

20 October 2005

## **EUROTUNNEL PURSUES OPERATIONAL REORGANISATION**

**900 voluntary redundancies split approximately between UK and France**

**Implementation of the company's new business model**

EUROTUNNEL has today (20 October 2005) completed a major phase of its operational reorganisation. Following several months of negotiations, the legal consultation period with staff representatives on the terms of a plan to safeguard employment, has been completed.

A total of 900 employees, split approximately between the UK and France, will have left the company by June 2006. These are exclusively voluntary redundancies; Eurotunnel had committed not to make any compulsory redundancies. This important reduction in staffing reinforces the company's financial position without compromising in any way safety or quality of service, which are the hallmarks of Eurotunnel's operation. At the end of the plan Eurotunnel's headcount will be brought back to 2,300.

This reorganization reflects a new business model which more closely aligns Eurotunnel's transport capacity to fluctuations in demand.

Jacques Gounon, Eurotunnel Chairman and Chief Executive, said:

*"We need a company that is more flexible, more reactive to our markets, and more in tune to the needs of our clients.*

*"It is thanks to this effort that we will be able to maintain and strengthen our position as cross-Channel market leader. The remaining employees whose commitment, motivation and sense of professionalism I salute, are committed to work together to reach these objectives and by so doing will ensure the long term success of this great company."*