

24 October 2012

Company name **ESB Finance Limited**

Headline **Investor Update**

Electricity Supply Board (ESB) is the parent company of ESB Finance Limited (the Issuer) and the guarantor of Notes issued by the Issuer under the EUR3,000,000,000 Euro Medium Term Note Programme of the Issuer and ESB.

The following information is being published simultaneously on the website of ESB (www.esb.ie)

NIE Price Control

The Northern Ireland Utility Regulator yesterday (23rd October 2012) published its final determination on Northern Ireland Electricity's (NIE) Transmission and Distribution Price Controls for RP5. The Final Determination is available on the Utility Regulator Website: www.uregni.gov.uk

NIE will review the Utility Regulator's final determination and submit its response by the due date, 20 November 2012.

NIE is a 100% owned subsidiary of ESB and represents 12% of ESB Group Assets and accounted for 14% of 2011 Group EBITDA.

Disposal of Non-Strategic Generation Capacity

In February 2012 the Irish Government announced a range of disposal options across the State sector and indicated that a sale of some of ESB's non strategic generation capacity would be part of the asset disposal programme.

The Government has now, in a request communicated to the ESB Board today (October 24th 2012), asked ESB to develop proposals for the sale of some non-strategic generation capacity, with the specific objective of delivering special dividends to the Government targeted at up to €400m by the end of 2014.

In making this request, the Government has reaffirmed its commitment that ESB will;

- Remain as a financially strong state-owned Vertically Integrated Utility (VIU).
- Maintain its strong credit rating to ensure access to funding in order to deliver its investment in key infrastructure.
- Retain significant scale in Generation to compete in the All-Islands (Ireland and UK) market, while continuing to move to an appropriate market share in Ireland.

For further information, please contact:

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Further details on ESB can be found at www.esb.ie