



Dear Shareholder,

The numerous traffic records for the cross-Channel Fixed Link announced in the last edition of On Track, the market share gained by MyFerryLink and the growth of Europorte enable us to present excellent results for 2014.

The figures published on 18 March confirm this:

- EBITDA reached almost €500 million. This was the target we had set ourselves for 2015 and that we have achieved a year ahead of schedule;

- Free cash flow is €155 million;

- Net financial costs are stable, at €272 million, as the reduction in inflation in both France and the UK had a positive effect on the part

of the debt which was not covered by hedging contracts;

- The operating profit increased to €334 million (+11%);
- The net result after tax comes out at €57 million.

Beyond these financial results however, I would like to focus on recent developments in other areas.

With regard to MyFerryLink, we have issued sale documents to a dozen or so companies likely to have an interest. Amongst these we have, at the specific request of local politicians, included the autoroute operator, Sanef and Deutsche Bahn. Unsurprisingly, these two have replied that they have no interest. Currently we are pursuing contacts with those parties who have shown interest. In parallel, we have received a number of approaches from intermediaries with very strong interest in acquiring the ships themselves. Some of these come from locations far away, notably in Asia. The SCOP continues to seek a legal solution and is in very close contact with the French government and local politicians. We continue to believe that the decision by the competition authorities in the UK makes no sense but it appears nonetheless that the interests of the Group can be preserved.

As for Eurostar, the British government has now reached an agreement for the sale of its 40% shareholding in this subsidiary of SNCF. The investors chosen are of the highest quality (Caisse de dépôt et placement du Québec and Hermes Infrastructure) and it is very likely that they will support the policy of expansion which the current management is driving. Eurostar benefits in this context from a perfectly clear long term view of Tunnel access

charges through the Railway Usage Contract (RUC), and the 5 year agreement that we are in the process of renewing with the signatories to the RUC (SNCF and British Railways Board).

The American rail freight company Genesee and Wyoming Inc has just bought our competitor Freightliner (revenues of around £500 million), for £490 million according to available information, effectively giving it a value of 9 x EBITDA. This enables us to gain an idea of the value we have created in this business over the last few years. Rail freight is now a sector being closely examined by powerful investors: Warren Buffet came into this sector in 2007. It is only in France that the potential in the sector is wrongly confused with the difficulties experienced by the historic operator. The signature of two 15-year contracts by Europorte (see over) is a further very strong signal of interest from potential customers looking for partnership and quality of service.

A last word on ElecLink. The project is progressing well: the administrative process is now complete with all the necessary permissions obtained and the tender for construction is in the final stages, with the choice of suppliers to be made shortly. Perhaps of more interest is that a pre-consultation on the sale of capacity through the new electrical interconnector between the UK and France shows that there is strong demand (around 40 expressions of interest so far). The financial structure and the launch of the construction phase should be settled after the summer. We will then have a new piece of infrastructure to manage, another step forward with our sustainable development policy.

All of this allows us to set further ambitious objectives for our EBITDA*: €535 million in 2015 and €580 million in 2016.

In this context, your Board will ask the AGM on 29 April 2015 to vote on a further increase in dividends of 20% to €0.18 per share.

Finally, I would like to share with you my pleasure at the arrival of a new shareholder who passed the 5% shareholding threshold at the end of last year and who has now reached a 6% holding: this is the Capital Group, one of the largest long-term investors in the world with assets of more than \$1,000 billion under management. Capital Group is a further reference investor to add confidence to the strategy that we have pursued over the past years.

Yours faithfully,

Jacques Gounon
Chairman and Chief Executive Officer

* At an exchange rate of £1 = €1.3 and excluding MyFerryLink



In brief...



Date for your diary

29 April: Eurotunnel Group General Meeting 2015 in Coquelles.



GB Railfreight won the **Best Operator of the Year Award**, for its substantial achievements in 2014, at the UK Rail Industry Awards 2015 which were held on 19 January in London.

Cross the Channel by bike

In January, the video of Chris Froome riding through the Channel Tunnel produced by Jaguar and Team Sky in association with Eurotunnel, won the award for best Public Relations Campaign at the European Sponsorship Excellence Awards, in London. Chris Froome won the Tour de France in 2013 and in June 2014 became the first person to cycle across the Short Straits, through the service tunnel, 100m below the Channel, at an average speed of more than 55kph !



Shakespeare prefers the Tunnel

An extremely rare copy of the complete works of William Shakespeare which was discovered in the Library at Saint Omer, crossed the Channel on 23 February on board a Eurotunnel Shuttle.

This precious book, valued at €5 million, was presented afterwards in public for the first time in London, first at the *Institut Français* and then at Shakespeare's Globe Theatre.

Eurotunnel Le Shuttle was chosen by the high-security carrier Artrans for its core strengths: speed, ease and reliability.

FOCUS ON THE GROUP'S 2014 FINANCIAL STATEMENTS

On 17 March, your Board finalised the Group's consolidated accounts for 2014. Certified by the Group's auditors, they show a profit after tax of €57 million.

Revenues have increased by +7%* compared to 2013 to €1.207 billion; operating costs have increased in line with the increase in overall activity and as a result of non-recurring costs (including some relating to the start of new rail freight contracts); EBITDA has improved by €32M, with the target for 2015 being achieved one year early; the operating profit has also increased by €32M to €334M.

The Group's pre-tax profit is €56M, an increase of €26M compared to 2013.

The net result after tax amounted to €57M, compared to €111M in 2013, which included a tax income of €83M following the initial recognition of a deferred tax credit at 31 December 2013.

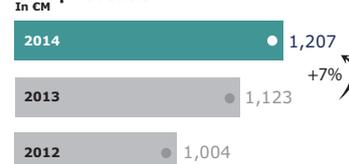
The free cash flow generated in 2014 increased by €26M to €155M. At 31 December 2014, the available cash flow had increased to €385M compared to €277M at 31 December 2013.

For the 6th consecutive year, the Board has reaffirmed its intention to maintain its dividend policy. The General Meeting on 29 April 2015 will be asked to vote on a dividend of €0.18 per share, equivalent to a total amount of €99M. The ex-dividend date for ordinary shares on NYSE Euronext Paris is 26 May 2015 and the dividend will be paid in cash on 28 May 2015.

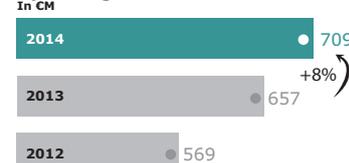
More information in the [press release](#) published on 18 March 2015 on the Group's website.

* All comparisons with the 2012 and 2013 income statements are made at the exchange rate for 2014 : £1 = €1.258.

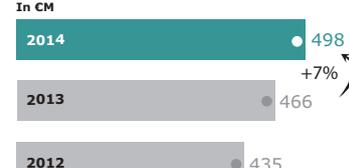
Group revenue



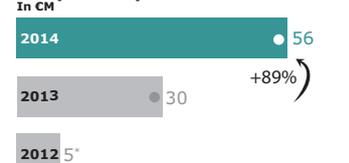
Operating costs



EBITDA

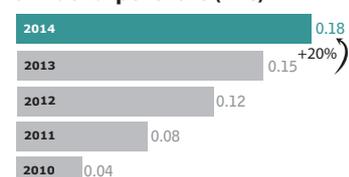


Net pre-tax profit



* Excluding insurance indemnities in 2012

Dividend per share (in €)



EUROPORTE WINS TWO NEW 15-YEAR CONTRACTS

Europorte, the rail freight subsidiary of the Eurotunnel Group, won two new contracts in January 2015:

- The Port Atlantique de Bordeaux retained Europorte for the operation of the Verdon terminal for a period of 15 years, with activities starting in the third quarter of 2015. With a presence already established in 8 of the 9 major French ports (Dunkirk, Nantes Saint-Nazaire, Le Havre, Rouen, La Rochelle, Paris, Strasbourg and the Bassens terminal in Bordeaux), Europorte and its subsidiary Socorail will bring their expertise to the establishment of a complete logistics chain from the unloading of cargo and cruise ships to rail services, enabling a modal shift from road to mass transport routes such as rail, maritime and fluvial. This contract will require the management of 70,000 containers a year from 2016 onwards.

- GB Railfreight won a 15-year contract with Serco for the traction of the legendary Caledonian Sleeper service in the UK, with a total revenue of around €120 million. From 1st April, GB Railfreight will supply locomotives and drivers to haul the sleeper trains from London Euston to Edinburgh and Glasgow, nightly, six times a week between Sunday and Friday.

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.