

Monday 18 April 2005

TRADING STATEMENT: Q1 2005 REVENUE & TRAFFIC

- Increase of 2% in total revenue
- Increase of 6% in Truck Shuttle volume

Eurotunnel, operator of the Channel Tunnel, today announced its revenue and traffic for the first quarter of 2005.

Revenue

The total operating revenue for the period, including revenues from transport and non transport activities, is £130.8 million. This represents an increase of 2% compared to the first quarter of 2004, at constant exchange rates.

Shuttle revenues increased by 7%, at constant exchange rates compared to the first quarter of 2004, in a period of favourable market conditions.

Railway revenues increased 1% to £58.7 million. This includes payments due under the Minimum Usage Charge ("MUC") arrangements amounting to £20.4million in the first quarter.

The revenue from non transport activities remains marginal. The reduction of £1.9 million is due largely to the absence of non recurrent revenues (land sales in first quarter 2004) in the first quarter of 2005.

OPERATING REVENUE £ MILLION	Q1 2005 draft unaudited*	Q1 2004 restated*	% change	Q1 2004 reported **
Shuttle services	70,0	65,4	7%	64,1
Railways	58,7	58,4	1%	57,5
Transport activities	128,7	123,8	4%	121,6
Non-transport activities	2,1	4,0	-48%	4,0
Operating revenue	130,8	127,8	2%	125,6

*exchange rate = £1 = € 1.452

**exchange rate = £1 = € 1.502

Eurotunnel Shuttle Services

Truck Shuttles

Eurotunnel carried 345,570 trucks in the first quarter of 2005, an increase of 6% compared to 2004. The increase in traffic follows the introduction of the new freight strategy at the start of the year. Eurotunnel also benefited from the widespread disruption to ferry services throughout the first quarter due to a combination of severe weather, reduced berthing capacity at the port of Calais, and continuing industrial action by French seafarers. Average yields were higher in 2005 also contributing to the increase in revenue.

Passenger Shuttles

Eurotunnel carried 438,804 cars, an increase of 4% compared to 2004. Eurotunnel has pursued a policy of product differentiation for its Passenger car services and has improved the product mix, increasing short break and long stay activity.

The Passenger car market has been erratic during the first quarter of 2005 due to the uncertainty of ferry services and disruptions at the port of Calais. The ferry companies have engaged in further price wars to gain market share. Despite this Eurotunnel has improved volumes during this time.

Eurotunnel carried 17,629 coaches, an increase of 49%. Coach traffic diverted from the port of Calais due to the uncertainty surrounding the regularity of ferry services.

TRAFFIC		2005 Draft	2004 Actual	%
Truck shuttles	Trucks	345 570	326 003	6%
Passenger shuttles	Cars	438 804	421 070	4%
	Coaches	17 629	11 867	49%

Railways (Eurostar and rail freight)

The Channel Tunnel is also used by 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 traffic grew 5% during the first quarter of 2005, compared to the first quarter of 2004, continuing the 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 in the first quarter of 2005 declined by 11% to 417,103 tonnes compared to the first quarter of 2004.

TRAFFIC		2005	2004	%
Eurostar	Passengers	1 694 560	1 606 789	5%
Rail freight	Tonnes	417 103	468 390	-11%