

Thursday 28 September 2005

EUROTUNNEL DECIDES NOT TO SEEK CONVERSION OF STABILISATION ADVANCES AND NOTES

The Joint Board of Eurotunnel [LSE: ETL], at its meeting on 28 September 2005, decided not to use the option, which is available under the 1998 restructuring agreement, to convert the Stabilisation Advances and Notes into shares before 31 December 2005.

The joint Board considered that, having regard to the current status of the negotiations, it would not be in the Group's best interests to proceed with this conversion in the present circumstances. The Joint Board considered that it is in the Group's interests for these Stabilisation Advances and Notes, which represent approximately 9% of the debt, to be included in the overall debt renegotiations. However, in order to keep all options open within the framework of the negotiations, the Board has mandated its Chairman to propose to creditors an extension to the deadline for conversion.

The Group also indicated that under current operating conditions it would be able to pay the total interest on the Stabilisation Advances and Notes in 2006¹.

¹ Based on the £526 million Stabilisation Advances and Notes that were outstanding on 30 June 2005 and the current Credit Agreements, an additional financial charge of approximately £24 million a year would be incurred by the Group from 1 January 2006 on the basis of current interest rates in the event that the Stabilisation Advances and Notes are not converted into Units