

# Eurotunnel on Track

September 2014



## Letter to Groupe Eurotunnel SA shareholders



Dear Shareholder,

**The summer of 2014 has been exceptional for Le Shuttle.** We have broken all of our previous records: in just one month, in August, we transported 375,000 cars (and 665,400 vehicles for July and August combined), **including an all-time traffic record** of more than 85,400 vehicles carried on our Passenger Shuttles during the week of 11-17 August. This is the highest weekly figure ever achieved, in our 20 years of operations.

And as proof of our adaptability, during the month of August we also carried over 16,000 vehicles in one day on three separate occasions (the highest being 16,416 on 9 August), a substantial increase on the previous record of "only" 15,982 vehicles in 2013.

Beyond these outstanding figures, **the reasons behind this success** can be found **in the combination of a number of factors:**

- The celebrations for the 20<sup>th</sup> Anniversary of the opening of the Fixed Link, which demonstrated the support from the highest level in the British and French governments for this vital connection,
- The modernisation at our terminals currently underway (see next page), which places us amongst the best international transport hubs,
- The yield management policy which is now perfectly adapted to enable our teams to sell more off peak hours and which can be seen to great effect in the recent weekly record of 85,400 vehicles,
- An incomparable frequency of departures, with a high degree of flexibility, particularly in the event of the sort of technical incidents which are always possible in the world of transportation,
- The improvement in communication with our customers that has been made possible through the installation of the 3G network in the Tunnel (and soon 4G) and the use of social media,
- The commitment and dedication of our staff: through our approach of maintaining permanent and constructive employee relations, we have reached agreements to enable us to operate more departures with stable staffing levels.

But, above all, we should also **thank our customers for their loyalty.**

**Eurostar should publish good results** thanks to the leisure promotions they announced in July, combined with an increase in the capacity provided. This effect should continue following the announcement of further leisure promotions for the autumn (London-Paris for £59 return).

On 20 August, **MyFerryLink** celebrated its 2<sup>nd</sup> birthday, with good news: more than 576,000 trucks, 573,000 cars and 2.3 million passengers have been transported in two years.

But **uncertainty still surrounds** the future of this activity. Our appeal will be heard on 24 and 25 November this year, on the basis of the following legal issues:

- The Competition and Markets Authority (CMA) has not justified how the purchase of the assets of SeaFrance after its liquidation could be defined as the acquisition of an "enterprise",

- And the CMA should not have taken account of how MyFerryLink developed after its start up on 20 August 2012, except to consider abnormal the success achieved by GET where others had previously failed.

But **the most important event coming in the maritime sector is the application of the new MARPOL anti-pollution standards** on the Short Straits in 2015. DFDS Seaways has made public the extra costs linked to the use of low sulphur fuel on its different routes. This operator calculates the increase per 15m length truck crossing between Calais and Dover to be €18, and two to four times that on the longer crossings. This confirms our analysis that traffic will concentrate on the Short Straits, thereby supporting further growth in this market.

This gives further justification, if it were needed, of the investment we are making in "Terminal 2015", which we have initiated to increase our capacity and to maintain our market share (see next page).

Elsewhere, our **Europorte** activity continues to develop well in the European railway sector, despite the consequences of the Russian embargo on cereal imports (and the poor quality of this year's harvest) which have led in France to a search for transport contracts to replace the lost flows. In the UK, GB Railfreight continues to develop its business, particularly on the electrified network, using the Class 92 locomotives.

An independent study of freight forwarders has shown that there are three main priorities for the development of rail freight:

- Quality of service (efficiency, transparency)
- Attractiveness and innovation
- Reliability and flexibility in the allocation of train paths

Although we cannot control the third of these, as it depends on the public authorities, Europorte clearly meets the first two, which accounts for its increasing success.

Even if nothing can be taken for granted, the future of the Eurotunnel Group is looking very promising. This is due to the efforts of all stakeholders in response to a **policy of putting the customer first and to a long term vision for the future.**

I wish you, dear shareholder, an excellent autumn 2014.

Yours faithfully,

A stylized handwritten signature of Jacques Gounon.

**Jacques Gounon**  
Chairman and Chief Executive Officer

## Terminal 2015: works progress

Since the laying of the first stone on 7 July, works on the Terminal 2015 project have progressed according to schedule. In Coquelles, the groundworks for the new truck check-in lane, the future secure parking area (for 370 trucks) and the new access road are underway and will be followed by the installation of the drainage systems. The various different services will be connected to the networks by the end of the year.



In Folkestone, the start of construction of 5 new check-in lanes for the Truck service is planned for the end of September. On both terminals, the major works will be completed by the summer of 2015. This €30 million investment will help to increase capacity for customers, improve traffic fluidity and strengthen the commercial offer of Le Shuttle Freight. To learn more about the project, read the 7 July press release at [www.eurotunnelgroup.com](http://www.eurotunnelgroup.com).

## Upgrading the Coquelles Terminal

Following the modernisation of the Victor Hugo terminal in Folkestone in 2013, it is now the turn of the Charles Dickens building in Coquelles to undergo refurbishment. The restaurant offer for Le Shuttle customers has already been expanded with the arrival of new brands Starbucks, Burger King and Harvest Market. The Travelex *Bureau de Change* has been redecorated and the toilets improved and adapted for customers with limited mobility. And children and their families love the fun and colourful play area.

The second phase of the works will start shortly and will include an upgrading of the entrance area and the toilets for coach and motorhome customers.



## Eurotunnel leads the way with electric vehicles

A pioneer in electric vehicles since the 1990's, Eurotunnel is doubling its fleet of electric service vehicles in 2014. In addition to the existing Renault Kangos and Citroën C-Zeros, we now have added Renault Zoés to the fleet of service vehicles which are used by staff to manage customers and traffic on the terminals in



Folkestone and Coquelles whilst reducing the Group's carbon footprint. Eurotunnel is the most environmentally-friendly cross-Channel transport system.

## 10<sup>th</sup> Green Flag for Samphire Hoe

The nature reserve owned by Eurotunnel at Samphire Hoe, which was built at the foot of the White Cliffs using the millions of tonnes of chalk marl excavated during the construction of the Channel Tunnel, has won a Green Flag Award for the 10<sup>th</sup> year in a row. The Green Flag is awarded to the most outstanding natural spaces in England and Wales on the grounds of quality of environment and community impact. Each year more than 80,000 people visit the site under the benevolent watch of the White Cliffs Countryside Partnership rangers who manage the site with the help of many volunteers.

Recently, an Education Centre has been built, using the highest sustainable building standards. It will be available for schools and community groups to use from this autumn.



EURO  
TUNNEL

### Site visits

The registration period for the guided tours at the Folkestone Terminal to take place on 13 September as part of the European Heritage Days is now closed. However you can still take part in the French language guided tours of the French Terminal in Coquelles on Saturday 20 September. Registration in advance is obligatory, so make sure to book before 12 September on our website. [www.eurotunnelgroup.com](http://www.eurotunnelgroup.com).



### For your diary: 22 October

Announcement of the 3<sup>rd</sup> quarter traffic and revenue figures for the Eurotunnel Group.



### New

We invite you to visit the GET SA share price page which, since the end of July, gives you a more powerful tool for following the evolution in share price on Euronext, with additional functions and a more user-friendly interface. [www.eurotunnelgroup.com/uk/get-sa-share-price/](http://www.eurotunnelgroup.com/uk/get-sa-share-price/).

### 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 them of 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](http://www.eurotunnelgroup.com).