

Tuesday 20 April 2004

TRADING STATEMENT: Q1 2004 REVENUE & TRAFFIC

- * 7% increase in truck carryings with two-point increase in market share
- * Car market share stable at 55% in a contracting market
- * 4% fall in operating revenue

Eurotunnel, operator of the Channel Tunnel, today announced its revenue and traffic for the first quarter of 2004.

Operating Revenue

Despite the strong volume performance from Eurotunnel's truck shuttle business, total shuttle revenues declined by 8% at constant exchange rates compared to the first quarter of 2003. This was mainly due to lower truck yields. Eurotunnel maintained its car market share and achieved higher yields than in the same period last year, but the reduction in the number of vehicles carried also contributed to the decline in revenues.

Railways revenue increased by 2% to £57.5 million. This amount included payments due under the Minimum Usage Charge arrangements.

<i>£ million</i>	Q1 2004 Unaudited*	Q1 2003 Restated*	% change	Q1 2003 reported**
Shuttle services	64.1	69.9	- 8%	71.4
Railways	57.5	56.6	+ 2%	57.5
Transport activities	121.6	126.5	- 4%	128.9
Non-transport activities	4.0	3.6	+ 7%	3.7
Operating revenue	125.6	130.1	- 4%	132.6

* exchange rate £1= € 1.502 (2003 operating revenue has been restated at an exchange rate of £1=€1.502 to permit a direct comparison with 2004)

** exchange rate £1= € 1.450

Eurotunnel Shuttle Services

Truck shuttles

The short straits truck market returned to growth during the first quarter, showing a 2% increase.

Eurotunnel carried 326,003 trucks in the first quarter of 2004, an increase of 7% compared to 2003. Market share for the quarter improved by two-points to 43%. Average yields were substantially lower than in the first quarter of 2003, resulting in lower revenues. The market remains intensely competitive.

Passenger shuttles

The short straits market contracted by 13% during the quarter compared to the first quarter of 2003, during which traffic was supported by day trip price promotions. The short straits market also continues to suffer from competition from low-cost airlines.

Eurotunnel was able to maintain its market share at 55% in a very competitive market place.

The coach market declined by 8%, with Eurotunnel volumes falling by 17% for the quarter compared to the same period in 2003. Market share fell by four points to 38%. Scheduled coach services were significantly reduced due to competition from low-cost airlines.

	Q1 2004	Q1 2003	% change	Market¹
Truck shuttles	326,003 trucks	305,946 trucks	+ 7%	+ 2%
Passenger shuttles	421,070 cars ² 11,867 coaches	483,654 cars ² 14,219 coaches	- 13% - 17%	- 13% - 8%

¹ the reference market is short straits: Folkestone-Dover-Ramsgate/Calais-Zeebrugge-Dunkerque

² including motorcycles, cars, vehicles with trailers, caravans and campervans

Railways (Eurostar & rail freight)

The Channel Tunnel is also used by other rail services not managed by Eurotunnel – Eurostar for high-speed passenger-only services on London/Paris and London/Brussels, and EWS and SNCF for international rail freight services.

Eurostar

Eurostar passengers* travelling through the Channel Tunnel in the first quarter of 2004 increased by 19% compared to the first quarter of 2003, continuing the strong growth achieved since the opening of the first section of the UK high-speed rail link.

Rail freight

The volume of rail freight transported through the Channel Tunnel continues to recover with 468,390 tonnes carried in the first quarter, an increase of 7%.

Revenues from Eurostar and rail freight services through the Channel Tunnel are protected by the Minimum Usage Charge (MUC) paid to Eurotunnel by the Railways. This payment continues until November 2006.

	Q1 2004	Q1 2003	% change
Eurostar	1,606,789 passengers	1,346,502 passengers	+ 19%
Rail freight (SNCF/EWS)	468,390 tonnes	438,870 tonnes	+ 7%

* The passenger number given is for Eurostar passengers who travelled through the Channel Tunnel, and excludes passengers between Paris/Calais and Brussels/Lille.