

Eurotunnel on Track

March 2008



*Letter to Groupe Eurotunnel SA
shareholders*



Dear shareholders,

You should now feel great confidence in your company.

In the middle of a market crisis we have successfully launched the issue of deferred equity, in the form of Subordinated Deferred Equity Securities (SDES), with no discount, on the basis of an underlying share value of €9.65.

You subscribed more than €53 million¹ out of the €800 million of this phase, even though this type of instrument only gives access to the equity in 18 months time. This is therefore a very considerable investment. The public and financial institutions have taken up the remainder.

I would particularly like to thank all those who have, in this way, shown their desire to be part of our success.

The markets have reacted very favourably to this operation as the share price has gone up by 20% between its announcement, on 20 February, and its closure, on 6 March, a period during which the CAC lost 2,8%.

This has enabled us to notify the NRS II holders that we will redeem more than half of them; €841 million out of a total amount of €1,616 million.

This first redemption will immediately enable us to make a saving of €35 million in a full year (not including the coupon on the SDES) and to prevent the issue of shares worth €51 million: the promised increase in shareholder value has begun. It will be amplified by the second phase of the fund raising and ultimately by the exercise of all or part of the warrants.

If conditions allow, our ambition is to target the next date for notification of NRS II holders, 6 June 2008, through a springtime launch of the second phase of the fund raising, based on the year end accounts which will be published on the coming 8 April.

At present the make-up of our shareholder base is as follows²:

There are currently half a million of you. This has always been one of the great strengths of our group and I hope that you will become even more numerous. You will find the geographical break down on the back of this edition of On Track.

Since last summer, a number of long term institutional investors have joined the individual shareholders: not counting the European Investment Bank, loyal since our origins, or Richelieu Finances, we now have some investment funds, investment companies, life insurance companies and pension funds. These now represent one third of the equity.

This is very important for the future as it signifies confidence and stability, qualities which are important for the stock markets.

More important still, the average holding (see the breakdown of portfolios overleaf) is significant - 343 shares - and above all, there is a trend towards strengthening the largest portfolios, despite two characteristics which are penalizing the stock: very poor liquidity (only 59.8 million shares in total) and high volatility (small volumes traded lead to large price fluctuations, associated with a rapid turnover of a fraction of the equity).

The second phase of the fund raising also aims to change this situation, to make it more favourable to your interests.

Subsequently the first and second phases of the NRS I will be converted into shares, in July 2008 and July 2009. We should remember that the principal initial holders of these NRS I are on the one hand the funds Oaktree and Franklin and on the other Deutsche Bank, who will enter the equity if they have retained their notes³.

Then the SDES will reach maturity in September 2009. The infrastructure fund, Goldman Sachs Infrastructure Partners (GSIP)⁴ has subscribed a very significant part of the SDES. On the premise that they have retained them, as they have recently stated, this fund will, in all likelihood become our principal shareholder. We will then have alongside us an infrastructure specialist present across the world as partner to numerous concessions. They should bring us not only long term vision, but also support for our development ambitions.

In this way, solidly anchored by an important retail shareholder base and with strong investors, we will continue to create value for you.

If, as I hope, you are convinced, you will retain your confidence in us and take a large part in the coming rights issue.

Once more, thank you for being part of Groupe Eurotunnel.

Yours faithfully,

A handwritten signature in black ink, appearing to be "JG", written in a cursive style.

Jacques Gounon,
Chairman and Chief Executive

¹ Some shareholders were, unfortunately, not able to subscribe, even though that had been their intention, due to the tardiness of their financial intermediaries. We regret this situation, but must point out that Groupe Eurotunnel SA has, unfortunately, absolutely no means of intervening or putting pressure on the intermediaries. It is our responsibility to address whatever complaints you have directly to these intermediaries.

² TPI (shareholder analysis) January 2008.

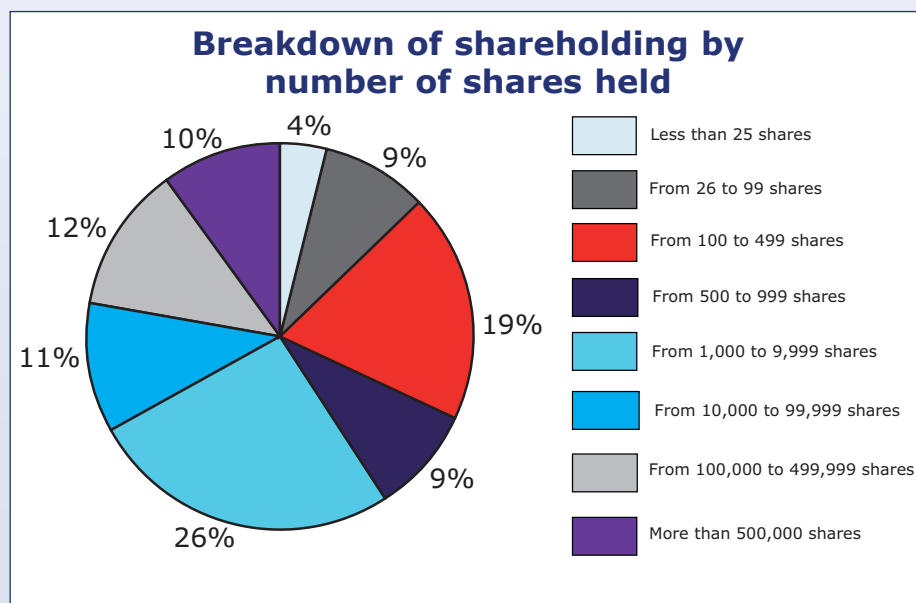
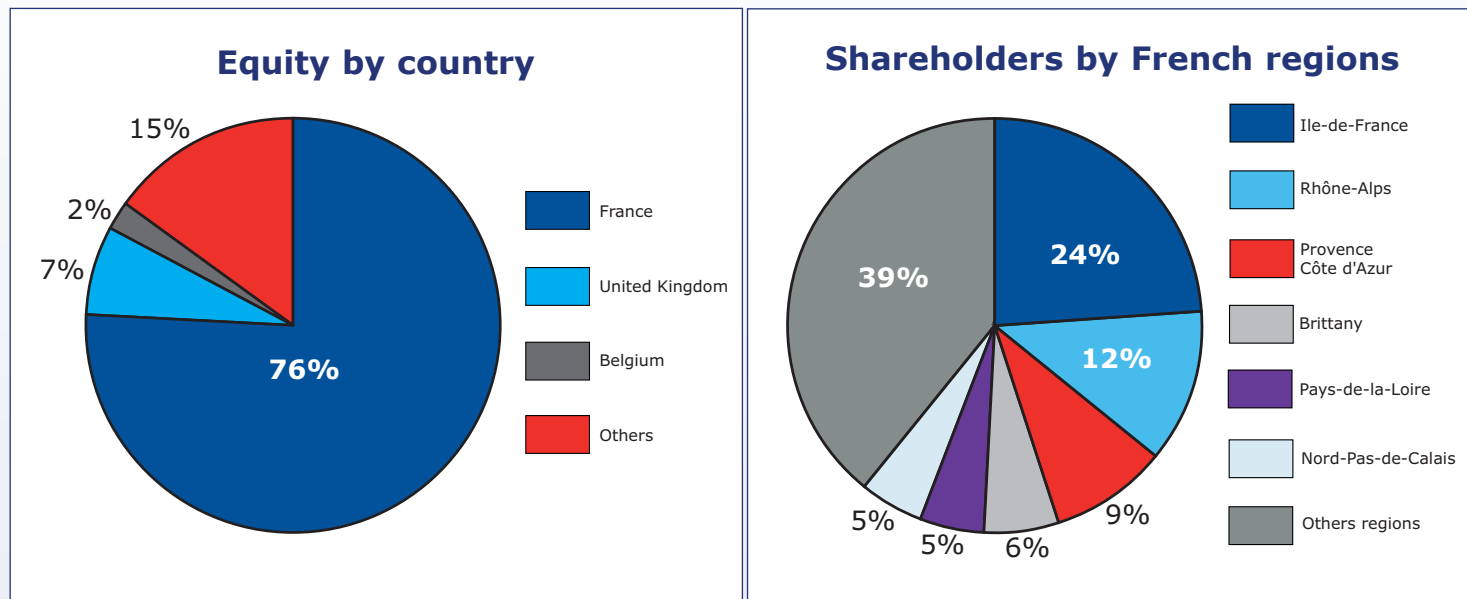
³ The NRS and the SDES being held by nominees, major changes in their holders can occur without us having any knowledge.

⁴ See the box on GSIP overleaf.

Groupe Eurotunnel SA shareholder analysis¹

- Approximately half a million shareholders
- Equity divided 2/3 individuals and 1/3 institutions
- A net strengthening of institutional positions between January 2007 and January 2008
- Average holding of 343 shares
- An increase in the weight of the largest holdings.

¹ Analysis of holdings of 25 shares and above, on 2 January 2008, registered and nominee accounts, BNP2S and Computershare.



126,090

That is the number of individual shareholder enquiries recorded by the Groupe Eurotunnel Shareholder Relations Centre in 2007, compared to 22,634 in 2006. It was a very busy year, due mainly to the Exchange Tender Offer, the setting up of a single travel privilege scheme and the share consolidation. 56% of the enquiries came from the United Kingdom and 44% from France.

Goldman Sachs Infrastructure Partners «GSIP»

GS Infrastructure Partners ("GSIP") is a global infrastructure fund managed by Goldman Sachs, with more than \$6.5 billion under management. GSIP's primary investment focus is on core infrastructure sectors, particularly transport infrastructure and utilities. GSIP focuses on large opportunities in developed markets, particularly Europe and North America. GSIP has, for example, invested in Associated British Ports, the largest port operator in the United Kingdom and in Kinder Morgan, an energy pipeline operator in the United States. Goldman Sachs committed approximately \$750 million of the fund's capital. Other institutional investors in GSIP include pension funds, insurance companies and banks.

Many of you have contacted us about delays to receiving On Track. Unfortunately, Groupe Eurotunnel SA has no control over the time taken by the postal services. However, **if you would like to receive the information in your email inbox in real time**, send us an email request to shareholder.info@eurotunnel.com specifying the email address at which you would like to receive this information, your first and last names, your postal address and your shareholder reference, whether registered or nominative.

To contact the Shareholder Relations Centre

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