

December 12, 2012

American Water Capital Corp.

\$300,000,000 4.300% Senior Notes due 2042

Term Sheet

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| Issuer: | American Water Capital Corp. |
| Support Provider: | American Water Works Company, Inc. |
| Security: | Senior Notes |
| Size: | \$300,000,000 |
| Trade Date: | December 12, 2012 |
| Settlement Date: | December 17, 2012 (T+3) |
| Maturity Date: | December 1, 2042 |
| Benchmark Treasury: | UST 2.75% due August 15, 2042 |
| Benchmark Treasury Yield: | 2.891% |
| Spread to Benchmark Treasury: | +142 |
| Yield to Maturity: | 4.311% |
| Coupon: | 4.300% |
| Price to Public: | 99.818% |
| Interest Payment Dates: | June 1 and December 1 of each year, beginning on June 1, 2013 |
| Redemption Provisions: | |
| Make whole call: | Treasury + 25bps |
| Par call: | On or after June 1, 2042 |
| CUSIP: | 03040W AJ4 |
| ISIN: | US03040WAJ45 |
| Expected Ratings (Moody's / S&P)*: | Baa2 (pos) / BBB+ (pos) |
| Joint Book-Running Managers: | Goldman, Sachs & Co. Merrill Lynch, Pierce, Fenner & Smith Incorporated RBS Securities Inc. |

The Issuer and 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. Alternatively, any underwriter participating in the offering will arrange to send you the prospectus if you request it by calling Goldman, Sachs & Co. at 1-866-471-2526, Merrill Lynch, Pierce, Fenner & Smith Incorporated at 1-800-294-1322 or RBS Securities Inc. at 1-866-884-2071.

* A securities rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.