

OFFERING CIRCULAR SUPPLEMENT



ELECTRICITY SUPPLY BOARD

(a body corporate established in Ireland under the ESB Acts 1927 to 2014 of Ireland)

ESB FINANCE LIMITED

(a private company incorporated with limited liability in Ireland with registration number 480184)

EUR3,000,000,000

**Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed by
ELECTRICITY SUPPLY BOARD**

(a body corporate established in Ireland under the ESB Acts 1927 to 2014 of Ireland)

This Offering Circular Supplement (this **Supplement**) is supplemental to and must be read in conjunction with the Offering Circular dated 24 October 2014 (the **Offering Circular**) prepared by Electricity Supply Board (**ESB**) and ESB Finance Limited (**ESB Finance**) (together, the **Issuers** and each of them, an **Issuer**). The Offering Circular comprises a base prospectus in connection with the Issuers' EUR3,000,000,000 Euro Medium Term Note Programme (the **Programme**). Terms defined in the Offering Circular have the same meaning when used in this Supplement.

This Supplement to the Offering Circular constitutes a supplement for the purposes of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the **Prospectus Directive**) and is issued in accordance with Article 16 thereof and Regulation 51 of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland, as amended. The Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This Supplement has been prepared for the purposes of (i) incorporating into the Offering Circular the audited consolidated annual financial statements for the financial year ended 31 December 2014 of ESB, (ii) updating the section of the Offering Circular entitled "*Risk Factors*", (iii) updating the section of the Offering Circular entitled "*Documents Incorporated by Reference*", (iv) updating the section of the Offering Circular entitled "*Description of ESB*", (v) updating the section of the Offering Circular entitled "*General Information*" and (vi) reflecting the appointment and removal of a Dealer.

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

Save as disclosed in this Supplement, there has been no other significant new factor in relation to the Issuers since the date of publication of the Offering Circular, and there is no material mistake or inaccuracy relating to the information included in the Offering Circular, which is capable of affecting the assessment of the Notes. To the extent that there is any inconsistency between (i) any statement in this Supplement, including any statement incorporated by reference into the Offering Circular by this

Supplement, and (ii) any other statement in or incorporated by reference into the Offering Circular, the statements in this Supplement will prevail.

The date of this Supplement is 15 May 2015.

1. Replacement Dealer

The Dealers listed on the first page, page 5 and on the last page of the Offering Circular shall be amended so that references to Merrill Lynch International shall be deleted and replaced with J.P. Morgan Securities plc and references to BofA Merrill Lynch shall be deleted and replaced with J.P. Morgan.

2. Incorporation of Accounts

The following document has been filed with the Irish Stock Exchange and is hereby incorporated by reference into, and shall form part of, the Offering Circular:

- the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2014 of ESB (the 2014 ESB Accounts), which are available on the website of the Irish Stock Exchange at http://www.esb.ie/main/about-esb/ESB_Annual_Report_and_Accounts_2014.pdf?v=20150325.

The 2014 ESB Accounts shall be available for inspection (by physical and electronic means) from the registered office of the relevant Issuer on the same terms as those documents set out in the 'Documents Available' paragraph of the 'General Information' section on page 101 of the Offering Circular.

3. Amendment of Risk Factors

The first paragraph of the sub-section headed "*Pension risk – Republic of Ireland*" (commencing on page 12 of the Offering Circular) shall be deemed to be deleted and replaced with the following:

"The Group operates both a defined benefit scheme (the DB Scheme) and a defined contribution scheme for staff in the Republic of Ireland (including ESB employees seconded overseas). The DB Scheme actuary confirmed in the final quarter of 2013 that the DB Scheme is in balance on an ongoing actuarial basis although it would have a deficit in the event of a wind-up situation due to a minimum funding standard. A funding plan has been approved by the Pensions Authority in Ireland to resolve this deficit by 2018. ESB does not intend that any further contributions will be made, other than the normal on-going contributions (up to 16.4 per cent. of pensionable salary, in addition to employee contributions of up to 8.5 per cent. of pensionable salary) and the balance of ESB's EUR591 million additional contribution agreed in 2010."

4. Amendment of Description of ESB

The section of the Offering Circular entitled "*Description of ESB*" on pages 76 to 91 of the Offering Circular is hereby amended and supplemented as follows:

Sale of Non-Strategic Generation Capacity

The last paragraph under the heading "*Sale of Non-Strategic Generation Capacity*" commencing on page 76 of the Offering Circular shall be deemed to be deleted and replaced with the following:

"On 28 July 2014, the Board approved the remaining special dividend for payment to ESB's shareholders. This payment was made on 29 January 2015 and completed ESB's commitment to the special dividend request, and no further transactions under this programme are envisaged."

Summary Financial Information

The text and tables (including the notes thereto) under the heading “Summary Financial Information” commencing on page 77 of the Offering Circular shall be deemed to be deleted and replaced with the following:

“Summary Financial Information

The table below sets out summary consolidated financial data of the Group as at and for the years ended 31 December 2013 and 31 December 2014. This table should be read in conjunction with, and is qualified in its entirety by reference to, the consolidated financial statements of ESB (including the notes thereto) for the years ended 31 December 2013 and 31 December 2014 (incorporated by reference into this Offering Circular) which have been audited by the auditors to ESB, KPMG.

Income Statement Date, €m	Y/E 31.12.13 Audited IFRS	Y/E 31.12.14 Audited IFRS
Revenue and other operating income *	3,444.9	3,293.2
EBIT **	684.1	552.0
EBIT margin	19.9%	16.8%
Profit after taxation ***	510.4	215.4
Balance Sheet Data €m		
Non-current assets (excl. cash)	11,160.0	11,744.2
Current assets (excl. cash)	1,250.8	1,085.6
Total assets (excl. cash)	12,410.8	12,829.8
Current liabilities (excl. debt)	(1,024.6)	(1,158.1)
Non-current liabilities (excl. debt)	(3,119.2)	(3,143.4)
Total liabilities (excl. debt)	(4,143.8)	(4,301.5)
Net assets ****	8,267.0	8,528.3
Net cash/(debt)	(4,144.5)	(4,639.2)
Total equity	4,122.5	3,889.0
Cash Flow Data. €m		
Cash generated from operations	1,181.8	1,237.3

* Revenue and other operating income stated before exceptional asset disposals in 2013 and 2014, and fair value gain on loss of control of subsidiary in 2014.

** EBIT stated before asset disposals in 2013 and 2014, and fair value gain on loss of control of subsidiary in 2014.

*** Profit after asset disposals in 2013 and 2014, and fair value gain on loss of control of subsidiary in 2014.

**** Total assets (excluding cash) less total liabilities (excluding debt).

NIE Regulated Returns

On page 82 of the Offering Circular, the fifth paragraph under the heading "*NIE Regulated Returns*" shall be deemed to be deleted and replaced with the following:

"As at 31 December 2014, NIE had a RAB value of GBP1.3 billion. In the year ended 31 December 2014, NIE made operating profit of GBP102.4 million. For the same period, revenue totalled GBP243.8 million and EBITDA totalled GBP160.5 million."

Board of ESB

On page 87 of the Offering Circular, under the heading of "*Board of ESB*", the paragraph shall be deemed to be deleted and replaced with the following:

"The Board of ESB normally comprises twelve members - a non-executive Chairman, six independent non-executive members and the Chief Executive (all of whom are appointed by the Government of Ireland for terms of up to five years) and four worker board members who are ESB staff members and who are appointed to the Board by the Minister for Communications, Energy and Natural Resources of Ireland for a four year term under the Worker Participation (State Enterprises) Act 1977 (as amended). There are currently two vacancies on the Board following the expiry of the term of Lochlann Quinn as Chairman in January 2015 and of Brendan Byrne as Board member in September 2014 and these vacancies are currently in the process of being filled."

On page 88 of the Offering Circular, under the heading "*Board of ESB*", the Title of Board Member Ellvena Graham shall be deemed to be deleted and replaced with the following:

"Non-Executive Acting Chairman".

On page 88 of the Offering Circular, under the heading "*Board of ESB*", information relating to former Board Member and Chairman Lochlann Quinn shall be deemed to be deleted.