

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014.**

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8 March 2017

**BRITISH TRANSCO INTERNATIONAL FINANCE B.V.  
ANNOUNCES INCREASE IN MAXIMUM TENDER AMOUNT AND  
INDICATIVE EARLY PARTICIPATION RESULTS OF CASH TENDER OFFER**

On 22 February 2017, British Transco International Finance B.V. (**BTIF**) announced an invitation to holders of its outstanding U.S.\$1,500,000,000 Zero Coupon Guaranteed Bonds due 2021 (ISIN: XS0034394709) (the **Bonds**), guaranteed by National Grid Gas plc (**NGG**), to tender such Bonds for purchase by BTIF for cash (such invitation the **Offer**). BTIF today announces the indicative early participation results of the Offer.

The Offer was made on the terms and conditions contained in the tender offer memorandum dated 22 February 2017 (the **Tender Offer Memorandum**) prepared by BTIF in connection with the Offer, and is subject to the offer and distribution restrictions set out below and as more fully described in the Tender Offer Memorandum. Capitalised terms used but not otherwise defined in this announcement shall have the meanings given to them in the Tender Offer Memorandum.

**Increase in Maximum Tender Amount**

BTIF hereby announces that the Maximum Tender Amount of the outstanding Bonds that BTIF may accept for purchase pursuant to the Offer has been increased from U.S.\$500,000,000 to U.S.\$531,250,000 in accordance with the terms of the Offer.

**Indicative Early Participation Results**

The Early Tender Deadline for the Offer was 5.00 p.m. (New York City time) on 7 March 2017 (also the **Withdrawal Deadline**). Pursuant to the terms of the Offer, following the Withdrawal Deadline Tender Instructions became irrevocable and any withdrawal rights terminated.

As at the Early Tender Deadline, U.S.\$531,250,000 in aggregate nominal amount of Bonds had been validly tendered (and not withdrawn) pursuant to the Offer.

If BTIF decides to accept any Bonds for purchase pursuant to the Offer, it expects:

- (i) to accept all Bonds validly tendered (and not withdrawn) at or prior to the Early Tender Deadline in full, with no *pro rata* scaling; and
- (ii) the Remaining Tender Amount to be U.S.\$0 and accordingly does not expect to accept for purchase any Bonds validly tendered after the Early Tender Deadline.

The Early Settlement Date for any Bonds validly tendered at or prior to the Early Tender Deadline and accepted for purchase pursuant to the Offer will be promptly after the Early Tender Deadline, and is expected to be 10 March 2017.

***Bondholders should note that this is a non-binding indication of the aggregate nominal amount of Bonds BTIF expects to accept (if any) for purchase pursuant to the Offer on the Early Settlement Date, and the related indicative absence of scaling and Remaining Tender Amount that will apply in the event that BTIF decides to accept valid tenders of Bonds for purchase pursuant to the Offer on the Early Settlement Date.***

Pricing of the Offer will take place at or around 11.00 a.m. (New York City time) today (the **Pricing Time**). As soon as reasonably practicable after the Pricing Time, BTIF will announce whether it will accept, on the Early Settlement Date, valid tenders of Bonds pursuant to the Offer and, if so, (i) the aggregate nominal amount

of Bonds accepted for purchase on the Early Settlement Date, (ii) the Scaling Factor or Remaining Tender Amount, as applicable, (iii) the Reference Yield and the Early Purchase Price, and (iv) (if the Remaining Tender Amount is greater than zero) the Late Purchase Price.

RBC Capital Markets is acting as Dealer Manager for the Offer. Lucid Issuer Services Limited is acting as Tender Agent. For detailed terms of the Offer please refer to the Tender Offer Memorandum which (subject to distribution restrictions) can be obtained from the Tender Agent referred to below.

**DEALER MANAGER**

**RBC Capital Markets**

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London EC4R 3BF  
United Kingdom

Brookfield Place  
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New York, NY 10281  
United States of America

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Email: [liability.management@rbccm.com](mailto:liability.management@rbccm.com)

**TENDER AGENT**

**Lucid Issuer Services Limited**

Tankerton Works  
12 Argyle Walk  
London WC1H 8HA  
United Kingdom

Telephone: +44 20 7704 0880  
Fax: +44 20 3004 1590  
Attention: Arlind Bytyqi / David Shilson  
Email: [ngrid@lucid-is.com](mailto:ngrid@lucid-is.com)

Further details relating to the contents of this announcement can be obtained from:

**National Grid Gas plc**

1-3 Strand  
London WC2N 5EH  
United Kingdom

Attention (treasury matters): Kwok Liu (Deputy Treasurer, +44 20 7004 3367)

A copy of this announcement is available in the investors section of the National Grid plc website at:  
<http://investors.nationalgrid.com/rns.aspx>

**DISCLAIMER**

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Bondholder is in any doubt as to the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Bonds are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Bonds pursuant to the Offer. None of BTIF, NGG, the Dealer Manager or the Tender Agent makes any recommendation as to whether Bondholders should tender Bonds pursuant to the Offer. None of BTIF, NGG, the Dealer Manager or the Tender Agent (or any of their respective directors, employees or affiliates) is providing Bondholders with any

legal, business, tax or other advice in this announcement. Bondholders should consult with their own advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Bonds for cash.

## **OFFER AND DISTRIBUTION RESTRICTIONS**

Neither this announcement nor the Tender Offer Memorandum constitutes an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities or blue sky laws. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by each of BTIF, NGG, the Dealer Manager and the Tender Agent to inform themselves about, and to observe, any such restrictions.

### **United Kingdom**

The communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

Insofar as the communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer is made to or directed at investment professionals (as defined in Article 19(5) of the Financial Promotion Order), it is made to or directed at persons having professional experience in matters relating to investments, and any investment or investment activity to which it relates is available only to such persons or will be engaged in only with such persons, and persons who do not have professional experience in matters relating to investments should not rely upon it.

### **Italy**

None of the Offer, this announcement, the Tender Offer Memorandum or any other document or materials relating to the Offer have been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian laws and regulations. The Offer is being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Accordingly, Bondholders or beneficial owners of the Bonds that are located in Italy can tender Bonds for purchase pursuant to the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Bonds and/or the Offer.

### **France**

The Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). None of this announcement, the Tender Offer Memorandum or any other document or material relating to the Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de*

*gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, in each case other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*, are eligible to participate in the Offer. Neither this announcement nor the Tender Offer Memorandum have been or will be submitted for clearance to or approved by the *Autorité des Marchés Financiers*.

## **Belgium**

None of this announcement, the Tender Offer Memorandum or any other document or material relating to the Offer has been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Financial Services and Markets Authority*) and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids, as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and none of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (as amended from time to time), acting on their own account. Insofar as Belgium is concerned, this announcement and the Tender Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this announcement and the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.