

PRESS RELEASE



22 July 2015

Half-year results 2015: 11th successive half-year revenue growth, objectives confirmed

- Revenues: a further increase to €649 million (+9%¹)
- EBITDA increases by 9% to €252 million.
- Net result: strong growth with a profit of €39 million

➤ Channel Tunnel Fixed Link Concession:

- Revenues increased to €443 million (+6%)
 - Shuttle traffic progress: growth of 8% for trucks and 4% for cars
 - Railway Network traffic: increase in the number of passengers on high-speed trains (+2%) and the number of rail freight trains (+4%)
- Improvement in EBITDA of 3% to €243 million

➤ Europorte:

- Continuing growth in revenues (+13%) to €154 million
- Strong growth of EBITDA (+46%) to €11 million

Jacques Gounon, Chairman and Chief Executive Officer of Groupe Eurotunnel SE, stated:

“The Eurotunnel Group’s results for the first half year of 2015 are consistent with the dynamism of the previous quarters. We are confident that this positive trend will continue through the second part of the year. At the same time, we continue to invest in the quality of service of our rolling motorway so that we will be ready to transport 2 million trucks in 2020. This performance is the fruit of the efforts and commitment of our 4,000 employees on both sides of the Channel who, despite a sometimes complicated environment, ensure that we offer our customers an excellent, competitive, fast, reliable and comfortable service, every day.”

¹ All comparisons with the income statement figures for the first half of 2014 are made at the exchange rate used for the first half of 2015 of £1=€1.391.

Significant events in the half year

- For the Fixed Link, the Terminal 2015 works are advancing as planned: delivery has been partially completed on the Coquelles terminal and is planned for the autumn for the terminal in Folkestone. The Eurotunnel Group has also announced the order of three new Truck Shuttles which will be added to the existing fleet of 15 shuttles. This strengthened fleet, together with the projects to extend the terminals, should enable Eurotunnel to increase capacity by 20% and to move to a frequency of up to 8 departures per hour in each direction at peak times, compared to 6 per hour currently. This will provide the capacity needed to transport 2 million trucks per year in 2020.
- The large concentration of migrants in Calais has led to disruptions to traffic and to additional security expenditure for the Fixed Link for which the Group is claiming reimbursement from the States.
- Eurostar announced record traffic mainly as a result of their new direct services from London to Lyon and Marseilles which started on 1st May 2015.
- A five-year agreement has been signed with the railway networks and Eurostar on the conditions of application of the access charges defined in the Railways Usage Contract.
- As a result of the series of decisions by the Competition and Markets Authority (CMA), which considers that only two maritime operators are viable on the Short Straits market, the Eurotunnel Group confirmed on 9 June 2015 that it had chartered the Berlioz and the Rodin from 2 July.
- Europorte launched its Caledonian Sleeper traction service with 6 night-time departures per week between London and Scotland.
- Since 19 June 2015, the role of regulator of the Fixed Link has been taken over by the Office of Rail and Road (ORR) and the Autorité de Régulation des Activités Ferroviaires (ARAF).

The Fixed Link: solid growth in a highly competitive market

During the first half of 2015, revenues for the Shuttle Services increased by 9% compared to the first half of 2014. The car business is growing with 1,159,863 vehicles (+4%) and a very positive market share of 54.8% in a growing market. The truck business has seen an increase of 8% in volumes to 752,290 vehicles, with a market share of 37.5%. The Eurotunnel Group continues to benefit from the growth in the UK economy thanks to its frequency of shuttle departures.

During the first half of the year, revenue from the Railway Network has increased by 1%. For Eurostar, after a difficult start of the year due to the terrorist attacks in Paris at the start of January, then traffic difficulties later in the month and the reduction in services to Disneyland Paris, growth in demand and the launch of new direct services from London to Lyon and Marseilles from 1st May have enabled the trend to be reversed resulting in a 2% growth compared to the first half of 2014.

The forthcoming introduction of Eurostar's new Velaro e320 sets will significantly increase the comfort and attraction of its services and the opening of new routes should enable the future to be faced with confidence.

The rail freight business has grown by 4% in the first half of 2015 largely due to the commercial impact of the Eurotunnel Incentive for Capacity Additions (ETICA), the scheme to support the start-up of new services.

The increase in pressure from migrants in Calais led to disruption to services during June and could lead to further disruptions to traffic and to additional security expenditure in the second half of the year. €13 million has already been spent on security measures in the first half of the year, equivalent to the total expenditure for the whole year of 2014, part of which may be reimbursed by the conceding states as set out in the Treaty of Canterbury and under jurisprudence: the UK government has already agreed to reimburse €4.7 million and a request for €9.7 million has been addressed to the Intergovernmental Commission (IGC), as has been done in the past.

Europorte: new contracts

Europorte, which comprises the rail freight subsidiaries of Groupe Eurotunnel SE in France and the UK, continues to see strong growth in revenues (+13%) from the start of new contracts. The strong growth in EBITDA (+46%) is validation of the strategy of favouring contracts with added value.

In the UK, intermodal train and bulk goods activities have benefitted from the continued economic recovery. The reduction in coal transport, impacted by the significant increase in carbon tax, has been more than compensated by growth in the infrastructure business and the start of the emblematic “Caledonian Sleeper” traction contract.

To support growth in 2015, Europorte has invested €30 million in the first half of the year to buy new locomotives and to renovate rolling stock of which a part will be refinanced.

MyFerryLink: a charter for the Berlioz and the Rodin

As a result of the series of decisions by the Competition and Markets Authority (CMA) to prohibit MyFerryLink from operating out of Dover, the Eurotunnel Group announced on 9 January 2015 that it would seek a new operator for its maritime business. The commercial activity generated revenues of €52 million in the first half of the year and the maritime freight traffic increased by 27%.

The contracts with the SCOP SeaFrance ended on 1 July and the ferries, the Berlioz and the Rodin, which are owned by the Eurotunnel Group, have been chartered to DFDS since 2 July 2015 although the ships are currently occupied by SCOP SeaFrance personnel.

The French secretary of state for transport is seeking to establish a dialogue between the parties to resolve the situation.

Continuing progress for operating result

The consolidated figures for the first half of the year show an increase of €21 million in EBITDA to €252 million, despite the very intense competitive environment.

The Group's operating costs have increased by 10% for the first half of the year. For the Fixed Link, operating costs have increased by 9% to €200 million, an increase resulting from growth in activity, from

non-recurring items and from additional costs generated by securing the terminal to confront the substantial increase in migrant activity in the Calais area. In addition, the Exit Checks on passengers leaving the UK were implemented in April 2015 (as required by the Immigration Act 2014) with no particular difficulty.

For the Fixed Link, this is the sixth consecutive year of EBITDA increase, now at the record level of €243 million.

Revenues and the trading result remain characterised by a strong seasonality across the year. An appreciation of sterling against the euro is also a favourable factor for the Group.

Net financial charges have decreased by €20 million during the first six months of 2015, of which €9 million reflects the impact of the fall in inflation on the cost of the indexed tranche of the debt and the impact of contractual repayments of the debt, and €11 million is due to the favourable evolution of latent exchange rate differences generated by the re-evaluation of intra-group balances.

In the first half of the year 2015, the Group recorded a net profit of €39 million compared to a net loss of €5 million in the first half of 2014 (restated).

Free cash flow increased from €12 million in the first half of 2014 to €77 million in the first half of 2015, mainly due to the improvement in operating margins and the favourable evolution of exchange rates. Cash held at the end of June reached €389 million.

PERSPECTIVES

Business remains dynamic, driven by the recovery in the UK economy and, to a lesser extent, in the Euro zone. The large concentration of migrants in the Calais area has caused, and may continue to cause, disruptions. The Group is taking the measures necessary to ensure its services and the availability of its installations.

In this context, the Group remains confident in its capacity to generate sustainable growth and continues to expect growth in EBITDA (at an exchange rate of £1 = €1.3 and not including MyFerryLink) in line with the following objectives:

- 2015: €535 million of EBITDA
- 2016: €580 million of EBITDA

In the medium term, several factors are favourable to the Eurotunnel Group:

- the application of MARPOL environmental protection regulations,
- continued growth in the Short Straits market for both trucks and cars,
- the addition of new high-speed rail services such as Amsterdam/London, and
- the prospect of growth in rail freight due to its environmental benefits.

GROUP REVENUE

First half (January - June)

€ million	1 st half 2015	1 st half 2014 restated*	% change	1 st half 2014 published**
Shuttle Services	275.5	252.0	+9%	236.9
Railway Network	159.9	158.6	+1%	149.1
Other revenues	7.7	7.1	+9%	6.6
Sub-total Fixed Link	443.1	417.7	+6%	392.6
Europorte	153.6	136.3	+13%	126.9
MyFerryLink	52.1	39.1	+33%	39.1
Revenue	648.8	593.1	+9%	558.6

* Average exchange rate for the first half of 2015: £1=€1.391

** Average exchange rate for the first half of 2014: £1=€1.229

Second quarter (April - June)

€ million	2 nd quarter 2015	2 nd quarter 2014 restated	% change	2 nd quarter 2014 published
Shuttle Services	150.9	138.8	+9%	130.4
Railway Network	85.4	83.7	+2%	78.9
Other revenues	4.1	3.8	+7%	3.5
Sub-total Fixed Link	240.4	226.3	+6%	212.8
Europorte	76.6	69.1	+11%	64.5
MyFerryLink	26.9	20.8	+30%	20.8
Revenue	343.9	316.2	+9%	298.1

Reminder: first quarter (January - March)

€ million	1 st quarter 2015	1 st quarter 2014 restated*	% change	1 st quarter 2014 published**
Shuttle Services	124.6	113.2	+10%	106.5
Railway Network	74.5	74.9	-1%	70.2
Other revenues	3.6	3.3	+11%	3.1
Sub-total Fixed Link	202.7	191.4	+6%	179.8
Europorte	77.0	67.2	+15%	62.4
MyFerryLink	25.2	18.3	+37%	18.3
Revenue	304.9	276.9	+10%	260.5

* Average exchange rate for the first quarter of 2015: £1=€1.375

** Average exchange rate for the first quarter of 2014: £1=€1.207

FIXED LINK TRAFFIC

First half (January-June)

		1 st half 2015	1 st half 2014	% change
Truck Shuttles		752,290	698,531	+8%
Passenger Shuttles	Cars*	1,159,863	1,120,487	+4%
	Coaches	31,769	33,188	-4%
High-Speed Passenger Trains (Eurostar)**	Passengers	5,120,756	5,041,375	+2%
Rail freight***	Tonnes	892,023	839,753	+6%
	Trains	1,563	1,483	+4%

Second quarter (April-June)

		2 nd quarter 2015	2 nd quarter 2014	% change
Truck Shuttles		378,655	351,510	+8%
Passenger Shuttles	Cars*	695,558	672,006	+4%
	Coaches	19,807	21,225	-7%
High-Speed Passenger Trains (Eurostar)**	Passengers	2,823,356	2,735,797	+3%
Rail freight***	Tonnes	441,216	439,762	0%
	Trains	749	777	-4%

Reminder: first quarter (January-March)

		1 st quarter 2015	1 st quarter 2014	% change
Truck Shuttles		373,635	347,021	+8%
Passenger Shuttles	Cars*	464,305	448,481	+4%
	Coaches	11,962	11,963	0%
High-Speed Passenger Trains (Eurostar)**	Passengers	2,297,400	2,305,578	0%
Rail freight***	Tonnes	450,807	399,991	+13%
	Trains	787	706	+11%

* Including motorcycles, vehicles with trailers, caravans and motor homes.

** Only passengers using Eurostar to cross the Channel are included in this table, thus excluding journeys between Paris-Calais and Brussels-Lille.

*** Rail freight services by trains operators (DB Schenker on behalf of BRB, SNCF and its subsidiaries, and Europorte) using the Tunnel.

MYFERRYLINK TRAFFIC

First half (January-June)

	1st half 2015	1st half 2014	% change
Freight	233,584	183,913	+27%
Cars*	116,406	108,825	+7%
Coaches	1,073	932	+15%

Second quarter (April-June)

	2nd quarter 2015	2nd quarter 2014	% change
Freight	115,571	92,463	+25%
Cars*	73,508	73,351	0%
Coaches	594	512	+16%

Reminder: 1st quarter (January-March)

	1st quarter 2015	1st quarter 2014	% change
Freight	118,013	91,450	+29%
Cars*	42,898	35,474	+21%
Coaches	479	420	+14%

* Including motorcycles, vehicles with trailers, caravans and motor homes.