

EUROTUNNEL ON TRACK

LETTER TO GROUPE EUROTUNNEL SA SHAREHOLDERS

NOVEMBER 2014

Dear Shareholder,

The Channel Tunnel was inaugurated 20 years ago, on 6 May 1994, but commercial services for high-speed trains did not start until 14 November 1994. **Eurostar has just celebrated its own 20th birthday** in a very big way:

○ A fabulous reception with many guests at the British Museum, in front of the Rosetta Stone. A symbol of Anglo-French cooperation, this archaeological treasure, which was discovered in 1799 by one of Napoleon's soldiers, has been on display there since 1802 and was decrypted by the Frenchman Jean-François Champollion in 1822.

○ The unveiling at St Pancras of the new Siemens built high-speed trains, called the e320 as it is capable of reaching speeds of 320kph (200mph). More comfortable than the current trains and with a larger capacity as

a result of the distributed power (as you find on underground railways), it is certain that these trains will be very popular once they come into service after the necessary period of testing (see overleaf).

○ And especially some very important announcements: **Eurostar has decided to purchase not 10 but 17 new trains** to increase its capacity and **to open up new destinations**: the south of France, Holland, the Grand Duchy of Luxembourg... Eurostar has publicly confirmed our own traffic forecasts, that is to say that they envisage 14 million passengers by 2020. I am certain that Eurostar will reach this target and build on their current success. As far as we are concerned, we will continue to offer them the best service and guarantee them priority access to our infrastructure.

○ More good news is that the President of SNCF (French Railways) has announced **the renovation of the terminus at the Gare du Nord in Paris**. It is not before time. When you see the pleasure passengers get from St Pancras or Brussels, where the Eurostar Business Premier lounge has been superbly updated this year, no one can doubt that the refurbishment will add further comfort and attraction to the service.

We have seen this ourselves with **the renovation of our terminals which is much appreciated by our customers**. Our constant attention to customer needs has ensured that we have won another accolade from the transport industry: **Le Shuttle was designated "Most environmentally-friendly carrier"** at an awards ceremony focused on sustainable transport held in Munich, on 20 November, by the German transport magazine *Busplaner*, in the presence of 300 professionals from the coach operators' sector.

With the same objective again, **we are modernising our Shuttle booking system** to make it even easier to use, particularly for customers who book using a tablet or a smartphone (+82% in the past year). It will enable us to react very quickly to changes in online sales practices, notably by converting into sales, when

possible, web comparison searches for people looking for the best value for money.

This carefully prepared new module is currently being deployed and will be subject to further improvements based on feedback: **being attentive and proactive are the key markers of our commercial service**.

The upgrading of the Truck terminals through the Terminal 2015 programme should take us in the same direction. Furthermore **this investment comes at an appropriate moment**: in addition to normal market growth, the problems with migrants encountered at the Port of Calais is driving a number of extra trucks to the Tunnel where they can benefit from the safety of the site as well as from the systematic control of potential stowaways. In order to manage this influx of traffic, we are offering hauliers an additional 1,500m waiting zone inside the Concession perimeter.

For its part, **Europorte France** recently celebrated its 5th year of continuous development by setting up a round table meeting on the consequences of the new organisation of the SNCF as defined by the French reform law of 4 August 2014. Attended by top representatives of the French rail freight industry, the meeting saw high-level discussions and focused on developments. It was outlined that Europorte France is in a strong position, as is the Socorail maintenance activity. A recent study conducted by Asterès, which makes 12 proposals to reinforce the competitiveness of this market, totally confirms our strategy.

Operating in a British market which does not have the same uncertainties, **GB Railfreight** has achieved commercial successes in a very satisfactory way. The recent start of **Dourges-Barking** traffic perfectly illustrates the Anglo-French synergies developed by Europorte.

This has led us to propose to the French government the creation of a terminal in Folkestone for the Modalohr rolling motorway which should link the Pyrenees to Lille. We have made clear that its profitability can only come from traffic flows between Spain and the United Kingdom, without load transfers, via the Channel Tunnel (see overleaf).

For MyFerryLink, we presented our case to the appeal tribunal yesterday and the decision is expected mid-December: "Wait and see".

The Eurotunnel Group is actively preparing for the future, aiming to achieve profitable growth, based on its fundamentals: this is the reason why we are proud to have been included in the **FTSE4Good index**, which values the performance of companies strongly committed to the environment and corporate social responsibility (CSR).

We fully intend to maintain this momentum in 2015.

Yours faithfully,



Jacques Gounon
Chairman and Chief Executive Officer

In brief...

1,000 trains hauled in one week

by GB Railfreight, for the first time in the subsidiary's history, during the week commencing 3 November 2014. This was made possible by new contracts won this year and the growth in some existing British markets.



A new contract

Following the signature of a new 3-year contract with Holcim, won as a result of the quality of service offered by Europorte France, September saw the relaunch of the clinker (cement additive) train from Belgium to Rouen. This train, of up to 22 wagons, is hauled by a Euro 4000 locomotive.

New cross-Channel intermodal traffic

In November, Europorte and its subsidiary GB Railfreight started a new 3-year contract to transport products for Procter & Gamble between Dourges (Lille) and Barking (London). The freight train runs 5 times per week, via the Channel Tunnel, and then up the HS1 line.



Dates for your diary in 2015

22 January : revenue and traffic figures for 2014

19 March : Groupe Eurotunnel SA 2014 Annual Results

Eurostar celebrates its 20th birthday with new trains and new destinations

On 13 November, on the eve of its 20th birthday, Eurostar unveiled its brand new train at St Pancras International Station in London. The train, called the e320, is capable of running at 320kph. With a sleek new livery and interiors in cobalt blue and grey by Italian designer Pininfarina, the e320 offers innovative levels of comfort and new functionalities for its 900 passengers: more space per seat, reclining seats, plug sockets and USB ports in all carriages and free Wi-Fi access throughout the journey, including inside the Channel Tunnel via the mobile telephone network installed by Eurotunnel. Eurostar took the opportunity to announce the order of a further 7 trains, bringing the new fleet to 17, an investment of €1.3 billion. The e320 made its first test trip through the Channel Tunnel on 15 November and the new trains will be brought into service progressively from the end of 2015.



Beyond the routes between London, Paris, Brussels and Lille, Eurostar has confirmed the launch of services to Marseille starting on 1st May 2015 and, starting from the end of 2016, a new service between London and Amsterdam in 4 hours 38 minutes, with additional stops in Antwerp, Rotterdam and Schiphol airport. Eurostar Chief Executive, Nicolas Petrovic, said "*this 20th birthday was an important moment for the company, marking the start of a new era of growth and expansion*".



The rolling motorway: Eurotunnel supports an intermodal terminal in Folkestone

To accompany the growth in the demand for freight transport in the UK, the Atlantic ARC rail freight corridor should provide an opportunity to transport semi-trailers on trains across the 1,050km between the South of France (from a terminal to be constructed at Tarnos in the Landes region) and the North (to a terminal to be constructed at the Dourges hub, near Lille).

With the goal of increasing the profitability of the private investments in the Channel Tunnel by developing cross-Channel traffic, Eurotunnel has proposed an extension of this rail freight corridor to Folkestone, including the construction, on our site, of an intermodal terminal which would enable the secure parking of a large number of semi-trailers. This medium-term vision would lead to a reduction in traffic on French roads, greater economic strength for the rail freight corridor network and increased profitability for the existing infrastructure.

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