Tranche C refinancing

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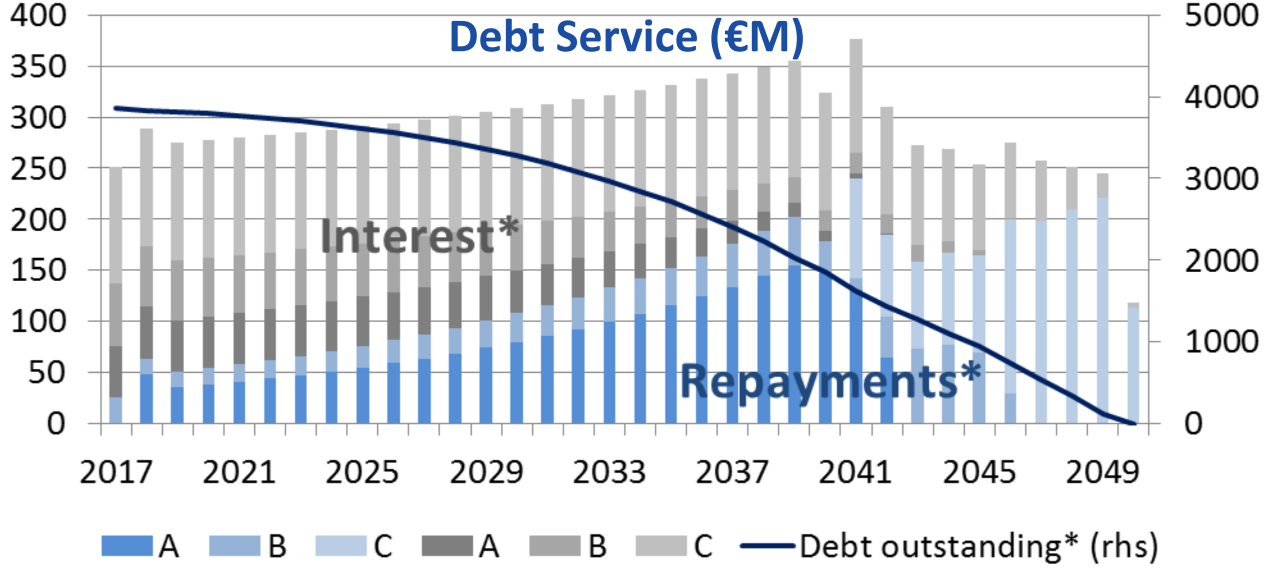
EXISTING DEBT PROFILE



Matches long duration of the Concession

- Long term duration
- Moderate repayments
- Denominated in £/€ to match Group revenue
- Part of debt is inflation linked, matching cash flows of Railways revenue over long term

Tranche	Type	Currency	2016* (M€)	Repayment	Coupon	Incl. Swap	Debt service 2017e (€M*)
A1-3	Inflation	£	1068	2018-2042	3.1%		36
A4-6	Inflation	€	341	2018-2041	3.6%		15
B1	Fixed	£	388	2013-2046	6.3%		36
B2	Fixed	€	565	2013-2041	6.2%		50
C1	Floating	£	403	2046-2050	Libor+3.39%	8.7%	35
C2	Floating	€	940	2041-2050	Euribor+3.39%	8.3%	79
Total Term Loan			**3704**				**251**
Interest rate swap (mtm value)			1309				

* Based on exchange rate of £1= €1.168 and 2% inflation p.a.
Debt Service = interest + repayments

REFINANCING PRESENTATION

- Tranche C will be refinanced by three tranches of fixed rate debt
  - £350M C1 debt refinanced by a new £350M fixed rate C1A debt with the same legal maturity and amortisation profile, but with a 12 years expected maturity
  - €953M C2 debt refinanced by two new fixed rate debt (€953M in aggregate, split to be determined at the closing) with the same legal maturity and amortisation profile, but with 5 years (C2A) and 10 years (C2B) expected maturities
  - The rates will revert to floating at the respective expected maturities (5, 10 and 12 years), until the legal maturity of the loans in 2050 (the new debt will have a legal maturity of 33y, but a step up will incentivise a refinancing and gives the expected maturity of 5, 10 and 12 years)
- The new structure will require the partial unwind of the interest rate swap, which cost (including transaction costs and Dec. 2015 phase 1 costs) will be funded by new debt tranches
  - These costs will be funded by two £ and € denominated fixed rate loans (C1B and C2C respectively) with a 33 year maturity (with the same amortisation profile as the existing C1 and C2 debt)
- Groupe Eurotunnel is comfortable with rating agencies' opinions
- French and British Governments have issued consent confirming the security provided to debt holders
- Final pricing is expected to take place within two weeks, subject to market conditions

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MODELLING THE REFINANCING

	Tranche	Type	Currency	Nominal	Tenor	Coupon	Interests 2017e (€M*)
OLD	C1 C2	Floating Floating	£350M €953M	€409M* €953M	2050 2050	8.7% 8.3%	€35M* €79M
	Total			**€1362M***			**€114M***
	FRN held			-€166M *			-€6M*
NEW	C1A C1B/C2C C2A/C2B	Fixed 12Y Fixed 33Y Fixed 5Y/10Y	£350M £/€ €953M	€409M* c.€xxxM* €953M	2050 2050 2050	? ? ?	= €409M* x ?% = c.€xxxM* x ?% = €953M x ?%
	Total			**c.€2000M***			**€xxM***

- Existing structure:
  - Interest cost is expected at €114M* in 2017. With interests received from FRN held, total net cost would be €108M*
- Expected new structure for the next five years:
  - The amount of the consolidated new tranche C debt is expected to be close to €2 billion.
  - Analysts have to include their own assumptions around the cost of the new notes
    - C1A: £350M 12y fixed rate debt in £
    - C2A and C2B: 5y and 10y fixed rate debt in € with a aggregated value of €953M
    - C1B/C2C: 33y fixed rate bond

* Based on exchange rate of £1= €1.168

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TRANSACTION BENEFITS

- Improved Eurotunnel credit position
  - Significant cost saving expected for at least 5 years (neutral to slightly negative on the P&L due to amortisation of swap termination costs)
  - Significant reduction in the average cost of debt
  - Improved financial ratios and liquidity position
  - Existing swaps will remain in place for the variable bonds post expected maturity. Groupe Eurotunnel remains fully hedged against movements in rates
- Improved liquidity
  - FRN's held reimbursed
  - Part of December 2015 "phase 1" cost refinanced
  - Increased liquidity for ElecLink financing
- Re-opening of bond market for Groupe Eurotunnel
  - The transaction will create a credit curve for Groupe Eurotunnel, with 5, 10, 12 and 33 years maturities
  - Groupe Eurotunnel will become a more regular issuer as new bonds approach their respective expected maturities

* Based on exchange rate of £1= €1.168

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DISCLAIMERS

- This information is a price sensitive information under article 7 of EU regulation 596/2014.
- The issuer of this new debt is Channel Link Enterprises Finance plc (CLEF). The proceeds of any issuance of these notes will ultimately be used by Eurotunnel to refinance the existing sterling and euro tranches of floating rate debt, pay related hedge break costs and associated transaction cost. The tranche C of floating rate debt being refinanced corresponds to the A3 and A4 floating rate notes issued by CLEF.
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