

AFFINITY WATER FINANCE PLC (the "**Substitute Programme Issuer**")

£14.2 million of 3.625 per cent. Sterling Denominated Fixed Rate Bonds due 2022  
£60 million of 2.699 per cent. Sterling Denominated Fixed Rate Bonds due 2033  
£10 million of 1.024 per cent. Sterling Denominated Retail Price Index Linked Bonds due 2033  
£250 million of 4.5 per cent. Sterling Denominated Fixed Rate Bonds due 2036  
£85 million of 3.278 per cent. Sterling Denominated Fixed Rate Bonds due 2042  
£60 million of 0.23 per cent. Sterling Denominated Consumer Price Index Linked Bonds due 2042  
£190 million of 1.548 per cent. Sterling Denominated Retail Price Index Linked Bonds due 2045  
(the "**Programme Issuer Bonds**")

issued by the Substitute Programme Issuer and guaranteed by Affinity Water Limited, Affinity Water Holdings Limited and Affinity Water Finance (2004) plc

AFFINITY WATER FINANCE (2004) PLC (the "**Existing Issuer**")

£250 million of 5.875 per cent. Guaranteed Notes due 2026 (the "**Existing Issuer Bonds**" and, together with the Programme Issuer Bonds, the "**Bonds**")

issued by the Existing Issuer and guaranteed by Affinity Water Limited, Affinity Water Holdings Limited and the Substitute Programme Issuer

**AFFINITY WATER LIMITED ANNOUNCES THE SUBSTITUTION OF ITS CAYMAN ISSUER**

**22 January 2019**

Further to the announcement made by Affinity Water Limited (the "**Company**") dated 7 December 2018, and further to amendments described in a proposal dated 15 November 2018 (the "**STID Proposal**"), the Company announces today that the following conditions have been satisfied:

- (a) the approval of the STID Proposal and the announcement by the Company of such approval;
- (b) the due execution by the relevant parties of the Master Implementation Deed;
- (c) opinions from Hogan Lovells International LLP as to (i) matters of capacity and the enforceability of the Master Implementation Deed and (ii) certain taxation matters in relation to the proposed substitution;
- (d) confirmation from each of the rating agencies that the Substitution will not result in a downgrading of the then current credit ratings of such rating agency applicable to the Bonds (or where a rating agency is not willing to provide such confirmation due to its prevailing policy, a certificate from the Company certifying that, in its opinion, having consulted with such rating agency, the Substitution would not result in a downgrading of the then current credit ratings of such rating agency applicable to the Bonds); and
- (e) the other conditions set out in paragraph 7 of the STID Proposal,

(the "**Amendment Conditions**").

Following satisfaction of the Amendment Conditions, Affinity Water Programme Finance Limited (the "**Previous Programme Issuer**") has been substituted with the Substitute Programme Issuer, a public limited company incorporated in England and Wales, as the issuer of the Bonds and as a guarantor for the Existing Issuer Bonds.

Additionally, the Substitute Programme Issuer has replaced the Previous Programme Issuer as the issuer of its privately placed notes and for all other purposes as Programme Issuer under the Transaction Documents. Accordingly, the Previous Programme Issuer has been removed from the Financing Group.

Capitalised terms used in this announcement and not defined herein have the meanings ascribed to them in the solicitation memorandum dated 15 November 2018.

For further information, please contact:

Affinity Water Limited  
Tamblin Way  
Hatfield  
Hertfordshire  
AL10 9EZ

Telephone: +44 1707 679 340  
Email: [nilesh.patel@affinitywater.co.uk](mailto:nilesh.patel@affinitywater.co.uk)  
Attention: Nilesh Patel, Treasurer

This notice is given by:

AFFINITY WATER LIMITED

22 January 2019

This announcement is released by Affinity Water Limited and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("**MAR**"), encompassing information relating to the Substitution described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Tim Monod at Affinity Water Limited.

ISINs:

XS0883690090  
XS1722862080  
XS1360548215  
XS0883686650  
XS1480879540  
XS1722861439  
XS0883688516  
XS0195751523