Eurotunnel on Track

March 2007

Letter to shareholders

Dear shareholder,

Two important developments: *trading has been restored and we are about to launch an Exchange Tender Offer (the "Offer")*

Scarcely two months since the decision by the Paris Commercial Court approving the Safeguard Plan, the principal elements required to save the company are in place:

- The new credit agreements have been signed;
- The registration document which describes, in 334 pages, the details of the reorganisation, has been registered by the French market authority (Autorité des Marchés Financiers/AMF), with number i.07-021 (available on Eurotunnel websites and in French on the AMF website);
- The offer itself was filed on 23 March 2007 by our presenting banks: Lazard Frères, Natixis and Lehman Brothers[1];
- Although the chosen Registrar of GET SA is BNP Paribas Securities Services, we will offer a facility for UK shareholders to hold their GET SA shares in the form of Crest Depository Interests (CDI) through the existing Eurotunnel UK Registrar, Computershare Investor Services plc.

Following the lengthy suspension period, **trading resumed on 27 March 2007** the market having been informed of these developments.

After an 11-month suspension, it is possible that the share price will take some time to settle. Nevertheless my message to you is clear: as shareholders who have been associated with Eurotunnel for so long, and given the recovery in the operations seen over these past months (the results of which, presented overleaf, speak for themselves), **you must consider the future with confidence.**

The next and last step is the Offer for one Eurotunnel SA/PLC Unit of one share and one warrant to subscribe for a share in GET SA. The minimum acceptance level has been set at 60 %. Should the market authorities give their approval to the draft Offer document on 3 April 2007, as envisaged in the indicative timetable, the Offer will be launched the day after the Easter bank holiday, on 10 April 2007. You will then have just 5 weeks, until 15 May, to tender your Units[2]. I would like to draw your attention to this very short period. **As soon as the Offer is officially launched, I will send you all the practical information you may need.**

Some might say: there is plenty of time, we need to meet, we can still negotiate… None of this is true: if the Offer envisaged by the Paris Commercial Court fails, that is to say if you don't tender your Units, Eurotunnel will go into liquidation: with negative equity of £1.3 billion, what other option is left?

The Board has tackled this operation head-on. This has been all the more important as the old debt still weighs on our shoulders - each further month costs Eurotunnel and its shareholders almost £14 million in unnecessary financial charges (that is the difference between the old debt and the new).

Together, let's save Eurotunnel !

I remain yours sincerely,

Jacques Gounon
Chairman and Chief Executive

[1] Lazard Frères Banque and Ixis Corporate & Investment Bank are acting as Presenting Banks in France. Lazard & Co., Limited is acting as joint financial adviser to Eurotunnel for the purpose of the Offer in the UK with Lehman Brothers International (Europe) who are also acting as Rule 3 adviser.

[2] If the acceptance level is reached, and only on that condition, the Offer will be reopened for another 15 days.

Eurotunnel shareholders, who are you ?

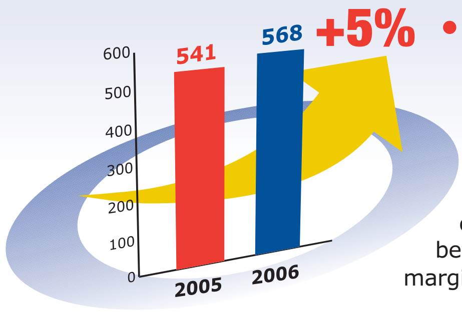
NUMBER OF UNITS HELD	NUMBER OF SHAREHOLDERS*	PERCENTAGE OF EQUITY *
Equal to or over 1 million	140	25 %
From 100 000 to 999 999	2 300	19 %
From 10 000 to 99 999	32 000	31 %
From 1000 à 9 999	195 000	20 %
Less than 1000	342 000	5 %

** rounded figures - Eurotunnel, May 2006*

Focus on the 2005 and 2006 accounts

The Auditors and *commissaires aux comptes* certified* the 2005 and 2006 accounts and Eurotunnel published them at the beginning of the month. These accounts have been prepared according to IFRS accounting standards. An analysis of the key figures for 2005 and 2006 is set out below:

******certification with matters of emphasis in respect of the full implementation of the Safeguard Plan and, in particular, the success of the Offer and also, the drawdown of the long-term loan included in the Plan and the potential impact of on-going litigation.*

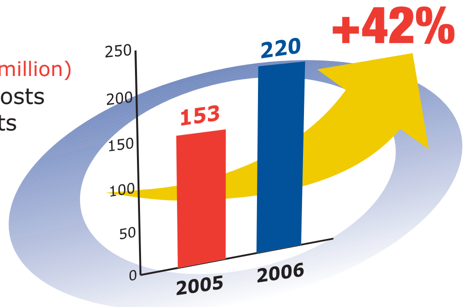


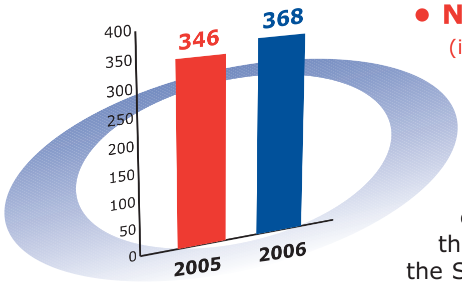
• REVENUE (in £ million)

For the second successive year Eurotunnel revenues have improved. In 2006, the operations have beaten all records with excellent results both for Passenger and Freight Shuttles, the core of Eurotunnel's business, with an increase of 7%. Revenues from railway operators included, until 1 December 2006, the payment of the Minimum Usage Charge (MUC), which ended on that date, as provided for in the Railway Usage Contract, this represents £65 million for 2006. These good results are the fruits of the operational reorganisation which started in 2005 with, in particular, an improved match between capacity and demand, a more dynamic pricing policy and the targeting of improved margins rather than the pursuit of volumes.

• TRADING PROFIT (in £ million)

The increase in revenues with, at the same time a reduction in operating costs - despite increases in the costs of energy, especially in the UK- and depreciation costs led to a significant improvement in operating margin and trading profit, which increased by 42% in 2006. The ratio (operating margin / revenues) increased again to 59%.

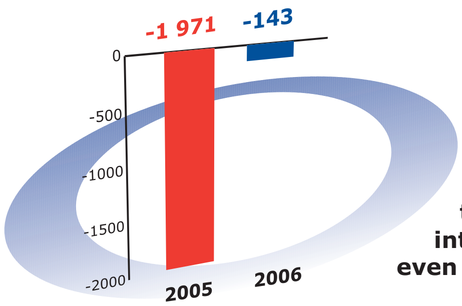




• NET FINANCIAL CHARGES (in £ million)

The magnitude of the financial charges alone demonstrates the simple paradox of Eurotunnel's problems since the beginning of the Concession: an excessive debt which would lead the company to bankruptcy should the Safeguard Plan not resolve this issue in dividing the debt almost by two and setting financial charges at a level compatible with the capacity to reimburse.

> ***" These excellent results from operations show that only the new company, Groupe Eurotunnel SA, born out of Safeguard and the ETO will be able to put an end to the threat of bankruptcy which hung over Eurotunnel in 2005 "***



• NET RESULT (in £ million)

In 2006, Eurotunnel recorded a net loss of £143 million for the year, compared to the loss of £1,971 million in 2005. This loss can be explained by the substantial financial charges borne by the company. The 2005 results include an impairment charge of £1750 million. **After restructuring, and assuming that this had taken place on 1 January 2006, the proforma net results (i.e. with interests calculated on the basis of the new debt) would have been at break even in 2006, last year of the MUC (which represents £65 million in 2006).**

Travel privileges for loyal shareholders

Within the scope of the Offer, Groupe Eurotunnel SA (GET SA) can only propose a single travel privilege scheme, as **it must not differentiate between those who will become its shareholders.**

The single scheme to be introduced by GET SA is similar to the one which embraced the largest number of current shareholders, that of 1996: shareholders who tender their Units to the Offer whose name appeared on the Register as at 15 May 2006 and who had held a minimum of **1,000 Units** continuously for 3 months, will benefit from **a reduction of 30% on the price of six one-way journeys per year** (3 returns).

New shareholders will be required to hold for at least three months continuously a minimum of 30,000 GET SA shares to qualify for these privileges.

This programme will run until 31 December 2010 and may then be renewed annually. The 1996 scheme will be terminated in accordance with its terms.

To contact Shareholder Information Centre

Shareholder Information Centre
Terminal UK - Ashford Road - Folkestone - Kent CT18 8XX

@ shareholder.info@eurotunnel.com

www.eurotunnel.com

Tel: 08457 697 397
local rate number