

26 JANUARY 2015

Dear Shareholder,

The publication of our **excellent traffic and revenue figures for 2014** has been well received by the market. You will find the key figures overleaf and the detail can be found on our website.

We had already announced that we had broken all our previous records for traffic through the **Fixed Link**, both in the summer and over Christmas. **World leader in the rolling motorway sector, we carried more than 1,440,000 trucks, 2,635,000 cars and coaches and 21 million passengers.**

In this context, the analysis of traffic for the 4<sup>th</sup> quarter of 2014 is particularly interesting as it shows a strong upward trend: revenues for our Shuttle services increased by 11%, which was above the annual increase of +7%. Firstly, this is due to a volume of almost **390,000**

**trucks, with a market share of more than 42% in December.** This supports our strategy to invest in our **Terminal 2015**, and has led us, for the first time to introduce a yield management system for hauliers. We will **increase the price** for peak days in 2015, to encourage greater utilisation of the Tunnel off-peak. The **performance of the car business** is just as remarkable: 4% growth, double that of the market and a **full year market share above 50%.**

The reduction in the price of fuel, although it seems unlikely to last for long, **shouldn't affect our competitiveness.** The maritime operators buy a refined and low sulphur product which has reduced in price less than crude oil. This has allowed them, for the moment, to partially offset the impact of the Marpol increase, but the increase in price for ferry crossings is inescapable, even without the forthcoming reduction in capacity. Our customers, however, have seen their purchasing power increase, which could lead to more of them booking crossings with Le Shuttle. **The evolution of the £/€ exchange rate is also positive for us,** as we have a high proportion of British customers.

Eurostar has also had an excellent year, with almost **10.4 million passengers** (+3%). The tests currently being undertaken on the new e320 Siemens trains are progressing well.

The disruptions during last week should not affect this trend. On 17 January our teams had to react quickly when a fire started on a truck, leading to a catenary fall. We are ready and equipped for this type of event. The seat of the fire was rapidly brought under control and the damage was minimal (the Truck Shuttle is intact) and we were able to restart services only 12 hours after the alarm. At this stage, the cause of the incident is unknown (in 2008 it is presumed to be due to a gas heater that had not been turned off by a truck driver) and may remain so: the judicial investigation initiated by the French authorities was rapidly closed due to the small scale of the incident.

However, a stoppage of several hours is very visible for **Eurostar.** As with airline businesses, re-establishing services is, for obvious reasons, complicated: relief crews are not in the same place as the trains, the neighbouring national networks have to assign new paths and the high-speed lines are closed at night. I find the criticism of Eurostar over this has been excessive and unfair and I am full of praise for the co-operation which has grown up between our two companies. After this, and in a separate part of the Tunnel, we had the misfortune to experience a broken insulator and then, subsequently a catenary trip at the cross-over. This last event was the most difficult as it required us to close two intervals in the Tunnel at the same time. That of course, reduced our capacity to make up for the delays linked to the accumulation of heavy traffic, despite transferring part of the volume to MyFerryLink. It was quite interesting to hear P&O complain that we were trying to show the competition authorities that they were wrong to ban us from maritime activities...

The final, very pleasing traffic news: **a significant and visible growth in rail freight trains through the Tunnel:** +14% in volume, +21% in tonnage. This should not be surprising: rail freight is growing strongly in Britain and in Germany and many trains are also coming from Italy. An increase in traffic on the Alpine rail freight corridor will also be beneficial for us.

**Europorte** is following this momentum with **revenue growth of +8%.** We had announced that, having reached critical mass, we would concentrate on our gains and develop our customer relations. All the contracts that were ready for renewal have been retained, sound proof of the quality of our services. **The Socorail contracts to manage port rail infrastructure** are also now producing excellent results since we have been able to reverse the serious deficiencies in maintenance by previous managements.

With the strength of this know-how, we have been able to show the French authorities that there are alternatives to the closure of 4,000 km of **secondary routes, which are supposedly too costly to maintain.** These low-traffic routes, which generally serve our industrial customers, need managing according to their traffic, as was the case with the ports. We have to hope that the current dominant player accepts free competition and allows its competitors to prosper.

**The Eurotunnel Group has therefore, within its core skills, real opportunities for development. We are focused on maximising that potential, prudently but relentlessly, and always with the goal of creating value for our shareholders.**

Our next important date for your diaries is the publication of the **Annual Results for 2014** on the 18 March, in London.

Yours faithfully,



**Jacques Gounon**  
Chairman and Chief Executive Officer



# In brief...



## Dates for 2015

18 March: 2014 annual results for Eurotunnel Group



## Commitment and solidarity of Eurotunnel

During the commemorations for the hundredth anniversary of the First World War which took place in Boulogne-sur-Mer last October, Eurotunnel helped out with free Shuttle crossings for 7 Shepway primary schools. 400 British school children were thus able to visit France (many for the first time) and experience the culture and history of the region.

## 80% of revenues

from Passenger Shuttles are generated on the website, the equivalent to **3,000-4,000 online bookings** per day, or one reservation every **30 seconds!**

## 19,000 vehicles

(cars, coaches and trucks) transported on Shuttles between the Folkestone and Coquelles terminals in both directions on Friday 19 December 2014.



## 2014: record figures for all of the Group's businesses

### O The Group

The consolidated revenue for the Eurotunnel Group was €1.207 billion, an increase of 7%<sup>1</sup> compared to 2013.

### O Channel Tunnel Fixed Link Concession

Increase in number of passengers across all services: 21 million passengers carried through the Tunnel.

### O Eurotunnel Shuttles

- Barrier of 2.5 million cars broken.
- More than 1.4 million trucks transported.
- Further revenue growth, +7%<sup>1</sup> to €527M.

### O Railway Network

- Eurostar passenger increase, +3%.
- Number of rail freight trains up, +14%.
- Increase in revenues of +3%<sup>1</sup> at €305M.

### O Europorte: rail freight operator

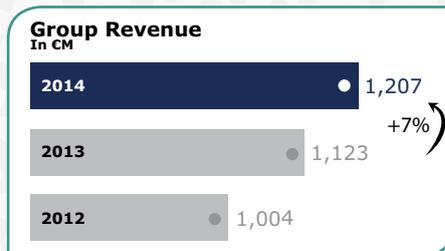
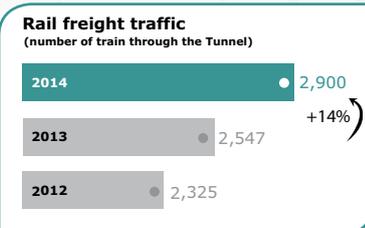
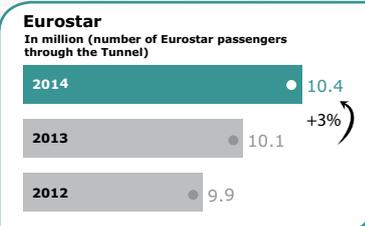
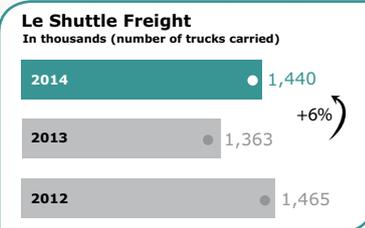
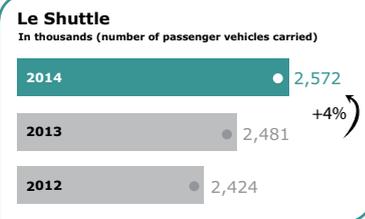
- Significant growth in revenues: +8%<sup>1</sup> at €267M.

### O MyFerryLink: maritime activity

- Growth in revenues to €93M (+25%).
- 399,453 trucks transported (+22%) and 337,654 cars (+7%).

More information in the [press release](#) published on 22 January 2015 on the Group's website.

<sup>1</sup> All comparisons made with 2013 are at the 2014 exchange rate: £1=€1.258.



## Success for the new online booking module

A new booking module was introduced by Eurotunnel Le Shuttle in November 2014 to provide a new layout and easier, faster, smoother and more user-friendly navigations. These improvements, along with new functionalities, have already seen online bookings increase by 3% compared to the same period last year. They have reduced the number of abandoned transactions and have significantly increased the number of sales of our premium service, FlexiPlus. Finally, the newer, more modern technology of the new system will enable us to develop additional functionalities, particularly new Apps in the smartphone module, and a new booking module for travel agents and coach operators in 2015. Discover it for yourself at [www.eurotunnel.com](http://www.eurotunnel.com)!



## iBoarding onboard the Shuttles

Since autumn 2014, crew members have been scanning the bar codes on the letter hangers of vehicles travelling on the Passenger Shuttles. This system enables us to identify each customer on board a Shuttle and to provide personalised information in real time. It enables Eurotunnel to gather important information on the services we provide to customers such as the true crossing time, punctuality or the position they are parked on a Shuttle. An additional benefit is that the iBoarding process creates another opportunity for contact with the onboard team, something which our customers value highly.



### Change of postal or email address?

If you hold your shares in registered form with [BNP Paribas Securities Services](#) or in the form of CDIs via [Computershare Investor Services PLC](#), don't forget to notify them of any change in your personal information.