

Final Terms dated 13 December 2016

THAMES WATER UTILITIES CAYMAN FINANCE LIMITED

Issue of £400,000,000 7.738 per cent. Guaranteed Class A Unwrapped Bonds due 9 April 2058

(the “**Bonds**”)

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 base prospectus dated 16 September 2016 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended to the extent implemented (the “Prospectus Directive”). 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 base prospectus. Full information on the Issuer, the Guarantors and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the base prospectus. The base prospectus is available on the website of the Central Bank of Ireland at: <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> and the website of the Irish Stock Exchange at <http://www.ise.ie/>.

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 |
| 2 | (i) Series Number: | 20 |
| | (ii) Sub-Class Number: | Not Applicable |
| 3 | Relevant Currency or Currencies: | Pounds Sterling (“£”) |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | £400,000,000 |
| | (ii) Sub-Class: | £400,000,000 |
| | (iii) Tranche: | £400,000,000 |
| 5 | (i) Issue Price: | 198.55 per cent. of the Aggregate Nominal Amount |
| | (ii) Net proceeds: | Not Applicable |
| 6 | (i) Specified Denominations: | £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Bonds in definitive form will be issued with a denomination above £199,000. |
| | (ii) Calculation Amount: | £1,000 |
| 7 | (i) Issue Date: | 23 December 2016 |
| | (ii) Interest Commencement Date (if different from the Issue Date): | Issue Date |

8	Maturity Date:	9 April 2058
9	Instalment Date:	Not Applicable
10	Interest Basis:	7.738 per cent. Fixed Rate
11	Redemption/Payment Basis:	Redemption at par
12	Call Options:	None
13	(i) Status:	Class A Unwrapped Bonds
	(ii) Date Board approval for issuance of Bonds obtained:	23 November 2016 and 24 November 2016

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Bond Provisions:	Applicable
	(i) Interest Rate:	7.738 per cent per annum payable annually in arrear save for the first short coupon
	(ii) Interest Payment Date(s):	9 April in each year
	(iii) Fixed Coupon Amounts:	£77.38 per Calculation Amount from and including the Interest Payment Date falling on 9 April 2018
	(iv) Broken Amounts:	£22.68 per Calculation Amount on the Interest Payment Date falling on 9 April 2017 (first short coupon)
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Determination Date:	9 April in each year
	(vii) Reference Gilt:	4.25 per cent. UK Treasury Stock 2055
15	Floating Rate Bond Provisions:	Not Applicable
16	Zero Coupon Bond Provisions:	Not Applicable
17	Indexed Bond Provisions:	Not Applicable
18	Dual Currency Bond Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION


19	Call Option:	Not Applicable
20	Final Redemption Amount:	100 per cent. per Calculation Amount. For the avoidance of doubt, the Redemption Amount of each Bond payable on redemption for an Event of Default in accordance with Conditions 11(a) and 11(d) shall be as calculated in accordance with Condition 8(b). The Issuer's option to redeem all Bonds under the second sentence of the final paragraph of Condition 8(c) (Redemption for Taxation Reasons) is not applicable. Any redemption pursuant to Condition 8(d) (Redemption on Prepayment of Issuer/TWUL Loan Agreements) shall be at the Redemption Amount (as defined in accordance with that Condition) plus accrued but unpaid interest.

GENERAL PROVISIONS APPLICABLE TO THE BONDS

21	Form of Bonds:	Bearer
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	(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
22	Relevant Financial Centre(s):	Not Applicable
23	Talons for future Coupons or Receipts to be attached to Definitive Bonds (and dates on which such Talons mature):	Yes
24	Details relating to Instalment Bonds:	Not Applicable
25	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
26	TEFRA rules:	TEFRA D
ISSUER/TWUL LOAN TERMS		
27	Amount of relevant Term Advance/Index Linked Advances:	£400,000,000
28	Interest rate on relevant Term Advance/Index Linked Advances:	7.838 per cent.
29	Term of relevant Term Advance/Index Linked Advances:	To Maturity Date
DISTRIBUTION		
Method of distribution		Syndicated
30	(i) If syndicated, names of Managers:	Morgan Stanley & Co. International plc and The Royal Bank of Scotland plc (trading as NatWest Markets)
	(ii) Stabilising Manager (if any):	Morgan Stanley & Co. International plc
31	If non-syndicated, name of Dealer:	Not Applicable
32	U.S. Selling Restrictions:	Reg. S Compliance Category 2; TEFRA D

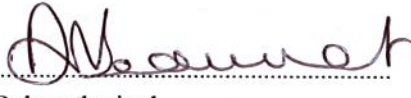
Signed on behalf of the Issuer:

By: 
Duly authorised

Signed on behalf of Thames Water Utilities Limited:

By: 
Duly authorised

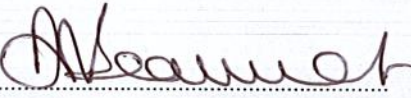
Signed on behalf of Thames Water Utilities Holdings Limited:

By: 
Duly authorised

Signed on behalf of Thames Water Utilities Finance Limited:

By: 
Duly authorised

Signed on behalf of Thames Water Utilities Cayman Finance Holdings Limited:

By: 
Duly authorised

PART B OTHER INFORMATION

- 1 **Listing**
 - (i) Listing: Listed on the Official List of the Irish Stock Exchange
 - (ii) Admission to trading: Application has been made for the Bonds to be admitted to trading on the Main Securities Market of the Irish Stock Exchange.
 - (iii) Estimate of total expenses related to admission to trading: EUR 600
- 2 **Ratings**

Ratings: The Bonds to be issued have been rated:
Standard & Poor's Credit Market Services Europe Limited: A -
Moody's Investors Service Limited: A3
- 3 **Interests of Natural and Legal persons involved in the Issue**

Save as discussed in Chapter 12, "Subscription and Sale" of the base prospectus dated 16 September 2016, so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer.
- 4 **Yield**

Indication of yield: 3.320 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.
- 5 **Operational information**

ISIN:	XS1537083716
Common Code:	153708371
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking <i>société anonyme</i> and the relevant identification number(s):	Not applicable
Delivery:	Delivery free of payment
Names and addresses of initial Paying Agents (if any):	Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street London EC2N 2DB, United Kingdom
Names and addresses of additional Paying Agent(s) (if any):	Not applicable