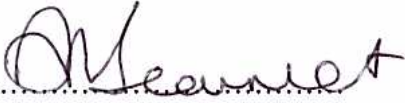
Signed on behalf of Thames Water Utilities Limited:

By: 
Duly authorised

Signed on behalf of Thames Water Utilities Holdings Limited:

By: 
Duly authorised

Signed on behalf of Thames Utilities Finance Limited:

By: 
Duly authorised

PART B - OTHER INFORMATION

1. Listing

- (i) Listing: London.
- (ii) Admission to trading: Application will be made for the Bonds to be admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Regulated Market on with effect from 15 December 2008.
- (iii) Estimate of total expenses related to admission to trading: £4,200.

2. Ratings

Ratings: The Bonds to be issued have been rated:

S&P: BBB+

Moody's: A3

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer.

4. Reasons for the offer, estimated net proceeds and total expenses

- (i) Reasons for the offer: See Chapter 9 "*Use of Proceeds*" in *Prospectus*.

5. PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

Information on the UK Retail Price Index can be found on Bloomberg Page UKRPI

6. Operational information

ISIN Code: XS0404852526

Common Code: 040485252

Any clearing system(s) other than Euroclear Bank
S.A./N.V. and Clearstream
Banking Société Anonyme and
the relevant identification
number(s): Not Applicable.

Delivery:

Delivery against payment

Names and addresses of
additional Paying Agent(s) (if
any):

Not applicable