

Eurotunnel on Track

January 2013



Letter to Groupe Eurotunnel SA
shareholders



Dear shareholder,

2012 is a record year for your company in more ways than one:

- In October, the **Concession of the cross-Channel Fixed Link** welcomed its 300 millionth passenger (from all types of traffic) since the opening of the Tunnel. This impressive figure shows how much this unique transport infrastructure has become a vital link between the UK and Europe.

- The **Shuttles** have performed very successfully: in round numbers (see overleaf for details), we have transported almost 2.5 million cars and coaches and almost 1.5 million trucks.

Eurotunnel has thus set a new record: including Eurostar's 9.9 million passengers, close to **20 million passengers** travelled through the Tunnel.

Operational procedures were adapted to meet this increase in traffic, some of which of course was linked to the two exceptional events which took place in the UK: HM The Queen's Jubilee in June and the Olympic and Paralympic Games in the summer.

It is important to realise what is involved in managing such flows. Once again, Eurotunnel was able to demonstrate its flexibility and moreover the Fixed Link's capacity, even in peak periods. There is thus great potential for the years to come.

We shall therefore continue the renovation of our terminal facilities for the comfort of our passengers and also for truck clients who find space is now a little tight. I will talk to you again about these projects when they are closer to being launched, hopefully before the summer.

- **For rail freight traffic in the Tunnel**, the year has been broadly satisfactory. Most importantly, our commercial endeavours have enabled us to compensate for the loss of the wagon load business. Through this work we have come to understand that many operators or loaders were hesitant to launch new services given the significant investment and the uncertainty with regards to load levels at the start of the service.

We think that we can help this potential traffic to come to fruition by way of some initial financial support albeit limited in size and duration. This mechanism, modeled on the Marco Polo European system, is very simple and would not involve a reduction in tolls in any way; these cannot be changed and are made public by way of our Network Statement. It is however acceptable to contribute to marketing or other costs as is currently done by certain airports to attract low-cost airlines.

This transparent system, open to all, will be called **ETICA** – Eurotunnel Incentive to Capacity Addition.

Moreover, the planned electrification of the rail line between Dunkirk and Calais has finally begun and should open the way for traffic to come to us from the Port of Dunkirk.

Staying with cross-Channel matters, we must touch on **MyFerryLink**: the Christmas period saw a return of many ex-SeaFrance customers and the start of this year is promising for truck traffic. The loading factor for the ships has doubled and the business plan is being adhered to. In this area, Groupe Eurotunnel is the ship owner, the operation of these ships being carried out by the SCOP, which is independent. As operator, it is

doing an amazing job without comparison to what was done in the past. It has finally received the assistance promised by the public authorities.

Another cross-Channel matter: the **electricity interconnector** between the UK and France. ElecLink has now signed an agreement in respect of 500MW with both national networks, National Grid and RTE, so that studies and legal steps towards obtaining authorisation may now continue.

Europorte has also secured some great contracts. This forms part of the rebuilding of the customer portfolio: Europorte's strategy, based on quality of service, is to work in partnership with loaders for whom the road alternative does not really exist: coal, fuel, chemicals, vehicles, cereals etc. It is then possible to have a constructive dialogue between professionals and, as illustrated with CEREVIA, to bring skills together through a regional operator: Bourgogne Fret Services.

At the same time, a **partnership is also been set up with the French railway infrastructure operator (RFF)**, an important agreement having been reached with respect to the availability of time-slots which are necessary for the trains to circulate. We should also mention the start of the management of the Strasbourg Port infrastructures. With seven ports under contract, they can now benefit from our knowhow.

2012 closed with **Groupe Eurotunnel** close to the symbolic level of €1bn of revenues. Its market capitalisation is currently c. €3.5bn, and according to analysts' consensus, it should pass the €4bn mark. **Your company has clearly changed dimension.**

Whatever the economic environment in 2013, our management and staff are certain that the enormous work achieved these last few years, in particular commercially and in terms of investments, give us an undeniable competitive edge. We are determined to make the most of it. It is our strength as a concessionaire, as a reliable operator; it is our logical **long-term strategy**, the only one which works in the infrastructure world.

The next date in our calendar is 21st March with the publication of our financial results.

Yours faithfully,

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

Jacques Gounon,
Chairman and Chief Executive Officer

Activity in 2012

The Group

Total consolidated revenues for the Eurotunnel Group for the year 2012 amount to €993.1 million, an increase of 14%¹ compared to 2011.

Concession of the cross-Channel Fixed Link

Eurotunnel Shuttles

The advantages of the Tunnel, that is to say speed, reliability and respect for the environment are appreciated by its customers. This is demonstrated by the number of people transported: the symbolic bar of 300 million passengers travelling through the Channel Tunnel since its construction was reached in October 2012, of which approximately 20 million travelled in 2012.

- Revenue up by 16%.
- Car traffic up by 7% to reach c. 2.5 million vehicles and more records beaten.
- Truck traffic up by 16%. Market share increased to almost 43.5% for the year. Eurotunnel has never before carried as many trucks as in 2012.

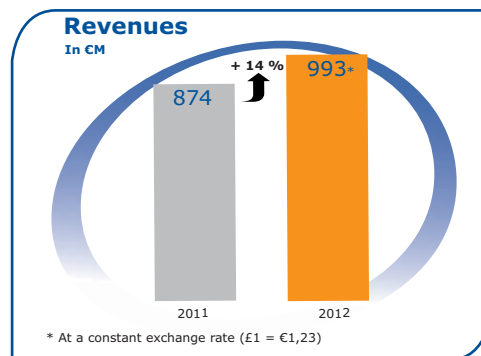
Railway Network

Eurostar continued to achieve traffic growth during the year, reaching 9.9 million passengers (+2%) for the year. The number of freight trains and tonnes transported are down (-3% and -7% respectively).

Europorte – Rail freight operators

- Revenues of c. €210 million.
- New contracts and closer relations with certain economic sectors.
- GB Railfreight continues to grow and signed a 2-year contract to transport more than a million tonnes of spoil as part of the Crossrail project.

¹ All comparisons with 2011 are made at a constant exchange rate of £1 = €1.23.



Europorte: new prospects on the France-Belgium line

On Monday 10th December, a train carrying phosphoric acid, hauled by a Europorte France (EPF) Euro 4000 locomotive, travelled to Saint Clair les Roches (Rhône-Alpes district) from Puurs (the province of Antwerp in Belgium). This operation is part of a new contract between EPF and Prayon, a group specialising in phosphate chemicals for the food market and industrial applications.



An exceptional internal audit department

After twenty years in existence, last November, the internal audit department of the Eurotunnel Group – a **key component of the internal controls of the business** – was **certified by the French Audit and Internal Control Institute (IFACI)**. The Group is the 50th French business to receive this award. This **recognition of the internal audit function's quality and performance** is officially accepted by the Global Institute of Internal Auditors (IIA) and the European Confederation of Institutes of Internal Auditing (ECIIA).

The IFACI experts' **conclusions are exceptional**: no major or minor non-compliance was identified in the 163 points checked – it is rare for a business to receive such good results on their first application for accreditation.

This award recognises the **quality of the work** within the Group. It is a **guarantee of credibility** for our current and potential investors.

In future, the number of areas to be audited within the Group will increase. In their report, the IFACI experts wanted to emphasise the fact that the internal auditors were very much **part of the general operation of the business**. Indeed all their work is carried out **in the general interest of the business**. The internal audit department works in cooperation with all departments, with the constant support of the management.

A **video of Jacques Gounon** on corporate governance and internal audit is available in the media section of the Group's website www.eurotunnelgroup.com.

NYSE EURONEXT

During NYSE Euronext's annual conference on the stock market in December last year, Groupe Eurotunnel received the **jury's special award** for its double listing on NYSE Euronext Paris and London in July 2012.

N.B. The GET share price is once again available in the Financial Times both in print and online at www.ft.com.



Change of 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 any change in your personal information, in particular any change of postal or email address. Information on how to contact them is available on our website www.eurotunnelgroup.com.