

Eurotunnel on Track

April 2010



Letter to Groupe Eurotunnel SA
shareholders



Dear Shareholder,

The most recent news is the unprecedented crisis faced by the airline industry following **the volcanic eruption in Iceland**. Beyond the very significant increase in traffic that we handled (we estimate that we "rescued" in the region of 150,000 people in one week), it is the vital importance of the cross-Channel link and the fragility of airline competition that came to the fore.

In the circumstances, we were able to demonstrate **the flexibility and efficiency of our transport system** – crossing the Channel in 35 minutes, without any waiting, with Shuttles leaving every 10 to 15 minutes while broadcasts were showing ferries having difficulties managing their passengers. I am convinced that we have recruited new followers through this experience.

All the more so when SeaFrance has decided to make use of the **safeguard procedure before the Paris Commercial Court**. You should be aware that this procedure is quite different from the one we went through. For Eurotunnel, it was about restructuring a debt linked to colossal initial investments. For SeaFrance, it is essentially to wipe out operating losses even though maritime transport receives considerable amounts in direct and indirect support – there are no (or very small) employment costs in that sector, ports do not pay any professional taxes and depreciation is reduced to a minimum through support for naval construction and tax-efficient structures.

Despite this distortion in competition, it is quite clear that ferries operate a pricing policy which does not allow them to cover their costs. Let's hope that reason prevails and that the cost of the crossings will cease to be subsidized by the ferry owners and public authorities.

Meanwhile, we once again demonstrated our **commitment to protecting the environment** through the inauguration of the wind farm in Coquelles with our guest of honour the environmentalist, Jonathon Porritt (see overleaf).

Another piece of news is the arrival, on 3 May, of **a new head of operations for the Tunnel – Michel Boudoussier** – a railway specialist who knows us well as he was regional director for SNCF in the Nord-Pas-de-Calais region between 2006 and 2008 (see biographical details overleaf). A few days later, on 10 May, our current operations director, **Pascal Sainson**, will take over from me as chairman of Europorte – you may know that under European legislation infrastructure management activities must be separated from that of train operator. As the Group continues to diversify its activities, I am also putting in place a corporate function, bringing together finance, legal, procurement and administration, under the leadership of **Claude Liénard**, our current finance director. With this enlarged and strengthened management team, your company is well-equipped to continue to improve its performance.

Finally, upcoming news is the forthcoming **combined general meeting on 26 May in Coquelles**.

A number of key issues will be put to your vote:

- The declaration of **a dividend** of €0.04 per share for the second consecutive year – the record date will be 19 July and payment date 22 July.

- The ongoing **simplification of our legal structure** through the merger with EGP (Eurotunnel Group UK) and TNU PLC before the end of the year.

EGP is the company that issued the NRS. Following the redemption of the last NRS, at the end of July 2010, it will have no further purpose. As for TNU PLC, one of the two original holding companies, it too no longer has a purpose and, as repeatedly indicated, it was always intended that it would disappear. Its balance sheet is stronger than that of TNU SA therefore the exchange of shares will be made on a ratio of 394 TNU PLC shares for 1 GET SA share. This transaction will not affect the rights of holders to TNU travel privileges (1987 and 1990) which will continue to be honoured by CTG. Specific communication will be addressed to holders of travel privileges during the second half of 2010.

- A new make-up of the Board of directors: on 27 June 2008, you were asked to approve the appointment of four directors put forward by ENHC (Eurotunnel NRS Holders Company Limited) the structure bringing together the old creditors. This period is also now over. I would like nonetheless to pay tribute to them publicly for the work carried out - these four representatives always gave their clear and unequivocal support to agreed policy.

You will therefore be asked to reappoint seven directors and to appoint four new directors (see overleaf). Logically, two of them are linked to our main shareholder, GS Infrastructure Partners (GSIP), the international infrastructure fund managed by Goldman Sachs¹.

- The complete normalisation of your company also involves the implementation of a long term incentive plan for staff to align your interests (share price) with the commitment of our teams. We will propose to allocate to this plan a small number of the GET SA shares that have been bought-back (1% of the capital over 3 years) which would therefore not impact you.

In an economic context which remains difficult, we are deliberately positioning ourselves in a long-term perspective. We hope that with your vote, you will support this approach.

Yours faithfully,

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

Jacques Gounon,
Chairman and Chief Executive

¹ Useful note: Goldman Sachs bank only invested up to 10% of this infrastructure fund. It is therefore incorrect to say that Goldman Sachs is a direct shareholder of GET SA.

Annual General Meeting

On Wednesday 26 May 2010 at 10.15 a.m. (CET), Groupe Eurotunnel will hold its 3rd combined general meeting in Coquelles. This will involve a presentation of the 2009 accounts together with the prospects of the Group for 2010 and shareholders will be asked to vote on a number of resolutions which can be grouped in 5 broad categories:

1. Approval of accounts and appropriation of results
2. Renewal of the share buyback programme
3. Appointment of directors
4. Merger of your company with EGP and TNU PLC
5. Development of employee share-ownership

The agenda and proposed resolutions together with the way in which shareholders can take part are available on our website www.eurotunnel.com.

• Proposed appointment of four new directors

The term of office of all current directors is coming to an end therefore at its meeting on 22 March 2010, the Board decided to propose the re-election of seven of the current directors and the appointment of four new directors. In addition to Jacques Gounon, Chairman & Chief Executive, the new board would be made up of Pierre Bilger, Colette Neuville, Robert Rochefort, Henri Rouanet, Philippe Vasseur, Tim Yeo, all existing directors and four new individuals¹:

Philippe Camu, 42, Graduate of HEC, managing director of Goldman Sachs Infrastructure Partners, London, director of Associated British Ports.

Patricia Hewitt, 62, Cambridge University graduate, Economic Secretary at the Treasury (1998-1999), Minister for e-Commerce and Small Business (1999-2001), Secretary of State for Trade and Industry (2001-2005), Secretary of State for Health (2005-2007). Director of British Telecom.

Hugues Lepic, 45, Educated at the Ecole Polytechnique, MBA from the University of Pennsylvania. He manages long-term investments for Goldman Sachs in Europe

Jean-Pierre Trotignon, 59, Educated at the Ecole Polytechnique, Ponts & Chaussées Engineer, MSc from Berkeley. Deputy Chief Executive of Groupe Eurotunnel until May 2009.

¹All biographical details can be found on www.eurotunnel.com

SAFE stations: successful testing

A simulation of the new SAFE (fire-fighting) stations designed to combat fires using detection and aspersion was carried out by way of a full-scale test in a test tunnel in Spain on 7 and 9 April 2010.

These tests were carried out on intense fire (equivalent to a fire involving 40 cars) in real-life conditions and demonstrated the efficacy of the water mist to contain a fire and limit or prevent it spreading. This system offers many benefits including fast activation and easy access for rescue services.

In 2011, four SAFE stations, c.870m long, placed half way in both tunnels, will each be equipped with a heat-detection system. Once a train had stopped, a mist of water would be immediately sprayed in the section where the fire started. Unlike sprinklers, water mist does not need to be aimed precisely at the source of the fire. It creates a shower of micro-droplets which effectively suffocate the fire. Temperatures are thus kept well below levels likely to damage the infrastructure in the immediate vicinity of the fire. Even outside of fire risks, the SAFE stations make the evacuation of passengers easier should Eurostar trains break down.

This innovating concept invented by Groupe Eurotunnel, is being patented. SAFE stations complete a wide range of steps taken by Eurotunnel within the "Salamander" programme, focussed on the management of fire risks. Measures include, in particular, strengthening checks on lorries ahead of loading and changing the procedure for the intervention of rescue services.

Michel BOUDOSSIER : deputy chief executive for the Tunnel

Michel Boudoussier, 47, will join Groupe Eurotunnel as deputy chief executive in charge of the Channel Tunnel Concession.

Educated at the Ecole Normale Supérieure and Corps des Mines engineer. He has held several positions within the French Department for Industry and later the French Department for Town and Country Planning.

He joined SNCF in 1997 where he was in turn deputy freight director for the Metz-Nancy region, director for suburban western lines out of the Gare du Nord, Normandy regional director, Nord-Pas-de-Calais regional director and finally HR director for the infrastructure arm.

Inauguration of the Coquelles wind farm

On 20 April, Eurotunnel inaugurated its wind-farm of three turbines in the presence of Jonathon Porritt, founder of Forum for the Future.

A long-term defender of our planet, he said "Companies that are creative in the use of renewable energy are making a positive commitment to the future of our planet. Through the installation of this wind farm and the broader use of energy from sustainable sources Eurotunnel shows its respect for the environment."

This wind farm realises Eurotunnel's commitment to renewable energy and its determination to grow in partnership with its region.

Eurotunnel has chosen a tried-and-tested wind turbine technology for this project, the highly efficient Enercon E 48 turbine: 49 metres high (three blades, a sweep surface of 1,810m²) with a nominal output of 800KW each, they provide power with a minimal impact on the surrounding countryside. The three wind turbines, constructed using a fibre glass reinforced plastic (epoxy resin), which have a theoretical output of 2.5 MW, will produce energy sufficient to power 2,000 homes.



J. Gounon, J. Porritt founder of the Forum for the Future, M. Hamy, Mayor of Coquelles, during the inauguration of the wind farm on 20 April.