



2015 half-year results
22 July 2015

Jacques Gounon
Chairman & Chief Executive
Officer

The world leader in rolling motorways
The reference in respect for the environment

Groupe Eurotunnel SE

2015 half-year results: agenda

- Eurotunnel Group
- Maritime activities
(MyFerryLink)
- Rail freight activities
(Europorte)
- Fixed Link Concession activities
(Eurotunnel)
- H1 2015 financial results
(Eurotunnel Group)
- Developments and outlook
(Eurotunnel Group)



Eurotunnel Group

In H1 2015

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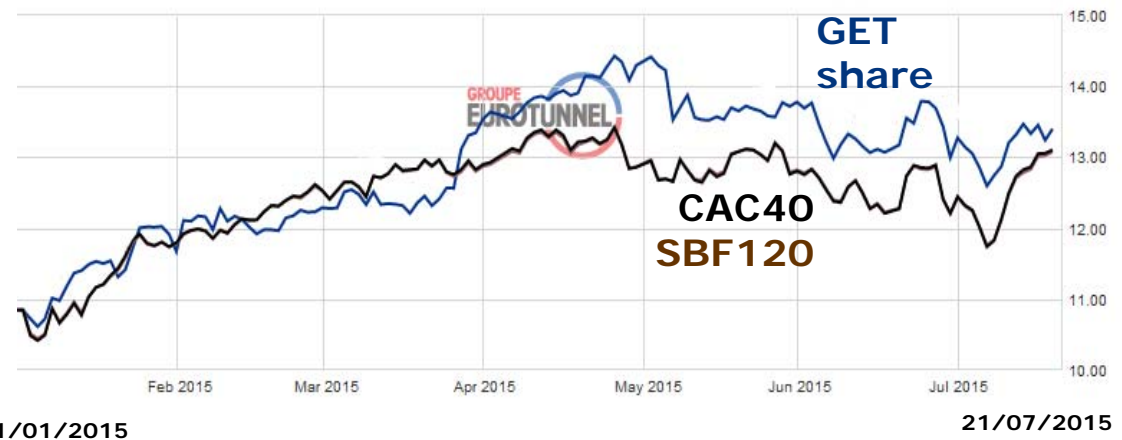
Groupe Eurotunnel SE

A 100% privately-owned group

■ GET shares listed on NYSE Euronext Paris and London

- Market capitalisation on 21 July 2015: €7.4Bn
- Share performance since 01/01/2015 : +25%

■ Concessionaire of the cross-Channel Fixed Link until 2086



■ 2 main activities

- Infrastructure management
- Rail operator

CSR of Eurotunnel Group

Further progress in H1 2015

■ Publications

- CSR Policy Charter (March)
- Global Compact, communication on progress (May)

■ Inducting young people into the Group

- 100 apprentices or students on professional training contracts
- Participation in the "Jeunes d'Avenir" exhibition in Lille (May)

■ Environment

- Eco-pasture near the exit road at the Coquelles Passenger terminal (June)

■ Strong commitment of the teams

- Agreements signed with social partners
- Allocation of free shares to staff

■ Top priority: safety

- Safety Week at Europorte (June)

■ Eurotunnel Group: 4,000 employees in FR/UK



Eurotunnel Group, the reference in environmentally-friendly transport



Maritime activities

MyFerryLink

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MyFerryLink in H1 2015

- Activity (vs H1 2014)
 - 233,584 trucks (+27%)
 - 116,406 cars (+7%)
 - 1,073 coaches (+15%)
- Increase in average yield
- Market share for freight at 11.6%
- Market share for cars at 5.7%



In €M	H1 2015	Variance	H1 2014
Revenue	52	+33%	39
Operating costs	-54	+7%	-50
EBITDA	-2	+€9M	-11

- Opposition from the UK Competition & Markets Authority

Legal proceedings - *Competition & Markets Authority* MyFerryLink



■ Reminder

- **20 August 2012:** launch of MyFerryLink commercial service
- **9 January 2015:** the Competition Appeal Tribunal (CAT) confirms the decision to prohibit MyFerryLink from operating the ferries from the port of Dover, with a 6-month notice => Eurotunnel Group announces it is seeking a buyer for MyFerryLink
- **27 May:** Eurotunnel Group confirms to the Scop the non-renewal of the leasing contracts with effect from 1st July. Possible continuation of a freighter service (Nord-Pas-de-Calais ferry)
- **7 June:** Eurotunnel Group retains the binding offer from DFDS: lease of the Rodin and Berlioz ferries from 2 July 2015 with a put option to sell, when authorised or in June 2017 at the latest
- **11 June:** the Scop SeaFrance placed in judicial administration. DFDS and MyFerryLink propose to recruit 3/4 of the staff. Refusal by the Judicial Administrators to negotiate the social issue
- **29 June:** occupation of the 3 ferries by a few Scop SeaFrance staff and a ban on DFDS ferries operating from the port of Calais
- **20 July:** round table with all stakeholders at the French Ministry of Transport



Rail freight activities in H1 2015

Europaorte

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Europaorte: rail freight

No.1 private rail operator UK/FR

- **Excellence** in railway logistics, hauling of trains and management of railway infrastructure in ports
- **Around 1,100 trains** hauled per week in the UK/FR
- **FR**
 - **Consolidation of existing activities** and start of new contracts in H1 2015
 - **New contract wins** – start planned in H2 2015 (including 15-year contract with port du Verdon and haulage to Germany) and beginning of 2016
 - **Commercial service for the first DE18 locomotives**
- **UK**
 - **Best Rail Operator of the Year Award** won by GB Railfreight at the UK Rail Industry Awards 2015
 - **Development** of the intermodal activity and bulk transport
 - **Reduction in coal transportation** (increase in carbon tax)
 - **Largely offset by the growth in Infrastructure activity**
 - **And the start of the 15-year Caledonian Sleeper contract (April)**



Europaorte and its subsidiaries

New improvement in result

In €M	H1 2015	Variance	H1 2014*
Revenue	154	+13%	136
Operating costs	-143	+11%	-129
EBITDA	11	+€4M +46%	7

- Double-digit growth in revenue
- Operating costs up, due to:
 - Growth in activity
 - Start-up costs for new contracts
- Ongoing plan to strengthen and increase reliability of the rolling stock fleet
- A sustainable growth driver of the Group



Fixed Link Concession activities in H1 2015

Eurotunnel

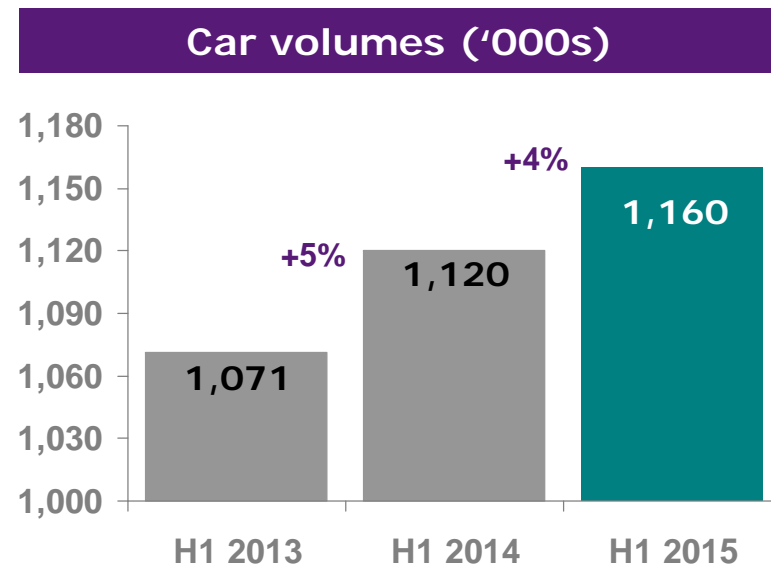
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Le Shuttle for passengers – H1 2015

Sustained dynamism of car traffic

- 1,159,863 cars transported in H1 2015 :
+4 %
- Eurotunnel market share stable at 54.8%
for the period
- Continued growth in yield
- Excellent outlook for the second-half of
2015 due the summer booking level

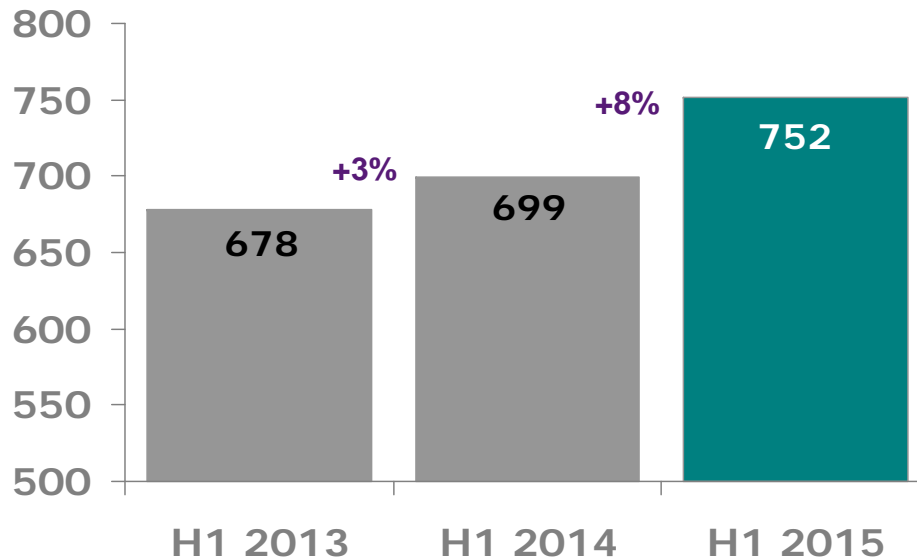
- 31,769 coaches transported, i.e. -4%
(rationalisation or regular scheduled services)
- Eurotunnel coach market share at 39.6%



Truck Shuttles – H1 2015

Volumes and yield up

Truck volumes ('000s)



- 752,290 trucks transported in H1 2015, +8% vs H1 2014
- Eurotunnel market share stable at 37.5% for the period, 38.3% in June
- Average yield continuously improving
- Traffic sustained by the economic recovery in the UK
- Eurotunnel, world leader in piggyback transport

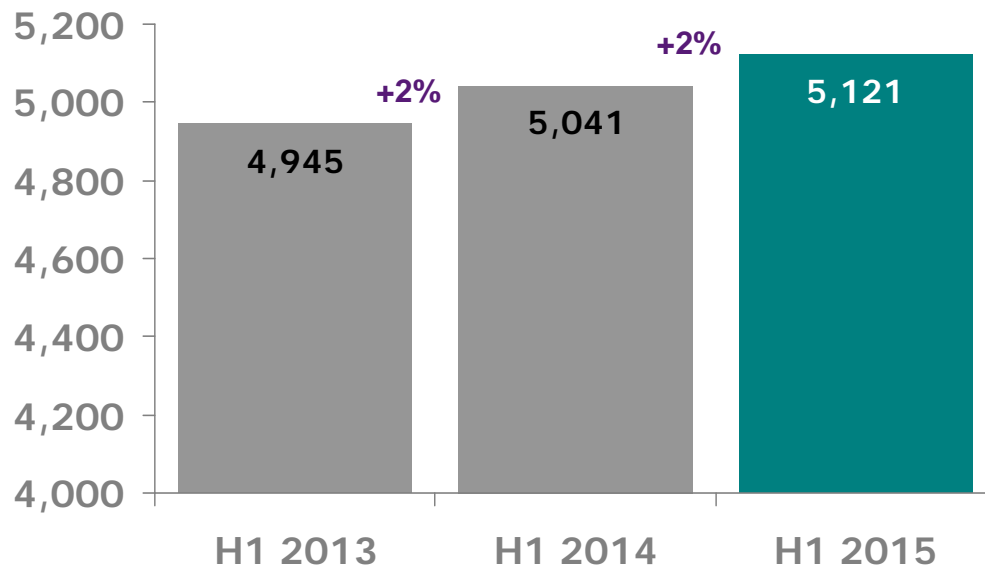
A fast, frequent and flexible service



High-speed passenger trains

Best 2nd quarter ever

Eurostar passengers* ('000s)



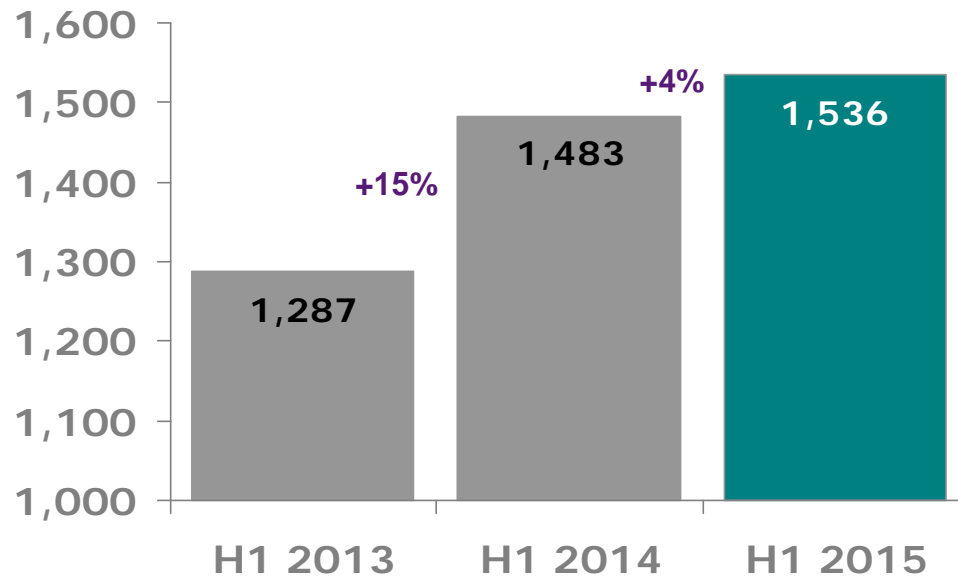
- Traffic stable in Q1 2015: impact of the terror attacks in Paris, traffic disruptions and reduction in services to Disneyland Paris at beginning of 2015
- 3% growth in traffic in Q2 2015: growth in demand and launch of direct route London-Lyon-Marseille at beginning of May
- March 2015: sale of 40% of Eurostar share capital in the UK



Rail freight network – H1 2015

Return to a normal increase in traffic

Number of rail freight trains



- +4% increase in number of freight trains and +6% in tonnage of goods transported
- Strong growth in traffic in Q1 2015 but slowdown in Q2 2015 : industrial conflicts on neighbouring networks and reduction in steel traffic
- New services generated by ETICA (Eurotunnel Incentive for Capacity Additions), a support start-up scheme launched by Eurotunnel in May 2013 and extended in 2014 to 5 new categories of traffic until 2018



Fixed Link

No.1 operator on the Short Straits

- 10.3 million passengers through the Tunnel in H1 2015
 - Including 5.2 million on Eurotunnel Shuttles
 - And 5.1 million in Eurostar trains
- Around 59,000 trains through the Channel Tunnel of which 48,000 Eurotunnel Shuttles
- 105,000 pets (dogs and cats) onboard Le Shuttle
- More than 48 million tourist vehicles and 22 million trucks transported since 1994

More than 355 million passengers
and
330 million tonnes of freight
through the Tunnel since 1994



Fixed Link

Continued growth in revenue

In €M	H1 2015	Variance	H1 2014*
Revenue	443	+6%	418
Shuttle Services	275	+9%	252
Railway Network	160	+1%	159
Other revenues	8	+9%	7
Operating costs	-200	+9%	-183
EBITDA	243	+3%	235

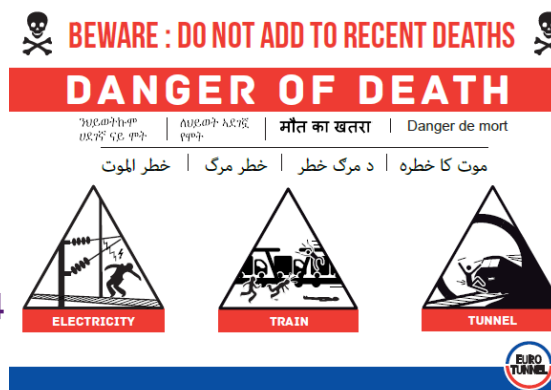
- Strong increase in Shuttle revenue: +9%
- Railway Network: increase in revenue of only 1% due to the contractual reduction in access charges by 1% below inflation and intrusions and damage to tracks resulting in traffic disruptions at end of June
- Operating costs impacted by the Tunnel incident in January, the implementation of the UK Exit Checks, increased activity (staff, maintenance and operating costs) and security measures

Fixed Link

Increase in migrant pressure in the Calais region

FR

- Increase in intrusion attempts, operating disruptions and accidents
 - 20,000 migrants intercepted on site in H1 2015 and more than 10,000 from 1st to 15 July
 - 3 dead and several tens of injured including 3 seriously
 - 1,000 Shuttle departures cancelled so far in June and July 2015
- Reinforcement of measures taken by Eurotunnel
 - Increase in technological and human resources, larger terminal-buffer zone for trucks, installation of information panels and distribution of leaflets to migrants on dangers...
- Security costs
 - €13M in H1 2015, already higher than the €12M in 2014
 - Around €165M spent on the security system by Eurotunnel over 20 years
- Increased contribution requested from the Authorities
 - UK participation: €4.7M and delivery of high fencing to secure the platform area
 - Application for a reimbursement of costs filed with the Intergovernmental Commission (IGC): €9.7M (including €3.1M for operating losses)



UK

- Implementation in April of new Exit Checks on the identity of passengers leaving the UK, imposed by the British authorities

Cross-Channel Fixed Link

Developments in H1 2015 (June)

■ Railway Usage Contract application agreement

- Signed by Eurotunnel and the Railway Networks for Eurostar
- On the contributions to operating, maintenance and renewal costs of the cross-Channel Fixed Link railway network

■ Regulation of the Channel Tunnel

- Now performed by the Office of Rail and Road (ORR) in the UK and the *Autorité de Régulation des Activités Ferroviaires* (ARAF) in France
- The IGC retains its role in the safety and security of the Tunnel



Financial results for the 1st half of 2015

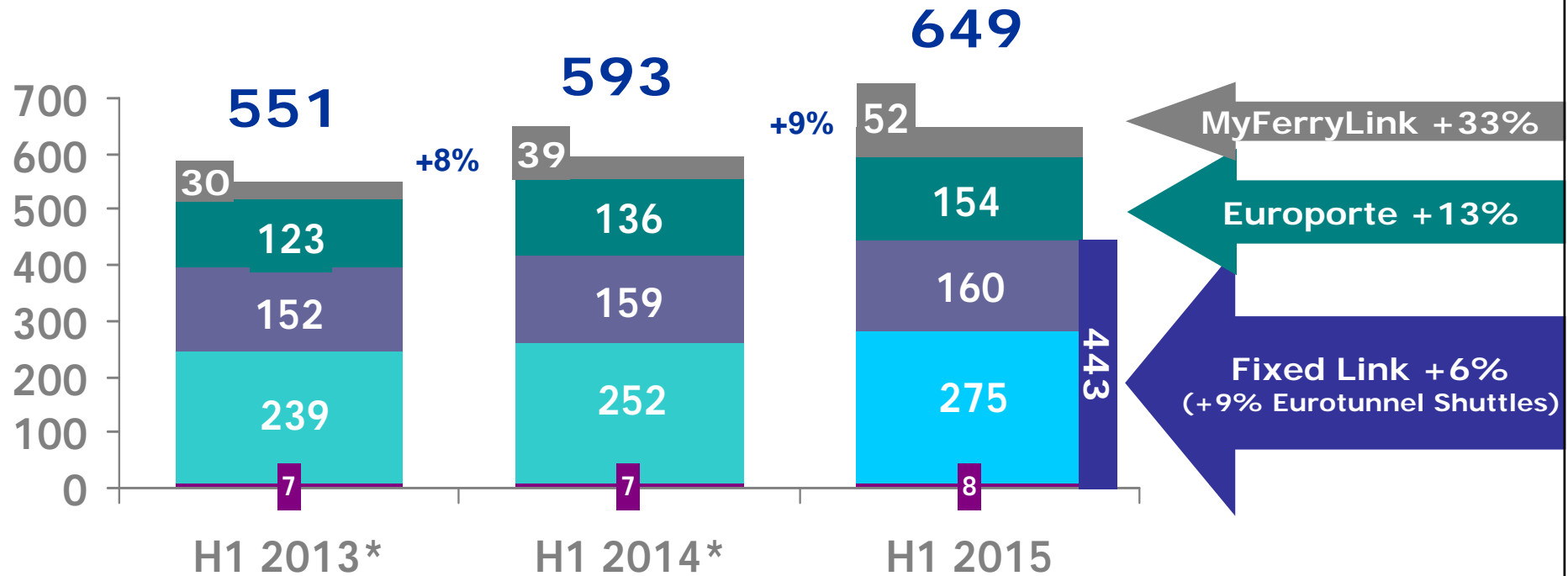
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Group revenue

Strong growth: +€56M in H1 2015

In €M

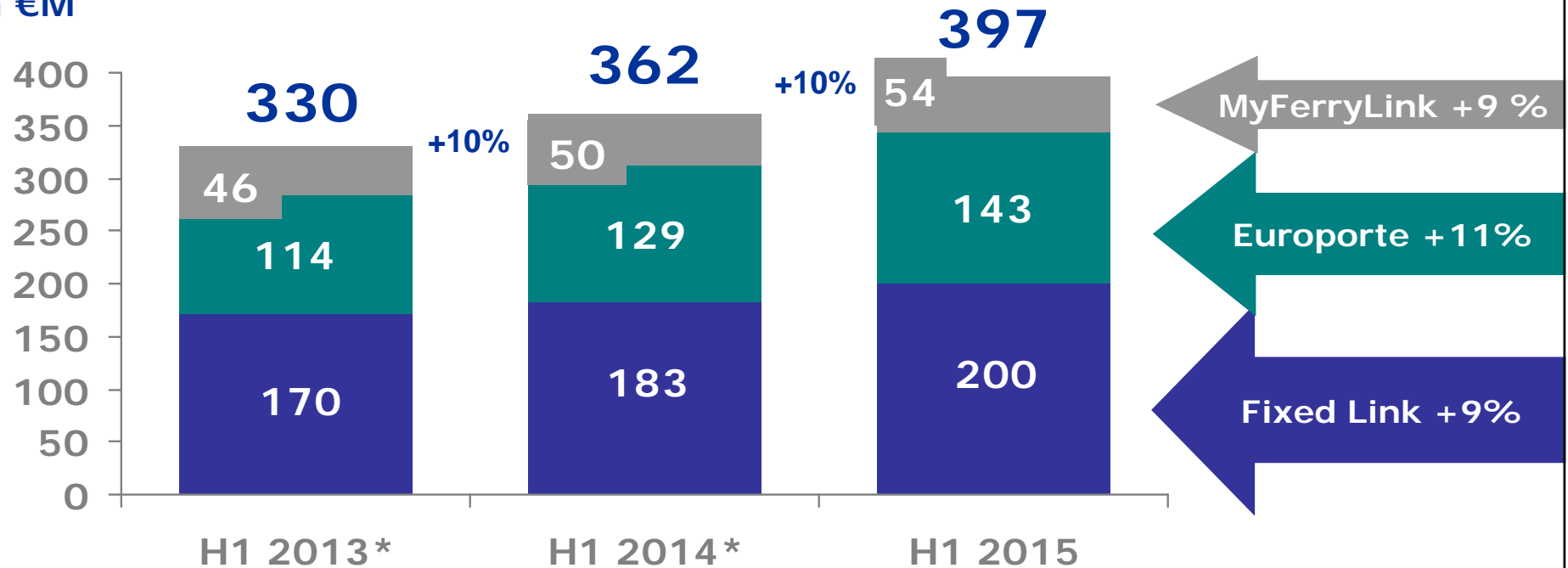


■ Other revenues ■ Eurotunnel Shuttles ■ Railway Network
■ Europorte ■ MyFerryLink

Group operating costs

Activity up

In €M

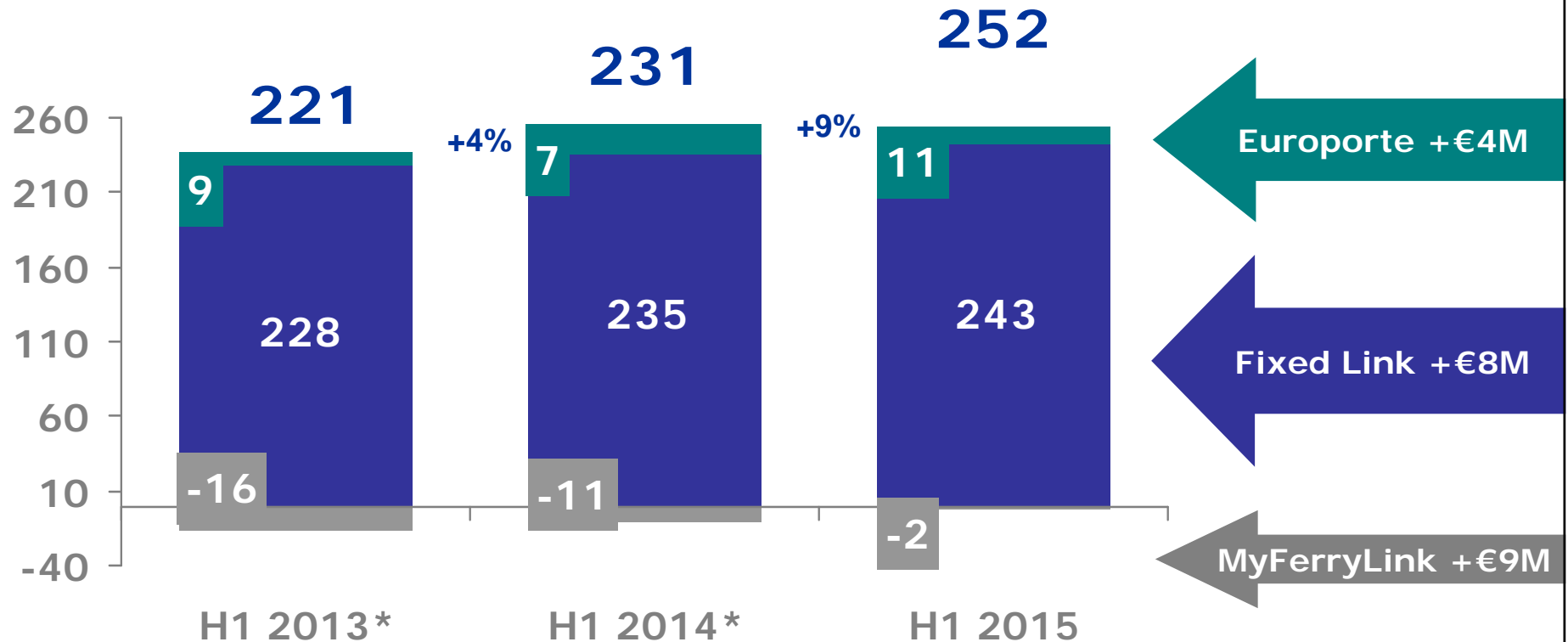


- Increase in activity for all the Group's segments
- Non-recurring items
- Strengthening of the security measures/access control to face up to the migrant pressure in FR and new Exit Checks when leaving the UK
- €9.7M reimbursement filed with the French and British States

Group EBITDA

Operating margin up by €21M

In €M

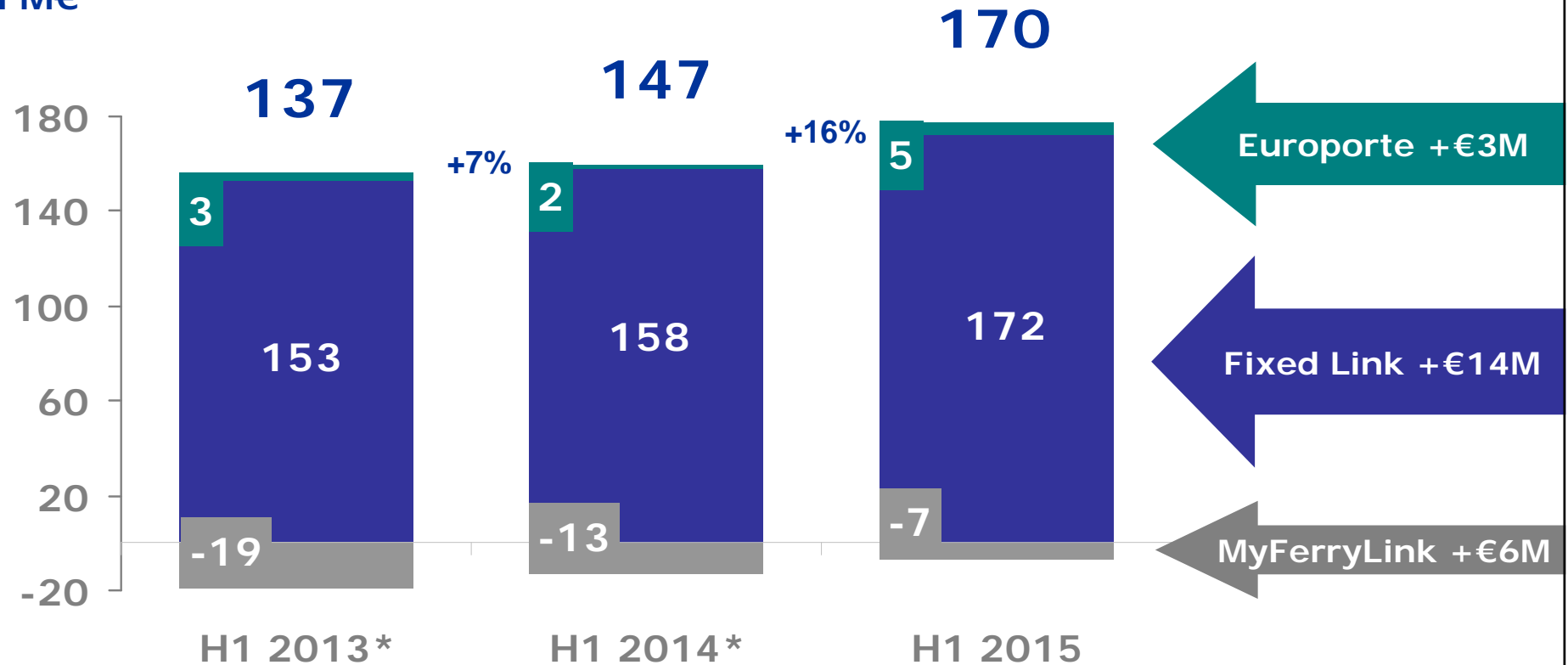


- 6th consecutive year of EBITDA increase for the Fixed Link

Group operating profit (EBIT)

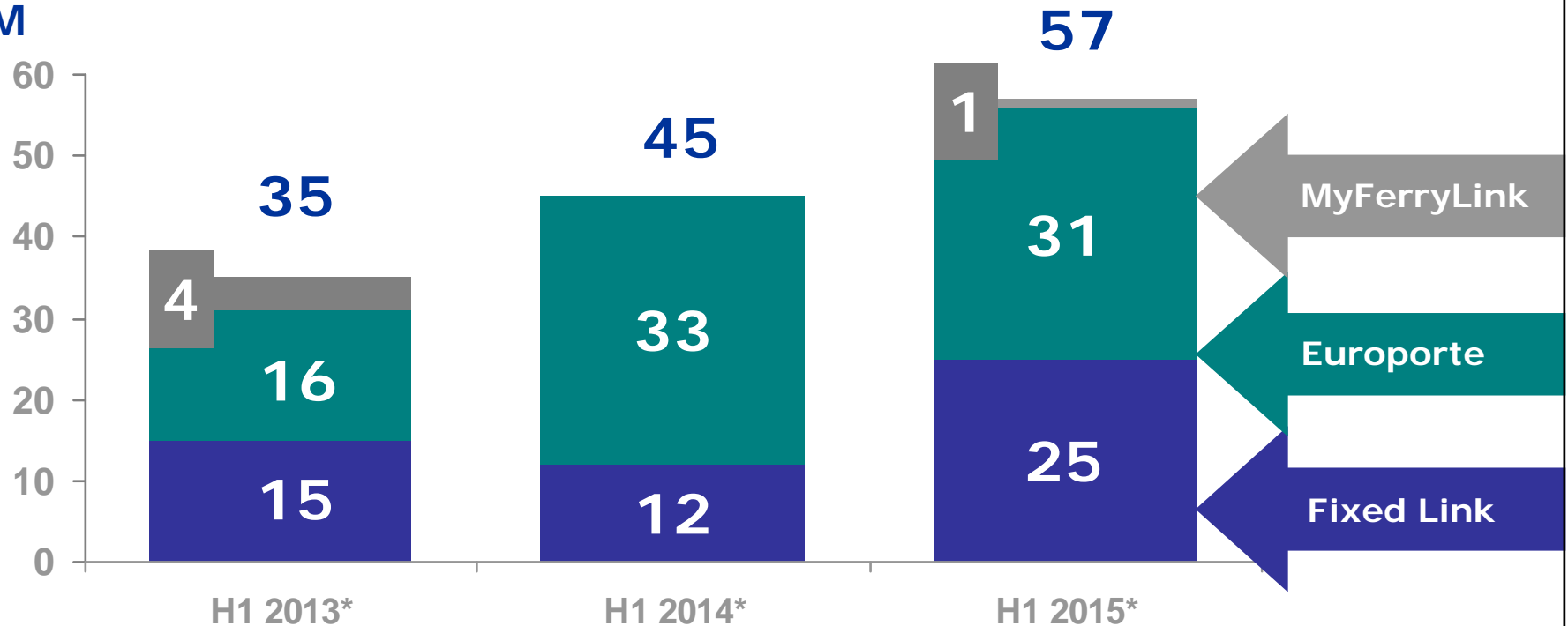
Up by €23M (+16%)

En M€



CAPEX: to support growth in activity and to secure the future

In €M



Fixed Link

- Investments in H1 2015: Terminal 2015, rerailing

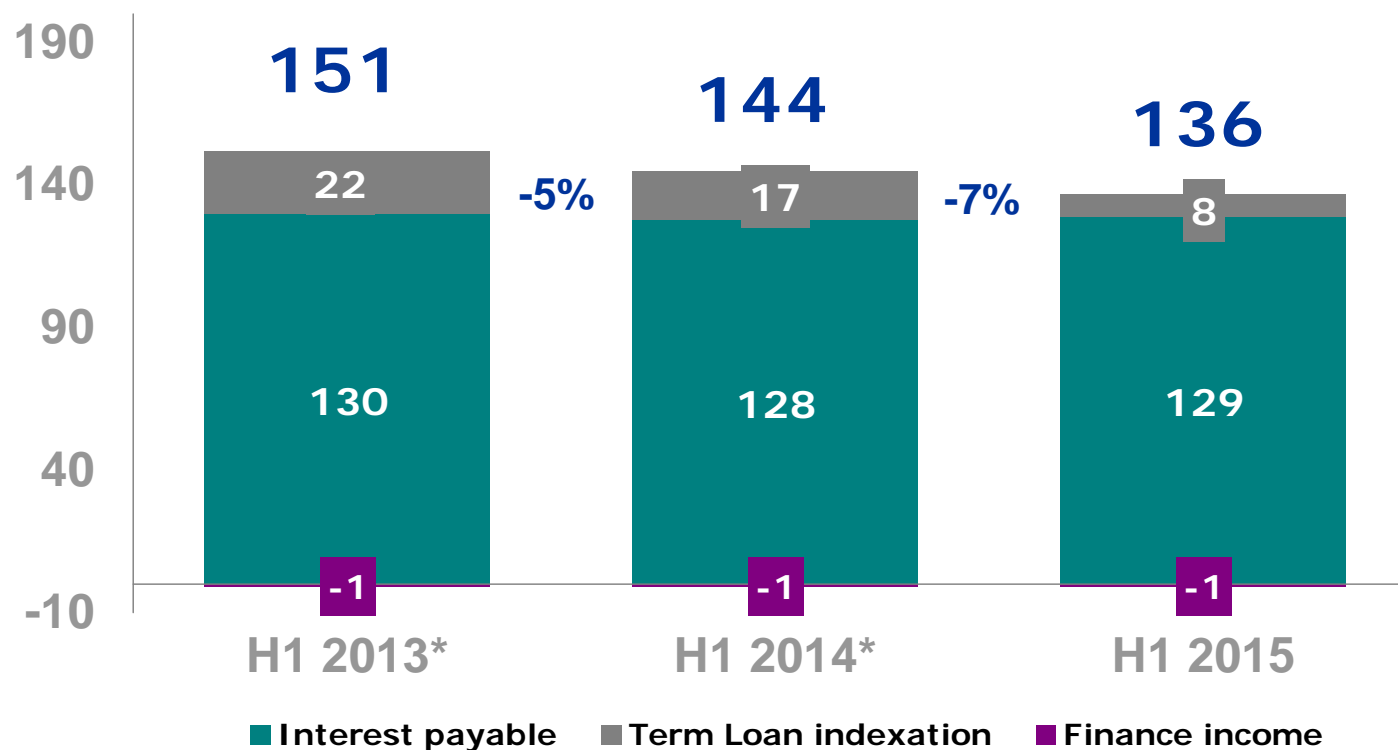
Europorte

- Purchase of new locomotives, to be refinanced later

Net finance costs

Impact of lower inflation

In €M ■ Nominal value of the debt: €4Bn at 30/06/2015**

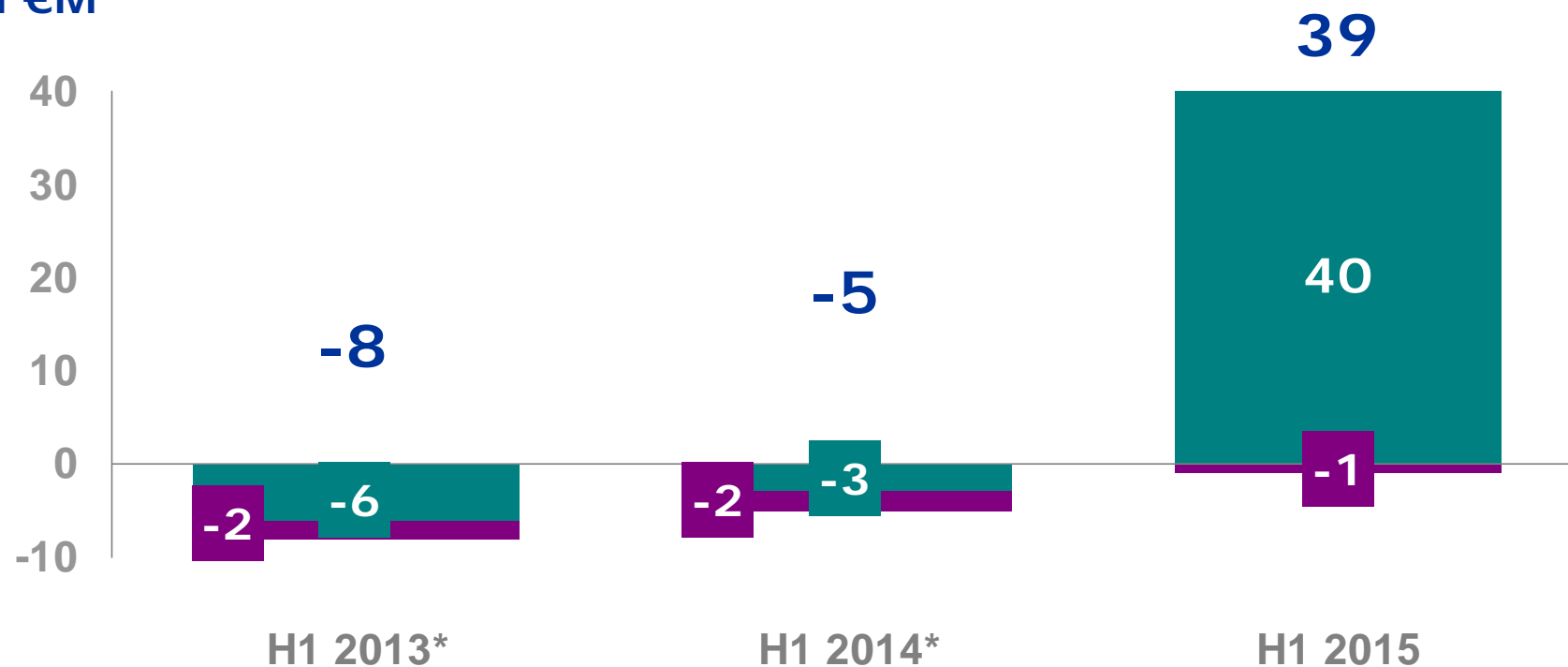


- Debt repayments in H1 2015: €19M**
- Total reduction of the debt since 2008: €283M**

Group net result

Profit up by €44M

In €M



■ Result before tax
■ Income tax expenses

Eurotunnel Group

Summary of H1 2015 results

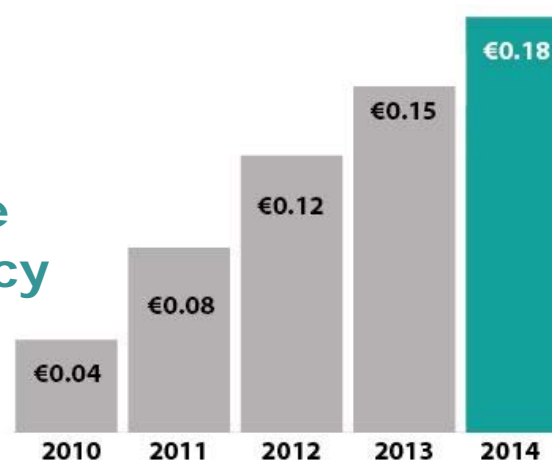
- Strong growth in revenues: +9% at €649M
- Free cash flow: €77M (vs €12M at H1 2014)
- Scheduled repayment of the Term Loan: €18M
- EBITDA at €252M, up by €21M
- Operating profit (EBIT) at €170M, up by €23M
- Result before tax: €40M profit (+€43M vs H1 2014)
- Result after tax: €39M profit (vs €5M loss at H1 2014)
- Confirmation of the financial objective of €535M* consolidated EBITDA for 2015 and €580M for 2016

Treasury

Serving shareholders

- 2014 dividend paid in 2015 = €97M
- Term Loan repayment = €18M
- Net CAPEX = €53M
- Cash position at 30/06/2015 = €389M
(vs €385M at 31/12/2014)

■ A sustainable dividend policy





Developments and outlook

Eurotunnel Group

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Vision 2020 – Fixed Link

A collaborative approach to address challenges

■ 5 factors favourable to Eurotunnel

- Reduction in competition by the CMA to 2 only maritime operators
- Continuation of growth in the Car and Truck markets on the Short Straits
- Implementation of the Marpol environmental protection regulations
- Launch of new high-speed rail services
- Prospect of rail freight growth

■ 4 objectives to be able to accommodate by 2020

- 2 million trucks, vs 1.4M in 2014
- 3 million cars, vs 2.5M
- 5,000 freight trains, vs 2,900
- 13.5 million high-speed train passengers, vs 10.4M

■ 7 themes, 7 working groups

- Customer experience, Optimising Truck Shuttle revenue, Terminals fluidity, Rolling Stock, Infrastructure, Human Resources and Safety

Passenger Shuttles by 2020

Traffic and strategy

- Current car market share > 54.8%
- A fleet of 9 Shuttles
- Continuous increase in Passenger Shuttle traffic in excess of the anticipated market growth
- Almost 100% load factor during peak traffic periods
- Strategy, a mix between:
 - Increase in average yield
 - Development of new products
 - Optimisation of Shuttle traffic outside peak traffic periods

Le Shuttle: customer experience

Priority to quality of service

- Investments and innovations based on their benefit to the customer
- Constant improvement of service
 - Opening of new Pets building in Coquelles in August: larger, more user-friendly and secure
 - New online booking module for Smartphones
 - Ongoing renovation of the Passenger building in Coquelles (World Duty Free, customer lounge, customer information desk...)
 - Giant TV screen (end of 2015)
 - Strengthening of real-time communications with customers with iBoarding
 - New management system for Pets and FlexiPlus traffic under development
 - Electric vehicles: installation of Tesla universal chargers and 8 charging bays for customers at end of June in Coquelles and in the autumn in Folkestone



Truck Shuttles by 2020

Traffic and investments

■ 2015

- Growth in Truck market in H1 2015: +8.2%
- Just a 2.5% increase in traffic each year would lead to a global market of 4.4M trucks in 2020
- Marpol regulations for ferries represent an opportunity to generate more traffic for the Truck Shuttles

■ Hence the need to offer up to 8 departures per hour and in each direction for Truck Shuttles (instead of 6)

■ Hence a €70M investment programme:

- €40M: purchase of 3 new 3rd generation Truck Shuttles, to be delivered between end of 2016 and 2017
- €30M: extension of the UK and FR Terminals

Truck Shuttles

Growth in traffic and Terminal 2015

■ Quality of service further improved

- April: flexible pricing introduced on 10/20 days of peak traffic in 2015
- Reinforcement of security measures and real-time information to customers
- New Shuttle Freight extranet to further improve relations with customers
- Twitter account for truck drivers (autumn)
- Service availability displayed on giant screens (end of 2015)

■ Terminal 2015 FR

April: 2 new lanes at check-in

July: buffer parking area for trucks

September: completion of secure parking area for 370 trucks, then instalment of its equipment by Sanef in the autumn

Jan. 2016: commercial launch of the parking

■ Terminal 2015 UK

Autumn 2015:

5 new access lanes and check-in plaza entirely dedicated to trucks



High-speed passenger trains

A potential of 14M passengers per year

■ New destinations

- **May 2015:** London-Marseille in 6h27 via Lyon (4h30) and Avignon (6h00)
- **June:** renovation of the terminal at Lille Europe station
- **2015/2016:** extension of the terminal at Gare du Nord station in Paris
- **December 2016:** London-Amsterdam



■ New Eurostar trains

- **End of 2015:** new distributed power system e320 Siemens trains (900 passengers) into commercial service
- 17 trains ordered



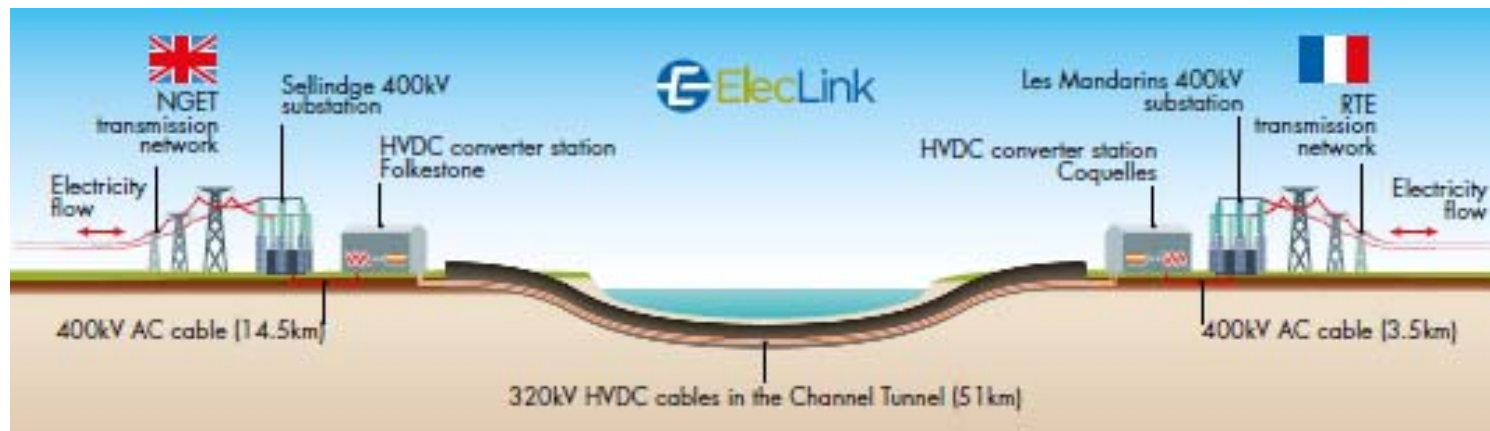
■ Growth in traffic

- Launch of **new routes in Europe in 2016/2017** being considered
- Potential of **+4M passenger traffic per year by 2020** (+1.8M on existing routes, +1.7/2.5M on new routes)
- **Key lever:** reduction in travel time

Optimise assets

ElecLink, an electricity interconnection FR-UK

- Added-value for the Channel Tunnel and development of strategic infrastructure
- Interconnection of electricity networks in Europe
 - ElecLink, joint venture Eurotunnel Group/Star Capital Partners (49/51%)
 - 1,000MW interconnection between the UK and FR
- Regulatory process completed in 2013/2014
- Implementation phase
 - Activity over 25 years and proposal of long-term contracts (20 years)
 - May 2015: nomination of Siemens AG as the preferred bidder in the evaluation process for Lot 1 (overall system design operation and maintenance of the converter stations)
 - 2015: award of building contracts for the 2 converter stations and installation of the cable
 - Operational in 2018



Europaorte: rail freight

A development strategy

- Valorisation of the expertise in infrastructure operations and maintenance to renovate the lines of the feeder networks
- Opportunities in management of private infrastructures
- Diversification of transport activities in Europe
- Development of partnerships in the UK, France and neighbouring European countries
- Project for a semi-trailer terminal in Folkestone directly connected to the rolling motorways (*Arc Atlantique, Alpine...*)



Eurotunnel Group

Sustainable growth

- €649M revenue, €252M EBITDA and €39M profit after tax
- Concessionaire until 2086 of a vital binational link between Great Britain and Europe
- The most environmentally-friendly cross-Channel transport system
- World leader in piggyback transport and major player in rail freight
- An investment programme for the future
- Commercial strategy based on quality of service
- A strong competitive position facing reduced competition in growing markets ensures solid cash flows
- Clear and sustainable dividend policy going forward