

Final Terms dated 30 January 2013

## AFFINITY WATER PROGRAMME FINANCE LIMITED

Issue of Sub-Class A3 £150,000,000 1.548 per cent. RPI Linked Guaranteed Bonds due 2045  
under the £2,500,000,000 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 18 January 2013 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended (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 Prospectus. Full information on the Programme Issuer, the Guarantors and the offer of the Sub-Class A3 £150,000,000 1.548 per cent. RPI Linked Guaranteed Bonds due 2045 is only available on the basis of the combination of these Final Terms and the Prospectus.

The Prospectus has been published on the website of the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and a copy is available for viewing at the Specified Office of the Principal Paying Agent and at the registered office of the Programme Issuer c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, Cayman Islands KY1 1104 during usual business hours on any weekday apart from Saturdays, Sundays and public holidays, and copies may be obtained from AWL at the following address: Tamblin Way, Hatfield, Hertfordshire, AL10 9EZ.

Repayment of the principal and payment of any interest or premium in connection with the Bonds has not been guaranteed by any financial institution.

1.	(i)	Issuer:	Affinity Water Programme Finance Limited
	(ii)	Guarantors:	Affinity Water Holdings Limited, Affinity Water Limited, Affinity Water Finance (2004) Limited
2.	(i)	Series Number:	1
	(ii)	Sub-Class Number:	A3
3.		Relevant Currency or Currencies:	Pounds Sterling ("£")
4.		Aggregate Nominal Amount:	
	(i)	Series:	£480,000,000
	(ii)	Sub-Class:	£150,000,000
	(iii)	Tranche:	£150,000,000
5.	(i)	Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds: (required only for listed issues)	£149,096,400
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:	4 February 2013
	(ii)	Interest Commencement Date (if different from the Issue Date):	Issue Date
8.		Maturity Date:	1 June 2045

9.	Instalment Date:	Not Applicable
10.	Interest Basis:	Index Linked Interest (further particulars specified below)
11.	Redemption/Payment Basis:	Redemption at par (as adjusted for indexation in accordance with Condition 7)
12.	Change of Interest or Redemption/Payment Basis:	Not Applicable
13.	Call Options:	Not Applicable
14.	(i) Status of the Guarantees:	Senior
	(ii) Date approval for issuance of Bonds and Guarantee obtained:	15 January 2013 in the case of the issuance of the Bonds and 12 December 2012, 15 January 2013 and 30 January 2013 in the case of the Guarantee
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.	Indexed Bond Provisions:	Applicable
	(i) Index/Formula:	UK Retail Price Index, as further described in the definition of "Index" or "Index Figure" in Condition 7(a).
	(ii) Base Index Figure:	245.72857
	(iii) Index Figure applicable:	As determined in accordance with Condition 7; 3 months lag applies
	(iv) Interest Rate:	Each Bond will bear interest on its Outstanding Principal Amount from the Interest Commencement Date at a rate of 1.548 per cent. per annum payable semi-annually in arrear on each Interest Payment Date and adjusted for indexation in accordance with Condition 7.
	(v) Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Agent Bank):	Agent Bank
	(vi) Provisions for determining Coupon where calculation by reference to index and/or formula is impossible or impracticable:	Applicable. See Conditions 7(c) to 7(e).
	(vii) Interest Payment Dates:	1 June and 1 December in each year commencing on 1 June 2013.
	(viii) First Interest Payment Date:	1 June 2013.  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 which will be £4.98 per £1,000 in principal amount of the Bonds and adjusted for indexation in accordance with Condition 7.
	(ix) Business Day Convention:	Following Business Day Convention

- (x) Business Centres: Not Applicable
- (xi) Minimum Indexation Factor: Not Applicable
- (xii) Maximum Indexation Factor: Not Applicable
- (xiii) Limited Indexation Month(s): Not Applicable
- (xiv) Reference Gilt: UK Treasury Index Linked 0.750 per cent. due November 2047
- (xv) Day Count Fraction: Actual/Actual ICMA
- (xvi) Determination Date(s): As set out in the Conditions

**PROVISIONS RELATING TO REDEMPTION**

- 19. Call Option: Not Applicable
- 20. Final Redemption Amount: £1,000 per Calculation Amount
- 21. Reference Gilt: UK Treasury Index Linked 0.750 per cent. due November 2047

**GENERAL PROVISIONS APPLICABLE TO THE BONDS**

- 22. Form of Bonds: Bearer  
Temporary Global Bond exchangeable for a Permanent Global Bond which is exchangeable for Definitive Bearer Bonds in the limited circumstances specified in the Permanent Global Bond.
- 23. Relevant Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
- 24. Talons for future Coupons or Receipts to be attached to Definitive Bearer Bonds (and dates on which such Talons mature): Yes
- 25. Details relating to Instalment Bonds: Not Applicable
- 26. Redenomination, renominatisation and reconventioning provisions: Not Applicable
- 27. TEFRA rules: TEFRA D

**DISTRIBUTION**

- 28. If syndicated, names of Managers: HSBC Bank plc  
Lloyds TSB Bank plc  
National Australia Bank Limited  
RBC Europe Limited  
The Royal Bank of Scotland plc
- 29. U.S. Selling Restrictions: Reg S Compliance Category 2, TEFRA D

Signed on behalf of the Programme Issuer:



By:.....  
Duly authorised

**Duncan Bates**  
**Director**

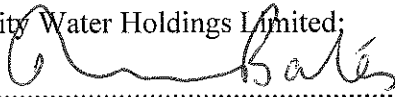
Signed on behalf of Affinity Water Limited:



**Duncan Bates**  
Director

By:.....  
Duly authorised

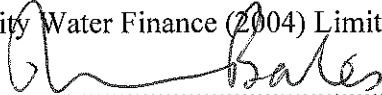
Signed on behalf of Affinity Water Holdings Limited:



**Duncan Bates**  
Director

By:.....  
Duly authorised

Signed on behalf of Affinity Water Finance (2004) Limited:



**Duncan Bates**  
Director

By:.....  
Duly authorised

## PART B - OTHER INFORMATION

### 1. Listing

- (i) Listing: Application has been made for the Bonds to be admitted to listing on Official List of the UK Listing Authority with effect from the Issue Date
- (ii) Admission to trading: Application has been made for the Bonds to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from the Issue Date
- (iii) Estimate of total expenses related to admission to trading: £3,600

### 2. Ratings

- Ratings: The Bonds to be issued have been rated:
- Moody's: A3
- S&P: A-

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale", so far as the Programme Issuer and the Guarantors are aware, no person involved in the offer of the Bonds has an interest material to the offer.

### 4. YIELD

- Indication of yield: 1.548 per cent.
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 5. Indexed Bonds only – PERFORMANCE OF RETAIL PRICE INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

More information on RPI, including past and current levels, can be found at the following website: [www.statistics.gov.uk](http://www.statistics.gov.uk).

### 6. Operational information

- ISIN Code: XS0883688516
- Common Code: 088368851
- 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 initial Paying Agent(s): Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

Names and addresses of additional Paying Agent(s) Not Applicable  
(if any):