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18 August 2016

**AFFINITY WATER PROGRAMME FINANCE LIMITED ANNOUNCES THE RESULTS OF ITS EXCHANGE OFFER**

On 9 August 2016, Affinity Water Programme Finance Limited (the "**Issuer**") announced an invitation to holders of the Sub-Class A1 £80,000,000 3.625 per cent. Guaranteed Bonds due 2022 issued by the Issuer and guaranteed by Affinity Water Holdings Limited, Affinity Water Limited and Affinity Water Finance (2004) PLC (the "**Existing Bonds**") to offer to exchange any and all of their Existing Bonds for Sub-Class A4 sterling-denominated fixed rate guaranteed bonds due 2042 (the "**New Bonds**") to be issued by the Issuer under its £2,500,000,000 Multicurrency Programme for the issuance of Guaranteed Bonds (the "**Exchange Offer**").

The Exchange Offer was made on the terms and subject to the conditions and restrictions set out in an exchange offer memorandum dated 9 August 2016 (the "**Exchange Offer Memorandum**") and this announcement should be read in conjunction with the Exchange Offer Memorandum. Capitalised terms used and not otherwise defined in this announcement have the meanings given in the Exchange Offer Memorandum.

The Exchange Offer expired at 4.00 p.m. (London time) on 17 August 2016.

The Issuer hereby announces that the results of the Exchange Offer are as follows:

**Existing Bonds**

<b>Existing Bonds</b>	<b>ISIN</b>	<b>Aggregate nominal amount of Existing Bonds accepted for exchange</b>	<b>2022 Reference Gilt Yield</b>	<b>2022 Exchange Value</b>
Sub-Class A1 £80,000,000 3.625% Guaranteed Bonds due 2022	XS0883690090	£65,796,000	0.280 per cent.	114.364 per cent.

**New Bonds to be issued in exchange for Existing Bonds**

<b>New Issue Price</b>	<b>ISIN</b>	<b>2042 Reference Gilt Yield</b>	<b>2042 Exchange Yield</b>	<b>New Bonds Coupon</b>	<b>Maturity</b>
100 per cent.	XS1480879540	1.271 per cent.	2.521 per cent.	3.278 per cent.	22 August 2042

All Existing Bonds offered for exchange have been accepted in full by the Issuer and accordingly the Issuer has decided to accept £65,796,000 in aggregate nominal amount of the Existing Bonds.

The Issuer will issue New Bonds (excluding Additional Bonds) in aggregate principal amount of £65,796,000 and Additional Bonds in the aggregate principal amount of £19,204,000. The aggregate principal amount of the New Bonds (including the Additional Bonds (which will be issued on identical terms as, and as a single series with, the New Bonds)) to be issued by the Issuer will be £85,000,000.

Settlement is expected to occur on 22 August 2016. The New Bonds will be delivered to exchanging holders on the Settlement Date.

## **For Further Information**

A complete description of the terms and conditions of the Exchange Offer is set out in the Exchange Offer Memorandum. Further details about the transaction can be obtained from:

### **The Dealer Manager**

#### **HSBC BANK PLC**

8 Canada Square  
London E14 5HQ  
United Kingdom

For information by telephone: +44 20 7992 6237

Attention: Liability Management Group

Email: [liability.management@hsbcib.com](mailto:liability.management@hsbcib.com)

### **The Exchange Agent**

#### **LUCID ISSUER SERVICES LIMITED**

Tankerton Works  
12 Argyle Walk  
London WC1H 8HA  
United Kingdom

For information by telephone: +44 20 7704 0880

Attention: Yves Theis / Thomas Choquet

Email: [affinity@lucid-is.com](mailto:affinity@lucid-is.com)

None of the Dealer Manager or the Exchange Agent accepts any responsibility for the contents of this announcement. This announcement must be read in conjunction with the Exchange Offer Memorandum. No offer to acquire any Existing Bonds is being made pursuant to this announcement.

**The distribution of this announcement and the Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Exchange Offer Memorandum comes are required by each of the Issuer, the Dealer Manager and the Exchange Agent to inform themselves about and to observe any such restrictions.**