

NEWS



Eurotunnel to leave SRD*

Eurotunnel will leave the SRD (Deferred settlement service on Euronext in Paris), on 28 March 2006. This follows the decision recently taken by Euronext, in agreement with the French Market Authorities. The Group is pleased with this decision which is appropriate to the present circumstances and which is in line with a recurring request from a segment of its shareholders.

Regarding the recent erratic movements in the share price, Eurotunnel confirms that it has no knowledge of the causes of this unusual activity and indicates that, at today's date, no specific event inherent to the Group has taken place which could justify them.

Negotiations with the Ad hoc committee continue to follow their normal course, but it is not possible, at this stage, to anticipate their outcome.

Eurotunnel also confirms that the holders of stabilisation notes and advances did not want to take up the option of extending the conversion period, as had been proposed by the Group. This decision reinforces the choice of the Joint Board to treat the debt as a whole during the negotiations. As indicated in the interim accounts, at 30 June 2005, the Group's forecast cash position for 2006 includes the financial charge that results from non conversion.

Under normal operating conditions, the Group will be able to meet its contractual commitments until the start of 2007, the point at which the first repayments of the principal of the debt become due.

The finance agreements (1987), as amended, provides, should an event of default occur, the possibility of a contractual moratorium ("Standstill") which, under certain conditions, enables the Group to renegotiate its debt, whilst continuing its business normally, and which instigates a specific order of payments of the Group's financial charges.

*Deferred settlement service on Euronext in Paris, a system which allows investors to benefit from leveraging and differed payments