

Eurotunnel on Track

December 2008



*Letter to Groupe Eurotunnel SA
shareholders*



Dear Shareholders,

In the approaching New Year Eurotunnel will see the full capacity of its installations restored. As early as mid-February 2009, as we planned, the renovation of interval 6 of the North Tunnel should be completed; the continued good progress of the works, so far without setback, makes us confident that they will be completed by that time.

By the end of November all the necessary surveying had been completed, the vault had been stabilised by "bolting" and the removal of the concrete which had been damaged by the fire, had been completed. The main phase of the works - the spraying of concrete - began in the first week of December. We have also received from our insurers the first instalment in respect of reimbursement for the works.

We are therefore now in a position not dissimilar to regular repair works, i.e. without any particular risk. Once the damaged sections of the vault have been restored, we will have only to reinstall the tunnel equipment (cooling, signalling, catenary, etc.): this is familiar, everyday work carried out regularly as part of scheduled operations by maintenance teams and sub-contractors. We are now moving towards horizons which we understand and can manage.

There is of course still a lot of work to be done: you will find overleaf a detailed description of the works completed and those outstanding.

Alongside the impressive mobilisation of technical and human resources, we are conducting a series of studies and tests to find reliable and pragmatic solutions to prevent any reoccurrence of such a situation. Human safety remains our absolute priority. The protection of the infrastructure needs to be improved, and it must be improved as quickly as possible. Even though the cause of the fire is still unknown, we are working towards being in a position to present solutions to the IGC before the reopening of the damaged section.

Current operations, despite reduced capacity, are optimised enabling us, as much as possible, to reduce any loss in revenue. Eurotunnel will publish its preliminary review of 2008 activities in mid-January. In the meantime, please note that when you receive this edition of On Track, Eurostar will already have welcomed its 10 millionth passenger since the opening of St. Pancras International. This is well in excess of expectations and, even if some City businessmen are absent, the "leisure" market is doing well.

As far as our Shuttles are concerned, the difficulties experienced by some of our competitors should enable us to capitalise on our customer loyalty: the demise of Speedferries, which operated between Dover and Boulogne, and the potential operational restructuring of SeaFrance, no doubt linked to its fleet restructuring. I salute the courage of their new management who are, in the current difficult conditions, starting the rationalisation we carried out in 2005.

The natural link between Great Britain and the Continent, the Straits of Dover is the obvious point for the rapid transfer of goods and people. Eurotunnel, as the leading operator in this market, continues to look for means of making headway to improve the quality of its service and attract ever more customers. At the same time, we remain vigilant and we are always on the lookout for opportunities to reduce costs.

Our principle shareholders are loyal and remain confident in our capacity to generate recurring cash-flows.

The company has been able to meet the challenge of the incident that occurred in September. It has rallied to prove the relevance of our economic model in these times of crisis.

We therefore start the New Year resolutely, a year which marks the 100th anniversary of Blériot crossing of the Channel in 35 minutes. A crossing Eurotunnel now makes in the same time on average 300 times-a-day!

On behalf of the Board and of the staff of Groupe Eurotunnel, I wish you a very merry Christmas and a happy New Year.

Yours faithfully,

A handwritten signature in black ink, appearing to be "J. Gounon". The signature is fluid and cursive, written in a dark ink on a white background.

Jacques Gounon
Chairman & Chief Executive

Latest on the reconstruction works in Interval 6

Eurotunnel and its partners have set an ambitious target to ensure the full reopening of the tunnel by mid-February 2009. To achieve this, a detailed 4-month works plan has been drawn up. It aims to do better than in 1996 in terms of costs and time, thanks to a coherent and responsible group of companies; rigorous project management; obtaining materials in advance; solid logistics and, above all, a motivated team of experts. The priority, is of course as always, given to strengthening the safety of our installations and equipment. The works, the cost of which are estimated at less than €60m, significantly below the cost in 1996, began in October. In line with our policy of transparency, a group of journalists visited Coquelles on 10 December to see the progress of the works.

Cleaning: **Mid-October 2008**

Construction of a bulkhead system: Two isolating doors spaced 800m apart were installed intervals 6 and 4 to prevent dust from spreading from the worksite into the undamaged parts of the North Tunnel.

Clearing away debris and rubble:

Up to five vacuum lorries have been working simultaneously to clear away debris and rubble from the Running Tunnel walkways.

Preparing the surface for renovation

'Bolting': A 3-metre long metal rodmetal rod long is inserted into the tunnel walls in order to hold the damaged lining segments in place.

Creating a ballast trackway in the Running Tunnel to enable the movement of plants and equipment.

Removing cooling pipes in the most severely damaged parts of the interval.

'Hydrodemolition': Selective removal of damaged concrete using a high-pressure water jet.

Installing metallic reinforcement on the damaged tunnel walls.

December

Concreting

Spraying several coats of concrete onto the walls, then smoothing it out.



Concreting



Road

Installing equipments

This includes power cables, new rails, optical fibre, signalling system, catenary and cooling pipes.

Testing

Testing equipment operations and running test Shuttles.

Mid-February 2009

Reopening of interval 6

Life-size simulators to train our crews for all emergencies

To train its staff and to prepare them for all emergencies, Eurotunnel has had for many years at its terminal in Folkestone, simulators which reproduce in real size its different types of carriages as well as a section of approximately fifty meters of Tunnel. Smoke of different density can be purposely emitted within these equipments. Practice runs for the evacuation of Truck Shuttles and Passenger Shuttles are carried out within these installations, particularly in reduced visibility conditions; they are assessed and improved, should it be necessary.



Eurotunnel receives an award for its new point system and the speed of its installation

Eurotunnel, in partnership with the German group Vossloh, one of its suppliers of specialist rail equipment, was awarded the Mobility Award at InnoTrans 2008, the international trade fair on railway technology, recently held in Berlin. The attention of specialists attending from around the world was drawn to the quality of the new point system installed by Eurotunnel since December 2007 and the exceptional conditions in which they were installed.

James Bond trusts Eurotunnel!

The luxury cars of 007, the most famous spy in the world, travelled onboard Eurotunnel Shuttles in October for the marketing of the latest James Bond movie. Proof, if need be of the trust placed in our equipments!



Aston Martin

To contact the
Shareholder
Relations Centre



Shareholder Relations Centre - Groupe Eurotunnel
Terminal UK - Ashford Road - Folkestone - Kent CT18 8XX



shareholder.info@eurotunnel.com

www.eurotunnel.com

Tel: 08457 697 397

local rate number

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