GROUPE EUROTUNNEL SA

Reference Document 2007

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

In application of the General Regulations of the *Autorité des marchés financiers*, and in particular of Article 212-13, the *Autorité des marchés financiers* registered this Reference Document under number R. 08-024 on 15 April 2008. This document can only be used to support a financial transaction when accompanied by a securities note endorsed by the *Autorité des marchés financiers.* This Reference Document was prepared by Groupe Eurotunnel SA and is the responsibility of its signatories. In accordance with the provisions of Article 621-8-1-I of the French Monetary and Financial Code, registration was granted once the AMF had verified that the document is complete and comprehensible, and the information which it contains is consistent. The registration does not imply any verification by the AMF of the accounting or financial information presented herein.

Copies of this Reference Document are available free of charge at the registered offices of Groupe Eurotunnel SA – 19, Boulevard Malesherbes, 75008 Paris. This Reference Document can also be viewed on the websites of the AMF (www.amf-france.org) and Groupe Eurotunnel SA (www.eurotunnel.com).

All financial figures relating to the Safeguard Procedure in this Reference Document have been calculated, unless otherwise indicated, by applying the euro/pound exchange rate on 2 August 2006 of 1.46635 euro for one pound sterling.

All other financial figures in this Reference Document have been calculated, unless otherwise indicated, by applying the euro/sterling exchange rate on 31 December 2007 of 1.364 euro for one pound.

SUMMARY

1. PERSONS RESPONSIBLE

1.1 Person responsible for the Reference Document and the financial information

Name and capacity of person responsible: Jacques Gounon, Chairman of the board of directors and Chief executive officer of GET SA.

E-mail: PresidentGET@eurotunnel.com

1.2 Declaration by the person responsible for the Reference Document

''I declare, having taken all reasonable care to ensure that such is the case, that the information contained in this Reference Document and its annexes is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its significance.

I declare that, to the best of my knowledge: (i) the accounts for Groupe Eurotunnel SA have been prepared in accordance with the applicable accounting standards and represent an accurate view of the assets, financial situation and results of Groupe Eurotunnel SA and of the companies comprised in the consolidation; and (ii) the management report, made up of sections of this Reference Document, as listed in the table of cross references in Annex XIII of this Reference Document, represents an accurate view of the development of the business, of the results and of the financial situation of Groupe Eurotunnel SA and of the companies comprised in the consolidation, as well as a description of the main risks and uncertainties facing them.

I have been provided with a final report (*lettre de fin de travaux*) from the *Commissaires aux Comptes* in which they indicated that they had verified the information relating to the financial situation and to the accounting data contained in this Reference Document and had read the whole document.

This letter contains no observations relating to this Reference Document but contains a reminder of the following observations made by the *Commissaires aux Comptes* in their report related to the historic financial information:

''Our report on the combined accounts of Groupe Eurotunnel S.A. for the year ended 31 December 2007 includes the following observation:

Without calling into question the above opinion, we draw attention to notes 2.1.i and 2.3 of the accompanying notes to the consolidated accounts, relating to the principles of preparation and presentation of the consolidated accounts and the pro forma financial information. These two notes highlight, respectively, the accounting treatment of the financial restructuring and the impact of the reduction of the gross cost of servicing debt in the pro forma income statement for the period from 1st January to 31 December 2007, assuming the implementation of the financial restructuring at a theoretical date of 1 January 2007.

Our report on the Eurotunnel Combined Accounts for the year ended 31 December 2006 includes the following observations:

- Going Concern

The Eurotunnel Combined Accounts have been prepared on a going concern basis, which is directly dependent on the successful implementation of the financial restructuring as stated by the Safeguard Plan which was approved by the Paris Commercial Court on 15 January 2007. This implies in particular the success of the Tender Offer, the drawing of the Term Loan, the failure of any legal or administrative actions aimed at blocking the Safeguard Plan and the absence of any significant changes to the implementation of the Safeguard Plan, the nature and impact of which cannot be gauged at this stage.

In the event that all of the elements of the Safeguard Plan are not put in place, Eurotunnel's ability to trade as a going concern would not be assured. The Combined Accounts would then be subject to certain adjustments, the amounts of which cannot be measured at present. They would relate to the impairment of assets to their net realisable value, the recognition of potential liabilities and the classification of non-current assets and liabilities as current assets and liabilities.

- Valuation of property, plant and equipment

Note 6 to the accounts explains that Eurotunnel Group has not identified any indicator of change in the basis of the value in use of its property, plant and equipment at 31 December 2006 compared to that at 31 December 2005, which was calculated using an implicit discount rate of 8.4%. Even minor changes in the assumptions used would lead to material changes in the valuation of the assets. As an illustration, a change of 0.1% or 0.5% in the implicit discount rate corresponds to a change in the value in use of the assets of £90 million or £489 million, respectively.

Finally, it is our duty to draw your attention to the fact that the financial projections over the remainder of the Concession are, by their very nature, uncertain.

- Consequences of the implementation of the Safeguard Plan on the Combined Accounts

Note 1 to the financial statements sets out the consequences of the implementation of the Safeguard Procedure and the execution of the Safeguard Plan on the 2006 Combined Accounts.

- Non approval of the 2005 Combined Accounts

Note 1 to the accounts explains that 2005 Combined Accounts, that serve as the opening balance sheet for the 2006 accounts, will be submitted to the Annual General Meeting called to approve the Combined Accounts for 2005 and 2006.

Our report on the Eurotunnel Combined accounts for the year ended 31 December 2005 includes the following observations:

- Going Concern

The Eurotunnel Combined Accounts have been prepared on a going concern basis, which is directly dependent on the successful implementation of the financial restructuring as stated by the Safeguard Plan which was approved by the Paris Commercial Court on 15 January 2007. This implies in particular the success of the Tender Offer, the drawing of the Term Loan, the failure of any legal or administrative actions aimed at blocking the Safeguard Plan and the absence of any significant changes to the implementation of the Safeguard Plan, the nature and impact of which cannot be gauged at this stage.

In the event that all of the elements of the Safeguard Plan are not put in place, Eurotunnel's ability to trade as a going concern would not be assured. The Combined Accounts would then be subject to certain adjustments, the amounts of which cannot be measured at present. They would relate to the impairment of assets to their net realisable value, the recognition of potential liabilities and the classification of non-current assets and liabilities as current assets and liabilities.

- Valuation of property, plant and equipment

The value in use of Eurotunnel Group's fixed assets takes into account the consequences on the specific asset risks of putting in place the Group's new operating model and the new financing structure as set out in the Safeguard Plan. The Group has recorded an impairment of its fixed assets of £1.75 billion using an implicit discount rate of 8.4%. Even minor changes in the assumptions used would lead to material changes in the valuation of the assets. As an illustration, a change of 0.1% or 0.5% in the implicit discount rate corresponds to a change in the value in use of the assets of respectively £90 million or £489 million.

Finally, it is our duty to remind you of the fact that the financial projections over the remainder of the Concession are, by their very nature, uncertain.''

The historical financial information presented in this document has been the subject of an accountants' report, found in Annex V, VI, VII and X of this Reference Document.''

2. *COMMISSAIRES AUX COMPTES* OF GET SA

2.1 *Commissaires aux Comptes*

KPMG Audit, department of KPMG SA
1 cours Valmy – 92923 Paris La Défense Cedex, France
Appointment date: 9 March 2007
Date appointment will terminate: general shareholders' meeting called to approve the accounts for the financial year ending on 31 December 2012

Mazars et Guérard
61 rue Henri Regnault – 92075 Paris La Défense Cedex, France
Appointment date: 9 March 2007
Date appointment will terminate: general shareholders' meeting called to approve the accounts for the financial year ending on 31 December 2012

2.2 Alternate *Commissaires aux Comptes*

Jean-Paul Vellutini
1 cours Valmy – 92923 Paris La Défense Cedex, France
Appointment date: 9 March 2007
Date appointment will terminate: general shareholders' meeting called to approve the accounts for the financial year ending on 31 December 2012

Patrick de Cambourg
125, rue de Montreuil – 75011 Paris, France
Appointment date: 9 March 2007
Date appointment will terminate: general shareholders' meeting called to approve the accounts for the financial year ending on 31 December 2012

3. SELECTED FINANCIAL INFORMATION

The financial information published by GET SA on 31 December 2007 takes account of the implementation of a new group structure in June 2007, and was prepared in accordance with instruction 2007-05 of 2 October 2007 of the *Autorité des marchés financiers* relating to the presentation of pro forma financial information, which requires that, in the case of a change of structure during a financial year, the pro forma information be provided as if the change of operations was implemented at the beginning of the period.

The terms of the Safeguard Plan provide for the implementation of a new group structure, in particular the creation of GET SA. The launch of the Offer by GET SA allowed the original shareholders of TNU who tendered their Units to the Offer to become shareholders of GET SA in June 2007. This transaction, which does not affect the TNU shareholders' control, is reflected in the accounts in the form of a combination of entities under common control.

GET SA's consolidated pro forma income statement for the period 1 January to 31 December 2007 is intended to present the impact on the year of the refinancing, as if it had been put in place on the theoretical date of 1 January 2007. The figures relating to 2006 and 2005 have been extracted from the combined accounts of TNU. GET SA's consolidated income statement includes the operational activities of the Eurotunnel Group with effect from 1 July 2007.

Summary income statements 2005 - 2007

	Year ending 31 December			
(in millions of euros)	**GET SA pro forma 2007**	**TNU 2006**	**TNU 2005**	**GET SA 2007**
Exchange rate €/£	*1.437*	*1.462*	*1.465*	*1.437*
Revenue	775	830	793	402
Operating expenses	336	340	355	171
Depreciation	162	164	208	82
Trading profit	**277**	**326**	**230**	**149**
Impairment	–	–	2,490	–
Other operating (expenses) / income	(13)	7	(41)	(13)
Operating profit	**264**	**333**	**(2,301)**	**136**
Net cost of financing and debt service	278	487	490	135
Profit arising from the financial restructuring	3,323	–	–	3,323
Other financial income / (charges) and income tax expense	15	(50)	(18)	(7)
Net result for the year: profit / (loss)	**3,324**	**(204)**	**(2,808)**	**3,317**

Summary balance sheets 2005 - 2007

	At 31 December		
(in millions of euros)	**GET SA 2007**	**TNU 2006**	**TNU 2005**
Exchange rate €/£	*1.364*	*1.489*	*1.459*
Total non-current assets	7,017	7,147	7,455
Total current assets	260	404	285
TOTAL ASSETS	**7,277**	**7,551**	**7,740**
Total equity	2,739	(2,225)	(2,032)
Total non-current liabilities	4,204	27	9,172[2]
Total current liabilities[1]	334	9,749	600
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**7,277**	**7,551**	**7,740**

(1) *The implementation of the Safeguard Plan required the restructuring of the Historical Debt by way of a new loan agreement being entered into for an amount of 4,164 million euros and the issue of NRS for an amount of 1,870 million euros. Accordingly, medium to long term debt was reclassified as short term debt (current liabilities) at 31 December 2006.*

(2) *TNU's debt as restructured in 1997 is presented in its IFRS Financial Statements on the basis of historical cost. Therefore, the debt of TNU is recorded in the opening IFRS balance sheet at its historical value corresponding to the fair value as at the issue date. Subsequent movements were accounted for according to the amortised cost method. This value represents the fair value as set out in the IFRS with respect to the initial recognition of financial liabilities. TNU did not have, at the date of the restructuring in 1997, the necessary information as set out in IAS 39 that could determine, if such was the case, a fair value different from the historical value. TNU's debt is presented in the Safeguard Plan at its contractual value.*

Summary cash flow statements 2005 - 2007

	Year ending 31 December			
(in millions of euros)	**GET SA pro forma 2007**	**TNU 2006**	**TNU 2005**	**GET SA 2007**
Exchange rate €/£	*1.364*	*1.489*	*1.459*	*1.364*
Net cash inflow from trading	398	510	408	233
Other operating cash flows and taxation	(117)	(37)	(70)	(92)
Net cash inflow from operating activities	**281**	**473**	**338**	**141**
Net cash outflow from investing activities	(37)	(14)	(23)	(20)
Net cash outflow from financing activities	(369)	(353)	(403)	(356)
(DECREASE) / INCREASE IN YEAR	**(125)**	**106**	**(88)**	**(235)**[1]

(1) *Excluding 392 million euros brought by TNU in connection with the business combination under common control at the date of the Offer on 28 June 2007.*

4. RISK FACTORS

THIS CHAPTER 4 SETS OUT THE RISKS LINKED TO THE IMPLEMENTATION OF THE SAFEGUARD PLAN, THE REORGANISATION, THE CONSEQUENCES OF THE REORGANISATION AND THE RISKS INHERENT IN THE BUSINESS OF EUROTUNNEL GROUP

Eurotunnel Group has carried out a review of the risks affecting Eurotunnel Group in connection with the internal audits and control procedures described in Annex VIII of this Reference Document. Eurotunnel Group does not consider itself subject to any significant risks other than those listed below.

4.1 Risks linked to the Safeguard Plan and the Reorganisation

Notwithstanding the implementation of the Reorganisation, Eurotunnel Group still has a significant level of debt with a total principal amount of 4.164 billion euros

Eurotunnel Group continues to have a significant level of debt in a total principal amount (excluding the principal amount of the NRS issued on 28 June 2007) of 4.164 billion euros with annual interest payments of approximately 220 million euros (see note 19.2 iii to the consolidated accounts at Annex IV of this Reference Document).

Interest payments in respect of the NRS must be added to this amount, including interest payments in respect of the NRS I (33 million euros in 2008, 18 million euros in 2009, and 15 million euros in 2010), and interest payments in respect of the NRS II (prior to the partial early redemption in cash and subsequent cancellation of part of the NRS II on 10 April 2008, 107 million euros in 2008, 68 million euros in 2009, and 68 million euros in 2010), making the total amount of interest payments in respect of the NRS 140 million euros in 2008, 86 million euros in 2009, and 83 million euros in 2010.

Following the redemption in cash and subsequent cancellation of part of the NRS II using the net proceeds of the issue of SDES on 10 April 2008, the total amount of interest payable in respect of the NRS will be reduced to 129 million euros in 2008, 51 million euros in 2009, and 48 million euros in 2010.

Assuming that the redemption in cash and subsequent cancellation of the remaining Unredeemed NRS II using the net proceeds of the issue of new GET SA Ordinary Shares upon the exercise of the BSA will occur in the first week of July 2008, the total amount of interest payments in respect of the NRS will be reduced to 129 million euros in 2008, 18 million euros in 2009, and 15 million euros in 2010.

The SDES Return is payable in cash or in GET SA Ordinary Shares at the option of GET SA, according to the terms set out at paragraph 5.1.5 (e) of this Reference Document.

Eurotunnel Group's level of debt and the interest payment thereon could affect its future capacity to secure additional financing for replacement investments, new investments, or any other purposes.

A significant part of Eurotunnel Group's operating cash flow is allocated to servicing this debt, which could restrict Eurotunnel Group's operational flexibility.

In addition, the repayment of the loans and financing contracted by Eurotunnel Group as part of the implementation of the Reorganisation could be accelerated if certain contractual obligations are not complied with or if certain events of default occur, as described in part 19.2 of Annex IV of this Reference Document.

See also the risk factor ''Risks relating to Eurotunnel's Indebtedness'' in section 4.2 below.

It is expected that the redemption of the NRS I and the SDES using GET SA Ordinary Shares will have a significant dilutive impact on the shareholders of GET SA, if all of the NRS I and the SDES were to remain outstanding until their respective maturity dates

Unitholders who tendered their Units to the Offer held 100% of the GET SA Ordinary Shares as of the settlement-delivery date. As part of the Reorganisation, EGP issued NRS, redeemable in GET SA Ordinary Shares, to certain creditors of TNU. Redemption of the NRS in GET SA Ordinary Shares is due to take place from July 2008, with redemption of all of the NRS in GET SA Ordinary Shares occurring by July 2010.

Following the partial redemption of the NRS II on 10 April 2008 and the transactions aimed at raising funds to carry out the early redemption in cash of the Unredeemed NRS II, the redeemed NRS II will be cancelled.

However, redemption of the NRS I and the SDES in GET SA Ordinary Shares will have a significant dilutive impact on GET SA shareholders, particularly due to the adjustment of the redemption ratio of the NRS I and the SDES (as a result of the transactions aimed at raising funds in anticipation of the redemption in cash of the Unredeemed NRS II) if all of the NRS I and the SDES were to remain in issue until their respective maturity dates.

For further detail on the dilutive effect of the redemption of the NRS I and SDES in GET SA Ordinary Shares, please refer to section 21.1.6 of this Reference Document and notes 15 and 17 to the consolidated accounts at Annex IV of this Reference Document.

Eurotunnel Group may not be able to redeem the Unredeemed NRS II in cash before they are redeemed in GET SA Ordinary Shares

The terms of the NRS II provide for EGP to be able to redeem all or part of the NRS II in cash prior to maturity, which would reduce the overall dilutive effect of the redemption of the NRS in GET SA Ordinary Shares for the GET SA shareholders. However, it is not certain that Eurotunnel Group will have the necessary financial capacity to redeem the Unredeemed NRS II in cash prior to the date of their automatic redemption in GET SA Ordinary Shares.

The Safeguard Plan provides for Eurotunnel Group to be able to raise additional financing to redeem the NRS II in cash prior to maturity, principally by increasing its level of debt in certain circumstances or by using the proceeds of one or several share capital increases reserved to the shareholders of GET SA. It is not certain that Eurotunnel Group will be able to raise the necessary additional financing on acceptable terms, that one or more share capital increases may be made on acceptable terms taking into consideration market conditions, or that the shareholders of GET SA will agree to participate in the share capital increases to enable Eurotunnel Group to have, within the required time period, the necessary financial capacity to enable EGP to exercise its right to redeem the Unredeemed NRS II in cash.

The Warrants may not reduce the dilutive effect of redemption of the NRS in GET SA Ordinary Shares

The exercise of 55% of the Warrants which were issued as part of the Reorganisation to Unitholders tendering their Units to the Offer and of 45% which were issued to Noteholders may only occur during a period of six months from the date on which the number of GET SA Ordinary Shares for which the Warrants may be exercised is determined. This number, which is to be determined after 30 June 2011, will primarily depend on the financial results of Eurotunnel Group in 2008, 2009 and 2010 and on the occurrence prior to 30 June 2008 of exceptional events in Eurotunnel Group, which remain uncertain despite the efforts of GET SA to achieve them.

No assurance can be given as to the number of GET SA Ordinary Shares for which the Warrants may be exercised.

Certain GET SA board decisions will only be able to be taken with the agreement of certain directors proposed for appointment by ENHC

In accordance with the terms of the Safeguard Plan, as soon as ENHC has provided information confirming that the GET SA Preferred Share will not be converted into a GET SA Ordinary Share, and the directors proposed by ENHC have been appointed, a qualified majority of eight directors out of eleven will be required for the GET SA board of directors to make certain important decisions. Consequently, these decisions will be subject *de facto* to the agreement of at least one of the members of the board of directors proposed for appointment by ENHC following the directors' appointment, in accordance with the specific corporate governance rights granted to ENHC by virtue of the GET SA Preferred Share.

An abusive use of the specific rights attached to the GET SA Preferred Share could prevent the effective functioning of the GET SA board of directors.

Price volatility of GET SA Ordinary Shares, the Warrants, and the SDES

Since the NRS I are redeemable in GET SA Ordinary Shares, redemption of all or part of the NRS I could have a negative impact on the price of GET SA Ordinary Shares, the Warrants, or the SDES. If the Eurotunnel Group is not in a position to redeem in cash the Unredeemed NRS II, the redemption of the Unredeemed NRS II in GET SA Ordinary

Shares could have an adverse impact on the value of the GET SA Ordinary Shares, the Warrants, and the SDES. The Exercise of Warrants could also have a negative impact on the price of GET SA Ordinary Shares. The redemption of the SDES in GET SA Ordinary Shares could have a negative impact on the price of GET SA Ordinary Shares or on that of the NRS I or the Warrants.

Eurotunnel Group cannot predict the potential impact on the price of GET SA Ordinary Shares or Warrants or SDES of the redemption of all or part of the NRS I in GET SA Ordinary Shares, or the impact of the exercise of the Warrants on the price of GET SA Ordinary Shares.

The completion of the business plan and of projections based on the duration of the Concession Agreement is dependent on certain factors over which Eurotunnel Group has no control

The financial forecasts have been developed on the basis of a business plan and projections over a very long period reflecting the duration of the Concession Agreement. Although at the date of the present Reference Document, GET SA does not know of any information which could undermine this data, various factors that GET SA does not and cannot control could undermine certain assumptions on which the initial business plan (upon the basis of which the main economic data for the Reorganisation has been founded), the new business plan, prepared on 31 December 2007, and the corresponding projections have been based. This is principally the case for traffic forecasts, variations in tariffs or assumptions for growth in turnover and operating results.

If certain assumptions turn out to be incorrect, or certain uncertainties which are inherent in business plans and projections prepared over such a long period materialise, this could have a material adverse effect on the results of Eurotunnel Group and its ability to generate sufficient revenues to meet its payment obligations under the Term Loan or more generally, to meet all of its obligations as a borrower.

The liquidity of the market for GET SA Ordinary Shares, the NRS I, the Unredeemed NRS II, the Warrants and the SDES cannot be guaranteed

Although the GET SA Ordinary Shares, the NRS I, the Unredeemed NRS II and the Warrants have been admitted to listing and trading on Euronext™ Paris and the GET SA Ordinary Shares, the NRS I and the Unredeemed NRS II to trading on the London Stock Exchange, and although the SDES have been admitted to listing and trading on the regulated market of the Luxembourg Stock Exchange, the existence of a liquid market for GET SA Ordinary Shares, NRS I, Unredeemed NRS I, Warrants or SDES cannot be guaranteed. If a liquid market for GET SA Ordinary Shares, NRS I, Unredeemed NRS II, Warrants or SDES does not develop, the price of GET SA Ordinary Shares, NRS I, Unredeemed NRS II, Warrants and SDES could be affected.

The SDES are complex financial instruments requiring an appropriate level of knowledge and experience of the financial markets on the part of the investors, particularly due to the complexity of the terms and conditions of redemption of the SDES and the fact that the SDES are redeemable only in shares

Investors must have a sufficient level of knowledge and experience of the financial markets in order to be able to evaluate the advantages and risks linked to investing in the SDES, as well as knowledge of and access to analytical tools in order to asses the advantages and risks in the context of their financial situation. The main characteristics of the SDES are the terms of their redemption and particularly the fact that they are redeemable only in shares. Furthermore, the investors' attention should be drawn to the fact that no return will be paid on the SDES during the period from and including 6 September 2009 (or the following business day) or the date of redemption of the SDES in New Ordinary Shares, whichever is the earlier, and 6 September 2010. The SDES are not appropriate investments for investors who are not familiar with the legal and financial terms governing these types of instruments. Investors must also be in a suitable financial position to be able to bear the risks associated with investing in the SDES.

No guarantee can be provided in respect of the value of the New Ordinary Shares which will be issued for the redemption of the SDES and as payment of return on them, as applicable

The characteristics and terms and conditions of the SDES differ from those of other similar financial instruments in that the value of the New Ordinary Shares that the SDES holder will receive on redemption is not fixed (see chapter 4 ''Information on the securities offered/listed for trading on Euronext Paris'' of the SDES Securities Note). It cannot be guaranteed that the value of the New Ordinary Shares received by the SDES holder in connection with the redemption of the SDES will be equal to or greater than the value as it stands at the date of issue of the SDES.

Similarly, the value of the New Ordinary Shares received, as applicable, by the SDES holder in respect of the payment of the TSRA return in New Ordinary Shares cannot be guaranteed.

If the Eurotunnel Group decides to pay the return on the SDES in cash, the amount of the return received by the SDES holder may be lower than the amount which the SDES holder might have received in New Ordinary Shares

The SDES Return will be comprised of (i) the issue and allotment to the SDES holder of 3 New Ordinary Shares per SDES, or (ii) at the option of GET SA, the payment in cash of interest calculated at an annual rate of 2% (within the limit of the amount of available cash flow within GET SA, and provided that in the event that this cash flow is insufficient, the SDES Return will be paid in whole or part in the manner described in (i)).

Accordingly, if the Eurotunnel Group chooses to pay the return on the SDES in cash, the return received by the SDES holder in cash may be less than the market value of the New Ordinary Shares which the SDES holder might have received.

If market conditions are unfavourable, the free allocation of the BSA to the GET SA shareholders may not be carried out

The redemption of the Unredeemed NRS II is intended to be financed by the proceeds of a share capital increase upon the exercise of the BSA, which should take place as soon as possible after the issue of the SDES depending on market conditions.

However, if the conditions surrounding the issue, particularly the market conditions, are unfavourable, it is possible that the proposed free allocation of the BSA to the GET SA shareholders may not be carried out.

4.2 Market risks

Risks relating to Eurotunnel Group's indebtedness

Considering the level of Eurotunnel Group's indebtedness and despite its significant reduction compared to the Historical Debt:

- a very large portion of Eurotunnel Group's operating cash flow will be used to make interest payments, which could limit its ability to finance working capital, capital expenditures, cost reduction programmes and any acquisitions;
- Eurotunnel Group's ability to plan for the future or respond to changes affecting its business and markets will be limited;
- Eurotunnel Group could be in a less advantageous position compared to competitors that are less indebted and those that have taken out fixed-rate loans at lower interest rates than those granted to Eurotunnel Group as part of the Reorganisation; and
- Eurotunnel Group will have limited scope to raise additional indebtedness in the future, due to its commitments under the Term Loan, described in section 22.4.1 of this Reference Document.

Finally, Eurotunnel Group must comply with its obligations and restrictions under the Term Loan, described at section 22.4.1 of this Reference Document.

See also the risk factor ''Notwithstanding the implementation of the Reorganisation, Eurotunnel Group still has a significant level of debt in a total principal amount of 4.164 billion euros'' in section 4.1 above and note 19.2 iii to the consolidated accounts at Annex IV of this Reference Document.

Risks relating to Eurotunnel Group's foreign exchange position

A significant portion of Eurotunnel Group's balance sheet, turnover and expenditure is denominated in sterling, whereas Eurotunnel Group's consolidated financial statements are in euros.

Approximately half of Eurotunnel Group's revenue is in sterling, whereas a larger proportion of its operating expenses and capital expenditure is in euros. In addition, the majority of interest payments are in sterling, since the Term Loan is comprised of one tranche of 1.5 billion sterling (equivalent of 2.0 billion euros at 31 December 2007) and one tranche of 1.965 billion euros.

Eurotunnel Group has made and will make every effort to more closely match the currencies in which its turnover and expenses are denominated, and it has used and will use currency hedging transactions to manage foreign-exchange risk (see note 19.2 (ii) to the consolidated accounts at Annex IV of this Reference Document). However, there is no guarantee that these measures will significantly reduce Eurotunnel Group's risk in the event of an adverse movement in the sterling / euro exchange rate or that they will ensure that if this risk were to materialise, this would not have a significant impact on Eurotunnel Group's financial position and its ability to service its debt.

At 31 December 2007, Eurotunnel Group's balance sheet exposure to transaction currencies other than the euro was as follows:

Eurotunnel Group's Sterling foreign-exchange risk exposure	**(€ bn)**
Assets	0.1
Liabilities	2.1
Net position before hedging	(2.0)
Off-balance-sheet position	–
Net position after hedging	(2.0)

For GET SA, the NRS are treated as equity for accounting purposes. Accordingly, the NRS do not expose the group to any particular exchange rate risk except for the exchange rate risk relating to interest payments.

The SDES are treated as equity for accounting purposes. Accordingly, the SDES do not expose Eurotunnel Group to any particular exchange rate risk except for the exchange rate risk relating to the SDES Return, in the event that such return is paid in cash.

Based on Eurotunnel Group's information at 31 December 2007, the impact of a 10% change in the euro /sterling exchange rate would result in an accounting foreign exchange gain or loss of approximately 3 million euros, taking into account the recapitalisation of certain intergroup debt on 21 December 2007.

Risks relating to Eurotunnel Group's interest rate position

Eurotunnel Group's debt is 4.164 billion euros (excluding NRS in a nominal amount of 1.870 billion euros). The maturity schedule of Eurotunnel Group's assets and liabilities (including NRS) is as follows:

(€ millions)	**Overnight – 1 year**	**1 year – 5 years**	**More than 5 years**
Financial liabilities	98	1.772	3.963
Financial assets	0	–	–
Net position before hedging	98	1.772	3.963
Off-balance-sheet commitments	–	–	–
Net position after hedging	98	1.772	3.963

The risk of adverse interest rate movements during the period of the Term Loan is mitigated by the fact that (i) two tranches (one in sterling, the other in euro) are at a fixed rate, (ii) two (one in sterling, the other in euro) are at a fixed rate indexed to inflation, and (iii) the final two (one in sterling, the other in euro) at a floating rate, are hedged to a fixed rate for the duration of the Term Loan.

For the preparation of the financial statements, the floating rate debt tranches (before hedging) are £350 million and 953 million euros.

The risk of an unfavourable change to interest rates during the term of the NRS is mitigated by the fact that the NRS bear interest at a fixed rate.

The risk of an unfavourable change in interest rates during the term of the SDES is mitigated by the fact that the SDES bear interest at a fixed rate.

4.3 Risks related to Eurotunnel Group's business

Eurotunnel Group's turnover depends primarily on cross-Channel traffic, which in turn depends on factors over which Eurotunnel Group has no control in most cases

Eurotunnel Group's turnover is closely linked to cross-Channel passenger and goods traffic.

Cross-Channel and Tunnel traffic depends on a number of factors over which Eurotunnel Group has no control in most cases. These include:

- general economic growth, particularly in France, the United Kingdom and Europe;
- the political situation in France, the United Kingdom, Europe and worldwide;
- the occurrence of health or natural disasters in Europe and worldwide;
- competition from traditional airlines, airline alliances and low-cost regional airlines;
- the appeal of transport services through the Tunnel compared to other forms of cross-Channel transport;
- competition from ferries and a possible escalation of the price war;
- taxation in France and the United Kingdom;
- limits on the number of time slots for trains using the Tunnel; and
- the competitive position and commercial policies of rail operators offering passenger transport (such as Eurostar) and goods transport via the Tunnel.

These factors could have a negative impact on Eurotunnel Group's turnover, earnings, financial position and available cash flow.

A new commercial and operational strategy has been adopted and implemented progressively since 2005. Despite positive results in 2006 and 2007, the strategy may be disrupted in the future and this could have negative consequences on Eurotunnel Group's results.

Eurotunnel Group faces strong competition

The competitive environment of Eurotunnel Group could become stronger in all of its business areas. Eurotunnel Group's business has been and is subject to competition (see section 6.2.3 of this Reference Document), which could further intensify in the near future.

The relative excess of cross-Channel transport capacity is leading to strong competition between operators. Prices remain subject to the threat of an economically stronger new market entrant and the further development of regional routes by low-cost airlines.

Eurotunnel Group is faced with continued competition from airlines. Low-cost airlines have become major players in the European transport market in recent years, both directly by servicing the usual destinations of the travellers using the Tunnel and by offering customers different alternative holiday and short-break destinations. The price strategies and other competitive initiatives adopted by airlines may have a negative impact on Passenger Shuttle Service volumes. These competitive initiatives are also likely to have a negative effect on Eurostar passenger numbers, if they result in direct competition on the Paris-London and Brussels-London routes. The opening of the final stretch of the CTRL, which occurred on 14 November 2007, should increase traffic. However, this is likely to be insufficient to offset the loss of the MUC payments under the Railway Usage Contract since December 2006.

Eurotunnel Group is subject to risks inherent in the business of an infrastructure operator

Eurotunnel Group is exposed to certain risks inherent to the business of an infrastructure operator.

Eurotunnel Group is subject to a certain number of obligations designed to protect passengers and to reduce risks of accident. There are four main categories of obligations that present risks for Eurotunnel Group:

- Eurotunnel Group faces the risk of a temporary disruption to Tunnel operations, resulting in particular from labour disputes, technical failures (IT network breakdowns, power cuts etc.), accidents (collisions, derailment, fire etc.), political events (blockades by demonstrators, illegal immigration etc.), natural disasters (earthquakes, floods), direct industrial disasters (collapse or accidental destruction), indirect industrial disasters (dispersion of hazardous materials) and other types of disruption. In addition to the impact that such disruption could have on Eurotunnel Group's results, these events often receive wide media coverage (particularly when passengers suffer major inconveniences or when freight is subject to serious delays). A prolonged disruption could therefore have a significant impact on Eurotunnel Group's image, earnings and financial position;

- like any other company that admits the public onto its premises and transports them, Eurotunnel Group is required to implement public safety measures. A set of systems already exists to limit risks to public safety, including the design of the System described in section 6.5.1 of this Reference Document and a set of principles, procedures and controls approved by the IGC. In the event that Eurotunnel Group fails to meet its safety obligations, the IGC may temporarily suspend its authorisation to operate services until the necessary remedial action has been taken. A prolonged interruption could therefore have a significant impact on Eurotunnel Group's image, earnings and financial position;

- Eurotunnel Group carries out certain activities on behalf of the States. It has to implement health and safety measures along with adapting national programmes (such as the Vigipirate anti-terrorism programme) in accordance with the Concession Agreement. Eurotunnel Group adapts its business practices to meet these requirements and to deliver the specified quality of service. It is possible that a change in these requirements, particularly in terms of border control, will require a change in business and commercial practices, leading to an increase in operating costs or a deterioration in the quality of service. This could have an adverse effect on Eurotunnel Group's image, competitive advantage, business, financial position and earnings. By way of example, although a first decision of an arbitration tribunal dated 30 January 2007 and published on 23 February 2007 held that FM and CTG were entitled to compensation by the British and French governments, as referred to in note 1.4 (ii) to GET SA's 2007 consolidated accounts at Annex IV of this Reference Document, in 2001 FM and CTG had to take the necessary measures at its own expense to prevent intrusions from illegal immigrants to the System and since then, Eurotunnel Group has continued to apply measures adapted to this situation;

- Eurotunnel Group has more than 10 years of experience in maintaining its rolling stock, equipment and infrastructure. Maintenance is dealt with through a light maintenance programme, a heavy maintenance programme and a renewal plan based on Eurotunnel Group's experience and forecasts of equipment usage. However, given the special nature of the equipment and infrastructure used, the intensity of this use and technological progress, it cannot be excluded that these programmes and plans will prove insufficient or unsuitable, particularly in the event of premature obsolescence or an increase in malfunctions. This would lead to unforeseen costs or partial or temporary service interruptions, which could affect Eurotunnel Group's business, financial position and earnings.

The price of certain resources, which represent substantial costs for the Group, fluctuates

Eurotunnel Group uses electricity as its main source of energy, particularly to power its trains. It has participated in numerous initiatives aimed at cutting its consumption and taking advantage of the most attractive tariffs possible. However, the supply of electricity still represents a significant cost to Eurotunnel Group. A large and general change in the cost of primary resources and electricity could have negative repercussions on the results of Eurotunnel Group.

Eurotunnel Group is exposed to the risk of terrorism

Like other infrastructure operators, Eurotunnel Group is exposed to an ongoing risk of terrorist attacks on its own installations or on neighbouring infrastructure required for the circulation of trains and Shuttles. Despite the insurance cover in place (see section 6.6 below) and state responsabilities, if this risk were to materialise, it could have a material adverse impact on the business of Eurotunnel Group, since cross-Channel traffic could be reduced for an indefinite period. In this situation, the Tunnel, the infrastructure or neighbouring high-speed lines could be completely or partially closed for the time required to assist victims, investigate the circumstances in which the attack was carried out and to rebuild the infrastructure and areas affected. There would also be a risk of victims seeking compensation from Eurotunnel Group. Safety and security measures could be stepped up following a terrorist attack. This could increase passenger inconvenience due to new safety and security measures, reduce passenger capacity and substantially increase Eurotunnel Group's safety and security related expenditure.

Labour disputes could have an impact on Eurotunnel Group's business

Deterioration in employee relations and staff disputes cannot be excluded. Strikes, stoppages, protest movements, or other employee-related problems could disrupt Eurotunnel Group's business. These strikes, stoppages, protest movements or other labour problems could occur not only within Eurotunnel Group, but also with respect to its clients, subcontractors or suppliers.

Eurotunnel Group must comply with the specific provisions in the Railway Usage Contract

The Railway Usage Contract regulates the usage of the Tunnel by the Railways. Pursuant to this contract, the Railways must pay annual fixed charges and variable charges depending on the number of passengers and freight units transported. The Railways also have to contribute to the operating costs of the System, as described in sections 22.2 and 22.3 of this Reference Document. In addition, pursuant to the provisions of the Railway Usage Contract relating to the MUC, the Railways were required to make additional monthly payments in order to maintain TNU's annual revenue under the Railway Usage Contract at a minimum level set out in the contract until the end of November 2006. In 2005, the total amount of these additional monthly payments was approximately 105 million euros. From January to November 2006, the total amount of these additional payments was 94 million euros (recalculated using the average 2007 exchange rate). In the future, Eurotunnel Group will have to develop the Shuttle Services traffic and rely on an increase in the traffic of Eurostar passengers and on a plan to relaunch the railway freight service in order to compensate for the end of the payment of the MUC under the Railway Usage Contract since December 2006. Failing this, there would be an adverse impact on Eurotunnel Group's financial situation and prospects, although the business plan reflects the ending of the MUC top-up for 2007 and the following years.

The Railway Usage Contract is of a much shorter duration than the Concession Agreement and its renewal and terms are not assured

The Railway Usage Contract will come to an end in 2052 although the Concession Agreement continues until 2086. The Railway Usage Contract does not provide for the terms on which it will be renewed or extended, in particular the financial aspects of the contract as described in the previous paragraph. Given the uncertainty surrounding the terms on which the Tunnel will be operated from 2052, it is not possible to determine whether this will have a positive or negative impact.

If the Railway Usage Contract is not renewed or is renewed on terms that are economically unsatisfactory for Eurotunnel Group, this could have a negative impact on Eurotunnel Group's financial situation.

Eurotunnel Group has no control over the business of the Railways

The Tunnel is used by the Eurostar service and by goods trains and the Railways pay fees in return for using the Tunnel. The earnings of Eurostar and Through Railfreight Services could be affected by events and circumstances that are out of the control of Eurotunnel Group. Eurotunnel Group does not operate these services and cannot exert direct influence on the commercial operations of Eurostar or Through Railfreight Services. The performance, quality of service and prices offered by these operators to their customers, along with other factors that may be out of the operators' control, affects the use of their services. In turn, this affects the revenue that Eurotunnel Group receives from the Railways following the expiry of the MUC at the end of November 2006. Through Railfreight Services suffer from problems relating to co-ordination between national operators and the priority of freight compared to passenger traffic within the European Union. This could make it difficult to achieve significant growth in the volumes transported by Through Railfreight Services and could lead to a substantial decline in traffic. A significant portion of Eurotunnel Group's revenue therefore depends on the successful operation of these services by entities over which it has no control.

The railway facilities used by the Eurostar service and by the freight trains are outside the Eurotunnel Group's Concession and could be subject to disruption from various sources. This could result in the stoppage or reduction of railway traffic. Such events could have a negative impact upon the earnings of Eurotunnel Group.

Eurotunnel Group is dependent on certain suppliers, and is exposed to the risk of subcontractors or suppliers failing to meet their obligations

Passenger and Freight Shuttles have been supplied in very small volumes by a very limited number of suppliers, to meet highly specific operating requirements. Eurotunnel Group believes that if its original suppliers were unable to supply additional or replacement Shuttles for any reason, or were unwilling to do so on acceptable terms, it would be able to obtain suitable Shuttles from other manufacturers. However, its future ability to develop its business may be affected if it were unable to acquire additional or replacement Shuttles at a suitable price or within a suitable timeframe. This could have an adverse impact on Eurotunnel Group's financial position and prospects. In addition, Eurotunnel Group relies on subcontractors for parts of its business, particularly relating to security, cleaning (primarily industrial), and vehicle maintenance and catering on board the Shuttles. It is possible that some of these subcontractors will fail to fulfill their obligations, which could affect Eurotunnel Group's profits or financial position.

Eurotunnel Group must comply with the specific terms of the Concession Agreement

The Concession Agreement under which Eurotunnel Group operates may only be modified, if this were to become necessary, through amendments negotiated with the States. These negotiations could turn out to be long and complex, due to changes in transport policy in France, England or Europe, or because of other political constraints on Eurotunnel Group. If economic, financial or technical developments affecting Eurotunnel Group were to make rapid changes necessary, the specific terms of the Concession Agreement could limit Eurotunnel Group's ability to make changes or adjust its business to these developments. This could affect its earnings and financial position.

4.4 Regulatory risks

Eurotunnel Group operates in a highly regulated environment emanating from the IGC

Operation of the Tunnel is subject to very detailed regulations drawn up by the IGC and the Safety Authority. The Concession Agreement described in section 22.2 of this Reference Document may be terminated by the States in the event of *force majeure*, in particular in the event of war or serious breach by the Concessionaires of their obligations under the Concession Agreement. Furthermore, if Eurotunnel Group breaches its obligations under the Concession Agreement, the IGC may impose significant daily penalties. The IGC has the power to make decisions, in particular in relation to the distance between trains using the Tunnel that could lead to a reduction in Tunnel capacity. Regulatory authorities may also adopt new measures relating to safety or other matters, which could force Eurotunnel Group to incur significant additional expenditure to comply with such measures, or impose restrictions on its business activities. Moreover, other measures, not directly regulating the business of Eurotunnel Group, could nevertheless affect it. By way of example, increased measures to enforce regulations relating to immigration and customs and excise duties could cause delays or affect customer satisfaction levels.

Eurotunnel Group is subject to a specific regulatory framework

The unique nature of the cross-Channel link and the exceptional conditions in which the construction and the entering into service of the Tunnel and the launch of its operations have been carried out are such that the operation of Eurotunnel Group's business is subject to a specific legislative and regulatory environment which is based on one-off interpretations. It is not possible to know whether these interpretations will prevail in the future (in particular, the railway transport directives of the European Commission, which have been the subject of constant change since the 1990s).

If the application of certain legislative or regulatory texts to Eurotunnel Group's business were to be modified or if new less favorable legislative or regulatory provisions were to be enacted, this would have a negative impact on Eurotunnel Group's financial position.

The Eurotunnel Group is exposed to risks in relation to competition regulation

The market, the pricing practices and the behaviour of Eurotunnel Group are monitored, as were those of TNU, by the French and British competition authorities and the European Commission, which may result in regulatory measures being adopted in relation to prices and penalties, proceedings being brought by third parties for damages and restrictions being imposed on its business activities. The monitoring and resulting regulatory or other measures may have a material adverse impact on the financial situation of Eurotunnel Group, its operating results and its capacity to service its Debt.

Eurotunnel Group is subject to a number of environmental regulations which could restrict its activities or lead to significant expenditures

Eurotunnel Group is subject to French, UK and European environmental regulations as well as local regulations that require it in particular to either obtain authorisations for the disposal of certain waste materials or to enter into a contract with an accredited company for the removal and destruction of waste materials. Any breach of the environmental regulations will result in fines for pollution. The regulations also provide that the authorities may force the closure of any facility that does not comply with decisions requiring certain environmentally harmful activities to cease or be modified. Eurotunnel Group is maintaining the environmental protection and sustainable development policy implemented by TNU which is described in section 6.8 of this Reference Document. However there is no certainty that UK, French, European, national or local authorities will not impose new regulations resulting in additional expenditures which could have an adverse impact on the results or financial situation of Eurotunnel Group.

4.5 Legal risks

In the normal course of its business and in the context of the implementation of the Reorganisation, Eurotunnel Group is, and could be, involved in certain administrative or judicial proceedings. The most significant current proceedings are described in section 20.7 of this Reference Document.

More generally, it cannot be excluded that in the future, proceedings, whether or not related to current proceedings, could be launched against any of the Eurotunnel Group entities, and which, if they have an unfavourable outcome, could have an adverse impact on the business, financial situation or results of Eurotunnel Group.

4.6 Insurance

Eurotunnel Group has put in place an insurance programme described in section 6.6 of this Reference Document that is in line with the current products offered in the insurance market for groups of a similar size, business activity and financial situation.

In certain circumstances, payments by insurance companies under the existing insurance polices may not be sufficient to cover all of the loss suffered, in particular with respect to third party liability. Losses in excess of the agreed indemnity limits or the application of certain exclusion clauses could result in Eurotunnel Group bearing unforeseen costs or could affect its business, financial situation or results.

In addition, changes to the insurance market could lead to an adverse change in Eurotunnel Group's insurance programme and the terms and conditions of such insurance such as the level of premiums or the level and extent of any exclusions which would have an adverse impact on Eurotunnel Group's business, financial situation or results.

5. INFORMATION ABOUT GET SA

5.1 History and development of GET SA

5.1.1 Company name

Groupe Eurotunnel SA.

5.1.2 Registration place and number

GET SA is registered at the Trade and Companies Registry under registration number 483 385 142 RCS Paris.

Its SIRET number is 48338514200011. Its NAF code is 741J.

5.1.3 Date of incorporation and duration

GET SA was incorporated on 6 July 2005 and was registered on 3 August 2005 for a fixed period, except in the case of early winding-up or extension, of 99 years from the date of its registration in the Trade and Companies Registry, i.e. until 3 August 2104.

5.1.4 Registered office, legal form and applicable law

The registered office of GET SA is located at 19 boulevard Malesherbes, 75008 Paris.
Telephone: +33 1 55 27 39 59

GET SA is a *société anonyme* (public limited company) with a board of directors, incorporated under French law. It is governed by Part II of the French Commercial Code and decree no. 67-236 of 23 March 1967 regarding commercial companies, codified in the regulatory section of the French Commercial Code (*Code de commerce*).

5.1.5 Important events in the development of GET SA

In light of the inability of TNU to fulfil its future obligations to repay the principal and make the interest payments on its Historical Debt, it was necessary to implement the Reorganisation.

The main purpose of the Reorganisation was to significantly reduce the indebtedness of TNU, which had risen to 9.073 billion euros as of 30 September 2006, in order to both allow the pursuit of economic activity and ensure the sustainable development and integrity of the business, and to preserve jobs.

In order to permit the business to determine, with the agreement of its creditors, the terms and conditions of the Reorganisation, the Commercial Court of Paris, in accordance with the provisions of Articles L. 620-1 *et seq.* of the French Commercial Code (*Code de commerce*), launched a safeguard procedure for the benefit of 17 companies within the TNU group by way of judgments dated 2 August 2006. At the end of the first period, the Proposed Safeguard Plan was presented to the creditors of the TNU group on 31 October 2006 before being supplemented by an Addendum dated 24 November 2006.

This Proposed Safeguard Plan was approved by the committees of the credit establishments and the principal suppliers of TNU on 27 November 2006, and subsequently by the Noteholders who met on 14 December 2006. Finally, the Safeguard Plan was endorsed by the Commercial Court of Paris on 15 January 2007.

At the end of the Reorganisation, the financial debt was reduced to 4,164 billion euros, representing a reduction of approximately 54% when compared against the level of the Historical Debt.

a) Implementation of the Reorganisation

After the board of directors of GET SA received a copy of the report of the Commissioners for the Execution of the Plan, Mrs. Valérie Leloup-Thomas and Mr. Laurent Le Guernevé, that was sent the procedural bodies as well as the public prosecution department, a large majority of the transactions necessary for the implementation of the Safeguard Plan took place on 28 June 2007. The transactions that took place were:

- the GET SA Ordinary Shares were issued to the Unitholders who tendered their Units to the Offer in exchange for their Units;
- the cash payments due in respect of the early repayment of the Senior Debt, the Fourth Tranche Debt, of the Tier 1A Debt, of the Tier 1 Debt and the Tier 2 Debt were made;
- the NRS and the corresponding ENHC Ordinary Shares were issued, and the cash payments made, to the holders of the Tier 3 Debt and the Noteholders;
- the Warrants were issued to the Unitholders who tendered their Units to the Offer, as well as to the Noteholders; and
- the GET SA Preferred Share and the EGP Preferred Share were issued to ENHC.

A total of 2,368,864,450 Units, representing 93.04% of the share capital of TNU SA and TNU PLC, were tendered to the Public Offer. As a result: (i) 2,368,864,450 GET SA Ordinary Shares were issued in exchange for these Units; (ii) 2,368,864,450 Warrants were issued to the Unitholders who tendered their Units to the Offer; and (iii) 1,938,161,823 Warrants were issued to the Noteholders.

In addition, 7,155,630 NRS I and 11,539,914[(1)] NRS II were issued by EGP, in accordance with the Safeguard Plan.

The principal terms and conditions of the NRS Issued by EGP are as follows:

- the NRS are divided into two series, the NRS I and the NRS II. The NRS I are not redeemable in cash at the option of EGP, while the NRS II are redeemable in cash at the option of EGP;
- the redemption of the NRS II redeemable in cash at the option of EGP shall be equal to 140% of their par value;
- the NRS II, redeemable in cash, bear interest at a rate of 6% per annum, while the NRS I, not redeemable in cash, bear interest at 3% per annum;
- the NRS I will be automatically redeemable in GET SA Ordinary Shares, in part in the 13th month, in part in the 25th month, and the balance in the 37th month following the date of their issue;
- the NRS II will be automatically redeemable in GET SA Ordinary Shares, if they have not already been redeemed in cash, in the 37th month following the date of their issue;
- following the consolidation of the GET SA Ordinary Shares, the redemption ratio of the NRS I and the NRS II is 22.77 GET SA Ordinary Shares;
- in accordance with the Safeguard Plan and its implementation, the NRS were issued to:
  - the holders of Tier 3 Debt, up to 430,523,821.20 pounds and 783,729,300 euros, in consideration for the transfer of all their claims under the Tier 3 Debt to EGP;
  - the Noteholders, up to 104,827,423.80 pounds and 183,547,200 euros, in consideration for the transfer to EGP of all their claims under the Notes to EGP; and
  - the Tier 3 Cash Option Providers, up to 35,691,106 pounds and 64,972,400 euros, in consideration for their commitments under the Tier 3 Cash Option Provider Agreement.

GET SA issued Warrants allowing their holders to subscribe for GET SA Ordinary Shares in the event of the realisation of an increase in value for Eurotunnel Group. The Warrants are admitted to trading on Euronext Paris. 55% of the Warrants were allocated to the Unitholders who tender their Units to the Offer, and 45% of the Warrants allocated to the Noteholders. The Warrants are exercisable, conditions permitting, in 2011. These Warrants, if exercisable in 2011, will allow holders who exercise their Warrants in 2011 to subscribe for GET SA Ordinary Shares

*(1) Following the early cash redemption of the NRS II on 10 April 2008, 5,528,805 NRS II remain in issue (the **Unredeemed NRS II**).*

at nominal value. The number of GET SA Ordinary Shares to which a holder is entitled by virtue of his Warrant will depend primarily upon the Eurotunnel Group results for 2008, 2009, and 2010, and the occurrence of any exceptional events within Eurotunnel Group before 30 June 2008. Under no circumstances may the Warrants be exercised before 2011. At 31 December 2007, the amount of Lump Sums, as described in paragraph 3.4.5 (a) ''Methods of calculating VT1'' of the terms and conditions of the Warrants, was 193 million euros according to GET SA's analysis, which, on the basis of an exchange rate of 1.5 euros to 1 pound sterling, comes to 43% of the 300 million sterling enabling the exercise of the total amount of Warrants subscribing for the maximum number of GET SA Ordinary Shares. For further details, please refer to note 15.3 to the consolidated accounts at Annex IV of this Reference Document.

b) Recapitalisation transactions of TNU SA and TNU PLC

In accordance with the Safeguard Plan, at an extraordinary general meeting of the shareholders of TNU SA, held on 21 December 2007, it was decided (i) to reduce TNU SA's capital by 356,462,989.82 euros, motivated by losses and brought about by the reduction of the nominal value of the shares in TNU SA from 0.15 euro to 0.01 euro and (ii) to increase the capital by a cash contribution of a nominal amount of 234,643,954.74 euros reserved for EGP. An extraordinary general meeting of the shareholders of TNU PLC, held on the same day, also decided on a capital increase of 234,643,954.74 sterling reserved for EGP. These two capital increases were subscribed for by EGP by offsetting all of the Tier 3 Debt owed to it and that it had acquired in the context of the Reorganisation and in respect of which TNU SA and TNU PLC had agreed to become direct debtors in place of FM and EFL, respectively, in accordance with the Master Deed of Novation signed on 7 November 2007. Following this transaction, GET SA and its subsidiary EGP together hold 99.32% of the capital of TNU SA and TNU PLC.

In accordance with the terms of the Safeguard Plan, an extraordinary general meeting of the shareholders of FM was held on 21 December 2007. It was resolved: (i) due to losses, to reduce the share capital of FM by 198,000,000 euros by reducing the nominal value of the FM shares from 1 euro to 0.01 euro; and (ii) to increase the capital by a cash contribution of a nominal amount of 256,818,895.97 euros reserved for TNU SA. By a written resolution of the sole shareholder of CTG dated 21 December 2007, CTG's share capital was increased by 818,231,100.41 sterling through a capital increase reserved for TNU PLC. These two capital increases were paid for by TNU SA and TNU PLC by way of set off against the intra-group debt owed by FM and CTG, respectively.

c) Delisting of Units in London, Brussels and Paris

Following the request of GET SA, the holder of more than 90% of the Units listed in London since 28 June 2007, the United Kingdom Listing Authority deregistered Units from the London listing on 30 July 2007. Euronext Brussels deregistered Units from the Brussels listing on 10 September 2007.

On 20 December 2007, the board of directors of Euronext Paris decided to de-list the TNU Units from Euronext Paris as from 14 January 2008, pursuant to Articles 6905/1 (i), (ii) (c) of Book I of the rules of Euronext Paris, P.1.4.1 of Book II of the specific rules applicable to French regulated markets and Article L. 421-15 of the French Monetary and Financial Code. On 14 January 2008, the Units were transferred to the delisted securities part of the regulated markets for two years.

d) Confirmation of the indefinite report on the deficits of the TNU SA tax group for the 2000 to 2002 financial years.

The French Ministry for the Economy, Finance and Industry confirmed that the deficits of the TNU SA tax group during the 2000-2002 financial years are indefinitely carried forward for an estimated amount of approximately 890 million euros.

e) Issue of the SDES

On 6 March 2008, GET SA issued 800,000 SDES at a nominal value of 1,000 euros per share. Each SDES grants the right to receive 103.8 New Ordinary Shares upon redemption.

The SDES Return will be comprised of (i) the issue to the SDES holders of 3 New Ordinary Shares per SDES, or (ii) at the option of GET SA, the payment in cash of interest calculated at an annual rate of 2% (within the limit of the amount of available cash flow within GET SA, and provided that in the event that this cash flow is insufficient, the SDES Return will be paid in whole or in part in the manner described in (i)). This will be payable in one installment on 6 September 2009.

In order to facilitate the creation of a stable shareholder base, a Conditional Additional Return will be payable in cash or in New Ordinary Shares (provided the requisite authorisation is obtained from the GET SA shareholders in a meeting convened for this purpose), or in existing shares (on the basis of 5.4 new or existing Additional Ordinary Shares per SDES), at the option of GET SA and in accordance with the terms and conditions set out in section 7.2 of the SDES Securities Note. This Conditional Additional Return will be granted to each shareholder having subscribed for SDES within the priority subscription period and each investor having subscribed for SDES in the SDES placement and having held their shares until the date of their redemption in New Ordinary Shares and the ordinary shares issued upon redemption of SDES until 6 March 2011.

The maximum number of New Ordinary Shares that may be issued, as applicable, in respect of the Conditional Additional Return is 4,320,000 new Additional Ordinary Shares.

The SDES can be redeemed in New Ordinary Shares at the option of the SDES holder at any time between 6 September 2009 and 6 September 2010, and also (i) at the option of the SDES holder[(2)] , on the occurrence of one of the events listed at paragraph 4.8 (d) of the SDES Securities Note, and (ii) automatically on the occurrence of one of the events listed at paragraph 4.8 (g) of the SDES Securities Note.

f) Partial redemption of the NRS II on 10 April 2008

On 10 April 2008, in accordance with the terms and conditions relating to the NRS II as set out in the Securities Note and according to the procedure set out at Article R. 213-16 of the French Monetary and Finance Code (*Code monétaire et financier*) implemented by Euroclear France, EGP redeemed in cash 6,011,109 of the NRS II (3,298,500 NRS II denominated in euros and 2,712,609 NRS II denominated in sterling) for a total amount (principal and interest) of approximately 487 millions euros for the NRS II denominated in euros and approximately 237 million sterling for the NRS II denominated in sterling.

This partial early redemption in cash was financed by the proceeds of the issue of the 800,000 SDES.

In accordance with Condition 6(b) of the terms of the NRS II, the Principal Payment Agent received notice of this decision from EGP on 6 March 2008 and the NRS II holders were notified of the decision to partially redeem early the NRS II in cash by way of an opinion published in La Tribune and the Financial Times on 25 March 2008.

Following this partial early redemption, the total number of Unredeemed NRS II is 5,528,805 (3,072,387 NRS II denominated in euros, and 2,456,418 NRS II denominated in sterling).

Over the whole year, this resulted in GET SA avoiding the obligation to pay finance charges of 35 million euros (on the basis of an exchange rate of 1.4 € / £).

5.1.6 Recent Events

Reference is made to note 1 in the annex to the consolidated accounts contained in Annex IV of this Reference Document.

5.2 Investments

5.2.1 Principal investments made by Eurotunnel Group during the last three years and principal current investments

The total amount of Eurotunnel Group's investments in the last three years is, respectively, 34,492,000 euros for the 2005 financial year, 19,482,000 euros for the 2006 financial year and 37,410,000 euros for the 2007 financial year.

(2) *Assuming redemption occurs before 6 September 2009, the above-mentioned return will be payable on a pro-rated basis.*

In the last three years, Eurotunnel Group's three main investments were (i) the programme to renovate and upgrade the power of 20 locomotives, from 5.6MW to 7MW, which in 2008 gives Eurotunnel Group a fleet better suited to handling the weight of trucks (approximately 60 million euros in total) (ii) the installation of electricity supplies from France in all installations in the Tunnel (approximately 11 million euros) and (iii) the acquisition and repair of 'Class 92' locomotives (approximately 4 million euros).

In January and February 2008, the total value of investments amounted to 4 million euros. These investments essentially relate to the programme for the renovation and upgrade of locomotive and the development of a parking area for trucks at the entrance to the French terminal. These investments were self-financed.

5.2.2 Principal future investments

Other than the Term Loan and the other commitments entered into as part of the Reorganisation and described in this Reference Document, GET SA's management bodies have not, as of the date of this Reference Document, made any binding commitments to third parties.

Eurotunnel Group intends to continue the ongoing investment programmes. Accordingly, Eurotunnel Group is considering extending the existing renovation programme to 17 other locomotives, replacing some equipment that has become worn through intensive use or is about to become obsolete and is inviting tenders for the replacement of this equipment, including in particular the replacement of its radio and signalling system with a system complying with ERTMS standards. In respect of this system, and in order to reduce the impact of the corresponding investment, Eurotunnel Group will apply through the States for a subsidy from the European Commission. Finally, a study on the construction of third-generation Freight Shuttles and the preparation of submissions to the IGC are underway.

The principal future investments should in principle be self-financed.

6. DESCRIPTION OF EUROTUNNEL GROUP'S ACTIVITIES

6.1 Principal activities

6.1.1 Introduction

Under the Treaty of Canterbury and the Concession Agreement, which are the two main instruments governing the construction and operation of the System, Eurotunnel Group is, following the Reorganisation, the operator of the Tunnel. FM and CTG, in their capacity as Concessionaires, continue to ensure the operation of the Tunnel.

By signing the Treaty of Canterbury on 12 February 1986, the States authorised the construction and operation of the Fixed Link by private concession operators and established the framework of the Concession Agreement, which was signed on 14 March 1986.

Under the terms of the Concession Agreement, the States granted the Concessionaires the right and obligation to design, finance, build and operate the Fixed Link between France and the United Kingdom for an initial period of 55 years. This term was extended by 10 years in 1994 and by a further 34 years in 1999.

The Concession Agreement thus extended will expire in 2086.

The main provisions of the Treaty of Canterbury and the Concession Agreement are described in chapter 22 of this Reference Document.

Accordingly, Eurotunnel Group operates the System, which links France and the United Kingdom. The System comprises three tunnels, each approximately 50 kilometres long, which run mostly under the Channel, along with the Folkestone terminal in the United Kingdom and the Coquelles terminal in France, the fixed equipment and related installations. Two of the tunnels are single-track rail tunnels, which in normal service are used by trains travelling in one direction only. The third tunnel, which for most of its length lies between the two main rail tunnels, provides a safe means of emergency evacuation and access for maintenance of the Tunnel. There are also four crossing points between the rail tunnels, so that when maintenance work is being done on a section of one tunnel, trains can switch to the other.

The System is directly linked to the British and French motorway networks. The Folkestone and Coquelles terminals are the departure and arrival points for vehicles using the Shuttle Services. Shopping and food service facilities are available to customers at each terminal. Border controls and security checks take place at the departure terminal, so in principle no checks are required at the arrival terminal. The System is also linked to the French and British railway networks, in particular to their respective high-speed lines. All rail traffic in the System is controlled from railway control centres on the French and British terminals.

Unless otherwise indicated, the information in this chapter originates from internal Eurotunnel Group sources.

6.1.2 Transport activities

Eurotunnel Group operates and directly markets a Shuttle Service through the Tunnel and also manages the safe and efficient passage of Eurostar trains and of the Through Railfreight Services through the Tunnel infrastructure.

In 2007 Eurotunnel Group earned 98% of its revenue from two principal sources:

- the Shuttle Service for both the carriage of trucks and the carriage of cars, motor homes, caravans, coaches, motorcycles and trailers; and
- payments from the Railways for use of the Tunnel by Eurostar and their Through Railfreight Services.

The breakdown of Eurotunnel Group's 2007 revenue is as follows:

in millions of euros	**2007**
Shuttle Services	500
Railways	262
Other revenue	13
Pro forma revenue	775

In early 2005, faced with declining traffic and revenue in its Shuttle Service business, Eurotunnel Group undertook a complete reorientation of its commercial and operating strategy based on the clear differentiation of its product from the offerings of its competitors. While maintaining outstanding service quality and optimal safety levels, the main features of this reorientation were as follows:

- a substantial reduction in Shuttle capacity to better align supply with demand and increase load factors on the Shuttles;
- new commercial strategies providing a product offering better suited to customer needs, and ensuring a better control of Eurotunnel Group's distribution network; and
- cost reductions achieved through a programme of optimising maintenance and production management cycles and renegotiating the main sub-contracting agreements (the areas in which Eurotunnel Group engages sub-contractors are described at section 17.1.3 of this Reference Document).

This new economic model for the business put the emphasis on increasing operating margins and improving profitability rather than seeking to gain volume and market share. For an assessment of the impact of this reorientation, see chapter 9 of this Reference Document.

a) Freight Shuttle Service

- **Introduction**

The Freight Shuttle Service carries trucks between France and the United Kingdom on Shuttle trains. On each terminal, drivers pass through dedicated check-in, security and border control facilities. Other facilities for trucks are located close to the terminals. Drivers and their passengers do not remain in their vehicles on the shuttle, but travel in a separate carriage (''**Club Car**'') designed for this purpose.

Eurotunnel Group has 16 Freight Shuttles, each with a capacity of 30 trucks. At present, Eurotunnel Group provides up to seven departures per hour in each direction.

In 2007 the number of trucks transported increased by 9% compared to 2006. For more details, see chapter 9 of this Reference Document.

- **Strategy**
- *Truck service marketing strategy*

The new strategy, implemented since the beginning of 2005, aims to improve the business's operating margins through higher load factors on the Freight Shuttle Service and a pricing policy effectively building on the key selling points of Eurotunnel Group's service: speed, ease and reliability.

Throughout the year, Eurotunnel Group gives priority to customers under contract, only providing carriage to occasional customers as available capacity allows. This policy, based on finely tuned traffic forecasts, has enabled Eurotunnel Group to:

- optimise load factors on the Freight Shuttle Service, which have increased from 71% in 2005 to 75% in 2007; and

- increase revenue from the Freight Shuttle Service from 2006 to 2007.

For further details, see chapter 9 of this Reference Document.

This approach has been further consolidated in 2007. Additional departures are available during certain periods, and the daily timetables have been improved. As part of a project entitled ''Harmony'', Eurotunnel Group has changed the way it schedules maintenance work cycles on the Tunnel in order to optimise the Tunnel's capacity during peak periods. For example, by shifting work previously done on Friday and Sunday nights to other times during the week, Eurotunnel Group has been able to schedule more than 800 additional Freight Shuttle departures per year on Friday evenings and Monday mornings.

The new approach has also yielded better visibility in terms of traffic forecasting, as some major customers have entered into multi-year contracts with Eurotunnel Group. Such contracts enable customers to lock in their requirements in terms of the number of crossings and enable Eurotunnel Group to fine-tune its capacity planning.

- *Marketing network*

On 16 August 2005 TNU took back control of its distribution activities and pricing policy in Europe by terminating its contract with the intermediary that had previously handled the marketing of Shuttle crossings to small and medium sized haulers. Five distribution subsidiaries were set up in Europe in 2005. Eurotunnel SE intended to merge these five subsidiaries and, during the first half of 2008, Eurotunnel Group transferred the business of four of these subsidiaries, EurotunnelPlus Distribution, EurotunnelPlus SL, EurotunnelPlus SAS and EurotunnelPlus GmbH to Eurotunnel SE with an effective accounting and tax date of 1 January 2008. It is specified that the transfer of Eurotunnel B.V. is expected to occur in 2008.

These transfers were achieved by:

- A universal transfer of the assets and liabilities of EurotunnelPlus SAS and EurotunnelPlus SL to EurotunnelPlus Distribution and a universal transfer of the assets and liabilities of EurotunnelPlus Distribution to Eurotunnel SE, which led to the dissolution and subsequent liquidation of these subsidiaries;

- The transfer of the assets of EurotunnelPlus GmbH to Eurotunnel SE on 11 January 2008.

These subsidiaries are supplemented by a network of exclusive agents and distributors.

b) Passenger Shuttle Service

- **Introduction**

The Passenger Shuttle Service provides for the transport of cars, motor homes, caravans, coaches, motorcycles and trailers between France and the United Kingdom. Travellers can purchase tickets in advance at Eurotunnel Group's website, www.eurotunnel.com, by telephone from the customer service centre, from travel agencies, or when they arrive at check-in. They remain in their vehicle throughout the trip through the Tunnel, which normally lasts approximately 35 minutes from platform to platform. Each Passenger Shuttle train has two sections: a double-deck section mainly for cars and motorcycles and a single-deck section reserved for vehicles higher than 1.85 metres, mainly coaches, minibuses and cars towing caravans.

Eurotunnel Group has nine Passenger Shuttles, each able to carry up to 180 cars or 120 cars and twelve coaches. In light of the new commercial strategy, only eight Passenger Shuttles were in service in 2007.

The Passenger Shuttle Service currently operates up to three departures per hour in each direction.

In comparison to 2006, the total number of vehicles transported in 2007 increased by 6% for cars and decreased by 3% for coaches. For more details, see chapter 9 of this Reference Document.

- **Strategy**

Within the framework of the Eurotunnel Group's new economic model, the objective is to optimise the load factor on the Passenger Shuttles and increase the average revenue per vehicle transported.

- *New pricing policy (''Dynamic Pricing'')*

In 2005 TNU adopted a pricing policy more in line with recent changes in the market. The new pricing system calculates and adapts ticket prices according to the time of day and load factor of the Shuttle. The implementation of the new pricing policy was reinforced by a revamp of Eurotunnel Group's website. Currently, nearly 70% of Eurotunnel Group's customers buy their tickets online.

- *Adapting capacity to demand*

In 2005 TNU gradually reduced capacity in the Passenger Shuttle Service in order to increase the average load factor and cut costs. In 2006 this strategy was further enhanced with a number of operational changes: a better distribution of Shuttle departures during the day, fewer Shuttles running at off-peak times, with more services during peak times and greater flexibility in managing the train crew.

Accordingly, in 2007, in order to cope with the large numbers of supporters between France and the United Kingdom during the Rugby World Cup, Eurotunnel Group scheduled 49 extra Shuttles into its September timetable.

With this strategy, Eurotunnel Group has been able to:

- increase the load factor on its Passenger Shuttles from 45% in 2004 to 58% in 2007; and
- increase passenger revenue and the average yield for tourist vehicles (cars, motor homes, caravans, motorcycles etc.), despite the reduction in traffic volume referred to above, compared with 2006.

c) Railway Services

In 2007 Eurotunnel Group earned 34% of its revenue from the use of the Tunnel by Eurostar passenger trains and Through Railfreight Services. Eurotunnel Group does not operate these trains but manages their safe and efficient passage through the Tunnel infrastructure.

Eurotunnel Group's objectives are to monitor and to promote the railway companies' commercial development efforts, to facilitate as far as possible the operation of their trains in the System, and to ensure that these companies continue to use the Tunnel in accordance with railway safety standards.

The Railways' use of the Tunnel is governed by the Railway Usage Contract, which runs until 2052. Under this agreement, the Railways are required to pay Eurotunnel Group a fixed annual charge as well as variable charges determined by reference to the number of passengers travelling on Eurostar and the freight tonnage passing through the Tunnel. The variable charges are determined according to a toll formula that applies throughout the life of the Railway Usage Contract, and which takes into account the effects of inflation to a certain extent. In addition, the Railways are required to contribute to the operating costs of the System, as well as certain of its investment costs relating to the renewal of equipment.

Until the end of November 2006, the Railways were required to make additional monthly payments under the Railway Usage Contract to bring Eurotunnel Group's annual revenue up to the guaranteed MUC. Since that date, Eurotunnel Group's revenue from the Railways has depended solely on variable charges payable on the basis of the number of Eurostar passengers and the freight tonnage transported per train, fixed annual charges and the Railways' contribution to operating costs.

In addition, the new strategy for the relaunching of the freight services announced on 23 October 2007 (described in paragraph 6.1.2 (c) ''Through Railfreight Services'' below) provides a simplified pricing mechanism for goods trains, with a toll per freight train, rather than per tonne of freight.

Under the Railway Usage Contract, Eurotunnel Group recorded revenues totaling 262 million euros (pro forma) in 2007. The ending of the MUC mechanism as from the end of November 2006 represented a revenue loss for Eurotunnel Group of 94 million euros in 2007 compared to 2006 (recalculated at the 2007 average exchange rate).

- **Eurostar**

The Eurostar service is operated jointly by Eurostar (UK) Limited, the SNCF and the SNCB. Eurostar (UK) Limited is held by London and Continental Railways Limited (''LCR''). Inter-Capital and Regional Railways Limited, in which the SNCF, the SNCB, British Airways and National Express Group hold equity interests, operates Eurostar (UK) Limited under a management contract.

Eurostar currently transports passengers via direct train services between Paris and London in about two hours and fifteen minutes and between Brussels and London in about one hour and fifty minutes. In 2007 Eurostar had 73% of the Paris-London passenger market and 72% of the Brussels-London passenger market (Sources: BRB, SNCF, CAA).

At present, Eurostar has a minimum of 17 scheduled departures on weekdays in each direction between Paris and London and 10 daily trains in each direction between London and Brussels, with additional or fewer departures at the end of the week depending on the particular day and destination. Some trains make intermediate stops at Ebbsfleet or Ashford International in the United Kingdom and at Calais-Fréthun or Lille-Europe in France. Eurostar also runs trains to Disneyland Paris and a seasonal direct service from London and Ashford to Bourg-Saint-Maurice from December to April and to Avignon from July to September.

The number of Eurostar passengers using the Tunnel increased by 5% between 2006 and 2007 (source: Eurostar). For more details, see chapter 9 of this Reference Document.

Eurostar was able to benefit from the construction of the high-speed line between London and Eurotunnel Group's British terminal. The construction of this line has been divided into two sections. The first links the Tunnel to Fawkham Junction in northern Kent, and the second links Fawkham Junction to the new St Pancras international terminal in central London.

The first section came into service in September 2003. The second came into service on 14 November 2007. This line reduces the transit time between Paris and London or Brussels and London by around twenty minutes. At that time, the entirety of the two sections were renamed ''HS1'' (or ''High Speed One''). In addition to the reduced journey time, the operators of the Eurostar consider that their customer catchment area will be widened by the new station at London St. Pancras which will improve connections to the North of England and by the Ebbsfleet station located near the large motorway around London (the M25).

- **Through Railfreight Services**

The Through Railfreight Service between continental Europe and the United Kingdom is operated by SNCF and EWS on behalf of BRB. Three different types of freight train use the Tunnel:

- intermodal trains[3], made up of wagons carrying containers and swap bodies;
- conventional trains carrying palleted goods, automotive components and bulk loads in enclosed wagons or in adapted wagons (tankers, platforms etc.); and
- trains with specialized wagons for transporting new cars.

Goods trains are in competition with most of the other modes of freight transport in operation between continental Europe and the United Kingdom. Intermodal train services compete directly with road transport and maritime transport on container ships. Intense competition in the cross-Channel freight market between road haulage companies, especially companies based in continental Europe, puts constant pressure on freight rates, making it more difficult for the railway companies to compete. The goods transported by freight trains are mainly heavy, low value items for which speed of delivery is not generally a primary consideration.

[3] *Intermodal: movable containers or cases carried by train from one terminal to another, then transferred to another mode of transport (boat, road, etc.)*

The tonnage of goods transported by freight trains declined by 23% between 2006 and 2007.

In order to re-launch cross-Channel rail freight, Eurotunnel Group announced, on 23 October 2007, a new strategy, which is based upon three ideas: (i) a development of free access for all goods train operators, (ii) dealing effectively with border restrictions, and (iii) a simplified and competitive pricing policy:

- an average toll of £3,000/€4,500 per train, for a train traveling at 120km/h during an averagely busy period;
- a simplified pricing structure (toll per train, taking account of speed and peak and off peak transit) allowing operators to optimise their trainloads;
- real and effective free access and the capping of essential cross-Channel service costs at £400/€600 (dealing with border restrictions and specialised 'Class 92' locomotives); and
- competitive total costs compared to the road transport sector in order to encourage rail freight development.

In this context, Europorte 2, the subsidiary freight operator of Eurotunnel Group, along with the SNCF, took back control on the ground (coupling and de-coupling, shunting, safety controls, assistance with security controls, administrative management) of the cross-Channel traffic from Calais-Fréthun sorting yard in the same way as for the running of goods trains in the Tunnel.

Moreover, Eurotunnel Group and the independent port of Dunkirk concluded a strategic partnership agreement on 13 June 2007 with the intention of sharing rail activities in three main areas:

- the transport of containers unloaded at the dedicated terminal in the port of Dunkirk and subsequently forwarded to Great Britain by rail freight via the Tunnel;
- the operation of rail links between Dunkirk, the coast and the multimodal platform at Dourges (Pas-de-Calais); and
- the pooling of technical resources, particularly in the field of safety and rail operations.

For more details, see chapter 9 of this Reference Document.

6.1.3 Other revenue

In 2007, 13 million euros of other revenue was generated by Eurotunnel Group, representing 2% of the total revenue of Eurotunnel Group.

Eurotunnel Group's other revenue consists mainly of (i) revenue from retail businesses in the terminals on both sides of the Tunnel, (ii) revenues in respect of the maintenance of telecommunication lines in the Tunnel, and (iii) revenue from property activities.

a) Retail revenues

Eurotunnel Group has built facilities for its customers on its two terminals in France and the United Kingdom, including shops and other retail outlets.

Access to the shops, bars and restaurants is available only to customers travelling on the Shuttle Services. They are located inside the terminals, directly after check-in and before border controls. The shops, bars, restaurants and other retail services are operated by third parties under three to ten year concession agreements on the French side and under leases on the British side.

In 1994 TNU entered into a 30-year contract with Total under which Total operates the three service stations on the terminal access and egress roads.

Eurotunnel Group also earns modest revenues from the rent of advertising space on the two terminals and alongside the egress routes from the terminals.

Eurotunnel Group's strategy is to offer travellers who choose to stop before continuing their journey a choice and level of services consistent with the overall quality and value of the service that Eurotunnel Group itself offers. As part of this strategy, Eurotunnel Group modernised and refurbished some of the retail facilities in 2007.

b) Property activities

Eurotunnel Group owns and manages plots of land near its French and British terminals.

As an extension of its mission to design, build and operate the Fixed Link, FM was also given responsibilities for land development. The Fixed Link is not only an element of transport infrastructure; it was also conceived as a foundation for the economic development of the Kent and Calais regions.

On the French side, the proceedings to obtain ownership and control of the required land were conducted jointly for the plots intended for use in constructing the Fixed Link and for the plots intended for activities of secondary importance in support of the main purpose.

With the exception of the land that already belonged to the French State, the relevant land was acquired under a declaration of public utility dated 6 May 1987. The cross-Channel terminal development zone (ZAC) was established by an order of the *Préfet* dated 21 February 1990.

The ZAC has focused on developing shopping centres, hotels, a business park and recreational facilities. Since its creation, it has achieved the following results.

- 285,000 m^2 of land has been sold, equivalent to 58% of the ZAC's total landholdings;
- 118,000 m^2 of land, representing 24% of ZAC's total landholdings, is under construction; and
- 89,000 m^2 of land has not yet been allocated, representing 18% of the total.

In 2002 FM initiated a policy of regularising ownership of the landholdings. This has enabled it to gain unencumbered title to land previously acquired by FM in the name and on behalf of the French State (47 hectares of land strategically situated alongside the A16 and 35 hectares in the municipality of Sangatte-Blériot Plage).

The transfer of the Sangatte plots has made it possible for Eurotunnel Group to restore the site of the former foundry where the tunnel lining segments were built, and which was later used as a shelter for asylum seekers (''Red Cross Centre''). As part of Eurotunnel Group's sustainable development programme, it was decided that:

- the lining segments factory would be demolished, the concrete foundations broken up and the site restored to its natural state;
- an environmentally friendly approach would be adopted in respect of Eurotunnel Group's development and construction initiatives, the implementation of which would result in certain environmental advantages. This approach would be implemented by choosing development and construction partners to fit the environmental improvement criteria specified by Eurotunnel Group.
- a vast commercial and tourist project would be developed to stand alongside the Cité de l'Europe shopping centre in Coquelles (see chapter 12 of this Reference Document). The local groups in the Nord Pas-de-Calais region aim to make the Opal Coast the preparation ground for Olympic teams participating in the London 2012 Olympic Games. The development plans initiated by TNU for the Sangatte district, particularly concerning tourist accommodation, may tie in with this aim.

The transfer of 47 hectares of land located in the Calais district, bordered by the A16, will allow plans for sustainable development projects, such as the *Cité de l'Habitat*, which will cover 15 hectares and be a showcase for new construction techniques.

6.2 Eurotunnel Group's Main Markets

Eurotunnel Group operates in the surface transport market between continental Europe and the United Kingdom. Eurotunnel Group offers both (i) a service that it operates itself between Calais and Folkestone, and which competes directly with ferry operators between Dover and the Continent in the transport of passengers, cars, coaches and trucks, and (ii) an infrastructure facilitating a direct rail link for the Eurostar trains and freight trains used by the Railways.

6.2.1 Freight market

Freight traffic between continental Europe and the United Kingdom is commonly divided into four modes:

- Roll-On/Roll-Off (RoRo) accompanied: trucks and trailers crossing the Channel or the North Sea on Shuttles or ferries at the same time as the road tractor and driver, mostly via the Short Straits;
- Roll-On/Roll-Off unaccompanied: trailers crossing the Channel or the North Sea independently of the road tractor, mostly via North Sea routes;
- Rail freight: conventional or intermodal trains through the Tunnel; and
- Lift-On/Lift-Off (LoLo): moveable containers or swap bodies loaded on Lift-On/Lift-Off container ships, mostly on the North Sea routes.

The market is also commonly divided into three geographic corridors:

- the Short Straits: all the routes from continental Europe to Dover, Folkestone and Ramsgate (including the Tunnel);
- the English Channel: all the routes from continental Europe to ports on the south coast of the United Kingdom to the south-west of Folkestone; and
- the North Sea: all the routes from continental Europe to ports on the east coast of the United Kingdom to the north of Ramsgate (including the Thames estuary).

The modal distribution varies by geographic zone. For accompanied trucks, the long trip across the English Channel or the even longer trip across the North Sea is costly. These routes are more suitable for RoRo unaccompanied and LoLo solutions.

By contrast, the shorter crossing times of the Short Straits are more appealing to time-sensitive traffic, and attract a much larger share of RoRo accompanied traffic.

The freight market between continental Europe and the United Kingdom has grown steadily over the past fifty years. The mean compound annual growth rate over the past ten years has been about 5% a year.

A variety of factors have been driving this continued expansion:

- continuing liberalisation of trade and the creation of the single European market, favouring the sourcing of goods from suppliers in different countries and a consequential increase in competition among these suppliers;
- improved quality of service in the transport and distribution industries; and
- growth in consumer purchasing power.

All of these factors are still contributing today to the growth of the market.

a) Freight Shuttle Service

In the freight market, Eurotunnel Group's Freight Shuttle Service is in direct competition with the ferry operators for the accompanied road transport business across the Short Straits.

Over the last 10-15 years there has been a marked trend towards the use of accompanied trucks in the freight market between continental Europe and the United Kingdom. This reflects a reduction in relative rates for crossings on the Short Straits in the mid to late 1990s and, more recently, the arrival in the market of hauliers from Eastern Europe offering highly competitive rates. North Sea (unaccompanied) ferry operators have responded by introducing larger RoRo ships and developing a double-stacked mode of container transport, a more cost-effective method than unaccompanied trailers. As a consequence, the trend in favour of accompanied trucks has now come to an end and market shares between the routes are now relatively stable.

However, the factors which underlie the success of the RoRo accompanied mode on the Short Straits continue to prevail, as it provides:

- the shortest, fastest and most reliable route across the Channel; and
- more efficient management of loads.

- **Short Straits' (Freight Shuttles' and ferries') share of the freight market**

The estimated Short Straits' (Freight Shuttles' and ferries') share of the freight market has increased from 45% (2005) to 47% (2006) and 49% (2007).

The increase is explained by several factors:

- the lack of development of cross-Channel rail freight;
- the withdrawal of P&O from routes in the English Channel; and
- capacity increases and changes in pricing policies by the various operators.

- **Eurotunnel Group's share of the Short Straits market**

Eurotunnel Group estimates that its share of the accompanied truck market on the Short Straits corridor has evolved as follows:

	2007		2006		2005	
	Vehicles[1]	***Share of Short Straits market (%)[2]***	**Vehicles[1]**	***Share of Short Straits market (%)[2]***	**Vehicles[1]**	***Share of Short Straits market (%)[2]***
Accompanied trucks[1]	1,414,709	*37.9*	1,296,269	*36.2*	1,308,786	*39.5*

(1) *Number of driver accompanied trucks transported by Eurotunnel Group.*

(2) *The market share percentages are derived by calculating Eurotunnel Group's accompanied truck traffic as a proportion of the total of such traffic on the Short Straits corridor as estimated by Eurotunnel Group on the basis of information provided by IRN Services Ltd.*

The number of trucks transported by Eurotunnel Group and its market share increased between 2006 and 2007. For more details, see chapter 9 of this Reference Document.

b) Through Railfreight Services of the Railways

The Railways' Through Railfreight Services compete with most modes of sea and road freight transport between continental Europe and the United Kingdom. Intermodal trains compete with LoLo container services and with services for accompanied and unaccompanied road freight offered by ferries and with accompanied road freight offered by Eurotunnel Group's Freight Shuttle Services. Conventional freight trains compete with other freight transport modes, but often enjoy an advantage in the case of very heavy or large cargoes which can be loaded directly from a production facility. In the market for transportation of new automobiles, competition is from combinations of road, sea and rail modes in the United Kingdom and in continental Europe, which are used to deliver cars between factories, distribution centres and retail outlets. Lastly, for bulk transport of commodities, rail freight is also in competition with transport by barge.

The freight volume transported by the Through Railfreight Services is summarised below.

	Through Railfreight Services		
	2007	2006	2005
Freight market[1] *(millions of tonnes)*	84	81	78
Cross-Channel rail freight[2] *(millions of tonnes)*	1.214	1.569	1.588
Number of passages[2]	2,840	3,786	3,902

(1) Estimate.

(2) Sources: BRB and SNCF.

With volumes of barely 1.2 million tonnes, or less than 2% of the potential market between continental Europe and the United Kingdom, rail freight traffic through the Tunnel continues to underachieve. The failure of Tunnel rail freight is explained by the complexity of developing cross-border rail traffic within Europe, by the successive reorganisations of the cross-Channel freight carriers in the United Kingdom and operational and commercial difficulties in rail freight in Europe.

In order to relaunch the Freight Train Service, Eurotunnel Group announced on 23 October 2007 a comprehensive new competitive strategy (described in paragraph 6.1.2 (c) above), aimed at addressing the challenges in the freight market through the implementation of certain measures in respect of rail development, border restrictions and competitive pricing policies for freight services.

Eurotunnel Group also concluded a strategic partnership agreement the independent port at Dunkirk on 13 June 2007 with the intention of developing a coordinated approach to rail freight activities and launched, on 23 October 2007, a new pricing mechanism (as described in paragraph 6.1.2 (c) above). Europorte 2 regained control of operations at the Calais-Fréthun rail freight yard and the running of SNCF trains through the Tunnel, as described in paragraph 6.1.2 (c) of this Reference Document. These services are accessible to all operators who request them, which will surely stimulate the amount of traffic.

6.2.2 Passenger market

The international passenger transport market from and to the United Kingdom is growing steadily at 5% to 6% a year. Most of this growth is concentrated on trips to southern or Eastern Europe, markets in which Eurotunnel Group is not active. Passenger traffic to near Europe is stable, but an increasing share of it is being captured by the low-cost airlines. The Short Straits market, the principal market for the Shuttle Services, has been in decline since the benefits of duty-free purchases have no longer been available.

The Passenger Shuttle Service carries passengers travelling with their vehicles between Calais and Folkestone. It is in direct competition with ferry operators on the Short Straits market. The transport services for passengers travelling without their vehicle provided by the airlines and to a lesser extent by Eurostar constitute a marginal and indirect source of competition to the Passenger Shuttle Service.

Eurostar services principally operate on the market for transporting passengers without their vehicle between Paris and London and between Brussels and London. Eurostar's main competitors are the traditional and low-cost airlines.

a) Passenger Shuttle Service

- **Development of the Short Straits market**

During the 1990s, the Short Straits market was characterised in particular by a high proportion of day trips, with passengers attracted by duty-free purchases or other economic benefits. These advantages have now largely disappeared, so the number of day trips on the Short Straits route has consequently declined significantly. However, the volume of long-stay (five days and over) and of short-stay (less than five days) trips has remained relatively stable, which allowed the Short Straits passenger car market to increase by 7% in 2007. After several years of decline, the market has stabilised and small growth is expected over the next few years.

This stabilisation is attributable to a number of factors:

- the withdrawal of passenger services on other cross-Channel links, which led to a transfer of traffic to the Short Straits;
- the adoption of dynamic pricing by some operators, in particular Eurotunnel Group; and
- the end of the continuing reduction in air fares.

However, the number of coaches transported on the Short Straits market continued to decline over the period.

- **Eurotunnel Group market share on the Short Straits**

Eurotunnel Group estimates that its shares of the car and coach passenger markets on the Short Straits link were as follows:

	2007		**2006**		**2005**	
	Vehicles	***Share of Short Straits market (%)***	**Vehicles**	***Share of Short Straits market (%)***	**Vehicles**	***Share of Short Straits market (%)***
Cars[1]	**2,141,573**	***43.3***	2,021,543	*43.5*	2,047,166	*44.8*
Coaches[2]	**65,331**	***38.3***	67,201	*38.9*	77,267	*42.4*

(1) *Number of vehicles transported by Eurotunnel Group. The market share percentages are calculated by converting the number of vehicles transported into Car Equivalent Units ("*__CEU__*") and determining Eurotunnel Group's share of total CEU transported on the Short Straits link as reported by IRN Services Ltd.*

(2) *Number of vehicles transported by Eurotunnel Group. The market share percentages are calculated by determining Eurotunnel Group's share of the total number of coaches transported on the Short Straits link as reported by IRN Services Ltd.*

Eurotunnel Group's share of the passenger car market on the Short Straits, in numbers of cars transported, was 43.5% in 2006 compared to 43% in 2007.

b) Eurostar

- **Market growth**

The market for Eurostar services comprises business and leisure passengers travelling between the United Kingdom and continental Europe. The market is diverse and includes passengers travelling only between London and Paris or London and Brussels and passengers travelling between other points in the United Kingdom and France, Belgium, Holland and Germany. Eurostar connects London with the centres of Paris and Brussels and competes with air travel service providers on travel time, frequency, comfort and price. Eurostar also operates a direct service to Disneyland Paris, a ski train service to Bourg-Saint-Maurice and a summer service to Avignon in Southern France.

Combined data on market growth for Eurostar and the airlines is presented below.

	Paris-London and Brussels-London passenger market					
	2007		2006		2005	
	Passengers (thousands)	*Growth (%)*	Passengers (thousands)	*Growth (%)*	Passengers (thousands)	*Growth (%)*
Air and Eurostar						
Paris-London	8,194	*+1.7*	8,059	*+2.9*	7,830	*−2.7*
Brussels-London	2,299	*+4.3*	3,065	*+3.9*	2,951	*−1.14*

Sources: BRB, SNCF, and CAA.

Total air and Eurostar passenger traffic between Paris and London increased by 1.7% between 2006 and 2007. During this same period, Eurostar passenger traffic increased by 5%.

Total air and Eurostar passenger traffic expressed in numbers of passengers between Brussels and London increased by 4.3% between 2006 and 2007. During this same period, Eurostar passenger traffic increased by 5%.

- **Market share**

The data below summarises the growth in Eurostar's share of the passenger market on the Paris-London and Brussels-London routes.

	Eurostar market share					
	2007		2006		2005	
	Passengers (thousands)(1)	Market share (%)(2)	Passengers (thousands)(1)	Market share (%)(2)	Passengers (thousands)(1)	Market share (%)(2)
Paris-London	5,962	72.8	5,659	*70.2*	5,429	*69.3*
Brussels-London	2,299	71.9	2,200	*71.8*	2,026	*68.6*

(1) *Source: SNCF and BRB.*

(2) *Market share percentages are derived by calculating the volume of Eurostar passengers as a proportion of the total volume of air and Eurostar passenger traffic between Paris and London and between Brussels and London as provided by the CAA, BRB and SNCF.*

Eurostar's share of the passenger market on the Paris-London route has increased to 72.8% on average over the 12 months ended 31 December 2007, as compared with 69.3% for the same period in 2005. Its market share on the London-Brussels route increased from 68.6% to 71.9% over the same period.

- **Eurostar's competitive environment**

In the business travel market, Eurostar competes with the traditional and low-cost airlines that offer regular flights between Paris and London on the one hand and between Brussels and London on the other. In the leisure travel market, Eurostar's main competitors are the low-cost airlines, not only on the routes served by Eurostar but also to other destinations. Eurostar has undertaken a number of successful initiatives in terms of marketing and Internet promotions aimed at the leisure travel segment, but Eurotunnel Group believes there is still growth potential for Eurostar in these markets as well as on the London-Amsterdam market in the future.

6.2.3 Competitive position of the Shuttle Services

The Shuttle Services are in direct competition with the ferry services operated by P&O Ferries, SeaFrance, Norfolkline and SpeedFerries on the Short Straits corridor. They compete indirectly with the airlines and to a lesser extent with Eurostar.

a) Ferry operators

Following Hoverspeed's withdrawal in October 2005, Eurotunnel Group's main competitors for its Truck and Passenger Shuttle Services are the conventional ferry operators, namely P&O, SeaFrance, Norfolkline, and SpeedFerries.

- **P&O**

P&O Ferries (''**P&O**'') is the largest ferry operator on the Short Straits link with six vessels. Since it withdrew from the Dover-Zeebrugge route in December 2002 and shut down its English Channel services from Portsmouth in 2005, P&O has been stepping up its activity on the Dover-Calais link. Its direct competition with Eurotunnel Group in the passenger and freight markets has consequently increased.

In March 2006, P&O Ferries became a subsidiary of DP World, a worldwide operator of port facilities.

- **SeaFrance**

SeaFrance is a subsidiary of the SNCF and operates five ferries on the Dover-Calais route. SeaFrance has upgraded its fleet and increased its capacity with two new vessels, the Rodin, which came into service in 2001, and the Berlioz, which came into service in 2005. SeaFrance also acquired a new ferry in the beginning of 2008 from SNCM to replace two of its older ferries. This has not affected the available capacity.

- **NorfolkLine**

A subsidiary of AP Moeller-Maersk, a Danish group, NorfolkLine operates three vessels transporting cars and trucks on the Dover-Dunkirk link. NorfolkLine has renewed its fleet and increased its capacity with new vessels coming into service in 2005 and 2006.

- **SpeedFerries**

SpeedFerries, a British company, launched its fast catamaran service in May 2004. It transports passengers between Boulogne-sur-Mer and Dover. SpeedFerries currently has only one vessel, but the company continues to indicate that a second fast catamaran will be put into service on this route.

- **Competitive advantages of Eurotunnel Group**

Eurotunnel Group considers that, under normal operating conditions, its Shuttle Service enjoys the following competitive advantages over ferries:

- speed: the travel time between the French and British motorways is generally much shorter than via the ferries;
- frequency of departures: Eurotunnel Group's Shuttle Service runs more frequently than any of its competitors; and
- reliability: the Shuttle Service, unlike the ferries, is unaffected by sea conditions and is not dependent on the weather.

b) Airlines

The airlines, and in particular low-cost airlines, also have an indirect impact on the Short Straits market. These companies serve many destinations in continental Europe and so compete with operators in the Short Straits, including the Passenger Shuttle Service in the market for short-stay leisure travel. Furthermore, many destinations in France are now served by low-cost airlines offering an alternative means of transport between France and the United Kingdom.

c) Eurostar

To a lesser extent, Eurostar competes indirectly with the Passenger Shuttle Service in the market for leisure travel.

6.3 Capacity

6.3.1 The System

a) The Tunnel

The number of trains or Shuttles that can run in the Tunnel per hour is limited. The capacity of the Tunnel is expressed in terms of the number of standard paths per hour in each direction. A standard path is defined as the time it takes a Shuttle train operating at 140 kph to proceed over that portion of the System that, under normal operating conditions, is used by all other trains using the Tunnel.

One of the key factors determining the Tunnel's capacity is the signalling system. At the date of this Reference Document, the System permits 20 standard paths per hour in each direction. Under the terms of the Railway Usage Contract, the Railways have the right to use up to 50% of the hourly capacity in each direction. Eurostar and Through Railfreight trains, because of their respectively faster or slower speeds compared to Eurotunnel Group's freight and passenger shuttles, use more than one standard path to move one of their trains through the Tunnel. At peak times, speeds can be adjusted to maximise the number of trains and shuttles travelling through the Tunnel. In 2007, the maximum number of standard paths used by the Passenger and Freight Shuttle Services was 9.5 per hour in each direction.

At present, the Tunnel's capacity does not constitute a significant constraint limiting the development of the different types of traffic.

In the medium or long term, Eurotunnel Group believes that it will be possible to increase the Tunnel's capacity by the following means:

- setting uniform operating speeds for all trains, which would allow more trains to run on the same number of standard paths. At the date of this Reference Document, Through Railfreight trains operate in the Tunnel at speeds ranging from 100 to 120 kph, whereas Eurostar trains can reach speeds of 160 kph. These differences in speed use a large part of the System's capacity, as they require Eurotunnel Group to operate with longer intervals between trains than would be necessary if all trains ran at a uniform speed. Use of the System's capacity could therefore be improved by shifting slow or infrequent freight trains to off-peak times, and by scheduling trains that travel at speeds higher (160 kph) or lower (120 kph) than the standard path (140 kph) so that they run in batteries during peak hours;
- increasing the power of the locomotives pulling the Shuttles to allow the use of longer trains or reduce transit times;
- reducing the distances between trains using the Tunnel (to 2 minutes 30 seconds instead of 3 minutes currently) so as to raise System capacity to 24 standard paths per hour in both directions. This requires an improvement of the fixed electric traction equipment; and
- improving the signalling system, in particular with ERTMS.

Some of these measures require approval by the IGC, which has had supervisory authority over TNU and then Eurotunnel Group since it began operating.

b) Terminals

Currently, ten boarding platforms are in service on the French terminal and ten are in service on the British terminal.

Both terminals were designed so that the number of boarding platforms could be increased to sixteen. At the date of this Reference Document, the construction of new platforms is not planned.

In late 2005, TNU installed 24 self check-in lanes for use by Passenger Shuttle passengers on the French and British terminals.

Similarly, self check-in lanes for Freight Shuttle customers were brought into service in April 2006 and at the same time an automatic number-plate recognition system for trucks was installed.

These systems have improved traffic flow, reduced operating costs and upgraded the terminals' ageing check-in systems with new technology.

6.3.2 Rolling Stock

An increase in the existing fleet of 25 Shuttles does not form part of Eurotunnel Group's current commercial or operating strategy.

6.3.3 Railway Services

Under the Railway Usage Contract, the Railways are entitled to use up to 50 per cent of the total signalling capacity of the Tunnel that is allowed by the signalling system. This currently amounts to ten standard paths per hour in each direction for Eurostar and Through Railfreight Services. Through Railfreight Services trains currently carry average loads of approximately 400 tonnes on each train, although some trains are capable of transporting 1,000 tonnes of freight, and run at speeds of between 100 and 120 kph. An increase in the load of each train would enable the Railways to increase the traffic of goods trains without using extra Tunnel capacity. Similarly, increasing load factors on Eurostar trains and synchronising them so that they run in batteries would enable more passengers to be transported without using additional Tunnel capacity. Under the terms of the RUC, Eurotunnel Group may use any unused excess capacity of the Railways if the Railways have not confirmed their capacity requirement by the previous day. Use of this excess capacity provides Eurotunnel Group with additional flexibility in optimising the flow of traffic and scheduling Shuttle Services departures.

6.4 System reliability

6.4.1 Tunnel availability and maintenance

The performance and reliability of the System have improved significantly since the Tunnel opened. The lack of reliability of certain elements of the System caused traffic disruption in the past the situation has greatly improved due to the correction of a number of technical deficiencies and the implementation of a revised programme for the cleaning, monitoring and maintenance of the fixed equipment. Scheduled weekly maintenance of the Tunnel is planned and structured so as to promote efficient use of the Tunnel and cause minimal disruption to commercial operations.

Despite continual traffic growth, Eurotunnel Group has set an objective of limiting service disruptions due to fixed equipment failures to less than 0.75%. Tunnel availability was maintained at 99.25% (disruption rate of 0.75%) during 2007. Eurotunnel Group will continue to monitor and analyse the causes of service disruptions and develop plans to improve service quality.

6.4.2 Rail replacement

Rail replacement is carried out as part of the normal maintenance programme. The second cycle of rail replacement began in 2005 and will continue until 2008, with no disruption to commercial services as at the date of this Reference Document.

6.4.3 *Maintenance and availability of the rolling stock*

Eurotunnel Group has also set itself the objective of achieving better utilisation of its transport capacity by improving load factors on its rolling stock. This is in addition to improving the availability of the rolling stock by modifying maintenance procedures in order to optimise periods of operation between maintenance visits.

The repair and maintenance programmes implemented by Eurotunnel Group have helped to improve the reliability of the electric locomotives and Freight and Passenger Shuttles. In planning its maintenance programmes, Eurotunnel Group's objectives are the following:

- ensure that safety requirements are met;
- avoid rolling stock being out of service for prolonged periods; and
- maximise the number of Shuttles available at peak hours.

Under current maintenance programmes, light maintenance and safety inspections are carried out every 21 days on average for the locomotives, Freight Shuttles and Passenger Shuttles. Every 600 to 1,000 days, depending on the vehicle and the number of kilometres it has covered, each rail vehicle is taken out of service for two to three weeks and undergoes an extensive preventive maintenance programme.

In the Passenger Shuttle Service, the rate of departures cancelled due to rolling stock failures was 1.32% in 2007, compared with 0.96% in 2006 and 1.08% in 2005. In the Freight Shuttle Service, the rate of departures cancelled due to rolling stock failures was 1.21% in 2007, compared with 1.23% in 2006 and 0.99% in 2005. Eurotunnel Group is implementing simplification and renovation programmes to further reduce future maintenance requirements and increase rolling stock reliability.

The Large Scale Maintenance (LSM) programme for the renovation of equipment that began in 2003 has been accelerated considerably during the course of 2007 in order to restore and enhance the reliability of equipment that is now approaching a third or one half of its overall useful service life.

6.4.4 *Maintenance strategy*

Eurotunnel Group's application of industrialisation techniques to maintenance based on the anticipation of requirements and the optimal coordination and scheduling of resources (namely, the type of maintenance facility, tools, spares and consumables required, etc.) has yielded a gain in productivity on rolling stock maintenance over recent years.

6.4.5 *Projects*

Various projects are planned in the short or medium term to further improve System reliability and efficiency, including in particular:

- a complete overhaul of the maintenance information systems;
- replacement of the two main radio systems, one for data transmission between the trains and the control centre and the other for transmission within the area of the System, by a GSM-R system in line with European standards;
- the pilot study for the third-generation Freight Shuttles; and
- an intensive review programme for the new recently acquired 'Class 92' locomotives to bring them up to the standards of performance and reliability of the rest of the Eurotunnel Group fleet.

6.5 Safety and Security

6.5.1 Safety of the System and of the Shuttle Services

Safety and security considerations are central to the overall design and operating procedures of the System. The System was designed under the supervision of the IGC and the Safety Authority (described in section 6.5.3 below). Each phase of the initial design was examined by the IGC and formally acknowledged by way of a non-objection declaration.

The operational safety of the System and of the Shuttle Services is mainly the result of the following design features:

- two separate rail tunnels, a layout that substantially reduces the risk of head-on collisions;
- a service tunnel linked to the rail tunnels by connecting passages situated on average every 375 metres, which provides access for emergency services and allows passengers to be evacuated to a safe environment;
- the infrastructure of the Tunnel. Each tunnel lies at a depth of 25 to 45 metres below the seabed and the walls of the tunnel are enclosed in reinforced concrete (or in some cases in cast iron);
- an advanced signalling system that incorporates automatic train protection, considerably reducing the likelihood of any type of collision;
- fire detection devices in the System and on all the Shuttles, as well as fire-extinguishing equipment in all the Passenger Shuttles (controlled by automated onboard systems) and in the Club Cars of all the Freight Shuttles (manually operated fire extinguishers);
- fire safety doors in all the Passenger Shuttles to prevent fires from spreading;
- a ventilation system that keeps the air in the service tunnel at a slightly higher pressure than in the rail tunnels, which prevents smoke from entering the service tunnel in the event of a fire in a rail tunnel; and
- the prohibition on transporting certain hazardous materials through the Tunnel.

Safety features and procedures are updated regularly and are set out in the Safety Case that is required to retain the operating certificate issued by the IGC. The European Union's Railway Safety Directive (2004/49/EC) is in the process of being transposed. The binational implementation regulation has been signed by the two delegations on 24 January 2007 and will only come into effect when it has been ratified by both governments. When it becomes applicable, the Safety Case will be replaced in the short to medium term by a new document called the ''Safety Management System''. On 21 August 2006, a fire broke out in a truck on a Freight Shuttle. All of the System's safety devices and the relevant procedures functioned effectively. The fire was quickly brought under control and commercial services were restored within 24 hours. Prior to this incident and since the start of the System's operations in 1994, the only fire affecting TNU to have occurred in the Tunnel was in 1996.

The System has detailed security and policing features meeting the requirements of the UK and French authorities. Examples of the security measures taken for the protection of the System are:

- access control at the perimeter of the terminals;
- surveillance by closed-circuit television cameras; and
- use of advanced techniques for searching vehicles.

In 2006, TNU reinforced the security measures at the British terminal. In 2007, Eurotunnel Group proceeded to renew the Euroscan facilities in the French terminal, 60% of this investment being financed by a subsidy of 1.7 million euros from French customs.

Safety and security measures for Eurostar and Through Railfreight Services have been developed by the Railways after discussion with, and the approval of, the States. These safety and security measures, which are the responsibility of the Railways, have been submitted to the IGC by Eurotunnel Group in connection with the Safety Case. As the infrastructure manager, Eurotunnel Group consults and cooperates with the Railways in relation to the ongoing development and implementation of these safety measures. The UK and French governments can require

Eurotunnel Group and the Railways to implement and maintain the safety measures that they consider appropriate to meet any perceived threat. In practice, however, the implementation of such measures is worked out in cooperation with Eurotunnel Group so as not to impair traffic flow.

6.5.2 Safety and security management and monitoring by Eurotunnel Group

Eurotunnel Group's Safety and Sustainable Development directorate reports directly to the Director of Operations. Its mission is to define company-wide safety objectives, measure safety performance and supervise the application of all safety rules by the various departments. The Director of Safety and Sustainable Development is a member of the executive committee.

A safety, security and environment committee composed of three directors meets regularly with management to review safety and security issues within Eurotunnel Group. The committee receives monthly reports from the relevant departments. It supervises safety documentation, monitors the process of developing operating and safety rules and oversees the safety, security and environmental impact of the group's activities. The Director of Safety and Sustainable Development has direct access to the chair of the safety, security and environment committee. The composition and operating procedures of the safety, security and environment committee are described in section 16.2.3 of this Reference Document.

6.5.3 Supervision by the States

The IGC was established pursuant to the Treaty of Canterbury and the Concession Agreement to supervise the construction and operation of the System on behalf of the States. This includes all issues relating to the safety, security and environmental impact of the System. Many of Eurotunnel Group's operating rules must be formally approved or acknowledged by way of a non-objection declaration by the IGC.

The Safety Authority was established under the Treaty of Canterbury and the Concession Agreement to advise and assist the IGC on all matters concerning safety and security in the construction and operation of the System. The Safety Authority advises the IGC regarding approval of System safety measures (including operating rules and emergency procedures) and compliance of the System with such measures. The Safety Authority has a team of inspectors and is charged with monitoring the implementation of safety measures and practices and ensuring that they comply with applicable national and international laws throughout the term of the Concession Agreement.

For more information on the IGC and the Safety Authority, see chapter 22 of this Reference Document.

6.6 Insurance

Eurotunnel Group's insurance programme consists primarily of policies covering material damage/business interruption (including terrorism risk) and third party liability.

The material damage/business interruption policy consists of two lines. The first line is placed on the French insurance market. The second line, which supplements the first, is placed on the London market. Together, the two lines provide cover for an amount corresponding to the ''maximum possible loss''. The indemnification period for business interruption is 24 months from the start of the interruption.

Terrorism risk in the United Kingdom is insured in parallel to the material damage/business interruption programme by Gamond Insurance Company Ltd, a captive insurance subsidiary of Eurotunnel Group, and reinsured through Pool Re, a British reinsurance company.

Terrorism risk in France is insured directly by and on the same terms as the material damage/business interruption programme, and is reinsured by the GAREAT (*Gestion de l'Assurance et de la Réassurance des Risques Attentats et Actes de Terrorisme*), a consortium of French insurers.

The third party liability policy consists of four lines placed on the French and London markets.

The material damage/business interruption (including terrorism) and third party liability policies were renewed on 1 January 2008 for a term of one year. The next renewal date will be 1 January 2009.

6.7 Dependency

Other than the material agreements described in chapter 22 of this Reference Document, Eurotunnel Group's business activity is not dependent on any industrial, commercial or financial contract. Furthermore, Eurotunnel Group's business is not dependent on any patent or licence agreement.

6.8 Environment and sustainable development

The Tunnel and its rail transport system provide certain intrinsic environmental advantages:

- the Tunnel runs entirely underground and does not interfere in any way with the marine environment; and
- the use of electric traction power which produces minimal atmospheric pollution and much lower greenhouse gas emissions than fossil fuels.

However, pursuant to French law no. 76-663 of 19 July 1976, the Coquelles and Sangatte sites are Designated Sites for the Protection of the Environment (*Installation Classée pour la Protection de l'Environnement*) (***DSPE***) due to the dangers and risks that its activities of refrigeration, air-conditioning, storage and use of flammable liquids, maintenance and painting etc may pose to the surrounding area and to health, safety, the nature and environment. These activities are set out in a list which, on the basis of the gravity of the dangers or risks that they may represent, requires Eurotunnel Group to either make a declaration to or request authorisation from the *Prefecture* of the Pas-de-Calais in respect of them. These activities are monitored by the Regional Authority for Industry, Research and the Environment (*DRIRE*).

Similarly, pursuant to the French law in relation to water of 3 January 1992, Eurotunnel Group must request the authorisation of the relevant administrative Authority for any proposed construction, works or activities to be carried out outside of the DSPE area, which may pose a danger to public health and safety, endanger the free flow of water, reduce the availability of water, substantially increase the risk of floods or seriously damage the quality or diversity of the marine environment.

Since 2002, TNU has had in place an environmental management system based on the requirements of the ISO standard 14001, and has put in place trained environment correspondents and internal auditors. An ''Environmental Requirements'' clause has also been introduced into contracts with its sub-contractors.

Every year, targeted audits are carried out in France and the United Kingdom. In 2007, four audits were carried out within the operational divisions and three among sub-contractors, and in particular on waste management.

As well ensuring its compliance with legal and regulatory requirements (a regulatory review is carried out on a monthly basis), and as part of its continued commitment to the environment, the company set up in 2006 a safety and sustainable development directorate. Safety represents an absolute requirement for Eurotunnel Group. Combining it with a strong sustainable development policy shows the extent to which these issues are important for the group.

Eurotunnel Group is concerned about the greenhouse gas emissions (albeit very low) that are generated by its operating activities. With the help of specialist firms using the ADEME (the French environmental and energy management agency) accredited carbon review® programme, a carbon footprint review was carried out in September 2006 in France, and then at the end of 2007 in the United Kingdom. This review included on the one hand an in-depth analysis of emissions generated by electricity used in the transporting of Eurotunnel Shuttles, Eurostar trains and goods trains through the Tunnel, and on the other hand an analysis covering emissions generated by maintenance activities, diesel works trains and vehicles used for staff transport, catering etc.

Eurotunnel Group's carbon footprint was estimated at 85,184 tonnes of equivalent carbon in 2006, during which 18.5 million tonnes of goods passed through the Tunnel.

This carbon footprint review forms part of the ''Planète gagnante'' charter, signed on 20 September 2007 with ADEME and the Regional Council of the Nord-pas-de-Calais. The action plan connected with this charter aims to reinforce certain initiatives and to launch new operations, such as the implementation of a plan to reduce greenhouse gas emissions linked to the transport system by at least a quarter in 2008, specifically by making changes to the electricity supply system. The implementation of these initiatives should allow for a reduction of 51% of all greenhouse gas emissions of Eurotunnel Group in 2008.

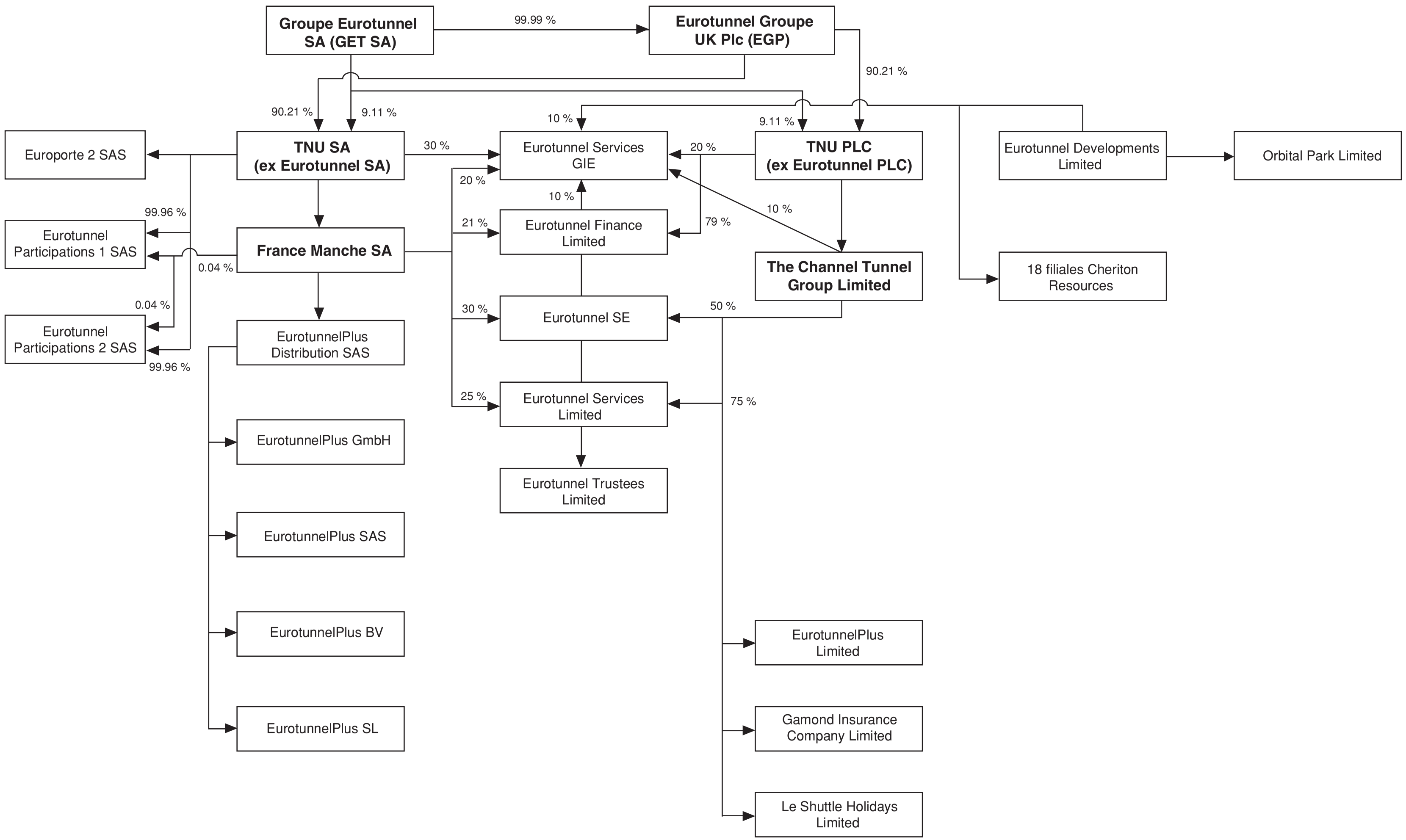
In parallel with this, Eurotunnel Group has decided to increase the awareness of its personnel as part of its commitment to sustainable development in the following ways:

- carbon footprint and reduction of greenhouse gases;
- since 2005, a programme to reduce levels of electricity and water consumption (examples of measures taken include: installation of sensory light and heating, increase in electricity and water meters, changes in the management of the cooling systems in the Tunnel to reduce the amount of water used in the cooling process (savings of 3000 m^3 of water per year since the implementation of this programme);
- a continuing commitment to the optimisation of waste recycling and research into the recycling process, so as to further increase the volume of waste recycling;
- informing and raising the awareness of its customers with regard to global warming and waste management with short films and presentations;
- raising awareness of its employees with regard to environmentally friendly behaviour;
- a long term plan to manage natural spaces and species. This is backed by the Conservatoire des Sites Naturels and the Groupe Ornithologique et Naturaliste du Nord, which have been observing flora and fauna at Eurotunnel Group sites for around 10 years now. In England, the Samphire Hoe site was awarded the ''Green Flag'' for excellent ecological quality for the second year running; and
- the re-launch in May 2006, together with the company INNOVENT, of the project for a wind farm on its Coquelles terminal which is expected to be constructed and brought into service at the end of 2009 or beginning of 2010. The definitive proposal for this project is currently awaiting approval by the public authorities.

7. ORGANISATIONAL STRUCTURE

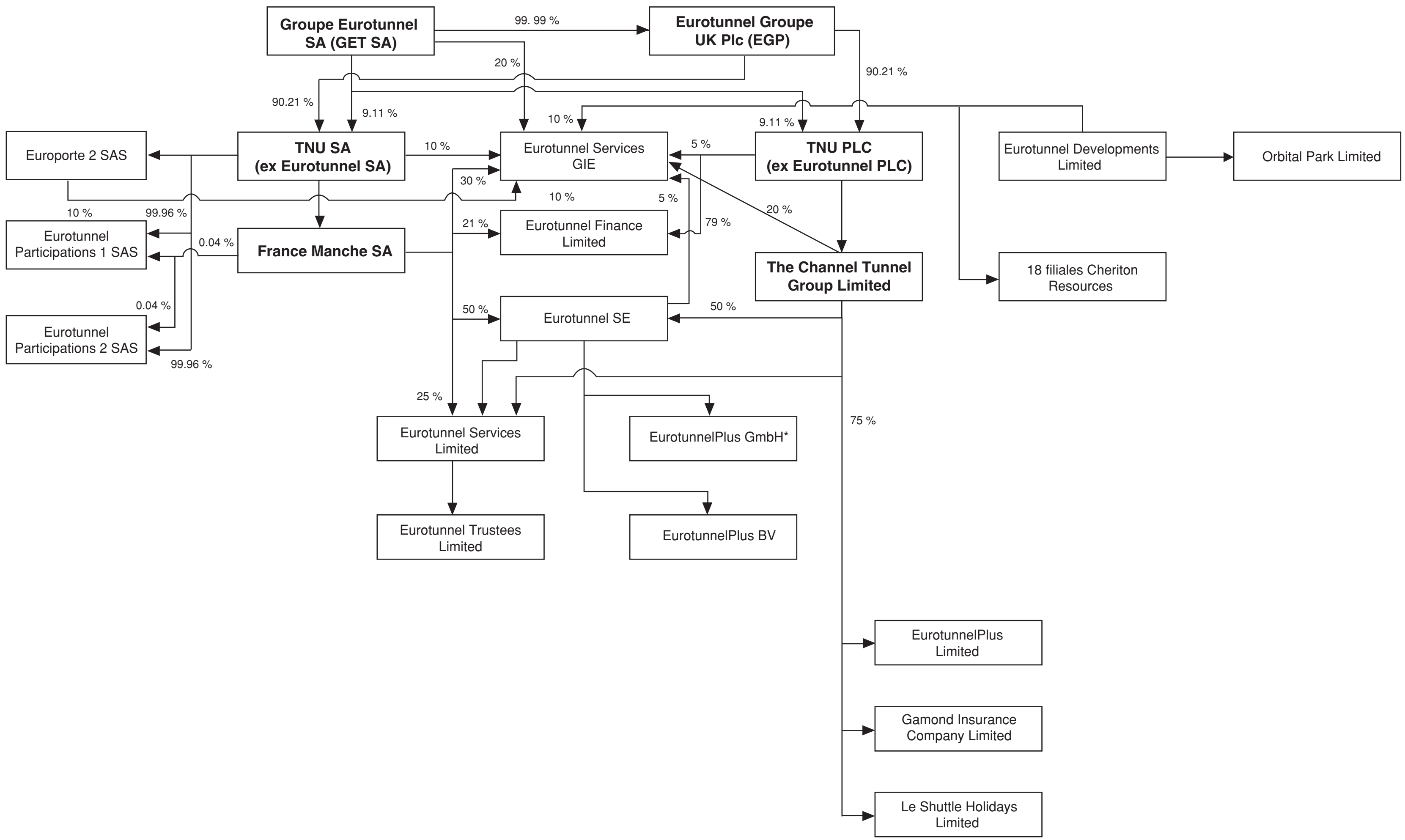
- GET SA is the new holding company of Eurotunnel Group, the linch-pin of the Reorganisation.
- EGP is an English law company wholly owned by GET SA with the exception of the shares held by each of the directors of EGP and the EGP Preferred Share. In accordance with the terms of the Safeguard Plan, on the Closing Date, all of the Tier 3 Debt and the Notes were transferred to EGP in consideration for, in particular, the issue by EGP of the NRS.
- TNU SA and TNU PLC are the companies which hold FM and CTG respectively. Their shares are joined as Units (each comprising one share of each company).
- FM and CTG jointly own the Concession to operate the Tunnel: these two companies have created a partnership called ''Eurotunnel''. FM and CTG are currently the borrowing entities under the financing agreements. FM and EFL were the borrowing entities under the former credit agreements.
- Eurotunnel Developments Limited is the entity responsible for the development of all properties in the United Kingdom which are not used in connection with the operation of the System. Gamond Insurance Company Limited is an entity entirely controlled by CTG, which is registered with the register of commerce in Guernsey and whose sole purpose is to provide Eurotunnel Group with insurance against acts of terrorism. Gamond Insurance Company Limited takes out reinsurance with Pool Re. ESGIE and ESL are charged with managing the personnel employed by Groupe Eurotunnel.
- Two French companies, Eurotunnel Participations 1 SAS and Eurotunnel Participations 2 SAS do not have any operating activities.
- The Cheriton Resources companies are finance or investment companies, mostly inactive.
- Le Shuttle Holidays Limited was a British tour operator which became inactive in 1998.
- The EurotunnelPlus companies are distribution entities for the freight services. From 1 January 2008, the business activities of the subsidiaries EurotunnelPlus Distribution SAS, EurotunnelPlus SAS, EurotunnelPlus SL and EurotunnelPlus GmbH were transferred to Eurotunnel SE, with the business transfer of EurotunnelPlus B.V. anticipated during 2008. Prior to these transfers, FM sold all its shares in EurotunnelPlus Distribution to Eurotunnel SE. These transfers were achieved by a universal transfer of the assets and liabilities of EurotunnelPlus Distribution, which had previously received the assets and liabilities of EurotunnelPlus SAS and EurotunnelPlus SL by way of a universal transfer on 1 January 2008 via our asset deal between EurotunnelPlus GmbH and Eurotunnel SE on 11 January 2008.
- Europorte 2, which holds a rail operator licence, started its activities on 26 November 2007. Eurotunnel Trustees Limited is no longer active.

Simplified organisational structure of Eurotunnel Group as at 31 December 2007



All of the companies shown above are 100% subsidiaries (except the shares held by directors and the EGP Preferred Share) unless otherwise indicated.

Simplified organisational structure of Eurotunnel Group following the ongoing merger operations



* Assets and liabilities transferred to EUROTUNNEL SE
All of the companies shown above are 100% subsidiaries (except the shares held by directors and the EGP Preferred Share) unless otherwise indicated.

8. PROPERTY, PLANT AND EQUIPMENT

8.1 Eurotunnel Group's property, plant and equipment

At the date of this Reference Document, Eurotunnel Group owns or uses the following property, plant, equipment and other moveable assets:

Gross value (thousands of euros)	2007	2006	2005
Concession property, plant and equipment			
Tunnels	6,549,501	6,549,501	6,549,501
Terminals, and related land and buildings	2,073,547	2,073,030	2,072,970
Fixed equipment and machinery	3,299,870	3,281,210	3,288,993
Rolling stock	1,995,850	1,995,267	1,977,201
Office equipment	98,291	98,950	104,874
Other property, plant and equipment			
Property, plant and equipment	61	59	57
Assets in the course of construction	24,942	35,447	50,509
Total	**14,042,062**	**14,033,464**	**14,044,105**

In France, all immovable property, plant and equipment cited in the Concession Agreement is the property of the French State and will revert to it on the expiry of the Concession period (2086). In the United Kingdom, the government has required CTG to transfer to it the title to freehold land and property acquired for the purpose of construction and operation of the Fixed Link and in exchange has granted leases for the duration of the Concession Agreement.

On the expiry of the Concession Agreement, the interest of CTG and FM (in their capacity as Concessionaires) in all movable property and intellectual property rights necessary for the operation of the Tunnel pursuant to the Concession Agreement will become, without payment, the joint property of the two States.

At 31 December 2007, Eurotunnel Group's real estate assets comprised the land and buildings in France and the United Kingdom required for the operation of the Tunnel pursuant to the Concession Agreement.

Eurotunnel Group's fixed assets also include the railway infrastructure (tunnels, tracks, fixed equipment, rolling stock, roads, networks etc.), the passenger and freight terminals and office buildings in Coquelles and Folkestone, as well as various maintenance buildings and workshops.

In addition, Eurotunnel Group owns various plots of land as part of its property development activities, described in chapter 6 of this Reference Document.

For a description of Eurotunnel Group's main property development projects, refer to paragraph 6.1.3 (b) ''Property development activities'' of this Reference Document.

At 31 December 2007, moveable assets owned by Eurotunnel Group comprised mainly office equipment and furniture, IT equipment, and vehicles.

Eurotunnel Group's budgets do not include the acquisition of any other major item of property, plant and equipment, and Eurotunnel Group does not intend to make any such acquisitions in the near future, with the exception of the investments described in section 5.2 of this Reference Document.

8.2 Environmental Constraints

For a description of environmental issues that may influence Eurotunnel Group's use of its property, plant and equipment, please refer to section 6.8 of this Reference Document.

9. OPERATING AND FINANCIAL REVIEW

Pursuant to EC Regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the combined financial statements of TNU for the financial years ended 31 December 2005 and 31 December 2006 and the consolidated financial statements of GET SA for the financial year ended 31 December 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The terms of the Safeguard Plan provide for the implementation of a new structure for the Eurotunnel Group, with, in particular, the creation of GET SA. The launch by GET SA of the Offer enabled those former shareholders of TNU who had tendered their Units to the Offer to become GET SA shareholders in June 2007. As this transaction did not change the level of control exercised by the shareholders of TNU, it is accounted for in the financial statements as a combination of entities under common control.

The GET SA pro forma consolidated income statement for the period 1 January to 31 December 2007 is intended to present the impact on the year of the new financing as if it had been put in place on the theoretical date of 1 January 2007. The figures relating to 2006 and 2005 are taken from the TNU's combined accounts.

9.1 General presentation

9.1.1 Key figures: income statement

The figures below have been rounded and totals and the year-on-year changes have been calculated using the exact underlying figures:

(in millions of euros)	GET SA PRO FORMA 2007	TNU 2006	TNU 2005
Exchange rate (€ / £):	**1.437**	**1.462**	**1.465**
Revenue	775	830	793
Operating expenses	(210)	(219)	(211)
Employee benefit expense	(126)	(122)	(143)
Operating margin (EBITDA)	**439**	**490**	**438**
Depreciation	(162)	(164)	(208)
Trading profit	**277**	**326**	**230**
Impairment	–	–	(2,490)
Other operating (expenses) / income	(13)	7	(41)
Operating profit / (loss) (EBIT)	**264**	**333**	**(2,301)**
Income from cash and cash equivalents	14	5	8
Cost of servicing debt (gross)	(292)	(492)	(497)
Net cost of financing and debt service	**(278)**	**(487)**	**(490)**
Profit arising from the financial restructuring	3,323	–	–
Other financial income / (charges) and income tax expenses	15	(50)	(18)
Profit / (loss) for the year	**3,324**	**(204)**	**(2,808)**

9.1.2 Principal factors with an impact on Group trading profit

a) Principal factors with an impact on revenue

The main factors with an impact on revenue are described in chapters 4 and 6 of this Reference Document.

b) Principal factors with an impact on operating expenses

- **Operational restructuring**

The impact of the operational restructuring on Shuttle capacity and on the Eurotunnel Group workforce is described in chapters 6 and 17 of this Reference Document.

- **Change in cost of purchases and external charges**

Eurotunnel Group is a major consumer of electricity for traction and spare parts for the maintenance of its rolling stock and infrastructure. Changes in the prices of these items are largely beyond Eurotunnel Group's control. Recent increases in the cost of electricity have had a direct impact on Eurotunnel Group's expenditure in this area.

c) Principal factors with an impact on financial income and charges

- **Financial expenses**

Financial expenses consist primarily of the following items:

- interest on the Debt, as described in chapter 10 and in section 22.4 of this Reference Document;
- adjustment for the effective interest rate; and
- charges relating to hedging instruments.

- **Foreign exchange risk**

All of Eurotunnel Group's Debt is in euros or sterling.

9.2 Comparison of financial years ended 31 December 2006 and 31 December 2007

9.2.1 Key figures: income statement

As indicated above, the GET SA pro forma consolidated income statement for the period 1 January to 31 December 2007 is intended to present the impact on the year of the new financing as if it had been put in place on the theoretical date of 1 January 2007.

In order to facilitate the line by line comparison of the performance of Eurotunnel, the two columns entitled ''excluding MUC top up'' below exclude the impact of the revenue top-up in 2006 from the MUC (Minimum Usage Charge, being the clause in the contract with the Railways which guaranteed TNU a minimum level of revenue up to the end of November 2006). The comparisons in the commentary below are stated including the MUC top-up unless otherwise stated. The comparative figures for 2006 presented in this analysis have been recalculated at the exchange rate used for the 2007 income statement of £1=€1.437 in order to enable a better comparison between the two years.

- **Summary**

In a buoyant cross-Channel market, the Eurotunnel Group has consolidated its market share for both its Passenger and Truck Shuttle activities, and increased its Shuttle revenues by a substantial 8% compared to 2006 at constant exchange rates, to reach €500 million.

Excluding the MUC top-up for which TNU recorded €94 million in 2006 (restated at the average 2007 exchange rate), revenue increased by 6% to €775 million, which combined with slightly lower operating costs, generated a significant improvement of 12% in EBITDA, to €439 million, bringing the EBITDA/revenue ratio to 57%.

At €292 million (pro forma) in 2007, gross debt service costs are 40% (€195 million) lower than in 2006 as a result of the financial restructuring.

After taking into account the €3,323 million profit arising from the financial restructuring, GET SA's pro forma net result for 2007 is a profit of €3,324 million, compared to a loss of €204 million in 2006 for TNU.

€ million	GET SA PRO FORMA 2007	TNU Restated* 2006	% change	Excluding MUC top-up Restated* 2006	Excluding MUC top-up % change
Exchange rate (€ / £)	**1.437**	**1.437**		**1,437**	
Shuttle services	500	461	+8%	461	+8%
Railways excluding MUC	262	254	–25%	254	+3%
MUC	–	94			
Other revenue	13	14	–8%	14	–8%
Revenue	**775**	**823**	**–6%**	**729**	**+6%**
Operating expenses	(210)	(217)	–3%	(217)	–3%
Employee benefit expense	(126)	(121)	+4%	(121)	+4%
EBITDA	**439**	**485**	**–9%**	**391**	**+12%**
Depreciation	(162)	(164)	–1%	(164)	–1%
Trading profit	**277**	**321**	**–14%**	**227**	**+22%**
Other operating (expenses) / income	(13)	7		7	
EBIT (Operating profit)	**264**	**328**		**234**	
Income from cash and cash equivalents	14	5		5	
Cost of servicing debt (gross)	(292)	(487)		(487)	
Net cost of financing and debt service	**(278)**	**(482)**		**(482)**	
Profit arising from the financial restructuring	3 323	–		–	
Other financial income and (charges) and income tax expenses	15	(50)		(50)	
Net result: profit / (loss)	**3,324**	**(204)**		**(298)**	
EBITDA / revenue	*57%*	*59%*	*–2pts*	54%	+3pts

* *Restated at the rate of exchange used for the preparation of the 2007 income statement (£1=€1.437).*

9.2.2 Revenues

Excluding the effect of the MUC top-up in 2006, revenues improved for the third consecutive year. At €775 million in 2007, revenues increased by 6% compared to 2006 at a constant exchange rate.

a) Shuttle services

In 2007, Shuttle revenues increased by 8% to €500 million. The cross-Channel truck market continued to grow in 2007 (+4%), and the car market grew for the second consecutive year, with a strong growth of 7%.

- **Truck Shuttles**

The improvement in Truck Shuttle revenues in 2007 was mainly due to increased traffic (+9%), resulting principally from the continued growth of the cross-Channel market, and to a market share gain of two points compared to 2006.

- **Passenger Shuttles**

The 6% increase in car traffic led to an increase in car revenue in 2007 compared to 2006, and reflects a similar growth in the cross-Channel market. The Eurotunnel Group continues to benefit from the positive effects of its dynamic pricing policy which has increased average yields.

Coach revenues increased mainly as a result of improved average yields, despite a reduction of 3% in volumes.

b) Railways

Up until the end of November 2006, revenues from the Railways were protected by the MUC, which represented €94 million of TNU's revenues in 2006 (restated at the average 2007 exchange rate). As a result of the ending of this mechanism, revenues from the Railways decreased by 25% to €262 million in 2007. Excluding the MUC top-up in 2006, Railways revenues grew by 3% in 2007 as a result of the increased number of Eurostar passengers (+5% travelling through the Tunnel), despite decreased rail freight tonnage (−23%).

c) Other revenue

Other revenues amounted to €13 million for 2007, €1 million below 2006. They are largely made up of revenues from the retail facilities available to the Eurotunnel Group's customers on the two terminals.

9.2.3 EBITDA

a) Operating expenses

External costs decreased by 3% to €210 million in 2007, compared to €217 in 2006.

The main reductions were as follows:

- energy costs decreased by 7%, from €38 million in 2006 to €35 million in 2007, as a result of the application of the *Tarif Réglementé Transitoire d'Ajustement du Marché* (regulatory transitory adjustment to market price) which has enabled French costs to remain close to last year, a UK purchasing policy which has profited from market opportunities, and the introduction of various initiatives to reduce electricity consumption;

- French business tax (*taxe professionnelle*) and local UK taxes reduced by 23%, from €24 million in 2006 to €19 million in 2007, following the reduction in the rate of *taxe professionnelle* which in 2006 was capped at 4% of the added value of the French companies but which was reduced to 3.5% in 2007, and following the ending of the MUC top-up; and

- a significant decrease of approximately €11 million in corporate costs between 2006 and 2007.

These reductions were partly offset by an increase of €11 million in external maintenance and operations costs in 2007, reflecting the beginning of new maintenance cycles and the increased traffic during the year.

b) Employee benefit expense

Employee benefit expense increased by 4% to €126 million in 2007, compared to €121 million in 2006.

Total operating charges reduced slightly in 2007 compared to 2006 at a constant exchange rate, despite the increase in activity.

Excluding the MUC top-up in 2006, the combined effects of the increase in revenues and the reduction in operating costs have led to a 12% improvement in EBITDA between 2006 (€391 million) and 2007 (€439 million),and the EBITDA/revenue ratio increased by 3 points from 54% in 2006 to 57% in 2007. Despite this improvement, the loss of the MUC top-up (€94 million in 2006) has led to a reduction in EBITDA of 9% between 2006 and 2007.

9.2.4 Trading profit

At €162 million in 2007, the depreciation charge was €2 million below 2006.

The trading profit in 2007 was €277 million compared to €321 million in 2006. Excluding the MUC top-up in 2006, the improvement in revenues and the stability of costs have resulted in a 22% improvement in trading profit in 2007.

9.2.5 Operating profit (EBIT)

Other operating income and expenses amounted to a net expense of €13 million in 2007, mainly consisting of expenses incurred in relation to the financial restructuring and the Safeguard Procedure.

EBIT for 2007 was €264 million compared to €328 million (restated) for 2006. Excluding the MUC top-up in 2006, EBIT in 2007 was €30 million above 2006.

9.2.6 Net cost of financing and debt service

The suspension of payments to suppliers and of debt service payments during the safeguard period resulted in higher average cash balances during 2007 compared to 2006. As a consequence, the €14 million interest received on cash deposits and similar instruments in 2007 was €9 million above 2006.

The pro forma gross cost of servicing debt for 2007 amounted to €292 million. It was calculated on the hypothetical basis that the financial restructuring had been put in place at 1 January 2007. The main elements are as follows:

- interest due on loans amounting to €275 million, and
- accretion expense on the notes redeemable in shares (NRS) amounting to €15 million.

The gross cost of servicing debt in 2006 for TNU amounted to €487 million (restated).

9.2.7 Net result

The €3,323 million profit arising from the financial restructuring results from the difference between the amount of the old pre-restructuring financial liabilities (principal and interest) of €9,181 million and the amount reimbursed of €5,849 million, after taking into account an exchange rate difference of €9 million (the NRS were accounted for at the rate set out in the Safeguard Plan of £1=€1.46635 whereas the reimbursement of the debt was accounted for at the rate ruling on the settlement date).

GET SA's pro forma net result for 2007 was a profit of €3,324 million compared to a loss of €204 million for TNU in 2006 (for further detail, please refer to note 10 to the consolidated accounts at Annex IV of this Reference Document).

9.3 Comparison of financial years ended 31 December 2005 and 31 December 2006

9.3.1 Key figures: income statement

The figures below have been rounded and totals and the year-on-year changes have been calculated using the exact underlying figures:

Income statement (in millions of euros)	**2006**	**2005**	**2006/2005 Change**
Exchange rate (€ / £):	1.462	1.465	
Revenue	830	793	37
Operating expenses	219	211	7
Employee benefit expenses	122	143	(22)
Operating margin	**490**	**438**	**51**
Depreciation	164	208	(45)
Trading profit	**326**	**230**	**96**
Impairment of property, plant and equipment		2,490	(2,490)
Other operating income (expenses)	7	(41)	48
Operating profit (loss)	**333**	**(2,301)**	**2,634**
Income from cash and cash equivalents	5	8	(2)
Cost of servicing debt (gross)	492	497	(5)
Net cost of financing and debt service	**(487)**	**(490)**	**3**
Other financial income (charges)	(50)	(18)	(32)
Income tax expense	0	0	0
Profit (loss) for the year	**(204)**	**(2,808)**	**2,604**

9.3.2 Revenues

The figures below have been rounded and totals and the annual variation have been calculated on the basis of the exact underlying figures:

Revenues (in millions of euros)	**2006**	**2005**	**Change**
Exchange rate (€ / £):	1.462	1.465	
Shuttle Services	465	433	32
Railways	350	344	7
Transport activities	**815**	**777**	**39**
Non-transport activities	15	16	(2)
Revenue	**830**	**793**	**37**

Revenue increased by 5% in 2006 compared to 2005.

a) Shuttle Services

Shuttle Services revenues increased by 7% in 2006 compared to 2005.

- **Truck Shuttle Service**

The 7% increase in Truck Shuttle revenues in 2006 was mainly due to the increase in average prices, which is explained primarily by the full year effect of the re-internalisation of the customers managed by an intermediary until

16 August 2005. The 1% decrease in volumes in 2006 is due to the transfer of traffic to the Tunnel during the first half of 2005 following the problems encountered at the port of Calais (damaged loading ramp, storms, strikes), and by TNU's decision to continue to reduce volumes from low-yielding small and medium accounts from Italy and Eastern Europe.

- **Passenger Shuttle Service**

Passenger Shuttle revenues increased by 8% between 2005 and 2006, with car revenues increasing by 10% and coach revenues decreasing by 11%.

The 10% increase in Passenger car revenues was due to the increase in the average yield, which was 11% higher in 2006 than in 2005. In 2006, TNU benefited from the positive effects of its dynamic pricing policy. Conversely, volumes decreased by 1%. In 2005, volumes were driven up by the shift in traffic to TNU following the events at the port of Calais during the first half of 2005. Furthermore, TNU continued its policy of capacity reduction in 2006.

Coach revenues were down 11%, mainly due to lower volumes, which decreased by 13% in 2006 and returned to a level comparable to that of 2004 (up 6% on 2004). In 2005, volumes were driven up by a significant shift in coach traffic to TNU following the events at the port of Calais at the beginning of 2005. Average yields increased by a modest 2%.

b) Railways

Railway revenues, which were protected by the Minimum Usage Charge until the end of November 2006 under the Railway Usage Contract, increased 2% to 350 million euros in 2006.

Revenues relating to the Minimum Usage Charge amounted to 95 million euros in 2006 and 105 million euros in 2005. Excluding the Minimum Usage Charge, the underlying increase in Railways revenues was 7% in 2006, due in part to the 5% increase in Eurostar passenger traffic travelling through the Tunnel. Growth in Eurostar traffic, which had been restrained by the July 2005 terrorist attacks in London, resumed in 2006.

Tonnage transported through the tunnel by the Through Railfreight Services decreased by 1% compared to 2005.

c) Non-transport activities

Revenues from non-transport activities amounted to 15 million euros in 2006, down 12% on the 16 million euros registered in 2005. These mainly consist of retail revenues from the facilities available to TNU customers at the two terminals.

9.3.3 Operating and employee benefit expenses

a) Operating expenses

Operating expenses rose from 211 million euros in 2005 to 219 million euros in 2006, an increase of 3%.

The main increases were as follows:

- Energy costs increased by 25%, from 31 million euros in 2005 to 38 million euros in 2006, despite reduced consumption. This increase is principally as a result of the increase in electricity prices in the United Kingdom. In France, electricity prices were covered by a contract limiting electricity prices until September 2006.
- Maintenance costs rose by 6%, from 33 million euros in 2005 to 35 million euros in 2006.
- Local taxes increased by 7%, from 29 million euros in 2005 to 31 million euros in 2006, largely as a result of the increase in French business tax (*Taxe professionnelle)*, which was capped at 4% of the added value of the French companies, which in itself also increased.

These increases were partially offset by reductions in the following areas:

- A reduction of 11% in the cost of consumables from 17 million euros in 2005 to 15 million euros in 2006.
- Consultants fees fell by 10%, from 18 million euros in 2005 to 16 million euros in 2006, following the implementation of the operational restructuring.

b) Employee benefit expenses

Employee benefit expenses fell by 15% to 122 million euros in 2006 from 143 million euros in 2005. 2006 benefited from almost a full year of reduced staff costs, with most of the departures under the redundancy plan concentrated at the end of 2005 and the beginning of 2006. The average headcount registered a similar decline, falling to 2,373 in 2006 from 3,012 in 2005.

The combined effects of higher revenues and lower operating expenses led to a 12% increase in operating income from 438 million euros in 2005 to 490 million euros in 2006.

9.3.4 Trading profit

Property, plant and equipment are depreciated on a straight line basis by reference to their net book values. The depreciation charge decreased by 21% in 2006 following the impairment charge in 2005.

Improved revenues and reduced costs and depreciation charges have resulted in an improvement in current operating income of 42% in 2006.

9.3.5 Operating profit

Operating profit was 333 million euros in 2006 compared with an operating loss of 2,301 million euros in 2005.

a) Impairment of property, plant and equipment

In 2006, TNU did not identify any indication of changes in the value of its tangible assets. Consequently, TNU did not make any impairment charge for the year. In 2005, the company made an impairment charge of 2,490 million euros.

b) Other operating revenues and expenses

Other operating income and expenses amounted to net income of 7 million euros in 2006. This included income of 143 million euros resulting from the release of advances from the Railways that were received under the Minimum Usage Charge clause of the Railway Usage Contract following the expiry of the guarantee period. It also includes 131 million euros of external expenses incurred up to 30 June 2007 (estimated) in connection with the implementation of the Reorganisation and relating solely to the financial restructuring and the Safeguard Plan (banks, legal, financial and tax advisers and auditors), but for the avoidance of doubt, this does not include the amount of £80 million (117.3 million euros) payable in the form of NRS to be issued to the creditors that are party to the Tier 3 Cash Option Provider Agreement.

9.3.6 Gross cost of servicing debt

Following the decision of the Paris Commercial Court on 2 August 2006 to open the Safeguard Procedure in respect of 17 TNU group companies, the payment of interest and reimbursement of debt was suspended and remained suspended as at 31 December 2006. TNU has accrued for all of the suspended interest and related penalty payments. However, the provisions of the Safeguard Plan relating to the cancellation of interest and penalty payments of the Notes are not reflected in the accounts. In October 2006, the Judicial Administrators terminated the swap agreements entered into by TNU. TNU recorded the unwinding of these agreements and accounted for the payments to be made to the parties to the swap agreements pursuant to the Safeguard Plan.

Interest charges increased from 423 million euros for the year ended 31 December 2005 (355 million euros of interest on loans, 68 million euros for the effective rate adjustment) to 465 million euros in 2006 (432 million euros of interest on loans, 33 million euros for the effective rate adjustment). Since the end of the stabilisation period on 31 December 2005, the Stabilisation Facility has carried interest. This interest charge amounted to 42 million euros in 2006. The increase in interest on loans is also due to a rise in interest rates under the existing credit agreements.

Charges relating to hedging instruments decreased from 74 million euros in 2005 to 27 million euros in 2006, owing to the effects of the termination of the hedging contracts.

9.3.7 Other financial income and charges

Other financial income and charges comprised a 50 million euros charge in 2006 compared with an 18 million euros charge in 2005. This increase is mainly due to a provision for depreciation made to cover risks associated with certain financial contracts as part of the financial restructuring.

9.3.8 Net income

The income tax expense for 2006 relates to the minimum legal lump-sum tax payable in France and to taxation charges for the distribution subsidiaries created in 2005.

The net result for 2006 was a loss of 204 million euros, compared with a loss of 2,808 million euros in 2005.

10. CASH FLOW AND SHARE CAPITAL

10.1 Information concerning the Eurotunnel Group's share capital

Information concerning Eurotunnel Group's share capital is set out in note 15 ''Share capital and warrants'' of GET SA's consolidated accounts at Annex IV of this Reference Document.

As a result of the issue of the NRS, EGP's ability to redeem NRS II in cash, make market purchases of NRS I or the Unredeemed NRS II, the redemption in GET SA Ordinary Shares of NRS I that are not purchased on the market and of the Unredeemed NRS II or the NRS II not purchased on the market, and the ability of Eurotunnel Group to redeem the NRS II in cash or make a market purchase of the NRS I and the Unredeemed NRS II, will affect the company's future capital resources.

The redemption in New Ordinary Shares of the SDES and the payment terms relating to the SDES Return, and, if appropriate, the Conditional Additional Return, will also affect the company's future capital resources.

With the attribution to GET SA of a Baa2 corporate rating by the rating agency Moody's, it is the first time that the company has been rated ''investment grade'', which pays tribute to the financial recovery of the group following the implementation of the Reorganisation.

10.2 Source and amount of cash flows

10.2.1 Cash flows in 2007 and 2006 accounting periods

	Year ended 31 December 2007		
(€ millions)	**GET SA Pro Forma 2007**	**TNU 2006**	**GET SA 2007**
€ / £ exchange rate	*1.364*	*1.489*	*1.364*
Net cash inflow from trading	398	510	233
Other operating cash flows and taxation	(117)	(37)	(92)
Net cash inflow from operating activities	**281**	**473**	**141**
Net cash flow from investing activities	(37)	(14)	(20)
Net cash flow from financing activities	(369)	(353)	(356)
(DECREASE) / INCREASE IN CASH	**(125)**	**106**	**(235)**[1]

[1] *Excluding 392 million euros brought by TNU as part of the business combination under common control at the date of the Offer on 28 June 2007.*

The pro forma cash flow statement for the twelve months to 31 December 2007 reflects the operating cash flows as well as the financing cash flows resulting from the financial restructuring.

a) Cash flow from operating activities

The net cash flow from trading was €398 million in 2007, compared to €510 million in 2006 (€500 million at the 2007 closing rate of £1=€1.364). A substantial increase in operating cash flow, in particular from Shuttle Services receipts (+€40 million), has partly compensated for the loss of the MUC top-up (€92 million). Moreover, supplier invoices totaling €39 million from the period prior to the opening of the Safeguard Plan for which payment had been suspended, were settled in full during 2007. The Safeguard Procedure caused a reduction in supplier credit terms during late 2006 and the first half of 2007. During the second half of 2007, the creditor terms have largely reverted to their earlier levels.

b) Cash flow from investing activities

The increase in cash flows from investing activities (€23 million) arises mainly from the purchase of ''Class 92'' locomotives to be used in the development of the rail freight activity, the replacement of the Euroscan, and the modifications to the power supply system, which when complete, will enable greater use of the cheaper electricity generated in France.

c) Cash flow from financing activities

Cash flows from financing activities in 2006, which corresponded to payments on the old financial instruments, benefitted from the suspension of debt service payments during the Safeguard period. In 2007, net cash flows from financing activities corresponded mainly to the implementation of the restructuring, and are broken down as follows:

- payments of €4,204 million for the reimbursement of principal and interest on the old financial instruments;
- payments of €84 million related to the implementation of the Term Loan and the financial restructuring;
- receipts of €4,010 million from the drawdown of the Term Loan;
- receipts of €13 million for interest received on cash and cash equivalents; and
- first payment of interest on the new Term Loan in December 2007 totaling €104 million.

Overall, the pro forma net cash outflow for 2007 was €125 million, compared to a net cash inflow of €106 million in 2006, the cash flow of both years having been significantly impacted by the Safeguard Procedure and the financial restructuring.

10.2.2 Cash flows in 2006 and 2005 financial years

	Year ended 31 December	
(€ millions)	**TNU 2006**	**TNU 2005**
€ / £ exchange rate	*1.489*	*1.459*
Net cash inflow from operating activities	473	338
Net cash outflow from investing activities	(14)	(23)
Net cash outflow from financing activities	(353)	(403)
INCREASE / (DECREASE) IN CASH	**106**	**(88)**

The variation in the euro / sterling exchange rate used for the combined accounts resulted in a 6 million euros positive exchange adjustment to the operating result.

a) Cash flow from operating activities

The net cash inflow from operating activities was 473 million euros in 2006 compared with 338 million euros in 2005.

The increase was mainly due to the improvement in operating margins, as described in chapter 9 of this Reference Document as well as by a 32 million euro decrease in cash outflow related to other operating expenses.

As a result of the Safeguard Procedure, the payment of outstanding amounts for goods, services, taxation and social security charges incurred prior to 2 August 2006 was suspended, and they remained unpaid at 31 December 2006. This had a favorable impact of approximately 39 million euros on the cash position at the end of 2006.

b) Cash flow from investing activities

The 9 million euro decrease in the net cash outflow from investing activities was due to the reduction in capital expenditure during 2006 that resulted from changes to the locomotive renovation and power upgrade programme and to the reduced amount of cash generated by land sales compared to 2005.

c) Cash flow from financing activities

Net cash outflow from financing activities totalled 353 million euros in 2006 compared with 403 million euros in 2005.

The decrease is the result of the debt servicing payments being suspended under the Safeguard Procedure of the TNU group with effect from 2 August 2006. This had a positive effect on the cash flow at the end of 2006 of approximately 112 million euros. The sharp rise in interest rates resulted in increased interest payments on the debt up to 2 August 2006.

10.3 Borrowing conditions and finance structure of Eurotunnel Group

The financing structure of Eurotunnel Group is set out in section 22.4 of this Reference Document.

10.4 Restrictions on the use of capital resources

The restrictions resulting from the financial covenants provided in the Term Loan are described in section 22.4 of this Reference Document.

10.5 Sources of funds for future investments

As of the date of this Reference Document, Eurotunnel Group intends to finance its future investments, as described in section 5.2.2 of this Reference Document, using cash flows from operating activities generated by Eurotunnel Group.

11. RESEARCH AND DEVELOPMENT, TRADEMARKS, PATENTS AND LICENCES

11.1 Research and development

Eurotunnel Group's activities mean that its research and development policy is limited. In principle, Eurotunnel Group does not have a specifically targeted research and development policy, and none of its patents are significant to either Eurotunnel Group or its Tunnel operations. As a result, Eurotunnel Group's research and development expenses are insignificant with regard to its turnover.

For the purpose of its business, Eurotunnel Group has used various simulation software to develop algorithms that model traffic volumes and frequency. These simulation tools allow Eurotunnel Group to assess passenger and freight traffic flows in the Tunnel and are a useful way to, fine-tune Eurotunnel Group's business model and implement the operational strategy described in chapter 6 of this Reference Document.

In addition, on 26 April 2007, Eurotunnel Group launched the TTSA (*Track Train System Availability*) research and development project, which it is leading. Endowed with a budget of six million euros, this project aims to make major technological advances in problems regarding tracks quality, welding, the construct and design of shunting mechanisms, the detection of defects, and sources of progress and potential economic savings. Over the course of the next three years, new products and analytical systems will be put in place and tested on the Eurotunnel Group network which, for the first time, will receive funding from the ''*Fonds Interministériel de Compétitivité''.*

11.2 Trademarks, patents and licences

11.2.1 Trademarks and domain names

Eurotunnel Group's main trademarks are the nominative, figurative and semi-figurative trademarks, which protect the ''Eurotunnel'' name and logo design. The other trademarks used are mainly registered to protect the corporate names of Eurotunnel Group companies, particularly ''France Manche'' and ''Europorte'', or certain brand names, such as ''Le Shuttle''.

As of the date of this Reference Document, Eurotunnel Group also owns approximately 150 domain names, including ''eurotunnel.com''.

11.2.2 Patents

Eurotunnel Group also occasionally files patents relating to specific aspects of its business.

As of the date of this Reference Document, five aspects of Eurotunnel Group's business are covered by currently active patents. These patents mainly concern (i) systems for chocking vehicles onboard Freight Shuttles, (ii) a self-convergent maintenance system for complex, high-volume equipment and (iii) a fire-detection system for railway vehicles. Eurotunnel Group will file patents relating to such aspects of its business wherever possible.

11.2.3 Licences

Eurotunnel Group does not have any licence granted by a third party allowing it to use a third party's trademark, nor has it granted any licence to a third party, except for usage rights granted to commercial partners.

12. INFORMATION ON BUSINESS TRENDS

12.1 Recent development

The improvement in Eurotunnel Group's operating results in 2007 was particularly satisfying and appears to have continued in early 2008.

Since the start of 2008, Eurotunnel Group has continued to apply the operational and industrial strategy described in chapter 6 of this Reference Document. It has continued to implement the various measures described in that chapter designed to strengthen its new strategy and fine-tune its capacity to meet the needs of its customers while providing a quality service that justifies its price premium over the ferries. These measures include rescheduling maintenance cycles and refining the Freight and Passenger Shuttle timetables. Eurotunnel Group has also upgraded the self check-in lanes on its passenger terminals in order to improve their performance and ensure better traffic flow.

The 9% annual increase on Freight Shuttle Service traffic in January 2008 compared with January 2007 shows the effectiveness of Eurotunnel Group's commercial policy.

Passenger Shuttle Service car traffic also increased in January 2008, with vehicle volumes up 5% against the same period in 2007, while coach traffic was down by 14%. The average ticket yield is increasing annually despite aggressive pricing by the competition. The Short Straits market, described in section 6.2.2 of this Reference Document, continued to stabilise in the early weeks of 2008 in the truck and car markets. Bookings for summer 2008 are up slightly compared to the same time in 2007.

The number of passengers on Eurostar trains through the Tunnel increased by 19% in January 2008 compared to the same period in 2007.

Eurotunnel Group's operational recovery started with the new economic model in 2005 and remains on track. However, while Eurotunnel Group's recovery is progressing well, it is not yet complete. To build on the successes of 2007 and under GET SA's leadership control, Eurotunnel Group will have to make further efforts to adapt to customer needs while keeping tight control over operating costs. GET SA's future operational development will depend on its ability to maintain and improve service quality: this is the top operational priority for 2008. In order to give itself the best chance of reaching this objective and in order to give employees, who are principally to thank for the commercial successes of the past two years, a share in the financial recovery, GET SA will rely on the profit-sharing system already in place and may introduce an employee shareholding scheme as indicated in chapter 17 of this Reference Document.

The main uncertainties pertaining to GET SA's activities are those related to implementing the Reorganisation as described in chapter 4 of this Reference Document.

2008 First quarter Revenue and Traffic: A first quarter which confirms the growth in activity

- **Strong revenue growth: €187.6 million (+15%)**
- **Sustained increase in Shuttle Services traffic (trucks: +10%; Cars +11%)**
- **Outstanding increase in the number of Eurostar passengers: +21%**

Revenues

Eurotunnel has recorded significant growth in its revenues during the first quarter of 2008, driven equally by its own Shuttle Services activity and the revenues coming from the railways.

The revenues from its core activity, the transport of trucks and tourist vehicles on board the Shuttles has, at €120.5 million, increased by 15% (at a constant exchange rate) compared to the same period last year. This increase comes from a combination of increased volumes and higher yields.

The revenues coming from the railways amounted to €63.8 million and also show, at a constant exchange rate, an increase of 15% in the first quarter of 2008.

Other revenues have increased by a little less than €1 million, but remain comparatively marginal at €3.3 million.

In total, revenue for Groupe Eurotunnel amount to €187.6 million. At a constant exchange rate, they have grown by 15% compared to the same period the previous year.

Revenue € million	1st quarter 2008 unaudited	1st quarter 2007 restated*	% change	1st quarter 2007 published**
Shuttle Services	120.5	104.6	+15%	111.5
Railways	63.8	55.7	+15%	60.2
Other revenue	3.3	2.5	+33%	2.6
Revenue	**187.6**	**162.8**	**+15%**	**174.3**

* *The revenues for the first quarter of 2007 are those of TNU which, on 28 June 2007, became a subsidiary of Groupe Eurotunnel SA, whose results for the first quarter of 2008 are presented in this press release.*
The first quarter of 2007 has been recalculated at the exchange rate of £1 = €1.257 in order to allow a direct comparison with the first quarter of 2008.

** *Exchange rate: £1 = €1.471.*

Eurotunnel Shuttle Services traffic

All elements of Shuttle Services traffic (trucks, cars and coaches) have increased significantly, having benefited from the combination of a leap year and Easter falling in the first quarter.

The quality of service offered by Eurotunnel, based upon the speed, ease and reliability of its transport system, which is the most environmentally friendly way to cross the Channel, has led many customers to choose this service during the first quarter of 2008.

Truck Shuttles

385,145 trucks were carried on board Eurotunnel's Truck Shuttles, an increase of 10% compared to the first quarter of 2007. The record for the highest number of trucks transported in one day was beaten on 13 March, with 6,821 trucks carried. The week from the 10th to the 16th of March was also a record, with 36,032 trucks transported. The month of March 2008 itself thus became the record month since opening the service, with 135,085 trucks transported.

Passenger Shuttles

The number of cars transported increased in similar proportions (+11%), with 454,076 vehicles transported. Coach traffic also increased, by 7%.

		First quarter 2008	First quarter 2007	Change 2008/2007
Trucks Shuttles		385,145	349,359	+10%
Passengers Shuttles	Cars*	454,076	409,612	+11%
	Coaches	13,863	12,920	+7%

* *Including motorcycles, vehicles with trailers, caravans and camper vans.*

Railways traffic

Eurostar

With 2,175,042 passengers, more than 380,000 above the same period in 2007, Eurostar recorded a spectacular increase in its traffic through the Tunnel (+21%) during the first quarter of 2008. Eurostar has clearly benefited from the competitive advantage brought by the opening of the high speed line between the Tunnel and London and from the opening of the new St Pancras International station. London is now within 2h15 of Paris, 1h51 of Brussels and 1h20 of Lille. This growth has been further aided by the addition of two extra departures between Paris and London in November 2007 and February 2008.

Rail freight

Rail freight traffic through the Channel Tunnel decreased by 13% during the first quarter of 2008 compared to the first quarter of 2007: 744 trains, 109 less than the previous year.

Although this traffic is below that of the first quarter of 2007, the first signs of a turnaround are appearing with the addition of new trains by the rail freight operators and the start of the re-building of traffic when compared to the last two quarters of 2007 (3rd quarter 2007: 651 trains; 4th quarter 2007: 587 trains; 1st quarter 2008: 744 trains).

		First quarter 2008	First quarter 2007	Change 2008/2007
Eurostar*	Passengers	2,175,042	1,792,649	+21%
Rail freight	Trains	744	853	−13%

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

12.2 Future prospects

The strategy to relaunch railfreight announced by Eurotunnel Group on 23 October 2007 represents an opportunity for all railfreight operators to tap into new markets with considerable potential (notably through intermodal and trainload services). These new conditions are expected to lead to a reversal of the downward trend in cross-Channel rail-freight followed by a rapid development of these services. This strategy would also allow an increase in the tolls received by Eurotunnel Group for the use of its infrastructure.

In cooperation with the SNCF, Europorte 2, the railfreight subsidiary of Eurotunnel Group has just started its operational activity in the Fréthun ''cross-Channel railfreight depot'' adjacent to the French end to the Tunnel.

Europorte 2 has taken on two activities: operation of the, Fréthun cross-channel railfreight depot, and the traction of goods trains on behalf of the SNCF as well as on behalf of any other operator requiring such services, thus helping to relaunch cross-Channel railfreight traffic.

Eurotunnel Group has invested in the acquisition and reconditioning of specialised ''Class 92'' locomotives.

Eurotunnel Group will report on the progress of this new activity, probably during the first half of 2008, when it will have reached a significant level.

As part of FM's regional economic development activity, described in chapter 6 of this Reference Document, Eurotunnel Group will continue the major development project in the area, for which Eurotunnel Group provides support to the Sangatte Blériot Plage local authority. Conceived as a vast tourist centre at the foot of the nationally recognised ''Site des Deux Caps'', which includes Cap Blanc-Nez, the project extends over 110 hectares and will involve a golf complex, housing, hotels and restaurants. The residential development is located on the site of TNU's old factory for producing tunnel lining segments, which was subsequently requisitioned by the French government from September 1999 to December 2001. Furthermore, in partnership with the relevant local authorities, the company is launching studies regarding developments in the ''ZAC 2'' zone described in paragraph 6.1.3 (b) of this Reference Document that will enable it to continue to pursue this proposed development.

13. FORECASTS

GET SA certifies that the forecasts set out in chapter 13 of the SDES Securities Note remain valid at the date of this Reference Document (it being specified that the forecasts set out in the SDES Securities Note are updated in connection with the initial business plan which, at the time of the Reorganisation, served as the basis for the establishment forecasts set out in the Registration Document registered in March 2007).

14. BOARD OF DIRECTORS, MANAGEMENT AND SUPERVISORY BOARDS

14.1 Board of directors

As of the date of this Reference Document, the members of the board of directors of GET SA are the following:

Name	Position	Date of Appointment	Expiry
Jacques Gounon	Chairman and Chief executive officer	9 March 2007	Shareholders' general meeting approving the accounts for the financial year ending 31 December 2009
Colette Neuville	Director	9 March 2007	Shareholders' general meeting approving the accounts for the financial year ending 31 December 2009
Henri Rouanet	Director	9 March 2007	Shareholders' general meeting approving the accounts for the financial year ending 31 December 2009
Robert Rochefort	Director	9 March 2007	Shareholders' general meeting approving the accounts for the financial year ending 31 December 2009
Philippe Vasseur	Director	20 June 2007	Shareholders's general meeting approving the accounts for the financial year ending 31 December 2009
Pierre Bilger	Director	20 June 2007	Shareholders's general meeting approving the accounts for the financial year ending 31 December 2009
Timothy Yeo	Director	20 June 2007	Shareholders's general meeting approving the accounts for the financial year ending 31 December 2009
Eurotunnel Participations 1 (Claude Liénard)	Director	20 June 2007	Shareholders's general meeting approving the accounts for the financial year ending 31 December 2009
Eurotunnel Participations 2 (Claire Piccolin)	Director	20 June 2007	Shareholders's general meeting approving the accounts for the financial year ending 31 December 2009
Le Shuttle Holidays Limited (Séverine Garnham)	Director	20 June 2007	Shareholders's general meeting approving the accounts for the financial year ending 31 December 2009
Cheriton Resources 17 Limited (Michael Schuller)	Director	20 June 2007	Shareholders's general meeting approving the accounts for the financial year ending 31 December 2009

The four subsidiaries of GET SA, Eurotunnel Participations 1, Eurotunnel Participations 2, Le Shuttle Holidays Limited, and Cheriton Resources 17 Limited, have been appointed as directors of GET SA in anticipation of the nomination in accordance with the Safeguard Plan of the directors proposed by ENHC. To date, in the absence of a justification by ENHC that the conditions relating to the existence of the GET SA Preferred Share are still met (particularly in relation to the minimum percentage of ENHC Ordinary Shares held by the former creditors of TNU SA having received or subscribed for NRS in connection with the Safeguard Plan), this appointment has not been able to take place. The conditions relating to the existence of the GET SA Preferred Share are described at section 21.2.5 of this Reference Document.

The table below shows the list of companies, excluding Eurotunnel Group, as of the date of this Reference Document, in which the members of the board of directors of GET SA have held office as a member of a board of directors, or management or supervisory board or in which they have been a partner with unlimited liability during the last five years, and the companies in which they still hold a position of this nature:

Name	Other positions held outside Eurotunnel Group	Company	Dates
Jacques Gounon	Director	Cegelec	2001 to 2005
	Director	Facéo	2001 to 2005
Colette Neuville	Founding Chairman	Association de Défense des Actionnaires Minoritaires (ADAM)	1991 to present
	Director	Euroshareholders	February 2006 to present
	Director	Vie financière	2005 to present
Robert Rochefort	Chief Executive	CREDOC	1995 to present
	Director	CETELEM	2003 to present
	Director	French Red Cross	2006 to present
Henri Rouanet	Chairman of the Supervisory Board	SIFRACO	1998 to 2007
	Chairman	Conseil National de la Protection Civile	1997 to 2005
Philippe Vasseur	Chairman of the Board of Directors	CMNE France	1999 to 2007
	Supervisor		2002 to 2006
	Member of the Supervisory Board	Crédit Mutuel Nord Immobilier	
	Permanent Representative – CMNE France (Director)	Batiroc Normandie	2001 to 2005
	Director	Heineken France	2006
	Director	Lille Grand Palais	2001 to 2002
	Director	Middenstands Deposito en Kredietkantoor (scrl)	2005 to 2006
	Member of the Supervisory Board	Saint Louis Sucre	2000 to 2007
	Chairman of the Board of Directors	Caisse Fédérale du Crédit Mutuel Nord Europe	2000 to present
	Permanent Representative – CFCMNE France (Director)	Groupe des Assurances du Crédit Mutuel	2005 to present
	Member of the Supervisory Board	CIC	2001 to present
	Director	Holder	2005 to present
	Supervisor	Losc Lille Métropole	2005 to present

Name	Other positions held outside Eurotunnel Group	Company	Dates
	Positions in companies controlled by Crédit Mutuel Nord Europe:		
	Chairman of the Supervisory Board	Banque Commerciale du Marché Nord Europe	2000 to present
	Chairman of the Board of Directors	Caisse de Crédit Mutuel Lille Liberté	2005 to present
	Chairman of the Supervisory Board	Groupe UFG (ex. NEAM)	2006 to present
	Chairman of the Board of Directors	Nord Europe Assurances	2006 to present
	Chairman of the Board of Directors	Société de Développement Régional de Normandie	2001 to present
	Chairman	Banque de Brabant	2001 to present
	Permanent Representative – CMNE Belgium (Director)	Banque de Brabant	2007 to present
	Director	BKCP Noord (SCRL)	2006 to present
	Permanent Representative – CMNE Belgium (Director)	BKCP Noord (SCRL)	2006 to present
	Director	BKCP Securities (SA)	2005 to present
	Chairman of the Board of Directors	Crédit Mutuel Nord Europe Belgium (SA)	2000 to present
	Chairman of the Board of Directors	Crédit Professionnel Interfédéral (SCRL)	2000 to present
	Permanent Representative – CMNE Belgium (Director)	Crédit Professionnel Interfédéral (SCRL)	2006 to present
	Director	Crédit Professionnel SA	2000 to present
	Permanent Representative – CMNE Belgium (Vice-President)	Federale Kas Voor Het Beroepskrediet (SCRL)	2004 to present
	Director	Nord Europe Private Bank (SA)	2003 to present
	Director	CP Bank (SCRL)	2007 to present
Pierre Bilger	Chairman and Chief Executive Officer	Alstom	1998 to 2003
	Director	Société Générale	1999 to 2003
	Director	Thales	2003
	Member of the Supervisory Board	Marceau Finance SA	2004 to present
	Chairman	Fondation Stichting Preference Shares Renault-Nissan	2002 to present
	Member of the Supervisory Committee	Sinequa SAS	2006 to present
	Co-manager	Florimont Projets SARL	2006 to present
	Director	Dimelo SA	2008 to present

Name	Other positions held outside Eurotunnel Group	Company	Dates
Timothy Yeo	Director (Chairman of the Board of Directors)	AFC Energy PLC	2006 to present
	Director	Anacol Holdings Limited	1979 to present
	Director	Conservatives for Change Limited	2001 to 2006
	Director (Chairman of the Board of Directors)	Eco City Vehicles PLC	2007 to present
	Director	General Securities Register Limited	1979 to present
	Director	Genus PLC	2001 to 2004
	Director	ITI Energy Limited	2006 to present
	Director	Locana Corporation (London) Limited	1979 to present
	Director (Chairman)	Univent PLC	1995 to present

For the purposes of their coporate terms of office within Eurotunnel Group, the professional address of the directors is the registered office of GET SA, 19 boulevard Malesherbes, 75008 Paris.

A professional biography of each of the members of the board of directors of GET SA as of the date of this Reference Document is set out below:

- **Mr Jacques Gounon**

Jacques Gounon, 55 years old, is a graduate of the *Ecole Polytechnique* and Chief Engineer of the *Ponts et Chaussées*. During his career he has held the following positions: Director of major projects at the *Direction Départementale de l'Equipement* (DDE) of Indre-et-Loire (1977-81), Deputy Chief Executive of Syctom, the local waste management authority for the City of Paris (1981-86), Chief Executive of the Comatec group (1986-90), Director of development for the services activities of the Eiffage group (Fougerolle) (1991-93), Industry advisor to the French Minister for Work, Employment and Professional Development (1993-95), Principal Private Secretary to the French Secretary of State for Transport (1995-96), Deputy Chief Executive of Gec-Alstom (1996), later known as Alstom (1998), Chairman of the companies department and Member of the Executive Committee of Alstom (2000), Deputy Chairman and Chief Executive of Cegelec group (2001). He joined the Joint Board of TNU on 17 December 2004, was appointed Chairman of the Joint Board of TNU on 18 February 2005, and then Chairman and Chief Executive of TNU on 14 June 2005. He has been Chairman and Chief Executive of GET SA since 9 March 2007. He is a director of EFL, ESL, CTG, ETRL, Chairman of FM, EurotunnelPlus Distribution SAS and of Europorte 2 and a deputy director of ETSE.

- **Colette Neuville**

Colette Neuville, 71 years old, is a graduate in law and of the Paris Institute of Political Studies, and holds a post-graduate degree in economics and political science. She has worked as an economist for NATO, for the government of Morocco and for the Loire-Bretagne agency. Mrs. Neuville is founding Chairman of ADAM (the French association for the defence of minority shareholders). She is a member of the board of Euroshareholders (the European federation of shareholder associations) and a member of the European Forum on Corporate Governance within the European Commission. She is also a member of the Consultative Commission on Retail Investors and Minority Shareholders of the AMF. She joined the TNU Joint Board on 15 December 2005. She has been a director of GET SA since 9 March 2007.

- **Henri Rouanet**

Henri Rouanet, 75 years old, is a graduate of the Paris Institute of Political Studies, *Préfet de Région honoraire* (honorary Regional *Préfet*) and a Commander of the *Légion d'Honneur*. He was Principal Private Secretary to the

French Minister for Health and Social Security, and to the French Minister for Work, Employment and Professional Development, *Préfet* of the Limousin region and *Préfet* of the Picardie region, Director of Civil Safety at the Ministry of the Interior and Devolution and Chairman of the French National Council for Civil Protection. He joined the TNU Joint Board on 4 March 2005. He has been a director of GET SA since 9 March 2007.

- **Robert Rochefort**

Robert Rochefort, 52 years old, is a graduate of the French *Ecole Nationale de la Statistique et de l'Administration*, and holds a post-graduate degree in economics and a masters degree in mathematics. He is an economist and sociologist, and is Chief Executive of CREDOC (Research Centre for the study and observation of living conditions) since 1995. He is a member of the *Conseil d'Analyse Economique*, an advisory body to the French Prime Minister on economic policy issues and director of the French Red Cross and of Cetelem. He joined the TNU Joint Board on 7 April 2004. He has been a director of GET SA since 9 March 2007.

- **Philippe Vasseur**

Philippe Vasseur, 64 years old, former Minister for Agriculture, Fisheries and Food from 1995 to 1997, has been the member of French Parliament for the Pas-de-Calais area serveral times between 1986 and 2000. He has been a member of the Finance Commission for the French Parliament throughout his parliamentary career, regional councilor for the Nord-Pas-de Calais between 1992 and 1998 and mayor of Saint-Pol-sur-Ternoise (Pas-de-Calais). A former economics journalist, he resigned from all his political positions in 2000 in order to return to the private sector in which he holds the position of Chairman of Crédit Mutuel Nord Europe as well as various other positions in companies controlled by Crédit Mutuel Nord Europe (BCMME, Caisse de Lille-Liberté, Groupe UFG, Nord Europe Assurances, SDR Normandie). He is also the Chairman of ''*Réseau Alliances*'', which brings together 150 Nord-Pas-de-Calais businesses involved in social and environmental work, and a member of the High Council for Agricultural Cooperation (''*le Haut Conseil de Coopération Agricole*''). He has been a director of GET SA since 20 June 2007.

- **Pierre Bilger**

Pierre Bilger, 67 years old, is a graduate of the ''Paris Institute of Policitical Studies'' and of the ''*Ecole Nationale d'Administration*''. Retired General Inspector of Finance, he spent fifteen years in public service (1967- 1982) mainly working on budget questions. His industrial career of some twenty one years began in 1982 at the General Electricity Company (''*La Compagnie Général d'Electricité*''), today called Alcatel Lucent, the privatisation of which he led as joint managing director and finance director. This was followed by Alsthom in 1987, then Gec Alsthom of which he became Chief Executive Officer on March 1991 before becoming Chairman and Chief Executive Officer of Alstom from the time of its listing in 1998 until the beginning of 2003. Pierre Bilger is currently the Chairman of the Dutch law Foundation, ''Stichting Preference Shares Renault-Nissan'', is one of the advisers of the ''Management Consulting Group plc'' and is one of the two managers of Florimont Projets SARL. He has been a director of GET SA since 20 June 2007.

- **Timothy Yeo**

Timothy Yeo, 63 years old, a member of the British parliament (member for South Suffolk) and Chairman of the environmental audit committee for the House of Commons, was government minister for the environment and rural affairs between 1990-1994, and a member of the shadow cabinet in charge, in particular, of Trade and Industry, and Transport and the Environment. A director of ITI Energy Limited, Timothy Yeo is Chairman of Univent plc, of AFC Energy plc and of Eco City Vehicles plc. He was also the founding Chairman of a charitable organisation which took on the management of a hospital for handicapped children ''The Children's Trust''. He has been a director of GET SA since 20 June 2007.

- **Séverine Garnham**

Séverine Garnham, 37 years old, is a graduate in law from the University of Warwick and London (Queen Mary and Westfield College), and was admitted as a solicitor in 1994. From 1998, she was a company secretary and inhouse lawyer for various companies mainly listed on the London market. She has been company secretary for the UK TNU companies since 2005. She does not hold any other corporate offices.

- **Claire Piccolin**

Claire Piccolin, 46 years old, is a graduate in law (DESS/DJCE) and joined TNU in 2002. She has been company secretary of Groupe Eurotunnel SA since 2007. She does not hold any other corporate office.

- **Michael Schuller**

Michael Schuller, 45 years old, is a graduate of the University of Auckland (New Zealand) in applied mathematics, and is a Member of the Association of Corporate Treasurers (MCT). He was treasuer at Cable & Wireless and One2One before joining Eurotunnel as Group Treasurer in May 2002. He has been Eurotunnel Group corporate finance manager since September 2006.

Mr. Schuller is a director of Eurotunnel Developments Limited, Eurotunnel Finance Limited, Le Shuttle Holidays Limited, Orbital Park Limited, Gamond Insurance Company Limited, and certain Cheriton companies.

- **Claude Liénard**

Mr Claude Liénard, 60 years old, is a graduate of EDHEC. He was financial controller at DBA and then at ITT Brussels and Paris, and joined TNU in 1986 as head of the Financial Controls Department. After having been appointed operational Finance Director of TNU in June 2004, he has been Chief Financial Officer of TNU since April 2005.

Mr. Liénard is chairman of Eurotunnel Participations 1, Eurotunnel Participations 2, and EurotunnelPlus SAS.

Claude Liénard is also a director of EurotunnelPlus SE, EurotunnelPlus BV, EurotunnelPlus SL, and certain Cheriton companies.

14.2 Composition of the committees of the board of directors

Three committees have been formed: an Audit Committee, an Appointments and Remuneration Committee, a Committee for Security, Safety and the Environment, as well as a Committee of Chairmen, the composition and operating rules for which are set out in section 16.2.3 of this Reference Document.

It is also hereby specified that, in accordance with the by-laws of GET SA, once the directors proposed by ENHC are appointed to the board of directors, a committee independent of the board of directors will also be established. The composition and operating rules of this committee are set out in chapter 21 of this Reference Document.

14.3 Senior management

- **Chief executive officer**

Jacques Gounon, who is also Chairman of the board of directors, is chief executive officer of GET SA.

- **Composition of the executive committee**

Name	Position
Jacques Gounon	Chairman and Chief executive officer
Jean-Pierre Trotignon	Chief Operating Officer
Claude Liénard	Chief Financial Officer
Pascal Sainson	Operations Manager
Jo Willacy	Commercial Manager
Christian Maquaire	Maintenance Manager

The table below sets out the list of companies, excluding subsidiaries of GET SA, in which the members of the executive committee of GET SA have held office as a member of a management or supervisory board or in which they have been a partner during the last five years, and the companies in which they still hold a position of this nature:

Name	Position	Company	Dates
Jacques Gounon	The terms of office held by Jacques Gounon are set out in section 14.1 of this Reference Document		
Jean-Pierre Trotignon	Member of the Supervisory Board	Compagnie Signature SAS	2000 to present
	Chief Executive	UBIFRANCE	2003 to 2004
	Chairman	Port Autonome Dunkerque	1999 to 2003
Claude Liénard	The positions held by Claude Liénard are set out in 14.1 of this Reference Document		
Pascal Sainson	Chairman	Calais Développement	2004 to present
Jo Willacy	–	–	–
Christian Maquaire	–	–	–

A professional biography of each of the members of the executive committee is set out below:

- **Jacques Gounon**

Jacques Gounon's professional biography is set out in section 14.1 of this Reference Document.

- **Jean-Pierre Trotignon**

Mr Jean-Pierre Trotignon, 57 years old, is a graduate of *Ecole Polytechnique* and Engineer of *Ponts et Chaussées*, and holds a Master of Science degree from the University of Berkeley. Deputy Chief Executive Officer of Autoroutes du Sud de la France (1987-1992) and Chief Executive Officer of Compagnie Signature SA from 1992 to 1998, he joined the Caisse des Dépôts Développement (C3D) group in 1998, where he held successively the positions of Chief Executive Officer of Egis Projects S.A (1998-2000), Chairman and Chief Executive Officer of ISIS SA (1998-2001), Chairman of Port Autonome de Dunkerque (1999-2003, at the same time as positions at C3D and Ubifrance), *Amministratore Delegato* of Egis Italia S.p. (2000-2001) and Managing Director Continental Europe of Transdev SA (October 2001 to January 2003). After two years as Chief Executive Officer of Ubifrance, he joined TNU in August 2005, as Chief Operating Officer, and has since then been responsible for all commercial, operational and technical activities of the company in France and the United Kingdom.

- **Claude Liénard**

Claude Liénard's professional biography is set out in section 14.1 of this Reference Document.

- **Pascal Sainson**

Mr Pascal Sainson, 50 years old, a graduate *Ingénieur des Etudes et de l'Exploitation de l'Aviation Civile*. Having begun his career at the *Direction Générale de l'Aviation Civile* from 1983 to 1986, he was Head of Programming and Development at Air Littoral from January 1987 until August 1988, then Manager of Air Operations and Manager of Programming and Planning at TAT European Airlines. He joined TNU in 1996 as Manager of the Service Delivery Department. Appointed to the management committee in April 2001, he has held successively the positions of Manager of Business Services, Manager of the Shuttle Services, and since January 2006 Director of Operations.

- **Jo Willacy**

Ms Jo Willacy, 44 years old, holds a MA in Modern History and Economics from the University of Oxford. She was Commercial Director of Hummingbird Helicopters from 1992 to 1994 and Managing Partner of Quadrant Consultants Ltd. from 1994 to 2003. She joined TNU in April 2003 as Senior Marketing Manager and was appointed Director of the Commercial Passenger Division in November 2004 and Commercial Director in 2007.

- **Christian Maquaire**

Mr Christian Maquaire, 58 years old, has an IEG engineering degree from the *Institut National Polytechnique* of Grenoble. After 12 years at the Direction des Mines de Potasse d'Alsace, he successively held the positions of Chief Executive of the Atelier de Construction et de Réparation of Richwiller from 1987 to 1991, Director of Nouvelles Messageries de la Presse Parisienne (NMPP) from 1991 to 1996 and Systems Director at Teleflex Gallet from 1997 to 1999. He joined TNU in 1999 as Director of Rolling Stock and was appointed Director of the Maintenance Division in 2006.

- **Composition of the Management committee**

A management committee comprising members of the executive committee, the purchasing director, the public relations director, the director of human resources (France and England), the director of investor relations and the director of security and sustainable development was established on 2 July 2007. The committee's purpose is to coordinate the operational services of the Concessionaires.

14.4 Conflicts of interest within the board of directors, the management and supervisory boards and in senior management

To GET SA's knowledge, there are no potential conflicts of interest between the duties vis à vis GET SA of the persons referred to in sections 14.1, 14.2 and 14.3 of this Reference Document, and their private interests or other obligations.

GET SA has put in place measures to prevent potential conflicts of interest between the directors and GET SA described at section 16.2.1 of this Reference Document.

14.5 Directors' interests in the share capital of GET SA as of the date of this Reference Document

Name	Position	Number of GET SA Ordinary Shares	Number of Warrants	Number of NRS I	Number of NRS II(1)
Jacques Gounon	Chairman and Chief executive officer	505	20,170	50	187
Colette Neuville	Member of the board of directors	1,140	44,575	26	96
Henri Rouanet	Member of the board of directors	26	10	2	8
Robert Rochefort	Member of the board of directors	1,137(2)	44,500	50	189
Philippe Vasseur	Member of the board of directors	40	N/A	N/A	N/A
Pierre Bilger	Member of the board of directors	1,000	N/A	N/A	N/A
Timothy Yeo	Member of the board of directors	25(3)	0(4)	N/A	N/A

(1) *For technical reasons, these figures do not take into account the partial early redemption in cash of the NRS II on 10 April 2008. It is expected that the percentage of redeemed NRS II should approximately 52% for each director.*

(2) *Robert Rochefort also holds 20 unconsolidated ordinary shares.*

(3) *Timothy Yeo also holds 4,059 CDI (CREST depositary interest) shares and his wife Diane Yeo holds 3,750 CDI shares.*

(4) *Timothy Yeo also holds 13,503 CDI warrants.*

14.6 Statements regarding directors and officers

At the date of this Reference Document, there are no family connections between any of the members of the board of directors or the executive committee.

In addition, at the date of this Reference Document, no member of the board of directors or executive committee has been:

- convicted of fraud during the past five years;
- implicated in any bankruptcy, receivership or liquidation proceedings during the past five years;
- charged with any offence or any official public sanction by any statutory or regulatory authority during the past five years.

To GET SA's knowledge, no director has been banned by a court to act as a member of a board of director, a management or supervisory board of an issuer or from participating in the management or conducting the business of an issuer during the past five years.

14.7 Concession Coordination Committee

The Concession Coordination Committee, comprising an equal number of members appointed by FM and CTG, took over for the Joint Board in the capacity of joint supervisory body set out in Article 18 of the Concession

Agreement on 25 June 2007. In accordance with the provisions of the Concession Agreement, the Concession Coordination Committee is in particular responsible for:

- coordinating the operation and maintenance of the Fixed Link; and
- representing the Concessionaires at the IGC with respect to all matters concerning the operation of the Fixed Link.

The members of the Concession Coordination Committee, appointed on 25 July 2007, are:

- Jacques Gounon;
- Henri Rouanet;
- Jean-Pierre Trotignon;
- Claude Liénard;
- Pascal Sainson; and
- Jean-Alexis Souvras.

15. REMUNERATION AND BENEFITS

15.1 Remuneration and benefits paid by GET SA and its subsidiaries to directors of GET SA (including all conditional or deferred remuneration)

GET SA's policy on all directors' service contracts is that they should be terminable upon no more than 12 months' notice, and that payments in respect of early termination should be limited to the unexpired period of notice.

The principles and rules established by the board of directors for the purpose of determining the remuneration and all benefits in kind of the company board members are described below:

15.1.1 The remuneration of the Chairman and Chief Executive Officer

Mr. Jacques Gounon was appointed Chairman and Chief executive officer of GET SA by a decision of the board of directors on 9 March 2007.

The remuneration of the Chairman and Chief Executive, determined by the board of directors on the proposal of the Nomination and Remuneration Committee is partially fixed and partially variable.

On the proposal of the Chairman and Chief Executive and in view of the specific situation of the company, the board decided not to change the fixed part of the remuneration of the Chairman and Chief Executive Officer for 2007, despite the findings of a review of market practice carried out by a specialist external firm showing that the fixed annual salary of the Chairman and Chief Executive of GET SA is lower than market standard for a company of this size, given his level of responsibility and experience.

The annual gross fixed salary of the Chairman and Chief Executive for 2007 has remained at a level of 225,000 euros, which is the same as that fixed for 2005 at the time of his appointment to the board of TNU SA and TNU PLC respectively. Half of the remuneration is paid by Eurotunnel Services Limited (80,357 sterling), 30% by Eurotunnel Services GIE (67,500 euros) and 20% by Eurotunnel SE (45,000 euros).

The variable part of the remuneration is linked to the achievement of the objectives set out by the board of directors, as proposed by the appointment and remuneration committee. The 2007 objectives were directly linked to the implementation of Eurotunnel Group strategy, i.e., the financial restructuring of Eurotunnel Group. GET SA, incorporated in 2007 as a public limited company (*société anonyme*) for the purposes of the Offer, had as its primary objective in 2007 the successful implementation of the financial restructuring of Eurotunnel Group. It is in relation to this that the variable salary of the Chairman and Chief Executive of GET SA, as the number one figure and person responsible for saving the company, was determined. Consequently, on an exceptional basis, considering that the principal objective assigned to the Chairman to implement the financial restructuring of the group has been achieved and also that the operational performance of Eurotunnel Group has continued to improve, the board decided that the variable part of the salary of the Chairman and Chief Executive would be equal to 100% of his fixed salary for 2007.

In 2006, the total gross remuneration paid by Eurotunnel group companies to Mr Jacques Gounon was broken down as follows: half of his annual remuneration (80,357 sterling) paid by ESL for his role as Chairman and Chief Executive, 30% by ESGIE (67,500 euros) for his position as director, and 20% (45,000 euros) by Eurotunnel SE for his position as deputy director. He benefited from a company car until June 2006. He had no other benefits. On 6 March 2006 the Joint Board decided to award a bonus of 65,586 sterling to Jacques Gounon for 2006. Mr Jacques Gounon did not receive any attendance fee (*jeton de présence*) in 2006.

The terms and conditions of Mr. Jacques Gounon's remuneration in respect of positions held in Eurotunnel Group companies as described above will remain applicable until a later decision of the board of directors of GET SA upon recommendation of the Nomination and Remuneration Committee.

For 2007, Mr. Jacques Gounon received an allowance for use of a personal vehicle, representing an amount of 9,312 euros (6,480 sterling).

Since 28 June 2007, Mr. Jacques Gounon has received an attendance fee for his role as director of GET SA (see the table at section 15.1.2 below).

The Chairman and Chief Executive Officer does not receive any specific retirement benefits. However, in the same way as other officers of Eurotunnel Group employed in France, he receives basic retirement benefits and extra retirement benefits financed by Eurotunnel Group. In 2007, the contributions made to the extra retirement benefits amounted to 22,292 euros in respect of the employer part, and 13,784 euros in respect of the employee part.

The Chairman and Chief Executive Officer is covered by a staff private health care scheme and the personal accident policy available to employees of GET SA.

15.1.2 Attendance fee (jetons de présence)

Since 26 June 2007, the directors of GET SA receive an attendance fee (*jetons de présence*).

The rules relating to the allocation of the attendance fee were decided by the board of directors. The fixed principles provide that these fees shall consist of one fixed fee and one variable fee, proportionate to the participation of the director in board meetings and committee meetings, and that the chairman of a committee shall receive an extra fixed fee. Both the fixed fee and the variable fee are paid monthly.

The total amount of attendance fees paid for 2007 (i) by GET SA to its directors amounts to 204,958.30 euros, and (ii) by TNU to the directors of GET SA who are also directors of TNU amounts to 93,013.22 euros, divided in roughly equal amounts among the directors as set out in the table below:

Attendance fees for 2007	**GET SA (euros)**	**TNU (euros)**
Jacques Gounon	31,333.33	N/A
Colette Neuville	32,833.33	21,452.00
Henri Rouanet	31,333.33	32,643.30
Robert Rochefort	32,833.33	24,312.00
Pierre Bilger	26,791.66	7,660.46
Philippe Vasseur	25,291.66	N/A
Timothy Yeo	24,541.66	6,945.46
Total	204,958.30	93,013.22

The subsidiaries of Eurotunnel Group which are GET SA board members did not receive any attendance fees.

In addition, similarly to all the board members of Eurotunnel Group who are physical persons, GET SA board members benefit from directors' and officers' indemnity insurance cover by virtue of their positions.

In 2006, the total amount of attendance fees paid by the current subsidiaries of GET SA to the GET SA directors was 133,353.50 euros.

Attendance fees for 2006	**TNU (euros)**
Jacques Gounon	N/A
Colette Neuville	36,467
Henri Rouanet	53,269.50
Robert Rochefort	43,617
Total	133,353.50

The increase in the remuneration paid to members of the board of directors can be explained by the number of meetings of the different boards of the Eurotunnel Group companies and the committees associated with to these boards, which were necessary for the purpose of the financial restructuring of Eurotunnel Group and the involvement of the directors in this restructuring and its implementation.

15.2 Total amount of sums set aside by GET SA and its subsidiaries to pay for pensions, retirement, and other benefits

Mr. Jacques Gounon does not benefit from any specific retirement indemnity. He does however have the benefit of contributions to an industry-wide occupational scheme on the same basis terms as all employees.

No share option scheme has been put in place by GET SA for its directors.

16. BOARD AND MANAGEMENT PRACTICES

The introduction below, along with sections 16.2, 16.3, 16.4 and Annex VIII of this Reference Document together constitute the report of the Chairman of GET SA pursuant to Article L. 225-37 of the French Commercial Code.

On 7 April, in accordance with Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors drafted a report covering the following matters:

- the terms for the preparation and organisation of the tasks of the board of directors;
- the principles and rules established by the appointment and remuneration committee and the board of directors to determine the remuneration and benefits of any nature granted to directors;
- the internal control procedures established by GET SA; and
- the potential limitations to the powers of the Chief Executive Officer.

16.1 Senior management

16.1.1 Chief executive officer and deputy chief executive officer

Pursuant to a decision of the board of directors dated 9 March 2007, general management of GET SA is carried out by the Chairman of the board of directors. The board of directors sets the term of the chief executive officer's appointment, which may not exceed his term as Chairman.

The chief executive officer is vested with the broadest powers to act in all circumstances in the name of GET SA. The chief executive officer can exercise his powers only within the scope of the corporate purpose of the company and the powers conferred by law expressly on the shareholders and the board of directors.

The chief executive officer represents GET SA in its relations with third parties. In such relations, GET SA is bound by decisions of the chief executive officer that do not fall within its corporate purpose, unless it can be proved that the third party knew or should have known that the decision exceeded the corporate purpose. However, the publication of the company's by-laws does not alone constitute such proof. Provisions of the by-laws and decisions of the board of directors limiting the powers of the chief executive officer are not binding on third parties.

Upon the proposal of the chief executive officer, the board of directors may appoint one or more individuals to assist the chief executive officer and hold the title of deputy chief executive. The maximum number of deputy chief executive officers is three.

The age limit for being appointed chief executive officer or deputy chief executive is 65 years. If the chief executive officer or a deputy chief executive reaches this age limit, he is deemed to have automatically resigned.

The chief executive officer may be removed from office by the board of directors at any time. The deputy chief executives may be removed from office at any time upon a proposal to this effect from the chief executive officer.

If the chief executive officer ceases or is unable to perform his or her duties, the deputy chief executives retain their positions and duties until a new chief executive is appointed, unless the board of directors decides otherwise.

16.1.2 Executive committee

GET SA has an executive committee comprised of the persons whose names appear in section 14.3 above. The executive committee is presided by the Chairman of the board of directors. In principle, the committee meets monthly to monitor the group's performance and results and, if necessary, to adjust the group's industrial strategy. The executive committee co-ordinates the work of the group's operating departments and ensures the proper functioning of the group as a whole.

16.1.3 Management committee

A management committee comprised in accordance with section 14.3 above was put in place at the level of FM and CTG. The management committee is presided by the Chairman of the board of directors of GET SA, or the chief operational officer of GET SA, upon delegation from the Chairman. It meets regularly and plays the role of coordinating the operational services within the Concessionnaires.

16.2 Conditions applicable to the preparation and organisation of the tasks of the board of directors

16.2.1 Organisation of the board of directors

- **Members of the board of directors**

At the date of this Reference Document, the board of directors of GET SA is composed of 11 directors: 7 individuals (one woman and six men, including a British director) and four subsidiaries of Eurotunnel Group. The average age of those directors who are physical persons is 64.5 years.

The four subsidiaries of GET SA, Eurotunnel Participations 1, Eurotunnel Participations 2, Le Shuttle Holidays Limited, and Cheriton Resources 17 Limited, have been nominated as directors of GET SA pending the appointment in accordance with the Safeguard Plan of the directors proposed by ENHC. To date, in the absence of confirmation by ENHC that the the conditions relating to the GET SA Preferred Share are still met this appointment has not been able to take place.

Members of the board of directors are elected, re-elected and removed by the general meeting of shareholders.

Members of the board of directors must each own at least 25 GET SA Ordinary Shares throughout their term of office. If at the time of his or her election to the board of directors, a director does not own at least 25 GET SA Ordinary Shares or if during his or her term of office, he or she ceases to own 25 GET SA Ordinary Shares, he or she is deemed to have resigned if the situation is not remedied within three months.

The number of physical persons aged 75 years or older serving on the board of directors as individuals or as permanent representatives of legal entities may not exceed one-third (rounded up to the closest whole number, if applicable) of the number of directors serving at the end of each general meeting called to approve the company statutory accounts. If this limit is exceeded, the oldest director is deemed to have automatically resigned.

If one or more seats on the board of directors are vacant, the board of directors may, between two general meetings, make interim appointments to the board of directors in accordance with the provisions of Article L. 225-24 of the French Commercial Code. A director appointed to replace another member of the board of directors serves for the remainder of his or her predecessor's term of office.

The term of office of each member of the board of directors is three years. This term ends at the end of the ordinary general meeting called to approve the accounts of the preceding financial year and that is held during the year in which the director's term of office expires.

- **Chairman of the board of directors**

The board of directors appoints one of its members as Chairman. Unless the board of directors sets a shorter term, the person so appointed serves as Chairman throughout his or her term of office as a director. The Chairman must be a physical person.

The Chairman of the board of directors represents the board of directors. He directs and organises the work of the board of directors and reports thereon at the general meeting. He ensures that the governing bodies of GET SA operate properly and, in particular, that members of the board of directors are able to perform their duties.

The age limit for the position of Chairman of the board of directors is 70 years. The term of office of Chairman ends on the date of the ordinary general meeting called to approve the accounts of the financial year during which the serving Chairman reaches the age limit. However, the board of directors may maintain or reappoint the serving Chairman for periods of one year at a time, not exceeding five times.

In the event that the Chairman dies or is temporarily unable to serve, the board of directors may appoint a director to serve in his place. In the case of a temporary incapacity to serve, the Chairman's duties are delegated for a limited period, which may be renewed. In the case of death of the incumbent, the replacement remains in office until a new Chairman is appointed.

- **Meetings of the board of directors**

The board of directors meets as frequently as the interests of the company require and at least three times a year. Meetings are called by the Chairman or by any director designated to do so in his absence. Meetings are held at the registered office or at any other place specified by the person who calls the meeting. However, if the board of directors has not met for more than two months, directors representing at least one-third of the members of the board of directors, and the chief executive officer, if applicable, may request that the Chairman call a meeting on a specific agenda.

Meetings of the board of directors are conducted in French with an unofficial translation in English. Documents provided to directors for meetings of the board of directors are prepared in French with an English translation, as are the minutes of meetings of the board of directors.

- **Quorum**

The presence of at least one-half of the serving directors is required for a meeting of the board of directors to conduct business. The internal rules of the board of directors provide that directors are deemed to be present within the meaning of Article L. 225-37 of the French Commercial Code, for the purpose of calculating the quorum and majority when they participate by video-conferencing or other means of telecommunication that enable them to be identified and to participate in the meeting in accordance with applicable laws and regulations. This provision does not apply for decisions referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code.

Any director may designate another director by written proxy to represent him at a meeting of the board of directors, but any one director may only represent one other director.

- **Majority rules**

Decisions are taken by vote of a majority of members present or represented, with the Chairman casting the deciding vote in the event of a tied vote.

By way of exception, until such time as the GET SA Preferred Share is converted into a GET SA Ordinary Share, a qualified majority of eight members of the board of directors of GET SA will be necessary to adopt the following decisions:

- a material change in the business plan, defined for this purpose as any decision to change the business plan that would lead to a reduction of more than £10 million of the EBITDA of GET SA on an annual basis;
- a change in dividend distribution policy (which will be to pay the maximum amount of available cash to shareholders, after full redemption of the NRS in GET SA Ordinary Shares, subject to compliance with financial covenants, minimum working capital requirements and applicable law) or payment of a dividend in circumstances that would be manifestly contrary to that policy;
- any change in the economic provisions of the Railway Usage Contract or in the Concession Agreement other than in the ordinary course of business or in accordance with past practice (save for a change that could give rise to exercise of the Warrants);
- a disposal or acquisition by any entity of the Eurotunnel Group of assets exceeding an aggregate amount equal to the euro equivalent of £20 million in one transaction or in a series of related transactions;
- any change to a material financing contract, or entering into any material new financing agreement (other than a contract referred to in the Safeguard Plan and relating to the financing of £225 million authorised under the terms of the Safeguard Plan in addition to the Term Loan) or voluntary prepayment of any debt by any member of Eurotunnel Group, when such decision would be likely to (i) result in an increase in the overall debt level of Eurotunnel Group or (ii) result in an increase in the total all-inclusive annual cost of debt to Eurotunnel Group (taking into account any early redemption penalty or other prepayment premium) or (iii) have an adverse effect on the business or results of Eurotunnel Group taken as a whole or be carried out according to terms that are more onerous to Eurotunnel Group;

- a change in material asset securities granted by any entity of Eurotunnel Group to senior lenders other than in connection with the granting of the financing of £225 million authorised under the terms of the Safeguard Plan in addition to the Term Loan;
- a tender offer by any entity of Eurotunnel Group for a third-party entity leading to a financial committment exceeding £20 million, or a merger and demerger outside Eurotunnel Group having an impact of more than £20 million on the enterprise value of GET SA exceeding the equivalent value in euros of 20 million sterling;
- the appointment of the Chairman of the board of directors;
- a proposal of an amendment to the by-laws of GET SA that would lead to a change in the number of directors, a variation or removal of the rights of the GET SA Preferred Share, or changes to the capital structure including the issue of equity (other than by redemption of the NRS in GET SA Ordinary Shares or upon exercise of the Warrants in accordance with the Safeguard Plan) or equity-linked securities granting access to the share capital;
- the appointment of a new *Commissaire aux Comptes* that is not an internationally recognised audit firm;
- a decision to transfer tax losses outside of the scope of Eurotunnel Group or to complete transactions outside the normal course of business solely to utilise tax losses in an amount exceeding 5 million euros;
- the settlement of litigation by a member of Eurotunnel Group that would result in a payment for that member of an amount exceeding the euro equivalent of £10 million (with the exception of settlement of litigation that could give rise to exercise of the Warrants), or a decision to bring a claim against a Governmental Entity for an amount exceeding the euro equivalent of £5 million (with the exception of litigation that could give rise to the exercise of the Warrants);
- a decision relating to the winding-up, reorganisation or restructuring of any Eurotunnel Group company, other than where a licensed insolvency practitioner has advised GET SA that it is necessary to wind up or restructure that company for legal reasons;
- significant changes in the accounting methods and practices of GET SA or any member entity of Eurotunnel Group, other than pursuant to applicable law or as specifically requested by the *Commissaires aux Comptes* of GET SA or any subsidiary thereof; and
- any decision relating to an amendment of the Articles of Association of EGP.

- **Powers**

The board of directors determines the objectives of GET SA's business and oversees this completion. Subject to the powers expressly granted to shareholders in general meetings and within the limits of GET SA's corporate purpose, the board of directors has the power to consider any matter affecting GET SA and takes decisions in this respect in the interest of all shareholders.

In its relations with third parties, GET SA is bound by decisions of the board of directors that do not fall within its corporate purpose, unless it can prove that the third party knew or should have known that the decision exceeded the corporate purpose. However, the publication of the company's by-laws does not alone constitute such proof.

The board of directors exercises such controls and conducts such reviews as it deems appropriate. Each member of the board of directors receives all the information needed to perform his or her duties and may request to be provided with any documents that he or she deems useful.

The board of directors may decide to establish committees for the purpose of studying issues that it, or its Chairman submits for review. The board of directors determines the composition and functions of the committees, which conduct their business under the responsibility of the board of directors. The board of directors also determines the remuneration of the committee members, if any.

The board of directors sets the annual performance objectives for the Chairman, chief financial officer and chief operating officer.

The board of directors decides or authorises the issue of debt securities pursuant to Article L. 228-40 of the French Commercial Code, unless the shareholders' meeting reserves the right to exercise this power.

- **Internal rules**

By a decision dated 20 March 2007, the board of directors adopted a set of internal rules for the purpose of defining the role and terms and conditions of operation of the board of directors in compliance with applicable law, the by-laws of GET SA and the corporate governance rules applicable to companies whose securities are traded on a regulated market, as completed on 5 June 2007 for the purpose of establishing the Chairmen's Conference, which has since become the Chairmen's Committee. The main provisions of these internal rules are described below.

- *Role of the board of directors*

As part of its administrative responsibilities, and in compliance with applicable laws and the by-laws of GET SA, the board of directors:

- sets the annual performance objectives of the Chairman, chief executive officer, chief financial officer and chief operating officer;
- appoints or removes the Chairman and chief executive officer;
- considers on a regular basis the strategy of GET SA and the group of entities that it consolidates in its accounts, its proposed investments, disposals, internal reorganisations, the general human resources policy of Eurotunnel Group, in particular remuneration and profit sharing policy, conducts an annual appraisal of the performance of the group's management and is consulted in respect of the recruitment of members of executive committee;
- approves any agreement entered into directly or indirectly between a director of GET SA and GET SA or any of its subsidiaries;
- considers the acquisition or disposal of equity investments and assets, partnership agreements, alliances of research, development, industrial or commercial cooperation agreements and more generally any transaction or undertaking that could have a significant impact on the financial or operating situation of Eurotunnel Group;
- is kept informed by the Chairman and the committees of all significant events affecting the business, financial situation and cash flow of GET SA and Eurotunnel Group; and
- ensures that shareholders and the public are properly informed, in particular by exercising a control over the information disclosed by the group. In this respect, it determines GET SA's communication strategy and the frequency of disclosure of financial information relating to Eurotunnel Group.

- *Members of the board of directors*
    - Each director must devote the time and attention necessary to fulfil his or her duties and participate in the meetings of the board of directors and the committees of which he or she is a member.
    - The board of directors must be comprised of directors chosen for their skill and experience relevant to the business of Eurotunnel Group.
    - Members of the board of directors may attend training sessions organised by GET SA on its own initiative or at the request of the board of directors on the specific characteristics of the business and its sector.
    - Members of the board of directors receive remuneration in the form provided for in the by-laws of GET SA. The remuneration is divided up by the board of directors and takes into account (i) membership to the board of directors, (ii) each director's actual participation in meetings of the board of directors and board committees, and (iii) chairmanships of Committees and other duties that may be assigned to directors.
    - Each director is required to notify the *Autorité des marchés financiers* and GET SA within five business days of the date of completion of any acquisition, disposal, subscription or exchange of securities issued by GET SA or any transaction in related securities, in accordance with applicable regulations.

- Before accepting his or her duties, each director must ensure that he or she is fully aware of the general and particular responsibilities that he or she is assuming. Each director must be aware of all relevant provisions of law, the by-laws of GET SA and the internal rules of the board of directors that apply to him or her.
- Each director has an obligation to disclose to the board of directors every actual or potential conflict of interest between himself or herself and GET SA or Eurotunnel Group and must abstain from voting on matters considered at meetings of the board of directors to which the conflict of interest relates, unless the conflict of interest arises in connection with an agreement entered into in the ordinary course of business under normal terms and conditions.
- Every director must participate in determining the business strategy of Eurotunnel Group and overseeing the implementation of such strategy. Every director must perform appropriate supervision of the management of Eurotunnel Group.
- All materials provided at meetings of the board of directors and all information obtained by the director during or outside of the course of such meetings or otherwise are confidential, without exception and regardless of whether such materials or information have been expressed to be confidential. Each director is bound to secrecy beyond a mere obligation of discretion.
- In addition to this obligation of confidentiality, directors undertake not to make public statements in their capacity as members of the board of directors on any subject concerning Eurotunnel Group, whether or not related to meetings of the board of directors, without the prior consent of the Chairman.
- Every director must comply with all market regulations against market abuse that would be harmful to the interests and image of Eurotunnel Group.

- *Board activities, means of video and teleconferencing*

The annual report includes a section on the activities and operation of the board of directors and its committees during the previous year.

The internal rules of the board of directors indicate that directors can participate in meetings by video or telephone conferencing by all means authorised by law and the by-laws, including by video or telephone conferencing as long as the video or telephone conferencing facilities (i) enable the transmission of at least the voices of the participants and (ii) satisfy technical requirements enabling the continuous and simultaneous transmission of the proceedings.

- *Directors' right of information*

In order to be able to exercise an effective and prudent control over the management of Eurotunnel Group, the board of directors has the right to call its managers, to request information, regardless of whether they are corporate officers of the company. The board of directors may request to see any report, document or study performed by Eurotunnel Group.

Directors may, collectively or individually, solicit the opinions of the management of Eurotunnel Group on any subject, after having informed the Chairman of the board of directors of their intention to do so, and may meet with these same managers without the Chairman being present.

Similarly, directors may, collectively or individually, ask the Chairman for such information as they consider necessary, so long as it would not be imprudent, in terms of confidentiality, to provide such information.

Directors are entitled to receive all relevant information, in particular financial analysts' reports.

- *Committees*

The board of directors may establish temporary or permanent special committees, each consisting of at least three and no more than five directors appointed by the board of directors of GET SA, with one committee member designated by the board of directors as the committee chairman.

The board of directors has established an Audit Committee, a Nomination and Remuneration Committee, and a Safety, Security and Environment Committee and a Chairmen's Committee as described in section 16.2.3 of this Reference Document.

- *Independent directors*

Of the 11 directors, at least five must be independent.

According to the criteria set out in the internal rules regulating the board of directors, a director is considered to be independent if he or she satisfies the following criteria on the date on which the director's independence is evaluated and over the course of the previous five years:

– Is not an employee, executive, or closely related to an executive of any entity of Eurotunnel Group or any company controlling GET SA within the meaning of Article L 233-3 of the French Commercial Code;

– Is not an executive or closely related to an executive of a company in which an entity of Eurotunnel Group holds either directly or indirectly an executive or non-executive director;

– Is not a client, supplier or service provider to Eurotunnel Group or for which GET SA or Eurotunnel Group represents a significant portion of business activity;

– Has not been a director of GET SA for more than 12 years;

– Does not (i) represent a shareholder holding, (ii) be a member of any entity holding directly or indirectly, or (iii) hold directly or indirectly an equity interest in, more than 5% of the share capital or voting rights of GET SA.

The board of directors is required to ensure at least once a year that the directors or candidate directors satisfy the independent criteria set out above. The following is a review of the situation of each director on 31 December 2007 with regard to the independence criteria set out above.

As explained above, since it was not possible for the full composition of the board of directors to be achieved in 2007, the GET SA directors still remained directors of the subsidiaries of GET SA in 2007.

With this temporary situation in mind, the board considered particularly carefully the existing relations between GET SA and its subsidiaries, the management of whom are GET SA directors, in order to asses whether the significance and nature of these relations were such that the independent judgement of the directors could be affected. The board of directors referred to the definition of independence set out in the AFEP-MEDEF report (''A director is independent if he or she is not related in any way with the company, its group or its Management, which could compromise his or her ability to freely exercise judgement''), in order to assess the independence of the directors.

With regard to the unicity of the business, the board of directors considered Mrs. Collette Neuville, Mr. Henri Rouanet, Mr. Robert Rochefort, Mr. Timothy Yeo, Mr. Pierre Bilger and Mr. Philippe Vasseur to be independent directors.

The other directors (Mr. Jacques Gounon, Eurotunnel Participations 1, Eurotunnel Participations 2, Le Shuttle Holidays Limited, Cheriton Resources 17 Limited), are not considered to be independent according to the criteria defined by the internal rules.

Thus out of 11 directors, six are independent as at 31 December 2007 (54% of the directors appointed by the general meeting). This is consistent with the requirement of a proportion of five out of 11 independent directors (46%) set out in the internal rules, and ensures a range and balance of knowledge and experience among the directors.

16.2.2 Operation of the board of directors

In 2007, from the incorporation of GET SA as a public limited company (*société anonyme*) in March 2007, the board of directors held 14 meetings, six of which took place after the appointment of the new directors on 20 June 2007. The average attendance rate per meeting of the directors was 92.85%.

Attendance of the Board at meetings in 2007

Director	Board meetings: Presence at meeting	Board meetings: Number of meetings
Jacques Gounon	14	14
Collette Neuville	14	14
Henri Rouanet	14	14
Robert Rochefort	14	14
Pierre Bilger	5	6
Philippe Vasseur	5	6
Timothy Yeo	4	6
Eurotunnel Participations 1	5	6
Eurotunnel Partcipations 2	6	6
Le Shuttle Holidays Limited	6	6
Cheriton Resources 17 Limited	–	6

It should be noted that the participation of the board members has been very strong throughout the year. This attendance rate provides important objective assurance that, in 2007, the board of directors was perfectly apt to fulfill its role and to take strategic decisions in relation to the development of GET SA.

The board of directors considered several strategic orientation proposals in accordance with its internal rules. Those which have been adopted include:

- the implementation of the Offer allowing holders of Units to receive GET SA Ordinary Shares and Warrants in exchange for their Units;
- the consolidation of GET SA Ordinary Shares on 12 November 2007 by way of the allocation of one GET SA Ordinary Share per 40 existing GET SA Ordinary Shares (59,784,11 GET SA Ordinary Shares of 0.40 euro nominal value per share). The consolidated shares were admitted to listing on the B segment of Euronext Paris on 12 November 2007;
- the recapitalisation of TNU, completed on 21 Decemeber 2007 in accordance with the Safeguard Plan, by way of incorporation of the previous financial debt formerly named Tier 3 Debt, as amended and restated, enabling the restoration of the shareholders' equity of the GET SA subsidiaries, as a result of which GET SA and EGP now hold 25,833,259,924 Units, representing 99.32% of the Units in circulation.

The board of directors has reviewed the budget for 2008 and the trading and profit forecasts for each of the 2008, 2009, and 2010 financial years. The board reviewed Eurotunnel Group's global strategy and its strategies in the following areas:

- operational and commercial strategy of Eurotunnel Group and its development since its restructuring in 2005;
- development strategies in relation to rail freight services.

The board also considered several other important proposals not yet put into effect, particularly in relation to property development.

From the beginning of the year until 7 April 2008, when the board of directors closed the company's statutory accounts and consolidated accounts as at 31 December 2007, six board meetings were held. The average attendance rate per meeting of the directors at these board meetings was 81.81%. These meetings dealt primarily with the closing of the consolidated interim accounts of GET SA as of 31 October 2007, as well as the company and the consolidated accounts as of 31 December 2007 and the self-assessment of the board.

Attendance of the Board at meetings during the initial months of the 2008 financial year

Director	Board meetings: Presence at meeting	Number of meetings
Jacques Gounon	6	6
Collette Neuville	6	6
Henri Rouanet	6	6
Robert Rochefort	6	6
Pierre Bilger	6	6
Philippe Vasseur	6	6
Timothy Yeo	4	6
Eurotunnel Participations 1	3	6
Eurotunnel Partcipations 2	5	6
Le Shuttle Holidays Limited	4	6
Cheriton Resources 17 Limited	2	6

16.2.3 Committees of the board of directors

Pursuant to the option it has in accordance with Article 22 of its by-laws, the board of directors formed an Audit Committee, a Nomination and Remuneration Committee, and a Safety, Security and Environment Committee, as well as a Chairmen's Committee, to assist it in the administration of GET SA. The operating procedures of these committees are governed by the internal rules of the board of directors.

- **Audit Committee**

The audit committee is comprised of three members selected from the directors, excluding the Chairman of the board of directors, at least two of which are independent. The board of directors appoint one of the members of the audit committee to be the chairman of the audit committee.

The audit committee was established on 20 June 2007 and 29 August 2007. It is comprised of Mr. Robert Rochefort (chairman), Mr. Pierre Bilger (deputy chairman) and Mrs. Colette Neuville.

The audit committee meets at least four times a year upon notice of its chairman.

The duties of the audit committee are to:

- ensure the relevance and consistency of the accounting standards adopted to prepare the statutory accounts and consolidated accounts, to consider the scope of consolidation and check the relevance of the accounting rules applied to Eurotunnel Group;
- examine the statutory accounts and consolidated accounts, budgets and forecasts before they are presented to the board of directors;
- set the annual programme of internal and external audits, the programme being drawn up in consultation with the Safety, Security and Environment Committee for matters concerning this committee;
- ensure the quality of, and compliance with, procedures and check the information received from management, internal committees of the company and internal and external audits;
- select and reappoint the *Commissaires aux Comptes*, express an opinion on the level of fees requested by the *Commissaires aux Comptes* and submit their conclusions to the board of directors; and
- ensure the independence and objectivity of the *Commissaires aux Comptes* and examine the result of their work and the breakdown of their fees.

Since its formation on 20 June 2007, the audit committee convened four meetings in 2007. The attendance rate was 100%.

During the closing of the accounts, the audit committee considers the independent auditors' reports and the presentation of accounts by the finance department. More detailed presentations relating particularly to the financial aspects of the financial restructuring were given by other managers or external consultants.

During 2007, the audit committee examined the the proposed consolidated interim accounts at 31 October 2007 prior to the presentation of these accounts to the board of directors, and expressed its opinion on the accounts to the board.

The audit committee considered a proposal that a liquidity contract be put in place. The committee reviewed Eurotunnel Group's position with regard to risk factors.

From the beginning of the year until 7 April 2008, when the board of directors closed the company accounts and the consolidated accounts as at 31 December 2007, two Audit Committee meetings were held. The attendance rate of members at these meetings was 100%. These meetings dealt primarily with the closing of the corporate accounts and consolidated accounts of GET SA as at 31 December 2007, a review of the risk factors for 2007, and the internal audit programme for 2008.

- **Nomination and remuneration committee**

Once the board of directors is fully constituted with the directors appointed on the proposal of the GET SA Preferred Share holder, the nomination and remuneration committee will be comprised only of five directors to be chosen amongst the board members and amongst which, two members will be proposed for appointment by the holder of the GET SA Preferred Share in accordance with the Safeguard Plan. The quorum required for meetings of the nomination and remuneration committee will be four members.

The nomination and remuneration committee was established on 20 June 2007 and on 29 August 2007. Currently, with reference to the transitional composition of the board, this committee is composed of Mrs. Colette Neuville (chairwoman), Mr. Philippe Vasseur, (vice chairman), and Mr. Robert Rochefort.

Members of the nomination and remuneration committee:

- must not have any personal financial interests in the decisions of the nomination and remuneration committee, other than those of a director and a member of the nomination and remuneration committee; and
- must not have any reciprocal relationship with an executive director of GET SA that could suggest that they reached an agreement to increase their respective salaries.

If the Chairman of the board of directors is a member of the nomination and remuneration committee, he does not take part in proceedings relating to his own remuneration. The Chairman of the board of directors participates in meetings of the nomination and remuneration committee relating to other directors but does not take part in the vote.

The nomination and remuneration committee meets as often as necessary. A meeting may be called by any member on seven calendar days' prior notice with respect to an agenda proposed by such member. Meetings of the nomination and remuneration committee are conducted in English with an unofficial translation in French, and minutes of the meetings are prepared in English with an unofficial free translation in French.

The nomination and remuneration committee prepares annual performance objectives for the Chief executive officer, chief financial officer and chief operating officer and proposes salary and incentive plans for these individuals.

The nomination and remuneration committee may also propose the appointment or removal of the Chairman, chief executive officer, the chief financial officer or chief operating officer and nominate successors for them.

Since its formation on 20 June 2007, the nomination and remuneration committee convened four meetings in 2007. The attendance rate was 100%.

During these meetings, the nomination and remuneration committee formulated the determination by the board of directors of the remuneration of the corporate executives of the company.

From the beginning of the year until 7 April 2008, when the board of directors closed the company accounts and the consolidated accounts as at 31 December 2007, the nomination and remuneration committee held one meeting. The attendance rate of members at this meeting was 100%. The meeting dealt primarily with the consideration of the Chairman's report, the rules and principals relating to the determination of remuneration and all benefits in kind to which the executive and non-executive directors are entitled.

- **Safety, Security and Environment Committee**

Once the board of directors is fully constituted with the directors appointed on the proposal of the GET SA Preferred Share holder, the safety, security and environment committee will be composed of five directors appointed by the board of directors. The Chairman of the board of directors, if he is not a member of this committee, and the chief operating officer, operations manager, security and sustainable development manager and maintenance manager, also attend meetings of the safety, security and environment committee. Other executives may be requested to attend depending on the matters to be discussed.

The safety, security and environment committee was established on 20 June 2007 and on 29 August 2007. Currently, it is composed of Mr. Henri Rouanet (chairman), Mr. Timothy Yeo (deputy chairman), and Mr Jacques Gounon.

At its quarterly meetings, the safety, security and environment committee is presented with reports pertaining to its three areas of specialisation, and reports from operational departments as necessary.

The chief operating officer and security and sustainable development director may, at their own initiative or upon request from the safety, security and environment committee, meet with the committee without the management of GET SA being present. In addition, by way of a special authorisation from the Chairman of the board of directors, the managers whose functions are related to the work of the safety, security and environment committee, may meet the chairman of the safety, security and environment committee.

The safety, security and environment committee considers all matters relating to safety, security and the environment within GET SA and Eurotunnel Group and, more generally, takes responsibility for any initiative to be submitted to the board of directors designed to improve the current performance levels of the business, in particular by updating risk management strategies. The Committee reports on a regular basis to the board of directors.

Since its formation on 20 June 2007, the committee has met twice. The attendance rate was 100%.

During 2007, the priority objectives of the safety, security and environment committee were as follows:

Priorities relating to security:

- the progressive implementation of the European directives relating to rail security in consultation with ICG. The corresponding SMS is in the final phase of development. It will determine the principals by which risks are identified and operational mechanisms are validated (standard conditions and appendices etc);
- the updating of the operational baggage lockers, particularly on the basis of experience gained from day-to-day operation, security incidents, and binational exercises;
- the consideration of the monthly security reports concerning passengers and employees, and identifying in particular, reasons for the SPAD;
- the monitoring of the implementation of a security action plan suggested by a recent audit report;
- the evaluation of the inclusion of two FLORs in relation to two supply agreements;
- the monitoring of infrastructure maintenance and renovation works (Tapis project); and
- the monitoring of the planning and financing of the GSM-R project (a new telecommunications system in connection with ERTMS).

Priorities relating to safety:

- the consideration of the monthly safety reports relating to the presence of illegal immigrants on the French site and terrorist threats;
- the monitoring of the implementation of a safety action plan, determined from a 2005 audit;
- the implementation of a new Euroscan system in the French terminal; and
- the Concessionnaries' consideration of certain new British requests, being careful to ensure their compatibility with operating constraints such as Cyclamen and E-borders.

Priorities relating to sustainable development:

- the consideration of the implications of the recent partnership convention with ADEME and the Nord-Pas-de-Calais region;
- the evaluation of current results and the objectives of the carbon review® on use of energy and waste management; and
- the participation in initiatives to promote Eurotunnel Group's specific contributions to environmental protection and to raising environmental awareness among its employees.

From the beginning of the year until 7 April 2008, when the board of directors closed the company accounts and the consolidated accounts as at 31 December 2007, the safety, security and environment committee held one meeting. Since safety and security are key issues for Eurotunnel Group, the board of directors decided at a meeting held on 5 December 2007 to allow the possibility of reinforcing the operation of the safety, security and environment committee by creating sub-working groups. From the beginning of the year until the board meeting held on 7 April 2008, two sub-working groups met, one of which, 'Binat', which is responsible for monitoring the operational documents relating to emergency organisation in the Concession. The members of this sub-working group participated in the 'BINAT 18', a security exercise organised by Eurotunnel Group and the public authorities from 12 to 13 January 2008. The aim of this regular exercise is to test the operation of the emergency services in France and Great Britain (fire brigade, emergency medical assistance, police etc), and their proper coordination.

16.3 Principles and rules relating to the determination of remuneration and all benefits of any nature granted to directors

Principles and rules relating to the determination of remuneration and all benefits of any nature to which the directors are entitled are determined by the board of directors on the recommendation of the nomination and remuneration committee in accordance with the Board's set of internal rules.

16.4 Limitations on the powers of the chief executive officer

The chief executive officer is vested with the broadest powers to act in all circumstances in the name of GET SA. The chief executive officer can exercise his powers only within the scope of the corporate purpose of the company and the powers conferred by law expressly on the shareholders and the board of directors. He represents GET SA in its relations with third parties.

The company's statutory provisions and the decisions of the board of directors limiting the powers of the chief executive officer cannot be enforced against third parties.

To date, the board of directors has imposed no limits on the powers of Mr. Jacques Gounon.

16.5 Service contracts between members of the board of directors and management boards and GET SA

To the knowledge of GET SA, there are no service contracts between the members of the board of directors or the Chairman and Chief executive officer and GET SA or any of its subsidiaries that provide for the granting of any particular advantages under the terms of such contracts.

16.6 Securities transactions involving directors

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code and Articles 223-22 et seq. of the General Regulations of the Autorité des marchés financiers, transactions involving GET SA financial instruments carried out by any member of the board of directors, the Chief Executive Officer or any persons to whom they are related must be declared[4].

In accordance with Article 223-26 of the General Regulations of the *Autorité des marchés financiers*, the table below provides details of the transactions which have been declared by the Chief Executive Officer, the other directors of GET SA or by the persons to whom they were linked during financial year 2007:

	Financial instrument	Nature of transaction	Date of transaction	Place of transaction	Unit price (euros)	Number	Transaction Amount (euros)
Jacques Gounon	Non-consolidated ordinary shares	Share purchase	9 October 2007	Paris	0.35 euro	30	10.50 euros
	Non-consolidated ordinary shares	Share purchase	26 October 2007	Paris	0.33 euro	9,000	2,970 euros
	Warrants	Purchase	26 October 2007	Paris	0.26 euro	10,000	2,600 euros
	Non-consolidated ordinary shares	Repurchase	9 November 2007	Paris	0.01 euro	699,000[1]	6,990 euros
Pierre Bilger	Non-consolidated ordinary shares	Share purchase	3 July 2007	Paris	0.39 euro	10,000	3,900 euros
	Non-consolidated ordinary shares	Share purchase	19 October 2007	Paris	0.35 euro	30,000	10,500 euros
Timothy Yeo	CREST certificates each representing the right to one non-consolidated ordinary share	Purchase	4 October 2007	London	0.23 pounds	200,000[2]	46,000 pounds
	CREST certificates each representing the right to one non-consolidated ordinary share	Purchase	11 October 2007	London	0.2626 pounds	100,000[3]	26,260 pounds

(1) *Repurchase of shares from the initial shareholders (see section 21.1.8 below).*

(2) *100,000 of these were purchased by his wife, Diane Yeo.*

(3) *50,000 of these were purchased by his wife, Diane Yeo.*

The board of directors has also started working on the implementation of a code of conduct relating to transactions undertaken by the directors in connection with GET SA financial instruments.

(4) *To the extent the total amount of such transactions completed by each director exceeds 5,000 euros per calendar year.*

16.7 Chairmen's Committee

Pursuant to its decision dated 5 June 2007, the board of directors of GET SA resolved to establish a Chairmen's Conference, renamed Chairmen's Committee by the board of directors on 12 March 2008.

The Chairmen's Committee is made up of Mr Jacques Gounon and the chairmen of each of the committees, those being Mr Robert Rochefort, Mrs Colette Neuville and Mr Henri Rouanet.

The Chairmen's Committee meets as often as is required. Such meetings are called by the Chairman of the board of directors.

The Chairmen's Committee was set up for the purposes of examining the strategic objectives of GET SA and to coordinate the work of the different committees.

16.8 Concession Coordination Committee

The Concession Coordination Committee described in section 14.7 of this Reference Document replaced the Joint Board.

Meetings of this Committee are conducted in French or in English, and the minutes of the Committee are prepared in French and in English.

16.9 Internal control

A description of internal control procedures of Eurotunnel Group is set out in Annex VIII of this Reference Document.

The report of the *Commissaires aux Comptes*, prepared in accordance with Article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors of GET SA, which considers in particular the internal control procedures of GET SA in accordance with paragraph 5 of Article L. 225-37 of the French Commercial Code, concerning the internal control procedures relating to the treatment of accounting and financial information, is reproduced at Annex IX of this Reference Document.

16.10 Corporate Governance

GET SA believes that its board and management practices as described in this chapter 16, in particular the number of independent directors and the role and composition of the various committees of the board of directors, comply with the strictest standards of corporate governance currently applicable in terms of performance and transparency to ensure full disclosure to the markets and the ongoing development of the business.

17. EMPLOYEES

17.1 Human resources policy

Eurotunnel Group seeks to attract and retain qualified and high quality employees in order to cultivate a working environment conducive to personal development and fulfillment. The human resources policies have been developed in order to recognize each employee's contribution to Eurotunnel Group, taking account of that employee's qualifications, level of responsibility, and individual performance.

17.1.1 Headcount

a) Development of employee headcount and distribution by activity type and gender

GET SA do not have any employees. The majority of the Eurotunnel Group employees are employed by ESGIE in France and by ESL in the United Kingdom. ESGIE and ESL then invoice the Eurotunnel Group operational companies for their respective personnel costs. It was thereafter not necessary to carry out employee transfers at the time GET SA was created.

The changes to Eurotunnel Group's headcount over the last three years, and their distribution by type of activity are as follows:

	As of 31 Dec 2007		As of 31 Dec 2006		As of 31 Dec 2005	
Sector	**France**	**United Kingdom**	**France**	**United Kingdom**	**France**	**United Kingdom**
Operating division	577	494	582	475	636	497
Maintenance division	643	170	624	161	815	177
Other services	271	150	271	150	300	180
Total*	**1,491**	**814**	**1,477**	**786**	**1,751**	**854**

* *Including fixed term employment contracts and temporary staff.*

The employees of the continental European subsidiaries (10 people) are included in the headcount for France.

The continental headcount for the Group (outside the United Kingdom), is comprised of 25.5% women and 28.9% managers.

During 2007, Eurotunnel Group had an average headcount of 2,279 employees. The changes to Eurotunnel Group's average headcount over the last three years as well as their distribution by type of activity are as follows:

	2007		2006		2005	
Sector	**France**	**United Kingdom**	**France**	**United Kingdom**	**France**	**United Kingdom**
Operating division	578	487	631	471	684	671
Maintenance division	630	165	661	158	868	212
Other services	271	148	293	159	307	270
Total*	**1,479**	**800**	**1,585**	**788**	**1,859**	**1,153**

* *Including fixed term employment contracts and temporary staff.*

The employees of the continental European subsidiaries (10 people) are included in the headcount for France.

The average total continental headcount was 1,479 employees over the year, which can be broken down as follows:

- 43% in technical services;
- 39% in shuttle services;
- 18% in financial and support services.

On 31 December 2005, 2006, and 2007, the overall number of non-permanent employees was 23, 7 and 14, respectively.

b) Recruitment

The recruitment policy aims to equip Eurotunnel Group with the best knowledge to accompany its development.

True to its values, Eurotunnel Group attaches great importance in the recruitment process to cultural openness in candidates, to their ability to work as part of a team, and to their desire to self-motivate.

The year 2007 is a year in which recruitment resumed within Eurotunnel Group. As such 42 people were recruited by ESGIE, five of which were employed on the basis of fixed term contracts.

17.1.2 Relations with educational institutions

Eurotunnel Group maintains close relations with the schools and universities in the Nord-Pas De Calais.

Each year, Eurotunnel Group also offers internship opportunities and apprenticeship contracts. In 2007, Eurotunnel Group welcomed 41 interns, 25% of whom completed their internship within IT services.

17.1.3 Organisation of working hours, temporary employees and sub-contractors

In France, the working week can vary over all or part of the year, provided that in one year, it does not exceed 35 hours on average, and in any event does not exceed a total of 1,600 hours over the year. The average number of hours is calculated on the basis of the statutory weekly working hours, less the number of hours corresponding to statutory holiday entitlement and public holidays.

Shift work is organised on the basis of a variety of rosters depending on the different operational activities, in order to ensure the flexibility necessary to achieve the best quality of service.

In the United Kingdom, working hours are set by the company, again with a view to enabling the optimisation of service quality. Employment contracts provide that the average working week is 37 hours (or 1,924 hours per year), based on the terms of individual contracts and the agreements in place with Unite.

Over 65% of French employees and 66% of UK employees work on shift work. Around 50 different work rosters are available within the company for both day-workers and shift-workers.

6.5% of employees in France work part-time, with a number of monthly working hours that varies between 50% and 93% of a full time working month. 8.5% of UK employees work part-time, corresponding to a number of hours that vary between 29.33% and 93.33% of a full time working month.

The company uses temporary staff, mainly to replace employees who are absent with an average worktime of 1.13 days per month for an average monthly headcount of 29.92.

Eurotunnel Group also has recourse to sub-contractors to complete tasks which are outside its main areas of activity or which require specific knowledge.

The operation of services relating to security, cleaning (particularly industrial cleaning), the chocking of vehicles and catering on board the Shuttles is thus subcontracted to outside service providers.

17.1.4 Staff Absence

Staff absence rates are calculated on the basis of short and medium term absences, and exclude absences for periods longer than three months and statutory periods of maternity leave.

The absence rates within Eurotunnel Group are significantly lower than the average rate of other companies operating in similar fields.

Absence	ESGIE 2007	ESL 2007	ESGIE 2006	ESL 2006
Rate	**2.68%**	2.58%	**2.43%**	2.72%

17.1.5 Education and training

The key focus of the Group's training policy is to give employees the means with which to contribute to the development of Eurotunnel Group. As far as training is concerned, Eurotunnel Group' priorities are to reinforce the common safety culture within the group and to improve the assistance given to employees to help them adapt to their job role.

The education and training review, which covers the period from 1 January to 31 December 2007, shows that 1,189 ESGIE employees spent 66,995 hours in training (39,891 days).

62.18% of the funding for the training was provided internally at a cost of 542,000 euros. Over 80% of the training was provided in connection with helping employees adapt to their to their job role. Almost 60% of the hours spent in training were undertaken by employees in the operations division, 35% in the maintenance division and 5% in other departments.

17.1.6 Policies relating to remuneration and career management

Remuneration is one of the elements of Eurotunnel Group's human resources policy. The policy aims to recognise and to reward fairly every employee's contribution to Eurotunnel Group's success.

By way of example, in order to reward the efforts of each employee during a difficult period for Eurotunnel Group, all ESGIE employees benefited from a collective increase in salary and bonuses of 2.25%, effective 1 January 2007.

In the United Kingdom, a 15-month agreement was signed with Unite (running from 1 January 2007 to 31 March 2008), which provided for ESL employees to receive a salary increase of 3.45% from 1 January 2007 and a further 1% salary increase from 1 July 2007, which amounts to an overall increase of around 3.5%. The next annual salary review and increase is set to occur in April 2008.

In addition, 344 ESGIE employees received a salary increase over and above the collective increase: 113 due to a change of position or role within the company and 285 as part of the career development plan (GPEC).

Development of total annual gross salary for ESGIE in euros, excluding employees headcount for continental subsidiaries and employer's social charges	
2007	**2006**
54,142,886	**51,719,143**

The issue of career management was negotiated with employee representatives and an agreement was reached providing for the implementation of a system linking the company objectives with the expectations of employees. This includes:

- establishing a system which allows for continuous development and advancement throughout an employee's career with the company and provides them with a clear long-term view of their future career;

- offering all employees similar career advancement opportunities by ensuring that every employee is treated fairly;
- opening up opportunities across all parts of the company; and
- setting up a reliable and controlled evaluation process which ensures fair treatment for all employees.

In the United Kingdom, the remuneration structure is now based on the 'rate for the job', following an agreement with Unite signed in July 2007.

The main objective of this policy is to improve the company's performance by focusing on the development of the skills and behaviour of its employees.

17.1.7 Disabled employees

The percentage of disabled persons employed by ESGIE in France is 3.09% in 2007. This reflects the departure of a number of disabled employees under the voluntary redundancy plan.

In the United Kingdom, despite the absence of legal restrictions, the company has in place an equal opportunities policy to ensure equal treatment of all employees and candidates.

In the future, Eurotunnel Group intends to make every effort to reach and to exceed the 6% legal threshold, in order to demonstrate the fact that its policy is wholly driven towards integrating disabled persons in its workforce.

17.2 Health and safety

17.2.1 Recent development

Since 2006, the management of safety has been centralised under a Safety and Sustainable Development directorate, which has allowed for a greater focus on the control of systems safety, while remaining vigilant to the risks relating to safety at work.

Various initiatives have been put in place in this regard. The most significant of these include:

- the launch of an integrated knowledge management system in the operations and maintenance divisions;
- the verification of training and qualification procedures for works team leaders in the infrastructure area; and
- the implementation of an action plan to monitor the skills of Shuttle drivers.

17.2.2 Measures put in place

In the event of a serious safety incident, internal cross-departmental investigations are carried out. The resulting reports are sent to the Safety committee of the IGC.

Following these investigations, recommendations are issued and form the basis of an action plan.

The various safety indicators indicate that, overall, safety performance is well managed:

- The indicators for the collective safety of all passengers shows a regular improvement;
- The indicators for individual passenger safety have improved on a regular basis, as observed for the past several years, reaching unprecedented levels; and
- The indicators for safety at work remain stable.

Maintaining and improving the vigilance of each and every employee within the context of his or her job remains one of the key focus points of the company's efforts in the coming years.

17.3 Labour relations and the development of Eurotunnel Group

17.3.1 Collective agreements

As of 31 December 2007, 1,491 ESGIE employees were subject to collective agreements. In France, employees of ESGIE are represented by five trade union organisations.

In the United Kingdom, on 14 June 2000 ESL signed a voluntary agreement for single trade union representation with Unite. Pursuant to this agreement, all employees of ESL (except for managerial staff) are represented by the Unite at collective bargaining negotiations. However, employees are authorised to join a trade union organisation of their choice for the purposes of individual representation.

As part of its labour relations policy, Eurotunnel Group maintains on-going dialogue with the personnel representative bodies (the *comité d'entreprise* in France and the company council in the United Kingdom). In addition a European Works Council meets twice per year to be informed or consulted on cross-border issues relating to Eurotunnel Group's business.

An employee incentive agreement was signed in France by ESGIE in January 2007 with four out of the five trade union organisations represented in the company. This plan provides for the payment of a half-yearly bonus provided certain operational efficiency targets are met.

The results of the first two calculation periods have allowed for the maximum level of incentive.

In the United Kingdom, an extra bonus is paid to employees, calculated in the same way as under the incentive agreement.

In the United Kingdom, an agreement entitled ''*Rate for the job*'' was ratified by the representatives of the workforce, and more closely reflects the British approach to skills management. In particular, it aims to eliminate any risk of professional discrimination.

A company-wide project entitled ''Agora'' was launched during the last quarter of 2007 with a view to motivating the workforce within the framework of the Group's operational and economic revival. A study was carried out surveying at first the French staff, and an action plan will be launched at the beginning of 2008.

17.3.2 Labour disputes in the last twelve months

The majority of employees in the operational and maintenance divisions went on a two-day strike from 11 to 12 January 2007 in connection with the 2007 annual salary negotiation.

17.3.3 Labour relations within Eurotunnel Group

The operational reorganisation resulting from the voluntary redundancy plan no longer has any effect on labour relations within the Eurotunnel Group.

17.4 Shareholdings and stock options

17.4.1 Options to subscribe for or purchase shares

As of the date of this Reference Document, GET SA has not put in place a stock option plan, but does not exclude the possibility of implementing such a plan.

17.4.2 Free allocation of shares

As of the date of this Reference Document, GET SA has no free share allocation plan in place, but does not exclude the possibility to put in place such a plan.

17.5 Employee shareholdings

17.5.1 Employee holdings in the share capital of GET SA and its subsidiaries

The employees of ESGIE have the opportunity to make payments into a company savings scheme composed almost entirely of GET SA Ordinary Shares. These payments are supplemented by a contribution of 25% paid by the company. On 31 December 2007, 47,000 GET SA Ordinary Shares were held under this plan, representing 0.08% of the issued share capital.

17.5.2 Employees' profit sharing schemes

There is no profit sharing scheme for the employees of ESGIE, a subsidiary of GET SA.

17.6 Social and charitable actions

The *comité d'entreprise*, which receives a contribution from ESGIE in the amount of 0.8% of the total gross annual salary costs, received 431,857 euros in 2007. It receives a further 0.2% of total salary base from the company to cover its operational costs (totaling 107,965 euros).

From 2004 onwards, due to its financial position, TNU was forced to stop allocating funds to social and charitable causes, and in particular its sponsorship contributions. Since this date, Eurotunnel's actions in this regard have been limited to providing free transport (or transport under preferential terms) between the Continent and Great Britain for those taking part in charitable or humanitarian operations.

In the future, Eurotunnel Group hopes to pursue a more active policy towards social and charitable causes. The nature of these future initiatives will be aligned to Eurotunnel Group's own values, particularly its commitment to sustainable development.

18. MAJOR SHAREHOLDERS

18.1 Major shareholders

As of the date of this Reference Document, the share capital of GET SA is comprised of 59,784,111 GET SA Ordinary Shares.

To the knowledge of GET SA and apart from SIS SEGAINTERSETTLE AG (central custodian for shares represented by CDI in the United Kingdom on behalf of Euroclear United Kingdom and Ireland), which holds 5.61% of the share capital of GET SA, no shareholder owns more than 5% of the share capital of GET SA.

In addition, the Banque Européenne d'Investissement holds 2.47% of the share capital of GET SA as of 31 December 2007.

Following the redemption in GET SA Ordinary Shares of all of the NRS issued under the Reorganisation and of all of the SDES issued on 6 March 2008, the percentage of GET SA Ordinary Shares held by all holders of the NRS and the SDES will depend on various factors described in notes 15 and 17 to the consolidated accounts set out in Annex IV of this Reference Document.

18.2 Control

To GET SA's knowledge, and excluding what is provided for in the Safeguard Plan, there are no agreements that could bring about a future change of control of GET SA, if they were enforced.

Once the four directors proposed for appointment to the board by ENHC have been appointed, the Preferred Share held by ENHC (as described in section 21.2.3 of this Reference Document) will grant certain specific corporate governance rights to ENHC, but will not give ENHC control of GET SA.

Save for the specific rights attached to the GET SA Preferred Share and double voting rights described in section 21.2.6 of this Reference Document, there are no specific voting rights attached to any of GET SA Ordinary Shares.

In relation to Aero 1 Global & International S.à.r.l., an entity owned by GS Global Infrastructure Partners I, L.P. and GS International Infrastructure Partners I, L.P.[6] in connection with the SDES allocated to it in the context of the private placement and provided it has not sold its SDES or the shares issued in connection with the SDES, and to the extent that it holds its securities until 2011, the amount of its holding of the fully diluted share capital, assuming the Warrants are exercised in full and depending on any potential adjustments to the redemption ratio of the NRS I, Unredeemed NRS II and the SDES, should be approximately 13% (regardless of whether the SDES Return is paid in cash or in GET SA Ordinary Shares).

[6] *International infrastructure fund which invests primarily in civil infrastructure, including in particular the transportation or distribution of water, gas and electricity.*

19. RELATED PARTY TRANSACTIONS

There are no related party transactions to indicate other than (i) those set out in the special report of the *Commissaires aux Comptes*, which is included in the financial statements presented in Annex II of this Reference Document, (ii) those set out in note 5 to the consolidated accounts appearing in Annex IV of this Reference Document and (iii) the material contracts described in chapter 22 of this Reference Document.

20. FINANCIAL INFORMATION CONCERNING EUROTUNNEL'S GROUP ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

20.1 Historical financial information

Due to the financial restructuring of Eurotunnel at the end of June 2007, which is described in the Registration Document, the Information Note and the Securities Note (the ***Reorganisation***), the financial information presented in this Reference Document, for financial years 2005 and 2006, relates to the group which had as parents TNU SA and TNU PLC (***TNU***) and, for financial year 2007, relates to GET SA, the holding company, which holds EGP, TNU SA, TNU PLC and their subsidiares.

20.2 Pro forma financial information

GET SA's pro forma financial information for the year ended 31 December 2007 are included in the consolidated accounts of GET SA set out in Annex IV of this Reference Document.

20.3 Auditing of historical annual financial information

The report of the *Commissaires aux Comptes* on the annual and consolidated accounts of GET SA in 2007 and the statutory auditors' report on the combined accounts of TNU for the years ended 31 December 2006 and 2005 are set out in Annex V, VI, VII, and XI of this Reference Document.

20.4 Date of latest financial information

The last financial year for which audited financial information is available is the financial year ended 31 December 2007.

20.5 Interim and other financial information

None.

20.6 Dividend policy

TNU SA and TNU PLC have never paid dividends, although one of the objectives of the Reorganisation was to enable the payment of a dividend to GET SA shareholders. The redemption in cash and subsequent cancellation of all of the NRS II using the proceeds of the issue of SDES and New Ordinary Shares issued upon the exercise of the BSA could allow GET SA to reexamine its dividend policy. Indeed, the reduction in financial costs resulting from the redemption in cash of all of the NRS II could allow GET SA (i) to free up funds for its future projects or (ii) to consider the payment of a dividend to its shareholders, depending on the company's possibilities and the economic environment, if appropriate, starting in 2009 on the basis of the 2008 results, if these results allow it, and subject to obtaining the necessary authorisations.

However, it is not currently possible to determine for certain when GET SA will be able to pay dividends, and the terms of the NRS provide that GET SA may not pay a dividend while any Deferred Interest due on the NRS remains unpaid.

GET SA has not paid any dividends during the past three financial years.

20.7 Legal and arbitration proceedings

20.7.1 Proceedings relating to the Safeguard Plan

a) Proceedings relating to the opening of the Safeguard Procedure

The judgments of 2 August 2006, by which the Paris Commercial Court opened safeguard proceedings in favour of TNU PLC, Eurotunnel Service Ltd, Eurotunnel Plus Ltd, Eurotunnel Finance Limited and CTG, were subject to third party opposition by Elliot International LP, The Liverpool Limited Partnership, Tompkins Square Park SARL, M.D. Sass Re/Enterprise Partners LP and M.D. Sass Corporate Resurgence Partners III, LP.

These third party oppositions were rejected by five judgments of the Paris Commercial Court on 15 January 2007.

The appeal by Elliot International LP, The Liverpool Limited Partnership, Tompkins Square Park SARL, M.D. Sass Re/Enterprise Partners LP and M.D. Sass Corporate Resurgence Partners III, LP was rejected by five orders delivered on 29 November 2007, and are currently being taken to the Supreme Court of Appeal (*Cour de cassation*).

b) Proceedings relating to the progress of the Safeguard Procedure

1) By a decision dated 16 November 2006, the *Juge-Commissaire* held that the Noteholders did not constitute a body of Noteholders (*masse*) and the Judicial Administrators of FM and EFL were authorised to convene a meeting of the Noteholders of FM and EFL ''in accordance with applicable law''.

Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park, M.D. Sass Re/Entreprise Partners L.P and M.D. Sass Corporate Resurgence Partners III L.P. have challenged this ruling based on the terms of the agreements pursuant to which the Notes were issued, arguing that only Law Debenture Trustees Limited had authority to convene Noteholders' meetings.

This dispute was heard before the Paris Commercial Court (*Chambre du Conseil*) on 27 April 2007.

In a judgment of 29 May 2007, the Paris Commercial Court dismissed the claim. This judgment is not final, due to the extension of proceedings.

2) On 7 December 2006, Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park, M.D. Sass Re/Entreprise Partners L.P and M.D. Sass Corporate Resurgence Partners III L.P., in their capacity as holders of the Resettable Bonds issued by EFL and the Stabilisation Notes issued by FM, brought a claim before the *Juge-Commissaire* for the meetings of the Noteholders of FM and EFL convened by the Judicial Administrators and held on 14 December 2006 to be cancelled.

This claim was principally based on the fact that the Judicial Administrators convened a single meeting for each company having issued the Notes, whereas the English law agreements pursuant to which the Notes were issued, which contained a clause granting the English Courts jurisdiction for the purposes of the agreements, provided for Law Debenture Trustees Limited to convene six meetings, which means one per series of Notes per issuer.

This dispute was heard before the *Juge-Commissaire* on 12 February 2007.

By a decision dated 22 February 2007, the *Juge-Commissaire* stayed the proceedings until the dispute described in paragraph 1 above has been resolved.

3) On 12 January 2007, Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park, M.D. Sass Re/Entreprise Partners L.P and M.D. Sass Corporate Resurgence Partners III L.P. brought a claim in the Paris Commercial Court for the meetings of the Noteholders of FM and EFL which approved the Proposed Safeguard Plan to be declared null and void for the aspects regarding the treatment of the Notes.

It was claimed that the meetings should be void because the Judicial Administrators did not have the authority to convene them and because only one meeting was held for each of FM and EFL which was not in accordance with the quorum and majority rules set out in the agreements pursuant to which the Notes were issued.

This initial hearing of the dispute was held on 3 April 2007 before the 7th Chamber of the Paris Commercial Court. It has been sent back to be reconsidered on successive occasions awaiting for the cases described in sections b)1) and a)2) above to be decided.

A full hearing will be held at a later date.

The judgment to be rendered may be appealed.

c) Judgments approving the Safeguard Plan

The judgments of the Paris Commercial Court dated 15 January 2007 approving the Safeguard Plan have been challenged by Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park, M.D. Sass Re/Entreprise Partners L.P and M.D. Sass Corporate Resurgence Partners III L.P. (the "**Opposing Parties**") based on the terms on which the meetings of the Noteholders were convened and held under the Safeguard Procedure.

The Opposing Parties were holders of Resettable Bonds issued by EFL and Stabilisation Notes issued by FM.

In accordance with Article L. 626-33 of the French Commercial Code, the Judicial Administrators convened one meeting of Noteholders per issuer (FM and EFL) which combined the holders of Stabilisation Notes, Resettable Bonds and Participating Loan Notes.

On 14 December 2006 the two meetings of Noteholders convened by the Judicial Administrators approved the Proposed Safeguard Plan by a majority of more than half of the Noteholders in number, representing more than two thirds of the nominal value of the Notes.

The Opposing Parties claim in their objections:

- that the Judicial Administrators did not have the power to convene the meetings; and
- that only one meeting of Noteholders was held for both FM and EFL whereas, in accordance with the agreements pursuant to which the Notes were issued, FM and EFL should have each held one Noteholders' meeting for each series of Note issued (three meetings of Noteholders per company).

According to the Opposing Parties, failure to comply with the agreements pursuant to which the Notes were issued rendered the Noteholders' meeting void pursuant to Article L. 626-32 of the French Commercial Code which, according to the Opposing Parties, is equivalent to no meeting of Noteholders having been held, rendering the court decisions of 15 January 2007 which approved the terms of the Safeguard Plan specific to FM and EFL void.

The Opposing Parties also claim that the decisions of the Paris Commercial Court of 15 January 2007 should be void in that they ordered the compulsory sale of the Notes even though Article L. 626-32 of the French Commercial Code only authorises "*a total or partial waiver of claims under debt security instruments*".

This third party opposition procedure is the continuation of the previous action brought before the Commercial Court of Paris by the same applicants and on the same grounds for the meetings of Noteholders of FM and EFL held on 14 December 2006 to be cancelled.

This hearing was held on 18 June 2007. In a judgment on 22 October 2007, the Paris Commercial Court decided to postpone its decision until the events described in paragraph 20.7.1 (a) of this Reference Document are resolved.

d) Analysis

The conditions in which the meetings of Noteholders of EFL and FM were convened and held were determined by the Judicial Administrators, who considered that in the absence of a body of Noteholders (*masse*), the formal provisions of Article L. 626-3 of the French Commercial Code obliged them to convene the relevant meetings themselves.

Furthermore, although the Judicial Administrators were required to convene the meetings, Article L. 626-3 of the Commercial Code does not contain any provisions relating to the quorum or the majority required to approve the business considered by the meeting. The question therefore arose as to whether the applicable law was that governing the agreements pursuant to which the Notes were issued or French law.

Following advice, the Judicial Administrators considered that the provisions of Article L. 626-30 of the French Commercial Code should apply.

In light of the facts and the legal analysis carried out by Eurotunnel Group on the basis of applicable texts, case law and recent interpretation of the safeguard law by legal doctrine and the representative of a parliamentary commission, Eurotunnel Group believes that it has solid arguments to successfully oppose the claims referred to above.

e) Interest rate swap agreements

Dresdner Bank AG (''**Dresdner**'') is challenging its inclusion in the financial creditors' committee for the purposes of the Safeguard Procedure, and is seeking the cancellation of the meeting of the committee of TNU's principal suppliers held on 27 November 2006 on the basis that it should have been included in this committee.

Dresdner entered into a series of interest rate swap agreements (the ''**Swap Agreements**'') with EFL pursuant to which Dresdner agreed an interest rate cap for EFL in the event of an increase of the floating rate negotiated by EFL with its lending banks. These Swap Agreements are guaranteed by TNU and FM.

On 30 October 2006, the Swap Agreements were terminated by the Judicial Administrators who also notified Dresdner of its inclusion in the financial creditors' committee.

Following the termination of the Swap Agreements, on 30 November 2006 Dresdner made a claim for compensation of 33,012,569.52 euros, which was later altered to 34,481,218 euros, even though the Proposed Safeguard Plan provides that Dresdner's claim will be extinguished by payment of a fixed sum of 2,000,000 euros.

On 27 November 2006, Dresdner brought an action before the *Juge-Commissaire* to contest its inclusion on the financial creditors' committee on the basis that although it is a financial institution, its claim against EFL results from its investment services activity and that, therefore, it should be included in the category of suppliers whose claims will be paid in full in accordance with the Proposed Safeguard Plan within six months of the decision approving the Safeguard Plan.

By a decision on 12 January 2007, the *Juge-Commissaire* rejected Dresdner's claim and held that it had been correctly included in the financial creditors' related committee, the conclusion of the Swap Agreement being an activity related to banking activities.

This decision was appealed and the case was heard on various occasions. The defence hearing has been fixed for 16 May 2008. Dresdner claims in the alternative that since its debt did not exist until after 2 August 2007, the law does not provide for its inclusion in any committee.

In addition, Dresdner opposed the judgments of 15 January 2007 regarding the Safeguard Plan of EFL. This hearing, does not affect the validity of the plan, for which Dresdner has confirmed its support. By a decision on 9 July 2007, the Commercial Court, noting the ''obvious links'' between this third party opposition and the proceedings brought on the same basis, deferred the examination of the third party proceedings until a definitive decision has been given on whether Dresdner belongs to the committee of credit establishments.

These proceedings are distinct from the proceedings to verify the legal status of the receivables and will not influence the potential acceptance of the receivables of Dresdner by the creditor representatives (*mandataires judiciaires*), it being specified that the receivables declared as liabilities of TNU were subject, on 15 March 2007, to challenge by the creditor representatives before the *Juge-Commissaire*, who ordered a hearing with Dresdner and the bodies of the Safeguard Plan on 13 May 2008.

However, if the Court were to treat Dresdner as a supplier, or as a party outside the committee, this would have financial consequences. Dresdner has declared a claim of 33,012,569.52 euros, subsequently amended to 34,481,218 euros, which is expected, if accepted by the creditor representatives, and if the Court considers it to be the claim of a principal supplier, or one which is outside the committee, to be payable to Dresdner without being limited to 2,000,000 euros.

f) Other actions against the Safeguard Procedure that have been expressly waived

A number of other claims were brought against various decisions and actions taken or to be taken in the context of the Safeguard Procedure before the relevant courts in France and the United Kingdom. Except for the two proceedings currently underway, which are described in paragraphs 20.7.1 (a), (b) and (d) above, as at the date of this Reference Document all claims made in the context of the Safeguard Procedure have been expressly and irrevocably waived by the applicants.

At the date of this Reference Document and except for the litigation with Dresdner Bank AG, no specified damages claim has been made in connection with the Safeguard Procedure.

20.7.2 Criminal proceedings in France

a) Background to the proceedings

In October 1994, a formal complaint was filed in France for insider dealing and Unit price manipulation alleged to have been committed at the time of the share capital increase in 1994. As a result of this complaint, a criminal investigation was opened in France.

In August 1995, TNU joined these proceedings as a civil party. In this regard, TNU has the benefit of certain rights in the context of the criminal investigation and, primarily, the right to submit its comments and observations to the examining judge.

Moreover, certain shareholders brought an action in 1997 for misuse of corporate assets, presentation and publication of false balance sheets and, principally in relation to the share capital increase referred to above, for public dissemination of false or misleading information and publication of false information with a view to obtaining subscriptions or collecting payments.

In April 2000, the court notified several persons unrelated to TNU that they were under investigation for insider dealing, and informed a former director that he was under investigation for having allegedly revealed confidential information to one of those persons.

Also in April 2000, the magistrate hearing the case informed four former executive directors and two executive directors still in office that they were under investigation, all of them having been directors at the time the alleged facts occurred, for the following alleged offences:

- with respect to all of them, the offence of misuse of corporate assets; and
- with respect to three of them, having in 1993 and 1994 presented false or misleading balance sheets and having during 1993 and 1994 disseminated false or misleading information on TNU's prospects which was likely to affect the price of the Units.

In a press release dated 17 May 2000, the non-executive directors of the Joint Board unanimously rejected the allegations brought against the directors and former directors under investigation and reiterated their full support and confidence in them.

The magistrate hearing the case finally indicted two former TNU directors, Mr. Bénard and Mr. Morton, for dissemination of false or misleading information. TNU joined the proceedings as a civil party to obtain access to the court papers.

The applicants appealed this decision which was upheld by the Court of Appeal and the Supreme Court.

The trial began on 4 April 2007 before the Criminal Court of Paris. Mr. Morton has since died therefore only Mr. Bénard, former chairman of TNU, was being tried.

By a decision dated 4 July 2007, the Criminal Court of Paris acquitted Mr. André Bénard. Since the public prosecution department did not appeal, the case is now definitively closed.

All claims of the parties to the civil proceedings were dismissed. A small number of them have appealed. To date, no date has been fixed for the hearing.

b) Implications for TNU SA and TNU PLC

TNU SA and TNU PLC have not themselves been under investigation, and French criminal law prevents them from being investigated in the future. Nor does it allow any of the entities which make up either of them to be found criminally liable for any of these offences.

20.7.3 Proceedings involving the Railways

At the end of July 2006, TNU and the Railways entered into an agreement bringing an end to the dispute that commenced in 2001, over the calculation of the Railways' contribution to the operating costs of the Tunnel. This dispute led to the appointment of an arbitration tribunal, which rendered a decision in respect of the periods from 1997 to 2002 and also to the signing of an initial partial agreement in December 2005 between TNU and the Railways in respect of the 1999 to 2004 financial years.

This agreement is final and brings an end to the various disputes relating to operating costs. It confirms the decisions made for the financial years prior to 2004, sets out the agreement for 2005, and sets the contributions on a fixed payment basis for the financial years 2006 to 2014 included. A consultation process has also been established to determine the railway operators' contributions to the renewal and replacement costs relating to them.

20.7.4 Impact on the financial situation and profitability of Eurotunnel Group

As far as it is aware, and subject to the paragraphs above, during the last 12 months Eurotunnel Group has not been involved in any judicial or governmental proceedings or arbitration that is ongoing or suspended, which could have a significant negative effect on its financial situation or profitability.

The total amount of allowances set aside in respect of litigation involving Eurotunnel Group is 37.6 million euros.

20.8 Significant changes to the financial or commercial situation

Except for the anticipated partial redemption in cash of the NRS II and the elements mentioned at note 1.4 to the consolidated accounts at Annex IV of this Reference Document, no material change to the financial or commercial situation of GET SA has occurred since the close of the financial year.

20.9 Table of results of the Company over the course of the last five financial years

GET SA (formerly NICK 42 SARL) Company results for the past five financial years (in euros)	2007	2006	2005	2004	2003
Capital at end of financial year					
Share capital	23,913,644	1,000	1,000	–	–
Number of existing Ordinary Shares	59,784,111	1,000	1,000	–	–
Number of existing Preferred Shares	1	–	–	–	–
Maximum number of future shares to be created by exercise of subscription rights or by conversion of debt instruments*	553,005,748	–	–	–	–
Results for the year					
Revenue excluding tax	5,111,798	–	–	–	–
Profit / (loss) before tax, employee participation and depreciation and provisions	135,133	(312)	(376)	–	–
Tax on profits	–	–	–	–	–
Profit / (loss) after tax, employee participation and depreciation and provisions	135,133	(312)	(376)	–	–
Distributed result	–	–	–	–	–
Earnings per share					
Profit / (loss) after tax, employee participation and before depreciation and provisions	N/A	N/A	N/A	–	–
Profit / (loss) after tax, employee participation and depreciation and provisions	N/A	N/A	N/A	–	–
Dividend per share	–	–	–	–	–

* *Maximun conversion of NRS (425,697,537) and BSA (127,308,211), it being specified that these figures do not take into account the issue of the SDES or the partial redemption of the NRS II (see note 1.4. (i) to the GET SA consolidated annual accounts for 2007 at Annex IV of this Reference Document).*

20.10 Fees of the *Commissaires aux Comptes*

	KPMG				Mazars			
	Amount (pre-tax)		%		Amount (pre-tax)		%	
Thousands of euros	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Audit								
Certification of the *Commissaires aux Comptes*, certification, examination of the individual and consolidated accounts	3,539	1,728	82%	100%	381	384	93%	100%
Other fees and services directly linked to the duties of the *Commissaires aux Comptes*	800	–	18%	0%	30	–	7%	0%
Sub-total	4,339	1,728	100%	100%	411	384	100%	100%
Other services	–	–	0%	0%	–	–	0%	0%
TOTAL	4,339	1,728	100%	100%	411	384	100%	100%

21. ADDITIONAL INFORMATION

21.1 Share capital

21.1.1 Amount of share capital (Article 6 of GET SA's by-laws)

As of 31 December 2007, the share capital of GET SA was 23,913,644.41 euros.

As of the date of this Reference Document, the share capital of GET SA is 23,913,644.41 euros divided into 59,784,111 GET SA Ordinary Shares having a nominal value of 0.40 euro each fully paid and a GET SA Preferred Share having a nominal value of 0.01 euro.

On 28 July 2008, 13 months after their issue and in accordance with the terms and conditions of the NRS I, 537,532 Tranche 1 NRS I in euros and 440,013 Tranche 1 NRS I in sterling will be redeemed via the issue of a maximum of respectively 12,239,603 GET SA Ordinary Shares and 10,019,096 GET SA Ordinary Shares on the basis of the NRS redemption ratio of 22.77 as of the date of this Reference Document. The number of GET SA Ordinary Shares issued in this way may be lower due to the rounding up applicable to the number of GET SA Ordinary Shares to be issued to each NRS I holder at the time of redemption.

The share capital may be increased or reduced by a collective decision of the shareholders in accordance with applicable law and the by-laws of GET SA subject to the requirement that any decision to propose changes to the share capital of GET SA requires a qualified majority of eight directors of GET SA in accordance with the provisions described in section 16.2.1 (''Majority rules'') of this Reference Document.

21.1.2 Form and transfer of shares (Articles 9 and 10 of GET SA's by-laws)

Subject to contrary legislative and regulatory provisions, GET SA Ordinary Shares are held in registered or bearer form, at the shareholder's discretion.

GET SA Ordinary Shares can be traded freely. They are subject to registration in an account and are transferred by inter-account transfer under the conditions set forth by legislative and regulatory provisions.

The GET SA Preferred Share is held in registered form. It may not be sold.

21.1.3 Securities not representing share capital

As of the date of this Reference Document, there are no securities that do not represent share capital.

21.1.4 GET SA Ordinary Shares held by GET SA or its subsidiaries

As of the date of this Reference Document with the exception of the GET SA Ordinary Shares acquired by GET SA in accordance with the terms and conditions described in section 21.1.9 below, neither GET SA, nor its subsidiaries hold any GET SA Ordinary Shares.

21.1.5 Exchangeable securities or securities with subscription warrants attached

The NRS issued by EGP under the Reorganisation are redeemable in GET SA Ordinary Shares in accordance with the terms and conditions described in the Securities Note and summarised in chapter 5 of this Reference Document. In addition, under the Reorganisation, GET SA issued Warrants entitling their holders to subscribe for GET SA Ordinary Shares in accordance with the terms and conditions described in the Securities Note and summarised in chapter 5 of this Reference Document. For further details, please also refer to notes 15 and 17 to the consolidated accounts as at 31 December 2007 appearing in Annex IV of this Reference Document.

21.1.6 Authorised but unissued share capital, commitments to share capital increases

As of the date of this Reference Document, there are 59,784,111 GET SA Ordinary Shares and one GET SA Preferred Share in issue. There are also (i) 7,155,630 NRS I, (ii) 5,528,805 Unredeemed NRS II (iii) 4,307,026,273 Warrants and (iv) 800,000 SDES which give access to the share capital of GET SA. These instruments allow for the possible future creation (on the basis of redemption or exercise ratios[5] in force as of the date of this Reference Document) of a maximum of (i) 162,933,695 GET SA Ordinary Shares for the NRS I, (ii) 125,890,889 GET SA Ordinary Shares for the Unredeemed NRS II, (iii) 127,308,211 GET SA Ordinary Shares for the Warrants and (iv) 89,760,000 GET SA Ordinary Shares for the SDES (including 2,400,000 new Additional Ordinary Shares that will be, if applicable, issued with regard to the Conditional Additional Return).

For further details relating to authorised unissued share capital, please refer to notes 15 and 17 to the consolidated accounts at 31 December 2007 appearing in Annex IV of this Reference Document.

A table is provided below to summarise the currently valid authorisations granted by the combined shareholders' general meeting on 23 April 2007 to the board of directors with respect to share capital increases capital as well as the use made of such powers during the financial year 2007.

Summary of purpose	Date of general meeting granting the authorisation	Duration of the authorisation	Maximum nominal amount authorized	Use made by the board as of the date of this Reference Document
Delegation of authority granted to the board of directors to issue GET SA Ordinary Shares and securities granting access to GET SA Ordinary Shares or the shares of one of its subsidiaries, with the maintenance of the preferential subscription right for existing shareholders	23 April 2007	26 months	110 million euros 1,620 million euros (debt instruments)	None
Delegation of authority granted to the board of directors to issue GET SA Ordinary Shares and securities granting access to GET SA Ordinary Shares or the shares of one of its subsidiaries, with the elimination of the preferential subscription right	23 April 2007	26 months	40 million euros 1,620 million euros (debt instruments)	Issue of 800,000 SDES with access to 83,040,000 GET SA Ordinary Shares on redemption of the SDES (an increase in nominal share capital of 33,216,000 euros)[1].
Authorisation granted to the board of directors, in the event of a share capital increase with or without the existence of a preferential subscription right for existing shareholders (cf. 1 and 2 above), to increase the number of securities to be issued	23 April 2007	26 months	15% of the initial issue for each issue decided pursuant to the two delegations of authority mentioned above	None

(1) *Not taking into account the numbers of GET SA Ordinary Shares issued, if applicable, as payment of SDES Return (2,400,000 GET SA Ordinary Shares) and, if applicable, as additional return (4,320,000 GET SA Ordinary Shares) if paid by way of an issue of GET SA Ordinary Shares).*

(5) *The redemption ratio of the NRS I and Unredeemed NRS II in GET SA Ordinary Shares is 22.77 GET SA Ordinary Shares as of the date of this Reference Document.*

Summary of purpose	Date of general meeting granting the authorisation	Duration of the authorisation	Maximum nominal amount authorized	Use made by the board as of the date of this Reference Document
Delegation of authority granted to the board of directors to issue GET SA Ordinary Shares and securities granting access to GET SA Ordinary Shares, in the case of a public exchange offer initiated by GET SA	23 April 2007	26 months	15 million euros	None
Limit on the authorisations mentioned above	23 April 2007	26 months	150 million euros	None
Delegation of authority granted to the board of directors to increase the capital of GET SA by capitalisation of reserves, profits or premiums	23 April 2007	26 months	25 million euros	None
Delegation of authority granted to the board of directors to carry out capital increases which are reserved for employees who are members of a company savings plan	23 April 2007	26 months	2 million euros	None
Delegation of authority granted to the board of directors to reduce the share capital by cancelling shares	23 April 2007	18 months	10% of the share capital	None

21.1.7 Share capital subject to options

To GET SA's knowledge, at the date of this Reference Document, no options have been granted with respect to the share capital of GET SA.

21.1.8 History of the share capital over the last three years

The share capital of GET SA, prior to the settlement-delivery of the Offer, was composed of 22,500,000 GET SA Ordinary Shares of which 21,300,000 were held by Eurotunnel Participations 1 SAS and 1,200,000 were held by the directors and individuals who were the initial shareholders of GET SA[6].

On the settlement-delivery date of the Offer, with the exception of (i) the GET SA Ordinary Shares held by Eurotunnel Participations 1 SAS and by the directors and individuals who were the initial shareholders of GET SA and (ii) the GET SA Preferred Share which was issued to ENHC, the full amount of the share capital of GET SA was held by the holders of the Units who tendered them to the Offer.

[6] *Jacques Gounon, Colette Neuville, Henri Rouanet, Robert Rochefort, Jean-Pierre Trotignon, Claude Liénard.*

The shares held by Eurotunnel Participations 1 SAS and those held by the directors (with the exception of the shares constituting the minimum shareholding required of a director) and the other initial shareholders of GET SA were acquired by GET SA in accordance with the terms and conditions set out in section 21.1.9 of this Reference Document.

Due to the fact that the GET SA Ordinary Shares were admitted to trading on Euronext Paris and also were subject to a secondary listing on the Official List of the United Kingdom Listing Authority and were admitted to trading on the London Stock Exchange, the initial shareholding in GET SA, composed of holders of Units who tendered such Units to the Offer, has evolved. For more details on the shareholding GET SA see chapter 18 of this Reference Document.

On 12 November 2007 a forty-fold consolidation was carried out by GET SA in accordance with the Safeguard Plan. 2,391,364,440[(7)] GET SA Ordinary Shares, of nominal value of 0.01 euro each, were involved in this consolidation.

As a result of the consolidation, the share capital of GET SA became 59,784,111 GET SA Ordinary Shares of 0.40 euro nominal value each and one GET SA Preferred Share of 0.01 euro nominal value. However, as of 31 March 2008, 29,502,210 Non-consolidated Ordinary Shares (1.23% of the share capital), are waiting to be consolidated.

At the same time, the board of directors decided on the principle of a market stimulation contract (*contrat d'animation de marché*). Under the terms of this contract, put in place on 3 December 2007, GET SA granted authority to Exane BNP Paribas to act on its behalf on the market with a view to increasing liquidity in transactions and stability in the listing of the GET SA Ordinary Shares, as well as avoiding variations in share price which are unjustified by market trends, up to a maximum of 1,000,000 euros which, on the basis of a hypothetical price of 14 euros per share, would represent 0.17% of the share capital of GET SA currently in issue[(8)]. By amendment on 17 January 2008, this amount was increased to 2,000,000 euros which, based on a hypothetical price of 10 euros per share, would represent 0.33% of the issued share capital of GET SA.

Two years after the start of the share consolidation process, which coincides with the publication of a notice in two national financial newspapers about the intention to sell GET SA Ordinary Shares unclaimed by their assignees, i.e. on 21 November 2009, the aforementioned GET SA Ordinary Shares will be sold on the stock market and the net profits from the sale will be held for the benefit of assignees and for a ten year period in a blocked account opened in the books of BNP Paribas Securities Services. At the end of this ten year period, any sums owed to rightful beneficiaries who have either (i) not requested the exchange, before 12 November 2009, of their non-consolidated Ordinary Shares for GET SA Ordinary Shares BLT, or (ii) not requested a cash payment between 12 November 2009 and 12 November 2019, will be transferred to the *Caisse des depots et consignation* subject to the 30-year statute of limitations for the benefit of the French State.

Until 12 November 2009, requests to exchange Non-consolidated Ordinary Shares for GET SA Ordinary Shares should be made to BNP Paribas Securities Services, aux Emetteurs, Immeuble Tolbiac, 25 quai Panhard et Levassor, 75450 Paris Cedex 09 France.

21.1.9 Acquisition by GET SA of its own shares

The combined shareholders' general meeting dated 23 April 2007 authorised GET SA to buy, over an 18-month period starting from the date of admission of the GET SA shares to trading on a regulated market, its own shares up to a maximum of 10% of the share capital of GET SA.

Using the power granted to it by the Combined Shareholders' meeting dated 23 April 2007, on 3 October 2007, the board of directors of GET SA decided to put in place a share repurchase programme in order, in particular, to repurchase all of the shares held by the initial shareholders of GET SA at their nominal value in accordance with the objectives of the repurchase programme, with the exception of the shares which must be held by the directors in accordance with the by-laws. As such, prior to the consolidation, GET SA had accordingly repurchased 22,496,000 GET SA Ordinary Shares at their nominal value.

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(7) One GET SA shareholder decided against the consolidation of 10 of its non-consolidated shares.

(8) Based on the number of ordinary shares currently constituting the share capital of GET SA, it being specified that this number does not take into account the ordinary shares which could be issued in respect of the redemption in shares of the NRS I and NRS II, the redemption of the SDES, and the exercise of the BSA.

As of the date of this Reference Document, GET SA holds 562,400 GET SA Ordinary Shares[9]. The GET SA Ordinary Shares held have a nominal and accounting value of 0.40 euro each.

21.2 Constitutional document and by-laws

21.2.1 Corporate purpose (Article 2 of the by-laws of GET SA)

GET SA's corporate purpose is to:

- acquire equity interests by way of the purchase, subscription, transfer or exchange of corporate rights, shares, partnership interests or otherwise, with any co-contracting party, French or foreign, in any company whose purpose is directly or indirectly related to the operation of the Tunnel between France and the United Kingdom or any other fixed links;
- participate in any manner whatsoever, directly or indirectly, in any transactions connected with its corporate purpose via the creation of new companies, the contribution, subscription or purchase of securities or corporate rights, merger or otherwise, creation, acquisition, leasing, lease management of all businesses or establishments; taking, acquiring, operating or selling any procedures or patents relating to its activities; and
- generally, all industrial, commercial, financial, civil, personal or real property transactions, directly or indirectly related to any of the objects referred to above or any similar or connected objects, including in particular, any transport business.

21.2.2 Members of the board of directors and management bodies

The provisions relating to the board of directors and management bodies of GET SA are described in sections 14.1 and 16.2 of this Reference Document.

21.2.3 Rights and obligations attached to the shares (Articles 11 and 37 of the by-laws of GET SA)

Ownership of one GET SA Ordinary Share or the GET SA Preferred Share implies acceptance of the terms of the by-laws of GET SA and of all decisions taken in general meetings of the shareholders of GET SA.

- **GET SA Ordinary Shares**

In addition to voting rights, each GET SA Ordinary Share grants the right to a share in the ownership of the company's assets, profits and liquidation proceeds, in proportion to the fraction of the share capital that it represents.

- **GET SA Preferred Share – GET SA Preferred Share Committee**

The GET SA Preferred Share grants its holder specific rights relating to the corporate governance of GET SA as described in section 16.2.1 (''Majority Rules'') of this Reference Document. The GET SA Preferred Share does not grant its holder any specific rights.

Pursuant to the Safeguard Plan, Eurotunnal NRS Holding Company Limited (ENHC) (company referred to as ''XCo'' in the Safeguard Plan), consolidates the interests of former creditors of Eurotunnel Group who received or subscribed for NRS as part of the Reorganisation. It was incorporated on 3 April 2007 in the form of an English law private company under number 6178578.

The purpose of ENHC is to group the former Eurotunnel creditors having received or subscribed for NRS as part of the Reorganisation, and to hold the GET SA Preferred Share and the EGP Preferred Share. The conditions relative to conversion of the GET SA Preferred Share into an GET SA Ordinary Share are described at section 21.2.5 of this Reference Document.

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[9] Not including the shares acquired by Exane BNP Paribas in the context of the market stimulation contract, nor those held by the Eurotunnel company FCPE (employee shareholding vehicle) (47,000 consolidated shares) and the Eurotunnel Trustees Limited (1,463 consolidated shares).

A GET SA Preferred Share Committee comprising five representatives of the GET SA Preferred Share holder will be formed by ENHC after the appointment to the board of four directors proposed by ENHC, in accordance with Article 37 of the by-laws of GET SA and the provisions of the Safeguard Plan.

The Chairman of the board of directors, and any other employee whose presence he deems necessary in light of the items on the agenda, may attend all GET SA Preferred Share Committee meetings.

On a regular and strictly confidential basis, the GET SA Preferred Share Committee is provided with the following information relating to Eurotunnel Group:

- the consolidated Eurotunnel Group accounts including an income statement, balance sheet and cash flow statement prepared in accordance with applicable accounting standards, and an explanation of any variations compared to the budget and a breakdown of the key balances;
- the principal consolidated monthly operational Eurotunnel Group performance indicators (primarily including reports on customer service, asset quality, punctuality, etc.);
- a quarterly statement of commercial and operational prospects, primarily including earnings, costs, assets (for example, yield strategy, business development, headcount, etc.);
- a half yearly report confirming compliance with the contractual obligations in the Term Loan described in section 22.4.1 of this Reference Document;
- the audited consolidated Eurotunnel Group financial statements prepared in accordance with generally accepted accounting principles within 120 days of the end of the financial year, together with the GET SA reports of the *Commissaires aux Comptes*;
- the Eurotunnel Group consolidated half yearly financial statements prepared in accordance with generally accepted accounting principles within 90 days of the end of the first six months; and
- the annual report on internal controls.

The GET SA Preferred Share Committee (i) assists ENHC in its capacity as holder of the GET SA Preferred Share in exercising its decision-making powers as described in section 16.2.1 (''Majority Rules'') of this Reference Document, (ii) analyses the information contained in the documents listed above, (iii) examines and discusses such documents with the Chairman of the board of directors or any other employee summoned at the request of the Chairman of the board of directors, (iv) oversees the implementation of the business plan and more generally monitor the performance of GET SA and Eurotunnel Group and (v) examines proposals for the modification of the business plan and the budget.

The GET SA Preferred Share Committee meets on a monthly basis and its meetings, unless the members decide otherwise, are held in English.

In addition, the boards of directors of FM and CTG each include a director appointed by the holder of the GET SA Preferred Share.

21.2.4 Allocation of profits (Article 31 of the by-laws of GET SA)

The following deductions are made from the profits of each financial year, minus prior losses if any, in the order set out below:

- five per cent at least to constitute the reserve account required by law;
- the amounts determined by general shareholders meeting to constitute such reserves for which it determines the distribution and use; and
- the amounts that the general shareholders meeting decides to carry forward.

The balance, if any, shall be distributed among all of the shareholders in proportion to the number of shares held by each of them.

If the balance sheet prepared during or at the end of the financial year and certified by the *Commissaires aux Comptes* indicates that GET SA, since the end of the previous financial year, after any necessary depreciation and reserves and after deducting any previous losses and amounts required to constitute the necessary reserves pursuant to applicable law or the by-laws, has made a profit, interim dividends may be distributed before the accounts for the financial year have been approved. The amount of the interim dividend may not exceed the amount of profit as defined above.

The conditions for the payment of dividends in cash are set by the shareholders' general meeting, or failing that, by the board of directors.

Payment of dividends in cash must be carried out within a maximum period of nine months following the end of the financial year, unless extended by a court authorisation.

21.2.5 Modifications of shareholders' rights

The modification of the by-laws requires the approval of an extraordinary general meeting with the quorum and majority required by applicable laws and regulations.

In accordance with Article 37 of the by-laws of GET SA, any proposal to amend the by-laws of GET SA leading to changes to or a cancellation of the rights of the GET SA Preferred Share requires a qualified majority decision of eight members of the board of directors of GET SA.

The specific rights attached to the GET SA Preferred Share shall lapse:

- if all of the NRS have been redeemed; or
- if the creditors of TNU SA, TNU PLC and their subsidiaries who received or subscribed for NRS under the terms of the Reorganisation at any time together hold less than 30% of the initial number of ENHC Ordinary Shares(10), and if no creditor of TNU SA, TNU PLC or their subsidiaries who received or subscribed for NRS under the terms of the Reorganisation, alone, holds more than 20% of the initial amount of ENHC Ordinary Shares(11).

If the specific rights attached to the GET SA Preferred Share lapse, the GET SA Preferred Share shall automatically become a GET SA Ordinary Share. The effective date of entitlement, or the separation of such entitlement to the temporary specific rights attached to the GET SA Preferred Share shall be approved by the GET SA board of directors.

21.2.6 General meetings

- **Convocation notice (Article 27 of GET SA's by-laws)**

General meetings are convened in accordance with applicable laws and regulations.

- **Venue of meetings (Article 27 of GET SA's by-laws)**

General meetings are held at the registered office of GET SA or at any other place referred to in the notice of communication of the meeting.

- **Attendance at general meetings (Article 27 of the by-laws of GET SA)**

Any shareholder may attend general meetings in person or by proxy, regardless of the number of shares held, upon providing proof of identity and proof of ownership of the shares, by registering the shares in the ''shareholders'' name or in the name of the intermediary registered on his behalf pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code by midnight, Paris time, on the third business day prior to the

(10) *Minus the number of ENHC Ordinary Shares converted into ENHC Deferred Shares in the event of (i) redemption of the NRS for GET SA Ordinary Shares, or (ii) redemption in cash by EGP of the NRS II or (iii) purchase by EGP of the NRS on the market.*

(11) *Minus the number of ENHC Ordinary Shares converted in to ENHC Deferred Shares in the event of (i) redemption of the NRS for GET SA Ordinary Shares, or (ii) redemption in cash by EGP of the NRS II or (iii) purchase by EGP of the NRS on the market.*

meeting, either in the registered accounts, held by GET SA, or in the bearer's form accounts held by the authorised intermediary in accordance with the provisions of Article R. 225-85 of the French Commercial Code.

- **Use of electronic means of communication (Article 27 of GET SA's by-laws)**

If the board so decides at the time the meeting is convened, all shareholders may participate and vote at general meetings by video conference or any other electronic means of communication in accordance with applicable laws and regulations.

For the purposes of calculating the quorum and majority, shareholders participating in the meeting by video conference or another form of electronic communication enabling them to be identified, and the nature and conditions of application of which are set in accordance with applicable laws and regulations, are deemed to be present.

- **Representation at general meetings (Article 27 of GET SA's by-laws)**

Shareholders may only be represented at meetings by their spouse or by another shareholder. For this purpose the proxy must prove his authority in accordance with Article L. 225-106 of the French Commercial Code. In addition, owners of securities referred to in the 3rd paragraph of Article L. 228-1 of the French Commercial Code may be represented by a registered intermediary in accordance with the provisions of Article L. 228-3-2 of the French Commercial Code.

Legal representatives of shareholders without legal capacity and physical persons representing corporate shareholders may participate in general meetings, whether or not they are shareholders.

Authority to act as a proxy may be given for one meeting only and shall be in respect of the agenda of such meeting. The authorisation must specify the agenda of the meeting for which it is granted and provide necessary information to identify the shares. Authority may however be given for two meetings, one ordinary and the other extraordinary, held on the same day or within a period of fifteen days. The authority given for one meeting shall be valid for all successive meetings convened with the same agenda. The proxy named in person on the proxy form may not substitute any other person.

All documents required by applicable laws and regulations must be attached to all proxy forms sent to shareholders.

The proxy form must be signed by the shareholder being represented and provide the last name, the first name, his address, the number of shares he owns and the number of votes attached to those shares. Only proxy forms which have been received two days prior to the meeting will be taken into account by GET SA.

The intermediary referred to in Article L. 228-1 of the French Commercial Code may, pursuant to a securities management general mandate, send votes or powers of attorney on behalf of a shareholder as defined in Article L. 228-1 of the French Commercial Code for the purposes of a general meeting.

- **Exercise of voting rights (Article 27 of GET SA's by-laws)**

All shareholders may vote by postal ballot under the conditions and within the time limits provided for by law by using a form prepared by GET SA and sent to shareholders requesting the form and provided such forms reach GET SA two days prior to the general meeting.

- **Chairmanship of general meetings (Article 27 of GET SA's by-laws)**

General meetings of shareholders are presided by the Chairman of the board of directors or, in his absence, by the most senior director present at the meeting. If the meeting has been convened by the *Commissaires aux Comptes*, by a court appointed representative or by a liquidators, the general meeting shall be chaired by the person, or one of those persons, who called for the meeting.

- **Quorum and majority at general meetings (Articles 28 and 29 of GET SA's by-laws)**

Ordinary, extraordinary, combined or special general meetings shall be subject to the quorum and majority conditions provided by applicable laws and regulations governing such meetings and shall exercise the powers conferred them by law.

- **Voting rights and double voting rights (Article 11 of GET SA's by-laws adopted by shareholders at general meeting on 9 March 2007, when it was also resolved to transform the company into a *société anonyme*)**

Subject to the provisions set forth below, each member of a general meeting is entitled to as many voting rights and casts as many votes as the number of fully paid-up GET SA Ordinary Shares he owns or is representing.

Until the expiration of the two-year period following the beginning of the consolidation process, fixed by GET SA in the notice published in the *Bulletin des Annonces Légales Obligatoires* in accordance with the resolution passed at the general meeting of 20 June 2007, each Non-consolidated Ordinary Share will entitle its holder to one (1) vote and each GET SA Ordinary Share will entitle its holder to forty (40) votes, such that the number of votes attached to the GET SA Ordinary Shares is proportionate to the amount of capital represented by the GET SA Ordinary Shares.

However, each fully paid-up GET SA Ordinary Share which has been held by the same shareholder in registered form for two years (starting from the admission of GET SA shares to trading on a regulated market) will carry a double voting right in accordance with applicable laws and regulations.

In the event of a share capital increase by incorporation of reserves, profits or share premiums, this double voting right is conferred from their date of issue to GET SA Ordinary Shares held in registered form and allocated for free to a shareholder by virtue of the existing GET SA Ordinary Shares from which he derived this right.

A merger or demerger of GET SA has no effect on the double voting right that may be exercised at shareholder meetings of the surviving companies if the by-laws of such companies so provide.

Any GET SA Ordinary Share converted into bearer form or which is transferred shall lose the double voting right conferred on it as described in the preceding three paragraphs. However, the double voting right is not lost and the time proceeds are not affected by a transfer by inheritance, liquidation of assets held jointly by spouses or *inter vivos* gifts in favour of a spouse or relative entitled to inherit.

21.2.7 Clauses that could possibly have an impact on the control of GET SA

Subject to the provisions relating to the GET SA Preferred Share, there are no provisions in the by-laws that could have the effect of delaying, deferring or preventing a change of control of GET SA.

The provisions relating to the GET SA Preferred Share that could to have an impact on the control of GET SA are set out in section 21.2.6 above and in section 16.2.1 (''Majority Rules'') of this Reference Document.

21.2.8 Identification of shareholders (Article 14 of GET SA's by-laws)

GET SA has the right to request the securities clearing house for information relating to the identification of its shareholders in accordance with applicable laws and regulations (Articles L. 228-2 *et seq.* of the French Commercial Code) as follows: their name or in the case of legal entities, their company name, nationality, address, number of shares held by each of them, any restrictions affecting the shares, the year of birth of the holder, or in the case of a legal entity, the date of its incorporation.

21.2.9 Non-compliance with the thresholds

The rules relating to the obligation declare any cases of non-compliance with thresholds pertain to the legislative and regulatory provisions in force, since there are no provisions in the Articles of Association fixing a threshold above which declarations must be made.

21.2.10 Modifications of share capital

Subject to the decisions in respect of which a qualified majority of eight members of the board of directors of GET SA is required as described in section 16.2.1 (''Majority Rules'') of this Reference Document, the share capital may be modified in accordance with applicable laws and regulations.

21.3 Dilutive effect of the NRS, the Warrants and the SDES

For a full description of the dilutive effect of the NRS, the Warrants and the SDES, please refer to section 21.1.6 of this Reference Document and notes 15 and 17 to the consolidated accounts at Annex IV of this Reference Document. For further details, please refer to chapter 9 of the SDES Securities Note.

21.4 Travel privileges

GET SA is offering to its shareholders a beneficial fare programme for Shuttle crossings. This programme offers a 30% reduction to the standard fare up to a limit of six one-way tickets (equivalent to three round-trip tickets) per year. Shareholders holding at least 750 GET SA Ordinary Shares continuously for more than three months are eligible for the programme.

22. MATERIAL CONTRACTS

22.1 The Treaty of Canterbury

The principal purpose of the Treaty of Canterbury is to authorise the construction and operation of the Fixed Link by private concessionaire companies, without the need to resort to requesting government funds.

Under the terms of the Treaty of Canterbury, the States guarantee FM and CTG, as Concessionaires, under national and EU law, freedom to determine their commercial policy, tariffs and the nature of the services they offer to customers.

The Treaty of Canterbury also includes various other provisions relating to the Fixed Link such as:

- the establishment of the IGC, to deal with all issues relating to the construction and operation of the Fixed Link in the name of the States and by express delegation of their authority;
- the establishment of the Safety Authority to advise and assist the IGC on all issues relating to the safety of the construction and operation of the Fixed Link. The Safety Authority also assists in drawing up regulations applicable to the safety of the Fixed Link and monitors compliance of such regulations with applicable national or international rules and regulations. The members of the Safety Authority are appointed on an equal basis by each of the States;
- the establishment of an arbitration tribunal to settle disputes between the States and the Concessionaires relating to the Concession Agreement;
- the taxation by the two States of profits and earnings generated by the construction and operation of the Fixed Link is governed by applicable legislation, including any double taxation treaties for the prevention of tax evasion in force between the two States and relating to direct taxes, together with any related protocols;
- compliance by the two States with the principle of non-discrimination with respect to taxes relating to charges payable by customers of other directly competing modes of crossing the Channel;
- the absence of any withholding tax by the two States on the transfer of funds and financial payments required for the operation of the Fixed Link, either between the two States, or coming from or going to other countries, other than the general taxation of payments represented by such transfers or financial payments; and
- the commitment of the States to cooperate in a number of areas, including defence, safety, policing, border controls, interpretation or application of the Treaty of Canterbury and the Concession Agreement.

22.2 The Concession Agreement

The Concession Agreement was signed on 14 March 1986 between the States and the Concessionaires, pursuant to the Treaty of Canterbury.

Initially entered into for a period of 55 years, the Concession Agreement was extended by 10 years and then 34 years by successive amendments dated, respectively, 29 June 1994 and 29 March 1999, duly ratified by legislative provisions in France and the United Kingdom. The term of the Concession Agreement was therefore extended first from 55 to 65 years, then from 65 to 99 years and expires in 2086.

Pursuant to the terms of the Concession Agreement, the Concessionaires have the right and the obligation, jointly and severally, to design, finance, construct and operate the Fixed Link, and the Concessionaires do so at their own risk and without any government funds or state guarantees whatever risks may materialise during the performance of the Concession Agreement. In particular, the Concessionaires are solely liable for any loss or damage caused to users of the Fixed Link or third parties resulting from its operation.

Accordingly, the principal obligations of the Concessionaires under the Concession Agreement are:

- to operate and maintain the Fixed Link and employ all means necessary to permit the continuous and fluid flow of traffic in safe and convenient conditions; and

- to comply with applicable laws and regulations in relation to the operation of the System and in particular in relation to customs, immigration, safety, sanitary and road transport controls and rescue services.

22.2.1 Tariffs and commercial policy

The Concessionaires are free to set their fares. National laws relating to price and fare controls by public authorities do not apply to the Fixed Link. However, these provisions are without prejudice to the application of national or EU rules relating to competition and abuse of dominant positions. The Concessionaires must not discriminate between users of the Fixed Link, notably with respect to their nationality or direction of travel. They may however adjust tariffs in accordance with normal commercial practices.

22.2.2 Role of the IGC

The IGC, established by the Treaty of Canterbury, was created to monitor, on behalf and with the authority of the States, all issues relating to the construction and operation of the System. The IGC is made up of representatives of each of the States on an equal basis.

The IGC acts as concession authority *vis-à-vis* Eurotunnel Group on behalf of the States and its duties in this regard are:

- to supervise the construction and operation of the System;
- to take decisions on behalf of the States in relation to the performance of the Concession Agreement, including the right to impose penalties on the Concessionaires in the event of a breach of their obligations under the Concession Agreement;
- to approve the proposals of the Safety Authority;
- to prepare or participate in the preparation of all regulations applicable to the System and monitor their application, including those in relation to maritime and environmental matters;
- to issue advice and recommendations concerning the States and the Concessionaires.

22.2.3 Penalties

Any failure by the Concessionaires to perform their obligations under the Concession Agreement shall entitle the States to impose penalties, but no other measure under the Concession Agreement.

If a breach is identified by the IGC, it shall inform the Concessionaires in writing, specifying the nature and subject of the breach. After the Concessionaires have been heard, the IGC may issue a formal notice to remedy the breach within a sufficiently long time period which may not be less than thirty days.

If at the end of such period, the Concessionaires have not remedied the breach identified by the IGC, it may impose a penalty on the basis of a fixed initial daily sum of between 10,000 and 100,000 ecus at 1986 values (changed to euros at a rate of one to one on 1 January 1999) and proportionate to the seriousness of the breach giving rise to the penalty.

22.2.4 Early termination of the Concession Agreement and compensation

Each party to the Concession Agreement may request the arbitration tribunal, established pursuant to the Treaty of Canterbury, to declare the termination of the Concession Agreement in exceptional circumstances, such as war, invasion, nuclear explosion or natural disaster. In such cases, in principle, no compensation, is owed to the Concessionaires. However, the States may pay the Concessionaires an amount representing the financial benefits, if any, that they may derive from such termination.

Each of the States may terminate the Concession for reasons of national defence. In such case, the Concessionaires may claim compensation under the conditions laid down in the Treaty of Canterbury. The Treaty of Canterbury specifies that such compensation shall be governed by the law of the relevant State.

Each of the States may terminate the Concession Agreement in the event of a fault committed by the Concessionaires. The Concession Agreement defines a fault as a breach of a particularly serious nature of the obligations under the Concession Agreement or ceasing to operate the Fixed Link. The States may issue a formal notice to the Concessionaires giving them a period of three months, which may be extended up to a maximum period of six months, to remedy the breach. This formal notice is also sent to the lenders which financed the construction and operation of the Fixed Link. If, within such period, the Concessionaires have not remedied the breaches complained of, the States may terminate the Concession Agreement, subject to giving prior notice to the Lenders of their right of substitution.

Any termination of the Concession Agreement by the States, other than in a situation described above, gives the Concessionaires the right to payment of compensation. Such compensation shall be for the entire direct and certain loss actually suffered by the Concessionaires and attributable to the States, within the limits of what can reasonably be estimated at the date of the termination, including the damage suffered and operating losses. To calculate this compensation, account is taken of the share of liability of the Concessionaires, if any, in the events which led to the termination.

22.2.5 Assignment and Substitution by Lenders

The Concession Agreement provides that each of the Concessionaires has the right to transfer the Concession Agreement or the rights it confers, with the agreement of the States.

In addition, upon the occurrence of one of the events set out below, and for as long as the effects of the event are ongoing, or any other action or intention that could lead to the termination of the Concession Agreement, the lenders, approved as such by the States pursuant to the Concession Agreement (the ''*Lenders*'') may request to the States that substitution be operated in favour of entities controlled by them (the ''*Substituted Entities*'') if: (i) the Concessionaires fail to pay, within any contractual grace period, any sum due and payable under the terms of the finance documents, (ii) the Concessionaires do not have and cannot procure sufficient funds to finance the forecast operating costs of the Fixed Link, and the related finance charges, (iii) it appears that the date of full and final payment of all claims of the Lenders must be postponed for a significant length of time (iv) if the Fixed Link is abandoned, suspension of payments, liquidation, enforcement of security by other creditors or similar events.

The Substituted Entities must prove to the States, at the time of the substitution, that they have sufficient technical and financial capacity to continue performance of the Concession Agreement.

The amendment to the Concession Agreement dated 29 March 1999 granted an extension to the term of the Concession Agreement for the sole benefit of the Concessionaires, such that the extension would not apply if the Lenders exercised their right of substitution.

In accordance with Article 32 of the Concession Agreement, the lenders of the Term Loan have been approved by the States as Lenders able to benefit from the right of substitution on the terms set out in the Concession Agreement.

22.2.6 Taxation and sharing of profits

Taxation and customs matters are decided by the States in accordance with the provisions of the Treaty of Canterbury. If it appears that changes in tax or customs legislation have a discriminatory effect on the Fixed Link, the relevant State will examine the issue with the Concessionaires. Furthermore, in accordance with Article 19 of the Concession Agreement, as a matter of principle the Concessionaires share equally between CTG and FM at cost price, all expenses and all revenues from the Fixed Link for the period during which they operate it. To this end, the consequences of any indirect taxation on the supply of goods or services levied only on one of the Concessionaires will be taken into account in the costs to be shared. Any equalising payment made between FM and CTG will be treated as a capital expense or a revenue payment as determined by the relevant legislation of the two States.

With respect to the period between 2052 and 2086, the Concessionaires will be obliged to pay to the States a total annual sum, including all corporate taxes of any kind whatsoever, equal to 59% of all pre-tax profits.

22.2.7 Disputes

Disputes relating to the application of the Concession Agreement must be submitted to an arbitration tribunal which will apply the relevant provisions of the Treaty of Canterbury and the Concession Agreement. Provisions of French or English law may, if necessary, be applied, if this is dictated by the performance of specific obligations under French or English law. Relevant principles of international law and, if the parties so agree, the principles of equity may be applied.

22.3 Railway Usage Contract

The Railways Usage Contract was entered into on 29 July 1987 between the Concessionaires and the Railways. It governs relations between Eurotunnel Group and the Railways and sets out the basis on which the Railways undertake and are authorised to utilise the System until the expiry of the Railways Usage Contract in 2052.

The Railways Usage Contract specifies the conditions under which the Concessionaires allow the trains of the Railways to utilise the Fixed Link from the date the Railways Usage Contract came into force until 2052, and the conditions under which the Railways shall supply certain railway infrastructure to the Concessionaires.

The Railways Usage Contract also imposes a number of obligations on the Railways, with respect to the railway infrastructure and the rolling stock they utilise to ensure a sufficient level and quality of traffic in the Tunnel.

Likewise, the Concessionaires subscribe to a number of commitments relating to maintenance of the Fixed Link.

Pursuant to the Railways Usage Contract, the Railways are authorised to utilise up to 50% of the capacity of the System per hour and in each direction, up until 2052.

Under the terms of the Railways Usage Contract, the Railways are obliged to pay the Concessionaires fixed annual charges and variable charges depending on the number of passengers travelling on Eurostar and the freight tonnage transported through the Tunnel. The variable charges are determined using a toll formula, applicable throughout the term of the Railways Usage Contract, which incorporates inflation and the adjustments to be made if certain volume thresholds are exceeded.

Until the end of November 2006, the Railways also made additional monthly payments in order to bring TNU's annual turnover under the Railways Usage Contract (excluding contributions to operating expenses) to a guaranteed minimum amount equal to the Minimum Usage Charge (for details of the consequences of the end of the Minimum Usage Charge, see paragraph 6.1.2 (c) of this Reference Document). A reduction in the amount of charges payable by the Railways is provided in the event that the Fixed Link is unavailable. Finally, under the Railways Usage Contract, the Railways have to pay a contribution to the operating costs of Eurotunnel Group.

In addition, the new strategy in respect of the relaunch of freight services announced on 23 October 2007 (described at paragraph 6.1.2 (c) ''Through Railfreight Services'' of this Reference Document) offers a simplified tariff mechanism for goods trains, with a toll per freight train instead of a toll per tonne of freight.

A substantial majority of Eurotunnel Group's revenues emanating from the Railway Services, which were 262 million euros (pro forma) in 2007, is made up of the annual fixed and variable charges as referred to above.

The Railways and Eurotunnel Group regularly exchange information for the purpose of preparing traffic forecasts. Under the terms of the Railways Usage Contract, the Railways provide Eurotunnel Group each year with traffic forecasts for six years.

With respect to operating costs, the Railways Usage Contract provides that for each reference period the Railways shall pay the Concessionaires a provisional amount in respect of the Railways' contribution to operating costs for this period. The payments are then adjusted on the basis of the real operating costs, with the final amount of the contribution being determined on the basis of a formula set out in the Railways Usage Contract.

Since the signing of the Railways Usage Contract, the Railways and TNU and then Eurotunnel Group have been in regular contact through operational, sales and accounting working groups, under the supervision of a steering committee comprised of representatives of the Railways and Eurotunnel Group.

The Railways Usage Contract is governed by French law.

In the context of the privatisation of the British railways, BRB entered into back-to-back contracts with certain entities, including Network Rail, EWS and Eurostar United Kingdom Ltd, under the terms of which BRB delegated to them operational fulfillment of some of the obligations it owes to Eurotunnel Group. As part of the agreement with the British and French governments regarding the extension of the Concession Agreement until 2086, Groupe Eurotunnel undertook, under certain conditions, to work with the entities to which fulfillment of these obligations had been delegated, to ensure the development of the passenger train services and the goods train services.

22.4 The Term Loan and ancillary agreements

For the purposes of the Reorganisation, on 20 March 2007 FM and CTG entered into the Term Loan (as modified by the amendments dated 27 June 2007, 20 August 2007, 30 November 2007, and 31 January 2008), under which credit facilities in a principal amount of £1,500 million and 1,965 million euros (the ''*Senior Facilities*'') were made available on 28 June 2007 to FM and CTG by Goldman Sachs Credit Partners L.P. and Deutsche Bank A.G. (London Branch) (together, the ''*Initial Lenders*'') in order to (i) reimburse the outstanding Historical Debt in respect of the Senior Debt, the Fourth Tranche Debt, the Tier 1A Debt, the Tier 1 Debt and the Tier 2 Debt, (ii) finance the cash payments provided for in the Safeguard Plan to the holders of the Tier 3 Debt and the Noteholders and (iii) pay the costs and expenses of the Reorganisation and certain interest due in respect of the Historical Debt.

The financing of the Senior Facilities has been arranged by Goldman Sachs International and Deutsche Bank AG (London Branch) (the ''*MLAs*'').

For the purposes of the management of the Senior Facilities, these loans were securitised on 20 August 2007.

22.4.1 Principal provisions of the Senior Facilities

- **Summary of the tranching and the financial conditions of the Senior Facilities**

The Senior Facilities made available in connection with the Term Loan offer a more flexible financing package for Eurotunnel Group than the Historical Debt and are broken down as follows:

- a tranche A1 loan denominated in sterling, bearing interest at a fixed rate linked to inflation in the United Kingdom;
- a tranche A2 loan denominated in euros, bearing interest at a fixed rate linked to inflation in France;
- a tranche B1 loan denominated in sterling, bearing interest at a fixed rate;
- a tranche B2 loan denominated in euros, bearing interest at a fixed rate;
- a tranche C1 loan denominated in sterling, bearing interest at a variable rate; and
- a tranche C2 loan denominated in euros, bearing interest at a variable rate.

The weighted average interest rate applicable to the Senior Facilities, including commission, calculated on the basis of interest and commission payable in respect of the Term Loan and the fee letter relating to the commitment letter of the MLAs dated 25 November 2006 (as amended and accepted on 16 December 2006) is estimated to be 6.36% per annum (taking into account for these purposes applicable rates as of the date of this Reference Document).

Expenditure relating to the servicing of debt under the Senior Facilities is expected to be approximately 220 million euros per annum during the first years of the loans (on the basis of interest rates applicable on the date on which the Safeguard Plan was approved), with principal repayments under the loans commencing only in June 2013. This amount is in comparison to the estimated 430 million euros in interest for 2006 and the estimated 480 million euros in interest for 2007 (calculated on the basis of provisional LIBOR and EURIBOR 3-month rates), which TNU would have paid in connection with the Historical Debt, had the Reorganisation not occured.

The credited funds expressed in sterling have been made available to CTG and those in euros have been made available to FM.

- **Repayment of the Senior Facilities**

The funds borrowed under the Senior Facilities will be repayable in accordance with their respective repayment schedules.

Repayment of the tranche A1 and tranche A2 loans will begin 11 years after the start of availability of such loans and will be completed at least 35 years after the date of signature of the Term Loan.

The repayment of tranche B1 and B2 will begin six years after the date on which the Term Loan was signed.

Repayment of the tranche C1 and C2 loans will begin respectively 39 and 34 years after the date on which such loans become available and will be completed on 30 June 2050.

- **Prepayment of the Senior Facilities**

The amounts borrowed under the Senior Facilities may be voluntarily prepaid at the instigation of the relevant borrower, subject to the payment of certain market standard prepayment premia.

The amounts borrowed under the Senior Facilities may also be subject to mandatory prepayment, under certain conditions and in certain proportions, in particular from funds arising from insurance proceeds, permitted asset transfers, expropriation of such assets, compensation under the Concession Agreement and, in certain instances, excess cash flow. The total amounts borrowed under the Senior Facilities are subject to mandatory prepayment if a person (or a group of persons acting together) reaches an ownership of GET SA Ordinary Shares representing over 50% of the capital of GET SA or carrying over 50% of the voting rights at general meeting. The threshold of 50% is based on the total diluted capital after the redemption or issue of any financial instrument granting access to this capital.

If Eurotunnel Group does not meet certain financial commitments, excess cash flow must (i) during the first years following drawdown on the Senior Facilities, be paid into a secured account set up for prepayment of amounts lent under the Senior Facilities and (ii) subsequently to be used directly for the above-mentioned prepayment until Eurotunnel meets the above-mentioned financial commitments again.

- **Undertakings and prohibitions under the Term Loan**

The Term Loan includes certain undertakings and prohibitions which are customary for a loan of its nature, in particular restrictions relating to:

- the creation or maintenance of liens over the assets of the Eurotunnel Group;
- the sale or transfer of Eurotunnel assets and the acquisition by the Eurotunnel Group of new assets; and
- the granting of loans or guarantees for the benefit of third parties.

In addition, pursuant to the terms of the Term Loan, Eurotunnel Group is required to meet the following financial covenants: on each reference date, the debt service cover ratio may not be less than 1.20 until the fifth anniversary of the funds being made available under the Senior Facilities and thereafter may not be less than 1.10. For the purposes of this test, the ratio is calculated, on a rolling 12 month period, on a consolidated basis taking into account (i) as regards the calculation of available cash flow for the servicing of debt, the borrowers and guarantors in connection with the Senior Facilities, and (ii) as regards the calculation of debt servicing, Eurotunnel Group. GET SA does not anticipate any particular difficulty with respect to the debt service cover ratio for the debt servicing for 2007.

While the Senior Facilities restricts any increase in the financial indebtedness of the Eurotunnel Group, it permits, subject to certain conditions, (i) the borrowing of revolving facilities up to a maximum amount of 75 million euros (the ''*Revolving Credit Facility*''), also permitted under the Historical Debt, and (ii) the borrowing of a structurally subordinated loan up to a maximum of £225 million (or the equivalent in euros) in order to redeem a portion of the NRS II in cash.

The Term Loan permits Eurotunnel Group to pay dividends at the interest payment date in connection with the Term Loan, provided that such dividends are paid out of excess cash flow (as defined in the Term Loan) or funds arising from an authorized disposal under the Term Loan (to the extent such funds are not required to be used for a mandatory early repayment), or to place the excess cash flow or above-mentioned funds in a special account set up to pay interest in connection with the NRS (the ''*NRS Reserve Account*'') on the condition that no default is continuing under the Term Loan and that the debt service cover ratio is not less than 1.25. For the purposes of this test, the ratio is calculated on the basis of a rolling 12 month period, on a consolidated basis taking into account (i) as regards the calculation of available cash flow for the servicing of debt, the borrowers and guarantors in connection with the Senior Facilities and (ii) as regards the calculation of debt servicing, Eurotunnel Group, (with amortisation being calculated by reference to the greater of (a) the hypothetical amortisation of the loan based on an annuity and (b) the contractual amortisation). If these conditions are not met on an interest repayment date in connection with the Term Loan, the excess cash flow and funds will be placed into an account set up for so-called ''capex'' expenditure. These amounts will only again become part of available excess cash flow capable of being used to fund interest payments on the NRS when the conditions described above are met. Amounts on the NRS Reserve Account will be able to be used to service the NRS interest at any time.

- **Event of default and acceleration**

The Term Loan contains a number of events of default which, in certain instances subject to grace periods, enable the lenders to declare the Senior Facilities immediately due and payable, to enforce the liens described below or to demand the start of the substitution mechanism provided for under the terms of the Concession Agreement and described in section 22.2.5 of this Reference Document.

The events of default include in particular:

- any failure to pay 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 (greater than a certain 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 liens 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 related 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 substantial adverse effect on the financial position of FM, CTG or Eurotunnel Group.

The Term Loan also provides that no event of default may be deemed to have occurred because of (i) the Safeguard Procedure having been initiated for the benefit of certain TNU group companies or the implementation of the Safeguard Plan, (ii) the commencement or continuation of any litigation (including any appeal thereof) prior to the closing date for the Term Loan disputing the validity of the Safeguard Procedure or the Safeguard Plan, (iii) any act or omission of any TNU group company under the Safeguard Procedure which is required by the legal provisions relating to the Safeguard Plan or which is made for the purpose of implementing the Safeguard Plan, and (iv) any failure by any TNU group company to make a payment when due where such payment has not been made solely because that company is prevented from making such payment by the legal provisions relating to the Safeguard Plan.

b) Hedging arrangements in respect of the Term Loan

FM and CTG, prior to the drawdown under the Term Loan, have each entered into various hedging arrangements in order to hedge their respective exposure to interest rate fluctuation in connection with their payment obligations under the Term Loan.

c) Intercreditor Agreement

Prior to drawdown under the Term Loan, Eurotunnel Group has entered into an intercreditor deed with its bank lenders and its intragroup creditors (the ''*Intercreditor Deed''*) pursuant to which the claims of all intragroup creditors are subordinated to the claims of the bank lenders. Payments to EGP in connection with the intragroup debt described in section 22.5 of this Reference Document, which result in particular from the transfer of the Tier 3 Debt and the Notes to EGP as part of the Safeguard Plan and which, along with the amounts paid by GET SA to EGP pursuant to the NRS Relationship Agreement, will enable EGP to pay interest due under the NRS will therefore be subordinated to the amounts due under the Term Loan and the Revolving Credit Facility.

The Intercreditor Deed also provides for the security and the guarantees described below to be held by a ''Security Trustee'' for the benefit of the lenders under the Term Loan, and, ultimately once in existence, the Revolving Credit Facility.

22.4.2 Guarantees and security relating to the Senior Facilities

- **Guarantees**

Under the Intercreditor Deed, GET SA, EGP, TNU SA, TNU PLC, FM, EFL, CTG, ESGIE, Eurotunnel SE, EurotunnelPlus Distribution SAS (now consolidated into Eurotunnel SE in accordance with the provisions described in chapter 7 of this Reference Document), Eurotunnel Services Limited and EurotunnelPlus Limited (the ''*Initial Guarantors''*) each jointly and severally guarantee the commitments made by FM and CTG, in their capacity as borrowers under the Term Loan *vis-à-vis* the Initial Lenders, the arrangers, the Agents and the hedging counterparties of the Term Loan.

The Term Loan provides that, following its execution, certain Eurotunnel Group companies (other than the Original Guarantors) will be required also to become guarantors of the Term Loan if, in particular, their contribution to the EBITDA, gross value of assets or turnover of the Eurotunnel Group increases above a specified pre-determined threshold.

In order to guarantee their obligations as borrowers under the Term Loan and guarantors under the Intercreditor Deed, the Initial Guarantors have granted security of which, unlike the security granted in connection with Historical Debt, the terms and scope will take into account the operational needs of the business of Eurotunnel Group. When compared with the Historical Debt, these functional changes will facilitate the day to day management of the Term Loan.

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

To secure their obligations as borrower under the Term Loan or guarantor under the Intercreditor Deed, the Initial Guarantors owning French assets have granted the following security:

(i) assignment of trade receivables by way of guarantee 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 of the Railway Usage Contract and out of the insurance policies;

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

(iii) a non-possessory lien over rolling stock;

(iv) a lien on all bank accounts open in France in the name of any borrower or guarantor under the Term Loan;

(v) a lien on shares in Eurotunnel Group members (with the exception of Europorte 2) held by the borrowers or guarantors under the Term Loan; and

(vi) a lien on the main Eurotunnel trademarks.

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

To secure their obligations as borrower under the Term Loan or guarantor under the Intercreditor Deed, the Initial Guarantors owning English assets have each granted 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) have been pledged by way of security for the obligations of the borrowers under the Term Loan and guarantors under the Intercreditor Deed.

22.5 NRS Relationship Agreement

On 20 March 2007, GET SA and EGP entered into a contract under English law relating to the issue of the NRS (the ''*NRS Relationship Agreement*''), pursuant to which EGP agreed to issue the NRS, upon request by GET SA, up to a specified amount, upon the terms and conditions of the NRS specified in the Securities Note. This agreement was amended and restated on 28 June 2007, and was the subject of a letter of clarification dated 10 April 2008 with effect from the date of the NRS Relationship Agreement, 28 June 2007.

In accordance with its commitments, EGP sold to GET SA on the Closing Date a portion of the receivables held by EGP in respect of TNU SA and TNU PLC resulting from the implementation of the Reorganisation, in consideration of an amount which was not paid immediately, thus giving rise to a debt owed by GET SA to EGP. In the event of bankruptcy or liquidation, GET SA's obligations in connection with this intra-group receivable are subordinated to the prior repayment of all senior debt of GET SA. The receivable accrues interest at the same rates as the receivables in respect of TNU SA and TNC PLC mentioned above, and may be repaid by the issue by GET SA, in the latter case, of GET SA Ordinary Shares to EGP or to holders of NRS by GET SA on behalf of EGP.

The GET SA Ordinary Shares to be issued on redemption of the NRS will be paid up by means of set-off against the receivable owed to EGP by GET SA created by way of the transfer of the receivables referred to above.

In the event that the amount of the receivables sold by EGP to GET SA in accordance with the terms of the NRS Relationship Agreement is not sufficient to pay up all of the GET SA Ordinary Shares to be issued upon redemption of the NRS in shares, EGP has undertaken to sell new receivables held in respect of TNU SA and TNU PLC as a result of the implementation of the Reorganisation, or, if applicable, other assets.

Under the terms of the agreement, GET SA has undertaken not to pay any dividends while any Deferred Interest remains due in respect of the NRS.

23. DOCUMENTS AVAILABLE TO THE PUBLIC

23.1 Location of the documents and information that can be consulted regarding GET SA

All of the corporate documents of GET SA to be made available to shareholders are accessible, depending on the document in question, on GET SA's website (www.eurotunnel.com), or paper copies may be consulted during normal office hours at the registered office of GET SA (19 boulevard Malesherbes, 75008 Paris).

In particular, the following may be consulted:

a) the by-laws of GET SA;

b) all reports, letters and other documents, or historical financial information of which any part is included or referred to in this Reference Document; and

c) historical financial information of GET SA for each of the two financial years prior to the publication of this Reference Document.

23.2 Annual document created pursuant to Article 222-7 of the General Regulations of the Autorité des marchés financiers

Pursuant to Article 222-7 of the General Regulations of the *Autorité des marchés financiers,* the table below was prepared by GET SA listing all public information, or information made public by GET SA, from 1 January 2007, in satisfaction of the legislative and regulatory requirements concerning financial instruments, issuers of financial instruments and markets for financial instruments.

All of the information contained in the table below can be obtained from:

a) GET SA's website (www.eurotunnel.com) for press releases, financial presentations and documents relating to the Reorganisation;

b) the website of the *Autorité des marchés financiers* (www.amf-france.org) for documents relating to the Reorganisation;

c) the website of legal and required official announcements (*Bulletin des annonces légales obligatoires*) (www.journal-officiel.gouv.fr/balo/) for information published by way of such announcement;

d) the 'Infogreffe' website (www.infogreffe.fr) for information submitted to the registry of the Commercial Court of Paris

Dates	Information
12/01/2007	Eurotunnel Group: signing of collective agreement
15/01/2007	Commercial Court of Paris approves Safeguard Plan
19/01/2007	Safeguard Plan: addendum and summary
17/01/2007	Turnover and transactions of Eurotunnel Group in 2006
05/02/2007	First phase of implementation of Safeguard Plan: election of option of cash redemption by certain Tier 3 creditors
07/02/2007	Filing of minutes of meeting held on 30 January 2007
07/02/2007	Filing of private agreement dated 30 January 2007
07/02/2007	Filing of Articles of Association as at 30 January 2007
08/02/2007	Eurotunnel Group establishes incentive and profit-sharing scheme for employees
15/02/2007	Development of Europorte 2: Eurotunnel Group acquires five new ‘Class 92’ locomotives
19/02/2007	Second phase of implementation of Safeguard Plan: subscription for NRS available to Tier 3
26/02/2007	Illegal immigrants: arbitration in favour of Eurotunnel Group
07/03/2007	Resignation of a director
07/03/2007	Operating results for 2005 and 2006 with a view to continuing operations
09/03/2007	Eurotunnel SA board meeting
13/03/2007	Filing of minutes of board meeting held on 9 March 2007
13/03/2007	Filing of minutes of shareholders’ general meeting held on 9 March 2007
13/03/2007	Filing of minutes of meeting held on 9 March 2007
13/03/2007	Filing of minutes of meeting held on 9 March 2007
13/03/2007	Filing of minutes of shareholders’ general meeting held on 9 March 2007
13/03/2007	Filing of management report dated 9 March 2007
13/03/2007	Filing of conversion auditor’s report dated 9 March 2007
13/03/2007	Filing of Articles of Association as at 9 March 2007
13/03/2007	Filing of Articles of Association as at 9 March 2007
19/03/2007	Filing of court order dated 19 March 2007
19/03/2007	Filing of court order dated 19 March 2007
23/03/2007	Safeguard Plan: new phase – proposed share exchange offer submitted to AMF
28/03/2007	Postponement of general meetings of Eurotunnel Group
29/03/2007	Eurotunnel Group receives logistical innovation award for its automatic registering system for lorries
05/04/2007	AMF approves share exchange offer of GET SA. Eurotunnel Group’s Joint Board recommends that shareholders of ESA and EPLC tender their shares to the offer
06/04/2007	Release of other information relating to Eurotunnel SA, Eurotunnel PLC and Groupe Eurotunnel SA in respect of the share exchange offer by Groupe Eurotunnel SA of Eurotunnel units, set out in the information document and the Securities Note which together constitute the prospectus required by the AMF
13/04/2007	Constitution of ENHC before launch of share exchange offer
16/04/2007	Eurotunnel Group: turnover and transactions for first quarter of 2007

Dates	Information
17/04/2007	Filing of equity auditor's report dated 16 April 2007
17/04/2007	Filing of report of the *Commissaires aux Comptes* dated 16 April 2007
20/04/2007	Information releases of Groupe Eurotunnel SA and Eurotunnel Group UK plc
24/04/2007	Information releases of Groupe Eurotunnel SA and Eurotunnel Group UK plc
26/04/2007	Competitive cluster: Eurotunnel lead manager of ambitious research development project on rail infrastructure
03/05/2007	World leader in rail 'piggy-backing', Eurotunnel Group transports on 3 May its 12 millionth truck since its shuttle service was first set up
09/05/2007	Groupe Eurotunnel SA: extension of GET SA's share exchange offer in connection with Eurotunnel Units until 21 May 2007
10/05/2007	Eurotunnel Group recovered judgment on its tax claims
15/05/2007	Additional information on terms of Term Loan
15/05/2007	Acceptance threshold of offer lowered to 50%
22/05/2007	Suspension of listing of Eurotunnel Units
25/05/2007	Preliminary results of share exchange offer of Groupe Eurotunnel SA in respect of Eurotunnel SA/Eurotunnel PLC, announced by AMF
29/05/2007	Relisting of ESA/EPLC Units
31/05/2007	Final results of initial period of share exchange offer
05/06/2007	Eurotunnel Group appoints two new directors
12/06/2007	Eurotunnel Group board of directors proposes seven directors for appointment to board of GET SA
13/06/2007	Eurotunnel Group and the independent port of Dunkirk conclude strategic rail partnership agreement
15/06/2007	Ordinary and extraordinary general meeting of Eurotunnel SA – annual general meeting of Eurotunnel PLC
21/06/2007	Final results of share exchange offer; settlement and delivery of GET SA shares on 28 June 2007; initial listing of GET SA shares on Monday 2 July 2007
25/06/2007	Appointment of director in charge of managing securities service
29/06/2007	GET SA: new financing arrangements put in place
11/07/2007	GET SA: turnover and transactions for first half of 2007
25/07/2007	Filing of excerpt of minutes of meeting held on 23 April 2007
25/07/2007	Filing of minutes of board meeting held on 26 June 2007
25/07/2007	Filing of deed dated 28 June 2007
25/07/2007	Filing of Articles of Association as at 28 June 2007
27/07/2007	Resolutions passed in general meetings of Eurotunnel SA and Eurotunnel PLC, subsidiaries of Eurotunnel SA since the share exchange offer was implemented
30/08/2007	Eurotunnel: results of first quarter of 2007 for TNU (formerly ESA/EPLC). Going concern business; pro forma operating margin (EBITDA) (note increase in margin)
06/09/2007	Rugby World Cup – a great opportunity for Eurotunnel Group
12/09/2007	GET SA designated 'investment grade' for first time

Dates	Information
20/09/2007	Eurotunnel Group, the most environmentally friendly cross-channel transport system, reinforces its commitment to sustainable development
03/10/2007	GET SA: launch of consolidated shares
10/10/2007	Notice of consolidation of class A shares
10/10/2007	Terms and conditions of consolidation of shares of GET SA
11/10/2007	Eurotunnel Group awarded the special prize at 20th anniversary event of BCI (British Construction Industry)
16/10/2007	Filing of excerpt of minutes of meeting held of 20 June 2007
18/10/2007	Turnover and transactions of Eurotunnel Group
23/10/2007	Eurotunnel: new fares for relaunch of freight services
29/10/2007	Consolidated turnover for the group (excluding tax) for third quarter of 2007
08/11/2007	GET SA rebuilds its shareholder equity in TNU SA and TNU PLC (formerly Eurotunnel SA and Eurotunnel PLC)
08/11/2007	Opinion published pursuant to Article 241-2 of the General Regulation of the *Autorité des marchés financiers*
09/11/2007	12 November 2007: consolidation of GET SA shares
15/11/2007	Filing of deed of amendment dated 20 June 2007
16/11/2007	Notice of extraordinary general meeting of TNU SA and TNU PLC as subsidiaries of GET SA with a view to rebuilding their shareholder equity
20/11/2007	Statement of transactions relating to shareholder equity
21/12/2007	Extraordinary general meeting of TNU SA and TNU PLC – approval of transactions relating to rebuilding of shareholder equity
21/12/2007	Filing of documents relating to recapitalisation of TNU by GET SA/EGP
26/12/2007	Delisting of TNU units from the Eurolist market of Euronext Paris
11/01/2008	Filing of excerpt of minutes of meeting held on 20 June 2007
11/01/2008	Filing of excerpt of minutes of meeting held on 5 October 2007
11/01/2008	Filing of excerpt of minutes of meeting held on 30 October 2007
14/01/2008	Only GET SA units are as of now listed on the Euronext Paris
15/01/2008	Turnover and transactions of Eurotunnel Group in 2007: a remarkable year
25/01/2008	Monthly information relating to total number of voting rights and shares making up the share capital of GET SA
25/01/2008	Liquidity facility – implementation and half-yearly report
01/02/2008	Terms of adjustment of ratio applicable to exercise of BSA
13/02/2008	Filing of excerpt of minutes of meeting held on 5 December 2007
13/02/2008	Filing of Articles of Association as of 5 December 2007
15/02/2008	Consolidated group turnover (excluding tax) for third and fourth quarters of 2007
20/02/2008	Launch of early redemption in cash of NRS II
21/02/2008	Filing with court registry: recapitalisation of TNU
22/02/2008	Issue and admission to listing of SDES
04/03/2008	Successful completion of first phase of the GET SA share capital increase
08/04/2008	2007 pro forma results for Groupe Eurotunnel – a profitable Group

23.3 Other information

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24. INFORMATION ON SHAREHOLDINGS

A table of shareholdings as at the date of this Reference Document is presented in Annex I of this Reference Document.

25. DEFINITIONS

Additional Ordinary Shares	means the new or existing ordinary shares of GET SA to be transferred or issued, as applicable, in the event that the SDES are held until they are redeemed for New Ordinary Shares and that the New Ordinary Shares issued upon redemption of the SDES are held until 6 March 2011;
CDI	means the shares held in the form of Crest Depositary Interests;
BRB	means the British Railways Board;
BSA	means the share warrants which will be subject to a separate securities note, which will be allocated for free to the shareholders of GET SA, and which will be admitted to trading on the Euronext Paris stock exchange and on the London Stock Exchange;
Closing Date	means 28 June 2007, the date on which all of the transactions required to complete the implementation of the Reorganisation had been completed;
Commissioners for the Execution of the Plan	means Mrs. Valérie Leloup-Thomas and Mr. Laurent Le Guernevé;
Completion	means completion of the implementation of the Safeguard Plan;
Concession Agreement	means the concession agreement dated 14 March 1986 between the States and the Concessionaires, under which the States granted to the Concessionaires the right and the obligation to design, finance, construct and operate the Tunnel for the duration of the Concession Agreement, and its amendments dated 29 June 1994 and 29 March 1999;
Concession Coordination Committee	means the joint body made up of members appointed by directors of the Concessionaires and established by the Concessionaires on 25 June 2007;
Concessionaires	means FM and CTG pursuant to the Concession Agreement;
Conditional Additional Return	means conditional additional return to be paid to the initial SDES subscribers who hold their SDES until the redemption of the SDES in New Ordinary Shares issued upon redemption of the SDES until 6 March 2007. At the option of GET SA, the Conditional Additional Return will be payable either (i) in cash based on the equivalent value of 5.4 Additional Ordinary Shares calculated on the basis of a value per Additional Ordinary Share equal to the volume weighted average price per GET SA Ordinary Share (as published on Bloomberg) during the last 20 trading days on Euronext Paris during which the ordinary shares are listed prior to 6 March 2011, or (ii) by delivery of 5.4 Additional Ordinary Shares;
CTG	means the Channel Tunnel Group Limited, an English law company wholly owned by TNU PLC;
CTRL	means the new 108 kilometre high speed rail link in England, stretching from London to the British end of the Tunnel, the second part of which came into operation on 14 November 2007;
Cyclamen	means the British government's project relating to the reinforcement of the measures against terrorism;
Debt	means the debt owed on the Term Loan;
Deferred Interests	means all unpaid interest on an NRS I or an NRS II on a given interest payment date;
E-borders	means the British British government's project relating to the reinforcement of border control;

EFL	means Eurotunnel Finance Limited, an English law company owned 79% by TNU PLC and 21% by FM;
EGP	means Eurotunnel Group UK plc, an English law company wholly owned by GET SA, with the exception of the EGP Preferred Share;
EGP Preferred Share	means the preferred share of EGP held by ENHC, with a nominal value of £1 each;
ENHC	means Eurotunnel NRS Holding Company, a company referred to as XCo in the Safeguard Plan and that was incorporated in order to group the interests of TNU's creditors having received or subscribed for NRS in connection with the Reorganisation and that holds the GET SA Preferred Share and the EGP Preferred Share;
ENHC Deferred Shares	means the shares with restricted economic rights that were issued by ENHC as described in chapter 21 of this Reference Document;
ENHC Ordinary Shares	means the class A ordinary shares of ENHC which are held by creditors of TNU having received or subscribed for the NRS;
ERTMS	means the European Rail Traffic Management System;
ESGIE	means Eurotunnel Services GIE;
ESL	means Eurotunnel Services Limited;
Eurostar	means the brand name used by the SNCF, Eurostar UK Ltd and the SNCB for the joint operation of the high speed passenger rail services which they operate between the United Kingdom and continental Europe;
Eurotunnel Group	means the group of companies comprising GET SA and its subsidiaries (including EGP, TNU SA and TNU PLC) following the implementation of the Reorganisation;
EWS	means the English Welsh & Scottish Railways;
Fixed Link	means the fixed link across the Channel;
FLOR	means First Line of Response (emergency service);
FM	means France Manche SA, a French law company which is wholly owned by TNU SA;
Freight Shuttle Services	means Eurotunnel Group's freight service, which provides for the transport of trucks on Shuttles between the United Kingdom and France;
Freight Shuttles	means the Shuttles used by Eurotunnel Group for the Freight Shuttle Services;
GET SA	means Groupe Eurotunnel SA;
GET SA Ordinary Shares	means the class A ordinary shares of GET SA admitted to listing and trading on the Euronext Paris stock exchange;
GET SA Preferred Share	means the class B preferred share of GET SA held by ENHC;
GET SA Preferred Share Committee	means the committee made up of representatives of ENHC in its capacity as holder of the GET SA Preferred Share which will be set up to assist ENHC in the exercise of its voting rights and following the implementation of the different elements of the Safeguard Plan;

Governmental Entity	means any supra-national, national, state, municipal or local government or authority (including any subdivision, court, administrative agency or commission or other body) or any quasi-governmental or private body exercising any regulatory, tax, customs or other governmental or quasi-governmental authority, in each case of France, the United Kingdom or emanating from European Union authorities;
Historical Debt	means the total financial debt of TNU SA, TNU PLC and their subsidiaries before the implementation of the Reorganisation described in chapter 5 of this Reference Document of a principal amount as at 30 September 2006 of 9,073 billion euros;
IGC	means the intergovernmental commission, to which the British and French governments appoint an equal number of members and which is established pursuant to the Treaty of Canterbury and the Concession Agreement in order to supervise the construction and operation of the System on behalf of the States;
Information Documents	means the set of English language documents to be provided to the members of the GET SA Preferred Share Committee;
Lift-On/Lift-Off	means the top-loading method using a crane (for mobile containers and crates), otherwise known as ''leverage'';
Joint Board	means the joint board of directors of CTG, FM, TNU SA and TNU PLC formed in accordance with the provisions of a Partnership Agreement dated 13 August 1986 and made up of the directors of TNU SA and TNU PLC, which was replaced by the Concession Coordination Committee as from 25 June 2007;
Judicial Administrators	means Mr. Laurent Le Guernevé and Mr. Emmanuel Hess;
MUC	means the additional monthly payments that the Railways were obliged to pay to Eurotunnel Group until November 2006 under the terms of the Railways Usage Contract;
New Ordinary Shares	means the new ordinary shares of GET SA that must be issued in redemption of the SDES and, if applicable, with respect to the payment of the SDES Return in new ordinary shares;
Non-consolidated Ordinary Shares	means the ordinary shares of GET SA which were not consolidated during the consolidation which begun on 12 November 2007, and which are listed on the delisted securities segment with the code ISIN FR0010452433 until 13 May 2008;
Noteholders	means the holders of the Notes;
Notes	means the Resettable Bonds, the Participating Loan Notes and the Stabilisation Notes;
NRS	means the notes redeemable in GET SA Ordinary Shares issued by EGP pursuant to the Safeguard Plan and described in the Securities Note;
NRS I	means the first series of NRS divided into three tranches: T1, T2 and T3;
NRS II	means the second series of NRS comprising one single tranche;
Offer	means the offer made by GET SA in France, the United Kingdom and Belgium to holders of Units to exchange their Units for GET SA Ordinary Shares and Warrants;
Offer Document	means the joint offer document of GET SA, TNU SA and TNU PLC relating to the Offer;

Participating Loan Notes	means the debt securities issued by FM and EFL on 7 April 1998, pursuant to the Participating Loan Note Constituting Trust Deed dated the same date;
Passenger Shuttle Services	means Eurotunnel Group's passenger service, which provides for the transport of cars, caravans, coaches, motorcycles and trailers on Shuttles between the United Kingdom and France;
Passenger Shuttles	means the Shuttles used by Eurotunnel Group for the Passenger Shuttle Services;
Proposed Safeguard Plan	means the proposed safeguard plan sent to the creditors of TNU on 31 October 2006 together with the addendum dated 24 November 2006;
Railways	means, together, the SNCF and the BRB;
Railway Services	means the services provided by Eurotunnel Group to other railway companies, such as Eurostar, the SNCF and EWS;
Railway Usage Contract	means the railway usage contract dated 29 July 1987 between the Concessionaires and the Railways, governing the relationship between Eurotunnel Group and the Railways and setting out the basis upon which the Railways will use the System until the expiry of the Railway Usage Contract in 2052;
Recapitalisation Transactions of TNU SA and TNU PLC	means the recapitalisation transactions of TNU SA and TNU PLC undertaken on 21 December 2007, as described in chapter 5 of this Reference Document;
Reference Document	means this reference document relating to GET SA;
Registration Document	means the registration document registered by the *Autorité des marchés financiers* on 21 March 2007 under the number i.07-021;
Reorganisation	means all of the transactions associated with the reorganisation of TNU and the restructuring of the Historical Debt in accordance with the provisions of the Safeguard Plan;
Resettable Bonds	means the debt securities issued by FM and EFL on 15 May 2006 pursuant to the Resettable Bond Constituting Trust Deed dated the same date;
Roll-On/Roll-Off	means the method of horizontal loading (for trucks and trailers), otherwise known as ''roulage'';
Safeguard Plan	means the Proposed Safeguard Plan approved by the committees of the credit institutions and suppliers of TNU on 27 November 2006, by the Noteholders on 14 December 2006 and by the Commercial Court of Paris on 15 January 2007;
Safeguard Procedure	means the safeguard procedure opened in respect of 17 TNU group companies on 2 August 2006 and for the avoidance of doubt, companies with no trading activity, non-operating companies and companies which are not guarantors under the credit agreements were not included in the Safeguard Procedure;
Safety Authority	means the authority established pursuant to the Treaty of Canterbury and the Concession Agreement to advise and assist the IGC on all matters concerning the safety of the construction and operation of the System;
SDD	means security and sustainable development;
SDES	means the subordinated deferred equity shares which shall be admitted to official listing and trading on the regulated market of the Luxembourg Stock Exchange;

SDES Return	means the return on the SDES which will be payable in one installment on 6 September 2009 and will be comprised of (i) the issue and allocation to SDES holders of three New Ordinary Shares per SDES, or (ii) at the option of GET SA, the payment in cash of interest calculated at an annual rate of 2% (within the limit of the amount of available cash flow within GET SA, provided that in that such cash flow is insufficient, the return on the SDES will be paid in whole or in part in the manner specified in (i) above).
SDES Securities Note	means the securities note relating to the SDES issued as part of the Reorganisation approved by the *Autorité des marchés financiers* on 20 February 2008 under number 08-032, with exception of Annex I.
Securities Note	means the securities note relating to the GET SA Ordinary Shares, the NRS and the Warrants issued as part of the Reorganisation approved by the *Autorité des marchés financiers* on 4 April 2007 under number 07-113;
Short Straits	means any passenger or freight link connecting Dover, Folkestone or Ramsgate to Calais, Boulogne-sur-Mer, Ostende or Dunkirk;
Shuttle Services	means the Freight Shuttle Services and the Passenger Shuttle Services;
Shuttles	means the shuttles used by Eurotunnel Group for the Freight Shuttle Services and the Passenger Shuttle Services;
SMS	means Safety Management System;
SNCB	means the Société Nationale des Chemins de Fer Belges;
SNCF	means the Société Nationale des Chemins de Fer Français;
SPAD	means Signal Passed at Danger;
Stabilisation Notes	means the debt securities issued by FM and EFL in July 2002, December 2003, January 2004 and May 2006 pursuant to the Stabilisation Note Constituting Trust Deed dated 7 April 1998;
States	means the French Republic and the United Kingdom of Great Britain and Northern Ireland;
Substitution Right	means the substitution right described in section 22.2.5 of this Reference Document;
System	means the system made up of the Tunnel together with the related terminals, fixed equipment and annex buildings;
Term Loan	means the term loan entered into as part of the Safeguard Plan, the principle terms of which are described in section 22.4.1 of this Reference Document;
Tier 3 Cash Option Provider	means the Tier 3 debt holders who, in order to allow for the exercise of the Tier 3 cash option, the subscription in cash of the NRS issued in favour of the Tier 3 debt holders in accordance with the Safeguard Plan;
Tier 3 Cash Option Providers' Agreement	means the agreement dated 30 January 2007 between the Tier 3 Cash Option Providers, GET SA, EGP, TNU SA, and TNU PLC relating to the financing of the Tier 3 cash option;
Through Railfreight Services	means the freight services between the United Kingdom and continental Europe operated by railway companies such as the SNCF and EWS;
TNU	means the group of companies comprising TNU SA, TNU PLC and their respective subsidiaries as at the date of this Reference Document;
TNU PLC	means TNU PLC (formerly Eurotunnel PLC);
TNU SA	means TNU SA (formerly Eurotunnel SA);

Treaty of Canterbury	means the Treaty between France and the United Kingdom, signed on 12 February 1986 and ratified on 29 July 1987, authorising the construction and operation by private concessionaires of the Fixed Link;
Tunnel	means the two rail tunnels and the service tunnel under the English Channel;
Units	means the units representing shares of TNU SA and TNU PLC;
Unredeemed NRS II	means the amount of NRS in the second series of NRS which remain in circulation after the early partial redemption in cash of the NRS II on 10 April 2008;
Warrants	means the warrants to subscribe for GET SA Ordinary Shares described in the Securities Note.

ANNEX I TABLE OF SHAREHOLDINGS AS AT 31 DECEMBER 2007

Over the course of financial year 2007, GET SA did not acquire shareholdings in any French company.

Company name	Registered office	Country	Activities	Holding company[3]	Subsidiaries[3]	TOTAL[3]
Cheriton Leasing Limited	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Financing		99.32	99.32
Cheriton Resources 1 Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 2 Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 3 Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 6 Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 7 Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 8 Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 9 Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 10 Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 11 Limited	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 12 Limited	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Financing		99.32	100

(1) *Following the sale of assets owned by Port Maritime Security International Limited in 2006, the company changed its name to Cheriton Resources 17 Limited.*

(2) *These companies did not undertake any significant activities in 2007.*

(3) *Excluding shares held by directors.*

(4) *From 1 January 2008, the business of each of the subsidiaries EurotunnelPlus Distribution SAS, EurotunnelPlus SAS, EurotunnelPlus SL and EurotunnelPlus GmbH was transferred to Eurotunnel SE. It is expected that the transfer of EurotunnelPlus B.V. will take place during 2008. Before these transactions, FM transferred to Eurotunnel SE all of the shares of EurotunnelPlus Distribution. These transfers were achieved by a universal transfer of the assets and liabilities for EurotunnelPlus Distribution which had previously received the assets and liabilities of EurotunnelPlus SAS and EurotunnelPlus SL on 1 January 2008 by way of a universal transfer of the assets and liabilities and through an asset transfer between EurotunnelPlus GmbH and Eurotunnel SE on 11 January 2008.*

Company name	Registered office	Country	Activities	Holding company(3)	Subsidiaries(3)	TOTAL(3)
Cheriton Resources 13 Limited(2)	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Financing		99.32	99.32
Cheriton Resources 14 Limited	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Financing		99.32	99.32
Cheriton Resources 15 Limited(2)	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Financing		99.32	99.32
Cheriton Resources 16 Limited(2)	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Cheriton Resources 17 Limited(1)(2)	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Eurotunnel Agent Services Limited (formerly Cheriton Resources 20 Limited)(2)	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Eurotunnel Developments Limited(2)	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Property development		99.32	99.32
Eurotunnel Finance Limited	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Structured finance		99.32	99.32
Eurotunnel Group UK Plc	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Financing	100		100
EurotunnelPlus Limited	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Purchase, sale, distribution and marketing of Eurotunnel Group tickets		99.32	99.32
Eurotunnel Services GIE	19 boulevard Malesherbes, 75008 Paris France	France	Management of staff in France		99.32	99.32
Eurotunnel Services Limited	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Management of UK staff		99.32	99.32

Company name	Registered office	Country	Activities	Holding company[3]	Subsidiaries[3]	TOTAL[3]
Eurotunnel Trustees Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
France Manche SA	19 boulevard Malesherbes, 75008 Paris France	France	Operation of the Channel Tunnel		99.32	99.32)
Gamond Insurance Company Limited	Maison Trinity Trinity Square St Peter Port Guernsey Channel Islands	Guernsey	Insurance		99.32	99.32
London Carex Limited (formerly Cheriton Resources 5 Limited)[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Le Shuttle Holidays Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	None		99.32	99.32
Orbital Park Limited[2]	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Property development		99.32	99.32
The Channel Tunnel Group Limited	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Operation of the Channel Tunnel		99.32	99.32
Europorte 2 SAS	37 rue des Mathurins 75008 Paris France	France	Railways operator		99.32	99.32
Eurotunnel SE[4]	13 Rue Lens 1000 Brussels Belgium	Belgium	Centralising, management, development and sale of freight tickets		99.32	99.32
TNU SA	19 boulevard Malesherbes, 75008 Paris France	France	Parent of concessionary companies	9.11	90.21	99.32
TNU PLC	UK Terminal Ashford Road Folkestone Kent CT18 8XX United Kingdom	United Kingdom	Parent of concessionary companies	9.11	90.21	99.32

ANNEX II SPECIAL REPORT OF THE *COMMISSAIRES AUX COMPTES* ON THE REGULATED AGREEMENTS AND UNDERTAKINGS

This is a free translation into English of the Commissaires aux Comptes' report issued in French and is provided solely for the convenience of English speaking users. The Commissaires aux Comptes' report includes information specifically required by French law in such reports, whether modified or not. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Groupe Eurotunnel SA

Year ended 31 December 2007

Ladies and gentlemen,

In our capacity as the *Commissaires aux Comptes* of your company, we hereby submit to you our report dealing with regulated agreements and undertakings.

As provided for by section L. 225-40 of the French code of commercial law, we have been duly informed of the regulated agreements and undertakings which have been subject to prior authorisation by your Board of Directors.

We are responsible, not for searching to identify any other regulated agreements and undertakings, but for communicating to you, based on the information with which we have been provided, the essential characteristics of those agreements and undertakings of which we have been informed, without expressing any opinion as to their justification or utility. As provided for by section R. 225-31 of the French code of commercial law, you are then free to judge as to the usefulness of those agreements and undertakings before deciding whether to approve them.

We have performed our examination in accordance with the professional standards applicable in France, which require that we implement procedures designed to verify the agreement of the information provided to us with the source documents on which it is based.

Agreements and undertakings authorised during the year

- **NRS Relationship Agreement between GET SA and EGP**

On 20 March 2007, GET SA and EGP entered into an agreement governed by English law, relating to the issue of NRS (the ***NRS Relationship Agreement***), under which EGP undertook to issue NRS as directed by GET SA. As agreed, EGP, on the stipulated date of performance, transferred to GET SA part of its receivables owed by TNU SA and TNU PLC, arising in the context of the recovery plan, for consideration which was not immediately paid and which therefore resulted in the recognition of an amount receivable by EGP from GET SA. In the event of receivership or liquidation proceedings, GET SA's payment obligation in respect of this intragroup amount is subordinated to the prior repayment of all of GET SA's senior debt. The amount is subject to the same rates of interest as EGP's receivables owed by TNU SA and TNU PLC already mentioned, and it may be repaid by GET SA by remitting ordinary shares in GET SA to EGP or to the bearers of NRS, in which latter case GET SA would be deemed to be acting on behalf of EGP.

The GET SA Ordinary Shares to be issued at the time of repayment of the NRS will be paid for by offset against the abovementioned amount receivable by EGP from GET SA.

In the event of the amount of the receivables already transferred by EGP to GET SA, in accordance with the abovementioned agreement, proving inadequate to pay for the total number of GET SA Ordinary Shares to be issued at the time of repayment in shares of the NRS, EGP has undertaken to transfer to GET SA additional receivables owed to it by TNU SA and TNU PLC and arising from the Reorganisation or, if necessary, other assets.

Finally, this agreement also stipulates that GET SA has undertaken not to pay any dividend for so long as any Deferred Interest (as defined by the NRS Relationship Agreement) remains payable in respect of the NRS.

As required by the provisions of section L. 225-42 of the French code of commercial law, the terms of the NRS Relationship Agreement were submitted for ratification by shareholders at their annual general meeting of

23 April 2007 and on the basis of the special report of the *Commissaires aux Comptes* setting out the circumstances as a result of which it had not been possible to respect the normal procedure of prior authorisation.

For the purposes of the closing of the abovementioned agreement, and given the various contracts restructuring intragroup debt which were authorised as regulated agreements in June 2007, the NRS Relationship Agreement was amended and re-signed on 28 June 2007 i.e. on the actual closing date. The agreement had previously been subject to a letter of clarification dated 10 April 2008 which took effect on the closing date.

As, at the Board meeting of 7 April 2008, all the directors of GET SA were also directors of EGP, the other party to the amended and re-signed NRS Relationship Agreement and to the letter of clarification, none of them were in a position to vote in respect of the authorisation required in accordance with the provisions of section L. 225-40 of the French code of commercial law. As required by section L. 225-42 of the French code of commercial law, the terms of the NRS Relationship Agreement must therefore be submitted for ratification by shareholders at their meeting of 27 June 2008.

The receivables transferred by EGP to GET SA, under these agreements and in respect of the amended bond issue, amount to €33,686,745. As at 31 December 2007, the corresponding accrued interest amounted to €4,757,690.

- **Deed of indemnity in favour of Law Debenture Trustees Limited**

On 26 June 2007 EGP, FM SA and Law Debenture as principals, and GET SA, EPLC, ESA, CTG, Eurotunnel Plus Limited and Eurotunnel Plus Distribution SAS as guarantors, entered into a deed of indemnity for the benefit of Law Debenture in respect of any expenditure liable to be incurred by Law Debenture within the framework of the recovery plan and associated transactions in securities. The deed of indemnity was modified by an addendum signed on 2 October 2007.

As the directors of GET SA were all, directly or indirectly, directors of the other Eurotunnel Group companies subscribing to the deed of indemnity for the benefit of Law Debenture, none of them were in a position to vote in respect of the authorisation required in accordance with the provisions of section L. 225-40 of the French code of commercial law and the Board was thus not able to take a valid decision in respect of the said deed of indemnity. As required by section L. 225-42 of the French code of commercial law, the terms of the deed of indemnity for the benefit of Law Debenture must therefore be submitted for ratification by shareholders at their meeting of 27 June 2008.

This agreement did not have any impact for GET SA's financial statements for 2007.

<u>Agreements and undertakings previously approved and which remained in force</u>

As required by section R. 225-30 of the French code of commercial law, we were informed that the following agreements and undertakings, approved during prior years, remained in force during the current year.

- **Deed of indemnity for the benefit of Calyon, HSBC Bank Plc and Clemet SAS**

On 28 June 2007, GET SA, FM SA, CTG and EGP entered into a deed of indemnity for the benefit of the abovementioned Agents in order to relieve them from any liability in the event of actions brought against them as a result of their instructing the Security Trustees to relinquish certain sureties.

This agreement did not have any impact for GET SA's financial statements for 2007.

The agreement was authorised by the Board of Directors at its meeting on 26 June 2007.

- **Agreement between creditors**

The Long-Term Loan provided for GET SA to enter into an Agreement between Creditors, namely an agreement with both GET SA's bank and intragroup creditors. Under this agreement, GET SA was required to counter-guarantee both the obligations of the Borrowers under the Long-Term Loan and those of the guarantors in respect of the Agreement between Creditors, up to the amounts due or liable to be due in principal, interest, interest for late payment, commissions, fees, compensation and incidental or other costs of whatever nature. The Agreement between Creditors further provides that the said counter-guarantee accrues to the Security Trustee for its own benefit and for that of the lenders, the arrangers, the Credit Agent and the parties to any hedging arrangements for the Long-Term Loan. GET SA has also undertaken to pay the Security Trustee all amounts due by GET SA as a guarantor of the Creditor Documents and under its other commitments towards the other Secured Creditors (namely for the Parallel Debt). The Agreement between Creditors further provides for the intragroup creditors to be subordinated to the bank creditors. GET SA, Eurotunnel Group UK Plc, TNU SA, TNU PLC, France Manche SA, Eurotunnel Finance Limited, The Channel Tunnel Group Limited, Eurotunnel Services GIE, Eurotunnel SE, EurotunnelPlus Distribution SAS, Eurotunnel Services Limited and EurotunnelPlus Limited (with GET SA, the Initial Guarantors) have all provided counter-guarantees under the Agreement between Creditors.

This agreement was ratified by shareholders at the Annual General Meeting held on 20 June 2007. It did not have any impact for GET SA's financial statements for 2007.

Drawn up in Courbevoie and La Défense on 11 April 2008

The *Commissaires aux Comptes*

KPMG AUDIT	Fabrice ODENT
MAZARS ET GUERARD	Thierry de BAILLIENCOURT

ANNEX III COMBINED ACCOUNTS OF TNU (FORMERLY EUROTUNNEL) FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2006 AND 2005

2006 Combined Accounts

Abbreviations and definitions

The following abbreviations and definitions are used for convenience throughout this Annex:

"**CLL**" – Cheriton Leasing Limited.

"**CRL**" – Cheriton Resources Limited companies.

"**CTG**" – The Channel Tunnel Group Limited, the UK concessionaire.

"**EDL**" – Eurotunnel Developments Limited.

"**EFL**" – Eurotunnel Finance Limited.

"**EPLC Group**" – Eurotunnel P.L.C. and its subsidiaries.

"**EPLC**" – Eurotunnel P.L.C.

"**ESA Group**" – Eurotunnel SA and its subsidiaries.

"**ESA**" – Eurotunnel SA.

"**ESGIE**" – Eurotunnel Services GIE.

"**ESL**" – Eurotunnel Services Limited.

"**ETRL**" – Eurotunnel Trustees Limited.

"**ETSE**" – Eurotunnel SE.

"**Eurotunnel Group**"/"**Eurotunnel**"/"**the Group**" – Eurotunnel P.L.C., Eurotunnel SA and their subsidiaries.

"**FLF**" – Fixed-Link Finance BV.

"**FLF2**" – Fixed-Link Finance 2 BV.

"**FM**" – France Manche SA, the French concessionaire.

"**GICL**" – Gamond Insurance Company Limited.

"**LSH**" – Le Shuttle Holidays Limited.

"**OPL**" – Orbital Park Limited.

"**Partnership**" – The partnership between FM and CTG, where the partners have equal holdings.

"**Project**" – The Fixed Link as defined in the Treaty and the Concession Agreement.

"**TJDH**" – Tunnel Junior Debt Holdings Limited.

Exchange rates

References in this Annex to "£" are to sterling and references to "€" are to euros. The exchange rates used in the preparation of the accounts are explained in the notes thereto.

Approval of the Combined Accounts

At the date on which the 2006 Combined Accounts were approved by the Joint Board, the 2005 accounts (approved by the Joint Board on 6 March 2007), had not been submitted to the shareholders for approval.

On 22 December 2006, the Paris Commercial Court authorised Eurotunnel SA to extend the deadline for sending out notices of its general meeting to approve the 2005 accounts until 31 March 2007.

The Combined Accounts for the year to 31 December 2006 were approved by the Joint Board on 6 March 2007, and will be submitted for shareholders' approval at the same general meeting.

COMBINED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

(£'000)	Notes	2006	2005
Revenue	3	567,600	541,464
Operating expenses		149,459	144,339
Employee benefit expense	4, 5	83,116	97,834
Depreciation	6	115,263	146,602
Trading profit		**219,762**	**152,689**
Impairment of property, plant and equipment	6	–	1,750,000
Other operating income and (expenses)	7	4,821	(27,663)
Operating profit/(loss)		**224,583**	**(1,624,974)**
Income from cash and cash equivalents		3,747	5,414
Cost of servicing debt (gross)	8	336,777	339,587
Net cost of financing and debt service		**333,030**	**334,173**
Other financial income and (charges)	9	(34,256)	(12,225)
Income tax expense	10	178	31
Loss for the year		**(142,881)**	**(1,971,403)**
Loss per Unit (in pence)*	11	(5.6)	(77.4)

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

COMBINED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2006

(£'000)	2006	2005
Foreign exchange translation differences	61,062	83,761
Impact of termination of hedging contracts	33,336	–
Movement in fair value of hedging contracts	41,232	37,169
Net income recognised directly in equity	**135,630**	**120,930**
Loss for the year	(142,881)	(1,971,403)
Total recognised income and expense for the year	**(7,251)**	**(1,850,473)**

The notes on pages **[●]** to **[●]** form part of these Combined Accounts.

COMBINED BALANCE SHEET AT 31 DECEMBER 2006

(£'000)	Notes	31 December 2006	31 December 2005
ASSETS			
Property, plant and equipment			
Concession property, plant and equipment	6	4,975,250	5,077,946
Other property, plant and equipment	6	25	30
Non-current financial assets			
Shares		78	2,135
Other financial assets	14	3,114	114,048
Total non-current assets		**4,978,467**	**5,194,159**
Inventories	12	44	773
Trade receivables	13	50,874	42,288
Other receivables		28,919	19,419
Other financial assets	14	1,948	14,261
Cash and cash equivalents	15	189,499	118,444
Total current assets		**271,284**	**195,185**
Total assets		**5,249,751**	**5,389,344**
EQUITY AND LIABILITIES			
Issued share capital	16	285,406	285,400
Share premium account	16	2,368,397	2,368,389
Other reserves	18	3,483	(71,085)
Retained earnings	18	(4,053,818)	(2,082,674)
Loss for the year	18	(142,881)	(1,971,403)
Cumulative translation reserve	2.a.iv, 18	224,210	163,148
Total equity		**(1,315,203)**	**(1,308,225)**
Retirement benefit obligations	19	14,588	16,674
Financial liabilities	20	–	6,155,585
Other financial liabilities	14	3,025	113,934
Total non-current liabilities		**17,613**	**6,286,193**
Provisions	17	77,493	19,405
Financial liabilities	20	6,307,269	97,311
Other financial liabilities	14	1,948	14,261
Interest rate derivatives	20c	–	101,258
Trade payables	21	143,706	162,257
Other payables	21	16,925	16,884
Total current liabilities		**6,547,341**	**411,376**
Total equity and liabilities		**5,249,751**	**5,389,344**

The notes on pages **[●]** to **[●]** form part of these Combined Accounts.

COMBINED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

(£'000)	Notes	2006	2005
Loss for the year		(142,881)	(1,971,403)
Income tax expense		178	31
Other financial (income) and charges		34,256	12,225
Net cost of financing and debt service		333,030	334,173
Other operating (income) and expenses		(4,821)	27,663
Impairment of property, plant and equipment		–	1,750,000
Depreciation		115,263	146,602
Trading profit before depreciation		**335,025**	**299,291**
Exchange adjustment*		(2,682)	588
Decrease in inventories		729	1,386
Increase in trade and other receivables		(7,291)	(5,467)
Increase/(decrease) in trade and other payables		16,975	(16,369)
Net cash inflow from trading		**342,756**	**279,429**
Other operating cash flows		(24,766)	(47,455)
Taxation		(55)	(31)
Net cash inflow from operating activities		**317,935**	**231,943**
Payments to acquire property, plant and equipment		(12,657)	(27,456)
Sale of property, plant and equipment		3,310	11,434
Net cash outflow from investing activities		**(9,347)**	**(16,022)**
Interest received on cash and cash equivalents		3,454	5,673
Interest paid on bank debt		(198,030)	(230,739)
Interest paid on hedging instruments		(45,239)	(56,458)
Interest received on hedging instruments		4,350	8,607
Other interest paid		–	(254)
Other interest received		59	–
Debt repayments		(1,992)	(2,750)
Net cash outflow from financing activities		**(237,398)**	**(275,921)**
Increase/(decrease) in cash in year	**15c**	**71,190**	**(60,000)**

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

The notes on pages **[•]** to **[•]** form part of these Combined Accounts.

NOTES

1 ACTIVITIES AND IMPORTANT EVENTS

EPLC, ESA and their subsidiaries collectively make up Eurotunnel. Between them, the Eurotunnel Group companies have as their objects the design, financing, construction and operation of the Fixed Link, under the terms of the Concession.

a. Important events

Eurotunnel's 2006 revenues totalled £568 million, a 5% increase on the previous year. This increase in revenues occurred in the context where the company no longer seeks volumes as a priority and where the number of trucks and cars travelling onboard the shuttles was stable compared to the previous year.

Revenue from the operation of the shuttles which link Folkestone in the UK to Coquelles in France carrying trucks or tourist vehicles is the principal driver behind this growth; their revenue growing by 7% to £318 million in 2006, compared to £295 million in 2005:

- The Passenger Shuttle service accounted for a significant portion of this growth, with the new pricing policy proving well suited to developments in this market. The policy is helping to win and retain customers in the most valuable segments.
- Truck transportation remains Eurotunnel's spearhead, and continued to generate the majority of Shuttle service revenue. Truck revenues increased by 7%, due in particular to the decision to stop using intermediaries to market the service.

Revenues from the Railways are slightly higher (+2%) at £240 million. They include payments due under the Minimum Usage Charge (MUC), £65 million for 11 months of 2006. The ending of this arrangement on 30 November 2006 has deprived Eurotunnel of £6 million of revenue compared with 2005.

Eurotunnel's financial position

On 13 July 2006, the Joint Board decided to ask the Paris Commercial Court to place the company under its protection as part of a Safeguard Procedure (defined by French law 2005-845 of 26 July 2005). The Paris Commercial Court opened the Safeguard Procedure for 17 Eurotunnel companies on 2 August 2006.

In accordance with applicable laws, the Safeguard Procedure ended the alert procedure initiated by the *Commissaires aux Comptes* on 6 February 2006.

On 2 August 2006, Calyon and HSBC Bank plc, as the Agent Bank under the Credit Agreements, served notice of a default event relating to the Senior Debt, Fourth Tranche Debt, Tier 1A Debt, Tier 1 Debt, Tier 2 Debt and Tier 3 Debt, although they did not demand accelerated payment of the corresponding debts.

On 26 October 2006, the Joint Board approved, in accordance with the Safeguard Law, the terms of a Proposed Safeguard Plan devised by the company with the support of court-appointed judicial administrators and creditor representatives. The main aspects of this plan, the aim of which is to reduce debt by 54%, are as follows:

- The creation of a new parent company, Groupe Eurotunnel SA (GET SA), which will make a Tender Offer for Eurotunnel Units;
- The restructuring of the current £6.3 billion debt through the refinancing or restructuring of the various debt components. This will involve a new loan of £2.84 billion from an international banking consortium and the issue by GET SA of £1.275 billion of notes redeemable in shares (NRS). These NRS are redeemable in GET SA shares for a maximum term of three years and one month. 61.7% of these NRS are redeemable early in cash by the issuer;

- Current holders of Eurotunnel Units who tender their Units to the Tender Offer will, if they tender all their Units to the Offer and depending on how many NRS are redeemed in cash, receive at least 13% of GET SA's capital. They will be able to subscribe NRS up to a maximum nominal amount of £60 million and will receive share warrants exercisable at nominal value as part of the Tender Offer. They will also benefit from certain travel privileges.

On 18 December 2006, Eurotunnel's Joint Board approved the financing proposals for the Safeguard Plan drawn up by a consortium made up of Goldman Sachs and Deutsche Bank, which has since been joined by Citigroup. These proposals allow the Proposed Safeguard Plan to be financed in full through:

- A long-term loan of £1.5 billion and €1.965 billion, equal to a total of £2.84 billion, in the form of a traditional bank loan with a term of between 35 and 43 years depending on the tranche;
- The underwriting of the sterling- and euro-denominated NRS allotted to Tier 3 debt-holders in an amount equivalent to £965 million, allowing these debt-holders to receive cash instead of NRS if they so desire.

These proposals leave additional debt capacity of £225 million, allowing certain NRS to be redeemed in cash if required.

In its judgements dated 15 January 2007, the Paris Commercial Court approved the Proposed Safeguard Plan presented by Eurotunnel. Two Commissioners for the Execution of the Plan were appointed for a maximum term of 37 months.

More detailed financial and legal information about the Safeguard Plan is provided at the end of this note.

Safeguard Procedure: consequences on the financial statements and forecast cash flow in 2007

- *Impact on debt*

The execution of the Safeguard Plan will lead to the restructuring of the current debt. As a result, medium- and long-term debt (non-current financial liabilities) has been reclassified as short-term debt (current financial liabilities).

- *Cancellation of interest-rate hedging contracts*

In October 2006, the Court-appointed representatives (*Administrateurs Judiciaires*) terminated the hedging contracts. Eurotunnel recorded the unwinding of these transactions and has accounted for the amounts due to the parties to these contracts under the Safeguard Plan.

- *Other operating expenses*

Costs of £89 million have been accounted for relating to the Safeguard Procedure and to the financial restructuring.

- *Impact on the cash position in 2006*

As part of the Safeguard Procedure, the payment of £26 million of trade, tax and employment-related liabilities relating to the period prior to 2 August 2006 has been suspended. £75 million of debt service payments have also been suspended.

- *Forecast cash flow in 2007*

Based on forecasts made in late January 2007, the cash position is sufficient to cover expenses arising from the complete and definitive implementation of the financial restructuring within the specified timeframe. The financial restructuring will also give Eurotunnel access to an additional €75 million facility to deal with contingencies.

Going concern

Based on the Safeguard Plan and the implementation of the related financial restructuring, Eurotunnel's Combined Accounts were approved by the Joint Board on 6 March 2007 on a going concern basis.

The company's status as a going concern depends directly on the success of the restructuring approved by the Paris Commercial Court. This requires: the Tender Offer to be a success, the Term Loan to be drawn and any legal action aimed at blocking the Safeguard Plan to fail.

- The Tender Offer requires a minimum acceptance rate of 60%. If the proportion of Units tendered to the Tender Offer is lower than 60%, and provided that GET SA has not abandoned this threshold in accordance with applicable regulations, this Tender Offer acceptance condition would not be met.
- The drawing of the Term Loan, as with any credit agreement of this type, is subject to several conditions that must be met by 30 June 2007, some of which may fall outside of Eurotunnel's control. If these conditions are not met and if the lenders do not waive them, Eurotunnel would be unable to carry out the cash redemptions and payments specified by the Safeguard Plan.
- Eurotunnel has been, is currently and may in future be involved in certain administrative or legal procedures, particularly in France and the UK. Some of these procedures, if successful, could delay or threaten the implementation of the Safeguard Plan. Some note holders have lodged various legal actions challenging the decision of the Paris Commercial Court of 15 January 2007 to approve the Safeguard Plan. These actions relate principally to the manner in which the meetings were convened and conducted under the Safeguard Procedure. At this stage, these actions would not prevent the Safeguard Plan from proceeding.

Some aspects of the Safeguard Plan may have to be adjusted in order to be implemented effectively. The type and extent of these adjustments cannot be gauged at the moment. Such adjustments, if they became necessary, would fall under the regulatory framework governing the execution of the Safeguard Plan.

In the event that all of the elements of the Safeguard Plan are not put in place, Eurotunnel's ability to trade as a going concern would not be assured. The Combined Accounts would be subject to certain adjustments, the amounts of which cannot be measured at present. They would relate to the impairment of assets to their realisable value, the recognition of liabilities and the classification of non-current assets and liabilities as current assets and liabilities. The asset value on liquidation has been estimated by the valuer/auctioneer appointed by the Safeguard Procedure at £890 million.

Negative equity

The recognition of impairment charges at 31 December 2005 caused Eurotunnel's main companies (EPLC, ESA, FM and CTG) to have negative total equity.

Under the Safeguard Plan, GET SA will reconstitute these companies' equity through the capitalisation of debt.

Litigation

Eurotunnel and the Railways (SNCF and British Railways Board) reached an agreement on 24 July 2006 ending the dispute that began in 2001 relating to the calculation of their contribution to the Channel Tunnel's operating costs.

This dispute was referred to a court of arbitration, which had issued a ruling for the period from 1997 to 2002. An initial partial agreement was reached in December 2005 between Eurotunnel and the Railways covering the period from 1999 to 2004.

Under the 24 July 2006 agreement, Eurotunnel agreed to reduce the Railways' contribution for the non-time barred years, and for 2003 and 2004, by an annual amount of £3 million, making a total of £15 million. It also agreed to set up a simple and fair system for sharing operating expenses from 2005 onwards.

The new agreement is definitive and brings to an end the various disputes concerning operating costs. It confirms the agreement relating to the years up to 2004, settles the 2005 financial year and sets out a lump sum mechanism for the majority of operating costs for each of the years from 2006 to 2014 inclusive. Consultation mechanisms were also put in place to determine the Railways' contribution to renewal investments that concern them.

b. Detailed financial and legal aspects of the Safeguard Plan

Under the Safeguard Plan:

- A new group structure will be set up, including the creation of GET SA, which will be central to the reorganisation. GET SA's ordinary shares will be listed for trading on Eurolist by Euronext™, included on the Official List of the United Kingdom Listing Authority and listed for trading on the London Stock Exchange.
- GET SA will make a Tender Offer allowing holders of Eurotunnel Units to receive GET SA ordinary shares and GET SA warrants in exchange for these Units.
- FM and EFL are the entities that contracted Eurotunnel's senior debt. They will take out a long-term loan that will enable, taking into account the cash flow available: (a) the refinancing of all current debt up to Tier 2; (b) to make cash payments to holders of Tier 3 debt and note-holders as set out in the Safeguard Plan; (c) to pay accrued interest on the current debt in accordance with the terms and limits set out in the Safeguard Plan; and (d) Groupe Eurotunnel to access a cash facility of more than €100 million to cover its operational requirements, including restructuring costs.
- A UK subsidiary of GET SA will issue notes redeemable in shares (NRS) for a total nominal amount of £571,042,142 and €1,032,248,700. The main characteristics of these NRS are as follows:
  - They will be automatically redeemed in GET SA ordinary shares between the 13th and the 37th month following their issue.
  - They will be divided into two series, i.e. NRS I and NRS II. NRS I notes will not be redeemable in cash, whereas the issuer may elect to redeem NRS II notes in cash.
  - The redemption price of the NRS that the issuer elects to redeem in cash will be 140% of nominal value.
  - NRS II notes redeemable in cash will carry interest at 6% per year, while NRS I notes not redeemable in cash will pay interest at 3% per year.
  - Holders of Eurotunnel Units who tender their Units to the Tender Offer will be able to subscribe for NRS up to a maximum nominal amount of £60 million.
  - Under the Safeguard Plan, NRS will be allotted to:
    - Holders of Tier 3 debt, up to £430,523,751 and €783,729,300, in return for assigning all of their Tier 3 debt claims to the issuer of the NRS;
    - Note-holders, up to £104,827,303 and €183,547,000, in return for assigning all of their note claims to the issuer of the NRS; and
    - Tier 3 Cash Option Arrangers, for an amount of £35,691,088 and €64,972,400, pursuant to their undertaking to arrange the Tier 3 cash option.
  - The NRS will be listed for trading on Eurolist by Euronext™.

- As holders of capital securities in GET SA, Tier 3 debt-holders and note-holders who own NRS will be granted certain specific corporate governance rights (until all of NRS are redeemed in GET SA ordinary shares) through a preferred share issued by GET SA. This preferred share will be owned by a UK-registered company, owned in turn by Tier 3 debt-holders and note-holders who own NRS.
- Monetisation arrangements will be put in place for NRS, allowing Tier 3 debt holders to exercise the Tier 3 cash option instead of receiving NRS, and allowing other Tier 3 debt-holders and note-holders to finance the corresponding cash payment by subscribing in cash the NRS to which the Tier 3 debt-holders exercising the Tier 3 cash option were entitled. Four Tier 3 debt-holders representing €397,146,552.43 and £304,606,625.20 of the Tier 3 debt have elected to exercise the cash option. The NRS that became available as a result have been fully subscribed by other Tier 3 debt-holders and by a large proportion of note-holders.
- GET SA will issue GET SA warrants exercisable in the event of additional value crystallising in Groupe Eurotunnel. The warrants will be listed on Eurolist by Euronext™. 55% of them will be allotted to Unit-holders tendering their Units to the Tender Offer and 45% to note-holders.
- ESA and EPLC's capital structure will be reorganised as soon as the Tender Offer closes. This will involve the UK subsidiary of GET SA that issues the NRS capitalising some or all of the Tier 3 assigned to it as part of the Safeguard Plan. This capitalisation of debt will take the form of ESA and EPLC capital increases reserved for this UK subsidiary of GET SA. In addition, similar debt capitalisation transactions will be carried out for FM, CTG and EFL.

The other main events arising during 2006 and in the early part of 2007 are described in the Business Review.

Results

The Combined Accounts for 2005, which were approved by the Joint Board on 6 March 2007 and were included in the opening balance sheet at 1 January 2006, will be submitted to the shareholders who will be called upon to approve the 2005 and 2006 accounts.

The loss for 2005 is included in the retained earnings at 1 January 2006.

The loss for the year amounted to £143 million.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Declaration of conformity

The Combined Accounts have been prepared in accordance with those IFRS standards as adopted by the European Union up to 31 December 2006. No standards published by the IASB but not yet adopted by the European Union at 31 December 2006 have been applied in anticipation.

a. Basis of preparation and presentation

i) The Combined Accounts consist of the combination of the accounts of the EPLC Group and of ESA and its subsidiaries.

During the second half of 2006, IFRIC12 was adopted relating to concession contracts. Eurotunnel has control over the nature and price of the services it provides, and therefore does not meet the criteria of this new interpretation, and applies IAS16 on property, plant, and equipment, and IAS37 on provisions.

The Combined Accounts at 31 December 2006, prepared in accordance with the principles described below, also constitute the Consolidated Accounts of ESA according to French law. The standard IAS27 on Consolidated Accounts does not deal specifically with Combined Accounts. Eurotunnel has decided to continue to publish its consolidated accounts as Combined Accounts.

As indicated in note 1, the going concern basis is dependent on Eurotunnel's ability to put in place a financial restructuring plan ratified by the Paris Commercial Court. If such a plan was not successful and Eurotunnel's ability to trade as a going concern was not assured, certain adjustments would need to be made to the accounts. Those adjustments would relate to the impairment of assets to their net realisable value, the recognition of liabilities and the classification of non-current assets and liabilities as current assets and liabilities. Such amounts cannot be measured at present. Within the French and British legal frameworks, the Lenders may seek to exercise the right to substitution included in the Concession Agreement and their security rights over assets as set out in the Credit Agreements.

ii) Basis of consolidation

Eurotunnel's accounts are prepared as at 31 December. Companies acquired or formed during the year are consolidated as from their date of acquisition or formation. Two subsidiaries of ESA were not consolidated as they remained dormant or were not material during 2006. These companies had no off-balance sheet liabilities.

The special purpose vehicles Fixed-Link Finance BV (FLF) and Tunnel Junior Debt Holdings Limited (TJDH), set up in connection with the repackaging of £1.1 billion of Junior Debt completed in 2001, were not previously consolidated in the Group accounts in accordance with French GAAP. The consolidation of these two entities would increase Eurotunnel's issued capital and reserves attributable to equity by approximately £120 million at 1 January 2004 and decrease the Junior Debt by the same amount. However, as this benefit could only be realised after the complete reimbursement of the FLF debt from the bond holders, Eurotunnel, with the prospect of a significant financial restructuring, has not modified the amount of its Junior Debt as it does not consider itself to have control over these entities. Therefore, Eurotunnel has not consolidated FLF and TJDH.

For the purposes of consolidation, Eurotunnel comprises the following companies:

			Eurotunnel P.L.C.		Eurotunnel SA		
			% of shareholding held by				
	Class of share	Country of registration or incorporation	Holding company	Subsidiaries	Holding company	Subsidiaries	TOTAL
Companies included in the consolidation in 2005:							
Cheriton Leasing Limited	Ordinary	England	100				100
Cheriton Resources 1 Limited(2)	Ordinary	England	100				100
Cheriton Resources 2 Limited(2)	Ordinary	England	100				100
Cheriton Resources 3 Limited(2)	Ordinary	England	100				100
Cheriton Resources 5 Limited(2)	Ordinary	England	100				100
Cheriton Resources 6 Limited(2)	Ordinary	England	100				100
Cheriton Resources 7 Limited(2)	Ordinary	England	100				100
Cheriton Resources 8 Limited(2)	Ordinary	England	100				100
Cheriton Resources 9 Limited(2)	Ordinary	England	100				100
Cheriton Resources 10 Limited(2)	Ordinary	England		100			100
Cheriton Resources 11 Limited(2)	Ordinary	England		100			100
Cheriton Resources 12 Limited	Ordinary	England		100			100
Cheriton Resources 13 Limited	Ordinary	England		100			100
Cheriton Resources 14 Limited	Ordinary	England		100			100
Cheriton Resources 15 Limited(2)	Ordinary	England		100			100
Cheriton Resources 16 Limited(2)	Ordinary	England		100			100
Cheriton Resources 17 Limited(1)	Ordinary	England	100				100
Cheriton Resources 20 Limited(2)	Ordinary	England	100				100
Eurotunnel Developments Limited	Ordinary	England	100				100
Eurotunnel Finance Limited	Ordinary	England	79			21	100
EurotunnelPlus BV	Ordinary	Netherlands				100	100
EurotunnelPlus Distribution SAS	Ordinary	France				100	100
EurotunnelPlus GmbH	Ordinary	Germany				100	100
EurotunnelPlus Limited	Ordinary	England		100			100
EurotunnelPlus SAS	Ordinary	France				100	100
EurotunnelPlus SL	Ordinary	Spain				100	100
Eurotunnel Services GIE	–	France	20	27.9	30	22.1	100
Eurotunnel Services Limited	Ordinary	England		75		25	100
Eurotunnel Trustees Limited(2)	Ordinary	England		100			100
Fixed-Link Finance 2 BV	Ordinary	Netherlands	–	–	–	–	–
France Manche SA	Ordinary	France			99.9		99.9
Gamond Insurance Company Limited	Ordinary	Guernsey		100			100
Le Shuttle Holidays Limited(2)	Ordinary	England		100			100
Orbital Park Limited	Ordinary	England		100			100
The Channel Tunnel Group Limited	Ordinary	England	100				100
Companies consolidated in 2006 for the first time:							
Europorte 2 SAS(2)	Ordinary	France	100				100
Eurotunnel SE	Ordinary	Belgium		50		50	100

(1) *Following the sale of the assets of Port Maritime Security International Limited in 2006, the company changed its name to Cheriton Resources 17 Limited.*

(2) *These companies had no significant activity during 2006.*

iii) Transactions between the members of the Eurotunnel Group have been eliminated.

iv) The accounts of the ESA Group have been converted into £ as follows:

- share capital, share premium account, retained reserves brought forward, Concession property, plant and equipment and depreciation at historical rates;
- all other assets and liabilities at the rate ruling at the balance sheet date; and
- income statement items, with the exception of depreciation, at an average rate for the year.

Exchange differences arising from the application of the above are included in the currency translation reserve in the balance sheet.

The closing and average €/£ exchange rates used to prepare the Combined Accounts are as follows:

€/£	2006	2005
Closing rate	1.489	1.459
Average rate	1.462	1.465

v) Use of estimates and judgements

The preparation of the combined financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the period of the combined financial statements.

The Board regularly reviews its valuations and estimates based on its experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value. The actual results could differ significantly from these estimates depending on different conditions and hypotheses.

The use of estimations concerns mainly the impairment of property, plant and equipment (see note 6) and the provision for financial restructuring and Safeguard Plan (see note 17).

vi) Segment reporting

Eurotunnel's primary activity is the operation of the Fixed Link, divided into different types of users: Shuttle and Railways. Consequently, Eurotunnel presents its operating activities in one reportable segment within the meaning of IAS14.

b. Principal accounting policies

i) Cost and revenue sharing

The Concession requires that Eurotunnel shall share equally the cost price of the Project and all revenues and costs relating to the operation of the Fixed Link between the UK and French companies.

- Concession property, plant and equipment: all costs and revenues arising either directly or indirectly from the design, financing and construction of the Project are capitalised and shared between CTG and FM, and shown as property, plant and equipment. Adjustments are made within property, plant and equipment to equalise the cost between the concessionaires.

- Operating revenues and costs: all revenues and costs arising from the operation of the Concession are accounted for in the income statement of the Partnership and shared equally between the concessionaires. Revenues and costs arising in Eurotunnel Group companies which do not relate to the operation of the Concession are not subject to these sharing arrangements.

ii) Property, plant and equipment, and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are depreciated on a systematic basis in order to write down the costs of assets over their expected useful lives as follows:

Tunnels	life of Concession
Terminals and related land	10 years – life of Concession
Fixed equipment and machinery	5 years – life of Concession
Rolling stock	5-60 years
Freehold land	not depreciated
Office equipment	3-10 years

The expected useful lives of the assets are kept under review and revised when necessary, according to experience.

Non-renewable Concession property, plant and equipment is depreciated over the life of the Concession on a straight line basis. Depreciation on renewable assets is calculated on a straight line basis.

As all property, plant and equipment will be written down to £nil at the end of the Concession, depreciation of the final renewal cost of renewable assets will be based on the residual duration of the Concession.

iii) Impairment of property, plant and equipment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

iv) Retirement liabilities

The Group provides for its contractual obligations for retirement indemnities of employees under French contracts, and for the defined benefit retirement schemes of employees under UK contracts operated by the Eurotunnel P.L.C. Group, the assets of which are held separately from those of Eurotunnel. The current service cost of the period, determined by the projected unit of credit method, is accounted for in operating costs. Actuarial differences are dealt with using the ''corridor'' approach, with any excess or shortfall outside the corridor being amortised over the average remaining working lives of the beneficiaries, and are shown in operating costs.

v) Provisions

Provisions are recognised when there exists a legal or constructive obligation stemming from a past event and when the future cash flows can be reliably estimated. Eurotunnel provides for costs of restructuring when detailed restructuring plans are approved, the features of the plans have been announced and implementation has commenced.

vi) Financial instruments

Financial assets include cash and cash equivalents, trade receivables and the positive valuation of derivatives. Financial liabilities include borrowings, trade payables and the negative valuation of derivatives. Financial assets and liabilities are classified within current assets or liabilities in the situation where the residual maturity is less than 12 months.

Trade receivables and payables

Trade receivables and payables are measured at amortised cost.

Borrowings

Borrowings 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 calculated 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.

Derivatives

Derivatives are measured at their fair value. The profit or loss resulting from the re-evaluation of the fair value is accounted for immediately in the income statement. However, gains and losses on qualifying hedging options are recorded in the income statement depending on the nature of the element to which it relates.

For the purpose of interest rate risk hedges, Eurotunnel carries the following derivative instruments: purchased collars, purchased caps and a swap transaction.

Hedging options that meet the hedging criteria set forth by IAS39 are accounted for according to the cash flow hedge model. Gains and losses on qualifying hedging options 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.

The outstanding swap transactions are designed to convert a portion of the interest expense from fixed to floating and are designated as a fair value hedge of financial liabilities. Changes in the fair value of the hedged debt are recorded in the income statement, with equal and opposite changes recognised in the fair value of the hedging swap.

vii) Foreign exchange

Transactions in foreign currencies are converted into the reporting currency of each individual company at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies other than those mentioned in note 2.a.iv are translated at the rate ruling at the balance sheet date. Exchange differences are dealt with in the income statement.

viii) Inventories

In respect of properties, cost comprises the purchase price of property, development costs, and, where appropriate, a proportion of attributable financing costs during the development period. They are stated at the lower of cost and net realisable value.

ix) Share based payments

Eurotunnel accounts for share options granted to its staff members in accordance with IFRS2. The options are valued at the date on which they are granted using the Binomial model. Any variations in value occurring after the grant date are not taken into account. The value is charged to employee benefit expenses on a straight line basis between the date of the grant and the maturity date (the vesting period), with an equal and opposite entry directly to issued capital and reserves attributable to equity.

x) Revenue recognition

Revenue comprises the value of sales of services and goods receivable in the normal course of business (excluding VAT). Revenue is recognised on the date the service is rendered. Eurotunnel's activity is the provision of transportation services between the UK and France and activities ancillary thereto, including development activities.

xi) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

3 REVENUE

Revenue is analysed as follows:

(£'000)	2006	2005
Shuttle services	317,975	295,523
Railways*	239,728	234,729
Non-transport activities	9,897	11,212
Total	**567,600**	**541,464**

* *Including £64,821,000 in 2006 relating to the Minimum Usage Charge under the terms of the contract between the rail companies and Eurotunnel (2005: £71,996,000).*

4 EMPLOYEE NUMBERS AND EMPLOYEE BENEFIT EXPENSE

	2006	2005
Number of persons employed by Eurotunnel at 31 December(1)	2,269	2,610
Average number of persons employed by Eurotunnel(1)	2,379	3,017
Employee benefit expense (£'000)(2)	83,116	97,834

(1) *Including directors.*

(2) *Including employment costs and directors' remuneration.*

The reduction in staff numbers during the second half of 2005 and in 2006 is as a result of the operational restructuring.

5 REMUNERATION OF MEMBERS OF THE JOINT BOARD AND SENIOR EXECUTIVES

a. The total remuneration for all members of the Joint Board who served during 2006 was £377,159 (2005: £523,729) before pension contributions.

b. The total remuneration for members of the Executive Committee (excluding executive directors) is detailed in the table below. There were 11 members of the Executive Committee at 31 December 2006 (10 at 31 December 2005), 3 of whom were members of a UK pension scheme as described in note 19 (3 at 31 December 2005).

(£'000)	2006	2005
Current employment benefits	1,264	1,382
Post employment benefits	36	88
Payments in respect of termination of service	–	281
Cost of share based payments	101	122
Total	**1,401**	**1,873**

6 PROPERTY, PLANT AND EQUIPMENT

(£'000)	Concession property, plant and equipment: Assets in course of construction	Tunnels	Terminals and related land	Fixed equipment and machinery	Rolling stock	Office equipment	Other property, plant and equipment	Total
Cost								
At 1 January 2006	34,621	4,494,966	1,433,717	2,388,305	1,446,471	72,830	38	9,870,948
Additions	9,589	–	97	465	1,419	1,247	2	12,819
Transfers	(20,402)	–	172	108	19,158	964	–	–
Disposals	–	–	(246)	(6,639)	(8,400)	(7,177)	–	(22,462)
At 31 December 2006	**23,808**	**4,494,966**	**1,433,740**	**2,382,239**	**1,458,648**	**67,864**	**40**	**9,861,305**
Depreciation								
At 1 January 2006	–	1,909,067	661,720	1,347,664	813,414	61,099	8	4,792,972
Charged in the year	–	32,024	13,690	33,206	33,230	3,106	7	115,263
Released on disposals	–	–	(14)	(6,618)	(8,400)	(7,173)	–	(22,205)
At 31 December 2006	**–**	**1,941,091**	**675,396**	**1,374,252**	**838,244**	**57,032**	**15**	**4,886,030**
Net book value								
At 1 January 2006	34,621	2,585,899	771,997	1,040,641	633,057	11,731	30	5,077,976
At 31 December 2006	**23,808**	**2,553,875**	**758,344**	**1,007,987**	**620,404**	**10,832**	**25**	**4,975,275**
Cost								
At 1 January 2005	39,143	4,494,966	1,432,809	2,388,625	1,422,293	72,935	4	9,850,775
Additions	15,311	–	190	280	5,974	741	34	22,530
Transfers	(19,833)	–	1,385	168	18,280	–	–	–
Disposals	–	–	(667)	(768)	(76)	(846)	–	(2,357)
At 31 December 2005	**34,621**	**4,494,966**	**1,433,717**	**2,388,305**	**1,446,471**	**72,830**	**38**	**9,870,948**
Depreciation								
At 1 January 2005	–	970,494	375,683	940,515	558,143	53,276	4	2,898,115
Charged in the year	–	41,280	18,243	46,809	35,670	4,596	4	146,602
Impairment	–	897,293	267,872	361,097	219,667	4,071	–	1,750,000
Released on disposals	–	–	(78)	(757)	(66)	(844)	–	(1,745)
At 31 December 2005	–	**1,909,067**	**661,720**	**1,347,664**	**813,414**	**61,099**	**8**	**4,792,972**
Net book value								
At 1 January 2005	39,143	3,524,472	1,057,126	1,448,110	864,150	19,659	–	6,952,660
At 31 December 2005	**34,621**	**2,585,899**	**771,997**	**1,040,641**	**633,057**	**11,731**	**30**	**5,077,976**

In France, all immovable property, plant and equipment within the Concession area is the property of the French State and will revert to it on the expiry of the Concession period (2086). In the UK, the State has required CTG to transfer to it the title to freehold land and property acquired for the purpose of construction and operation of the Project and in exchange has granted leases for the duration of the Concession. On the expiry of the Concession, the interest of the concessionaires in all movable property and intellectual property rights necessary for the operation of the Concession will become, without payment, the joint property of the two States.

The early replacement of the structure of certain Truck Shuttle wagons between 2009 and 2011 has led Eurotunnel to revise the expected useful life of these components (originally 30 years), which has resulted in an additional depreciation charge of £4.9 million.

Impairment of property, plant and equipment

The valuation of the Eurotunnel's assets is carried out in accordance with IAS36, which defines the recoverable value of an asset as the greater of its net selling price and value in use. The value in use results from the discounted forecast future operating cash flows (after capital expenditure), and by using the Adjusted Present Value (APV) methodology.

At 31 December 2005, Eurotunnel updated its impairment calculation taking into account the provisions of the Safeguard Plan which resulted in an implicit discount rate of 8.4%, and as a result of which an additional impairment of £1,750 million was made. At 31 December 2006, no further indication of impairment was identified by Eurotunnel using an implicit discount rate of 8.4%.

Relatively small changes in the assumptions used would lead to material changes in the value in use. By way of example, a variation of 0.10% in the implicit discount rate would correspond to a change in the value in use of assets of approximately £92 million, and a variation of 0.50% in the implicit discount rate would correspond to a change of approximately £489 million.

7 OTHER OPERATING INCOME AND (EXPENSES)

(£'000)	2006	2005
Release of advances from the Railways	97,985	–
Financial restructuring and Safeguard Procedure	(89,515)	(9,548)
Operational restructuring	—	(11,556)
Other	(3,649)	(6,559)
Total	**4,821**	**(27,663)**

The advances from the Railways were received under the Minimum Usage Charge clause of the Railway Usage Contract. These advances were repayable under certain conditions by deduction from future payments owed by the Railways. The guarantee period having expired, these advances do not have to be repaid, and they were credited to the income statement in 2006.

8 COST OF SERVICING DEBT (GROSS)

(£'000)	2006	2005
Interest on loans	295,503	242,525
Effective rate adjustment	22,683	46,336
Charges relating to hedging instruments	18,591	50,726
Total	**336,777**	**339,587**

Information relating to the Eurotunnel's financial liabilities and hedging instruments is presented in note 20.

9 OTHER FINANCIAL INCOME AND (CHARGES)

(£'000)	2006	2005
Variation in value of financial instruments	3,697	4,299
Exchange gains	1,776	2,955
Exchange losses	(1,769)	(2,190)
Provision for depreciation and risks*	(37,960)	(17,216)
Other	–	(73)
Total	**(34,256)**	**(12,225)**

* *The provision for risks was made to cover the risks associated with certain financial contracts within the framework of the financial restructuring.*

10 INCOME TAX EXPENSE

a. Current taxation

No corporation tax arises on the result for the year of the Eurotunnel Group (2005: £nil) with the exception of the minimal legal obligations for the ESA Group.

At 31 December 2006, excess management charges and losses carried forward of £2,391 million (2005: £2,467 million) were available for offset against certain future EPLC Group income. At 31 December 2006, EPLC had capital allowances available for future offset against profits of £1,410 million (2005: £1,398 million) and industrial buildings allowances of £760 million (2005: £823 million).

In 2002, ESA re-elected, for a further five-year period, to group its taxable profits and losses with those of FM, Eurotunnel Participation 1, Eurotunnel Participation 2 and EurotunnelPlus Distribution. In 2005, Europorte 2 was integrated into the tax group. In 2006, EurotunnelPlus SAS was integrated into the tax group. The ESA Group has provided for its minimal legal tax obligations amounting to €260,000. In France, ESA Group cumulative tax losses of €1,371 million (2005: €1,258 million) can be carried forward indefinitely.

Factors affecting the tax charge for the period

(£'000)	2006	2005
Loss for the year	**(142,881)**	**(1,971,403)**
Expected tax at national rates*	(44,825)	(619,510)
Effects of:		
– Non-tax deductible items	136	201
– Temporary differences	59,921	479,799
– Unrecognised tax credits used in year	(61,461)	(18,851)
Unrecognised tax losses	46,229	158,361
Minimum tax	178	31
Current tax charge for the year	**178**	**31**

* *UK: 30%, France: 33%.*

b. Deferred taxation

No potential deferred tax asset has been recognised.

11 LOSS PER UNIT

(in pence)	2006	2005
Basic	(5.6)	(77.4)
Diluted	(5.6)	(77.4)

The basic loss per Unit for the year is calculated using the weighted average number of Units in issue during the year of 2,546,156,268 (2005: 2,546,114,213) and the loss for the year of £142,881,000 (2005 loss: £1,971,403,000).

12 INVENTORIES

Inventories comprise development land in the UK amounting to £44,000 (2005: £773,000).

13 TRADE RECEIVABLES

Trade receivables of £51 million (2005: £42 million) are due within one year and are stated net of bad debt provisions of £3 million (2005: £3 million).

14 OTHER FINANCIAL ASSETS AND LIABILITIES

Other financial assets and other financial liabilities relate mainly to leasing companies that Eurotunnel holds in the UK which had debt outstanding of £5 million at 31 December 2006 (2005: £128 million).

This debt is fully secured on an equivalent amount of lease receivables due to the companies. Through these transactions, Eurotunnel has been able to obtain immediate value in cash for a proportion of its tax losses in the UK by the future surrendering of such losses by way of group relief to the leasing companies.

The significant reduction in 2006 in the other financial debtors and creditors results from lease terminations.

During the year, the interest receivable and similar income arising in the leasing companies amounted to £7 million (2005: £7 million). This is matched by an equivalent amount in interest payable.

15 CASH AND CASH EQUIVALENTS

a. Cash equivalents

These represent short-term investments, primarily certificates of deposit, Sicav (the French equivalent of mutual funds) and deposit accounts.

(£’000)	31 December 2006	31 December 2005
Investments in £	89,410	42,725
Investments in €	82,590	11,274
Sub-total	**172,000**	**53,999**

b. Cash

(£'000)	31 December 2006	31 December 2005
Cash at bank and in hand	17,499	64,445
Total	**189,499**	**118,444**

At 31 December 2006 and 2005, the market value of investments in £ and € equated to their book value.

c. Movement during the year

(£'000)	31 December 2006	31 December 2005
Cash and cash equivalents at 1 January	118,444	181,224
Increase/(decrease) in cash in period	71,190	(60,000)
Increase/(decrease) in interest receivable	411	(890)
Bank overdrafts	179	22
Effect of movement in exchange rate	(725)	(1,912)
Cash and cash equivalents at 31 December	**189,499**	**118,444**

As a result of the Safeguard Procedure, the payment of outstanding amounts for goods, services, taxation and social security charges incurred prior to 2 August 2006 was suspended amounting to approximately £26 million, and they remained suspended at 31 December 2006.

With effect from the same date, payments relating to servicing the debt were also suspended, which had a positive effect on the cash flow at the end of 2006 of approximately £75 million.

16 SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

(£'000)	EPLC	ESA	Total
Share capital (Units)			
At 1 January 2006:			
2,546,114,213 shares of £0.01 each	25,460	–	25,460
2,546,114,213 shares of €0.15 each	–	259,940	259,940
	25,460	**259,940**	**285,400**
Issued during the year:			
50,000 shares of £0.01 each	1	–	1
50,000 shares of €0.15 each	–	5	5
	1	**5**	**6**
At 31 December 2006:			
2,546,164,213 shares of £0.01 each	25,461	–	25,461
2,546,164,213 shares of €0.15 each	–	259,945	259,945
	25,461	**259,945**	**285,406**
Share premium account			
At 1 January 2006	1,232,769	1,135,620	2,368,389
Premium on shares issued in the year	5	3	8
At 31 December 2006	**1,232,774**	**1,135,623**	**2,368,397**

a. On 13 August 1986, a Corporate Structure Agreement was entered into between, among others, EPLC, ESA, CTG and FM. This provides, inter alia, for the ''twinning'' of the shares of EPLC and ESA whereby one share in each of these companies together constitute one ''Unit''. The Articles of Association of EPLC and the *statuts* of ESA restrict transfers of shares to simultaneous transfers of equal numbers of shares in each company.

b. A share option scheme was approved at the extraordinary general meetings of EPLC and ESA held on 23 May 1991 enabling eligible employees of Eurotunnel, including executive directors, to be granted options to subscribe for Units. These authorities expired in 1996. All remaining options granted under this scheme lapsed in 2005[(3)] and no options were exercised in 2006.

On 6 May 1999, new French and UK share option schemes were approved at the annual general meetings of EPLC and ESA enabling eligible employees of Eurotunnel, including executive directors to be granted options to subscribe for Units. A Save-As-You-Earn (''ShareSave'') scheme reserved for UK employees was also approved. The authority to grant options under these schemes expired in 2004, and accordingly no options were granted in the year. During 2006, 50,000 Units were issued upon the exercise of options following the departure of a beneficiary, in accordance with the rules of the 1999 scheme. 10,877,658 options lapsed in 2006.

Share options

	Number of options[2]						
Date of grant	At 1 January 2006	Lapsed/ exercised during the year	At 31 December 2006	Exercise price £	Exercise price €	Exercisable From	Exercisable To
18 June 1999	4,173,004	1,011,253	3,161,751	0.95	1.46	18.06.2002	17.06.2009
24 November 1999	5,346,000	927,000	4,419,000	0.81	1.27	24.11.2002	23.11.2009
31 March 2000[1]	3,319	3,319	–	0.61	–	01.05.2005	31.10.2005
31 March 2000	2,584,482	553,203	2,031,279	0.76	1.24	31.03.2003	30.03.2010
16 March 2001[1]	364,946	343,171	21,775[3]	0.62	–	01.05.2006	31.10.2006
16 March 2001	2,959,790	666,654	2,293,136	0.77	1.26	16.03.2004	15.03.2011
1 May 2002[1]	475,678	175,927	299,751	0.54	–	01.06.2007	30.11.2007
1 May 2002	3,857,669	911,992	2,945,677	0.67	1.09	01.05.2005	30.04.2012
21 March 2003[1]	5,964,515	1,174,752	4,789,763	0.21	–	01.05.2008	31.10.2008
21 March 2003	10,438,048	2,484,020	7,954,028	0.26	0.39	21.03.2006	20.03.2013
27 February 2004[1]	2,016,816	497,489	1,519,327	0.28	–	01.04.2009	30.09.2009
27 February 2004	9,354,169	2,128,878	7,225,291	0.35	0.52	27.02.2007	26.02.2014
Total	**47,538,436**	**10,877,658**	**36,660,778**				

(1) *Granted under ShareSave scheme.*

(2) *Maximum number of options based on options in circulation at 31 December 2006.*

(3) *Under certain conditions, the date of exercise may be extended beyond the normal expiry date.*

The exercise conditions are set out in the Annual Report.

17 PROVISIONS

(£'000)	At 1 January 2006	Charge to income statement	Provisions utilised	Exchange difference	At 31 December 2006
Operational restructuring	14,025	–	(7,881)	(132)	6,012
Financial restructuring and Safeguard Plan	–	69,328	–	(792)	68,536
Other	5,380	2,951	(5,319)	(67)	2,945
Total	**19,405**	**72,279**	**(13,200)**	**(991)**	**77,493**

There were no unspent provisions released to the income statement during 2006.

The provision for the operational restructuring corresponds to the estimated remaining cost of Eurotunnel's commitments.

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.

18 MOVEMENT IN ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY

(£'000)	Issued share capital	Share premium account	Other reserves*	Retained earnings	Cumulative translation reserve	Total
At 1 January 2005	**285,400**	**2,368,389**	**(108,254)**	**(2,083,227)**	**79,387**	**541,695**
Loss for the year				(1,971,403)		(1,971,403)
Valuation of hedging contracts			37,169			37,169
Share based payments				553		553
Translation adjustments					83,761	83,761
At 31 December 2005	**285,400**	**2,368,389**	**(71,085)**	**(4,054,077)**	**163,148**	**(1,308,225)**
Increase in capital	6	8				14
Loss for the year				(142,881)		(142,881)
Valuation of hedging contracts			74,568			74,568
Share based payments				259		259
Translation adjustments					61,062	61,062
At 31 December 2006	**285,406**	**2,368,397**	**3,483**	**(4,196,699)**	**224,210**	**(1,315,203)**

* *Including a hedging reserve of £nil at 31 December 2006 (31 December 2005: debit of £74,568,000). See note 20c.*

19 RETIREMENT BENEFITS

a. UK employee defined benefit obligations

In the UK, Eurotunnel operates two pension schemes (The Channel Tunnel Group Pension Fund and The Channel Tunnel Group Senior Executives Pension Fund) providing defined benefits based on final pensionable pay. The characteristics of these two schemes are similar and the assets of each are held in separate trustee administered funds.

The Channel Tunnel Group Pension Fund was closed to new entrants with effect from 1 October 2006 although it remains open to employees of ESL who were active members of the Fund as at 30 September 2006, in respect of the accrual of further benefits on and after 1 October 2006.

The valuation has been prepared by an independent qualified actuary to take account of the requirements of IAS19 in order to assess the liabilities and assets of the scheme as at 31 December 2006. Scheme assets are stated at their fair value as at 31 December 2006.

Set out below is a summary of the overall IAS19 defined benefit pension schemes' liabilities. The fair value of the schemes' assets, which are not intended to be realised in the short term and may be subject to significant change, and the present value of the schemes' liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain were:

(£'000)	31 December 2006	31 December 2005	31 December 2004
Analysis of plan assets			
Equities	69,936	59,293	45,212
Bonds	28,653	27,493	19,322
Other	283	638	664
Fair value of plan assets on 31 December:	**98,872**	**87,424**	**65,198**
Present value of funded obligations	120,237	118,488	88,622
Present value of net obligations	**21,365**	**31,064**	**23,424**
Unrecognised actuarial gains and (losses)	(9,940)	(17,490)	(4,724)
Recognised liability for defined benefit obligations (see below)	**11,425**	**13,574**	**18,700**

Assumptions

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31 December 2006	31 December 2005	31 December 2004
Expected return on plan assets:			
Equities	7.6%	7.8%	7.8%
Government Bonds	4.1%	4.5%	4.5%
Other	3.7%	3.7%	3.7%
Discount rate	5.0%	4.7%	5.3%
Future salary increases	4.4%	4.2%	4.2%
Inflation rate	2.9%	2.7%	2.7%
Future pension increases	2.9%	2.7%	2.7%

Movements in the present value of defined benefit obligations

(£'000)	31 December 2006	31 December 2005	31 December 2004
Opening liability	118,488	88,622	73,567
Current service costs	3,922	5,080	4,390
Interest on obligation	5,517	4,665	3,933
Contributions received from employees	1,284	1,508	1,379
Benefits paid	(2,197)	(4,298)	(1,477)
Actuarial gain/(loss) on plan assets and curtailment	(6,777)	22,911	6,830
Closing liability	**120,237**	**118,488**	**88,622**

Movements in the fair value of plan assets

(£'000)	31 December 2006	31 December 2005	31 December 2004
Fair value of plan assets on 1 January	87,424	65,198	55,325
Contributions received from employer	6,143	8,787	3,947
Contributions received from employees	1,284	1,508	1,379
Benefits paid	(2,197)	(1,321)	(1,477)
Expected return on plan assets	5,849	4,742	3,918
Actuarial gain/(loss) on plan assets	369	8,510	2,106
Fair value of plan assets on 31 December	**98,872**	**87,424**	**65,198**

Movements in the net liability for defined benefit obligations recognised in the balance sheet

(£'000)	2006	2005	2004
Opening net liability at 1 January	13,574	18,700	18,242
Company contributions paid	(6,143)	(8,787)	(3,947)
Cost of benefits	3,994	3,661	4,405
Closing net liability at 31 December	**11,425**	**13,574**	**18,700**

Expense recognised in the income statement

(£'000)	2006	2005	2004
Current service costs	3,922	5,080	4,390
Interest on obligation	5,517	4,665	3,933
Expected return on plan assets	(5,849)	(4,742)	(3,918)
Curtailment	–	(2,405)	–
Effect of asset ceiling	(39)	1,063	–
Amortisation of unrecognised actuarial differences	443	–	–
Total	**3,994**	**3,661**	**4,405**

In accordance with the corridor method, a charge of £443,000 was made to the income statement in 2006, corresponding to the amortisation of the excess of unrecognised actuarial differences beyond 10% of the gross value of the obligation which had not been accounted for in 2005. All costs in relation to the benefit are included in ''Employee benefit expense''.

b. French employee defined benefit obligations

In France, employees receive a lump sum payment on retirement in accordance with contractual requirements. The present value of unfunded French obligations at 31 December 2006 was £3,163,000 (2005: £3,100,000).

All costs in relation to this benefit are included in the income statement in ''Employee benefit expense'' comprising current service cost of £285,000 (2005: £328,000), the unwinding of the discount of £106,000 (2005: £134,000), and curtailment credit of £264,000 (2005: £787,000).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

(£'000)	31 December 2006	31 December 2005	31 December 2004
Discount rate	4.1%	3.8%	4.2%
Future salary increases	2.6%	2.6%	2.6%
Inflation rate	1.8%	1.8%	1.8%

20 FINANCIAL LIABILITIES

References in this note to financial liabilities relate exclusively to the debt in place at 31 December 2006, and not to that of the financial restructuring currently underway.

a. Analysis of financial liabilities

(£'000)	31 December 2005	31 December 2005 recalculated(1)	Repayment of debt	Settlement of interest(2)	Contractual loans due <1 year	Effective rate adjustment	Reclassification	31 December 2006
Participating Loan Notes	861,418	852,596					(852,596)	–
Senior and 4th Tranche Debt	362,233	358,702			(4,170)(3)		(354,532)	–
FLF2 (Tier 1A)	728,400	728,400				11,600	(740,000)	–
Junior Debt	3,203,520	3,167,305			(31,677)	8,356	(3,143,984)	–
Resettable Facility	461,532	455,401	(14)			2,640	(458,027)	–
Stabilisation Facility	538,482	532,948	(68)	21,886			(554,766)	–
Total non-current financial liabilities	**6,155,585**	**6,095,352**	**(82)**	**21,886**	**(35,847)**	**22,596**	**(6,103,905)**	**–**
Participating Loan Notes	–	–					852,596	852,596
Senior and 4th Tranche Debt	3,959	3,879	(1,903)		4,170(3)		354,532	360,678
FLF2 (Tier 1A)	–	–					740,000	740,000
Junior Debt	–	–			31,677		3,143,984	3,175,661
Resettable Facility	–	–					458,027	458,027
Stabilisation Facility	–	–					554,766	554,766
Accrued interest:								
Loan notes	1,460	1,445		9,266				10,711
Loans	91,870	91,244		(9,638)				81,606
Unpaid interest	–	–		71,986				71,986
Interest on unpaid interest	–	–		1,036				1,036
Overdrafts	22	22		180				202
Total current financial liabilities	**97,311**	**96,590**	**(1,903)**	**72,830**	**35,847**	**–**	**6,103,905**	**6,307,269**
Total	**6,252,896**	**6,191,942**	**(1,985)**	**94,716**	**–**	**22,596**	**–**	**6,307,269**

(1) The debt at 31 December 2005 has been recalculated at the exchange rate of 31 December 2006 in order to facilitate comparison.

(2) Interest includes interest incurred during the year less interest paid in cash, or interest settled using the Stabilisation Facility for the last time in January 2006.

(3) Including instalment of 4th Tranche due in December 2006, which under the terms of the Safeguard Procedure could not be paid.

The execution of the Safeguard Plan requires the existing debt of £6,307 million to be restructured by means of a new loan of £2,840 million and the issuing of NRS (Notes Redeemable in Shares) for a total of £1,275 million. For this reason, debt with medium and long term maturities (non-current financial liabilities) has been reclassified as short term debt (current financial liabilities).

In January 2006, £3.9 million plus €6.0 million of Stabilisation Advances were created in respect of interest due on Resettable Advances which could not be paid from available cash flow. At the same time, £8.1 million plus €8.7 million of Stabilisation Advances were created in respect of interest due on Tier 3 of the Junior Debt which could not be paid from available cash flow.

On 15 May 2006, Eurotunnel converted the Resettable Advances into Bonds and the Stabilisation Advances into Notes in accordance with the terms of the Credit Agreements. France Manche issued 445,416 Resettable Bonds and 297,126 Stabilisation Notes. Eurotunnel Finance Ltd issued 158,889 Resettable Bonds and 197,809 Stabilisation Notes.

Following the decision by the Paris Commercial Court on 2 August to open Safeguard Procedure for the benefit of 17 of Eurotunnel's companies, all interest payments and debt repayments were suspended, and remained suspended at 31 December 2006. The €2.9 million debt repayment due in December 2006 for the 4th Tranche was not paid. Eurotunnel has accrued for all the interest on its debt including that which under the Safeguard Plan is suspended, as well as for related default interest. The arrangements set out in the Safeguard Plan relating to the cancellation of interest on notes and default interest have not been taken into account.

b. Details of debt (according to current Credit Agreements)

Participating Loan Notes

The Participating Loan Notes, comprising 423,570 stapled notes at 31 December 2006, issued at £1,000 in EFL and €1,508.18 in FM, carry a fixed rate of interest of 1%. With effect from the end of the Stabilisation Period (31 December 2005), they attract an additional variable coupon equal to 23.3% of the available net cash flow after debt service. These notes are repayable at the latest on 30 April 2040.

Senior Debt

Part of the Senior Debt (£140 million and €93 million) carries a variable rate of interest (EURIBOR/LIBOR) plus a margin of 1% and the remainder (€48 million) is at a fixed rate of interest. The Senior Debt is repayable between 2009 and 2012.

Fourth Tranche Debt

The Fourth Tranche Debt is drawn from the European Investment Bank and the European Coal and Steel Community. Part of the Fourth Tranche Debt denominated in euros (€117 million) carries a variable rate of interest (EURIBOR) plus a margin of 1% and the remainder (£47 million) is at a fixed rate of interest, including a margin of 1%. The Fourth Tranche Debt is repayable between 2006 and 2019.

Tier 1A

The Tier 1A Loans comprise three tranches of £335 million, £285 million and £120 million respectively. The £120 million tranche is repayable in a single instalment in 2026 and the other two tranches (comprising an aggregate of £620 million) are repayable in two equal successive annual instalments in 2027 and 2028. Interest accrues on the Tier 1A Loans at a fixed interest rate until maturity of 6.645% per annum in the case of the £620 million and 8.16% per annum in the case of the £120 million tranche.

Junior Debt

The Junior Debt carries a variable rate of interest (EURIBOR/LIBOR) with a margin of 1.25%. This debt is repayable between 2007 and 2025.

Resettable Facility (Advances and Bonds)

As indicated above, the Resettable Advances were converted into Bonds at Eurotunnel's option on 15 May 2006.

Since 26 January 2004, the Resettable Facility has carried interest at a rate fixed in relation to UK and French government bond rates with a margin of 0.5%. With effect from the end of the Stabilisation Period, this margin has increased to 1.5%. They are repayable by 31 December 2050.

Stabilisation Facility (Advances and Notes)

As indicated above, the Stabilisation Advances were converted into Stabilisation Notes at Eurotunnel's option on 15 May 2006.

During the Stabilisation Period, Stabilisation Advances (in respect of Junior Debt and Resettable Advances) were created each January and July to settle interest which became due but could not be settled in cash.

In accordance with the Credit Agreements, the last drawing was in January 2006. During the Stabilisation Period, the Stabilisation Advances carried no interest.

With effect from 1 January 2006, the Stabilisation Facility carries a variable rate of interest (EURIBOR/LIBOR) plus a margin of 1.25%. They are repayable between 2018 and 2026.

All debt is fully secured by guarantees given by Eurotunnel to the Lenders. No significant modification to the debt covenants was made during the year. Debt repayments from 2007 are as follows:

(in millions)	2007	2008	2009	2010	2011
£	14.1	28.2	77.4	91.4	91.4
€	35.4*	59.2	121.4	148.1	148.6
Combined (£)	**39.7**	**68.0**	**158.9**	**190.9**	**191.2**

* *Including the €2,9 million repayment on the 4th Tranche not paid in 2006.*

Since the end of the Stabilisation Period and in accordance with the current Credit Agreements, the following events of default would have been applicable:

i) The ratio of operating cash flow to debt service costs plus capital expenditure (a) is less than 1.0 for any year in the period from 2006 to 2011 and (b) is less than 1.2 for any year in the period from 2012 to 31 December 2025.

ii) The ratio of turnover plus other operating income less operating expenditure (after depreciation) to total interest service costs (a) is less than 1.0 for any year in the period from January 2008 to 2011 and (b) is less than 1.5 for any year from 2012 to 2025.

iii) The Borrowers fail to meet the default repayment schedule in respect of Junior Debt or fail to meet the repayment schedule in respect of Stabilisation Advances.

c. Interest rate exposure

In October 2006, the Court-appointed representatives (*Administrateurs Judiciaires*) terminated the hedging contracts. Eurotunnel has recorded the unwinding of these transactions and has accounted for the termination indemnity of £2 million due to the parties to these contracts under the Safeguard Plan.

Before the cancellation of these contracts in October, charges of £19 million (2005: £51 million) of which £21 million relates to the recycling of the hedging reserve (2005: £50 million), and an income of £4 million (2005: £4 million) were recorded in the income statement in 2006 relating to derivatives.

d. Exchange rate exposure on balance sheet

All of Eurotunnel's debt is denominated in sterling (EPLC Group) or euros (ESA Group). No exchange gains or losses can therefore arise on revaluation of the external debt. The residual foreign exchange risk relates to the revaluation of intra-Group balances. The residual intra-Group debt at 31 December 2006 was £88 million as compared to £33 million at 31 December 2005. A 10% change in the euro/sterling parity would result in unrealised exchange gains or losses of approximately £9 million.

e. Liquidity risk

The existing debt will be completely refinanced within the framework of the Safeguard Procedure. The cash flow forecasts, which take into account the effects of the putting into place of the Safeguard Plan, confirm that Eurotunnel will be able to meet its funding requirements.

f. Fair value of financial assets and liabilities

With the exception of the debt, the book value of the assets and liabilities is equal to its fair value.

According to the terms of the Safeguard Plan, the value of the debt can be summarised as follows:

Current debt	£ million*	Value
Senior Debt, 4th Tranche, Tier 1A, and Tier 1 and Tier 2 of the Junior Debt	2,534	Nominal value of the debt.
Tier 3 Junior Debt	1,772	Value of NRS for a nominal value of £965 million, or 98.5 % of this amount plus £150 million in cash.
Stabilisation Notes	559	Value of NRS for a nominal value of £110 million plus £36 million in cash.
Resettable Bonds	463	Value of NRS for a nominal value of £57.5 million plus £30 million in cash.
PLNs	859	Value of NRS for a nominal value of £62 million plus £24 million in cash.

* *Value of the existing debt at 31 December 2006 at an exchange rate of £1=€1.46635.*

21 TRADE AND OTHER PAYABLES

(£'000)	31 December 2006	31 December 2005
Trade cash advances	515	86,364
Trade creditors and accruals	97,932	50,498
Taxation, social security and staff	40,544	23,551
Property, plant and equipment creditors and accruals	4,715	1,844
Trade payables (current)	**143,706**	**162,257**
Deferred income	11,506	11,456
Other	5,419	5,428
Other payables (current)	**16,925**	**16,884**
Total	**160,631**	**179,141**

At 31 December 2005, trade cash advances represented principally advance payments received from the Railways under the Minimum Usage Charge clause of the Railway Usage Contract. These advances were repayable under certain conditions by deduction from future payments owed by the Railways. The guarantee period having expired, these advances do not have to be repaid, and they were credited to the income statement in 2006 under ''Other operating income and expenses'' (see note 7 above).

22 COMMITMENTS AND CONTINGENT LIABILITIES

Under the current Credit Agreements, Eurotunnel has undertaken to grant as security to the existing lending parties to the Credit Agreements charges over its assets and rights, other than the assets and rights owned by EDL, OPL, CLL and the CRL companies.

The current Credit Agreements provide for the possibility that the current creditors, after the occurrence of an event of default and in certain circumstances, may seek to exercise the right of substitution as provided under the Concession and/or their security rights under the financing agreements. The exercise of these rights is significantly affected by the Safeguard Procedure currently underway.

As at 31 December 2006, the shares of ESA and EPLC subsidiaries, most bank accounts, the commissioned rolling stock, all trademarks and the benefits of the most important contracts had been given as security under French law. Under English law, all assets and rights owned by Eurotunnel companies other than EDL, OPL, CLL and the CRL companies come under a floating charge. Some specific charges over certain of Eurotunnel companies' land and buildings have been effected.

No significant commitment or contingent liability other than these mentioned above has been given as security by Eurotunnel.

2005 Combined Accounts

Abbreviations and Definitions, Exchanges Rates, Accounts Presentation and Accounts Approval

Abbreviations and definitions

The following abbreviations and definitions are used for convenience throughout this Annex:

''**CLL**'' – Cheriton Leasing Limited.

''**CRL**'' – Cheriton Resources Limited companies.

''**CTG**'' – The Channel Tunnel Group Limited, the UK concessionaire.

''**EDL**'' – Eurotunnel Developments Limited.

''**EFL**'' – Eurotunnel Finance Limited.

''**EPLC Group**'' – Eurotunnel P.L.C. and its subsidiaries.

''**EPLC**'' – Eurotunnel P.L.C.

''**ESA Group**'' – Eurotunnel SA and its subsidiaries.

''**ESA**'' – Eurotunnel SA.

''**ESGIE**'' – Eurotunnel Services GIE.

''**ESL**'' – Eurotunnel Services Limited.

''**ETRL**'' – Eurotunnel Trustees Limited.

''**Eurotunnel Group**''/''**Eurotunnel**''/''**the Group**'' – Eurotunnel P.L.C., Eurotunnel SA and their subsidiaries.

''**FLF**'' – Fixed-Link Finance BV.

''**FLF2**'' – Fixed-Link Finance 2 BV.

''**FM**'' – France Manche SA, the French concessionaire.

''**GICL**'' – Gamond Insurance Company Limited.

''**LSH**'' – Le Shuttle Holidays Limited.

''**OPL**'' – Orbital Park Limited.

''**Partnership**'' – The partnership between FM and CTG, where the partners have equal holdings.

''**PMSI**'' – Port Maritime Security International Limited.

''**Project**'' – The Fixed Link as defined in the Treaty and the Concession Agreement.

''**TJDH**'' – Tunnel Junior Debt Holdings Limited.

Exchange rates

References in this Annex to ''£'' are to sterling, references to ''€'' are to euros and references to ''FRF'' are to French francs. The exchange rates used in the preparation of the accounts are explained in the notes thereto.

Approval of the Combined Accounts

On 22 December 2006, the Paris Commercial Court authorised Eurotunnel SA to extend the deadline for sending out notices of its general meeting to approve the 2005 accounts until 31 March 2007.

The Combined Accounts for the year to 31 December 2005 were approved by the Joint Board on 6 March 2007, and will be submitted for approval at the next annual general meeting.

COMBINED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

(£'000)	Notes	2005	2004
Revenue	3	541,464	538,123
Operating expenses		144,339	145,563
Employee benefit expense	4,5	97,834	105,266
Depreciation	6	146,602	159,448
Trading profit		**152,689**	**127,846**
Impairment of property, plant and equipment	6	1,750,000	335,810
Other operating expenses	7	27,663	47,518
Operating loss		**(1,624,974)**	**(255,482)**
Income from cash and cash equivalents		5,414	5,359
Cost of servicing debt (gross)	8	339,587	341,620
Net cost of financing and debt service		**334,173**	**336,261**
Other financial (charges) and income	9	(12,225)	4,343
Income tax expense	10	31	23
Loss for the year		**(1,971,403)**	**(587,423)**
Loss per Unit (in pence)*	11	(77.4)	(23.1)

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

COMBINED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2005

(£'000)	2005	2004
Foreign exchange translation differences	83,761	(446)
Movement in fair value of hedging contracts	37,169	4,576
Net income recognised directly in equity	**120,930**	**4,130**
Loss for the year	(1,971,403)	(587,423)
Total recognised income and expense for the year	**(1,850,473)**	**(583,293)**

The notes on pages [●] to [●] form part of these Combined Accounts.

COMBINED BALANCE SHEET AT 31 DECEMBER 2005

(£'000)	Notes	31 December 2005	31 December 2004
ASSETS			
Property, plant and equipment			
Concession property, plant and equipment	6	5,077,946	6,952,660
Other property, plant and equipment	6	30	–
Non-current financial assets			
Shares		2,135	2,224
Other financial assets	14	114,048	162,061
Other non-current assets		–	2,645
Total non-current assets		**5,194,159**	**7,119,590**
Inventories	12	773	2,160
Trade receivables	13	42,288	41,014
Other receivables		19,419	21,915
Other financial assets	14	14,261	22,062
Cash and cash equivalents	15	118,444	181,224
Total current assets		**195,185**	**268,375**
Total assets		**5,389,344**	**7,387,965**
EQUITY AND LIABILITIES			
Issued share capital	16	285,400	285,400
Share premium account	16	2,368,389	2,368,389
Other reserves	18	(71,085)	(108,254)
Retained earnings	18	(2,082,674)	(1,495,804)
Loss for the year	18	(1,971,403)	(587,423)
Cumulative translation reserve	2.a.iv, 18	163,148	79,387
Total equity		**(1,308,225)**	**541,695**
Retirement benefit obligations	19	16,674	22,005
Financial liabilities	20	6,155,585	6,185,945
Other financial liabilities	14	113,934	145,375
Other payables	21	–	99,416
Total non-current liabilities		**6,286,193**	**6,452,741**
Provisions	17	19,405	36,615
Financial liabilities	20	97,311	98,094
Other financial liabilities	14	14,261	22,062
Interest rate derivatives	20e	101,258	140,358
Trade payables	21	162,257	76,456
Other payables	21	16,884	19,944
Total current liabilities		**411,376**	**393,529**
Total equity and liabilities		**5,389,344**	**7,387,965**

The notes on pages [●] to [●] form part of these Combined Accounts.

COMBINED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

(£'000)	Notes	2005	2004
Loss for the year		(1,971,403)	(587,423)
Income tax expense		31	23
Other financial charges and (income)		12,225	(4,343)
Net cost of financing and debt service		334,173	336,261
Other operating expenses		27,663	47,518
Impairment of property, plant and equipment		1,750,000	335,810
Depreciation		146,602	159,448
Trading profit before depreciation		**299,291**	**287,294**
Exchange adjustment*		588	4,119
Decrease in inventories		1,386	1,543
(Increase)/decrease in trade and other receivables		(5,467)	6,467
Decrease in trade and other payables		(16,369)	(6,918)
Net cash inflow from trading		**279,429**	**292,505**
Other operating cash flows		(47,455)	(13,835)
Taxation		(31)	(24)
Net cash inflow from operating activities		**231,943**	**278,646**
Payments to acquire property, plant and equipment		(27,456)	(32,977)
Sale of property, plant and equipment		11,434	4,850
Net cash outflow from investing activities		**(16,022)**	**(28,127)**
Interest received on cash and cash equivalents		5,673	4,395
Interest paid on bank debt		(230,739)	(249,011)
Interest paid on hedging instruments		(56,458)	(40,347)
Interest received on hedging instruments		8,607	4,303
Other interest paid		(254)	(581)
Debt repayments		(2,750)	(724)
Net cash outflow from financing activities		**(275,921)**	**(281,965)**
Decrease in cash in the year	**15c**	**(60,000)**	**(31,446)**

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

The notes on pages [●] to [●] form part of these Combined Accounts.

NOTES

1 ACTIVITIES AND IMPORTANT EVENTS

EPLC, ESA and their subsidiaries collectively make up Eurotunnel. Between them, Eurotunnel companies have as their objects the design, financing, construction and operation of the Fixed Link, under the terms of the Concession.

Important events

The new operational model

In 2005, Eurotunnel carried out a major operational restructuring.

The new Truck Shuttle strategy consists of giving priority to contract clients who provide a daily usage estimate. This allows Eurotunnel to enhance client satisfaction by adjusting capacity in line with demand. The reduction in capacity improved Truck Shuttle load factors. In addition, Eurotunnel has brought commercial business previously subcontracted to Transferry back in-house, enabling it to improve service quality for all clients throughout Europe. The partnership agreements between Eurotunnel and its agent for exploiting the EurotunnelPlus brand and services ended on 16 August 2005.

In operational terms, the reduction in transport capacity led to a fall of around 15% in the number of Truck Shuttle departures, without affecting service quality. The load factor improved substantially, from 59% in 2004 to 71% in 2005.

For the Passenger Shuttle service, a new pricing policy was introduced for the car business in June 2005. The new policy is to offer a more transparent reservation service, introducing journeys based on single fares, standard journeys not based on the length of stay, Flexiplus journeys that can be changed at no additional cost, dedicated payment booths and priority boarding. Passenger Shuttle capacity was substantially reduced in the second half of 2005, by around 25% compared to the second half of 2004. This improved the load factor and lowered costs.

In 2004, a provision of £36 million was made for the employee-related consequences of the operational restructuring and for the early cancellation of certain outsourcing contracts. An additional £12 million provision was booked in 2005 to cover the total number of staff departures following the negotiations with UK and French staff representatives which resulted in agreements based on negotiated voluntary departures. The voluntary departures continued in 2006.

Eurotunnel's financial position

On 13 July 2006, the Joint Board decided to ask the Paris Commercial Court to place the company under its protection as part of a Safeguard Procedure (defined by French Law 2005-845 of 26 July 2005). The Paris Commercial Court opened the Safeguard Procedure for 17 Eurotunnel companies on 2 August 2006.

In accordance with applicable laws, the Safeguard Procedure ended the alert procedure initiated by the *Commissaires aux Comptes* on 6 February 2006.

On 2 August 2006, Calyon and HSBC Bank plc, as the Agent Bank under the Credit Agreements, served notice of a default event relating to the Senior Debt, Fourth Tranche Debt, Tier 1A Debt, Tier 1 Debt, Tier 2 Debt and Tier 3 Debt, although they did not demand accelerated payment of the corresponding debts.

On 26 October 2006, the Joint Board approved, in accordance with the Safeguard Law, the terms of a Proposed Safeguard Plan devised by the company with the support of court-appointed judicial administrators and creditor representatives. The main aspects of this plan, the aim of which is to reduce debt by 54%, are as follows:

- The creation of a new parent company, Groupe Eurotunnel SA (GET SA), which will make a Tender Offer for Eurotunnel Units;
- The restructuring of the current £6.3 billion debt (at 31 December 2006) through the refinancing or restructuring of the various debt components. This will involve a new loan of £2.84 billion from an international banking consortium and the issue by GET SA of £1.275 billion of notes redeemable in shares (NRS). These NRS are redeemable in GET SA shares for a maximum term of three years and one month. 61.7% of these NRS are redeemable early in cash by the issuer;

– Current holders of Eurotunnel Units who tender their Units to the Tender Offer will, if they tender all their Units to the Offer and depending on how many NRS are redeemed in cash, receive at least 13% of GET SA's capital. They will be able to subscribe for NRS up to a maximum nominal amount of £60 million and will receive share warrants exercisable at nominal value as part of the Tender Offer. They will also benefit from certain travel privileges.

On 18 December 2006, Eurotunnel's Joint Board approved the financing proposals for the Safeguard Plan drawn up by a consortium made up of Goldman Sachs and Deutsche Bank, which has since been joined by Citigroup. These proposals allow the Proposed Safeguard Plan to be financed in full through:

– A long-term loan of £1.5 billion and €1.965 billion, equal to a total of £2.84 billion, in the form of a traditional bank loan with a term of between 35 and 43 years depending on the tranche;

– The underwriting of the sterling- and euro-denominated NRS allotted to Tier 3 debt-holders in an amount equivalent to £965 million, allowing these debt-holders to receive cash instead of NRS if they so desire.

These proposals leave additional debt capacity of £225 million, allowing certain NRS to be redeemed in cash if required.

In its judgements dated 15 January 2007, the Paris Commercial Court approved the Proposed Safeguard Plan presented by Eurotunnel. Two Commissioners for the Execution of the Plan were appointed for a maximum term of 37 months.

Going concern

Taking into account the uncertainties relating to Eurotunnel's ability to meet its commitments within a timeframe compatible with its financial position, the *Commissaires aux Comptes* initiated a warning procedure on 6 February 2006 relating to ESA and FM, in accordance with French legislation.

The Joint Board was unable to gauge the company's status as a going concern, and was therefore unable to finalise the 2005 financial statements within the legal deadline.

Eurotunnel asked the Paris Commercial Court for, and obtained, authorisation to delay convening the shareholders' meeting to approve the financial statements until 31 December 2006. This deadline was later extended until 31 March 2007.

Based on the Safeguard Plan approved by the Paris Commercial Court in early 2007 and the implementation of the financial restructuring, Eurotunnel's Combined Accounts were approved by the Joint Board on 6 March 2007 on a going concern basis.

The company's status as a going concern depends directly on the success of the restructuring approved by the Paris Commercial Court. This requires the Tender Offer to be a success, the Term Loan to be drawn and any legal action aimed at blocking the Safeguard Plan to fail.

– The Tender Offer requires a minimum acceptance rate of 60%. If the proportion of Units tendered to the Tender Offer is lower than 60%, and provided that GET SA has not abandoned this threshold in accordance with applicable regulations, this Tender Offer acceptance condition would not be met.

– The drawing of the Term Loan, as with any credit agreement of this type, is subject to several conditions that must be met by 30 June 2007, some of which may fall outside of Eurotunnel's control. If these conditions are not met and if the lenders do not waive them, Eurotunnel would be unable to carry out the cash redemptions and payments specified by the Safeguard Plan.

– Eurotunnel has been, is currently and may in future be involved in certain administrative or legal procedures, particularly in France and the UK. Some of these procedures, if successful, could delay or threaten the implementation of the Safeguard Plan. Some note holders have lodged various legal actions challenging the decision of the Paris Commercial Court of 15 January 2007 to approve the Safeguard Plan. These actions relate principally to the manner in which the meetings were convened and conducted under the Safeguard Procedure. At this stage, these actions would not prevent the Safeguard Plan from proceeding.

Some aspects of the Safeguard Plan may have to be adjusted in order to be implemented effectively. The type and extent of these adjustments cannot be gauged at the moment. Such adjustments, if they became necessary, would fall under the regulatory framework governing the execution of the Safeguard Plan.

In the event that all of the elements of the Safeguard Plan are not put in place, Eurotunnel's ability to trade as a going concern would not be assured. The Combined Accounts would be subject to certain adjustments, the amounts of which cannot be measured at present. They would relate to the impairment of assets to their net realisable value, the recognition of liabilities and the classification of non-current assets and liabilities as current assets and liabilities. The asset value on liquidation has been estimated by the valuer/auctioneer appointed by the Safeguard Procedure at £890 million.

2005 financial statements

Asset value

Eurotunnel's assets are valued in accordance with IAS36, which defines an asset's recoverable value as the higher of fair value and value in use. Value in use is calculated by discounting projected future operating cash flows (after capital expenditure) and applying Adjusted Present Value methodology. This method takes into account assumptions regarding future cash flows and debt levels, as well as market interest rates during the Concession.

Applying IAS36 at 31 December 2004 gave assets a value in use that was £336 million lower than their net carrying value, leading to an impairment charge on property, plant and equipment for the same amount.

When the calculation at 31 December 2004 was made, there was uncertainty about the company's status as a going concern. It was made on the basis of cash flows based on operational and financial contracts in place at the time, and was made before the refinancing plan had been developed. In making its calculations, Eurotunnel assumed a level of debt £1.3 billion lower than that stated at the balance sheet date, with a corresponding increase in capital.

The calculation of value in use at 31 December 2005 took into account the Safeguard Plan, and used an implicit discount rate of 8.4%, as opposed to 7.2% in 2004. This led to a £1,750 million impairment charge.

The increase in the implicit discount rate was due to the new operational model's impact on specific asset risks (asset beta of 0.55 compared to 0.43 in 2004), and the new financing structure based on the Safeguard Plan, involving a new loan of £2.84 billion and the issue of NRS for an amount of £1.275 billion.

Relatively minor changes in assumptions would lead to material changes in the value in use. For example, a 0.1-point change in the implied discount rate would correspond to a change in the value in use of assets of approximately £92 million, and a 0.5-point change would change their value by approximately £489 million.

Financial liabilities

Financial liabilities are presented on the balance sheet in accordance with their contractual maturity. The execution of the Safeguard Plan in 2007 will substantially change the amounts, characteristics and maturity of this debt.

Negative equity

The recognition of impairment charges as described above caused Eurotunnel's main companies (EPLC, ESA, FM and CTG) to have negative total equity.

Under the Safeguard Plan, GET SA will reconstitute these companies' equity through the capitalisation of debt.

Litigations

Under the Railway Usage Contract dated 29 July 1987 between the Railways (SNCF and BRB) and Eurotunnel, the Railways are required to pay a contribution to the operating costs of Eurotunnel in each year. On 21 November 2001, the Railways initiated arbitration proceedings under the auspices of the International Chamber of Commerce, aimed at reducing the amount of this contribution, firstly for the years 1997 and 1998, and secondly for the years 1999 to 2002. The amount claimed by the Railways for all of these years together is estimated to be a maximum of £100 million.

In a first award made on 26 April 2002, the Arbitration Tribunal ordered the Railways to pay to Eurotunnel the full amount of the provisional contribution to its 2002 operating costs.

The Arbitration Tribunal, in a second partial award made on 30 January 2003, rejected the Railways' claim regarding the operating costs contribution for 1997 and 1998 on the basis that it was time barred. The Arbitration Tribunal, in a third partial award given on 4 May 2005:

- rejected the Railways' claim regarding the operating costs contribution for 2000 on the basis that it was time barred;
- rejected the Railways' claims on allegations of breach of contract by Eurotunnel;
- set out a number of clarifications on the interpretation of Usage Contract provisions regarding cost allocations, and on the practice of the parties in this respect.

The determination of the final amount of the operating costs contribution for non-time barred years will be carried out within the scope of the expert's mission as set out in the Usage Contract.

In light of this award, Eurotunnel and the Railways met together at the end of 2005 to seek an amicable resolution to the dispute. An agreement was signed on 23 December 2005, by which Eurotunnel accepted a reduction of the Railways' contribution for the non-time barred years as well as for 2003 and 2004 for a lump sum of £3 million for each year (£15 million in total). This settlement agreement was reached on the condition that a definitive agreement would be reached before 31 May 2006 on a simplified and reasonable system of allocation of operating costs for future years with effect from 2005 inclusive. Should such an agreement not be reached by this date, the Railways would be obliged to repay the advance paid by Eurotunnel under the settlement agreement, and the expert's mission, which has been suspended until 31 May 2006, would re-commence. The Arbitration Tribunal, which remains constituted, would render a final award upon completion of the expertise, and would pronounce any potential condemnations against Eurotunnel and/or SNCF and BRB. The impact of the settlement agreement has been taken into account in 2005.

In 2006, Eurotunnel and the Railways came to a definitive agreement, on the basis of the conditions above.

Eurotunnel has reached a settlement agreement in the contractual dispute that started in 2004 between Eurotunnel and its agent Transferry. The impact of this settlement has been taken into account in 2005.

The other main events arising during 2005 and in the early part of 2006 are described in Eurotunnel's Business Review.

Results

The loss for the year amounted to £1,971 million.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Declaration of conformity

The Combined Accounts have been prepared in accordance with international accounting standards. These financial statements are the first that have been prepared in accordance with IFRS. The requirements of IFRS1 relating to the first application of IFRS have been applied.

These financial statements have been prepared in accordance with those IFRS standards as adopted by the European Union up to 31 December 2005. No standards published by the IASB but not yet adopted by the European Union at 31 December 2005 have been applied in anticipation.

a. Basis of preparation and presentation

i) The Combined Accounts consist of the combination of the accounts of the EPLC Group and of ESA and its subsidiaries.

During the second half of 2006, IFRIC12 was adopted relating to concession contracts. Eurotunnel has control over the nature and price of the service it provides, and therefore does not meet the criteria of this new interpretation, and applies IAS16 on property, plant, and equipment, and IAS37 on provisions. In addition, Eurotunnel has adopted the option for first application of IAS32 and 39 relating to financial instruments at 1 January 2004, as described in note 23g.

The Combined Accounts, which up until 31 December 2004 were prepared under French GAAP as described in the 2004 Combined Accounts, constituted the Eurotunnel SA Group (ESA) Consolidated Accounts according to French law. The Combined Accounts at 31 December 2005, prepared in accordance with the principles described below, also constitute the Consolidated Accounts of ESA according to the same French law. The standard IAS27 on Consolidated Accounts does not deal specifically with Combined Accounts. Eurotunnel has decided to continue to publish its consolidated accounts as Combined Accounts.

The Combined income statement for 2005 presented in this document, which has been prepared in accordance with IFRS, is compared with the income statement for the year to 31 December 2004 which has been restated. The balance sheet at 31 December 2005 is compared to the balance sheet at 31 December 2004, also restated.

In order to allow both shareholders and the wider financial community to understand the consequences of this significant transition, and to follow the recommendations of IFRS1, the CESR (Committee of European Securities Regulators) and the AMF (France's stock market regulatory agency), this document also contains:

– A reconciliation between French GAAP and the principles described below for the Combined income statement and cash flow for the year to 31 December 2004, for the balance sheet at 31 December 2004, and for the issued capital and reserves attributable to equity at 1 January 2004 and 31 December 2004.
– Notes explaining the changes in accounting standards which affect Eurotunnel's financial statements and the restatements that have been made.

As indicated in note 1, the going concern basis is dependent on Eurotunnel's ability to put in place the financial restructuring plan ratified by the Paris Commercial Court. If such a plan was not successful and the Group's ability to trade as a going concern was not assured, certain adjustments would need to be made to the accounts. Those adjustments would relate to the impairment of assets to their net realisable value, the recognition of liabilities and the classification of non-current assets and liabilities as current assets and liabilities. Such amounts cannot be measured at present. Within the French and British legal frameworks, the Lenders may seek to exercise the right to substitution included in the Concession Agreement and their security rights over assets as set out in the Credit Agreements.

The transition to IFRS is taking place in the context of an urgent need for a financial restructuring and the uncertainty surrounding the changes that will be made to the amount, nature and characteristics of the debt. The main consequence of this is that there is no immediate recognition of future gains, as they cannot be recognised due to the significant contractual modifications that are expected to occur.

ii) Basis of consolidation

Eurotunnel's accounts are prepared as at 31 December. Companies acquired or formed during the year are consolidated as from their date of acquisition or formation. Three subsidiaries of ESA were not consolidated as they remained dormant or were not material during 2005. These companies had no off-balance sheet liabilities.

The special purpose vehicles Fixed-Link Finance BV (FLF) and Tunnel Junior Debt Holdings Limited (TJDH), set up in connection with the repackaging of £1.1 billion of Junior Debt completed in 2001, were not previously consolidated in Eurotunnel's accounts in accordance with French GAAP. The consolidation of these two entities would increase Eurotunnel's issued capital and reserves attributable to equity by approximately £120 million at 1 January 2004 and decrease the Junior Debt by the same amount. However, as this benefit could only be realised after the complete reimbursement of the FLF debt from the bond holders, Eurotunnel, with the prospect of a significant financial restructuring, has not modified the amount of its Junior Debt as it does not consider itself to have control over these entities. Therefore, Eurotunnel's has not consolidated FLF and TJDH.

For the purposes of consolidation, the Eurotunnel Group comprises the following companies:

			Eurotunnel P.L.C.		Eurotunnel SA		
			% of shareholding held by				
	Class of share	Country of registration or incorporation	Holding company	Subsidiaries	Holding company	Subsidiaries	TOTAL
Companies included in the consolidation in 2004:							
Cheriton Leasing Limited	Ordinary	England	100				100
Cheriton Resources 1 Limited	Ordinary	England	100				100
Cheriton Resources 2 Limited	Ordinary	England	100				100
Cheriton Resources 3 Limited	Ordinary	England	100				100
Cheriton Resources 5 Limited	Ordinary	England	100				100
Cheriton Resources 6 Limited	Ordinary	England	100				100
Cheriton Resources 7 Limited	Ordinary	England	100				100
Cheriton Resources 8 Limited	Ordinary	England	100				100
Cheriton Resources 9 Limited	Ordinary	England	100				100
Cheriton Resources 10 Limited	Ordinary	England		100			100
Cheriton Resources 11 Limited	Ordinary	England		100			100
Cheriton Resources 12 Limited	Ordinary	England		100			100
Cheriton Resources 13 Limited	Ordinary	England		100			100
Cheriton Resources 14 Limited	Ordinary	England		100			100
Cheriton Resources 15 Limited	Ordinary	England		100			100
Cheriton Resources 16 Limited	Ordinary	England		100			100
Cheriton Resources 20 Limited	Ordinary	England	100				100
Eurotunnel Developments Limited	Ordinary	England	100				100
Eurotunnel Finance Limited	Ordinary	England	79			21	100
Eurotunnel Services GIE	–	France	20	27.9	30	22.1	100
Eurotunnel Services Limited	Ordinary	England		75		25	100
Eurotunnel Trustees Limited	Ordinary	England		100			100
Fixed-Link Finance 2 BV	Ordinary	Netherlands	–	–	–	–	–
France Manche SA	Ordinary	France			99.9		99.9
Gamond Insurance Company Limited	Ordinary	Guernsey		100			100
Le Shuttle Holidays Limited	Ordinary	England		100			100
Orbital Park Limited	Ordinary	England		100			100
Port Maritime Security International Limited	Ordinary	England	100				100
The Channel Tunnel Group Limited	Ordinary	England	100				100
Companies consolidated in 2005 for the first time:							
EurotunnelPlus BV	Ordinary	Netherlands				100	100
EurotunnelPlus Distribution SAS	Ordinary	France				100	100
EurotunnelPlus GmbH	Ordinary	Germany				100	100
EurotunnelPlus Limited	Ordinary	England		100			100
EurotunnelPlus SAS	Ordinary	France				100	100
EurotunnelPlus SL	Ordinary	Spain				100	100

iii) Transactions between the members of Eurotunnel have been eliminated.

iv) The accounts of the ESA Group have been converted into £ as follows:

- share capital, share premium account, retained reserves brought forward, Concession property, plant and equipment and depreciation at historical rates;
- all other assets and liabilities at the rate ruling at the balance sheet date; and
- income statement items, with the exception of depreciation, at an average rate for the year.

Exchange differences arising from the application of the above are included in the exchange adjustment reserve in the balance sheet.

The closing and average €/£ exchange rates used to prepare the Combined Accounts are as follows:

€/£	2005	2004
Closing rate	1.459	1.418
Average rate	1.465	1.466

v) Use of estimates and judgements

The preparation of combined financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period of the Combined financial statements.

The Board regularly reviews its valuations and estimates based on its experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value. The actual results could differ significantly from these estimates depending on different conditions and hypotheses.

The use of estimations concerns mainly the impairment of property, plant and equipment (see note 1).

vi) Segment reporting

Eurotunnel's primary activity is the operation of the Fixed Link, divided into different types of users: Shuttle and Railways. Consequently, Eurotunnel presents its operating activities in one reportable segment within the meaning of IAS14.

b. Principal accounting policies

i) Cost and revenue sharing

The Concession requires that Eurotunnel shall share equally the cost price of the Project and all revenues and costs relating to the operation of the Fixed Link between the UK and French companies.

– Concession property, plant and equipment: all costs and revenues arising either directly or indirectly from the design, financing and construction of the Project are capitalised and shared between CTG and FM, and shown as property, plant and equipment. Adjustments are made within property, plant and equipment to equalise the cost between the concessionaires.

– Operating revenues and costs: all revenues and costs arising from the operation of the Concession are accounted for in the income statement of the Partnership and shared equally between the concessionaires. Revenues and costs arising in Eurotunnel companies which do not relate to the operation of the Concession are not subject to these sharing arrangements.

ii) Property, plant and equipment, and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are depreciated on a systematic basis in order to write down the costs of assets over their expected useful lives as follows:

Tunnels	life of Concession
Terminals and related land	10 years – life of Concession
Fixed equipment and machinery	5 years – life of Concession
Rolling stock	5-60 years
Freehold land	not depreciated
Office equipment	3-10 years

The expected useful lives of the assets are kept under review and revised when necessary, according to experience.

Non-renewable Concession property, plant and equipment is depreciated over the life of the Concession on a straight line basis. Depreciation on renewable assets is calculated on a straight line basis.

As all property, plant and equipment will be written down to £nil at the end of the Concession, depreciation of the final renewal cost of renewable assets will be based on the residual duration of the Concession.

iii) Impairment of property, plant and equipment

The carrying amounts of the Eurotunnel's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

iv) Retirement liabilities

Eurotunnel provides for its contractual obligations for retirement indemnities of employees under French contracts, and for the defined benefit retirement schemes of employees under UK contracts operated by the Eurotunnel P.L.C. Group, the assets of which are held separately from those of Eurotunnel. The current service cost of the period, determined by the projected unit of credit method, is accounted for in operating costs. Actuarial differences are dealt with using the ''corridor'' approach, with any excess or shortfall outside the corridor being amortised over the average remaining working lives of the beneficiaries, and are shown in operating costs.

v) Provisions

Provisions are recognised when there exists a legal or constructive obligation stemming from a past event and when the future cash flows can be reliably estimated.

Eurotunnel provides for costs of restructuring when detailed restructuring plans are approved, the features of the plans have been announced and implementation has commenced.

vi) Financial instruments

Financial assets include cash and cash equivalents, trade receivables and the positive valuation of derivatives. Financial liabilities include borrowings, trade payables and the negative valuation of derivatives. Financial assets and liabilities are classified within current assets or liabilities in the situation where the residual maturity is less than 12 months.

Trade receivables and payables

Trade receivables and payables are measured at amortised cost.

Borrowings

Borrowings 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 calculated 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.

Derivatives

Derivatives are measured at their fair value. The profit or loss resulting from the re-evaluation of the fair value is accounted for immediately in the income statement. However, gains and losses on qualifying hedging options are recorded in the income statement depending on the nature of the element to which it relates.

For the purpose of interest rate risk hedges, Eurotunnel carries the following derivative instruments: purchased collars, purchased caps and a swap transaction.

All options entered into by Eurotunnel are designed to partially hedge Eurotunnel against the increase in interest to be paid on the Junior Debt during the floating rate period from 2004 to 2008.

Hedging options that meet the hedging criteria set forth by IAS39 are accounted for according to the cash flow hedge model. Gains and losses on qualifying hedging options 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.

The outstanding swap transaction is designed to convert a portion of the interest expense from fixed to floating during 2004 and 2005. The swap transaction is designated as a fair value hedge of financial liabilities. Changes in the fair value of the hedged debt are recorded in the income statement, with equal and opposite changes recognised in the fair value of the hedging swap.

vii) Foreign exchange

Transactions in foreign currencies are converted into the reporting currency of each individual company at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies other than those mentioned in note 2.a.iv are translated at the rate ruling at the balance sheet date. Exchange differences are dealt with in the income statement.

viii) Inventories

In respect of properties, cost comprises the purchase price of property, development costs, and, where appropriate, a proportion of attributable financing costs during the development period. They are stated at the lower of cost and net realisable value.

ix) Share based payments

Eurotunnel accounts for share options granted to its staff members in accordance with IFRS2. The options are valued at the date on which they are granted using the Binomial model. Any variations in value occurring after the grant date are not taken into account. The value is charged to employee benefit expenses on a straight line basis between the date of the grant and the maturity date (the vesting period), with an equal and opposite entry directly to issued capital and reserves attributable to equity.

x) Revenue recognition

Revenue comprises the value of sales of services and goods receivable in the normal course of business (excluding VAT). Revenue is recognised on the date the service is rendered. Eurotunnel's activity is the provision of transportation services between the UK and France and activities ancillary thereto, including development activities.

xi) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

3 REVENUE

Revenue is analysed as follows:

(£'000)	2005	2004
Shuttle services	295,523	285,193
Railways	234,729	233,909
Non-transport activities	11,212	19,021
Total	**541,464**	**538,123**

4 EMPLOYEE NUMBERS AND EMPLOYEE BENEFIT EXPENSE

	2005	2004
Number of persons employed by the Group at 31 December(1)	2,610	3,209
Average number of persons employed by the Group(1)	3,017	3,269
Employee benefit expense (£'000)(2)	97,834	105,266

(1) *Including directors.*

(2) *Including employment costs and directors' remuneration.*

As part of the operational restructuring, staff numbers decreased significantly particularly towards the end of 2005, and the departures continued into 2006.

5 REMUNERATION OF MEMBERS OF THE JOINT BOARD AND SENIOR EXECUTIVES

a. The total remuneration for all members of the Joint Board who served during 2005 was £523,729 (2004: £788,808) before pension contributions.

b. The total remuneration for members of the Executive Committee (excluding executive directors) is detailed in the table below. There were 10 members of the Executive Committee at 31 December 2005 (11 at 31 December 2004), 3 of whom were members of a UK pension scheme as described in note 19 (3 at 31 December 2004).

(£'000)	2005	2004
Current employment benefits	1,382	1,311
Post employment benefits	88	304
Payments in respect of termination of service	281	400
Cost of share based payments	122	119
Total	**1,873**	**2,134**

6 PROPERTY, PLANT AND EQUIPMENT

	Concession property, plant and equipment							
(£'000)	Assets in course of construction	Tunnels	Terminals and related land	Fixed equipment and machinery	Rolling stock	Office equipment	Other property, plant and equipment	Total
Cost								
At 1 January 2005	39,143	4,494,966	1,432,809	2,388,625	1,422,293	72,935	4	9,850,775
Additions	15,311		190	280	5,974	741	34	22,530
Transfers	(19,833)		1,385	168	18,280			
Disposals			(667)	(768)	(76)	(846)		(2,357)
At 31 December 2005	**34,621**	**4,494,966**	**1,433,717**	**2,388,305**	**1,446,471**	**72,830**	**38**	**9,870,948**
Depreciation								
At 1 January 2005		970,494	375,683	940,515	558,143	53,276	4	2,898,115
Charged in the year		41,280	18,243	46,809	35,670	4,596	4	146,602
Impairment		897,293	267,872	361,097	219,667	4,071		1,750,000
Released on disposals			(78)	(757)	(66)	(844)		(1,745)
At 31 December 2005		**1,909,067**	**661,720**	**1,347,664**	**813,414**	**61,099**	**8**	**4,792,972**
Net book value								
At 1 January 2005	39,143	3,524,472	1,057,126	1,448,110	864,150	19,659		6,952,660
At 31 December 2005	**34,621**	**2,585,899**	**771,997**	**1,040,641**	**633,057**	**11,731**	**30**	**5,077,976**
Cost								
At 1 January 2004	30,421	4,494,966	1,436,763	2,430,741	1,400,431	71,418	3,371	9,868,111
Additions	13,939		1,857	2,355	4,304	3,655		26,110
Transfers	(5,217)		14,589	(32,582)	24,739	(1,529)		
Disposals			(20,400)	(11,889)	(7,181)	(609)	(3,367)	(43,446)
At 31 December 2004	**39,143**	**4,494,966**	**1,432,809**	**2,388,625**	**1,422,293**	**72,935**	**4**	**9,850,775**
Depreciation								
At 1 January 2004		757,414	305,525	844,250	472,002	50,353	1,339	2,430,883
Charged in the year		45,167	19,677	54,158	35,666	4,753	137	159,558
Impairment		167,913	52,229	72,583	43,085			335,810
Transfers			5,788	(19,142)	14,581	(1,227)		
Released on disposals			(7,536)	(11,334)	(7,191)	(603)	(1,472)	(28,136)
At 31 December 2004		**970,494**	**375,683**	**940,515**	**558,143**	**53,276**	**4**	**2,898,115**
Net book value								
At 1 January 2004	30,421	3,737,552	1,131,238	1,586,491	928,429	21,065	2,032	7,437,228
At 31 December 2004	**39,143**	**3,524,472**	**1,057,126**	**1,448,110**	**864,150**	**19,659**		**6,952,660**

In France, all immovable property, plant and equipment within the Concession area is the property of the French State and will revert to it on the expiry of the Concession period (2086). In the UK, the State has required CTG to transfer to it the title to freehold land and property acquired for the purpose of construction and operation of the Project and in exchange has granted leases for the duration of the Concession. On the expiry of the Concession, the interest of the concessionaires in all movable property and intellectual property rights necessary for the operation of the Concession will become, without payment, the joint property of the two States.

The total depreciation charge for 2004 of £159,558,000 included £159,448,000 charged to the trading profit and a charge of £110,000 to other operating expenses.

Impairment of property, plant and equipment

The valuation of Eurotunnel's assets is carried out in accordance with IAS36, which defines the recoverable value of an asset as the greater of its net selling price and value in use.

At 31 December 2005, Eurotunnel updated its impairment calculation taking into account the provisions of the Safeguard Plan which resulted in an implicit discount rate of 8.4% (2004: 7.2%), and as a result of which an additional impairment charge of £1,750 million was made. The increase in the implicit discount rate is as a result of the new operational model taken into account in the 2005 Business Plan on the specific risks on the assets and of the new financial structure as outlined in the Safeguard Plan (see note 1). The new operational model is similar to those of airport infrastructures, the historic sampling of the betas based on motorway concessions has been enlarged as a consequence.

7 OTHER OPERATING EXPENSES

Other operating expenses totalling £28 million were incurred during the year, relating principally to external costs associated with financial restructuring and to costs relating to the termination of certain contracts, and a further provision of £12 million was made in 2005 for the operational restructuring.

8 COST OF SERVICING DEBT (GROSS)

The cost of servicing debt includes £289 million of financial charges (2004: £288 million), and charges relating to hedging instruments of £51 million (2004: £54 million). Information relating to the Eurotunnel's financial liabilities and hedging instruments is presented in note 20.

9 OTHER FINANCIAL (CHARGES) AND INCOME

(£'000)	2005	2004
Variation in value of financial instruments	4,299	7,222
Exchange gains	2,955	1,037
Exchange losses	(2,190)	(1,071)
Provision for depreciation*	(17,216)	–
Other	(73)	(2,845)
Total	**(12,225)**	**4,343**

* *The provision for depreciation was made to cover the risks associated with certain financial contracts within the framework of the financial restructuring.*

10 INCOME TAX EXPENSE

a. Current taxation

No corporation tax arises on Eurotunnel's result for the year (2004: £nil) with the exception of the minimum legal obligation for the ESA Group.

At 31 December 2005, excess management charges and losses carried forward of £2,467 million (2004: £2,433 million) were available for offset against certain future EPLC Group income. At 31 December 2005, EPLC had capital allowances available for future offset against profits of £1,398 million (2004: £1,384 million) and industrial buildings allowances of £823 million (2004: £885 million).

In 2002, ESA re-elected, for a further five-year period, to group its taxable profits and losses with those of FM, Eurotunnel Participation 1, Eurotunnel Participation 2 and EurotunnelPlus Distribution. In 2005, Europorte

2 was integrated into the tax group. ESA has provided for its minimum legal obligation under French corporate tax of €45,000.

In France, ESA Group cumulative tax losses of €1,258 million (2004: €620 million) can be carried forward indefinitely.

Factors affecting the tax charge for the period

(£'000)	2005	2004
Loss before tax	**(1,971,403)**	**(587,423)**
Expected tax at national rates*	(619,510)	(185,796)
Effects of:		
– Non-tax deductible items	201	521
– Temporary differences	479,799	265,113
– Unrecognised tax credits used in year	(18,851)	(105,620)
Unrecognised tax losses	158,361	25,782
Minimum tax	31	23
Current tax charge for the year	**31**	**23**

* *UK: 30%, France: 33%.*

b. Deferred taxation

No potential deferred tax asset has been recognised.

11 LOSS PER UNIT

(in pence)	2005	2004
Basic	(77.4)	(23.1)
Diluted	(77.4)	(23.1)

The basic loss per Unit for the year is calculated using the weighted average number of Units in issue during the year of 2,546,114,213 (2004: 2,546,110,015) and the loss for the year of £1,971,403,000 (2004 loss: £587,423,000).

12 INVENTORIES

Inventories comprise development land in the UK amounting to £1 million (2004: £2 million).

13 TRADE RECEIVABLES

Trade receivables of £42 million (2004: £41 million) are due within one year and are stated net of bad debt provisions of £3 million (2004: £3 million).

14 OTHER FINANCIAL ASSETS AND LIABILITIES

Other financial assets and other financial liabilities relate mainly to leasing companies that Eurotunnel holds in the UK which had debt outstanding of £128 million at 31 December 2005 (2004: £167 million).

This debt is fully secured on an equivalent amount of lease receivables due to the companies. Through these transactions, Eurotunnel has been able to obtain immediate value in cash for a proportion of its tax losses in the UK by the future surrendering of such losses by way of group relief to the leasing companies.

The reduction in 2005 in the other financial debtors and creditors results mainly from lease terminations and lease repayments.

During the year, the interest receivable and similar income arising in the leasing companies amounted to £7 million (2004: £27 million). This is matched by an equivalent amount in interest payable.

15 CASH AND CASH EQUIVALENTS

a. Cash equivalents

These represent short-term investments, primarily certificates of deposit and Sicav (the French equivalent of mutual funds).

(£'000)	31 December 2005	31 December 2004
Investments in £	42,725	101,808
Investments in €	11,274	58,687
	53,999	**160,495**

b. Cash

(£'000)	31 December 2005	31 December 2004
Cash at bank and in hand	64,445	20,729
Total	**118,444**	**181,224**

At 31 December 2005 and 2004, the market value of investments in £ and € equated to their book value.

Of the total cash and cash equivalents at 31 December 2005, £84 million was restricted for payment of Junior interest.

c. Movement during the year

(£'000)	31 December 2005	31 December 2004
Opening cash and cash equivalents	181,224	212,206
Decrease in cash in period	(60,000)	(31,446)
(Decrease)/increase in interest receivable	(890)	400
Bank overdrafts	22	–
Effect of movement in exchange rate	(1,912)	64
Closing cash and cash equivalents	**118,444**	**181,224**

16 SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

(£'000)	EPLC	ESA	Total
Share capital (Units)			
At 1 January 2005:			
2,546,114,213 shares of £0.01 each	25,460	–	25,460
2,546,114,213 shares of €0.15 each	–	259,940	259,940
	25,460	**259,940**	**285,400**
Issued during the year:			
0 shares of £0.01 each	–	–	–
0 shares of €0.15 each	–	–	–
	–	–	–
At 31 December 2005:			
2,546,114,213 shares of £0.01 each	25,460	–	25,460
2,546,114,213 shares of €0.15 each	–	259,940	259,940
	25,460	**259,940**	**285,400**
Share premium account			
At 1 January 2005	1,232,769	1,135,620	2,368,389
Premium on shares issued in the year	–	–	–
At 31 December 2005	**1,232,769**	**1,135,620**	**2,368,389**

a. On 13 August 1986, a Corporate Structure Agreement was entered into between, among others, EPLC, ESA, CTG and FM. This provides, inter alia, for the ''twinning'' of the shares of EPLC and ESA whereby one share in each of these companies together constitute one ''Unit''. The Articles of Association of EPLC and the ''statuts'' of ESA restrict transfers of shares to simultaneous transfers of equal numbers of shares in each company.

b. A share option scheme was approved at the extraordinary general meetings of EPLC and ESA held on 23 May 1991 enabling eligible employees of Eurotunnel, including executive directors, to be granted options to subscribe for Units. These authorities expired in 1996. No options were exercised in 2005 and all remaining options granted under this scheme lapsed in 2005.

On 6 May 1999, new French and UK share option schemes were approved at the annual general meetings of EPLC and ESA enabling eligible employees of Eurotunnel, including executive directors to be granted options to subscribe for Units. A Save-As-You-Earn (''ShareSave'') scheme reserved for UK employees was also approved. The authority to grant options under these schemes expired in 2004. 16,647,478 options lapsed in 2005. No options were granted or exercised in the year.

Share options

Date of grant	Number of options[2] At 1 January 2005	Lapsed during the year	At 31 December 2005	Exercise price £	€	Exercisable From	To
11 April 1995	300,747	300,747	0	1.81	2.23	11.04.1999	10.04.2005
18 June 1999	5,486,704	1,313,700	4,173,004	0.95	1.46	18.06.2002	17.06.2009
17 September 1999[1]	255,171	255,171	0	0.73	–	1.11.2004	30.04.2005
24 November 1999	5,727,000	381,000	5,346,000	0.81	1.27	24.11.2002	23.11.2009
31 March 2000[1]	553,767	550,448	3,319[3]	0.61	–	1.05.2005	31.10.2005
31 March 2000	3,339,060	754,578	2,584,482	0.76	1.24	31.03.2003	30.03.2010
16 March 2001[1]	471,096	106,150	364,946	0.62	–	1.05.2006	31.10.2006
16 March 2001	3,985,070	1,025,280	2,959,790	0.77	1.26	16.03.2004	15.03.2011
1 May 2002[1]	616,663	140,985	475,678	0.54	–	1.06.2007	30.11.2007
1 May 2002	5,075,452	1,217,783	3,857,669	0.67	1.09	1.05.2005	30.04.2012
21 March 2003[1]	9,516,948	3,552,433	5,964,515	0.21	–	1.05.2008	31.10.2008
21 March 2003	13,744,036	3,305,988	10,438,048	0.26	0.39	21.03.2006	20.03.2013
27 February 2004[1]	2,889,637	872,821	2,016,816	0.28	–	1.04.2009	30.09.2009
27 February 2004	12,224,563	2,870,394	9,354,169	0.35	0.52	27.02.2007	26.02.2014
Total	**64,185,914**	**16,647,478**	**47,538,436**				

(1) *Granted under ShareSave scheme.*

(2) *Maximum number of options based on options in circulation at 31 December 2005.*

(3) *Under certain conditions, the date of exercise may be extended beyond the normal expiry date.*

17 PROVISIONS

(£'000)	At 1 January 2005	Charge to income statement	Provisions utilised	Exchange difference	At 31 December 2005
Operational restructuring	36,368	11,556	(33,110)	(789)	14,025
Other	247	5,119	–	14	5,380
Total	**36,615**	**16,675**	**(33,110)**	**(775)**	**19,405**

The charge to the income statement and the provisions utilised were accounted for under ''Other operating expenses''.

There were no unspent provisions released to the income statement during 2005.

18 MOVEMENT IN ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY

(£'000)	Issued share capital	Share premium account	Other reserves*	Retained earnings	Cumulative translation reserve	Total
At 1 January 2004	**285,398**	**2,368,387**	**(112,830)**	**(1,496,927)**	**79,833**	**1,123,861**
Increase in capital	2	2				4
Loss for the year				(587,423)		(587,423)
Valuation of hedging contracts			4,576			4,576
Share based payments				1,123		1,123
Translation adjustments					(446)	(446)
At 31 December 2004	**285,400**	**2,368,389**	**(108,254)**	**(2,083,227)**	**79,387**	**541,695**
Loss for the year				(1,971,403)		(1,971,403)
Valuation of hedging contracts			37,169			37,169
Share based payments				553		553
Translation adjustments					83,761	83,761
At 31 December 2005	**285,400**	**2,368,389**	**(71,085)**	**(4,054,077)**	**163,148**	**(1,308,225)**

* *Including a hedging reserve of £74,568,000 (debit) at 31 December 2005 (31 December 2004: debit of £111,737,000).*

19 RETIREMENT BENEFITS

a. UK employee defined benefit obligations

In the UK, Eurotunnel operates two pension schemes (The Channel Tunnel Group Pension Fund and The Channel Tunnel Group Senior Executives Pension Fund) providing defined benefits based on final pensionable pay. The characteristics of these two schemes are similar and the assets of each are held in separate trustee administered funds.

Following the retirement of the last active member during the year, The Channel Tunnel Group Senior Executives Pension Fund is now closed to new entrants.

The valuation has been prepared by an independent qualified actuary to take account of the requirements of IAS19 in order to assess the liabilities and assets of the scheme as at 31 December 2005. Scheme assets are stated at their fair value as at 31 December 2005.

Set out below is a summary of the overall IAS19 defined benefit pension schemes' liabilities. The fair value of the schemes' assets, which are not intended to be realised in the short term and may be subject to significant change, and the present value of the schemes' liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain were:

(£'000)	31 December 2005	31 December 2004
Present value of funded obligations	118,488	88,622
Fair value of plan assets	(87,424)	(65,198)
Present value of net obligations	**31,064**	**23,424**
Unrecognised actuarial gains and losses	(17,490)	(4,724)
Recognised liability for defined benefit obligations (see below)	**13,574**	**18,700**

Assumptions

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31 December 2005	31 December 2004
Expected return on plan assets:		
Equities	7.8%	7.8%
Government Bonds	4.5%	4.5%
Other	3.7%	3.7%
Discount rate	4.7%	5.3%
Future salary increases	4.2%	4.2%
Inflation rate	2.7%	2.7%
Future pension increases	2.7%	2.7%

Movements in the net liability for defined benefit obligations recognised in the balance sheet

(£'000)	2005	2004
Opening net liability	18,700	18,242
Contributions received	(8,787)	(3,947)
Expense recognised in the income statement (see below)	3,661	4,405
Closing net liability	**13,574**	**18,700**

Expense recognised in the income statement

(£'000)	2005	2004
Current service costs	5,080	4,390
Interest on obligation	4,665	3,933
Expected return on plan assets	(4,742)	(3,918)
Curtailment	(2,405)	–
Effect of asset ceiling	1,063	–
Total	**3,661**	**4,405**

The expense is recognised in the ''Employee benefit expense'' line in the income statement.

b. French employee defined benefit obligations

In France, employees receive a lump sum payment on retirement in accordance with contractual requirements. The present value of unfunded French obligations at 31 December 2005 was £3,100,000 (2004: £3,305,000).

During the year, costs included in the income statement in ''Employee benefit expense'' in relation to this benefit included current service cost of £328,000 (2004: £323,000), the unwinding of the discount of £134,000 (2004: £115,000), and curtailment costs of £787,000 (2004: £nil).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31 December 2005	31 December 2004
Discount rate	3.8%	4.2%
Future salary increases	2.6%	2.6%
Inflation rate	1.8%	1.8%

20 FINANCIAL LIABILITIES

a. Analysis of financial liabilities

(£'000)	31 December 2004	31 December 2004 recalculated*	Repayment of debt	Settlement of interest**	Loans due < 1 year	Effective rate adjustment	31 December 2005
Participating Loan Notes	874,078	861,418					861,418
EDL, Senior and 4th Tranche Debt	374,123	368,942	(2,750)		(3,959)		362,233
FLF2 (Tier 1A)	716,700	716,700				11,700	728,400
Junior Debt	3,247,008	3,195,130				8,390	3,203,520
Resettable Advances	467,615	458,841				2,691	461,532
Stabilisation Advances and Notes	506,421	498,986		15,900		23,596	538,482
Total non-current financial liabilities	**6,185,945**	**6,100,017**	**(2,750)**	**15,900**	**(3,959)**	**46,377**	**6,155,585**
4th Tranche	–	–			3,959		3,959
Accrued interest:							
Loan Notes	1,481	1,460					1,460
Loans	96,613	95,706		(3,836)			91,870
Overdrafts	–	–		22			22
Total current financial liabilities	**98,094**	**97,166**	**–**	**(3,814)**	**3,959**	**–**	**97,311**
Total	**6,284,039**	**6,197,183**	**(2,750)**	**12,086**	**–**	**46,377**	**6,252,896**

* *The debt at 31 December 2004 has been recalculated at the exchange rate of 31 December 2005 in order to facilitate comparison.*

** *Interest includes interest incurred during the year less interest paid in cash, or interest settled using the Stabilisation Facility.*

In January 2005, £4.0 million plus €5.8 million of Stabilisation Advances were created in respect of interest due on Resettable Advances which could not be paid from available cash flow. All interest due on the Junior Debt at 25 January 2005 (£44.9 million plus €46.1 million) was paid in cash.

In July 2005, £4.0 million plus €5.8 million of Stabilisation Advances were created in respect of interest due on the Resettable Advances which could not be paid from available cash flow. All interest due on the Junior Debt at 25 July 2005 (£43.3 million plus €45.4 million) was paid in cash.

In January 2006, £3.9 million plus €6.0 million of Stabilisation Advances were created in respect of interest due on Resettable Advances which could not be paid from available cash flow. £8.1 million plus €8.7 million of Stabilisation Advances were created in respect of interest due on Tier 3 of the Junior Debt which could not be paid from available cash flow. £58.8 million plus €36.8 million of interest due on the Junior Debt was paid in cash.

b. Maturity of financial liabilities

(£'000)	Effective rate adjustment	Less than 1 year	1 to 5 years	More than 5 years	Total
Participating Loan Notes	–	–	–	861,418	**861,418**
EDL, Senior and 4th Tranche Debt	–	–	137,471	224,762	**362,233**
FLF2 (Tier 1A)	(11,600)	–	–	740,000	**728,400**
Junior Debt	(8,422)	–	321,146	2,890,796	**3,203,520**
Resettable Advances	(2,661)	–	–	464,193	**461,532**
Stabilisation Advances and Notes	–	–	–	538,482	**538,482**
Total non-current financial liabilities	**(22,683)**	**–**	**458,617**	**5,719,651**	**6,155,585**
4th Tranche	–	3,959	–	–	**3,959**
Accrued interest:					
Loan Notes	–	1,460	–	–	**1,460**
Loans	–	91,870	–	–	**91,870**
Overdrafts	–	22	–	–	**22**
Total current financial liabilities	**–**	**97,311**	**–**	**–**	**97,311**
Total	**(22,683)**	**97,311**	**458,617**	**5,719,651**	**6,252,896**

The financial liabilities are presented in the balance sheet on the basis of their contractual maturity. The execution of the Safeguard Plan in 2007 will result in substantial modifications of the amounts of the characteristics and the maturity of the debt.

c. Details of debt

- The Participating Loan Notes, comprising 423,570 stapled notes at 31 December 2005, issued at £1,000 in EFL and FRF9,893 (€1,508.18) in FM, carry a fixed rate of interest of 1%. With effect from the end of the Stabilisation Period (31 December 2005), they attract an additional variable coupon equal to 23.3% of the available net cash flow after debt service. These notes are repayable at the latest on 30 April 2040.

On 21 March 2006, the Joint Board decided to convert the Stabilisation and Resettable Advances into bonds.

- The Resettable Advances carried a fixed rate of interest of 7.03% (£) or 5.28% (€) until 26 January 2004, when the interest rate was re-fixed in relation to UK and French government bond rates with a margin of 0.5%. With effect from the end of the Stabilisation Period, this margin increased to 1.5%. They are repayable by 31 December 2050.

- The Junior Debt carried the same fixed rate of interest as the Resettable Advances until 1 December 2003. With effect from various dates between 1 December 2003 and 8 January 2004, it carries a variable rate of interest (EURIBOR/LIBOR) with a margin of 1.25%. This debt is repayable between 2007 and 2025.

- The Tier 1A Loans comprise three tranches of £335 million, £285 million and £120 million respectively. The £120 million tranche is repayable in a single instalment in 2026 and the other two tranches (comprising an aggregate of £620 million) are repayable in two equal successive annual instalments in 2027 and 2028. Interest accrues on the Tier 1A Loans at a fixed interest rate until maturity of 6.645% per annum in the case of the £620 million and 8.16% per annum in the case of the £120 million tranche.

- During the Stabilisation Period, Stabilisation Advances (in respect of Junior Debt and Resettable Advances) were created each January and July to settle interest which became due but could not be settled in cash. In accordance with the Credit Agreements, the last drawing was in January 2006. During the Stabilisation Period, they carried no interest. With effect from 1 January 2006, outstanding amounts carry a variable rate of interest (EURIBOR/LIBOR) plus a margin of 1.25%.

  Eurotunnel did not propose that its shareholders vote on the conversion of the Stabilisation Advances and Notes into Units.

  As indicated above, the Stabilisation Advances were converted into Stabilisation Notes at Eurotunnel's option within the eighteen months following the end of the Stabilisation Period. The Stabilisation Notes carry a variable rate of interest (EURIBOR/ LIBOR) plus a margin of 1.25%. Stabilisation Notes and Advances are repayable between 2018 and 2026.

- Part of the Senior Debt (£140 million and €93 million) carries a variable rate of interest (EURIBOR/LIBOR) plus a margin of 1% and the remainder (€48 million) is at a fixed rate of interest. The Senior Debt is repayable between 2009 and 2012.

- The Fourth Tranche Debt is drawn from the European Investment Bank and the European Coal and Steel Community. Part of the Fourth Tranche Debt denominated in euros (€120 million) carries a variable rate of interest (EURIBOR) plus a margin of 1% and the remainder (£47 million) is at a fixed rate of interest, including a margin of 1%. The Fourth Tranche Debt is repayable between 2006 and 2019.

All debt is fully secured by guarantees given by Eurotunnel to the Lenders. No significant modification to the debt covenants was made during the year. Debt repayments from 2006 are the following:

(in millions)	2006	2007	2008	2009
£	–	14.1	28.2	77.4
€	5.8	32.4	59.2	121.4
Combined (£)	4.0	36.3	68.8	160.6

The following events of default are applicable after the end of the Stabilisation Period:

i) The ratio of operating cash flow to debt service costs plus capital expenditure (a) is less than 1.0 for any year in the period from 2006 to 2011 and (b) is less than 1.2 for any year in the period from 2012 to 31 December 2025.

ii) The ratio of turnover plus other operating income less operating expenditure (after depreciation) to total interest service costs (a) is less than 1.0 for any year in the period from January 2008 to 2011 and (b) is less than 1.5 for any year from 2012 to 2025.

iii) The Borrowers fail to meet the default repayment schedule in respect of Junior Debt or fail to meet the repayment schedule in respect of Stabilisation Advances.

d. Payment of accrued interest

Out of the £106 million of interest falling due in January 2006, £84 million was paid in cash and £22 million was settled using the Stabilisation Facility.

e. Interest rate exposure

In October 2006, the Court-appointed representatives (*Administrateurs Judiciaires*) terminated the hedging contracts pursuant to their discretionary power within the framework of the Safeguard Procedure.

Since 2004, the total amount of the Junior Debt (£1,411 million and €2,627 million), part of the Senior Debt (£140 million and €93 million), the Resettable Advances (£159 million and €445 million) and part of the Fourth Tranche Debt (€120 million), corresponding to an amount of £3,962 million of debt, has carried a variable rate of interest before hedging. With effect from the end of the Stabilisation Period, the Stabilisation Advances and Notes carry a variable rate of interest (see note c above).

In August 2000, Eurotunnel purchased interest rate collars to limit the impact of possible future increases in interest rates on £1,071 million and €1,920 million of its debt from 2004 to 2008. The maximum blended rates payable on this debt (before margins) range from 7.25% in 2004 to 8% in 2008 for sterling-denominated debt, and from 6.75% in 2004 to 8% in 2008 for euro-denominated debt. To reduce the upfront cost, Eurotunnel wrote interest rate floor contracts on the same amount of debt for the same period and with the same counterparties. These contracts mean that the rates (before margins) payable on average by Eurotunnel will not fall below certain levels. These levels range from an average of 5.5% in 2004 to 4.98% in 2008 for sterling-denominated debt and 5.3% in 2004 to 4.51% in 2008 for euro-denominated debt. Cash premiums totalling £23 million and €28 million were paid for this interest rate protection.

As a result of the Junior Debt repackaging in March 2001, Eurotunnel received interest rate caps on £536 million and €959 million of its Junior Debt at the same blended rates and for the same periods as those set out in the above paragraph. No premium was paid and no interest rate floors were written by Eurotunnel to obtain this hedging.

Nominal value of hedging:

(million)	Cap	Floor
£	1,607	1,071
€	2,879	1,920

If market interest rates in 2006-2008 are above the interest rate cap rates, the counterparty banks will pay the difference between the two rates to Eurotunnel. If market interest rates in 2006-2008 are below the interest rate floor rates, Eurotunnel will pay the difference between the two rates to the counterparties. When market rates are between the cap and floor rates, no payments will be made under these contracts.

On 28 May 2003, Eurotunnel purchased an interest rate swap, which replaces a fixed rate of 4.315% with a variable interest rate equal to LIBOR on £200 million of debt in 2004 and 2005.

In 2005, charges of £51 million (2004: £54 million) of which £50 million relates to the recycling of the hedging reserve (2004: £51 million), and an income of £4 million (2004: £7 million) were recorded in the income statement relating to derivatives.

The table below indicates the sensitivity of interest charges for 2006 to variations in interest rates (excluding the effect of the option premiums paid in 2000, and adjustments for effective interest rates and derivative instruments) assuming these interest rates apply for the whole year to the variable rate debt, and excluding interest arising in the leasing companies.

(£ million)					
3%	4%	5%	6%	7%	8%
308	329	357	398	439	460

f. Exchange rate exposure on balance sheet

All of Eurotunnel's debt is denominated in sterling (EPLC Group) or euros (ESA Group). No exchange gains or losses can therefore arise on revaluation of the external debt. The residual foreign exchange risk relates to the revaluation of intra-Group balances. The residual intra-Group debt at 31 December 2005 was £33 million as compared to £24 million at 31 December 2004. A 10% change in the euro/sterling parity would result in unrealised exchange gains or losses of approximately £3 million.

g. Liquidity risk

No debt was repayable before the end of the Stabilisation Period (31 December 2005). Interest due on Tiers 2 and 3 of the Junior Debt and Resettable Facility which could not be met from available cash could, until the end of the Stabilisation Period, be met through drawings under the Stabilisation Facility.

h. Fair value of debt

A substantial part of Eurotunnel's debt instruments can be traded between debt holders and Eurotunnel is not informed of the details of these transactions. The partial and non-representative nature of this information does not enable Eurotunnel to make a reliable estimate of the fair value of its debt.

The order in which the existing debt should be serviced in the event of substitution and the enforcement of securities can be summarised as follows:

- interest/principal on Senior Debt/Fourth Tranche
- interest/principal on Tier 1 Junior Debt and Tier 1A
- interest/principal on Tier 2 Junior Debt
- interest/principal on Tier 3 Junior Debt
- interest/principal on the Stabilisation Advances
- interest/principal on Stabilisation Notes
- interest/principal on Resettable Advances
- interest/principal on PLNs (including fixed coupon)

Tier 2 of the Junior Debt could only begin to be paid after the payment of the total of the principal and interest on Tier 1. This is also the case for Tier 3 in relation to Tier 2, and for each of the subsequent categories of debt.

21 TRADE AND OTHER PAYABLES

(£'000)	31 December 2005	31 December 2004
Trade cash advances	–	99,416
Other payables (non-current)	**–**	**99,416**
Trade cash advances	86,364	–
Trade creditors and accruals	50,498	45,201
Taxation, social security and staff	23,551	28,465
Property, plant and equipment creditors and accruals	1,844	2,654
Other	–	136
Trade payables (current)	**162,257**	**76,456**
Deferred income	11,456	13,711
Other	5,428	6,233
Other payables (current)	**16,884**	**19,944**
Total	**179,141**	**195,816**

Trade cash advances represent principally advance payments received from the Railways under the Minimum Usage Charge (MUC) clause of the Railway Usage Contract. These advances are repayable under certain conditions by deduction from future payments owed by the Railways. Should these advances not have to be repaid, they will be credited to the income statement upon the expiry of the MUC.

22 COMMITMENTS AND CONTINGENT LIABILITIES

In accordance with the terms of the Credit Agreements, Eurotunnel has undertaken to grant as security to the lending parties to the Credit Agreements charges over its assets and rights, other than the assets and rights owned by EDL, OPL, CLL, PMSI and the CRL companies.

Pursuant to the Credit Agreements, after the occurrence of an event of default, the creditors may in certain circumstances seek to exercise the right of substitution as provided under the Concession as well as their security rights under the financing agreements.

As at 31 December 2005, the shares of ESA and EPLC subsidiaries, most bank accounts, the commissioned rolling stock, all trademarks and the benefits of the most important contracts had been given as security under French law. Under English law, all assets and rights owned by Eurotunnel companies other than EDL, OPL, CLL, PMSI and the CRL companies come under a floating charge. Some specific charges over certain of Eurotunnel companies' land and buildings have been effected.

See also note 1 for a description of certain contractual disputes.

No significant commitment or contingent liability other than these mentioned above have been given as security by Eurotunnel.

23 TRANSITION TO IFRS

i) Reconciliation table for the income statement for the year to 31 December 2004

(£'000)	Note	Year to 31 December 2004
Net loss for 2004 under French GAAP		(569,733)
Fixed asset component accounting	a	8,505
Provision for large scale maintenance	a	3,099
Provision for renewals	a	6,011
Component depreciation	a	(6,407)
Straight line depreciation	a	(52,783)
Impairment charge	a	59,190
Retirement liabilities	d	(458)
Share based payments	e	(1,123)
Accounting for financial charges at their effective rate of interest	g	(46,993)
Adjustment of interest rate hedging contracts to market value	g	13,269
Sub-total		**(17,690)**
Net loss for 2004 restated		**(587,423)**

ii) Reconciliation table for issued capital and reserves attributable to equity at

(£'000)	Note	1 January 2004	31 December 2004
Issued capital and reserves attributable to equity under French GAAP		1,099,187	528,241
Fixed asset component accounting	a	5,245	13,749
Provision for large scale maintenance	a	60,847	63,946
Provision for renewals	a	31,381	37,393
Component depreciation	a	(23,741)	(30,148)
Straight line depreciation	a	(568,036)	(620,818)
Impairment charge	a	591,777	650,966
Retirement liabilities	d	(18,242)	(18,700)
Accounting for financial charges at their effective rate of interest	g	117,033	70,040
Adjustment of interest rate hedging contracts to market value: effect on retained earnings	g	(58,094)	(44,825)
Sub-total: Retained earnings (including loss for the year)		**138,170**	**121,603**
Adjustment of interest rate hedging contracts to market value: effect on issued capital and reserves attributable to equity	g	(116,313)	(111,737)
Exchange adjustment reserve		2,817	3,588
Issued capital and reserves attributable to equity restated		**1,123,861**	**541,695**

Main IFRS standards that affect Eurotunnel's Combined Accounts

a. Concession property, plant and equipment

During the second half of 2006, IFRIC12 was adopted relating to concession contracts. Eurotunnel has control over the nature and price of the services it provides, and therefore does not meet the criteria of this new interpretation and applies IAS16 on property, plant, and equipment, and IAS37 on provisions. During the second half of 2005, Eurotunnel reviewed the expected useful lives of assets in accordance with a component approach which modified the statements reconciling the transition from French GAAP to IFRS that were published as part of the 2005 interim Combined Accounts. The consequences of this are the following:

- the cancellation of the provision for large scale maintenance,
- the cancellation of the provision for renewals,
- the adoption of straight line depreciation for non-renewable assets,
- the application of large scale maintenance components for rolling stock,
- and impairment.

The effects of these are detailed in the table below.

Income statement for the year to 31 December 2004 restated under IFRS

(£'000)	31 December 2004
As presented in 2005 interim accounts	**(605,038)**
Fixed asset component accounting	8,505
Provision for large scale maintenance	3,099
Provision for renewals	6,011
Component depreciation	(6,407)
Straight line depreciation	(52,783)
Impairment charge	59,190
Net loss for 2004 restated under IFRS	**(587,423)**

Issued capital and reserves attributable to equity restated under IFRS

(£'000)	1 January 2004	31 December 2004
As presented in 2005 interim accounts	**1,023,571**	**422,827**
Fixed asset component accounting	5,245	13,749
Provision for large scale maintenance	60,847	63,946
Provision for renewals	31,381	37,393
Component depreciation	(23,741)	(30,148)
Straight line depreciation	(568,036)	(620,818)
Impairment charge	591,777	650,966
Exchange adjustment reserve	2,817	3,780
Issued capital and reserves attributable to equity restated under IFRS	**1,123,861**	**541,695**

b. Property, plant and equipment (IAS16)

For its opening IFRS balance sheet at 1 January 2004, Eurotunnel has elected to apply the ''deemed cost'' option under IFRS1 for its valuation of property, plant and equipment.

This ''deemed cost'' is the ''economic value in use'' which corresponds to the net book value after depreciation at 31 December 2003 as previously published, calculated in accordance with IAS36. The impact on the opening balance sheet at 1 January 2004 and on the income statement for 2004 of the review of expected useful lives, the adoption of straight line depreciation for non-renewable property, plant and equipment and the adoption of large scale components for rolling stock was offset by the reduction of the impairment provision by an equivalent amount.

c. Depreciation of assets (IAS36)

Eurotunnel has applied the principles of IAS36 since 2003 and made impairment charges in the 2003 and 2004 accounts.

d. Retirement benefits (IAS19 & IFRS1)

In accordance with the option under IFRS1, Eurotunnel has accounted in its opening IFRS balance sheet for the whole of the actuarial differences as at 1 January 2004, with a corresponding reduction in issued capital and reserves attributable to equity. The net deficit accounted for at this date is £18,242,000.

Actuarial differences arising since 1 January 2004 are dealt with according to the ''corridor'' method over the average remaining working lives of the beneficiaries. The effect of any such amortisation would be shown in financial charges rather than in operating charges, in accordance with the option in IAS19.

In 2004, an additional charge of £458,000 was accounted for in respect of current service costs for the period. No adjustments for actuarial differences were made.

e. Share based payments (IFRS2)

In accordance with the provisions of IFRS2, only grants made after 7 November 2002 for which the rights are not yet vested at 1 January 2005 have been valued and accounted for in employee benefit expense. The application of this standard has no effect on Eurotunnel's total issued capital and reserves attributable to equity.

f. Basis of consolidation (SIC12)

The special purpose vehicles Fixed-Link Finance BV (FLF) and Tunnel Junior Debt Holdings Limited (TJDH), set up in connection with the repackaging of £1.1 billion of Junior Debt completed in 2001, were not previously consolidated in the Group accounts in accordance with French GAAP. The consolidation of these two entities would increase the Group's issued capital and reserves attributable to equity by approximately £120 million at 1 January 2004 and decrease the Junior Debt by the same amount. However, as this benefit could only be realised after the complete reimbursement of the FLF debt from the bond holders, Eurotunnel, with the prospect of a significant financial restructuring, has not modified the amount of its Junior Debt as it does not consider itself to have control over these entities.

Therefore, Eurotunnel has not consolidated FLF and TJDH. In EPLC, these entities have been consolidated since 2001 in accordance with UK GAAP, and the profit from the operation has been recognised.

The special purpose vehicles Fixed-Link Finance 2 BV (FLF2) and Tunnel Stabilisation and Resettable Advances Limited, set up in connection with the debt buyback and refinancing in 2002, have been consolidated, but have no impact on the opening balance sheet at 1 January 2004.

g. Derivatives and financial instruments (IAS32 & IAS39)

i) Accounting for the 1997 financial restructuring

In accordance with the transition provisions as at 1 January 2004 as detailed in IFRS1, Eurotunnel applies prospectively the derecognition rules of IAS39 for transactions occurring on or after 1 January 2004.

Consequently, the 1997 financial restructuring is carried over in the IFRS financial statements according to the derecognition principles that were adopted under French GAAP.

ii) Effective interest rate

The effective interest rate has been calculated specifically in the context of the need for a financial restructuring before the end of 2006. Consequently, debt issue costs have been amortised so as to be fully depreciated at 31 December 2006.

The effective interest rate has been calculated using a fixed coupon rate of 1% for the Participating Loan Notes, and using an estimated market rate up to the end of the Stabilisation Period for the Stabilisation Advances and Notes.

iii) Derivative instruments

Rate instruments at 1 January 2004 have been treated as hedging instruments, and have been valued at their fair value. The effect of this valuation has been accounted for in issued capital and reserves attributable to equity. The effective element will be recognised in the income statement at the same rate as the interest payments on the hedged debt.

EFFECT OF THE TRANSITION TO IFRS ON THE FINANCIAL STATEMENTS

COMBINED INCOME STATEMENT FOR THE YEAR TO 31 DECEMBER 2004

PRESENTATION UNDER FRENCH GAAP (£'000)	French GAAP	Reclassifications	Notes	Revaluations	IFRS	PRESENTATION UNDER IFRS (£'000)
Turnover						
Operating revenue	538,123				538,123	Revenue
Other income	17,050	(4,238)	a	(12,812)		
Total turnover	**555,173**	**(4,238)**				
Operating expenditure						
Materials and services (net)	157,394	(3,326)	a	(8,505)	145,563	Operating expenses
Staff costs	103,678	7	d,e	1,581	105,266	Employee benefit expense
Depreciation	100,258		a	59,190	159,448	Depreciation
Provisions	22,003	(81)	a	(21,922)		
Other operating charges	550	(550)				
Total operating expenditure	**383,883**	**(3,950)**				
Operating profit	**171,290**	**(288)**			**127,846**	**Trading profit**
		395,000	a	(59,190)	335,810	Impairment of property, plant and equipment
		47,518			47,518	Other operating expenses
					(255,482)	**Operating profit/(loss)**
Financial income						
Interest receivable and similar income	31,641	(26,282)			5,359	Income from cash and cash equivalents
Profit on disposal of investments	286	(286)				
Exchange differences	1,037	(1,037)				
Total financial income	**32,964**	**(27,605)**				
Interest payable and similar charges	330,087	(29,414)	g	46,993	341,620	Cost of servicing debt (gross)
			g	(6,046)		
Exchange differences	1,071	(1,071)				
Total financial charges	**331,158**	**(30,485)**				
					336,261	**Net cost of financing and debt service**
Financial result	**(298,194)**	**2,880**				
		(2,880)	g	7,223	4,343	Other financial income
Exceptional result	(442,806)	442,806				
Taxation	23				23	Income tax expense
Result: loss for the year	**(569,733)**	**0**		**(17,690)**	**(587,423)**	**Loss for the year**
Loss per Unit	(22.4)p				(23.1)p	Loss per Unit
Diluted loss per Unit	(19.1)p				(23.1)p	Diluted loss per Unit

COMBINED BALANCE SHEET AT 31 DECEMBER 2004

PRESENTATION UNDER FRENCH GAAP (£'000)	French GAAP	Reclassifications	Notes	Revaluations	IFRS	PRESENTATION UNDER IFRS (£'000)
ASSETS						**ASSETS**
Tangible fixed assets						**Property, plant and equipment**
Concession fixed assets	6,933,599		a	19,061	6,952,660	Concession, property, plant and equipment
Other fixed assets					–	Other property, plant and equipment
Total tangible fixed assets	**6,933,599**					
Financial fixed assets						**Non-current financial assets**
Shares	2,224				2,224	Shares
Others	16,686	145,375			162,061	Other financial assets
		2,645			2,645	Other non-current assets
Total fixed assets	**6,952,509**					
					7,119,590	**Total non-current assets**
Stocks	7,185			(5,025)	2,160	Inventories
Trade debtors	41,014				41,014	Trade receivables
Other debtors	26,246	(572)	g	(3,759)	21,915	Other receivables
Other financial debtors	167,437	(145,375)			22,062	Other financial assets
		34,472	g	(34,472)		
Investments and liquid funds	181,224				181,224	Cash and cash equivalents
Total current assets	**423,106**				**268,375**	**Total current assets**
Prepaid expenses	36,545	(36,545)				
Total assets	**7,412,160**	**0**		**(24,195)**	**7,387,965**	**Total assets**
SHAREHOLDERS' FUNDS AND LIABILITIES						**ISSUED CAPITAL, RESERVES ATTRIBUTABLE TO EQUITY, AND LIABILITIES**
Issued share capital	285,400				285,400	Issued share capital
Share premium account	2,368,389				2,368,389	Share premium account
Other reserve	3,483		g	(111,737)	(108,254)	Other reserves
Profit and loss account reserve	(1,635,097)		e	1,123	(1,495,804)	Retained earnings
				138,170[1]		
Loss for the year	(569,733)			(17,690)[2]	(587,423)	Loss for the year
Exchange adjustment reserve	75,799			3,588	79,387	Cumulative translation reserve
Total shareholders' funds	**528,241**				**541,695**	**Total issued capital and reserves attributable to equity**
Provisions	144,752	(58,620)	d	(86,132)		
		22,005			22,005	Retirement benefit obligations
Loan notes	1,035,464	(1,035,464)				
Loans	5,220,057	1,035,464	g	(69,576)	6,185,945	Financial liabilities
Accrued interest	98,094	(98,094)				
		145,375			145,375	Other financial liabilities
		99,416			99,416	Other payables
					6,452,741	**Total non-current liabilities**
		36,615			36,615	Provisions
		98,094			98,094	Financial liabilities
Other financial creditors	167,437	(145,375)			22,062	Other financial liabilities
		22,299	g	118,059	140,358	Interest rate derivatives
Other creditors	204,404	(127,948)			76,456	Trade payables
		19,944			19,944	Other payables
Total creditors	**6,725,456**				**393,529**	**Total current liabilities**
Deferred income	13,711	(13,711)				
Total shareholders' funds and liabilities	**7,412,160**	**0**		**(24,195)**	**7,387,965**	**Total issued capital, reserves attributable to equity and liabilities**

(1) *See table in note 23ii).*

(2) *See table in note 23i).*

COMBINED CASH FLOW STATEMENT FOR THE YEAR TO 31 DECEMBER 2004

PRESENTATION UNDER FRENCH GAAP (£'000)	French GAAP	Reclassifications	IFRS	PRESENTATION UNDER IFRS (£'000)
Profit before depreciation, provisions, interest and tax	293,551	(254)		
		559		
		(843)		
		(99)		
		(12,812)		
		(1,139)		
		(458)		
		8,684		
		105	287,294	Trading profit before depreciation
Exchange adjustment*	3,865	254	4,119	Exchange adjustment*
Decrease in stocks	1,648	(105)	1,543	Decrease in inventories
Decrease in debtors	7,026	(559)	6,467	Decrease in trade and other receivables
Decrease in creditors	(9,123)	2,205	(6,918)	Decrease in trade and other payables
Release of provisions	(13,655)	13,655		
			292,505	**Net cash inflow from trading**
		(13,835)	(13,835)	Other operating cash flows
		(24)	(24)	Taxation
Net cash inflow from operating activities	**283,312**	**(4,666)**	**278,646**	**Net cash inflow from operating activities**
Taxation	(24)	24		
		(32,977)	(32,977)	Payments to acquire property, plant and equipment
Capital expenditure	(18,934)	23,784	4,850	Sale of property, plant and equipment
		9,193	**(28,127)**	**Net cash outflow from investing activities**
Other non-operating cash flows	(13,835)	13,835		
Returns on investments and servicing of finance	(281,241)	281,241		
		4,395	4,395	Interest received on cash and cash equivalents
		(249,011)	(249,011)	Interest paid on bank debt
		(40,347)	(40,347)	Interest paid on hedging instruments
		4,303	4,303	Interest received on hedging instruments
		(581)	(581)	Other interest paid
		(724)	(724)	Debt repayments
		(281,965)	**(281,965)**	**Net cash outflow from financing activities**
Cash outflow before financing	**(30,722)**			
Financing	(724)	724		
Decrease in cash in year	**(31,446)**	**0**	**(31,446)**	**Decrease in cash in year**

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

ANNEX IV CONSOLIDATED ACCOUNTS OF GET SA FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2007

Presentation of GET SA's consolidated accounts

As part of the implementation of the financial restructuring and pursuant to the terms of the Safeguard Plan, the Chairman of the Board of Directors of TNU SA and TNU PLC acquired on 30 January 2007 a non-trading company designated to become GET SA. Following the Exchange Tender Offer (ETO) which took place in May and June 2007, all of the share capital of GET SA was held by the former shareholders of TNU SA and TNU PLC who tendered their Units to the offer. 93.04% of the Units in issue were tendered to the offer and consequently GET SA became a shareholder of TNU SA and TNU PLC to this same percentage. As this transaction did not change the level of control exercised by the shareholders of these entities, it is accounted for in the financial statements as a combination of entities under common control. The GET SA consolidated accounts have been prepared on the basis of the historical carrying amounts in the TNU combined accounts. The figures relating to 2006 are taken from the TNU combined accounts. Following the recapitalisation approved by the shareholders' general meeting on 21 December 2007, GET SA's shareholding in TNU SA and TNU PLC increased to 99.32%.

The GET SA consolidated income statement includes the operational activities of the Group with effect from 1 July 2007.

The GET SA proforma consolidated income statement for the year to 31 December 2007 is intended to present the impact on the year of the new financing as if it had been put in place on the theoretical date of 1 January 2007 (see 2.3i below).

Abbreviations and definitions

The following abbreviations and definitions are used in this document:

GET SA	Groupe Eurotunnel SA, new holding company of the TNU Group and EGP
Eurotunnel Group / Eurotunnel / the Group	GET SA and its subsidiaries
EGP	Eurotunnel Group UK plc
TNU Group	TNU PLC, TNU SA and their subsidiaries
TNU PLC	Formerly Eurotunnel P.L.C.
TNU SA	Formerly Eurotunnel SA
FM	France Manche SA, the French concessionaire
CTG	The Channel Tunnel Group Limited, the UK concessionaire
CLL	Cheriton Leasing Limited
CRL	Cheriton Resources Limited companies
EDL	Eurotunnel Developments Limited
EFL	Eurotunnel Finance Limited
ESGIE	Eurotunnel Services GIE
ESL	Eurotunnel Services Limited
ETRL	Eurotunnel Trustees Limited
ETSE	Eurotunnel SE
GICL	Gamond Insurance Company Limited
LSH	Le Shuttle Holidays Limited
OPL	Orbital Park Limited
Project	The Fixed Link as defined in the Treaty and the Concession Agreement
Partnership	The partnership between FM and CTG where the partners have equal holdings

Consolidated income statement for the year to 31 December 2007

(€'000)	Note	GET SA 2007	GET SA PRO FORMA 2007[1]	TNU 2006
Revenue	3	401,762	774,882	829,831
Operating expenses		107,926	209,691	218,510
Employee benefit expense	4,5	62,729	126,039	121,513
Depreciation	6	82,016	161,956	163,662
Trading profit		**149,091**	**277,196**	**326,146**
Other operating (expenses) / income	7	(13,229)	(12,922)	7,076
Operating profit		**135,862**	**264,274**	**333,222**
Income from cash and cash equivalents		5,410	13,863	5,478
Cost of servicing debt (gross)	8	140,406	291,377	492,368
Net cost of financing and debt service		134,996	277,514	486,890
Other financial income	9	22,666	48,770	17,807
Other financial charges	9	28,724	33,668	67,890
Profit arising from the financial restructuring	10	3,322,803	3,322,803	–
Income tax expense	11	318	318	260
Profit / (loss) for the year		**3,317,293**	**3,324,347**	**(204,011)**
Profit / (loss): Group share		3,317,834	3,325,087	–
Profit / (loss): minority interest share	2.1ii	(541)	(740)	–
Profit / (loss) per share / Unit (€)	12	55.52	55.64	(0.08)
Profit / (loss) per share / Unit after dilution[2] (€)	12	5.41	5.43	(0.08)

(1) *See 2.3i below.*

(2) *The profit per share after dilution was calculated on the basis of the conversion of the maximum number of NRS and Warrants, and before the transaction on the NRS II as described in note 1.4i below.*

Consolidated statement of recognised income and expense at 31 December 2007

(€'000)	GET SA 2007	TNU 2006
Foreign exchange translation differences	224,050	(98,764)
Impact of exchange differences on overseas investment	(26,991)	–
Impact of the termination of hedging contracts	–	48,169
Movement in fair value of hedging contracts *	(64,586)	60,626
Net income recognised directly in equity	132,473	10,031
Profit / (loss) for the year – Group share	3,317,834	(204,011)
Recognised income and expense – Group share	**3,450,307**	**(193,980)**
Recognised income and expense – minority interest share	**962**	**–**
Total recognised income and expense	**3,451,269**	**(193,980)**

* *Including accrued interest.*

The notes on pages [●] to [●] form part of these consolidated accounts.

Consolidated balance sheet at 31 December 2007

(€'000)	Note	GET SA 31 December 2007	TNU 31 December 2006
ASSETS			
Property, plant and equipment			
Concession property, plant and equipment	6	7,012,773	7,141,377
Other property, plant and equipment	6	29	37
Non-current financial assets			
Shares	13, 14	115	116
Other financial assets	13, 14	3,420	4,636
Total non-current assets		**7,016,337**	**7,146,166**
Inventories		60	65
Trade receivables	13, 14	78,377	75,753
Other receivables	13, 14	26,268	43,062
Other financial assets	13, 14	602	2,900
Cash and cash equivalents	13, 14	154,983	282,163
Total current assets		**260,290**	**403,943**
Total assets		**7,276,627**	**7,550,109**
EQUITY AND LIABILITIES			
Issued share capital	15	23,914	419,521
Share premium account	15.2	218,127	3,545,633
Other reserves	16	(2,216,031)	5,103
Other equity and similar instruments	17	1,472,678	–
Retained earnings	16	(26,991)	(5,650,185)
Profit / (loss) for the year	16	3,317,834	(204,011)
Cumulative translation reserve	2.1iii, 16	(54,707)	(341,168)
Equity – Group share		**2,734,824**	**(2,225,107)**
Minority interest share	2.1ii	4,040	–
Total equity		**2,738,864**	**(2,225,107)**
Retirement benefit obligations	18	15,699	21,721
Financial liabilities	19	4,120,310	–
Other financial liabilities	14	3,089	4,504
Interest rate derivatives	19	65,033	–
Total non-current liabilities		**4,204,131**	**26,225**
Provisions	22	49,258	115,387
Financial liabilities	19	140,229	9,391,524
Other financial liabilities	14	602	2,900
Trade payables	23	115,026	213,978
Other payables	23	28,517	25,202
Total current liabilities		**333,632**	**9,748,991**
Total equity and liabilities		**7,276,627**	**7,550,109**

The notes on pages [●] to [●] form part of these consolidated accounts.

Consolidated cash flow statement at 31 December 2007

(€'000)	Note	GET SA 2007	GET SA PRO FORMA 2007 (2)	TNU 2006
Result for the year: profit / (loss)		3,317,293	3,324,347	(204,011)
Income tax expense		318	318	260
Profit arising from the financial restructuring		(3,322,803)	(3,322,803)	–
Other financial charges and (income)		6,058	(15,102)	50,083
Net cost of financing and debt service		134,996	277,514	486,890
Other operating expenses and (income)		13,229	12,922	(7,076)
Depreciation		82,016	161,956	163,662
Trading profit before depreciation		**231,107**	**439,152**	**489,808**
Exchange adjustment(1)		(3,813)	(12,523)	5,052
Decrease in inventories		–	–	1,086
Decrease / (increase) in trade and other receivables		7,540	(4,370)	(10,856)
(Decrease) / increase in trade and other payables		(2,004)	(24,652)	25,277
Net cash inflow from trading		**232,830**	**397,607**	**510,367**
Other operating cash flows		(91,775)	(116,147)	(36,877)
Taxation		(318)	(318)	(82)
Net cash inflow from operating activities		**140,737**	**281,142**	**473,408**
Payments to acquire property, plant and equipment		(20,776)	(38,618)	(18,846)
Sale of property, plant and equipment		863	1,133	4,928
Net cash outflow from investing activities		**(19,913)**	**(37,485)**	**(13,918)**
Drawdown of Term Loan		4,010,408	4,010,408	–
Share issue costs		(10,595)	(17,789)	–
Repayment of old financial instruments		(3,914,237)	(3,914,237)	(2,966)
Interest paid on old financial instruments		(286,801)	(286,801)	(294,867)
Fees paid for Term Loan		(51,476)	(66,145)	–
Interest paid on old hedging instruments		(3,000)	(3,000)	(67,361)
Interest received on old hedging instruments		–	–	6,478
Capital increase		225	225	–
Interest received on cash and cash equivalents		4,574	13,345	5,143
Interest received on new hedging instruments		2,032	2,032	–
Other interest received		113	235	88
Interest paid on Term Loan		(104,052)	(104,052)	–
Interest paid on new hedging instruments		(2,225)	(2,225)	–
Purchase of own shares		(714)	(714)	–
Net cash outflow from financing activities		**(355,748)**	**(368,718)**	**(353,485)**
Cash from the TNU Group following the ETO(3)		391,870	–	–
Increase / (decrease) in interest receivable in year		589	(28)	612
Movement in bank overdrafts		–	12	268
Effect of movement in exchange rate		(2,552)	(2,103)	2,468
Increase / (decrease) in cash in year	14.2iii	**154,983**	**(127,180)**	**109,353**

(1) The adjustment relates to the restatement of elements of the income statement at the exchange rate ruling at the year end.

(2) See 2.3ii below.

(3) On 28 June 2007, as part of the business combination resulting from the ETO, TNU brought cash balances of €392 million to the newly formed Group.

The notes on pages [●] to [●] form part of these consolidated accounts.

Notes to the accounts

1. Important events

The terms of the Safeguard Plan provided for the implementation of a new Group structure and, in particular, the creation of Groupe Eurotunnel SA (GET SA). The launch by GET SA of the ETO enabled those former shareholders of ESA and EPLC who had tendered their Units to the offer to become shareholders of the new entity in June 2007.

GET SA is the holding company of EGP and the TNU Group and its subsidiaries, which have as their principal purposes the design, financing, construction and operation of the Fixed Link, in accordance with the terms of the Concession.

1.1 2007 financial restructuring

During 2007, Eurotunnel implemented the financial restructuring in accordance with the Safeguard Plan approved by the Paris Commercial Court on 15 January 2007:

- The drawdown 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 €4,010 million at the closing exchange rate on 31 December 2007) by France Manche SA (FM) and The Channel Tunnel Group Limited (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.

- 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 13th and 37th month following the date of their issue.

- The repurchase of the Tier 3 Debt and of the notes on 28 June 2007 by EGP.

At 31 December 2007, the consolidated financial liabilities of GET SA amounted to €4.3 billion after the drawdown of the Term Loan and the repurchase of all of the financial instruments of the TNU Group which amounted to €9.4 billion at 31 December 2006.

1.2 Implementation of the new Group structure

The main terms of the financial restructuring as set out in the Registration Document issued in March 2007 and 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 the Group and of its UK subsidiary Eurotunnel Group UK plc (EGP).

  With effect from 2 July 2007, the listing on Euronext Paris of the GET SA shares and Warrants and of the NRS issued by GET SA's UK subsidiary EGP. GET SA's shares and the NRS issued by EGP have been listed on the London Stock Exchange since 2 July 2007.

- The completion of the ETO enabling Unit holders to receive GET SA shares and Warrants in exchange for their Units.

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

- The consolidation of GET SA's shares on 12 November 2007 by the allocation of one new share for 40 old shares, thereby creating 59,784,111 new shares each with a nominal value of €0.40. The consolidated shares have been listed on Segment B of Euronext Paris since 12 November 2007.

The rights of holders of securities which may be converted into GET SA equity (Warrants/NRS) were consequently adjusted in accordance with the terms set out in the Securities Note which received visa 07-113 from the French market authority (AMF) on 4 April 2007.

- On 21 December 2007, the reconstitution of the shareholders' equity of the TNU Group in accordance with the Safeguard Plan by way of set-off against a receivable in respect of former Tier 3 debt, enabling the reconstitution of the equity of GET SA's subsidiaries. After this operation, GET SA and EGP hold 25,833,259,924 Units, representing 99.32% of the Units in circulation.

The implementation of the Safeguard Plan continued during the year, under the supervision of the Commissioners for the Execution of the Plan.

Listing of the TNU Units ceased in London on 30 July 2007, in Brussels on 10 September 2007, and in Paris on 14 January 2008.

1.3 Going concern

The consolidated accounts for the year to 31 December 2007 were approved by the Board of Directors on 7 April 2008 on a going concern basis, and will be submitted for shareholders' approval at the next general meeting.

Certain legal proceedings that have been initiated 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 proceedings be unfavourable, they could result in the payment of damages and interest. Eurotunnel remains confident of a favourable outcome to these claims, and for this reason, has not forecast that any payments will be made in relation to them.

1.4 Post balance sheet events

i. Early partial cash redemption of NRS II

On 20 February 2008, GET SA announced the launch of an issue of SDES (subordinated deferred equity securities) with a term of 18 months, for a total principal amount of €800 million, by way of the issue of 800,000 SDES in France and internationally (outside the United States, Canada and Italy). The characteristics of this issue are described in the Securities Note as approved by the AMF (*Autorité des marchés financiers*) on 20 February 2008. The net proceeds of the issue will be used to finance the early cash redemption of a first part of the NRS II issued by EGP in June 2007.

The SDES have a nominal value of €1,000 each, and the subscription price per SDES will be equal to their individual nominal value. Each SDES will entitle its holder to receive 103.8 ordinary shares upon redemption.

On the 4 March 2008, GET SA announced the outcome of this transaction, as a result of which the Group will redeem a total nominal value of €601 million of the €1.154 billion NRS II. Given the favourable exchange rate for the euro against the pound and with a very limited additional financing from the Group, 6.0 million NRS II were redeemed, with a value in principal significantly greater than the initial objective. This redemption will enable savings of €35 million in interest in a full year (excluding interest payable as a return on the SDES and on the basis of an exchange rate of £1 = €1.4), and will reduce the number of shares to be issued by approximately 51 million (not including shares potentially as part of the conditional additional return).

The return on the SDES will be comprised of (i) the issue and allotment to SDES holders of 3 new ordinary shares per SDES or (ii) at the option of GET SA, the payment in cash of interest calculated at an annual rate of 2% (within the limit of the amount of available cash flow within GET SA, provided that in the event that such cash flow is not sufficient, the return on the SDES will be paid entirely or in part in the manner specified in (i) above). The return will be payable in one instalment on 6 September 2009.

In order to facilitate the creation of a stable shareholder base, each shareholder having subscribed for SDES within the priority subscription period and each investor having subscribed for SDES in the SDES placement and having held their SDES until the date of their redemption in ordinary shares and the ordinary shares issued upon redemption of SDES until 6 March 2011 will be granted a conditional additional return payable, at the option of the company and in accordance with the terms described in section 7.2 of the Securities Note[12], in cash, in new shares (provided that the requisite shareholder authorisation is obtained) or in existing shares (on the basis of 5.4 additional existing or new ordinary shares for each SDES).

The maximum number of any new ordinary shares that may be issued in respect of the conditional additional return will be 4,320,000 new additional ordinary shares.

The SDES will be redeemable in new ordinary shares at the discretion of their holders at any time between 6 September 2009 and 6 September 2010. In addition, the SDES may be redeemed in shares in advance of this date at the option of SDES holders upon the occurrence of one of the events referred to in paragraph 4.8 (d) of the Securities Note[1] and will be automatically redeemed in shares upon the occurrence of one of the events referred to in paragraph 4.8 (g) of the Securities Note[1].

ii. Arbitration

Following the disturbances caused to its business by the intrusion of illegal migrants coming from the Sangatte centre between 2000 and 2002, Eurotunnel petitioned the international ad hoc tribunal at the International Court of Justice on 17 December 2003, to seek compensation for damages suffered. In its ruling of 30 January 2007 published on 23 February 2007, the ad hoc Arbitration Tribunal recognised Eurotunnel's right to compensation, the amount of which to be determined by the Tribunal at a later date.

Following this decision, Eurotunnel entered into negotiations with the French government, and an agreement has been reached whereby the French government will make a full and final settlement of €24 million. This agreement is currently being ratified and the payment will be accounted when the agreement is signed. Following this agreement, Eurotunnel will withdraw its claim against the French government.

The British government has also accepted the principle of an amicable agreement to the litigation, and negotiations should begin shortly.

The two events described in 1.4i and 1.4ii have no effect on the 2007 consolidated accounts.

2. Basis of preparation and significant accounting policies

Statement of compliance

The consolidated accounts have been prepared in accordance with those IFRS standards as adopted by the European Union up to 31 December 2007. No standards published by the IASB but not yet adopted by the European Union at 31 December 2007 have been applied in anticipation.

New accounting standards and interpretations applied in 2007

The standard IFRS 7 ''Financial Instruments: Disclosures'' and the amendment to the standard IAS 1: ''Presentation of Financial Statements – Capital disclosures'' require that information be provided on the importance of financial instruments in the context of an entity's financial situation and performance, and qualitative and quantitative information on the nature and extent of the entity's exposure to risks arising from financial instruments.

The application of the amendment to IAS 1 has not given rise to any additional disclosures.

2.1 Basis of preparation and presentation

The consolidated accounts consist of the consolidation of the accounts of GET SA and its subsidiaries as set out in the table on page **[•]**.

[12] *Securities Note as approved by the AMF (Autorité des marches financiers) on 20 February 2008.*

Eurotunnel has control over the nature and price of the services it provides, and therefore does not meet the criteria set out in IFRIC 12 relating to concession contracts. Consequently GET SA applies IAS 16 on property, plant, and equipment, and IAS 37 on provisions.

i. Business combination – creation of GET SA

The financial restructuring of the Group resulted in 93.04% of the shareholders of TNU SA and TNU PLC holding the whole of the share capital and voting rights of GET SA. As this transaction did not change the level of control exercised by the shareholders who tendered their Units to the ETO, it is accounted for in the financial statements as a combination of entities under common control. Consequently, IFRS 3 does not apply and the consolidated accounts have been prepared on the basis of the historical carrying amounts in the TNU SA and TNU PLC combined accounts. The figures relating to 2006 are therefore taken from the annual TNU combined accounts.

ii. Basis of consolidation

The accounting periods of Eurotunnel companies run from 1 January to 31 December. Companies acquired or formed during the year are consolidated as from their date of acquisition or formation. Two subsidiaries of GET SA with no activity during 2007 have not been consolidated. These companies had no contingent liabilities.

For the purposes of consolidation, GET SA comprises the following companies at 31 December 2007:

	Country of registration or incorporation	% interest	% control
Groupe Eurotunnel SA (GET SA)	France	Holding company	Holding company
Eurotunnel Group PLC (EGP)	England	100	100
Sub-Group TNU SA / TNU PLC:			
TNU SA	France	99.32	100
TNU PLC	England	99.32	100
France Manche SA	France	99.32	100
The Channel Tunnel Group Limited	England	99.32	100
Europorte 2 SAS	France	99.32	100
Eurotunnel Finance Limited	England	99.32	100
Eurotunnel SE	Belgium	99.32	100
Eurotunnel Services GIE	France	99.32	100
Eurotunnel Services Limited	England	99.32	100
EurotunnelPlus BV	Netherlands	99.32	100
EurotunnelPlus Distribution SAS	France	99.32	100
EurotunnelPlus GmbH	Germany	99.32	100
EurotunnelPlus Limited	England	99.32	100
EurotunnelPlus SAS	France	99.32	100
EurotunnelPlus SL	Spain	99.32	100
Gamond Insurance Company Limited	Guernsey	99.32	100
Cheriton Leasing Limited, Cheriton Resources 1, 2, 3, 5(1), 6, 7, 8, 9, 10, 11, 13, 15, 16, 17, 20(2) Limited(3)	England	99.32	100
Cheriton Resources 12 and 14 Limited	England	99.32	100
Eurotunnel Developments Limited(2)	England	99.32	100
Eurotunnel Trustees Limited(2)	England	99.32	100
Le Shuttle Holidays Limited(2)	England	99.32	100
Orbital Park Limited(2)	England	99.32	100

(1) *On 29 November 2007, Cheriton Resources 5 Limited changed its name to London Carex Limited.*

(2) *On 4 September 2007, Cheriton Resources 20 Limited changed its name to Eurotunnel Agent Services Limited.*

(3) *These companies had no significant activity during 2007.*

All the companies listed above are fully consolidated.

iii. Exchange rates

GET SA and EGP's company accounts and GET SA's consolidated accounts are prepared in euros.

TNU PLC's accounts are prepared in sterling, and have been converted into euros as follows:

- Share capital, share premium account, retained reserves brought forward, Concession property, plant and equipment and depreciation at historical rates.
- All other assets and liabilities at the rate ruling at the balance sheet date.
- Income statement items, with the exception of depreciation, at an average rate for the year.
- Exchange differences arising from the application of the above are included in the currency translation reserve in the balance sheet.
- The closing and average €/£ exchange rates for 2007 and 2006 are as follows:

€/£	2007	2006
Closing rate	1.364	1.489
Average rate	1.437	1.462

iv. Use of estimates and judgements

The preparation of the consolidated financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the period. The Board regularly reviews its valuations and estimates based on its experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value. The actual results could differ significantly from these estimates depending on different conditions and hypotheses. The use of estimations concerns mainly the valuation of property, plant and equipment (see note 6), the provisions for restructuring (see note 22), the evaluation of the tax situation (see note 11) and certain elements of the valuation of financial instruments (see note 21).

v. Segment reporting

The Group operates a single asset which is common to all its activities. This asset and the operating costs arising from it cannot be directly allocated to these activities. Consequently, the Group presents its activities in one reportable segment within the meaning of IAS 14.

2.2 Principal accounting policies

i. Cost and revenue sharing

The Concession requires that the Group's concessionaires (CTG and FM) share equally the cost price of the Project and all revenues and costs relating to the operation of the Fixed Link between the UK and French companies.

- Concession property, plant and equipment is shared equally between the concessionaires.
- Operating revenues and costs are accounted for in the income statement of the Partnership and shared equally between the concessionaires. Revenues and costs which do not relate to the operation of the Concession are not subject to these sharing arrangements.

ii. Property, plant and equipment, and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment are depreciated on a systematic basis in order to write down the costs of assets over their expected useful lives as follows:

Tunnels	Concession *
Terminals and related land	10 years – life of Concession *
Fixed equipment and machinery	5 years – life of Concession *
Rolling stock	5 – 60 years
Freehold land	not depreciated
Office equipment	3 – 10 years

* *The Concession expires in 2086.*

The expected useful lives of the assets are kept under review and revised when necessary, according to experience.

Non-renewable Concession property, plant and equipment is depreciated over the life of the Concession on a straight line basis. Depreciation on renewable assets is calculated on a straight line basis.

As all property, plant and equipment will be written down to £nil at the end of the Concession, depreciation of the final renewal cost of renewable assets will be based on the residual duration of the Concession.

iii. Impairment of property, plant and equipment

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of assets is the greater of their net selling price and their value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

iv. Retirement liabilities

The Group provides for its contractual obligations for retirement indemnities of employees under French contracts, and for the defined benefit retirement schemes of employees under UK contracts operated by the TNU PLC Group, the assets of which are held separately from those of Eurotunnel. The current service cost of the period, determined by the projected unit of credit method, is accounted for in operating costs. Actuarial differences are dealt with using the ''corridor'' approach, with any excess or shortfall outside the corridor being amortised over the average remaining working lives of the beneficiaries, and are shown in operating costs.

v. Provisions

Provisions are recognised when there exists a legal or constructive obligation stemming from a past event and when the future cash flows can be reliably estimated.

vi. Financial instruments

Financial assets

In accordance with IAS 39, the Group's financial assets have been classified in one of the following four categories:

- financial assets at fair value through profit and loss;
- loans and receivables;
- held-to-maturity investments;

- available-for-sale financial assets.

The classification defines the accounting treatment of these instruments. The classification is designated by the Group at the date of initial recognition depending on the purpose for which the assets were acquired. The purchase and sale of financial assets are accounted for on the transaction date, being the date on which the Group has contracted for the purchase or sale of the asset.

- **Financial assets at fair value through profit and loss**

These are financial assets held by the Group for the purpose of generating a short-term profit, or assets designated to this category at inception.

These assets are measured at their fair value with changes in the carrying amount being taken to the income statement.

These financial instruments include short-term treasury investments which are classified as current assets in cash equivalents.

- **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not listed on an active market and that are not held for trading purposes and are not available for sale.

These assets are initially measured at their fair value and subsequently at their amortised cost using the effective interest method. For short-term receivables that do not have a contractual rate of interest, the fair value is assimilated to the original invoiced amount except where the effective interest rate has a significant impact.

These assets are subject to impairment tests if there is an indication of impairment losses. An impairment loss is recognised whenever the carrying amount exceeds the estimated recoverable amount.

Receivables arising on shares and trade receivables are included in this category. They are shown as financial assets and as trade receivables.

- **Held-to-maturity investments**

Held-to-maturity investments are financial assets, other than loans and receivables, with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity. At 31 December 2007 the Group has not designated any financial asset to this category.

- **Available-for-sale financial assets**

All financial assets that are not classified in another category are classified as available-for-sale. They are measured at their fair value. Unrealised gains and losses are recognised in equity until the asset's sale or derecognition. However when there is objective evidence that an available-for-sale asset may be impaired, the cumulative net loss is recognised in the income statement. Impairments on equity securities cannot be reversed in subsequent accounting periods.

Fair value, for listed securities, equates to the market price. For unlisted securities, the fair value is determined by reference to recent transactions or by using valuation techniques incorporating reliable and observable market data. However, when no reliable estimate of the fair value of a security can be made, it is measured at historical cost. These assets are subject to impairment tests to establish their recoverability.

This category includes shares in non-consolidated subsidiaries.

Financial liabilities

Financial liabilities include, in accordance with IAS 39:

- loan notes;
- unpaid accrued interest;
- loans and bank overdrafts;
- derivative liabilities.

Borrowings

Borrowings are recognised initially at fair value less transaction costs, and subsequently at amortised cost according to the effective interest rate method.

For financial liabilities that are at a fixed interest rate indexed to inflation, the future cash flows are periodically re-estimated to take account of actual fluctuations in the inflation rate, thereby changing the effective interest rate.

Finance (debt servicing) costs are recognised at a constant interest rate until maturity of the debt using the effective interest rate method. The effective interest rate is the interest rate that exactly discounts all of the contractual cash flows due on the debt until its maturity. The effective interest rate is calculated on the basis of the estimated cash flows due on each instrument constituting the debt. The calculation takes into account the transaction-related costs and all other premiums and discounts.

Interest rate hedging instruments

All the derivative instruments are designed to hedge exposure to interest rate risk. They are measured at market value and are used as cash flow hedges.

Cash flow hedges: the derivative instruments designed to hedge the floating rate element of the debt are accounted for as cash flow hedges. The portion of the gains and losses arising from changes in the fair value that is deemed to be an effective hedge is taken directly to equity until the underlying transaction is recognised in the Group's financial statements. The portion deemed ineffective is accounted for in the income statement for the period. The gains and losses included in equity are recycled to the income statement in the period when the hedged item affects the income statement. The new interest rate hedging instruments described in note 19 on financial liabilities, meet the criteria set out in IAS 39 and are therefore accounted for as cash flow hedges.

vii. Notes redeemable in shares (NRS)

The compound financial instruments issued by the Group include the notes redeemable in shares (redemption against a predetermined number of shares). The NRS will be redeemed automatically in GET SA Ordinary Shares. Holders have no right to request redemption in cash.

The ''liability'' component of the compound financial instrument is initially recognised at the fair value of a similar liability redeemable in shares. The initial recognition of the ''equity'' component corresponds to the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Directly attributable transaction costs are allocated to the liability and equity components pro rata to their initial carrying value.

Subsequent to its initial recognition, the ''liability'' component of the compound financial instrument is measured at amortised cost using the effective interest rate method. The accretion expense of the discounted coupon payments is taken to the income statement. The ''equity'' component of the compound financial instrument is not revalued after its initial recognition.

viii. Share Warrants

The Warrants are recognised in the financial statements at their issue value insofar as their exercise is triggered by non-financial criteria that are specific to the issuer.

ix. Own shares

Parent company shares held by the Group are accounted for at cost as a reduction in equity. Subsequent disposals are taken directly to equity and no profit or loss is recognised in the income statement.

x. Foreign exchange

Transactions in foreign currencies are converted into the reporting currency of each individual company at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies other than those mentioned in note 2.1(iii) above are translated at the rate ruling at the balance sheet date. Exchange differences are dealt with in the income statement.

xi. Inventories

In respect of properties, cost comprises the purchase price of property, development costs, and, where appropriate, a proportion of attributable financing costs during the development period. They are stated at the lower of cost and net realisable value.

xii. Share based payments

Eurotunnel accounts for share options in accordance with IFRS 2. The options are valued at the date on which they are granted using the Binomial model. Any variations in value occurring after the grant date are not taken into account. The value is charged to employee benefit expenses on a straight line basis between the date of the grant and the maturity date (the vesting period), with an equal and opposite entry directly to equity.

xiii. Revenue recognition

Revenue comprises the value of sales of services and goods receivable in the normal course of business. Revenue is recognised on the date the service is rendered. The Group's activity is the provision of transportation services between the UK and France and activities ancillary thereto, including development activities.

xiv. Net gains or net losses on each category of financial instrument

Interest income and charges recognised in the income statement include:

- Interest on the financial assets and liabilities accounted for at amortised cost using the effective interest rate method. The calculation of the effective interest rate includes all commissions and margins payable or receivable between the contracting parties which are an integral part of the effective interest rate, and all transaction costs and all other premiums and discounts. The transaction costs are the marginal costs directly attributable to the acquisition, issue or disposal of a financial asset or liability.

- Changes in the fair value of derivatives categorised as hedges (for the ineffective portion).

xv. Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

2.3 Accounting principles and presentation used for the preparation of pro forma financial information

i. GET SA's pro forma income statement to 31 December 2007

GET SA's pro forma income statement for the year to 31 December 2007 has been prepared as follows:

- 1 January 2007 to 30 June 2007: TNU's combined income statement up to the operating result, and calculation of the gross cost of financing and debt service on the hypothetical basis that the financial restructuring was implemented on 1 January 2007. No other elements of TNU's income statement for the period have been retreated.
- 1 July 2007 to 31 December 2007: GET SA's consolidated income statement.

ii. Get SA's pro forma cash flow statement to 31 December 2007

The pro forma cash flow statement for the year to 31 December 2007 reflects the operating cash flows from the twelve months of operations as well as the financing cash flows from the financial restructuring.

3. Revenue

Revenue is analysed as follows:

(€'000)	GET SA 2007	GET SA PRO FORMA 2007	TNU 2006
Shuttle services	260,216	499,936	464,879
Railways *	134,676	261,686	350,482
Other revenues	6,870	13,260	14,470
Total	**401,762**	**774,882**	**829,831**

* *Including €94,768,000 at 31 December 2006 relating to the MUC top-up.*

4. Employee numbers and employee benefit expense

	GET SA 2007	GET SA PRO FORMA 2007	TNU 2006
Number of persons employed at year end[(1)]	2,311	2,311	2,269
Average number of persons employed[(1)]	2,304	2,284	2,379
Employee benefit expense (in €'000)[(2)]	62,729	126,039	121,513

(1) *Including directors.*

(2) *Including employment costs and directors' remuneration.*

5. Remuneration of members of the boards of directors and senior executives

5.1 The total remuneration for all members of the boards of directors who served during 2007 was €793,544 (2006: €551,408) before pension contributions. This comprises entirely current employment benefits.

5.2 The total remuneration for members of the Executive Committee (excluding executive or non-executive directors) is detailed in the table below. There were 10 members of the Executive Committee at 31 December 2007 (11 at 31 December 2006), 3 of whom were members of a UK pension scheme as described in note 18 (3 at 31 December 2006).

(€'000)	GET SA 2007	GET SA PRO FORMA 2007	TNU 2006
Current employment benefits	922	2,127	1,847
Post employment benefits	28	55	53
Other long term benefits	–	–	–
Payments in respect of termination of service	39	104	–
Cost of share based payments	–	103	146
Total	**989**	**2,389**	**2,046**

6. Property, plant and equipment

(€'000)	Assets in course of construction	Tunnels	Terminals and related land	Fixed equipment and machinery	Rolling stock	Office equipment	Other property, plant and equipment	Total
	Concession property, plant and equipment							
Cost								
At 1 January 2007	35,447	6,549,501	2,073,030	3,281,210	1,995,267	98,950	59	14,033,464
Additions	18,672	–	303	10,279	5,611	2,543	2	37,410
Transfers	(29,177)	–	486	8,842	18,277	1,572	–	–
Disposals	–	–	(272)	(461)	(23,305)	(4,774)	–	(28,812)
At 31 December 2007	**24,942**	**6,549,501**	**2,073,547**	**3,299,870**	**1,995,850**	**98,291**	**61**	**14,042,062**
Depreciation								
At 1 January 2007	–	2,816,362	970,437	1,885,646	1,137,000	82,583	22	6,892,050
Charged in the year	–	46,811	19,834	45,550	45,397	4,354	10	161,956
Released on disposals	–	–	(126)	(346)	(19,501)	(4,773)	–	(24,746)
At 31 December 2007	**–**	**2,863,173**	**990,145**	**1,930,850**	**1,162,896**	**82,164**	**32**	**7,029,260**
Net book value								
At 1 January 2007	35,447	3,733,139	1,102,593	1,395,564	858,267	16,367	37	7,141,414
At 31 December 2007	**24,942**	**3,686,328**	**1,083,402**	**1,369,020**	**832,954**	**16,127**	**29**	**7,012,802**
Cost								
At 1 January 2006	50,509	6,549,501	2,072,970	3,288,993	1,977,201	104,874	57	14,044,105
Additions	14,730	–	144	719	2,089	1,798	2	19,482
Transfers	(29,792)	–	248	118	27,977	1,449	–	–
Disposals	–	–	(332)	(8,620)	(12,000)	(9,171)	–	(30,123)
At 31 December 2006	**35,447**	**6,549,501**	**2,073,030**	**3,281,210**	**1,995,267**	**98,950**	**59**	**14,033,464**
Depreciation								
At 1 January 2006	–	2,769,552	950,622	1,847,873	1,103,112	86,991	12	6,758,162
Charged in the year	–	46,810	19,834	46,364	45,888	4,756	10	163,662
Released on disposals	–	–	(19)	(8,591)	(12,000)	(9,164)	–	(29,774)
At 31 December 2006	–	**2,816,362**	**970,437**	**1,885,646**	**1,137,000**	**82,583**	**22**	**6,892,050**
Net book value								
At 1 January 2006	50,509	3,779,949	1,122,348	1,441,120	874,089	17,883	45	7,285,943
At 31 December 2006	**35,447**	**3,733,139**	**1,102,593**	**1,395,564**	**858,267**	**16,367**	**37**	**7,141,414**

In France, all immovable property, plant and equipment within the Concession area is the property of the French State and will revert to it on the expiry of the Concession period (2086). In the UK, the Government has required CTG to transfer to it the title to freehold land and property acquired for the purpose of construction and operation of the Project and in exchange has granted leases for the duration of the Concession. On the expiry of the Concession, the interest of the concessionaires in all movable property and intellectual property rights necessary for the operation of the Concession will become, without payment, the joint property of the two States.

Impairment of property, plant and equipment

The valuation of assets is carried out in accordance with IAS 36, which defines the recoverable value of an asset as the greater of its net selling price and value in use. The value in use results from the discounted forecast future operating cash flows (after capital expenditure).

At 31 December 2007, Eurotunnel identified no indication of impairment. The implicit discount rate in 2007 is 8.3% (2006: 8.4%).

Relatively small changes in the assumptions used would lead to material changes in the value in use. By way of example, a variation of 0.10% in the implicit discount rate would correspond to a change in the value in use of assets of approximately €127 million, and a variation of 0.50% in the implicit discount rate would correspond to a change of approximately €676 million.

7. Other operating (expenses) and income

(€'000)	GET SA 2007	GET SA PRO FORMA 2007	TNU 2006
Release of advances from the Railways	–	–	143,254
Financial restructuring and Safeguard Procedure	(14,643)	(14,643)	(131,002)
Other	1,414	1,721	(5,176)
Total	**(13,229)**	**(12,922)**	**7,076**

The advances from the Railways were received under the Minimum Usage Charge clause of the Railway Usage Contract. These advances were repayable under certain conditions by deduction from future payments owed by the Railways. The guarantee period having expired, these advances did not have to be repaid, and they were credited to the income statement in 2006.

8. Cost of servicing debt (gross)

(€'000)	GET SA 2007	GET SA PRO FORMA 2007	TNU 2006
Accretion expense of the NRS	9,213	15,097	–
Interest on loans	131,052	275,456	432,025
Total interest charged on financial liabilities at amortised cost	140,265	290,553	432,025
Effective rate adjustment	322	650	33,163
Charges relating to hedging instruments	(181)	174	27,180
Total gross cost of servicing debt after hedging	**140,406**	**291,377**	**492,368**

Information relating to financial liabilities and hedging instruments is presented in note 19, and information relating to the NRS is presented in note 17.

9. Other financial income and (charges)

(€'000)	GET SA 2007	GET SA PRO FORMA 2007	TNU 2006
Variation in value of financial instruments	–	–	5,407
Exchange gains	17,785	23,592	2,597
Release of provision for depreciation and risks *	–	18,274	–
Other	4,881	6,904	9,803
Sub-total financial income	**22,666**	**48,770**	**17,807**
Exchange losses	(28,611)	(33,391)	(2,587)
Provision for depreciation and risks *	–	–	(55,500)
Other	(113)	(277)	(9,803)
Sub-total financial charges	**(28,724)**	**(33,668)**	**(67,890)**
Total	**(6,058)**	**15,102**	**(50,083)**

* *The provision for risks was made to cover the risks associated with certain financial contracts within the framework of the financial restructuring.*

Of the €29 million exchange losses for 2007 in the GET SA consolidated accounts, €26 million relate to unrealised exchange differences arising out of inter company balances (GET SA pro forma consolidated accounts for the year to 31 December 2007: €25 million of the €33 million).

10. Profit arising from the financial restructuring

			Reimbursement of principal by:				
(€'000)	Outstanding principal	Outstanding interest	Term Loan	NRS I	NRS II	Effect of exchange rate	Result
Senior Debt	349,064		(349,064)				–
Fourth Tranche	186,990		(186,990)				–
Tier 1A	1,097,923		(1,097,923)				–
Tier 1	795,401		(795,401)				–
Tier 2	1,313,139		(1,313,139)				–
Tier 3	2,612,511		(221,112)	(305,001)	(1,110,027)	(7,461)	968,910
Resettable Bonds	681,156	16,048	(43,727)	(84,315)		(343)	568,819
Participating Loan Notes	1,267,262	8,484	(35,840)	(91,060)		(531)	1,148,315
Stabilisation Notes	824,580	28,104	(53,096)	(117,895)	(43,991)	(943)	636,759
Total	**9,128,026**	**52,636**	**(4,096,292)**	**(598,271)**	**(1,154,018)**	**(9,278)**	**3,322,803**

The difference between the amount of debt owed and that reimbursed (€3,323 million) was recorded in the income statement as detailed above. The exchange difference arises from the accounting of the NRS at the fixed rate set out in the Safeguard Plan (£1=€1.46635), whereas the reimbursement of the debt was accounted for at the rate ruling on the settlement date.

11. Income tax expense

11.1 Current taxation

In March 2007, GET SA opted for the French tax consolidation regime with EGP as a consolidated subsidiary as from 1 January 2007.

In France, cumulative tax losses of the TNU SA Group amounted to €1,371 million at 31 December 2006, which can be carried forward indefinitely. In 2007, the French Ministry for Economy, Finance and Industry confirmed that the TNU SA Group tax losses for the years 2000 to 2002 may be carried forward for an indefinite period for a total of approximately €890 million. The recapitalisation of the Tier 3 Debt on 21 December 2007 reduced the cumulative tax losses of the TNU SA Group by €477 million. Cumulative tax losses of the TNU SA Group (including FM, Eurotunnel Participation 1, Eurotunnel Participation 2, EurotunnelPlus Distribution, EurotunnelPlus SAS and Europorte 2) amount to €1,988 million at 31 December 2007. The tax losses for the integrated tax group, which in 2007 included GET SA and EGP, amounted to €1 million for the year ended 31 December 2007.

In the UK at 31 December 2007, the tax losses carried forward for the TNU PLC Group amounted to £2,415 million (31 December 2006: £2,391 million). At 31 December 2007, the TNU PLC Group had capital allowances available for future offset against profits of £1,424 million (31 December 2006: £1,410 million) and industrial buildings allowances of £697 million (31 December 2006: £760 million).

Factors affecting the tax charge for the year

(€'000)	GET SA 2007	GET SA PRO FORMA 2007	TNU 2006
Profit / (loss) for the year	3,317,293	3 324 347	(204,011)
Expected tax at national rates*	1,111,740	1,113,443	(65,534)
Effects of:			
– non-tax deductible items	75	101	198
– difference between consolidated result and taxable result for the year	(996,859)	(999,712)	87,604
– unrecognised tax credits used in year	(186,476)	(200,290)	(89,855)
Unrecognised tax losses	71,838	86,776	67,587
Minimum tax	–	–	260
Current tax charge for the year	**318**	**318**	**260**

* *France 33%, UK 30%.*

11.2 Deferred taxation

At 31 December 2007, work on optimising GET SA's tax position, notably in regard to French and English law and to the financial contracts in place, is not sufficiently advanced to determine, with an adequate degree of probability within the meaning of IAS 12, whether a deferred tax asset arises.

12. Profit / (loss) by share / Unit

	GET SA 2007	GET SA PRO FORMA 2007	TNU 2006
Weighted average number:			
– of issued Ordinary Shares / Units	* 59,784,111	59,784,111	2,546,156,268
– of own shares	(28,148)	(28,148)	–
Number of shares used to calculate the result per share / Unit (A)	**59,755,963**	**59,755,963**	**2,546,156,268**
Weighted average number of Ordinary Shares:			
– conversion of NRS	425,697,537	425,697,537	–
– conversion of Warrants	127,308,211	127,308,211	–
Potential number of Ordinary Shares (B)	**553,005,748**	**553, 005,748**	**–**
Number of shares used to calculate the diluted result per share / Unit (A+B)	**612,761,711**	**612,761,711**	**2,546,156,268**
Profit / (loss) (€'000) **(C)**	3,317,834	3,325,087	(204,011)
Profit / (loss) per share / Unit (€) **(C/A)**	55.52	55.64	(0.08)
Profit / (loss) per share / Unit after dilution (€) **(C/(A+B))**	5.41	5.43	(0.08)
Excluding the profit arising from the financial restructuring:			
Adjusted profit / (loss) (€'000) **(D)**	(4,969)	2,284	(204,011)
Adjusted profit / (loss) per share / Unit (€) **(D/A)**	(0.08)	0.04	(0.08)
Adjusted profit / (loss) per share / Unit after dilution (€) **(D/(A+B))**	n/s	n/s	(0.08)

* *The number of shares used to calculate the result per share corresponds to the number of ordinary shares in issue following the GET SA share consolidation (see note 15.1 below).*

The calculations were made on the basis of the conversion of the maximum number of NRS and Warrants, and before the transaction on the NRS II as described in note 1.4i above.

13. Credit risks

Credit risk represents the risk of financial loss to the Group in the event that a customer or counterparty to a financial instrument fails to honour their contractual obligations.

13.1 Trade receivables

The Group's credit risk exposure on trade receivables is principally in the freight road transport market.

The Group applies a credit policy which requires that every new customer is subject to a credit check before being able to benefit from the Group's standard credit terms. The Group's credit risk exposure to account customers is managed by means of continuous monitoring of their financial situation and of their outstanding debt in regard to their credit limits and payment terms.

13.2 Investments

The Group limits its credit risk exposure by only investing in short-term deposits, certificates of deposit and SICAVs (the French equivalent of mutual funds), and only with counterparties with a minimum rating of P-1 from Moodys. Investments are limited to a maximum term of 6 months.

13.3 Credit risk exposure

The carrying value of the financial assets represents the maximum credit risk exposure. The maximum credit risk exposure at the balance sheet date is as follows:

(€'000)	GET SA 31 December 2007	TNU 31 December 2006
Available-for-sale financial assets	115	116
Trade receivables	78,377	75,753
Cash and cash equivalents	154,983	282,163
Total	**233,475**	**358,032**

At 31 December 2007, the Group held guarantees for a value of €5 million (31 December 2006: €5 million) covering the credit risk on trade receivables.

14. Financial assets and liabilities

Matrix of class of financial instrument and recognition categories as at 31 December 2007

(€'000) Class of financial instrument	Note	Recognition categories: Financial assets at fair value through profit and loss (trading)	Available-for-sale financial assets	Loans and receivables	Hedging instruments	Liabilities at amortised cost	Total net carrying value	Fair value
Trade receivables	14.1i			78,377			**78,377**	78,377
Cash and cash equivalents	14.2	154,983					**154,983**	154,985
Other financial assets				602			**602**	602
Other receivables	14.1ii			26,268			**26,268**	26,268
Current financial assets		**154,983**	**–**	**105,247**	**–**	**–**	**260,230**	**260,232**
Shares in non- consolidated companies			115				**115**	115
Other financial assets				3,420			**3,420**	3,420
Non-current financial assets		**–**	**115**	**3,420**	**–**	**–**	**3,535**	**3,535**
Financial liabilities						140,229	**140,229**	140,229
Other financial liabilities				602			**602**	602
Trade payables				115,026			**115,026**	115,026
Other payables				28,517			**28,517**	28,517
Current financial liabilities		**–**	**–**	**144,145**	**–**	**140,229**	**284,374**	**284,374**
Financial liabilities	21					4,120,310	**4,120,310**	4,120,310
Interest rate derivatives					65,033		**65,033**	65,033
Other financial liabilities				3,089			**3,089**	3,089
Non-current financial liabilities		**–**	**–**	**3,089**	**65,033**	**4,120,310**	**4,188,432**	**4,188,432**

Matrix of class of financial instrument and recognition categories as at 31 December 2006

(€'000) Class of financial instrument	Note	Recognition categories: Financial assets at fair value through profit and loss (trading)	Available-for-sale financial assets	Loans and receivables	Hedging instruments	Liabilities at amortised cost	Total net carrying value	Fair value
Trade receivables	14.1i			75,753			**75,753**	75,753
Cash and cash equivalents	14.2	282,163					**282,163**	282,167
Other financial assets				2,900			**2,900**	2,900
Other receivables	14.1ii			43,062			**43,062**	43,062
Current financial assets		**282,163**	**–**	**121,715**	**–**	**–**	**403,878**	**403,882**
Shares in non-consolidated companies			116				**116**	116
Other financial assets				4,636			**4,636**	4,636
Non-current financial assets		**–**	**116**	**4,636**	**–**	**–**	**4,752**	**4,752**
Financial liabilities						9,391,524	**9,391,524**	*5,821,000
Other financial liabilities				2,900			**2,900**	2,900
Trade payables				213,978			**213,978**	213,978
Other payables				25,202			**25,202**	25,202
Current financial liabilities		**–**	**–**	**242,080**	**–**	**9,391,524**	**9,633,604**	**6,063,080**
Other financial liabilities				4,504			**4,504**	4,504
Non-current financial liabilities		**–**	**–**	**4,504**	**–**	**–**	**4,504**	**4,504**

* *The fair value of the financial liabilities at 31 December 2006 arises from the terms of the Safeguard Plan as follows:*

Old financial liabilities	€ million **	Value
Senior Debt, 4th Tranche, Tier 1A, and Tier 1 and Tier 2 of the Junior Debt	3,716	Nominal value of the debt.
Tier 3 Junior Debt	2,599	Value of NRS for a nominal value of €1,415 million, or 98.5% of this amount plus €220 million in cash.
Stabilisation Notes	820	Value of NRS for a nominal value of €162 million plus €53 million in cash.
Resettable Bonds	678	Value of NRS for a nominal value of €84 million plus €44 million in cash.
Participating Loan Notes	1,260	Value of NRS for a nominal value of €91 million plus €36 million in cash.

** *Value of the debt existing at 31 December 2006 at an exchange rate of £1=€1.46635.*

14.1 Loans and receivables

(i) Trade receivables

The maximum credit risk exposure on trade receivables by type of customer at the balance sheet date is as follows:

(€'000)	GET SA 31 December 2007	TNU 31 December 2006
Road haulage companies	53,138	55,942
National railways	21,624	16,323
Other	7,600	7,747
Gross value	**82,362**	**80,012**
Allowance for impairment	3,985	4,259
Net value	**78,377**	**75,753**

The age profile of trade receivables at the balance sheet date is as follows:

(€'000)		Not yet due	Past due for less than 30 days	Past due for between 30 and 90 days	Past due for more than 90 days
At 31 December 2007	Gross	58,076	19,462	1,575	3,249
	Allowance for impairment	–	38	989	2,958
At 31 December 2006	Gross	56,995	18,181	1,186	3,650
	Allowance for impairment	–	181	774	3,304

Where a trade receivable is considered doubtful, an impairment allowance is made for the full amount due except in a small number of cases where the Group considers that recovery is possible.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(€'000)	GET SA 2007	TNU 2006
Balance at 1 January	4,259	4,210
Impairment loss recognised	326	2,395
Impairment loss recovered	(486)	(2,375)
Exchange difference	(114)	29
Balance at 31 December	**3 985**	**4,259**

(ii) Other receivables

(€'000)	GET SA 31 December 2007	TNU 31 December 2006
Suppliers	424	16,231
State creditors	20,314	18,232
Prepayments	3,058	2,587
Other	2,472	6,012
Total	**26,268**	**43,062**

Between 31 December 2006 and 31 December 2007, the reduction in Suppliers and State creditors is related to the suspension of payments under the Safeguard Procedure during the second half of 2006.

14.2 Assets at fair value through profit and loss

(i) Cash equivalents

These represent short-term investments, primarily certificates of deposit and deposit accounts.

(€'000)	GET SA 31 December 2007	TNU 31 December 2006
Investments in €	63,429	122,976
Investments in £	76,839	133,131
Sub-total	**140,268**	**256,107**

(ii) Cash

(€'000)	GET SA 31 December 2007	TNU 31 December 2006
Cash at bank and in hand	14,715	26 056
Total	**154,983**	**282 163**

(iii) Movement during the year

(€'000)	GET,SA 2007	TNU 2006
Cash and cash equivalents at 1 January	–	172,810
Cash from the TNU Group	391,870	–
(Decrease) / increase in cash in year	(234,924)	106,005
Increase in interest receivable in year	589	612
Bank overdrafts	–	268
Effect of movement in exchange rate	(2,552)	2,468
Cash and cash equivalents at 31 December	**154,983**	**282,163**

As a result of the Safeguard Procedure, the payment of outstanding amounts for goods, services, taxation and social security charges incurred prior to 2 August 2006 was suspended, and an amount of approximately €39 million remained unpaid at 31 December 2006. Payment was made during 2007.

With effect from the same date, payments relating to servicing the debt were also suspended, which had a positive effect on the cash flow at the end of 2006 of approximately €112 million.

15. Share capital and Warrants

15.1 Evolution of GET SA's share capital

(€'000)		
At 1 January 2007	1,000 shares of €1 each	1
Share capital reduction on 9 March	Cancellation of 775 shares of €1 each	(1)
Share capital increase on 9 March	Issue of 224,775 shares of €1 each	225
Transformation into a *société anonyme* and division of the nominal value of the shares on 9 March	22,500,000 Ordinary Shares of €0.01 each	–
Share capital increase resulting from the ETO on 28 June	2,368,864,450 Ordinary Shares of €0.01 each and 1 Preferred Share of €0.01	23,689 –
Share consolidation on 12 November	Exchange of 2,391,364,450 Ordinary Shares of €0.01 for 59,784,111 Ordinary Shares of €0.40	–
At 31 December 2007	**59,784,111 Ordinary Shares of €0.40 and 1 Preferred Share of €0.01**	**23,914**

At 31 December 2007, the issued share capital of GET SA amounted to €23,914,000, divided into 59,784,111 fully paid-up GET SA Ordinary Shares (Class A shares) with a nominal value of €0.40 each, and one GET SA Preferred Share (Class B share) with a nominal value of €0.01.

The GET SA Preferred Share confers on its holder specific corporate governance rights of GET SA as described in paragraph 17.1.1(a) ''Rules of majority'' of the Registration Document dated 20 March 2007. There are no specific economic rights attached to the GET SA Preferred Share.

On 12 November 2007, GET SA launched the consolidation of the GET SA shares as described in note 1.2 above.

At 31 December 2007, GET SA held 604,344 of its own shares.

15.2 Share premium account

(€'000)	GET SA
Total at 1 January 2007	–
Increase in share capital resulting from the ETO on 28 June 2007	236,176
Cost of capital increase	(18,049)
Total at 31 December 2007	**218,127**

15.3 Share Warrants

On 28 June 2007, GET SA issued 4,307,026,273 Warrants which entitle their holders to subscribe for GET SA Ordinary Shares provided that there has been an increase in the value of Groupe Eurotunnel. The Warrants were admitted to listing and trading on Euronext Paris on 2 July 2007.

55% of the Warrants (2,368,864,450) were allocated to the Unit holders who tendered their Units to the ETO, and 45% (1,938,161,823 Warrants) were allocated to the Note holders. The detailed characteristics of the Warrants are set out in chapter 3 of the Securities Note of April 2007.

The total number of new GET SA Ordinary Shares to which the Warrants will together entitle their holders to subscribe (''**N**'') will be calculated according to the following formula:

$$N = 2 \times U \times \frac{VT}{300{,}000{,}000}$$

where:

- ''**U**'' is the total number of Units on the Closing Date (i.e. 2,546,164,213 on 28 June 2007);
- ''**VT**'' is the arithmetic sum of VT1 and VT2, where (i) VT is capped at £300 million, and (ii) ''**VT1**'' is the arithmetic sum of all of the Lump Sums received between 23 May 2006 and 30 June 2008 calculated in accordance with the terms described in the section entitled ''Method of calculating VT1'' in chapter 3 of the Securities Note of April 2007, and ''**VT2**'' comprises any improvements in the EBITDA of GET SA during the 2008, 2009 and 2010 financial years compared to the Reference EBITDA calculated in accordance with the terms described in the section entitled ''Method of calculating VT2'' in chapter 3 of the Securities Note of April 2007.

As part of the consolidation of shares (see note 1.2 above), the rights of holders of securities which may be converted into GET SA equity (including the Warrants) were consequently adjusted in accordance with the terms set out in the Securities Note issued in April 2007.

Method of calculating VT1

''Lump Sum'' means any sum received or saved outside the normal course of business (defined by reference to previous practices), including (i) the payment of a cash sum or (ii) the realisation of a saving, resulting from a decision of a Governmental Entity or of a company or of any other entity controlled by a Governmental Entity (including as a result of an enforceable court decision, an arbitration, a settlement or a decision to grant a subsidy) for the benefit of GET SA, TNU PLC, TNU SA, EFL, FM, CTG and their respective consolidated subsidiaries, provided that (y) any sum received or saved in the ordinary course of business (defined with reference to previous practices) and (z) any sum received from the French or English tax authorities as part of the financial restructuring will not be considered to be a Lump Sum.

Method of calculating VT2

In order to calculate VT2, the following elements will successively be calculated or taken into account:

1. ''**EBITDA**'' means the consolidated Earnings Before Interest, Taxes, Depreciation and Amortisation of GET SA (calculated using accounting principles and methods consistent with those used for the preparation of the combined audited accounts of TNU SA and TNU PLC at 31 December 2004) for each of the 2008, 2009 and 2010 financial years, from which will be deducted (i) any exceptional elements and (ii) any Lump Sum taken into account for the calculation of VT1.

2. ''**Reference EBITDA**'', means the following EBITDA amounts:

	Financial year		
(£ million)	**2008**	**2009**	**2010**
Reference EBITDA	277	288	303

   The Reference EBITDA for each of the 2008, 2009 and 2010 financial years has been determined on the basis of (i) a euro/sterling exchange rate of 1.4 and (ii) a sterling/euro apportionment of EBITDA of 51% / 49%.

3. ''**Adjusted Reference EBITDA**'' means the Reference EBITDA for each of the 2008, 2009 and 2010 financial years, adjusted so that the 49% euro component is, for each of these financial years, converted into sterling on the basis of the euro/sterling exchange rate used to prepare the audited consolidated accounts for the relevant financial year (the ''**Effective euro/sterling Exchange Rate**'').

4. ''**Difference**'' means, for each of the 2008, 2009 and 2010 financial years, the result of the difference between (i) the EBITDA derived from the consolidated accounts of GET SA for the financial year in question and (ii) the Adjusted Reference EBITDA for that financial year, provided that if this result is negative, it will be deemed to be equal to zero.

5. ''**Adjusted Difference**'' means, for each of the 2008, 2009 and 2010 financial years, the amount corresponding to 50% of the fraction of the Difference up to £7.5 million and 70% of the fraction of the Difference between £7.5 million and the amount of the Difference.

6. ''**Weighted Difference**'' means, for each of the 2008, 2009 and 2010 financial years, the result of the product of the Adjusted Difference multiplied by (i) 14.5 and then (ii) 0.3 for the 2008 financial year, 0.6 for the 2009 financial year and 0.1 for the 2010 financial year (the ''Annual Weighting Factor'').

7. VT2 will be equal to the arithmetic sum of the Weighted Differences calculated for each of the 2008, 2009 and 2010 financial years.

16. Movement in equity

(€'000)	Issued share capital	Share premium account	Other reserves	Other equity and similar instruments	Retained earnings	Cumulative translation reserve	Group share	Minority interest share	Total
At 1 January 2007	1	–	–	–	–	–	**1**	–	**1**
Increase in capital	224						**224**		**224**
Exchange Tender Offer	23,689	236,176	(1,973,514)			(301,987)	**(2,015,636)**	(150,862)	**(2,166,498)**
Costs of capital increase		(18,049)					**(18,049)**		**(18,049)**
Recapitalisation of TNU			(177,170)			23,230	**(153,940)**	153,940	**–**
Issue of NRS				1,869,554			**1,869,554**		**1,869,554**
Discounted value of NRS coupon payments				(279,571)			**(279,571)**		**(279,571)**
Issue costs of NRS				(117,305)			**(117,305)**		**(117,305)**
Acquisition of own shares			(761)				**(761)**		**(761)**
Result for the year					3,317,834		**3,317,834**	(541)	**3,317,293**
Valuation of hedging contracts			(64,586)				**(64,586)**	(447)	**(65,033)**
Impact of exchange differences on overseas investments					(26,991)		**(26,991)**		**(26,991)**
Translation adjustments						224,050	**224,050**	1,950	**226,000**
At 31 December 2007	**23,914**	**218,127**	**(2,216,031)**	**1,472,678**	**3,290,843**	**(54,707)**	**2,734,824**	**4,040**	**2,738,864**

The exchange difference on overseas investments results from the recapitalisation of TNU PLC carried out by EGP on 21 December 2007.

17. Other equity and similar instruments

The Notes Redeemable in Shares (NRS) were issued by EGP on 28 June 2007 for a total nominal amount of £571,042,351 and €1,032,248,900 with the following principal characteristics:

- the NRS are divided into two series, the NRS I (a total of 7,155,630 notes for a nominal amount of £218,514,709.60 and €395,160,200.00) and the NRS II (a total of 11,539,914 notes for a nominal amount of £352,527,641.40 and €637,088,700.00). The NRS I may not be redeemed in cash at EGP's discretion, whereas the NRS II may be redeemed in cash at EGP's discretion;
- the price at which the NRS II may be redeemed in cash at EGP's discretion is equal to 140% of their nominal value;
- the NRS II, which are redeemable in cash, carry interest at a rate of 6% per annum, whilst the NRS I, which are not redeemable in cash, carry interest at a rate of 3% per annum;
- the NRS I are redeemed automatically in GET SA Ordinary Shares in part 13 months after their issue, in part 25 months after their issue and for the balance 37 months after their issue;
- the NRS II are redeemed automatically in GET SA Ordinary Shares 37 months after their issue, if they have not already been redeemed in cash.

Pursuant to the settlement terms of the Safeguard Plan, the NRS were issued on 28 June 2007 to:

- holders of Tier 3 Debt for an amount of £331,694,519.20 and €654,953,600.00, in consideration for the transfer of all their claims under the Tier 3 Debt to EGP;
- Note holders for an amount of £171,842,789.80 and €270,995,900.00, in consideration for the transfer of all their claims under the Notes to EGP;
- Tier 3 Cash Option Providers for an amount of £35,690,083 and €64,971,000, in consideration for their obligations under the Tier 3 Cash Option Provider Agreement; and
- TNU Unit holders tendering their Units to the Offer, who subscribed to the NRS for an amount of £31,796,545 and €41,297,200.

The NRS were admitted to trading on Euronext Paris on 2 July 2007. The detailed characteristics of the NRS are set out in chapter 2 of the Securities Note issued in April 2007.

As part of the consolidation of shares (see note 1.2 above), the rights of holders of securities which may be converted into GET SA equity (including the NRS) were consequently adjusted in accordance with the terms set out in the Securities Note issued in April 2007.

Transaction costs directly attributable to the NRS have been allocated in full to the equity component, and no allocation to the liability component has been made due to the fact that the impact of this was not considered material.

18. Retirement benefits

18.1 UK employee defined benefit obligations

In the UK, GET SA operates two pension schemes (The Channel Tunnel Group Pension Fund and The Channel Tunnel Group Senior Executives Pension Fund) providing defined benefits based on final pensionable pay. The characteristics of these two schemes are similar and the assets of each are held in separate trustee-administered funds.

The Channel Tunnel Group Pension Fund was closed to new entrants with effect from 1 October 2006 although it remains open to employees of ESL who were active members of the fund as at 30 September 2006, in respect of the accrual of further benefits on and after 1 October 2006.

The valuation has been prepared by an independent qualified actuary to take account of the requirements of IAS 19 in order to assess the liabilities and assets of the scheme as at 31 December 2007. Scheme assets are stated at their fair value as at 31 December 2007.

Set out below is a summary of the overall IAS 19 defined benefit pension schemes' liabilities. The fair value of the schemes' assets, which are not intended to be realised in the short term and may be subject to significant change, and the present value of the schemes' liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

(€'000)	31 December 2007	31 December 2006	31 December 2005	31 December 2004
Analysis of plan assets:				
Equities	102,775	104,135	86,508	64,111
Gilts	33,122	20,109	31,817	21,686
Bonds	9,447	22,555	8,295	5,713
Other	6,757	421	932	941
Fair value of plan assets on 31 December	**152,101**	**147,220**	**127,552**	**92,451**
Present value of funded obligations	168,643	179,033	172,874	125,666
Present value of net obligations	**16,542**	**31,813**	**45,322**	**33,215**
Unrecognised actuarial gains and (losses)	(6,113)	(14,801)	(25,518)	(6,699)
Recognised liability for defined benefit obligations (see below)	**10,429**	**17,012**	**19,804**	**26,516**

Assumptions

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31 December 2007	31 December 2006
Expected return on plan assets:		
Equities	7.7%	7.6%
Gilts	4.8%	4.6%
Bonds	5.8%	5.0%
Other	4.2%	3.7%
Discount rate	5.5%	5.0%
Future salary increases	4.7%	4.4%
Inflation rate	3.2%	2.9%
Future pension increases	3.2%	2.9%

Movements in the present value of defined benefit obligations

(€'000)	2007	2006
Opening liability at 1 January	179,033	172,874
Current service costs	5,564	5,734
Interest on obligation	8,574	8,066
Contributions received from employees	2,011	1,912
Benefits paid	(2,484)	(3,271)
Actuarial gain/(loss) on plan assets and curtailment	(8,258)	(10,091)
Exchange rate adjustment	(15,797)	3,809
Closing liability at 31 December	**168,643**	**179,033**

Movements in the fair value of plan assets

(€'000)	2007	2006
Fair value of plan assets at 1 January	147,220	127,552
Contributions received from employer	9,727	9,147
Contributions received from employees	2,011	1,912
Benefits paid	(2,484)	(3,271)
Expected return on plan assets	8,958	8,709
Actuarial gain/(loss) on plan assets	(933)	549
Exchange rate adjustment	(12,398)	2,622
Fair value of plan assets at 31 December	**152,101**	**147,220**

Movements in the net liability for defined benefit obligations recognised in the balance sheet

(€'000)	2007	2006
Opening net liability at 1 January	17,012	19,804
Company contributions paid	(9,727)	(9,147)
Cost of benefits	4,822	5,840
Exchange rate adjustment	(1,678)	515
Closing net liability at 31 December	**10,429**	**17,012**

Expense recognised in the income statement

(€'000)	GET SA 2007	GET SA PRO FORMA 2007	TNU 2006
Current service costs	2,079	5,564	5,734
Interest on obligation	3,204	8,574	8,066
Expected return on plan assets	(3,527)	(9,438)	(8,551)
Effect of asset ceiling	(14)	(39)	(57)
Amortisation of unrecognised actuarial differences	60	161	648
Total	**1,802**	**4,822**	**5,840**

In accordance with the corridor method, a charge of €161,000 was made to the income statement in 2007 (2006: €648,000), corresponding to the amortisation of the excess of unrecognised actuarial differences beyond 10% of the gross value of the obligation which had not been accounted for in 2006. All costs in relation to the benefit are included in ''Employee benefit expense''.

18.2 UK defined contribution scheme

On 1 October 2006, Eurotunnel put in place a defined contribution pension scheme (the Eurotunnel Defined Contribution Pension Scheme) which has been open to all new ESL employees since this date. The charge to the income statement in 2007 (pro forma) relating to this scheme was €61,000 (2006: €4,000).

18.3 French employee defined benefit obligations

In France, employees receive a lump sum payment on retirement in accordance with contractual requirements. The provision for unfunded French obligations at 31 December 2007 was €5,270,000 (31 December 2006: €4,709,000).

All costs in relation to this benefit are included in the income statement in ''Employee benefit expense'' comprising current service cost of €379,000 (2006: €417,000), the unwinding of the discount of €182,000 (2006: €155,000), and curtailment credit of €386,000 in 2006.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

	31 December 2007	31 December 2006
Discount rate	4.7%	4.1%
Future salary increases	2.1%	2.6%
Inflation rate	2.0%	1.8%

19. Financial liabilities

The changes in FM, CTG and EFL's financial liabilities are presented in the table below, the main elements of which are:

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

(€'000)	TNU 31 December 2006 published(1)	TNU 31 December 2006 recalculated(2)	Safeguard Plan	Interest	Effective rate adjustment	GET SA 31 December 2007
Non-current financial liabilities						
New financial instruments:						
Liability component of the NRS	–	–	157,039			**157,039**
Term Loan:						
– Tranche A	–	–	1,408,640		(22,993)	**1,385,647**
– Tranche B	–	–	1,190,442		(19,491)	**1,170,951**
– Tranche C	–	–	1,430,262		(23,589)	**1,406,673**
Total non-current financial liabilities	**–**	**–**	**4,186,383**	**–**	**(66,073)**	**4,120,310**
Current financial liabilities						
Overdrafts	300	300		(288)		**12**
Old financial instruments:						
Senior and 4th Tranche Debt	537,049	513,601	(513,601)			**–**
Tier 1A	1,101,860	1,009,068	(1,009,068)			**–**
Junior Debt Tier 1	796,575	768,916	(768,916)			**–**
Junior Debt Tier 2	1,315,267	1,265,111	(1,265,111)			**–**
Junior Debt Tier 3	2,616,718	2,517,569	(2,517,569)			**–**
Resettable Bonds	682,002	662,078	(662,078)			**–**
Participating Loan Notes	1,269,516	1,216,402	(1,216,402)			**–**
Stabilisation Notes	826,047	791,461	(791,461)			**–**
Accrued interest:						
– unpaid interest	107,187	101,438	(101,438)			**–**
– interest on unpaid interest	1,543	1,450	(1,450)			**–**
– loan notes	15,948	15,200	(15,200)			**–**
– loans	121,512	115,031	(115,031)			**–**
New financial instruments:						
Liability component of the NRS	–	–	122,533	9,212		**131,745**
Accrued interest:						
– Term Loan	–	–		8,472		**8,472**
Total current financial liabilities	**9,391,524**	**8,977,625**	**(8,854,792)**	**17,396**	**–**	**140,229**
Total	**9,391,524**	**8,977,625**	**(4,668,409)**	**17,396**	**(66,073)**	**4,260,539**

(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 31 December 2007 in order to facilitate comparison.*

The change in the total amount of financial liabilities during the year, from €9.0 billion to €4.3 billion, corresponds to the difference between the amount of the drawdown of the Term Loan on 28 June 2007 and the amount of the loans and accrued interest reimbursed (see note 19.1 below).

19.1 28 June 2007 – Settlement of the Safeguard Plan

Under the supervision of the Commissioners for the Execution of the Safeguard Plan, GET SA 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 CTG and FM for nominal amounts of £1,500 million and €1,965 million respectively.
- The debt principal of the Senior Debt, the Fourth Tranche 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, Participating Loan Notes 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), and (ii) the loans held by EGP relating to the Resettable Bonds, Participating Loan Notes and Stabilisation Notes (the amended loan notes).

19.2 Description of the loans

(i) Term Loan

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

a) tranche A_1 denominated in sterling, bearing interest at a fixed rate linked to UK inflation;

b) tranche A_2 denominated in euros, bearing interest at a fixed rate linked to French inflation;

c) tranche B_1 denominated in sterling, bearing interest at a fixed rate;

d) tranche B_2 denominated in euros, bearing interest at a fixed rate;

e) tranche C_1 denominated in sterling, bearing interest at a floating rate; and

f) tranche C_2 denominated in euros, bearing interest at a floating rate.

(in millions)	Currency	Amount in currency	Amount in euro	Effective interest rate*	Contractual interest rate
Tranche A_1**	GBP	750	1,023	6.22%	3.49%
Tranche A_2**	EUR	367	367	5.86%	3.98%
Tranche B_1	GBP	400	545	6.77%	6.63%
Tranche B_2	EUR	645	645	6.33%	6.18%
Tranche C_1	GBP	350	477	7.63%	LIBOR +1.39%
Tranche C_2	EUR	953	953	5.81%	EURIBOR +1.39%
Total Term Loan			**4,010**	**6.36%**	

* *See definition in paragraph below.*

** *Linked to inflation (see notes a) and b) below).*

Finance (debt servicing) costs are recognised at a constant interest rate until maturity of the debt using the effective interest rate method. The effective interest rate is the interest rate that exactly discounts all of the contractual cash flows due on the debt until its maturity. The effective interest rate is calculated on the basis of the estimated cash flows due on each instrument constituting the debt. The calculation takes into account the transaction-related costs and all other premiums and discounts.

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 financing and to legal and bank fees.

a) Tranche A_1

The tranche A_1 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.

b) Tranche A_2

The tranche A_2 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.

c) Tranche B_1

The tranche B_1 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.

d) Tranche B_2

The tranche B_2 loan amounts to €645 million, 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.

e) Tranche C_1

The tranche C_1 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.

f) Tranche C_2

The tranche C_2 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, on the one hand, FM assigns 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 of the Railway Usage Contract and 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 shares 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 and over certain of their contractual rights.

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

All of the shares of member companies 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 include:

- any non-payment under the Term Loan;
- a failure to comply with any provision of the Term Loan, the Intercreditor Deed or related documents. These provisions impose restrictions on, among other things, indebtedness, acquisitions, disposals and other transfers, mergers, borrowings, and the granting of guarantees and new security by the companies of the Eurotunnel Group, and include, in particular:

    (a) a financial covenant which requires GET SA to ensure that at each six-monthly test date after 31 December 2007, a ratio of operating cash flow to total debt service on the Term Loan is not less than 1.20 until 28 June 2012 and not less than 1.10 thereafter, such ratio being calculated by reference to a rolling 12 month period preceding the testing date; and

(b) certain undertakings and representations relating to the tax treatment of the Eurotunnel Group to the extent that a breach is reasonably likely to have a materially adverse effect on the financial position of FM, CTG or Eurotunnel Group;

- a representation or warranty is made or deemed to have been made by a Borrower or a guarantor under the terms of the Term Loan, or any related finance document or any other document delivered by or on behalf of a Borrower or an Obligor under the terms of the finance documents (which contain representations and warranties that are customary for this type of document), which proves to have been incorrect or misleading at the time at which it was made or deemed to have been made;
- 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 Groupe Eurotunnel 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 Deed;
- Eurotunnel becoming permanently unable to carry on the business of operating the Tunnel, the destruction of the Tunnel, or the cessation of a material part of its business by a borrower or a guarantor;
- a borrower or a guarantor ceasing to be a wholly-owned subsidiary of Groupe Eurotunnel SA;
- 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.

The Term Loan also includes other events of default which are customary for this type of financing.

(ii) Interest rate exposure

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

These derivatives generated charges of €2,225,000 and income of €2,400,000 between 28 June and 31 December 2007, which have been accounted for in the income statement.

In accordance with IAS 39, these derivatives have been measured at their fair value on the balance sheet as a liability of €9 million for the euro contracts and as a liability of £41 million for the sterling contracts.

The following table indicates the periods in which the cash flows associated with the derivatives are expected to occur, and the periods in which the amounts initially recognised in equity are expected to impact the income statement.

At 31 December 2007

(in millions)	Accounting value	Contractual cash flow	12 months or less	1-5 years	5-10 years	10-20 years	20-30 years	30-40 years	More than 40 years
Covered flows Sterling guaranteed bank loans									
Tranche C_1 – £	** 350*	*(1,400)*	*(25)*	*(103)*	*(128)*	*(257)*	*(257)*	*(389)*	*(241)*
Euro guaranteed bank loans									
Tranche C_2 – €	** 953*	*(3,195)*	*(58)*	*(232)*	*(291)*	*(581)*	*(581)*	*(1,123)*	*(329)*
Total in £	**350**	**(1,400)**	**(25)**	**(103)**	**(128)**	**(257)**	**(257)**	**(389)**	**(241)**
Total in €	**953**	**(3,195)**	**(58)**	**(232)**	**(291)**	**(581)**	**(581)**	**(1,123)**	**(329)**
Sterling interest rate swaps used for hedging									
Asset	–	–	–	–	–	–	–	–	–
Liability	*41*	*104*	*3*	*10*	*13*	*25*	*25*	*25*	*3*
Euro interest rate swaps used for hedging									
Asset	–	–	–	–	–	–	–	–	–
Liability	9	*(54)*	*(1)*	*(6)*	*(7)*	*(14)*	*(14)*	*(11)*	*(1)*
Total in £	***41***	**104**	**3**	**10**	**13**	**25**	**25**	**25**	**3**
Total in €	**9**	**(54)**	**(1)**	**(6)**	**(7)**	**(14)**	**(14)**	**(11)**	**(1)**

* *The accounting values for tranches C_1 and C_2 presented in the above table correspond to the accounting values before adjustments for effective interest rate.*

The maturity profile of the contractual cash flows is based on the spot exchange rate at the balance sheet date.

As at 31 December 2006, the execution of the Safeguard Plan required the existing debt to be restructured. Consequently, all debt with medium and long term maturities was reclassified as short term debt at this date.

(iii) Liquidity risk

The old financial instruments were completely refinanced as part of the Safeguard Plan. The contractual cash flow takes into account the effects of this plan, and confirms that Eurotunnel is able to meet its liquidity risks.

The contractual maturity profile of the financial liabilities (including interest payments and excluding the impact of offset agreements) is as follows:

At 31 December 2007

(in millions)	Accounting value	Contractual cash flow	12 months or less	1-5 years	5-10 years	10-20 years	20-30 years	30-40 years	More than 40 years
Non-derivative financial liabilities									
Guaranteed sterling bank loans	1,475	(5,112)	(80)	(326)	(487)	(1,167)	(1,453)	(1,358)	(241)
*Tranche A_1 – £ **	*738*	*(2,535)*	*(28)*	*(117)*	*(166)*	*(676)*	*(966)*	*(582)*	–
Tranche B_1 – £	*393*	*(1,177)*	*(27)*	*(106)*	*(193)*	*(234)*	*(230)*	*(387)*	–
Tranche C_1 – £	*344*	*(1,400)*	*(25)*	*(103)*	*(128)*	*(257)*	*(257)*	*(389)*	*(241)*
Guaranteed euro bank loans	1,932	(5,746)	(114)	(454)	(652)	(1,360)	(1,453)	(1,384)	(329)
*Tranche A_2 – € **	*361*	*(1,028)*	*(14)*	*(63)*	*(85)*	*(315)*	*(413)*	*(138)*	–
Tranche B_2 – €	*634*	*(1,523)*	*(42)*	*(159)*	*(276)*	*(464)*	*(459)*	*(123)*	–
Tranche C_2 – €	*937*	*(3,195)*	*(58)*	*(232)*	*(291)*	*(581)*	*(581)*	*(1,123)*	*(329)*
Notes redeemable in shares in £	88	(96)	(43)	(53)	–	–	–	–	–
NRS II – £	*70*	*(76)*	*(34)*	*(42)*	–	–	–	–	–
NRS I – T_3 – £	*16*	*(17)*	*(7)*	*(10)*	–	–	–	–	–
NRS I – T_2 – £	*2*	*(2)*	*(1)*	*(1)*	–	–	–	–	–
NRS I – T_1 – £	*1*	*(1)*	*(1)*	–	–	–	–	–	–
Notes redeemable in shares in €	160	(175)	(80)	(95)	–	–	–	–	–
NRS II – €	*127*	*(137)*	*(61)*	*(76)*	–	–	–	–	–
NRS I – T_3 – €	*29*	*(31)*	*(14)*	*(17)*	–	–	–	–	–
NRS I – T_2 – €	*4*	*(4)*	*(2)*	*(2)*	–	–	–	–	–
NRS I – T_1 – €	*2*	*(3)*	*(3)*	–	–	–	–	–	–
Suppliers and other creditors in £	21	(21)	(21)	–	–	–	–	–	–
Suppliers and other creditors in €	87	(87)	(87)	–	–	–	–	–	–
Overdraft in €	12	(12)	(12)	–	–	–	–	–	–
Derivative financial liabilities									
Sterling interest rate swaps used for hedging	*41*	*104*	*3*	*10*	*13*	*25*	*25*	*25*	*3*
Euro interest rate swaps used for hedging	*9*	*(54)*	*(1)*	*(6)*	*(7)*	*(14)*	*(14)*	*(11)*	*(1)*
Total in £	**1,625**	**(5,125)**	**(141)**	**(369)**	**(474)**	**(1,142)**	**(1,428)**	**(1,333)**	**(238)**
Total in €	**2,200**	**(6,074)**	**(294)**	**(555)**	**(659)**	**(1,374)**	**(1,467)**	**(1,395)**	**(330)**

* *Loan tranches A_1 and A_2 are indexed with inflation, and are presented in the liquidity table above on the basis of an inflation rate crystallised as at the balance sheet date.*

The maturity profile of the contractual cash flows is based on the spot exchange rate at the balance sheet date.

Furthermore, the credit agreements allow, on the condition that the debt service cover ratio is not less than 1.25, to apply for (i) a renewable credit line of up to €75 million, and (ii) a structurally subordinated additional credit line of up to £225 million (or equivalent in euros).

(iv) Interest rate risk exposure

The risk of an unfavourable movement in rates during the duration of the Term Loan is covered by the fact that tranches B_1 and B_2 (one in sterling, the other in euros) are at a fixed rate of interest, tranches A_1 and A_2 (one in sterling, the other in euros) are at a fixed rate of interest indexed on inflation, and tranches C_1 and C_2 (one in sterling, the other in euros) are at a variable rate of interest but are covered by fixed/variable rate hedging contracts. The NRS also carry a fixed rate of interest. Short-term receivables and debts are not at risk from interest rate exposure.

20. Exchange rate exposure

Approximately half of GET SA's revenues are denominated in sterling, whereas more than half of its operating expenses and capital expenditure are in euros. In addition, just over half its debt service costs are payable in sterling, the Term Loan being made up of £1.5 billion and €1.965 billion.

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, the residual value of which at 31 December 2007 is €25 million on which a 10% change in the euro/sterling parity would result in unrealised exchange gains or losses of approximately €3 million.

The Group has and will continue to make every effort to closely match the currencies in which its revenues and costs are denominated and will use currency hedging transactions to manage its foreign exchange risk where necessary.

21. Fair value of financial assets and liabilities

On 28 June 2007, Eurotunnel acquired a long-term loan totalling €4,010 million (at the balance sheet rate on 31 December 2007), from a banking consortium comprising Goldman Sachs International and Deutsche Bank AG, for a spread of 139 basis points.

The changes in market conditions, particularly in the context of the recent international liquidity crisis, make it impossible to determine reliably the margin from which Eurotunnel would have benefited had the operation been completed on 31 December 2007.

As an example, if the margin on 31 December 2007 had been 100 basis points above that obtained on 28 June 2007, the fair value of the Term Loan would have been approximately €810 million below its amortised cost value.

22. Provisions

(€'000)	TNU At 1 January 2007	Charge to income statement	Release of unspent provisions	Provisions utilised	Exchange difference	GET SA At 31 December 2007
Operational restructuring	8,951		(3,000)	(1,989)		3,962
Financial restructuring and Safeguard Plan	102,049		(18,274)	(40,719)	(2,169)	40,887
Other	4,387	22				4,409
Total	**115,387**	**22**	**(21,274)**	**(42,708)**	**(2,169)**	**49,258**

The provision for operational restructuring corresponds to the estimated remaining cost of the Group's commitments.

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 execution of the Safeguard Plan.

23. Trade and other payables

(€'000)	GET SA 31 December 2007	TNU 31 December 2006
Trade cash advances	728	767
Trade creditors and accruals	72,535	145,821
Taxation, social security and staff	34,729	60,370
Property, plant and equipment creditors and accruals	7,034	7,020
Trade payables (current)	**115,026**	**213,978**
Deferred income	23,842	17,132
Other	4,675	8,070
Other payables (current)	**28,517**	**25,202**
Total	**143,543**	**239,180**

The decrease in ''Trade creditors and accruals'', ''Taxation, social security and staff'' and ''Property, plant and equipment creditors and accruals'' between 31 December 2006 and 31 December 2007 is a consequence of the suspension of payments in accordance with the Safeguard Procedure in place during the second half of 2006.

24. Commitments and contingent liabilities

GET SA, EGP, TNU SA, TNU PLC, FM, EFL, CTG, ESGIE, Eurotunnel SE, EurotunnelPlus Distribution SAS, ESL and EurotunnelPlus Limited (the ''Original Guarantors'') each jointly and severally guarantee the obligations of FM and CTG in relation to the Term Loan. In order to guarantee these obligations, the Original Guarantors have granted security as described in note 19.2 above.

ANNEX V REPORTS OF THE STATUTORY AUDITORS AND THE *COMMISSAIRES AUX COMPTES* ON TNU (FORMERLY EUROTUNNEL) COMBINED ACCOUNTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2006

Year ended 31 December 2006

We have carried out the duties entrusted to us by the Annual General Meeting, by auditing the Eurotunnel Group Combined Accounts for the year ended 31 December 2006 as attached to this report.

The Joint Board of the Eurotunnel Group is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion based on our audit of those financial statements.

1 Opinion on the Combined Accounts[13]

We have audited the Combined Accounts, in accordance with Auditing Standards generally accepted in France and in the UK; those standards require that we perform the audit to obtain reasonable assurance that the Combined Accounts are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit procedures provide a reasonable basis for the opinion expressed below.

In our opinion, the Combined Accounts give a true and fair view of the state of affairs of the Eurotunnel Group as at 31 December 2006 and of its result for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the following items which are disclosed in notes 1 and 2a of the financial statements on important events and the basis of preparation of the Combined Accounts and note 6 on property, plant and equipment.

- Going Concern

  The Eurotunnel Combined Accounts have been prepared on the going concern basis, which is directly dependent on the successful implementation of the financial restructuring as stated by the Safeguard Plan which was approved by the Paris Commercial Court on 15 January 2007. This implies in particular the success of the Tender Offer, the drawing of the Term Loan, the failure of any legal or administrative actions aimed at blocking the Safeguard Plan and the absence of any significant changes to the implementation of the Safeguard Plan, the nature and impact of which cannot be gauged at this stage.

  In the event that all of the elements of the Safeguard Plan are not put in place, Eurotunnel's ability to trade as a going concern would not be assured. The Combined Accounts would then be subject to certain adjustments, the amounts of which cannot be measured at present. They would relate to the impairment of assets to their net realisable value, the recognition of potential liabilities and the classification of non-current assets and liabilities as current assets and liabilities.

- Valuation of property, plant and equipment

  Note 6 to the accounts explains that the Eurotunnel Group has not identified any indicator of change in the basis of the value in use of its property, plant and equipment as at 31 December 2006 compared to that at 31 December 2005, which was calculated using an implicit discount rate of 8.4%. Even relatively small changes in the assumptions used would lead to material changes in the valuation of the assets. As an illustration, a change of 0.1% or 0.5% in the implicit discount rate corresponds to a change in the value in use of the assets of respectively £90 million or £489 million.

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[13] *Under French Law, the Combined Accounts constitute the consolidated accounts of ESA; consequently the Auditors' and ''Commissaires aux Comptes'' report is prepared in accordance with French standards.*

Finally, it is our duty to draw your attention to the fact that the financial projections over the remainder of the Concession are, by their very nature, uncertain.

- Consequences of the implementation of the Safeguard Plan on the Combined Accounts

  Note 1 to the financial statements sets out the consequences of the implementation of the Safeguard Procedure and the execution of the Safeguard Plan on the 2006 Combined Accounts.

- Non approval of the 2005 Combined Accounts

  Note 1 to the accounts explains that 2005 Combined Accounts, that serve as the opening balance sheet for the 2006 accounts, will be submitted to the Annual General Meeting called to approve the Combined Accounts for 2005 and 2006.

2 Basis of Opinion

In applying the provisions in Article L. 823-9 of the French Commercial Code, which sets the requirements for the basis of our opinion, we would like to bring the following matters to your attention:

Based on our work and the information that we have received to date, and in the context of our examination of the accounting rules and principles followed by the Group, we have checked that the notes to the financial statements provide appropriate information on the Group's situation in relation to the items set out above, being going concern, the valuation of property, plant and equipment, the consequences of the implementation of the Safeguard Plan on the Combined Accounts and the non approval of the 2005 Combined Accounts.

These observations also apply to our audit of the Combined Accounts as a whole, and therefore form part of our opinion in the first part of this report.

3 Specific Verification

We have also reviewed the information related to the Group presented in the Business Review in accordance with Auditing Standards generally accepted in France and in the UK. With the exception of the facts set out above, we have no other comments to make regarding the fairness and consistency of this information with the Combined Accounts.

In applying the guidelines of Article L. 225-240 of the French Commercial Code, we draw your attention to the fact that the company has not prepared or published the information required by Article L. 232-7, paragraph 3, of the French Commercial Code for the half year ended 30 June 2006.

Signed in Paris on 6 March 2007

KPMG Audit Plc	KPMG Audit	Mazars et Guérard
Chartered Accountants	Département de KPMG SA	

Auditors and *Commissaires aux Comptes*

ANNEX VI REPORTS OF THE STATUTORY AUDITORS AND THE *COMMISSAIRES AUX COMPTES* ON TNU (FORMERLY EUROTUNNEL) COMBINED ACCOUNTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2005

Year ended 31 December 2005

We have carried out the duties entrusted to us by the Annual General Meeting, by auditing the Eurotunnel Group Combined Accounts for the year ended 31 December 2005 as attached to this report.

The Joint Board of the Eurotunnel Group is responsible for the preparation of the financial statements approved today. On 27 June 2006 and 22 December 2006, the Paris Commercial Court authorised an extension to the deadline for respectively the Annual General Meeting until 31 December 2006 and for sending out notices of the Annual General Meeting to approve the 31 December 2005 accounts until 31 March 2007. It is our responsibility to form an independent opinion based on our audit of those financial statements. These accounts have been prepared for the first time in accordance with IFRS as adopted by the European Union. For comparative purposes they include the restated accounts for the year ended 31 December 2004.

1 Opinion on the Combined Accounts[14]

We have audited the Combined Accounts, in accordance with Auditing Standards generally accepted in France and in the UK; those standards require that we perform the audit to obtain reasonable assurance that the Combined Accounts are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit procedures provide a reasonable basis for the opinion expressed below.

In our opinion, the Combined Accounts give a true and fair view of the state of affairs of the Eurotunnel Group as at 31 December 2005 and of its result for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the following two items which are disclosed in notes 1 and 2a of the financial statements on important events and the basis of preparation of the Combined Accounts.

- Going Concern

  The Eurotunnel Combined Accounts have been prepared on the going concern basis, which is directly dependent on the successful implementation of the financial restructuring as stated by the Safeguard Plan which was approved by the Paris Commercial Court on 15 January 2007. This implies in particular the success of the Tender Offer, the drawing of the Term Loan, the failure of any legal or administrative actions aimed at blocking the Safeguard Plan and the absence of any significant changes to the implementation of the Safeguard Plan, the nature and impact of which cannot be gauged at this stage.

  In the event that all of the elements of the Safeguard Plan are not put in place, Eurotunnel's ability to trade as a going concern would not be assured. The Combined Accounts would then be subject to certain adjustments, the amounts of which cannot be measured at present. They would relate to the impairment of assets to their net realisable value, the recognition of potential liabilities and the classification of non-current assets and liabilities as current assets and liabilities.

- Valuation of property, plant and equipment

  The value in use of the Eurotunnel Group's fixed assets takes into account the consequences on the specific asset risks of putting in place the Group's new operating model and the new financing structure as set out in

[14] *Under French Law, the Combined Accounts constitute the consolidated accounts of ESA; consequently the Auditors' and "Commissaires aux Comptes" report is prepared in accordance with French standards.*

the Safeguard Plan. The Group has recorded an impairment of its fixed assets of £1.75 billion using an implicit discount rate of 8.4%. Even relatively small changes in the assumptions used would lead to material changes in the valuation of the assets. As an illustration, a change of 0.1% or 0.5% in the implicit discount rate corresponds to a change in the value in use of the assets of respectively £90 million or £489 million.

Finally, it is our duty to draw your attention to the fact that the financial projections over the remainder of the Concession are, by their very nature, uncertain.

2 Basis of Opinion

In applying the provisions in Article L. 823-9 of the French Commercial Code, which sets the requirements for the basis of our opinion, we would like to bring the following matters to your attention.

Based on our work and the information that we have received to date, and in the context of our examination of the accounting rules and principles followed by the Group, we have checked that the notes to the financial statements provide appropriate information on the Group's situation in relation to the items set out above, being going concern and the valuation of property, plant and equipment.

These observations also apply to our audit of the Combined Accounts as a whole, and therefore form part of our opinion in the first part of this report.

3 Specific Verification

We have also reviewed the information related to the Group presented in the Business Review in accordance with Auditing Standards generally accepted in France and in the UK. With the exception of the facts set out above, we have no other comments to make regarding the fairness and consistency of this information with the Combined Accounts.

Signed in Paris on 6 March 2007

KPMG Audit Plc Chartered Accountants	KPMG Audit Département de KPMG SA	Mazars et Guérard

Auditors and *Commissaires aux Comptes*

ANNEX VII REPORT OF THE *COMMISSAIRES AUX COMPTES* REGARDING THE EUROTUNNEL GROUP CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2007

This is a free translation into English of the Commissaires aux Comptes' report issued in French and is provided solely for the convenience of English speaking users. The Commissaires aux Comptes' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Commissaires aux Comptes' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Consolidated financial statements as at 31 December 2007

Ladies, Gentlemen,

Following our appointment as *Commissaires aux Comptes* by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Groupe Eurotunnel S.A. for the year ended 31 December 2007.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities, of the financial position of the Group as at 31 December 2007 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Without qualifying our opinion, we draw attention to notes 2.1.i and 2.3 of the accompanying notes of the consolidated accounts, relating to the principles of preparation and presentation of the consolidated accounts and the pro forma financial information. These two notes highlight respectively the accounting treatment of the financial restructuring and the impact of the reduction of the gross cost of servicing debt in the pro forma income statement for the period from 1st January to 31 December 2007, assuming the implementation of the financial restructuring at a theoretical date of 1st January 2007.

2 Justification of assessments

In accordance with the requirements of Article L. 823-9 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

Note 1 of the consolidated financial statements highlights the main terms of the financial restructuring and the implementation of the new group structure in 2007. The financial restructuring of the Group, which resulted in 93.04% of the shareholders of TNU SA and TNU PLC to hold the whole of the share capital and voting rights of Groupe Eurotunnel S.A., is recorded in the consolidated financial statements as a combination of entities under common control. We ensured the consistency of the accounting treatment adopted with the legal and economical nature of these restructuring operations and the appropriateness of the information given in notes 1 and 2.1 of the Groupe Eurotunnel S.A. consolidated financial statements.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The Commissaires aux Comptes

Paris La Défense, le 11 avril 2008

KPMG Audit
Department of KPMG S.A.

Fabrice Odent
Partner

Paris La Défense, le 11 avril 2008

Mazars
Mazars & Guérard

Thierry de Bailliencourt
Partner

ANNEX VIII DESCRIPTION OF THE INTERNAL CONTROL PROCEDURES

1. INTRODUCTION

The legal framework

French legislation sets out the responsibilities of company directors in respect of internal control.

The 2003 ''loi de sécurité financière'' (LSF) requires the Chairman of the board of Groupe Eurotunnel SA (GET SA) to report on the internal control procedures in place within the company in a specific report which forms part of the annual report.

The LSF also requires the company's auditors to issue a separate report setting out their observations on that part of the Chairman's report which covers the internal control procedures for accounting and financial reporting.

In 2006 the French market authority, the AMF, published an internal control framework; this document includes the general principles of internal control and is completed by detailed guidelines relating to the internal control system for accounting and financial reporting. The objective of the document as a whole is to provide French quoted companies with a tool for designing and implementing internal control systems. The new French internal control framework is compatible with the COSO framework.

GET SA's internal control procedures

GET SA continues to apply the internal control procedures put in place by Eurotunnel, while at the same time ensuring that they conform to the new French internal control framework. Since 1999 Eurotunnel complies with the provisions on internal control contained in the Combined Code, by applying the procedures recommended by the Turnbull Committee. These procedures have been in place throughout the year and continue to be so. The Internal Audit department is undertaking a review of the internal control system and in particular the internal control procedures for accounting and financial reporting to ensure that they meet the requirements of the French internal control framework and the detailed guidelines relating to the internal control system for accounting and financial reporting published by the AMF. This is a long-term project and will take account of any internal control implications arising from the recent organisational changes within the company.

Responsibilities of the GET SA Board of directors for Internal Control

The GET SA Board of directors is responsible for ensuring (i) that the significant risks facing Eurotunnel, and the effectiveness of the system of internal control in managing those risks, are assessed at least annually; (ii) that potential failures of internal control are identified and taken into account; (iii) and that internal control and risk management are an integral part of Eurotunnel's operations.

This document provides a description of the system of internal control which operates within Eurotunnel Group. It contains:

- A definition of internal control and its main components;
- An overview of the main control mechanisms in place within Eurotunnel;
- Specific details of the controls over the accounting and financial reporting processes;
- A description of the corporate risk management process.

2. DEFINITION OF INTERNAL CONTROL

The system of internal control is a process defined by the executive management under the auspices of the GET SA Board of Directors. It is put into operation by the management and staff of the group with the purpose of providing reasonable assurance as to the achievement of the following objectives:

- the effectiveness and efficiency of operations;

- the safeguarding of assets;
- the reliability of financial and management information;
- compliance with applicable laws and regulations.

The system of internal control should ensure the identification and effective management of the principal risks to which Eurotunnel Group is exposed, including operational and financial risks, and risks associated with the correct application of the policies and procedures in force within the company.

Eurotunnel Group adopts an approach based on the five internal control components defined by the COSO framework and the new framework recommended by the AMF:

- **Control environment/organisation**

The control environment sets the tone of the organisation, influencing the control consciousness of the people who work for it. Control environment factors include the integrity, ethical values and competence of the entity's personnel; management's philosophy and operating style; the way management assigns authority and responsibility, and develops its people; the organisation and procedures put in place by management; and the attention and direction provided by the board of directors.

- **Risk assessment**

Risk assessment is the identification and analysis of relevant risks to the achievement of the entity's objectives, forming a basis for determining how these risks should be managed. Because economic, industry, regulatory and operating conditions will continue to change, mechanisms are needed to identify and deal with the special risks associated with change.

- **Control activities**

Control activities are the policies and procedures that help ensure management directives are carried out and that necessary actions are taken to address risks to achievement of the entity's objectives. Control activities occur throughout the organisation, at all levels and in all functions. They include a range of activities as diverse as approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

- **Information and communication**

Pertinent information must be identified, captured and communicated in a form and timeframe that enable people to carry out their responsibilities. This covers both the effectiveness and integrity of entity's information systems and effective communication in a broader sense, flowing down, across and up the organisation as well as with external parties, such as customers, suppliers, regulators and shareholders.

- **Monitoring**

Monitoring is assessment of the quality of the performance of the system of internal control over time. This is accomplished through ongoing monitoring activities, including regular management and supervisory activities, as well as the work carried out by the audit functions. Internal control deficiencies should be reported upstream, with serious matters reported to top management and the board.

It should be recognised that any system of internal control cannot provide absolute assurance as to the achievement of the objectives set out above.

3. THE SYSTEM OF INTERNAL CONTROL

This section summarises the main elements of Eurotunnel's system of internal control.

3.1 Control environment

a) Organisation and responsibilities

- Organisational structure
  - the GET SA Board of directors, comprising, in time, 11 members, of which a majority are non-executive directors;
  - the GET SA Board of directors has put in place three Board committees:
    - the audit committee;
    - the safety, security and environment committee;
    - the remuneration and nomination committee.

    The audit committee and the safety, security and environment committee meet at least four times a year. The remuneration and nomination committee meets at least twice a year;
  - the GET SA board of directors has also put in place a committee of Chairman, composed of the chairmen of the three aforementioned committees. This committee meets at least twice a year;
  - the GET SA executive committee, chaired by the GET SA Chief Executive Officer, and comprising the chief operating officer, the finance director and the directors of the operational divisions, normally meets on a monthly basis. The executive committee co-ordinates the work of the group's operating departments and ensures the proper functioning of the group as a whole;
  - Within the Concessionaires, a management committee, chaired by the GET SA Chief Executive Officer, or by delegation, the chief operating officer, and comprising the members of the GET SA executive committee and the directors of the main support functions within the Concessionaires, meets regularly;
  - within the Concessionaires, specific operational committees have responsibility for particular areas:
    - safety committees;
    - treasury risk management committee;
    - financial operations committee;
    - cost committees;
    - IT development committee;
    - IT security committee;
- a formal delegation of authority and authorisation limits, approved by the GET SA board of directors, are in place in key areas including capital and operational expenditure, treasury, truck customer pricing, revenue contract approval etc.;
- a formal delegation of authority is in place for operational responsibilities;
- a company-wide organisation chart is published on the company intranet and sets out the management structure and reporting lines. Formal job descriptions are in place in most areas.

b) Policies and procedures:

- Formal policies and procedures are in place for the main areas of the company's activities.

- The Human Resources policies set out the group's values and operating principles, as well as the main measures in relation to working conditions and practices, staff development and training and the code of behaviour.
- The corporate code of ethics is an integral part of the group's Human Resources policies, and specific ethical guidelines are in place for the purchasing function.
- Financial control is managed by a formal process of monthly reporting against budget and of quarterly re-forecasts.

3.2 Risk assessment:

- The strategic plan, approved by the GET SA executive committee is presented annually to the GET SA board of directors. It defines the medium and long-term objectives of the group and, taking account of the associated risks, sets out the strategies for achieving them.
- The annual budget sets out the key operational and commercial objectives for each of the company's main areas of activity, as well as the budgeted financial results. This is presented to the GET SA board of directors.
- Performance criteria in the form of key performance indicators (KPIs) are set for the main identified risk areas, including safety, commercial performance and operational reliability. These indicators are reported on a weekly basis to the Executive committee and monthly to the GET SA board of directors.
- An annual corporate risk assessment is carried out and the results reported to the GET SA audit committee and to the GET SA board of directors. This process covers the major risks throughout the company, and is described in more detail in section 5 of this Annex.
- Specific risk assessment exercises are carried out in particular areas:
  - ***Safety risk***: a formal document entitled ''the Eurotunnel Safety Case'' is updated every three years by the safety and sustainable development directorate. This document identifies the major risks to which the company's customers, employees, sub-contractors and visitors are exposed, and the measures in place to manage them. The Safety Case is formally approved by the Safety Authority of the IGC.

    The safety and sustainable development directorate ensures that the documentation relating to emergency planning and to the individual and collective risk analysis programmes in the different areas of operations are kept up to date. These programmes are reviewed regularly by the safety, security and environment committee.
  - ***Insurance risk***: a full insurance risk assessment is carried out every three years to assess the adequacy of the group's insurance cover. It is reviewed at the time of policy renewals.
  - ***Financial control risk***: the annual internal audit plan is based on an assessment of the risks and controls in the major audit areas of the company's activities.
  - ***Treasury risk***: interest rate and foreign exchange risks are reviewed on a regular basis by the Treasury Risk Management committee.

3.3 Control activities

The main control activities are set out in section 4.3 of this Annex.

3.4 Information and communication

In addition to the annual budget referred to above, the GET SA board of directors receives a monthly report setting out the financial results and performance, as well as a summary of operational and commercial performance.

At each of their meetings, the GET SA safety and audit committees receive reports relating to the areas for which they have responsibility. The Chairmen of these committees keep the GET SA board of directors informed of the work of their committees.

The following documents are transmitted on a regular basis to the members of the Executive and Management committees:

- a financial reporting pack giving details of financial results and performance against budget;
- a KPI report which compares actual performance against budget and targets in the main areas of activity: safety; commercial performance and market share; productivity, operational reliability and service quality; employee numbers and statistics; and financial results against budget and latest forecast.

The members of the Executive and Management committees also receive a weekly report of key data relating to safety, human resources, operations, and to commercial and financial performance.

The group's intranet, ETNet, provides regular information to all staff on the main policies, procedures and activities of the group. A weekly internal newsletter and the management forum, which takes place at least twice-yearly, are further means of providing regular communication with staff.

3.5 Monitoring

- The corporate risk assessment process is under the full-time responsibility of a senior manager (see section 5 of this Annex below).
- The GET SA audit committee monitors the effectiveness of internal control by means of regular reports from internal audit, whose work is planned so as to ensure an appropriate coverage of the main areas of risk. A formal process exists for the correction of weaknesses highlighted in internal audit reports. The status of internal audit recommendations is reviewed by the Executive committee every two months.
- Internal audit consults the safety, security and environment committee on an annual basis to identify audit requirements in these areas.
- The GET SA safety, security and environment committee monitors performance in these areas by means of quarterly reports from the Safety and Security directorates. These include the reporting of safety performance against target, the results of safety evaluations and an update on security matters. The committee also reviews periodically the environmental impact of Eurotunnel's operations.
- The safety, security and environment committee has created two sub-groups, one responsible for emergency planning and the BINAT exercises and the other for security issues.
- Specific steering groups monitor the progress of major projects (e.g. large scale maintenance, e-borders, GSMR etc.).
- The Treasury Risk Management committee monitors foreign exchange and interest rate trends on a monthly basis.
- The Financial Operations committee monitors cash flow, liquidity and banking covenant compliance on a monthly basis.

4. CONTROLS OVER ACCOUNTING AND FINANCIAL REPORTING

The controls over accounting and financial reporting are summarised under three main headings:

4.1 Organisation and IT systems

- Accounting and financial reporting management is centralised within the Finance directorate, which has responsibility for financial accounting, accounts payable and receivable, operational treasury and cash flow management, budgetary control and the production of management and financial reporting. This centralised responsibility covers all the accounting entities of the group, both in the United Kingdom and France, as well as the distribution subsidiaries in Spain and the Netherlands.
- A single integrated accounting system, SAP R3, is used across all accounting entities. This system is integrated with other SAP modules managing freight sales, purchasing, inventory control, treasury, payroll and fixed assets. This ensures the automated transmission of transaction and accounting data relating to these activities.
- For systems outside the integrated SAP environment – principally in areas of passenger sales and invoicing – there is an automated upload of accounting data. Reconciliation and verification controls are in place to ensure the completeness and accuracy of these interfaces.
- Formal written procedures are in place to cover the operations of the Finance function.

4.2 Financial reporting

- There are formal monthly closings including a detailed verification of the main revenue and expenditure accounts by the budget controllers. There are also formal reconciliations of the main balance sheet accounts carried out by the financial accountants.
- The half-year and year end accounts are prepared on the basis of data extracted from the centralised SAP accounting system.
- Controls are in place to verify the main asset and liability accounts:
  - ***Stocks***: a programme of cyclical stock counts is in place and a full stock count is carried out at the end of the financial year. The results are updated in SAP and the corresponding accounting entries generated automatically.
  - ***Fixed assets***: specific verification procedures are in place for major tangible assets; reparable spares are controlled via the inventory management system.
  - ***Current assets***: integrated accounts receivable and treasury management systems are in place; daily banking operations are reconciled automatically by the system. Formal monthly bank reconciliations are carried out and are reviewed by management. Treasury operations are controlled by the back office.
  - ***Loans***: debt related operations are managed via the integrated treasury system and controlled by the back office and the cash manager.
  - ***Creditors and accruals***: an integrated accounts payable system is in place; accruals are calculated and validated by budget controllers; deferred revenue is reconciled to ticket liability records.
- The combined accounts are prepared on the basis of the individual company trial balances extracted from the SAP accounting system.
- Accounting adjustments in the consolidation and combination processes are controlled and approved by the appropriate level of management.
- There is an inherent consistency between combined financial and management accounts which are prepared using the same source data.

- The GET SA audit committee plays a key role in the supervision of financial reporting:
  - Any changes to accounting policies are reviewed by the committee;
  - the Finance directorate submits a quarterly report to the committee on major accounting and reporting issues;
  - the committee reviews the half – and full-year financial statements at a meeting at least 4 days before their presentation to the GET SA board of directors; at these meetings,
  - the Finance directorate and the external auditors submit formal reports to the Committee, and the external auditors attend the meetings.

4.3 Controls over operations having an impact on accounting data

It is important to ensure that adequate controls are in place over operations which ultimately result in accounting entries, to ensure that such entries are both complete and accurate.

a) Revenue operations

- Formal procedures are in place to cover the recording and reconciliation of sales and receipts at each point of sale (check-in, pre-sales, internet).
- There is an adequate segregation of duties in the principal areas of sales recording, control and accounting.
- Procedures are in place to control the completeness of invoicing and the reconciliation of data between the front-end sales systems and the accounting system.
- Procedures are in place for invoicing and accounting for revenue from the Railways.
- There is a formal group-wide credit policy and procedures for the approval of revenue contracts.

b) Purchases

- All major purchases are centralised through the group Procurement department.
- Formal procedures and a delegation of authority approved by the GET SA board of directors are in place for the management and approval of all purchases.
- There is an adequate segregation of duties between all stages of the procurement process (request, approval, execution, receipt and payment).
- The SAP system performs an automated control of expenditure approval and of the matching of order/receipt/invoice.
- All third-party payments are centralised through the Finance directorate and mandates are in place with the banks for the signature of all payment instruments.

c) Staff costs

- There is an adequate segregation of duties in the key stages of the payroll process (approval and maintenance of salary data, processing of variable pay elements, payroll processing and payment).
- The SAP system performs the automated calculation of the payroll and its associated elements.
- Accounting entries and payment files are generated and interfaced automatically within the SAP system.

d) Asset management

- Stock and fixed asset (spare parts) purchases are accounted for automatically by the SAP system.
- There is a periodic physical verification of stocks (cyclical and year-end counts) and of major fixed assets.

e) Treasury management

- The treasury policies and procedures are approved by the GET SA board of directors on an annual basis.
- There is an adequate segregation of duties between front and back offices; the back office ensures an independent control of treasury operations.
- A formal delegation of authority and bank mandates are in place for all treasury operations.

f) IT controls

- Controls are in place to ensure the physical security of hardware and software, the integrity of data and the continuity of operation of the major computer systems, including SAP R3.
- Each application has a sponsor who is a member of the GET SA executive committee or of the Management committee; the sponsor is the sole authority for changes and for granting access to the application.
- Logical access controls based on individually-defined user rights and passwords are in place for all systems; access rights reflect the responsibilities of users and the segregation of duties. The administration of user accesses is centralised within the IT department.
- Adequate controls are in place to protect the company's information systems against unauthorised access from outside the company. The adequacy of these controls is monitored on a regular basis.

5. RISK MANAGEMENT

The objective of the company's risk management process is to provide senior management and the GET SA board of directors of with:

- a complete, consistent and structured view of the major risks, of all types, to which the company is exposed; and
- an appreciation of the appropriateness of the mitigating measures put in place by those responsible for managing each of the risks in the light of their potential impact on the company's strategic objectives.

The process comprises a formal risk review, the conclusions of which are presented to the GET SA board at the end of the year and which serves as the basis for the internal control report in the Group's annual report.

The risk reviews are co-ordinated by the Corporate Risk Manager, and they seek to identify and quantify the risks facing the company and to identify and assess the appropriateness and the effectiveness of the controls in place to manage those risks.

The process consists principally of discussions with senior management across the company, and comprises two parallel approaches:

- a top-down approach, consisting in the identification of the key strategic risks both in the core business and in the new initiatives undertaken during the year (both from the point of view of their mitigating effect on the main core business risks and the fact that they generate new risks of their own) and changes in the company's business and economic environment;
- the traditional ''bottom-up'' approach which seeks to identify risks in each of the main business areas (Commercial, Technical/operational, Financial, Staff, Safety and Security, Environment, and Corporate Governance).

The risk register distinguishes between strategic and operational risks, and contains, for each risk, the following information:

- A description of the risk and of the strategic objectives it is likely to impact.
- An assessment of the inherent risk on the basis of the probability of it materialising and of its potential impact: the probability and impact are calculated on the basis of the assumptions in the annual budget; the criteria used include the financial impact and the impact on the company's reputation with its customers, its stakeholders and the media;
- a distinction is made between one-off and recurrent probabilities and impacts; and
- the capacity of the company to influence the source of the risk (i.e. an internal or external source) is also taken into account.
- A description of the measures in place to manage each risk, which are identified in four categories (monitoring, probability mitigation, impact mitigation and reporting).
- An assessment of the residual risk, taking account of these mitigating measures, and calculated on the same basis as that of the inherent risk.
- The member of the Executive committee or the Management committee responsible for managing the risk.

The risks are classified in descending order and in five categories from major to minor risk.

As an integral part of the corporate risk assessment, Internal Audit carries out an assessment of appropriateness and effectiveness of the measures in place to manage the risks.

The results of the corporate risk assessment and the Internal Audit review are presented to the GET SA audit committee.

The Corporate Risk Manager and Internal Audit monitor, on an on-going basis, the evolution of the major risks and the emergence of new risks. Any significant changes are reported to the Executive committee and to the GET SA audit committee.

ANNEX IX REPORT OF THE *COMMISSAIRES AUX COMPTES* ON THE REPORT OF THE CHAIRMAN OF GET SA CONCERNING THE INTERNAL CONTROL PROCEDURES IN RESPECT OF THE PROCESSING AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

This is a free translation into English of the Commissaires aux Comptes' report issued in French and is provided solely for the convenience of English speaking users. The Commissaires aux Comptes' report includes information specifically required by French law in such reports, whether modified or not. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Financial year ended 31 December 2007

Ladies, Gentlemen,

In our capacity as the *Commissaires aux Comptes* of Groupe Eurotunnel S.A. and as required by the provisions of section L. 225-235 of the French code of commercial law, we hereby submit to you our report on the report of the Chairman of your company prepared in accordance with section L. 225-37 of the French code of commercial law and in respect of the financial year ended 31 December 2007.

The Chairman is required to deal in his report with, in particular, the way in which the work of the board of directors is prepared and organised and internal control procedures are implemented by the company. Our own responsibility is to communicate to you any observations we may feel appropriate in respect of the information provided in the Chairman's report dealing with the internal control procedures pertaining to the preparation and processing of financial and accounting data.

We have performed our review in accordance with the professional standards applicable in France, which require that we implement procedures designed to assess the sincerity of the information provided in the Chairman's report in respect of the internal control procedures pertaining to the preparation and processing of financial and accounting data. These procedures involved in particular:

- Familiarising ourselves with the internal control procedures, pertaining to the preparation and processing of financial and accounting data, serving as the basis for the information provided in the Chairman's report, as well as with the associated documentation;
- Reviewing the preparatory work and associated documentation for the information so provided;
- Determining whether any major internal control weaknesses, in respect of the preparation and processing of financial and accounting data, noted during the course of our audit have been appropriately mentioned in the Chairman's report.

Based on the above procedures, we have no observations to make as regards the information provided in the report of the Chairman of the board of directors, in respect of the internal control procedures pertaining to the preparation and processing of financial and accounting data, prepared in accordance with section L. 225-37 of the French code of commercial law.

The *Commissaires aux Comptes*

Paris La Défense, 11 April 2008

KPMG Audit
A division of KPMG S.A.

Fabrice Odent
Partner

Paris La Défense, 11 April 2008

Mazars
Mazars & Guérard

Thierry de Bailliencourt
Partner

ANNEX X GROUPE EUROTUNNEL SA COMPANY ACCOUNTS*

Balance sheet to 31 December 2007

(in euros)	Note	Gross	Impairment	31 December 2007 Net	31 December 2006 Net
ASSETS					
Financial fixed assets					
Investments in subsidiary undertakings	3	259,937,897	–	259,937,897	1
Other financial assets	4	33,686,745	–	33,686,745	–
Fixed assets		**293,624,642**	**–**	**293,624,642**	**1**
Trade receivables	4	5,367,914	–	5,367,914	–
Receivables from Government and other public bodies		3,525,662	–	3,525,662	–
Group and associates	4	182,207	–	182,207	–
Other financial assets	4	4,757,690	–	4,757,690	–
Investments in securities		1,205,419	–	1,205,419	–
Cash and cash equivalents		6,639	–	6,639	312
Current assets		**15,045,531**	**–**	**15,045,531**	**312**
Prepaid expenses		–	–	–	–
Total assets		**308,670,173**	**–**	**308,670,173**	**313**
LIABILITIES					
Share capital	5			23,913,644	1,000
Share premium	5			218,126,611	–
Retained earnings	5.3			87	(376)
Result for the year				317,340	(312)
Equity				**242,357,682**	**312**
Financial liabilities	3			11,525	–
Group and associates	4			62,066,183	1
Trade payables				3,329,030	–
Tax and social security liabilities				871,503	–
Other liabilities				34,250	–
Debts*				**66,312,491**	**1**
Total liabilities				**308,670,173**	**313**

* *More than one year: none (2006: none).*

The notes form an integral part of the annual accounts.

* *Groupe Eurotunnel SA's company accounts are prepared in accordance with French accounting standards.*

Income statement for the year ended 31 December 2007

(in euros)	Note	2007	2006
Operating revenue			
Revenue from sale of services	6	5,111,798	–
Total operating revenue		**5,111,798**	**–**
Operating expenses			
Purchases and external costs	7	4,804,705	262
Salaries and charges		51,523	–
Taxes		51	50
Other expenses		204,958	–
Total operating expenses		**5,061,237**	**312**
Operating result		**50,561**	**(312)**
Financial income			
Interest and similar income	4	4,757,690	–
Net income on sales of investments		1,918	–
Exchanges gains	8	115,638	–
Total financial income		**4,875,246**	**–**
Financial charges			
Interest and similar charges	4	4,757,690	–
Total financial charges		**4,757,690**	**–**
Financial result		**117,556**	**–**
Exceptional result	9	**(32,984)**	**–**
Tax: group relief income	10	(182,207)	–
Net result for the year		**317,340**	**(312)**

The notes form an integral part of the annual accounts.

Notes to the financial statements

1. IMPORTANT EVENTS

As part of the implementation of the financial restructuring and pursuant to the terms of the Safeguard Plan, the Chairman of the Board of Directors of ESA and EPLC acquired on 30 January 2007 a non-trading company designated to become GET SA. Following the ETO which took place in May and June 2007, all of the share capital of GET SA was held by the former shareholders of ESA and EPLC who tendered their Units to the offer. As 93.04% of the Units in issue were tendered to the offer, GET SA consequently became a shareholder of TNU SA and TNU PLC to this same percentage.

On 27 July 2007, the AGMs of ESA and EPLC, subsidiaries of Groupe Eurotunnel SA (GET SA) since the ETO, adopted the resolutions to change the names of ESA and EPLC to TNU SA and TNU PLC respectively.

The main purpose of TNU SA and TNU PLC is to invest in companies directly or indirectly involved in the construction and operation of the cross-Channel Fixed Link. They hold 100% of FM and CTG, the two concessionaires of the Fixed Link. In addition, in 1986, TNU SA and TNU PLC signed agreements with FM and CTG which i) provided for the set-up of Eurotunnel, a partnership between FM and CTG, and ii) a corporate structure agreement which provided for, in particular, arrangements for the ''twinning'' of shares in TNU SA and TNU PLC in the form of ''Units''. Under the terms of these agreements, all expenses and revenues relating to the design, financing, construction and operation of the Fixed Link are shared between the French and UK companies.

GET SA, Groupe Eurotunnel's holding company, manages relations with shareholders on behalf of the concessionaires. GET SA includes in its income statement the cost of staff services relating to its activities which have been charged to it by Group companies ESGIE and ESL. GET SA charges the concessionaires for its shareholder relations services and other services provided, which amounted to €5.1 million in 2007.

1.1 2007 financial restructuring

During 2007, Eurotunnel implemented the financial restructuring in accordance with the Safeguard Plan approved by the Paris Commercial Court on 15 January 2007:

- The drawdown 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 €4,010 million at the closing exchange rate on 31 December 2007) by France Manche SA (FM) and The Channel Tunnel Group Limited (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.

- 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 13th and 37th month following the date of their issue.

- The repurchase of the Tier 3 Debt and of the notes on 28 June 2007 by EGP.

At 31 December 2007, the consolidated financial liabilities of GET SA amounted to €4.3 billion after the drawdown of the Term Loan and the repurchase of all of the financial instruments of the TNU Group which amounted to €9.4 billion at 31 December 2006.

1.2 Implementation of the new Group structure

The main terms of the financial restructuring as set out in the Registration Document issued in March 2007 and 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 the Group and of its UK subsidiary Eurotunnel Group UK plc (EGP).

With effect from 2 July 2007, the listing on Euronext Paris of the GET SA shares and Warrants and of the NRS issued by GET SA's UK subsidiary EGP. GET SA's shares and the NRS issued by EGP have been listed on the London Stock Exchange since 2 July 2007.

- The completion of the ETO enabling Unit holders to receive GET SA shares and Warrants in exchange for their Units.

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

- The consolidation of GET SA's shares on 12 November 2007 by the allocation of one new share for 40 old shares, thereby creating 59,784,111 new shares each with a nominal value of €0.40. The consolidated shares have been listed on Segment B of Euronext Paris since 12 November 2007.

  The rights of holders of securities which may be converted into GET SA equity (Warrants/NRS) were consequently adjusted in accordance with the terms set out in the Securities Note which received visa 07-113 from the French market authority (AMF) on 4 April 2007.

- On 21 December 2007, the reconstitution of the shareholders' equity of the TNU Group in accordance with the Safeguard Plan by way of set-off against a receivable in respect of former Tier 3 debt, enabling the reconstitution of the equity of GET SA's subsidiaries. After this operation, GET SA and EGP hold 25,833,259,924 Units, representing 99.32% of the Units in circulation.

The implementation of the Safeguard Plan continued during the year, under the supervision of the Commissioners for the Execution of the Plan.

Listing of the TNU Units ceased in London on 30 July 2007, in Brussels on 10 September 2007, and in Paris on 14 January 2008.

1.3 Going concern

The consolidated and company accounts for the year to 31 December 2007 were approved by the Board of Directors on 7 April 2008 on a going concern basis, and will be submitted for shareholders' approval at the next general meeting.

Certain legal proceedings initiated 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 proceedings be unfavourable, they could result in the payment of damages and interest. Eurotunnel remains confident of a favourable outcome to these claims, and for this reason, has not forecast that any payments will be made in relation to them.

1.4 Post balance sheet events

i. Early partial cash redemption of NRS II

On 20 February 2008, GET SA announced the launch of an issue of SDES (subordinated deferred equity securities) with a term of 18 months, for a total principal amount of €800 million, by way of the issue of 800,000 SDES in France and internationally (outside the United States, Canada and Italy). The characteristics of this issue are described in the Securities Note as approved by the AMF (*Autorité des marchés financiers*) on 20 February 2008. The net proceeds of the issue will be used to finance the early cash redemption of a first part of the NRS II issued by EGP in June 2007.

The SDES have a nominal value of €1,000 each, and the subscription price per SDES will be equal to their individual nominal value. Each SDES will entitle its holder to receive 103.8 ordinary shares upon redemption.

On 4 March 2008, GET SA announced the outcome of this transaction, as a result of which the Group will redeem a total nominal value of €601 million of the €1.154 billion NRS II. Given the favourable exchange rate for the euro against the pound and with a very limited additional financing from the Group, 6.0 million NRS II were redeemed, with a value in principal significantly greater than the initial objective. This redemption will enable savings of

€35 million in interest in a full year (excluding interest payable as a return on the SDES and on the basis of an exchange rate of £1=€1.4), and will reduce the number of shares to be issued by approximately 51 million (not including shares potentially as part of the conditional additional return).

The return on the SDES will be comprised of (i) the issue and allotment to SDES holders of 3 new ordinary shares per SDES or (ii) at the option of GET SA, the payment in cash of interest calculated at an annual rate of 2% (within the limit of the amount of available cash flow within GET SA, provided that in the event that such cash flow is not sufficient, the return on the SDES will be paid entirely or in part in the manner specified in (i) above). The return will be payable in one instalment on 6 September 2009.

In order to facilitate the creation of a stable shareholder base, each shareholder having subscribed for SDES within the priority subscription period and each investor having subscribed for SDES in the SDES placement and having held their SDES until the date of their redemption in ordinary shares and the ordinary shares issued upon redemption of SDES until 6 March 2011 will be granted a conditional additional return payable, at the option of the company and in accordance with the terms described in section 7.2 of the Securities Note[(1)], in cash, in new shares (provided that the requisite shareholder authorisation is obtained) or in existing shares (on the basis of 5.4 additional existing or new ordinary shares for each SDES).

The maximum number of any new ordinary shares that may be issued in respect of the conditional additional return will be 4,320,000 new additional ordinary shares.

The SDES will be redeemable in new ordinary shares at the discretion of their holders at any time between 6 September 2009 and 6 September 2010. In addition, the SDES may be redeemed in shares in advance of this date at the option of SDES holders upon the occurrence of one of the events referred to in paragraph 4.8 (d) of the Securities Note[(1)] and will be automatically redeemed in shares upon the occurrence of one of the events referred to in paragraph 4.8 (g) of the Securities Note[(1)].

ii. Arbitration

Following the disturbances caused to its business by the intrusion of illegal migrants from the Sangatte centre between 2000 and 2002, Eurotunnel petitioned the international ad hoc tribunal at the International Court of Justice on 17 December 2003 to seek compensation for damages suffered. In its ruling of 30 January 2007 published on 23 February 2007, the ad hoc Arbitration Tribunal recognised Eurotunnel's right to compensation, the amount of which to be determined by the Tribunal at a later date.

Following this decision, Eurotunnel entered into negotiations with the French government, and an agreement has been reached whereby the French government will make a full and final settlement of €24 million. This agreement is currently being ratified and the payment will be accounted for when the agreement is signed. Following this agreement, Eurotunnel will withdraw its claim against the French government.

The British government has also accepted the principle of an amicable agreement to the litigation, and negotiations should begin shortly.

The two events described in 1.4i and 1.4ii have no effect on the 2007 company financial statements.

1.5 Result for the year

The net result for the year was a profit of €317,340.

2. ACCOUNTING METHODS AND POLICIES

Going concern

The financial statements have been prepared on a going concern basis, as stated in note 1.3 above.

(1) *Securities Note as approved by the AMF (Autorité des marches financiers) on 20 February 2008.*

Investments in subsidiary undertakings

Investments in subsidiary undertakings are valued according to their value in use. A provision for impairment is booked when the value in use is lower than the carrying value.

Investments in securities

Investments are stated in the balance sheet at cost. If the market value is lower than the purchase cost, a provision for depreciation is booked for the difference. ''Investments in securities'' and ''Cash and cash equivalents'' include any accrued interest due thereon.

Own shares

Own shares held by GET SA are recognised in ''Investments in securities''.

Tax convention

Under the terms of the group tax convention, tax charges are recognised in the individual financial statements of consolidated companies, on a stand-alone basis. Any tax savings or losses realised by the Group are recognised immediately in the parent company's income statement for the period.

3. SHARES

At 31 December 2007, shares are analysed as follows:

Equity		**TNU SA (in euros)**	**TNU PLC (in sterling)**	**EGP (in euros)**
Share capital		260,105,597	260,105,597	73,472
Other equity (excluding result for the year)		110,455,117	(255,240,901)	(32,702,454)
Percentage of share capital held:		**TNU SA**	**TNU PLC**	**EGP**
Directly		9.11%	9.11%	100%
Directly and indirectly		99.32%	99.32%	100%
Carrying value of shares (in euros)	**TOTAL**	**TNU SA**	**TNU PLC**	**EGP**
Gross:	**259,937,897**	129,932,215	129,932,215	73,467
Net:	**259,937,897**	129,932,215	129,932,215	73,467
Loans and advances granted by the company not yet repaid (in euros)	**TOTAL**	**TNU SA**	**TNU PLC**	**EGP**
Gross:	**–**	–	–	–
Net:	**–**	–	–	–
Security and guarantees given by the company		*	*	*

* *This information is provided in note 13 below.*

4. GROUP AND ASSOCIATES

(in euros)	2007	2006
Other non-current financial assets		
France Manche SA	33,686,745	–
Total	**33,686,745**	**–**
Trade receivables		
France Manche SA	5,317,953	–
TNU PLC Group	49,961	–
Total	**5,367,914**	**–**
Loans and advances – Group and associates		
EGP UK plc	182,207	–
Total	**182,207**	**–**
Other current financial assets		
France Manche SA	4,757,690	–
Total	**4,757,690**	**–**
Debts – Group and associates		
EGP UK plc	38,444,435	–
TNU SA	19,995,871	–
TNU PLC Group	73,466	1
France Manche SA	1,000,000	–
The Channel Tunnel Group Limited	2,552,411	–
Total	**62,066,183**	**1**

Amounts due from France Manche SA and recognised in other financial assets correspond to principal of €33,686,745 and accrued interest of €4,757,690 in respect of the amended loan note transferred from EGP to GET SA in accordance with the terms of the NRS Relationship Agreement. In exchange for this transfer in accordance with the terms of the NRS Relationship Agreement, a debt (the ''**NRS loan**'') of €33,686,745 and accrued interest of €4,757,690 was recognised between GET SA and EGP. Amounts owed to EGP and recognised as debts and similar correspond to principal and interest due in respect of the NRS loan.

Other inter-company loans included above do not bear interest.

5. EQUITY AND WARRANTS

5.1 Movements in share capital

(in euros)	
Share capital (ordinary shares)	
At 1 January 2007: 1,000 shares at €1	1,000
Capital reduction: 775 shares at €1	(775)
Reduction in the nominal value of shares from €1 to €0.01	–
Capital increase: 22,477,500 shares at €0.01	224,775
Capital increase: 2,368,864,450 shares at €0.01	23,688,644
Consolidation of 40 old shares for 1 new share	–
At 31 December 2007: 59,784,111 shares at €0.40 and 1 share at €0.01	**23,913,644**

5.2 Share premium

(in euros)	
At 1 January 2007	–
Capital increase	236,175,786
Cost of capital increase	(18,049,175)
At 31 December 2007	**218,126,611**

At 31 December 2007, the issued share capital of GET SA amounted to €23,914,000, divided into 59,784,111 fully paid-up GET SA Ordinary Shares (Class A shares) with a nominal value of €0.40 each, and one GET SA Preferred Share (Class B share) with a nominal value of €0.01.

The GET SA Preferred Share confers on its holder specific corporate governance rights of GET SA as described in paragraph 17.1.1(a) ''Rules of majority'' of the Registration Document dated 20 March 2007. There are no specific economic rights attached to the GET SA Preferred Share.

On 12 November 2007, GET SA launched the consolidation of the GET SA shares as described in note 1.2 above.

At 31 December 2007, GET SA held 604,344 of its own shares.

5.3 Retained earnings

The net loss for the 2006 financial year has been included in retained earnings at 1 January 2007. The €775 capital reduction of 9 March 2007 has been written off against retained earnings.

5.4 Share Warrants

On 28 June 2007, GET SA issued 4,307,026,273 Warrants which entitle their holders to subscribe for GET SA Ordinary Shares provided that there has been an increase in the value of Groupe Eurotunnel. The Warrants were admitted to listing and trading on Euronext Paris on 2 July 2007.

55% of the Warrants (2,368,864,450) were allocated to the Unit holders who tendered their Units to the ETO, and 45% (1,938,161,823 Warrants) were allocated to the Note holders. The detailed characteristics of the Warrants are set out in chapter 3 of the Securities Note of April 2007.

The total number of new GET SA Ordinary Shares to which the Warrants will together entitle their holders to subscribe (''**N**'') will be calculated according to the following formula:

$$N = 2 \times U \times \frac{VT}{300{,}000{,}000}$$

where:

- ''**U**'' is the total number of Units on the Closing Date (i.e. 2,546,164,213 on 28 June 2007);
- ''**VT**'' is the arithmetic sum of VT1 and VT2, where (i) VT is capped at £300 million, and (ii) ''**VT1**'' is the arithmetic sum of all of the Lump Sums received between 23 May 2006 and 30 June 2008 calculated in accordance with the terms described in the section entitled ''Method of calculating VT1'' in chapter 3 of the Securities Note of April 2007, and ''**VT2**'' comprises any improvements in the EBITDA of GET SA during the 2008, 2009 and 2010 financial years compared to the Reference EBITDA calculated in accordance with the terms described in the section entitled ''Method of calculating VT2'' in chapter 3 of the Securities Note of April 2007.

As part of the consolidation of shares (see note 1.2 above), the rights of holders of securities which may be converted into GET SA equity (including the Warrants) were consequently adjusted in accordance with the terms set out in the Securities Note issued in April 2007.

Method of calculating VT1

''Lump Sum'' means any sum received or saved outside the normal course of business (defined by reference to previous practices), including (i) the payment of a cash sum or (ii) the realisation of a saving, resulting from a decision of a Governmental Entity or of a company or of any other entity controlled by a Governmental Entity (including as a result of an enforceable court decision, an arbitration, a settlement or a decision to grant a subsidy) for the benefit of GET SA, TNU PLC, TNU SA, EFL, FM, CTG and their respective consolidated subsidiaries, provided that (y) any sum received or saved in the ordinary course of business (defined with reference to previous practices) and (z) any sum received from the French or English tax authorities as part of the financial restructuring will not be considered to be a Lump Sum.

Method of calculating VT2

In order to calculate VT2, the following elements will successively be calculated or taken into account:

1. ''**EBITDA**'' means the consolidated Earnings Before Interest, Taxes, Depreciation and Amortisation of GET SA (calculated using accounting principles and methods consistent with those used for the preparation of the combined audited accounts of TNU SA and TNU PLC at 31 December 2004) for each of the 2008, 2009 and 2010 financial years, from which will be deducted (i) any exceptional elements and (ii) any Lump Sum taken into account for the calculation of VT1.

2. ''**Reference EBITDA**'', means the following EBITDA amounts:

	Financial year		
(£ million)	**2008**	**2009**	**2010**
Reference EBITDA	277	288	303

The Reference EBITDA for each of the 2008, 2009 and 2010 financial years has been determined on the basis of (i) a euro / sterling exchange rate of 1.4 and (ii) a sterling/euro apportionment of EBITDA of 51% / 49%.

3. ''**Adjusted Reference EBITDA**'' means the Reference EBITDA for each of the 2008, 2009 and 2010 financial years, adjusted so that the 49% euro component is, for each of these financial years, converted into sterling on the basis of the euro / sterling exchange rate used to prepare the audited consolidated accounts for the relevant financial year (the ''**Effective euro / sterling Exchange Rate**'').

4. ''**Difference**'' means, for each of the 2008, 2009 and 2010 financial years, the result of the difference between (i) the EBITDA derived from the consolidated accounts of GET SA for the financial year in question and (ii) the Adjusted Reference EBITDA for that financial year, provided that if this result is negative, it will be deemed to be equal to zero.

5. ''**Adjusted Difference**'' means, for each of the 2008, 2009 and 2010 financial years, the amount corresponding to 50% of the fraction of the Difference up to £7.5 million and 70% of the fraction of the Difference between £7.5 million and the amount of the Difference.

6. ''**Weighted Difference**'' means, for each of the 2008, 2009 and 2010 financial years, the result of the product of the Adjusted Difference multiplied by (i) 14.5 and then (ii) 0.3 for the 2008 financial year, 0.6 for the 2009 financial year and 0.1 for the 2010 financial year (the ''**Annual Weighting Factor**'').

7. VT2 will be equal to the arithmetic sum of the Weighted Differences calculated for each of the 2008, 2009 and 2010 financial years.

5.5 Notes Redeemable in Shares (NRS)

EGP, a subsidiary of GET SA, issued Notes Redeemable in Shares (NRS) on 28 June 2007 for a total nominal amount of £571,042,351 and €1,032,248,900 with the following main characteristics:

- the NRS are divided into two series, NRS I (a total of 7,155,630 notes for a nominal amount of £218,514,709.60 and €395,160,200.00) and NRS II (a total of 11,539,914 notes for a nominal amount of £352,527,641.40 and €637,088,700.00). NRS I may not be redeemed in cash at EGP's discretion, whereas the NRS II may be redeemed in cash at EGP's discretion;

- the NRS I are redeemed automatically in GET SA Ordinary Shares in part 13 months after their issue, in part 25 months after their issue and for the balance 37 months after their issue;

- the NRS II are redeemed automatically for GET SA Ordinary Shares 37 months after their issue, if they have not already been redeemed in cash.

The NRS were admitted to trading on Euronext Paris on 2 July 2007. The detailed characteristics of the NRS are set out in chapter 2 of the Securities Note issued in April 2007.

As part of the consolidation of shares (see note 1.2 above), the rights of holders of securities which may be converted into GET SA equity (including the NRS) were consequently adjusted in accordance with the terms set out in the Securities Note issued in April 2007.

GET SA has made a commitment to issue and then to deliver to its subsidiary EGP the Ordinary Shares mentioned above as redemption for NRS I and NRS II.

6. REVENUES FROM SALE OF SERVICES

This item comprises revenues from services mentioned in note 1 and charged to the concessionaires.

7. PURCHASES AND EXTERNAL COSTS

This item comprises primarily costs relating to services charged by ESGIE and ESL, as well as costs incurred on behalf of the concessionaires.

8. EXCHANGE GAINS

This item comprises unrealised exchange gains resulting from the revaluation of intra-group debts at 31 December 2007.

9. EXCEPTIONAL RESULT

This item comprises losses recognised on the revaluation of own shares held by GET SA at 31 December 2007.

10. RESULT AND TAX SITUATION

At 31 December 2007, the taxable result for the integrated group, which in 2007 includes GET SA and EGP, was a loss of €1,123,000. GET SA's taxable result, excluding integration, was a loss of €1,670,000.

In accordance with GET SA's tax convention, savings realised by the Group were recognised by the parent company GET SA, representing a total of €182,000 in 2007.

11. DIRECTORS

Details of directors' remuneration are provided in note 5 of GET SA's consolidated accounts.

12. SHARES HELD BY DIRECTORS

Shares held by directors are described in chapter 14 of the 2007 Registration Document and directors' remuneration is described in chapter 15.

13. COMMITMENTS AND CONTINGENT LIABILITIES

GET SA, EGP, TNU SA, TNU PLC, FM, EFL, CTG, ESGIE, Eurotunnel SE, EurotunnelPlus Distribution SAS, ESL and EurotunnelPlus Limited (the ''Original Guarantors'') jointly and severally guarantee the obligations of FM and CTG in respect of the Term Loan. In order to guarantee these obligations, the Original Guarantors have granted security as described in note 19.2 of GET SA's consolidated accounts.

ANNEX XI GENERAL REPORT OF THE *COMMISSAIRES AUX COMPTES* REGARDING THE COMPANY ACCOUNTS OF GET SA FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2007

This is a free translation into English of the Commissaires aux Comptes' report issued in French and is provided solely for the convenience of English speaking users. The Commissaires aux Comptes' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Commissaires aux Comptes' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2007

Ladies, Gentlemen,

Following our appointment as *Commissaires aux Comptes* by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2007, on:

- the audit of the accompanying financial statements of Groupe Eurotunnel S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities, as of 31 December 2007, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

2 Justification of assessments

In accordance with the requirements of Article L. 823-9 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

Note 1 of the financial statements highlights in particular the main terms of the financial restructuring, which resulted in 93.04% of the shareholders of TNU SA and TNU PLC to hold the whole of the share capital of Groupe Eurotunnel S.A., and the implementation of the new group structure in 2007. We ensured the appropriateness of the information given in note 1 of Groupe Eurotunnel S.A. financial statements.

These assessments were made in the context of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

We have also performed the specific verifications required by law in accordance with professional standards applicable in France.

We have no matters to report regarding:

- the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements,
- the fair presentation of the information given in the management report of the Board of Directors in respect of remunerations and benefits granted to the relevant directors and any commitments given to them in connection with, or after, their appointment, termination or change in function.

In accordance with French law, we ascertained that the information relating to the acquisition of shares and controlling interests and the identity of shareholders were given in the management report of the Board of Directors.

The Commissaires aux Comptes

Paris La Défense, 11 April 2008

KPMG Audit
Department of KPMG S.A.

Fabrice Odent
Partner

Paris La Défense, 11 April 2008

Mazars
Mazars & Guérard

Thierry de Bailliencourt
Partner

ANNEX XII GET SA TRAVEL PRIVILEGES SCHEME

TERMS AND CONDITIONS

Introduction

The Safeguard Plan approved by the Paris Commercial Court on 15th January 2007 provided for travel privileges on Eurotunnel shuttle crossings to be offered to future Groupe Eurotunnel SA shareholders meeting the eligibility criteria set out below:

Clause 1 – Definitions

1.1 **Groupe Eurotunnel SA**: means Groupe Eurotunnel SA a company incorporated in France whose registered office is situated at 19, boulevard Malesherbes, 75008 Paris, registered on the Paris Company and Trade Register under number 483 385 142.

1.2 **TNU SA**: means TNU SA (previously Eurotunnel SA) a company incorporated in France whose registered office is situated at 19, boulevard Malesherbes, 75008 Paris, registered on the Paris Company and Trade Register under number 334 192 408.

1.3. **TNU PLC**: means TNU P.L.C. (previously Eurotunnel P.L.C.) a company incorporated under English law whose registered office is situated at UK Terminal, Ashford Road, Folkestone, Kent, CT18 8XX, registered in England under number 1960271.

1.4. **Units**: means the units representing shares of TNU SA and TNU PLC, each Unit comprising one share in TNU SA and one share in TNU PLC.

1.5. **Exchange Tender Offer**: means the exchange tender offer made by Groupe Eurotunnel SA to Unit holders to exchange their Units for ordinary shares and warrants in Groupe Eurotunnel SA.

1.6. **CDI**: means a CREST Depository Interest issued by CREST Depository Limited representing an entitlement to a Groupe Eurotunnel SA ordinary share or, as the case may be, a warrant.

Clause 2 – Eligibility

2.1. **Shareholders of Groupe Eurotunnel SA who have tendered all of their Units to the Exchange Tender Offer**

2.1.1. The cumulative criteria to be met in order to benefit from travel privileges are, <u>at the time of booking</u>:

- to be a individual holding shares in his own name and registered with Groupe Eurotunnel SA's registrars (BNP Paribas Securities Services) or holding CDIs through Computershare Company Nominees Limited.

  Consequently no legal entities can benefit from, or have their members or shareholders benefit from, travel privileges.

- to have held continuously for at least three months as at 15 May 2006, at least 1000 Units registered with the registrars of TNU SA (CACEIS Corporate Trust) or TNU PLC (Computershare Investor Services PLC);

- to have tendered <u>all</u> their Units to the Exchange Tender Offer and to continue to hold in registered form as at the date of the booking at least 1,000 unconsolidated Groupe Eurotunnel SA shares or CDIs or 25 Groupe Eurotunnel SA consolidated shares of CDIs.

2.1.2. Bookings for crossings benefiting from the travel privileges set out in this Clause 2.1 can be made with effect from 1st August 2007.

2.2. **Shareholders of Groupe Eurotunnel SA not meeting the criteria set out in Clause 2.1 above**

2.2.1. The cumulative criteria to be met in order to benefit from travel privileges are, <u>at the time of booking</u>:

- to be an individual holding shares in his own name and registered with Groupe Eurotunnel SA's registrars (BNP Paribas Securities Services) or holding CDIs through Computershare Company Nominees Limited.

Consequently no legal entities can benefit from, or have their members or shareholders benefit from, travel privileges.

- to hold in registered form 30,000 Groupe Eurotunnel SA unconsolidated shares or CDIs or 750 Groupe Eurotunnel SA consolidated shares or CDIs;
- to have held this number of shares or CDI in a single account continuously for at least 3 months as at the date of booking; and
- to no longer benefit from any travel privilege schemes offered by TNU SA/TNU PLC.

2.2.2. Bookings for crossings benefiting from the travel privileges set out in this Clause 2.2 can be made with effect from 1st October 2007.

2.3. In the event of share consolidation, travel privileges will be calculated pro rata to the shares previously held.

Clause 3: General Terms and Conditions for Travel Privileges

3.1. The eligible person in whose name the booking was made must be present in the car when travelling.

3.2. The right to travel privileges is personal and non-transferable under any circumstances.

3.3. For joint accounts, a single reference number will be assigned to the account to the first-named account holder; such reference will be used to check eligibility and to calculate the number of bookings made using travel privileges.

3.4. However, in the event of the death of the first-named joint holder, travel privileges will be transferred to the second-named joint holder.

3.5. Where shares or CDIs are held on behalf of another person, only the legal owner (usufruitier) can benefit from these travel privileges.

3.6. Travel privileges apply to the standard fare prevailing on the date of booking for the type of vehicle travelling; they cannot be used in conjunction with any other promotion or discount. They are not applicable to the costs associated with the transport of pets or to any additional services purchased at the time of booking (e.g. Insurance).

3.7. These standard conditions are subject to the Standard Conditions of Sale and Carriage which apply to each booking.

3.8. These standard terms and conditions are subject to French law and this translation is provided for information purposes only.

Clause 4: Travel Privileges

Persons fulfilling the eligibility criteria in Clause 2.1 or 2.2 above will benefit from a 30% reduction on regular fares for 6 (six) single journeys per calendar year.

Clause 5: Exclusions

5.1. Only persons who have booked in advance will be allowed to benefit from travel privileges.

5.2. Consequently, persons seeking to ‘‘turn up and go’’ at the tolls without having booked will not be able to benefit from travel privileges.

5.3. Groupe Eurotunnel reserves the right to withdraw travel privileges in the following cases:

5.3.1. In the event of fraudulent breach of these terms and conditions or the Ticket Terms

5.3.2. or any behaviour by the holder of these travel privileges which might be prejudicial to the interests of Groupe Eurotunnel

CLAUSE 6: BOOKINGS

6.1. The reference number that must be used for each booking is sent directly to the eligible person.

6.2. Bookings can be made directly on-line on www.eurotunnel.com (Passenger travel section) or by telephoning the call centre for your area at the time of booking (see annex 1). The call centre is available to answer queries on the travel privilege scheme and to make bookings, but will not be able to answer any shareholding-related questions.

6.3. No other booking method can be used.

6.4. Eligibility for travel privileges will be automatically checked each time a booking is made.

6.5. In the event that our transport system is exceptionally overloaded, Groupe Eurotunnel reserves the right to postpone crossings booked using travel privileges without thereby conferring any entitlement to indemnity or compensation.

CLAUSE 7: DURATION AND CHANGES

7.1. This travel privileges scheme is guaranteed until 31st December 2010.

7.2. It will then be renewed annually unless otherwise decided by Groupe Eurotunnel SA, such decision being announced by press release at least three months before the renewal date.

These terms and conditions were updated following the share consolidation on 12 November 2007.

ANNEX XIII REFERENCE DOCUMENT CHECKLIST

The number of the section(s) containing the information relating to each heading in Annex I of the EC Regulation 809/2004 of the European Commission of 29 April 2004 in the Reference Document is mentioned in the following table.

N°	NAME OF THE HEADINGS IN THE EC REGULATION	CHAPTER(S)/ SECTION(S)
1	**Person responsible**	Chapter 1
1.1	Persons responsible for the information contained in the Reference Document.	1.1
1.2	Declaration of the party responsible for the Reference Document.	1.2
2	**Statutory auditors**	Chapter 2
2.1	Name and address of the Statutory Auditors	2.1 / 2.2
2.2	If statutory auditors have resigned or have been removed during the period covered	Not relevant
3	**Selected financial information**	Chapter 3
3.1	Selected historical financial information.	Chapter 3
3.2	Selected financial information for the interim periods, and comparative data covering the same period in the prior year	Chapter 3
4	**Risk factors**	Chapter 4
5	**Information on the issuer**	Chapter 5
5.1	History and development of the issuer.	5.1
5.1.1	*The legal and commercial name of the issuer.*	5.1.1
5.1.2	*The place of registration and the register number of the issuer.*	5.1.2
5.1.3	*The date of incorporation and duration of the issuer, except where indefinite*	5.1.3
5.1.4	*The domicile and legal form of the issuer, the legislation under which it operates, the country of incorporation, the address and telephone number of its registered offices (or its principal place of business, if this is different than the registered offices).*	5.1.4
5.1.5	*Important events in the development of the issuer's business.*	5.1.5
5.2	Investments	5.2
5.2.1	*Principal investments made by the issuer for each financial year for the period covered by the historical financial information.*	5.2.1
5.2.2	*Current principal investments of the issuer*	5.2.1
5.2.3	*Information concerning the principal investments which the issuer plans to make in the future to which its management bodies have already made firm commitments.*	5.2.2
6	**Business overview**	Chapter 6
6.1	Principal Activities	6.1
6.1.1	*Nature of the operations and principal activities performed by the issuer.*	6.1.1 6.1.2 6.1.3
6.1.2	*Significant new products and/or services introduced into the market.*	None
6.2	Principal markets	6.2
6.3	*Exceptional factors which have influenced the information provided in accordance with points 6.1 and 6.2.*	Not relevant

N°	NAME OF THE HEADINGS IN THE EC REGULATION	CHAPTER(S)/ SECTION(S)
6.4	*Extent of the issuer's dependence on patents and licenses, industrial, commercial or financial contracts, or new manufacturing processes.*	6.7
6.5	*Elements on which all declarations of the issuer concerning its competitive position are based.*	6.1 / 6.2
7	**Organisational structure**	Chapter 7
7.1	Description of the Group and the place occupied by the issuer.	Chapter 7
7.2	List of the issuer's significant subsidiaries.	Chapter 7 / Annex I
8	**Property, plants and equipment**	Chapter 8
8.1	Information regarding any existing or planned material tangible fixed assets, including leased properties.	8.1
8.2	Environmental issue that might influence the use of its tangible fixed assets by the issuer.	6.8 / 8.2
9	**Operating and financial review**	Chapter 9
9.1	The issuer's financial condition, the change in this financial condition, and the results of the operations conducted during each financial year and interim period for which historical financial information is required.	9.1
9.2	Operating results	9.1
9.2.1	*Significant factors including unusual or infrequent events or new developments materially influencing the issuer's operating income.*	9.1.2
9.2.2	*Material changes in net sales or revenues.*	9.2 9.3
9.2.3	*Strategy or governmental, economic, fiscal, monetary or political factors that have substantially influenced or could substantially influence the issuer's operations.*	Not relevant
10	**Capital resources**	Chapter 10
10.1	Information on the issuer's capital resources (short and long-term).	10.1
10.2	Source and amount of the issuer's cash flows.	10.2
10.3	Information on the loan conditions and the structure of the financing of the issuer	22.4 / 10.3
10.4	Information on any restriction on the use of capital resources.	10.4
10.5	Information concerning the sources of expected financing.	10.5
11	**Research and Development, patents and licences**	Chapter 11
	Description of the material research and development policies applied by the issuer and the cost of the research and development activities sponsored by the issuer.	

N°	Name of the headings in the EC Regulation	Chapter(s)/ Section(s)
12	**Trend information**	Chapter 12
12.1	Significant trends that have affected production, sales and inventories, costs and selling prices since the end of the last financial year up to the date of the registration document.	12.1
12.2	Known trends, uncertainty or demand or any commitment or event that might be reasonably likely to have a material effect on the issuer's prospects, for at least the current financial year.	12.2
13	**Profit forecast or estimates**	Chapter 13
13.1	Statement explaining the principal assumptions on which the issuer based its forecast or estimates.	
13.2	Report prepared by accountants or independent auditors stipulating that, in the opinion of such accountants or independent auditors, the forecast or estimate of the profit has been adequately established on the basis indicated, and that the accounting basis used for such forecast or estimate is in conformity with the accounting methods of the issuer.	
14	**Administrative, management and supervisory bodies and senior management**	Chapter 14
14.1	Information on the activities, absence of convictions and the roles of: a) members of the administrative, management or supervisory bodies; and b) any senior manager whose name may be mentioned to prove that the issuing company has the appropriate expertise and experience to conduct its business.	14.1 14.3 14.6
14.2	Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management.	14.4
	Arrangements or understandings concluded with the major shareholders, customers, suppliers or other parties under which any of the persons described in point 14.1 has been selected as a member of an administrative, management or supervisory board or as a member of senior management.	Not relevant
	Restriction accepted by the persons described in point 14.1 concerning the sales, within a certain period of time, of their holdings in the securities of the issuer.	Not relevant
15	**Remuneration and benefits**	Chapter 15
15.1	The amount of the remuneration paid and the benefits-in-kind granted by the issuer and its subsidiaries	15.1
15.2	The total amount of the sums set aside or otherwise recognized by the issuer or its subsidiaries for the payment of pensions, retirement benefits or other benefits.	15.2

Nº	Name of the headings in the EC Regulation	Chapter(s)/ Section(s)
16	**Board Practices**	Chapter 16
16.1	The expiry date of the current term of office of the members of the administrative, management or supervisory bodies.	14.1
16.2	Information about service agreements relating to the members of the administrative, management or supervisory bodies.	16.5
16.3	Information about the issuer's audit committee and remuneration committee.	16.2.3
16.4	Statement indicating whether or not the issuer is in compliance with the existing corporate governance regime.	16.10
17	**Employees**	Chapter 17
17.1	Number of employees at the end of the period covered by the historical financial information or the average number during each financial year of this period and breakdown of the employees.	17.1
17.2	Equity interests and stock options: For each of the people mentioned in section 14.1, information concerning their shareholding in the issuer and all options relating the issuer's shares.	17.4
17.3	Agreements providing for involvement of employees in the capital of the issuer.	17.3
18	**Major shareholders**	Chapter 18
18.1	Identity of any person other than a member of an administrative, management or supervisory board who holds, directly or indirectly, a percentage of the capital or voting rights in the issuer who must be notified under the applicable national laws governing the issuer.	18.1
18.2	The existence of different voting rights.	18.2
18.3	Ownership or control of the issuer and the measures taken to ensure that it is not exercised abusively.	18.2
18.4	Agreements, the operation of which could result in a change in control of the issuer.	18.2
19	**Related party transactions**	Chapter 19/ Chapter 22/ Annex II
20	**Financial information concerning the issuer's assets and liabilities, financial position and profit and losses**	Chapter 20
20.1	Historical financial information.	20.1 / Annexes III, IV and X
20.2	Pro Forma financial information and description of the impact of the restructuring.	20.2 / Annex IV
20.3	Financial statements (company accounts and consolidated accounts).	20.1 / Annexes III, IV, VIII and X

N°	NAME OF THE HEADINGS IN THE EC REGULATION	CHAPTER(S)/ SECTION(S)
20.4	Audit of the annual historical financial information.	20.3 / Annexes V, VI, VII and XI
20.4.1	*Declaration certifying that the historical financial information has been audited.*	Annex V, VI and VII
20.4.2	*Other information contained in the registration document that has been audited by the statutory auditors.*	Annex IX
20.4.3	*When financial information contained in the registration document is not taken from the issuer's audited financial statements, state the source and specify that it has not been audited.*	Not relevant
20.5	Date of the latest audited financial information.	20.4
20.6	Interim and other financial information.	20.5
20.7	Dividend distribution policy.	20.6
20.7.1	Dividend per share.	Not relevant
20.8	Legal proceedings.	20.7
20.9	Any significant change in the financial or commercial situation of the group that has occurred since the end of the last financial year.	20.8
21	**Additional information**	Chapter 21
21.1	Share capital	22.1.1
21.1.1	*The amount of share capital subscribed for, the number of shares issued, their nominal value and difference between the number of shares in circulation at the beginning of the financial year and at the end.*	21.1.1
21.1.2	*Shares not representing capital.*	21.1.3
21.1.3	*The number, book value and nominal value of the shares held by the issuer or its subsidiaries.*	21.1.4
21.1.4	*Convertible or exchangeable securities or securities with warrants.*	21.1.5 21.1.6 5.1.5 (a) 5.1.5 (e) and 5.1.5 (f) Notes 15 and 17 of the consolidated accounts at Annex IV
21.1.5	*Information on the terms governing any right of acquisition and/or any obligation attached to the capital subscribed but not paid up, or to any enterprise intended to increase the capital.*	21.1.6
21.1.6	*Information on the capital of any member of the group that is subject to an option or to an agreement providing for the capital to be subject to an option.*	Not relevant
21.1.7	*History of the share capital for the period covered by the historical financial information.*	21.1.8

N°	NAME OF THE HEADINGS IN THE EC REGULATION	CHAPTER(S)/ SECTION(S)
21.2	Articles of incorporation and bylaws.	21.2
21.2.1	*Description of the issuer's objects and corporate purpose.*	21.2.1
21.2.2	*Members of the administrative, management and supervisory bodies.*	21.2.2
21.2.3	*Rights, preferences and restrictions attached to each class of existing shares.*	21.2.3
21.2.4	*Number of shares required to modify the rights of the shareholders.*	21.2.5
21.2.5	*Conditions for admission to, and calling of annual shareholders' meetings and special shareholders' meetings.*	21.2.6
21.2.6	*Provisions that could have the effect of delaying, deferring or preventing a change of control.*	21.2.7
21.2.7	*Provisions fixing the minimum thresholds for disclosure of shareholder ownership.*	21.2.9
21.2.8	*Provisions modifying the capital, where such conditions are more strict than those required by law.*	21.2.10
22	**Material contracts**	Chapter 22
23	**Third party information, statement by experts and declarations of any interest**	None
24	**Documents available to the public**	Chapter 23
25	**Information on holdings**	
	Provide information concerning companies in which the issuer holds a proportion of the capital that could have a significant impact on the assessment of its assets and liabilities, financial position or profits and losses.	Annex I

ANNEX XIV TABLE OF CROSS-REFERENCES

This Reference Document includes all the elements of the management report of GET SA required by Articles L. 225-100 et seq., L. 232-1, II and R. 225-102 of the French Commercial Code. It also contains all the information from the annual financial report required by Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulation B of the *Autorité des marchés financiers*.

In order to make it easier to read the management and annual financial reports mentioned above, the following table of cross-references identifies the sections which make up those reports. The table of cross-references also covers the other reports of the board of directors and of the auditors.

N°	Information	Reference
I	Management report	
1	Situation and business of GET SA during the current financial year and, if applicable, of its subsidiaries and the companies it controls	Chapter 6 Sections 5.1.5, 5.1.6, 5.2.1, 9.1, and 9.2 Note 1 of the annex to the consolidated accounts
2	Amendments made to the way in which the accounts were presented or evaluated since the previous years	Note 2 of the annex to the consolidated accounts
3	Results from business activities for GET SA, its subsidiaries and those companies it controls	Sections 9.2, 9.3 and 20.2
4	Key financial performance indicators	Chapter 3
5	Analysis of the development of the business, of its results and of its financial situation	Sections 9.2 and 9.3
6	Progress made and difficulties encountered	Sections 9.2, 9.3, 20.1 and 20.2
7	Description of the main risks and uncertainties facing GET SA (including GET SA's exposure to financial risks)	Chapter 4
8	Indications concerning the use of financial instruments, and objectives and policies of GET SA relating to the management of financial risks	Chapters 4 and 10
9	Important events that have occurred since the end of the financial year	Section 5.1.5 Note 14 of the annex to the consolidated accounts
10	Anticipated developments concerning GET SA and prospects for the future	Chapter 12
11	Research and development activities	Chapter 11
12	List of offices and functions carried out within the companies by each director during the past financial year	Sections 14.1

N°	Information	Reference
I	**Management report**	
13	Total remuneration and benefits of any nature paid to each director during the past financial year.(15)	Chapter 15
14	Commitments of any nature, made by GET SA to the directors relating to elements of remuneration, indemnities or advantages owed or that could become due at the time of, or following the removal, transfer or change of their functions.	Chapter 15
15	Transactions carried out by executives with respect to GET SA securities	Section 16.4
16	Key environmental and social indicators	Sections 6.8, 8.2 and 17
17	Workforce Information:	Chapter 17
	• Total headcount, employment (CDD and CDI), potential recruitment difficulties, dismissals and reasons for dismissal, overtime hours, external workforce of GET SA;	Sections 17.1.1 and 17.1.3
	• If applicable, information relating to the reduction of the employee base and job saving plans, reemployment and accompanying measures;	Sections 17.3.3
	• Organisation of working hours, amount of hours worked by both full-time and part-time employees, absences;	Sections 17.1.3 and 17.1.4
	• Remuneration and development, social security costs, application of the provisions of section IV of book IV of the French Labour Code, professional equality between men and women;	Sections 17.1.6
	• Professional relations and summary report of collective agreements;	Sections 17.3.1
	• Hygiene and security conditions;	Sections 17.2
	• Training and education;	Sections 17.1.5
	• Employment and integration of disabled employees;	Sections 17.1.7
	• Pro bono activities;	Section 17.6
	• Importance of sub-contracting and manner in which GET SA recruits sub-contractors and ensures compliance of its subsidiaries with the provisions of the fundamental agreements of the International Labour Organisation;	Section 17.1.3
	• Manner in which GET SA takes into account the territorial impact of its activities in terms of employment and regional development;	Section 17.1.2
	• Relations between GET SA and charitable organisations, educational establishments, organisations for the protection of the environment, organisations representing consumers, and local residents;	Sections 6.8, 17.1.2, and 17.6
	• Manner in which the foreign subsidiaries of GET SA take into account the impact of their activities on regional development and local populations.	Section 6.8
18	State of employees' shareholdings	Section 17.5.1

(15) *This includes the remuneration and benefits allocated by the Company and its subsidiaries, including by allocation of shares, debt or entitlements to shares. It is appropriate to distinguish the fixed, variable and exceptional elements making up the remuneration and benefits as well as the circumstances under which they are granted and the criteria according to which they are calculated.*

N°	INFORMATION	REFERENCE
I	MANAGEMENT REPORT	
19	Environmental information:	Sections 6.8 and 8.2
	• Consumption of resources in water, raw materials and energy and, if applicable, the measures taken to improve energy efficiency, the use of renewable energy, conditions of use of the soil, discharge of waste products into the air, the water or the ground, thereby seriously affecting the environment, auditory or olfactory nuisances, waste;	
	• Measures taken to limit the impact on the biological equilibrium, the ecosystem, and on endangered animal or vegetable species;	Sections 6.8
	• Evaluation or certification measures taken with respect to the environment;	Sections 6.8
	• Measures taken, wherever applicable, to ensure that GET SA's business activities comply with the legislative and regulatory provisions in this domain;	Sections 6.8
	• Spending on measures to prevent any harm that GET SA's activity could have on the environment;	Sections 6.8
	• Existence of an internal department dedicated to environmental services management, training and the supply of information to employees about the environment, the means adopted for reducing environmental risks, the procedures put in place for dealing with spillages and pollution which impact areas far from the premises of GET SA;	Sections 6.5.2 and Annex VIII
	• Amount of funds and guarantees set aside for environmental risks(16);	Not relevant
	• Amount of the indemnities paid during the financial year pursuant to court decisions concerning the environment and relating to the actions taken to repair the damage caused;	Not relevant
	• Environmental objectives that GET SA assigns to its foreign subsidiaries	Not relevant
20	Information on the policies concerning the prevention of technological accidents, the capacity of GET SA to cover all civil liabilities risks it faces with respect to goods or persons in light of its classified facilities, and the financial means with which it expects to ensure the management of the indemnification of the victims, should a technological accident occur for which GET SA is found liable	Sections 4.6, 6.5 and 6.6
21	Shareholdings in companies having their registered office in France, and representing more than 1/20, 1/10, 1/5, 1/3, 1/2 or 2/3 of the share capital or the voting rights of those companies	Section 21 and note 2.1 (i) of the annex to the consolidated accounts
22	Disposals of shares for the purpose of regulating cross-holdings.	Not relevant
23	Natural or legal persons directly or indirectly holding more than 1/20, 1/10, 3/20, 1/5, 1/4, 1/3, 1/2, 2/3 or 19/20 of the share capital or the voting rights of GET SA at shareholders' meetings.	Sections 18.1 and 18.2
24	Injunctions or monetary fines for anti-competitive practices(17)	Not relevant

(16) *Except where the information is of such a nature as to cause serious prejudice to the Company in ongoing litigation.*

(17) *Only if the Competition Council has required their insertion in the management report as a complementary measure.*

N°	INFORMATION	REFERENCE
I	MANAGEMENT REPORT	
25	Elements likely to have an impact on a public offer:	
	• Structure of the capital of GET SA;	Sections 18.1 and 21.1.1
	• Statutory restrictions on the exercise of voting rights, transfers of shares, and clauses of agreements that are brought to the attention of GET SA pursuant to Article L. 233-11 of the French Commercial Code;	Sections 21.1.2, 21.2.3, 21.2.6 and 21.2.7
	• Direct or indirect shareholdings in GET SA, that it is aware of in accordance with Articles L. 233-7 and L. 233-12 of the French Commercial Code;	Section 18.1
	• List of holders of all securities bearing special rights of control and a description of those rights;	Sections 16.2.1, 18.2 and 21.2.5
	• Control mechanism in the system of personal shareholdings, when control over the shares is not exercised by employees;	Not relevant
	• Agreements between shareholders that GET SA is aware of and which involve restrictions on the transfer of shares and the exercise of voting rights;	Not relevant
	• Rules applicable to the nomination and the replacement of members of the board of directors, as well as the amendment of the Articles of Association of GET SA;	Sections 16.2.1 and 21.2.5
	• Powers of the board of directors, in particular the issue or buy-back of shares;	Sections 16.2.1 and 21.1.6
	• Agreements concluded by GET SA which are modified or are coming to an end when a change of control occurs(18);	Section 22.4.1
	• Agreements providing for indemnities to be paid to the members of the board of directors or the employees if they resign or are made unemployed without an appropriate and serious reason or if their job position is no longer needed following the public offer;	None
26	Senior management of GET SA (only in case of modification)	Not relevant
27	Elements for the calculations and results of the adjustment of the basis of conversion or exercise of securities giving access to the share capital and options to subscribe for or purchase shares.	Section 20.9
28	Information on the share buy-back programmes(19)	Section 21.1.9
29	Summary table listing the delegations currently in effect concerning the increase in share capital	Section 21.1.6
30	Table of results of GET SA over the course of the past 5 financial years	Section 20.9
31	Amount of dividends distributed over the last 3 financial years	Section 20.6

(18) *Only if this disclosure, except where it is legal disclosure, has a serious impact upon the interests of the Company.*

(19) *This information includes average rates of sales and purchases, the total amount of negotiation fees, the number of shares registered in the name of GET SA at the end of the financial year and their estimated market value as well as their nominal value, reasons for the acquisitions made and the fraction of capital they represent.*

N°	Information	Reference
II	**Annual Financial Report**	
1	Company accounts	Annex X
2	Consolidated accounts	Annex IV
3	Report of the *Commissaires aux Comptes* on the company accounts	Annex XI
4	Report of the *Commissaires aux Comptes* on the consolidated accounts	Annex VII
5	Management report including at least the information mentioned in Articles L. 225-100, L. 225-100-2, L. 225-100-3 and L. 225-211 paragraph 2 of the French Commercial Code	Please refer to the management report mentioned in (1) above and, in particular, headings 4, 5, 7, 8, 25, 28 et 29
	Declaration of the persons assuming responsibility for the management report	Chapter 1[20]
6	Fees of the *Commissaires aux Comptes*	Section 20.10
7	Chairman's report on the conditions for the preparation and organisation of the board's duties and responsibilities, as well as the internal control procedures in place within GET SA.	Section 16.2 and Annex VII
8	Report of the *Commissaires aux Comptes* on the internal controls	Annex IX
9	List of all the information published by GET SA or made public over the course of the last 12 months	Section 23.2
III	**Other reports**	
1	Special report of the *Commissaires aux Comptes* on the regulated agreements	Annex II

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