



RTE Réseau de transport d'électricité

Euro 10,000,000,000

Euro Medium Term Note Programme

This supplement ("**Prospectus Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 7 May 2015 (the "**Base Prospectus**") prepared in relation to the €10,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of RTE Réseau de transport d'électricité (the "**Issuer**"). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC as amended (the "**Prospectus Directive**"). The *Autorité des marchés financiers* (the "**AMF**") has granted visa no. 15-183 on 7 May 2015 on the Base Prospectus.

Application has been made for approval of the Prospectus Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

This Prospectus Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and article 212-25 of the *Règlement Général* of the AMF and has been prepared for the purposes of incorporating recent events in connection with the Issuer's position, activities and status. As a result, certain modifications to the sections entitled "Administrative, Management, and Supervisory Bodies of the Issuer", "Legal and Arbitration Proceedings" and "Recent Developments" have been made.

Save as disclosed in this Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement and (b) any other statement in, or incorporated by reference in, the Base Prospectus, the statements in (a) will prevail.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Prospectus Supplement.

Copies of this Prospectus Supplement (a) may be obtained, free of charge, at the registered office of the Issuer during normal business hours, (b) will be available on the website of the Issuer (www.rte-france.com), (c) will be available on the website of the AMF (www.amf-france.org) and (d) will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for collection at the offices of the Fiscal Agent so long as any of the Notes are outstanding.

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In this Supplement, unless otherwise stated, references to "**Company**" or "**RTE**" refer to the Issuer and references to "**RTE Group**" and "**Group**" refer to the Issuer and its respective consolidated subsidiaries taken as a whole.

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES OF THE ISSUER

The section "Administrative, Management, and Supervision Bodies of the Issuer" on pages 71 to 78 of the Base Prospectus is deleted and replaced as follows:

RTE Réseau de transport d'électricité is managed by an Executive Board and is controlled by a Supervisory Board.

Executive Board (Directoire)

The Energy Code defines the procedures for nomination and appointment of Executive Board members.

The provisions of these laws have mostly been incorporated into RTE Réseau de transport d'électricité's by-laws. They require the Chairman of the Executive Board to be appointed by the company's Supervisory Board after nomination by the French Minister for Energy and CRE opinion (Article L.111-29 of the Energy Code and Article 13 of French Decree no. 2011-1478 dated 9 November 2011), while other Executive Board members are appointed by the company's Supervisory Board after nomination by the Chairman of the Executive Board.

The Supervisory Board of RTE Réseau de transport d'électricité proposed, on 23 July 2015, François Brottes as Chairman of the Executive Board, after approval of the Minister of Ecology, Sustainable Development and Energy. François Brottes' appointment became effective on 1st September 2015 after having received confirmation from the CRE that this appointment meets the requirements set out in the Energy Code.

After nomination of François Brottes as Chairman of the Executive Board and confirmation from the CRE, the Supervisory Board appointed, on 29 September 2015, Valérie Champagne, Olivier Grabette, Clotilde Levillain and Xavier Piechaczyk as member of the Executive Board.

The following table shows the current members of the Executive Board and their roles and other functions held:

	Position	Other Functions
François Brottes	Chairman of the Executive Board	-
Valérie Champagne	Member of the Executive Board	Member of the board of directors of the <i>Union des Groupements d'Achat Public</i> (UGAP) as qualified person Member of the Internal Audit Committee of the Ministry responsible for social affairs
Olivier Grabette	Member of the Executive Board	-
Clotilde Levillain	Member of the Executive Board	-
Xavier Piechaczyk	Member of the Executive Board	-

Olivier David has been appointed Government commissioner (*commissaire du Gouvernement*) to RTE Réseau de transport d'électricité by ministerial ruling (*arrêté ministériel*) dated 1 September 2015.

The Executive Board is appointed for a period of five years (i.e. until 31 August 2020). Members of the Executive Board can only be removed from office after the CRE has presented a statement of the reasons for this decision.

Pursuant to Article L.111-13 of the Energy Code, the Executive Board has sole responsibility to take decisions in relation with current activities, network management and the necessary operations for the set up and implementation of the ten-year plan for network development.

Subject to the powers that the law, regulations and current by-laws expressly attribute solely to shareholders meetings and to the Supervisory Board, the Executive Board has had conferred on it the widest possible powers to act in any circumstance in the name of RTE Réseau de transport d'électricité.

In particular, the Executive Board has, within its sole competence, the power to undertake transactions that are directly related to the operation, maintenance and development of the public electricity transmission network.

The members of the Executive Board, who cannot serve as members of the Supervisory Board, are not permitted to have any direct or indirect responsibility for the management of activities relating to the generation or supply of electricity or gas, in any company whatsoever, in France or abroad, at the time of their appointment and throughout the duration of their term.

Supervisory Board (Conseil de Surveillance)

Under the Energy Code, one third of RTE Réseau de transport d'électricité's Supervisory Board must be employee representatives, up to one third are representatives of the French government, and the remainder are appointed by the shareholders.

The number of Board members is set at twelve in Article 13 of the Issuer's bylaws.

In compliance with Article L.225-102-1 of the French Commercial Code, the following table shows the current members of the Supervisory Board (whose mandates were renewed on 28 August 2015) and their roles and other functions held during the same year:

	Position at RTE	Role¹	Other functions
Didier Mathus	Chairman of the Supervisory Board as from 23 July 2013 (as renewed in September 2015) Representative of the French government		Member of the <i>Haute Autorité pour la Diffusion des Oeuvres et de la Protection des Droits sur Internet</i> (HADOPI)
Thomas Piquemal	Vice-Chairman of the Supervisory Board Representative of EDF	Executive Manager, Finance, EDF Group	Member of the Board (<i>Administrateur</i>) of EDF Energy Holding Ltd Member of the Board (<i>Administrateur</i>) of EDF International Member of the Supervisory Board of ERDF Member of the Board (<i>Administrateur</i>) of EDISON SpA Member of the Board (<i>Administrateur</i>) of Fimalac Member of the Supervisory Board of Dalkia SAS until 25 July 2014 Member of the Board (<i>Administrateur</i>) of Dalkia International until 25 July 2014 Member of the Board (<i>Administrateur</i>) of EDF Energies Nouvelles Member of the Board

¹ In accordance with the French Commercial Code, these roles are functions exercised during 2015 by RTE Réseau de transport d'électricité's management and governance personnel while they held a term of office with RTE Réseau de transport d'électricité.

			(Administrateur) of DALKIA SA
			Member of the Board (Administrateur) of TIGF Holding
			Member of the Board (Administrateur) of EDF Trading Ltd
Marc Espalieu	Member of the Supervisory Board Representative of EDF President of the CSEA ²	Manager/Coordinator of governance of regulated assets, EDF group	Member of the Supervisory Board of ERDF Member of the Orientation Committee of EDF Production Electrique Insulaire SAS
Nicole Verdier-Naves	Member of the Supervisory Board Representative of EDF Chair of the Remuneration Committee	Head of Senior executives development, EDF Group	Member of the Board of Directors of EDF EN Member of the Board (Administrateur) of EDISON SpA Member of the Board (Administrateur) of EDF Polska
Thomas Gosset	Member of the Supervisory Board Representative of the French government (representing the French State as legal entity) Member of the CSEA Member of the Remuneration Committee	Deputy Director of "participations Energie" at the State Investment Agency of the French Ministry of the Economy, Industry and Digital Technology	Member of the Board of Directors of LFB Representative of the French government Member of the Board of Directors of SEMMARIS Representative of the French government
Marie Solange Tissier	Member of the Supervisory Board Member of the CSEA Representative of the French government	Head of department of the General Council for Economy, Industry, Energy, and Technologies of the French Ministry of the Economy, Industry and Digital Technology Deputy director of the the Ecole des Mines of Paris	Member of the board of directors of IFP Energies nouvelles

² CSEA: *Comité de Supervision Economique et de l'Audit* (Economic Supervision and Audit Committee)

Michel Pinet	Member of the Supervisory Board Representative of the French government	Permanent member of the CGEDD ³ and coordinateur of the European mission of the CGEDD	
Valérie Levkov	Member of the Supervisory Board Member of the CSEA Representative of EDF	Deputy Director of the Department Africa and Middle East, EDF Group	
Jean-Louis Dugay	Member of the Supervisory Board Employee representative Sponsored by the CFE-CGC union Member of the CSEA	Executive Assistant of the Maintenance Center of Nancy	-
Christophe Aime	Member of the Supervisory Board Employee representative Sponsored by the CGT union Member of the CSEA	Responsible for advice and product control	
Dominique Loret	Member of the Supervisory Board Employee representative Sponsored by the CGT union Member of the Remuneration Committee	Operations chief engineer	-
Wiefried Denoizay	Member of the Supervisory Board Employee representative Sponsored by the CFDT union	Manager for studies and decision-making Development and Engineering of Lille	-

The Supervisory Board monitors the activities of the Executive Board and must expressly approve certain actions of the Executive Board, for example any project to grant or obtain loans, borrowings, credits or advances where the unit value is above a threshold set annually by the Supervisory Board. The Supervisory Board conducts such checks and verifications it deems necessary. In addition, it deliberates on the strategic, economic, financial and technological development plans related to RTE Réseau de transport d'électricité's activities. The Chairman of the Executive Board is required to provide each member of the Supervisory Board with all of the documents and information necessary to accomplish his or her mandate.

Pursuant to Article L.111-13 of the Energy Code, the Supervisory Board takes the decisions which can have a significant impact on the value of the shareholders assets, in particular those relating to the approval of the annual and multi-annual financial plans, the debt level and the amount of dividends to be distributed to shareholders.

Furthermore, in accordance with Article L.111-14 of the Energy Code, and with Article 14-V of the by-laws of RTE Réseau de transport d'électricité, certain decisions (relating to budget, financial policies, all purchases, transfers and sales of assets,

³ CGEDD: *Conseil Général de l'Environnement et du Développement Durable* (General Council for the Environment and Sustainable Development)

the granting of securities or guarantees of any type the formation of any company, economic interest group (*groupement d'intérêt économique*) or other legal entity), must be approved by a vote of the majority of the members of the Supervisory Board, and by a vote of the majority of the members of the Supervisory Board nominated by the shareholders (EDF at the date of this Base Prospectus). Nevertheless, operations relating to maintenance and development of the transmission network are decided by the Executive Board only.

Risk Management

Risk management and control are organised at two different management levels:

- (a) at the national level: RTE Réseau de transport d'électricité's Executive Committee approves risk mapping each year and gives a national manager responsibility for monitoring the identified risks. RTE *Mission Audit Sécurité* and RTE *Mission Management de la Qualité, de la Sécurité et de l'Environnement* (an internal audit division of RTE Réseau de transport d'électricité) carry out the national audits sponsored by the Executive Board, to which they report their findings and recommendations; and
- (b) at the local level: each of RTE Réseau de transport d'électricité's units and functional entities is responsible for its own analysis of the risks associated with its activities, controlling these through appropriate audits, and reporting on a national level.

Conflicts of interest

There are no potential conflicts of interest between any duties owned by the members of the Executive Board and the Supervisory Board of RTE Réseau de transport d'électricité to the Issuer and their private interests and/or duties.

Compliance officer

At the proposal of the Executive Board's President, and in accordance with the provisions of Article L.111-36 of the Energy Code, the Supervisory Board appointed Jean-Pierre Desbrosses as compliance officer.

The compliance officer is responsible, subject to the powers granted to the CRE, for ensuring that RTE Réseau de transport d'électricité's practices comply with the independence requirements which apply to it *vis-à-vis* the other companies in the VIU as defined by the Energy Code.

In particular, he is responsible for verifying that RTE Réseau de transport d'électricité complies with the commitments of the code of conduct provided for in Article L.111-22 of the Energy Code in relation to the internal organisational measures taken by RTE Réseau de transport d'électricité against the risk of discriminatory practices *vis-à-vis* third parties in relation to access to the network. The compliance officer prepares an annual report on the implementation of the code of conduct that he transmits to the CRE.

Certification of RTE Réseau de transport d'électricité by the CRE

French Order no. 2011-504 dated 9 May 2011 codifying the legislative part of the Energy Code and transposing into French law Directives 2009/72 and 2009/73 has set new independence requirements. Accordingly, Article L.111-3 of the Energy Code provides that only a company certified by the CRE as complying with the independence rules may be approved as operator of the electricity transport network. RTE Réseau de transport d'électricité was certified by the CRE on 26 January 2012, subject to respecting the commitments included in the decision of the CRE dated 26 January 2012.

LEGAL AND ARBITRATION PROCEEDINGS

The first two paragraphs entitled "SNCF litigation (valuation of the SNCF electricity line network acquired by RTE Réseau de transport d'électricité in 2010)" and "Illegal State aid (procedures conducted by the European Commission)" of the section headed "Legal and Arbitration Proceedings" on pages 78 and 79 are deleted and replaced by the following:

Completion of the purchase of the SNCF's network of high-voltage electricity lines

In accordance with article 10 of the Law dated 9 August 2004, SNCF's network of high-voltage electricity lines were expected to become part of the public electricity transmission network by way of transfer to RTE against payment.

A disagreement arose between SNCF and RTE Réseau de transport d'électricité over the value of this network, which led to the establishment of a special commission, set up under the same article of law to settle related disputes, which issued a decision on 15 July 2009 setting the price payable to SNCF at €140 million. SNCF refused to this valuation and lodged a petition with the French *Conseil d'Etat* on 21 August 2009. However, a purchase agreement was entered into between RTE Réseau de transport d'électricité and SNCF on 26 May 2010 for an initial price of €140 million (€80 million of advances paid and a debt of €60 million). This price could be adjusted as a result of the pending court decisions.

The expert appointed by the French *Conseil d'Etat* estimated the amount of the network at €129 million in December 2014. Neither SNCF nor RTE Réseau de transport d'électricité challenged the conclusions of the expert appointed by the French *Conseil d'Etat*. By a decision dated 10 September 2015, the French *Conseil d'Etat* decided that the relevant assets to be transferred from the SNCF to RTE Réseau de transport d'électricité, with effect from 1st May 2010, had a value of €129 million. On 30 September 2015, RTE Réseau de transport d'électricité paid the additional amount of €50.8 million (including interest).

Decision of the European Commission regarding the tax treatment of accounting provisions created between 1987 and 1996 with a view to renewing the high-voltage transmission network ("Réseau d'Alimentation Générale" ("RAG"))

On 22 July 2015, the European Commission adopted a new decision qualifying the tax treatment of accounting provisions created between 1987 and 1996 with a view to renewing the structures of the high-voltage transmission network as state aid incompatible with European Union rules.

The decision follows the cancellation of the first decision of the European Commission (dated 16 December 2003) by the General Court of the European Union in a ruling dated 15 December 2009, a ruling confirmed by the Court of Justice of the European Union on 5 June 2012, on the grounds that, in the court's opinion, the European Commission should have applied the standard of a reasonable investor in determining whether or not there was state aid.

Following this cancellation, on 30 December 2009, the French State had refunded EDF a sum corresponding to the amount that EDF had paid to the French State in February 2004. This amount was partially repaid to ERDF and RTE in proportion to their respective contributions, as defined in the decision of the Regulatory Commission of Energy (*Commission de Régulation de l'Energie*) dated 26 February 2004. In May 2013, the European Commission decided to reopen the proceedings.

Through its decision dated 22 July 2015, the European Commission concluded the existence of State aid incompatible with the single market.

In a press release dated 22 July 2015, EDF indicated that it acknowledged the decision and would proceed with the reimbursement of the sums required. However, EDF denies the existence of unlawful State aid and will file, subject to the review of the decision, an action for cancellation before the General Court of the European Union.

As a result of this decision, the French State instructed EDF to reimburse on 13 October 2015 the sum corresponding to the alleged aid, plus interest according to the procedures set by the European Commission.

At that date, the total sum amounts to €1.383 billion, comprising €889 million in principal amount plus €494 million in interest, the value of which will be adjusted according to the date of payment. RTE's proportion of this is 27.12%. The amount payable by RTE to is therefore €375 million which was paid to EDF on 14 October 2015.

RECENT DEVELOPMENTS

The section Recent Events appearing on page 79 of the Base Prospectus is supplemented by the following information:

- **Approval of the accounts**

The consolidated accounts for the year ending 31 December 2014 were approved at the general shareholders' meeting of RTE on 18 June 2015. The meeting also approved a dividend of €176,574,950 for Electricité de France, the sole shareholder and owner of 213,228,569 shares comprising RTE's capital. The decision was approved by RTE's Supervisory Board on 23 June 2015, and the amount of €176,574,950 was paid to EDF by RTE on 26 June 2015.

- **Changes to Tariffs for Using the Public Electricity Transmission Network (*Tarifs d'Utilisation des Réseaux Publics de Transport d'électricité* or "TURPE") from 1 August 2015**

The deliberation of the CRE on 11 June 2015 regarding price movement led to a decision to raise TURPE by 2.4% for all network users from 1 August 2015. This deliberation also resulted in the renewal of the discount for electro intensive consumers, pending the entry into force of the provisions of law number 2015-992 on energy transition for green growth (article 157 creating a new article L. 341-4-2 of the French Energy Code).

- **Financing**

RTE and the European Investment Bank (the "EIB") signed a contract for €500 million in financing on 26 June 2015. The contract aims to reinforce supply security, electricity quality and the contribution of the electricity grid in the framework of the energy transition, and concerns 35 projects.

On 24 July 2015, RTE drew down €200 million under a financing agreement with the EIB dated 24 April 2014.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS SUPPLEMENT

In the name of the Issuer

We declare, to the best of our knowledge (having taken all care to ensure that such is the case), that the information contained in this Prospectus Supplement is in accordance with the facts and contains no omission likely to affect its import.

The consolidated financial statements for the financial years ended 31 December 2013 and 31 December 2014, included in respectively the 2013 Financial Report and the 2014 Financial Report (which are incorporated by reference in the Base Prospectus), were subject to reports by the statutory auditors set forth in page 102 of the 2013 Financial Report and page 106 of the 2014 Financial Report. The 2013 Financial Report includes an observation in relation to the change of methodology described in Notes 2.21 and 3 of the consolidated financial statements for the financial year ended 31 December 2013 relating to the application of the IAS (International Accounting Standard) 19 rule relating to employee benefits.

Paris, 6 November 2015

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duly represented by

Valérie Champagne, *Membre du Directoire*



Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* ("**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Prospectus Supplement the visa no. 15-564 on 6 November 2015. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.