



# 2014 Traffic and Revenue

## 22 January 2015

Jacques Gounon  
Chairman & Chief Executive Officer

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The reference in respect for the environment



# Groupe Eurotunnel

## A major player in European transport

- A 100% privately owned group
- GET SA shares listed on NYSE Euronext Paris and London markets
  - 550m shares
  - Market capitalisation: €6.2bn (at 21 January 2015)
  - Daily volume: €15m (2014 multi places, ex OTC)
  - Main shareholders: GSIP 15.6%, individuals 13.1%
  - 2014 dividend: €0.15/share, €82.5m
- Concessionaire of the cross-Channel Fixed Link until 2086
- Ancillary activities
  - Europorte: rail freight operator
  - MyFerryLink: ferry operator

# Eurotunnel Group

## Strong volume and revenue growth

- **Group revenue at €1207M, up by +7%\***
- **Increase in Fixed Link revenue by +6% at €847M**
  - **Strong revenue growth for the Shuttle service (+7% at €527M) with an acceleration in Q4 (€130M, +11%)**
    - Truck shuttle volumes up 6%
    - Car shuttle volume up 4%
    - Increasing yield
  - **Railway Network revenue at €305M, up 3%**
    - High speed passenger train volumes up 3%
    - +14% increase in number of rail freight trains
- **Europorte revenue at €267M, up 8%**
- **MyFerryLink revenue at €93M, up 25%**

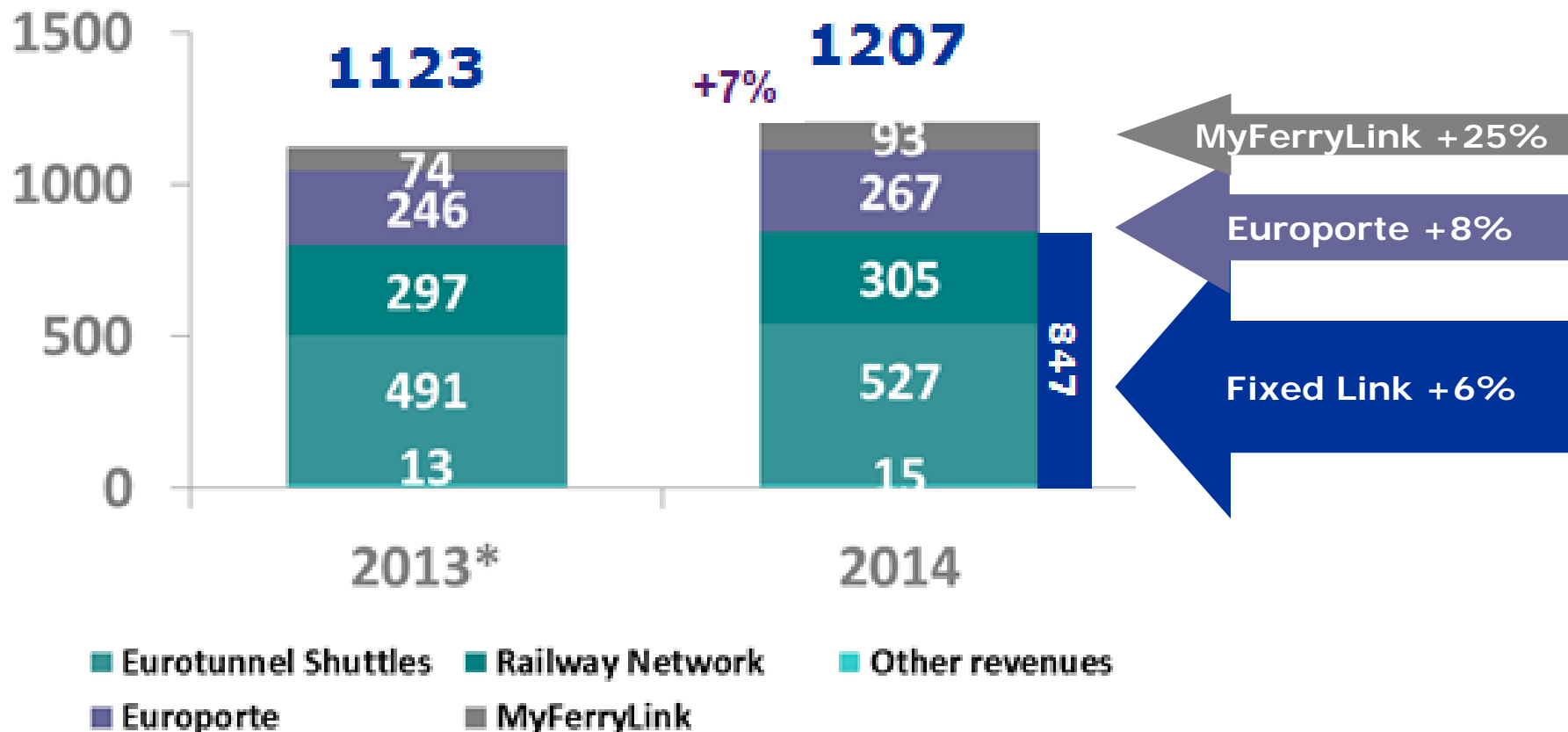
3 \* Unaudited Revenue.

All comparisons with 2013 are made at the average exchange rate for the year 2014: £1=€1.258

# Group revenue

## €1207m, +7%

In €M







## Maritime activity in 2014

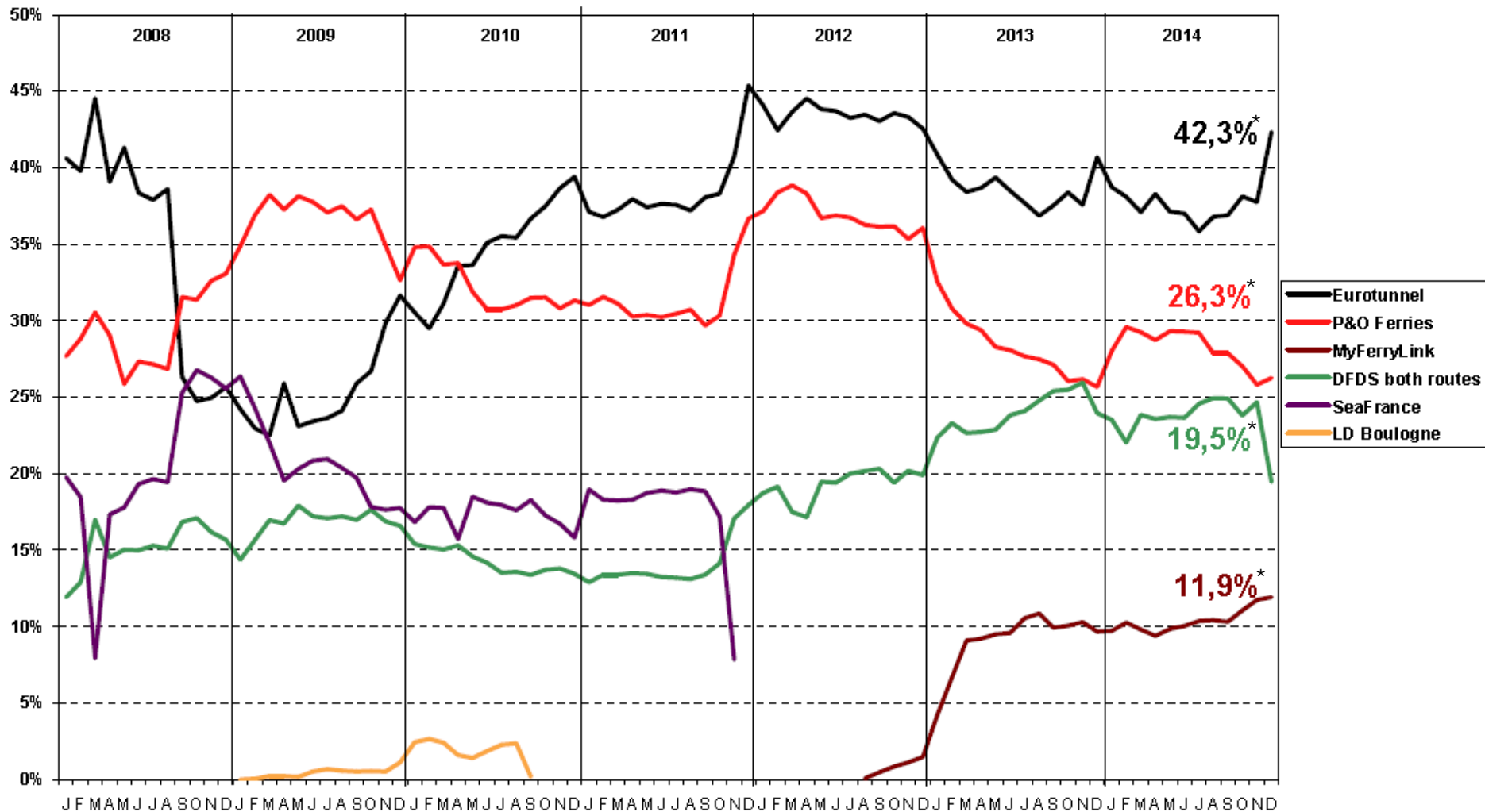
MyFerryLink

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# Market Share

## Short Sea – Accompanied freight



# MyFerryLink

## Market share + yield growth



	Q4 2014	Variance*	2014	Variance*
Trucks	114,415	+26%	399,453	+22%
Cars	64,444	+4%	337,654	+7%
Coaches	265	ns	1,570	+118%
<b>Revenue (€M)</b>	<b>24</b>	<b>+22%</b>	<b>93</b>	<b>+25%</b>

- Improved load factor
- Market share:
  - Freight: 10.4% (+1.2 point vs 2013)
  - Cars: 6.9% (+0.4 point vs 2013)
- CAT confirmed CMA ban: MyFerryLink prohibited from operating in Dover (end of June 2015)
  - Groupe Eurotunnel seeks for a buyer for MFL.



# Rail freight activity in 2014

Europorte

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# Europaorte

## Continuing momentum

	Q4 2014	Variance*	2014	Variance*
Revenue (€M)	72	+5%	267	+8%

- **Strong growth in revenue**
- **Ramp up of activities in the UK with Network Rail**
- **Third operator in France and GB**
- **Commercial successes**



# Fixed Link Concession activity in 2014

Eurotunnel

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# Fixed Link Concession

## A stable regulatory/pricing framework

- Concessionnaire of the cross-Channel Fixed Link until 2086
- Shuttle
  - Freedom to set prices
- Railway Network
  - Charges are set by the Railway Usage Contract until 2052
  - European Commission reasoned opinion closed
    - Grievances on the duration of the RUC and the level of charges dropped
    - Governments to change the status of the IGC before March 2015
  - IGC confirmed that Eurotunnel is justified in recovering its long term costs
- Since 2009, Eurotunnel has been certified by the Carbon Trust Standard for its environmental policy and its efforts to manage and reduce its carbon footprint



# Fixed Link

## Revenue growth

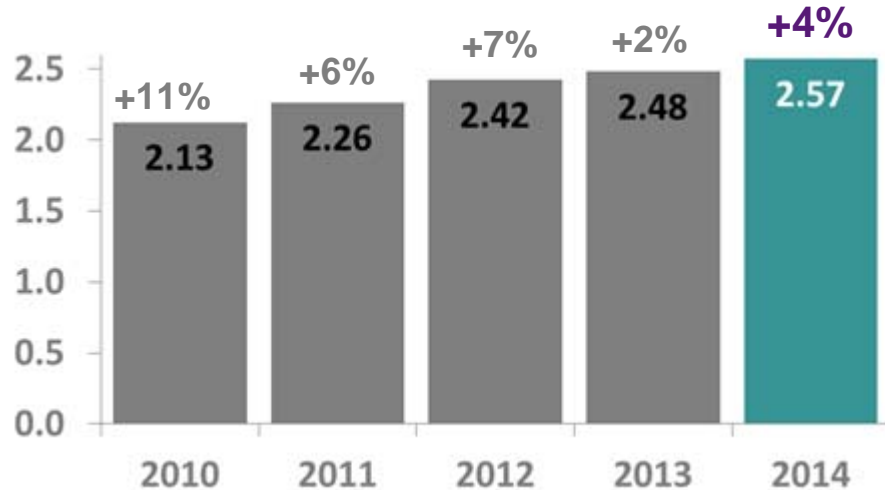
In €M	Q4 2014	Variance*	2014	Variance*
<b>Revenue</b>	<b>209</b>	<b>+8%</b>	<b>847</b>	<b>+6%</b>
o.w. Shuttle	130	+11%	527	+7%
o.w. Railway Network	75	+2%	305	+3%
o.w. Other	4	+24%	15	+14%

- **Strong shuttle revenue : increase in volumes and yield**
- **Railway Network : increase in volumes, low inflation, ETICA scheme**

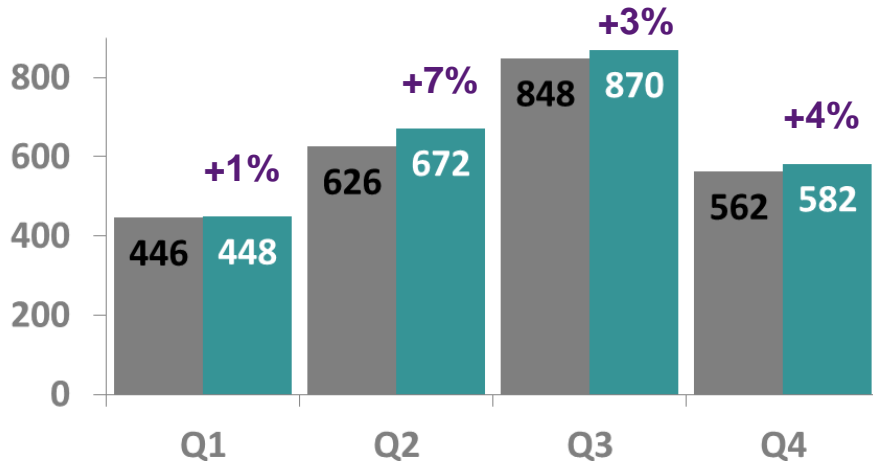
# Passenger Shuttles

## Dynamic yield management

Car volumes (M)



2014 vs 2013



- 2572k cars transported in 2014: +4% vs 2013.
- Slight increase in car market (+1.5%)
- Shuttle market share up 1 point at 51.5% (50.5% in 2013)
- Yield up
- 63k coaches carried, (-2%)
- Shuttle coach market share at 39.5%



# Passenger Shuttles

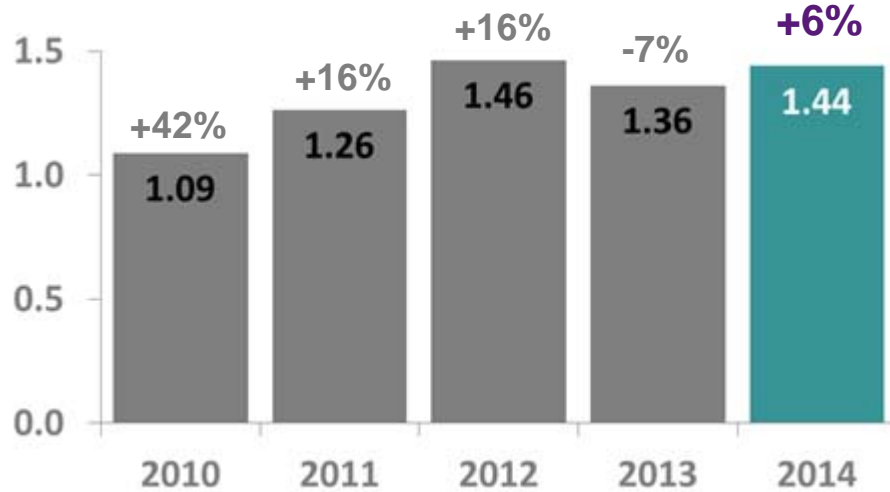
## Traffic and strategy

- Current Car market share: >50%
- A fleet of 9 'Le Shuttle'
- Continuous improvement of service
  - Flexiplus, GSM-P, Pets...
- Continuous increase in Passenger Shuttle traffic
  - Almost 100% load factor during peak period
- Strategy: a mix between
  - Increase in average yield
  - Development of new products
  - Optimisation of Shuttle traffic during peak traffic periods

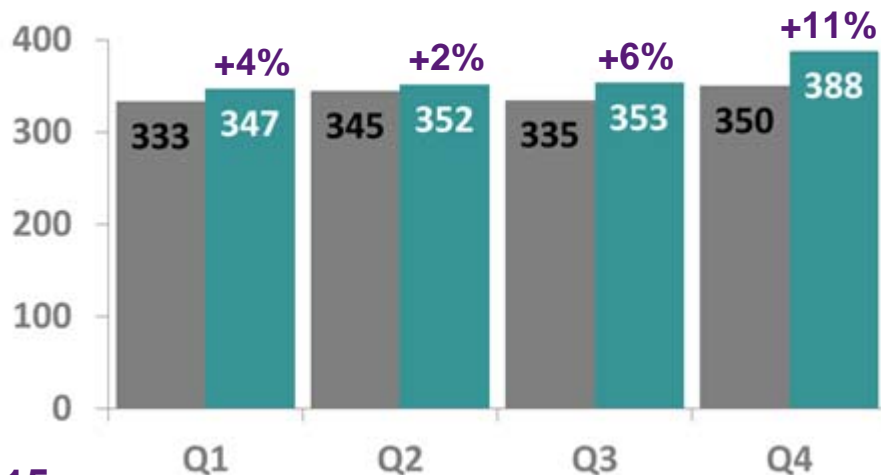
# Truck Shuttles

## Above “pre 2007 crisis” level

Truck volumes (M)



2014 vs 2013



- 1440k trucks transported in 2014, +6% vs 2013
- Strong growth in Truck market: +8% in 2014 at 3.8m. Higher than previous peak (3733k in 2007)
- 3 Truck Shuttles ordered
- 37.8% market share in 2014 (38.6% in 2013)
- Focus on security

# Truck Shuttles by 2020

## Traffic and strategy

### ■ 2014

- Growth due to the British economic recovery
- Growth in Truck market in 2014: +8%

■ From 2015: a 2.5% increase in traffic each year would lead to a global market of 4.4 M trucks in 2020

■ From the 1<sup>st</sup> January 2015, Marpol is an opportunity to generate more traffic for the shuttle

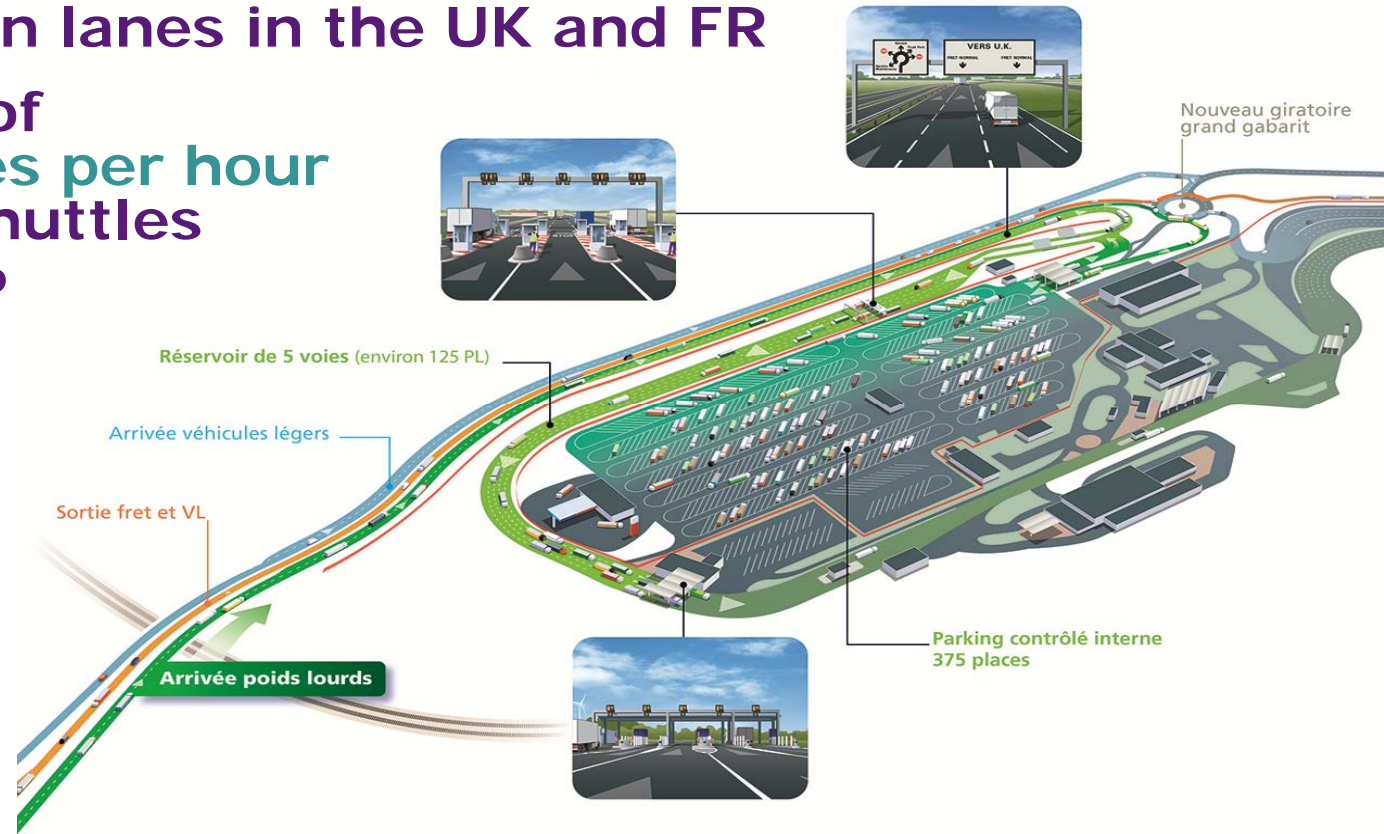
■ Hence the need for an investment programme:

- Terminal 2015: €30M project to extend UK and FR Terminals
- Purchase of 3 new Truck Shuttles for €40M

# Strategy – Fixed Link

## Extension of Terminals for trucks

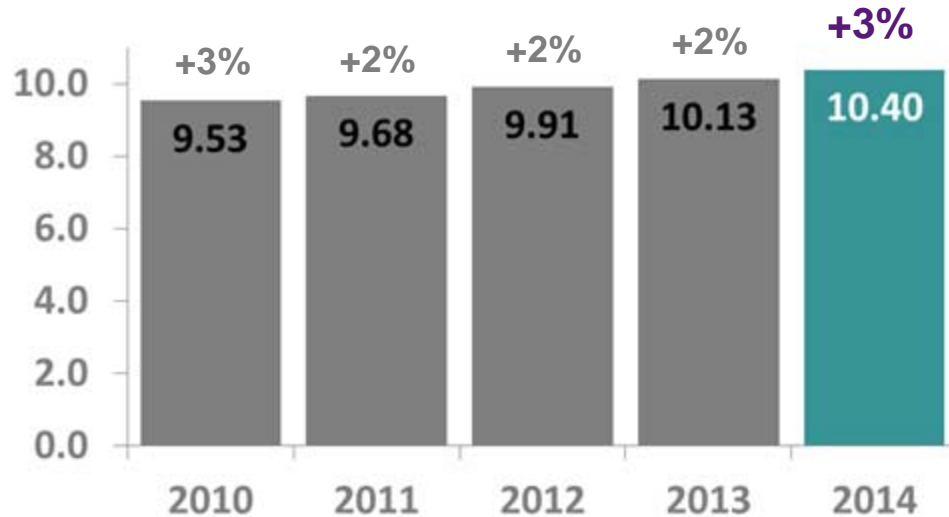
- Terminal 2015 project to support traffic growth and customer satisfaction
  - Construction of an enclosed and secure parking area for 370 trucks in FR
  - Creation of new access roads and check-in lanes in the UK and FR
  - Possibility of 8 departures per hour for Truck Shuttles instead of 6



# High-speed passenger trains

## Continuous momentum

Eurostar passengers\* (M)



- Steady rise in number of Eurostar passengers: +3% in 2014 (Q4: +3.2%)
- Eurostar looking for volumes (summer discount, Q4 discount)
- Access charges as defined by the Railway Usage Contract (RUC) and published in the Eurotunnel Network Statement
- 40% of Eurostar's share capital held by the UK government is up for sale (Treasury)
- May 2015: Direct service to Lyon & Marseille
- Dec. 2015: New rolling stock
- Dec. 2016: Direct service to Amsterdam





# High-speed trains

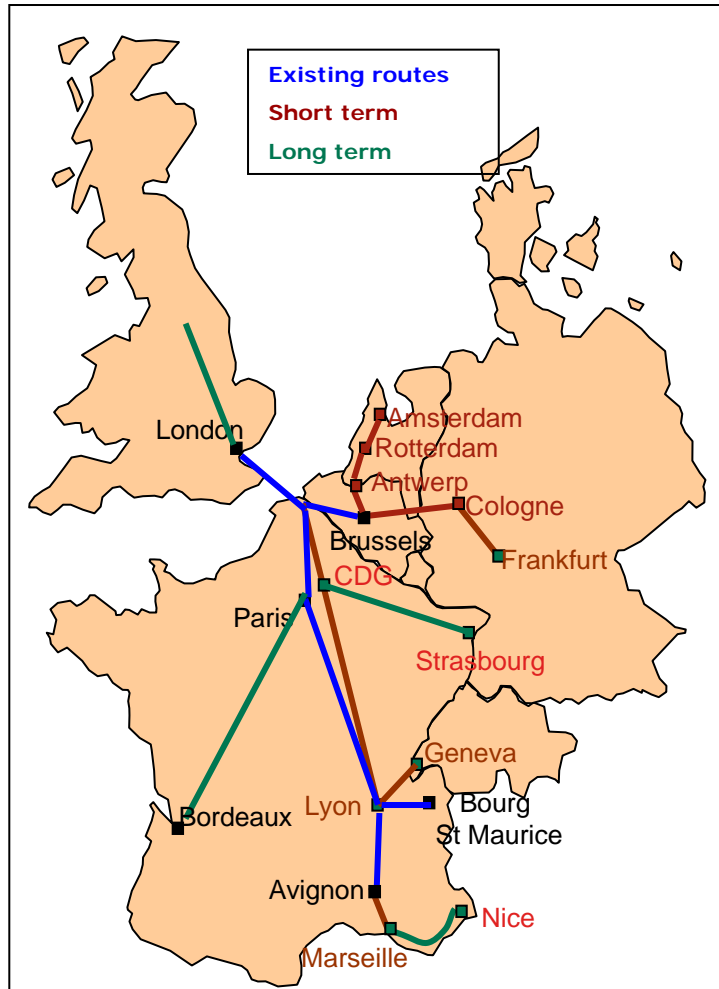
## A potential of +4M passengers

- Channel Tunnel access charges very competitive
- Eurostar
  - Start of service for the distributed power system rolling stock on new Siemens trains in 2015 (900 passengers)
  - New services to Marseille in May 2015 and to Amsterdam from December 2016
- Growth in traffic
  - Opening of new services in Europe
  - Potential for high-speed traffic of 14.2 million passengers p.a. by 2020 (1,8m from existing routes, 1,7/2,5m from new routes, source PWC)
  - Key lever: reduction in travel time



# High-speed trains

## New high speed passenger routes



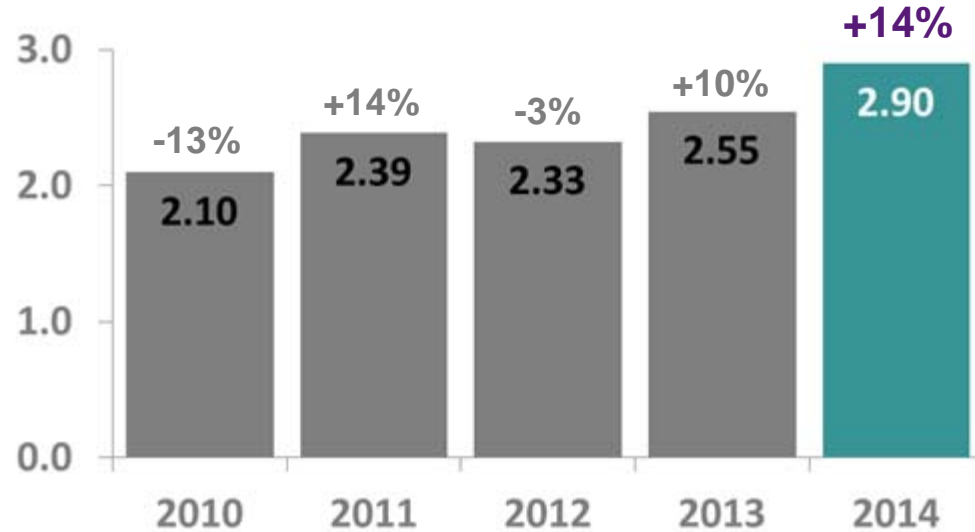
Destination from London	Journey time
Netherlands	< 4 hrs
Germany: - Cologne - Frankfurt	< 4 hrs < 5 hrs
Southern France: - Lyon - Marseille	c. 4 hrs c. 5 hrs
Switzerland: - Geneva	c. 5 hrs

Eurostar confirms new direct services to Lyon/Marseille (2015) and Amsterdam (end 2016)

# Rail freight

## Double digit increase

Number of rail freight trains ('000s)



- 14% increase in number of freight trains in 2014

- New services generated by ETICA (Eurotunnel Incentive for Capacity Additions), a support start-up scheme launched by Eurotunnel in May 2013

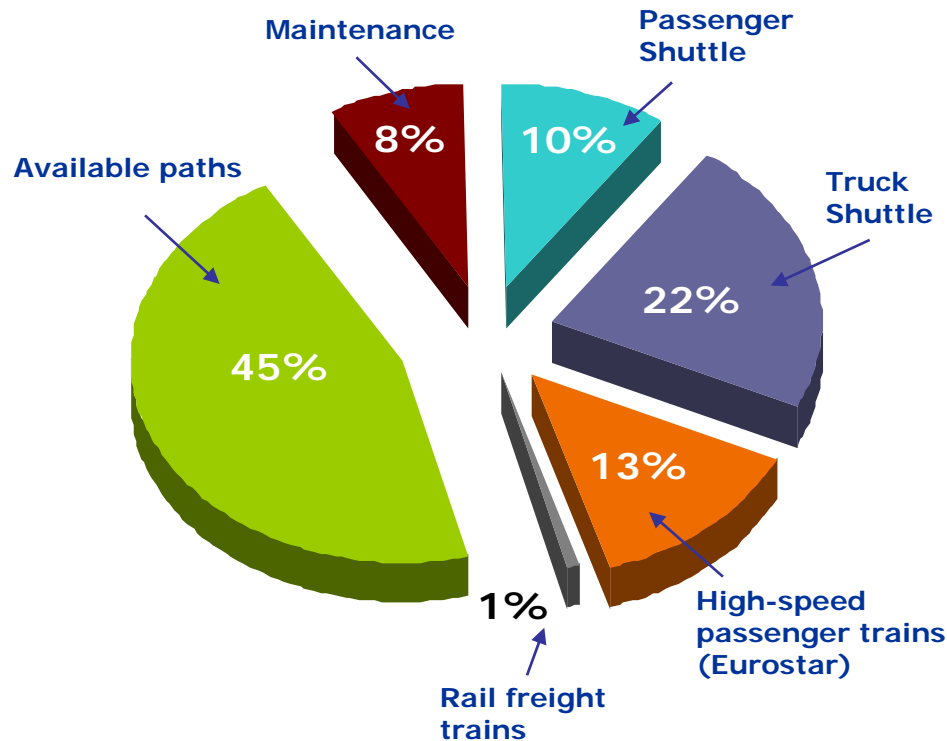
- In H1 2014, ETICA scheme extended to 5 new categories of traffic and to 2018



# Fixed Link: Tunnel capacity

## Plenty of room for growth

### Capacity utilisation per activity in 2013



- Increasing the power of locomotives pulling Shuttles allows for longer trains or reduced transit times
- Eurostar trains ordered have 20% more capacity
- Investment in GSM-R, 1<sup>st</sup> step in improving railway signalling which could allow reduction in distances between trains, increasing Tunnel capacity





# Developments and outlook

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# Eurotunnel Group

## 2014/2015 objectives

- **The Group expects a growth in revenue and EBITDA\***
  - 2014 objective: €460M EBITDA
  - 2015 objective: > €500M EBITDA
- **2015 and beyond: several catalysts favour the Group**
  - Entry into force of the new MARPOL environmental regulations for the ferries: 10 times less sulphur emissions
  - Continuous growth in Truck market
  - 2017: new passenger rail routes (London to Amsterdam, etc)

## Contact investors & analysts:

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