

# EUROTUNNEL ON TRACK

LETTER TO GROUPE EUROTUNNEL SE SHAREHOLDERS

17 DECEMBER 2015

Dear shareholder,

**The Supreme Court has completely overturned the previous court rulings** and has announced that it will uphold the position of the Competition and Markets Authority, (CMA), cancelling the ruling by the Court of Appeal – which had been favorable to the SCOP SeaFrance – and restoring the prohibition which had been applied by the Competition Appeal Tribunal (CAT) on MyFerryLink (MFL) operations. This comes as no real surprise: we had already seen the success of MyFerryLink met by significant hostility, which led us, as long ago as 9 January 2015, to take the decision to sell the ships.

**The Supreme Court has now removed any possibility of us bringing the Nord-Pas-de-Calais back into operation**, so it will therefore be put up for sale. This means that the last 130 employees of the SCOP SeaFrance will find themselves without any immediate employment options. They will, of course, receive redundancy payments and an additional ex-gratia payment (€15,000 per person), co-financed by DFDS and ourselves, but it would have been preferable if we had been able to let them return to sea. This means that maritime customers will now be faced with a duopoly and all that it might bring.

But this is not the only questionable decision in the field of maritime competition recently: on the eve of the French regional elections, **the Seine-Maritime département** announced that it would **renew its contract with DFDS** for the Dieppe-Newhaven service for a further two years, without any consultation or tender process. We had already lodged a claim to the appropriate administrative authorities against the preceding delegation of a public service, which enabled DFDS to benefit from significant public subsidies, in the appropriate administrative court. We will continue that litigation against this new « gift » to DFDS: given the accumulated know how of the SCOP SeaFrance, the Seine-Maritime department could at least have given them a chance to bid.

**One month after the Paris terrorist attacks**, life is getting back on track.

At the Channel Tunnel Fixed Link, security and border control measures, for both Eurostar and Le Shuttle, were, even before the attacks, at the highest level, thereby provided reassurance to our customers. As Great Britain is not part of the Schengen zone and had already introduced « Exit Checks » in April 2015, there has been no visible impact on our passengers other than, as sometimes occurs, a longer than desirable waiting times

for passport controls due to insufficient Border Force staff in Coquelles. We are working with Border Force to increase the UK Control Zone to enable a greater degree of efficiency for the future.

**We are also working to further improve the security** of our site, including through the installation of more scanners. We should also underline the substantial work that has been done to protect the site from intrusion by migrants and to protect them from themselves, alongside the impressive scale of policing now in place, which has brought a significant increase in additional security.

With regard to migrants, **there has now been no disruption to Shuttle services since 23 October** and we have been able to announce **truck traffic records** in November, records which we also hope to beat in December. In addition, on 16 December we marked the symbolic moment of the passage of the 23 millionth truck to be transported through the Channel Tunnel since it opened for commercial service.

Our passenger traffic also remains robust as Le Shuttle users tend to head for destinations which are not generally considered to be « at risk ».

On 8 December, **the vital role of the Channel Tunnel** was the subject at a high level conference organised in London by the Rails and History Association, and followed by a splendid reception hosted by the French Embassy in London. This was the occasion to remind everyone of Eurotunnel's unique business model and the success of the Public Private Partnership in which the « public » element is covered by the Railway Usage Contract (RUC) which defines the access conditions for railway operators. And which is doing well: on 20 November Eurostar, an extremely profitable company, brought its new e320 train into service, moving up to new levels of comfort. This comfortable, state of the art train will be an additional attraction for passengers..

**Our other activities (Europorte and ElecLink)** also continue along the center of the path. Finally, we are pursuing negotiations with our financial counterparts in order to be ready, from the start of the New Year, to launch the refinancing of part of our debt, depending on market conditions.

It is in this context, overall positive for the Group that I wish you a Merry Christmas and a Happy New Year for 2016.

Yours faithfully,



**Jacques Gounon**  
Chairman and Chief Executive Officer

# In brief...



## Dates for your diary in 2016

**21 January:** revenue and traffic figures for 2015

**18 February:** 2015 annual results

**27 April:** General Meeting



## 134,000 HGVs

transported on the Truck Shuttles, an all-time record for a month of November since commercial service began in 1994. A performance achieved thanks to the investments made in Terminal 2015 and reinforced security of the Coquelles site.

## The first new Eurostar through the Tunnel



On 20 November, the first e320 Eurostar in commercial service has travelled through the Channel Tunnel on its way from St Pancras International station in London to Gare du Nord in Paris. The first 10 new Eurostar of the 17 ordered are gradually coming into service. More comfortable and faster, they can take up to 900 passengers, a 20% increase in capacity.

## A new green index for the Eurotunnel Group

During the United Nations conference on climate change (COP21), the Eurotunnel Group has joined the new version of the Low Carbon 100 Europe index which measures the performance of the 100 largest companies in Europe with the lowest levels of carbon emissions in their sector. A reward to the Group for 25 years of continuous commitment to actions in support of the environment as well as the 55% decrease in carbon footprint and greenhouse gas emissions since 2006.

## A MOOC\* for railway skills training in France



More than 1500 people have already signed up for the 1st rail MOOC in France, which was launched on 30 November by CIFFCO, the Group's training subsidiary. This MOOC is an online training course over six weeks which will enable anyone interested to submerge themselves in the world of the railway and to gain an initiation to the workings of a locomotive and how to drive one. It allows students to become virtual train drivers or ground staff through the use of learning games. At the end of the programme a certificate recognised by the railway industry will be awarded to those who pass the final exam. Registration is still open for the MOOC which will begin on 11 January 2016. This is a further step forward for CIFFCO, which is fast establishing itself as the leader in railway skills training in France.

For further information click on [mooc.eurotunnelgroup.com](http://mooc.eurotunnelgroup.com)

\*Massive Open Online Course

## Eurotunnel, a public private partnership model

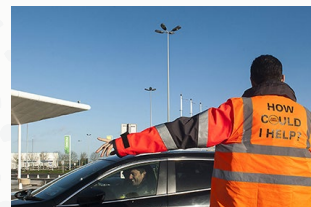
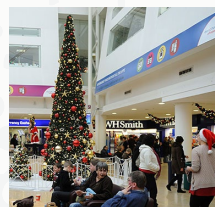


On 8 December 2015, Eurotunnel was represented at the Rails and History conference « 20 years below the Channel and beyond », on the financing and governance of major European infrastructures. 80 industry professionals, including from Eurostar, Vinci and KPMG took part. The conference looked at the key success factors for the cross-

Channel Fixed Link: a strong long term vision, a clear distribution of responsibilities within the Group and investors highly motivated to maintain the pace over more than two decades. Based on a 100% private financing, the Channel Tunnel benefitted from the inalterable commitment of the two governments to see it built (with the Concession agreement and the Railway Usage Contract) and to guarantee the security of their borders against terrorism and illegal immigration. Today, the cross-Channel Fixed Link remains, more than ever, vital for the two countries it connects.

## Eurotunnel: staff fully prepared for the year end

The terminals in Folkestone and Coquelles are decorated for Christmas and ready to welcome customers heading in the best possible way for holidays and the New Year, with promotional offers, games and events. Traffic flow will be maintained on



both sides of the Channel thanks to the deployment of the iBoarding and through the presence of volunteers at peak times. We want our customers to enjoy a unique experience and the best quality of service possible during this very busy traffic period.

## The Eurotunnel Group shareholders relations rewarded by Le Revenu

At the ceremony organized on 9 December at the Palais Brongniard in Paris by the French financial magazine Le Revenu, the Eurotunnel Group has won three awards which reward the best shareholders relations in 2015 in the SBF 120 index:

- Silver award for the best shareholder General meeting
- Gold award for the best Digital communications
- Grand gold award for the best Shareholder relations.

These three prizes underline the efforts made by the Shareholders relations team to improve its financial communications on a daily basis and to further strengthen the quality of its services for individual shareholders. Le Revenu has specifically highlighted the relevance and the frequency of publication of the Group's shareholders letter, Eurotunnel On Track, the profusion of information easily accessible on the dedicated section of the Group's website as well as the ongoing overall quality of its relations with its shareholders.



### Change of postal or email address?

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