

Eurotunnel on Track

September 2009



Letter to Groupe Eurotunnel SA
shareholders



Dear Shareholder,

First of all, I would like to thank all new shareholders and existing shareholders who increased their holding, for taking part in the simplified Exchange Offer for the warrants which we launched between 25 June and 15 July this year.

With 76% of warrants tendered, this exchange offer and the resulting increase in shareholders' share of the equity are a real success. The opportunity to benefit from the Group's turnaround, which was announced in 2007, came to fruition two years ahead of schedule. This step is now fully completed with the redemption in shares of the SDES issued in March 2008. For a period of 12 months, starting on 7 September 2009, SDES holders can request the redemption in shares of their SDES. **The two Goldman Sachs infrastructure funds which subscribed for 81% of the SDES, indicated their intention to request their redemption, thus making them our principal shareholder with, albeit temporarily, c.21% of the equity.** This percentage will fall automatically to c.15% when the last NRS and warrants are converted.

Our second largest shareholder is M&G, the investment subsidiary of the powerful British insurance group, Prudential. Other key investors include several well-known institutional investment companies.

Now that we have a **simplified and strengthened capital structure, with shareholders who take a long-term view**, we are well positioned and better able to take on large-scale development projects.

At the end of June, AGEFI awarded Groupe Eurotunnel **3rd Prize for "Quality and Transparency of Information and Communication"** behind two CAC 40 companies: GDF-Suez and BNP Paribas. At a time when our market capitalisation is €1.4bn, this is an essential point to attract new investors.

The summer months are always a very busy time for our business and this year has been no exception. After half-year results badly impacted by the fire on 11 September last year, our teams have focused on providing the best service possible to our customers. We are pleased that traffic has increased slightly during the third quarter of this year and that **on 28 August 2009 Eurostar celebrated their 100-millionth passenger.**

To better ensure the return of our customers, we are going to launch a major advertising campaign underlining the fact that we are, undisputedly, **the most environmentally friendly way to cross the Channel.**

The celebrations on 25 July 2009 of the centenary of Louis Bleriot's first powered flight across the Channel enabled us to highlight that our shuttles make the crossing in 35 minutes.

Speed, reliability and respect for the environment remain our key advantages compared to our competitors.

As for the **safety of the infrastructure**, we are ahead of schedule: we are currently in the process of selecting the company that will be responsible for building the fire suppression zones inside the Tunnel (known as "SAFE" zones).

Together with a change of insurance broker (we are now using Marsh), we will do everything possible to ensure that our insurance premiums, which increased dramatically this year, return to more normal levels.

Finally, we have initiated a major cost reduction programme. For example, in line with our policy of adjusting supply to demand, we will be testing the use of ½ truck shuttles thus maintaining the same unbeatable departure frequency (every 10 to 15 minutes), but with less wear and tear, maintenance and energy consumption... Innovative management in action.

Above and beyond the day-to-day activities, the summer was also very busy with our bid to **acquire the French arm of Veolia Cargo**, the subsidiary of Groupe Veolia specialised in rail freight. This acquisition, which will complete at the end of the year, was carried out in partnership with SNCF which took on Veolia Cargo's international operations (essentially in Germany and Benelux).

This joint approach allowed us to limit our exposure in a wide-ranging and complex area. With the French operations alone, we incorporate revenue of approximately €50m and 600 staff, gaining access to excellent geographical coverage and first-rate customers. You will find overleaf a schematic representation of the activities of Veolia Cargo France. This transaction enables us to dramatically speed up the development of our rail freight subsidiary, Europorte 2, gaining 5 years in real terms. **It represents a major strategic step beyond the Tunnel** within one of our fields of expertise. This sector, although currently severely affected by the economic crisis, will ultimately be a growth generator because of environmental issues.

Rest assured that preparing for the future and ensuring the optimisation of our operations on a daily basis, are the two major issues that mobilize both the Board and the staff.

Yours faithfully,

A handwritten signature in black ink, appearing to be "JG", written in a cursive style.

Jacques Gounon,
Chairman and Chief Executive

Groupe Eurotunnel speeds up its rail freight development

Groupe Eurotunnel has always had the ambition to develop in the rail freight sector. In July, it bid for the acquisition of the French subsidiaries of Veolia Cargo. This was carried out jointly with SNCF which itself bid for the acquisition of the German, Dutch and Italian subsidiaries of Veolia Cargo.

Thus, our specialised rail freight subsidiary, Europorte 2 (the first private entity in France to obtain in February 2004, a railway operator licence) signed the agreement to acquire the French arm of Veolia Cargo, Europe's leading independent rail cargo operator. This is the first external growth transaction carried out by the Group, made possible by the success of the financial restructuring launched in 2007. Out of several European competitors, Veolia's decision to select our bid is recognition of our skills and know-how in the railway sector.

The French arm of Veolia Cargo which we have just acquired comprises four companies: Veolia Cargo France, Veolia Cargo Link, Socorail and CFTA Cargo.

Veolia Cargo France and Veolia Cargo Link are in the process of merging their activity as freight operator over national and international routes. They operate c. 100 trains per week and have a 2% share of the French market.

Socorail and CFTA Cargo cover regional lines as well as the management of special branch lines and other port areas.

These four entities offer a broad and integrated range of services:

- Domestic and international rail freight traffic (traction of goods trains);
- Local freight services on secondary lines (traction, convoy assembly, shunting)
- Services for industry: rail handling in factories (including petrol, chemical, iron & steel industries) or in port terminals over the whole of France together with complementary services for clients (including loading, unloading, infrastructure management).

These activities are complementary and in no way compete with Eurotunnel's existing services.

Veolia's principal clients include: Total, Arkema, ArcelorMittal, Lafarge, Rhodia, PSA, Primagaz, Exxon Mobil, Le Port Edouard Herriot (Lyon).

Together, the activities of Veolia Cargo France, Veolia Cargo Link, Socorail and CFTA Cargo generated a turnover of c. €50m in 2008 with staff of c. 600. These four subsidiaries of the French arm of Veolia Cargo have a substantial rolling-stock fleet, including around forty mainline locomotives.

The acquisition of the French arm of Veolia Cargo by Europorte 2 constitutes an opportunity to speed up considerably the development of our rail freight activities. Combining our know-how and the means at our disposal should lead to:

- Strengthening of the freight network linked to port infrastructure and to the Channel Tunnel;
- Implementation of new complementarities between local operator and long distance traffic;
- Development of activities and services for industrial clients;
- Pooling of experience in training and safety;
- Rationalisation of infrastructure and rolling stock maintenance.

Completion of the transaction should take place by the end of the year.



Map illustrating the main lines operated by Veolia Cargo France

Half-year results

Revenue for the first half of 2009 (€226m excluding insurance payments) was affected as a consequence of the fire in September 2008 and the economic crisis in the cross-Channel market. As a reminder, the complete resumption of Shuttle and Eurostar services did not take place until the end of February 2009.

The number of cars transported (813,715) was down 18% over the half-year but this reduction slowed to 8% during the second quarter. The number of trucks transported (354,484) was down 53%. Road hauliers make annual agreements with cross-Channel operators; their return onboard our Shuttles is therefore postponed until renewal of these contracts towards the end of the year.

After spectacular growth in 2008, Eurostar reports a reduction of 6% in passengers travelling through the Tunnel during the first half of 2009.

We have received €141m from our insurers since the fire in September last year; the reconstruction work for Interval 6 being fully covered by insurance.

We continue with our operating cost reduction initiatives: external costs were reduced by €5m in the first half of the year, excluding insurance costs.

The consolidated net results for the first half of 2009 show a loss of €8m compared to a net profit of €22m for the first half of 2008.



Please note that the phone number of Groupe Eurotunnel SA Shareholder Relations Centre has changed. Our new number is **0845 600 6634**

This number is exclusively reserved for the shareholders of Groupe Eurotunnel SA.

If you are a TNU shareholder, any query should be made in writing either by sending an email to the dedicated address tnu@eurotunnel.com or a letter to: TNU - Shareholders Department - BP 69 - 62904 Coquelles Cedex - FRANCE. -No request will be dealt with by telephone -

To contact the Shareholder Relations Centre

Shareholder Relations Centre - Groupe Eurotunnel
UK Terminal - Ashford Road - Folkestone - Kent CT18 8XX
@ shareholder.info@eurotunnel.com

www.eurotunnel.com

Tel: **0845 600 6634**

local rate number

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