



say you

LETTER TO SHAREHOLDERS

25 January 2018

Dear Shareholder,

We have just published our **2017 revenue** which confirms the good health of your company, with an **increase of 4%** to €1.033Bn, proof of continuing dynamism.

Europorte, with a 2% increase in revenue, is reaping the results of its policy based on **quality of service and customer loyalty** in both train haulage and track maintenance.

Eurotunnel Le Shuttle, for passengers and for trucks, nurtures its strengths: secure terminals, fluidity, reliability, speed. Our teams are making constant progress towards a **premium service**.

With **economic growth** of 1.5% in the United Kingdom, 1.9% in France and 2% in Germany, we have a positive environment which is delivering sufficient market growth and provides the opportunity to continue with our commercial policy based on **yield management**.

Despite the weakening of sterling, our passenger traffic for 2017 remained almost stable with 2.6 million cars. Who would have thought that, in the context of Brexit, our truck traffic would reach 1.64 million HGVs, just 4,000 units below the all-time record set in 2016 ?

In January 2017, the adverse weather conditions in southern Europe deprived us of major citrus fruit traffic. **In January 2018**, other adverse weather conditions, this time in the Channel, seriously impacted the ferries and rerouted part of the traffic onto our Shuttles. In our business, it is necessary to consider such fluctuations but **take a longer term view**.

Whilst the Port of Calais has expressed disappointment with this year's traffic results, we are satisfied with 2017, without being complacent.

Eurostar has returned to growth, with 10.3 million passengers travelling through the Tunnel, and has done a great job to launch the direct **London-Amsterdam** service. We are giving them our support through the implementation of a **Passenger ETICA** scheme, very similar to what we have done with success for rail freight trains: growth in **rail freight traffic** reached **+12%** in 2017 with 2,012 trains, thanks to ETICA. The first step is always the hardest. In this case, Eurostar needed to set up a border control protocol with four countries (United Kingdom, France, Belgium and

the Netherlands). We think Eurostar (or other operators) will now start to look into other destinations such as Frankfurt or Geneva, without forgetting Marseilles and particularly Bordeaux which benefits from a new high speed line.

For 2018, **our priorities remain the same**: safety, cost control and a focus on "think customer".

We have launched an ambitious **digital transformation** plan, that I shall address in a future edition of this letter to shareholders. Without going into detail here, it would enable our customers, both private individuals and professionals, to follow their journey in real time. For infrastructure and rolling stock, it will enhance data analysis and revolutionise predictive maintenance.

All this will contribute to further strengthen our **cross-Channel leadership** and **our role as the vital link** between the United Kingdom and continental Europe.

Boris Johnson, UK Secretary of State for Foreign Affairs, has recently made the headlines by mentioning the construction of a bridge over the Channel. Apart from the fact that this project lacks credibility for reasons of cost and the risks linked to climate change, his statement is a clear testimony of the belief shared by many that **cross-Channel traffic will continue to grow**. And the Channel Tunnel which still has some capacity available – which could also be significantly enhanced with technological innovations, such as the ERTMS – will meet traffic needs for a long time to come.

Brexit will not be the sudden fracture that some people feared. A 2-year transition period is planned from 29 March 2019. Great Britain remains geographically in Europe and the Channel Tunnel is at the crossroads of our continent.

We will continue to optimise this **unique position**.

Yours faithfully,



Jacques Gounon
Chairman & Chief Executive Officer

In brief...



For your 2018 diary

21 February: 2017 annual results
18 April: General Meeting

Ministerial visit to Coquelles



On the occasion of the visit to Calais of Emmanuel Macron, the President of the French Republic, on 16 January, Jacques Gounon welcomed Gérald Darmanin, Minister of Public Action and Accounts to the Eurotunnel terminal in Coquelles. The excellent cooperation between the Group and the authorities was emphasised during their meeting with the Customs and Border agents who carry out controls, thanks to the facilities and equipment provided by Eurotunnel. Jacques Gounon took the opportunity to recall the importance of joint Channel border controls that are a community right. Fluidity of commercial exchanges for instance, which benefits both countries' economies, is one of the major challenges for the post-Brexit future.

28th BINAT exercise at Eurotunnel

Binat 28, a full-scale binational safety exercise, took place during the night of 20 to 21 January on the Concession, simulating a security incident in the Tunnel. The organisation of Binat exercises enables testing of the safety operational process on a regular basis for customers and employees as well as the response planning of the emergency services and their effective coordination. France this year took the role of lead nation for the purposes of the exercise. The Safety and Security Committee of the Group's Board is responsible for setting the parameters of this type of full-scale exercise at Eurotunnel.

Focus on 2017 traffic and revenue figures

The consolidated revenue of the Group for 2017 reached €1.033 billion, a 4% increase like-for-like, which represents an all-time revenue record, at constant exchange rate.

Fixed Link Concession (Eurotunnel)

At €914.5M, the revenue of the Fixed Link increased by +4% in 2017, Eurotunnel Shuttle revenue by +3% and Railway Network revenue by +4%.

- Le Shuttle Freight: traffic stable with 1.64 million trucks transported in 2017, in a stable market with a stable market share at 39.1%. An all-time record for the best ever 2nd half of a year, with 814,133 trucks transported.
- Le Shuttle: with 2.6 million cars transported, car traffic decreased slightly by 0.6% in a cross-Channel car market that contracted by 0.2% with a market share stable at 54.9%. Seasonal traffic records, in particular during the summer and end of the year holidays.
- Eurostar: 10.3 million Eurostar passengers through the Tunnel in 2017, a +3% increase, with a new traffic record in December.
- Rail freight trains: strong increase in number of trains (+12%) and in tonnes of goods transported (+17%).

Europorte

- Europorte revenue increased by +2% in 2017, due in particular to the increase in traction activity for customers in the automotive, chemicals and cereals industry as well as the start of new traffic for Lhoist and Lafarge.

ElecLink

- Construction work on the converter stations in Folkestone and Coquelles and preparatory work for the installation of the monorail and cable in the north railway tunnel are continuing to schedule.

More information in the [press release](#) published on 25 January 2018

* All comparisons with 2016 are done at the 2017 exchange rate of £1=€1.14

Large maintenance operations in the Tunnel



An operation to replace switch gear at the UK cross-over, which enables traffic to flow from one railway tunnel to the other, took place during 28 hours from 13 January. In total, 150 technicians for Eurotunnel and sub-contractors were mobilised for changing the 60-metre long points and crossing element. A similar operation planned for the end of January will replace the 10th and last of the switch equipment in the Tunnel. The new rail network elements require less heavy maintenance work, and enable an increase in reliability and hence the availability of the infrastructure used by 350 trains on average every day.

Group Revenue in €M

2017	1,033	+4%
2016	997	

Passenger Shuttle - Cars

In millions (number of cars carried)

2017	2.60	-1%
2016	2.61	
2015	2.56	

Truck Shuttle

In millions (number of trucks carried)

2017	1.64	=
2016	1.64	
2015	1.48	

Eurostar - Passengers

(number of passengers through the Tunnel)

2017	10.3	+3%
2016	10.0	
2015	10.4	

Rail freight trains

(number of trains through the Tunnel)

2017	2,012	+12%
2016	1,797	
2015	2,421	

331,372 pets

(dogs, cats and ferrets) crossed the Channel on board Le Shuttle in 2017, a +10% increase compared to 2016.

Getlink, partner with the APF



Since 2013, Getlink has been committed to systematically calling on the French Association for the Paralysed (APF)

for any services falling within the skill set of its partner companies which employ people with disabilities. The Group regularly entrusts work to APF workshops set up in the Calais region, which specialise in welding, carpentry, packaging and tertiary services. The amount of services supplied by the association have risen steadily, from €14,742 in 2013 to €112,892 in 2017, which represents a c.700% increase. In 2017, this partnership ensured a full-time activity for more than 4 employees of the APF company in Calais.