TNU PLC AND TNU SA'S
(previously Eurotunnel P.L.C. and Eurotunnel SA)

INTERIM REPORT AND SUMMARY COMBINED ACCOUNTS

FOR THE SIX MONTHS TO 30 JUNE 2007

CONTENTS

2007 INTERIM REPORT

ACCOUNTS FOR THE FIRST HALF OF 2007

FINANCIAL RESULTS FOR THE FIRST HALF OF 2007

In a buoyant cross-Channel market, TNU has increased its market share for its Passenger Shuttle business as well that of its Truck activity, recording a substantial increase of 8% in its Shuttle revenues compared to the first half of 2006 at constant exchange rates, to €240 million.
Excluding the Minimum Usage Charge (MUC), under which TNU recorded revenues of €55 million in the first half of 2006, total revenues grew by 7% to €373 million, which combined with a further reduction of 2% in operating expenses has resulted in a significant improvement in operating margin of 15% to €208 million giving an operating margin/revenue ratio of 56%.
The reduction in net financial charges results from the one-off effects of the terms of the Safeguard Plan, and is not representative of the new credit agreements which are effective from 28 June 2007.
The net result for the first half of 2007 for TNU PLC and SA was a loss of only €32 million, compared to a loss of €105 million for the same period in 2006.
The total equity of TNU PLC and TNU SA remains negative, at €2.3 billion.

Following the Exchange Tender Offer completed in June 2007, Groupe Eurotunnel SA took control of TNU. The structure of TNU, in particular that of the Concessionnaires, is unchanged.

The 2007 interim combined accounts of TNU PLC and TNU SA (formerly Eurotunnel P.L.C. and Eurotunnel SA) have been prepared in accordance with IFRS as described in the annual combined accounts for the year ended 31 December 2006. The 2006 interim combined accounts having not been approved in view of the ongoing Safeguard Plan, had the financial elements relating to this period approved by the Board on 29 August 2007. The comparative figures in this section for the period to 30 June 2006 have been recalculated at the exchange rate used for the preparation of the 2007 interim combined accounts (£1=€1.478) to assist with the comparison between the two periods. Since the end of November 2006, revenues from the Railways have no longer benefited from the Minimum Usage Charge (MUC) which amounted to €55 million in the first half of 2006. In order to compare line by line the performance of the Group, the “pro forma” result below (“Excl. MUC”) excludes the impact of this. The comparisons in the commentary below are stated including the MUC unless otherwise stated.

Analysis of result

€ million	2007	2006 restated	2007/2006 % change	2006 actual	*PRO FORMA Excl. MUC 2006 restated*	*PRO FORMA Excl. MUC 2007/2006 % change*
Exchange rate €/£	1.478	1.478		1.441	*1.478*	
Shuttle services	240	222	+8%	219	*222*	*+8%*
Railways excluding MUC	127	120	-27%	119	*120*	*+6%*
MUC	-	55		54	*-*	*-*
Transport activities	367	397	-8%	392	*342*	*+7%*
Non-transport activities	6	7	-14%	7	*7*	*-14%*
Revenue	**373**	**404**	**-8%**	**399**	***349***	***+7%***
Operating expenses	(165)	(168)	-2%	(166)	*(168)*	*-2%*
Operating margin (EBITDA*)	**208**	**236**	**-12%**	**233**	***181***	***+15%***
Depreciation	(80)	(78)		(78)	*(78)*	
Trading profit	**128**	**158**	**-19%**	**155**	***103***	***+24%***
Other operating expenses	-	(19)		(19)	*(19)*	
Operating profit (EBIT)**	**128**	**139**		**136**	***84***	
Net cost of financing and debt service	(181)	(245)		(242)	*(245)*	
Other financial income and income tax expense	21	1		1	*1*	
Net loss	**(32)**	**(105)**		**(105)**	***(160)***	
MUC					*55*	
Pro forma net loss					***(105)***	
Operating margin / revenue	*56%*	*58%*	*-3 pts*	*58%*	*52%*	*+4 pts*

* *EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation.*

** *EBIT: Earnings Before Interest and Taxes.*

Revenue

In a buoyant cross-Channel market, the increase in volumes of cars and trucks carried by TNU (+8% and 9% respectively), generated a significant increase in Shuttle revenues of 8% compared to the same period in 2006 at constant exchange rates, to reach €240 million for the first half of 2007.

Railways revenues were protected until the end of November 2006 by the MUC, from which TNU recorded revenue of €55 million in the first half of 2006. As a result, Eurotunnel’s revenues from the Railways fell by 27% to €127 million for the first half of 2007. Excluding the MUC, the pro forma Railways revenues increased by €7 million (6%) due to the increase in Eurostar traffic (+5%) and despite the fall in rail freight traffic (-14%).

Revenue from non-transport activities amounted to €6 million.

The ending of the MUC (approximately 14% of total revenue for the first half of 2006) resulted in a corresponding fall in total revenue. Excluding the MUC, pro forma revenues increased by 7% to €373 million. Total revenue fell 8% for the first half of 2007.

Operating margin (EBITDA)

Operating expenses decreased by 2% during the first half of 2007 compared to the same period in 2006 at constant exchange rates, the increase in staff costs (stable staffing levels) being more than compensated for by reductions in external costs. This further decrease should be appreciated in the context of the increased activity levels.

Due to the adverse effect of the loss of the MUC, EBITDA declined by 12% compared with the first half of 2006. All other things being equal, excluding the impact of the MUC, EBITDA improved 15% to €208 million, and at 56%, the ratio of operating margin to revenue was 4 points higher than for the same period of 2006 pro forma.

Trading profit

The depreciation charge for the first half of 2007 was €80 million, an increase of €2 million compared to the first half of 2006.

The trading profit for the first six months of 2007 was €128 million, compared to €158 million for the first half of 2006. Excluding the MUC, the pro forma trading profit improved by 24%.

Operating profit (EBIT)

The costs relating to the Safeguard Procedure and the financial restructuring were provided for during the second half of 2006. The provision at 30 June 2007 is judged sufficient to cover the remaining costs.

Operating profit for the first half of 2007 was €128 million compared to €139 million for the same period in 2006. Excluding the MUC, the pro forma operating profit for the first half of 2007 was €44 million higher than that for 2006 (+52%).

Net result

Cash balances benefited during the period of the Safeguard Procedure from the suspension of repayments of principal and of interest payments due under the old financial instruments. Consequently, the cash balance was markedly better in the first half of 2007 compared to the same period in 2006, and thus interest received on investments of cash and cash equivalents were €9 million in the first half of 2007, €7 million higher than in the first half of 2006.

The gross cost of servicing debt for the first half of 2007 was €190 million, which is broken down as follows:

- interest payable on the old financial instruments of €187 million in accordance with the terms of the Safeguard Plan,
- interest payable on the Term Loan starting from 28 June 2007 of €2 million,
- interest payable on the amended loan notes starting from 28 June 2007 of €1 million.

The gross cost of servicing debt for the first half of 2006 was €243 million.

Other financial income of €21 million was recorded for the period, including an €18 million release of provisions for depreciation and risks associated with certain financial contracts and €1 million reversal of the accrual for default interest that was accounted for at the end of 2006.

The net result for the first half of 2007 was a loss of €32 million, an improvement of €73 million compared to the loss of €105 million for the first half of 2006. Excluding the MUC the pro forma net result improved by €128 million compared to the pro forma loss of €160 million.

Cash flow

€ million	30 June 2007	30 June 2006 actual
Exchange rate €/£	**1.484**	**1.445**
Net cash flow from trading	189	237
Other operating cash flows and taxation	(33)	(17)
Net cash inflow from operating activities	**156**	**220**
Net cash flow from investing activities	(18)	(10)
Net cash flow from financing activities	(269)	(231)
Decrease in cash	**(131)**	**(21)**

Net cash flow from trading was €189 million euros for the first half of 2007, compared to €237 million in 2006 (€240 million at the closing rate of the first half of 2007 of £1=€1.484). The significant increase in operating cash flows notably coming from receipts from Shuttle activities (€33 million) has partially compensated for the loss of the MUC (€51 million). Moreover, supplier invoices totalling €30 million from the period prior to the opening of the Safeguard Plan for which payment had been suspended, were settled in full at the end of the first half of 2007.

The increase in cash flows from investing activities (€8 million) arises mainly from the purchase of locomotives (class 92) to be used in the development of the rail freight activity, the Euroscan, and the modifications to the power supply system, which when complete, will enable greater use of the cheaper electricity generated in France.

In the first half of 2006, cash flows from financing activities corresponded to payments on the old financial instruments. In the first half of 2007, net cash flows from financing activities corresponded to the implementation of the restructuring, and are broken down as follows:

- €3,743 million for the repayment of principal on the old financial instruments,
- €305 million for the payment of accrued interest on the old financial instruments,
- €4,191 million from the drawdown of the Term Loan,
- €419 million for the loan to EGP and for payments relating to the implementation of the Term Loan.

Overall, the net decrease in cash for the period was €131 million, compared to a decrease of €21 million for the same period in 2006.

TNU PLC AND TNU SA SUMMARY COMBINED ACCOUNTS

Combined Income Statement €'000	Note	**6 months to 30 June 2007**	6 months to 30 June 2006	Year to 31 December 2006
Revenue [1]		373,120	399,057	829,831
Operating expenses		101,764	107,110	218,510
Employee benefit expense		63,311	59,237	121,513
Depreciation		79,940	77,855	163,662
Trading profit		**128,105**	**154,855**	**326,146**
Other operating income and (expenses)		308	(19,202)	7,076
Operating profit / (loss)		**128,413**	**135,653**	**333,222**
Income from cash and cash equivalents	4	8,639	1,758	5,478
Cost of servicing debt (gross)	4	190,113	243,003	492,368
Net cost of financing and debt service		**181,474**	**241,245**	**486,890**
Other financial income and (charges)		21,160	804	(50,083)
Income tax expense		-	82	260
Loss for the period		**(31,901)**	**(104,870)**	**(204,011)**
Loss per Unit (in € cents) [2]	5	(1.3)	(4.1)	(8.0)
Exchange rate €/£ for the period		1.478	1.441	1.462

[1] *Including €54,456,000 in the first half of 2006 relating to the MUC (31 December 2006: €94,768,000).*

[2] *There is no difference between the diluted loss per Unit and the loss per Unit.*

Combined Statement of Recognised Income and Expense €'000	**6 months to 30 June 2007**	6 months to 30 June 2006	Year to 31 December 2006
Foreign exchange translation differences	16,432	45,674	(98,764)
Impact of termination of hedging contracts	-	-	48,169
Movement in fair value of hedging contracts	(14,946)	59,020	60,626
Net income recognised directly in equity	**1,486**	**104,694**	**10,031**
Loss for the period	(31,901)	(104,870)	(204,011)
Total recognised income and expense for the period	**(30,415)**	**(176)**	**(193,980)**

Combined Balance Sheet

€'000	Note	**30 June 2007**	30 June 2006	31 December 2006
ASSETS				
Property, plant and equipment				
Concession property, plant and equipment	6	7,084,942	7,217,205	7,141,377
Other property, plant and equipment		33	43	37
Non-current financial assets				
Shares		116	3,116	116
Other financial assets		3,905	153,824	4,636
Interest rate derivatives		3,878	-	-
Total non-current assets		**7,092,874**	**7,374,188**	**7,146,166**
Inventories		65	63	65
Trade receivables		79,694	60,650	75,753
Other receivables		40,825	39,603	43,062
Other financial assets	7	348,679	19,515	2,900
Cash and cash equivalents		150,503	150,827	282,163
Total current assets		**619,766**	**270,658**	**403,943**
Total assets		**7,712,640**	**7,644,846**	**7,550,109**
EQUITY AND LIABILITIES				
Issued share capital	8	419,521	419,521	419,521
Share premium account	8	3,545,633	3,545,633	3,545,633
Other reserves	9	(9,843)	(44,672)	5,103
Retained earnings	9	(5,854,088)	(5,650,512)	(5,650,185)
Loss for the period	9	(31,901)	(104,870)	(204,011)
Cumulative translation reserve	9	(324,736)	(196,730)	(341,168)
Total equity		**(2,255,414)**	**(2,031,630)**	**(2,225,107)**
Retirement benefit obligations		23,433	24,449	21,721
Financial liabilities	10	6,931,211	8,958,645	-
Other financial liabilities		3,545	153,668	4,504
Interest rate derivatives	10	18,824	-	-
Total non-current liabilities		**6,977,013**	**9,136,762**	**26,225**
Provisions	11	56,809	11,999	115,387
Financial liabilities	10	2,688,614	140,542	9,391,524
Other financial liabilities		1,485	19,515	2,900
Interest rate derivatives		-	75,735	-
Trade payables		201,895	254,198	213,978
Other payables		42 238	37,725	25,202
Total current liabilities		**2,991,041**	**539,714**	**9,748,991**
Total equity and liabilities		**7,712,640**	**7,644,846**	**7,550,109**
Exchange rate €/£		1.484	1.445	1.489

Combined Cash Flow Statement €'000	**6 months to 30 June 2007**	6 months to 30 June 2006	Year to 31 December 2006
Loss for the period	(31,901)	(104,870)	(204,011)
Income tax expense	-	82	260
Other financial (income) and charges	(21,160)	(804)	50,083
Net cost of financing and debt service	181,474	241,245	486,890
Other operating (income) and expenses	(308)	19,202	(7,076)
Depreciation	79,940	77,855	163,662
Trading profit before depreciation	**208,045**	**232,710**	**489,808**
Exchange adjustment *	457	368	5,052
Decrease in inventories	-	1,054	1,086
Increase in trade and other receivables	(12,619)	(11,290)	(10,856)
(Decrease) / increase in trade and other payables	(7,280)	14,112	25,277
Net cash inflow from trading	**188,603**	**236,954**	**510,367**
Other operating cash flows	(32,173)	(17,299)	(36,877)
Taxation	-	(82)	(82)
Net cash inflow from operating activities	**156,430**	**219,573**	**473,408**
Payments to acquire property, plant and equipment	(18,166)	(10,300)	(18,846)
Sale of property, plant and equipment	277	714	4,928
Net cash outflow from investing activities	**(17,889)**	**(9,586)**	**(13,918)**
Interest received on cash and cash equivalents	9,594	1,431	5,143
Repayment of old financial instruments	(3,743,013)	(2,954)	(2,966)
Interest paid on old financial instruments	(304,730)	(194,091)	(294,867)
Drawdown of Term Loan	4,191,000	-	-
Fees paid for Term Loan	(65,324)	-	-
Interest paid on hedging instruments	(3,000)	(41,848)	(67,361)
Interest received on hedging instruments	-	6,286	6,478
Other interest received	134	-	88
Loan to EGP	(353,855)	-	-
Net cash outflow from financing activities	**(269,194)**	**(231,176)**	**(353,485)**
(Decrease) / increase in cash in period	**(130,653)**	**(21,189)**	**106,005**
Exchange rate €/£	1.484	1.445	1.489

* *The adjustment relates to the restatement of the elements of the income statement at the exchange rate ruling at the period end.*

NOTES

1 ACTIVITIES AND IMPORTANT EVENTS

On 27 July 2007, the AGMs of Eurotunnel P.L.C. (EPLC) and Eurotunnel SA (ESA), subsidiaries of Groupe Eurotunnel SA (GET SA) since the successful completion of the Exchange Tender Offer (ETO), adopted the resolutions to change the names of EPLC and ESA to TNU PLC and TNU SA respectively.

1.1 Activities

Revenues from the Railways no longer benefit from the Minimum Usage Charge (MUC) which ceased at the end of November 2006, and resulted in a loss of revenues of €55 million compared to the first half of 2006.

Excluding the MUC, TNU significantly increased its revenues and main traffic activities during the first half of 2007 compared to the same period of 2006. At €373 million, revenues were up by 7%. There was a significant increase in the number of trucks (+9%) and cars (+8%), as well as in the number of Eurostar passengers using the Tunnel (+5%).

1.2 Financial restructuring

During the first half of 2007, Eurotunnel implemented the debt restructuring in accordance with the Safeguard Plan approved by the Paris Commercial Court on 15 January 2007.

a) The main terms of the Plan as described in the 2006 annual combined accounts and currently being implemented under the supervision of the Commissioners for the Execution of the Plan, are as follows:

- The creation of GET SA, the new holding company of the Eurotunnel Group and its UK subsidiary Eurotunnel Group UK plc (EGP).
- The successful completion of the ETO which enabled Unit holders to receive GET SA Ordinary Shares and Warrants in exchange for their Units. At 30 June 2007, GET SA held 2,368,864,450 Units, representing 93.04% of Units in circulation.

  A total of 4,307,026,273 GET SA Warrants have been issued by GET SA. Since 2 July 2007, GET SA's shares have been quoted in Paris and as a secondary listing in London.

  With effect from 30 July 2007, TNU PLC and TNU SA Units have ceased to be listed by the London Stock Exchange, and they should cease to be listed in Brussels from 30 August 2007. The Units are listed in Paris.
- The drawing of a new loan on 28 June 2007 (the Term Loan) for a total of £1,500 million and €1,965 million (a total of €4,191 million at the closing exchange rate on 30 June 2007) by France Manche SA (FM) and The Channel Tunnel Group (CTG) from a banking consortium comprising Goldman Sachs International and Deutsche Bank AG, which enabled (i) the complete refinancing of the old loans up to the Tier 2 Debt, (ii) to make cash payments to holders of the Tier 3 Debt and to note holders for a total of €354 million,

(iii) to pay accrued interest on the old loans in accordance with the terms and limits set out in the Safeguard Plan, and (iv) to provide a cash surplus of approximately €100 million.

- The issue by EGP of Notes Redeemable in Shares (NRS) in GET SA for a total of €1,870 million. These NRS are automatically redeemable in GET SA Ordinary Shares between the 13^{th} and 37^{th} month following the date of their issue.
- Buy back of the Tier 3 Debt and of the notes on 28 June 2007 by EGP.
- Modification on 28 June 2007 of the characteristics of the Tier 3 Debt (hereafter referred to as the amended loan) and of the notes (hereafter referred to as the amended loan notes) held by EGP, notably in terms of interest rate and repayment terms.

At the date of approval of the summary interim combined accounts, the implementation of the Plan continues under the supervision of the Commissioners for the Execution of the Plan. The next step will consist notably of the recapitalisation of TNU PLC and TNU SA. These operations will be carried out, in accordance with the Safeguard Plan, by using the amended loan allowing GET SA to restore the equity of these entities, who in turn will subsequently proceed to recapitalise CTG and FM.

b) Consequences of the implementation of the financial restructuring on the summary combined interim accounts:

- **Impact on the debt (see note 10 below)**

  At 30 June 2007, the combined financial liabilities of the TNU PLC/SA Group amounted to €9,620 million after the drawdown of the Term Loan and the repayment of the old financial instruments down to Tier 2, compared to €9,392 million at 31 December 2006. The amended loans totalling €5,496 million are owed to EGP (subsidiary of GET SA), €2,687 million of which will be used for the recapitalisation of TNU PLC and TNU SA.

  Eurotunnel has made a loan of €354 million to EGP, enabling EGP to make the cash payments to holders of the Tier 3 Debt and the notes. The Term Loan has been classified as a non-current financial liability. The amended loan (formerly the Tier 3 Debt) has remained as a current financial liability in view of the anticipated recapitalisation operations, while the amended loan notes (formerly the PLNs, Stabilisation Notes and Resettable Bonds) have been accounted for as non-current financial liabilities.

- **Forecast cash flows**

  Cash flow forecasts covering an 18-month period prepared at the end of July 2007 confirm that the TNU PLC/SA Group can meet its obligations such as they are known at this date. Furthermore, the new credit agreements allow for a line of credit of €75 million to be made available, should the need arise, to cover the operational requirements of the Group.

- **Negative equity**

  At 30 June 2007, the equity of TNU PLC, TNU SA, CTG and FM remains negative. As indicated above, the recapitalisation operations are currently being studied and will be carried out in the coming months in accordance with the terms of the Safeguard Plan and in the conditions established by the holding company GET SA.

c) Going concern

The implementation of the financial restructuring enabled the Board to approve the summary interim combined accounts on 29 August 2007 on a going concern basis. The status as a going concern depends directly on the completion of the implementation of the financial restructuring resulting from the Safeguard Plan ratified by the Paris Commercial Court on 15 January 2007.

1.3 Legal procedures

Certain legal procedures that have been instigated against Eurotunnel relating to the Safeguard Procedure continue. They are not considered likely to challenge the validity, the continuation and the completion of the Safeguard Plan. Should the outcome of certain of these procedures be unfavourable, they could result in the payment of damages and interest. Eurotunnel remains confident of the outcome of these litigations, and for this reason, has not forecast that any payments will be made in relation to them.

1.4 Notice to Warrantholders regarding VT1 and VT2

In relation to the notice to Warrantholders regarding VT1 and VT2 at 30 June 2007 as defined on page 171 of the Registration Document (as certified by the Financial Services Authority on 20 March 2007 and by the French *Autorité des marches financiers* on 21 March 2007), the Lump Sums recorded in relation to the previous financial year with their value and the date on which they were realised are as follows:

- VT1 – a subsidy of €1.7 million for the replacement of the Euroscan.

2 STATEMENT OF COMPLIANCE

The summary interim combined accounts have been prepared in accordance with IAS34 on financial reporting. In accordance with this standard, they do not contain all the information necessary for complete annual financial statements and must be read in conjunction with the Group's combined financial statements for the year ended 31 December 2006.

The 2006 interim combined accounts were not approved in view of the ongoing Safeguard Plan; the financial elements relating to this period were approved on 29 August 2007. The summary interim combined accounts for 2007 were approved on 29 August 2007. There have been no significant events between 30 June and 29 August 2007 with the exception of those mentioned above (change of name and de-listing of quotation in London).

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 The summary interim combined accounts of TNU PLC and TNU SA consist of the consolidated accounts of TNU PLC and TNU SA and their subsidiaries. These accounts have been prepared using the principles of currency conversion as defined in the 2006 Annual Accounts.

The summary interim combined accounts have been prepared in accordance with IFRS and on a going concern basis (see note 1.2 above). The accounting principles and bases of calculation used for these interim combined accounts are consistent in all significant aspects with those used for Eurotunnel's 2006 annual combined accounts. The application of the standard IFRS7 (Financial Instruments: Disclosures) which is effective for annual periods beginning on or after 1 January 2007, will lead the Group to provide certain additional information relating to financial instruments in the 2007 annual accounts.

3.2 Basis of consolidation

The interim combined accounts for TNU and its subsidiaries are prepared as at 30 June. The basis of consolidation at 30 June 2007 is the same as that used for the Eurotunnel Group's annual accounts to 31 December 2006.

3.3 Financial liabilities

The Group's financial liabilities have been restructured as described in note 10 below.

The financial liabilities are measured at amortised cost. The amortised cost at the initial recognition date of the financial liability is equal to the consideration in cash received less transaction costs. Subsequently, the amortised cost is adjusted for the amortisation of the difference between the initial amount and the maturity amount according to the effective interest method.

The interest expense is recognised at a constant interest rate over the expected maturity of financial liabilities according to the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the borrowing.

The effective interest rate is recalculated annually according to the forecast cash flows to be paid on each series of the financial debt. The calculation includes transaction costs and all other premiums or discounts.

3.4 Interest rate hedging instruments

The new interest rate hedging instruments presented in note 10 below meet the criteria set forth by IAS39, and are therefore accounted for according to the cash flow hedge model.

Gains and losses on qualifying hedging instruments are recorded in a separate component of equity, excluding the ineffective portion and the time value of options which are recorded in the income statement for the reporting period, and the gains and losses recorded in equity are accounted for in the income statement over the life of the instrument.

4 RELATED PARTY DISCLOSURES

Identified related parties are GET SA and EGP, companies that were created as part of the financial restructuring. Transactions during the first half of 2007 between the Group and these related parties exclusively concern the implementation of the financial restructuring in accordance with the Safeguard Plan:

- amended loans for a total of €5,496 million (of which €2,687 million will be used in the short term for recapitalisation);
- a loan of €354 million;
- a charge of €74 million has been accounted for in the Cost of servicing debt (gross) for inter company financial charges to be paid to EGP for the amended instruments; and
- an income of €0.2 million has been accounted for in Income from cash and cash equivalents, for inter company interest receivable from EGP on the amended instruments.

5 LOSS PER UNIT

In € cents	**30 June 2007**	30 June 2006	31 December 2006
Basic	(1.3)	(4.1)	(8.0)
Diluted	(1.3)	(4.1)	(8.0)

The loss per Unit for the six months is calculated using the weighted average number of Units in issue during the period of 2,546,164,213 (30 June 2006: 2,546,148,191) and the loss for the period of €31,901,000 (30 June 2006: loss of €104,870,000).

6 CONCESSION PROPERTY, PLANT AND EQUIPMENT

During the first half of 2007, TNU has not identified any events likely to modify the valuation of its assets.

7 OTHER CURRENT FINANCIAL ASSETS

The other financial assets relate mainly to inter company loans made in accordance with an agreement dated 28 June 2007 between EFL and EGP for £106.9 million (£66.9 million, £10.2 million, £12 million, and £17.8 million), and between FM and EGP for €195.2 million (€28.6 million, €18.1 million, €26.7 million, and €121.8 million). The loans are repayable on demand and carry interest at EURIBOR / LIBOR +1.25%.

8 SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

€'000	TNU SA	TNU PLC	**Total**
Share capital (Units)			
At 1 January 2007:			
2,546,164,213 shares of €0.15 each	381,925	–	381,925
2,546,164,213 shares of £0.01 each	–	37,596	37,596
Total at 1 January 2007	**381,925**	**37,596**	**419,521**
Issued during the period:			
0 shares of €0.15 each	–	–	–
0 shares of £0.01 each	–	–	–
Total Units issued during the period	**–**	**–**	**–**
At 30 June 2007:			
2,546,164,213 shares of €0.15 each	381,925	–	381,925
2,546,164,213 shares of £0.01 each	–	37,596	37,596
Total at 30 June 2007:	**381,925**	**37,596**	**419,521**

Share premium account			
At 1 January 2007	1,706,259	1,839,374	3,545,633
Premium on shares issued in the period	–	–	–
At 30 June 2007	**1,706,259**	**1,839,374**	**3,545,633**

During the first half of 2007 no Units were issued and no share options were granted.

9 MOVEMENTS IN EQUITY

€'000	Issued share capital	Share premium account	Other reserves*	Retained earnings	Cumulative translation reserve	**Total**
At 31 December 2006	419,521	3,545,633	5,103	(5,854,196)	(341,168)	(2,225,107)
Loss for the period				(31,901)		(31,901)
Valuation of hedging contracts			(14,946)			(14,946)
Share based payments				108		108
Translation adjustments					16,432	16,432
At 30 June 2007	**419,521**	**3,545,633**	**(9,843)**	**(5,885,989)**	**(324,736)**	**(2,255,414)**

* *Including a hedging reserve of €14,946,000 (debit) at 30 June 2007 (31 December 2006: nil).*

10 FINANCIAL LIABILITIES

The changes in the FM, CTG and EFL's financial liabilities, as presented in the table below, are as follows:

- non-current financial liabilities at 30 June 2006 were reclassified at 31 December 2006 as current financial liabilities, in light of the proposed financial restructuring;
- the financial restructuring itself, the main step of which was the Settlement on 28 June 2007.

€'000	30 June 2006	[1] 31 December 2006	[1, 2] 31 December 2006 recalculated	28 June 2007 Settlement of the Safeguard Plan	Interest on new financial instruments	Effective rate adjustment	**30 June 2007**
Non-current financial liabilities							
Old financial instruments:							
Senior and 4th Tranche Debt	522,828	-	-				-
FLF2 (Tier 1A)	1,060,919	-	-				-
Junior Debt: Tier 1	781,906	-	-				-
Tier 2	1,289,482	-	-				-
Tier 3	2,565,638	-	-				-
Resettable Bonds	673,083	-	-				-
Participating Loan Notes	1,250,878	-	-				-
Stabilisation Notes	813,911	-	-				-
New financial instruments:							
Term Loan:							
Tranche A_1 in sterling	-	-	-	1,113,000		(18,222)	1,094,778
Tranche B_1 in sterling	-	-	-	593,600		(9,846)	583,754
Tranche C_1 in sterling	-	-	-	519,400		(8,616)	510,784
Tranche A_2 in euros	-	-	-	367,000		(6,008)	360,992
Tranche B_2 in euros	-	-	-	645,000		(10,654)	634,346
Tranche C_2 in euros	-	-	-	953,000		(15,744)	937,256
Amended loan notes (EGP)	-	-	-	2,825,915	1,281	(17,895)	2,809,301
Total non-current financial liabilities	**8,958,645**	**-**	**-**	**7,016,915**	**1,281**	**(86,985)**	**6,931,211**
Current financial liabilities							
Old financial instruments:							
Senior and 4th Tranche Debt	5,993	537,049	536,114	(536,114)			-
FLF2 (Tier 1A)	-	1,101,860	1,098,160	(1,098,160)			-
Junior Debt: Tier 1	3,934	796,575	795,472	(795,472)			-
Tier 2	6,488	1,315,267	1,313,267	(1,313,267)			-
Tier 3	12,910	2,616,718	2,612,765	(2,612,765)			-
Resettable Bonds	-	682,002	681,207	(681,207)			-
Participating Loan Notes	-	1,269,516	1,267,398	(1,267,398)			-
Stabilisation Notes	-	826,047	824,668	(824,668)			-
New financial instruments:							
Amended loan (EGP)	-	-	-	2,686,742			2,686,742
Accrued interest:							
Interest on Term Loan	-	-	-		1,872		1,872
Unpaid interest	-	107,187	106,957	(106,957)			-
Interest on unpaid interest	-	1,543	1,539	(1,539)			-
Loan notes	7,681	15,948	15,919	(15,919)			-
Loans	103,476	121,512	121,253	(121,253)			-
Overdrafts	60	300	300		(300)		-
Total current financial liabilities	**140,542**	**9,391,524**	**9,375,019**	**(6,687,977)**	**1,572**	**-**	**2,688,614**
Total	**9,099,187**	**9,391,524**	**9,375,019**	**328,938**	**2,853**	**(86,985)**	**9,619,825**

[1] *At 31 December 2006, non-current financial liabilities were reclassified as current financial liabilities in light of the financial restructuring.*

[2] *The financial liabilities at 31 December 2006 have been recalculated at the exchange rate of 30 June 2007 in order to facilitate comparison.*

The change in the total amount of financial liabilities during the period, from €9.4 billion to €9.6 billion, corresponds to the difference between the drawdown of the Term Loan by TNU on 28 June 2007 and the amount of the loans and accrued interest reimbursed (see note 10.1 below). A corresponding amount was recorded in Other current financial assets (see note 7 above).

10.1 28 June 2007 – Settlement of the Safeguard Plan

Under the supervision of the Commissioners for the Execution of the Safeguard Plan, GET SA has carried out the restructuring of all of the debts of TNU PLC / TNU SA in accordance with the terms set out in the Safeguard Plan.

The main terms of the settlement for TNU PLC and TNU SA were the following:

- The drawdown of the Term Loan by FM and CTG for nominal amounts of £1,500 million and €1,965 million.
- The debt principal of the Senior Debt, the Fourth Trance Debt, Tier 1A, and Tiers 1 and 2 were fully repaid using funds made available from the drawdown of the Term Loan.

- Accrued interest up to 28 June 2007 relating to the different tranches mentioned above was paid (excluding default interest on accrued interest and damages, penalties for default or for early repayment which may have been due under their financing agreements).
- The transfer by each holder of Tier 3 of the Junior Debt of all of their claims under the Tier 3 Debt, to EGP.
- The transfer by each note holder of all of their claims under the notes (Resettable Bonds, PLNs and Stabilisation Notes), to EGP.

On 28 June 2007, new financing agreements were signed between EGP, and FM and EFL which govern (i) the loans held by EGP relating to Tier 3 of the Junior Debt (the amended loan), see 10.2b) below, and (ii) the loans held by EGP relating to the Resettable Bonds, PLNs and Stabilisation Notes (the amended loan notes), see 10.2c) below.

10.2 Description of the loans

a) Term Loan

The long term loans effective from 28 June 2007 (collectively known as the "Term Loan") comprise the following elements:

- i) tranche A_1 denominated in sterling, bearing interest at a fixed rate linked to UK inflation;
- ii) tranche A_2 denominated in euros, bearing interest at a fixed rate linked to French inflation;
- iii) tranche B_1 denominated in sterling, bearing interest at a fixed rate;
- iv) tranche B_2 denominated in euros, bearing interest at a fixed rate;
- v) tranche C_1 denominated in sterling, bearing interest at a floating rate; and
- vi) tranche C_2 denominated in euros, bearing interest at a floating rate.

The final profile of the loan by tranche and by currency established during the finalisation of the contractual terms with the lenders is presented in the table "Financial information for the 2007 interim combined accounts" below.

Financial information for the 2007 interim combined accounts

€ million	Currency	Amount in currency	Amount in euro	* Effective interest rate	Contractual interest rate
Tranche A_1	GBP	750	1,113	** 6.22%	** 3.49%
Tranche A_2	EUR	367	367	** 5.86%	** 3.98%
Tranche B_1	GBP	400	594	6.77%	6.63%
Tranche B_2	EUR	645	645	6.33%	6.18%
Tranche C_1	GBP	350	519	7.63%	LIBOR +1.39%
Tranche C_2	EUR	953	953	5.81%	EURIBOR +1.39%
Total Term Loan			**4,191**	**6.36%**	

* *See definition in note 3.3 above*

** *linked to inflation (see notes i) and ii below))*

Information presented on the Term Loan in the Registration Document was established on the basis of an assumed profile of the loan by tranche and by currency as given in the table "Pro forma information published in the Registration Document" below.

Pro forma information published in the Registration Document

€ million	Currency	Amount in currency	Amount in euro	Effective interest rate
Tranche A_1	GBP	398	582	* 4.83%
Tranche A_2	EUR	517	517	* 4.74%
Tranche B_1	GBP	398	583	5.29%
Tranche B_2	EUR	517	517	5.96%
Tranche C_1	GBP	710	1,041	7.64%
Tranche C_2	EUR	924	924	6.69%
Total Term Loan			**4,164**	**6.14%**

* *linked to inflation (see notes i) and ii) below)*

Between June 2006 and July 2007, EURIBOR and LIBOR interest rates have moved from 3.3% to 4.4% (an increase of 1.1 percentage point) and from 4.8% to 6.1% (an increase of 1.3 percentage point) respectively.

€'000	
Contractual nominal value	4,191,000
Gross cost of transactions	69,242
Total amortised cost of the Term Loan	**4,121,758**

The transaction costs used for the determination of the effective interest rate correspond to the issue costs for the Term Loan, amounted to €69 million (1.6% of the nominal value). These costs include mainly those relating to the financing and to legal and bank fees.

i) Tranche A_1

The tranche A1 loan amounts to £750 million, and bears interest at a fixed rate until its maturity, of 3.49%, and is linked to the UK All Items Retail Price Index inflation index as published by the United Kingdom's Office for National Statistics.

Repayment of this tranche will begin on 20 June 2018 to end on 20 June 2042. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

ii) Tranche A_2

The tranche A2 loan amounts to €367 million, and bears interest at a fixed rate until its maturity, of 3.98%, and is linked to the *indice des prix à la consommation hors tabac* inflation index as published by *l'Institut National de la Statistique et des Etudes Economiques*.

Repayment of this tranche will begin on 20 June 2018 to end on 20 June 2041. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

iii) Tranche B_1

The tranche B1 loan amounts to £400 million, and bears interest at a fixed rate of 6.63% until its maturity.

Repayment of this tranche will begin on 20 June 2013 to end on 20 June 2046. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

iv) Tranche B_2

The tranche B2 loan amounts to €645 million euros, and bears interest at a fixed rate of 6.18% until its maturity.

Repayment of this tranche will begin on 20 June 2013 to end on 20 June 2041. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

v) Tranche C_1

The tranche C1 loan amounts to £350 million, and bears interest at a floating rate (LIBOR) plus a margin of 1.39% which is entirely hedged by a fixed / floating interest rate swap for which Eurotunnel pays a fixed rate of 5.2135% and receives a floating rate (LIBOR).

Repayment of this tranche will begin on 20 June 2046 to end on 20 June 2050. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

vi) Tranche C_2

The tranche C2 loan amounts to €953 million, and bears interest at a floating rate (EURIBOR) plus a margin of 1.39% which is entirely hedged by a fixed / floating interest rate swap for which Eurotunnel pays a fixed rate of 4.853% and receives a floating rate (EURIBOR).

Repayment of this tranche will begin on 20 June 2041 to end on 20 June 2050. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

Voluntary prepayment of long term loans

Clause 7.2 of the credit agreements provide for voluntary prepayments to be made on the long term loans for a minimum amount of £5 million or €7.5 million, without penalties.

Guarantees and security relating to the Term Loan

- *Guarantees:*

  Under the Intercreditor Deed, the main companies in the Group each jointly and severally guarantee the obligations of FM and CTG as borrowers of the Term Loan *vis-à-vis* the lenders, the arrangers and the hedging counterparties of the Term Loan.

- *Security granted by Eurotunnel Group under French law:*

  (i) assignment of trade receivables by way of security under which FM assigns, on the one hand, its trade receivables relating to the freight transporters and coach operators and, on the other hand, members of Eurotunnel Group assign certain receivables arising out of contracts accessory to the operation of the Tunnel, such as receivables arising out the Railway Usage Contract and out of the insurance policies;

  (ii) unregistered mortgages over their main real estate assets that are not the subject of short or medium term development projects;

  (iii) a registered pledge over rolling stock;

  (iv) a charge over all bank accounts open in France under the name of any borrower or guarantor;

  (v) a charge over share in Eurotunnel Group members (with the exception of Europorte 2) held by the borrowers or guarantors of the Term Loan; and

  (vi) a charge over the main Eurotunnel trademarks.

- *Security granted by Eurotunnel Group under English law:*

  The main companies in the Group grant security over all of their assets held at the date of execution of the Term Loan as well as over their future assets.

- *Security over the other assets of Eurotunnel Group:*

  All of the shares of members of Eurotunnel Group that are not subject to security as described above (with the exception of Europorte 2) are pledged by way of security for the obligations of the borrowers under the Term Loan and guarantors under the Intercreditor Deed.

Event of default and acceleration

The Term Loan contains a number of events of default which, in certain instances subject to grace periods, permit the lenders to declare the Term Loan immediately due and payable, to enforce the security, and/or to demand the implementation of the substitution mechanism provided for under the terms of the Concession.

The events of default (comparable to those set out in the old credit agreement) include:

- any non-payment under the Term Loan;
- a failure to comply with any provision of the Term Loan, the Intercreditor Agreement or related documents;
- the occurrence of a cross default under any other indebtedness in excess of a specified amount of any of the companies within Eurotunnel Group (other than GET SA);
- the inability of any borrower or guarantor to pay its debts as they fall due, the insolvency or the opening of any legal proceedings in relation to any borrower or guarantor under the Term Loan;
- the illegality or invalidity of the Term Loan, any related security or the subordination created under the Intercreditor Agreement;
- Eurotunnel becoming permanently unable to carry on the business of operating the Tunnel, or the destruction of the Tunnel;
- any act or omission of France or the United Kingdom which renders a borrower or guarantor under the Term Loan incapable of performing its obligations under the Term Loan and associated documents; and
- the occurrence of litigation (or similar proceedings) against any Eurotunnel Group member or its assets, which is reasonably likely (i) to be adversely determined against the relevant company and (ii) to have a material adverse effect on the financial condition of FM, CTG or Eurotunnel Group.

b) Amended loan (previously Tier 3 of the Junior Debt)

The amended loan, amounting to £816 million (principal of £791 million plus capitalised interest of £25 million) plus €1,475 million (principal of €1,439 million and capitalised interest of €36 million), does not bear interest, and is repayable on first demand.

In accordance with the Safeguard Plan which was ratified by the Paris Commercial Court on 15 January 2007, the recapitalisation of TNU PLC and TNU SA will be carried out using the amended loan.

c) Amended loan notes (previously Resettable Bonds, PLNs and Stabilisation Notes)

The amended loan notes, amounting to £877 million (principal of £859 million plus capitalised interest of £18 million) plus €1,526 million (principal of €1,500 million plus capitalised interest of €26 million), bears interest at a floating rate. During the first three years, the amount of interest to be paid on the amended loan notes will be equal to the amount of interest to be paid by EGP for the NRS, to the amount of interest to be paid by EGP for the inter company loans (see note 7 above), as well to the costs arising from the potential reimbursement in cash of the NRS II. The amended loan notes are subordinate to the Term Loan. After three years, the amended loan notes will bear a market rate of interest.

A charge of €17 million representing commission payable by FM and EFL to EGP in accordance with the amended loan notes has been included in the calculation of the effective interest rate. The calculation of the effective rate (4.8%) has been determined on the basis of the first three payments defined in the contract.

d) Interest rate exposure

The risk of an unfavourable movement in rates during the life of the Term Loan is covered by the fact that (i) two of the tranches (one in sterling and one in euros) are at a fixed rate of interest, (ii) two of the tranches (one in sterling and one in euros) are at a fixed rate of interest linked to inflation, and (iii) the last two tranches (one in sterling and one in euros) are at floating rates but are entirely hedged by a fixed / floating interest rate swap. The NRS carry a fixed rate of interest.

TNU has concluded hedging contracts with financial institutions to cover its floating rate loans (tranches C_1 and C_2) in the form of swaps for the same duration and for the same value (EURIBOR against a fixed rate of 4.85% and LIBOR against a fixed rate of 5.2%). No premiums were paid to obtain these contracts.

Nominal value of hedging:

In millions	Swap
€	953
£	350

If market interest rates during the period of these loans are above the fixed rates, the counterparty banks will pay the difference between the two rates to TNU. If market interest rates during the period are below the fixed rates, TNU will pay the difference between the two rates to the counterparties.

These derivatives generated charges of €44,000 and income of €25,000 between 28 and 30 June 2007, which has been accounted for in the income statement.

In accordance with IAS39, these derivatives have been measured at their fair value on the balance sheet, as an asset of €3.8 million for the euro contracts and as a liability of £12.7 million for the sterling contracts.

e) Exchange rate exposure on the balance sheet

All the financial instruments are denominated either in sterling (for TNU PLC) or in euros (for TNU SA). As a result, no exchange gain or loss can arise on revaluation of the external financial instruments. The residual foreign exchange risk relates to the revaluation of intra-Group balances.

f) Liquidity risk

The old financial instruments were completely refinanced as part of the Safeguard Plan. The forecast cash flows take into account the implementation of this Plan, and confirm that Eurotunnel is able to meet its liquidity risks.

g) Fair value of financial assets and liabilities

Taking into account the financial conditions and the date of the settlement of the Safeguard Plan on 28 June 2007, the carrying amounts of financial assets and liabilities constitutes a satisfactory estimation of their fair value.

11 PROVISIONS

€'000	At 1 January 2007	Charge to income statement	Provisions utilised	Exchange difference	**At 30 June 2007**	At 30 June 2006
Operational restructuring	8,951		(926)		8,025	11,650
Financial restructuring and Safeguard Plan	102,049		(57,434)	(215)	44,400	-
Other	4,387			(3)	4,384	349
Total	**115,387**	**-**	**(58,360)**	**(218)**	**56,809**	**11,999**

The provision for financial restructuring and the Safeguard Plan covers the committed and estimated costs of the financial restructuring as well as certain specific risks associated with the implementation of the Safeguard Plan.

Report of the *Commissaires aux Comptes'* on the 2007 half-year financial information

In our capacity as *commissaires aux comptes* and in accordance with Article L.232-7 of French Company code, we have performed the following procedures:

- a limited review of the condensed half year combined accounts of TNU S.A. and TNU P.L.C. (formerly Eurotunnel S.A. et Eurotunnel P.L.C.) for the six month's period ended 30 June 2007;
- a verification of the information provided in the half year report.

These condensed half year combined accounts are the responsibility of the Board of directors. Our responsibility is to issue a report on these accounts based on our limited review.

We conducted our review in accordance with professional standards applicable in France. A limited review of interim accounts consists in obtaining information deemed necessary, mainly to person responsible of accounting and financial matters and to perform analytical procedures, and any other procedure considered appropriate. Such a review does not include all control specific to an audit performed in accordance with professional standards applicable in France. It does not ensure having identified all significant matters that could have been identified during an audit and therefore we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects, the condensed half year combined accounts do not conform with IAS 34 - IFRS standards adopted in the European Union relating to interim financial reporting.

Whilst giving the conclusion given above, we draw your attention to the following matters described in the notes 1.2b and 1.2c to the accounts regarding respectively the consequences of the implementation of the financial restructuring on the condensed half year combined accounts and the going concern, and the note 2 relating to the declaration of conformity.

- Going concern

  Note 1.2c to the accounts states that the implementation of the financial restructuring enabled the Board of directors to approve the condensed half year combined accounts on 29 August 2007 on the going concern basis and that the validity of the going concern principle depends directly from the completion of the implementation of the financial restructuring resulting from the Safeguard Plan as approved by the Paris Commercial Court on 15 January 2007.

- Consequences of the implementation of the financial restructuring on the condensed half year combined accounts

  Note 1.2b to the accounts states the consequences resulting from the implementation of the financial restructuring on the condensed half year combined accounts.

- Absence of approval of the 2006 half year combined accounts

  Note 2 to the accounts indicates that the half year combined accounts as of 30 June 2006 were not approved by the Board of directors in the context of the safeguard procedure.

We have also carried out a verification of the information contained in the half year report commenting the condensed half year combined accounts submitted to our limited review in accordance with professional standards applicable in France.

We have nothing to report with respect to the fairness of such information and its consistency with the condensed half year combined accounts.

Paris La Défense,
29 August 2007

KPMG Audit
Département de KPMG SA,
represented by
Fabrice Odent
Partner

Mazars et Guérard

represented by
Thierry de Bailliencourt
Partner

Commissaires aux Comptes