

Eurotunnel on Track

January 2009



Letter to Groupe Eurotunnel SA
shareholders



Dear Shareholders,

We have recently published **our traffic and revenue figures for 2008** (see overleaf for details).

Despite much reduced capacity over the last four months, we have managed to limit the decrease in revenues to just -2% compared to 2007 at a constant exchange rate¹. This performance is due in particular to an increase in railway revenues, mainly from **Eurostar, whose success was expected, with an increase in passenger numbers of +10%** and the breaking of the 9 million passenger barrier, for the first time since the opening of the Tunnel. As for rail freight, our new pricing policy works: for the first time since 2004, the tonnage transported has even slightly increased!

With regard to **Shuttle Services**, we have intensified our strategy of improving operational profitability whilst maintaining service quality ahead of volumes. Despite the significant constraints which come from operating alternating flights of departures, we have been able to increase our load factors. The result is a reduction in traffic which is less than the reduction in capacity. This situation has been a demonstration of just how strong our economic model is and provides us with a measure of comfort for the future.

These figures, which relate to our activity, must not of course be confused with the financial results which will, in their turn be published on 4 March. That is the moment when, taking into account the insurance indemnities as well, we will have a comprehensive view of 2008.

In these early days of 2009 the absolute priority is the reopening of the Tunnel during the night of 9 to 10 February.

The works to re-equip interval 6 are being completed and we will soon begin a period of tests to check the correct functioning of the equipment. Excluding any last minute setbacks, we are ahead of our predictions. The restoration of the damaged section of the Tunnel will have taken only three and a half months: an achievement which is to the credit of our teams and the subcontractors we employed.

The complete re-opening of the Tunnel will therefore take place before the February Half Term, a traditionally busy time for Eurotunnel; Passenger Shuttle reservations, including the new capacity, are already available, as since the 15 of January, are bookings for travel privilege holders.

You will find further information on the progress of the restoration works overleaf. There is, however, as yet no further information available as to the cause of the fire, whilst the numerous enquiries continue to take their course.

Finally, we have presented some proposals for rapidly limiting the risks and consequences of such an incident in the future to the Intergovernmental Commission Safety

Authority. I will, of course, give you further details of these measures once they have been approved by the relevant authorities.

Eurotunnel is not only an infrastructure manager and transport operator, it also has a role **in economic development**. You will recall that the French Government gave Eurotunnel a responsibility for regional development from the outset. In light of this, we signed an important **agreement with the Conseil Général du Pas-de-Calais** at the start of this year. The agreement covers the promotion of the local area and its development in a sustainable manner and in the interests of cross-Channel mobility.

Alongside a joint bid with Kent to recognise the Straits of Dover as a UNESCO World Heritage Site, a total of 36 projects covering the economy, tourism and sport are identified within the agreement. They aim to promote international tourism into the Euro-Region and to benefit from the dynamic of the London 2012 Olympic Games.

As you can see, your company is working with great vigour on many fronts.

In order to better understand the Eurotunnel "community", we initiated a survey of **our shareholders** at the start of this year. I will give you the results in the next edition of On Track. We have also proposed that CDI² holders convert their entire holding by registering as shareholders with our Registrars BNP Paribas. 17,000 have transferred their CDIs, underlining their attachment to the company.

2009 holds many uncertainties, but we face them with our full resources available and our staff highly motivated.

Once again I wish you a happy New Year and more than ever I thank you for your commitment. It is with you, our shareholders that we will continue to do the best we can.

Yours faithfully,

A handwritten signature in black ink, appearing to read "J. Gounon". The signature is fluid and stylized, with a long horizontal stroke at the end.

Jacques Gounon
Chairman & Chief Executive

¹ Revenues do not include insurance indemnities due for operating losses as a result of the fire in September

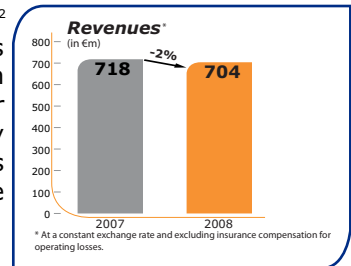
² CDI (Crest Depository Interest) : Financial instrument issued to represent the dematerialised GET shares in the UK

Business in 2008

Despite the reduced capacity of the last four months, Eurotunnel has succeeded in recording only a very slight decrease in its revenues, which do not include insurance compensation for operating losses currently being evaluated by insurance experts. A successful economic model and a reactive commercial policy backed up by a constant preoccupation with service quality have enabled us to retain our position as leader in cross-Channel transport.

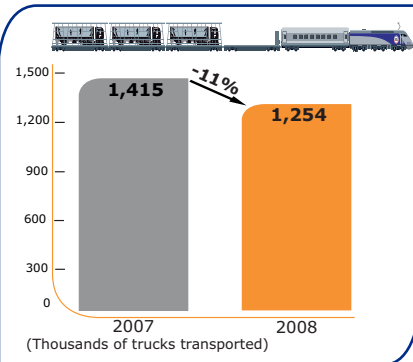
Revenues¹

Eurotunnel's total revenues, un audited, for 2008 were €704 million, a decrease of 2%² compared to 2007. Revenues from the Railways showed an increase of 7%² in 2008, mainly as a result of the significant increase in the number of Eurostar passengers. Annual revenues, which progressed well during the first half of 2008, were affected by the fire at the start of September which reduced Shuttle capacity by about 50% and to increase Eurostar journey times by approximately half an hour. A concentration on the railways activity and a Shuttle services commercial policy focused on high contribution customers ensured that the revenues for the fourth quarter suffered only a 24% decrease².

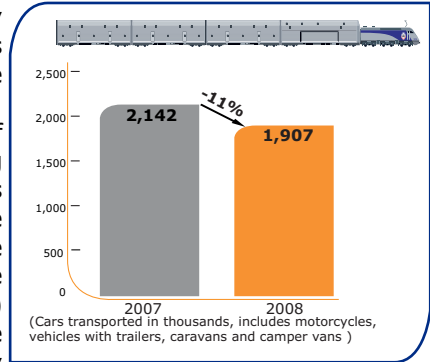


Eurotunnel Shuttles

During the first half of 2008, Truck traffic increased by 7%. To limit the consequences of the loss of capacity and in order to maintain service quality in the context of the reduced capacity, Eurotunnel focused on customers with contracts. Improved load factors meant that the number of trucks transported during the fourth quarter of 2008 only decreased by 45%. Overall the number of trucks transported decreased by 11% for the year.



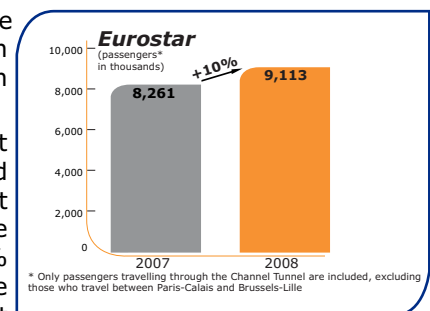
Passenger Shuttle activity suffered the same effects as a result of the reduction in capacity: growth in the number of cars transported during the first half (+4%) was reduced by 11% for the full year, although the reduction in traffic in the fourth quarter (-37%) was less than the reduction in capacity (-50%).



Railways

Bringing the Channel Tunnel back into service after only 30 hours of interrupted service limited the consequences of lack of availability on Eurostar activity. This enabled the high speed train Eurostar to transport more than 9 million passengers in 2008 between London and Paris and London and Brussels for the first time, an increase of more than 10%.

Despite the continuing declining trend in the number of rail freight trains during the first quarter of 2008 (-13%), the stabilisation seen over the following three quarters limited the decrease in traffic to 4% for the year, with the fourth quarter even showing a slight increase (+6%). On the other hand, in terms of goods transported rather than the number of trains, it is apparent that the tonnage transported in 2008 increased by 2% (1.24 million tonnes in 2008 compared to 1.21 million tonnes in 2007) for the first time since 2004, thus demonstrating the success of the new pricing structure for rail freight introduced by Eurotunnel in October 2007.



¹ Revenues do not include insurance indemnities due for operating losses as a result of the fire in September

² At a constant exchange rate: average exchange rate for 2008: £1=€1.216



Inst. of 21kV cable

Home straight for the re-opening of Interval 6

Shotcreting the 650m of damaged lining took only a month. Civil engineering work was completed on 9 January and the last elements of fixed equipment are now being installed. 110 people are working 24/7 to lay cables, cooling pipes and catenary. Following a series of safety tests, the re-opening of Interval 6 is planned for the night of 9 to 10 February. Traffic will then be fully re-established, bringing to an end the operations with limited train paths and slower crossing speeds.

This re-opening in record time will enable us to restore the quality of service which is so valued by our customers.



Partnership with regional council to develop cross-Channel mobility

On 6 January 2009, Jacques Gounon, Chairman and Chief Executive of Eurotunnel and Dominique Dupilet, President of the Conseil Général du Pas-de-Calais, signed a partnership agreement to develop structural projects which could notably, within the dynamic of the London 2012 Olympic Games, provide training bases for sports teams.

Help us to save the planet and to reduce costs

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