# PRESS RELEASE

9 March 2010

## 2009 RESULTS

- **Net profit €1.4 million in a poor economic environment and despite the consequences of the fire in September 2008**
- **Reduction in external operating costs, excluding insurance premiums (-11%)**
- **Continuation of dividend payment to be proposed at the AGM on 26 May 2010**

In a poor economic environment, despite the impact of the fire in September 2008 which limited traffic at the start of the year and the suspension of Eurostar services at the end of the year, Eurotunnel has remained in profit in 2009. This result would have been better if a claim linked to the 2008 fire, initiated by the railways against the Eurotunnel Group's insurers, had not frozen the payment of part of the indemnities due.

**Jacques Gounon, Chairman and Chief Executive of the Eurotunnel Group, stated:**

***"The results for the year 2009 are proof of Eurotunnel's resilience in the face of difficulties.***

***Our Group has remained profitable in an unfavourable economic context. This performance shows that the Group is in good shape to benefit from the economic recovery, as soon as it begins. The payment of a dividend is a demonstration of our confidence and determination for 2010."***

### Highlights of the year

- Partial reduction in Tunnel capacity up to 9 February as a result of the fire in September 2008. Corrective measures implemented
- Strong decline in the cross-Channel truck market: estimated at approximately -20% compared to 2007
- Final payment of €8 million received in respect of the "Sangatte litigation" from the British government
- Growth in the number of Eurostar passengers to more than 9.2 million in 2009, despite the disruptions to Eurostar services at the end of the year
- First external growth transaction with the acquisition of four of the French subsidiaries of Veolia Cargo on 30 November for €17 million[1]

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[1] Net of debt, net of cash

## Litigation in respect of the fire in September 2008 which is delaying the payment of indemnities due to Eurotunnel

The railways initiated action against the first line of the Group's insurers, without Eurotunnel being implicated and, in May 2009, obtained a ruling from the *Tribunal de Grand Instance (TGI)* in Paris requiring the freezing of the sum of €48 million "to the benefit of the companies SNCF and Eurostar", whilst awaiting a decision on the substance. The TGI also ordered the sequestration of a further sum of €11 million. In this context, Eurotunnel has limited the amount of indemnities received or to be received in 2009, to €69 million. Eurotunnel is taking, and will continue to take, all appropriate measures to ensure that it receives full compensation for losses to which it is entitled under the insurance policies. These actions do not call into question the principle of compensation, but they do delay the receipt of payments awaited from the insurers.

## Management of costs

Strict operating discipline has led to a significant reduction in external operating costs, and enabled the absorption of the considerable increase in insurance premiums (€20 million) in 2009. **Managing costs** has been done without compromising the quality of service. It has given the Group a competitive edge in the current difficult economic circumstances.

In 2010, the external operating charges will benefit from the **renegotiation of insurance premiums**, which have been brought down to €21 million, after having increased to €31 million following the fire in September 2008.

## Reduction in financial charges

The gross cost of servicing debt has reduced by €62 million at a constant exchange rate. The financial charges for the first half of 2009 are substantially lower as a result of the low or negative inflation levels on the tranche of the debt indexed by inflation. At the same time, the transactions to redeem the NRS have led to a reduction in charges on the NRS of €7 million in 2009.

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## Forthcoming dates in 2010

26 May 2010 Groupe Eurotunnel SA AGM

The annual accounts for Groupe Eurotunnel SA at 31 December 2009 will be available on our website at www.eurotunnel.com

**Appendix: Extract from the consolidated financial statements of Groupe Eurotunnel SA for the year ended 31 December 2009**

# 1. REVIEW OF CONSOLIDATED FINANCIAL RESULTS

Pursuant to EC Regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of GET SA for the financial year ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2009.

Groupe Eurotunnel SA's consolidated accounts were approved by the Board of Directors on 8 March 2010.

The auditors' work on the consolidated accounts for the year ended 31 December 2009 is largely completed. The audit reports of the statutory auditors relating to the certification of the consolidated accounts will be issued after verification of the information contained in the management report and completion of the work required for the finalisation of the reference document.

## 1.1. Comparison of financial years ended 31 December 2008 and 31 December 2009

| **€ million** | **2009** | **2008 restated(*)** | **% change** | **2008 published** |
|---|---|---|---|---|
| **Exchange rate €/£** | **1.119** | **1.119** | | **1.216** |
| Shuttle services | 311 | 416 | -25% | 431 |
| Railways | 250 | 250 | = | 260 |
| Other revenue | 10 | 13 | -25% | 13 |
| **Revenue** | **571** | **679** | **-16%** | **704** |
| Other income | 69 | 42 | | 44 |
| **Total turnover** | **640** | **721** | **-11%** | **748** |
| Operating expenses | (195) | (194) | – | (200) |
| Employee benefit expense | (120) | (124) | -3% | (127) |
| **Operating margin (EBITDA)** | **325** | **403** | **-19%** | **421** |
| Depreciation | (164) | (160) | +3% | (160) |
| **Trading profit** | **161** | **243** | **-34%** | **261** |
| Other operating income and (expenses) | 0 | 28 | | 28 |
| **Operating profit (EBIT)** | **161** | **271** | | **289** |
| Income from cash and cash equivalents | 3 | 18 | | 19 |
| Gross cost of servicing debt | (195) | (257) | -24% | (268) |
| Net cost of financing and debt service | (192) | (239) | -19% | (249) |
| Other financial income and (charges) and income tax expenses | 32 | 2 | | – |
| **Result for the year: profit** | **1** | **34** | | **40** |

* *In order to enable a better comparison between the two years, the 2008 consolidated income statement presented above has been recalculated at the exchange rate used for the 2009 income statement of £1=€1.119.*

### *1.1.1 Key figures: income statement*

The section of the Tunnel damaged by the fire on 11 September 2008 remained closed until 9 February 2009. The activity in 2009 was therefore significantly affected by the reduced capacity at the beginning of the year and its consequences, as well as by the effects of the economic crisis on the markets in which Eurotunnel operates. The wintry conditions at the end of the year also had a negative effect.

The material damage and operating losses resulting from the Fire in September 2008 are covered by insurance policies up to €900 million for a period of 24 months, i.e. up to September 2010.

Given the fact that the four new rail freight subsidiaries of Europorte purchased on 30 November 2009 from the Veolia group were recently acquired, the Eurotunnel Group has not consolidated these four companies (Europorte France, Europorte Link, Europorte Proximité and Socorail) in its Group accounts at 31 December 2009.

# GROUPE EUROTUNNEL SA: YEAR ENDED 31 DECEMBER 2009

## 1 REVIEW OF CONSOLIDATED FINANCIAL RESULTS

**Summary**

At €571 million, the Eurotunnel Group's consolidated revenue excluding insurance indemnities is 16% below 2008 at a constant exchange rate, in a context of the financial crisis and an activity which has been significantly affected by the Fire in September 2008 and its consequences. After taking into account insurance indemnities relating to operating losses of €69 million (€42 million in 2008) and operating expenses and depreciation relatively stable despite a substantial increase in insurance premiums, the trading profit is 34% below 2008 at a constant exchange rate. The net cost of financing and debt service is significantly below 2008 (-19%) as a result of the effect of low inflation on the indexed tranche of the debt. After taking into account financial income of €32 million, Groupe Eurotunnel SA's net consolidated result for the 2009 financial year is a profit of €1.4 million compared to a profit of €34 million (restated at a constant exchange rate) in 2008.

### *1.1.2 Revenues*

The Eurotunnel Group's total consolidated revenues for 2009 amounted to €571 million excluding insurance indemnities, a reduction of 16% compared to 2008 at a constant exchange rate.

a) Shuttle services

Shuttle services revenues for 2009 were affected by the direct and indirect consequences of the fire, as well as by the contraction of the markets in the year. At €311 million in 2009, Shuttle revenues were 25% below 2008 at a constant exchange rate. Shuttle revenues in the fourth quarter of 2009 were nevertheless 10% above 2008, but compared to a period in 2008 impacted by the fire.

- **Truck Shuttle**

Adversely affected by the economic situation, in 2009 the cross-Channel truck market was about 20% below 2007 (the last comparable year). Due to the non-renewal of their annual contracts at the end of 2008 by a certain number of hauliers and to the effect of the economic crisis on the market, Truck Shuttle traffic decreased by 39% for the year compared to 2008. In contrast, the traffic increased in the fourth quarter (+12% compared to the fourth quarter of 2008 heavily impacted by the consequences of the fire) and the second half showed a significant improvement (17%) on the first half, despite the restriction to road traffic resulting from the wintry weather at the end of the year.

- **Passenger Shuttle**

Car traffic increased slightly in the year (+0.5%), the reduction in the first half having been compensated by the strong increase in the second half. The fourth quarter of 2009 saw the Eurotunnel Group regain market share in the cross-Channel car market. Coach traffic reduced slightly in the year (-2%).

b) Railways

Eurostar returned to a normal service on 23 February 2009. The number of Eurostar passengers travelling through the Tunnel in the first half of 2009 was 6% below the same period in 2008, but the growth in the third and fourth quarters (+9% and +8% respectively) resulted in full-year traffic growth of 1% compared to 2008, despite the breakdown of 5 Eurostars on the 18 December 2009 and the severe service disruptions that followed.

The increase in the number of rail freight trains using the Tunnel in the second half of 2009 compared to the second half of 2008 (+2.4%) reduced the decline in the full-year traffic to 12% in 2009 compared to 2008.

At €250 million in 2009, revenue from the Railways is at the same level as in 2008 at a constant exchange rate.

### *1.1.3 Total turnover*

Other income corresponds to insurance indemnities for operating losses. It includes €36 million for insurance indemnities received during 2009, as well as indemnities to be received, estimated on the basis of the latest evaluation of entitlement to compensation at the end of 2009 which was limited to €33 million in the context of the actions undertaken by the railways (as described in note 3.1 below).

### *1.1.4 Operating margin (EBITDA)*

a) Operating expenses

External operating costs remained stable in 2009 despite the €20 million increase in insurance premiums following the Fire in September 2008, as a result of the reduction in activity, and in electricity and maintenance charges in 2009, as well as the decrease in "*taxe professionnelle*" (a French local tax) which is related to the reduction in activity levels.

b) Employee benefit expense

Staff numbers have remained relatively stable in the year, with an average of 2,361 in 2009. Employee benefit expense has decreased by 3% mainly because of the reduction in bonuses based on financial and operational results.

### *1.1.5 Trading profit*

Accelerated depreciation on certain equipment (points) in 2009 generated a 3% increase in depreciation charges.

### *1.1.6 Operating profit (EBIT)*

Net other operating income and expenses in 2009 are made up mainly of an income of €8 million received in 2009 from the British government following the agreement on compensation for the intrusions by illegal immigrants (following the agreement with the French government in 2008 for €24 million), compensated by a charge of €9 million corresponding to the write-off of the remainder of the rolling stock considered irreparable by the Group and its experts following the fire. In the context described in note 3.1 below, the Group has not accounted for any further indemnities relating to these assets in 2009.

EBIT for 2009 is €161 million compared to €271 million in 2008 restated at the average exchange rate for 2009.

### *1.1.7 Net cost of financing and debt service*

"Income from cash and cash equivalents" of €3 million in 2009 has reduced by €15 million as a result of the temporary placement of the proceeds of the financial transactions from which the Group benefited in the first half of 2008, and also as a result of the significant decrease in interest rates.

At €195 million, the gross cost of servicing debt has reduced by €62 million at a constant exchange rate, of which €54 million results from the effect of lower inflation rates in 2009 than in 2008, which has led to a reduction in indexed financial charges on the nominal of tranche A of the debt. As a result of the transactions to redeem and re-purchase NRS that have been carried out since the first half of 2008, the accretion expense on the NRS has reduced by €7 million in 2009.

In 2009 the other net financial income of €32 million includes a release of provision for risk following the end of legal proceedings relating to the safeguard plan.

### *1.1.8 Net result*

The net consolidated result for 2009 is a profit of €1.4 million compared to a profit of €34 million in 2008 restated at the average exchange rate for 2009.

### 1.2. Cash flows in the 2009 and 2008 financial years

| **€ million** | **Year ended 31 December 2009** | **Year ended 31 December 2008** |
|---|---|---|
| **Exchange rate €/£** | **1.126** | **1.050** |
| Net cash inflow from trading | 276 | 416 |
| Other operating cash flows and taxation | 5 | (1) |
| **Net cash inflow from operating activities** | **281** | **415** |
| Net cash outflow from investing activities | (50) | (35) |
| Net cash outflow from financing activities | (261) | (241) |
| **(Decrease)/increase in cash in year** | **(30)** | **139** |

In total, the net cash outflow in 2009 was €30 million compared to a net cash inflow of €139 million in 2008.

#### *1.2.1 Cash flow from operating activities*

Net cash inflow from trading amounted to €276 million in 2009 compared to €416 million in 2008. Cash from revenues excluding insurance indemnities in 2009 is below 2008 for the same reasons as those indicated in the analysis of the income statement. Cash spent on operating expenses increased mainly as a result of the €20 million increase in insurance premiums. During the first half of 2009, €36 million was received from the insurers for operating losses, but no indemnities were received during the second half of 2009.

#### *1.2.2 Cash flow from investing activities*

Net cash outflow from investing activities includes an advance of €10 million received as compensation for rolling stock received in the fire, €19 million paid for the acquisition of the four new subsidiaries of Europorte (see note 3.3 below), and €41 million of capital expenditure (in particular on the renovation and upgrade of the power of locomotives).

#### *1.2.3 Cash flow from financing activities*

In 2009, the net cash outflow from financing activities which amounted to €261 million included:

- interest paid of €201 millions on the Term Loan (the effect of the indexation of the nominal gives rise to cash payments only on repayment of the nominal) and of €18 million on the NRS;
- payments of €39 million relating to equity transactions;
- payment of the dividend for €7 million; and
- interest received of €3 million.

# 2. EXTRACTS FROM THE CONSOLIDATED FINANCIAL STATEMENTS

| **Consolidated income statement** **€'000** | **31 December 2009** | **31 December 2008** |
|---|---|---|
| Revenue | 571,133 | 703,881 |
| Other income | 69,200 | 43,942 |
| **Total turnover** | **640,333** | **747,823** |
| Operating expenses | (195,255) | (200,127) |
| Employee benefit expense | (120,051) | (127,040) |
| Depreciation | (163,905) | (159,622) |
| **Trading profit** | **161,122** | **261,034** |
| Other operating income and (expenses) | 207 | 28,260 |
| **Operating profit** | **161,329** | **289,294** |
| Income from cash and cash equivalents | 2,974 | 18,588 |
| Gross cost of servicing debt | (195,118) | (267,579) |
| Net cost of financing and debt service | (192,144) | (248,991) |
| Other financial income | 42,722 | 36,224 |
| Other financial charges | (10,248) | (36,255) |
| Income tax expense | (228) | (545) |
| **Profit for the year** | **1,431** | **39,727** |
| Group share: profit: | 1,564 | 43,595 |
| Minority interest share: loss | (133) | (3,868) |
| Profit/(loss) per share (€) | 0,01 | 0.34 |
| Profit/(loss) per share after dilution (€) | n/s | 0.08 |

| **Consolidated statement of comprehensive income** **€'000** | **31 December 2009** | **31 December 2008** |
|---|---|---|
| Foreign exchange translation differences | (113,124) | 462,404 |
| Movement in fair value of hedging contracts (*) | 179,697 | (387,471) |
| Net income recognised directly in equity | 66,573 | 74,933 |
| Profit for the year – Group share | 1,564 | 43,595 |
| **Total comprehensive income – Group share** | **68,137** | **118,528** |
| **Total comprehensive income/(expense) – minority interest share** | **(734)** | **(1,340)** |
| **Total comprehensive income for the year** | **67,403** | **117,188** |

* *Including accrued interest.*

## Consolidated balance sheet

| €'000 | 31 December 2009 | 31 December 2008 |
|---|---|---|
| **ASSETS** | | |
| **Property, plant and equipment** | | |
| Concession property, plant and equipment | 6,759,173 | 6,886,309 |
| Other property, plant and equipment | 3,917 | 19 |
| **Total property, plant and equipment** | **6,763,090** | **6,886,328** |
| **Non-current financial assets** | | |
| Investment in subsidiary undertakings | 10,450 | 77 |
| Other financial assets | 1,847 | 2,673 |
| **Total non-current assets** | **6,775,387** | **6,889,078** |
| Trade receivables | 46,499 | 48,346 |
| Other receivables | 86,487 | 67,459 |
| Other financial assets | 9,312 | 390 |
| Cash and cash equivalents | 251,226 | 275,908 |
| **Total current assets** | **393,524** | **392,103** |
| **Total assets** | **7,168,911** | **7,281,181** |
| **EQUITY AND LIABILITIES** | | |
| Issued share capital | 190,825 | 75,937 |
| Share premium account | 1,780,896 | 1,136,128 |
| Other reserves | 582,169 | 148,253 |
| Other equity and similar instruments | 215,357 | 1,226,319 |
| Profit for the year | 1,564 | 43,595 |
| Cumulative translation reserve | 300,427 | 407,697 |
| **Equity – Group share** | **3,071,238** | **3,037,929** |
| Minority interest share | 48 | 2,700 |
| **Total equity** | **3,071,286** | **3,040,629** |
| Retirement benefit obligations | 17,710 | 15,912 |
| Financial liabilities | 3,651,467 | 3,557,247 |
| Other financial liabilities | 1,404 | 2,326 |
| Interest rate derivatives | 274,782 | 455,159 |
| **Total non-current liabilities** | **3,945,363** | **4,030,644** |
| Provisions | 5,883 | 43,890 |
| Financial liabilities | 10,246 | 22,065 |
| Other financial liabilities | 443 | 419 |
| Trade payables | 112,875 | 121,985 |
| Other payables | 22,815 | 21,549 |
| **Total current liabilities** | **152,262** | **209,908** |
| **Total equity and liabilities** | **7,168,911** | **7,281,181** |

## Consolidated statement of changes in equity

| €'000 | Issued share capital | Share premium account | Consolidated reserves | Other equity and similar instruments | Retained earnings | Cumulative translation reserve | Group share | Minority interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| At 1 January 2008 | 23,914 | 218,127 | (2,216,031) | 1,472,678 | 3,290,843 | (54,707) | **2,734,824** | 4,040 | **2,738,864** |
| Issue of SDES | | | | 800,000 | | | **800,000** | | **800,000** |
| Cost of SDES issue | | | | (28,611) | | | **(28,611)** | | **(28,611)** |
| Increase in capital | 41,849 | 873,595 | | | | | **915,444** | | **915,444** |
| Cost of capital increase | | (41,272) | | | | | **(41,272)** | | **(41,272)** |
| Creation of special reserve | | (1,902) | 1,902 | | | | **-** | | **-** |
| Partial redemption and buy back of NRS in cash and payment of coupon | | | (492,647) | (924,320) | | | **(1,416,967)** | | **(1,416,967)** |
| Partial redemption and buy back of NRS in shares | 10,174 | 87,580 | (4,326) | (93,428) | | | **-** | | **-** |
| Acquisition of own shares | | | (44,017) | | | | **(44,017)** | | **(44,017)** |
| Result for the year | | | | | 43,595 | | **43,595** | (3,868) | **39,727** |
| Transfer to non-distributable reserves | | | 3,290,843 | | (3,290,843) | | **-** | | **-** |
| Net profit/(loss) recorded directly in equity | | | (387,471) | | | 462,404 | **74,933** | 2,528 | **77,461** |
| **At 31 December 2008** | **75,937** | **1,136,128** | **148,253** | **1,226,319** | **43,595** | **407,697** | **3,037,929** | **2,700** | **3,040,629** |
| Payment of dividend | | | | | (7,343) | | **(7,343)** | | **(7,343)** |
| Merger of TNU SA | 71 | 929 | (4,936) | | | 5,854 | **1,918** | (1,918) | **-** |
| Cost of merger of TNU SA | | (929) | | | | | **(929)** | | **(929)** |
| Adjustment of special reserve | | 846 | (846) | | | | **-** | | **-** |
| Early conversion of 2007 Warrants | 41,401 | | (41,401) | | | | **-** | | **-** |
| Cost of capital increase | | (637) | (7,740) | | | | **(8,377)** | | **(8,377)** |
| Partial buy back of NRS I | | | 1,472 | (29,422) | | | **(27,950)** | | **(27,950)** |
| Reclassification relating to redemption of NRS I T1 | | (87,580) | 87,580 | | | | **-** | | **-** |
| Reclassification of costs relating to purchase and redemption of NRS in 2008 | | | (79,482) | 79,482 | | | **-** | | **-** |
| Contractual redemption of NRS I T2 | 9,550 | | 74,097 | (83,406) | | | **241** | | **241** |
| Payment of interest on NRS in July 2009 | | | (11,483) | 12,719 | | | **1,236** | | **1,236** |
| Partial early redemption of NRS I T3 | 27,401 | | 227,395 | (249,219) | | | **5,577** | | **5,577** |
| Partial contractual redemption of SDES | 36,465 | 732,139 | (27,488) | (741,116) | | | **-** | | **-** |
| Acquisition of own shares | | | 799 | | | | **799** | | **799** |
| Result for the year | | | | | 1,564 | | **1,564** | (133) | **1,431** |
| Transfer to non-distributable reserves | | | 36,252 | | (36,252) | | **-** | | **-** |
| Net profit/(loss) recorded directly in equity | | | 179,697 | | | (113,124) | **66,573** | (601) | **65,972** |
| **At 31 December 2009** | **190,825** | **1,780,896** | **582,169** | **215,357** | **1,564** | **300,427** | **3,071,238** | **48** | **3,071,286** |

## Consolidated statement of cash flows

| €'000 | 31 December 2009 | 31 December 2008 |
|---|---|---|
| Result for the year: profit | 1,431 | 39,727 |
| Income tax expense | 228 | 545 |
| Other financial (income) and charges | (32,474) | 31 |
| Net cost of financing and debt service | 192,144 | 248,991 |
| Other operating (income) and expenses | (207) | (28,260) |
| Depreciation | 163,905 | 159,622 |
| **Trading profit before depreciation** | **325,027** | **420,656** |
| Exchange adjustment (*) | 1,195 | (31,123) |
| (Increase)/decrease in trade and other receivables | (38,892) | 7,825 |
| Decrease/(increase) in trade and other payables | (11,391) | 18,900 |
| **Net cash inflow from trading** | **275,939** | **416,258** |
| Other operating cash flows | 5,391 | (679) |
| Taxation | 18 | (483) |
| **Net cash inflow from operating activities** | **281,348** | **415,096** |
| Payments to acquire property, plant and equipment | (40,615) | (37,887) |
| Sale of property, plant and equipment | 132 | 3,196 |
| Receipt of compensation for rolling stock | 10,000 | – |
| Acquisition of Europorte's new subsidiaries | (19,342) | – |
| **Net cash outflow from investing activities** | **(49,825)** | **(34,691)** |
| Dividend paid | (7,343) | – |
| Issue of SDES | – | 800,000 |
| Issue costs of SDES | – | (28,791) |
| Capital increase | – | 915,444 |
| Share issue costs | (9,237) | (40,393) |
| Purchase of own shares | (9,616) | (45,448) |
| Redemption and partial buy back of NRS | (29,696) | (1,549,032) |
| Interest paid on the NRS | (18,088) | (115,826) |
| Interest paid on Term Loan | (165,697) | (201,789) |
| Interest paid on hedging instruments | (35,286) | – |
| Interest received on hedging instruments | – | 5,521 |
| Interest received on cash and cash equivalents | 2,845 | 17,646 |
| Other interest received | 162 | 173 |
| Proceeds from sale of own shares | 10,400 | 1,230 |
| **Net cash outflow from financing activities** | **(261,556)** | **(241,265)** |
| **(Decrease)/increase in cash in year** | **(30,033)** | **139,140** |

* *The adjustment relates to the restatement of elements of the income statement at the exchange rate ruling at the year end.*

**Movement during the year**

| €'000 | 2009 | 2008 |
|---|---|---|
| Cash and cash equivalents at 1 January | 275,908 | 154,983 |
| (Decrease)/increase in cash in year | (30,033) | 139,140 |
| Increase/(decrease) in interest receivable in year | 1 | (607) |
| Bank overdrafts | – | (12) |
| Effect of movement in exchange rate | 5,350 | (17,596) |
| **Cash and cash equivalents at 31 December** | **251,226** | **275,908** |

# 3. IMPORTANT EVENTS DURING THE FINANCIAL YEAR

## 3.1. Consequences of the Fire in September 2008

The section of the Tunnel damaged by the fire on 11 September 2008 remained closed until 9 February 2009. Activity levels in 2009 were therefore affected by the reduced capacity of the Shuttle services at the beginning of the year and by the non-renewal of annual contracts by a certain number of transporters at the end of 2008.

The Group's insurance policy covers material damage and operating losses up to €900 million. This is made up of two distinct layers. The primary layer covers the first €200 million and is placed on the French insurance market. The second layer is placed on the London market, and covers the remaining €700 million. Operating losses are insured for a period of 24 months from the date of the fire, i.e. up to September 2010.

In accordance with the insurance contracts, compensation for losses gives rise to the payment of advances by the insurers. At 31 December 2009, the Group had received a total of €141 million under the primary layer.

The railways (BRB and SNCF), users of the Channel Tunnel infrastructure, also benefit from the Group's insurance, but only in respect of material damage to the Tunnel. Nevertheless, the Group's insurers have received from the railways a claim for compensation relating to the fire on 11 September 2008 in respect of their own operating losses, as the railways consider that the Group's insurers should also compensate them for their operating losses following the fire.

As a result, Eurostar UK Limited ("EUKL", on behalf of BRB) and SNCF have commenced proceedings against the primary-layer insurers and have obtained ex parte and in summary proceedings (not contested and in the absence of the other parties) an order from the Paris *Tribunal de Grande Instance* dated 13 May 2009. This ordered them to "reserve in their accounts – out of the sum of €200 million corresponding to the total amount guaranteed under the policy – the sum of €48 million for the companies SNCF and EUKL" until such time as a ruling can be made on the substance (on their right to claim under the policy). This sum is based on the railway's own estimate of their operating losses. This order was notified to the insurers on the 20 May 2009.

These proceedings between EUKL/SNCF and the insurance companies do not in any way implicate the Eurotunnel Group who is not a party to the procedure.

The Paris *Tribunal de Grande Instance* has also ordered that €11 million claimed by the Eurotunnel Group from its primary-layer insurers be placed in an escrow account until such time as a ruling is made on the substance.

These actions do not call into question the principle of compensation for operating losses and material damage resulting from the fire. However, they do delay the receipt of the payments expected from the primary-layer insurers. Indeed, the Eurotunnel Group did not receive any payments from the primary-layer insurers during the second half of 2009.

In light of these circumstances, the Group has based its accounting treatment of compensation for operating losses on its latest estimate of its total entitlement to compensation in respect of the fire at the end of 2009 and on the temporary consequences of the actions taken by the railways.

The Eurotunnel Group has therefore decided to limit to €33 million (of which €6 million had been received from the second-layer insurers before the date on which the Board approved these financial statements) the amount of insurance indemnities to be received. These have been accounted for in "other income" in the second half of the year, bringing the total for the year to €69 million. Eurotunnel is taking, and will continue to take, all appropriate measures to ensure that it receives full compensation for losses to which it is entitled under the insurance policies.

## 3.2. Financial operations

### *3.2.1 Contractual redemptions*

During 2009, the Group:

- redeemed the NRS I Tranche 2 in July 2009, and
- redeemed the SDES from September 2009 as requested by holders.

### *3.2.2 Continuation of the simplification of the Group's capital structure*

a) Partial cash buy back of NRS I

During the first half of 2009, the Eurotunnel Group bought back 334,507 NRS I for a total amount of €30 million.

b) Simplified public exchange offer on the 2007 Warrants

On 8 April 2009, the Eurotunnel Group announced that it had already attained the financial objectives that had been set for the exercise, in 2011, of the maximum possible number of the warrants issued as part of the financial restructuring on 28 June 2007 (the "*2007 Warrants*").

On 25 June 2009, Groupe Eurotunnel SA launched a simplified public exchange offer, enabling holders of the 2007 Warrants to exchange them for GET SA ordinary shares two years early. This offer is described in the offer document which was approved by the *Autorité des marches financiers* ("*AMF*", the French financial markets authority) on 23 June 2009 under visa number 09-200.

On 23 July 2009, the AMF announced that 3,260,315,660 of the 2007 Warrants (75.7% of the 2007 Warrants in circulation) had been tendered to the offer, which, on the settlement/delivery date of 27 July 2009, gave rise to the issue of 103,502,084 new GET SA ordinary shares against the payment to GET SA of €41.4 million in order to fully pay up the nominal value of the shares issued.

c) Early redemption of the NRS I Tranche 3

On 27 October 2009, the Eurotunnel Group launched the early redemption transaction for the NRS I Tranche 3 enabling holders to exchange them against GET SA ordinary shares 8 months in advance of their contractual redemption date.

This operation was completed on 25 November 2009 with the redemption of 2,740,095 NRS I Tranche 3 and the issue of 68,502,375 GET SA ordinary shares.

### 3.3. Acquisition of new rail freight subsidiaries

On 30 November 2009, GET SA completed the acquisition of the French branch of Veolia Cargo. This operation, with a total value of €19.3 million, resulted in the acquisition of 100% of the following four companies for €10.4 million via the Group's rail freight subsidiary, Europorte (formerly Europorte 2):

- Europorte France (formerly Veolia Cargo France),
- Europorte Link (formerly Veolia Cargo Link),
- Europorte Proximité (formerly CFTA Cargo), and
- Socorail.

In addition, Europorte acquired shareholder current accounts totalling €8.9 million.

As this acquisition was made only recently, these companies will be consolidated from the 2010 financial year. At 31 December 2009, the shareholdings are accounted for in "investment in subsidiary undertakings".

### 3.4. Litigation

Dresdner Bank and the Eurotunnel Group decided to end all ongoing litigation initiated in Paris by Dresdner Bank in relation to the approval and implementation of Eurotunnel's safeguard plan. Accordingly, Dresdner Bank formally and irrevocably discontinued all pending claims and relinquished its rights in respect of all such claims. The Eurotunnel Group and the creditors' representatives ("*mandataires judiciaries*") appointed by the court as part of the safeguard procedure, have unconditionally accepted this withdrawal.

The judgments of 2 August 2006, by which the Paris Commercial Court opened safeguard procedures in favour of TNU PLC, Eurotunnel Services Limited, EurotunnelPlus Limited, Eurotunnel Finance Limited and CTG, were subject to third-party opposition by certain Elliot companies. These third-party proceedings were rejected by the Paris Commercial Court in five judgments dated 15 January 2007. The appeal lodged by the Elliot companies in relation to this first series of decisions was rejected by five orders of the Paris Court of Appeal (*Cour d'appel de Paris*) delivered on 29 November 2007; without having examined the substance the Court of Appeal considered that the third-party oppositions were inadmissible. On 30 June 2009, the Supreme Court of Appeal (*Cour de cassation*) quashed the five orders of the Paris Court of Appeal in so far as they related to the admissibility of this appeal and referred the matter back to the Paris Court of Appeal on the substance of the claim as to whether the Paris Commercial Court was competent to open safeguard procedures for the five English companies. Given the factual evidence relating to the centre of main interest, Eurotunnel does not consider this procedure likely to challenge the validity of the safeguard plan.

### 3.5. Arbitration

In 2003, Eurotunnel brought a case before the International Tribunal for Arbitration against France and Great Britain, on the basis that intrusions by illegal immigrants from the centre at Sangatte had disrupted its activities between 2000 and 2002. In a ruling on 30 January 2007 published on 23 February 2007, the Tribunal recognised Eurotunnel's right to compensation. The Group and the French government reached an amicable settlement in April 2008 for an amount of €24 million to be paid to Eurotunnel.

In 2009, the British government signed an agreement with Eurotunnel which resulted in the receipt of €8 million in December 2009.

# Groupe Eurotunnel SA
# 2009 Annual results

**9 March 2010**

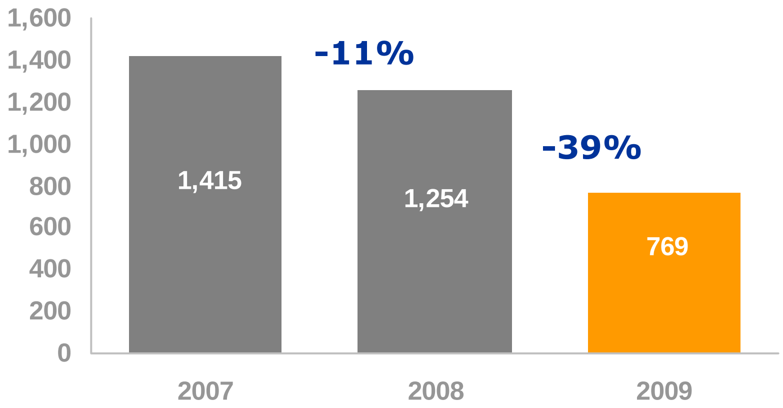
# Groupe Eurotunnel SA
# Agenda

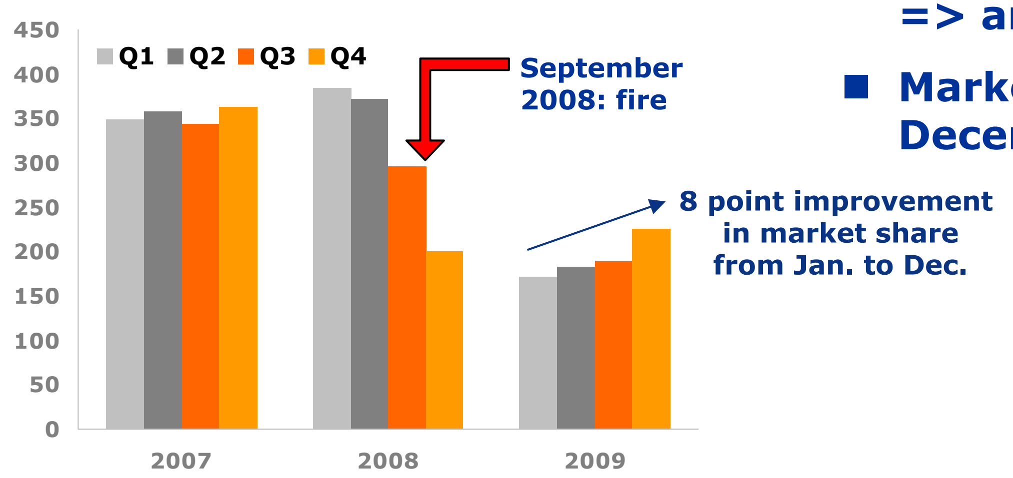
- Operational performance
- Financial results
- 2009 financial operations
  Capital structure and shareholder analysis
- Developments and outlook

# 2009 Operational performance

# 2009 traffic: Truck Shuttles

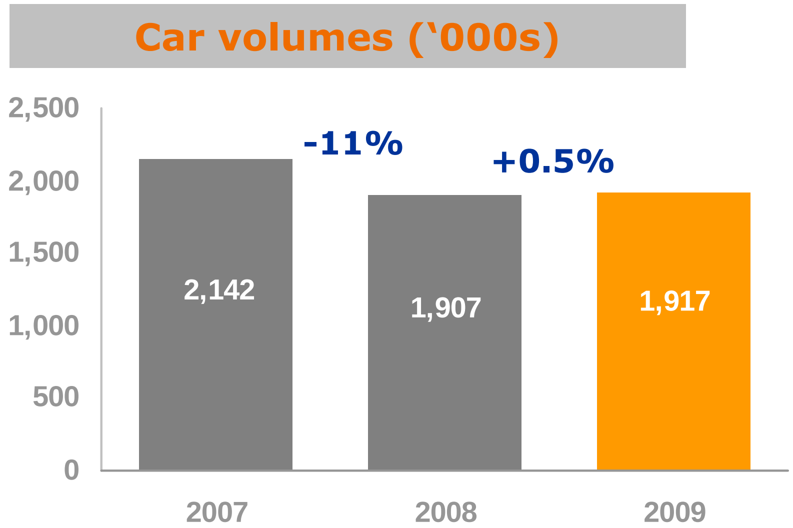
Truck volumes ('000s)

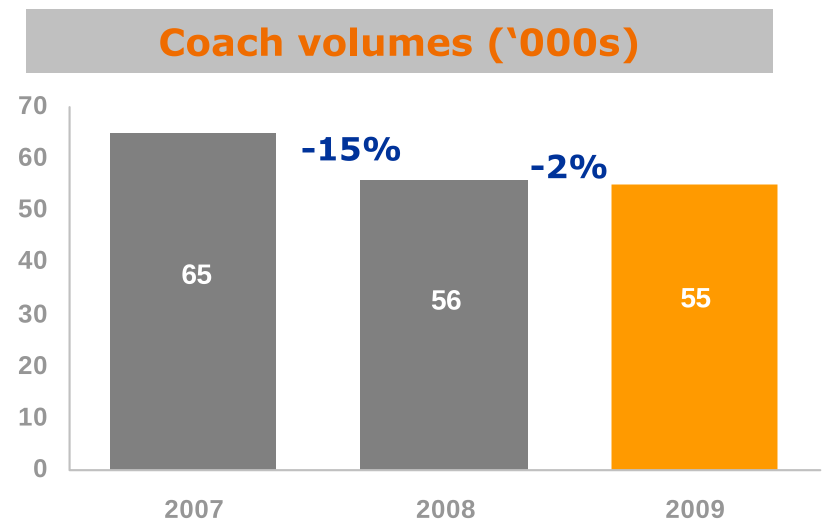


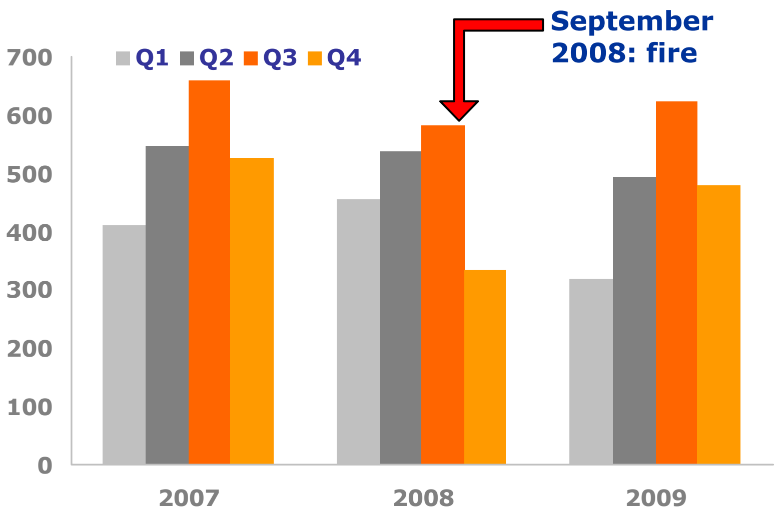




- Approx. 20% decline in Short Straits Truck market since 2007 peak
- Effective return to full capacity from 10 February 2009
- Logistic constraints for hauliers due to the September 2008 fire => annual commitments with the ferries
- Market share recovered to 32% in December compared to 24% in January

# 2009 traffic: Passenger Shuttles



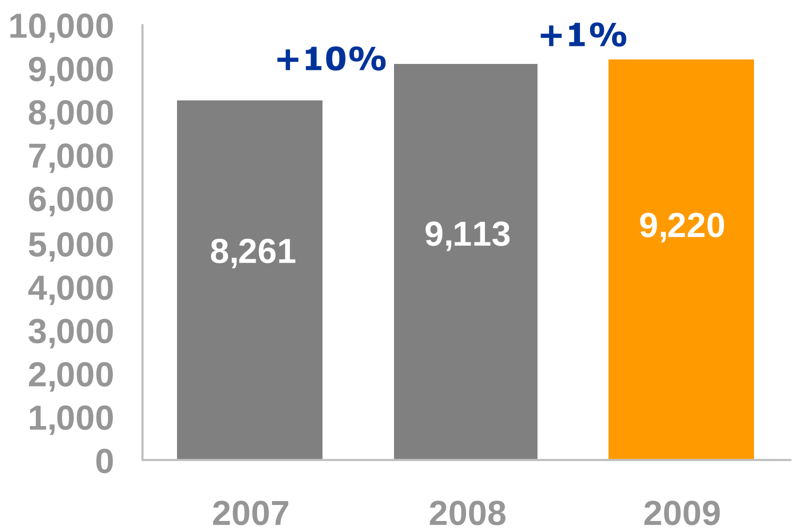



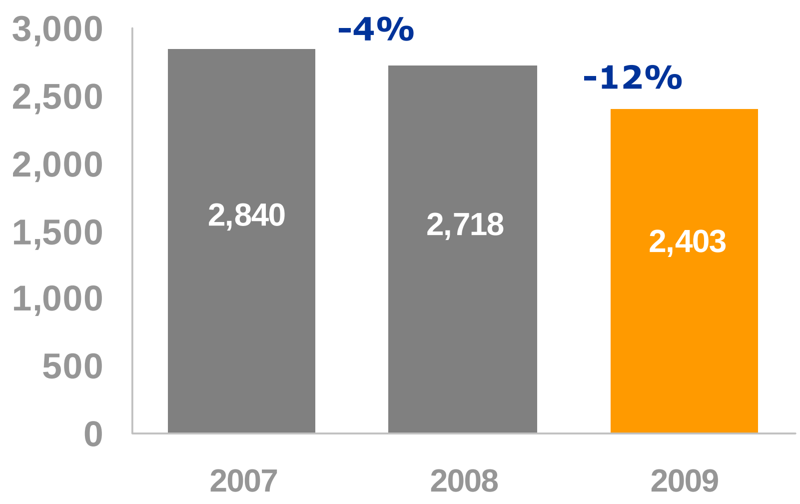

- Effective return to full capacity from 10 February 2009
- Full return to pre-fire car market share in H2-09
- Small increase in 2009 car volumes
- 2% decrease in 2009 coach volumes
- Market leader for car and coach

# 2009 traffic: Railways

Eurostar passengers* ('000)




Number of rail freight trains**




- Return to full service on 23 February
- Growth in passengers vs 2008 despite December disruptions
- Number of trains down by 12% vs 2008 back in growth in H2

* Number of Eurostar passengers travelling through the Channel Tunnel

** Number of rail freight trains travelling through the Channel Tunnel

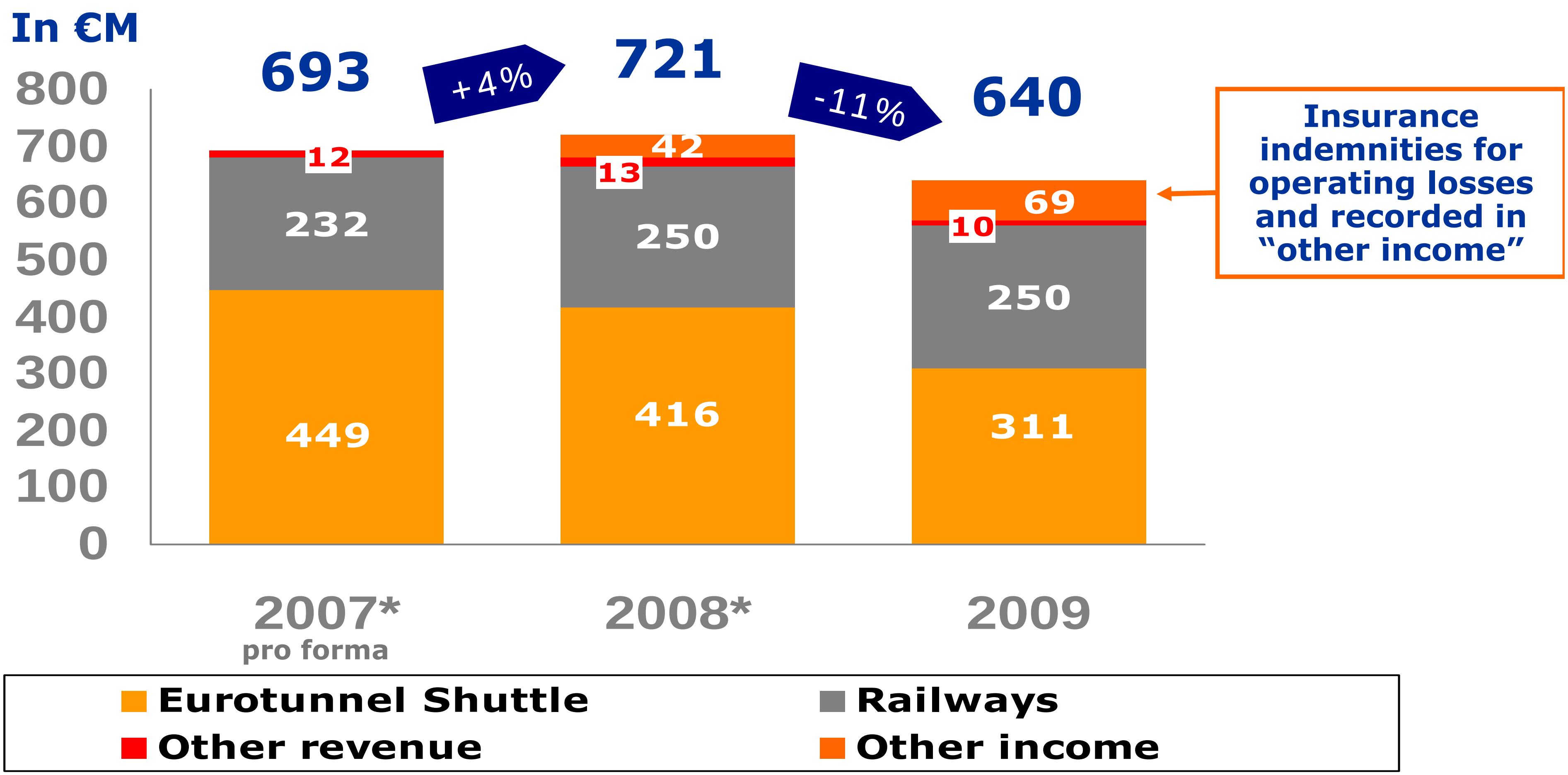
# Europorte

- In November 2009, Eurotunnel acquired Veolia Cargo's 4 rail freight companies in France, for a cost of €17M, excluding cash balances and free of external debt
- Revenue in 2009: €54M
- 600 members of staff
- Own fleet of 14 recently built main-line locomotives


- All subsidiaries rebranded as Europorte
- This first foray into external growth should enable Eurotunnel to take on a leading role in the French rail freight market

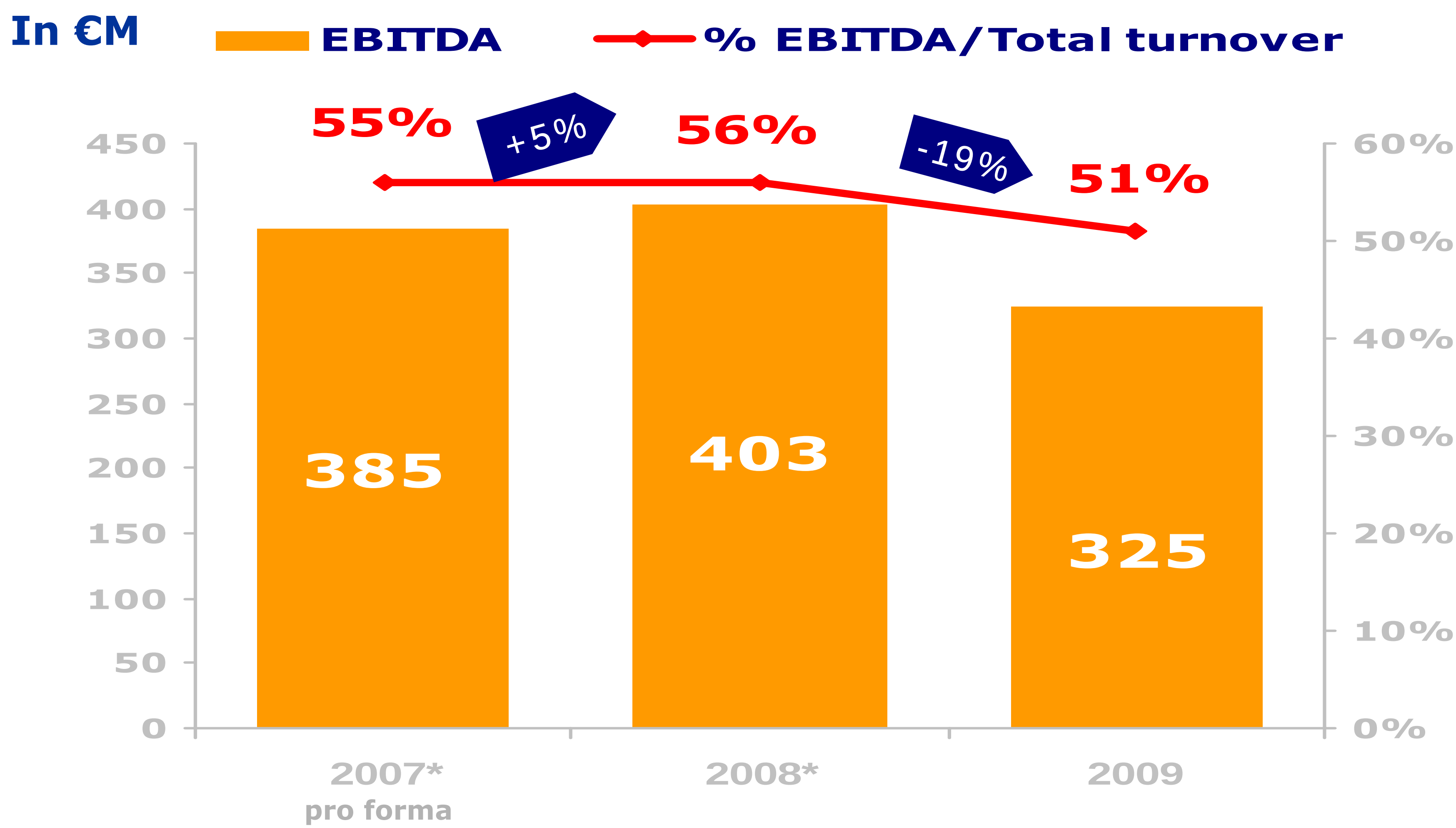
# 2009 Financial results

# 2009 turnover




* Recalculated at 2009 exchange rate: £1 = €1.119

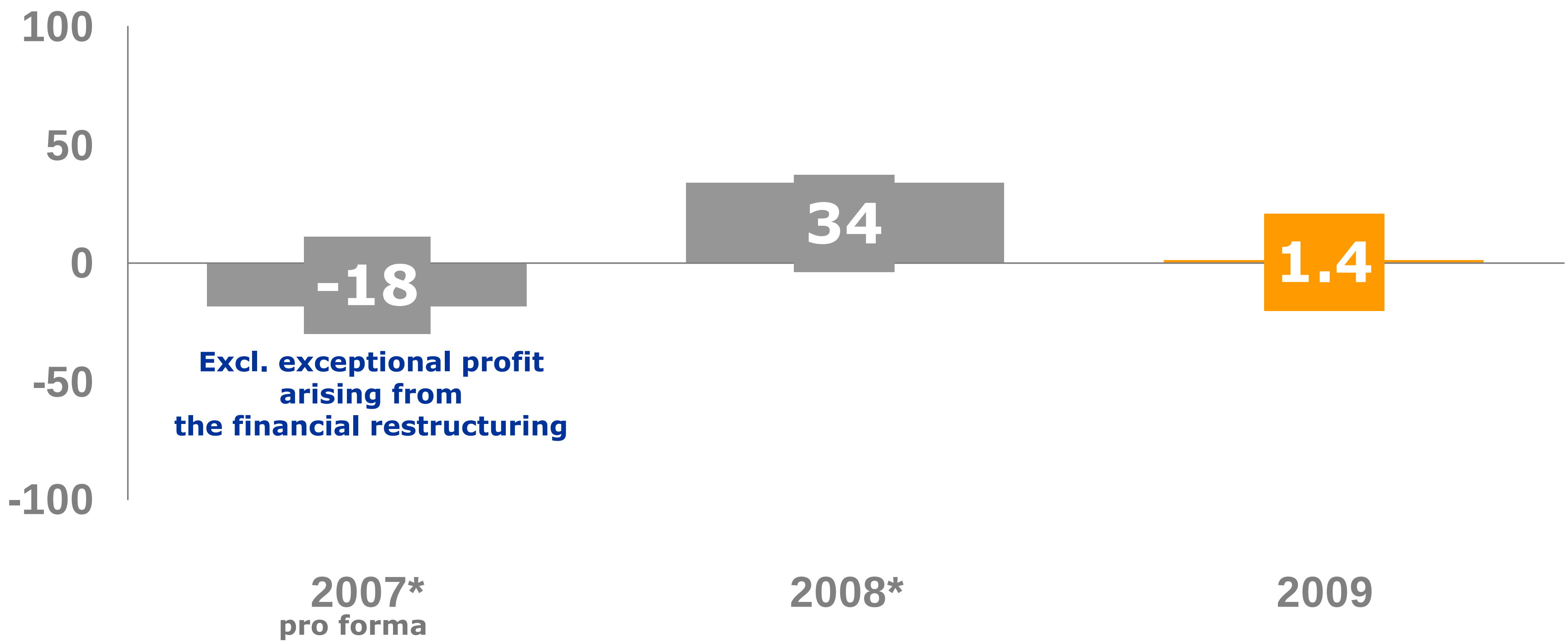
# EBITDA




* At average exchange rate for 2009: £1 = €1.119

# Net result: profit in 2009

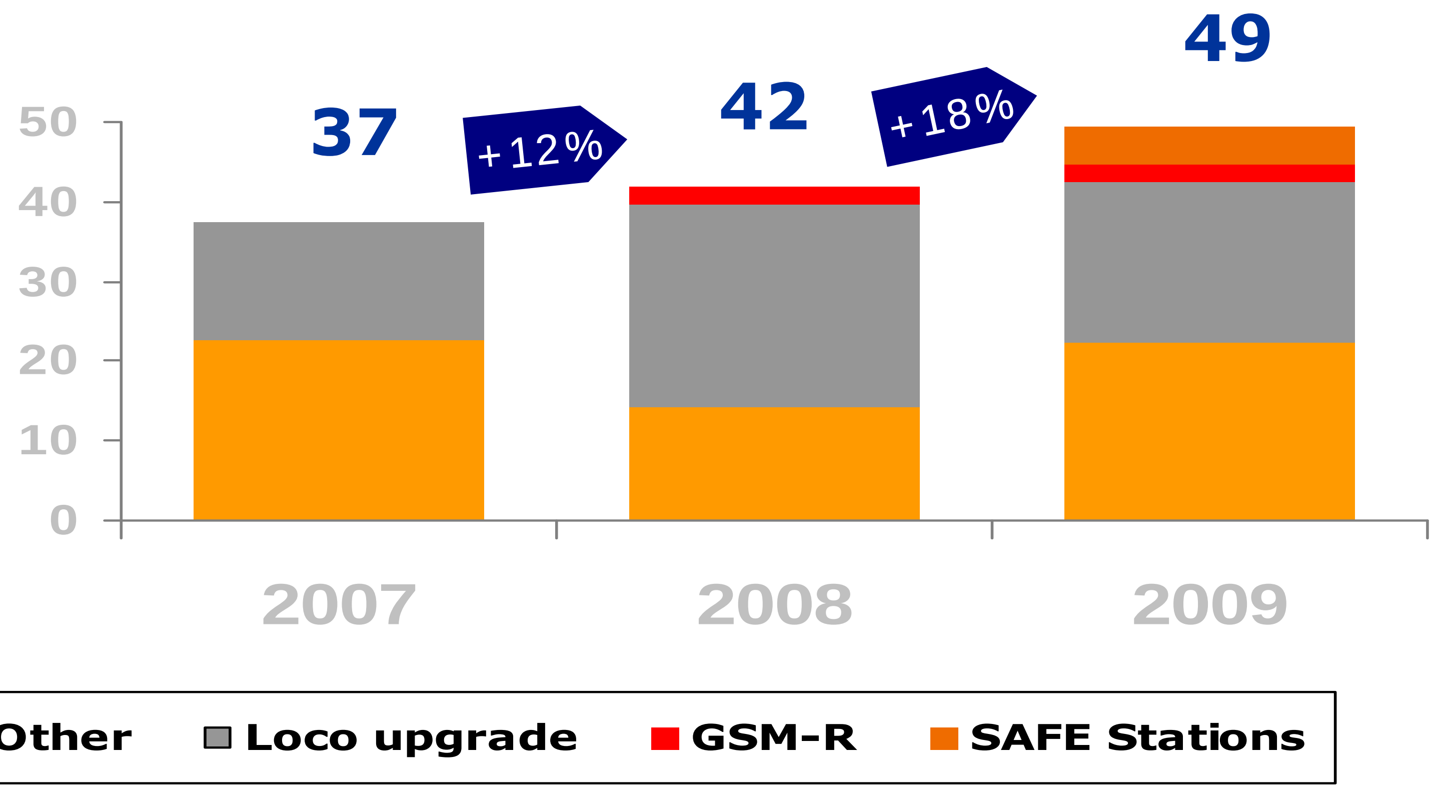
**In €M**




* At average exchange rate for 2009: £1 = €1.119

# Capex
## Continued investment to prepare for the future

In €M




* At historical exchange rate for each period

# Results analysis

- Decrease in turnover to €640M
- Operating margin (EBITDA) at €325M
- Ratio EBITDA/Total turnover at 51%
- Net profit: €1.4M
- Dividend maintained
- Strong cash position: €251M at 31/12/2009
- Significant tax loss position

# 2009 financial operations

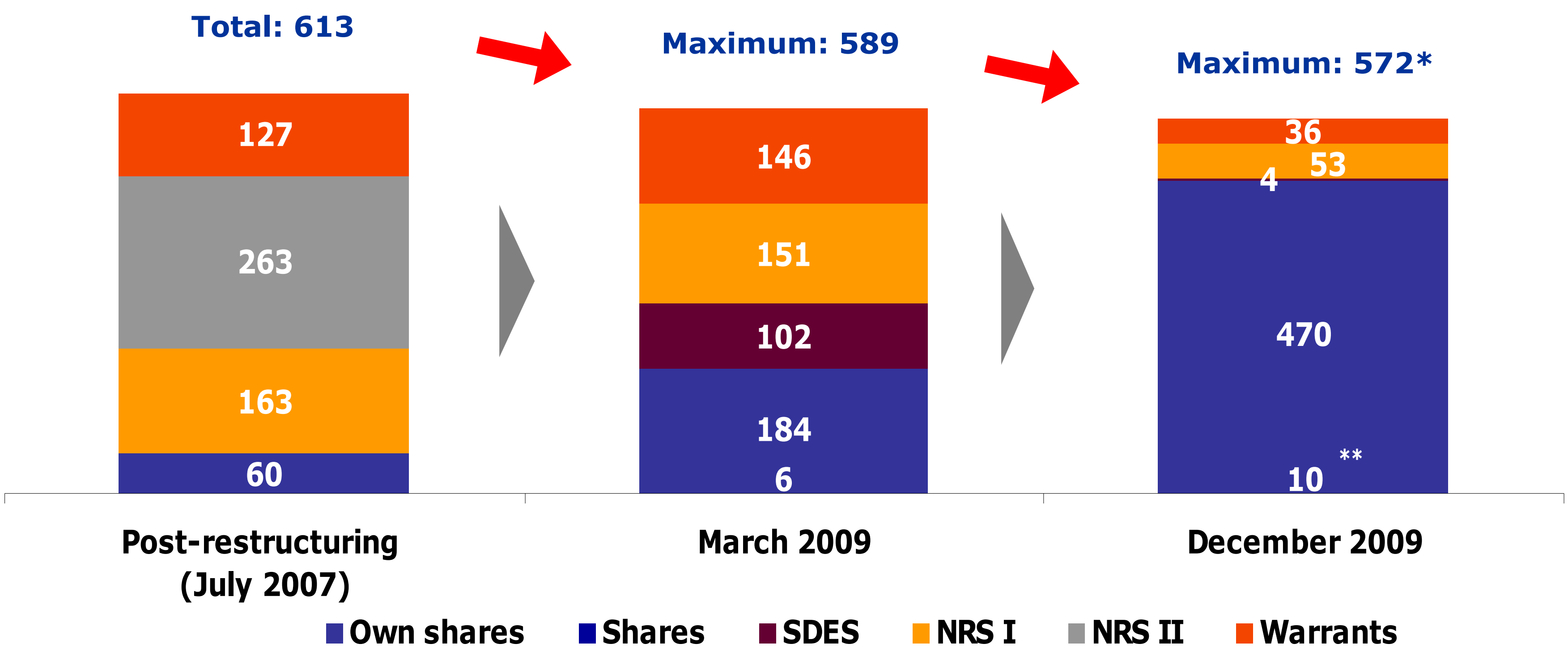
# Capital structure and shareholder analysis

# 2009 financial operations
# Large success

- **Objectives**
  - » **Simplify** the capital structure
  - » **Reduce** dilution (reduction of c.29 million shares resulting from the transactions in 2009)
  - » **Reduce** coupon payments (€5m reduction resulting from the operation on the NRS 1 T3)
- **Operations**
  - » Early conversion of **2007 warrants** into GET SA shares on 27 July 2009
  - » Early redemption of **NRS I T3** into GET SA shares on 25 November 2009
- **Cancellation** of ENHC preference share
- **Next step (2010):** merger of EGP into GET SA

# 2009 financial operations
# Simplification of the capital structure

In millions of equivalent shares




* Calculation made assuming the potential maximum 4 million bonus shares linked to the SDES shall be paid with own shares, and before potential cancellation of remaining own shares

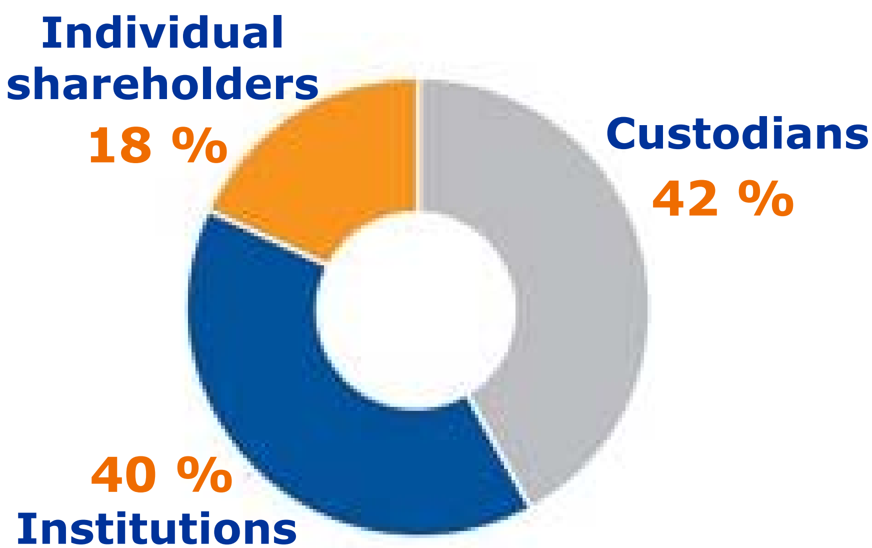
** 14 million own shares, adjusted with respect to the 4 million bonus shares linked to the SDES

# Shareholder analysis (January 2010)

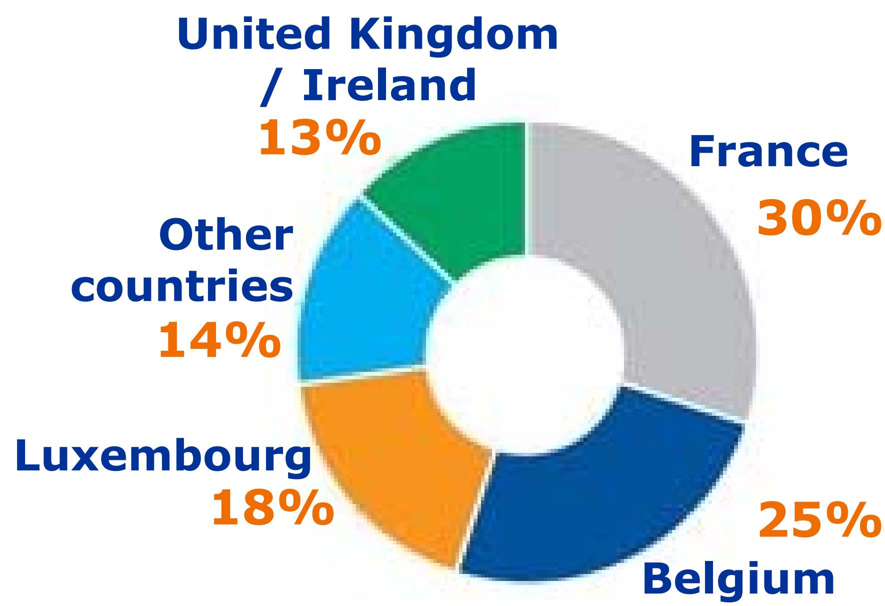
## Capital breakdown*

**350,000 shareholders → Average holding: 2,381 shares**

### By shareholder profile




### By location of account holder




* Based on a bearer holder identification analysis covering holders of 100 or more shares, on the registrars of BNP Paribas Securities Services and Computershare

# Groupe Eurotunnel
# Debt structure

- **Loans (nominal value as at 31 December 2009)**

## Total amount*: €3,654M

| Term Loan | In €M | In £M | Total amount in €M |
|---|---|---|---|
| Fixed-rate, indexed on inflation | 367 | 750 | 1,212 |
| Fixed-rate | 645 | 400 | 1,095 |
| Floating-rate** | 953 | 350 | 1,347 |

**Investment grade rating (Baa2) maintained**

* Based on exchange rate of £1=€1.126 at 31 December 2009

** Floating-rate tranches are fully covered by interest-rate hedging contracts

# Developments and outlook

# Truck Shuttles
## Recovery will be driven by the return of the largest road transporters

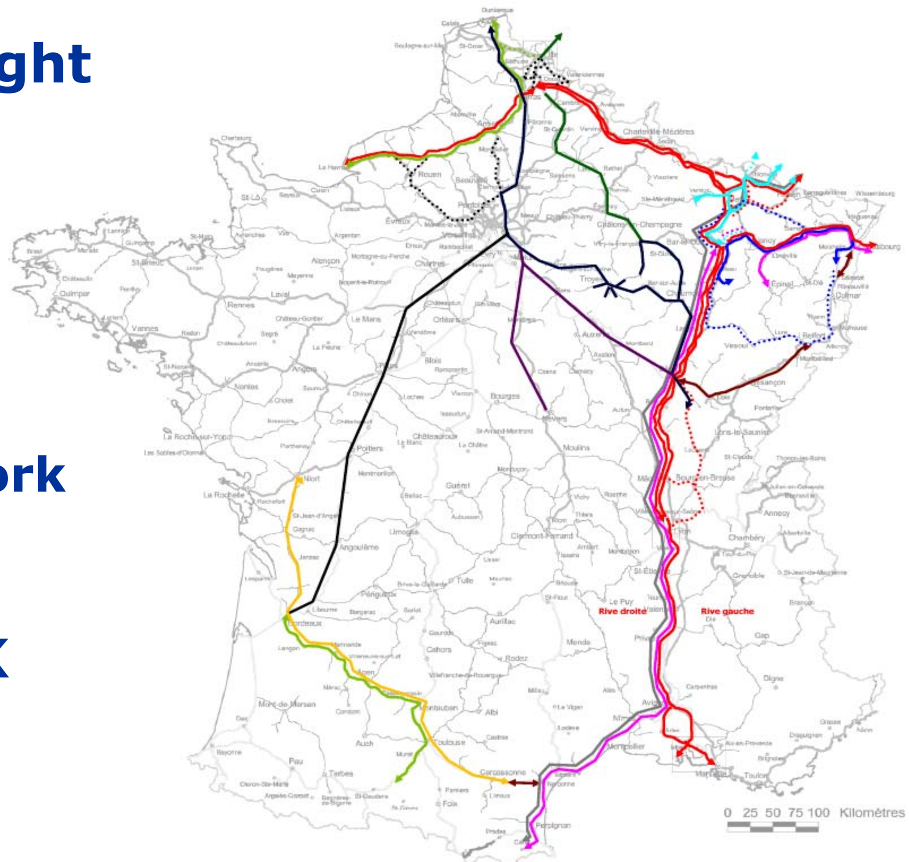
**Our strong environmental advantages reinforce…**

# Truck Shuttles
# Quality of service


## ...our intrinsic strengths: SPEED, EASE, RELIABILITY

# Outlook
# Rail freight opportunity

- **Eurotunnel expert in rail freight with licence since 2004**
- **Significant expansion through purchase of Veolia Cargo France allowing to further develop rail freight activities**
  - » **Access to geographical network and to customers**
- **Training of drivers to allow extension of services into UK with existing locomotives**




**Well placed to benefit from growth in environmental concerns and renewed focus in rail freight**

# Strategic vision of Eurotunnel
## A real sustainable development policy

- **Eurotunnel, "green" credentials**
  - » Cut our greenhouse gas emissions by more than 50% since 3 years
  - » Certified by Carbon Trust Standard and partnership with Ademe
  - » Hybrid electric powered works train
  - » 3 turbine wind farm to be put into operation in March 2010 on Coquelles terminal (2.4 megawatts i.e. power for 2,000 houses)
  - » Green flag awarded for Samphire Hoe for the 5th year running

- **Eurotunnel the most environmentally friendly way to cross the Channel**

# Conclusion

- Profit and dividend maintained in a difficult year
- Strong liquidity position
- A strategic vision
- Investing for the future but with costs controlled
- The most environmentally friendly transport system
- Development projects