

YORKSHIRE WATER SERVICES LIMITED ANNOUNCES SUBSTITUTION OF ITS CAYMAN COMPANIES

16 August 2018

Yorkshire Water Services Limited (“**YWS**”) announces today that, in furtherance of certain amendments described in a proposal dated 29 May 2018 (the “**STID Proposal**”), the following conditions have been satisfied:

- (a) Rating Agency confirmations confirming that the Transaction (as defined in the form of the STID Proposal appended at Schedule 3 to the Solicitation Memorandum) would not cause a downgrade or removal of the then current credit rating of the Bonds (or where a Rating Agency is not willing to provide its confirmation due to its prevailing policy regarding the issue of rating affirmations, a certificate in writing from YWS addressed to the Security Trustee certifying that, in its opinion (and where the relevant Rating Agency was prepared to consult with YWS, this opinion is based on consultation with such Rating Agency), the Transaction would not cause a downgrade or removal of the then current credit rating of the Bonds);
- (b) the approval of the STID Proposal and the announcement by the Security Trustee of such approval;
- (c) the execution of documentation in respect of the New UK Issuer’s accession to certain transaction documents;
- (d) the delivery to the Security Trustee of certain legal opinions of Linklaters LLP as to matters of capacity and enforceability of certain transaction documents;
- (e) certifications of Yorkshire Water Services Limited as to certain matters set out more fully in the STID Proposal; and
- (f) the other conditions set out in paragraph 4 of the form of the STID Proposal (appended at Schedule 3 to the Solicitation Memorandum),

(the “**Amendment Conditions**”).

Following satisfaction of the Amendment Conditions, amendment documentation in respect of each of the CTA, MDA, STID, the Tax Deed of Covenant, the Bond Trust Deeds, the Agency Agreements, the CP Agreement and the Account Bank Agreement have been executed, and Yorkshire Water Services Bradford Finance Limited and Yorkshire Water Services Odsal Finance Limited (together, the “**Cayman Issuers**”) have been substituted with Yorkshire Water Finance plc, a public limited liability company incorporated in England and Wales, as the issuer of the debt issued by each of the Cayman Issuers, including for the following series of bonds:

- (a) issued by Yorkshire Water Services Bradford Finance Limited:
 - (i) £275,000,000 6.00 per cent. Guaranteed Fixed Rate Bonds due 2019 (XS0439817908) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Odsal Finance Limited);
 - (ii) £300,000,000 6.375 per cent. Guaranteed Fixed Rate Bonds due 2039 (of which £200,000,000 in aggregate nominal amount was issued on 24 July 2009 and
-

£100,000,000 in aggregate nominal amount was issued on 23 April 2010) (XS0439818039) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Odsal Finance Limited);

- (iii) £260,000,000 2.718 per cent. Guaranteed Retail Price Index-Linked Bonds due 2039 (of which £175,000,000 in aggregate nominal amount was issued on 24 July 2009 and £85,000,000 in aggregate nominal amount was issued on 23 April 2010) (XS0440541752) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Odsal Finance Limited);
- (iv) AUD50,000,000 5.875 per cent. Class A Unwrapped Guaranteed Bonds due 2023 (XS0923597354) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Odsal Finance Limited);
- (v) £250,000,000 3.625 per cent. Class A1 Guaranteed Unwrapped Fixed Rate Bonds due 2029 (XS0810290832) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Odsal Finance Limited);
- (vi) £50,000,000 1.803 per cent. Guaranteed Retail Price Index-Linked Bonds due 2042 (XS0785387670) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Odsal Finance Limited);
- (vii) £200,000,000 3.750 per cent. Fixed to Floating Rate Unwrapped Guaranteed Bonds due 2046 (XS1381944260) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Odsal Finance Limited); and
- (viii) £90,000,000 4.965 per cent. Class B Unwrapped Guaranteed Bonds due 2033 (XS0939006770) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Odsal Finance Limited); and

(b) issued by Yorkshire Water Services Odsal Finance Limited:

- (i) £210,692,000 6.5876 per cent. Bonds due 2023 (XS0439817650) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Bradford Finance Limited);
- (ii) £135,476,000 6.4540 per cent. Bonds due 2027 (XS0439817734) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water

Services Odsal Finance Holdings Limited and Yorkshire Water Services Bradford Finance Limited)

- (iii) £254,974,000 6.6011 per cent. Bonds due 2031 (XS0439817577) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Bradford Finance Limited); and
- (iv) £127,811,000 3.30666 per cent. Guaranteed Retail Price Index-Linked Bonds due 2033 (XS0439817817) (guaranteed by Yorkshire Water Services Limited, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited, Yorkshire Water Services Odsal Finance Holdings Limited and Yorkshire Water Services Bradford Finance Limited).

In addition to the bonds listed above, Yorkshire Water Finance plc has replaced Yorkshire Water Services Bradford Finance Limited as the issuer of all of the US private placement notes. In total, approximately £3 billion of bonds and US private placement notes have transferred to Yorkshire Water Finance plc.

Capitalised terms used in this announcement and not defined herein shall have the meanings ascribed to them in the Solicitation Memorandum dated 29 May 2018 (the “**Solicitation Memorandum**”).

The next step will be to remove the Cayman Issuers from the YW Financing Group. Implementation of their removal will be announced as soon as practicable.

For further information, please contact Mark Amsden (Company Secretary (Interim), +44 (0) 7790 616633)

This notice is given by:

YORKSHIRE WATER SERVICES LIMITED

16 August 2018

This announcement is released by Yorkshire Water Services 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 Proposals described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Mark Amsden (Company Secretary (Interim)) at Yorkshire Water Services Limited.

Legal Entity Identifier numbers:

Yorkshire Water Services Limited – 2138006E2VG89XLORJ06

Yorkshire Water Services Bradford Finance Limited – 213800O6R7EUHYFLXI94

Yorkshire Water Services Odsal Finance Limited – 2138004EMHYELGBEJH69
