



say you

LETTER TO SHAREHOLDERS

18 December 2017

Dear Shareholder,

At the start of this month, we celebrated the **30th anniversary of the start of works to build the Channel Tunnel**, at the Sangatte shaft, where it all began. It was an occasion to renew friendships with many former managers, engineers, tunnellers and local politicians who contributed in so many ways to the "Project of the Century", as it has been described by many commentators.

After seven years of work, the exceptional nature of this unique infrastructure became apparent. It is the only land connection between Great Britain and the Continent, a **phenomenal success** (a quarter of all commercial trade between the EU 27 and the UK now passes through the Tunnel), and has also been an **aid to economic development**, creating thousands of jobs both directly and indirectly, contributing in total to almost €500 million in taxes and business rates to the local economy. Thanks to all those who contributed to its financing, especially our historical shareholders.

The Channel Tunnel is a vital link, with a robust capacity to adapt. Many unforeseen events have occurred since the opening of services in 1994 and yet the Tunnel has always met the challenge.

Following the Referendum on 23 June 2016, which saw the UK vote to leave the European Union (Brexit), many took great delight in announcing the most catastrophic of prognoses.

But where are we today? Economic growth in the UK has perhaps slowed, but with a forecast of about 1.5% for 2018, it is similar to France, which is at last improving, and which is largely sufficient for us to continue with our development. **Eurostar**, which is preparing for the opening of a direct connection between London and Amsterdam, should also bring us some good news.

The concerns about a "No Deal" in March 2019 have been lifted since the agreement that has been reached on the first phase of negotiations and the opening of the second phase. This should bring us the information we need to adapt our procedures to ensure the flow of traffic is not jeopardised, which is necessary to sustain the economic activity on both sides of the Channel. And it is now

accepted that a period of transition will facilitate this phase. Our staff are ready, whatever the future regulatory context may be, to ensure that we remain market leader across the Channel.

The Board of Directors of Groupe Eurotunnel SE decided at its meeting today, that, given these special circumstances, I should continue to contribute to the changes to come. It will propose to the General Meeting on 18 April 2018 that the Company's bylaws be amended to increase the age limit for executive responsibility to 68. I would like to thank the Board for this display of confidence in me.

With regard to corporate governance, the Company's bylaws must also be updated in line with French law, which now requires a Board Director to be appointed to represent the interests of the employees.

At the same time, Philippe Camu, director of the GSIP infrastructure fund, our largest shareholder, has expressed a desire to devote his entire time to managing investments and to relinquish his seat on the Board. The Board has therefore co-opted as a director **Bertrand Badré**, previously Managing Director of the World Bank and an associate of a Sustainable Development Fund (see over). His knowledge and experience of the Group (he was an adviser for the 2005-2007 restructuring) and his continuing commitment will bring a great deal to the work of the Board.

It is therefore with great confidence that we look forward to 2018.

On behalf of the Board of Directors, I would like to wish you a very Merry Christmas and a Happy New Year.

Yours faithfully,



Jacques Gounon
Chairman & Chief Executive Officer

In brief...



For your 2018 diary

25 January: Revenue and traffic figures for 2017

21 February: 2017 annual results

18 April: General Meeting

Bertrand Badré, new independent Board Director of Groupe Eurotunnel SE



Upon proposal from the Nomination Committee, the Board of Directors of Groupe Eurotunnel SE which met on 18 December, has decided to co-opt Bertrand Badré as an independent director. He replaces Philippe Camu, who has resigned from the Board, for the remainder of Philippe Camu's term of office, namely until his co-option is ratified by the next General Meeting.

Bertrand Badré, 49, is the founder and Chairman and Chief Executive Officer of the investment fund *Blue like an Orange Sustainable Capital*, which aims to attract investment towards innovative economic projects in developing countries. In 2007, he contributed to the success of the restructuring of Groupe Eurotunnel's debt while an associate of Lazard bank. Following that, he was Group CFO at Crédit Agricole, Group CFO of Société Générale Group, and Managing Director and Group CFO of World Bank Group.

The strong experience and recognised knowledge in international finance, public affairs and the concern for sustainable development of Bertrand Badré are valuable strengths that will bring a new and relevant perspective to the development of the Group and the implementation of its strategy.

The Board of Directors still consists of 11 members, of which 91% are independent and with a ratio of women still above 45%. The average tenure of the Board is hereby reduced by one year.

More information in the [news release](#).

Start of the Tunnel construction work... 30 years ago!



To celebrate the 30th anniversary of the start of the Tunnel construction work, Jacques Gounon invited, on Friday 1st December, some local elected and government authority representatives, members of the French Channel Tunnel builders association and Eurotunnel employees to attend a ceremony at the heart of the Sangatte shaft, where it all began in 1987. Through this shaft,

68m deep and 55m wide (which could hold the Paris Arc de Triomphe!), more than 8,000 French and British workers, technicians and engineers went 100m below sea level to dig the Channel Tunnel. The construction achievement of the century has now given way to a unique and vital transport service, already used by more than 400 million passengers, 80 million vehicles and 380 million tonnes of goods since its opening in 1994.

#VitalLink: go back 30 years in time - [video](#).

The Orient-Express travels through the Tunnel



The legendary Venice Simplon Orient-Express crossed the Channel Tunnel just after midnight on the 1st November, hauled between Calais-Frethun yard (FR) and Dollands Moor yard (UK) by 2 Krupp locomotives.

The convoy was then able to continue its journey to St Pancras station in London, where it was awaited as part of the premiere for the blockbuster, *Murder on the Orient-Express*, based on Agatha Christie's famous novel.

26 millionth truck transported in October 2017 by Le Shuttle Freight, since the opening of the service on 25 July 1994.



High Speed 1 celebrates its 10th birthday!

The first high speed rail line in the UK turned 10 years old in November. 108km-long, it allows Eurostar trains to link London to Paris in 2h15 and London to Brussels in 1h51 via the Channel Tunnel and domestic trains to provide a direct journey Folkestone-London in only 50 minutes.

According to a study conducted to celebrate this event, HS1 is a catalyst for economic, cultural and social growth across Kent and the South East and represents:

- A total contribution of more than £310M since the service started 10 years ago, including £73M in 2016,
- The creation of around 6,000 jobs in the Kent area, either directly or indirectly,
- A total increase in property value of c.£1.6Bn for houses located near the train stations.

A special guest in the service tunnel

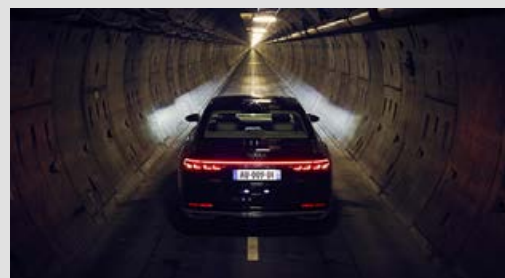


Photo credit: Nicolas Vasquez

Audi France has chosen Eurotunnel to be the main setting for the launch of the new A8, the flagship of their range and the most highly autonomous vehicle in the world. For the occasion, a film and an event took place in the service tunnel, with Lambert Wilson as special ambassador. Revealed during a press conference which was held in the Eurotunnel Flexiplus lounge in Coquelles, the film is available in [video](#) on our website and images are also online on a [Car Blog](#). Audi is deploying its full marketing power to create a buzz over this event's extraordinary images throughout December and January.