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TRADING UPDATE

Stable Q3 operating revenue during a period of reorganisation marked by:

- Truck Shuttle sales & marketing activity brought back in-house
- Better alignment of capacity to demand in the passenger shuttle service

Operating revenue in the third quarter of 2005 was £140.8 million, an increase of 1% compared with the third quarter in 2004.

£ million	Q3 2005 Unaudited*	Q3 2004 Restated*	2005/2004 % change	Q3 2004 Reported**
Shuttle Services	77.9	77.4	+1%	77.7
Railways	58.7	58.6	0%	58.8
Transport activities	136.6	136.0	0%	136.5
Non-transport activities	4.2	3.6	+14%	3.6
Operating revenue	140.8	139.6	+1%	140.1

* The exchange rate applicable for the year to 30 September 2005 and for the restated year to 30 September 2004 is £1 = €1.467. ** The equivalent 2004 exchange rate was £1 = €1.482.

Shuttle services

Shuttle service revenue (£77.9 million) remains stable (+1%). This reflects the contrasting evolution of the freight and passenger shuttle services.

- Revenue from the freight shuttle business increased significantly in spite of a slight reduction in the volume of trucks carried. The fall in volumes is more than compensated by a rise in average yield. The increased average yield is a direct result of the new freight commercial policy and of Eurotunnel's decision to take back full control of sales and marketing activity for small and medium-sized hauliers. Prior to 16 August 2005, this was contracted to an external party.
- Revenue declined from the passenger shuttle business (cars and coaches), although volumes increased notably in the coach market. Revenue from the passenger business continued to be affected by strong price competition. The reduction in the capacity of the Passenger Shuttle Service took effect from 3 September 2005. By more closely matching capacity with demand, Eurotunnel has chosen to improve operating margin, reducing costs and increasing load factors whilst maintaining the speed ease and frequency of services.

Railways

Railways revenue (£58.7 million), which includes payments of £16.9m under the Minimum Usage Contract (MUC) in the Railway Usage Contract, was stable in the third quarter of 2005. The volume of rail freight tonnage during the quarter was once again down (-23%).

Non-transport activities

Increase in non-transport activities revenue (£4.2 million) relates primarily to the sale of land in Ashford, Kent.

Appendix 1 : Eurotunnel Shuttle traffic

	Q3 2005	Q3 2004	2005/2004 % change
Truck Shuttles	295,230 trucks	302,445 trucks	-2%
Passenger Shuttles	609,357 cars* 19,443 coaches	605,984 cars* 15,650 coaches	+1% +24%

* including motorcycles, cars, cars with trailers, caravans and campervans

Appendix 2: Railways traffic

	Q3 2005	Q3 2004	% change
Eurostar	1,959,271 passengers*	1,997,800 passengers*	-2%
Rail freight (SNCF/EWS)	362,431 tonnes	472,163 tonnes	-23%

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