

NEWS



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ADDITIONAL INFORMATION ON THE TERMS OF THE SENIOR FACILITIES

The Safeguard Plan envisages that following the implementation of the Reorganisation, the financial indebtedness of Eurotunnel will be reduced to 4.164 billion euros (excluding the nominal amount of the NRS, which will be treated as quasi-equity), representing a debt reduction of 54% of current indebtedness (which amounted to 9.073 billion euros on 30th September 2006).

Eurotunnel SA and Groupe Eurotunnel SA wish to bring to the attention of the public an update and some additional information on the Senior Facilities described in paragraph 5.3.4 (*Financing of Eurotunnel Group*) of the Registration Document.

The six loan tranches which constitute the Senior Facilities are denominated either in euros or pounds sterling, with different maturity dates and amortisation start dates depending on the basis on which interest is calculated for each tranche, as described below:

- Financial conditions of the Senior Facilities

FOR THE TRANCHES DENOMINATED IN POUNDS STERLING

- A tranche A1 loan amounting to 750 million pounds sterling, bearing interest at a fixed rate linked to the UK All Items Retail Price Index inflation index as published by the United Kingdom Office for National Statistics ;
- A tranche B1 loan amounting to 400 million pounds sterling, bearing interest at a fixed rate ;
- A tranche C1 loan, amounting to 350 millions pounds sterling, bearing interest at a floating rate, which will be entirely hedged by a fixed / floating interest rate swap.

Eurotunnel Finance Limited has already purchased interest rate swaptions providing protection against an increase in interest rates: the maximum rate payable by Eurotunnel Finance Limited at the time of drawdown of the loan guaranteed by these swaptions is around 6.6% to 6.7% per annum after taking into account the credit margin.

The equivalent fixed rate at the time of drawdown of the loan will depend upon the prevailing rates and the expected inflation at the time the hedge is finalised

FOR THE TRANCHES DENOMINATED IN EUROS

- A tranche A2 loan amounting to 367 million euros, bearing interest at a fixed rate linked to the *indice des prix à la consommation hors tabac* inflation index as published by l'Institut National de la Statistique et des Etudes Economiques ;
- A tranche B2 loan amounting to 645 million euros, bearing interest at a fixed rate ;
- A tranche C2 loan, amounting to 953 millions euros, bearing interest at a floating rate, which will be entirely hedged by a fixed / floating interest rate swap.

France Manche SA has already purchased interest rate swaptions providing protection against an increase in interest rates: the maximum rate payable by France Manche S.A. at the time of drawdown of the loan guaranteed by these swaptions is around 6.4% to 6.5% per annum after taking into account the credit margin.

The equivalent fixed rate at the time of drawdown of the loan will depend upon the prevailing rates and the expected inflation at the time the hedge is finalised

- **Repayment of the Senior Facilities**

The funds borrowed under the Senior Facilities will be repayable in accordance with their respective amortisation schedules, of which the main characteristics reflect the discussions with the rating agencies, and are currently as follows:

FOR THE TRANCHES DENOMINATED IN POUNDS STERLING

- Repayment of the A1 tranche will begin on 20th June 2018 to end on 20th June 2042. Repayments will fall six monthly on 20th June and 20th December. The A1 tranche has a loan weighted average life of between 25 and 26 years ;
- Repayment of the B1 tranche will begin on 20th June 2013 to end on 20th June 2046. Repayments will fall six monthly on 20th June and 20th December. The B1 tranche has a loan weighted average life of between 29 and 30 years ;
- Repayment of the C1 tranche will begin on 20th June 2046 to end on 20th June 2050. Repayments will fall six monthly on 20th June and 20th December. The C1 tranche has a loan weighted average life and of between 41 and 42 years.

The repayment profile of the aggregate principal payments due in respect of the 3 tranches denominated in pounds sterling (before taking into account inflation on Tranche A1) is close to a constant annuity.

FOR THE TRANCHES DENOMINATED IN EUROS

- Repayment of the A2 tranche will begin on 20th June 2018 to end on 20th June 2041. Repayments will fall six monthly on 20th June and 20th December. The A2 tranche has a loan weighted average life of between 24 and 25 years ;
- Repayment of the B2 tranche will begin on 20th June 2013 to end on 20th June 2041. Repayments will fall six monthly on 20th June and 20th December. The B2 tranche has a loan weighted average life of between 22 and 23 years ;
- Repayment of the C2 tranche will begin on 20th June 2041 to end on 20th June 2050. Repayments will fall six monthly on 20th June and 20th December. The C2 tranche has a loan weighted average life and of between 39 and 40 years.

The repayment profile of the aggregate principal payments due in respect of the 3 tranches denominated in euros (before taking into account inflation on Tranche A2) is close to a constant annuity.