

Eurotunnel on Track

September 2008



Letter to Groupe Eurotunnel SA
shareholders



Dear shareholders,

Summer is drawing to a close and I hope you were able to fully enjoy the summer break.

Our staff remained very active, since for us this period is one of intense activity.

- **On 6 June**, we entered into a contract with Brush Bombardier to upgrade 18 locomotives so that their power will go from 5.6MW to 7MW between now and 2013. This falls within the scope of the increase in Truck Shuttle capacity;
- **On 27 June**, we held our **general meeting** in Calais. Over 300 of you were kind enough to take part. All the resolutions presented by the Board of Directors were approved by an overwhelming majority (see overleaf) and I think for the first time in Eurotunnel's history, we were at last able to talk about strategy, development and the future, in a calm environment;
- **On 10 July**, we carried out the **full and final redemption of the NRS II**, thereby considerably improving our capital structure, not forgetting the corresponding savings in financial charges ;
- **On 17 July**, we published our **results** for the first half of 2008. They are **excellent** and details are set out overleaf. I would like to highlight here the essential figures: at a constant exchange rate, revenue increased by 11%, Shuttle traffic increased by 4% for cars and 7% for trucks, and **EBITDA shot up by almost 16%** to €221 million. We continue therefore to be markedly ahead of our business plan;
- **On 28 July**, we converted the first tranche of **NRS I holders** into c.25 million shares, raising the total number of shares in issue to 190 million. We are now reaching volumes which enable a better smoothing of the share price. It is highly likely that certain NRS I holders may have encountered liquidity issues and sold their shares as soon as they received them. Nonetheless, since the rights issue of 4 June, GET SA's share price has outperformed similar stock. The consensus of the analysts is very positive.

These circumstances have enabled us to start the implementation of our share buy-back programme, as authorised at the last AGM, in very good conditions. As at 31 August 2008, we **controlled 2 487 686 shares**;

• Also **in July**, **Eurostar** set an absolute historic record of 923,000 passengers, an increase of almost 17% on July 2007. This exceptional result, from which we fully benefit, is in part due to the shortening of travel time between London, Paris and Brussels, to punctuality to which we contribute greatly, and also to the new St. Pancras International station. The station, particularly well connected to the British railway network

with connecting trains from King's Cross and Euston, attracts a wider clientele living north of London. August confirms this new trend.

• **In August**, our new operational management methods (Harmony Programme, BAR plan) have enabled us to deal with **very high traffic peaks** without difficulty (the week-ends of 8 and 15 August represented 24% of monthly volume i.e almost 65 000 individual passenger vehicles) with a service quality level rarely reached in the past. The first positive impact of our reinforced maintenance programmes on Shuttles have also enabled a further reduction in breakdowns which, although rare, are a source of inconvenience for our clients;

• **August** also brings to mind the **Olympic Games**: France like Great-Britain raked in medals and already all eyes are on the 2012 Games in London. **Eurotunnel has decided to be a candidate to transport the Olympic flame through the Tunnel**, within technical conditions which would need to be approved by the Intergovernmental Commission of the Channel Tunnel (IGC). We have many advantages: we are the most environmentally friendly means of crossing the Channel, and it would surely be a world's first: a marathon runner carrying the Olympic torch under the sea!

We therefore get back to work with determination.

Clearly, economic circumstances are worrying. The current exchange rate between sterling and the euro, if it remains at its current level, has a mechanical impact on our results. However, we have resources: we are very flexible, we know how to adapt our offer to the demand, we have partners - in particular Eurostar - who show great dynamism, and we have room for improvement. We will continue the simplification of our structures, yielding savings.

The absolutely exceptional mix of advantages that make up Eurotunnel will be used to best effect in the coming months.

Yours faithfully.

A handwritten signature in black ink, appearing to be "J. Gounon". The signature is fluid and cursive, written in a professional style.

Jacques Gounon,
Chairman and Chief Executive

Focus on first-half results

During the first half of 2008, Eurotunnel continued to see very good growth, both in respect of its revenue (+11%) and its operating margin (+16%). With a net profit increasing strongly, Eurotunnel achieved more than expected and is in a position of strength to start the second half of 2008. These half-year results show the soundness of our economic model and of our commercial policy. They follow the success of the rights issue and should give investors confidence in Groupe Eurotunnel's capacity to develop further.

Strong growth in traffic.

Onboard our Shuttles, all types of traffic are higher than the same period in 2007: +7% for trucks; +4% for cars; +5% for coaches. In each category, this growth exceeds the market evolution for the period. Eurotunnel thus confirms its leadership of cross-Channel transport and benefits undeniably from the quality of its service. Eurostar experiences renewed success with 18% more passengers in the first half of 2008.

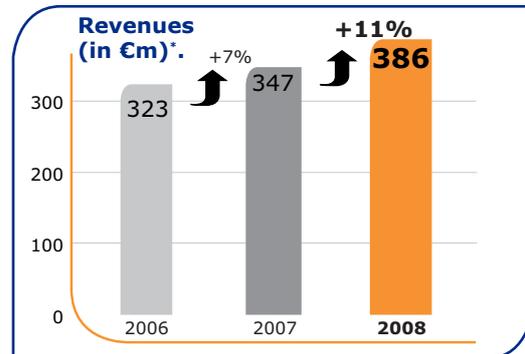
Revenues still increasing.

Revenues from these main traffic streams, thanks to a controlled pricing policy, have increased significantly: the Group's half-year revenue was **€386m**, an increase of 11% compared to last year at a constant exchange rate. Shuttle revenue increased by 10% and revenue from the Railways by almost 13%.

First significant net profit.

Our operating margin (EBITDA), i.e. the difference between Eurotunnel's revenue and operating costs, has again increased: **€221m (+16%)**. Our operating costs have increased as expected (+6%) reflecting increased traffic and the start of new maintenance cycles. The indicator of our profitability, **the EBITDA/revenue ratio, reached 57%**.

The Group recorded a **net profit of €26m** during the first half compared to a net proforma €1m for the first half of 2007.



* At a constant exchange rate, that used for the results for the 1st half of 2008 (£1 = €1.259)

Operational management

The BAR plan (Busy And Ready) is about the best possible planning for busy days. It means adapting loading procedures to ensure maximum load factors; planning for additional paths through the Tunnel and additional Shuttles; mobilising reinforced operational and maintenance teams; participation of the authorities to guarantee the fluidity of traffic.

The Harmony Plan allows us to adapt the Tunnel infrastructure maintenance programme according to traffic peaks. This flexibility enables us to optimise Tunnel capacity and thus the quality of service for our clients.

GET SA AGM 27 June 2008 - Voting results by resolution

Quorum reached: 40.71% of shares with voting rights

Resolutions	For
1. Approval of the statutory accounts of the Company	99.53%
2. Appropriation of the income statement	99.67%
3. Approval of the consolidated accounts	99.54%
4. Approval of regulated contracts and commitments pursuant to article L. 225-38 of the French Commercial Code	87.03%
5. Approval of regulated contracts and commitments entered into by the Company	87.02%
6. Authority to the Board of Directors to implement a share buy-back scheme	74.46%
7. Ratification of the appointment of Bernard Attali as a director	84.96%
8. Ratification of the appointment of Jean-Pierre Mattéi as a director	98.48%
9. Ratification of the appointment of Martin Mogens Skaanild as a director	85.49%
10. Ratification of the appointment of Gérard Van Kemmel as a director	99.37%
11. Authority for formalities	99.64%

Many of you have contacted us concerning the delay you experience in receiving On Track. Unfortunately, Groupe Eurotunnel SA has no control over the time taken by the postal services. If you would like to receive the information to your email inbox in real time, send us an email request to shareholder.info@eurotunnel.com specifying the email address to which you wish the information to be sent as well as your full name, postal address and shareholder references whether you are a registered/bearer shareholder or a CDI holder.

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