

# PRESS RELEASE



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## ANNUAL RESULTS 2013

- Revenues above €1 billion at €1.092 billion, an increase of 12%<sup>1</sup>
- An EBITDA of €449 million (+7% excluding insurance indemnities<sup>2</sup>)
- An improvement in operating profit of €45 million<sup>2</sup> for the Fixed Link and Europorte segments
- Net profit after tax of €101 million (including net tax income of €81 million)
- A 25% increase in the dividend to €0.15, to be proposed to the AGM on 29 April (€0.12 in 2012)

The board of directors, under the chairmanship of Jacques Gounon, finalised the accounts for the year to 31 December 2013 at its meeting on 12 March 2014.

**Jacques Gounon, Chairman and Chief Executive Officer of Groupe Eurotunnel SA,** stated: *“In 2013, the Eurotunnel Group recorded another record year despite the highly competitive environment. In this year, the 20<sup>th</sup> anniversary of the Channel Tunnel, the Group has set itself new targets for the creation of value, with an objective for EBITDA of more than €500 million<sup>3</sup> in 2015.”*

## IMPORTANT EVENTS IN THE PAST YEAR

<sup>1</sup> All comparisons with the 2012 income statement are made at the exchange rate for 2013, £1 = €1.187.

<sup>2</sup> In 2012, the Eurotunnel Group received a one-off income of €30 million in insurance indemnities, accounted for in other income, in the EBITDA (operating margin), and in the overall result.

<sup>3</sup> At current exchange rates

## ➤ **Channel Tunnel Fixed Link Concession**

- In 2013, Eurotunnel's Shuttle Services carried 2.5 million passenger vehicles and 1.4 million trucks.
- On Saturday 17 August, Le Shuttle broke its previous record for the summer, carrying almost 16,000 passenger vehicles. It is the most intense traffic ever achieved in a single day since 1994.
- Launched on 31 May, the ETICA scheme (Eurotunnel Incentive for Capacity Additions), which is intended to encourage the launch of new rail freight services, has contributed to the 10% increase in the number of rail freight trains compared to 2012.
- Eurostar broke through the barrier of 10 million passengers. According to a report commissioned by the Eurotunnel Group, volumes could potentially reach 14 million passengers by 2020.
- The Intergovernmental Commission (IGC) recognised in December that Eurotunnel can legitimately recover the long-term costs of the Fixed Link via its access charges levied on railway operators using the Channel Tunnel, as set out in the Railway Usage Contract.
- The Channel Tunnel was named "Major Civil Engineering Project of the last 100 years" by the FIDIC, the International Federation of Consulting Engineers. The jury, composed of engineers and public project managers, unanimously selected the longest undersea tunnel from the 150 entries which came from all five continents.

## ➤ **Europorte and its subsidiaries**

- A positive contribution to 2013 revenue growth (€239 million, equivalent to an increase of +16%). The Europorte proposition is based on service quality and punctuality, which has enabled new orders to be won.
- The extension of the activity in France in the cereals and automotive sectors, combined with a diversification into petrochemicals and an increase in tonnage have consolidated the growth.
- GB Railfreight, the third largest rail freight operator in the UK, also continues to develop. In particular it has renewed for a period of 5 years its contract with one of its major customers, Network Rail, for the transport of materials for the maintenance of the UK railway network. This new contract brings with it a significant increase in activity and turnover. GBRf has also won an extension of its contract for the transport of more than a million tonnes of spoil for the Crossrail project which will open in 2018.
- Europorte generated a positive EBITDA of €19 million, an increase of €17 million, demonstrating the strong improvement in the profitability of the Eurotunnel's Group's rail freight segment.

## ➤ **MyFerryLink**

- In July 2013, the Eurotunnel Group acquired three ferries which it leases to the SCOP SF, an independent operating company. MyFerryLink is responsible for the sales and marketing of the service.
- On 4 December 2013, the Competition Appeal Tribunal quashed the decision of the Competition Commission, which had announced a prohibition on the ferries operating services out of the port of Dover, and referred the decision back to the Competition Commission, which is expected to deliver a new decision in May 2014.
- MyFerryLink has won customers with a proposition adapted to their needs and high quality services, with a freight market share of 9% for the full year in 2013 and revenues of €74 million, compared to just €7 million for the four and a half months of activity in 2012. The results for MyFerryLink in 2013 – 316,811 cars and 326,274 freight units transported – show the need for a new maritime option for crossing the Channel.

## **FINANCIAL RESULTS**

On a comparable basis, excluding the insurance indemnities, the operating margin, (EBITDA) of €449 million increased by 7% compared to 2012. The EBITDA of MyFerryLink is -€22 million. The operating result for the Fixed Link and Europorte segments is improved by €45 million.

The net cost of debt service, at €269 million increased by €4 million compared to 2012, mainly due to the impact of the 2% increase in margin on the Tranche C debt since July 2012, which is partially compensated by the decrease in inflation rates.

The Eurotunnel Group's pre-tax profit for the 2013 financial year was €20 million, compared to a profit of €27 million for 2012 (which included €30 million in insurance indemnities).

Taking into account a net tax credit of €81 million, resulting mainly from the initial recognition of a deferred tax asset, the Group's net result after tax in 2013 is a profit of €101 million.

The free cash-flow generated in 2013 amounted to €129 million. The available cash at 31 December 2013 was €277 million, after net capital expenditure of €49 million, the payment of a dividend (€65 million), the share buyback programme (€35 million) and €46 million paid in respect of the first scheduled repayments on the Term Loan.

## **OUTLOOK**

The activity remains positive, led by the upturn in the UK economy. Markets could, this year, see growth as strong as that experienced in 2013, with the British public making increasing numbers of short breaks to the Continent via Le Shuttle. The Group remains confident in its capacity to generate sustainable growth and, through the development of its vectors for growth, to further strengthen its resistance to the vagaries of the economy. The Eurotunnel Group expects growth in its revenues and its EBITDA in accordance with the following objectives: all things being equal

- 2014: €460 million EBITDA
- 2015: at least €500 million EBITDA

In the medium term, several factors work in favour of the Eurotunnel Group:

- The introduction of the new MARPOL environmental regulations for the ferries, with a 10-fold reduction in sulphur emissions. Eurotunnel is recognised as the most environmentally friendly cross-Channel operator.
- Continuing growth in the Short Straits passenger and truck markets
- The launch of new rail destinations such as London/Amsterdam

## **REVIEW OF THE FINANCIAL SITUATION AND THE CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2013.

### **1. COMPARISON OF FINANCIAL YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2013**

In order to enable a better comparison between the two years, the 2012 consolidated income statement presented in this section has been recalculated at the exchange rate used for the 2013 income statement of £1 = €1.187. The 2012 income statement presented in this section has been restated in accordance with the amended IAS 19.

#### **Summary**

In 2013, the Group's consolidated revenues exceeded €1 billion for the first time, increasing by €116 million (12%) compared to 2012, to €1,092 million. Operating costs totalled €643 million, an increase of €86 million, €76 million of which resulted from the new maritime activity MyFerryLink (12 months of operations in 2013 compared to four and a half months in 2012). EBITDA amounted to €449 million, including a €22 million loss for the MyFerryLink segment. Excluding €30 million of insurance indemnities relating to the 2008 fire accounted for in 2012, EBITDA improved by €30 million (7%) compared to 2012, of which €22 million was generated by the Fixed Link, €17 million by Europorte along with a decrease of €9 million for the MyFerryLink segment. Excluding the impact of the insurance indemnities, the operating profit increased by €31 million to €285 million. The Eurotunnel Group's result before tax for the 2013 financial year was a profit of €20 million. Excluding the losses generated by MyFerryLink and the impact of the insurance indemnities, the pre-tax result for the Fixed Link and Europorte segments improved by €39 million.

After taking into account a net tax credit of €81 million arising from the initial recognition of a deferred tax asset, the Group's result after tax for the 2013 financial year was a profit of €101 million.

Free Cash Flow<sup>4</sup> of €129 million was generated in 2013 compared to €133 million in 2012 (which included €30 million of insurance indemnities). At 31 December 2013, the Group held cash balances of €277 million (€256 million at 31 December 2012).

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<sup>4</sup> *The Free Cash Flow is the net cash flow from operating activities less net cash flow from investing activities (excluding the initial investment in new activities and the acquisition of shareholdings in subsidiary undertakings) and net cash flow from financing activities relating to debt service plus interest received.*

€million	2013	2012 restated <sup>(*)</sup>	Variance	2012 adjusted <sup>(**)</sup>
Exchange rate €/£	1.187	1.187		1.23
Fixed Link	779	763	+2%	777
Europorte	239	206	+16%	209
MyFerryLink	74	7		7
<b>Revenue</b>	<b>1,092</b>	<b>976</b>	<b>+12%</b>	<b>993</b>
Other income	–	30		30
<b>Total turnover</b>	<b>1,092</b>	<b>1,006</b>	<b>+9%</b>	<b>1,023</b>
Fixed Link	(327)	(333)	-2%	(338)
Europorte	(220)	(204)	+8%	(206)
MyFerryLink	(96)	(20)		(20)
<b>Operating costs</b>	<b>(643)</b>	<b>(557)</b>	<b>+15%</b>	<b>(564)</b>
<b>Operating margin (EBITDA)</b>	<b>449</b>	<b>449</b>	<b>=</b>	<b>459</b>
Depreciation	(166)	(161)	+3%	(161)
<b>Trading profit</b>	<b>283</b>	<b>288</b>	<b>-2%</b>	<b>298</b>
Other net operating income/(charges)	2	(4)		(4)
<b>Operating profit (EBIT)</b>	<b>285</b>	<b>284</b>	<b>0%</b>	<b>294</b>
Share of result of equity-accounted companies	(1)	–		–
Net finance costs	(269)	(265)	+2%	(269)
Net other financial income	5	8		7
<b>Pre-tax profit</b>	<b>20</b>	<b>27</b>		<b>32</b>
Income tax expense	81	–		–
<b>Profit for the year</b>	<b>101</b>	<b>27</b>		<b>32</b>

\* Restated at the rate of exchange used for the 2013 income statement (£1=€1.187).

\*\* Adjusted in accordance with the amended IAS 19.

The evolution of the result before tax and excluding insurance indemnities by segment compared to 2012 is presented below:

€million	(*) Fixed Link	Europorte	(**) MyFerryLink	Total Group
Improvement/(deterioration) of result				
<b>Pre-tax profit: 2012 restated at the 2013 exchange rate</b>	<b>21</b>	<b>(9)</b>	<b>(15)</b>	<b>(3)</b>
Improvement/(deterioration) of result:				
Revenue	+16	+33	+67	<b>+116</b>
Operating expenses	+6	(16)	(76)	<b>(86)</b>
<b>EBITDA</b>	<b>+22</b>	<b>+17</b>	<b>(9)</b>	<b>+30</b>
Depreciation	+2	(1)	(6)	<b>(5)</b>
<b>Trading result</b>	<b>+24</b>	<b>+16</b>	<b>(15)</b>	<b>+25</b>
Other net operating income/(charges)	+4	+1	+1	+6
<b>Operating result (EBIT)</b>	<b>+28</b>	<b>+17</b>	<b>(14)</b>	<b>+31</b>
Net financial charges and other	(5)	(1)	(2)	<b>(8)</b>
<b>Total changes</b>	<b>+23</b>	<b>+16</b>	<b>(16)</b>	<b>+23</b>
<b>Pre-tax profit for 2013</b>	<b>44</b>	<b>7</b>	<b>(31)</b>	<b>20</b>

\* Excluding insurance indemnities for operating losses resulting from the fire in 2008 (€30 million in 2012).

\*\* MyFerryLink began operations on 20 August 2012.

## 1.1. Fixed Link Concession segment

The Group's core business is the Channel Tunnel Fixed Link Concession which operates and directly markets its Shuttle Services and also manages the circulation of High-Speed Passenger Trains (Eurostar) and the Train Operators' Rail Freight Services through its Railway Network. This segment also includes the Group's corporate services.

€million	2013	(*) 2012	Variance
Exchange rate €/£	1.187	1.187	
Shuttle Services	477	470	+2%
Railway Network	289	280	+3%
Other revenue	13	13	+2%
<b>Revenue</b>	<b>779</b>	<b>763</b>	<b>+2%</b>
External operating costs	(182)	(184)	-3%
Employee benefits expense	(145)	(149)	-2%
<b>Operating costs</b>	<b>(327)</b>	<b>(333)</b>	<b>-2%</b>
<b>Operating margin (EBITDA)</b>	<b>452</b>	<b>430</b>	<b>+5%</b>
<i>EBITDA(*)/revenue</i>	<i>58.0%</i>	<i>56.2%</i>	<i>1.8pts</i>

\* Excluding insurance indemnities for operating losses resulting from the fire in 2008 (€30 million in 2012).

### a) Fixed Link Concession revenues

Revenue generated by this segment, which in 2013 represented 71% of the Group's total revenue, increased by 2% compared to 2012, to €779 million.

#### i) Shuttle Services

Traffic (number of vehicles)	2013	2012	Change
Truck Shuttle	1,362,849	1,464,880	-7%
Passenger Shuttle:			
Cars (*)	2,481,167	2,424,342	+2%
Coaches	64,507	58,966	+9%

\* Includes motorcycles, vehicles with trailers, caravans and camper vans.

Shuttle Services' revenue for 2013 amounted to €477 million, up 2% (€7 million) compared to the previous year.

#### Truck Shuttle

The cross-Channel Short Straits truck market continued to grow in 2013, up by an estimated 4.7% compared to 2012, but nevertheless remained some 5% below 2007 (before the economic crisis).

In 2012, Truck Shuttle traffic benefitted from the demise of the historic operator SeaFrance as well as from a large part of the additional traffic generated by the London Olympic Games. In 2013, the number of trucks transported by Shuttles decreased by 7%, but at 38.6% in 2013, the Truck Shuttle's market share remains above the average market share recorded before 2012.

#### Passenger Shuttle

The cross-Channel Short Straits car market returned to growth in 2013 (estimated at 2.8%). The number of cars transported by the Passenger Shuttles increased by 2% in 2013 compared to 2012 and the car activity's market share remained stable at 51%.

The cross-Channel Short Straits coach market recorded strong growth compared to 2012 (estimated at 8%) and the Fixed Link's coach market share increased by 0.5 points to 41.6%. The Passenger Shuttle's coach traffic increased by 9% in 2013, boosted by the new scheduled services launched in the second half of 2012.

ii) Railway Network

Traffic	2013	2012	Change
High-Speed Passenger Trains (Eurostar): Passengers(*)	10,132,691	9,911,649	+2%
Train Operators' Rail Freight Services (**):			
Number of tonnes	1,363,834	1,227,139	+11%
Number of trains	2,547	2,325	+10%

\* Only passengers travelling through the Channel Tunnel are included in this table, excluding those who travel between Paris-Calais and Brussels-Lille.

\*\* Rail freight services by train operators (DB Schenker on behalf of BRB, the SNCF and its subsidiaries, and Europorte) using the Tunnel.

The Eurotunnel Group earned revenues of €289 million in 2013 from the use of its Railway Network by Eurostar's High-Speed Passenger Trains and by the Train Operators' Rail Freight Services, an increase of 3% compared to 2012.

In 2013, the number of Eurostar passengers using the Tunnel increased by 2% compared to 2012 and passed the symbolic milestone of 10 million passengers in a year for the first time, thanks to strong demand in the leisure market.

In order to generate addition cross-Channel rail freight, Eurotunnel announced on 30 May 2013 the ETICA scheme (Eurotunnel Incentive for Capacity Additions) which provides financial assistance to railway undertakings who start up new rail freight services using the Tunnel, aiming to support their initial investment costs.

The number of rail freight trains increased by 10%, mainly due to an increase in steel transport, an upturn in certain intermodal traffic and, at the end of the year, the new services generated by ETICA.

**b) Fixed Link Concession operating costs**

The Fixed Link segment's operating costs amounted to €327 million in 2013, a decrease of 2% compared to 2012. Excluding non-recurring items, charges remained stable.

## 1.2. Europorte segment

The Europorte segment covers the entire rail freight transport logistical chain in France and the UK. It includes GBRf in the UK, and Europorte France, Socorail, Europorte Proximité and Europorte Channel.

€million	2013	2012	Variance
Exchange rate €/£	1.187	1.187	
Revenue	239	206	+16%
External operating costs	(135)	(128)	+6%
Employee benefits expense	(85)	(76)	+11%
<b>Operating costs</b>	<b>(220)</b>	<b>(204)</b>	<b>+8%</b>
<b>Operating margin (EBITDA)</b>	<b>19</b>	<b>2</b>	<b>+€17m</b>

**a) Europorte revenues**

The increase of €33 million in Europorte's revenues (16%) has been generated by new contracts started in 2013 and in the second half of 2012, as well as by an increase in volumes on some existing contracts.

**b) Europorte operating costs**

In the context of the growth in activity levels, the increase in operating expenses has been limited to 8% in the year reflecting the impact of measures to improve productivity that began in 2011 and which have been demonstrating their effectiveness since the second half of 2012 as well as the effect of lower start-up costs for new contracts.

Europorte's operating margin improved significantly compared to 2012, with a positive EBITDA of €19 million, up €17 million.

## 1.3. MyFerryLink segment

The Eurotunnel Group's maritime subsidiaries "MyFerryLink" lease their ships to the SCOP (an operating company



outside the Eurotunnel Group) and market the cross-Channel crossings for freight and tourist vehicles.

The Eurotunnel Group's maritime activity began on 20 August 2012 with two of the ferries (the *Rodin* and the *Berlioz*). Since February 2013, all three of the ferries have been in operation on the Short Straits (including the *Nord Pas-de-Calais*).

€million	2013	2012
Revenue	74	7
Operating costs	(96)	(20)
<b>Operating margin (EBITDA)</b>	<b>(22)</b>	<b>(13)</b>

#### a) MyFerryLink revenues

Traffic	2013	2012
Freight	326,274	11,417
Cars (*)	316,811	45,908
Coaches	721	11

\* Includes motorcycles, vehicles with trailers, caravans and camper vans.

The segment generated revenues of €74 million in 2013 compared to €7 million in the four and a half months of operations in 2012.

MyFerryLink's share of the cross-Channel Short Straits freight market in 2013 was 9%; it reached 9.6% in December 2013 compared to 4.2% in January 2013. For the car activity, market share was 6.5% for 2013.

#### b) MyFerryLink operating costs

Operating costs of €96 million for the year mainly comprise the purchase of ferry crossings from the SCOP as well as commercial and administrative costs.

### 1.4. Other income

In 2012, other income of €30 million related to cash received in the year for the final settlement of insurance indemnities arising from the fire in 2008.

### 1.5. Operating margin (EBITDA)

EBITDA by business segment (excluding other income) evolved as follows:

€million	(*)Fixed Link	Europorte	MyFerryLink	Total Group
EBITDA(*) 2012	430	2	(13)	419
Improvement/(deterioration):				
Revenue	+16	+33	+67	+116
Operating costs	+6	(16)	(76)	(86)
<b>Total</b>	<b>+22</b>	<b>+17</b>	<b>(9)</b>	<b>+30</b>
<b>EBITDA 2013</b>	<b>452</b>	<b>19</b>	<b>(22)</b>	<b>449</b>

\* Excluding insurance indemnities for operating losses following the fire in 2008 (€30 million in 2012).

At €449 million in 2013, the Group's operating margin improved by €30 million compared to 2012 excluding insurance indemnities in 2012; €22 million of this increase was generated by the Fixed Link segment and €17 million by Europorte, whilst MyFerryLink's EBITDA reduced by €9 million.

### 1.6. Operating profit (EBIT)

Depreciation charges increased by €5 million to €166 million in 2013, mainly as a result of the new maritime activity.

The operating profit in 2013 amounted to €285 million, an improvement of €31 million compared to 2012 (excluding the €30 million of insurance indemnities relating to the 2008 fire).

## 1.7. Pre-tax profit

At €269 million in 2013, net finance costs increased by €4 million compared to 2012 at a constant exchange rate, as a consequence of the additional 2% margin on tranche C of the debt since July 2012, partially compensated by the decrease in inflation rates and the resulting effect on the nominal value of the index-linked tranche of the debt.

In 2013, "net other financial income" included interest receivable on the floating rate notes of €7 million (2012: €6 million).

The Eurotunnel Group's consolidated result before tax for the 2013 financial year was a profit of €20 million.

## 1.8. Net result

Given its earnings outlook and its significant tax cumulative losses, the Group has accounted for a credit of €83 million in its 2013 income statement in relation to a deferred tax asset. This credit consists of the initial recognition of a €70 million deferred tax asset arising from temporary differences and the activation of €13 million of carryforward tax deficits reflecting those losses which are expected to be utilised in the next three years. At 31 December 2013, unrecognised deferred tax assets amounted to €1,554 million.

In 2013, income tax expense also includes a charge of €2 million for tax on dividends (3% of the €65 million dividend paid in 2013).

The consolidated result for the Eurotunnel Group for the 2013 financial year was a profit of €101 million.

## 2. CASH FLOWS IN 2012 AND 2013

€million	Year ended 31 December 2013	Year ended 31 December 2012
Exchange rate €/£	1.199	1.225
Net cash inflow from trading	459	459
Other operating cash flows and taxation	(6)	2
<b>Net cash inflow from operating activities</b>	<b>453</b>	<b>461</b>
Net cash outflow from investing activities	(49)	(183)
Net cash outflow from financing activities	(380)	(301)
<b>Increase/(decrease) in cash in year</b>	<b>24</b>	<b>(23)</b>

In total, the net cash inflow in 2013 was €24 million, compared to a net cash outflow of €23 million in 2012, an improvement of €47 million.

### a) Cash flow from operating activities

Net cash inflow from operating activities remained stable in 2013 compared to 2012 at €459 million. After net other operating payments and taxation of €6 million in 2013, the net cash inflow from operating activities decreased by €8 million to €453 million. This is explained mainly by:

- a net increase of €14 million for the Fixed Link activity (increase of €20 million in receipts and €6 million in operating costs),
- the absence of €30 million of insurance indemnities received in 2012 in respect of the fire in 2008,
- a net increase of €20 million in Europorte's operating cash flows, and
- a net operating cash out flow from the MyFerryLink segment's activity in 2013 of €17 million in 2013 compared to the net cash out flow of €21 million for the start up of the business and the four and a half months of operations in 2012.

### b) Cash flow from investing activities

Net cash flow from investing activities decreased from €183 million in 2012 to €49 million in 2013. In 2012, net cash flows from investing activities included payments of €74 million for the acquisition of certain assets from the ex-SeaFrance group and the cost of the rehabilitation of the three ferries and €51 million for the acquisition of new locomotives for Europorte.

The net cash flow from investing activities of €49 million in 2013 included:

- €37 million relating to the Fixed Link (2012: €59 million) of which €10 million was spent on the project to install the GSM-R (digital radio communication) system and €5 million on the renovation and power upgrade of

locomotives,

- net payments of €3 million for Europorte, the investment in the multi-year programme to acquire new locomotives for Europorte in France and GB Rf having been financed by sale and lease back transactions,
- payments of €6 million for the MyFerryLink segment mainly in relation to the rehabilitation of the ferries,
- net payments of €5 million relating to the Group's investment in ElecLink Limited, a joint venture 49%-owned by GET SA, which was established to build and operate a new electricity interconnector between the French and British national grids by running two direct current cables through the Tunnel, and
- €2 million received in respect of sales of fixed assets.

#### c) Cash flow from financing activities

Net cash outflow from financing activities in 2013 amounted to €380 million compared to €301 million in 2012. During 2013, it comprised mainly:

- €241 million of interest paid on the Term Loan and associated hedging transactions (2012: €228 million); the increase results from the application of the 2% step-up on the margin applicable to the tranche C debt since 28 June 2012,
- €46 million paid in respect of the first scheduled repayments on the Term Loan,
- €35 million paid under the share buy back programme (2012: €44 million),
- €65 million paid in dividends (2012: €44 million),
- €25 million received following the partial refinancing of locomotives purchased by Europorte in 2011 and 2012, and
- interest received totalling €8 million of which €6 million was in respect of the floating rate notes owned by the Group (2012: €9 million of which €6 million was in respect of the floating rate notes).

### 3. DEBT SERVICE COVER RATIOS

The debt service cover ratio and the synthetic service cover ratio for Groupe Eurotunnel SA at 31 December 2013 were 1.63 and 1.73 respectively, and thus the financial covenants for the period were respected.

### 4. LONG TERM DEBT TO ASSET RATIO

The Group defines its Long Term Debt to Asset Ratio as the ratio between long-term financial liabilities less the value of the floating rate notes held by the Group as a percentage of tangible fixed assets. At 31 December 2013, the ratio was 57.3% compared to 56.3% at 31 December 2012 (restated at the exchange rate at 31 December 2013).

€million		31 December 2013	31 December 2012	
			restated	published
Exchange rate €/£		1.199	1.199	1.225
Long-term financial liabilities	A	3,890	3,893	3,934
Other financial assets: floating rate notes	B	151	151	152
<b>Long-term financial liabilities less other financial assets</b>	<b>A-B=C</b>	<b>3,739</b>	<b>3,742</b>	<b>3,782</b>
Tangible fixed assets: property, plant and equipment <sup>(*)</sup>	D	6,529	6,647	6,648
<b>Long-Term Debt to Asset Ratio</b>	<b>C/D</b>	<b>57.3%</b>	<b>56.3%</b>	<b>56.9%</b>

\* Concession fixed assets are converted using historic exchange rates.

## 5. FREE CASH FLOW

The Group defines its Free Cash Flow as net cash flow from operating activities less net cash flow from investing activities (excluding the initial investment in new activities and the acquisition of shareholdings in subsidiary undertakings) and net cash flow from financing activities relating to debt service plus interest received (on Cash and cash equivalents and other financial assets).

The Group's Free Cash Flow in 2013 remained relatively stable compared to 2012 at €129 million, the increase in interest paid and the first scheduled debt repayments having been compensated by the decrease in investments (see paragraph 2.b) "Cash flow from investing activities" above for more details).

<b>€million</b>	<b>31 December 2013</b>	<b>31 December 2012</b>
Exchange rate €/\$	1.199	1.225
Net cash inflow from operating activities	453	461
Net cash outflow from investing activities	(49)	(183)
Adjustment for investment in subsidiary undertakings	–	1
Adjustment for the acquisition and rehabilitation of the maritime assets	6	74
Interest paid on loans and hedging instruments	(242)	(229)
Scheduled debt repayments	(47)	–
Interest received	8	9
<b>Free Cash Flow</b>	<b>129</b>	<b>133</b>

## 6. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€000	31 December 2013	<sup>(5)</sup> 31 December 2012
<b>ASSETS</b>		
Goodwill	16,997	17,364
Intangible assets	9,814	11,139
<b>Total intangible assets</b>	<b>26,811</b>	<b>28,503</b>
Concession property, plant and equipment	6,333,187	6,445,225
Other property, plant and equipment	195,858	202,425
<b>Total property, plant and equipment</b>	<b>6,529,045</b>	<b>6,647,650</b>
Equity-accounted companies	880	–
Deferred tax asset	127,496	–
Other financial assets	157,259	155,188
<b>Total non-current assets</b>	<b>6,841,491</b>	<b>6,831,341</b>
Inventories	3,622	3,250
Trade receivables	130,600	120,985
Other receivables	30,280	43,185
Other financial assets	207	208
Cash and cash equivalents	276,725	256,228
<b>Total current assets</b>	<b>441,434</b>	<b>423,856</b>
<b>Total assets</b>	<b>7,282,925</b>	<b>7,255,197</b>
<b>EQUITY AND LIABILITIES</b>		
Issued share capital	220,000	220,000
Share premium account	1,711,796	1,711,796
Other reserves	252,328	32,339
Profit for the year	101,361	31,719
Cumulative translation reserve	195,080	158,281
<b>Equity – Group share</b>	<b>2,480,565</b>	<b>2,154,135</b>
Minority interest share	5	–
<b>Total equity</b>	<b>2,480,570</b>	<b>2,154,135</b>
Retirement benefit obligations	43,203	50,474
Financial liabilities	3,889,951	3,934,295
Interest rate derivatives	626,925	856,017
<b>Total non-current liabilities</b>	<b>4,560,079</b>	<b>4,840,786</b>
Provisions	907	1,661
Financial liabilities	39,527	53,849
Trade payables	170,837	175,691
Other payables	31,005	29,075
<b>Total current liabilities</b>	<b>242,276</b>	<b>260,276</b>
<b>Total equity and liabilities</b>	<b>7,282,925</b>	<b>7,255,197</b>

<sup>5</sup> The financial statements for the year ended 31 December 2012 have been restated in accordance with the amended IAS 19.

**Forthcoming events in 2014:**

24 April 2014: traffic and revenue for first quarter of 2014

29 April 2014: Groupe Eurotunnel SA AGM

**Additional information:**

Groupe Eurotunnel files its annual financial report for the year ending 31 December 2013 with the Autorité des marchés financiers (AMF). Groupe Eurotunnel SA's consolidated and company accounts for the year ended 31 December 2013 were finalised by the board of directors on 12 March 2014.

Status of the accounts for the year 2013, in respect of the statutory audit: accounts certified.

This press release and the 2013 Registration Document (including Groupe Eurotunnel SA's annual accounts for the year ended 31 December 2013) will be available on our website: [www.eurotunnelgroup.com](http://www.eurotunnelgroup.com) under the heading "regulated information".