



say you

LETTER TO SHAREHOLDERS

21 February 2018

Dear Shareholder,

2017 has been another very good year. For the 8th consecutive year, our revenue has grown, by 4% to €1.033 billion. **The operating margin (EBITDA) has also increased significantly by +6%** to €526M*. A focused yield policy, **effective cost management** and the performance of rail freight (Europorte has achieved a positive EBITDA) have enabled us to do better than forecast. The trading profit has leapt by +9%.

2017 was also the year of the latest step in the **reorganisation of the debt** which began in 2015, with the triple objective of bringing down the average cost (which is now less than 4%) of simplifying the structure and of enabling us to continue to optimise when opportunities for partial refinancing arise. The costs of this transaction have been integrated in the accounts so, **the consolidated net result for the Group comes out at €113M**. Compared to the €188M restated from last year, it appears to have reduced, but I need to point out that, in 2016, we benefited from some one-off events totalling €114M, including discontinued operations (GB Railfreight, ferries) and the full consolidation of ElecLink. So it really is, when all things are considered, a further significant increase in the underlying "recurring" net profit.

Other indicators enable us to measure the quality of our performance: the generation of operating cash has reached a record level of €532M and Free Cash Flow (excluding ElecLink) at €236M (+70%). The cash position at 31 December 2017 was €613M.

It is therefore with satisfaction that your Board proposes that you vote a further increase in dividend, to €0.30 per share at the forthcoming AGM. This will represent a payment of €165M in 2018, and since the payment of the first dividend in 2008, a total payment of €756M to our shareholders.

The outlook remains positive:

- **Economic growth in the UK** has slowed, but remains at a decent level, whilst growth in continental Europe is improving. Traffic for January 2018 (+10% for trucks) is proof of this trend.
- **Eurostar** will open the new London-Amsterdam service in April. The growth of traffic will, of course,

come once the fluidity of border controls, which today are not yet optimised, improves. "Sovereign" control conservatism is still an obstacle to establishing genuine cooperation in this area. The increase in commercial dynamism and the appointment of a new Chief Executive at Eurostar should enable this great company to speed up its development.

- **Europorte**, which is making money in France whilst all its competitors are making losses, will continue to strengthen. The French Government has highlighted the worrying state of French railways and of the SNCF in a recently published report. The report finally sets out clearly that there is a serious problem with Fret SNCF and its subsidiary VFLI: following a €1.5Bn recapitalisation in 2005, not one of the commitments made at the time has been delivered and the result is the need for a further recapitalisation of at least €4.5Bn. The restructuring of the market is underway. This is good news, with international traffic growing: the new Silk Road brings real opportunities for cross-Channel traffic.
- **ElecLink** continues its development in line with the planned programme, with a strong focus on safety ensured by independent experts.

We are therefore confident for the years ahead. **Our objective for EBITDA in 2018 is increasing to €545M**, (at an exchange rate of £1=€1.14). We have no doubts about **increasing the dividend** by €0.05 per share per year, to €0.35 for 2018 and €0.40 for 2019. And to give an idea of the potential benefits to come from ElecLink, we believe that it is entirely credible that the **EBITDA in 5 years' time, in 2022, should be in excess of €700M**.

This is what our teams are working towards every day, serving the needs of all Getlink stakeholders.

Yours faithfully,



Jacques Gounon
Chairman & Chief Executive Officer

* On a comparable basis

In brief...



For your 2018 diary

18 April: General Meeting
25 April: Revenue and traffic figures for the 1st quarter of 2018

Eurostar: London-Amsterdam direct service



On 4 April, Eurostar will launch its new direct service from London to Amsterdam. Journey times of 3h41 (London-Amsterdam) and 3h01 (London-Rotterdam) make this opening a historic milestone for cross-Channel travel, with a significant potential of passengers as 4 million people travel by air each year between these European capitals. Tickets went on sale from 20 February at the price of £35 one-way. Two direct daily services are scheduled for the initial phase. This is great news for Eurotunnel!

LETOP
 Le grand tête-à-tête des patrons pour la croissance

Speed Business meeting

On 10 February, Jacques Gounon took part in a speed business meeting organised by AFEP (French Association for Private Enterprise) on the Economic, Social and Environmental Council (ESEC) premises in Paris. This event allowed 400 managing directors of small and medium-sized companies to exchange face to face with 40 CEOs of major French groups, including Getlink alongside Total, L'Oréal, Vinci, LVMH, Veolia, etc, on varied themes like international development, implementation of new technology and launching new services. This knowledge sharing between company directors contributes to the French economic development and is a clear recognition of Getlink's know-how.

Focus on the Group's 2017 annual results

On 20 February 2018, the Board finalised the Group's consolidated accounts for 2017 which have been audited and certified by the Statutory Auditors.

At €1.033Bn, revenues have increased by €36M* (+4%) compared to 2016. Operating costs remain stable (+1%).

Consolidated EBITDA was €526M, an increase of €32M (+6%) compared to 2016 at a constant exchange rate. Trading profit increased by +9% to €374M. At €365M, the operating profit was down by €16M compared to 2016 which benefited from the €50M profit arising from the full consolidation of ElecLink.

At €270M, net finance costs increased by €16M as a result of the impact of higher British and French inflation rates on the index-linked tranche of the debt. Other net financial charges in 2017 include a provision of €55M in respect of the undertaking concluded in December 2017 to acquire inflation-linked bonds.

The pre-tax result for the Group's continuing operations for the 2017 financial year was a profit of €52M. The net result for the continuing activities of the Group was a profit of €108M after taking into account a one-off deferred tax income of €57M. The Group's net consolidated result for 2017 was a profit of €113M compared to €188M restated in 2016 which included €114M of non-recurring items.

Free Cash Flow generated in 2017 amounted to €236M, an increase of €97M compared to 2016 and the Group held cash balances of €613M at 31 December 2017.

For the 9th consecutive year, the Board has reaffirmed its commitment to reinforce its dividend policy. The General Meeting on 18 April 2018 will be asked to vote on a dividend of €0.30 per share (+15%), equivalent to a total amount of €165m for the 2017 financial year and a total distribution of €756M to shareholders since 2008.

More information at www.getlinkgroup.com: press release and video interview of Jacques Gounon, CEO of the Group
 * All comparisons with 2016 are done at the 2017 exchange rate of £1 = €1.14

Arthur Thieffry plays for Eurotunnel

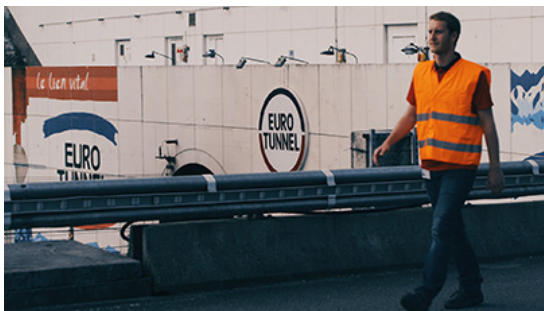


Photo credit: Hervé Hamon, ministère des Sports

Arthur Thieffry, goalkeeper for the French field hockey team, joined Eurotunnel's Safety Environment teams. On February 2, he signed a performance pact with Eurotunnel in the presence of Laura Flessel, Minister for Sport, enabling him to combine his passion for hockey with his technical skills in the railway sector. He benefits from flexible working hours which allow him to prepare for the 2018 World Cup which will take place in India. This collaboration is a win-win agreement for the high-level athlete and the company.

Group revenue

In €M

2017	1,033	+4%
2016	997	

EBITDA

In €M

2017	526	+6%
2016	494	

Trading profit

In €M

2017	374	+9%
2016	344	

Net consolidated result

In €M

2017	113
2016	188

Dividend per share

€0.15	2013
€0.18	2014
€0.22	2015
€0.26	2016
€0.30	2017