

Final Terms dated 7 October 2010

THAMES WATER UTILITIES CAYMAN FINANCE LIMITED

Issue of £40,000,000 1.974% Class A Guaranteed Unwrapped Index-Linked Bonds due
October 2045

unconditionally and irrevocably guaranteed as to scheduled payments of principal and interest
by

THAMES WATER UTILITIES LIMITED
THAMES WATER UTILITIES HOLDINGS LIMITED
THAMES WATER UTILITIES FINANCE LIMITED
(each incorporated with limited liability in England and Wales)

THAMES WATER UTILITIES CAYMAN FINANCE HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

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 15 June 2010 which constitutes (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 is available for viewing at Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB.

Repayment of the principal and payment of any interest or premium in connection with the Bonds has not been guaranteed by any Financial Guarantor or by any other financial institution.

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| 1 | (i) Issuer: | Thames Water Utilities Cayman Finance Limited |
| | (ii) Guarantors: | Thames Water Utilities Holdings Limited, Thames Water Utilities Limited, Thames Water Utilities Finance Limited and Thames Water Utilities Cayman Finance Holdings Limited |
| | (iii) Financial Guarantors: | Not Applicable |
| 2 | (i) Series Number: | 10 |
| | (ii) Sub-Class Number: | 1 |

- 3 Relevant Currency or Currencies: Sterling ("£")
- 4 Aggregate Nominal Amount:
- (i) Series: £40,000,000
 - (ii) Sub-Class: £40,000,000
 - (iii) Tranche: £40,000,000
- 5 (i) Issue Price: 100% of the Aggregate Nominal Amount
- (ii) Net proceeds: (required only for listed issues): £39,840,000
- 6 Specified Denominations: £50,000.
- Calculation Amount: £50,000.
- 7 (i) Issue Date: 12 October 2010
- (ii) Interest Commencement Issue Date.
Date (if different from the
Issue Date):

8	Maturity Date:	12 October 2045
9	Interest Basis:	Indexed-Linked Interest (further particulars specified below).
10	Redemption/Payment Basis:	Indexed-Linked Senior Instruments – amortising after Amortising Start Date and adjusted in accordance with Condition 7(b).
11	Change of Interest or Redemption/Payment Basis:	Not applicable.
12	Put/Call Options:	Not applicable.
13	(i) Status and Ranking:	The Class A Wrapped Bonds 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 Guarantee obtained:	10 June 2010.
14	Method of distribution:	Syndicated.

Provisions relating to Interest (if any) payable

15	Fixed Rate Bond Provisions:	Not applicable.
16	Floating Rate Bond Provisions:	Not applicable.
17	Zero Coupon Bond Provisions:	Not Applicable
18	Indexed Bond Provisions:	Applicable.
	(i) Index/Formula:	UK Retail Price Index.
	(ii) Index Figure applicable:	As determined in accordance with Condition 7; 3 months lag applies.
	(iii) Interest Rate:	Each Instrument shall bear interest on its outstanding nominal amount from the Interest Commencement Date at 1.974 per cent. per annum, payable semi-annually in arrear on each Interest Payment Date and adjusted in accordance with Condition 7(b).
	(iv) Party responsible for calculating the Rate(s) of Interest, Interest Amount	Not Applicable.

	and Redemption Amount(s) (if not the Calculation Agent):	
(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	Conditions 7(c) to 7(e) apply.
(vi)	Specified Interest Payment Dates:	12 October and 12 April up to and including the Maturity Date.
(vii)	First Interest Payment Date:	12 April 2011
(viii)	Interest Period(s):	The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date, and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.
(ix)	Business Day Convention:	Following Unadjusted Business Day Convention.
(x)	Minimum Indexation Factor:	Not Applicable.
(xi)	Business Centre(s) (Condition 6(n)):	London.
(xii)	Maximum Indexation Factor:	Not Applicable.
(xiii)	Limited Indexation Month(s) or Period for calculation of Limited Indexation Factor:	Not Applicable.
(xiv)	Base Index Figure (Condition 7(a)):	223.91935 applicable to 12 October 2010 (interpolated UK RPI between July 2010 and August 2010)
(xv)	Day Count Fraction (Condition 6(n)):	Actual/Actual-ICMA.
(xvi)	"Index" or "Index Figure" (Condition 7(a)):	The definition of "Index" or "Index Figure" as set out in Condition 7(a) shall apply.
(xvii)	Reference Gilt:	UKTI 1.25 per cent. due November 2027.
19	Dual Currency Bond Provisions:	Not Applicable.
Provisions relating to Redemption		
20	Residual Holding Call Option:	Not Applicable.
21	Call Option:	Not Applicable.

- 22 Put Option: Not Applicable.
- 23 Final Redemption Amount of each Instrument:
- In cases where the Final Redemption Amount is Index-Linked:
- (i) Index/Formula: The Index as defined in Condition 7(a).
 - (ii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): Not Applicable.
 - (iii) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable: The Final Redemption Amount per Instrument shall be its outstanding nominal amount in accordance with Appendix 1 adjusted in accordance with Condition 7(b).
 - (iv) Determination Date(s): Each Interest Payment Date.
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: Conditions 7(c) to 7(e) apply.
 - (vi) Payment Date: As set out in Appendix 1.
 - (vii) Minimum Final Redemption Amount: Not Applicable.
 - (viii) Maximum Final Redemption Amount: Not Applicable.
- 24 Early Redemption Amount:
- (i) Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons (Condition 8(c)) or on Event of Default (Condition 11) or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): The Early Redemption Amount per Instrument shall be its outstanding nominal amount in accordance with Appendix I together with interest accrued but unpaid up to and including the date of redemption (in each case adjusted in accordance with Condition 7(b)).
 - (ii) Redemption for taxation reasons permitted on days: If no company of a jurisdiction approved by the Bond Trustee can be found to act as

other than Interest Payment principal debtor under the Bonds, then yes.
Dates (Condition 8(c)):

- (iii) Unmatured Coupons to Yes,
become void upon early
redemption (Condition 9(f)):

General Provisions applicable to the Bonds

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| 25 | 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 |
| 26 | Relevant Financial Centre(s) or other special provisions relating to Payment Dates: | London |
| 27 | Talons for future Coupons or Receipts to be attached to Definitive Bonds (and dates on which such Talons mature): | Talons will mature on 12 April 2024 and 12 October 2037. |
| 28 | 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 |
| 29 | Details relating to Instalment Bonds: | As set out in Appendix 1. |
| 30 | Redenomination, renominatisation and reconventioning provisions: | The provisions in Condition 19 apply |
| 31 | Consolidation provisions: | Not Applicable |
| 32 | Other terms or special conditions: | Not Applicable |
| 33 | TEFRA rules: | TEFRA D |

Issuer/TWUL Loan Terms

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| 34 | Interest rate on relevant Term Advance/Index Linked Advances: | 1.974% per annum (subject to as stated at paragraph 18 above) for application of the Index Ratio (or an early redemption of the Bonds). |
| 35 | Term of relevant Term Advance/Index Linked Advances: | 12 October 2045 |

36 Other relevant provisions: Not Applicable.

Distribution

37 If syndicated, names of Managers: Royal Bank of Canada Europe Limited, Lloyds TSB Bank plc.

38 If non-syndicated, names of Dealers: Not Applicable.

39 Additional selling restrictions: Not Applicable.

Listing and Admission to Trading Application

This Final Terms comprises the details required for issue and admission to trading on the London Stock Exchange's Regulated Market and admission to the Official List of the UK Listing Authority of the 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 this Final Terms.

EXECUTION PAGE**ISSUER**

Signed by P M Lynte-Ree)
 for and on behalf of **Thames Water**)
Utilities Cayman Finance Limited:)
)

Duly authorised person

GUARANTORS

Signed by P M Lynte-Ree)
 for and on behalf of **Thames Water**)
Utilities Limited:)
)

Duly authorised person

Signed by P M Lynte-Ree)
 for and on behalf of **Thames Water**)
Utilities Holdings Limited:)
)

Duly authorised person

Signed by P M Lynte-Ree)
 for and on behalf of **Thames Utilities**)
Finance Limited:)
)

Duly authorised person

Signed by P M Lynte-Ree)
 for and on behalf of **Thames Water**)
Utilities Cayman Finance Holdings)
Limited:)

Duly authorised person

Part B Other Information

1 Listing

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| (i) | Listing: | London |
| (ii) | Admission to trading: | Application has been made for the Bonds to be admitted to trading on the London Stock Exchange's Regulated Market with effect from 12 October 2010. |
| (iii) | Estimate of total expenses related to admission to trading: | £2,700 |

2 Ratings

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| Ratings: | The Bonds to be issued have been rated: |
| | S&P: A- |
| | Moody's: A3 |

3 Interest of Natural and Legal Persons involved in the Issue/Offer

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

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| Reasons for the offer: | See Chapter 9 " <i>Use of Proceeds</i> " in Prospectus |
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5 Yield

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| Indication of yield: | Not Applicable. |
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6 Performance of index/formula/other variable and other information concerning the underlying

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

7 Performance of rates of exchange

Not applicable.

8 Operational information

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| ISIN Code: | XS0548262061 |
| Common Code: | 054826206 |
| 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

Appendix 1
Appendix – Instalment Amounts Per Calculation Amount

Instalment Date	Scheduled Principal Payment (Per Note)	Scheduled Principal Payment (Per Notional)	Outstanding Balance (Per Note)	Outstanding Balance (Per Notional)
			50,000.00	40,000,000.00
12-Apr-11	0.00	0.00	50,000.00	40,000,000.00
12-Oct-11	0.00	0.00	50,000.00	40,000,000.00
12-Apr-12	0.00	0.00	50,000.00	40,000,000.00
12-Oct-12	0.00	0.00	50,000.00	40,000,000.00
12-Apr-13	0.00	0.00	50,000.00	40,000,000.00
12-Oct-13	0.00	0.00	50,000.00	40,000,000.00
12-Apr-14	0.00	0.00	50,000.00	40,000,000.00
12-Oct-14	0.00	0.00	50,000.00	40,000,000.00
12-Apr-15	0.00	0.00	50,000.00	40,000,000.00
12-Oct-15	601.45	481,162.54	49,398.55	39,518,837.46
12-Apr-16	607.39	485,911.62	48,791.16	39,032,925.84
12-Oct-16	613.38	490,707.56	48,177.77	38,542,218.28
12-Apr-17	619.44	495,550.85	47,558.33	38,046,667.43
12-Oct-17	625.55	500,441.93	46,932.78	37,546,225.50
12-Apr-18	631.73	505,381.30	46,301.06	37,040,844.20
12-Oct-18	637.96	510,369.41	45,663.09	36,530,474.79
12-Apr-19	644.26	515,406.76	45,018.84	36,015,068.03
12-Oct-19	650.62	520,493.82	44,368.22	35,494,574.21
12-Apr-20	657.04	525,631.09	43,711.18	34,968,943.12
12-Oct-20	663.52	530,819.07	43,047.66	34,438,124.05
12-Apr-21	670.07	536,058.26	42,377.58	33,902,065.79
12-Oct-21	676.69	541,349.15	41,700.90	33,360,716.63
12-Apr-22	683.37	546,692.27	41,017.53	32,814,024.37

Instalment Date	Scheduled Principal Payment (Per Note)	Scheduled Principal Payment (Per Notional)	Outstanding Balance (Per Note)	Outstanding Balance (Per Notional)
12-Oct-22	690.11	552,088.12	40,327.42	32,261,936.24
12-Apr-23	696.92	557,537.23	39,630.50	31,704,399.01
12-Oct-23	703.80	563,040.12	38,926.70	31,141,358.89
12-Apr-24	710.75	568,597.33	38,215.95	30,572,761.56
12-Oct-24	717.76	574,209.39	37,498.19	29,998,552.17
12-Apr-25	724.85	579,876.83	36,773.34	29,418,675.34
12-Oct-25	732.00	585,600.22	36,041.34	28,833,075.13
12-Apr-26	739.23	591,380.09	35,302.12	28,241,695.04
12-Oct-26	746.52	597,217.01	34,555.60	27,644,478.02
12-Apr-27	753.89	603,111.54	33,801.71	27,041,366.48
12-Oct-27	761.33	609,064.25	33,040.38	26,432,302.22
12-Apr-28	768.84	615,075.72	32,271.53	25,817,226.51
12-Oct-28	776.43	621,146.52	31,495.10	25,196,079.99
12-Apr-29	784.10	627,277.23	30,711.00	24,568,802.76
12-Oct-29	791.84	633,468.46	29,919.17	23,935,334.30
12-Apr-30	799.65	639,720.79	29,119.52	23,295,613.51
12-Oct-30	807.54	646,034.84	28,311.97	22,649,578.67
12-Apr-31	815.51	652,411.20	27,496.46	21,997,167.47
12-Oct-31	823.56	658,850.50	26,672.90	21,338,316.97
12-Apr-32	831.69	665,353.35	25,841.20	20,672,963.62
12-Oct-32	839.90	671,920.39	25,001.30	20,001,043.22
12-Apr-33	848.19	678,552.25	24,153.11	19,322,490.98
12-Oct-33	856.56	685,249.56	23,296.55	18,637,241.42
12-Apr-34	865.02	692,012.97	22,431.54	17,945,228.45
12-Oct-34	873.55	698,843.14	21,557.98	17,246,385.32
12-Apr-35	882.18	705,740.72	20,675.81	16,540,644.60

Instalment Date	Scheduled Principal Payment (Per Note)	Scheduled Principal Payment (Per Notional)	Outstanding Balance (Per Note)	Outstanding Balance (Per Notional)
12-Oct-35	890.88	712,706.38	19,784.92	15,827,938.22
12-Apr-36	899.68	719,740.79	18,885.25	15,108,197.43
12-Oct-36	908.56	726,844.63	17,976.69	14,381,352.79
12-Apr-37	917.52	734,018.59	17,059.17	13,647,334.20
12-Oct-37	926.58	741,263.35	16,132.59	12,906,070.85
12-Apr-38	935.72	748,579.62	15,196.86	12,157,491.23
12-Oct-38	944.96	755,968.10	14,251.90	11,401,523.12
12-Apr-39	954.29	763,429.51	13,297.62	10,638,093.61
12-Oct-39	963.71	770,964.56	12,333.91	9,867,129.06
12-Apr-40	973.22	778,573.98	11,360.69	9,088,555.08
12-Oct-40	982.82	786,258.50	10,377.87	8,302,296.57
12-Apr-41	992.52	794,018.87	9,385.35	7,508,277.70
12-Oct-41	1,002.32	801,855.84	8,383.03	6,706,421.86
12-Apr-42	1,012.21	809,770.16	7,370.81	5,896,651.70
12-Oct-42	1,022.20	817,762.59	6,348.61	5,078,889.11
12-Apr-43	1,032.29	825,833.91	5,316.32	4,253,055.20
12-Oct-43	1,042.48	833,984.89	4,273.84	3,419,070.32
12-Apr-44	1,052.77	842,216.32	3,221.07	2,576,854.00
12-Oct-44	1,063.16	850,528.99	2,157.91	1,726,325.01
12-Apr-45	1,073.65	858,923.71	1,084.25	867,401.29
12-Oct-45	1,084.25	867,401.29	0.00	0.00