



## Happy New Year to you all, Happy New Year to Eurotunnel!

Dear Shareholder,

This latest edition of "On Track", our sixth already, gives me the opportunity to wish you all a Happy New Year in good health, with good fortune and with success.

Traditionally, the month of January is also a month of reviews and of resolutions.

2005 was a year filled with new challenges for Eurotunnel, demanding on our staff, with the considerable acceleration of change during the second half of the year. We launched our new commercial policies, better adapted to the markets we operate in, more attentive to our customers, more focused on profitability. They are starting to deliver their benefits. The results that we will publish shortly will show the progress that has been made.

More recently, Eurotunnel has implemented a new, higher performance, lower cost organisation. The latest example of our intent was the opening, on the Folkestone and Coquelles terminals, of 24 automatic check-in lanes on 12 December. The equipment is state of the art, but simple. It increases traffic fluidity, accelerates departure times and brings a significant reduction in operating costs.

In 2005 we breathed new life into Eurotunnel. I say "we" because in any review of the past year, I could not forget the AGM in Coquelles and the tremendous support you gave to the Joint Board, which has been further strengthened by the recent arrival of Colette Neuville.

2006 is now with us and we must maintain the momentum built up in 2005 to ensure that Eurotunnel frees itself of its financial constraints.

The majority of the holders of stabilisation notes and advances did not want to extend their conversion option until September 2006. This decision means that we can negotiate the whole debt in one package, which is preferable to us.

You are aware that negotiations are under way with the *Ad hoc* committee of creditors, within the framework of the "waiver" to the credit agreement. In order for these to succeed, they must take place in strict confidentiality. I cannot therefore make public, just yet, the steps taken and the progress made during the past six months. I understand that this is frustrating for some of you, but I ask you to remain confident. Once we are out of the period of the waiver, I will be able to communicate much more openly on this subject.

The new Eurotunnel that we are building thanks to your support is a business with a future, ready to develop, confident in its future.

Once more Happy New Year to you and Happy New Year to Eurotunnel.

**Jacques Gounon**  
Chairman and Chief Executive.



## Colette Neuville, President of ADAM, joins Joint Board of Eurotunnel



The Joint Board of Eurotunnel has co-opted Colette Neuville as a director, a nomination which will need to be ratified at the next annual general meeting. Her arrival, which adds a woman to the Board, also strengthens it in terms of Corporate Governance and the defence of shareholder interests.

Colette Neuville founded and has been Chair, since 1991, of ADAM (Association for the defence of Minority Shareholders), a very active group representing the collective interests of companies' minority shareholders. Colette Neuville is a law graduate, has studied at Sciences Po, and has an MSc in Economics. She has held posts as an economist with NATO, the Government of Morocco and the Development agency for the Loire-Brittany area. A Macro-Economist by training, she is an expert in finance. Colette Neuville actively supported Jacques Gounon at the AGM on 17 June 2005.

## A new Maintenance Division and a Safety Directorate

Alain Bertrand, the director of the Infrastructure Division, left Eurotunnel at the end of December. His leaving has led to a redistribution of responsibilities in the company. All maintenance activities will now be grouped together in one *Maintenance Division*, led by Christian Maquaire.

At the same time, all the real time operations (safety and operation of the terminals, shuttles and tunnel) now come within the remit of the *Operations Division*, under the control of Pascal Sainson.

To reinforce the importance of the issues of safety (both for the system and for people) and those of quality and the environment, they are being brought together in a new *Safety and Sustainable Development Directorate*, headed by Bruno Bouthors.

## A successful holiday period

On Monday 2 January, Eurotunnel transported over 7,000 cars and 110 coaches, double the volume handled on an average day.

In order to ensure the best possible service for this high volume of, mostly British, customers returning from their holidays and to ease their passage through the system, Eurotunnel put in place an exceptional array of human and material resources. During the day there were 60 shuttle departures from the Coquelles terminal, one every 15 minutes at peak. 70 extra members of staff from both UK and France were on hand on the terminal and in the shuttles as well as in the workshops, in case of any technical requirements. The results for the day were even better than expected: no delays, no incidents. The load factor on board the shuttles between 1000 and 2200 was almost 100%. And the customers? "Very happy".



## Focus on Customers

2006 will again be a year of challenges for Eurotunnel. The new commercial policies implemented in 2005 put the customer at the heart of our activities. This is the same for all transport operators.

It is also why Eurotunnel has put in place a programme, called simply "Focus on customers", which is reviewing the service we provide to the millions of truck, car and coach drivers and their passengers who choose to travel with us.

Stage by stage and element by element the points of contact (reservation on-line, arrival at check-in, shopping, boarding the shuttles, specific needs...) are all being analysed and improved.

In an intensely competitive market like ours, we have to improve the service offered to our customers, continuously. We will bring, over the coming months, visible improvements to the way in which we welcome and inform them, the way in which we manage traffic flows on the terminals and to the overall experience of travelling with Eurotunnel.

## We answer your questions

**1. Further to the recent appointment of Colette Neuville to the Board, will she defend the interests of all shareholders in her new position, or just French shareholders?**

Colette Neuville will defend the interests of all shareholders, as the Board of Directors represents all Eurotunnel shareholders, including French and UK. The association "Adam" that she chairs defends shareholders of all nationalities.

**2. Where are you on the recruitment of British directors to the Board?**

The search for British directors is underway with a specialised recruitment agency. However, it seems unlikely that quality candidates will apply before the financial restructuring.