

**FINAL TERMS dated 16 November 2011**

**NATIONAL GRID PLC**

**Issue of £10,000,000 Sterling-denominated RPI-linked Bonds due 2021 (to be consolidated with and form a single series with the £272,500,000 sterling denominated RPI-linked Bonds due 2021 issued on 6 October 2011 and increased on 21 October 2011) (the "Instruments") under the Euro 15,000,000,000 Euro Medium Term Note Programme**

The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Instruments of this Tranche in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Instruments. Accordingly any person making or intending to make an offer in that Relevant Member State of the Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Instruments in any other circumstances.

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 2 August 2011 which constitutes (i) a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and (ii) listing particulars for the purposes of Listing Rule 2.2.11 of the Listing Rules of the Financial Services Authority (the "**Listing Rules**"). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at the registered address of the Issuer at 1-3 Strand, London WC2N 5EH and the office of the Issuing and Paying Agent at One Canada Square, London E14 5AL and a copy may be obtained from the website of Regulatory News Services operated by the London Stock Exchange at <http://www.londonstockexchange.com/rns>.

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|----|-----------------------------------|---|
| 1. | Issuer:                           | National Grid plc   |
| 2. | (i) Series Number:                | 56  |
|    | (ii) Tranche Number:              | 3   |
|    |                                   | The Instruments will be consolidated and form a single series on issue with the outstanding £272,500,000 sterling-denominated RPI-linked Bonds due 2021 issued on the Interest Commencement Date and increased on the 21 October 2011 |
| 3. | Specified Currency or Currencies: | Pounds Sterling (£)   |
| 4. | Aggregate Nominal Amount:         |   |

## EXECUTION VERSION

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|     | (i)  | Series:   | £282,500,000   |
|     | (ii) | Tranche:  | £10,000,000  |
| 5.  |      | Issue Price:                                    | 101.50 per cent. of the principal amount of the Instruments plus accrued interest in respect of the period from and including the Interest Commencement Date to but excluding the Issue Date |
| 6.  | (i)  | Specified Denominations:                        | £100   |
|     | (ii) | Calculation Amount:                             | £100   |
| 7.  | (i)  | Issue Date:                                     | 18 November 2011   |
|     | (ii) | Interest Commencement Date:                     | 6 October 2011   |
| 8.  |      | Maturity Date:                                  | 6 October 2021   |
| 9.  |      | Interest Basis:                                 | Index Linked Interest<br>(further particulars specified below)   |
| 10. |      | Redemption/Payment Basis:                       | Index Linked Redemption adjusted in accordance with Condition 4.2  |
| 11. |      | Change of Interest or Redemption/Payment Basis: | Not Applicable   |
| 12. |      | Put/Call Options:                               | Not Applicable   |
| 13. |      | Status of the Instruments:                      | Senior   |
| 14. |      | Method of distribution:                         | Syndicated   |

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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|-----|--|-------------------------------|---|
| 15. | <b>Fixed Rate Instrument Provisions</b>    | Not Applicable                |   |
| 16. | <b>Floating Rate Instrument Provisions</b> | Not Applicable                |   |
| 17. | <b>Zero Coupon Instrument Provisions</b>   | Not Applicable                |   |
| 18. | <b>Index-Linked Interest Instrument</b>    | Applicable                    |   |
|     | (i)  | Index/Formula/other variable: | The Index as defined in Condition 4.1   |
|     | (ii)                                       | Interest Rate:                | Each Instrument shall bear interest on its outstanding nominal amount from (and including) the Interest |

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Commencement Date at 1.25 per cent. per annum, payable semi-annually in arrear on each Interest Payment Date and adjusted in accordance with Condition 4.2

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| (iii)  | Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Calculation Agent):             | Not Applicable   |
| (iv)   | Provisions for determining Coupon calculated by reference to Index and/or Formula and/or other variable:  | Not Applicable   |
| (v)    | Interest Determination Date(s):   | 6 April and 6 October in each year   |
| (vi)   | Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: | Conditions 4.3 to 4.5 apply  |
| (vii)  | Interest Payment Dates:   | 6 April and 6 October in each year up to and including the Maturity Date   |
| (viii) | First Interest Payment Date:  | 6 April 2012   |
| (ix)   | Interest Period(s):   | The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date, and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date |
| (x)    | Business Day Convention:  | Following Business Day Convention  |
| (xi)   | Minimum Indexation Factor:  | Not Applicable   |
| (xii)  | Business Centre(s) (Condition 3.2.5):   | London   |
| (xiii) | Maximum Indexation Factor:  | Not Applicable   |
| (xiv)  | Limited Indexation Month(s) or Period for calculation of Limited Indexation Factor:   | Not Applicable   |
| (xv)   | Base Index Figure:  | 231.3 (i.e. the figure applicable to February 2011, being the  |

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month falling 8 months prior to October 2011)

- (xvi) Day Count Fraction Actual/Actual-ICMA  
(Condition 3.2.5):
- (xvii) "Index" or "Index Figure" Sub-paragraph (i) of the definition of "Index" or "Index  
(Condition 4.1): Figure" as set out in Condition 4.1 shall apply
- (xviii) Reference Gilt: 2.5 per cent. Index-Linked Treasury Stock due 2020

- 19. **Dual Currency Instrument Provisions** Not Applicable

## PROVISIONS RELATING TO REDEMPTION

- 20. **Residual Holding Call Option** Not Applicable
- 21. **Call Option** Not Applicable
- 22. **Put Option** Not Applicable
- 23. **NGET Restructuring Put Option:** Not Applicable
- 24. **Final Redemption Amount of each Instrument:**
  - (i) Index/Formula: The Index as defined in Condition 4.1
  - (ii) Calculation Agent responsible for calculating the Final Redemption Amount: Not Applicable
  - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: The Final Redemption Amount per Instrument shall be its outstanding nominal amount adjusted in accordance with Condition 4.2
  - (iv) Determination Date(s): Not Applicable
  - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: Conditions 4.3 to 4.5 shall apply
  - (vi) Payment Date: Maturity Date
  - (vii) Minimum Final Redemption £100 per Calculation Amount

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Amount:

- (viii) Maximum Final Redemption Amount: Not Applicable

### 25. Early Redemption Amount

- (i) Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons (Condition 5.2) or on Event of Default (Condition 9) or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): Subject to the following proviso, the Early Redemption Amount of an Instrument shall be £100 per Calculation Amount together with interest accrued but unpaid up to and including the date of redemption (in each case adjusted in accordance with Condition 4.2); *provided that* if, in the case of a redemption pursuant to any of Condition 4.6, 4.10, 5.2 and 5.6, adjustment of the redemption amount in accordance with Condition 4.2 would reduce the amount of principal payable upon redemption to less than £100 per Calculation Amount, the Early Redemption Amount of an Instrument shall be £100 per Calculation Amount together with interest accrued but unpaid up to and including the date of redemption (in the case of the interest only, adjusted in accordance with Condition 4.2).
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5.2) Yes
- (iii) Unmatured Coupons to become void upon early redemption (Condition 6.5) Yes

## GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

26. Form of Instruments: **Bearer Instruments:**  
Permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the permanent Global Instrument.
27. New Global Note No
28. Financial Centre(s) or other special provisions relating to Payment Dates (Condition 6.6): London
29. Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): No
30. Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price Not Applicable

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and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Instruments and interest due on late payment:

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| 31. | Details relating to Instalment Instruments:                      | Not Applicable |
| 32. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 33. | Consolidation provisions:  | Not Applicable |
| 34. | Other final terms:   | Not Applicable |

## DISTRIBUTION

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| 35. | (i) If syndicated, names and addresses of Managers and underwriting commitments: | Barclays Bank PLC<br>5 The North Colonnade<br>Canary Wharf<br>London E14 4BB<br><br>£2,500,000<br><br>Evolution Securities Limited<br>100 Wood Street<br>London EC2V 7AN<br><br>£7,500,000<br><br>(together, the "Joint Lead Managers") |
|     | (ii) Date of Subscription Agreement:   | 16 November 2011  |
|     | (iii) Stabilising Manager(s) (if any):   | Not Applicable  |
| 36. | If non-syndicated, name and addresses of Dealer:                                 | Not Applicable  |
| 37. | Total commission and concession:   | 0.50 per cent. of the Aggregate Nominal Amount of the Instruments   |
| 38. | U.S. Selling Restrictions:   | Reg. S Compliance Category 2; TEFRA C   |
| 39. | Non-exempt Offer:  | Not Applicable  |
| 40. | Additional selling restrictions:   | Pursuant to U.S. Treas. Reg. § 1.163-5(c)(2)(i)(C) (the "C  |

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**Rules**"), the Instruments must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Joint Lead Manager has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, the Instruments within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of the Instruments, each Joint Lead Manager has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Joint Lead Manager or the prospective purchaser is within the United States or its possessions and will not otherwise involve a U.S. office of such Joint Lead Manager in the offer or sale of such Instruments. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue, public offer in the United Kingdom and admission to trading on the London Stock Exchange plc's Regulated Market of the Instruments described herein pursuant to the Euro Medium Term Note Programme of National Grid plc and National Grid Electricity Transmission plc.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:  .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: London (the Official List of the UK Listing Authority)
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the London Stock Exchange's regulated market and through the London Stock Exchange's electronic order book for retail bonds (ORB) with effect from the Issue Date.

Evolution Securities Limited and Barclays Bank PLC will be appointed as a registered market maker through ORB ([www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html](http://www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html)) for the series. Market-making will also be supported by Barclays Bank PLC on the bondscape platform ([www.bondscape.net](http://www.bondscape.net))

### 2. RATINGS

Ratings: The Instruments are expected to be rated:

S&P: BBB+

Moody's: Baa1

Fitch: BBB+

Each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Limited are established in the European Union and registered under Regulation (EC) No. 1060/2009. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer See "Use of Proceeds" in the Prospectus
- (ii) Estimated net proceeds: £10,115,000.00
- (iii) Estimated total expenses: £3,000



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### 5. PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE/ EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

The Retail Prices Index ("RPI") is the most familiar general purpose domestic measure of inflation in the UK. The RPI has been used as a measure of inflation since 1947 and measures the average change from month to month in the prices of goods and services purchased by most households in the UK. The spending pattern on which the RPI is based is revised each year, mainly using information from official expenditure and food surveys.

The RPI is compiled by the UK Office of National Statistics ("ONS") using a large and representative selection of approximately 650 separate goods and services for which price movements are regularly measured in approximately 150 areas throughout the UK. Approximately 120,000 separate price quotations are used each month in compiling the RPI. The UK Government uses the RPI for its own existing inflation-linked bonds. If prices rise compared to the previous month, the RPI goes up and if prices fall compared to the previous month, the RPI goes down. It takes a couple of weeks for the ONS to compile the index, so they publish each month's RPI figure during the following month, i.e. the figure relating to February will be published in March. The RPI figures used in the calculation of interest payments on the bonds and the face value of the bonds at redemption are numerical representations of where prices on a list of items bought by an average family stand at a point in time, in relation to their past values.

More information on the RPI, including past and current levels, can be found at the following website: [www.statistics.gov.uk](http://www.statistics.gov.uk).

Movements in the RPI are used to measure the effect of inflation on both the interest on and the face value of the Instruments as described herein. The coupons and the amount borrowed are both adjusted in line with the RPI.

A number of particularly important risks relating to an investment in the Instruments are set out in the Prospectus.

In addition, interest is paid on the face value of the Instruments, and is adjusted for changes in RPI between February 2011 and the month which is eight months prior the relevant coupon payment date. It is possible that the RPI will decrease during any relevant period. In this case, a coupon payment could be lower than the previous amount paid. In a deflationary environment, the annual interest received may decrease as per the change in RPI. There is no guarantee that investors will receive an annual rate of 1.25% or more interest in respect of any coupon except the first. However, on redemption investors will be entitled to receive at least the face value of the Instruments.

As with most investments, investors could get back less than they invest or lose all of their initial investment.

The Issuer does not intend to provide post issuance information.

### 6. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0678522490
- (ii) Common Code: 067852249

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| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | The Instruments will settle in Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme. The Instruments will also be made eligible for CREST via the issue of CDIs representing the Instruments. |
| (iv)  | Delivery:  | Delivery against payment   |
| (v)   | Names and addresses of initial Paying Agent(s):  | The Bank of New York Mellon<br>One Canada Square<br>London E14 5AL   |
| (vi)  | Names and addresses of additional Paying Agent(s) (if any):  | Not Applicable   |
| (vii) | Intended to be held in a manner which would allow Eurosystem eligibility:  | No   |

### 7. General

The aggregate principal amount of the Instruments issued has been translated into Euro at the rate of Euro 0.85434 = £1, producing a sum of (for Instruments not denominated in Euro):	Euro 11,704,941.83
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Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11.1:	Not Applicable
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### 8. TERMS AND CONDITIONS OF THE OFFER

Offer Period:	Not Applicable
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Offer Price:	The Instruments will be issued at the Issue Price
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Conditions to which the offer is subject:	The issue of the Instruments will be conditional upon the Subscription Agreement being signed by the Issuer and the Joint Lead Managers and further to the terms of the Subscription Agreement which will in certain circumstances entitle the Joint Lead Managers to be released and discharged from their obligations under the Subscription Agreement prior to the issue of the Instruments.
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Description of the application process:	Not Applicable
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Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable

Details of the minimum and/or maximum amount of application: Not Applicable

Details of the method and time limits for paying up and delivering the Instruments: Not Applicable

Manner and date in which results of the offer are to be made public: Not Applicable

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Categories of potential investors to which the Instruments are offered and whether tranche(s) have been reserved for certain countries: Not Applicable

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: Not Applicable

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