

NEWS



2 August 2006

Eurotunnel obtains protection from Paris Commercial Court

On 13 July, Eurotunnel confirmed, following a unanimous decision of its Board, its intention to place the business under judicial protection, within the framework of the "Safeguard procedure" (as defined by French law n° 2005-845 of 26 July 2005). The decision was taken in light of the absence of consensus on financial restructuring and at a time when a "Warning procedure" had been initiated by the French auditors, on 12 February 2006.

In its judgment of 2 August 2006, the Paris Commercial Court has decided to place Eurotunnel and the 17 companies concerned under the Safeguard procedure.

Eurotunnel is pleased by this decision which confirms:

- The legal unicuity of the business operating the Channel Tunnel is recognised;
- The business is not insolvent;
- The operation of the Tunnel and the commercialisation of services will carry on as normal;
- This procedure should help to reach a consensual agreement on restructuring. The creditor committees envisaged by the legislation will be constituted in the coming month.

Eurotunnel, aided by two judicial administrators, will immediately re-engage in negotiations on the basis of its last proposal of 12 July. There is now a convergence of views amongst the principal creditors (Ad Hoc Committee and Deutsche Bank) who consider that this proposal constitutes the basis for pursuing negotiations that will lead to a reconciliation of their positions.

Jacques Gounon, Eurotunnel Chairman and Chief Executive said, *"In a difficult context, the Paris Commercial Court has made a positive decision which will protect the business and the public service which it operates. The Safeguard procedure decided upon today is the final stage of a consensual negotiation. I am convinced that we now have the conditions necessary to achieve a financial restructuring for Eurotunnel within the time allowed"*.