

Final Terms dated 24 August 2007

THAMES WATER UTILITIES CAYMAN FINANCE LIMITED

Issue of Sub-Class A3 £200,000,000 Index-Linked Unwrapped Bonds due 2049
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 24 August 2007 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. 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.

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: 1.
- (ii) Sub-Class Number: A3.
3. Relevant Currency or Currencies: Pounds Sterling ("£").
4. Aggregate Nominal Amount:
 - (i) Series: £900,000,000.
 - (ii) Sub-Class: £200,000,000.
 - (iii) Tranche: £200,000,000.
5. (i) Issue Price: 100 per cent. of the Aggregate Nominal Amount.
- (ii) Net proceeds: (required only for listed issues) 100 per cent. of the Aggregate Nominal Amount less fees of 0.30 per cent. payable within 5 business days after the Issue Date.

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: 30 August 2007.
- (ii) Interest Commencement Date Issue Date.
(if different from the Issuer Date):
8. Maturity Date: 28 August 2049.
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 (i.e. optional redemption pursuant to Condition 8(b)).
14. (i) Status and Ranking: 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 14 August 2007 and 23 August 2007, issuance of Notes and respectively.
Guarantees obtained:
15. Method of distribution: 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 the definition of "Index" or "Index Figure" in Condition 7(a). The words "seventh month" in the definition of "Index" or "Index figure" in Condition 7(a) and "eighth month" in Condition 7(c)(ii) and "ninth month" in Condition 7(c)(ii) shall be replaced by the words "second month" and "third month" respectively."
- (ii) Interest Rate: 1.819 per cent. per annum, subject to indexation in accordance with Condition 7.
- The "Fixed Coupon Amount", for the purposes of Condition 6(a) is £9.095 per £1,000 in nominal amount, and in relation to the short first coupon referred to in Item 19(vi) below, £8.996141 per £1,000 in nominal amount, subject in each case, to indexation in accordance with Condition 7.
- (iii) Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Agent Bank): Not Applicable.
- (iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: Applicable — Condition 7(c) and 7(e).
- (v) Interest Payment Dates: 28 February and 28 August in each year up to and including the Maturity Date.
- (vi) First Interest Payment Date: 28 February 2008. There will be a short first coupon in respect of the period from (and including) the Issue Date to (but excluding) the First Interest Payment Date.
- (vii) Business Day Convention: Following Business Day Convention.

- (viii) Business Centre(s): London.
 - (ix) Minimum Indexation Factor: Not Applicable.
 - (x) Maximum Indexation Factor: Not Applicable.
 - (xi) Limited Indexation Month(s): Not Applicable.
 - (xii) Reference Gilt UKTI 1.25 per cent. due 2055.
 - (xiii) Day Count Fraction: Actual/Actual ICMA.
 - (xiv) Base Index Figure: 207.22903.
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(d) 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: Not Applicable.
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:
27. Details relating to Instalment Bonds: Not Applicable.
- (i) Instalment Date:
- (ii) Instalment Amount:
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**
32. Interest rate on relevant Term Advance/Index Linked Advances: 1.919 per cent. per annum.
33. Term of relevant Term Advance/Index Linked Advances: Until 28 August 2049 (or earlier redemption of the Bonds).
34. Other relevant provisions: None
- DISTRIBUTION**
35. (i) If syndicated, names of Managers: Barclays Bank PLC, Dresdner Bank AG London Branch, HSBC Bank plc, Macquarie Bank Limited, London Branch and The Royal Bank of Canada Europe Limited.
- (ii) Stabilising Manager (if any): Barclays Bank PLC.
36. If non-syndicated, name of Dealer: Not Applicable.
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

ANTONIA BUTLER

Signed on behalf of Thames Water Utilities Limited:

By:
Duly authorised

ANTONIA BUTLER

Signed on behalf of Thames Water Utilities Holdings Limited:

By:
Duly authorised

ANTONIA BUTLER

Signed on behalf of Thames Utilities Finance Limited:

By:
Duly authorised

ANTONIA BUTLER

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 Gilt Edged and Fixed Interest Market on or about 24 August 2007 with effect from 30 August 2007.
- (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: XS0318577672

Common Code: 31857767

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

number(s):

Delivery:

Delivery against payment.

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

Not Applicable.