

Pricing Supplement

**THAMES WATER PLC**

**THAMES WATER UTILITIES FINANCE PLC**

U.S.\$1,000,000,000

Debt Issuance Programme

Irrevocably and unconditionally guaranteed in respect of Notes issued by  
Thames Water Utilities Finance Plc by Thames Water Utilities Limited

Series No: 11

Tranche No: 1

Thames Water Utilities Finance Plc

£330,000,000

6.75% Guaranteed Bonds due 2028

Irrevocably and unconditionally guaranteed by  
Thames Water Utilities Limited

Issue Price: 99.434 per cent

J.P. Morgan Securities Ltd.

Credit Suisse First Boston

Cazenove & Co.

Greenwich NatWest

Warburg Dillon Read

The date of this Pricing Supplement is 13th November 1998.

This Pricing Supplement, under which the Bonds described herein (the "Bonds") are issued, is supplemental to, and should be read in conjunction with, the Offering Circular and the Supplement thereto each dated 22 October 1998 (as supplemented by the Supplemental Offering Circular dated 13th November 1998) (such Offering Circular and Supplement as supplemented by the Supplemental Offering Circular, the "Offering Circular") issued in relation to the U.S.\$1,000,000,000 Debt Issuance Programme (the "Programme") of Thames Water Plc and Thames Water Utilities Finance Plc irrevocably and unconditionally guaranteed in respect of Notes issued by Thames Water Utilities Finance Plc by Thames Water Utilities Limited. Terms defined in the Offering Circular have the same meaning in this Pricing Supplement. The Bonds will be issued on the terms of this Pricing Supplement read together with the Offering Circular. Each of Thames Water Utilities Finance Plc (the "Issuer") and Thames Water Utilities Limited (the "Guarantor") accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular, contains all information that is material in the context of the issue of the Bonds.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of the Bonds.

The Bonds constitute longer term debt securities issued in accordance with regulations made under section 4 of the Banking Act 1987. The Issuer of the Bonds is Thames Water Utilities Finance Plc, which is not an authorised institution or a European authorised institution (as such terms are defined in the Banking Act 1987 (Exempt Transactions) Regulations 1997). Repayment of the principal and payment of any interest or premium in connection with the Bonds has been guaranteed by Thames Water Utilities Limited, which is not an authorised institution or a European authorised institution.

The Issuer (a) has complied with its obligations under the listing rules of the London Stock Exchange in relation to the admission to and continuing listing of the Programme and of any previous issues made by it under the Programme and listed on the same exchange; (b) confirms that it will have complied with its obligations under the listing rules of the London Stock Exchange in relation to the admission to listing of the Bonds by the time when the Bonds are so admitted; and (c) has not, since the last publication of information in compliance with the listing rules of the London Stock Exchange about the Programme, any previous issues made by it under the Programme and listed on the London Stock Exchange, or the Bonds, having made all reasonable enquiries, become aware of any change in circumstance which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as Issuer in respect of the Bonds as they fall due.

There has been no significant change in the financial or trading position of the Issuer, the Guarantor or of the Group since 31 March 1998 and no material adverse change in the financial position or prospects of the Issuer, the Guarantor or of the Group since 31 March 1998.

Signed: D. Luffrum

Director

In connection with this issue, J. P. Morgan Securities Ltd. may over-allot or effect transactions which stabilise or maintain the market price of the Bonds at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

Any such transaction will be carried out in accordance with applicable laws and regulations.

## SCHEDULE

The terms of the Bonds and additional provisions relating to their issue are as follows:

### Provisions appearing on the face of the Bonds

1 Series No:	11
2 Tranche No:	1
3 ISIN:	XS0092157600
4 Currency:	Sterling
5 Principal Amount of Tranche:	£330,000,000
6 Issue Date:	16 November 1998

### Provisions appearing on the back of the Bonds

7 Form:	Bearer
8 Denomination(s):	£10,000 and £100,000
9 Interest Commencement Date:	16 November 1998
10 Redenomination into Euro (of Notes denominated in a currency that may, after the third stage of European economic and monetary union, be converted into Euro):	N/A
11 Interest Rate (including after Maturity Date):	6.75 per cent. per annum
12 Interest Payment Date(s):	16 November in each year, commencing on 16 November 1999
13 Relevant Time:	N/A
14 Interest Determination Date:	N/A
15 Primary Source for Floating Rate:	N/A
16 Reference Banks:	N/A
17 Relevant Financial Centre:	N/A
18 Benchmark:	N/A
19 Representative Amount:	N/A
20 Relevant Currency:	N/A
21 Effective Date:	N/A
22 Specified Duration:	N/A
23 Margin:	N/A
24 Rate Multiplier:	N/A
25 Maximum/Minimum Interest Rate:	N/A
26 Maximum/Minimum Instalment Amount:	N/A
27 Maximum/Minimum Redemption Amount:	N/A

- 28 Interest Amount (Fixed Rate Note or Variable Coupon Amount Note): £675 per £10,000 denomination and £6,750 per £100,000 denomination
- 29 Day Count Fraction: 30/360
- 30 Interest Period Date(s): Each Interest Payment Date
- 31 Redemption Amount (including early redemption): Principal Amount (save as provided in paragraph 34 below)
- 32 Maturity Date: 16 November 2028
- 33 Redemption for Taxation Reasons permitted on days other than Interest Payment Dates: Yes
- 34 Terms of redemption at the option of the Issuer or description of any other Issuer's option (if applicable):
- (i) For Taxation Reasons (as provided in Condition 5(c)); and
  - (ii) at any time on or after the third anniversary of the Issue Date, the Issuer may, having given not less than 30 nor more than 45 days' notice to the Bondholders (in accordance with Condition 15) redeem all, but not some only of the Bonds at a price in respect of each Bond which shall be the higher of the following, together with interest accrued up to but excluding the date of redemption:
    - (x) its principal amount; and
    - (y) that price (the "Redemption Price") expressed as a percentage (rounded to three decimal places, 0.0005 being round upwards) (as reported in writing to the Issuer by a financial adviser selected by the Issuer and approved by the Trustee) at which the Gross Redemption Yield (as defined below) on the Bonds on the day which is the third dealing day prior to the date of the notice to the Bondholders referred to above, is equal to the Gross Redemption Yield (determined by reference to the middle market price) at 3.00 p.m. (London time) on that date of the 6 per cent. Treasury Stock 2028 while that stock is in issue, and thereafter such other government stock as the Issuer and the Trustee shall be advised by two financial advisers selected by the Issuer and approved by the Trustee to be appropriate by way of substitution for such Treasury Stock.

For the purposes of this paragraph 34, "Gross Redemption Yield" means a yield calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries, Vol. 105, Part 1, 1978, page 18 or such other basis as the Trustee may approve.

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| <b>35</b> | <b>Issuer's Option Period:</b>   | As set out in paragraph 34 above.   |
| <b>36</b> | <b>Terms of redemption at the option of the Bondholders or description of any other Bondholders' option:</b>   | Upon the occurrence of a Put Event (as provided in Condition 5(f))  |
| <b>37</b> | <b>Bondholders' Option Period (if applicable):</b>   | As set out in Condition 5(f).   |
| <b>38</b> | <b>Instalment Date(s):</b>   | N/A   |
| <b>39</b> | <b>Instalment Amount(s):</b>   | N/A   |
| <b>40</b> | <b>Unmatured Coupons to become void upon early redemption:</b>   | Yes   |
| <b>41</b> | <b>Talons to be attached to Bonds and, if applicable, the number of Interest Payment Dates between the maturity of each Talon:</b>                   | Yes, one Talon  |
| <b>42</b> | <b>Business Day for Condition 6(h) (jurisdictions required to be open for payment):</b>  | London  |
| <b>43</b> | <b>Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 10(a) (if applicable):</b> | N/A   |
| <b>44</b> | <b>Details of any other additions or variations to the Conditions (if applicable):</b>   | N/A   |
| <b>45</b> | <b>The Agents appointed in respect of the Bonds are:</b>   | <p>Citibank, N.A. London<br/> 5 Carmelite Street<br/> London<br/> EC4Y 0PA</p> <p>Citibank, N.A. Brussels<br/> Building 726<br/> 1931 Brucargo<br/> Belgium</p> |

**Provisions applicable to Global Bonds**

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| <b>46</b> | <b>Bonds to be represented on issue by:</b>                     | Temporary Global Bond. |
| <b>47</b> | <b>Applicable TEFRA exemption:</b>                              | D Rules                |
| <b>48</b> | <b>Temporary Global Bond exchangeable for Definitive Bonds:</b> | No                     |

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| 49 | Permanent Global Bond exchangeable for Definitive Bonds at the request of the holder:        | Only in the limited circumstances set out in the Offering Circular. |
| 50 | Global Certificate exchangeable for definitive Registered Bond at the request of the holder: | N/A   |

**Provisions relating only to the sale and listing of the Bonds**

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| 51 | Details of any additions or variations to the selling restrictions:  | N/A   |
| 52 | Listing:   | London Stock Exchange   |
| 53 | Dealer's Commission:   | 0.25 per cent. combined management & underwriting commission, 0.375 per cent. selling commission.   |
| 54 | Method of Issue of Bonds:  | Syndicated Issue  |
| 55 | The following Dealers are subscribing the Bonds:   | J.P. Morgan Securities Ltd.<br>Credit Suisse First Boston (Europe) Limited<br>Cazenove & Co.<br>Greenwich NatWest Limited (as agent for National Westminster Bank Plc)<br>UBS AG, acting through its division Warburg Dillon Read |
| 56 | Common Code:   | 9215760   |
| 57 | The aggregate principal amount of Bonds issued has been translated into U.S. dollars at the rate of US\$1.6614 = £1, producing a sum of (for Notes not denominated in U.S. dollars): | US\$548,262,000   |
| 58 | Net Proceeds:  | £326,056,700  |
| 59 | Use of Proceeds (if different from that stated in the Offering Circular):  | N/A   |