

Eurotunnel on Track

November 2012



Letter to Groupe Eurotunnel SA shareholders



Dear Shareholders,

The French Competition Authority, an independent body, has given its ruling regarding the acquisition by our Group of certain assets that were previously owned by SeaFrance.

The Authority's role is to check that the transaction is not likely to give rise to competition issues.

The Authority has confirmed that it is indeed the case for passenger traffic.

Insofar as truck traffic is concerned, the Authority considered that certain hauliers may look to purchase linked crossings using shuttles and ferries, which may ultimately weaken our competitors.

We argued that with 37% and 20% shares of the market respectively, P&O and DFDS are in our view protected from such a risk, all the more so as they operate on more than one route.

To reassure the Authority, we have undertaken to continue to operate with distinct commercial teams who negotiate autonomously. We are certain such undertakings were unnecessary but they enabled us to put an end to this matter. Furthermore, it is not an issue for us for two simple reasons: on the one hand, the Tunnel and MyFerryLink do not have the same service offering and, on the other, **we count on the respective sales teams emulating each other so that they do their best to the advantage of customers.**

At the same time as the French Competition Authority gave its favourable ruling, the matter was referred to the British Competition Commission. One cannot help but wonder whether our competitors were not doing their utmost to avoid a new maritime operator challenging them on the cross-Channel market.

Besides the fact the said commission is considering this matter six months after the decision of the Paris Commercial Court, which goes back to 11 June this year, we are challenging the allegation that we took over a business (by implication an operating business). Indeed, SeaFrance ceased trading a year ago, in November 2011 and we only purchased assets. As you know, the ships operated by the SCOP, which is independent from Eurotunnel, only started sailing on 20 August 2012. In terms of market share, MyFerryLink started from scratch.

I would say however that this new episode, which we will manage in accordance with applicable laws and our rights, **validates our strategy** which is to bring competition to the ferry sector.

Back to **railway** matters, you will find overleaf the excellent traffic and revenue figures for the third quarter. **In aggregate for the first nine months**, they bode well:

- **Europorte revenue improved by 32% and reached the critical mass** required for this type of business. We have in addition continued to develop French port rail infrastructure management having secured 100% of the seven tenders

available, thanks to our know-how.

- **For the cross-Channel Fixed Link**, revenues grew by 10%, the excellent performance of the Shuttles (+17%) being partly compensated by a poorer Eurostar performance, for whom traffic only increased by 2%; for the Shuttles, almost 1.1 million trucks and over 1.9 million cars and coaches were transported.

And above all, on 18 October we carried our **300 millionth person through the Tunnel since opening.**

You will find overleaf an example of our incredible know-how as demonstrated by the works carried out in the Tunnel at the end of September.

Beyond the satisfaction of managing reliably 20 million passengers every year, let's take this opportunity to **pay tribute to the constructors of the Tunnel and our historical shareholders** whose combined efforts resulted in this exceptional work becoming reality.

We must mention the two States which, through the Railway Usage Contract (the RUC) signed in July 1987 with SNCF and the British Railway Board, gave Eurotunnel some visibility going forward. **On the 25th anniversary of the signature, we salute this fundamental document for the Channel Tunnel.**

This agreement, which all signatories must abide by until 2052, takes into account the cost of construction (entirely borne by private finance) as well as that of operating the Tunnel, the situation of the transport market and the optimal use of the capacity of the infrastructure based on traffic forecasts given by the Governments and the public railways.

Today, it gives a competitive tariff framework (Eurostar is very much profitable), that is transparent and non discriminatory for any new entrants, as provided by chapter II of European Directive 2001/14/EC.

Last but not least, I am pleased to report that Groupe Eurotunnel and its insurers have formally agreed a final settlement in respect of the fire of 2008. The total amount is close to €253m, and is in line with our expectations.

"Good things come to those who wait", they say.

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 Officer

Focus on revenues and traffic for the third quarter of 2012

In a difficult and highly competitive economic context, the total revenue figure for the third quarter of 2012 is up by 13% to €275 million compared to the third quarter of 2011¹.

Revenues In CM



Cross-Channel Fixed Link

- Shuttle services revenue increased by 16% to €142.1 million.
- Increase of 17% for Truck Shuttle traffic (363,028 trucks), 10% in car traffic (820,484 cars) and a decrease of 1% Eurostar passenger numbers (2,596,005 passengers).

Europorte

- Strong growth in revenue (+24%) to €51.2 million.

Since the last edition of Eurotunnel On Track, GB Railfreight – Europorte's British subsidiary - has been awarded the Logistics Provider of the Year trophy at the 2012 McCloskey Coal Conference.

For more information on the Group's traffic and revenue over the first nine months of 2012, please see the "Traffic and revenue" announcement of 23 October 2012.

¹ Revenue figures are calculated at the average exchange rate for the first nine months of 2012: £1= €1.232.

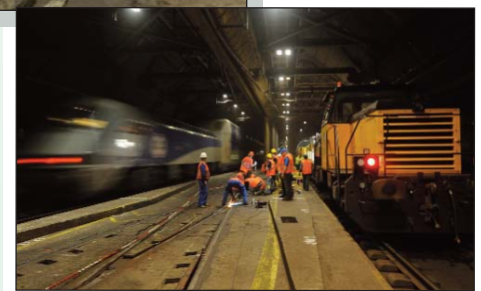
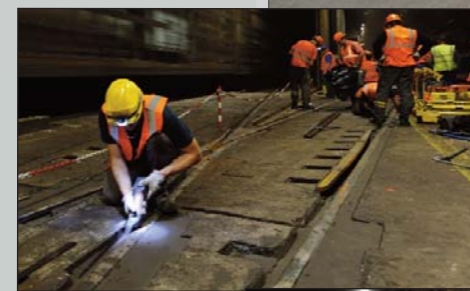
A UNIQUE CONSTRUCTION SITE!

It took 30 hours to change a vital piece of equipment that enables trains to cross from one tunnel to the other: the diagonal crossing on the French side, a part that is 10 metres wide, 40 metres long and weighs 4 tonnes. As well as working in a confined environment, 16 km away from the surface, a ± 1 mm tolerance had to be observed!

- On Saturday 29th September, at 5pm, work started at the cross-over in France.
- On Sunday 30th September at 10.55pm, a new diagonal crossing was installed!

This is a new achievement attained by the Eurotunnel track, signalling and civil engineering teams helped by sub-contractors.

It should be noted that if changing the diagonal crossing was the most important work taking place during the night of 29th September in terms of mobilisation, preparation and constraints, it was not the only major work site on the night. Massification of maintenance work takes place whenever possible. When the Tunnel has to be totally shut to commercial operations, all possible maintenance works are carried out. That same night, a set of points was changed on the UK/ HS1 terminal junction; this took 20 hours and about 50 people; routine signalling maintenance was necessary and so were the cleaning operations on the catenary etc. On top of that, a test took place on the new Prima locomotive for rail freight transport. All subject to deadlines but most of all, subject to maximum safety conditions for more than 150 people who worked together in the Tunnel that night.



Change of address?

If you hold your shares in registered form with BNP Paribas Securities Services or in the form of CDIs via Computershare Investor Services PLC, don't forget to notify any change in your personal information, in particular any change of postal or email address. Information on how to contact them is available on our website www.eurotunnelgroup.com.