



National Grid plc

(incorporated with limited liability in England and Wales on 11 July 2000 under registered number 4031152)

National Grid Electricity Transmission plc

(incorporated with limited liability in England and Wales on 1 April 1989 under registered number 2366977)

Euro 15,000,000,000

Euro Medium Term Note Programme

This Supplement (the "**Supplement**") to the Prospectus dated 24 July 2009, which comprises a base prospectus for each of National Grid plc ("**National Grid**") (the "**National Grid Prospectus**") and National Grid Electricity Transmission plc ("**NGET**", and together with National Grid, the "**Issuers**") (the "**NGET Prospectus**", together with the National Grid Prospectus, the "**Prospectuses**" and each a "**Prospectus**"), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**"). This Supplement is prepared in connection with the Euro 15,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by the Issuers. Terms defined in the Prospectuses have the same meaning when used in this Supplement.

This Supplement (in its entirety) (the "**National Grid Supplement**") is supplemental to, and should be read in conjunction with, the National Grid Prospectus and any other supplements to the National Grid Prospectus as issued by National Grid.

This Supplement, with the exception of the Financial Statements (as defined below) and the information contained in the section entitled "Documents incorporated by reference" (the "**NGET Supplement**"), is supplemental to, and should be read in conjunction with, the NGET Prospectus and any other supplements to the NGET Prospectus as issued by NGET.

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

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

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

Rights Issue

On 20 May 2010, National Grid made the following announcement in relation to its proposed right issue (the "**Rights Issue**"):

"National Grid announced on 20 May 2010 that it is proposing to raise approximately £3.2 billion (net of expenses) by way of a fully underwritten Rights Issue of 990,439,017 new ordinary shares at 335 pence per new share (the "**New Shares**") on the basis of 2 new ordinary shares for every 5 existing ordinary shares. The issue price represents a 43.7 per cent. discount to the closing middle market price per ordinary share, adjusted for the recommended final dividend for 2009/10 of 24.84 pence, on 19 May 2010 (being the last business day prior to the announcement of the Rights Issue) and a discount of 35.7 per cent. to the theoretical ex-rights price on the same basis.

Background to the Rights Issue

In November 2006, National Grid set out its strategy to focus primarily on the transmission and distribution of electricity and gas in its chosen markets of the United Kingdom and the United States.

In the United Kingdom, we continue to focus investment on replacing ageing assets and on major infrastructure reinforcement. In the United States, we are restoring baseline business performance through implementing new rate plans, strengthening our regulatory relationships and improving operating efficiency. Consistent with that focus, our US investment strategy will be driven by our ability to earn long-term acceptable returns. National Grid's core strategy remains unchanged as we position the Group to respond to the ongoing developments in the UK energy landscape.

Since 2006, there have been significant developments in the UK energy landscape focused on maintaining security of supply and reducing carbon emissions. Environmental targets, legislation, age-related power station retirements and the decline of the UK's North Sea gas reserves are expected to result in a significant change in the generation mix between now and 2020. The Electricity Networks Strategy Group has identified the electricity transmission reinforcements needed to support the Government's 2020 energy policy targets. National Grid has begun committing capital investment to a number of these projects under incentive arrangements provided by Ofgem. We believe that this investment in transmission networks is essential to facilitate the timely connection of new generation and to meet current energy policy commitments.

Reasons for the Rights Issue

The Board believes that raising £3.2 billion through the Rights Issue will give it the scope and appropriate financial flexibility to deliver the Group's strategy. In particular, the Board believes it will allow the Group to fund a significant increase in capital investment and continue to deliver attractive returns to shareholders, whilst maintaining single A credit ratings for National Grid's UK operating companies in a more volatile economic environment. The Board also believes that raising equity today will strengthen the Company's long-term competitive position to take advantage of an appropriate share of UK growth opportunities.

Use of proceeds

The proceeds from the Rights Issue (expected to be approximately £3.2 billion, net of expenses) will be used to fund a portion of National Grid's UK capital investment programme and for general corporate purposes.

Timing of the Rights Issue

Application is being made to UK Listing Authority and to the London Stock Exchange for the rights to acquire the New Shares (nil paid) (the "**Nil Paid Rights**") and the rights to acquire the New Shares (fully paid) (the "**Fully Paid Rights**") to be admitted to listing on the Official List and admitted to trading on the main market of the London Stock Exchange. It is expected that UK Admission will occur and that dealings in the Nil Paid Rights and Fully Paid Rights on the London Stock Exchange will commence at 8.00 a.m. (London Time) on 26 May 2010.

It is expected that dealings in the New Shares on the London Stock Exchange will commence at 8.00 a.m. (London Time) on 14 June 2010.”

The Prospectuses are not an offer of the Nil Paid Rights, Fully Paid Rights or New Shares (collectively, the "Securities") for sale in the United States, or any other jurisdiction. The Securities have not been and will not be registered under the US Securities Act of 1933 and may not be offered or sold in the United States unless in a transaction that is registered thereunder or exempt from the registration requirements thereof. No public offer of the Securities has been or will be made in or into the United States.

Documents incorporated by reference

On 25 May 2010, National Grid published its Annual Report and Accounts 2009/10 including its audited consolidated financial statements for the financial year ended 31 March 2010, together with the audit report thereon (the "**Financial Statements**"). A copy of those Financial Statements has been filed with the Financial Services Authority and, by virtue of the National Grid Supplement, those Financial Statements are incorporated in, and form part of, the National Grid Prospectus.

General

The relevant Issuer will at its registered office and at the specified offices of the Paying Agents, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Supplement and any document incorporated by reference in this Supplement. Any request for inspection of such documents should be directed to the specified office of any Paying Agent.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Prospectuses has arisen or been noted, as the case may be, in relation to any of the Issuers since the publication of the Prospectuses.

An investor should be aware of its rights arising pursuant to Section 87Q(4) of the FSMA.