

**SUPPLEMENT DATED 13 DECEMBER 2019
TO THE BASE PROSPECTUS DATED 2 JULY 2019**



BAZALGETTE FINANCE PLC

(a public limited company incorporated in England and Wales with registered no. 9698014)

£10,000,000,000

Multicurrency Programme for the Issuance of Bonds

Bazalgette Finance plc (the "**Issuer**") issued a prospectus dated 2 July 2019 (the "**Base Prospectus**") which is a base prospectus for the purpose of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU, to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area, the "**Prospectus Directive**"). This supplement (the "**Supplement**") constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is prepared in connection with the Multicurrency Programme for the Issuance of Bonds of the Issuer.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement unless otherwise defined herein. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer.

This Supplement has been approved by the Financial Conduct Authority in its capacity as competent authority (the "**UK Listing Authority**") under the FSMA for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom, as a prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Dealers, the Bond Trustee, the Issuer Security Trustee, the Obligor Security Trustee, any of the Hedge Counterparties, the Initial RCF Finance Parties, the Agents, the Liquidity Facility Providers or the Account Banks makes any representation, express or implied, or accepts any responsibility, for the contents of this Supplement.

Recent Developments and Purpose of Supplement

On 22 November 2019, the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2019 of the Holdco Group (ie Bazalgette Holdings Limited and its subsidiaries Bazalgette Tunnel Limited and Bazalgette Finance plc) were published (the "**Holdco Group Unaudited Half Year Financial Statements**"). The purpose of this Supplement is to incorporate by reference the Holdco Group Unaudited Half Year Financial Statements, to amend certain sections of the Business Description to reflect developments in the six months ended 30 September 2019, and to make certain consequential amendments to the Base Prospectus.

Documents incorporated by reference

The following document, which has previously been published and has been filed with the Financial Conduct Authority, shall be incorporated in, and form part of, the Base Prospectus:

- (i) the Holdco Group Unaudited Half Year Financial Statements (which appear on pages 18 to 30 of the Holdco Group's Interim Report and Financial Statements for the six months ended 30 September 2019).

Any documents themselves incorporated by reference in the documents incorporated by reference in the Base Prospectus shall not form part of the Base Prospectus.

Any information contained in the document specified above which is not expressly incorporated by reference in the Base Prospectus does not form part of the Base Prospectus and is either not relevant to investors or is covered elsewhere in the Base Prospectus. Any information contained in any website referred to in the document specified above does not form part of the Base Prospectus.

Copies of the documents incorporated by reference in the Base Prospectus can be obtained (without charge) from the registered office of the Issuer and from the website of the Regulatory News Service operated by the London Stock Exchange and may be viewed electronically at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Business Description

The following changes shall be made to the section "Business Description" on pages 67 to 83 of the Base Prospectus:

1. The following sentence shall be added to the end of the paragraph immediately following Table 1 on page 73 of the Base Prospectus:

"As at 30 September 2019, the Company's cumulative Allowable Project Spend on a cash basis was £1,874.0 million."

Accordingly, the paragraph immediately following Table 1 on page 73 of the Base Prospectus shall read in its entirety as follows:

"As at 31 March 2019, the Company's cumulative Allowable Project Spend on a cash basis was £1,591.8 million, versus the Regulatory Baseline cost of £1,761.0 million in outturn prices, based on the Company's current inflationary expectations (£1,677.1 million in 2014/15 prices as shown above to FY 18/19). This is due to timing differences both in respect of re-profiling of the risk contingency, from a proportional distribution at Licence Award to a more back-ended profile in line with the Company's updated risk modelling, and also deferral of some expected spending, partially off-set by project cost increases that led to the revised estimated cost to complete the Company Works announced in April 2019, representing an 8 per cent. increase within the Regulatory Baseline. As at 30 September 2019, the Company's cumulative Allowable Project Spend on a cash basis was £1,874.0 million."

2. The following changes shall be made to *Table 2: Main Works and System Integrator Contracts (all £ amounts in 18/19 prices)* on pages 75 to 76 of the Base Prospectus:

- (a) in the Table 2 heading, "18/19 prices" shall be deleted and replaced with "19/20 prices";

- (b) for the contract "West" in the first row of the table, the words "Target price at 31 March 2019: £482 million" in the column headed "Brief description" shall be

deleted and replaced with the words "Target price at 30 September 2019: £542 million";

- (c) for the contract "Central" in the second row of the table, the words "Target price at 31 March 2019: £1.072 billion" in the column headed "Brief description" shall be deleted and replaced with the words "Target price at 30 September 2019: £1.103 billion"; and
- (d) for the contract "East" in the third row of the table, the words "Target price at 31 March 2019: £697 million" in the column headed "Brief description" shall be deleted and replaced with the words "Target price at 30 September 2019: £842 million".

Accordingly, *Table 2: Main Works and System Integrator Contracts (all £ amounts in 18/19 prices)* on pages 75 to 76 of the Base Prospectus shall read in its entirety as follows:

Table 2: Main Works and System Integrator Contracts (all £ amounts in 19/20 prices)

Contract	Contractors	Brief description
West	BMB JV: Bam Nuttall Limited Morgan Sindall Plc Balfour Beatty Group Ltd	Design and build contract for the Main Tunnel from Carnwath Road Riverside to Acton Storm Tanks and Frogmore Connection Tunnel, including 7 shafts Tunnel Drive (Carnwath Road Riverside to Acton Storm Tanks): 6,947m long and 6.5m internal diameter Tunnel Drive (Carnwath Road Riverside to King George's Park): 1,120m long and 2.6m internal diameter Ground conditions: Predominantly London Clay Target price at 30 September 2019: £542 million Liability cap: 25% of target price
Central	FLO JV: Ferrovial Agroman UK Ltd Laing O'Rourke Construction Ltd	Design and build contract for the Main Tunnel from Kirtling Street (double drive site) to Carnwath Road Riverside and to Chambers Wharf, including 8 shafts Tunnel drive (Kirtling Street to Carnwath Road Riverside): 4,997m long and 7.2m internal diameter Tunnel drive (Kirtling Street to Chambers Wharf): 7,676m long and 7.2m internal diameter Ground conditions: Predominantly London Clay, Lambeth Group, Thanet Sand and Chalk Target price at 30 September 2019: £1.103 billion Liability cap: 25% of target price
East	CVB JV: Costain Limited Vinci Construction Grands Projets Bachy Soletanche Ltd	Design and build contract for the Main Tunnel from Chambers Wharf to Abbey Mills Pumping Station and the Greenwich Connection Tunnel, including 5 shafts Tunnel drive (Chambers Wharf to Abbey Mills Pumping Station): 5,530m long and 7.2m internal diameter Tunnel drive (Chambers Wharf to Greenwich Pumping Station): 4,615m long and 5m internal diameter Ground conditions: Predominantly Chalk Works at Abbey Mills Pumping Station and Beckton Sewage Treatment Works to support system-wide commissioning of the TTT project Target price at 30 September 2019: £842 million

Contract	Contractors	Brief description
		Liability cap: 25% of target price
System Integrator	Amey OWR Ltd	Integration of all TTT instrumentation and control systems from all Main Works Contractor worksites Thames Water System Works worksites, existing Thames Water sites, the Lee Tunnel system, and other monitored Thames Water CSOs to provide a fully integrated supervisory control and data acquisition system that functions in accordance with the Operating Techniques and environmental permits Estimated contract value at Licence Award: £25 million Liability cap: £10 million

Listing and General Information – Significant or Material Change

The second paragraph under the caption "Listing and General Information - Significant or Material Change" on page 309 of the Base Prospectus shall be deleted and replaced with the following:

"There has been no significant change in the financial or trading position of the Issuer or the Company since 31 March 2019. There has been no significant change in the financial or trading position of Holdco or the Holdco Group since 30 September 2019."

Listing and General Information – Documents Available

The following shall be added as a new sub-paragraph under the caption "Documents Available" on pages 309 and 310 of the Base Prospectus:

"(j) the Holdco Group Unaudited Half Year Financial Statements."

General Information

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by way of this Supplement and (b) any other statement in, or incorporated by reference in, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus since the publication of the Base Prospectus.

This Supplement will be published on the website of the London Stock Exchange and may be viewed electronically at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

The date of this Supplement is 13 December 2019.