

## Transmission Finance DAC

*(incorporated with limited liability under the laws of Ireland with  
registered number 568526)*

**€10,000,000,000**

### **Multicurrency programme for the issuance of Bonds with proceeds to be lent to Caruna Networks Oy**

This Supplement (the “**Supplement**”), to the Prospectus (the “**Prospectus**”) dated 29 January 2016 which comprises a base prospectus, constitutes a supplementary prospectus for the purposes of Article 16 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and is prepared in connection with the €10,000,000,000 multicurrency programme (the “**Programme**”) established by Transmission Finance DAC (the “**Issuer**”). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and European law pursuant to the Prospectus Directive.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer.

The Issuer and the Caruna Group accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuer and the Caruna Group (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.

The purpose of this Supplement is to update the Prospectus in respect of: (i) the increase in the Caruna Group’s distribution fees with effect from 1 March 2016; (ii) the change in a composition of the Board of Directors of Caruna Networks; and (iii) recent regulatory developments in Finland including current plans from the Ministry relating to pricing and distribution fees.

## **AMENDMENTS TO THE PROSPECTUS**

### **CHAPTER 1 – RISK FACTORS**

On page 16 of the Prospectus, after the paragraph titled “Change in regulatory unit prices”, the following paragraph shall be added:

#### *“Consumer Protection legislation*

Prices charged by the Caruna Group to customers may be subject to challenge under the Consumer Protection Act. In particular, in February 2016 the Caruna Group was involved in discussions with the consumer ombudsman in Finland (the “**Consumer Ombudsman**”) where it was agreed that price increases (which were in line with those permitted by the EM Act 2013) should be phased in more gradually. While such actions by the Consumer Ombudsman may not affect the overall permitted income of the Caruna Group over the course of a regulatory period, changes to the anticipated timescale for collection of such income may result in the Caruna Group being unable to meet its liabilities, which may

impact the ability of Caruna Networks to meet its payment obligations under the IBLA and, in turn, the ability of the Issuer to meet its payment obligations under the Bonds.”

On page 17 of the Prospectus, the risk factor titled “Change in regulatory approach of the Energy Authority (the “EA”) shall be amended by replacing the second paragraph with the following paragraph:

“While the EA’s regulatory methods for monitoring the reasonableness of the prices charged by electrical power network operators for the years 2016-2023 and the related confirmatory decisions of the EA to Caruna Oy and Caruna Espoo continues to create a supportive regulatory environment for Caruna Oy and Caruna Espoo, there can be no assurance that the regulatory backdrop or the EA’s future regulatory methods will continue to be supportive. The EA issued a memorandum on 3 February 2016 (at the request of the Ministry), proposing that the Ministry consider certain legislative changes. Currently, the Ministry is preparing a change to the Electricity Market Act (588/2013, as amended) (the “**EM Act 2013**”) to include a cap for one-off price increases for electricity distribution fees and a limit on the frequency of such increases. The Ministry has not yet made the Government’s proposal for such a change public and, therefore, there can be no assurance on the contents of the proposed change and the effect it may have on Caruna Group’s business, financial condition, results of operations or prospects. These potential changes and other changes in regulation could have an adverse effect on the Caruna Group’s ability to generate a return on its assets or on the costs of complying with new regulation and therefore could have an adverse impact on its financial position generally. This may result in the Caruna Group being unable to meet its liabilities, which may impact the ability of Caruna Networks to meet its payment obligations under the IBLA and, in turn, the ability of the Issuer to meet its payment obligations under the Bonds.”

#### **CHAPTER 6 – DESCRIPTION OF THE CARUNA GROUP**

On page 59 of the Prospectus, the table containing the Name, Business Address and Principal Activities of each of the directors of Caruna Networks shall be amended by deleting the third row which contains the details of “Marcus Ayre” and the following new row shall be added at the bottom of the table following the row containing the details of “Gregor Kurth”:

Delphine Voeltzel	Upseerinkatu 2 FI-02600 Espoo, Finland	Deputy Director of Caruna Networks
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On page 70 of the Prospectus, after the paragraph beginning “The significant discount in prices in 2014 ...”, the following paragraph shall be added:

“In order to finance the cost of the EUR 200 million annual investment for the improvement in the reliability of the Caruna Group’s electricity network and in accordance with the regulatory methodology applicable in the sector, the Caruna Group announced in January 2016 that it would be raising electricity distribution fees with effect from 1 March 2016, with total prices increasing by an average of 27 per cent. (including tax) within Caruna Oy’s network area and 22 per cent. (including tax) within Caruna Espoo’s network area. Subsequently, in February 2016, the Caruna Group announced, after negotiations with the Consumer Ombudsman, that the price increases would come into effect in phases for both its corporate and retail customers. It was also announced that the amount of fixed free prices would be discounted by 25 per cent. until the end of February 2017.”

On page 87 of the Prospectus, the table which contains the CVs for the Board of Directors shall be amended by deleting the third row which contains the CV for “Marcus Ayre” and the following new row shall be added at the bottom of the table following the CV of “Gregor Kurth”:

Delphine Voeltzel <i>Associate Director, Borealis Infrastructure</i>	Delphine is an Associate Director at Borealis Infrastructure. She joined Borealis in January 2012, prior to which she worked as an Analyst in the Infrastructure, Transport and Utilities team at
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	Rothschild in London. Delphine earned a B.Sc. in Quantitative Economics from Sorbonne University and a M.Sc. in Management from HEC Paris.
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***CHAPTER 7 – SELECTED ASPECTS OF FINNISH REGULATION TO WHICH THE CARUNA GROUP IS SUBJECT***

On page 93 of the Prospectus, after the paragraph which begins with the words “If a company is found to be unlawfully involved ...”, the following paragraph shall be added:

“In February 2016 the announcement by the Caruna Group that it would be raising distribution prices by an average of 27 per cent. (including tax) within Caruna Oy’s network area and 22 per cent. (including tax) within Caruna Espoo’s network area from March 2016 led to discussions with the Consumer Ombudsman and an agreement by the Caruna Group that the increases would be phased in gradually and for a discount of 25 per cent. to be agreed for the price increases planned for the period March 2016 to the end of February 2017.”

**GENERAL INFORMATION**

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

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.

For as long as the Programme remains in effect or any Security is outstanding, copies of the current Prospectus, together with any amendments or supplements thereto (including this Supplement) may be inspected physically at the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London. In addition, a copy of this Supplement will be available on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).