

# Eurotunnel on Track

June 2008



Letter to Groupe Eurotunnel SA  
shareholders



## General meeting on 27 June 2008

Dear shareholders,

According to old adage, success breeds success.

We have proved it once again with the formidable results of the recent rights issue that has enabled the early cash redemption of the remaining NRS II.

**The public placement** alone enabled us to raise €641 million<sup>1</sup> through the exercise of 70% of the free warrants (BSA) granted to shareholders, well above our expectations. Shareholders have therefore clearly shown their confidence in the future of the business and in its potential for further development. For this, I thank them.

**The private placement** - open to qualified investors only - of the 31,367,392 new shares corresponding to the unexercised BSA, was then oversubscribed in a matter of hours, showing how well received the transaction was by financial markets.

In recent weeks, I have personally met some 150 investment organisations of all types (investment funds, insurers, pension funds, assets managers, hedge funds...) to introduce and, in some cases, re-introduce them to the strengths and opportunities of the Group. I was happy to see that **110 investors**, all of them of very good standing, eventually took part in the placement. Whilst I am not in a position to name them, I can tell you that 60% of the private placement was taken up by UK-based investors, 30% by French organisations - thereby making a come-back - and the rest by entities based in other countries (Italy, Switzerland, Sweden, Middle East...)

In the midst of a market crisis, Groupe Eurotunnel has succeeded in building a healthy, simplified capital structure and in line with our intentions: a large number of individual shareholders alongside long-term investors.

At the end of July, the first tranche of the NRS I will be redeemed. This should not significantly impact the new shareholder structure which has just emerged. Groupe Eurotunnel's **market capitalisation**, on the basis of a share price of say, €11, will be in excess of €2 billion. A respectable level which leaves us very well positioned!

Furthermore, **shareholders have just received**, at their option in shares or in cash, approximately €130 million, corresponding to the BSA attributed to them in this rights issue. For a complete picture, the warrants you received as part of the Exchange Tender Offer in 2007 (although unaffected by this transaction) should be taken into account as they are highly likely to be exercisable in 2011. Finally, the NRS you were able to subscribe for during that offer must also be added.

This is what the new Eurotunnel is about! A Group that really cares about its shareholders.

**The business outlook** is still good. Our competitors, or those of Eurostar, that is ferry and airline operators, are having to bear increased operating cost due to fuel prices, that they will inevitably have to reflect in their prices (some have already announced it).

In this area too we have an obvious competitive edge using mainly electricity. This bolsters our position as the most environmentally friendly means of crossing the Channel.

**Our next big event is the AGM on 27 June 2008** in Calais on first notice. The agenda covers largely ordinary business, with one particular item (see box overleaf): the ratification of the appointment of four directors proposed by ENHC, the structure representing the initial NRS holders. After having obtained confirmation that this element of the Safeguard Plan was still applicable following the full redemption of the NRS II, the Board decided to propose this ratification, so as to have a completed Board. This is necessary, particularly if we come to contemplate major investments in the future.

We are now in full working order, determined to maintain our performance at the highest level and to create value for you, shareholders.

We know that this is what you expect most in future, thanks to a questionnaire sent out to 50,000 of you, for which the high level of response showed, once again, all the interest and attachment you have for our company (see box overleaf).

**If you cannot attend the General Meeting in person, make sure you return to your bank** as soon as possible and in any event by 20 June, your single proxy/postal voting form (beware of postal delays). It would be a great shame were we not to have a quorum present on 27 June and be obliged to incur the unnecessary costs of reconvening the meeting.

We will continue to progress by working together. Thank you once again for your attachment to Groupe Eurotunnel.

Yours faithfully,

A handwritten signature in black ink, appearing to be "J. Gounon".

Jacques Gounon,  
Chairman and Chief Executive

<sup>1</sup> Rounded amount.

# How to take part in the general meeting of Groupe Eurotunnel on 27 June 2008

The ordinary general meeting of Groupe Eurotunnel SA will be held on Friday 27 June 2008 at 2.45 p.m. (French time) at Complexe Calypso, rue Martin du Gard, Calais, France.

Groupe Eurotunnel SA has already informed banks and financial intermediaries; they should therefore be able to answer all your questions relating to participation in the meeting.

**You will receive your shareholder pack from your financial intermediary, in which you will find the single proxy/postal voting form, together with a**

**reply paid envelope.**

In your pack, you will find all the necessary information on the resolutions being proposed by the Board. If you are unable to attend the meeting, you must complete and sign the single proxy/postal voting form and return it as soon as possible and preferably, **before 20 June, to your bank. Failure to do so may lead to your vote not being taken into account. Should you still not have received your pack by 15 June 2008, don't hesitate to request it immediately from your account manager.**

## ■ If you are a registered shareholder, please contact BNP PARIBAS SECURITIES SERVICES:

**Tel: +33 1 55 77 41 02** (from abroad) / 0810 139 570 (local call from France)

[Paris.bp2s.get.sa.shareholders@bnpparibas.com](mailto:Paris.bp2s.get.sa.shareholders@bnpparibas.com)

■ **If you hold your shares in bearer form, your account manager will be your contact.** Once you have completed the form, return it to the bank or financial intermediary dealing with your account and they will complete the necessary formalities on your behalf. You can contact us on **+33 1 44 84 80 94 from abroad** (or 0800 00 10 12 from France), Monday to Friday, 7.45 a.m. to 5 p.m. (UK time) for more information.

■ **If you are a CDI holder either through Computershare or through any other financial intermediary, you must complete the "Form of Instruction" and return it to COMPUTERSHARE INVESTOR SERVICES PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AU, which is your sole point of contact for this general meeting.** Tel: 0870 703 0039/ [Web.queries@computershare.co.uk](mailto:Web.queries@computershare.co.uk)

*In all cases, do not forget to sign and date the form before returning it.*

## Four new directors to be ratified

At its meeting on 5 June 2008, the Board of Directors of Groupe Eurotunnel SA appointed four directors. These appointments will be put forward for ratification by shareholders at the forthcoming general meeting of Groupe Eurotunnel SA.

● **Bernard Attali (64):** A graduate of the French Ecole Nationale de l'Administration, honorary magistrate of the Cour des Comptes (French national audit office), he has held numerous management positions in both public and private sectors, including being Chairman of Air France. He is a senior advisor for TPG Capital.

● **Jean-Pierre Mattéi (58):** A company director, Chairman of Fimopar SAS (financial investment consultancy) since 2003. He specialises in judicial and arbitration expertise. He has been Chairman of the Paris Commercial Court.

● **Martin Mogens Skaanild (63):** Of Danish nationality, he has held numerous management roles in international maritime transport companies. Since 2004, he has carried out advisory work for various transport companies.

● **Gérard Van Kemmel (68):** A graduate of HEC Management School, holder of an MBA, he was Chairman of Andersen Consulting France and later technical advisor to Jean Arthuis, the then Minister of Finance, before joining Novell, the US company, where he became Chairman. He is currently a director and member of the audit committee of Sanofi Aventis.

## Shareholder Survey: high level of response and positive views.

Over **10%** of the **50,000** shareholder who received our survey took the time to respond; a high rate of response. What can we learn from this?

- **84%** express a **positive feeling in relation to the overall situation of Groupe Eurotunnel SA** and **88%** of them are **satisfied with the information** they receive.
- **56%** consider their shares as an **investment with potential** either in the medium term or as a safe holding at difficult times; **79%** state they wish to **hold on to their securities for at least 3 years**; **40%** chose to invest as a **long-term investment**; **75%** want to see the Group **develop** over the next few years.
- The main advantages of Eurotunnel are seen today as being: a company **without a debt burden (21%)**, a **long-term Concession (19%)**, **rail-freight development potential (13%)**, **competitive advantages (13%)**.
- Over **68%** wish to **continue the dialogue with Groupe Eurotunnel**, asking for emphasis on **business strategy** (in 1st place) as well as on the **evolution of the debt and results** (2nd).

## Beyond our control

It has come to our attention that some of you have experienced delay in receiving the recent rights issue documentation as well as the previous edition of **Eurotunnel on Track** and the survey enclosed. After looking into the matter, we can assure you that the problem is not due to Eurotunnel or our printer. All the documents were delivered on time to the postal services...

The delivery problems referred to opposite have forced us to stop sending Eurotunnel on Track to addresses outside the UK and France. Anyone affected, should they so wish, will receive it by email. For them, as for all of you, we remind you that electronic communications are a low-cost speedy and secure means of delivering information, whilst being respectful of the environment.

[www.eurotunnel.com](http://www.eurotunnel.com)

**Eurotunnel on Track is for information only and has no legal value.**