

Edgar Filing: American Water Capital Corp. - Form FWP

American Water Capital Corp.  
Form FWP  
August 11, 2014

Free Writing Prospectus

Filed Pursuant to Rule 433

Registration Statement Nos.

333-181155 and 333-181155-01

August 11, 2014

American Water Capital Corp.

American Water Works Company Inc.

\$300,000,000 3.400% Senior Notes due 2025

\$200,000,000 4.300% Senior Notes due 2042

Term Sheet

|                                      |   |
|--------------------------------------|---|
| <b>Issuer:</b>                       | American Water Capital Corp.                          |
| <b>Support Provider:</b>             | American Water Works Company, Inc.                    |
| <b>Security:</b>                     | 3.400% Senior Notes due 2025 (the <b>2025 Notes</b> ) |
|                                      | 4.300% Senior Notes due 2042 (the <b>2042 Notes</b> ) |
| <b>Size:</b>                         | \$300,000,000 for the 2025 Notes                      |
|                                      | \$200,000,000 for the 2042 Notes                      |
| <b>Trade Date:</b>                   | August 11, 2014                                       |
| <b>Settlement Date:</b>              | August 14, 2014 (T+3)                                 |
| <b>Maturity Date:</b>                | March 1, 2025 for the 2025 Notes                      |
|                                      | December 1, 2042 for the 2042 Notes                   |
| <b>Benchmark Treasury:</b>           | UST 2.500% due May 15, 2024 for the 2025 Notes        |
|                                      | UST 3.625% due February 15, 2044 for the 2042 Notes   |
| <b>Benchmark Treasury Yield:</b>     | 2.415% for the 2025 Notes                             |
|                                      | 3.225% for the 2042 Notes                             |
| <b>Spread to Benchmark Treasury:</b> | +100 bps for the 2025 Notes                           |
|                                      | +110 bps for the 2042 Notes                           |
| <b>Yield to Maturity:</b>            | 3.415% for the 2025 Notes                             |
|                                      | 4.325% for the 2042 Notes                             |
| <b>Coupon:</b>                       | 3.400% for the 2025 Notes                             |

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|-------------------------------------|--|
| <b>Price to Public:</b>             | 4.300% for the 2042 Notes<br>99.867% for the 2025 Notes  |
| <b>Interest Payment Dates:</b>      | 99.589% for the 2042 Notes, plus accrued interest of \$1,743,888.89 from June 1, 2014<br>2025 Notes: March 1 and September 1 of each year, beginning on March 1, 2015<br><br>2042 Notes: June 1 and December 1 of each year, beginning on December 1, 2014 |
| <b>Redemption Provisions:</b>       |  |
| <b>Make whole call:</b>             | Treasury +15 bps for the 2025 Notes  |
| <b>Par call:</b>                    | Treasury +25 bps for the 2042 Notes<br>On or after December 1, 2024 for the 2025 Notes<br><br>On or after June 1, 2042 for the 2042 Notes  |
| <b>CUSIP:</b>                       | 2025 Notes: 03040W AL9   |
| <b>ISIN:</b>                        | 2042 Notes: 03040W AJ4<br>2025 Notes: US03040W AL90  |
| <b>Joint Book-Running Managers:</b> | 2042 Notes: US03040W AJ45<br>Merrill Lynch, Pierce, Fenner & Smith Incorporated<br><br>RBC Capital Markets, LLC<br><br>RBS Securities Inc.<br><br>TD Securities (USA) LLC  |

**Co-Managers:**

U.S. Bancorp Investments, Inc.

Mitsubishi UFJ Securities (USA), Inc.

The Williams Capital Group, L.P.

Blaylock Beal Van, LLC

Loop Capital Markets LLC

MFR Securities, Inc.

Mischler Financial Group, Inc.

The Issuer and the Support Provider have filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Issuer and the Support Provider have filed with the SEC for more complete information about the Issuer, the Support Provider and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, any underwriter participating in the offering will arrange to send you the prospectus if you request it by calling Merrill Lynch, Pierce, Fenner & Smith Incorporated at 1-800-294-1322, RBC Capital Markets, LLC at 1-866-375-6829, RBS Securities Inc. at 1-866-884-2071 or TD Securities (USA) LLC at 1-855-495-9846.