

# Eurotunnel on Track

April 2012



Letter to Groupe Eurotunnel SA  
shareholders



Dear Shareholders,

First of all, I would like to thank you for your loyalty and for what you represent: with its **316,000 shareholders**, Groupe Eurotunnel is one of the private companies listed both in London and Paris which brings together the most individual shareholders. Furthermore, during the recent **exercise of the remaining Warrants**, many of you have increased your interest, with an average holding of 3,176 shares. Loyalty translates into very stable holdings as well as their geographical split (see overleaf).

The Board is proud to represent both individual shareholders, including many foundation shareholders, and large long-term investors (infrastructure, state, pension and insurance funds...), all mindful of the development and strengthening of the Company.

The combined General Meeting on 26<sup>th</sup> April in Coquelles must be an opportunity to show this cohesion and this common will. Having approved the positive 2011 results, I am sure you will be keen to **approve the doubling of the dividend**, the first step in a lasting strengthened distribution policy. This dividend represents about a third of the cash-flow generated in 2011.

We are working to ensure that Eurotunnel is perceived as a **green investment yielding returns**.

**A green investment** as sustainable development is in the very make-up of the Channel Tunnel and rail freight is in keeping with this logic.

**Yielding returns** because it seems to us possible **not only to continue** this dividend distribution policy **but also to strengthen** it so that, in time, it may represent **a more important proportion** of the cash-flow generated (€132 million this year). More value could be created if we are able to speed up the use of our tax losses, which could represent between €1 and €2 per share depending on the scenarios.

Another way to give you back value is in **keeping the ability to buy-back shares**: that is the purpose of the 5<sup>th</sup> resolution proposed to you. This is complemented by the 13<sup>th</sup> resolution which enables us to cancel the shares so purchased. It is important to remember that since 2007, the accretion for shareholders comes to 8.5%.

**The other resolutions** relate to the ratification and reappointment of a number of Board members. Please go to our website where you will find video-clips of the two recently appointed directors – Mrs Colette Lewiner and Lord Levene of Portsoken – introducing themselves and what has led them to join us. I would ask you, by a mass vote, to express your satisfaction with the work carried out by the Board.

As I write, I am very pleased to note that international proxy voting agencies recommend a vote in favour of all the resolutions presented to you.

Recent news are the traffic figures for **the first quarter of 2012** that have just been published. They are excellent. Europorte, and in particular its subsidiary GBRf, continues to consolidate its position as 3<sup>rd</sup> Franco British private rail operator, with a promising outlook (Carex, Belgium...).

The efficiency and competitiveness of our Shuttle system no longer needs proving in the market for crossings between Britain and the Continent in the Channel and the North Sea, where two mighty operators P&O and DFDS are active (with LD Lines being *de facto* merged into DFDS from 1<sup>st</sup> July).

With a **growth** of 7% for le Shuttle and 21% for trucks, we are reaching records, precisely when our competitors are benefiting from the disappearance of SeaFrance (much more so than us incidentally).

The essential point, as I had predicted, is that **the average price of a crossing is increasing** regardless of the operator concerned, in particular for ferries because of the fuel surcharge they ask for: €17 per crossing this month. Consequently, the price differential with our Shuttles lessens, compared to the advantages that the Tunnel represents (reliability, flexibility and speed).

We still have room for improvement, directly or indirectly, by enabling new traffic from a company that would operate the SeaFrance ships should we be selected to acquire them. The decision is in the hands of the Paris Commercial Court.

In the meantime, we will continue to rally round to better serve our ever increasing customers.

Thank you once again for your support which will come through your vote at the general meeting.

Yours faithfully,

A handwritten signature in black ink, appearing to be "J. Gounon". The signature is fluid and stylized, with a long horizontal stroke at the end.

Jacques Gounon,  
Chairman and Chief Executive



# Focus on the results for the first quarter of 2012

Total revenue for Groupe Eurotunnel for the first quarter of 2012 is €222.5 million, namely an increase of 21% compared to the first quarter of 2011\*.

## Channel Tunnel Fixed Link Concession:

**Eurotunnel Shuttles:** sustained revenue grown (+21%);

- Increase in Truck Shuttle traffic (+21%) when road haulage firms remain affected by the economic crisis;
- Increase in car traffic (+7%) confirming our leadership of a market which has contracted by c.4.5% as at end of February 2012;
- Increase in coach traffic (+11%).

**Eurostar:** continued growth in traffic (+4%).

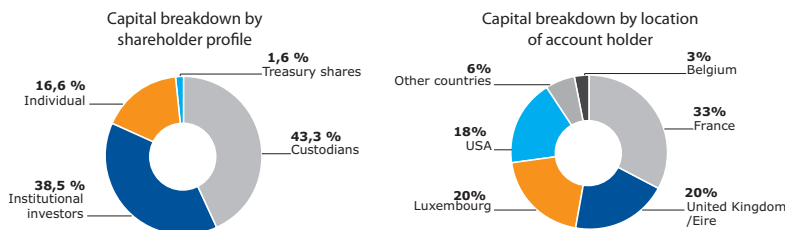
**Europorte:** significant increase in revenues (38%).

For more information, please read the announcement published on 18 April 2012 available on our website [www.eurotunnelgroup.com](http://www.eurotunnelgroup.com).

\*All comparisons with 2011 are done using the exchange rate of the first quarter of 2012 £1 = €1.199.

## Groupe Eurotunnel SA shareholder structure

- 316 000 shareholders
- Average holding : 3,176 shares



Based on a bearer holder identification analysis (TPI) conducted at the start of 2012, covering holders of 1,000 or more shares, on the registers of BNP Paribas Securities Services and Computershare, and an estimate of the TPI between 100 and 1,000 shares.



The ideal transport conditions onboard the Shuttles for horses, in particular the fact that the stable-lad can accompany the horse and the latter has all the space needed for its well-being, are a major asset for Eurotunnel which recently partnered with four companies that specialise in the transport of horses. The French Equestrian Team has now chosen Eurotunnel to transport its ten horses to the forthcoming London Olympic Games.

## 2012 General Meeting:

- ✓ Approval of the statutory and consolidated accounts for 2011: a profit of €11 million in a difficult context;
- ✓ A dividend doubled;
- ✓ An exemplary board of directors:
  - **Diversity:** the appointment of Colette Lewiner means the board of directors now comprises over 27% of women;
  - **International make up:** strengthened with 36% of directors not being of French nationality;
  - **Independence:** based on the independence criteria of the AFEP/MEDEF corporate governance code, Colette Lewiner, Peter Levene and Colette Neuville, namely three out of the five directors being presented for re-election are considered independent. There are therefore **seven independent directors out of a eleven (being 63% of directors in office)**;
  - **A balanced board:** the directors bring to the Group complementary experience and skills in the fields of industry, management, finance and science.

## Please note two important dates to take part in the general meeting

**> Tuesday 24 april 2012 before midday (French time) :**

Deadline for receipt of the voting forms by BNP Paribas Securities Services.

**> Thursday 26 avril 2012 at 10 a.m. (French time) :**

General Meeting of Groupe Eurotunnel SA in Coquelles. Registration will start at 9.15 a.m. (French time).

More details can be found in the Notice of Meeting available on our dedicated general meeting page on our website: [www.eurotunnelgroup.com](http://www.eurotunnelgroup.com)

## For the attention of CDI holders

Holders of Crest Depository Interests (CDIs) via Computershare Investor Services have the option to receive information relating to the Group electronically, including information relating to general meetings. If you are a CDI holder and have not yet opted to do so, please register at [www.investorcentre.co.uk/ecomms](http://www.investorcentre.co.uk/ecomms).

You can also register to vote electronically on resolutions presented at the general meeting. These initiatives reduce costs and protect the environment, priorities for Groupe Eurotunnel SA.

**The deadline for receipt of the CDI voting forms is Friday 20 April 2012 by 10 a.m.**

## Subscribe to our email alert service to continue to receive On Track!

To further help our economy drive and to protect the environment, On Track is now only sent electronically to shareholders who subscribe to our email alert service. It remains available on the Group's website. If you have not yet registered to receive email alerts, please do so without delay so as to continue to receive all information regarding the business of Groupe Eurotunnel.