

## FINAL TERMS

Final Terms dated 20 August 2008

### THAMES WATER UTILITIES CAYMAN FINANCE LIMITED

Issue of Class A JPY 20,000,000,000 3.28% Fixed Rate Unwrapped Bonds due 20 August 2038  
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 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.

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.

- |     |       |  |   |
|-----|-------|--|---|
| 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:   | 3   |
|     | (ii)  | Sub-Class Number:  | Not Applicable  |
| 3.  |       | Relevant Currency or Currencies                                | Japanese Yen ("JPY")  |
| 4.  |       | Aggregate Nominal Amount:                                      |   |
|     | (i)   | Series:  | JPY 20,000,000,000  |
|     | (ii)  | Sub-Class:   | JPY 20,000,000,000  |
|     | (iii) | Tranche:   | JPY 20,000,000,000  |
| 5.  | (i)   | Issue Price:   | 100 per cent. of the Aggregate Nominal Amount   |
|     | (ii)  | Net proceeds: (required only for listed issues)                | JPY 20,000,000,000  |
| 6.  |       | Specified Denominations:                                       | JPY 500,000,000   |
| 7.  | (i)   | Issue Date:  | 20 August 2008  |
|     | (ii)  | Interest Commencement Date (if different from the Issue Date): | Issue Date  |
| 8.  |       | Maturity Date:   | 20 August 2038, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention for which the applicable Business Centres for the definition of "Business Days" are London and Tokyo |
| 9.  |       | Instalment Date:   | Not Applicable  |
| 10. |       | Interest Basis:  | 3.28 per cent per annum. Fixed Rate   |
| 11. |       | Redemption/Payment Basis:                                      | Redemption at par   |
| 12. |       | Change of Interest or Redemption/Payment Basis:                | Not Applicable  |

13. Call Options: Not Applicable
14. (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: 9 July 2008
15. Method of distribution: Non-syndicated

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Bond Provisions: Applicable
- (i) Interest Rate: 3.28 per cent. per annum payable semi-annually in arrear
- (ii) Interest Payment Date(s): 20 February and 20 August in each year, up to and including the Maturity Date, adjusted in each case for payment only in accordance with the Modified Following Business Day Convention for which the applicable Business Centres for the definition of "Business Days" are London and Tokyo
- (iii) Fixed Coupon Amounts(s): JPY 8,200,000 per JPY 500,000,000 in Nominal Amount
- (iv) Broken Amounts(s): Not Applicable
- (v) Day Count Fraction: 30/360
- (vi) Determination Date: Not Applicable
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Bonds: Not Applicable
- (viii) Reference Gilt: Not Applicable
17. Floating Rate Bond Provisions: Not Applicable
18. Zero Coupon Bond Provisions: Not Applicable
19. Indexed Bond Provisions: Not Applicable
20. Dual Currency Bond Provisions: Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

21. Call Option: Conditions 8(b) and 8(d) shall not apply to these Bonds, and Condition 8(c) shall be amended as set out in the Annex
22. Final Redemption Amount: Par

#### 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 and Tokyo   |
| 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   |
| 28. | Redenomination, renominatisation and reconventioning provisions:  | Not Applicable   |
| 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: | 3.28 per cent. per annum   |
| 33. | Term of relevant Term Advance/Index Linked Advances:           | Until 20 August 2038, or earlier if the Bonds are redeemed early |
| 34. | Other relevant provisions:                                     | Not Applicable   |

#### **DISTRIBUTION**

- |     |                                       |                                 |
|-----|---------------------------------------|---------------------------------|
| 35. | (i) If syndicated, names of Managers: | Not Applicable                  |
|     | (ii) Stabilising Manager (if any):    | Not Applicable                  |
| 36. | If non-syndicated, name of Dealer:    | Deutsche Bank AG, London Branch |
| 37. | Additional selling restrictions:      | Not Applicable                  |

## LISTING AND ADMISSION TO TRADING APPLICATION

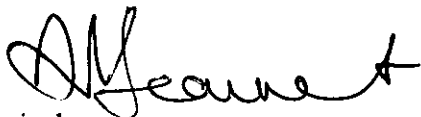
This Final Terms comprises the details required to list the issue of Bonds described herein pursuant to the listing of the Programme for the issuance of up to £10,000,000,000 Guaranteed Bonds financing Thames Water Utilities Limited.

### RESPONSIBILITY

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

Signed on behalf of the Issuer:

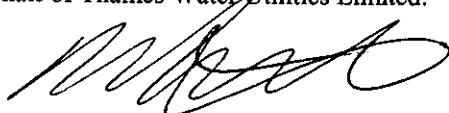
By:



Duly authorised

Signed on behalf of Thames Water Utilities Limited:

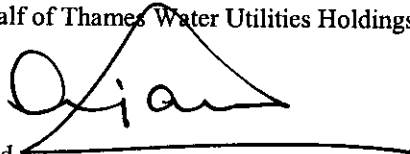
By:



Duly authorised

Signed on behalf of Thames Water Utilities Holdings Limited:


By:



Duly authorised

Signed on behalf of Thames 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: 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 20 August 2008
- (iii) Estimate of total expenses related to admission to trading: GBP 4,500.00

### 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 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

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

### 5. YIELD

- Indication of yield: 3.28 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.

### 6. Operational information

- ISIN Code: XS0382041225
- Common Code: 038204122
- CINS: G8787MAA4
- 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

## ANNEX

The last paragraph of Condition 8(c) (*Redemption for Taxation Reasons*) is amended so that (A) (i) if the Issuer would be obliged to deduct or withhold from any payment of interest or principal in respect of the Bonds any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or the Cayman Islands or any political subdivision thereof, or any other authority thereof ("Relevant Taxes"), then the Issuer shall, as described in the first sentence in the last paragraph of Condition 8(c), in order to avoid the relevant deduction or withholding, use its reasonable endeavours to arrange substitution of another company as principal debtor under the Bonds and as lender under the Issuer/TWUL Loan Agreement and as obligor under the Finance Documents upon satisfying the conditions for substitution of the Issuer as set out in the STID (and referred to in Condition 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*)), and (ii) if the Issuer is unable to arrange such substitution no later than 60 days before the next Interest Payment Date on which any such deduction or withholding is required to be made, or (B) if (i) any Guarantor is required to make any payment under the Bonds and is required by applicable law to make any deduction or withholding from such payment any amount for or on account of Relevant Taxes on the next Interest Payment Date and (ii) such Guarantor is unable to procure such payment under the Bonds to be made by the Issuer or any other Guarantor that is not required to make any deduction or withholding from such payment any amount for or on account of Relevant Taxes, then in either case of (A) or (B) above the Issuer shall, upon giving notice in accordance with Condition 8(c), redeem all (but not some only) of the Bonds on such Interest Payment Date at their Principal Amount Outstanding plus accrued but unpaid interest thereon. For the purpose of the immediately foregoing sentence, if the Issuer and/or any Guarantor becomes subject generally to any tax jurisdiction other than the United Kingdom and/or the Cayman Islands, the references to the United Kingdom and/or the Cayman Islands shall be deemed to be references to the United Kingdom and/or the Cayman Islands and/or such other tax jurisdiction.