

FINAL TERMS dated 13 September 2011

NATIONAL GRID PLC

Issue of Sterling-denominated RPI-linked Bonds due 2021 (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, except as provided in sub-paragraph (ii) below, any offer of Instruments 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 of the Instruments may only do so:

- (i) 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; or
- (ii) in the Public Offer Jurisdiction mentioned in Paragraph 39 of Part A below, provided such person is one of the persons mentioned in Paragraph 39 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

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: | 1 |
| 3. | Specified Currency or Currencies: | Pounds Sterling (£) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | The aggregate nominal amount of the Instruments to be issued (the " Aggregate Nominal Amount ") will depend, among other things, on the amount of Instruments for which |

indicative offers to subscribe are received during the Offer Period (as defined in item 39 below) and will be specified in the final terms confirmation set out in an announcement substantially in the form set out in Annex 1 hereto (the "**Final Terms Confirmation Announcement**")

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| | (ii) Tranche: | As per 4(i) above |
| 5. | Issue Price: | The Issuer has offered the Instruments to the Joint Lead Managers (as defined herein) at the initial issue price of 100 per cent. of the Aggregate Nominal Amount for distribution via the Authorised Distributors (as defined herein) |
| 6. | (i) Specified Denominations: | £100 |
| | (ii) Calculation Amount: | £100 |
| 7. | (i) Issue Date: | 6 October 2011 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 6 October 2021 |
| 9. | Interest Basis: | Index Linked Interest
(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. | (i) Status of the Instruments: | Senior |
| | (ii) Date Finance Committee approval for issuance of Instruments obtained: | 25 July 2011 |
| 14. | Method of distribution: | Syndicated
(further described in item 39) |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Instrument Provisions | Not Applicable |
| 16. | Floating Rate Instrument Provisions | Not Applicable |
| 17. | Zero Coupon Instrument Provisions | Not Applicable |

18.	Index-Linked Interest Instrument	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 the Interest 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
(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

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| (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 month falling 8 months prior to October 2011) |
| (xvi) | Day Count Fraction (Condition 3.2.5): | Actual/Actual-ICMA |
| (xvii) | "Index" or "Index Figure" (Condition 4.1): | Sub-paragraph (i) of the definition of "Index" or "Index Figure" as set out in Condition 4.1 shall apply |
| (xviii) | Reference Gilt: | 2.5 per cent. Index-Linked Treasury Stock due 2020 |

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| 19. | Dual Currency Instrument Provisions | Not Applicable |
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PROVISIONS RELATING TO REDEMPTION

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| 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 | Conditions 4.3 to 4.5 shall apply |

reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:

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| (vi) | Payment Date: | Maturity Date |
| (vii) | Minimum Final Redemption Amount: | £100 per Calculation Amount |
| (viii) | Maximum Final Redemption Amount: | Not Applicable |

25. Early Redemption Amount

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| (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); <i>provided that</i> 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

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| 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 |

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| 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 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: | Not Applicable |
| 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: | <p>Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB</p> <p>Evolution Securities Limited
100 Wood Street
London EC2V 7AN</p> <p>(together, the "Joint Lead Managers")</p> <p>The Instruments will not be underwritten by the Joint Lead Managers</p> |
| | (ii) Date of Subscription Agreement: | The Subscription Agreement is expected to be dated 30 September 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: | The Joint Lead Managers will receive total fees and commissions of 0.65 per cent. of the Aggregate Nominal |

Amount of the Instruments, out of which the Authorised Distributors will receive fees of 0.45 per cent. of the Aggregate Nominal Amount of the Instruments allotted to them

38. U.S. Selling Restrictions:

Reg. S Compliance Category 2; TEFRA C

39. Non-exempt Offer:

An offer of the Instruments may be made by the Joint Lead Managers and the Authorised Distributors (as defined herein) (together with the Joint Lead Managers, the "**Financial Intermediaries**") other than pursuant to Article 3(2) of the Prospectus Directive in the United Kingdom (the "**Public Offer Jurisdiction**") during the period from the time of publication of these Final Terms on 13 September 2011 until 5.00 p.m. (London time) on 29 September 2011 or such earlier time and date as agreed between the Issuer and the Joint Lead Managers and announced via a Regulatory Information Service (the "**Offer Period**"). The only person authorised to use these Final Terms and the Prospectus in connection with an offer of the Instruments are the Financial Intermediaries and such persons are only entitled to use such documents during the Offer Period. See further Paragraph 8 of Part B below.

40. Additional selling restrictions:

Pursuant to U.S. Treas. Reg. § 1.163-5(c)(2)(i)(C) (the "**C 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 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.

Further additional selling restrictions in relation to Guernsey and the Isle of Man set out in Annex 2 hereto will apply to the issue and offering of the Instruments

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 6 October 2011.

Evolution Securities Limited (but not 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) when the Instruments are issued. Market-making will also be supported by Barclays Bank PLC on the bondscape platform (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 is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

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 and Authorised Distributors, 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: The estimated net proceeds will be specified in the Final Terms Confirmation Announcement
- (iii) Estimated total expenses: The estimated total expenses will be specified in the Final Terms Confirmation Announcement

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.

Movements in the RPI are used to measure the effect of inflation on both the interest 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
- (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
One Canada Square
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 1.00, producing a sum of (for Instruments not denominated in Euro): To be specified in the Final Terms Confirmation Announcement

Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11.1: Not Applicable

8. TERMS AND CONDITIONS OF THE OFFER

Offer Period: 13 September 2011 to 29 September 2011 (5.00 p.m. London time) or such earlier time and date as agreed between the Issuer and the Joint Lead Managers and announced via a Regulatory Information Service (the "Offer Period")

Offer Price: The Instruments will be issued at the Issue Price. Any investor intending to acquire any Instruments from a bank, financial intermediary or other entity (including an Authorised Distributor) will do so in accordance with any terms and other arrangements in place between the seller or distributor and such investor, including as to price, allocations and settlement

arrangements. The Issuer is not party to such arrangements with investors and accordingly investors must obtain such information from the relevant seller or distributor. The Issuer has no responsibility to an investor for such information.

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.

Description of the application process:

Investors will be notified by the relevant Joint Lead Manager or Authorised Distributor of their allocations of Instruments and the settlement arrangements in respect thereof as soon as practicable after the Final Terms Confirmation Announcement is made which may be after the Offer Period has ended.

After the closing time and date of the Offer Period no Instruments will be offered for sale (i) by or on behalf of the Issuer or (ii) by the Joint Lead Managers and/or any Authorised Distributor (in their respective capacities as Joint Lead Managers or Authorised Distributors) except with the consent of the Issuer.

The Issuer reserves the right (following agreement with the Joint Lead Managers) to end the Offer Period earlier, in which case the Issue Date and, in turn, the Interest Payment Dates may change. Any such changes will be announced via a Regulatory Information Service.

Investors may not be allocated all of the Instruments for which they apply.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

In the event the issue is oversubscribed, allotment shall be pro-rated, which means that reductions may be applied.

Details of the minimum and/or maximum amount of application:

The minimum subscription per investor is £2,000 in nominal amount of the Instruments.

Details of the method and time limits for paying up and delivering the Instruments:

The Instruments will be issued on the Issue Date against payment to the Issuer by or on behalf of the Joint Lead Managers of the subscription moneys (less any amount of commission that the Issuer and the Joint Lead Managers agree should be deducted from the subscription moneys). Investors will be notified by the relevant Joint Lead Manager or Authorised Distributor of their allocations of Instruments (if any) and the settlement arrangements in respect thereof.

Manner and date in which results

The Final Terms Confirmation Announcement will be

of the offer are to be made public:	published by a Regulatory Information Service (expected to be the Regulatory News Service operated by the London Stock Exchange) prior to the Issue Date; such announcement is currently expected to be made on or around 30 September 2011.
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:	Instruments will be offered by the Joint Lead Managers and the Authorised Distributors to the public in the United Kingdom, Jersey, Guernsey and the Isle of Man during the Offer Period.
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Investors will be notified by the relevant Joint Lead Manager or Authorised Distributor of their allocations of Instruments (if any) in accordance with the arrangements in place between the relevant investor and the relevant Joint Lead Manager or Authorised Distributor.
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	No such expenses or taxes upon issue will be allocated by the Issuer to any investor. Any investor intending to acquire any Instruments from a bank, financial intermediary or other entity (including an Authorised Distributor) other than a Joint Lead Manager in its capacity as such will do so in accordance with any terms and other arrangements in place between the seller or distributor and such investor, including as to price, allocations and settlement arrangements. None of the Issuer and the Joint Lead Managers are party to such arrangements with investors and accordingly investors must obtain such information from the relevant seller or distributor. None of the Issuer and the Joint Lead Managers have any responsibility to an investor for such information.
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 5LB Evolution Services Limited 100 Wood Street London EC2V 7AN Barclays Stockbrokers Limited 1 Churchill Place London E14 5HP Charles Stanley & Company Limited 25 Luke Street London EC2A 4AR

Killik & Co LLP
46 Grosvenor Street
London W1K 3HN

Redmayne-Bentley LLP
9 Bond Court
Leeds LS1 2JZ

Talos Securities Limited (trading as Selftrade)
Boatman's House
2 Selsdon Way
London E14 9LA

NCL Investments Limited (trading as Smith & Williamson
Securities)
25 Moorgate
London EC2R 6AY

Williams de Broë Limited
100 Wood Street
London EC2V 7AN

who, as at the date of these Final Terms, are the authorised distributors who have each been appointed by the Issuer and the Joint Lead Managers to offer and distribute the Instruments purchased from the Joint Lead Managers to the public in the United Kingdom, Jersey, Guernsey and the Isle of Man in accordance with all prevailing regulatory requirements during the Offer Period (together, the "**Authorised Distributors**").

Further Authorised Distributors may be appointed with the prior written consent of the Issuer during the Offer Period and, if so, will be identified as such in the Final Terms Confirmation Announcement.

None of the Issuer and the Joint Lead Managers has authorised, nor will it authorise, the making of any other offer of the Instruments in any other circumstances.

ANNEX 1

The draft final terms confirmation announcement set out below is the form of Final Terms Confirmation Announcement referred to in the Final Terms dated 13 September 2011 published by National Grid plc and is to be released by National Grid plc to confirm certain information relating to the terms of the Instruments and the terms of the offer of the Instruments made to the public. The published Final Terms Confirmation Announcement is expected to be substantially in the following form:

30 September 2011

NATIONAL GRID PLC Issue of Sterling-denominated RPI-linked Bonds due 2021 (the "Instruments") under the Euro 15,000,000,000 Euro Medium Term Note Programme

Final Terms Confirmation Announcement relating to the Final Terms dated 13 September 2011

Terms used herein shall be deemed to be defined as such for the purposes of the Final Terms of National Grid plc dated 13 September 2011 (the "**Final Terms**" (which, for the avoidance of doubt, shall constitute final terms for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and the UK Financial Services Authority's Prospectus Rules)) relating to the Instruments and the Prospectus dated 2 August 2011 (the "**Prospectus**"), which comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

This announcement constitutes the Final Terms Confirmation Announcement referred to in the Final Terms and must be read in conjunction with the Prospectus and the Final Terms.

This announcement is an advertisement and is not a prospectus for the purposes of the Prospectus Directive and/or Part VI of the Financial Services and Markets Act 2000. The Final Terms and the Prospectus have been prepared and made available to the public in accordance with the Prospectus Directive. The Prospectus and the Final Terms are 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>.

Investors should not subscribe for any Instruments referred to in this Final Terms Confirmation Announcement except on the basis of full information on the Issuer and the offer of the Instruments which is only available on the basis of the combination of the Final Terms and the Prospectus.

Potential investors should be aware that the Offer Period stated in the Final Terms ended on [●] September 2011.

Aggregate Nominal Amount:

(i) Series: [●]

(ii) Tranche: [●]

The aggregate principal amount of the Instruments issued has been translated into Euro at the rate of £[●] = Euro 1.00, producing a sum of (for Instruments not denominated in Euro): [●]

Estimated net proceeds: [●]

Estimated total expenses: [●]

Further Authorised Distributors*: [●]

* The list of further Authorised Distributors will only be included in the Final Terms Confirmation Announcement if new Authorised Distributors have been added since the date of the Final Terms.

Neither this announcement nor any copy of it may be taken or transmitted into the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to a resident, national or citizen of the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland. The offering and the distribution of this announcement and other information in connection with the offer in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase, any Instruments. Any purchase of Instruments pursuant to the offer should only be made on the basis of the information contained in the Prospectus and the Final Terms, which are available as described above.

The Instruments have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") and the Instruments, which are in bearer form, are subject to certain U.S. tax law requirements. The Instruments may not be offered, sold or delivered within the United States of America or to U.S. persons. For additional information on the selling restrictions, see the "Plan of Distribution" section in the Prospectus.

ANNEX 2

ADDITIONAL SELLING RESTRICTIONS

For the purposes of the National Grid plc Final Terms dated 13 September 2011 (to which this Annex 2 is attached), the following selling restrictions shall also apply to the issue and offering of the Instruments:

Guernsey

The Instruments cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, and the regulations enacted thereunder, or any exemption therefrom.

This document and the Prospectus have not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey. Neither this document nor the Prospectus may be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

Isle of Man

The Instruments cannot be marketed, offered or sold in, or to persons resident in, the Isle of Man, other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 and the Regulated Activities Order 2008 or any exemption therefrom.

ICM:13350483.9