

A NEW DIMENSION IN RAIL TRANSPORT

GROUPE EUROTUNNEL



2010

REFERENCE
DOCUMENT



GROUPE EUROTUNNEL SA



2010 Reference Document^(*)



This Reference Document was filed with the *Autorité des marchés financiers* (French market authority, or AMF), in accordance with article 212-13 of the General Regulations of the AMF on 4 March 2011. This document can only be used to support a financial transaction when accompanied by a securities note endorsed by the AMF. This document contains all the information relating to the annual financial report as required by paragraph I of article L. 451-1-2 of the French Monetary and Financial Code. This document was prepared by the issuer and is binding on its signatories.

Copies of this Reference Document are available free of charge at the registered office of Groupe Eurotunnel SA. This Reference Document can also be viewed on the websites of the AMF (www.amf-france.org) and Groupe Eurotunnel SA (www.eurotunnelgroup.com).

Unless indicated otherwise, all the figures in this Reference Document have been calculated by applying either the euro/sterling exchange rate on 31 December 2010 (£1 = €1.162) for balance sheet items, or the average rate for 2010 (£1 = €1.169) for elements of the income statement.

In application of article 28-1 of EC Regulation 809/2004 of the European Commission, the following information is included in this Reference Document by reference:

- Groupe Eurotunnel SA's consolidated accounts for the year ended 31 December 2008 prepared in accordance with IFRS and the report of the statutory auditors thereon, as well as Groupe Eurotunnel's operating and financial review for the year ended 31 December 2008, are included in Groupe Eurotunnel SA's Reference Document for 2008 registered by the AMF on 16 April 2009 under number R. 09-018;
- Groupe Eurotunnel's parent company accounts for the year ended 31 December 2008 prepared in accordance with French accounting standards and the report of the statutory auditors thereon are included in Groupe Eurotunnel SA's Reference Document for 2008 registered by the AMF on 16 April 2009 under number R. 09-018;
- Groupe Eurotunnel SA's consolidated accounts for the year ended 31 December 2009 prepared in accordance with IFRS and the report of the statutory auditors thereon, as well as Groupe Eurotunnel's operating and financial review for the year ended 31 December 2009, are included in Groupe Eurotunnel SA's Reference Document for 2009 registered by the AMF on 6 May 2010 under number R. 10-034; and
- Groupe Eurotunnel's parent company accounts for the year ended 31 December 2009 prepared in accordance with French accounting standards and the report of the statutory auditors thereon are included in Groupe Eurotunnel SA's Reference Document for 2009 registered by the AMF on 6 May 2010 under number R. 10-034.

^{*} This document (the "2010 Reference Document") is an unofficial English language translation of Groupe Eurotunnel SA's "Document de Référence 2010" filed with the AMF on 4 March 2011. In the event of any inconsistencies between this document and the original French document, the text of the French document shall be considered authoritative.

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CHAPTER 1 – RESPONSIBLE PERSON

1.1. Person responsible for the Reference Document and the financial information

Name and position of person responsible: Jacques Gounon, Chairman of the board of directors and Chief Executive Officer of Groupe Eurotunnel SA.

E-mail: PresidentGET@eurotunnel.com

1.2. Declaration by the person responsible for the Reference Document

I declare, having taken all reasonable care to ensure that such is the case, that the information contained in this Reference Document and its annexes is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its significance.

I declare that, to the best of my knowledge: (i) the financial statements for Groupe Eurotunnel SA have been prepared in accordance with the applicable accounting standards and represent an accurate view of the assets, financial position and results of Groupe Eurotunnel SA and of the companies comprised in the consolidation; and (ii) the management report made up of the sections of this Reference Document listed in the Cross Reference Table in Annex IV represents an accurate view of the development of the business, of the results and of the financial position of Groupe Eurotunnel SA and of the companies comprised in the consolidation, as well as a description of the main risks and uncertainties facing them.

I have been provided with a final report from the statutory auditors stating that they have verified the information relating to the financial position and accounting data contained in this Reference Document and have read the whole document.

This report contains no observations relating to this Reference Document and contains a reminder of the absence of observations made by the statutory auditors in their reports relating to the historical financial information:

“Our reports on the consolidated financial statements of Groupe Eurotunnel SA for the years ended 31 December 2010, 31 December 2009 and 31 December 2008 contained no observations.”

The statutory auditors have reviewed the 2010 financial information presented in this Reference Document, and their corresponding reports are given in paragraphs 20.3.1 and 20.3.2 of this Reference Document. The historical financial information and statutory auditors' reports on the historical financial information are incorporated by reference in this Reference Document.

CHAPTER 2 – GET SA'S STATUTORY AUDITORS

2. GET SA'S STATUTORY AUDITORS

2.1. Statutory auditors

KPMG Audit, a division of KPMG SA
3, cours du Triangle – 92939 Paris La Défense Cedex, France
Appointment date: 9 March 2007

Date of expiry of term of office: general meeting called to approve the financial statements for the financial year ending on 31 December 2012

Mazars
61, rue Henri Regnault – 92075 Paris La Défense Cedex, France
Appointment date: 9 March 2007

Date of expiry of term of office: general meeting called to approve the financial statements for the financial year ending on 31 December 2012

2.2. Alternate statutory auditors

Mr. Jean-Paul Vellutini
1, cours Valmy – 92923 Paris La Défense Cedex, France
Appointment date: 9 March 2007

Date of expiry of term of office: general meeting called to approve the financial statements for the financial year ending on 31 December 2012

Mr. Patrick de Cambourg
125, rue de Montreuil – 75011 Paris, France
Appointment date: 9 March 2007

Date of expiry of term of office: general meeting called to approve the financial statements for the financial year ending on 31 December 2012

CHAPTER 3 – SELECTED FINANCIAL INFORMATION

The tables below are extracted from the consolidated income statements, balance sheets and cash flow statements for Groupe Eurotunnel SA for the financial years ended 31 December 2010 and 2009.

The Group's new French rail freight companies (Europorte France, Europorte Link, Europorte Proximité and Socorail) that were acquired on 30 November 2009 have been consolidated with effect from 1 January 2010, and the new British rail freight company GBRf has been consolidated from its date of acquisition on 28 May 2010. The contribution of these companies to the Group's revenue and trading profit for the 2010 financial year is, respectively, €96 million and a loss of €4 million (see note D of the consolidated financial statements as set out in paragraph 20.3.1 of this Reference Document for more details).

Summary income statements 2009 - 2010

€ million	Year ended 31 December 2010	Year ended 31 December 2009
Exchange rate €/£	1.169	1.119
Revenue	737	571
Other income	–	69
Total turnover	737	640
Operating expenses	(401)	(315)
Operating margin (EBITDA)	336	325
Depreciation	(156)	(164)
Trading profit	180	161
Other net operating income	10	–
Operating profit (EBIT)	190	161
Net cost of financing and debt service	(248)	(192)
Other net financial income and income tax expense	1	32
Net result for the year: (loss/profit)	(57)	1

Summary balance sheets 2009 - 2010

€ million	31 December 2010	31 December 2009
Exchange rate €/£	1.162	1.126
Intangible assets	29	–
Property, plant and equipment	6,692	6,763
Other non-current assets	2	12
Total non-current assets	6,723	6,775
Cash and cash equivalents	316	251
Other current assets	145	143
Total current assets	461	394
Total assets	7,184	7,169
Total equity	2,820	3,071
Total financial liabilities	3,759	3,662
Other liabilities	605	436
Total equity and liabilities	7,184	7,169

Summary cash flow statements 2009 - 2010

€ million	Year ended 31 December 2010	Year ended 31 December 2009
Exchange rate €/£	1.162	1.126
Net cash inflow from trading	353	276
Other operating cash flows and taxation	3	5
Net cash inflow from operating activities	356	281
Net cash outflow from investing activities	(70)	(50)
Net cash outflow from financing activities	(226)	(261)
Increase/(decrease) in cash in year	60	(30)

CHAPTER 4 – RISK FACTORS

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The Group has carried out a review of the risks that could have a material negative impact on its operations, financial position or results (or its ability to achieve its objectives) and considers that it is not subject to any significant risks other than those listed below. Risk reviews have been carried out in relation to the four French subsidiaries of Veolia Cargo acquired by Europorte SAS in November 2009 and GBRf, acquired in 2010, the conclusions of which are given below; the presentation below does not include the management and control of risks within Europorte Services, this subsidiary having only become operational in December 2010.

4.1. Operational risks

The Eurotunnel Group's revenue depends primarily on the evolution of cross-Channel traffic, which in turn depends on factors over which, in most cases, the Eurotunnel Group has no control

The Eurotunnel Group's revenue is closely linked to cross-Channel passenger and goods traffic.

The evolution of cross-Channel and Tunnel traffic depends on a number of factors over which, in most cases, the Eurotunnel Group has no control. These include:

- the general economic level, marked by a major economic and financial crisis whose outcome is uncertain, against the background of a drastic austerity plan in the United Kingdom where inflation is returning;
- the political situation in France, the United Kingdom, Europe and worldwide;
- the occurrence of health or natural disasters in Europe or worldwide;
- competition from traditional airlines, their alliances and low-cost airlines;
- the appeal of transport services through the Tunnel compared to other forms of cross-Channel transport;
- competition from ferries and a possible escalation of the price war;
- taxation in France and the United Kingdom;
- limits on the number of time slots for trains using the Tunnel; and
- the competitive position and commercial policies of rail operators offering passenger transport (such as Eurostar) and goods transport via the Tunnel.

These factors could have a negative impact on the Eurotunnel Group's revenue, results, financial position and available cash flow.

Moreover, as indicated in chapter 6 of this Reference Document, weak economic conditions could disrupt the Group's commercial and operational strategy.

The Group regularly reviews traffic and market trends for cross-Channel goods and passengers, as well as the external factors affecting them, and adjusts its strategy and tactics accordingly.

The Eurotunnel Group faces strong competition

The competitive environment of the Group (presented in section 6.4 of this Reference Document) could become stronger in all of its business areas. This is because the activities of the Eurotunnel Group have been and are subject to strong competitive pressure, which could intensify still more in the near future, particularly against the background of a contracting market.

Overcapacity in the cross-Channel market is causing strong competition between operators, with a direct impact on price levels and the strategic divergence of players in their commercial policies.

Concerning the activities of the Concession, Eurotunnel Group is faced with competition from ferry operators in a contracting Short Straits market. The Eurotunnel Group must also contend with competition from the airline companies. Price strategies and other competitive initiatives adopted by airlines or ferry operators may have a negative impact on Passenger Shuttle Service volumes. These competitive initiatives may also have a negative

effect on Eurostar passenger numbers, if they result in direct competition on the Paris-London and Brussels-London routes. Information on the market share of passenger trains (Eurostar) in the passenger market on the Paris-London and Brussels-London routes is given in paragraph 6.2.2 of this Reference Document.

The Group has adapted its commercial strategy to this competitive environment; the commercial strategy is regularly reviewed by the Management Committee and the Executive Committee.

Concerning the competitive environment of Europorte, the development of the market and traffic for the transport of rail freight and ancillary activities is quite specific, due to its recent changes. At the beginning of the 1990s, the European Union, through several directives, encouraged member states to liberalise their rail transport, to stop the decline in rail freight and the losses that it was causing. European rail freight has been open to competition in France since March 2003. The first private freight train did not run in France until June 2005. The new entrants represented a share of about 20% in 2009. With market conditions improving, the private rail freight operators who entered the market thanks to freight being opened to competition are continuing to take market share from Fret SNCF, but the competition between the operators is active.

The Eurotunnel Group faces the risks inherent in the operation of infrastructure and railway activities

The Eurotunnel Group is subject to a number of obligations designed either to protect passengers or to reduce the risk of accident. In this regard, there are four main categories of obligations and therefore risks facing the Eurotunnel Group:

- Eurotunnel Group is confronted with the risk of temporary interruption to operation, particularly in the case of strikes, technical breakdowns (breakdown in the IT network, power cuts, etc), accidents (collision, derailment, fire, etc), events of a political nature (blocking by demonstrators, illegal immigrants, etc), natural disasters (earthquake or flood), direct industrial disasters (collapse or accidental destruction) or indirect industrial disasters (dispersion of dangerous materials) or other types of disruption which could have a negative impact on its activity, its financial situation and its results and, potentially, the image of the Group, as even minor operational incidents that are inherent in rail operation (particularly derailments), could be covered widely in the media in a way that is disproportionate to the real seriousness of these incidents and the Group's image could be affected.
- Like any business that admits the public onto its premises and transports them, the Eurotunnel Group is required to have in place public safety measures. In the event that the Eurotunnel Group fails to meet its safety obligations, the IGC may temporarily suspend its authorisation to operate services until the necessary remedial action has been taken. Such a prolonged closure could have a significant impact on the Eurotunnel Group's image, results and financial position.
- The Eurotunnel Group carries out certain activities on behalf of the States. It has to implement security and public health measures along with variations to national programmes (such as the Vigipirate anti-terrorism programme) in accordance with the Concession Agreement. The Eurotunnel Group adapts its business practices to meet these requirements and to deliver a set quality of service. It is not possible to rule out a change in these requirements, particularly in terms of border control, requiring a change in business and commercial practices, leading to an increase in operating costs or deterioration in the quality of service. This could have an adverse effect on the Eurotunnel Group's image, competitive advantage, business, financial position and results.
- The Eurotunnel Group has more than 15 years of experience in maintaining its rolling stock, equipment and infrastructure. However, given the special nature of the equipment and infrastructure used, the particular nature and intensity of their use and technological progress, it cannot be excluded that these programmes and plans may prove insufficient or unsuitable, particularly in the event of premature obsolescence or an increase in malfunctions. This would lead to unforeseen costs or partial or temporary service interruptions, which could affect the Eurotunnel Group's business, financial position and results. The existing fleet of Europorte locomotives partly consists of old locomotives that could be subject to breakdowns, which could lead to operational disruption and loss of earnings, together with significant and unforeseen costs for replacement or renovation.

The risks inherent in the operation of its infrastructure and in railway operations are managed as follows:

- Safety risks within the System are managed in the design of the System itself described in paragraph 6.5.1 of this Reference Document and by a series of procedures, policies and checks approved by the ICG. The Group also takes into account the fact that these risks could come from external entities using the Group's facilities and therefore, in 2010, as part of its policy to improve the safety and quality of the service, the Group has acquired two additional independent rescue locomotives.

Also, following the Fire in September 2008, taking into account the many lessons learned from this disaster, Eurotunnel Group launched a programme to improve fire-prevention in the Tunnel, particularly by creating the SAFE system, specialised fire fighting zones, which should be available for autumn 2011.

- The Eurotunnel Group continues to manage security risks, in particular by applying the measures implemented to deal with illegal immigrants within the System in line with current circumstances. Furthermore, a dedicated service, the public-affairs department, checks compliance within the Group with the rights and obligations stemming from the Concession, both concerning the States and the concessionaires, and monitors relationships with the IGC.
- Maintenance risks are managed by an ongoing maintenance programme, a long-term major maintenance programme, and an equipment replacement plan as described in section 6.6 of this Reference Document. To reduce its risk concerning major maintenance, during 2010, the Group implemented the *Keep Going to Quality* programme, together with an improved procedure for controlling programmes and budgets. To cope with the risk of operational disruption resulting from breakdowns in Europorte's locomotives, the Group has implemented a programme to optimise and rationalise locomotive fleet belonging to the Europorte companies, within a dedicated organisation, EuroSco.

The risk management procedures related to operations, safety, security and the maintenance of the infrastructure and the rolling stock are described in sections 6.6 and 6.7 of this Reference Document.

The Eurotunnel Group is exposed to the risk of terrorism

Like other infrastructure operators, the Eurotunnel Group constantly faces the risk of a terrorist attack on its own installations or on neighbouring infrastructure required for the circulation of trains or Shuttles. Despite the insurance cover in place (see section 6.8 below) and government responsibilities, if this risk were to materialise, it could have a material adverse impact on the business of the Eurotunnel Group, since cross-Channel traffic could be reduced for an indefinite period. In this situation, the Tunnel, the infrastructure or neighbouring high-speed lines could be completely or partially closed for the time required to assist victims, investigate the circumstances in which the attack was carried out and to rebuild the infrastructure and areas affected. There would also be a risk of victims seeking compensation from the Eurotunnel Group by alleging it owed them a duty of care. In addition, safety and security measures could be stepped up following a terrorist attack. This could increase passenger inconvenience due to new safety and security measures, reduce passenger capacity and substantially increase the Eurotunnel Group's safety and security related expenditure.

Risk management procedures related to infrastructure security are described in section 6.7 of this Reference Document.

Labour disputes could have an impact on the Eurotunnel Group's business

Deterioration in employee relations and staff disputes cannot be excluded. Strikes, walkouts, actions in support of claims or other industrial unrest could disrupt the activities of the Eurotunnel Group, particularly against a general background of economic gloom, together with the specific circumstances of control of the Group's operating costs and, on the British side, an unprecedented austerity plan and the resumption of inflation. These strikes, stoppages, protest movements or other labour problems could occur not only within the Eurotunnel Group, but also with respect to its customers, subcontractors or suppliers.

Labour related risk management procedures are described in section 17.3 of this Reference Document.

The Group may have to cope with a discrepancy between the development of its activities and the human resources necessary to implement its strategy

The Group operates its various businesses through a wide range of expertise amongst the technicians and managerial staff who work for it. The increase in the scope of activities, the workload of the support centres following external-growth operations, the reduction in certain internal skills, and the difficulties in reclassifying some older workers all require personnel mobility and new know-how. Those who work on the railways require long training and other operators are prepared to escalate salaries. Staff shortages and the difficulty of replacement within existing teams, including within the management, could affect certain developments.

In order to anticipate the risk of the loss of key skills or difficulties in recruiting workers for certain jobs, the Group has begun a human resources policy that is highly oriented towards job-management appropriate for different circumstances and a concern for employability through the development of training, as stated in chapter 17 below. Furthermore, an organisation dedicated to railway vocational training was created at the end of 2010. In order to retain its key employees, the Group has assigned share options as presented in chapter 17 of this Reference Document.

The Eurotunnel Group has no control over the activities of the Railways and Railway Companies

The Tunnel is used by the Eurostar passenger train service and by freight trains. The Railways and Railway Companies pay fees in return for using the Tunnel. The results of the passenger-train operators (Eurostar) and Through Railfreight Services could be affected by events and circumstances outside of the control of the Eurotunnel Group. The Eurotunnel Group does not operate these services and cannot exert direct influence on the commercial operations of passenger-train operators (Eurostar) or the Through Railfreight Services. The performance, quality of service and prices offered by these operators to their customers, along with other factors that may be out of the operators' control, affects the use of their services. In turn, this affects the revenue that the Eurotunnel Group receives from the Railways and Railway Companies. The Through Railfreight Services face problems relating to co-ordination between national operators, technical constraints, and the priority of freight versus passenger traffic within the European Union. This could make it difficult to achieve significant growth in the volumes transported by the Through Railfreight Services and could lead to a substantial decline in traffic. A significant portion of the Eurotunnel Group's revenue therefore depends on the successful operation of these services by entities over which it has no control.

The railway facilities used by the Eurostar passenger train service and by freight trains are outside the Eurotunnel Group's Concession and could be subject to disruption from various sources. This could result in the stoppage or reduction of railway traffic. Such events could have a negative impact on the Group's revenue from the usage of its railway network.

The Eurotunnel Group is exposed to the risk of subcontractors or suppliers failing to meet their obligations

The Eurotunnel Group relies on subcontractors for parts of its business, particularly relating to security, cleaning (primarily industrial), and vehicle adjustment and catering onboard the Shuttles. It is possible that some of these subcontractors will fail to fulfil their obligations, which could affect the Eurotunnel Group's results or financial position.

Rolling stock and some of the Fixed Link installations have been supplied in very small volumes by a very limited number of suppliers, to meet highly specific operating requirements. The Eurotunnel Group believes that if its original suppliers were unable to supply replacement parts or Shuttles for any reason, or were unwilling to do so on acceptable terms, it would be able to obtain the necessary equipment from other manufacturers. However, its future ability to develop its business may be affected if it were unable to acquire additional or replacement Shuttles at a suitable price or within a suitable timeframe. This could have an adverse impact on the Eurotunnel Group's financial position and prospects.

Subcontractor default risk is managed through the Purchasing Department's careful supplier selection procedure, as well as through the monitoring of suppliers' financial positions and close contract management.

Equipment and materials risk is mitigated through the purchase of safety stock, the continuous review of suppliers, and research for replacement materials and technology. Furthermore, in 2010, the Industrial Departments and Purchasing improved the conditions for the supply of critical components.

4.2. Industrial and environmental risks

The Eurotunnel Group is subject to a number of environmental regulations which could restrict its activities or lead to significant expenditure

The Eurotunnel Group is subject to French, English and European environmental regulations as well as local regulations that require it in particular to either obtain authorisations for the disposal of certain waste materials or to enter into a contract with an accredited company for the removal and destruction of waste materials. Any breach of the environmental regulations will result in fines for pollution. The regulations also provide that the authorities may force the closure of any facility that does not comply with decisions requiring certain environmentally harmful activities to cease or be modified. The Eurotunnel Group operates in accordance with the environmental protection and sustainable development policy, which is described in section 6.10 of this Reference Document. However there is no certainty that UK, French, European, national or local authorities will not impose new regulations resulting in additional expenditures which could have an adverse impact on the results or financial situation of the Eurotunnel Group.

These risks are managed through an environmental analysis, which identifies the various risks and assesses their potential impact. The resources necessary to minimise this impact can then be identified. The regulations outline the risks related to some activities carried out at terminals, and set forth requirements for reducing and monitoring their impact. Regulators in the United Kingdom could require an assessment of the climate change related risks to the Eurotunnel Group's operations. Such an assessment would necessitate the use of outside experts in climatology and geography.

The zones and industrial sites in which Europorte operates, and the products transported, present a risk in terms of the environment and industrial safety

The main customers of Socorail, the subsidiary of Europorte specialised in the provision of logistical services in industrial environments, include the chemical and oil industries subject to the SEVESO classification. These industries are subject to very strict safety regulations and are therefore very demanding concerning safety criteria in relation to their subcontractors. Although, for several years, Socorail has been undertaking a voluntary process of ISO 9001 version 2000 quality certification and MASE (business safety improvement manual) safety certification, the dangerousness, toxicity or flammability of certain raw materials may cause risks, particularly risks of accidents, fires, explosions and harm to the environment and the conservation of wildlife and may harm the environmental image of Europorte and the Group. The same situation occurs when Europorte's rail freight subsidiaries transport various products that are dangerous, toxic or inflammable. Furthermore, the business of rail freight haulage may present environmental risks in case of a rail accident, due to the materials transported or the zones traversed. The policy on the prevention of industrial-safety and environmental risks is described in chapter 6 of this Reference Document.

4.3. Credit and counterparty risks

The Group's main credit risk is the risk of financial loss if a customer, insurer, or counterparty to a financial instrument fails to honour its contractual obligations.

Customer credit risk

The Group's exposure to customer credit risk is limited to the road haulage sector, since:

- the Group's main customers, the Railways, accounted for 35% of its 2010 revenue;
- most of the Group's Passenger Shuttle customers pay for their tickets in advance and consequently the credit risk in relation to these customers is very limited.

The Group's maximum exposure to credit risk on trade receivables, as well as the age profile of trade receivables and the provision for doubtful accounts, is given in detail in note R. 2.i to the consolidated financial statements in paragraph 20.3.1 of this Reference Document.

The Group's exposure to credit risk on trade receivables is limited to the United Kingdom and eurozone countries.

Revenue from the Group's five largest customers not including the Railways accounts for 5% of its total 2010 revenue.

The Group manages its customer credit risk through a policy requiring that every new customer is subject to a credit check before being able to benefit from the Group's standard credit terms. The Group's credit risk exposure to account customers is managed through continuous monitoring of their financial situation and outstanding debt with respect to their given credit limit and payment terms.

Credit risk on cash investments

The Group's maximum exposure to credit risk on cash investments is given in note R.3. to the consolidated financial statements in paragraph 20.3.1 of this Reference Document.

The Group limits its exposure to credit risk by investing only in: (i) term deposits and certificates of deposits with a maximum maturity of 6 months, and with counterparties with at least a P-1 rating from Moody; and (ii) funds and moneymarket funds with at least an Aaa rating from Moody or AAA from S&P.

The amounts invested by the Group in a fund or a money market fund may not represent more than €100 million per fund or moneymarket fund in euros or £100 million per fund or moneymarket fund in sterling. Investments in term deposits or certificates of deposit with the same counterparty may not exceed €65 million in France or £65 million in the United Kingdom.

A treasury risk management committee monitors the Group's compliance with this investment policy and reports regularly to the Audit Committee.

4.4. Financial risks: liquidity risk

Due to the amount of the Eurotunnel Group's debt – despite a sharp reduction in this debt in 2007 – the Group must still use a large part of its cash to pay interest, which could diminish its ability to finance capital expenditures and acquisitions.

A breakdown of the Group's financial liabilities by maturity is given in note Y.2 to the consolidated financial statements in paragraph 20.3.1 of this Reference Document and summarised in the following table:

€ million	Contractual cash flow ^(*)					2031 and beyond
	Accounting value as at 31 December 2010	2011	2012-2015	2016-2020	2021-2030	
Bank loans	(3,759)	(175)	(1,012)	(1,407)	(3,092)	(6,247)
Derivative instruments	(392)	(32)	62	132	265	419
Total financial liabilities	(4,151)	(207)	(950)	(1,275)	(2,827)	(5,828)

* This maturity schedule (repayment of the nominal amount and payment of interest) is based on the Group's medium and long-term budget assumptions and the €/£ exchange rate at 31 December 2010 of £1 = €1.162.

The terms and conditions of the Group's bank loans, most notably those covering default and early repayment, as well as the financial covenants on its loans, are given in chapter 22 of this Reference Document and note X.1 to the consolidated financial statements in paragraph 20.3.1 of this Reference Document.

The terms and conditions of the Group's hedging instruments (swaps) to cover its variable-rate loans are given in note X.2 to the consolidated financial statements in paragraph 20.3.1 of this Reference Document.

The Group manages its liquidity risk exposure through a centralised cash management system in its finance department, which continually monitors the Group's cash position. The Group also prepares monthly short and medium-term cash flow forecasts which are presented to a treasury risk management committee comprised of the Chief Financial Officer, the Head of Corporate Finance, and their main managers.

As discussed in section 10.6 of this Reference Document, the Group was in compliance with all its debt service cover financial covenants at 31 December 2010).

As indicated in section 10.1 of this Reference Document, GET SA received a Baa2 rating from Moody's in 2007, which is still valid as at the date of this Reference Document.

4.5. Financial risks: market risk

4.5.1 Rate risk

The Eurotunnel Group's debt at closing rates on 31 December 2010 was €3,754 million. The maturity of assets and debts is specified below:

€ million	Overnight to 1 year	1 year to 5 years	More than 5 years
Financial assets	–	–	–
Financial liabilities	–	111	3,643
Net position before hedging	–	111	3,643
Off-balance sheet position	–	–	–
Net position after hedging	–	111	3,643

The risk of adverse movements in interest rates during the life of the Term Loan is covered by the fact that (i) two of the tranches are at a fixed-rate, (ii) the two inflation-linked tranches are at a fixed-rate and (iii) the two remaining tranches are at a floating-rate and are covered by a swap converting the floating rate into a fixed rate for the full life of the Term Loan. The floating rate tranches (before hedging) have a principal value of £350 million and €953 million respectively. The inflation risk affects interest and principal repayments on the two inflation linked tranches. By way of example, a variation of 1% in the inflation rate would have an impact of €12 million on the amount of the principal of tranches A₁ and A₂.

Furthermore, if Tranches C₁ and C₂ are not refinanced before June 2012, there will be an additional margin of 2% on their nominal amounts. The financial impact on debt service cash flows is estimated at €27 million on an annual basis.

As part of the Group's cash management procedures described in paragraph 16.10.2 of this Reference Document, its finance department continually monitors movements in inflation and interest rates, and its treasury risk management committee receives monthly reports containing forecasted and actual interest rate changes.

4.5.2 Exchange rate risk

Around half of the Eurotunnel Group's revenue is in sterling, while a larger proportion of both operating and investment expenditure is in euros. The Term Loan is denominated in sterling (£1.5 billion) and in euros (€1.965 billion).

The Eurotunnel Group has made and will make every effort to closely match the currencies in which its revenues and expenses are denominated, and has and may use currency hedging transactions to manage its foreign exchange risk where necessary. However, there is no guarantee that these measures will significantly reduce the risk borne by the Eurotunnel Group in the event of a fall in sterling against the euro, or ensure that the realisation of this risk will not have a material impact on the Eurotunnel Group's financial position and ability to service its debt.

The Eurotunnel Group prepares its consolidated financial statements in euros. Its balance sheet exposure to trading currencies was as follows at 31 December 2010.

€ billion	Assets	Liabilities	Obligations in currencies	Net position before hedging	Hedging instruments	Net position after hedging
Euro	0.2	2.4	–	(2.1)	–	(2.1)
Sterling	0.3	2.0	–	(1.8)	–	(1.8)

The assets and liabilities in the above table do not include fixed assets or equity, which are carried at historical exchange rates.

Fluctuations in the value of the sterling/euro exchange rate have an impact on the value in euros of revenue, costs and financial income and expenses, as well as on the Group's assets and liabilities. By way of example and on the basis of accounting information as at 31 December 2010, a 10% reduction in the euro/sterling exchange rate used for the Eurotunnel Group's 2010 consolidated income statement (1.169 to 1.052) would change the Group's consolidated revenue from €736.7 million to €700.8 million, its consolidated EBITDA from €336 million to €314 million and its consolidated net results from a loss of €57 million to a loss of €67 million. A 10% increase in the euro/sterling exchange rate used for the Eurotunnel Group's 2010 consolidated income statement (from 1.169 to 1.286) would mechanically lift the Group's consolidated net results by €10 million, thus taking the loss from €57 million to a loss of about €47 million.

The following table gives the exchange rate sensitivity of the Group's pre-tax profit and equity at 31 December 2010.

	Change in pre-tax profit		Change in pre-tax equity	
	10% increase	10% decrease	10% increase	10% decrease
Sterling	+€10 million	–€10 million	–€169 million	+€169 million

In addition to the above measures, the Group's finance department continually monitors movements in the sterling/euro exchange, and its treasury risk management committee receives monthly reports containing forecasted and actual exchange rate fluctuations. A report on the work of the treasury risk management committee is regularly made to GET SA's audit committee.

4.5.3 Risks on equity and other financial instruments

The Group's investments are framed by its cash management policy, and are therefore limited to the cash investments discussed in section 4.3 above. The Group does not invest in equity, interest rate instruments, or other derivatives.

4.5.4 Raw materials risk

The prices of some of the Group's key resources fluctuate

The Eurotunnel Group uses electricity as its main source of energy, particularly to power the trains. The supply of electricity is one of the Eurotunnel Group's major expenses (for 2010, representing about 7% of overall operating expenditure) and a large, general increase in the cost of raw materials and electricity could have negative repercussions on the Eurotunnel Group's results.

In the light of the huge volatility in the energy market, the Group has introduced a risk management policy covering market price risk and volume risk.

To mitigate price risk, the Group can purchase electricity from both the British and French grids; the percentage purchased from each grid depends on their respective prices.

Since March 2007, the Group has benefitted from regulated prices on the French market under the TaRTAM scheme (Tarif Réglementé Transitoire d'Ajustement du Marché), which widened the price differential between the two countries and reduced price volatility (the French government adjusts TaRTAM prices by a few points annually). For 2011, the application of the NOME – Nouvelle Organisation des Marchés de l'Electricité – act will impact the price of electricity purchased in France but should continue to protect the Group against the volatility of the energy markets.

Volume purchases on the British wholesale market are performed under annual contracts. Purchases are made in tranches to spread the risk, based on fundamental and technical analyses of the market.

To mitigate volume risk, the Group closely tracks its electricity use and updates its forecasts regularly.

The Group and its electricity suppliers negotiate the volume constraints in power supply contracts so as to reduce the Group's volume risk, by including the option of changing contractual volumes without penalty, or by adding a Take-or-Pay clause based on an annual rather than seasonal basis.

The Europorte entities favour the use of electrical power. When these subsidiaries use diesel locomotives, the cost price of haulage may be affected by a change in the price of fuel. This risk is the subject of optimisation research.

4.5.5 Risks related to retirement benefits

In the United Kingdom, the Eurotunnel Group administers two historical defined-benefit pension schemes and a pension fund for GBRf, the company that was purchased in 2010, in favour of its employees. An independent qualified actuary values the schemes' assets and liabilities. The present value of the schemes' assets which are not intended to be realised in the short term may be subject to significant change. The present value of the schemes' liabilities calculated by discounting long-term cash flow projections is inherently uncertain.

If the value of the schemes' assets and liabilities indicates under funding, the Eurotunnel Group may be asked to fund the shortfall over a period of up to 10 years.

The risks related to the British pension schemes are managed by a regular review process and meetings with the trustees of the three funds, the actuaries and other professional advisers. The GBRf fund forms part of the GB Railways Section.

In early 2010, the Group and the scheme beneficiaries agreed to a change in the retirement benefit conditions under the main pension scheme, the Channel Tunnel Group Pension Fund. These new conditions came into effect on 1 April 2010 and changed the scheme from an exclusively defined-contribution plan to a hybrid plan (part of which is based on defined benefits and part on defined contributions), thereby limiting the risk related to this scheme.

4.6. Risks related to acquisitions

The Group's development strategy involves implementing external growth and development operations by acquiring assets or companies, in the rail freight business and in the geographical zones where the Group wishes to strengthen its presence. Due in particular to the competitive environment, the Group may not be able to complete the external growth or development operations that it may envisage in relation to its investment criteria, which could have a significant negative impact on the implementation of this strategy. External growth operations could involve a certain number of risks related to the integration of the acquired activities and personnel, to the difficulty of generating the expected synergies and/or savings and the appearance of unexpected costs or liabilities. The materialisation of one or more of these risks could have a negative impact on the activity, the financial situation, the results or the prospects of the Group.

On 30 November 2009, Europorte SAS acquired four French subsidiaries of the Veolia Cargo group and on 28 May 2010 it acquired the British rail freight company GBRf. The Group intends to improve the operational and financial situation of these subsidiaries of the Veolia group and, to this end, has prepared a strategy and prepared the necessary action plans. The various action plans chosen may involve implementation difficulties and delays that would be prejudicial to achieving a return to financial equilibrium by the expected deadlines. Also, the uncertain global economic context is likely to weigh negatively on worldwide goods trade and certain industrial activities, which could result in a slowdown in container traffic and the transfer of contracts to the competition, thus affecting the volume of activity and the financial results of the Europorte subsidiaries.

4.7. Legal risks

4.7.1 Risks related to a specific legal framework

The Eurotunnel Group and the Europorte companies exercise their activities in a highly-regulated environment

The unique configuration of the cross-Channel link, and the exceptional conditions under which the construction and operation of the Tunnel were carried out, are such that the activity of the Eurotunnel Group is performed in a regulatory and legislative environment from which certain specific provisions sometimes derogate, based on different interpretations. It is not possible to know whether these will remain in force in future (particularly the European rail directives, which are constantly changing). This regulatory framework includes the European rail directives, which are constantly changing (and are currently being overhauled), with, as stated in section 22.3 below, the liberalisation, on 1 January 2010, of international passenger transport services specified by EC directive 2007/58 dated 23 October 2007 modifying EC directive 91/440 relating to the development of community railways, and EC directive 2001/14 concerning the distribution of rail infrastructure capacity and the pricing of rail infrastructure) and which specify certain functioning rules applicable to the managers of rail infrastructure.

If the application of certain legislative or regulatory texts relating to the Eurotunnel Group's business were to be modified or if new less favourable legislative or regulatory provisions were to be enacted, this would have a negative impact on the Eurotunnel Group's financial position. The company is following these developments very closely.

Operation of the Tunnel is subject to very detailed regulations drawn up by the IGC and the Safety Authority. The Concession Agreement described in section 22.2 of this Reference Document may be terminated by the States in the event of force majeure, in particular in the event of war or serious breach by the Concessionaires of their obligations under the Concession Agreement. Furthermore, if the Eurotunnel Group breaches its obligations under the Concession Agreement, the IGC may impose significant daily penalties. The IGC has the power to make decisions, in particular in relation to the distance between trains using the Tunnel that could lead to a reduction in Tunnel capacity. Regulatory authorities may also adopt new measures relating to safety or other matters, which could force the Eurotunnel Group to incur significant additional expenditure to comply with such measures, or impose restrictions on its business activities. Moreover, other measures, not directly regulating the business of the Eurotunnel Group, could nevertheless affect it. By way of example, increased measures to enforce regulations relating to immigration and customs and excise duties could cause delays or affect customer satisfaction levels.

Europorte France, Europorte Channel and GBRf hold rail freight operators' licences for exercising their activities. These activities may only commence on the infrastructure after approval of the safety case and delivery of a safety certificate by the competent authority. Furthermore, to obtain authorisation to transport certain dangerous materials on a given infrastructure, a safety plan is submitted and validated by the manager of the infrastructure in question.

The Eurotunnel Group and the Europorte companies operate in a highly-regulated environment, thus generating a high degree of dependency in relation to decisions and measures over which the Eurotunnel Group and Europorte have very limited influence. As in any regulated-activity sector, future changes to the regulations or their interpretation by the administration or the courts may entail additional expenditure for Europorte and the Group, and negatively affect its activity, its financial situation and its results.

The Eurotunnel Group must comply with the specific terms of the Concession Agreement

The Concession Agreement under which the Eurotunnel Group operates may only be modified, if this were to become necessary, through amendments negotiated with the States. These negotiations could turn out to be long and complex, due to changes in transport policy in France, the United Kingdom, or Europe, or because of other political constraints on the Eurotunnel Group. If economic, financial, or technical developments affecting the Eurotunnel Group were to make rapid changes necessary, the specific terms of the Concession Agreement could limit the Eurotunnel Group's ability to make changes or adjust its business to these developments, which could affect its results and financial position.

The Eurotunnel Group has no control over the activities of the Railways and Railway Companies

See the paragraph entitled “The Eurotunnel Group has no control over the activities of the Railways and Railway Companies” in section 4.1 above.

The Eurotunnel Group is exposed to risks related to competition regulation

The Eurotunnel Group’s market, pricing practices, and behaviour are supervised by the French and British competition authorities and the European Commission, which may result in new regulatory measures covering prices, penalties, third party proceedings for damages, and restrictions on the Group’s business activities. This supervision and the resulting regulatory or other measures may have a material adverse impact on the financial situation of the Eurotunnel Group, its operating results, and its capacity to service its debt.

The Group’s legal department, along with some other departments, carefully monitor the Group’s management of legal risks through a special procedure and meetings with the relevant operational departments.

Risks related to economic regulation

RFF, the industrial and commercial public institution responsible for the planning, development and enhancement of the French national rail infrastructure, is undergoing significant changes with the entry into force, since 2010, of the price reforms adopted with the signature, on 3 November 2008, of the long-term 2008-2012 contract, which determines the ambitions of the government and the responsibilities of RFF to increase the performance of the national rail network, particularly through an increase in tolls. The costs of access to the national rail network are high. Their increase and/or a drop in government subsidies could correspondingly contribute to the worsening of Europorte’s financial results. This may cause significant disruption to the market and the pricing policy, and call into question the competitiveness of rail freight over the long term.

4.7.2 Risks related to the failure to meet contractual obligations

The Eurotunnel Group, like any business, is by definition subject to risks related to the failure to meet its contractual obligations to customers, suppliers, employees, and financial partners.

Customers

The Concessionaires’ obligations to the Railways under the Railway Usage Contract, or to Railway Companies under the Network Statement, and the consequences of failing to meet these obligations are discussed in section 22.3 of this Reference Document. The Group did not see a significant reduction in its fixed annual expenses in 2010 as a result of the Fixed Link being out of service.

As part of its transport activity, the Eurotunnel Group transports passengers and trucks on board its Shuttles. The Eurotunnel Group’s commitments are governed by its general conditions for transport.

Moreover, so as to minimise this risk, the Eurotunnel Group has various systems in place for managing traffic during peak periods.

Within its rail freight transport and industrial-site management business, Europorte, to secure its activity and reduce the risk of dependency on several key customers, has begun to identify possibilities for diversification and growth.

Suppliers

The Group’s purchasing procedures and terms and conditions set forth the procedure for paying supplier invoices. The conditions applied by the Group in France are compliant with the obligations defined in the Economic Modernisation Act dated 4 August 2008. The Group has established systems and procedures for processing supplier invoices to make sure that these are paid in accordance with contractual conditions.

The following table gives the payment schedule of the Group's trade payables at 31 December 2010:

€ million	Total	Not yet due	0-30 days	31-90 days	Over 90 days
France (€)	19.5	13.2	4.9	0.8	0.5
United Kingdom (£)	7.6	5.8	1.4	0.2	0.1

The following table gives the payment schedule of the Group's trade payables at 31 December 2009:

€ million	Total	Not yet due	0-30 days	31-90 days	Over 90 days
France (€)	11.2	9.9	0.9	0.2	0.2
United Kingdom (£)	2.8	2.5	0.3	–	–

Financial partners

The obligations related to the Group's Term Loan are given in chapter 22 of this Reference Document. These obligations, combined with the level of the Group's debt, could affect its ability to obtain additional financing in the future and limit its ability to react to changes in its businesses or markets. The loans and other financing could become subject to full early repayment if the Group fails to meet some of its contractual obligations, or in the case of default or the occurrence of one of the events listed in chapter 22 and note X to the consolidated financial statements in paragraph 20.3.1 of this Reference Document.

As part of the procedures for the management of these risks, the finance department continually monitors the Group's undertakings and restrictions as part of the treasury risk management committee.

4.7.3 Significant legal proceedings

The Eurotunnel Group is now and could be in the future involved in certain administrative or judicial proceedings. The most significant ongoing proceedings are described in section 20.8 as well as in paragraph 5.1.5 and 20.3.1 of this Reference Document.

More generally, legal proceedings, whether or not related to ongoing proceedings, could be instigated against any of the Eurotunnel Group's entities, and if they were to have an unfavourable outcome, could have an adverse impact on the business, financial position, or results of the Eurotunnel Group.

4.8. The main shareholder of GET SA holds a significant percentage of the capital and voting rights

The Goldman Sachs Group Inc. holds, in a number of funds, a significant ownership interest in the capital of GET SA, as stated in chapter 18 of this Reference Document.

It could thus be in a position to exert an influence at the general meeting of shareholders on the Group's corporate decisions requiring the approval of shareholders (the election and revocation of members of the board of directors, the distribution of dividends, changes to the bylaws and the decision to undertake important operations for the Group, including new issues of capital securities).

4.9. Insurance

The Eurotunnel Group has an insurance programme in place, which is described in section 6.8 of this Reference Document.

In certain circumstances, payments by insurance companies under existing insurance policies may not be sufficient to cover all of the loss suffered. Losses in excess of the agreed indemnity limits or the application of deductibles or

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certain exclusion clauses could result in the Eurotunnel Group incurring unforeseen costs or could affect its business, financial position, or results.

In addition, changes to the insurance market, and the occurrence of operational events such as the fire in September 2008, could lead to an adverse change in the Eurotunnel Group's insurance programme and the terms and conditions of such insurance such as the level of premiums, the level of insurance excess and the extent of any exclusions which could have an adverse impact on the Eurotunnel Group's business, financial situation or results. The terms under which the Eurotunnel Group's insurance policies were renewed in 2010 are set out in section 6.8 of this Reference Document.

As part of the Group's risk management procedures for this type of risk, it regularly ensures that it has the appropriate level of coverage and takes corrective actions when needed. For example, the SAFE project substantially reduced the Group's insurance premiums as discussed in section 6.8 below. Furthermore, the company has increased the level of coverage concerning compensation for damage to the environment for the Europorte companies.

CHAPTER 5 – INFORMATION ABOUT GET SA

5.1. History and development of GET SA

5.1.1 *Company name*

Groupe Eurotunnel SA.

5.1.2 *Registration place and number*

GET SA is registered at the Paris Trade and Companies Registry under registration number 483 385 142.

Its SIRET number is 48338514200029. Its NAF code is 6420Z.

5.1.3 *Date of incorporation and duration*

GET SA was incorporated on 6 July 2005 and was registered on 3 August 2005 for a fixed period of 99 years from the date of its registration in the Trade and Companies Registry, save for early winding-up or extension, i.e. until 3 August 2104.

5.1.4 *Registered office, legal form and applicable law*

The registered office of GET SA is located at 3 rue La Boétie, 75008 Paris.

Telephone: +33 (0)1 40 98 04 60

GET SA is a French public limited company (Société Anonyme) with a board of directors, incorporated under French law. GET SA is governed by Part II of the French Commercial Code and decree no. 67-236 of 23 March 1967 regarding commercial companies, codified in the regulatory section of the French Commercial Code.

5.1.5 *Important events in the development of the business of GET SA*

a) Consequences of the Fire in September 2008

The Group's insurance policy covering material damage and operating losses up to €900 million 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.

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, for which the Railways consider that the Group's insurers should also compensate them.

As a result, Eurostar UK Limited ("EUKL", on behalf of BRB) and SNCF have commenced proceedings against the primary layer insurers and obtained ex parte and in summary proceedings (in the absence of the other parties) an order from the Paris Tribunal de Grande Instance dated 13 May 2009. This ordered the primary layer insurers 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 20 May 2009.

Eurotunnel initiated a process before an arbitration tribunal in April 2010 to establish that Eurotunnel has no obligation under the usage contract to insure the Railways for their operating losses and that the Railways have not contributed to the premium relating to the cover of operating losses under the Group's insurance policies.

The arbitration tribunal has been constituted and its decision is expected at the end of 2011.

Although the procedure between EUKL and SNCF and the insurance companies does not directly concern the Eurotunnel Group which was not party to the legal proceedings, Eurotunnel decided in July 2010 to associate itself voluntarily with these proceedings by requesting that the tribunal declare that it does not have the jurisdiction on two fundamental questions and to stay the proceedings until the ruling by the arbitration tribunal. On 10 January 2011, the Paris Tribunal de Grande Instance ruled that the two proceedings be suspended (SNCF and Eurostar against the insurers) until such time as the ruling of the arbitration tribunal is given.

In 2009, the Paris Tribunal de Grande Instance 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. The Railways having confirmed that their claim is limited to €48 million Eurotunnel requested that the €11 million is released and be paid to the Group. Eurotunnel received the €11 million on 17 February 2011.

These actions do not call into question the principle of compensation for operating losses and material damage resulting from the fire but they do delay the receipt of the payments expected from the primary layer insurers.

At 31 December 2009, the Group had received a total of €141 million under the primary layer, but received nothing from the primary layer insurers in 2010.

During 2010, the Eurotunnel Group received €16 million in compensation from the second layer insurers, bringing the total compensation received to €157 million at 31 December 2010. Eurotunnel received an additional agreement from the second layer insurers on various claims amounting to approximately €7 million which was paid at the beginning of 2011.

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. FM has joined the proceedings as a third party so as to be considered as a party to the proceedings and be able, in particular, to have a right of access to the file through its legal advisers. The judicial enquiry opened following the Fire in September 2008 is not yet closed to date.

The consequences of the fire on 11 September 2008 continued to affect activity levels in 2010, particularly Truck Shuttle activity. However, given the situation described above, in 2010 Eurotunnel has not accounted for any additional insurance indemnities to be received for operating losses.

b) Financial transactions and simplification of the Group's structure

During 2010, the Group carried out:

- the final contractual redemption of the NRS I Tranche 3 in July 2010, and
- the final contractual redemption of the SDES on 6 September 2010.

Following these transactions, the Group continued the simplification of its legal structure with the merger of TNU PLC and EGP into GET SA.

c) Acquisition of GB Railfreight Limited on 28 May 2010

On 28 May 2010, the Group concluded the acquisition of the company GB Railfreight Limited (GBRf) for £25.7 million (equivalent to €30.1 million).

5.1.6 Recent events

a) Conditional additional remuneration on SDES

On 6 March 2008, 800,000 SDES with a nominal value of €1,000 each were issued. The terms and conditions of the SDES set out in the securities note approved by the AMF on 20 February 2008, number 08-032, envisage the payment of a conditional additional remuneration in cash or, as the case may be, in shares, by the allocation of existing GET SA Ordinary Shares or, subject to the approval of a general meeting of shareholders, of new GET SA

Ordinary Shares, on the basis of 5.4 GET SA Ordinary Shares per SDES for those who had continued to hold SDES, and subsequently the shares issued in redemption of the SDES until 6 March 2011. On 3 March 2011 the board of directors, in accordance with the option granted to GET SA, resolved to proceed with payment of the conditional additional remuneration of the SDES through allocation of GET SA Ordinary Shares acquired as part of the share buyback programme. The maximum total number of GET SA Ordinary Shares to be allocated is 4,320,000, on the basis of the ratio set out in the terms of the SDES: one SDES entitled holders to 103.8 shares on redemption and to 5.4 shares should the holding obligation be met. The said GET SA Ordinary Shares will be credited around 18 March 2011.

b) Loyalty shares (2008 share capital increase)

On 25 April 2008, GET SA decided to proceed with the early cash redemption of the remaining NRS II, using the proceeds from the issue of new GET SA Ordinary Shares subscribed through the exercise of share subscription warrants, allocated free of charge to the shareholders of GET SA. On 4 June 2008 GET SA carried out a nominal share capital increase of €41,848,875.60 with the issue of 104,622,189 Ordinary Shares through the exercise of 59,784,108 of the 2008 share subscription warrants issued free of charge to the shareholders of GET SA. As mentioned in the securities note of 28 April 2008 registered with the AMF under n° R. 08-024, this transaction made provision for the allocation of extra shares to those who had held until 6 March 2011 the new Ordinary Shares subscribed on exercise of the 2008 subscription warrants or acquired directly from the banks guaranteeing the transaction at the date of settlement-delivery and registered with the ISIN code FR0010612176. The maximum number of extra shares to be issued in this regard is 4,755,554, on the basis of the following ratio: those holding 22 shares are entitled to one extra share. On 3 March 2011, the board of directors decided to proceed with this issue. The entitlement date of these extra Ordinary Shares was set as 1 January 2011; they will thus be registered with a specific ISIN code until payment of the dividend for the year ended 31 December 2010. The said GET SA Ordinary Shares will be credited around 18 March 2011.

5.2. Investments

5.2.1 Significant investments made by the Eurotunnel Group during the last three years and significant current investments

The total amount of the Eurotunnel Group's investments in the last three years is respectively €41,770,000 for the 2008 financial year, €49,400,000 for the 2009 financial year and €49,203,000 for the 2010 financial year.

Over the last three financial years, the Eurotunnel Group's five main investments were (i) the programme to renovate and increase the engine power of 17 locomotives from 5.6 to 7 MW, for about €61 million in 2008-2010, giving the Eurotunnel Group a fleet of 33 locomotives of 7 MW at the end of 2010 to respond to the increase in hauled loads related to the lengthening of shuttles to 32 carriers and the increase in the weight of lorries, (ii) the installation of SAFE stations with the construction and commissioning of a prototype station and the beginning of the work on the three following ones (about €12 million), (iii) the continuation of studies on a new system of radio communications (about €7 million), (iv) the programme to replace track appliances (about €4 million) and (v) the implementation of a new system of radio communications (about €1 million).

The external acquisitions are described in chapter 6 and in note D of the 2010 consolidated accounts in paragraph 20.3.1 of this Reference Document.

5.2.2 Significant future investments

The Eurotunnel Group intends to continue ongoing investment programmes.

To this end, in 2010, the Eurotunnel Group extended its locomotive renovation and power-increase programme to 18 additional units, which will eventually bring the fleet of 7 MW locomotives to 44.

The Eurotunnel Group is continuing to replace certain equipment that is currently worn because of its intensive use or is becoming obsolete and launches calls for tenders for the replacement of this equipment.

On 15 December 2009, the Eurotunnel Group entered into a contract with Alcatel-Lucent to install a new radio communication GSM-R system that is compatible at a European level. This €43 million investment will improve security still further in the Tunnel and the efficiency of its radio communications system. The system should be fully operational in terms of compatibility and onboard equipment by mid-2014.

After tests on a new floor and re-enforced chassis on a prototype in 2009, the restoration of the first batch of 126 Breda wagons (the first generation of Truck Shuttles) began in 2010 and will be carried out over a period of three years for an estimated amount of approximately €6 million. 290 Arbel wagons will also have their floors renovated over the next five years for an amount of about €7 million.

Eurotunnel has also signed a contract for the supply and installation of four SAFE stations. A prototype was installed and successful tests were performed in 2010. The following three stations will be installed and operational by the end of 2011. The total cost of the project is estimated at about €20 million.

The Group also continues to work on the design of a new generation of Truck Shuttles and the preparation of the related submissions to the IGC.

For its commercial development over the next three years, Europorte has decided to acquire additional locomotives. To this end, a first order has been signed for the acquisition of five low-powered diesel locomotives (€2 million per unit) and negotiations are also ongoing for an optional two additional locomotives. At the same time, Europorte is negotiating for the acquisition of 12 high-powered diesel locomotives. Delivery of this equipment should be spread over the next three years.

Significant future investments are expected to be paid for using cash flows from the Eurotunnel Group's activities.

CHAPTER 6 – DESCRIPTION OF THE EUROTUNNEL GROUP'S ACTIVITIES

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6.1. Introduction

GET SA is the parent company that owns FM and CTG. These two Concessionaires operate the Tunnel in accordance with the Treaty of Canterbury and the Concession Agreement, which are the two main basic legal documents for the construction and operation of the System.

By signing the Treaty of Canterbury on 12 February 1986, the States authorised the construction and operation of the Fixed Link by private concession operators and established the framework of the Concession Agreement, which was signed on 14 March 1986.

Under the terms of the Concession Agreement, the States granted the Concessionaires the right and obligation to design, finance, build and operate the Fixed Link between France and the United Kingdom for an initial period of 55 years. This term was extended by 10 years in 1994 and by a further 34 years in 1999.

The Concession Agreement thus extended will expire in 2086.

The main provisions of the Treaty of Canterbury and the Concession Agreement are described in chapter 22 of this Reference Document.

The Eurotunnel Group operates the System, which links France and the United Kingdom. The System comprises three tunnels, each approximately 50 kilometres long, which run mostly under the Channel, along with the Folkestone terminal in the United Kingdom and the Coquelles terminal in France, the fixed equipment and related installations. Two of the tunnels are single track rail tunnels, which in normal service are used by trains travelling in one direction only. The third tunnel, which for most of its length lies between the two main rail tunnels, provides a safe means of emergency evacuation and access for maintenance of the Tunnel. There are also four crossing points between the rail tunnels, so that when maintenance work is being done on a section of one tunnel, trains can switch to the other.

The System is directly linked to the British and French motorway networks. The Folkestone and Coquelles terminals are the departure and arrival points for vehicles using the Shuttle Services. Shopping and food service facilities are available to customers at each terminal. Border controls and safety checks take place at the departure terminal, so in principle no checks are required at the arrival terminal. The System is also linked to the French and British railway networks, in particular to their respective high-speed lines. All rail traffic in the System is controlled from railway control centres on the French and British terminals.

GET SA also controls Europorte SAS. This holding company groups all rail freight transport subsidiaries providing a wide range of integrated rail freight services, including national and international hauling, local services for secondary lines, and services for manufacturers (individual junction management, infrastructure maintenance, and wagon loading and unloading). The external-growth operations carried out between 2009 and 2010 thus give Europorte a greater density on the ground in France and Britain, allowing it to extend its range of services.

By choosing the services of the Eurotunnel Group, customers participate in reducing greenhouse gas emissions and may promote this choice to their own customers. As they function using electricity, Eurotunnel's Shuttle services emit far less greenhouse gas than the ferries, which use fossil fuels, as stated in paragraph 6.10 below.

In 2010 the Eurotunnel Group earned its revenue from three main sources:

- the Shuttle Service for both the carriage of trucks and the carriage of cars, motor homes, caravans, coaches, motorcycles and trailers; Eurotunnel now carries horses on its Passenger Shuttles which are adapted for taller vehicles.
- payments made for use of the Tunnel by Eurostar and their Train Operators' Railfreight Services; and
- the new rail freight activities and related items, handled by the Europorte companies.

The breakdown of the Eurotunnel Group's 2010 revenue is as follows:

€ million	2010
Shuttle Services	366
Railway network	263
Other revenues	10
Sub-total Concession	639
Europorte	98
Revenue	737

Unless otherwise indicated, the information in this chapter 6 originates from sources within the Eurotunnel Group.

6.2. Activities grouped within the Concession

The Eurotunnel Group operates and directly markets a Shuttle Service through the Tunnel and also manages the safe and efficient passage of Eurostar trains and of the Train Operators' Railfreight Services through the Tunnel infrastructure.

6.2.1 Shuttle transport activities

The Eurotunnel Group's sales, marketing, and operations strategy is focused on clearly differentiating its product from that of its competitors. This strategy aims to ensure outstanding service quality and optimal safety levels, and involves the following key measures:

- constant alignment of supply with demand, ensuring optimal load factors on the Shuttles;
- commercial strategies providing a product offering better suited to customer needs, and ensuring a better control of the Eurotunnel Group's distribution network; and
- cost control achieved through programmes to optimise maintenance and production management cycles and renegotiating the main sub-contracting agreements (the areas in which the Eurotunnel Group uses sub-contractors are described in paragraph 17.1.3 of this Reference Document).

This business model still emphasises increasing operating margins and improving profitability rather gaining volume and market share.

a) Truck Shuttle Service

Introduction

The Truck Shuttle Service carries trucks between France and the UK on Shuttle trains. On each terminal, drivers pass through dedicated check-in, safety and border control facilities. Other facilities for trucks are located close to the terminals. Drivers and their passengers do not remain in their vehicles during the crossing, but travel in a separate carriage ("Club Car") designed for this purpose.

In 2010, the Eurotunnel Group had fifteen Truck Shuttles, each with a capacity of thirty trucks, allowing up to seven departures per hour in each direction.

Strategy*Truck service marketing strategy*

The strategy is based on an optimisation of load factors on Truck Shuttles and a pricing policy that reflects the value of the service provided by the Eurotunnel Group – speed, ease, and reliability.

Throughout the year, the Eurotunnel Group gives priority to customers under contract, only providing carriage to occasional customers as available capacity allows.

Distribution network

Eurotunnel SE markets crossings to small and medium sized road haulage firms in Continental Europe. This system is supplemented by a small network of exclusive agents and distributors.

b) Passenger Shuttle Service (Le Shuttle)**Introduction**

The Passenger Shuttle Service carries cars, motor homes, caravans, coaches, motorcycles and trailers between France and the UK. Tickets can be bought in advance at www.eurotunnel.com, by telephone from the customer service centre, from travel agents and on arrival at check-in. Customers remain in their vehicle throughout the crossing, which normally lasts approximately 35 minutes from platform to platform. Each Passenger Shuttle has two sections: a double-deck section mainly for cars and motorcycles and a single-deck section reserved for vehicles higher than 1.85 metres, mainly coaches, minibuses and cars with roof boxes or towing caravans.

The Eurotunnel Group has nine Passenger Shuttles, each able to carry up to 180 cars or 120 cars and twelve coaches.

The Passenger Shuttle Service operates up to 3.5 departures per hour in each direction when operating normally.

Strategy

As part of the business model, the Eurotunnel Group aims to optimise the load factor on Passenger Shuttles and increase the profit per vehicle transported.

Pricing policy ("Dynamic Pricing")

The Group's pricing system calculates and adjusts ticket prices according to the time of day and Shuttle load factor. The Eurotunnel Group revamped its website as part of the implementation of this pricing policy, and currently, nearly 75% of the Group's customers buy their tickets online. This policy has been effective in increasing passenger revenue and the average ticket price for passenger vehicles (cars, motor homes, caravans, motorcycles, etc.).

Adapting capacity to demand

The capacity of the Passenger Shuttle Service is constantly adjusted to improve loading rates and reduce costs. Several operational changes have been made to continuously improve this strategy, such as a better distribution of Passenger Shuttle departures during the day, the running of fewer Shuttles at off-peak times and more during peak times, and the introduction of more flexibility in train crew management.

Over the medium term, this policy has allowed the Eurotunnel Group to optimise the load factor, which went from 45% in 2004 to 55% in 2010.

6.2.2 Railway Network

In 2010, the Eurotunnel Group earned 36% of its revenue from the use of the Tunnel railway network by Eurostar passenger trains and Train Operators' Railfreight Services. The Eurotunnel Group does not operate these trains but manages their safe and efficient passage through the Tunnel infrastructure.

The objectives of the Eurotunnel Group are to promote attractive access conditions for rail companies within an efficient and non-discriminatory free-access framework, to support the commercial development of the rail companies' services, to best facilitate the operation of their trains through the System, and to ensure that these companies use the Tunnel in accordance with railway safety standards.

The use of the Tunnel by the Railways is governed by the Railway Usage Contract, which is in force until 2052. In accordance with this, the Railways are obliged to pay fixed annual charges to the Eurotunnel Group, and variable charges according to the number of passengers travelling on Eurostar and the tonnage of freight transported through the Tunnel. The variable charges are determined according to a toll formula that applies throughout the life of the Railway Usage Contract, and which takes into account the effects of inflation to a certain extent. In addition, the Railways are required to contribute to the operating costs of the System, as well as to investment costs relating to the renewal of equipment.

A simplified pricing mechanism for freight trains has been implemented, with charging by freight train instead of charging by tonne of freight. This scale is published annually by the Eurotunnel Group in its "*Network Statement*". This document gives conditions for access to its rail network equivalent to those of the Railway Usage Contract for the other rail companies for the operation of passenger trains and freight trains.

The Eurotunnel Group's revenue for its rail network depends solely on receiving variable charges payable according to the number of passengers transported by the Eurostar passenger trains and the number of freight trains, and the annual fixed charges and the contribution made by the Railways to operating costs.

In 2010, the Eurotunnel Group generated €263 million of revenue from its railway network.

a) Eurostar passenger trains

In 2010 the Eurostar passenger train service was operated jointly by Eurostar International Limited, SNCF and SNCB. In late 2009, Eurostar (UK) Limited was renamed Eurostar International Limited as part of a restructuring of the Eurostar passenger train service operations. According to announcements made by the partners of Eurostar, this reorganisation continued in 2010, and Eurostar International Limited is now held at 55% by SNCF, 40% by London and Continental Railways Limited (which is under the control of the British government, as is BRB) and 5% by SNCB.

Since 14 November 2007, when High Speed 1 and the London terminal at St Pancras International opened, the Eurostar passenger train service has used a high-speed line between London and the Eurotunnel Group's UK terminal. This line improves service reliability and reduces the transit time between Paris and London or Brussels and London by around twenty minutes. In addition, the refurbished St Pancras station improves rail links with the Midlands and Northern England, due to the proximity of rail services from St Pancras, King's Cross and Euston stations. The Ebbsfleet International station, located close to the M25 London orbital motorway, also allows Eurostar's operators to expand their catchment area.

With the opening of the HS1 line, Eurostar transports passengers via direct train services between Paris and London in about two hours and fifteen minutes and between Brussels and London in about one hour and fifty-one minutes. In 2010, Eurostar had 80.5% of the Paris-London passenger market and 84.8% of the Brussels-London passenger market (sources: BRB, SNCF, CAA).

In the first half of 2008, Eurostar scheduled seventeen departures in each direction between Paris and London and ten trains in each direction between London and Brussels on working days, with adjustments depending on the day, the season, and the destination. Some trains make intermediate stops at Ebbsfleet or Ashford International in the United Kingdom and at Calais-Fréthun or Lille-Europe in France. Eurostar also runs a daily service to Disneyland Paris and a seasonal direct service from London and Ashford to Bourg Saint-Maurice from December to April and to Avignon from July to September.

Departure frequencies in the first half of 2009 were identical to those in the first half of 2008, but were reduced to sixteen departures in each direction between Paris and London (in September 2009), nine trains in each direction between London and Brussels, and five trains per week to Disneyland Paris (in December 2009). Therefore, over the whole of 2010, the capacity offered by Eurostar was reduced by 5% compared to 2009.

In 2010, the number of Eurostar passengers going through the Tunnel rose by 3% to 9.5 million compared to 2009 (source: Eurostar).

In October 2010, Eurostar International Limited announced its proposal to purchase 10 interoperable passenger trains for serving new destinations from 2014, towards destinations that remain to be determined, between the United Kingdom and The Netherlands, Germany, the South East of France and/or Switzerland. During the same month, Deutsche Bahn also declared its intention to launch ICE passenger train services, before 2014, from London to Brussels, then Rotterdam and Amsterdam and then Cologne and Frankfurt. The Eurotunnel Group is working with the rail companies to support the implementation of their projects.

b) Train Operators' Railfreight Services

The Train Operators' Railfreight Services between continental Europe and the United Kingdom is operated by train operators including SNCF and its Captrain subsidiaries, DB Schenker (on behalf of BRB), Europorte, and potentially any freight train operator in open access. Four different types of freight trains use the Tunnel:

- intermodal trains⁽¹⁾, composed of platform wagons transporting containers or swap bodies;
- conventional trains carrying palletised goods in enclosed wagons or bulk loads in adapted wagons (tankers, platforms etc.), forwarded by a full train or an individual wagon service or;
- conventional trains forwarded by an individual wagon service; and
- trains with specialised wagons for transporting new cars.

Rail freight trains are in competition with most modes of freight transport in operation between continental Europe and the United Kingdom. Intermodal train services compete directly with maritime transport on container ships and road transport. Intense competition in the cross-Channel freight market between road haulage companies, especially companies based in continental Europe, puts constant pressure on freight rates and service quality, creating more intense competition for the train operators. The bulk goods transported by freight trains are mainly heavy, low value items for which speed of delivery is a less important consideration.

In order to revive cross-Channel rail freight, the Eurotunnel Group is adopting a strategy that is based on three policies: (i) development of open access for all operators of rail freight trains, (ii) dealing effectively with border restrictions, and (iii) a simplified and competitive pricing policy:

- an average toll of £3,000 (€4,500) per train, for a train travelling at 120km/h during an averagely busy period;
- a simplified pricing structure (toll per train, taking account of speed and peak and off peak transit) allowing operators to optimise their trainloads;
- real and effective open access and the capping of essential cross-Channel service costs at €600 (dealing with border restrictions and specialised Class 92 locomotives); and
- competitive total costs compared to the road transport sector in order to encourage rail freight development.

In a freight market context that was affected by the economic crisis and repeated disruptions to rail freight by strikes in 2010, the number of rail freight trains dropped by 13% in 2010 compared to 2009, while the tonnage of goods transported by these trains was down by 4% in 2010 compared to 2009. The drop in traffic was focused particularly on the individual wagons sector, while intermodal traffic saw the creation of new services in 2010, in spite of difficult circumstances.

⁽¹⁾ *Intermodal: containers or swap bodies carried by train from one terminal to another, then transferred to another mode of transport (boat, road, etc.).*

6.2.3 Other revenues

The Eurotunnel Group generated €10 million of other revenue in 2010, representing 1% of the Group's total revenue.

The Eurotunnel Group's other revenue consists mainly of (i) revenue from retail businesses in the terminals on both sides of the Tunnel, (ii) revenue paid for the telecommunication lines in the Tunnel, (iii) revenue related to the property business, and (iv) the sale of travel insurance products in the United Kingdom.

a) Retail revenues

The Eurotunnel Group has facilities for its customers in its two terminals in France and the United Kingdom, including shops and other retail outlets.

Access to the shops, bars and restaurants is available only to customers travelling on the Shuttle Services. They are located inside the terminals, directly after check-in and before border controls. The shops, bars, restaurants and other retail services are operated by third parties under three to ten year concession agreements on the French side and under leases on the British side.

In 1994, a 30-year contract was entered into to operate the three service stations on the two terminals' access and egress roads.

The Eurotunnel Group also earns modest revenues from the rent of advertising space on the two terminals and alongside the egress routes from the terminals.

The Eurotunnel Group's strategy is to offer travellers who choose to stop before continuing their journey a choice and level of services consistent with the overall quality and value of the service that the Eurotunnel Group offers.

b) Property activities

The Eurotunnel Group owns and manages plots of land near its French and British terminals.

As an extension of its mission to design, build and operate the Fixed Link, the Eurotunnel Group was also given responsibilities for local land development. The Fixed Link is not just transport infrastructure: it was also designed as a project forming the basis for future economic development of the Kent and Calais regions.

On the French side, the necessary steps to obtain ownership and control of the required land were conducted jointly for the plots intended for use in constructing the Fixed Link and for the plots intended for activities in support of the main purpose.

The plots in question were acquired, with the exception of those that already belonged to the government, under a declaration of public utility dated 6 May 1987. The mixed development zone (ZAC) at the cross-Channel terminal was created by a prefectural ordinance dated 21 February 1990.

The ZAC has focused on developing shopping centres, hotels, a business park and recreational facilities. Only 3.6 hectares of retail and commercial plots remain to be sold out of a total of 49 hectares of marketable land, representing 7% of the initial landholdings.

In 2002, the Eurotunnel Group initiated a policy of regularising ownership of the landholdings. This has enabled it to gain unencumbered title to land previously acquired by the Group in the name and on behalf of the French State (47 hectares of land strategically situated alongside the A16 and 35 hectares in the municipality of Sangatte-Blériot Plage).

The transfer of land has made it possible for the Eurotunnel Group, in the context of sustainable development, to restore the site of the former factory where the tunnel lining segments were made, and which was later used as a shelter for illegal immigrants ("Red Cross Centre"). This restoration work has allowed the development of a large commercial and tourist project to stand alongside the Cité de l'Europe shopping centre in Coquelles. All of the local authorities in the Nord Pas-de-Calais region are involved in making the Côte d'Opale the support base for the preparation of the Olympic teams for the London Olympic games in 2012. The development projects initiated by the Group in the municipality of Sangatte, particularly in tourist accommodation, may contribute to this policy.

As part of efforts to strengthen its partnership with the town of Sangatte-Blériot and the Conseil Général of the Pas-de-Calais, the Eurotunnel Group signed an agreement with the Conseil Général of the Pas-de-Calais on 6 January 2009 covering measures provided to support this ambitious tourism development project.

Practical measures have already started: preliminary studies, preparation of the submission for the declaration of public utility, the project being included in related town planning documents, the review of the territorial consistency plan and the planned reduction of the scope of the Concession in order to enable the Conseil Général of the Pas-de-Calais to carry out works to accompany the "Operation Grand Site" (a major French national programme to renovate the most prestigious and most visited listed sites). All of these steps should enable the start of operations to obtain control of the land.

6.3. Activities grouped under Europorte

Europorte had revenue of €97.7 million in 2010.

6.3.1 Europorte's activities in France

On 30 November 2009, the Group acquired the four French rail freight subsidiaries of the Veolia Cargo group. This investment accelerated the development of the rail freight transport activity, increasing the density of the Europorte Group's presence in France.

Europorte is positioned as a new growth vehicle for the Group, working on the entire rail freight transport logistical chain, from collecting and routing on secondary networks (Europorte Proximité), loading wagons on private branch lines on industrial sites (Socorail), unloading them (Socorail) and running freight trains both in Great Britain (GBRf), in the Channel Tunnel (Europorte Channel) and in France (Europorte France). Europorte is jointly developing its various activities, which are highly complementary, to offer its customers complete and customised solutions that meet their expectations in terms of integrated logistical chains and a high level of service quality.

During 2010, the Group became familiar with the specifics of these activities, integrated existing resources, implemented key functions and procedures, drew up a strategy and set up the action plans necessary to improve the operational and financial situation.

a) Europorte France (EPF)

Europorte France is a private rail company that offers its customers a service hauling freight trains on main lines throughout the railway network in France. Every day, EPF carries out main line rail haulage operations 24 hours a day and seven days a week throughout France and connections to neighbouring European countries (currently Belgium, Luxembourg and Germany and, in future, England, Switzerland, Italy and Spain).

For its current operations consisting of 120 trains per week, EPF has a fleet of approximately 40 main line and diesel locomotives interoperable with neighbouring European countries. They are used by 140 drivers and operators authorised for safety operations on the rail network in France.

EPF has constructed its operation according to five main parameters appropriate to serving private industrial customers:

- optimising transport plans based on regular paths,
- guarantee of service through the supply of reliable human and material resources dedicated to traffic,
- regular and punctual delivery of goods,
- safety on customers' private branch lines and on the national railway network, and
- communication on the status of customers' goods traffic.

Europorte France runs its commercial activities from five sales offices distributed throughout France.

b) Socorail

For more than 40 years, Socorail has been providing internal logistical services on industrial sites: wagon handling operations, track maintenance, loading/unloading wagons and lorries, and operations on ships. Socorail's activities cover a range of services to industry, mainly involving dispatch and reception of basic, semi-finished or finished products:

- the management of branched terminal installations includes reception, handling and dispatch of loaded or unloaded wagons and the associated administrative processing,
- loading or unloading wagons and particularly tank-wagons,
- terminal rail services in port zones and on the French railway network,
- the provision of rail haulage engines on a full-service basis,
- track maintenance,
- the management of front offices and loading tracks for tank-wagons,
- the operation of the port terminal for an oil refinery, and
- ancillary activities that may be developed in synergy with previous services.

Socorail works on 36 industrial sites, including 20 sites classified as SEVESO II in the oil, chemicals, steelmaking, automobile and construction materials sectors. Socorail is certified MASE and ISO 9001. Present throughout France, each year Socorail manages 210,000 wagons, 210,000 lorries and 1,800 operations on ships.

Socorail's revenue per industrial sector is essentially made in the oil/hydrocarbons refining sector (more than 49%), chemicals (more than 15%) and service to French railway network and port terminals (more than 9%).

c) Europorte Services (EPS)

Europorte Services began operations on 21 December 2010. EPS is the first private company operating as a delegated manager of port infrastructure. EPS operates and maintains rail infrastructure in the port of Dunkirk. EPS manages the capacity of port tracks and marshalling yards in compliance with operational safety regulations. In direct contact with the operators of the port and the rail haulage companies, EPS acts as a controller, promoting the smooth running of traffic in compliance with safety rules. In the same spirit, EPS performs preventive and conditional maintenance of equipment, proposing optimisation of rail infrastructure and supporting the port of Dunkirk in its investments, both from the technological and the strategic point of view, for the development of rail transport. With 200 km of track, seven marshalling yards and five signal boxes, the Port of Dunkirk is one of the primary French ports for transporting maritime traffic by rail.

d) Europorte Proximité (EPP)

Europorte Proximité operates and manages the circulation of full trains or individual wagons over short distances with reduced traffic, and manages rail infrastructure subcontracted from SNCF or local authorities. EPP runs 70 km of lines around the branch at Chatillon sur Seine and 80 km of lines around the branch at Gray, where there is also a workshop for the maintenance of diesel locomotives. EPP maintains its own rolling stock and that of Europorte France.

6.3.2 Europorte's activities in the United Kingdom

GB Railfreight (GBRf) provides an intermodal freight transport service from port infrastructure to logistical centres, performs bulk transport of raw materials (e.g. coal) to power stations, and transports equipment and construction materials to infrastructure construction sites. In 2010, GBRf became the first and only company to transport biomass as a replacement for coal, to the Drax power station in the United Kingdom.

6.4. Main markets of the Eurotunnel Group

The Eurotunnel Group operates in the transport market between continental Europe and the United Kingdom. The Eurotunnel Group offers both (i) a Shuttle service that it operates itself between Calais and Folkestone, and which competes directly with ferry operators between Dover and the Continent in the transport of passengers, cars, coaches and trucks, and (ii) infrastructure facilitating a direct rail link for Eurostar passenger trains and rail freight trains used by the Railways and other train operators.

6.4.1 Freight market

Freight traffic between continental Europe and the United Kingdom is commonly divided into four modes:

- *Roll-On/Roll-Off* accompanied: trucks and trailers crossing the Channel or the North Sea on Shuttles or ferries at the same time as the road tractor and driver, mostly via the Short Straits;
- *Roll-On/Roll-Off* unaccompanied: trailers crossing the Channel or the North Sea independently of the road tractor, mostly via North Sea routes;
- Rail freight: conventional or intermodal trains through the Tunnel; and
- *Lift-On/Lift-Off*: moveable containers or swap bodies loaded on *Lift-On/Lift-Off* container ships, mostly on the North Sea routes.

The market is also commonly divided into three geographic corridors:

- the Short Straits: all the routes from continental Europe to Dover, Folkestone and Ramsgate (including the Tunnel);
- the English Channel: all the routes from continental Europe to ports on the south coast of the United Kingdom to the south-west of Folkestone; and
- the North Sea: all the routes from continental Europe to ports on the east coast of the United Kingdom to the north of Ramsgate (including the Thames estuary).

The modal distribution varies by geographic zone. For accompanied trucks, the long trip across the English Channel or the even longer trip across the North Sea is costly. These routes are more suitable for *Roll-On/Roll-Off* unaccompanied and *Lift-On/Lift-Off* solutions.

By contrast, the shorter crossing times of the Short Straits are more appealing to time-sensitive traffic, and attract a much larger share of *Roll-On/Roll-Off* accompanied traffic.

The freight market between continental Europe and the United Kingdom has seen strong growth in the past fifty years.

A variety of factors have been driving this continued expansion:

- continuing liberalisation of trade and the creation of the single European market, favouring the sourcing of goods from suppliers in different countries and a consequential increase in competition among these suppliers;
- improved quality of service in the transport and distribution industries; and
- growth in consumer purchasing power.

Business in 2010 was impacted by the global economic context, in particular by the recession in the UK. The extent and duration of this downturn are hard to predict accurately.

a) Truck Shuttle Service

Evolution of the Short Straits market

In the freight market, the Truck Shuttle Service is in direct competition with the ferry operators for the accompanied road transport business across the Short Straits.

Over the last ten to fifteen years there has been a marked trend towards the use of accompanied trucks in the freight market between continental Europe and the United Kingdom. This reflects a reduction in rates for crossings on the Short Straits in the mid to late 1990s and, more recently, the arrival in the market of hauliers from Eastern Europe offering highly competitive rates. North Sea (unaccompanied) ferry operators have responded by introducing larger *Roll-On/Roll-Off* ships and developing a double stacked mode of container transport, a more cost-effective method than unaccompanied trailers. As a consequence, the trend in favour of accompanied trucks has now come to an end and market shares between the routes are now relatively stable.

However, the success of the *Roll-On/Roll-Off* accompanied mode on the Short Straits routes continues unabated, because it provides the shortest, quickest and most reliable route for crossing the Channel.

Also Eurotunnel's Shuttle service provides:

- a freight service that is independent of the passenger service, which is subject to seasonal tourist crowds;
- more efficient management of loading/unloading; and
- the direct management of its terminals, in contrast to the ferries, for which port operations are managed by third parties.

The Short Straits' (Truck Shuttles' and ferries') share of the freight market rose on the back of the success of the *Roll-On/Roll-Off* accompanied mode, reflecting:

- the lack of development of cross-Channel rail freight;
- capacity increases and changes in pricing policies by the various operators.

Eurotunnel Group' share of the Short Straits market

The Eurotunnel Group estimates that its share of the accompanied truck market on the Short Straits corridor has evolved as follows:

	2010		2009	
	Vehicles(*)	Share of market(**)	Vehicles(*)	Share of market(**)
Accompanied trucks	1,089,051	34.7%	769,261	25.3%

* Number of driver accompanied trucks transported by the Eurotunnel Group.

** The market share percentages are derived by calculating the Eurotunnel Group's accompanied truck traffic as a proportion of the total of such traffic on the Short Straits corridor as estimated by the Eurotunnel Group on the basis of information provided by IRN Services Ltd.

The market share of Truck Shuttles, which was affected by the consequences of the fire of September 2008, strongly recovered during 2010 to reach its pre-fire levels in the last quarter of 2010. The number of trucks transported nevertheless remains below that of 2007, due to the persistent sluggishness of the market.

b) Train Operators' Railfreight Services

i) Market for cross-Channel goods trains

Train Operators' Railfreight Services compete with most modes of sea and road freight transport between continental Europe and the United Kingdom. Intermodal trains compete with *Lift-On/Lift-Off* container services and

with services for accompanied and unaccompanied road freight offered by ferries and with accompanied road freight offered by the Eurotunnel Group's Truck Shuttle Services. Conventional rail freight trains compete with other freight transport modes, but benefit from an advantage in the case of very heavy or large cargoes which can be loaded directly from a production facility. In the market for transportation of new automobiles, competition is from combinations of road, sea and rail modes, which are used to distribute cars to dealers in the United Kingdom and in continental Europe. Lastly, for bulk transport of commodities, rail freight is also in competition with transport by barge.

The freight volume transported by the Train Operators' Railfreight Services is summarised below.

Train Operators' Railfreight Services	2010	2009
Cross-Channel rail freight (million tonnes)	1.13	1.18
Number of journeys	2,097	2,403

Sources: Eurotunnel, DB Schenker, SNCF/Captrain and Europorte Channel.

Rail freight through the Tunnel continues to register disappointing performances. The weakness of rail freight through the Tunnel is explained by the complexity of developing cross border rail traffic within Europe, by the successive reorganisations since 1994 of the cross-Channel freight carriers in the United Kingdom (particularly with the privatisation of operators) and operational and commercial difficulties of rail freight in Europe. These factors resulted in a drop in traffic from 3 million tonnes to 1 million tonnes between 1998 and 2007.

In order to retain and relaunch the Railfreight Service for train operators, the Eurotunnel Group announced on 23 October 2007 a comprehensive new competitive strategy aimed at addressing the challenges in the freight market through the implementation of certain measures in respect of open access rail development, border restrictions and competitive pricing policies for rail freight services. The activities of Europorte Channel (providing ground services at Fréthun Tunnel and free-access cross-Channel haulage), come within this strategy.

Since 2008, as well as the economic difficulties caused by the economic crisis in the freight market, the traffic for cross-Channel rail freight saw a sharp drop in contractual individual wagons services, reflecting the decline of this production mode in Western Europe. However, the cross-Channel freight market has attractive growth prospects for intermodal freight services, with their environmental advantages, providing strikes do not lead to a continuation of the operational disruptions that seriously affected the rail mode in 2010.

ii) The British freight market

In the United Kingdom, the sensitivity and behaviour of customers in relation to environmental questions is already affecting purchasing criteria and has led companies to pursue or prove their commitment in this field. This is prompting companies to implement changes. Thus, for example, two large British supermarket chains, Tesco and Sainsbury's, are making increasing use of rail freight in their supply chains to reduce their carbon footprints.

The environmental advantages of rail freight are clear: 26% of the United Kingdom's CO₂ emissions come from transport, 90% of this being road transport⁽²⁾ and rail freight produces three to four times less CO₂ per tonne transported than road transport, and up to ten times fewer polluting emissions⁽³⁾.

The three main political parties in the United Kingdom are in favour of rail for the distribution of freight, and appreciate its role as a green alternative to road transport. This support is obvious when we consider the following points:

- Promotion of the growth of rail freight – White Paper of 2007 on rail transport⁽⁴⁾ which included the launch of a Strategic Rail Freight Network and supported a doubling in rail freight volumes.

⁽²⁾ www.freightonrail.org.uk/factsfigures.htm

⁽³⁾ www.freightonrail.org.uk/pressrelease_18-05-2009.htm

⁽⁴⁾ www.dft.gov.uk/pgr/rail/whitepaper/cm7176

- Promotion of the efficiency and capacity of the rail network, as specified in the publication from the British transport ministry in September 2009 entitled: "Strategic Freight Network: The Longer-Term Vision"⁽⁵⁾.
- The strategic funding of the freight programme: through the Transport Initiatives Fund, the British transport ministry has contributed funding to Network Rail specifically for investments focused on rail freight.

iii) The French market for rail freight

In 2005, rail transport represented 41 billion tonne-kilometres, but by 2009 this had fallen to 32 billion tonne-kilometres. This reduction was essentially due to the very poor performance of the historical operator who was unable to manage the problem of wagonload services which represented almost 30% of volume transported. To this can be added the economic crisis and the significant fall in road transport prices.

Paradoxically, the market share of the new entrants into the market would exceed 20% in 2009.

The historical operator was surprised by the dynamism and responsiveness of the new entrants, who took a share of the profitable market, whole trains, leaving it to operate the more costly traffic in the more diffuse zones.

In reaction, the historical operator launched a plan to redynamise freight based on a resource-pooling "Multi-Batch Multi-Customer" scheme. Disregarding the impact of strikes, 2010 seemed to be a much better year in terms of business volumes, with a continuation of the breakthrough by newcomers to the market and the return of customers to freight services due to a reduction in road haulage and economic recovery.

6.4.2 Passenger market

Until 2008, the international passenger transport market from and to the United Kingdom grew steadily. Most of this growth was concentrated on trips to Southern or Eastern Europe, markets in which the Eurotunnel Group is not active. The impact of the worldwide economic context largely reversed this trend in 2009 and 2010.

The Passenger Shuttle Service carries passengers travelling with their vehicles between Calais and Folkestone. It is in direct competition with ferry operators on the Short Straits market. The transport services for passengers travelling without their vehicle provided by the airlines and to a lesser extent by Eurostar constitute a marginal and indirect source of competition to the Passenger Shuttle Service.

Eurostar services principally operate on the market for transporting passengers without their vehicle between Paris and London and between Brussels and London. The main competitors of Eurostar are the traditional and low-cost airlines.

a) Passenger Shuttle

Evolution of the Short Straits market

During the 1990s, the Short Straits market was characterised in particular by a high proportion of day trips, with passengers attracted by duty-free purchases or other economic benefits. These advantages have now largely disappeared, so the number of day trips on the Short Straits route is on a sustained downward trend. However, the volume of long-stay (five days and over) and of short-stay (less than five days) trips increased as a result of:

- the withdrawal of passenger services on other cross-Channel links, which led to a transfer of traffic to the Short Straits;
- the adoption of dynamic pricing by some operators, in particular the Eurotunnel Group;
- airlines pricing policies and the end of the continuing reduction in air fares; and
- airport disruption and delays.

The Short Straits car market grew in 2006 and 2007 but shrank in 2008 and in 2009 due to the deteriorating global economic climate. In 2010, the Short Straits market for cars significantly recovered by about 6% compared to 2009,

⁽⁵⁾ www.dft.gov.uk/pgr/rail/strategy/finance/strategy/freightnetwork/

in spite of a passenger transport market entering and leaving the United Kingdom that was still significantly down. This recovery is explained by the continuation of the phenomenon of air transport losing ground to less-restrictive and less-expensive car travel, and also, in 2010, the impact on air traffic of the ash cloud from the Icelandic volcano in the spring.

Eurotunnel Group's share of the Short Straits market

The Eurotunnel Group estimates that its shares of the car and coach passenger markets on the Short Straits were as follows:

	2010		2009	
	Vehicles	Market share	Vehicles	Market share
Cars ^(*)	2,125,259	43.3%	1,916,647	41.3%
Coaches ^(**)	56,507	40.1%	54,547	40.3%

* Number of vehicles transported by the Eurotunnel Group. The market share percentages are calculated by converting the number of vehicles transported into Car Equivalent Units ("CEU") and determining the Eurotunnel Group's share of total CEU transported on the Short Straits as reported by IRN Services Ltd.

** Number of vehicles transported by the Eurotunnel Group. The market share percentages are calculated by determining the Eurotunnel Group's share of the total number of coaches transported on the Short Straits as reported by IRN Services Ltd.

The Eurotunnel Group's share of the passenger car market on the Short Straits showed a year-on-year increase before the Fire in September 2008, which caused levels to drop. Car traffic in 2010 was slightly down (–0.8%) over the year compared to 2007, and market share has returned to a level comparable to the period preceding the fire.

b) Eurostar passenger trains

Market developments

The market for Eurostar passenger train services comprises business and leisure passengers travelling between the United Kingdom and continental Europe. The market is geographically diverse and includes passengers travelling between London and Paris or London and Brussels and passengers travelling between other points in the United Kingdom and France, Belgium, Holland and Germany. Eurostar passenger trains connect London with the centres of Paris and Brussels and compete directly with air travel service providers on travel time, frequency, comfort and price. For short-stay leisure travel, Eurostar also competes with low-cost airlines in terms of price, capacity and choice of destinations. Eurostar operates a direct service to Disneyland Paris, a ski train service to Bourg Saint Maurice and a summer service to Avignon in Southern France.

Combined data on market growth for Eurostar and the airlines is presented below.

	Paris-London and Brussels-London passenger market			
	2010		2009	
	Passengers (thousands)	Growth	Passengers (thousands)	Growth
Air and Rail				
Paris-London	8,354	+1.1%	8,266	–2.2%
Brussels-London	3,302	+0.9%	3,271	–1.8%

Sources: BRB, SNCF, and CAA

The volume of air traffic and rail traffic, in number of passengers, between Paris and London increased by 1.1% between 2009 and 2010. During this same period, the volume of Eurostar rail passenger traffic increased by 3.1%.

The volume of air traffic and rail traffic, in number of passengers, between Brussels and London increased by 0.9% between 2009 and 2010. During this same period, the volume of Eurostar rail passenger traffic increased by 4.0%.

Market share

The data below summarises the growth in Eurostar's share of the passenger train market on the Paris-London and Brussels-London routes.

	Eurostar passenger train market share			
	2010		2009	
	Passengers (thousands)(*)	Share of market(**)	Passengers (thousands)(*)	Share of market(**)
Paris-London	6,728	80.5%	6,526	78.9%
Brussels-London	2,801	84.8%	2,694	82.4%

* Sources: SNCF and BRB

** Market share percentages are derived by calculating the volume of rail passengers as a proportion of the total volume of air and rail passenger traffic between Paris and London and between Brussels and London as provided by the CAA, BRB and SNCF.

The share held by Eurostar passenger trains in the passenger market for the Paris-London route has increased, reaching 80.5% on average, for the 12-month period ending on 31 December 2010, against 78.9% for the same period in 2009. Over the same period, their market share on the London-Brussels route increased, going from 82.4% to 84.8%.

The competitive environment of Eurostar passenger trains

In the business travel market, Eurostar passenger trains compete with the traditional and low-cost airlines that offer regular flights between Paris and London on the one hand and between Brussels and London on the other. In the leisure travel market, Eurostar's main competitors are the low-cost airlines, not only on the routes served by Eurostar but also to other destinations. Eurostar has taken several successful initiatives in terms of marketing and special offers over the Internet, targeting the leisure travel segment, but the Eurotunnel Group believes that there is still growth potential in these markets for Eurostar, particularly through the addition of extra capacity, and, in future, on the London-Amsterdam, London-Cologne and London-Mediterranean markets, through the offer of direct services.

Also, the liberalisation of the international rail passenger transport market on 1 January 2010, which entailed the Eurotunnel Group publishing efficient and non-discriminatory conditions for access in its "Network Statement", offers new entrants the option to operate cross-Channel passenger train services in competition with Eurostar and the airline sector, to existing or new destinations.

6.4.3 Competitive position of the Shuttle Services

The Shuttle Services are in direct competition with the ferry services operated by P&O Ferries, SeaFrance and Norfolkline on the Short Straits. They compete indirectly with the airlines and to a lesser extent with Eurostar.

a) Ferry operators

The Port of Dover plans to create a new terminal (T2) in the Western Docks. One of the main reasons why additional capacity is required in the port is to be able to receive larger ferries. The operators in the Short Straits (and elsewhere on the GB-Continent routes) are using larger ships to handle greater volumes of traffic, to make economies of scale over the long term.

Other than increasing capacity, the ferry operators are gradually using ships that have a greater capacity to transport goods than the ferries that have traditionally been used on the Short Straits. This trend towards greater capacity in the goods market reflects operators' opinion that growth is more likely in the freight market than in the passenger market (cars).

Following Hoverspeed's withdrawal in October 2005, that of SpeedFerries in November 2008 and that of LD Lines in September 2010, the Eurotunnel Group's main competitors for its Truck and Passenger Shuttle Services are the ferry operators P&O, SeaFrance and Norfolkline.

P&O

Since March 2006, P&O Ferries ("P&O") has been a subsidiary of DP World, a worldwide operator of port facilities.

P&O is the largest ferry operator on the Short Straits with six vessels. Since it withdrew from the Dover-Zeebrugge route in December 2002 and shut down its cross-Channel services from Portsmouth in 2005, P&O has been stepping up its activity on the Dover-Calais route. Its direct competition with the Eurotunnel Group in the passenger and freight markets has consequently increased.

In March 2009, P&O was operating seven ships. P&O is replacing two ships (Pride of Dover and Pride of Calais) with new vessels which, at 210 metres, will be the longest ships deployed on the routes leaving and entering Dover. The ships can each carry 180 heavy goods vehicles, which doubles the capacity of the two existing ships. The first entered service on 21 January 2011 and the second should be commissioned in September 2011. Recently, P&O appears to have reduced its capacity by reducing frequency.

SeaFrance

SeaFrance is a subsidiary of SNCF and operates five ferries on the Dover-Calais route. In 2009, SeaFrance deployed five ships on the Dover-Calais link. SeaFrance has gradually renewed its fleet, with the introduction of ships with greater capacity: the Rodin in 2001 and the Berlioz in 2005. In 2008, SeaFrance acquired the Molière to provide modern vessels on the Dover-Calais route and, at 203 metres in length, this represents the longest ship ever deployed by SeaFrance. In April 2008, the company withdrew an old ship, the Manet, together with other older ones. The Renoir was also withdrawn at the beginning of 2009.

On 4 January 2010, about a year after a restructuring plan was first presented by the management of SeaFrance, agreements were signed between the management and unions. These agreements aim to implement a company restructuring plan including job losses, the reduction of the fleet to three vessels and a corresponding reduction in the number of links.

Norfolkline

Previously a subsidiary of the Danish group AP Moeller-Maersk, Norfolkline was sold to the Danish company DFDS at the end of 2009.

In 2009, Norfolkline had three ships operating on the Dover-Dunkirk link. The vessels deployed were all delivered in 2005 and 2006. They have a capacity that is inferior in terms of passengers compared to those which have traditionally been deployed by SeaFrance and P&O Ferries.

SpeedFerries

SpeedFerries, a British company, launched its fast catamaran service in May 2004, transporting passengers between Boulogne-sur-Mer and Dover, using only one vessel. SpeedFerries went into administration and ceased operating on 7 November 2008.

LD Lines

LD Lines operates a number of ferry routes to France, and has added a new route between Boulogne-sur-Mer and Dover. The new service, which started in February 2009, consisted of two return crossings per day. On 6 June 2009 LD Lines began a fast ferry service between Boulogne-sur-Mer and Dover, but ceased this service in November. The service between Dover and Boulogne was abandoned on 5 September 2010.

Competitive advantages of Eurotunnel Group

The Eurotunnel Group considers that, under normal operating conditions, its Shuttle Service enjoys the following competitive advantages over ferries:

- speed: the standard travel time between the French and British motorways is much shorter than via the ferries;
- departure frequency: the Eurotunnel Group's Shuttle Service runs more frequently than any of its competitors and every day of the year;
- reliability: the Shuttle Service, unlike the ferries, is unaffected by sea conditions and is not dependent on the weather; and
- it is by far the most environmentally-friendly cross-Channel service, as the electric power it uses for hauling generates much less greenhouse gas emissions than fossil fuels.

b) Airlines

The airlines, and in particular low-cost airlines, also have an indirect impact on the Short Straits market. These companies serve many destinations in continental Europe and so compete with operators in the Short Straits, including the Passenger Shuttle Service in the market for short-stay leisure travel. Furthermore, many destinations in France are now served by low-cost airlines offering an alternative means of transport between France and the United Kingdom.

c) Eurostar

To a lesser extent, Eurostar passenger trains compete indirectly with the Passenger Shuttle Service in the leisure market.

6.5. Capacities of the activities grouped within the Concession

6.5.1 The System

a) The Tunnel

The number of trains or Shuttles that can run in the Tunnel per hour is limited. The capacity of the Tunnel is expressed in terms of the number of standard paths per hour in each direction. A standard path is defined as the time it takes a Shuttle train operating at 140 km/h to proceed over that portion of the System that, under normal operating conditions, is used by all other trains using the Tunnel.

One of the key factors determining the Tunnel's capacity is the signalling system. At the date of this Reference Document, the System permits 20 standard paths per hour in each direction. Under the Railway Usage Contract, the Railways have the right to use up to 50% of the hourly capacity in each direction. Eurostar and Train Operators' Railfreight trains, because of their respectively faster or slower speeds compared to the Eurotunnel Group's Truck and Passenger Shuttles, use more than one standard path to move one of their trains through the Tunnel. At peak times, speeds can be adjusted to maximise the number of trains and Shuttles travelling through the Tunnel. In 2010, the maximum number of standard paths used by Passenger and Truck Shuttle Services was 9 per hour in each direction.

At the date of this Reference Document, the Tunnel's normal capacity does not constitute a significant constraint limiting the development of the different types of traffic.

In the medium or long term, the Eurotunnel Group believes that it will be possible to increase the Tunnel's capacity by the following means:

- setting uniform operating speeds for all trains, which would allow more trains to run on the same number of standard paths. At the date of this Reference Document, goods trains travel in the Tunnel at a speed of between 100 and 120 km/h, while Eurostar trains can reach a speed of 160 km/h in the Tunnel. These speed differentials use a large part of the capacity of the system, because they require the Eurotunnel Group to leave greater intervals between trains than would be necessary if they all travelled at the same speed. Use of the System's capacity could therefore be improved by shifting slow or infrequent freight trains to off-peak times, and by scheduling trains that travel at speeds higher (160 km/h) or lower (120 km/h) than the standard path (140 km/h) so that they run in flights during peak hours;
- increasing the power of the locomotives pulling the Shuttles to allow the use of longer trains or reduce transit times;
- reducing the distances between trains using the Tunnel (to 2 minutes 30 seconds instead of 3 minutes currently) so as to raise System capacity to 24 standard paths per hour in both directions. This requires an improvement of the fixed equipment; and
- improving the signalling system, in particular with GSM-R.

Some of these measures require approval by the IGC, which has supervisory authority over Tunnel operation.

b) Terminals

Currently, ten boarding platforms are in service on the French terminal and ten are in service on the British terminal.

Both terminals were designed so that the number of boarding platforms could be increased to sixteen. At the date of this Reference Document, the construction of new platforms is not planned.

The terminals are equipped with self check-in lanes for all customers, along with an automatic number plate recognition system for trucks. These systems improve traffic flow and reduce operating costs.

6.5.2 Rolling stock

The Eurotunnel Group's current commercial and operating strategy does not require the existing fleet of Shuttles to be adjusted in the near term.

6.5.3 Railway Services (passenger and rail freight)

Under the Railway Usage Contract, the Railways are entitled to use up to 50 per cent of the total capacity of the Tunnel that is allowed by the signalling system. This currently amounts to ten standard paths per hour in each direction for Eurostar passenger trains and Train Operators' Railfreight Services. Goods trains currently transport an average load of about 400 to 500 tonnes each. However, some of them can transport up to 1,000 tonnes of freight and travel at speeds varying between 100 and 120 km/h. An increase in the average load or the travel speed of goods trains would allow the Railways to increase freight train traffic without additional use of the Tunnel's capacity. Similarly, increasing load factors on Eurostar passenger trains and synchronising them so that they run in flights would enable more passengers to be transported without using additional Tunnel capacity. Under the terms of the RUC, the Eurotunnel Group may use any unused excess capacity of the Railways if the Railways have not confirmed their capacity requirement by the previous day. Use of this excess capacity provides the Eurotunnel Group with additional flexibility in optimising the flow of traffic and scheduling passenger and freight trains and Shuttle Service departures.

6.6. System reliability

6.6.1 Tunnel availability and maintenance

The System's performance and reliability have improved significantly since the Tunnel opened. The lack of reliability of certain elements of the System caused traffic disruption in the past. The situation has greatly improved due to the correction of a number of technical deficiencies and the implementation of a revised programme for the cleaning, monitoring and maintenance of the fixed equipment. Scheduled weekly maintenance of the Tunnel is planned and structured so as to promote efficient use of the Tunnel and cause minimal disruption to commercial operations.

The Eurotunnel Group has set an objective of limiting service disruptions due to fixed equipment failures to less than 0.75% despite continual traffic growth. In 2010, availability of the Tunnel was maintained at 99.45% compared to 97.81% in 2009 and 99.59% in 2008, excluding the period during which the Tunnel was unavailable following the fire on 11 September 2008.

It should be noted that the creation of specialised fire attack zones (the SAFE project, see paragraph 6.6.5) will contribute to improving the availability of Tunnel infrastructure over time and, above all, to preserving the infrastructure in case of a fire on board a Truck Shuttle.

6.6.2 Rail replacement

Rail replacement is carried out as part of the normal maintenance programme, without major disruption to commercial services. A new strategy implemented in 2010 has reduced costs without harming the quality of the track. This strategy aims to avoid systematically replacing both lines of rails, but only those rails that are worn or that present defects.

6.6.3 Maintenance and availability of the rolling stock

The Eurotunnel Group has also set itself the objective of achieving better utilisation of its transport capacity by improving load factors on its rolling stock. This is in addition to improving the availability of the rolling stock by modifying maintenance procedures in order to optimise periods of operation between maintenance visits.

The repair and maintenance programmes implemented by the Eurotunnel Group have helped to improve the reliability of the electric locomotives and Truck and Passenger Shuttles. In planning its maintenance programmes, the Eurotunnel Group's objectives are the following:

- ensure that safety requirements are met;
- avoid rolling stock being out of service for prolonged periods; and
- maximise the number of Shuttles available at peak hours.

Under current maintenance programmes, light maintenance and safety inspections are carried out every 30 days or 24,000 km for the locomotives, Truck Shuttles and Passenger Shuttles. Every 600 to 1,000 days, depending on the vehicle and the number of kilometres it has covered, each rail vehicle is taken out of service for two to three weeks to undergo an extensive preventive maintenance programme.

The rate of cancellation of departures for Passenger Shuttle Services due to faults in rolling stock was 1.9% in 2010, while it was at 1.5% in 2009. The rate of cancellation of departures for Truck Shuttle Services due to faults in rolling stock was 1.7% in 2010, while it was at 1.3% in 2009. At the same time, the number of stops in the Tunnel due to faults in rolling stock was down to 39 in 2010 against 54 in 2009, thus improving the availability of the Tunnel. The Eurotunnel Group is implementing simplification and renovation programmes aiming to further reduce future maintenance requirements and increase reliability.

The LSM (Large Scale Maintenance) programme is continuing to come up to speed for:

- meeting safety requirements (bogie, brake, coupling, batteries etc).

- restoring and improving the reliability of systems that have reached about a third or half of their overall potential (canopy, SDL hydraulic, etc);
- sustaining the reliability of wagons (Breda floors, Arbel floors, etc); and
- ensuring customer comfort (air conditioning, toilets, interiors, etc).

In 2010, the productivity of seven Truck Shuttles was increased by about 7% with the transition from 30 to 32 carriers. This improvement will be extended to three additional Shuttles at the beginning of 2011. This is made possible thanks to the availability of the fleet of wagons and also because of the programme to upgrade the power of an additional 18 locomotives to 7 MW (instead of 5.6), which began in 2009.

6.6.4 *Maintenance strategy*

The TIME (Tunnel Infrastructure Maintenance Excellence) programme, launched in mid-2009, was completed in July 2010. This programme took place in two phases. The first was concentrated on the following objectives:

- to improve the planning process to avoid last-minute changes and to optimise the management of team leaders' time;
- to streamline coordination between the Infrastructure Department and the railway control centre so as to leave more time for maintenance work during planned downtimes; and
- to enhance the efficiency of works trains so that technicians have more time for other tasks.

The second phase of the programme increased the efficiency of each of the infrastructure services: track, catenary, signalling, power supply, mechanical and engineering, telecommunication control systems, and civil engineering. It was based on suggestions from technicians and department supervisors and also on the use of tools and methods such as the *Kaizen* projects.

During 2010, a new process to optimise the maintenance strategy for rolling stock was introduced. Its aims are:

- to improve the availability, performance and quality of the Shuttles,
- to increase processing capacity and reduce the total cost of maintenance, and
- to rationalise technical choices and industrial resources.

This process is based on several lines of work:

- the expansion of the light and in-depth preventive maintenance cycles, both for Truck Shuttles and for Passenger Shuttles, an action that has a great impact on the availability of Shuttles and processing capacity;
- the technical redesign of maintenance on systems with a high impact on performance and quality, focusing on the relevance of maintenance instructions and the implementation of appropriate LSM programs; and
- the optimisation of key processes such as corrective maintenance, re-profiling, and the replacement of axles, with improvement in the efficiency of human, industrial, IT, etc, resources.

6.6.5 *Projects*

In 2010, the Eurotunnel Group extended its locomotive renovation and power-increase programme to 18 additional units, which will eventually bring the fleet of 7 MW locomotives to 44.

Various projects are planned in the short or medium term to further improve System reliability and efficiency, including:

- a complete overhaul of the maintenance information systems;

- the replacement of the two main radio systems – one handling the transmission of information between trains and the control centre and the other handling radio transmissions throughout the entire Concession – with a GSM-R system, to European standards. To this end, a contract was signed on 15 December 2009 and the implementation of the GSM-R service is planned for 2014;
- hybrid motorised wagons (electrical and diesel) have been purchased. Four wagons were delivered in 2010 and are used for work in the Tunnel. The last three will be delivered in 2011, thus increasing the haulage resources necessary for carrying out maintenance in railway tunnels;
- the SAFE project (fire suppression stations) was carried out in accordance with the programme, with:
 - the demonstration in the test tunnel at San Pedro de Anes of the operational nature of the high-pressure “water mist” system on a powerful fire (more than 150 MW), and
 - demonstrations during tests in a prototype station of:
 - the lack of problems with interfering systems (live catenary, signalling, etc), and
 - the maintenance of the quality of evacuation conditions.
- the pilot study for the third generation Truck Shuttles; and
- a programme of intensive traction engine servicing for the *Class 92* locomotives to bring them up to the standards of performance and reliability of the rest of the Eurotunnel Group fleet.

6.7. Safety and security

6.7.1 Safety of the System and of the Shuttle Services

Safety and security considerations are central to the overall design and operating procedures of the System. The System was designed under the supervision of the IGC and the Safety Authority (described in paragraph 6.7.3 below). Each phase of the initial design was examined by the IGC and formally acknowledged by way of a declaration of non-objection.

The operational safety of the System and of the Shuttle Services is mainly the result of the following design features:

- two separate rail tunnels, a layout that substantially reduces the risk of head-on collisions;
- a service tunnel linked to the rail tunnels by connecting passages situated on average every 375 metres, which provides access for emergency services and allows passengers to be evacuated to a safe environment;
- the infrastructure of the Tunnel: each tunnel lies at a depth of 25 to 45 metres below the seabed and the walls are covered in reinforced concrete (or sometimes in cast iron);
- an advanced signalling system that incorporates automatic train protection, considerably reducing the likelihood of any type of collision;
- fire detection devices in the System and on all the Shuttles, as well as fire-extinguishing equipment in all the Passenger Shuttles (controlled by automated onboard systems) and in the Club Cars of all the Truck Shuttles (manually operated fire extinguishers);
- fire safety doors in all the Passenger Shuttles to prevent fires from spreading;
- a ventilation system that keeps the air in the service tunnel at a slightly higher pressure than in the rail tunnels, which prevents smoke from entering the service tunnel in the event of a fire in a rail tunnel; and
- a prohibition on transporting certain hazardous materials through the Tunnel.

Safety features and procedures are updated regularly and are part of the SMS (the “Safety Management System” as described in paragraph 16.10.2.b.ii below) that is required to retain the operating certificate issued by the IGC, in

accordance with laws and regulations resulting from the transposition of the European Union's Railway Safety Directive (2004/49/EC) of 29 April 2004.

The rule concerning the safety of the cross-Channel Fixed Link, adopted by the IGC on 24 January 2007 and ratified by Act n° 2008-475 dated 22 May 2008, completes this transposition. This system, which came into force on 4 July 2008, aims to ensure a maximum level of safety by substituting a safety-management system for the previous system of safety studies. The Safety Case was replaced in July 2009 by a new document entitled "Safety Management System".

The System has detailed security and policing features meeting the requirements of the UK and French authorities. Examples of the security measures taken for the protection of the System are:

- access control at the perimeter of the terminals;
- surveillance by closed-circuit television cameras; and
- advanced techniques for searching vehicles.

Safety and security measures for Eurostar and Train Operators' Railfreight Services have been developed by the Railways after discussion with, and the approval of, the States. The Railways work with the Eurotunnel Group as the infrastructure manager to continuously improve and implement these safety measures. Since the introduction of new safety regulations governing the Fixed Link, the Railways are responsible for developing and submitting new safety measures to the IGC, which consults the Eurotunnel Group as the infrastructure manager before making a decision. The States can require the Eurotunnel Group and the Railways to implement and maintain the security measures that they consider appropriate to meet any perceived threat. In practice, however, the implementation of such measures is worked out in cooperation with the Eurotunnel Group so as not to impair traffic flow.

In this context and in respect of the forthcoming liberalisation of international rail passenger traffic, the technical specifications adapted to the Tunnel infrastructure are being finalised by Eurotunnel Group and the IGC. These directives will be imposed on new entrants.

6.7.2 Safety and security management and monitoring by the Eurotunnel Group

The safety and sustainable development directorate's mission is to define the Group's safety objectives, measure safety performance and supervise the application of all safety rules by the various departments. The director of safety and sustainable development is a member of the Management Committee.

The main costs of securing and maintaining the security of the System amounted to approximately €11 million in 2010 (€12 million in 2009).

The board of directors has created a safety and security committee whose composition and functioning procedures are described in paragraph 16.2.3 of this Reference Document.

The safety-management system for the subsidiaries of Europorte that hold licences as rail companies (Europorte France, Europorte Channel and GBRf), is imposed by the legislation of the various countries in which activities are envisaged. This legislation is the transposition of European directive 2009/49/CE into national laws. A request for a safety certificate is submitted to the competent safety authority (the *Etablissement Public de Sécurité Ferroviaire* in France ("EPSF"), the Office for Rail Regulation in the UK and the IGC for the Tunnel). These activities may only commence on the infrastructure after approval of the safety dossier and delivery of a safety certificate by the authority. Furthermore, to obtain authorisation to transport certain dangerous materials on a given infrastructure, a safety plan was submitted and validated by the manager of the infrastructure in question.

Europorte Services did not begin operations until 21 December 2010; the Operational Safety Regulation, which is the document specifying the safety-management system for infrastructure managers, written by Europorte Services on behalf of the Port of Dunkirk, was approved by the EPSF on 15 October 2010.

Europorte Proximité has a safety certificate delivered by the EPSF on 24 March 2009 for its activities related to infrastructure maintenance on the Chatillonnais lines.

The Europorte subsidiary specialised in the provision of logistical services in industrial environments, Socorail, is not subject to this type of approval. The main customers are the chemical and oil industries, subject to SEVESO classification. These industries are themselves subject to very strict safety regulations and are therefore very demanding concerning safety criteria in relation to their subcontractors. So that it can work for these sites, Socorail has for several years been committed to a voluntary process of quality certification.

6.7.3 Supervision by the States

The IGC was established under to the Treaty of Canterbury and the Concession Agreement to supervise the construction and operation of the System on behalf of the States. This includes all issues relating to the safety, security and environmental impact of the System. Many of the Eurotunnel Group's operating rules must be formally approved or acknowledged by way of a non-objection declaration by the IGC.

The Safety Authority was established under the Treaty of Canterbury and the Concession Agreement to advise and assist the IGC on all matters concerning safety in the construction and operation of the System. The Safety Authority advises the IGC regarding approval of System safety measures (including operating rules and emergency procedures) and compliance of the System with such measures. The Safety Authority has a team of inspectors and is charged with monitoring the implementation of safety measures and practices and ensuring that they comply with applicable national and international laws throughout the term of the Concession Agreement.

The audits by the EPSF are now added to this process.

For more information on the IGC and the Safety Authority, see chapter 22 of this Reference Document.

6.8. Insurance

The Eurotunnel Group's insurance programme consists primarily of policies covering material damage and business interruption (including terrorism) and third party liability.

The material damage and business interruption (including terrorism) and third party liability policies were renewed on 1 January 2011 for a term of one year.

The material damage and business interruption policy is composed of two lines with limits of €300 million for the first line and €600 million for the second line, corresponding to a total coverage of €900 million. The policy covers the period going from 1 January to 31 December. In 2009 the annual premium for these two layers was €27 million with a maximum excess of €50 million for any incident in the Tunnel and €10 million for any incident outside the Tunnel.

Following the fire in September 2008, Eurotunnel has implemented various risk-reduction measures aiming to protect the infrastructure of the Tunnel, which allowed the company to obtain a reduction in its premiums of a total of €21 million in 2010, with a reduction in the excess for any incident in the Tunnel to €15 million. The annual premium was again reduced for 2011 to €15 million with the same level of excess. The period of indemnity for business interruption following an incident is 24 months.

Eurotunnel will again review its coverage for 2012 with the full implementation of the SAFE stations in the Tunnel, aiming to obtain an additional reduction in its insurance premiums reflecting the reduction in risk.

Following the acquisition of GBRf by the Group at the beginning of 2010, the Eurotunnel Group has implemented a single insurance policy for GBRf before being able to integrate GBRf into the Group's policy for 2011.

A dedicated programme has been put in place for EPF, EPP and Socorail.

6.9. Dependency

Other than the material agreements described in chapter 22 of this Reference Document, the Eurotunnel Group's business activity is not dependent on any industrial, commercial or financial contract. Furthermore, the Eurotunnel Group's business is not dependent on any patent or licence agreement.

6.10. Environment and sustainable development

The Tunnel and its rail transport system provide certain intrinsic environmental advantages:

- the Tunnel runs entirely underground and does not interfere in any way with the marine environment; and
- the use of electric power for hauling, which produces minimal atmospheric pollution and much less greenhouse gas emissions than fossil fuels.

However, pursuant to French law n° 76-663 of 19 July 1976, the Coquelles and Sangatte sites are designated sites for the protection of the environment (Installation Classée pour la Protection de l'Environnement, or ICPE) due to the dangers and risks that its activities of refrigeration, air-conditioning, storage and use of flammable liquids, workshops and paints etc., may pose to the surrounding area and to health, safety, nature and the environment. These activities are set out in a list which, on the basis of the gravity of the dangers or risks that they may represent, requires the Eurotunnel Group to either make a declaration to or request authorisation from the Prefecture of the Pas-de-Calais in respect of them. These activities are monitored by the regional authority for industry, research and the environment (DRIRE).

Similarly, pursuant to the French law in relation to water of 3 January 1992, the Eurotunnel Group must request the authorisation of the relevant administrative authority for any proposed construction, works or activities to be carried out outside of the ICPE area, which may pose a danger to public health and safety, endanger the free flow of water, reduce the availability of water, substantially increase the risk of floods or seriously damage the quality or diversity of the marine environment.

In 2002 Eurotunnel installed an environmental management system based on the requirements of the ISO standard 14001, and has put in place trained environment correspondents and internal auditors. An "Environmental Requirements" clause has also been introduced into contracts with its sub-contractors.

Each year, targeted audits are carried out in France and the United Kingdom; in 2010, nine audits were carried out, including three in the operational divisions, five at subcontractors and one at Europorte in France.

As well ensuring its compliance with legal and regulatory requirements (a regulatory review is carried out on a monthly basis), and as part of its continued commitment to the environment, the Group set up a safety and sustainable development directorate in 2006. Safety represents an absolute requirement for the Eurotunnel Group. Combining it with a strong sustainable development policy shows the extent to which these issues are important for the Group.

The Eurotunnel Group is concerned about greenhouse gas emissions (albeit very low) generated by its operating activities. With the help of specialists using the assessment method (Bilan carbone®) accredited by ADEME, the French environmental and energy management agency, a carbon footprint assessment was carried out in September 2006 in France, and then at the end of 2007 in the United Kingdom. This assessment included emissions generated by electricity used to haul Shuttles, Eurostar trains, and rail freight trains through the Tunnel; emissions generated by workshops, diesel works trains and road vehicles used for staff transport, deliveries and catering. It also includes emissions related to the building of infrastructure since the beginning and the necessary construction materials.

The Eurotunnel Group's carbon footprint was estimated at 85,184 tonnes of carbon equivalent in 2006, during which year 18.5 million tonnes of goods passed through the Tunnel.

This carbon footprint assessment forms part of the Planète Gagnante (Winning Planet) charter signed on 20 September 2007 with ADEME and the Conseil Régional of Nord-Pas-de-Calais. The action plan connected with this charter aims to reinforce certain initiatives and to launch new actions, such as the implementation of a plan to reduce greenhouse gas emissions linked to the transport system, specifically by making changes to the electricity supply system.

The carbon footprint assessment identified the Group's primary sources of greenhouse gas emissions, and was followed by an action plan focusing on the two factors that accounted for 80% of the emissions: the use of energy provided by electricity and fossil fuels, and emissions from refrigeration fluids.

The Group's environmental initiatives cut its greenhouse gas emissions from these two factors by a further 8% in 2009. In 2010, energy efficiency gains enabled CO₂ emissions per vehicle transported to be cut by a further 4.6%.

In 2009, the Group was accredited by the independent organisation the Carbon Trust Standard following an audit of the Group's management of greenhouse gas emissions and its performance over the past three years.

The Eurotunnel Group also works with the European Committee for Standardisation, providing its know-how in greenhouse gas emissions reduction to help the Committee write a standard for calculating greenhouse gas emissions from transport activities (CEN/TC 320 WG10).

In parallel with the signature of the Planète Gagnante charter, the Eurotunnel Group decided to increase the awareness of its personnel as part of its commitment to sustainable development in the following ways:

- carbon footprint and reduction of greenhouse gases;
- continuation since 2005 of the programme to reduce levels of electricity and water consumption. Examples of measures taken include the installation of sensory light and heating, the increase in the number of electricity and water meters, changes in the tools and the management of the cooling systems in the Tunnel to reduce the amount of water used, amounting to a saving of 3,000 m³ of water per year since the implementation of this programme;
- the optimisation of waste recycling and research into the recycling process, so as to further increase the volume of waste recycling;
- informing and raising the awareness of its customers with regard to global warming and waste management with short films and presentations;
- raising awareness of its employees with regard to environmentally friendly behaviour;
- the study of a multi-year plan to manage natural spaces and species with the Conservatoire des Sites Naturels and the Groupe Ornithologique et Naturaliste du Nord, which have been observing flora and fauna at the Eurotunnel Group's French sites for around 10 years now. In England, the Samphire Hoe site was awarded the Green Flag for excellent ecological quality for the fifth year running; and
- the project to install wind turbines at the Coquelles terminal was resumed with Innovent. They were installed during the last quarter of 2009.

2010 was the year during which a range of activities began around transport and rail services in Great Britain and on the continent. In the same way as for its cross-Channel activities, the Eurotunnel Group will develop a policy of monitoring and managing the greenhouse gas emissions of its new subsidiaries, in anticipation of the publication of the implementing order for article 228 – II of the Act dated 12 July 2010 (Act n° 2010-788 dated 12 July 2010 covering the national commitment for the environment), concerning the obligatory information supplied by any person who markets or organises a transport service and covering the quantity of carbon dioxide emitted by the transport modes used in providing the service.

For this first year, greenhouse gas emissions were 11,067 tonnes equivalent CO₂ on the continent and 423,709 tonnes equivalent CO₂ in Great Britain.

CHAPTER 7 – ORGANISATIONAL STRUCTURE

Groupe Eurotunnel SA (GET SA) is the holding company of the Eurotunnel Group.

France Manche SA (FM) and The Channel Tunnel Group Limited (CTG) are the Concessionaires of the Tunnel: These two companies, whose shares are twinned, have formed a partnership operating under the Eurotunnel name. FM and CTG are the borrowing entities under the current bank financing agreements.

Eurotunnel Services GIE (ESGIE) and Eurotunnel Services Limited (ESL) employ and manage the personnel of the Eurotunnel Group, essentially for the activities of the Concession. Eurotunnel Trustees Limited is now inactive. On 17 November 2010, the simplified joint-stock company Centre International de Formation Ferroviaire de la Côte d'Opale, (CIFFCO) was established for a period of 99 years, to provide professional training services in the rail sector and undertake any activity leading directly or indirectly to the development of the business of a provider of professional training.

Eurotunnel Financial Services Limited has been authorised since 1 January 2009 by the Financial Services Authority to resell insurance products offered to passengers when they make their reservations. CTG acts as a representative of Eurotunnel Financial Services Limited for these requirements.

Eurotunnel SE heads the distribution of Truck Shuttle Service activity previously managed by the EurotunnelPlus companies before they were wound-up as part of a merger (except for EurotunnelPlus GmbH, which still exists but as an empty legal structure that is currently being wound up).

The subsidiaries of the holding company Europorte SAS are as follows:

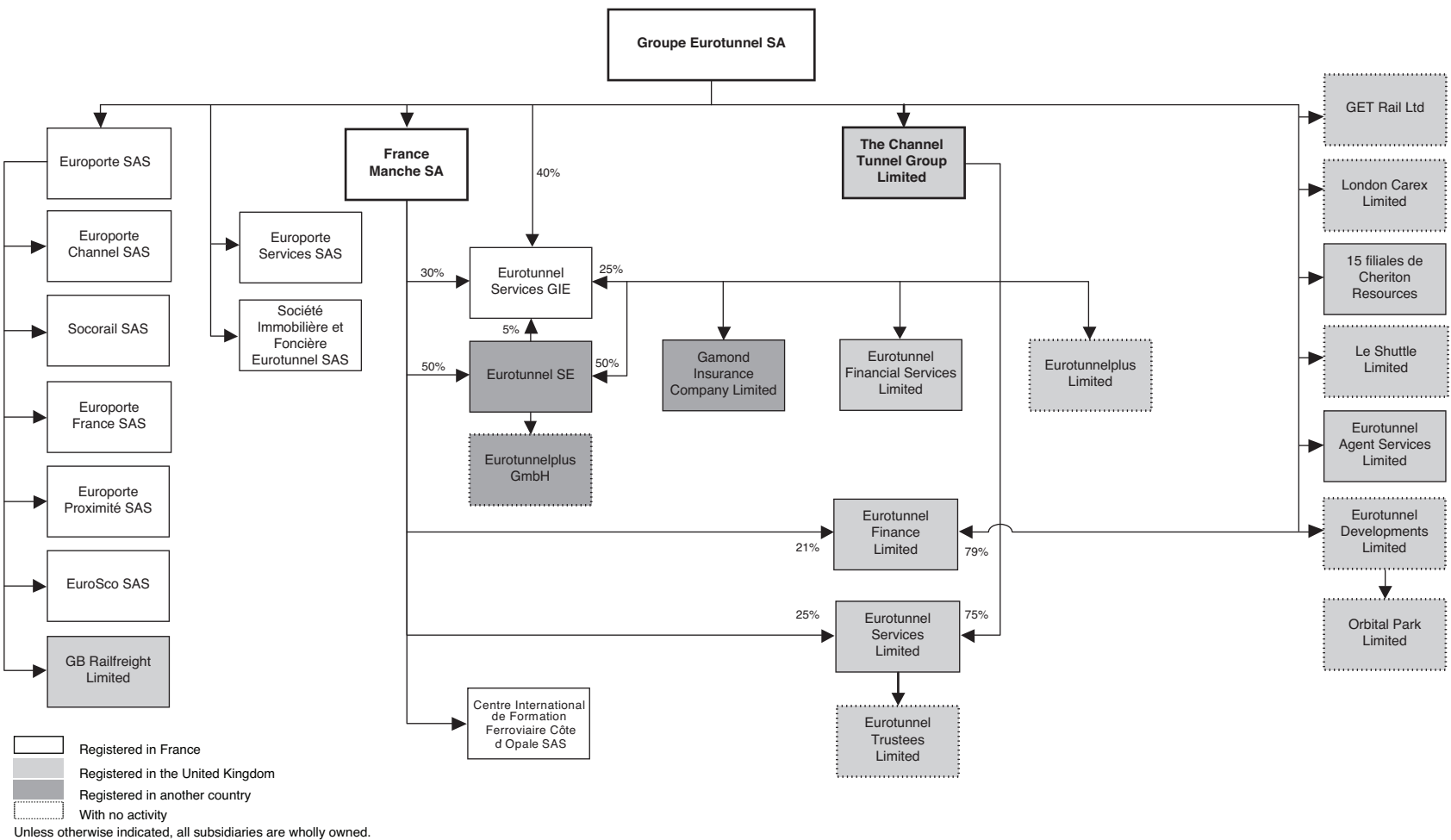
- The French subsidiaries of Veolia Cargo acquired on 30 November 2009 by Europorte SAS, (Europorte France (EPF), Europorte Proximité (EPP) and Socorail);
- Europorte Channel (EPC), which hauls trains through the Channel Tunnel between France and England and performs ground operations at the station at Fréthun;
- EuroSco, a structure that was founded in December 2010 to optimise management of the rolling stock belonging to the Europorte companies; and
- GB Railfreight Limited (GBRf), the third-largest rail freight operator in the United Kingdom, was acquired at the end of May 2010 from the international company FirstGroup.

Europorte Services (EPS), the largest private delegated manager of port infrastructure, operates and maintains the rail infrastructure at Dunkerque-Port. It is planned that this company will shortly become a wholly-owned subsidiary of Europorte SAS.

Eurotunnel Developments Limited and its subsidiary Orbital Park Limited were responsible for the development of all property in the United Kingdom which is not used in connection with the operation of the System. These companies are no longer active. The Cheriton Resources companies are finance or investment companies, and are mostly inactive. London Carex Limited concerns a potential project for the development of rail freight in the United Kingdom. Another company with no activity, GET Rail Ltd, was founded at the end of 2010.

Gamond Insurance Company Limited is a subsidiary entirely controlled by CTG, is registered in Guernsey and whose sole purpose is to provide the Eurotunnel Group with insurance against acts of terrorism. Gamond Insurance Company Limited takes out reinsurance with Pool Re.

Simplified organisational structure of the Eurotunnel Group



CHAPTER 8 – PROPERTY, PLANT AND EQUIPMENT

8.1. Eurotunnel Group's property, plant and equipment

At 31 December 2010, the Eurotunnel Group owns or uses the following property, plant, equipment and other moveable assets:

Gross value (€000)	2010	2009
Concession property, plant and equipment		
Tunnels	6,549,501	6,549,501
Terminals, and related land and buildings	2,068,677	2,068,895
Fixed equipment and machinery	3,280,697	3,284,641
Rolling stock	1,968,893	1,965,677
Office equipment	98,815	97,787
Assets in the course of construction	54,729	51,046
Other property, plant and equipment		
Property, plant and equipment	50,356	3,941
Total	14,071,668	14,021,488

The net book value of property, plant and equipment is set out in note P to the consolidated financial statements contained in paragraph 20.3.1 of this Reference Document.

In France, all immoveable property, plant and equipment cited in the Concession Agreement is the property of the French State and will revert to it upon expiry of the Concession period in 2086. In the United Kingdom, the government has required CTG to transfer to it the title to freehold land and property acquired for the purpose of construction and operation of the Tunnel and in exchange has granted leases for the duration of the Concession Agreement.

Upon expiry of the Concession Agreement, the interests of CTG and FM (in their capacity as Concessionaires) in all moveable property and intellectual property rights necessary for the operation of the Tunnel pursuant to the Concession Agreement will become, without consideration, the joint property of the two States.

As at 31 December 2010, the Eurotunnel Group's immoveable property, plant and equipment comprised the land and works required for the operation of the Tunnel pursuant to the Concession Agreement in France and the United Kingdom.

The Eurotunnel Group's Concession property, plant and equipment also includes the railway infrastructure (tunnels, tracks, fixed equipment, rolling stock, roads, networks etc.), the Passenger and Truck Service terminals and the office buildings in Coquelles and Folkestone, as well as various maintenance buildings and workshops.

Other property, plant and equipment constitutes principally the fleet of rolling stock belonging to the new rail freight companies.

In addition, the Eurotunnel Group owns various plots of land as part of its property development activities, described in chapter 6 of this Reference Document.

For a description of the Eurotunnel Group's main property development projects, refer to paragraph 6.1.3 (b) of this Reference Document.

At 31 December 2010, moveable assets owned by the Eurotunnel Group comprised mainly office equipment and furniture, IT equipment, and vehicles.

The Eurotunnel Group's budgets do not include the acquisition of any other major item of property, plant and equipment, and the Eurotunnel Group does not intend to make any such acquisitions in the near future, with the exception of the investments described in section 5.2 of this Reference Document.

The security interests in the Eurotunnel Group's fixed and moveable property granted in connection with the Term Loan are described in paragraph 22.4.2 of this Reference Document and in notes X1i) and DD to the consolidated financial statements in paragraph 20.3.1 of this Reference Document.

8.2. Environmental constraints

For a description of environmental issues, please refer to section 6.10 of this Reference Document.

CHAPTER 9 – REVIEW OF FINANCIAL RESULTS

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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 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2010.

Pursuant to article 28-1 of EC Regulation 809/2004, the comparison of the results of the Eurotunnel Group for the financial years ended 31 December 2008 and 31 December 2009 as found in chapter 9 of the 2008 Reference Document and the 2009 Reference Document respectively, and the financial statements relating to the years ended 31 December 2008 and 31 December 2009 as found in annexe II of the 2008 Reference Document and in paragraph 20.3.1 of the 2009 Reference Document, are included by way of reference in this Reference Document.

The following information relating to Groupe Eurotunnel SA's financial situation and consolidated results must be read in conjunction with the consolidated financial statements contained in paragraph 20.3.1 of this Reference Document.

9.1. Significant factors that have or could have a material influence on the Group's operating revenue

The main factors with an impact on revenue are described in chapters 4 and 6 of this Reference Document.

The consequences of the Fire in September 2008 and the economic context are described in section 9.2 below.

9.2. Comparison of financial years ended 31 December 2009 and 31 December 2010

€ million	2010	2009 restated*	% change	2009 published
Exchange rate €/£	1.169	1.169		1.119
Shuttle Services	366	319	+15%	311
Railway network	263	255	+3%	250
Other revenue	10	10	–1%	10
Sub-total Concession	639	584	+9%	571
Europorte	98	–	+100%	–
Revenue	737	584	+26%	571
Other income	–	69	–100%	69
Total turnover	737	653	+13%	640
External operating expenses	(235)	(197)	+18%	(195)
Employee benefits expense	(166)	(122)	+36%	(120)
Operating margin (EBITDA)	336	334	+1%	325
Depreciation	(156)	(164)	–5%	(164)
Trading profit	180	170	+5%	161
Other net operating income	10	–		–
Operating profit (EBIT)	190	170		161
Income from cash and cash equivalents	7	3		3
Gross cost of servicing debt	(255)	(199)	+28%	(195)
Net cost of financing and debt service	(248)	(196)	+27%	(192)
Other net financial income and income tax expense	1	33		32
Result for the year: (loss)/profit	(57)	7		1

* In order to enable a better comparison between the two years, the 2009 consolidated income statement presented above has been recalculated at the exchange rate used for the 2010 income statement of £1 = €1.169.

Key figures: income statement

The Group's new French rail freight subsidiaries (Europorte France, Europorte Link, Europorte Proximité and Socorail) which were acquired on 30 November 2009 have been consolidated with effect from 1 January 2010, and the new British rail freight subsidiary GB Railfreight Ltd (GBRf) has been consolidated from its date of acquisition on

28 May 2010 (i.e. for 7 months of 2010). The total contribution of these entities to the Group's consolidated trading result in 2010 is given in the table below.

€ million	2010
Revenue	96
External operating expenses	(56)
Employee benefits expense	(40)
Operating margin (EBITDA)	–
Depreciation	(4)
Trading loss	(4)

Summary

Whilst reading this chapter, it must be remembered that the section of the Tunnel that was damaged by the fire on 11 September 2008 remained closed until 9 February 2009. This closure, as well as its consequences on the commercial activity after re-opening, had a negative impact on Shuttle Services revenues in 2009, and to a lesser extent, on the revenues arising from the use of the railway network for that same period. The activity in 2010 continued to be affected by the consequences of the fire. Operating losses resulting from the fire were covered by insurance until September 2010. Nevertheless, in the context described in note A to the 2010 consolidated financial statements in paragraph 20.3.1 of the 2010 Reference Document, no additional indemnities for operating losses were accounted for during 2010.

In 2010, Eurotunnel recorded organic growth in its revenues of 9% at a constant exchange rate. Including the contribution of Europorte's new rail freight subsidiaries of €96 million in 2010, total consolidated revenues increased by 26% to €737 million.

At €366 million in 2010, Shuttle revenues improved by 15% reflecting the gradual recovery in market share since the full re-opening of the Tunnel in February 2009. Revenues arising from the use of the railway network increased by 3%. Excluding the €96 million additional operating expenses of the newly-acquired companies, operating expenses decreased by €14 million at a constant exchange rate and scope of consolidation, of which €11 million is due to a reduction in insurance premiums.

The operating margin of €336 million increased slightly compared to 2009 despite the fact that no additional insurance indemnities relating to operating losses following the Fire in September 2008 were accounted for in 2010, whilst in 2009 €69 million was recorded. After taking into account a reduction of €8 million in depreciation charges, and an increase in net other operating income of €10 million, the 2010 operating profit amounted to €190 million, an improvement of €20 million compared to 2009.

The gross cost of servicing debt increased by €56 million at a constant exchange rate, the result of the mechanical impact of increased inflation rates on the index-linked tranche of the debt. Taking into account this increase in financial charges and the release of a €29 million provision in 2009 in other financial income, Groupe Eurotunnel SA's consolidated net result for 2010 was a loss of €57 million compared to a profit of €7 million (restated) for the 2009 financial year.

9.2.1 Revenues

Revenues arising from the activities grouped within the Tunnel Concession segment amounted to €639 million in 2010, an organic growth of 9% compared to 2009 on a comparative basis.

In total, revenue in 2010 amounted to €737 million, of which €96 million was realised by the new rail freight subsidiaries consolidated for the first time in 2010. Revenues for 2009 were €584 million restated at the 2010 exchange rate. The Eurotunnel Group's total consolidated revenues for 2010 amounted to €737 million, an increase of 26% compared to 2009.

a) **Tunnel Concession revenues**

i) Shuttle Services

Traffic	2010	2009	% change
Truck Shuttle	1,089,051	769,261	+42%
Passenger Shuttle			
Cars*	2,125,259	1,916,647	+11%
Coaches	56,507	54,547	+4%

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

Compared to 2009, Shuttle Services revenues increased by 15% in 2010, to €366 million.

Truck Shuttle

The cross-Channel truck market continued to be affected by the economic situation, with a market contraction of approximately 16% in 2010 compared to 2007. The market did however grow by more than 3% in 2010 compared to 2009.

Eurotunnel's Truck Shuttle traffic increased by 42% compared to 2009, and its market share, which had been affected by the consequences of the Fire in September 2008, recovered well during the course of 2010 to regain its pre-fire levels during the last quarter of the year. The number of trucks transported nevertheless remained below 2007, reflecting the continued sluggishness of the market.

Passenger Shuttle

In 2010, the cross-Channel car market grew by approximately 6% compared to 2009, returning to a level just above that of the period prior to the fire. This growth is explained mainly by the continuation of the transfer from air travel to more flexible and cheaper travel by car, and in 2010 specifically by the consequences of the eruption of the Icelandic volcano on air travel in the spring.

Eurotunnel's car traffic increased by 11% in 2010 compared to 2009, and its market share, which had already returned to pre-fire levels during the last quarter of 2009, improved by almost 2 points to 43% for 2010.

The coach market grew by approximately 4% compared to 2009, but was nonetheless almost 8% below 2008. Eurotunnel's coach traffic also increased by 4% in 2010 compared to the previous year, and its market share remained stable.

ii) Railway network

Traffic	2010	2009	% change
Passenger trains (Eurostar)			
Passengers*	9,528,558	9,220,233	+3%
Rail freight trains**			
Number of tonnes	1,128,079	1,181,089	–4%
Number of trains	2,097	2,403	–13%

* 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.

In 2010, the Eurotunnel Group earned revenues of €263 million from the use of the Tunnel's railway network by Eurostar's passenger trains and by rail operators' rail freight services, an increase of 3% compared to 2009 as a result of the increased number of Eurostar passengers travelling through the Tunnel.

The increase in Eurostar passenger numbers during the first half of 2010 eased off slightly in the second half to give an increase of 3% for the year as a whole.

The increase in the number of rail freight trains during the first quarter gave way to a sharp decline over the remainder of the year, in particular due to the numerous national strikes and to the ending of wagonload services. Nevertheless, several new inter-modal and train load services were launched during the year.

b) Europorte revenues

In 2010, Europorte's revenues of €98 million were generated by the activities of Europorte and its French subsidiaries (Europorte Channel and the companies acquired on 30 November 2009), of GBRf (for the 7 months from its acquisition on 28 May 2010) and of the management of the rail freight zone at the port of Dunkirk. The contribution of the newly-acquired companies to the consolidated Group revenues for the 2010 financial year was €96 million.

9.2.2 Total turnover

Other income corresponds to insurance indemnities relating to operating losses following the fire in 2008. In the light of the situation as described in note A to the 2010 consolidated financial statements in paragraph 20.3.1 of the 2010 Reference Document, no additional indemnities for operating losses have been accounted for during 2010. Insurance indemnities of €69 million were accounted for in 2009.

9.2.3 Operating margin (EBITDA)

a) External operating expenses

In 2010, external operating expenses totalled €235 million, an increase of €38 million compared to 2009. On a like-for-like basis (at a constant exchange rate and scope of consolidation), these costs decreased by €18 million of which €11 was due to the reduction in insurance premiums following the substantial increase in 2009 resulting from the fire in 2008, and a €5 million reimbursement of local rates in England.

b) Employee benefits expense

Total employee benefits expense in 2010 amounted to €166 million, an increase of €44 million compared to 2009 of which €40 million resulted from the change in scope of consolidation. At 31 December 2010, the Group employed 3,280 staff, 954 of whom were employed by the newly-acquired companies. On a like-for-like basis, employee benefits expense increased by 3% in 2010.

The operating margin of €336 million in 2010 improved slightly (1%) compared to 2009 despite the fact that no insurance indemnity for operating losses following the Fire in September 2008 was accounted for in 2010.

9.2.4 Operating profit (EBIT)

Depreciation charges decreased by €8 million in 2010 mainly as a result of the end of depreciation of assets amortised over a period of 15 years and the accelerated depreciation of certain equipment accounted for in 2009.

Net other operating income of €10 million in 2010 consisted mainly of negative goodwill of €13 million arising from the first consolidation of the companies acquired on 30 November 2009 (see note D of the 2010 financial statements in paragraph 20.3.1 of the 2010 Reference Document), partially offset by a charge of €4.5 million for the write-off of some equipment on a Passenger Shuttle prior to its renovation.

The operating profit for 2010 was €190 million, an increase of €20 million compared to 2009.

9.2.5 *Net cost of financing and debt service*

Income from cash and cash equivalents increased by €4 million mainly corresponding to the interest received on a re-imbursement of VAT in the UK.

At €255 million in 2010, the gross cost of servicing debt increased by €56 million compared to 2009 at a constant exchange rate as a result of the impact of increased inflation rates on the nominal value of the index-linked tranche of the debt. Interest charges have returned to a level close to that seen in 2008 before the significant fall in inflation rates in 2009. The increase in interest charges in 2010 had no impact on cash flows for the period as the impact of the indexation on the nominal gives rise to cash payments only upon repayment of the debt.

In 2009, net other financial income of €33 million included a release of provision for risk of €29 million.

9.2.6 *Net result*

Groupe Eurotunnel SA's consolidated net result for the 2010 financial year was a loss of €57 million compared to a net profit of €7 million in 2009 (restated at the 2010 exchange rate). Despite the €20 million improvement in the operating profit, the €64 million deterioration in the net result is mainly due to the €52 million increase in net financing costs and to the impact of the €29 million release of provision accounted for in 2009 (these two elements having no impact on cash flows of the period).

CHAPTER 10 – CASH FLOW AND SHARE CAPITAL

10.1. Information concerning the Eurotunnel Group's share capital

Information concerning the Eurotunnel Group's share capital is set out in note S of GET SA's consolidated financial statements contained in paragraph 20.3.1 of this Reference Document.

The remaining transactions that will affect GET SA's share capital are as follows:

- the exercise of the remaining 2007 Warrants, and
- the issue of additional GET SA Ordinary Shares for persons having held until 6 March 2011 the new GET SA Ordinary Shares for which they subscribed upon exercise of the BSA in 2008 or which they acquired directly from the underwriters on the settlement-delivery date, and the issue of GET SA Ordinary Shares held in treasury for the payment of the additional conditional return on the SDES as indicated in chapters 5 and 21 of this Reference Document.

As indicated in paragraph 21.1.6 of this Reference Document and in note S.2 of the consolidated financial statements contained in paragraph 20.3.1 of this Reference Document, there are 1,046,710,613 2007 Warrants in circulation at the date of this Reference Document.

In 2007, the Moody's credit rating agency assigned a rating of Baa2 to GET SA which remains in effect at the date of this Reference Document.

10.2. Cash flows in 2010 and 2009

€ million	Year ended 31 December 2010	Year ended 31 December 2009
Exchange rate €/£	1.162	1.126
Net cash inflow from trading	353	276
Other operating cash flows and taxation	3	5
Net cash inflow from operating activities	356	281
Net cash outflow from investing activities	(70)	(50)
Net cash outflow from financing activities	(226)	(261)
Increase/(decrease) in cash in year	60	(30)

In total, the net cash inflow in 2010 was €60 million compared to a net cash outflow of €30 million in 2009.

a) Cash flow from operating activities

At €356 million the net cash inflow from operating activities increased by €75 million in 2010 compared to 2009. This increase is mainly explained by:

- an increase in Concession revenue receipts of €44 million, mainly for Shuttle Services,
- a decrease in Concession operating expenditure of €43 million (of which €11 million was for lower insurance premiums, €5 million for a reimbursement on UK rates, and €20 million due to additional payments in 2009 relating to maintenance operations in 2008),
- an increase of €5 million for the net cash inflow from the new companies' trading;

- a reduction in net insurance indemnities following the fire in 2008 of €22 million compared to 2009, and
- a €5 million increase due to the change in exchange rate used to consolidate the two exercises.

b) Cash flow from investing activities

At €70 million in 2010 cash flow from investing activities, which increased by €20 million compared to 2009, comprised:

- a payment of €30 million for the acquisition of GBRf on 28 May 2010 and €2 million relating to the contractual price adjustment on the purchase of the subsidiaries acquired at the end of 2009 (in addition to the €19 million paid in 2009),
- €4 million cash brought by the newly-acquired subsidiaries on entry into the scope of consolidation,
- a receipt of €6 million relating to compensation for rolling stock destroyed during the fire (€10 million already received in 2009),
- €50 of capital expenditure (€41 million in 2009) of which €5 million was spent by the new subsidiaries, and
- receipts of €2 million from sales of assets.

c) Cash flow from financing activities

In 2010, cash outflows from financing activities amounted to €226 million, a reduction of €35 million compared to 2009 mainly as a result of the absence of cash spent on the financial operations carried out during 2009. Cash flows from financing activities in 2010 principally comprised:

- €206 million interest paid on the Term Loan and associated hedging transactions (€201 million in 2009), the effect of the indexation of the nominal giving rise to cash payments only on its repayment),
- €6 million interest paid on the NRS (€18 million in 2009),
- €18 million paid in dividends (€7 million paid in 2009),
- net payments totalling €3 million relating to treasury share transactions,
- €2 million of payments of costs charged to share premium, and
- interest received of €9 million.

10.3. Borrowing conditions and financing structure of the Eurotunnel Group

The financing structure of the Eurotunnel Group is set out in section 22.4 of this Reference Document.

10.4. Restrictions on the use of capital resources

The restrictions resulting from the financial covenants provided in the Term Loan are described in section 22.4 of this Reference Document.

10.5. Sources of funds for future investments

Significant future investments are expected to be paid for using cash flows from the Eurotunnel Group's activities.

10.6. Debt service cover ratios

Pursuant to the terms of the Term Loan, the Eurotunnel Group is required to meet the following financial covenants:

- At each half-year closure, the debt service cover ratio may not be less than 1.20 until the fifth anniversary of the funds being made available under the Senior Facilities (i.e. 28 June 2012) and thereafter may not be less than 1.10. For the purposes of this test, the ratio is calculated, on a rolling 12 month period, on a consolidated basis taking into account (i) as regards the calculation of available cash flow for the servicing of debt, the borrowers and guarantors in connection with the Senior Facilities, and (ii) as regards the calculation of debt servicing, the Eurotunnel Group. Failure to meet this financial covenant amounts to one of the events of default and accelerated payment as described in note X.1i of the consolidated financial statements contained in paragraph 20.3.1 of this Reference Document.
- At each six-monthly test date after 31 December 2007, the ratio of operating cash flow to the total synthetic debt service on the Term Loan may not be less than 1.25. For the purposes of this test, the ratio is calculated taking into account the hypothetical amortisation on the Term Loan and on the basis of a rolling 12 month period prior to the date of the test. Failure to meet this ratio on a six-monthly testing date would lead to restrictions on the use of the Group's excess available cash flow on the date of the next interest payment on the Term Loan until such time as the test is met once again. These restrictions include, in particular, the ability of the Eurotunnel Group to pay dividends and to finance new activities. Failure to meet this test on three consecutive six monthly testing dates would trigger a prepayment event, under which the Group's excess available cash flow would have to be used towards prepayment of the Term Loan until the testing date on which the ratio is met once again.

The debt service cover ratio and the synthetic service cover ratio for Groupe Eurotunnel SA at 31 December 2010 were 1.52 and 1.34 respectively, and thus the financial covenants for the period were respected.

CHAPTER 11 – RESEARCH AND DEVELOPMENT, TRADEMARKS, PATENTS AND LICENCES

11.1. Research and development

The high traffic volumes in the System have led the Eurotunnel Group to focus its research and development strategy on the investigation of materials, designs, tools and systems with the potential to extend track life.

Moreover, in order to deal with issues specific to it, the Eurotunnel Group has mobilised its own resources and those of external partners for the purposes of research and development in order to make fresh improvements and solve the technical uncertainties and stumbling blocks in connection with operations to criteria other than specific Tunnel operation criteria. A number of innovative projects were carried out or were introduced in 2010: the prototype for the SAFE stations (see paragraph 6.6.5), the new floor prototype for Truck Shuttles, continuation of the IRIS project (automatic number plate recognition management system) and the Keep Going to Quality project (development of a new maintenance model for rolling stock) are just a few examples of new investment by the Eurotunnel Group.

The Group has been actively involved in the i-Trans competitiveness initiative for the land transport sector, which brings together leaders from industry, research and education in the Nord-Pas-de-Calais and Picardie regions. Under this initiative, the Eurotunnel Group heads the Track Train System Availability (TTSA) project that is currently working on four processes and products to extend tracks' useful life and increase railway infrastructure availability. These processes and products include: an innovative material and shape for rails; a new welding method; and a more resistant alloy to replace the manganese steel in track crossings. Promising advancements have been made since 2007, as seen by the results of tests now conducted in the Tunnel – the ideal full-scale test bench.

Still within the framework of the i-trans business cluster, the Eurotunnel Group (with several companies in the metallurgy sector) is taking part in the RAIL 3 T project, which aims to develop a system for measuring the integrity of the upper surface of the rail. This equipment will be carried on board a train travelling at 120 km/h, representing a commercial operating speed. This collaborative research and development project was accepted at the 10th “Appel à Projets Fonds Unique Interministériel” (AAP FUI) and in this respect was granted aid of €20,000 from the Nord-Pas-de-Calais regional Council.

11.2. Trademarks, patents and licences

11.2.1 Trademarks and domain names

The Eurotunnel Group's main trademarks are the nominative, figurative and semi-figurative trademarks that protect the “Eurotunnel” name and the design of the logo. The other trademarks used are registered mainly to protect the corporate names of the Eurotunnel Group companies, particularly “France Manche” and “Europorte”, and certain brand names, such as “Le Shuttle”.

At the date of this Reference Document, the Eurotunnel Group also owns approximately 200 domain names, including “eurotunnel.com”.

11.2.2 Patents

The Eurotunnel Group has also filed for patents relating to specific aspects of its business.

At the date of the present Reference Document, three systems, including that relating to new SAFE stations (see paragraph 6.5.5), are the subject of patents in force.

11.2.3 Licences

The Eurotunnel Group has no licence granted by a third party allowing it to use a third party's trademark, nor has it granted any licence to a third party, except for usage rights among commercial partners.

CHAPTER 12 – INFORMATION ON TRENDS

Recent changes

During the first two months of 2011, against an economic background that remains uncertain, the cross-Channel market made a slight recovery. Concerning the Shuttle activity, the Group confirmed its market share. In terms of traffic, the trend seen in the second half of 2010 appears to be continuing at the beginning of the year.

CHAPTER 13 – FORECASTS

In 2010, the Group continued implementing a strategy focused on consolidating its activities and preparing its future growth. This is based on various plans to improve its competitiveness and projects for investment or targeted development. The Group intends to continue implementing this strategy during the years to come.

2010 was notable for an uncertain economic climate and a Short Straits market that was still adverse in a complex competitive environment. 2010 was also notable for the integration of the French rail freight companies acquired from Veolia Cargo on 30 November 2009, which marks a major stage in the transformation of the Group and illustrates the Group's ambition for this activity. Following the success of this acquisition, and that of GBRf, a new management team was put in place and steps were taken to develop the separation between the operation of these transport services and the management of the Tunnel's infrastructure, in accordance with European directives.

Concerning the Concession activity, the Group considers that it can consolidate its Shuttle market share and its average yields, the improvement of service quality, comfort and information to passengers, particularly with new commercial internet sites being put online, and the improvement in the availability of rolling stock and infrastructure. The Group intends to continue strict management of its cash and its work to optimise operational costs, through improving the load factor of Shuttles and their frequency.

Simultaneously and with the aim of improving efficiency and reliability, together with the constant improvement of safety, the Group will in 2011 continue a process of continuous improvement to ensure that the selected projects will support growth over the long-term. In 2011, significant investments will be made, particularly with the construction of the four SAFE firefighting stations for commissioning at the end of 2011.

In the short-term, the recovery in the activity appears to be confirmed, but should still remain gradual according to the segments. In the medium term, the Group remains confident of its ability to generate sustainable growth and, through the development of its growth opportunities, to increase its resistance to economic difficulties.

The forward looking information mentioned in the present chapter is uncertain and likely to develop or be changed. It should not be used to establish results forecasts.

CHAPTER 14 – BOARD OF DIRECTORS, MANAGEMENT AND SUPERVISORY BOARDS AND GENERAL MANAGEMENT

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14.1. Board of directors

As at the date of this Reference Document, the members of the board of directors of GET SA are as follows:

Name	Position	Date of Appointment	Date term expires
Jacques Gounon	Chairman and Chief Executive Officer	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2013
Pierre Bilger	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2011
Philippe Camu	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2013
Patricia Hewitt	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2013
Hugues Lepic	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2011
Colette Neuville	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2011
Robert Rochefort	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2013
Henri Rouanet	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2011
Jean-Pierre Trotignon	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2011
Philippe Vasseur	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2013
Tim Yeo	Director	26 May 2010	General meeting called to approve the financial statements for the year ending 31 December 2013

The table below sets out, as at the date of this Reference Document, the appointments of the members of the board of directors of GET SA, in listed companies, outside of the Eurotunnel Group.

Name	Office	Company	Listed on
Jacques Gounon	Director, Chairman of the audit committee	Aéroports de Paris	Euronext Paris
Pierre Bilger	None	None	None
Philippe Camu	Partner-Managing director	Goldman Sachs Group, Inc	New York Stock Exchange
Patricia Hewitt	Senior independent director	BT Group plc	London Stock Exchange
	Member of the Asia Pacific Advisory Committee	Barclays Group plc	London Stock Exchange
Hugues Lepic	Participating Managing Director	The Goldman Sachs Group, Inc	New York Stock Exchange
	Director	Pages Jaunes	Euronext Paris
Colette Neuville	<i>Censeur</i>	Atos	Euronext Paris
Robert Rochefort	None	None	None
Henri Rouanet	None	None	None
Jean-Pierre Trotignon	None	None	None
Philippe Vasseur	Member of the supervisory board	CIC	Euronext Paris
	Director	Bonduelle SA	Euronext Paris
Tim Yeo	Chairman of the board of directors	AFC Energy PLC	AIM London

The table below lists the companies outside the Eurotunnel Group in which members of the board of directors of GET SA have held office as a member of a board of directors, or management or supervisory board, or in which they have been a partner with unlimited liability during the last five years, and the companies in which they still hold a position of this nature, as at the date of this Reference Document.

Name	Other positions held outside the Eurotunnel Group	Company	Dates
Jacques Gounon	Director, chairman of the audit committee	Aéroports de Paris	2008 to date
Pierre Bilger	Member of the management board	Sinequa SAS	2006 to 2010
	Member of the supervisory board	Marceau Finance SA	2004 to 2010
	Manager	Florimont Projets SARL	2006 to 2009
	Director	Dimelo SA	2008 to 2010
	Chairman	Stichting Preference Shares Renault-Nissan Foundation	2002 to 2010
Philippe Camu	Partner Managing director	Goldman Sachs,	2006 to date
	Member of the Investment Committee	Goldman Sachs Infrastructure Partners	2006 to date
	Director	Associated British Ports Holdings Limited	2006 to date
	Member of the remuneration committee	Associated British Ports	2006 to date
	Director	Distribuidora Regional del Gas, S.A.U.	2010 to date
	Director	Endesa Gas Distribución, S.A.U.	2010 to date
	Director	Endesa Gas Transportista, S.L.U.	2010 to date
	Director	GESA Gas, S.A.U.	2010 to date
	Director	Transportista Regional de Gas, S.A.	2010 to date
	Director	Nubia 2000 SL	2010 to date
	Director	Sintonia SA	Until 2009
Patricia Hewitt	Senior independent director	BT Group plc	2008 to date
	Chair	UK India Business Council (UKIBC)	2009 to date
	Chair	Katha Children's Trust	2010 to date
	Member of the Asia-Pacific Advisory Committee	Barclays Group plc	2009 to date
Hugues Lepic	Participating managing director	The Goldman Sachs Group, Inc	2006 to date
	Director	Endemol N.V.	2009 to date
	Director	Pages Jaunes	2006 to date
	Director	Médiannuaire Holding	2006 to date
	Director	Eutelsat Communications SA	Until 2007
	<i>Censeur</i>	Neuf Cegetel	Until 2007
	Director	Prysmian S.p.A.	Until 2010

Name	Other positions held outside the Eurotunnel Group	Company	Dates
Colette Neuville	Founder and chair	Association de Défense des Actionnaires Minoritaires (ADAM)	1991 to date
	Director	Euroshareholders	2006 to 2007
	Director	Vie financière	2005 to 2007
	Director	Faider	2008 to date
	Member of the supervisory board	ATOS	2008 to 2009
	<i>Censeur</i>	ATOS	2010 to date
	Member of the governing body	Ecole de droit et management, Paris II-Assas	2009 to date
Robert Rochefort	Chief Executive	CREDOC	1995 to 2009
	Director	BNP Paribas Personal Finance (CETEM)	2003 to date
	Director	French Red Cross	2006 to 2009
Henri Rouanet	Vice-chairman	<i>L'oeuvre d'Ormesson</i>	2001 to date
	Honorary chairman of the supervisory board	SIFRACO	1998 to 2007
	Honorary chairman	<i>Conseil National de la Protection Civile</i>	1997 to 2005
Jean-Pierre Trotignon	Member of the supervisory board	Plastic Omnium Environnement SAS (extension of scope of Compagnie Signature SAS)	2000 to date
	Deputy chief executive officer	Groupe Eurotunnel SA	2008 to 2009
Philippe Vasseur	Chairman of the supervisory board	Banque Commerciale du Marché Nord Europe	2000 to date
	Director	Bonduelle SA	2008 to date
	Chairman of the board of directors	Caisse de Crédit Mutuel Lille Liberté	2005 to date
	Chairman of the board of directors	Caisse Fédérale du Crédit Mutuel Nord Europe	2000 to date
	Director	Caisse Solidaire du Crédit Mutuel Nord Europe	2005 to date
	Member of the supervisory board	CIC	2001 to date
	Chairman of the supervisory board	CMNE France	1999 to 2007
	Permanent representative – CFCMNE (Director)	Groupe des Assurances du Crédit Mutuel	2005 to date
	Chairman of the supervisory board	Groupe UFG-LFG	2006 to date
	Director	Holder	2005 to date
	Permanent Representative – CFCMNE (Non-voting Director)	LOSC Lille Métropole	2005 to date

Name	Other positions held outside the Eurotunnel Group	Company	Dates
Tim Yeo	Chairman	Nord Europe Assurances SAS	2006 to date
	Director	Normandie Partenariat	2009 to date
	Member of the supervisory board	Saint Louis Sucre	2000 to 2007
	Chairman of the board of directors	Société de Développement Régional de Normandie	2001 to date
	Permanent representative – CMNE Belgium (director)	Alverseele (SA)	2009 to date
	Chairman of the board of directors	BKCP (SCRL)	2001 to date
	Permanent representative – CMNE Belgium (director)	BKCP (SCRL)	2007 to 2009
	Director	BKCP Noord (SCRL)	2006 to 2009
	Permanent Representative – CMNE Belgium (Director)	BKCP Noord (SCRL)	2006 to 2009
	Director	BKCP Securities (SA)	2005 to date
	Chairman of the board of directors	Crédit Mutuel Nord Europe Belgium (SA)	2000 to date
	Chairman of the board of directors	Crédit Professionnel Interfédéral (SCRL)	2000 to 2008
	Permanent Representative – CMNE Belgium (Vice-chairman)	Crédit Professionnel Interfédéral (SCRL)	2000 to 2008
	Director	Crédit Professionnel SA	2000 to date
	Permanent Representative – CMNE Belgium (Vice-chairman)	Federale Kas Voor Het Beroepskrediet (SCRL)	2004 to 2009
	Permanent representative – CMNE Belgium (Director)	Mobilease (SA)	2009 to date
	Director	UFG Private Bank (SA)	2003 to date
	Chairman of the board of directors	AFC Energy PLC	2006 to date
	Chairman of the board of directors	TMO Renewables Limited	2010 to date
	Director	Anacol Holdings Limited	1979 to date
	Chairman of the board of directors	Eco City Vehicles PLC	2007 to date
	Director	General Securities Register, Limited	1979 to date
	Director	ITI Energy Limited	2006 to date
	Director	Locana Corporation (London) Limited	1979 to date
	Chairman of the board of directors	Univent PLC	1995 to 2009
	Director	First London PLC	2008 to 2010

For the purposes of their corporate appointments within the Eurotunnel Group, the service address of the directors is the registered office of GET SA, 3 rue La Boétie, 75008 Paris.

Biographical details for each of the members of the board of directors of GET SA as at the date of this Reference Document are set out below:

- **Jacques Gounon**

Jacques Gounon, 57, is a graduate of the *Ecole Polytechnique* and Chief Engineer of the *Ponts et Chaussées*. During his career he has held the following positions: Director of major projects at the *Direction Départementale de l'Équipement of Indre-et-Loire* (1977-81), Deputy Chief Executive of Syctom, the local waste management authority for the City of Paris (1981-86), Chief Executive of the Comatec group (1986-90), Director of development for the services activities of the Eiffage group (Fougerolle) (1991-93), Industry advisor to the French Minister for Work, Employment and Professional Development (1993-95), Principal Private Secretary to the French Secretary of State for Transport (1995-96), Deputy Chief Executive of Gec-Alsthom (1996), later known as Alstom (1998), Chairman of the business sector and Member of the Executive Committee of Alstom (2000), Deputy Chairman and Chief Executive of Cegelec group (2001). He became a member of the board of TNU on 17 December 2004, was appointed Chairman of the board of TNU on 18 February 2005, and then Chairman and Chief Executive Officer of TNU on 14 June 2005. He has been Chairman and Chief Executive Officer of GET SA since 9 March 2007. He is a director of CTG, EFL, ESL, Eurotunnel Trustees Limited, London Carex Limited, Eurotunnel Financial Services Limited and Le Shuttle Limited, all of which are UK subsidiaries of the Group. He is also chairman and chief executive officer of FM and a deputy director of Eurotunnel SE. He is a member of the board of directors and chairman of the audit committee of Aéroport de Paris and, since 2010, a member of the board of directors of the French association of companies limited by shares (ANSA).

- **Pierre Bilger**

Pierre Bilger, 70, is a graduate of Institut d'Études Politiques de Paris and of the Ecole Nationale d'Administration. He is a retired General Inspector of Finance, and spent fifteen years in public service (1967-1982) mainly working on budget issues. His 21-year industrial career began in 1982 at Compagnie Générale d'Électricité (today Alcatel Lucent), whose privatisation he led as finance director and deputy chief executive officer. He joined Alsthom in 1987, then GEC Alsthom, where he became Chief Executive Officer on March 1991 before becoming Chairman and Chief Executive Officer of Alstom from the time of its listing in 1998 until the beginning of 2003. He is one of the advisors at Management Consulting Group plc. He has been a director of GET SA since 20 June 2007.

- **Philippe Camu**

Philippe Camu, 43, a graduate of the French *HEC* is Partner – Managing Director of Goldman Sachs, London. He manages the European activity of Goldman Sachs Infrastructure Partners, the Goldman Sachs fund for investment in infrastructure. Philippe Camu began his career with Goldman Sachs in 1992 in the Corporate Finance department and joined the Real Estate Principal Investment department in 1997. He has run Goldman Sachs Infrastructure Partners in Europe since its creation in 2006. He is a member of the Goldman Sachs Infrastructure Partners investment committee and a director of Associated British Ports companies and Endesa Gas companies. He became a member of the board of Groupe Eurotunnel SA on 26 May 2010.

- **Patricia Hewitt**

Patricia Hewitt, 62, a graduate of Cambridge University and Labour Member of Parliament for 27 years until 2010, Patricia Hewitt first worked for Age Concern (the largest UK charity working with the elderly). She was Economic Secretary at the Treasury (1998-1999), then Minister for e-Commerce and Small Business at the DTI (1999-2001) and subsequently Secretary of State for Trade and Industry (2001) before becoming Secretary of State for Health (2005-2007). She is a director of British Telecom. She became a member of the board of directors of Groupe Eurotunnel SA on 26 May 2010.

- **Hugues Lepic**

Hugues Lepic, 46, a graduate of the French *Ecole Polytechnique* and holder of an MBA from Wharton, University of Pennsylvania, joined the merchant banking division and the private equity branch of Goldman Sachs in London in

1996 before becoming managing director in 1998 and partner in 2000. He is partner-managing director of The Goldman Sachs Group, Inc., managing the merchant banking division of Goldman Sachs in Europe. He is directly responsible for private equity and distressed investment in Europe. He is a member of the European executive committee of Goldman Sachs and a member of the investment, risk and strategy committees of the merchant banking division of Goldman Sachs. Hugues Lepic started his career in 1990 in the mergers and acquisitions department of Goldman Sachs in New York, then London. He became a member of the board of directors of Groupe Eurotunnel SA on 26 May 2010.

- **Colette Neuville**

Colette Neuville, 74, is a law graduate and a graduate of the Paris Institute of Political Studies, and holds a post-graduate degree in economics and political science. She has worked as an economist for NATO, for the government of Morocco and for the Loire-Bretagne agency. Mrs. Neuville is founding Chairman of ADAM (the French association for the defence of minority shareholders). She is a member of the board of directors of Faider and *Censeur* of Atos since 2010. She is a member of the European Forum on Corporate Governance of the European Commission. She is also a member of the Consultative Commission on Retail Investors and Minority Shareholders of the AMF. She joined the Governing Board of Panthéon-Sorbonne Management School in 2009, and the board of directors of TNU on 15 December 2005. She has been a director of GET SA since 9 March 2007 and chairs the nomination and remuneration committee.

- **Robert Rochefort**

Robert Rochefort, 55, has been a member of the European Parliament representing a constituency in southwest France since July 2009. He is a graduate of the French Ecole Nationale de la Statistique et de l'Administration, and holds a post-graduate degree in economics and a masters degree in mathematics. He is an economist and sociologist, and was chief executive of CREDOC (French research centre for the study and observation of living conditions) from 1995 to 2009. He was a member of the French Economic Analysis Council and a director of the French Red Cross. He is a director at BNP Paribas Personal Finance (Cetelem). He joined the board of directors of TNU on 7 April 2004. He has been a director of GET SA since 9 March 2007 and chairs the audit committee.

- **Henri Rouanet**

Henri Rouanet, 78, is a graduate of the Paris Institute of Political Studies, *Préfet de Région Honoraire* (Honorary Regional Prefect) and a Commander of the *Légion d'Honneur*. He was Principal Private Secretary to the French Minister for Health and Social Security, and to the French Minister for Work, Employment and Professional Development, Préfet of the Limousin region and Préfet of the Picardie region, Director of Civil Safety at the Ministry of the Interior and Devolution and Chairman of the French National Council for Civil Protection. He is vice-chairman of Œuvre d'Ormesson charity and director of the France Parkinson charity. He joined the board of directors of TNU on 4 March 2005. He has been a director of GET SA since 9 March 2007 and chairs the safety and security committee.

- **Jean-Pierre Trotignon**

Jean-Pierre Trotignon, 60, is a graduate of *Ecole Polytechnique* and of the *Ponts et Chaussées* engineering school, and holds a Master of Science degree from the University of Berkeley. He became Deputy Chief Executive Officer of Autoroutes du Sud de la France (1987-1992) and Chief Executive Officer of Compagnie Signature SA from 1992 to 1998. He joined the Caisse des Dépôts Développement (C3D) group in 1998, where he was in turn Chief Executive Officer of Egis Projects S.A. (1998-2000), Chairman and Chief Executive Officer of ISIS SA (1998-2001), Chairman of the Port Autonome de Dunkerque (1999-2003 alongside his mandate at C3D and Ubifrance), Amministratore Delegato of Egis Italia S.p.A. (2000-2001) and Managing Director Continental Europe of Transdev SA (October 2001 to January 2003). After two years as Chief Executive Officer of Ubifrance, he joined Eurotunnel in August 2005 as Chief Operating Officer in charge of all commercial, operational and technical departments of the business, in France and in the UK before being appointed as Deputy Chief Executive from 2008 to 2009. He became a member of the board of GET SA in 2010.

- **Philippe Vasseur**

Philippe Vasseur, 67, former Minister for Agriculture, Fisheries and Food from 1995 to 1997, has been the member of French Parliament for the Pas-de-Calais area several times between 1986 and 2000. He has been a member of the Finance Commission for the French Parliament throughout his parliamentary career, regional councillor for the Nord-Pas-de-Calais between 1992 and 1998 and mayor of Saint-Pol-sur-Ternoise (Pas-de-Calais). A former economics journalist, he resigned from all his political appointments in 2000 in order to return to the private sector in which he holds the position of Chairman of Crédit Mutuel Nord Europe as well as various other positions in companies controlled by Crédit Mutuel Nord Europe (BCMME, Caisse de Lille-Liberté, Groupe UFG, Nord Europe Assurances, SDR Normandie). He is also director of Bonduelle and Chairman of *Réseau Alliances*, which brings together 150 Nord-Pas-de-Calais businesses involved in social and environmental responsibility, and a member of the High Council for Agricultural Cooperation (*Haut Conseil de Coopération Agricole*). In 2011, he was elected chairman of the Chamber of Commerce and Industry of the *Nord-Pas-de-Calais* region. He has been a director of GET SA since 20 June 2007.

- **Tim Yeo**

Tim Yeo, 65, is a graduate from Cambridge University, Member of the House of Commons representing Suffolk South and Chairman of the House of Commons Energy and Climate Change Select Committee. He was government minister for the environment and rural affairs between 1990 and 1994, and a member of the shadow cabinet between 1998 and 2005, with roles including shadow secretary for Trade and Industry, and Transport and the Environment. Tim Yeo is a director of ITI Energy Limited, Chairman of AFC Energy PLC, Eco City Vehicles PLC and TMP Renewables Limited. He was also the founding Chairman of The Children's Trust, a charitable organisation which took over the management of a hospital for disabled children. He has been a director of GET SA since 20 June 2007 and chairs the strategy and environment committee.

14.2. Composition of the committees of the board of directors

The board of directors has put in place an audit committee, a nomination and remuneration committee, a security and safety committee, a strategy and environment committee as well as a committee of chairmen. The composition and terms of reference of each committee are set out in paragraph 16.2.3 of this Reference Document.

14.3. General management

Chief Executive Officer

Jacques Gounon is Chief Executive Officer of GET SA and Chairman of its board of directors.

Claude Liénard is Chief Financial and Corporate Officer in charge of all corporate services (Finance, Business Services and Legal).

Michel Boudoussier is Chief Operating Officer in charge of the Channel Tunnel operations. In this capacity, the directors in charge of each of the following areas report to him: industrial matters, commercial, human resources in France and in UK, safety and sustainable development, railways and all operational directors.

Pascal Sainson is Chief Operating Officer in charge of the rail freight business.

Composition of the executive committee

Name	Position
Jacques Gounon	Chairman and Chief Executive Officer
Michel Boudoussier	Chief Operating Officer – Concession
Patrick Etienne	Business Services Director
Claude Liénard	Chief Financial and Corporate Officer
Pascal Sainson	Chief Operating Officer – Europorte
Jo Willacy	Commercial Director

Christian Macquaire, industrial director, was a member of the Executive Committee until 31 December 2010. Despite being entitled to retire, Christian Macquaire has agreed to continue to enable Groupe Eurotunnel to make use of his professional skills and qualities which he demonstrated in his eleven years' service. Since 1st January 2011, Christian Macquaire is no longer industrial director of the Channel Tunnel but was appointed Industrial Advisor to the Chairman.

The table below sets out the list of companies, other than subsidiaries of GET SA, in which the members of the Executive Committee of GET SA have held office as members of a management or supervisory board or in which they have been a partner during the last five years, and the companies in which they still hold a position of this nature:

Name	Position	Company	Dates
Jacques Gounon	Jacques Gounon's appointments are given in section 14.1 of this Reference Document		
Michel Boudoussier	–	–	–
Patrick Etienne	–	–	–
Claude Liénard	–	–	–
Pascal Sainson	Chairman	Calais Développement	2004 to 2010
	Vice-chairman	Calais Promotion	2009 to 2010
	Chairman	Association pour la Promotion du Développement Economique Territorial	2009 to 2010
Jo Willacy	–	–	–

Biographical details for each member of the Executive Committee members appear below.

- **Jacques Gounon**

Jacques Gounon's biographical details are given in section 14.1 of this Reference Document.

- **Michel Boudoussier**

Michel Boudoussier, 47, studied at the *Ecole Normale Supérieure* and subsequently became an Engineer at the *Corps des Mines*. He joined the Eurotunnel Group on 3 May 2010 as Chief Operating Officer in charge of the Channel Tunnel Operations. Following several appointments in the French Ministry for Industry, in 1995, Michel Boudoussier, a specialist of the railway industry, joined the French Ministry for Town and Country Planning. Michel Boudoussier spent a large part of his career with SNCF, starting as manager for freight in the *Lorraine* region. In 2003, he became SNCF Regional Director for Normandy, before becoming, in 2006, SNCF Regional Director for the *Nord-Pas-de-Calais* region. From September 2008, Michel Boudoussier was Human Resources Director for the Infrastructure arm of SNCF.

- **Patrick Etienne**

Patrick Etienne, 50, joined Eurotunnel in 1992 after 10 years with SNCF *Armement Naval*. Manager of the control of sales systems, from 2000 he managed the Group's internet business. In 2004, he was appointed operational restructuring director, and became purchasing director in 2005. In 2009, was appointed Business Services Director in charge of purchasing, IT and property services. He was appointed chairman of EuroSco SAS in 2010.

- **Claude Liénard**

Claude Liénard, 63, is a graduate of EDHEC. He was financial controller at DBA and then at ITT Brussels and Paris. He joined Eurotunnel in 1986 as head of the financial control department. After being appointed operational Finance Director of TNU in June 2004, he became Chief Financial Officer in April 2005. He is now Chief Financial and Corporate Officer in May 2010. Claude Liénard is Chairman of Société Immobilière et Foncière Eurotunnel and is also a director of EurotunnelPlus SE, GBRf and some Cheriton companies.

- **Pascal Sainson**

Pascal Sainson, 53, is a graduate Ingénieur des Etudes et de l'Exploitation de l'Aviation Civile. Having begun his career at the Direction Générale de l'Aviation Civile from 1983 to 1986, he was Head of Programming and Development at Air Littoral from January 1987 until August 1988, then Manager of Air Operations and Manager of Programming and Planning at TAT European Airlines. He joined TNU in 1996 as Service Delivery Director. Appointed to the management committee in April 2001, he has held successively the positions of Business Services Director, Shuttle Services Director, Operations Director and Director of Operations. He is chairman of the Europorte business.

- **Jo Willacy**

Jo Willacy, 47, holds a MA in Modern History and Economics from the University of Oxford. She was Commercial Director of Hummingbird Helicopters from 1992 to 1994 and Managing Partner of Quadrant Consultants Ltd. from 1994 to 2003. She joined Eurotunnel in April 2003 as Senior Marketing Manager and was appointed Director of the Commercial Passenger Division in November 2004 and Commercial Director in 2007.

14.4. Conflicts of interest within the board of directors, the management and supervisory boards and in general management

To GET SA's knowledge, there are no potential conflicts of interest between the duties owed to GET SA by any of the persons referred to in sections 14.1, 14.2 and 14.3 of this Reference Document, and their private interests or other obligations.

GET SA has measures in place to prevent potential conflicts of interest between the directors and GET SA which are described in paragraph 16.2.1 of this Reference Document.

14.5. Directors' interests in GET SA's share capital as at the date of this Reference Document

Name	Position	Number of GET SA Ordinary Shares	Number of 2007 Warrants
Jacques Gounon	Chairman and Chief Executive Officer	10,031	20 ⁽³⁾
Pierre Bilger	Member of the board of directors	10,000	N/A
Philippe Camu	Member of the board of directors	100	N/A
Patricia Hewitt	Member of the board of directors	150	N/A
Hugues Lepic	Member of the board of directors	100	N/A
Colette Neuville	Member of the board of directors	5,092	N/A ⁽³⁾
Robert Rochefort	Member of the board of directors	5,710	N/A ⁽³⁾
Henri Rouanet	Member of the board of directors	576	N/A ⁽³⁾
Jean-Pierre Trotignon	Member of the board of directors	1,449	N/A
Philippe Vasseur	Member of the board of directors	110	N/A
Tim Yeo	Member of the board of directors	130 ⁽¹⁾	66 ⁽²⁾

⁽¹⁾ Tim Yeo also holds 11,455 share CDIs and his wife Diane Yeo holds 10,309 share CDIs.

⁽²⁾ Tim Yeo also holds 22 2007 Warrant CDIs.

⁽³⁾ Exchange in July 2009 into GET SA Ordinary Shares, as part of the simplified exchange tender offer, on the basis of a ratio of 35 2007 Warrants for each GET SA Ordinary Shares in accordance with the offer document dated 23 June 2009 visa no. 09-200.

14.6. Statements regarding directors and officers

As at the date of this Reference Document, there are no family connections between any of the members of the board of directors or the Executive Committee.

In addition, as at the date of this Reference Document, no member of the board of directors or Executive Committee has been:

- convicted of fraud during the past five years;
- implicated in any bankruptcy, receivership or liquidation proceedings during the past five years; or
- charged with any offence or any official public sanction by any statutory or regulatory authority during the past five years.

To GET SA's knowledge, no director has been banned by a court to act as a member of a board of directors, a management or supervisory board of an issuer or from participating in the management or conducting the business of an issuer during the past five years.

14.7. Concession Coordination Committee

The Concession Coordination Committee performs the functions of the common body specified in Article 18 of the Concession Agreement. As set forth in the Concession Agreement, the Concession Coordination Committee is responsible for:

- coordinating the operation and maintenance of the Fixed Link; and

- representing the Concessionaires at the IGC with respect to all matters concerning the operation of the Fixed Link.

The members of the Concession Coordination Committee are:

- Jacques Gounon;
- Claude Liénard;
- Michel Boudoussier; and
- Jean-Alexis Souvras.

CHAPTER 15 – REMUNERATION AND BENEFITS

15.1.	<i>Remuneration and benefits paid by GET SA and its subsidiaries to executive officers of GET SA (including all conditional or deferred remuneration)</i>	79
15.1.1	<i>Remuneration of the Chairman and Chief Executive Officer</i>	79
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15.1. Remuneration and benefits paid by GET SA and its subsidiaries to executive officers of GET SA (including all conditional or deferred remuneration)

The principles and rules established by the board of directors for the purpose of determining the remuneration and all benefits received by the directors are described below.

15.1.1 Remuneration of the Chairman and Chief Executive Officer

The remuneration of the Chairman and Chief Executive Officer, Jacques Gounon, as determined by the board of directors on the recommendation of the Nomination and Remuneration Committee, is comprised of a fixed part and a variable part.

In 2010, the fixed part of the remuneration of the Chairman and Chief Executive Officer was unchanged; it remained a gross annual amount of €450,000.

In accordance with the European recommendation of 30 April 2009, the performance criteria for the Chairman and Chief Executive Officer's variable remuneration were fixed for 2010, so as to give precedence to long-term performance so that they cover key matters pertaining to the business whether they be strategic, social, societal or environmental, and not only financial issues.

The Nomination and Remuneration Committee therefore recommended to the board of directors that:

- the variable part of the Chairman and Chief Executive Officer's remuneration should depend not only on the attainment of short-term targets but also on the implementation and achievement of medium to long-term projects; and
- there should be a balance between the portion of variable remuneration linked to annual targets and the portion linked to medium to long-term projects.

For 2010, the board of directors approved the proposal made by the Nomination and Remuneration Committee regarding the remuneration criteria for the Chairman and Chief Executive Officer and resolved to keep the two financial criteria set out for 2009 (25% each):

- net result for the last year relative to the net profit stated in the budget (after adjustment for exceptional items);
- operating cash flow relative to the cash flow stated in the budget (after adjustment for exceptional items);

and defined three qualitative criteria of strategic importance for the Group:

- regain the lost market share in Truck Shuttle traffic as a result of the Fire in September 2008 (35%);
- successfully integrate the French subsidiaries acquired from Veolia on 30 November 2009 (10%); and
- progress of the creation of fire suppression zones, SAFE, against schedule (5%).

The variable remuneration is capped at 100% of base salary.

The Chairman and Chief Executive Officer's variable remuneration is adjusted as follows, depending on the attainment of the budget target concerned:

- 50% of the maximum if 80% of the target is attained;
- 60% of the maximum if 85% of the target is attained;
- 80% of the maximum if 90% of the target is attained;
- 90% of the maximum if 95% of the target is attained;
- 100% of the maximum if 100% of the target is attained;
- 110% of the maximum (exceptional bonus) if 110% of the target is attained;

- 120% of the maximum (exceptional bonus) if 120% of the target is attained.

At its meeting on 3 March 2011, the board of directors considered the performance of the Chairman and Chief Executive Officer by reference to the application of the key performance indicators above and decided to fix the Chairman and Chief Executive Officer's variable remuneration for the year ended 31 December 2010 at €450,000 (€200,000 in 2009 together with an indemnity of €100,000 to compensate him for this additional workload due to the departure of the Deputy Chief Executive Officer during 2009, a particularly difficult year).

The board of directors also approved the proposal of the Nomination and Remuneration Committee on the criteria for defining the variable part of the Chairman and Chief Executive Officer's remuneration for 2011, and decided to renew the two financial criteria approved for 2010, at 25% each:

- consolidated net result for the year in comparison to the net result forecast in the budget (after adjustment of exceptional items): (25%);
- consolidated operating cash flow in comparison to the operating cash flow forecast in the budget (after adjustment of exceptional items): (25%);

and it also reached an agreement as to the following three operating criteria:

- stabilisation of market shares and enhancement of the average yield of Truck Shuttles: (33%);
- Europorte: implementation of the plan for a return to break even and development of business: results in line with the Europorte budget for the year concerned (10%);
- SAFE specialised fire fighting zones becoming operational (7%);

The threshold of variable remuneration remains equal to 100% of the basic salary, i.e. currently €450,000.

The variable remuneration of the Chairman and Chief Executive Officer is adjusted as follows, depending on attainment of the budgetary target concerned:

- 50% of the maximum if 80% of the target is attained;
- 60% of the maximum if 85% of the target is attained;
- 80% of the maximum if 90% of the target is attained;
- 90% of the maximum if 95% of the target is attained;
- 100% of the maximum if 100% of the target is attained;
- 110% of the maximum (exceptional bonus) if 110% of the target is attained;
- 120% of the maximum (exceptional bonus) if 120% of the target is attained.

The terms and conditions of Jacques Gounon's remuneration, as described above, relating to his position within the Eurotunnel Group companies, will remain in force until any further decision of the board of directors of GET SA, on the recommendation of the Nomination and Remuneration Committee.

In 2010, Jacques Gounon received an allowance of £540 per month for the use of his personal vehicle, i.e. £6,480 or €7,575 over the year (2009: £6,480 or €7,251 based on the exchange rate applied to the 2009 income statement).

Jacques Gounon receives directors' fees for his role as a director of GET SA (see the table in paragraph 15.1.2 below).

The Chairman and Chief Executive Officer does not have any defined-benefit pension plan. In the same way as other senior managers employed in France by the Eurotunnel Group, the Chairman and Chief Executive Officer benefits, in respect of the French part of his remuneration, from the same supplementary retirement benefits afforded any other senior manager employed by ESGIE beyond B tranche of remuneration. This plan, whose beneficiaries include people outside of the Group's executives and corporate officers, is not a defined-benefit plan. It is a defined-

contribution plan which would currently give the Chairman and Chief Executive Officer a pension €1,681 per year assuming he retires at age 65.

In respect of the French and English parts of his remuneration, he benefits from basic retirement benefits and complementary retirement benefits. In 2010, employee contributions to these complementary retirement benefits totalled €17,913 (2009: €17,752) and employer contributions totalled €29,026 (2009: €28,764). In 2010, employee contributions in respect of the supplementary retirement benefits totalled €1,385 (2009: €1,349 out of a total of €14,007 for all employees concerned) and employer contributions totalled €5,712 (2009: €5,398), out of a total of €56,028 for all employees concerned.

The Chairman and Chief Executive Officer is covered by the staff private death/invalidity insurance and the personal accident policy available to employees of GET SA.

In accordance with applicable legal and regulatory provisions relating to the grant of options (in particular articles L. 225-177 *et seq* of the French Commercial Code), the combined general meeting of the company held on 26 May 2010, in its 25th resolution, authorised the board of directors to grant, on one or more occasion, options over shares in the company, to salaried staff with executive status and executive directors of Groupe Eurotunnel SA and its subsidiaries, during a period of thirty-eight (38) months from the date of the aforementioned general meeting.

Pursuant to this authorisation, on the recommendation of the Nomination and Remuneration Committee, the board of directors, approved the terms of a share option scheme and, on 16 July 2010, proceeded with a grant. Pursuant to the said scheme, on the recommendation of the Nomination and Remuneration Committee, the board of directors granted the Chairman and Chief Executive Officer, who is the only executive director of GET SA, share options all of which are subject to performance conditions in accordance with the Afep/Medef corporate governance code: for J. Gounon, Chairman and Chief Executive Officer, 116,000 conditional options were granted.

The exercise price cannot be less than:

- the average share price or the company's shares on NYSE EURONEXT during the twenty (20) last trading days preceding the date on which the options to purchase shares are granted;
- the average of the last 3 (three) months preceding the date on which the share options are granted;
- the average of the buyback price for the shares where they are held by the company as at the date of grant, in accordance with articles L. 225-208 and L. 225-209 of the French Commercial Code.

The said price is €6.42.

The internal and external performance criteria are as follows:

- 50% of the options granted are subject to the following performance criterion being met: (i) the general meeting of shareholders of GET SA deciding the distribution of a dividend and (ii) the EBITDA in the consolidated annual accounts, for the relevant financial year, being at least equal to that in the scheme rules.
 - in respect of 25% of the options, this condition will be measured against the 2010 accounts which will have been submitted for approval by shareholders at the 2011 general meeting,
 - in respect of 25% of the options, this condition will be measured against the 2011 accounts which will have been submitted for approval by shareholders at the 2012 general meeting.
- 50% of the options granted are subject to the following performance criterion being met: GET SA share price performance against the SBF120™ share index, such performance being at least equal to the performance of the said index or any index which may replace it. The share price performance will be measured over a period starting with the opening share price on the grant date (16 July 2010) and ending twelve months later:
 - in respect of 25% of the options, this condition will be measured on the basis of actual share price for the period 16 July 2010 to 15 July 2011,
 - in respect of 25% of the options, this condition will be measured on the basis of actual share price for the period 16 July 2011 to 15 July 2012.

The board of directors ensured that this grant of options over shares in the company pursuant to the option scheme to the Chairman and Chief Executive Officer does not exceed 10% of all options granted. Hedging of the options is prohibited. In accordance with article L. 225-185 sub-paragraph 4 of the French Commercial Code, corporate officers entitled to options must keep at least 10% of the shares resulting from their options until the end of their appointment.

Summary of remuneration, stock options and shares: Jacques Gounon, Chairman and Chief Executive Officer

Amounts expressed gross in euros	2010	2009
Remuneration due for the year	900,000	826,201
Value of options granted during the year	234,320	N/A
Value of performance shares granted during the year	N/A	N/A
Total	1,134,320	826,201

Remuneration summary: Jacques Gounon, Chairman and Chief Executive Officer

Amounts expressed gross in euros	2010		2009	
	due ⁽¹⁾	paid ⁽²⁾	due ⁽¹⁾	paid ⁽²⁾
Fixed remuneration	450,000	450,451 ⁽³⁾	450,000	450,791 ⁽³⁾
Variable remuneration	450,000	202,614 ⁽³⁾⁽⁵⁾	200,000	202,500 ⁽³⁾
Exceptional remuneration	N/A	101,307 ⁽³⁾	100,000	—
Attendance fees	67,500	50,625 ⁽⁴⁾	68,950	61,575 ⁽⁴⁾
Benefits in kind	7,575	7,575	7,251	7,251 ⁽³⁾
Total	975,075	812,572	826,201	722,117

⁽¹⁾ Sums due for the period.

⁽²⁾ Sums paid during the period.

⁽³⁾ Sums paid in whole or in part in sterling, the euro value of which restated above at the exchange rate used for the income statement, reflects changes in exchange rates during the year. Sums actually paid, based on the exchange rate effective at the time, were equivalent to the sums due.

⁽⁴⁾ 25% tax having been deducted at source.

⁽⁵⁾ Variable remuneration for 2009.

Stock options allotted during the year to Jacques Gounon by the issuer and by any Group company

Plan date and number	16 July 2010
Type of option (existing or newly issued shares)	existing
Value of options based on the method used for the consolidated accounts	€2.02
Number of options granted during the year	116,000
Exercise price	€6.42
Exercise period	July 2014 – July 2020

Stock options exercised by Jacques Gounon during the year

Plan date and number	N/A
Value of options based on the method used for the consolidated accounts	N/A
Number of options granted during the year	N/A
Exercise price	N/A
Exercise period	N/A

Performance shares granted during the year to Jacques Gounon by the issuer and by any Group company

Plan date and number	N/A
Number of shares granted during the year	N/A
Value of shares based on the method used for the consolidated accounts	N/A
Vesting date	N/A
End of lock-in period	N/A

Performance shares reaching the end of the lock-in period for Jacques Gounon during the year

Plan date and number	N/A
Number of shares reaching the end of the lock-in period during the year	N/A
Vesting terms	N/A
Year of grant	N/A

Officers and directors

	Employment contract with GET SA		Supplementary retirement benefit scheme		Payments or other benefits owed or likely to be owed upon cessation of service or change of duties		Payments under a non-compete clause	
	Yes	No ^(*)	Yes ^(*)	No	Yes	No ^(*)	Yes	No
J. Gounon Chairman and Chief Executive Officer 2007 to 2010		X	X			X		X

* Other than the minima provided by English law. ESL service contract by effect of English law (see section 16.7 below).

15.1.2 Attendance fees

The directors of GET SA receive attendance fees.

The rules relating to the allocation of attendance fees were decided by the board of directors. The principles provide that these fees shall consist of a fixed part and a variable part, proportionate to the participation of the director in board meetings and committee meetings, and that the chairman of a committee shall receive an extra fixed fee. Fixed and variable fees are paid monthly.

Attendance fees paid by GET SA to its directors in 2010 totalled €590,125 (2009: €577,000) as detailed in the table below:

€	2010	2009
Jacques Gounon	67,500	68,950
Bernard Attali	15,500	42,000
Pierre Bilger	48,750	54,000
Philippe Camu	26,500	–
Gérard Van Kemmel	16,250	38,250
Patricia Hewitt	26,500	–
Hugues Lepic	26,500	–
Jean-Pierre Mattéi	18,500	42,000
Martin Skaanild	17,000	42,000
Colette Neuville	65,250	61,500
Robert Rochefort	64,500	63,000
Henri Rouanet	66,750	65,200
Jean-Pierre Trotignon	31,000	–
Philippe Vasseur	45,000	50,250
Tim Yeo	54,625	49,850
Total	590,125	577,000

In addition, members of the board of directors of GET SA benefit, along with all other persons who act as officers of any Eurotunnel Group company, from directors' and officers' liability insurance.

15.2. Total amount of sums set aside by GET SA and its subsidiaries to pay for pensions, retirement, and other benefits

Jacques Gounon does not benefit from any specific retirement indemnity.

CHAPTER 16 – BOARD AND MANAGEMENT PRACTICES

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The introduction below, sections 16.2, 16.3, 16.4, 16.5, 16.6, 16.10, 16.11, and 16.12, the elements likely to have an incidence in the event of a public offer listed under number 25 of the table of cross-references in appendix IV of this Reference Document, together constitute the report of the Chairman of the board of directors of GET SA pursuant to article L. 225-37 of the French Commercial Code.

On 3 March 2011, in accordance with article L. 225-37 of the French Commercial Code, the Chairman of the board of directors drew up a report covering the following matters:

- the composition of the board of directors and the terms for the preparation and organisation of its tasks;
- the principles and rules established by the Nomination and Remuneration Committee and the board of directors to determine the remuneration and benefits of any kind granted to executive officers;
- the internal control and risk management procedures implemented by GET SA;
- the limitations, if any, to the powers of the Chief Executive Officer;
- the corporate governance code to which GET SA refers; and
- the specific arrangements relating to the participation of shareholders in general meetings.

The corporate governance code to which GET SA refers is the code for listed companies established in December 2008 by the *Association Française des Entreprises Privées* (AFEP) and the *Mouvement des Entreprises de France* (MEDEF) (the 2008 Afep/Medef Code).

16.1. General management

16.1.1 Chief Executive Officer and Deputy Chief Executive Officers

The general management of GET SA is carried out by the Chairman of the board of directors without change in the governance structure, with an organisation including a board of directors without disassociating the functions of chairman and chief executive officer. The board of directors sets the term of office of the Chief Executive Officer, which may not exceed his term of office as Chairman.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances in the name of GET SA. The Chief Executive Officer exercises his powers within the scope of the corporate purpose and subject to the powers expressly conferred by law on shareholders and on the board of directors. The role of Deputy Chief Executive Officer is to assist the Chief Executive Officer. Vis-à-vis third parties, the Deputy Chief Executive Officer is an executive officer on the same basis as the Chief Executive Officer: in accordance with article L. 225-56, II paragraph 2 of the French Commercial Code, he has the same powers as the Chief Executive Officer.

He represents GET SA in its relations with third parties. GET SA is bound by decisions of the Chief Executive Officer that do not fall within its corporate purpose, unless it can prove that the third party knew or should have known in the circumstances, that the decision exceeded such purpose. However, the publication of the company's by-laws does not alone constitute such proof. Provisions of the by-laws and decisions of the board of directors limiting the powers of the Chief Executive Officer are not binding on third parties.

The maximum number of Deputy Chief Executive Officers may not exceed three.

No person may be appointed as Chief Executive Officer or Deputy Chief Executive Officer if they are over 65 years old. If the Chief Executive Officer or a Deputy Chief Executive Officer reaches this age limit, he is automatically deemed to have resigned.

The Chief Executive Officer may be removed from office by the board of directors at any time. The Deputy Chief Executive Officers may likewise be removed from office at any time following a proposal to this effect from the Chief Executive Officer.

If the Chief Executive Officer ceases or is unable to perform their duties, Deputy Chief Executive Officers retain their positions and duties until a new Chief Executive Officer is appointed, unless the board of directors decides otherwise.

16.1.2 Executive Committee

GET SA has an Executive Committee comprised of the persons whose names appear in section 14.3 above. The Executive Committee is chaired by the Chairman of the board of directors. The committee meets regularly to monitor the Group's performance and results and, if necessary, to adjust the Group's industrial strategy. The Executive Committee coordinates the operation of the Group and ensures the proper functioning of the Group as a whole.

16.2. Conditions applicable to the preparation and organisation of the tasks of the board of directors

16.2.1 Composition and organisation of the board of directors

a) Members of the board of directors

At the date of this Reference Document, the board of directors of GET SA comprises eleven directors. In view of the expiry of all terms of office on 26 May 2010, the board of directors, following a recommendation by the Nomination and Remuneration Committee, having considered the balance and diversity of its composition, recommended to shareholders that the number of women on the board of directors should be increased and that it should be opened up internationally. The number of women was increased to two, representing more than 18%, by the general meeting of shareholders of 26 May 2010, and the proportion of foreign directors was increased to 28%. The average age of the directors is 66.

Members of the board of directors are elected, re-elected and removed by the general meeting of shareholders.

For the entire duration of their term of office, directors must each own a number of GET SA Ordinary Shares increased from 25 to 100 by the combined general meeting of 26 May 2010. If, at the time of their appointment, a director does not own at least 100 GET SA Ordinary Shares or if, during their term of office, they cease to own 100 GET SA Ordinary Shares, they are deemed to have resigned if the situation is not remedied within the timeframe set out by statute or regulations.

If there is one or more vacancies on the board of directors, the board of directors may, between two general meetings, make interim appointments in accordance with the provisions of article L. 225-24 of the French Commercial Code. The term of office of a director so appointed in place of another is the remainder of the term of office of their predecessor.

The expiry of all terms of office of the members of the board of directors in 2010 enabled the board of directors to propose to shareholders, at the general meeting of shareholders held on 26 May 2010, the approval of changes to the by-laws so as to introduce the staggered renewal of appointments in accordance with article 12 of the 2008 Afep/Medef Code, without affecting the duration of current appointments.

Each member of the board of directors is appointed for a four-year period. The appointment terminates at the end of the ordinary general meeting called to approve the accounts of the preceding financial year and held during the year in which their term of office expires. The appointment of half of the board of directors will be renewed (rounded, if necessary, down to the nearest whole number) in a staggered manner every two years, so that, each time, renewal covers part of the members of the board of directors. In order to implement this new renewal mode, the ordinary general meeting of 26 May 2010 set the term of office of five appointments at two years, and that of six appointments at four years.

All outgoing members are eligible for re-election. Notwithstanding the above stipulations, the number of people aged 75 years or more serving on the board of directors as individuals or as permanent representatives of legal entities may not exceed one third (rounded up to the closest whole number, if applicable) of the number of directors serving at the end of each general meeting called to approve the company statutory accounts. If this limit is exceeded, the oldest director is automatically deemed to have resigned.

b) Chairman of the board of directors

The board of directors appoints one of its members as Chairman for a period identical to their term of office as director, unless the board of directors sets a shorter term. The Chairman must be an individual.

The Chairman of the board of directors represents the board of directors. They direct and organise the work of the board of directors and report thereon to the general meeting. They ensure that the proper functioning of GET SA and, in particular, that members of the board of directors are able to discharge their duties.

The age limit for the position of Chairman of the board of directors is 70. The term of office of the Chairman expires on the date of the ordinary general meeting called to approve the accounts of the financial year during which the serving Chairman reaches the age limit. However, the board of directors may extend or renew the term of office of the Chairman for additional one-year periods, up to five times.

Should the Chairman be temporarily unable to carry out their duties or die, the board of directors may appoint a director to serve in their place. Where the inability to act is temporary, the appointment is for a limited period, which may be renewed. In the case of death of the incumbent, the appointment is effective until a new Chairman is appointed.

c) Meetings of the board of directors

The board of directors meets as frequently as the interests of the company require and at least three times each year. Meetings are called by the Chairman or by the director designated to act in the Chairman's place and are held at the registered office or at any other place specified by the person who calls the meeting. However, if the board of directors has not met for more than two months, directors representing together at least one third of the members of the board of directors, and, if applicable, the Chief Executive Officer, may request that the Chairman call a meeting on a specific agenda.

Meetings of the board of directors are conducted in French with an unofficial translation in English. Documents provided to directors for meetings of the Board, as well as minutes of the meeting, are prepared in French with an unofficial translation in English.

d) Quorum

The presence of at least one half of the serving directors is required for a meeting of the board of directors to proceed to business. The internal rules of the board of directors provide that directors are deemed to be present within the scope of article L. 225-37 of the French Commercial Code, for the purpose of calculating the quorum and majority when they participate by video conferencing or other means of telecommunication that enable them to be identified and to participate in the meeting in accordance with applicable laws and regulations. This provision does not apply for the approval of decisions referred to in articles L. 232-1 and L. 233-16 of the French Commercial Code.

e) Majority rules

Decisions are taken by a majority of members present or represented, with the Chairman casting the deciding vote in the event of a tied vote.

f) Powers

The board of directors determines GET SA's business objectives and oversees their implementation. Subject to the powers expressly granted to shareholders in general meetings and within the limits of the corporate purpose, the board of directors may consider any matter affecting the proper functioning of GET SA and takes decisions in this respect in the interest of all shareholders.

In its relations with third parties, GET SA is bound by decisions of the board of directors that do not fall within its corporate purpose, unless it can prove that the third party knew or should have known in the circumstances that the decision exceeded the corporate purpose. However, the publication of the by-laws does not alone constitute such proof.

The board of directors may carry out such controls and checks as it deems appropriate. Each member of the board of directors receives all information and documents needed to perform their duties in accordance with the conditions set out in the internal rules of the board of directors, particularly as regards confidentiality.

The board of directors may decide to establish committees for the purpose of considering issues that the board or the Chairman may submit for their review. The board of directors determines the composition and terms of reference of the said committees, which conduct their business under the responsibility of the board of directors. The board of directors also determines the remuneration of the committee members, if any.

The board of directors decides or authorises the issue of debt securities pursuant to article L. 228-40 of the French Commercial Code, unless the general meeting resolves to exercise this power.

g) Internal rules

The board of directors has adopted internal rules aiming to specify the mission and rules of procedure of the board of directors and its committees, in compliance with the law and the by-laws of GET SA. The internal rules are regularly reviewed and, if necessary, completed or amended to adapt to the regulatory context. On 17 December 2010, they were harmonised with the AMF's Recommendation of 22 July 2010 on the report of the working group on audit committees.

The internal rules are supplemented by a directors' charter, which sets out directors' rights and duties, along with a code of conduct relating to securities transactions. The code of conduct was harmonised with the AMF's recommendation n° 2010-07 of 3 November 2010 relating to the prevention of insider trading by the executive officers of listed companies. The first part of the code of conduct states the essential ethical principles and the second part presents the applicable preventive measures.

The main provisions of these internal rules are described below.

Mission of the board of directors

As part of its administrative responsibilities, and in compliance with applicable laws and the by-laws of GET SA, the board of directors:

- appoints or removes the Chairman and Chief Executive Officer and decides whether the Chairman and Chief Executive Officer's roles should be combined or separate;
- defines strategy and regularly reviews the strategic aims of GET SA and of the group comprising GET SA and the entities consolidated in its accounts, together with its proposed investments, divestments and internal reorganisations, the Group's overall human resources policy, in particular its remuneration and profit-sharing and staff incentive policy; carries out an annual appraisal of the performance of the general management and is consulted in respect of the recruitment of members of the Executive Committee;
- approves any agreement entered into directly or indirectly between a director of GET SA and GET SA or any of its subsidiaries;
- considers major strategic transactions involving the acquisition or disposal of equity investments and assets, partnership agreements, joint ventures or cooperation agreements relating to research, development, industrial or commercial matters and more generally any transaction or undertaking that could have a significant impact on the financial or operating situation of the Eurotunnel Group;
- is kept informed by its Chairman and its committees of all significant events affecting the business, financial situation and cash flow of GET SA and the Eurotunnel Group;
- sets the annual performance objectives of the Chairman and Chief Executive Officer, Chief Financial Officer and Chief Operating Officer; and
- ensures that proper information is provided to shareholders and the public, particularly through the control that it exercises over information provided by the company; in this capacity, it defines the communication policy of GET SA concerning the rate of publication of financial information relating to the Eurotunnel Group.

Members of the board of directors

- Each board member must devote the time and attention necessary to fulfil their duties and participate in the meetings of the board of directors and of the committees of which they are a member.
- The board of directors must be comprised of members chosen for their skill and experience relevant to the business of the Eurotunnel Group.
- Members of the board of directors may attend training sessions on the specific character of the business, its activities or its business sector, such training being organised by GET SA on its own initiative or at the request of the board of directors.
- The overall maximum amount of directors' fees was set by the Safeguard Plan. The amount and allocation of attendance fees, in accordance with article 18 of the 2008 Afep/Medef Code, which takes into account the level of responsibilities incurred, includes a variable part taking into account (i) the actual participation of each board member in meetings of the board of directors and of its committees and (ii) the chairmanship of committees or potential additional duties that may be assigned to board members.
- Each board member is required to notify the AMF and GET SA within five business days following completion, any acquisition, disposal, subscription or exchange of securities issued by GET SA or any transaction in related securities, in accordance with applicable regulations.
- The obligations of board members are those described in the 2008 Afep/Medef Code. In particular, before accepting their appointment, each board member must make sure that they are aware of the general or specific obligations for which they are responsible. Each board member must be aware of all relevant provisions of law, the by-laws of GET SA and the internal rules of the board of directors that apply to them.
- Each board member has the obligation to disclose to the board of directors every actual or potential conflict of interest between them and GET SA or the Eurotunnel Group and must abstain from voting on matters considered at meetings of the board of directors to which the conflict of interest relates, unless the conflict of interest arises in connection with an agreement entered into in the ordinary course of business under normal conditions.
- Every board member must participate in determining the business strategy of the Eurotunnel Group and overseeing the implementation of such strategy. They must supervise the management of the Eurotunnel Group appropriately.
- All materials provided at meetings of the board of directors and all information obtained during or outside such meetings of the board of directors are strictly confidential without exception, irrespective of whether such materials or information were presented as confidential. Each board member must consider themselves bound to secrecy beyond a mere obligation of discretion.
- In addition to this obligation of confidentiality, board members undertake not to make public statements in their capacity as members of the board of directors on any matter pertaining to the Eurotunnel Group, whether or not related to meetings of the board of directors, without the prior consent of the Chairman.
- Every board member must comply with all market regulations intended to prevent market abuse that would be harmful to the interests and image of the Eurotunnel Group.

Board proceedings, video or teleconferencing

The annual report includes a section on the activities and operation of the board of directors and its committees during the previous year, in accordance with article 10 of the 2008 Afep/Medef Code.

The internal rules of the board of directors indicate that directors can participate in meetings by video or telephone conferencing by all means authorised by law and the by-laws, including by video or telephone conferencing as long as the video or telephone conferencing facilities (i) enable the transmission of at least the voices of the participants and (ii) satisfy technical requirements enabling the continuous and simultaneous transmission of the proceedings.

Directors' information

The Chairman or the Chief Executive Officer gives each director the documents and information needed to carry out their duties, within the confidentiality obligations described in the internal rules.

Committees

The board of directors may establish temporary or permanent special committees, each consisting of at least three and no more than five directors appointed by the board of directors of GET SA, with one committee member designated by the board of directors as the committee chairman.

The board of directors has established an Audit Committee, a Nomination and Remuneration Committee, a Safety and Security Committee, a Strategy and Sustainable Development Committee and a Committee of Chairmen as described in section 16.2.3 of this Reference Document.

Independent directors

At least half of the directors must be independent within the scope of and in accordance with the criteria of the 2008 Afep/Medef Code.

Directors are independent if they:

- are not an employee or director of GET SA, an employee or director of GET SA's parent company or a company consolidated by GET SA, and have not been in the previous five years;
- are not a director of a company in which GET SA, directly or indirectly, holds the office of director or in which a designated employee or a director of the company (currently or in the past five years) holds the office of director;
- are not, and are not directly or indirectly connected to:
 - a significant client, supplier, investment banker or financier of GET SA or its Group;
 - a client, supplier, investment banker or financier for which GET SA or its Group represents a significant portion of its activity;
- do not have any close family connection with a director;
- have not been an auditor of GET SA in the last five years; and
- have not been a director of GET SA for more than twelve years.

Directors representing substantial shareholders of the company may be considered independent so long as they do not participate in the control of the company.

The board of directors is required to ensure at least once a year that the directors or candidate directors satisfy the independence criteria set out above. After examination of their personal situations by the Nomination and Remuneration Committee, the board of directors decided on 9 April 2010, that the following met the independence criteria defined by the AFEP-MEDEF corporate governance code: Ms Colette Neuville, Ms Patricia Hewitt, Mr Henri Rouanet, Mr Pierre Bilger, Mr Robert Rochefort, Mr Philippe Vasseur and Mr Tim Yeo, namely seven directors.

More than half of the directors are independent in accordance with the provisions of the AFEP-MEDEF corporate governance code.

As executives, Mr Jacques Gounon, Chairman and Chief Executive Officer, and Mr Jean-Pierre Trotignon, formerly Deputy Chief Executive Officer, are not considered as independent. Mr Hugues Lepic and Mr Philippe Camu, representatives of The Goldman Sachs Group Inc, the company's main shareholder, are not considered as meeting the criteria of the AFEP-MEDEF corporate governance code defining independent directors.

Therefore, on 31 December 2010, there were seven independent directors out of 11 (representing 63% of the current directors). This situation, which ensures diverse and well-balanced experience and skills among the directors, is consistent with the requirement of a proportion of at least half of the directors being independent as set out in the 2008 Afep/Medef Code.

16.2.2 Operation of the board of directors

In 2010, the board of directors held 16 meetings. The average attendance rate per meeting for current board members was over 94%.

Attendance of the board at meetings in 2010

Board meetings	Number of meetings	Presence at meeting
Jacques Gounon	16	16
Pierre Bilger	16	16
Colette Neuville	16	16
Robert Rochefort	16	15
Henri Rouanet	16	16
Philippe Vasseur	16	11
Tim Yeo	16	15
Jean-Pierre Trotignon	11	11
Philippe Camu	11	11
Hugues Lepic	11	10
Patricia Hewitt	11	10
Bernard Attali	5	3
G�rard Van Kemmel	5	5
Jean-Pierre Matt�i	5	4
Martin Skaanild	5	5

The high level of participation of members of the board throughout the year should be noted. This frequency and rate of participation is the first objective factor which, during 2010, ensured that the board of directors was in a position to fully play its role and take the strategic decisions that were appropriate for the development of GET SA.

In 2010, in addition to financial and legal authorisations, the board of directors' activities dealt mainly with the issues of corporate governance, accounts and strategy.

The board of directors discussed several strategic proposals, including:

- the acquisition, on 28 May 2010, of the third British freight operator GBRf from the international company FirstGroup, in pursuit of its strategy to develop the Group's rail freight services; and
- bid to acquire High Speed One, within a consortium.

During 2010, the board of directors devoted most of its work during two meetings to the Group's commercial strategy and broad objectives. On several occasions during the year, the board of directors also discussed the Group's safety and security policy. The board of directors also discussed other important proposals including finalising the simplification of the Group's legal structure by merging TNU PLC and EGP with GET SA.

During 2010, the board of directors finalised the accounts at 31 December 2009 and examined the half-yearly accounts at 30 June 2010. The board of directors examined the budget for 2011.

As regards corporate governance, after carrying out its self-evaluation the board of directors defined the status of independent director and examined the Chairman's report on internal control procedures for 2009.

Between the start of the year and the date of the finalisation of the financial statements for the year ended 31 December 2010 (3 March 2011), the board of directors held two meetings. The average attendance rate was 95%. These meetings included work on finalising the consolidated and statutory accounts as of 31 December 2010, examining the Chairman's report pursuant to the provisions of article L. 225-37 of the French Commercial Code and the self-evaluation of the board of directors.

16.2.3 Special committees

Pursuant to the option it holds in accordance with article 22 of its by-laws, the board of directors has formed an Audit Committee, a Nomination and Remuneration Committee, a Safety and Security Committee, a Strategy and Sustainable Development Committee and a Committee of Chairmen, to assist it in the management of GET SA. The operating procedures of these committees are governed by the internal rules of the board of directors and its committees. Each committee has a Chairman; the function of committee Vice-Chairman has been abolished.

Audit Committee

The Audit Committee is composed of three members chosen from among the directors other than the Chairman of the board of directors, including at least two from among the independent directors in accordance with article 14.1 of the Afep/Medef Code 2008. From among the members of the Audit Committee, the board of directors appoints a director who will chair the Audit Committee. At least one member of the Audit Committee must have "*specific expertise in finance or accounting matters*" and be "*independent*" and the other members of the Audit Committee must have minimum expertise in financial and accounting matters if they are not experts in the matter.

The Audit Committee is composed of Robert Rochefort (Chairman), Pierre Bilger and Colette Neuville, all independent directors. The board of directors reappointed the members of the Audit Committee to their duties, following the combined general meeting of 26 May 2010 that renewed their appointments as directors.

The members of the Committee are all independent directors and have additional expertise in financial or accounting matters, by virtue of their training and professional experience, thus allowing coverage of a broad and comprehensive range of fields, as their professional careers confirm (chapter 14 of the present Reference Document).

The Audit Committee meets at least four times a year upon notice of its chairman.

The duties of the Audit Committee are to:

- Monitor the process of preparation of the financial and accounting information; before presentation to the board of directors, the Audit Committee examines the consolidated and statutory accounts, together with budgets and forecasts; it reviews the accounting and financial information, particularly the financial statements, questioning the accounts translation of important events or complex transactions (significant acquisitions or disposals, restructuring, hedging transactions, the existence of *ad hoc* entities, large provisions etc.) which have had an impact on the company's financial statements; it also monitors financial information.
- The Audit Committee is informed of the architecture of all systems for establishing accounting and financial information; when financial information is taken from an accounting process, it must be coherent with the accounting information that is produced; if it is not taken from an accounting process, the Audit Committee must make sure that the information comes from a process that is sufficiently structured and organised to be able to judge the quality and reliability of this information (non-standardised performance indicators, restructuring plan etc.).
- Ensure the statutory audit of the accounts by the statutory auditors. The Audit Committee holds discussions with the statutory auditors and examines their conclusions, to learn the main areas of risk or uncertainty concerning the annual or consolidated financial statements. The Audit Committee examines the main factors having an impact on the approach of the audit (scope of consolidation, acquisition and disposal transactions, accounting options, new standards applied, large transactions etc.) and significant risks relating to the preparation and processing of the financial and accounting information identified by the statutory auditors.

- Monitor the effectiveness of internal audit and risk-management systems: the Audit Committee checks the existence of internal audit and risk-management systems, and that they are made use of, and makes sure that the weaknesses identified are dealt with by corrective action. This aims at risks that were the subject of an accounts translation and those identified by the internal audit and risk-management systems and that may have an impact on the accounts; for this assignment, the Audit Committee may examine the results of the work of internal and/or external audits performed on these subjects. The Audit Committee intervenes neither on the implementation of the said systems, nor on corrective actions, which are the responsibility of general management.
- Ensure that the independence of the statutory auditors is monitored: the committee is in charge of controlling the selection and renewal of the statutory auditors, where appropriate using a call-for-tenders procedure, of issuing an opinion on the amount of fees requested by them, and issuing a recommendation on the statutory auditors proposed for appointment by the general meeting.

The Audit Committee met seven times in 2010; the average attendance rate was over 95%.

In order to finalise the accounts, the Audit Committee examines the report by the statutory auditors and a presentation of the accounts by the finance department. More detailed presentations are given by other managers or external consultants on certain subjects, including internal control and risk management. The committee also invites the Chairman and Chief Executive Officer and heads of operational or functional entities to speak at its meetings, in accordance with its duties. It reports on its work to the board of directors.

In 2010, the Audit Committee examined the draft company and consolidated accounts for the year ended 31 December 2009 and the draft interim accounts before they were presented to the board of directors, and expressed its opinion on the draft accounts to the board. As part of this work, it examined the accounting treatment of material transactions during the period, accounting methods, the scope of consolidation and the main financial reporting relating to the accounts. It examined a report by the person in charge of internal audit and the presentation of the activity of internal audit for 2010. It reviewed the procedures for identifying, monitoring and managing risks and internal audit, reviewed the risks and analysed the 2010 risk map, and examined significant financial and operational risks. It considered the internal audit plan for 2011.

The Audit Committee contributed, through its preparatory work for the board of directors, to simplifying the legal structure of the Group and to acquiring the rail freight subsidiary GBRf, in pursuit of the Group's strategy of developing rail freight.

Between the beginning of the year and 3 March 2011, the Audit Committee has held three meetings. The rate of attendance of its members was more than 91%. These meetings covered the examination of the draft consolidated and statutory accounts at 31 December 2010, the accounting treatment of significant operations during 2010 and accounting methods, and monitoring of the independence of the statutory auditors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of four (4) members chosen from among the directors other than the Chairman of the board of directors, at least two (2) of whom are independent directors. From among the members of the Nomination and Remuneration Committee, the board of directors designates a director who chairs the committee.

The Nomination and Remuneration Committee is composed of Colette Neuville (chair), Philippe Vasseur, Robert Rochefort and Hugues Lepic. The board of directors reappointed Colette Neuville (chair), Philippe Vasseur and Robert Rochefort to their duties following the combined general meeting of 26 May 2010 that renewed their appointments as directors, and Hugues Lepic joined this committee following his appointment. Jean-Pierre Mattei left this committee at the end of his term as director on 26 May 2010.

Members of the Nomination and Remuneration Committee:

- must not have any personal financial interests in the decisions of the Nomination and Remuneration Committee, other than those of a director and a member of the Nomination and Remuneration Committee; and

- must not have any reciprocal relationship with an executive director of GET SA that could suggest that they reached an agreement to increase their respective salaries.

If the Chairman of the board of directors is a member of the Nomination and Remuneration Committee, he does not take part in proceedings relating to his own remuneration. The Chairman of the board of directors participates in meetings of the Nomination and Remuneration Committee relating to other directors but does not take part in the vote.

The committee makes recommendations to the board of directors with regard to the selection of new directors. The Nomination and Remuneration Committee may also propose the appointment or removal of the Chairman and Chief Executive Officer, or the appointment or dismissal of the Chief Financial Officer or Chief Operating Officer, and nominate successors for them.

The Nomination and Remuneration Committee met six times in 2010. The average attendance rate was over 83%.

During these meetings, the Nomination and Remuneration Committee formulated the remuneration of executive officers, to be approved by the board of directors. It decided the objective criteria for determining the variable remuneration of the Chairman and Chief Executive Officer, to be proposed to the board of directors. The committee examined and approved the report established in chapter 15 for the draft reference document for the year ending 31 December 2009.

The committee also prepared a proposal for the stock-option plan for employees and managers of the company, a proposal that was approved by the combined general meeting on 26 May 2010.

Between the start of the year and 3 March 2011, the Nomination and Remuneration Committee held two meetings. The rate of attendance of its members was more than 87%. These meetings covered the examination of the account given in the Chairman's report concerning the principles and rules used to determine the remuneration and benefits of any kind granted to directors, the determination of the amount of the Chairman and Chief Executive Officer's variable remuneration for 2010, and the establishment of criteria for determining the Chairman and Chief Executive Officer's variable remuneration for 2011.

Safety and Security Committee

The Safety and Security Committee is composed of a maximum of five directors appointed by the board of directors, including the Chairman and Chief Executive Officer. The Chief Operating Officer (Concession), the Safety and Sustainable Development Director, the Security and Crisis Management Director and the Director of public affairs also take part in meetings of this body, in its plenary form. Other executives may be requested to attend depending on the matters to be discussed.

The Safety and Security committee is composed of Henri Rouanet (Chairman), Jacques Gounon, Patricia Hewitt and Jean-Pierre Trotignon. The board of directors reappointed Henri Rouanet (Chairman) and Jacques Gounon to their duties following the combined general meeting of 26 May 2010, which renewed their appointments as directors. Patricia Hewitt joined this committee as of her appointment. Martin Skaanild and Bernard Attali left this committee at the end of their terms of office as directors on 26 May 2010. Tim Yeo also left this committee to chair the Strategy and Sustainable Development Committee set up by the board of directors following the general meeting of 26 May 2010.

During its quarterly meetings on the operation of the Concession, the Safety and Security Committee receives reports concerning its two areas of competence, including those coming from operational departments. It meets once per quarter, as a select committee, for Europorte.

The managers concerned, on their own initiative or on the initiative of the Safety and Security Committee, may meet this committee without the directors of GET SA being present. In addition, by way of special authorisation from the Chairman of the board of directors, the managers whose functions are related to the work of the Safety and Security Committee may meet the chairman of the Safety and Security Committee.

The Safety and Security Committee considers all matters relating to the safety and security of the operation of the Concession and, separately, the activities of the rail freight subsidiaries, and more generally, takes any initiative, within its terms of reference, to be submitted to the board of directors designed to improve the current performance

levels of the business, in particular by updating risk management strategies, security rules, operational documents and any other devices that contribute to security.

This committee met four times in 2010. The average attendance rate was over 87%. Since safety and security are key issues for the Eurotunnel Group, the board of directors decided at a meeting held in 2007 to enable the Safety and Security Committee to strengthen its operating procedures by creating working subgroups. In 2010, the working subgroups met 16 times.

During this year, the activity of the Safety and Security Committee, in its plenary form, focused on the following points:

- Monitoring of safety within the scope of the Concession: at each meeting the committee monitors the company's positioning in connection with a number of indicators, concerning collective safety, individual safety and occupational safety. The committee assisted with the establishment of the basic indicators for 2011.
- The implementation of Plan Salamandre aiming to update the operational system after the fire of September 2008. Most of the recommendations of BEATT have already been implemented by the Group under the provisions of Plan Salamandre from the end of autumn 2008. At the behest of the committee, in 2010 the Group continued to improve checks on trucks before embarkation on the Shuttles. The committee also monitored the implementation of the four SAFE stations throughout the year. The Group's contractual relationships with the FLOR were examined by the committee with a view to improving traceability, cost control and integration with the Group's operational system. The modernisation of radio links was also monitored by this body.
- Checking operational adjustments subsequent to the Eurostar breakdowns during recent snowfalls, promoting winterisation of the motors, implementing evacuation trains, and improving personnel training and the coordination of crisis teams.
- Strategic discussions on the measures to be taken for receiving new entrants and updating security rules: proposal to modify safety regulations relating to passenger trains: haulage modes (distributed motorisation), length of trains, divisibility and fire protection.

In terms of security, the committee examines and monitors the systems for fighting against terrorism and the intrusion of illegal immigrants. To this end, it participates in projects to improve the security of the Coquelles terminal, including new badges, new video-protection systems and X-ray appliances, and a new secure building for passengers after they have been checked through by government services.

During 2010, the Safety and Security Committee met twice in its most select form specific to the activities of Europorte. It focused particularly on monitoring indices, rail traffic security and safety at work.

Between the beginning of the year and 3 March 2011, one meeting took place on 3 March 2011.

Strategy and Sustainable Development Committee

The Strategy and Sustainable Development Committee examines all questions concerning the strategic and environmental objectives of the company or the Group and reports thereon to the board of directors.

In its strategic function, the committee intervenes in the following fields:

- strategic objectives of GET SA and the Group,
- significant acquisition or disposal transactions and strategic partnership agreements,
- sizeable internal restructuring operations,
- operations outside the announced strategy of GET SA or the Group,
- significant financing operations or those likely to substantially change the financial structure of GET SA or the Group.

In its environmental dimension, this committee, which was founded to extend the policy that has been in force for many years concerning health, safety and the environment, is responsible for regularly examining the entire performance of GET SA and the Group in environmental matters and the strategic objectives designed to promote environmental management, preserve natural resources and limit the impact of GET SA and the Group's activities on the environment.

The Strategy and Sustainable Development Committee is composed of a maximum of four (4) directors appointed by the board of directors. The Chairman and Chief Executive Officer of GET SA is a member of the committee. The Strategy and Sustainable Development Committee meets at least once every six months, and is convened by its chairman. According to the agenda, this committee may invite persons dedicated to issues in connection with sustainable development in the various parts of the business and representatives from the various functional departments of GET SA, the Group or the rail freight subsidiaries.

This committee is composed of Tim Yeo, Chairman, Philippe Camu, Philippe Vasseur and Jacques Gounon. It met once in 2010. The attendance rate was 75%.

16.3. Committee of Chairmen

The Committee of Chairmen is composed of Jacques Gounon and the chairmen of each of the committees of the board of directors.

The committee meets as often as is required. Such meetings are called by the Chairman of the board of directors.

The committee's main task is to co-ordinate the work done by the other committees.

During 2010, the committee of chairmen met once at the beginning of the year to coordinate the work of the board's committees.

16.4. Self-evaluation of the board of directors

In accordance with article 9 of the 2008 Afep/Medef Code, the work done by the board of directors and its specialist committees in 2010 were reviewed through a self-evaluation process overseen by the chair of the Nomination and Remuneration Committee. The assessment was based on a detailed anonymous questionnaire concerning the board's roles and skills, its overall operating procedures and the areas of activity covered by the board of directors and its committees. Answers were analysed and subsequently presented to the board at its meeting on 28 January 2011, during which the board discussed its operating procedures. In this questionnaire, the directors were asked to give a mark between 1 and 5 as to the operating procedures and the performance of the board of directors and its committees, marks between 1 and 3 mean "satisfactory" and marks 4 and 5 mean "improvable".

The results show that the directors consider the board's operating procedures and those of its committees as satisfactory since:

- 1, the highest mark, was given to 40% of the questions asked;
- 2 was given to 38% of the questions asked;
- 3 was given to 18% of the questions asked;
- 4 was given to 3% of the questions asked;
- 5, the lowest mark, was given to 1% of the questions asked.

The directors gave a favourable assessment of the functioning of the board of directors. In particular, they expressed their satisfaction concerning the organisation of meetings, the quality of minutes and the quality of the information presented. They emphasised the relevance of the work performed by the specialised committees. The directors also gave a positive assessment of the composition of the board of directors and the number of independent directors.

The main improvements that were sought concerned improving the work of the board of directors on the Group's strategy in its new dimension, the regularity of the reports by the board's specialised committees and planning the

duration of meetings. The board of directors also called for more systematic broad discussion of strategy over the longer term.

16.5. Principles and rules relating to the determination of remuneration and all benefits of any kind granted to directors

Principles and rules relating to the determination of remuneration and all benefits of any kind to which the directors are entitled are determined by the board of directors on the recommendation of the Nomination and Remuneration Committee in accordance with the board's internal rules.

16.6. Limitations on the powers of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act in all circumstances in the name of GET SA. The Chief Executive Officer exercises his powers within the scope of the corporate purpose and subject to the powers conferred by law expressly on general meetings of shareholders and the board of directors. He represents GET SA in its relations with third parties.

Neither the provisions of the by-laws of the company nor any decisions of the board of directors limiting the powers of the Chief Executive Officer can be enforced against third parties.

To date, the board of directors has imposed no limits on the powers of Jacques Gounon.

16.7. Service contracts between members of the board of directors and general management and GET SA

To the knowledge of GET SA, there are no service contracts between directors and GET SA that provide for the granting of any particular advantages under the terms of such contracts.

GET SA has made no undertakings to the benefit of Jacques Gounon. Jacques Gounon has been the Group's Chairman and Chief Executive Officer since 2005 and, due to the binational nature of the Concession, receives part of his remuneration from Eurotunnel Services Limited. Under UK law, which cannot be derogated or waived, this technically imposes an employment contract governed by UK law. This contract does not involve any undertaking by the company for Jacques Gounon's benefit, and Jacques Gounon has not been granted any contractual departure indemnity entitlement. In addition, in the event that Jacques Gounon's role as Chief Executive Officer is terminated, to avoid Eurotunnel Services Limited having to give Jacques Gounon notice in accordance with the Group's rules for senior managers – i.e. one month's notice per year of service, capped at 12 months – Jacques Gounon proposed in 2008 to the Nomination and Remuneration Committee to limit the UK notice period to the legal minimum required by British law, which is one week per year of service, capped at 12 weeks. The proposal was accepted by the board of directors of GET SA. The Afep/Medef recommendation, which is to terminate a person's employment contract if they are appointed as a corporate officer, cannot be applied to the Chairman and Chief Executive Officer, since it clashes with a mandatory provision of UK law, which is complied with in principle, but whose effects have been limited to the strict legal minimum.

16.8. Securities transactions involving directors

In accordance with article L. 621-18-2 of the French Monetary and Financial Code and Articles 223-22 et seq. of the General Regulations of the Autorité des Marchés Financiers, transactions involving GET SA financial instruments carried out by any member of the board of directors, the Chairman and Chief Executive Officer or any persons to whom they are related must be declared⁽¹⁾.

No such declaration as defined in article 223-26 of the General Regulations of the AMF was made in 2010 by the Chairman and Chief Executive Officer, GET SA's directors or any persons to whom they are related.

⁽¹⁾ Insofar as the total amount of such transactions carried out by each director exceeds €5,000 per calendar year.

The board of directors has also finalised a code of conduct relating to transactions undertaken by the directors in connection with GET SA financial instruments. Upon the recommendation of the Audit Committee, the board of directors reviewed the group's code of conduct to update it in the light of the AMF recommendation n° 2010-07 dated 3 November 2010 concerning the prevention of insider trading by executive officers of listed companies. The first part of the GET SA code of conduct states the essential ethical principles and the second part presents the applicable preventive measures.

16.9. Concession Coordination Committee

The Concession Coordination Committee is described in section 14.7 of this Reference Document.

16.10. Internal control and risk management procedures

The statutory auditors' report, prepared in accordance with article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of GET SA's board of directors which describes, pursuant to paragraph 5 of article L. 225-37 of the French Commercial Code, the internal control and risk management procedures defined by GET SA, and in particular the internal control procedures related to the drafting and processing of financial and accounting information, is presented in appendix I of this Reference Document.

16.10.1 Introduction

a) The legal framework

French legislation sets out the responsibilities of executive officers in respect of internal control.

Pursuant to the French law of 3 July 2008 (covering miscellaneous provisions on the adaptation of company law to community law, known as DDAC), the Chairman of the board of directors of Groupe Eurotunnel SA (GET SA) reports on the internal control and risk management procedures in place within the company in a specific report which forms part of the annual report (article L. 225-37 para. 6 of the French Commercial Code).

Under article L. 225-235 of the French Commercial Code, the statutory auditors are required to present, in a separate report attached to the management report, their observations on the portion of the Chairman's report which covers the internal control procedures for accounting and financial information, and in particular to certify that information regarding risk management is supplied.

b) GET SA's internal control procedures

For historical reasons, the Eurotunnel Group used an internal reference framework established in accordance with "*The Combined Code on Corporate Governance*", the British standard in matters of corporate governance published by the Financial Reporting Council (first publication in 1998).

The board of directors, upon recommendation from the Audit Committee, agreed in 2010 that, for a better understanding and greater transparency in governance, it was appropriate to change the reference framework for internal control in order to adopt the "reference framework" (including its application guide) established by the AMF.

The key processes of internal control that the Group applied in 2010 were as follows:

c) Responsibilities of the GET SA board of directors for internal control

The GET SA board of directors is responsible for ensuring (i) that the significant risks facing Eurotunnel, and the effectiveness of the system of internal control in managing those risks, are assessed at least annually; (ii) that any weaknesses in internal control are identified and taken into account; and (iii) that internal control and risk management are an integral part of the Eurotunnel Group's operations. To this end, in accordance with article L. 225-37 para. 10 of the French Commercial Code, the GET SA board of directors approved the special report drawn up by its Chairman.

A description of the system of internal control and risk management which operates within the Eurotunnel Group is presented in sections 16.10.2 and 16.10.3 below.

16.10.2 Internal control procedures

For the purposes of describing the internal control procedures, this report contains:

- an overview of the main control mechanisms in place within the Eurotunnel Group; and
- a detailed description of the controls over the accounting and financial reporting processes.

a) Definition of internal control

The internal control system is a process defined by the general management under the auspices of the board of directors. It is put into operation by the management and staff of the company with the purpose of providing reasonable assurance as to the achievement of the following objectives:

- the effectiveness and efficiency of operations;
- the safeguarding of assets;
- the reliability of financial information;
- compliance with applicable laws and regulations.

The system of internal control should ensure the identification and effective management of the principal risks to which the company is exposed, including operational and financial risks, and risks associated with compliance with procedures and applicable regulations.

The Eurotunnel Group adopts an approach based on the following five internal control components:

Control environment and organisation

The control environment is an important factor in the corporate culture, influencing the awareness of personnel concerning the need for control. The factors having an impact on the control environment include the integrity, ethics and competence of the personnel; the philosophy of the managers and the style of management; the policy concerning the delegation of responsibility and training; appropriate organisation and procedures; and the interest shown by the board of directors in internal control and its ability to clearly specify its objectives.

Risk assessment

Risk assessment is the identification of risks which may significantly impair achievement of the entity's objectives, and the means provided or to be provided to manage such risks. In due consideration of constant changes to economic, industrial, regulatory and operating conditions, mechanisms are needed to identify and control risks associated with change.

Control activities

Application of regulations and procedures assist in the implementation of the guidelines issued by management.. Control activities are performed throughout the organisation, at all levels and in all functions. They include actions such as approval, authorisation, verification, reconciliation, operating performance reviews, safeguarding of assets and segregation of duties.

Information and communication

Relevant information must be identified and communicated in a manner that enables people to undertake their responsibilities. This covers both the effectiveness and integrity of the company's information systems and effective

multi-directional communication throughout the organisation and with third parties including regulators and shareholders.

Monitoring

Monitoring is the ongoing assessment of the performance of the internal control system. It is part of daily operations, and includes regular management and supervisory activities, as well as the work carried out by the audit functions. Internal control deficiencies are brought to the attention of management and the board of directors.

It should be emphasised that internal control cannot provide an absolute guarantee that the above objectives will be met.

b) The Eurotunnel Group's system of internal control

This section summarises the main elements of the system of internal control of the Eurotunnel Group⁽²⁾.

i) Control environment

a) Organisation and responsibilities

● Organisational structure

GET SA's board of directors and the special committees set up by the board of directors are responsible for monitoring the internal control system within the Group. The structure, organisation and functioning of these entities are described in section 16.2.3 of this Reference Document.

The roles and responsibilities of GET SA's Executive Committee are described in section 16.1.2 of this Reference Document.

Within these companies, specific operational committees have responsibility for particular areas:

- safety committees;
- treasury risk management committee;
- financial operations committee;
- service quality committee;
- IT development committee;
- IT security committee.

Formal delegation of authority and authorisation limits, approved by the GET SA board of directors, are in place in key areas including capital and operational expenditure, treasury operations, freight customer pricing agreements, revenue contract approval etc.

Formal delegation of authority is in place in the main operational areas.

A Group-wide organisation chart is published on the Group's intranet and sets out the management structure and reporting lines. Formal job descriptions are in place in most areas.

b) Policies and procedures

- Formal policies and procedures are in place for the main areas of the Group's activities.
- The human resources policies set out the Group's values and operating principles, as well as the main policies in relation to working conditions and practices, staff training and development, and standards of conduct.

⁽²⁾ The internal control procedures as described in this report cover all companies within the scope of consolidation of the Group.

- The corporate code of ethics is an integral part of the Group's human resources policies. A more detailed ethics policy is in place for the purchasing function.
- Financial control is managed by a formal process of monthly reporting and quarterly budget revisions.

ii) Risk assessment

- The strategic plan, approved by the Management Committee, is presented annually to the GET SA board of directors. It defines the medium and long-term objectives of the Group and, taking account of the associated risks, sets out the strategies for achieving them.
- The annual budget sets out the key operational and commercial objectives for each of the Group's main areas of activity, as well as the budgeted financial results. This is presented to the GET SA board of directors.
- Performance criteria in the form of key performance indicators (KPIs) are established in the main identified risk areas, including safety, commercial performance and operational reliability. These indicators are reported on a weekly basis to the Executive Committee and monthly to the GET SA board of directors.
- An annual corporate risk assessment is carried out and the results reported to the GET SA Audit Committee and to the GET SA board of directors. This process covers the major risks throughout the Group, and is described in more detail in section 16.10.3 below.
- Specific risk assessment exercises are carried out in particular areas:
 - **Safety risk:** a formal document entitled "the Eurotunnel Safety Case" is updated as often as required and at least every five years by the Safety and Sustainable Development directorate. This document identifies the major risks to which the company's customers, employees, sub-contractors and visitors are exposed, and the measures in place to manage them. The Safety Case is formally approved by the Safety Authority of the IGC.
 - The Safety and Sustainable Development Directorate ensures that the documentation relating to emergency planning and to the individual and collective risk analysis programmes in the different areas of operations is kept up to date. These programmes are regularly reviewed by the Safety and Security Committee.
 - **Insurance risk:** a full insurance risk assessment is carried out every three years to assess the adequacy of the Group's insurance cover. It is reviewed at the time of policy renewals.
 - **Internal control risk:** the annual internal audit plan is based on an assessment of the risks and controls in the major internal control areas of the company's activities.
 - **IT risk:** IT risks (intrusion etc.) are managed by an IT security committee and covered by procedures and controls integrated in the IT systems.
 - **Treasury risk:** interest rate and foreign exchange risks are reviewed on a regular basis by the treasury risk management committee.

iii) Control activities

The main control activities are set out in paragraph c) iii) below.

iv) Information and communication

In addition to the strategic plan and annual budget referred to above, the GET SA board of directors receives a monthly report setting out the financial results, as well as a summary of operational and commercial performance.

At each meeting, the GET SA Safety and Security and Audit Committees receive activity reports relating to the relevant areas. The Chairmen of these committees keep the GET SA board of directors informed of the work of their committees.

The following documents are transmitted on a monthly basis to the members of the Executive and Management Committees:

- a financial reporting pack providing details of financial results and performance in relation to the budget; and
- a Key Performance Indicator report which compares actual performance against the budget and targets in the main areas of activity:
 - safety;
 - commercial performance and market share;
 - productivity, operational reliability and service quality;
 - employee numbers and related statistics;
 - financial results in relation to the budget and to the latest forecasts.

The members of the Executive and Management Committees also receive a weekly report of key data relating to safety, human resources, operations, and to commercial and financial performance.

Eurotunnel's intranet system, ETNet, provides regular information to all staff on the main policies, procedures and activities of the Group. Regular communication with Eurotunnel's personnel is also carried out through an electronic newsletter and a periodic general meeting, the Management Forum.

v) Monitoring

- The corporate risk assessment process is continuous and is under the full-time responsibility of a senior manager (see section 16.10.3 below).
- The Audit Committee monitors the effectiveness of internal control by means of regular reports from the internal audit department, whose work is planned so as to ensure an appropriate coverage of the main areas of risk. A formal process exists for the correction of weaknesses highlighted in internal audit reports. The status of ongoing corrective actions is presented to the GET SA Management Committee every four months. During 2010 and up to the date of this Reference Document, GET SA has not identified any major shortcomings in its internal control system.
- Internal audit consults the Safety and Security Committee on an annual basis to identify audit requirements in these areas.
- The Safety and Security Committee monitors performance in these areas by means of quarterly reports from the security and sustainable development department. These include the reporting of safety performance against its target, the results of safety evaluations and an update on security matters. The committee also periodically reviews the environmental impact of Eurotunnel's operations.
- The Safety and Security Committee has created two sub-groups, one responsible for emergency planning and the BINAT exercises and the other for security issues.
- Specific steering groups monitor the progress of major projects (e.g. large-scale maintenance, GSM-R, SAFE, ERTMS etc.).
- The treasury risk management committee monitors foreign exchange and interest rate trends and the use of financial instruments on a monthly basis.
- The financial operations committee monitors cash flow, liquidity and banking covenant compliance on a monthly basis.

c) Controls over accounting and financial reporting

The controls over accounting and financial reporting are summarised in this section:

i) Organisation and IT systems

- Financial management is centralised within the finance directorate, which is responsible for cash management, consolidation of the financial accounts of the Group and financial reporting. This centralised responsibility covers all the accounting entities of the Group, both in the United Kingdom and France, in addition to freight activities in Spain and Belgium.
- Accounting is managed by each entity in accordance with the Group's accounting principles. Data are subsequently transferred to Group level for consolidation purposes.
- A single integrated accounting system, SAP ECC, is used across all accounting entities, with the exception of GBRf. This system is integrated with other SAP modules managing freight sales, purchasing, inventory control, cash, payroll and fixed assets. This caters for the automated transmission of transactions and accounting data relating to these activities.
- For systems outside the integrated SAP environment – principally in the areas of passenger sales – accounting data uploads are automated. Reconciliation and verification controls are in place to ensure the completeness and accuracy of these interfaces.
- Formal written procedures are in place to cover the operations of the finance function.

ii) Financial reporting

- There are formal monthly closings including a detailed verification of the main revenue and expenditure accounts by the budget controllers. Formal balance sheet reconciliations are also carried out by the accounts department.
- The half-year and year-end accounts are prepared on the basis of data extracted from the centralised SAP accounting system.
- Controls are in place to verify the main asset and liability accounts:
 - **Stocks:** a programme of cyclical stock counts is in place and a full stock count is carried out at the end of the financial year. The results are updated in SAP and the corresponding accounting entries generated automatically.
 - **Fixed assets:** specific verification procedures are in place for major asset movements; repairable spares are controlled via the inventory management system.
 - **Current assets:** integrated accounts receivable and treasury management systems are in place; daily banking operations are reconciled automatically by the system and are reviewed by management. Treasury operations are controlled by the back office.
 - **Debts:** debt management operations are controlled by the back office and the cash manager.
 - **Creditors and accruals:** an integrated SAP accounts payable system is in place; accruals are calculated and validated by budget controllers; deferred revenue is reconciled to ticket liability records.
- The consolidated accounts are prepared on the basis of the individual company trial balances extracted from the SAP accounting system.
- Accounting adjustments in the consolidation processes are controlled and approved by the appropriate level of management.
- Financial and analytic accounting is integrated and prepared using the same source data.

- The Audit Committee plays a key role in the supervision of financial reporting:
 - any changes to accounting policies are reviewed by the Audit Committee;
 - the finance directorate submits a quarterly report to the Audit Committee on major accounting and reporting issues;
 - the committee reviews the half-year and full-year financial accounts at meetings scheduled at least 4 days before their presentation to the GET SA board of directors;
 - these meetings are attended by the statutory auditors, who submit their formal reports.

iii) Controls over operations having an impact on accounting data

It is important to ensure that adequate controls are in place over operations which ultimately result in accounting entries, to ensure that such entries are both complete and accurate.

Operating revenue

- Formal procedures are in place to cover the recording and reconciliation of sales and receipts at each point of sale (check-in, pre-sales, and internet).
- There is appropriate segregation of duties in the principal areas of sales recording, control and accounting.
- Procedures are in place to control the completeness of invoicing and the reconciliation of data between the front-end sales systems and the accounting system.
- Procedures are in place for invoicing and accounting for revenue from the railways.
- Formal Group-wide credit policy and procedures are in place for the approval of revenue contracts.

Purchases

- All major purchases are centralised through the group procurement department.
- Formal procedures and delegation of authority approved by the GET SA board of directors are in place for the management and approval of all purchases.
- There is segregation of duties between all stages of the procurement process (request, approval, execution, receipt and payment).
- The SAP system performs an automated control of expenditure approval and of the matching of order/receipt/invoice.
- All third party payments are centralised through the finance directorate, and mandates are in place with the banks for the signature of all payment instruments.

Staff costs

- There is segregation of duties in the key stages of the payroll process (approval and maintenance of salary data, processing of variable pay elements, payroll processing and payment).
- The automated calculation of the payroll and its associated elements is carried out by specialist payroll systems.
- Accounting entries and payment files are generated and interfaced automatically within the SAP system.

Asset management

- Stock and fixed asset (spare parts) movements are accounted for automatically by the SAP system.
- Accounting and control procedures are in place for the acquisition and disposal of fixed assets.
- There is a periodic physical verification of stocks (cyclical and year-end counts) and of major fixed assets.

Treasury management

- The treasury policies and procedures are approved by the GET SA board of directors on an annual basis.
- There is segregation of duties between front and back offices; the back office ensures an independent control of treasury operations.
- Formal delegation of authority and bank mandates is in place for all treasury operations.

IT systems

- Controls are in place to ensure the physical security of hardware and software, the integrity of data and the continuity of operation of the major computer systems, including the SAP system.
- Each application has a sponsor who is a member of the GET SA Management Committee; the sponsor is the sole authority for changes and for granting access to the application.
- Logical access controls based on individually defined user rights and passwords are in place for all IT systems; access rights reflect the responsibilities of users and segregation of duties. The administration of user accesses is centralised within the IT department.
- Adequate controls are in place to protect the company's information systems against unauthorised access from outside the company. The adequacy of these controls is monitored on a regular basis.

16.10.3 Risk management procedures

The objective of the corporate risk management process is to provide general management and the GET SA board of directors of with:

- a complete, consistent and structured view of all types of major risks to which the company is exposed; and
- an appreciation of the appropriateness of the mitigating measures implemented by those responsible for managing each of the risks in the light of their potential impact on the company's strategic objectives.

The process comprises a formal risk review, the conclusions of which are presented to the GET SA board of directors at the end of the year and which serves as the basis for the internal control report in the Group's annual report.

The risk reviews are based on the strategic plan.

They are co-ordinated by the *Corporate Risk Manager*, and they seek to identify and quantify the risks facing the company and to identify and assess the appropriateness and the effectiveness of the controls in place to manage those risks.

The process consists primarily of discussions with general management across the company, and comprises two parallel approaches:

- a top-down approach, consisting of the identification of the key strategic risks both in the core business and in the new initiatives undertaken during the year (both from the point of view of their mitigating effect on the main core business risks and the fact that they generate new risks of their own) and changes in the company's business and economic environment; and

- the traditional bottom-up approach which seeks to identify risks in each of the main business areas (Commercial, Technical/operational, Financial, Staff, Safety and Security, Environment, and Corporate Governance).

Identification of new risks is based on the systematic review of external sources of information (global conditions, benchmarking, trade bodies etc.) and internal information (developments within the company, interviews and lobbying of the management team).

The risk register distinguishes between strategic and operational risks, and contains, for each risk, the following information:

- A description of the risk and of the strategic objectives it is likely to impact.
- An assessment of the inherent risk on the basis of the probability of it materialising and of its potential impact:
 - the probability and impacts are calculated on the basis of the assumptions in the annual budget;
 - the criteria used include the financial impact and the impact on the company's reputation with its customers, its stakeholders and the media;
 - a distinction is made between one-off and recurrent probabilities and impacts; and
 - the capacity of the Eurotunnel Group to influence the source of the risk (i.e. an internal or external source) is also taken into account.
- A description of the measures in place to manage each risk, which are identified in four categories (monitoring, probability mitigation, impact mitigation and reporting).
- A *residual* assessment of risk, taking account of these mitigating measures, and calculated on the same basis as that of the inherent risk.
- Identification of the person managing the risk.

The risks are classified in descending order and in five categories from major to minor.

As an integral part of the corporate risk assessment, internal audit carries out an assessment of appropriateness and effectiveness of the measures in place to manage the risks.

The results of the corporate risk assessment and the Internal Audit review are presented to the GET SA Audit Committee. An audit plan based on the findings of this review is presented to the Audit Committee at the same time in order to ensure that the measures taken to eliminate or contain major risks are monitored and are the subject of a report to this committee during the following year.

The Corporate Risk Manager and Head of Internal Audit monitor, on an ongoing basis, the evolution of major risks and the emergence of new risks. Any significant changes are reported to the Executive Committee and to the GET SA Audit Committee.

16.11. Corporate governance

At its meeting of 4 December 2008, the board of directors of GET SA took note of the Afep/Medef recommendations of 6 October 2008 on the remuneration of executive officers of listed companies. The board of directors considered that these recommendations match the company's approach to corporate governance.

As a result, GET SA has referred to the Afep-Medef corporate governance code as amended, i.e. the 2008 Afep/Medef Code, in its drafting of the report required by article L. 225-37 of the French Commercial Code, pursuant to the French act of 3 July 2008 implementing EU Directive 2006/46/EC of 14 June 2006. In accordance with article 22 of the 2008 Afep/Medef Code, the recommendations of this Code that have not been implemented by the company and the reasons for this are set out in the report.

The 2008 Afep/Medef Code is available on www.eurotunnelgroup.com.

16.12. Attendance at the general meeting of shareholders

The arrangements for attendance are described in articles 11, 27 and 29 of GET SA's by-laws, as summarised in section 21.2 of this Reference Document.

CHAPTER 17 – EMPLOYEES

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17.1. Human resources policy

The Eurotunnel Group seeks to develop a working environment that promotes personal development and fulfilment, in order to attract and retain qualified, high-quality people. Its human resources policies have been developed in order to recognise each employee's contribution to the Eurotunnel Group, taking account of that employee's qualifications, level of responsibility, and individual performance.

The Group's headcount is assigned to the activities exercised under the Concession or, since the external-growth operations of 2009 and 2010, to the rail freight transport activities of the Europorte companies.

The members of the personnel whose activity is attached to the Concession are essentially employees of ESGIE for France and ESL for the United Kingdom. They may also be attached to the other companies of the Group. ESGIE and ESL then invoice the Group's companies for their respective personnel costs. The employees coming under the rail freight transport activities are employed within the Europorte subsidiaries. The Group's executives are employees of GET SA.

The breakdown of the headcount of the Eurotunnel Group by company is as follows:

Headcount Entities	At 31 December 2010		
	France	United Kingdom	Total
GET SA	5	–	5
Concession (2,311 employees)			
ESGIE(*)	1,510	–	1,510
ESL	–	801	801
Europorte (954 employees)			
Socorail	368	–	368
Europorte France	248	–	248
Europorte Proximité	32	–	32
GB Railfreight	–	306	306
Total	2,163	1,107	3,270

* Staff in the European subsidiaries (four persons), are counted as part of the ESGIE headcount.

17.1.1 ESL/ESGIE headcount

a) Headcount evolution and workforce distribution by category and gender

The changes to the headcount since 2009 and the workforce distribution by type of activity are as follows:

Headcount Sector	At 31 December 2010		At 31 December 2009	
	France	United Kingdom	France	United Kingdom
Operations division	563	486	597	500
Maintenance division	636	170	655	171
Other services	311	145	266	151
Total	1,510	801	1,518 (including 11 on fixed-term contracts)	822 (including 0 on fixed-term contracts)

At 31 December 2010, the number of permanent employees, across all countries, was 2,311 (2,340 at 31 December 2009).

Women represent 27.48% of the workforce of ESGIE/ESL. Managerial staff (589 people) make up 25.49% of the workforce.

Headcount at 31 December 2010				
(including staff on fixed-term contracts)	France		United Kingdom	
	Managerial	Non-managerial	Managerial	Non-managerial
Men	355	761	105	455
Women	85	309	44	197
Total	440	1,070	149	652

The changes to ESGIE/ESL's average headcount since 2009 and the workforce distribution by type of activity are as follows:

Average headcount (including staff on fixed-term contracts)				
Sector	2010		2009	
	France	United Kingdom	France	United Kingdom
Operations division	570	491	598	500
Maintenance division	650	171	657	173
Other services	284	148	269	154
Total	1,504	810	1,524	827

b) Recruitment

The recruitment policy aims to equip the Eurotunnel Group with the best skills in order to support its development.

True to its values, the Eurotunnel Group's recruitment process places great importance on candidates' cultural openness, their ability to work as part of a team, and their self-motivation.

In 2010, ESGIE/ESL established a controlled recruitment policy to precisely adapt the level of the workforce to its actual business needs. 32 employees were hired during the year, 4 of them in the UK (including one on a fixed-term contract) and 28 persons (including one on a fixed-term contract) in France.

c) Termination

During 2010, ESGIE and ESL terminated 15 employment contracts: three redundancies for economic reasons, seven dismissals for other causes and five cases of termination of contract by mutual agreement.

17.1.2 Impact of the Eurotunnel Group's activities in terms of regional employment and development

The Group has close relationships with the schools and universities of the Nord-Pas de Calais region and each year offers training courses and apprenticeship contracts.

Thus, in 2010, ESGIE received 99 trainees on the French side.

A major private local employer and economic player, Eurotunnel demonstrates its social responsibility with regard to its employees and its territorial environment through specific courses of action (as shown in this chapter).

Here below are a number of new initiatives in addition to certain projects already launched such as those forming part of the Pas-de-Calais partnership agreement (registration of the Pas-de-Calais strait as a UN world heritage site; creation of a tourist destination at Sangatte; building facilities for teams participating in the 2012 London Olympics and organising their transport across the Channel etc.):

- In 2010 the Eurotunnel Group signed the Responsible Company Manifesto, the preamble to which stipulates that *"It is possible for a company to improve its economic performance while respecting people and the planet. This means taking into account the interests of all those who are concerned by the company's activities as well as its environmental impacts."*
- Eurotunnel considers that its vocation as local developer and its support of the development of clean energy form part of its social responsibility. Thus the decision was taken to allocate 10% of turnover since the beginning of 2010 from operation of its wind farm at Coquelles to the French welfare association Secours Populaire, for this to be distributed first and foremost as "energy bonds". The first donation was made on 21 January 2011.

Eurotunnel is the first sponsor of the International Paracycling Championships (qualifying rounds for the 2012 London Olympics) organised in Kent in September 2010.

17.1.3 Organisation of working hours, temporary employees and sub-contractors

For the employees of ESGIE in France, the working week can vary over all or part of the year, provided that it does not exceed 35 hours on average during the year, and that no more than 1,600 hours are worked during the year. The average number of hours is calculated on the basis of the statutory workweek, less the number of hours corresponding to statutory holiday entitlement and public holidays. In the United Kingdom, working hours are set by the Group, again with a view to optimising service quality. Employment contracts provide that the average working week is 37 hours (or 1,676 hours per year), based on individual contracts and the agreements in place with Unite. In 2010, ESGIE staff were paid for a total of 7,836 hours of overtime and ESL staff were paid for a total of 24,606 hours of overtime.

Shift work is organised on the basis of a variety of rosters depending on the different operational activities, in order to ensure the flexibility necessary to achieve the best quality of service.

More than 63% of Group employees do shift-work. More than 100 different work rosters exist within the Group for both day-workers and shift workers.

6.75% of employees of ESGIE are part-time, with monthly working hours varying between 50% and 95% of full-time. 11.74% of employees of ESL are part-time, with monthly working hours varying between 23.33% and 93.33% of full-time.

ESL/ESGIE use temporary employees mainly to replace people who are absent through illness or leave. As a monthly average, ESGIE employs 35.54 temporary employees and ESL 36.73.

ESGIE/ESL use sub-contractors to manage activities that are outside its main areas of activity or that require specific skills. The operation of services relating to security, cleaning (particularly industrial cleaning), the chocking of vehicles and catering onboard the Shuttles is thus subcontracted to outside service providers.

17.1.4 Absence

Staff absence rates are calculated on the basis of short-and medium-term absences, and exclude absences for periods longer than three months and statutory maternity leave.

Absence	ESGIE		ESL	
	2010	2009	2010	2009
Rate	2.55%	2.52%	3.18%	2.89%

17.1.5 Training

The key focus of the Group's training policy is to give employees the means with which to contribute to the development of the business. As far as training is concerned, the Eurotunnel Group's priorities are to strengthen the shared safety culture and to improve the assistance given to employees to help them adapt to their job roles.

Between 1 January and 31 December 2010, 32,933 hours of ESGIE training were given, representing 4,705 days, to 1,226 employees.

Training expenditure stood at €1,295,666 (salary costs of trainees and trainers and cost of courses given externally). The share of training given through internal resources represented 73% of the total volume of courses. 89% of the training courses given involve adaptation to particular jobs or are related to development or maintenance in employment. Nearly 54% of training hours were devoted to operational staff, 30% to the maintenance department and 16% to the other departments.

In 2010 the Group paid €405,220 of mandatory employer contributions to OPCA and OPACIF for professional training programmes (including the French CIF and DIF schemes).

Between 1 January and 31 December 2010, ESL gave 17,401 hours of training, representing 2,486 days, to 656 employees. Training was given using internal resources at a rate of 77%. €446,302 was spent on training programmes (salary costs for trainees/trainers and cost of courses given externally). Operations staff accounted for 72% of the training hours received, maintenance staff, 21%, and the other departments, 7%.

17.1.6 Policies relating to remuneration and career management

The Eurotunnel Group's remuneration policy aims to recognise and to fairly reward every employee's contribution to the Eurotunnel Group's success.

In the light of the weak economic climate and the Fire in September 2008, the salary negotiations with French labour unions in January 2010 reached a stalemate and management unilaterally implemented a 0.90% increase in wages and shift payments. However, this wage increase did not apply to Management Committee members, whose salaries were frozen.

Salary negotiations during January 2011 carried out in France on behalf of ESGIE led to an agreement with the unions. All employees of ESGIE received a 1.80% collective increase in salaries and shift payments from 1 January 2011.

In the UK, salaries are reviewed on 1 April. In 2010, management applied a unilateral decision to give a collective increase of 1.70% in salaries and shift payments, following the failure of salary negotiations with Unite, which did not lead to an agreement.

In 2010, gross annual payroll costs (gross tax base) excluding staff in European subsidiaries and social-security charges, was €55,396,402 (2009: €57,888,560) for ESGIE, and £24,660,001.55 (2009: £24,935,509) for ESL.

For non-managerial staff in France, employment and skills planning is based on a "career path" system that takes into account both Group targets and employee expectations. The aim is to:

- establish a system which allows for continuous development and advancement throughout an employee's career with the company and provides them with a clear long-term view of their future career;
- offer all employees similar career advancement opportunities by ensuring that every employee is treated fairly;
- open up opportunities across all parts of the business; and
- set up a reliable and controlled evaluation process which ensures fair treatment for all employees.

In the United Kingdom, the remuneration structure is now based on the "rate for the job", following an agreement with Unite signed in July 2007.

Thus, 400 employees of ESGIE had a salary increase other than the collective increase during 2010: 34 in relation to changes in job or function, 48 as individual salary increases and 318 as part of the application of the career-development plan. Similarly, 412 ESL employees saw their remuneration rise above the collective increase in 2010: 355 as part of the “*Rate for the Job*” agreement, 16 due to promotions, and 41 due to individual pay rises.

A bonus system, half based on safety and service quality indicators and half on cash flow performance, enables all ESGIE/ESL employees to receive a bonus of up to 6% of annual basic salary. For 2010, the results allowed the payment of an operational bonus of 2.05% and a financial bonus of 1.40%, representing a general bonus of 3.45%. A management bonus is paid to managerial staff, as a percentage of salary, depending on their grade. The indicators used are the same as for the basic bonus, but with greater weight given to financial results.

A performance-related bonus plan, in force for ESGIE personnel since January 2007, was renewed in January 2010 for a period of three years, retaining the performance indicators based on customers’ perception of service quality. A total bonus of €776 was paid under this plan, compared to a possible maximum of €1,200. Although the performance related bonus arrangements cannot be transposed to the UK, ESL staff benefit from a collective bonus system based on the same indicators.

The main objective of these various arrangements is to improve the business’s performance by developing the skills and practices of its employees.

17.1.7 Disabled employees

The percentage of persons with disabilities employed by ESGIE in France was 3.38% in 2010 (2009: 3.21%).

In the United Kingdom, even in the absence of legal requirements, the Group has in place an equal opportunity policy to ensure equal treatment of all employees and candidates.

In the future, the Eurotunnel Group intends to continue its efforts in integrating disabled persons within its workforce.

17.2. Health and safety

17.2.1 Recent developments

In 2009 and 2010, the following initiatives were implemented to ensure work safety and the proper functioning of safety systems:

- implementation of an integrated knowledge management system in the operations and maintenance divisions;
- enhanced safety training for managers, mainly newly promoted managers and long-standing managers;
- the development of training courses designed to improve the security behaviour of personnel (“*No Percut*”: based on an educational game), created firstly for the maintenance division, then adapted and extended to operational personnel. Crisis management training took place in 2010 for all employees working on trains.

17.2.2 Measures put in place

All safety events are recorded and analysed, so that recommendations can be made and action plans drawn up. For the most serious events, internal investigation reports are sent to the IGC’s Safety Authority.

In addition, safety indicators are monitored constantly to check that overall performance is improving. These include:

- a collective passenger safety indicator;
- an individual passenger safety indicator; and
- a work safety indicator.

17.2.3 Work safety performance

Accidents with medical leave of absence	2010	2009
ESGIE/ESL accident frequency rate	8.5	6.4
Contractor accident frequency rate	11.8	12.7

Bringing the safety performance of the Group's contracting partners to a level that is at least equivalent to its own remains a priority.

17.3. Labour relations and the development of the Eurotunnel Group

17.3.1 Collective agreements and industrial relations

a) Collective agreements

As of 31 December 2010, 1,510 ESGIE employees were subject to collective agreements. In France, employees of ESGIE are represented by four trade union organisations and are covered by a collective agreement as part of a company agreement negotiated with these unions.

The renewal of the bodies representing the personnel, the works council and the personnel representatives took place in December 2010, with the personnel representatives being elected for a period of four years.

Negotiations with the trade unions will be held in 2011 with the aim of the creation of a group employee-representative committee.

In the United Kingdom, due to the voluntary agreement on single union representation signed in 2000 by ESL with *Unite*, all employees of ESL (with the exception of supervisory staff) are represented by *Unite* during collective negotiations. Employees may nevertheless belong to the union of their choice for their individual representation.

Recent changes in French labour law resulted in sustained labour discussions in 2010. These discussions covered the annual salary negotiations as well as talks with employee representatives on the following topics:

- The renewal of the performance-related bonus agreement, which led to the signature of an agreement with the unions for a period of three years.
- The management of psycho-social risks, which was the subject of an agreement in March 2010.
- The employment, and maintenance in employment, of disabled workers.

In the United Kingdom, management and employee representatives held major talks throughout 2009 concerning the financing of the pension fund. An agreement was reached in March 2010 on the implementation, in April 2010, of a hybrid defined benefit-cum-defined contribution system that should enable the fund to return to a solid financial footing for the medium and long-term while continuing to provide employees with an attractive pension plan.

During 2010, following the failure of negotiations with *Unite* to reach agreement on salaries in the United Kingdom, this union balloted its members in view of a strike, without success. The union's call for a work to rule was not followed with any effect. The threat of strikes was lifted at the end of December 2010.

b) Industrial relations

As part of its labour relations policy, ESGIE/ESL maintains ongoing dialogue with staff representative bodies (the French works council and the UK company council). In addition, a European Works Council meets at least once a year to be informed of or consulted on cross-border issues relative to the company's business.

A Group-wide project entitled "Agora" was introduced in 2007 with a view to motivating the workforce within the framework of the Group's operational and economic revival. This project continued through specific initiatives aimed at enhancing the leadership of managers on the ground, and through initiatives to improve working

conditions and the treatment of individuals within the organisation. All of the actions implemented during the project phase have been perpetuated to become sustainable personnel-management practices.

In France, some of the personnel followed national calls concerning the protest movement in relation to the new retirement plans. Participation in the various national strike days caused the loss of 246 working days, however without impact on operation.

In 2010, following stalemate in wage negotiations with *Unite* concerning pay during 2010, the union called on its members to support a strike movement. Support was not forthcoming. The union supported action in favour of limited demonstrations (a ban on overtime, work to rule); the effects of these courses of action were limited and did not interrupt operations. In December 2010 these divergences were settled and the threat of strikes disappeared.

17.3.2 *Labour relations within the Eurotunnel Group*

The Group is continuing a policy of the dynamic management of its workforce, seeking ways to improve productivity and taking advantage of external development operations to optimise the use of human resources.

17.4. Shareholdings and stock options

17.4.1 *Stock options*

After authorisation by the extraordinary general meeting on 26 May 2010, the board of directors granted 1,164,000 share options to 57 executives of the Group.

These options were granted at an exercise price of €6.42.

They are subject to the following internal and external performance conditions:

- 50% of options granted are subject to the realisation of the following performance condition: (i) the decision of the general meeting of shareholders of GET SA to distribute a dividend and (ii) the achievement of an EBITDA, as recorded in the consolidated annual financial statements for the year in question, of an amount at least equal to the amount stipulated in the rule:
 - for 25% of the options, assessment of the achievement of this condition will be made on the basis of the 2010 financial statements, upon which the 2011 general meeting of shareholders will pronounce,
 - for 25% of the options, assessment of the achievement of this condition will be made on the basis of the 2011 financial statements, upon which the 2012 general meeting of shareholders will pronounce.
- 50% of options granted are subject to the realisation of the following performance condition: the performance of the GET SA ordinary share in relation to changes in the SBF 120® stock market index, the performance of the GET SA share having to be at least equal to the performance of this index or any other index that may substitute for it. Performance will be assessed on the basis of the respective opening prices on the date of grant (16 July 2010), and the expiration of a period of 12 consecutive months:
 - for 25% of the options, assessment of the achievement of this condition will be made on the basis of prices observed over the period from 16 July 2010 to 15 July 2011,
 - for 25% of the options, assessment of the achievement of this condition will be made on the basis of prices observed over the period from 16 July 2011 to 15 July 2012.

17.4.2 *Bonus shares*

As of the date of this Reference Document, GET SA has requested from the annual meeting of shareholders the necessary authorisations to put in place a bonus share plan for all employees of the Group.

17.5. Employee shareholdings

17.5.1 Employee holdings in the share capital of GET SA and its subsidiaries

The employees of ESGIE have the opportunity to make payments into a company savings scheme composed almost entirely of GET SA Ordinary Shares. These payments are supplemented by a contribution of 25% paid by the company. On 31 December 2010, 150,300 GET SA Ordinary Shares were held under this plan, representing 0.028% of the share capital outstanding at that time.

17.5.2 Employee profit sharing schemes

There is no profit sharing scheme for the employees of ESGIE, subsidiary of GET SA, the legal principle being inapplicable as the result of the relevant legal framework. Similarly, there is no profit sharing scheme for the employees of ESL as English legislation does not require such an agreement.

17.6. Staff welfare and charitable activities

The French works council (Comité d'Entreprise), which receives contributions from ESGIE equal to 0.8% of its total gross annual salary costs, received €443,171 in 2010 for developing and managing its staff welfare activities. ESGIE also makes a contribution equal to 0.2% of its total gross annual salary costs, or €110,793, to the operation of the works council.

The UK company council, which receives contributions from ESL equal to 0.8% of its total adjusted gross annual salary costs, received £186,310 in 2010 for developing and managing its staff welfare activities. ESL also makes a contribution equal to 0.2% of its total gross annual salary costs, or £46,578, to the operation of the company council.

17.7. Europorte

Europorte covers all rail freight operator and related activities carried out by the holding company Europorte SAS, its subsidiaries (Europorte Proximité, Europorte Channel, Europorte France and Socorail in France and GBRf in the United Kingdom) and Europorte Services.

On 31 December 2010, Europorte's workforce stood at 954 persons, including 648 persons for France and 306 persons for the United Kingdom. These figures do not include personnel from Europorte Channel and Europorte Services which are composed exclusively of employees on secondment from ESGIE (31 persons for Europorte Services and 20 persons for Europorte Channel).

Men represent 91.82% of Europorte's workforce (876 persons). This highly unbalanced distribution is explained by the specifics of jobs on the railways.

The proportion of managerial personnel in France is 6.17% (representing 40 persons). In the United Kingdom, the employees are divided into two categories, the operational personnel (negotiated staff), equivalent to those without the French employment status of "cadre" and representing 209 persons, and the "support" personnel (non-negotiated) representing 97 persons.

During the year, Europorte recruited 168 persons (including 156 persons on permanent employment contracts), essentially drivers, to meet the requirements related to the various activities started in 2010, and those to come.

Europorte terminated 18 employment contracts, including eight redundancies for economic reasons, five dismissals for other causes and five terminations of contract by mutual agreement.

Concerning work organisation, in France, the weekly duration of work may vary over all or part of the year but without exceeding an average of 35 hours and the limit of 1,607 hours during the year. Out of 648 employees, only four work part-time, with a monthly work period varying between 50% and 80% of full-time. In the United Kingdom, non-managerial staff (negotiated staff) must not exceed a limit of 1,826 hours (including paid holidays). Out of 306 employees, eight are working part-time at 50%.

On 31 December 2010, in France, all Europorte employees were subject to collective agreements. The employees are represented by four unions and come under two collective agreements: the “Métallurgie Meurthe et Moselle” collective agreement for Socorail and the “Voies Ferrées d’Intérêt local” collective agreement for Europorte France and Europorte Proximité. For GBRf, a three-year wage agreement from 1 April 2010 to 31 March 2013 was drawn up with ASLEF for train crews and ground staff.

Europorte had no significant collective conflicts during 2010.

One of the main objectives of the Eurotunnel Group’s human resources policy for 2011 will be to try to pool a certain number of personnel-management practices, taking into consideration specific activities and the national specifics of each of the companies. The Group thus created a railway training structure, the Centre International de Formation Ferroviaire de la Côte d’Opale (CIFFCO).

CHAPTER 18 – MAJOR SHAREHOLDERS

18.1. Major shareholders

The analysis of holdings in GET SA shares over the last 3 years is as follows:

	31 December 2010	31 December 2009	31 December 2008
% of capital:			
– individuals	17%	18%	34%
– custodians	44%	35%	35%
– institutions	39%	31%	31%
Number of shares	534,211,182	477,063,229	189,841,915

Source: analysis TPI and register.

At the date of this Reference Document, the share capital of GET SA comprised 534,211,182 GET SA Ordinary Shares.

- In a letter to the AMF dated 13 April 2010, Franklin Resources, Inc. (1 Franklin Parkway, San Mateo, CA 94403-1906, United States), acting for its own account and on behalf of its affiliates, declared that, on 9 April 2010, it had fallen below the threshold of 5% of the capital and voting rights of GET SA and held 23,802,298 GET SA shares representing 4.99% of the capital and 4.98% of the voting rights for this company. This reduction in holding resulted from a sale of GET SA shares in the market.
- In a letter to the AMF dated 26 November 2009, followed by a letter dated 27 November 2009, The Goldman Sachs Group, Inc., incorporated in Delaware (Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware, USA), declared that it indirectly owned 81,979,099 GET SA Ordinary Shares representing 17.20% of GET SA's share capital and 17.18% of the voting rights, based on the GET SA share capital at the time of 476,624,330 GET SA Ordinary Shares, representing 477,304,329 theoretical voting rights.

The Goldman Sachs Group, Inc. also declared owning the following securities convertible into new GET SA shares:

- under the terms and conditions of the 2008 share warrants (AMF visa No. 08-077 dated 28 April 2008), The Goldman Sachs Group, Inc., acting through Aero, can receive upon exercise of the warrants 45,500 GET SA Ordinary Shares, provided that it holds the 1,001,000 GET SA Ordinary Shares obtained upon exercise of the warrants until 6 March 2011;
- under the terms and conditions of the Subordinated Deferred Equity Securities (SDES), The Goldman Sachs Group, Inc., via Aero, is entitled to receive a conditional additional return resulting from holding, until 6 March 2011, 78,026,402 GET SA Ordinary Shares received in redemption of its SDES; at the choice of GET SA, the conditional additional return will consist of 3,552,336 existing or newly-issued GET SA Ordinary Shares, or their equivalent in cash. The payment of the conditional additional return will occur between the 5th and the 10th working day following 6 March 2011. Aero is contractually committed, under certain conditions, to hold all of the GET SA Ordinary Shares received in redemption of its SDES for a period of 3 years from maturity of the SDES, namely until 6 March 2011;
- GSI, controlled by The Goldman Sachs Group, Inc. then held NRS I T3 giving the right to 136,943 GET SA Ordinary Shares;
- The Goldman Sachs Group, Inc., through GSI, held 3,366 share warrants giving the right to receive 3,366 newly-issued ordinary shares on the maturity date of 30 December 2011.

- Prudential plc (Laurence Pountney Hill, London, EC4R 0HH, UK) declared to the AMF that on 29 September 2009 it fell below the ownership threshold of 5% of GET SA's share capital and voting rights. At that date, Prudential plc owned directly and indirectly through the asset management firms it controls (Prudential plc, M&G Group Limited, M&G Limited, and M&G Investment Management Limited) 19,724,991 GET SA shares representing 4.86% of GET SA's share capital and 4.69% of the theoretical voting rights, or 406,281,851 shares.

Prudential plc declared that on 8 October 2009, it owned 19,779,539 GET SA shares, or 4.87% of GET SA's share capital and 4.70% of the theoretical voting rights.

18.2. Control

To GET SA's knowledge, there are no agreements that, if implemented, could bring about a change of control of GET SA at a later date.

Apart from the double voting rights described in paragraph 21.2.5, there are no specific voting rights attached to any GET SA Ordinary Shares.

CHAPTER 19 – RELATED PARTY TRANSACTIONS

The Group's related party transactions in 2010 are mentioned in the statutory auditors' report on regulated agreements and undertakings for the 2010 financial year given in annex II, in chapter 20 in note GG to the consolidated financial statements and note U to the parent company financial statements, and in chapter 22 on material contracts.

CHAPTER 20 – FINANCIAL INFORMATION CONCERNING THE EUROTUNNEL GROUP'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS

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20.1. Historical financial information

The financial information presented in this Reference Document (in section 20.3) or included by reference in this document pursuant to article 28-1 of European Commission Regulation (EC) 809-2004, relates to the Group which has as parent GET SA, the holding company of FM, CTG, Europorte and their subsidiaries.

20.2. Pro forma financial information

None.

20.3. Annual financial statements

20.3.1 GET SA's consolidated financial statements for the financial year ending 31 December 2010 and the statutory auditors' report thereon

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Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2010

This is a free translation into English of the statutory auditor's report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying consolidated financial statements of Groupe Eurotunnel SA;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2 Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters.

Business combinations

In the context of its strategy to develop its activity of rail freight operator, Groupe Eurotunnel acquired rail freight entities in France and in the United Kingdom, which are consolidated respectively since 1st January and 28 May 2010. These operations of external growth conducted Groupe Eurotunnel to implement the IFRS 3 revised standard, in accordance with the conditions described in the note B.3.i of the consolidated financial statements. We have checked the appropriate application of this standard and we ensured that notes B.3.i and D of the consolidated financial statements give appropriate information relating to these acquisitions.

Insurance indemnities to be received in respect of the fire in September 2008

Note A.1 of the consolidated financial statements relating to the consequences of the fire in September 2008 describes in particular the insurance cover of the Group, the present context it is facing following the claim for compensation launched by the Railways to the primary layer insurers and the measures taken by Groupe Eurotunnel in order to protect its rights. This note also highlights that in the current context, the Group has not accounted for in 2010 any additional insurance indemnities to be received for its operating losses. We ensured of the reasonableness of the estimate made by the Group in 2010 regarding insurance indemnities to be received and of the appropriateness of the information given in the note A.1 of the consolidated financial statements.

Valuation of Concession tangible assets

In accordance with accounting policies described in note B.3.v of the consolidated financial statements and with note P of such consolidated financial statements, Groupe Eurotunnel performed an impairment test in order to ensure that the recoverable value of Concession tangible assets was still greater than their book value. We examined the conditions of implementation of this test based on discounted future cash flows after tax and capital expenditures renewal as well as the main assumptions and parameters used. We also verified that note P of the consolidated financial statements gives appropriate information. These estimates are based on assumptions which remain uncertain by their very nature, as real figures could defer sometimes significantly from the provisions used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Statutory auditors

Paris La Défense and Courbevoie, 3 March 2011

KPMG Audit
A division of KPMG S.A.

Mazars

Fabrice Odent
Partner

Philippe Cherqui
Partner

Thierry de Baillencourt
Partner

Jean-Marc Deslandes
Partner

Consolidated income statement

€'000	Note	31 December 2010	31 December 2009
Revenue(*)	F	736,582	571,133
Other income	G	–	69,200
Total turnover		736,582	640,333
Operating expenses(*)		(234,842)	(195,255)
Employee benefits expense(*)	H,I	(165,711)	(120,051)
Depreciation	O,P	(156,249)	(163,905)
Trading profit		179,780	161,122
Other operating income	J	17,583	13,033
Other operating expenses	J	(7,505)	(12,826)
Operating profit		189,858	161,329
Income from cash and cash equivalents		6,898	2,974
Gross cost of servicing debt	K	(254,935)	(195,118)
Net cost of financing and debt service		(248,037)	(192,144)
Other financial income	L	12,356	42,722
Other financial charges	L	(10,543)	(10,248)
Income tax expense	M	(436)	(228)
Result for the year (loss)/profit		(56,802)	1,431
Group share: (loss)/profit:		(56,800)	1,564
Minority interest share: loss	T	(2)	(133)
(Loss)/profit per share (€)	N	(0.12)	0.01
(Loss)/profit per share after dilution (€)	N	(0.11)	n/s

* For the impact of the entry of the newly-acquired companies into the scope of consolidation, see note D.3 below.

Consolidated statement of comprehensive income

€'000	31 December 2010	31 December 2009
Foreign exchange translation differences	(56,179)	(113,124)
Movement in fair value of hedging contracts(*)	(117,489)	179,697
Net (expense)/income recognised directly in equity	(173,668)	66,573
(Loss)/profit for the year – Group share	(56,800)	1,564
Total comprehensive (expense)/income – Group share	(230,468)	68,137
Total comprehensive income/(expense) – minority interest share	3	(734)
Total comprehensive (expense)/income for the year	(230,465)	67,403

* Including accrued interest.

The notes form an integral part of these consolidated financial statements.

Consolidated balance sheet

€'000	Note	31 December 2010	31 December 2009
ASSETS			
Goodwill	O	16,463	–
Intangible assets	O	12,673	–
Total intangible assets		29,136	–
Concession property, plant and equipment	P	6,644,299	6,759,173
Other property, plant and equipment	P	46,933	3,917
Total property, plant and equipment		6,691,232	6,763,090
Non-current financial assets			
Investment in subsidiary undertakings	Q	5	10,450
Other financial assets	Y	2,344	1,847
Total non-current assets		6,722,717	6,775,387
Inventories		1,419	–
Trade receivables	R,Y	80,438	46,499
Other receivables	R,Y	62,465	86,487
Other financial assets	R,Y	458	9,312
Cash and cash equivalents	R,Y	316,323	251,226
Total current assets		461,103	393,524
Total assets		7,183,820	7,168,911
EQUITY AND LIABILITIES			
Issued share capital	S	213,684	190,825
Share premium account	S	1,812,316	1,780,896
Other reserves	T	606,964	582,169
Other equity and similar instruments	T,U	–	215,357
(Loss)/profit for the year	T	(56,800)	1,564
Cumulative translation reserve	B,2i,T	244,248	300,427
Equity – Group share		2,820,412	3,071,238
Minority interest share	T	–	48
Total equity		2,820,412	3,071,286
Retirement benefit obligations	W	29,813	17,710
Financial liabilities	R,X	3,753,824	3,651,467
Other financial liabilities	R,Y	992	1,404
Interest rate derivatives	R,X	392,271	274,782
Total non-current liabilities		4,176,900	3,945,363
Provisions	BB	8,744	5,883
Financial liabilities	R,X	4,815	10,246
Other financial liabilities	R,Y	472	443
Trade payables	R,CC	146,719	112,875
Other payables	R,CC	25,758	22,815
Total current liabilities		186,508	152,262
Total equity and liabilities		7,183,820	7,168,911

The notes form an integral part of these consolidated financial statements.

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 2009	75,937	1,136,128	148,253	1,226,319	43,595	407,697	3,037,929	2,700	3,040,629
Transfer to non-distributable reserves			36,252		(36,252)				
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)
Early conversion of 2007 Warrants	41,401		(41,401)						
Share issue costs		(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)					
Adjustment of special reserve		846	(846)						
Acquisition/sale of own shares			799				799		799
Result for the year					1,564		1,564	(133)	1,431
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
Transfer to non-distributable reserves			1,564		(1,564)				
Payment of dividend (note T)			(18,490)				(18,490)		(18,490)
Merger of TNU PLC (notes C & T)	180	3,135					3,315	(51)	3,264
Cost of merger of TNU PLC		(1,175)					(1,175)		(1,175)
Share issue costs		(513)					(513)		(513)
Contractual redemption of NRS I T3 (note U.1)	21,190		164,244	(185,139)			295		295
Contractual redemption of SDES (note U.2)	1,489	29,906	(1,177)	(30,218)					
Change in scope of consolidation (**)			(818)				(818)		(818)
Share based payments (note V)			239				239		239
Adjustment of special reserve (note T)		67	(67)						
Acquisition/sale of own shares			(3,211)				(3,211)		(3,211)
Result for the year					(56,800)		(56,800)	(2)	(56,802)
Net profit/(loss) recorded directly in equity			(117,489)			(56,179)	(173,668)	5	(173,663)
At 31 December 2010	213,684	1,812,316	606,964	-	(56,800)	244,248	2,820,412	-	2,820,412

* See note T below.

** Change in the net situation of the acquired Europorte entities between the date of the business combination on 30 November 2009 and the date on which they were first consolidated on 1 January 2010 (see note D below).

The notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

€'000	Note	31 December 2010	31 December 2009
Result for the year: (loss)/profit		(56,802)	1,431
Income tax expense		436	228
Other financial income		(1,813)	(32,474)
Net cost of financing and debt service		248,037	192,144
Other operating income		(10,078)	(207)
Depreciation		156,249	163,905
Trading profit before depreciation		336,029	325,027
Exchange adjustment(*)		(1,349)	1,195
Decrease in inventories		168	–
Decrease/(increase) in trade and other receivables		13,766	(38,892)
Increase/(decrease) in trade and other payables		4,854	(11,391)
Net cash inflow from trading		353,468	275,939
Other operating cash flows		3,388	5,391
Taxation		(456)	18
Net cash inflow from operating activities		356,400	281,348
Payments to acquire property, plant and equipment		(49,905)	(40,615)
Sale of property, plant and equipment		2,368	132
Receipt of compensation for rolling stock		5,719	10,000
Acquisition of shareholding in subsidiary undertakings	D	(32,409)	(19,342)
Net cash from subsidiaries entering into the scope of consolidation	D	3,751	–
Net cash outflow from investing activities		(70,476)	(49,825)
Dividend paid		(18,490)	(7,343)
Share issue costs		(1,575)	(9,237)
Purchase of treasury shares		(2,886)	(9,616)
Redemption and partial buy back of NRS		–	(29,696)
Interest paid on the NRS		(5,712)	(18,088)
Interest paid on Term Loan		(151,622)	(165,697)
Interest paid on hedging instruments		(53,896)	(35,286)
Interest received on cash and cash equivalents		8,920	2,845
Other interest received		38	162
Proceeds from sale of treasury shares		(300)	10,400
Net cash outflow from financing activities		(225,523)	(261,556)
Increase/(decrease) in cash in year		60,401	(30,033)

* 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	Note	2010	2009
Cash and cash equivalents at 1 January		251,226	275,908
Increase/(decrease) in cash in year		60,401	(30,033)
Increase in interest receivable in year		88	1
Effect of movement in exchange rate		4,608	5,350
Cash and cash equivalents at 31 December	R.3	316,323	251,226

The notes form an integral part of these consolidated financial statements.

Notes to the financial statements

The terms "Groupe Eurotunnel SA" and "GET SA" are used hereafter to refer to the holding company governed by French law, whose registered office is at 3 rue La Boétie, 75008 Paris, France. GET SA is the consolidating entity of the Group and its shares are listed on Euronext Paris and the London Stock Exchange.

The term "Group" or "Eurotunnel Group" refers to Groupe Eurotunnel SA and all its subsidiaries.

The principal activities of the Group are the design, financing, construction and operation of the Fixed Link, in accordance with the terms of the Concession, and the development of the rail freight activity. The Concession will expire in 2086.

A. Important events

A.1 Consequences of the Fire in September 2008

The Group's insurance policy covering material damage and operating losses up to €900 million 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.

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, for which the Railways consider that the Group's insurers should also compensate them.

As a result, Eurostar UK Limited ("EUKL", on behalf of BRB) and SNCF have commenced proceedings against the primary layer insurers and obtained ex parte and in summary proceedings (in the absence of the other parties) an order from the Paris *Tribunal de Grande Instance* dated 13 May 2009. This ordered the primary layer insurers 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 20 May 2009.

Eurotunnel initiated a process before an arbitration tribunal in April 2010 to establish that Eurotunnel has no obligation under the usage contract to insure the Railways for their operating losses and that the Railways have not contributed to the premium relating to the cover of operating losses under the Group's insurance policies.

The arbitration tribunal has been constituted and its decision is expected at the end of 2011.

Although the procedure between EUKL and SNCF and the insurance companies does not directly concern the Eurotunnel Group which was not party to the legal proceedings, Eurotunnel decided in July 2010 to associate itself voluntarily with these proceedings by requesting that the tribunal declare that it does not have the jurisdiction on two fundamental questions and to stay the proceedings until the ruling by the arbitration tribunal. On 10 January 2011, the Paris *Tribunal de Grande Instance* ruled that the two proceedings be suspended (SNCF and Eurostar against the insurers) until such time as the ruling of the arbitration tribunal is given.

In 2009, the Paris *Tribunal de Grande Instance* 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. The Railways having confirmed that their claim is limited to €48 million, Eurotunnel requested that the €11 million be released and paid to the Group. Eurotunnel received the €11 million on 17 February 2011.

These actions do not call into question the principle of compensation for operating losses and material damage resulting from the fire but they do delay the receipt of the payments expected from the primary layer insurers.

At 31 December 2009, the Group had received a total of €141 million under the primary layer, but received nothing from the primary layer insurers in 2010.

During 2010, the Eurotunnel Group received €16 million in compensation from the second layer insurers, bringing the total compensation received to €157 million at 31 December 2010. Eurotunnel received an additional agreement from the second layer insurers on various claims amounting to approximately €7 million which was paid at the beginning of 2011.

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.

The consequences of the fire on 11 September 2008 continued to affect activity levels in 2010, particularly Truck Shuttle activity. However, given the situation described above, in 2010 Eurotunnel has not accounted for any additional insurance indemnities to be received for operating losses.

A.2 Financial transactions and simplification of the Group's structure

During 2010, the Group carried out:

- the final contractual redemption of the NRS I Tranche 3 in July 2010 (see note U.1 below), and
- the final contractual redemption of the SDES on 6 September 2010 (see note U.2 below).

Following these transactions, the Group continued the simplification of its legal structure with the merger of TNU PLC and EGP into GET SA (see note C below).

A.3 Acquisition of GB Railfreight Limited on 28 May 2010

On 28 May 2010, the Group concluded the acquisition of the company GB Railfreight Limited (GBRf) for £25.7 million (equivalent to €30.1 million) (see note D below).

B. Basis of preparation and significant accounting policies

B.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with those IFRS standards as adopted by the European Union up to 31 December 2010. IFRS as adopted by the European Union differ in certain aspects from those published by the IASB. Nevertheless, the Group has checked that the financial information for the periods presented would not have been substantially different if they had been prepared in accordance with IFRS as published by the IASB.

The consolidated financial statements were finalised by the board of directors on 3 March 2011, and will be submitted for approval to the shareholders' general meeting.

B.2 Basis of preparation and presentation of the consolidated accounts

The consolidated accounts consist of the consolidation of the accounts of GET SA and its subsidiaries as set out in the table in note C below. The accounting periods of Eurotunnel companies run from 1 January to 31 December.

Eurotunnel has control over the nature and price of the services it provides, and therefore does not meet the criteria set out in IFRIC 12 relating to concession contracts. GET SA applies IAS 16 on property, plant, and equipment, and IAS 37 on provisions.

The following standards and interpretations became applicable to the Group on 1 January 2010:

- the revised IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements": these standards have been applied in order to account on 1 January 2010 for the business combinations relating to the first consolidation of the new rail freight subsidiaries (see note D below);

- the amendment to IAS 39 relating to the eligibility of hedging elements, amendment IFRS 2 relating to intra-group cash-settled transactions, interpretation IFRIC 12 "Service Concession Arrangements", the interpretation IFRIC 15 "Agreements for the Construction of Real Estate"; interpretation IFRIC 16 "Hedges of a Net Investment in a Foreign Operation", interpretation IFRIC 17 "Distributions of Non-cash Assets to Owners", and interpretation IFRIC 18 "Transfers of Assets from Customers". These amendments and interpretations have not had a significant impact on the Group's results or on its financial position.

The Group has not opted for early adoption of standards and interpretations published by the IASB and adopted by the European Union which only become applicable to the Group from 1 January 2011:

- the revised IAS 24 "Related Party Disclosures", and
- the amendments to IAS 32 "Classification of Rights Issues" and to IFRS 1 "Limited exemption to the presentation of comparative information for IFRS 7".

The Group does not expect a significantly impact to arise from the application of these standards and interpretations from 1 January 2011.

Finally, the Group has not opted for early adoption of standards and interpretations published by the IASB but not yet adopted by the European Union. The Group does not expect that these standards, amendments and interpretations, the application of which is not mandatory from 1 January 2010 and which may be adopted early, will have any significant impact on its results or its financial situation.

i. Exchange rates

GET SA's company accounts and consolidated accounts are prepared in euros.

The accounts of GBRf and of CTG and its subsidiaries are prepared in sterling and are converted into euros as follows:

- Share capital, share premium account, retained reserves brought forward, Concession property, plant and equipment and depreciation at historical rates.
- All other assets and liabilities at the rate ruling at the balance sheet date.
- Income statement items, with the exception of depreciation, at an average rate for the year.
- Exchange differences arising from the application of the above are included in the cumulative translation reserve in the balance sheet.
- The closing and average €/£ exchange rates for 2010 and 2009 are as follows:

€/£	2010	2009
Closing rate	1.162	1.126
Average rate	1.169	1.119

ii. Use of estimates and judgements

The preparation of the consolidated financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the period. The board of directors periodically reviews its valuations and estimates based on its experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value.

The actual results could differ significantly from these estimates depending on different conditions and hypotheses. The use of estimations concerns mainly the valuation of intangible and tangible property, plant and equipment

(see notes O and P), the evaluation of the tax situation (note M), certain elements of the valuation of financial instruments (note Z) and the amount of insurance indemnities to be received from the insurers following the Fire in September 2008 (see note A.1 above).

B.3 Significant accounting policies

i. Business combinations and goodwill

Business combinations are recorded in accordance with the acquisition accounting method as set out in the revised IFRS 3. Under this method, assets acquired and liabilities and contingent liabilities assumed are recorded at fair value.

Goodwill represents the excess of the acquisition price over the fair value of the identifiable assets, liabilities and contingent liabilities acquired. It is valued in the functional currency of the entity acquired and is accounted for on the balance sheet.

Where the fair value of assets, liabilities and contingent liabilities acquired exceeds the acquisition price, a negative goodwill is immediately recorded in the income statement.

Costs directly attributable to business combinations are accounted for under the period's operating result.

ii. Cost and revenue sharing

The Concession requires that the Group's Concessionaires (CTG and FM) share equally the cost price of the project and all revenues and costs relating to the operation of the Fixed Link between the British and French companies.

- Concession property, plant and equipment is shared equally between the Concessionaires.
- Operating revenues and costs are accounted for in the income statement of the partnership and are shared equally between the Concessionaires. Revenues and costs which do not relate to the operation of the Concession are not subject to these sharing arrangements.

iii. Intangible assets

Goodwill

Goodwill is subject to an annual impairment test. The recoverable value is calculated for the cash-generating unit (CGU) to which the goodwill belongs. In the Eurotunnel Group each activity segment represents a CGU, although, in certain circumstances, the CGU may be made up of a single operating legal entity.

The value in use of CGUs is calculated by discounting operating cash flows after taxation and capital investments on renewals as forecast in the CGU's business plan and validated by the Group's management as part of its operational management. The period covered by the business plan (normally three years) is completed by two years of extrapolation and by a terminal value which is calculated on the basis of free cash flows that continue into perpetuity growing at an assumed moderate rate limited to the rate of inflation. The discount rate retained is the WACC calculated by CGU at each year end.

Intangible assets relating to commercial contracts

Intangible assets are depreciated on a straight line basis over the estimated life of the commercial contracts.

iv. Tangible property, plant and equipment, and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment is depreciated on a systematic basis in order to write down the costs of assets over their expected useful lives as follows:

	Concession	Europorte
Tunnels	Concession ^(*)	n/a
Terminals and related land	10 years – life of Concession ^(*)	Length of contract/20 years
Fixed equipment and machinery	5 years – life of Concession ^(*)	3 – 10 years
Rolling stock	5 – 60 years	5 – 35 years
Freehold land	not depreciated	–
Office equipment	3 – 10 years	3 – 10 years

* The Concession expires in 2086.

The expected useful lives of the assets are kept under review and revised when necessary, according to experience.

Non-renewable Concession property, plant and equipment is depreciated over the life of the Concession on a straight line basis. Depreciation on renewable assets is calculated on a straight line basis.

As all property, plant and equipment will be written down to £nil at the end of the Concession, depreciation of the final renewal cost of renewable assets will be based on the residual duration of the Concession.

v. Impairment of tangible property, plant and equipment

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of assets is the greater of their net selling price and their value in use. In assessing value in use, the estimated future cash flows of the Concession considered as a whole are discounted to the present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

vi. Retirement liabilities

The Group provides for its legal and contractual obligations for retirement indemnities of employees under French contracts, and for the retirement schemes of employees under UK contracts operated by CTG and ESL and GBRf's retirement scheme. The current service cost of the period, determined by the projected unit of credit method, is accounted for in operating costs. Actuarial differences are dealt with using the "corridor" approach, with any excess or shortfall outside the corridor being amortised over the average remaining working lives of the beneficiaries, and are shown in operating costs.

vii. Provisions

Provisions are recognised when there exists a legal or constructive obligation stemming from a past event and when the related future cash flows can be reliably estimated.

viii. Financial instruments**Financial assets**

In accordance with IAS 39, the Group's financial assets have been classified in one of the following four categories:

- financial assets at fair value through profit and loss;

- loans and receivables;
- held-to-maturity investments;
- available-for-sale financial assets.

The classification defines the accounting treatment of these instruments. The classification is designated by the Group at the date of initial recognition depending on the purpose for which the assets were acquired. The purchase and sale of financial assets are accounted for on the transaction date, being the date on which the Group has contracted for the purchase or sale of the asset.

Financial assets at fair value through profit and loss

These are financial assets held by the Group for the purpose of generating a short-term profit, or assets designated to this category at inception.

These assets are measured at their fair value with changes in the carrying amount being taken to the income statement.

These financial instruments include short-term treasury investments which are classified as current assets in cash equivalents.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not listed on an active market and that are not held for trading purposes and are not available for sale.

These assets are initially measured at their fair value and subsequently at their amortised cost using the effective interest method. For short-term receivables that do not have a contractual rate of interest, the fair value is assimilated to the original invoiced amount except where the effective interest rate has a significant impact.

These assets are subject to impairment tests if there is an indication of impairment losses. An impairment loss is recognised whenever the carrying amount exceeds the estimated recoverable amount.

Receivables arising on shares and trade receivables are included in this category. They are shown as financial assets and as trade receivables.

Held-to-maturity investments

Held-to-maturity investments are financial assets, other than loans and receivables, with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity. At the balance sheet date, the Group has not designated any financial asset to this category.

Available-for-sale financial assets

All financial assets that are not classified in another category are classified as available-for-sale. They are measured at their fair value. Unrealised gains and losses are recognised in equity until the asset's sale or derecognition. However when there is objective evidence that an available-for-sale asset may be impaired, the cumulative net loss is recognised in the income statement. Impairments on equity securities cannot be reversed in subsequent accounting periods.

Fair value, for listed securities, equates to the market price. For unlisted securities, the fair value is determined by reference to recent transactions or by using valuation techniques incorporating reliable and observable market data. However, when no reliable estimate of the fair value of a security can be made, it is measured at historical cost. These assets are subject to impairment tests to establish their recoverability.

This category includes shares in non-consolidated subsidiaries.

Financial liabilities

Financial liabilities include, in accordance with IAS 39:

- loans and bank overdrafts;
- derivative liabilities.

Borrowings

Borrowings are recognised initially at fair value less transaction costs, and subsequently at amortised cost according to the effective interest rate method.

For financial liabilities that are at a fixed interest rate indexed to inflation, the future cash flows are periodically re-estimated to take account of actual fluctuations in the inflation rate, thereby changing the effective interest rate.

Finance (debt servicing) costs are recognised at a constant interest rate until maturity of the debt using the effective interest rate method. The effective interest rate is the interest rate that exactly discounts all of the contractual cash flows due on the debt until its maturity. The effective interest rate is calculated on the basis of the estimated cash flows due on each instrument constituting the debt. The calculation takes into account the transaction-related costs and all other premiums and discounts.

Interest rate hedging instruments

All the derivative instruments are designed to hedge exposure to interest rate risk. They are measured at market value and are used as cash flow hedges.

Cash flow hedges: the derivative instruments designed to hedge the floating rate element of the debt are accounted for as cash flow hedges. The portion of the gains and losses arising from changes in the fair value that is deemed to be an effective hedge is taken directly to equity until the underlying transaction is recognised in the Group's financial statements. The portion deemed ineffective is accounted for in the income statement for the period. The gains and losses included in equity are recycled to the income statement in the period when the hedged item affects the income statement. The new interest rate hedging instruments described in note X on financial liabilities, meet the criteria set out in IAS 39 and are therefore accounted for as cash flow hedges.

ix. Notes Redeemable in Shares (NRS)

The compound financial instruments issued by the Group include the Notes Redeemable in Shares (redemption against a predetermined number of shares). The NRS were redeemed automatically in GET SA shares. Holders had no right to request redemption in cash.

The "liability" component of the compound financial instrument was initially recognised at the fair value of a similar liability redeemable in cash. The initial recognition of the "equity" component corresponded to the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Costs that were directly attributable to the transaction were allocated to the liability and equity components pro-rata to their initial carrying value.

Subsequent to its initial recognition, the "liability" component of the compound financial instrument was measured at amortised cost using the effective interest rate method. The accretion expense of the discounted coupon payments was taken to the income statement. The "equity" component of the compound financial instrument was not re-valued after its initial recognition.

x. 2007 Warrants

The 2007 Warrants were issued on 28 June 2007 and are recognised in the financial statements at their issue value insofar as their exercise is triggered by non-financial criteria that are specific to the issuer as described in note S.2 below.

xi. Subordinated Deferred Equity Securities (SDES)

The SDES which were issued on 6 March 2008 were redeemed against a predetermined number of GET SA shares in accordance with their contractual terms, without any possibility of them being redeemed in cash at the request of their holders.

The contractual terms of the SDES gave GET SA the option of paying the remuneration on the SDES in GET SA shares, which was done in 2009.

In the absence of any contractual obligation to pay the interest in cash, the whole nominal issue value of the SDES was accounted for as an equity instrument, and has not been re-valued after its initial recognition.

Costs directly attributable to the issue of the SDES were offset against equity.

xii. Share based payments

Eurotunnel accounts for share options granted to its staff members in accordance with IFRS 2. The options are valued at the date on which they are granted using the Binomial model. Any variations in value occurring after the grant date are not taken into account. The value is charged to employee benefits expense on a straight line basis between the date of the grant and the maturity date (the vesting period), with an equal and opposite entry directly to equity.

xiii. Treasury shares

Parent company shares held by GET SA are accounted for at cost as a reduction in equity. Subsequent disposals are taken directly to equity and no profit or loss is recognised in the income statement.

xiv. Foreign exchange

Transactions in foreign currencies are converted into the reporting currency of each individual company at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies other than those mentioned in note B.2i above are translated at the rate ruling at the balance sheet date. Exchange differences are dealt with in the income statement.

xv. Revenue recognition

Revenue comprises the value of sales of services in the normal course of business. Revenue is recognised on the date the service is rendered; that is to say when the transport occurs. Therefore when travel tickets are issued for the Shuttle activity, they are accounted for in "deferred income".

xvi. Net gains or net losses on each category of financial instrument

Interest income and charges recognised in the income statement include:

- Interest on the financial assets and liabilities accounted for at amortised cost using the effective interest rate method. The calculation of the effective interest rate includes all commissions and margins payable or receivable between the contracting parties which are an integral part of the effective interest rate, and all transaction costs and all other premiums and discounts. The transaction costs are the marginal costs directly attributable to the acquisition, issue or disposal of a financial asset or liability.
- Changes in the fair value of derivatives categorised as hedges (for the ineffective portion).

xvii. Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

B.4 Measurement of fair value

The Group's accounting policies require the measurement of its financial and non-financial assets and liabilities at their fair value. The fair value has been measured, both for their valuation and for the presentation of information in the notes to the accounts, in accordance with the following methods. When necessary, more detailed information relating to the assumptions used in the measurement of fair value is given in the notes on the asset or liability concerned.

Tangible property, plant and equipment

The fair value of tangible property, plant and equipment acquired following a business combination is measured by taking the higher of the net selling price or the value in use.

Intangible assets

The fair value of intangible assets acquired following a business combination is measured using the present value of forecast future cash flows after taxation to be generated by the assets concerned.

Trade and other receivables

The fair value of trade and other receivables is measured on the basis of their expected recoverable value. This fair value is measured for the purpose of the information in the notes to the accounts as part of the receivables acquired following the business combinations.

Derivative instruments

The fair value of hedging instruments is measured on the basis of valuations supplied by the financial counterparties.

Financial liabilities

The fair value of financial liabilities is measured, for the purposes of the information in the notes to the accounts, on the basis of a hierarchy of fair values (see note Z below).

Share based payments

The fair value of stock option plans is measured by applying the binomial Black & Scholes model and the Monte-Carlo approach. The basis of calculation includes the share price on the grant date, the exercise price of the options, expected volatility of the underlying shares, expected period before exercise, expected dividends and share yield, and the expected turnover of beneficiaries. Market-related performance conditions attached are not included in the fair value measurement.

B.5 Financial indicators

The main financial indicators used are the following:

i. EBITDA/operating margin

EBITDA (or operating margin) as used by the Group is calculated by adding back depreciation charges to the trading profit.

ii. Distinction between the trading result and the operating result

The Group considers that it is helpful to include an additional result line in the presentation of its income statement within the operating result, in order to understand better its financial performance. This line is called the “trading result”, and excludes income or charges which are non-recurrent in terms of their frequency or nature and for which the amount is significant. The Group therefore applies recommendation number 2009-R-03 of the French National Accounting Board (*Conseil National de la Comptabilité*).

C. Basis of consolidation

Companies acquired or formed during the year are consolidated as from their date of acquisition or formation.

For the purposes of consolidation, GET SA comprises the following companies at 31 December 2009 and 31 December 2010:

	Country of registration or incorporation	31 December 2010		31 December 2009	
		% interest	% control	% interest	% control
Groupe Eurotunnel SA (GET SA)	France	Holding company	Holding company	Holding company	Holding company
Eurotunnel Group UK PLC (EGP)	England	–	–	100	100
France Manche SA (FM, the French Concessionaire)	France	100	100	100	100
The Channel Tunnel Group Limited (CTG, the British Concessionaire)	England	100	100	100	100
Europorte SAS	France	100	100	100	100
Europorte Channel SAS	France	100	100	100	100
Europorte France SAS(**)	France	100	100	–	–
Europorte Proximité SAS	France	100	100	–	–
Socorail SAS	France	100	100	–	–
Europorte Services SAS(***)	France	100	100	100	100
GB Railfreight Limited	England	100	100	–	–
Euroscos SAS(****)	France	100	100	–	–
Eurotunnel SE	Belgium	100	100	100	100
Centre International de Formation Ferroviaire de la Côte d'Opale SAS (CIFFCO)(****)	France	100	100	–	–
TNU PLC	England	–	–	99.32	100
Eurotunnel Finance Limited (EFL)	England	100	100	99.46	100
Eurotunnel Services GIE (ESGIE)	France	100	100	99.97	100
Eurotunnel Services Limited (ESL)	England	100	100	100	100
EurotunnelPlus GmbH(*)	Germany	100	100	100	100
EurotunnelPlus Limited(*)	England	100	100	100	100
Gamond Insurance Company Limited (GICL)	Guernsey	100	100	100	100
Société Immobilière et Foncière Eurotunnel SAS(*)	France	100	100	100	100
Cheriton Leasing Limited, Cheriton Resources 1, 2, 3, 6, 7, 8, 9, 10, 11, 13, 15, 16 Limited(*)	England	100	100	99.32	100
Cheriton Resources 12 et 14 Limited	England	100	100	99.32	100
Eurotunnel Agent Services Limited(*)	England	100	100	99.32	100
Eurotunnel Developments Limited(*) (EDL)	England	100	100	99.32	100
Eurotunnel Trustees Limited(*) (ETRL)	England	100	100	100	100
Eurotunnel Financial Services Limited	England	100	100	100	100
GET Rail Limited(****)	England	100	100	–	–
Le Shuttle Limited(*)	England	100	100	99.32	100
London Carex Limited(*)	England	100	100	99.32	100
Orbital Park Limited(*) (OPL)	England	100	100	99.32	100

* These companies had no significant activity during 2010.

** Europorte Link SAS merged into Europorte France SAS on 25 October 2010.

*** Eurotunnel Participations 1 changed its name to Europorte Services on 12 February 2010.

****New companies formed in 2010: Euroscos SAS registered on 31 December 2010, Centre International de Formation Ferroviaire de la Côte d'Opale SAS registered on 17 November 2010, and GET Rail Limited registered on 22 October 2010.

All the companies listed above are fully consolidated at 31 December 2010.

Simplification of the Group's structure

The shareholders' general meetings of GET SA, TNU PLC and EGP on 26 May 2010 and 21 September 2010 approved the merger of EGP and TNU PLC into GET SA.

The merger of TNU PLC into GET SA led to the issue of 450,000 new GET SA ordinary shares in consideration for the merger (see notes S.1 and T below).

D. Business combinations**D.1 Acquisition of new French rail freight subsidiaries**

The four rail freight subsidiaries acquired by the Group on 30 November 2009 (Europorte France, Europorte Link, Europorte Proximité and Socorail) have been consolidated with effect from 1 January 2010.

This acquisition forms part of the Group's development strategy which is based on infrastructure and railway management, and is intended to strengthen the Group's position in markets with potential and to develop Tunnel rail freight traffic.

During the year, the Group paid the contractual price adjustment for the purchase of these companies which amounted to €2,279,000.

The contribution of these companies to the revenue and trading profit of the Group was €57 million and a loss of €5 million respectively.

€'000	Historic value on date of acquisition	Initial value in the Group's balance sheet
Property, plant and equipment	38,799	35,518
Other non-current assets	418	418
Total non-current assets	39,217	35,936
Cash and cash equivalents	5,065	5,065
Other current assets	23,610	23,610
Total current assets	28,675	28,675
Total assets	67,892	64,611
Provisions and other liabilities	(32,199)	(39,111)
Total liabilities	(32,199)	(39,111)
Negative goodwill		(12,771)
Total cost of the acquisition		12,729

During the second half of 2010, the Group completed its fair value measurement of the assets and liabilities acquired. This led the Group to revise the value in use of the fleet of locomotives and to make an additional provision for risk, in particular for loss-making contracts.

The negative goodwill, which is calculated as the difference between the cost of acquisition and the fair value of the assets and liabilities acquired, is accounted for under "other operating income".

The costs incurred in the acquisition were accounted for in 2010 and 2009 under "other operating charges", and amounted to €1,706,000 (see note J below).

D.2 Acquisition of GB Railfreight Limited (GBRf)

On 28 May 2010, the Group concluded the acquisition of the British company GB Railfreight Limited for £25.7 million (equivalent to €30.1 million). This company has been consolidated with effect from 28 May 2010. The initial value of assets and liabilities was determined in accordance with revised IFRS 3.

The acquisition of GBRf forms part of the Group's strategy described above. As a result of the complementarities between its French rail freight subsidiary, Europorte France, and GBRf in terms of geographic cover and customer type, the Eurotunnel Group is able to offer its customers a complete service, especially across the Channel.

GBRf's contribution to the Group's 2010 revenue and trading profit was €39 million and €1 million respectively. Had the acquisition taken place on 1 January 2010, its contribution to the Group's revenue would have been approximately €68 million.

€'000	Historic value on date of acquisition	Initial value in the Group's balance sheet
Intangible assets	–	13,424
Property, plant and equipment	4,574	4,574
Other non-current assets	–	–
Total non-current assets	4,574	17,998
Cash and cash equivalents	208	208
Other current assets	16,157	16,157
Total current assets	16,365	16,365
Total assets	20,939	34,363
Provisions and other liabilities	(13,706)	(20,864)
Total liabilities	(13,706)	(20,864)
Negative goodwill		16,631
Total cost of the acquisition		30,130

As part of the work carried out to establish the initial balance sheet, the valuation of the acquired assets and liabilities at their fair value led the Group to account for the provision for retirement liabilities (see note W below).

The total cost of the acquisition indicated in the table above corresponded to the price paid on the date of acquisition.

The nature of the intangible assets and goodwill is set out in note O below.

The costs incurred in the acquisition were accounted for in 2010 under "other operating charges", and amounted to €899,000 (see note J below).

D.3 Impact of the change in consolidation scope on the main lines of the Group's 2010 income statement

€'000	
Revenue	96,228
External operating expenses	(55,801)
Employee benefits expense	(40,302)
Depreciation	(4,186)
Trading profit/(loss)	(4,061)

E. Segment information

Following development of its rail freight activity through the acquisitions mentioned in note D above, the Group is organised around the following activities, which correspond to the internal information reviewed and used by the main operational decision makers (the Executive Committee):

- the "Tunnel Concession" segment, and
- the "Europorte" segment, the main activity of which is that of rail freight operator, which includes the companies Europorte, Europorte Channel and Europorte Services, as well as the newly-acquired companies Europorte France, Europorte Proximité, Socorail and GBRf.

€'000	Tunnel Concession	Europorte	Total
Revenue	638,854	97,728	736,582
Trading profit/(loss)	186,454	(6,674)	179,780
Net result before taxation	(61,865)	(*) 5,499	(56,366)
Investment in property, plant and equipment	42,161	7,042	49,203
Property, plant and equipment (intangible and tangible)	6,644,651	75,717	6,720,368

* Including €12,771,000 relating to negative goodwill.

In 2009, the Group consisted of just one segment, the Tunnel Concession, the activities of Europorte in 2009 not being significant.

Geographical information

The activity of the Tunnel Concession is mainly that of the transport of vehicles and their passengers between France and the United Kingdom. In a full year, approximately 45% of the Europorte segment's revenues are generated in France and 55% in the United Kingdom.

F. Revenue

Revenue is analysed as follows:

€'000	2010	2009
Shuttle services	365,853	311,437
Railway network	263,265	250,078
Other revenues	9,736	9,618
Sub-total Concession	638,854	571,133
Europorte	97,728	–
Total	736,582	571,133

G. Other income

Other income relates to indemnities from insurers relating to operating losses resulting from the Fire in September 2008. In the light of the situation described in note A.1 above, no indemnities were accounted for in other income in 2010. In 2009, other income included €36 million for indemnities received from insurers during 2009 and

€33 million for indemnities to be received on the basis of the latest estimation of entitlement to compensation at the end of 2009.

H. Employee numbers and employee benefits expense

	2010	2009
Number of persons employed at year end ^(*)	3,280	2,350
Average number of persons employed ^(*)	3,105	2,361
Employee benefits expense (in €'000) ^(**)	165,711	120,051

* Including directors.

** Including employment costs and directors' remuneration.

The effect of the change in consolidation scope on the staff benefits expense in 2010 is shown in note D.3 above. At 31 December 2010, the newly-acquired companies employed 954 people.

I. Remuneration of members of the board of directors and senior executives

The total remuneration from all Group companies to members of the board of directors who served during 2010 was €1,498,151 (2009: €1,342,606) before pension contributions. This is entirely comprised of current employment benefits.

Following changes to the Group's structure, the amounts presented in 2010 are for the Group's Executive Committee. In 2009 and 2010, the remuneration for members of the Executive Committee (excluding members of the board of directors) is given in the table below. There were 6 members of the Executive Committee (excluding board directors) at 31 December 2010 (6 at 31 December 2009), 1 of whom was a member of a UK pension scheme as described in note W below.

€'000	2010	2009
Current employment benefits	1,215	1,615
Post employment benefits	22	20
Other long term benefits	–	–
Payments in respect of termination of service	85	200
Cost of share based payments	63	–
Total	1,385	1,835

J. Other operating income and (expenses)

€'000	2010	2009
Legal and financial restructuring	–	701
Settlements received from governments	–	8,000
Negative goodwill (see note D above)	12,771	–
Reimbursement of British VAT	2,730	–
Other	2,082	4,332
Sub-total other operating income	17,583	13,033
Legal and financial restructuring	(1,315)	–
Costs incurred in the acquisition of new subsidiaries	(1,113)	(1,492)
Net loss on disposal or write-off of assets	(2,805)	(8,697)
Other	(2,272)	(2,637)
Sub-total other operating charges	(7,505)	(12,826)
Total	10,078	207

During 2010, the Group received a reimbursement of UK VAT incurred in the 1980s and the 1990s following changes to British tax legislation. Included in “net loss on disposal or write-off of assets” above is a charge of €4.5 million for the write-off of some equipment on a Passenger Shuttle prior to its rehabilitation.

The income of €8 million in 2009 related to the settlement received from the British government following the agreement concerning the intrusion of illegal migrants which followed the agreement reached with the French government in 2008.

At 31 December 2009, the Group recorded 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 September 2008.

K. Gross cost of servicing debt

€'000	2010	2009
Interest on loans before hedging	152,329	164,459
Adjustments relating to hedging instruments	53,937	36,257
Effective rate adjustment	800	714
Sub-total	207,066	201,430
Inflation indexation of the nominal	47,626	(7,784)
Accretion expense of the NRS	243	1,472
Total gross cost of servicing debt after hedging	254,935	195,118

The inflation indexation of the nominal reflects the effect of the levels of British and French inflation rates in the year on the nominal amount of tranches A₁ and A₂ of the Term Loan as described in note X below.

Information relating to financial liabilities and hedging instruments is presented in note X, and information relating to the NRS is presented in note U.1 below.

L. Other financial income and (charges)

€'000	2010	2009
Unrealised exchange gains(*)	9,173	10,525
Realised exchange gains	2,101	932
Release of provision for depreciation and risks	–	28,482
Other	1,082	2,783
Sub-total financial income	12,356	42,722
Unrealised exchange losses(*)	(8,134)	(9,185)
Realised exchange losses	(1,686)	(947)
Other	(723)	(116)
Sub-total financial charges	(10,543)	(10,248)
Total	1,813	32,474

* A net amount of €1,039,000 resulting from the re-evaluation of intra-group debtors and creditors (31 December 2009: €1,340,000).

M. Income tax expense**Taxes in France**

GET SA is the parent company of the consolidated tax group which includes FM, Europorte Services SAS, Société Immobilière et Foncière Eurotunnel SAS, Europorte SAS, and Eurotunnel SE for its French establishment, as well as the new French rail freight companies acquired in November 2009 (Europorte France SAS, Europorte Proximité SAS and Socorail SAS) which entered into GET SA's consolidated tax group with effect from 1 January 2010.

As part of the merger of TNU SA into GET SA on 6 May 2009, the Group obtained an agreement from the French *Ministre du Budget* allowing it to transfer the cumulated tax losses from the old TNU SA consolidated tax group to GET SA. These deficits remain exclusively chargeable to the taxable profits of the subsidiaries of the old TNU SA consolidated tax group, i.e. FM, Europorte Services SAS, Société Immobilière et Foncière Eurotunnel SAS, and Europorte SAS.

As part of the merger of Europorte Link SAS into Europorte France SAS in 2010, the Group obtained an agreement from the French *Ministre du Budget* allowing it to transfer the cumulated tax losses from Europorte Link SAS to Europorte France SAS, as well as the proportion of financial interest mentioned in the 6th sub-paragraph of 1 of II of article 212 of the CGI.

At 31 December 2010, the cumulative tax losses of the GET SA consolidated tax group which can be carried forward indefinitely amount to €2,437 million (31 December 2009: €2,304 million), divided between:

- cumulative tax losses which can be carried forward indefinitely of €449 million generated by the GET SA consolidated tax group since 1 January 2008 and chargeable to the taxable profits of the members of this group (31 December 2009: €316 million);
- cumulative tax losses which can be carried forward indefinitely of €1,988 million (31 December 2009: €1,988 million) generated by the old TNU SA consolidated tax group. These deficits may only be chargeable to the taxable profits of FM, Europorte Services SAS, Société Immobilière et Foncière Eurotunnel SAS, and Europorte SAS; and
- cumulative tax losses which can be carried forward indefinitely of €2 million generated by Europorte France SAS.

The other operations simplifying the Group's legal structure as described in note A.2 above do not have any effect on the level or the nature of the Group's cumulative tax losses.

Taxes in the UK

The new British subsidiary GBRf was integrated into the British tax group with effect from 28 May 2010.

At 31 December 2010, the tax losses carried forward for the British companies amounted to £2,682 million (31 December 2009: £2,682 million).

In addition, at 31 December 2010, the British companies had:

- capital allowances available for future offset against profits of £1,420 million (31 December 2009: £1,431 million) which can be carried forward indefinitely; and
- industrial buildings allowances of £592 million (31 December 2009: £611 million) which can be offset against future profits of the British companies until their abolition in 2011 following the Finance Act of 2008.

The operations simplifying the Group's legal structure as described in note A.2 above do not have any effect on the level or the nature of the Group's cumulative tax losses.

Factors affecting the tax charge for the year

€'000	2010	2009
Accounting (loss) / profit for the year	(56,366)	1,659
Expected tax at national rates	(18,191)	508
Effects of:		
– non-tax deductible items	72	28
– difference between consolidated result and taxable result for the year	(10,360)	(11,911)
– unrecognised tax credits used in year	(15,360)	(18,087)
Unrecognised tax losses	44,275	29,690
Current tax charge for the year	436	228

At 31 December 2010, the Group has not accounted for a deferred tax asset.

N. Earnings per share

	2010	2009
Weighted average number:		
– of issued ordinary shares	498,722,778	280,908,813
– of own shares	(14,492,838)	(10,018,006)
Number of shares used to calculate the result per share (A)	484,229,940	270,890,807
– conversion of NRS (2010)	–	52,975,341
– conversion of 2007 Warrants (2011) i	35,588,160	35,588,160
– conversion of SDES (2010)	–	3,723,760
– conditional additional return on SDES (2011) ii	3,928,859	4,089,176
– conditional additional return on rights issue (2011) iii	2,473,175	2,639,602
– share options iv	3,699	–
Potential number of ordinary shares (B)	41,993,893	99,016,039
Number of shares used to calculate the diluted result per share (A+B)	526,223,833	369,906,846
Net (loss) / profit (€'000) (C)	(56,800)	1,564
(Loss) / profit per share (€) (C/A)	(0.12)	0.01
(Loss) / profit per share after dilution (€) (C/(A+B))	(0.11)	n/s

The calculations were made on the following basis:

- (i) on the assumption of a conversion of the maximum number of 2007 Warrants remaining in circulation at 31 December 2010 (see note S.2 below);
- (ii) on an estimation of the number of ordinary shares to be attributed to the original holders of the SDES who keep their SDES until the date of their redemption in new ordinary shares and then keep these ordinary shares issued in redemption of the SDES until 6 March 2011 (see note U.2 below “Conditional additional return”), by the issue of 5.4 new or existing additional ordinary shares per SDES held. On the basis of information available at 31 December 2010, the maximum number of additional ordinary shares that may be attributed is 3,928,859;
- (iii) on an estimation of the number of additional ordinary shares to be attributed as part of the exercise of the BSA as described in the Securities Note issued in April 2008. Persons having held until 6 March 2011 the new ordinary shares for which they subscribed upon exercise of the BSA or which they acquired directly from the underwriters on the settlement-delivery date shall receive one additional ordinary share for 22 new ordinary shares subscribed for upon exercise of the BSA or acquired in connection with the share placement in May 2008. The maximum number of additional ordinary shares which could have been attributed as part of the exercise of the BSA was 4,755,554, but this has been reduced to 2,473,175 (based on the number of GET SA ordinary shares on the specific ISIN code in circulation on 31 December 2010) as certain persons have sold their shares and therefore no longer qualify. As a consequence, the Eurotunnel Group has reduced the special reserve set up for this purpose by €67,000 in 2010 (see note S.1 below); and
- (iv) on the assumption of the exercise of the maximum number of options issued on 16 July 2010 and still in issue at 31 December 2010. The exercise of these options is conditional on attaining the targets described in note V below.

O. Intangible assets and goodwill**O.1 Intangible assets**

Intangible assets represent the estimation of the fair value of the main commercial contracts held by GBRf on the date of its acquisition by the Group, 28 May 2010. This value was calculated on the basis of the discounted future cash flows generated by these contracts after deduction of general costs and taxation, and using inflation and contract renewal assumptions. These intangible assets are depreciated on a straight line basis over 12 years, being the estimated remaining duration of the contracts used in the valuation.

€'000	Commercial contracts
Cost	
At 1 January 2010	–
Change in scope/acquisitions	13,424
Exchange difference	(135)
At 31 December 2010	13,289
Depreciation	
At 1 January 2010	–
Charged in the year	620
Exchange difference	(4)
At 31 December 2010	616
Net book value	
At 1 January 2010	–
At 31 December 2010	12,673

O.2 Goodwill

Goodwill, which amounted to €16,631,000 on the date of acquisition, represents the unallocated difference on acquisition (see note D2 above). It reflects the value attributed by the Group to the potential benefits that the acquisition of GBRf will bring it through its position and reputation in the UK rail freight market, the quality of its management and the significant potential synergies it offers, in particular the increase of cross-Channel rail freight traffic.

The goodwill is attached to the CGU represented by the company GBRf.

The Group performed a test of value in use at 31 December 2010. On the basis of a discount rate of 10.3% and a growth rate of 2%, the calculations show that the value in use is higher than the carrying value of the goodwill.

P. Tangible property, plant and equipment

At 31 December 2010, Eurotunnel did not identify any indication of impairment of its tangible assets, but nevertheless carried out a valuation in order to ensure that the recoverable value of the assets remained higher than their net accounting value.

The valuation of assets is carried out in accordance with IAS 36 which defines the recoverable value of an asset as the greater of its net selling price and its value in use. The value in use results from the discounted forecast future operating cash flows (after capital expenditure and net of tax). The valuation carried out at 31 December 2010 showed that the recoverable value of assets remained higher than their net accounting value on the basis of a WACC rate of 6.51%. With a rate of 7.38%, the recoverable value would be equal to the net accounting value of the assets.

P.1 Concession property, plant and equipment

€'000	Assets in course of construction	Tunnels	Terminals and related land	Fixed equipment and machinery	Rolling stock	Office equipment	Total
Cost							
At 1 January 2010	51,046	6,549,501	2,068,895	3,284,641	1,965,677	97,787	14,017,547
Additions	16,525	–	737	5,719	17,702	1,478	42,161
Transfers	(12,842)	–	42	2,340	9,672	788	–
Disposals	–	–	(997)	(12,003)	(24,158)	(1,238)	(38,396)
At 31 December 2010	54,729	6,549,501	2,068,677	3,280,697	1,968,893	98,815	14,021,312
Depreciation							
At 1 January 2010	–	2,956,794	1,024,842	1,995,520	1,197,512	83,706	7,258,374
Charged in the year	–	46,810	19,837	40,413	40,638	4,170	151,868
Disposals	–	–	(479)	(11,927)	(19,580)	(1,243)	(33,229)
At 31 December 2010	–	3,003,604	1,044,200	2,024,006	1,218,570	86,633	(*) 7,377,013
Cost							
At 1 January 2010	51,046	3,592,707	1,044,053	1,289,121	768,165	14,081	6,759,173
At 31 December 2010	54,729	3,545,897	1,024,477	1,256,691	750,323	12,182	6,644,299
Cost							
At 1 January 2009	41,327	6,549,501	2,068,081	3,304,976	1,973,701	96,253	14,033,839
Additions	29,422	–	687	6,295	10,625	1,800	48,829
Transfers	(19,703)	–	127	1,801	13,633	591	(3,551)
Disposals	–	–	–	(28,431)	(32,282)	(857)	(61,570)
At 31 December 2009	51,046	6,549,501	2,068,895	3,284,641	1,965,677	97,787	14,017,547
Depreciation							
At 1 January 2009	–	2,909,983	1,005,029	1,973,790	1,178,637	80,091	7,147,530
Charged in the year	–	46,811	19,813	50,149	42,657	4,469	163,899
Transfers	–	–	–	–	(211)	–	(211)
Disposals	–	–	–	(28,419)	(23,571)	(854)	(52,844)
At 31 December 2009	–	2,956,794	1,024,842	1,995,520	1,197,512	83,706	7,258,374
Net book value							
At 1 January 2009	41,327	3,639,518	1,063,052	1,331,186	795,064	16,162	6,886,309
At 31 December 2009	51,046	3,592,707	1,044,053	1,289,121	768,165	14,081	6,759,173

* Including €3.473 billion of exceptional depreciation on tangible fixed assets.

In France, all immovable property, plant and equipment within the Concession area is the property of the French State and will revert to it on the expiry of the Concession period (2086). In the UK, the Government has required CTG to transfer to it the title to freehold land and property acquired for the purpose of construction and operation of the Project and in exchange has granted leases for the duration of the Concession. On the expiry of the Concession, the interest of the Concessionaires in all movable property and intellectual property rights necessary for the operation of the Concession will become, without payment, the joint property of the two States.

P.2 Other property, plant and equipment

€'000	Assets in course of construction	Terminals and related land	Fixed equipment and machinery	Rolling stock	Office equipment	Total
Cost						
At 1 January 2010	852	320	–	2,490	279	3,941
Exchange differences	–	(32)	(7)	(70)	(1)	(110)
Change in scope of consolidation	5,497	2,162	464	31,586	144	39,853
Additions	2,213	101	360	4,195	173	7,042
Transfers	(6,452)	–	–	6,451	1	–
Disposals	–	(26)	(52)	(276)	(16)	(370)
At 31 December 2010	2,110	2,525	765	44,376	580	50,356
Depreciation						
At 1 January 2010	–	–	–	–	24	24
Exchange differences	–	(14)	(5)	(45)	(1)	(65)
Charged in year	–	246	143	3,233	139	3,761
Transfers	–	–	–	–	–	–
Disposals	–	(26)	(49)	(207)	(15)	(297)
At 31 December 2010	–	206	89	2,981	147	3,423
Net book value						
At 1 January 2010	852	320	–	2,490	255	3,917
At 31 December 2010	2,110	2,319	676	41,395	433	46,933
Cost						
At 1 January 2009	–	–	–	–	61	61
Exchange differences	–	–	–	(1)	–	(1)
Additions	–	320	–	251	–	571
Transfers	–	–	–	3,340	–	3,340
Disposals	–	–	–	–	(30)	(30)
At 31 December 2009	–	320	–	3,590	31	3,941
Depreciation						
At 1 January 2009	–	–	–	–	42	42
Exchange differences	–	–	–	–	(1)	(1)
Charged in year	–	–	–	–	6	6
Transfers	–	–	–	–	–	–
Disposals	–	–	–	–	(23)	(23)
At 31 December 2009	–	–	–	–	24	24
Net book value						
At 1 January 2009	–	–	–	–	19	19
At 31 December 2009	–	–	–	–	3,917	3,917

Q. Investment in subsidiary undertakings

The €10,450,000 at 31 December 2009 related to Europorte SAS's holding in the four new subsidiaries acquired from the Veolia group on 30 November 2009, and which were consolidated with effect from 1 January 2010 (see note D above).

R. Financial assets and liabilities**R.1 Matrix of class of financial instrument and recognition categories**

At 31 December 2010

€'000 Class of financial instrument	Note	Recognition categories					Total net carrying value	Fair value
		Financial assets at fair value through profit and loss	Available-for-sale financial assets	Loans and receivables	Hedging instruments	Liabilities at amortised cost		
Other financial assets				2,344			2,344	2,344
Non-current financial assets		–	–	2,344	–	–	2,344	2,344
Trade receivables	R. 2i			80,438			80,438	80,438
Other receivables	R. 2ii			62,465			62,465	62,465
Other financial assets				458			458	458
Cash and cash equivalents	R. 3	316,323					316,323	316,323
Current financial assets		316,323	–	143,361	–	–	459,684	459,684
Financial liabilities	X					3,753,824	3,753,824	(*) 3,753,824
Other financial liabilities				992			992	992
Interest rate derivatives					392,271		392,271	392,271
Non-current financial liabilities		–	–	992	392,271	3,753,824	4,147,087	4,147,087
Financial liabilities	X					4,815	4,815	4,815
Other financial liabilities				472			472	472
Trade payables	CC			146,719			146,719	146,719
Other payables and deferred income	CC			25,758			25,758	25,758
Current financial liabilities		–	–	172,949	–	4,815	177,764	177,764

* See note Z below.

At 31 December 2009

€'000 Class of financial instrument	Note	Recognition categories					Total net carrying value	Fair value
		Financial assets at fair value through profit and loss	Available- for-sale financial assets	Loans and receivables	Hedging instruments	Liabilities at amortised cost		
Other financial assets				1,847			1,847	1,847
Non-current financial assets		–	–	1,847	–	–	1,847	1,847
Trade receivables	R. 2i			46,499			46,499	46,499
Other receivables	R. 2ii			86,487			86,487	86,487
Other financial assets				9,312			9,312	9,312
Cash and cash equivalents	R. 3	251,226					251,226	251,226
Current financial assets		251,226	–	142,298	–	–	393,524	393,524
Financial liabilities	X					3,651,467	3,651,467	(*)
Other financial liabilities				1,404			1,404	1,404
Interest rate derivatives					274,782		274,782	274,782
Non-current financial liabilities		–	–	1,404	274,782	3,651,467	3,927,653	n/a
Financial liabilities	X					10,246	10,246	10,246
Other financial liabilities				443			443	443
Trade payables	CC			112,875			112,875	112,875
Other payables and deferred income	CC			22,815			22,815	22,815
Current financial liabilities		–	–	136,133	–	10,246	146,379	146,379

* See note Z below.

R.2 Loans and receivables

i. Trade receivables

The maximum credit risk exposure on trade receivables by type of customer at the balance sheet date is as follows:

€'000	31 December 2010	31 December 2009
Road haulage companies	32,203	28,754
National railways	20,032	15,002
Rail freight sector	26,308	–
Other	6,299	6,736
Gross value	84,842	50,492
Allowance for impairment	4,404	3,993
Net value	80,438	46,499

The age profile of trade receivables at the balance sheet date is as follows:

€'000		Not yet due	Past due for less than 30 days	Past due for between 30 and 90 days	Past due for more than 90 days
At 31 December 2010	Gross	59,965	15,656	3,953	5,268
	Allowance for impairment	–	–	229	4,175
At 31 December 2009	Gross	36,300	8,332	1,687	4,173
	Allowance for impairment	–	–	250	3,743

Where a trade receivable is considered doubtful, an impairment allowance is made for the full amount due except in a small number of cases where the Group considers that recovery is possible.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

€'000	2010	2009
Balance at 1 January	3,993	4,533
Change in consolidation scope	359	–
Impairment loss recognised	1,114	277
Impairment loss recovered	(1,079)	(877)
Exchange difference	17	60
Balance at 31 December	4,404	3,993

ii. Other receivables

€'000	31 December 2010	31 December 2009
Suppliers	65	140
State debtors	17,357	24,751
Prepayments	6,241	3,041
Insurance indemnities to be received	35,297	50,667
Other	3,505	7,888
Total	62,465	86,487

During 2010, €16 million was received from insurers for indemnities following the Fire in September 2008.

At 31 December 2010, other receivables for the newly-acquired subsidiaries amounted to €5 million.

R.3 Assets at fair value through profit and loss

Cash and cash equivalents

"Cash equivalents" represents short-term investments, primarily certificates of deposit, deposit accounts and money market funds. In 2010 and 2009, none of these investments were unavailable for more than 3 months.

€'000	31 December 2010	31 December 2009
Investments in €	83,158	129,005
Investments in £	212,459	112,292
Sub-total: cash equivalents	295,617	241,297
Cash at bank and in hand	20,706	9,929
Total	316,323	251,226

S. Share capital and 2007 Warrants

S.1 Share capital

€'000		Number
At 1 January 2009	189,841,915 ordinary shares of €0.40 each and 1 preference share of €0.01	75,937
Consideration for the merger of TNU SA	178,730 ordinary shares of €0.40 each	71
Simplified public exchange offer on the 2007 Warrants	103,502,084 ordinary shares of €0.40 each	41,401
Redemption of NRS I Tranche 2	23,874,256 ordinary shares of €0.40 each	9,550
Redemption of SDES from 6 September 2009 to 31 December 2009	91,163,869 ordinary shares of €0.40 each	36,465
Partial redemption of NRS I Tranche 3 on 25 November 2009	68,502,375 ordinary shares of €0.40 each	27,401
At 31 December 2009	477,063,229 ordinary shares of €0.40 each and 1 preference share of €0.01	190,825
Cancellation of the preference share and conversion into an ordinary share	– 1 preference share of €0.01 and +1 ordinary share of €0.40 each	0
Redemption of SDES from 1 January to 6 September 2010	3,723,278 ordinary shares of €0.40 each	1,489
Redemption of NRS I Tranche 3	52,974,440 ordinary shares of €0.40 each	21,190
Redemption of NRS I Tranche 2	234 ordinary shares of €0.40 each	0
Merger of TNU PLC	450,000 ordinary shares of €0.40 each	180
At 31 December 2010	534,211,182 ordinary shares of €0.40 each	213,684

At 31 December 2010, the issued share capital of GET SA amounted to €213,684,472.80 divided into 534,211,182 fully paid-up GET SA ordinary shares with a nominal value of €0.40 each.

On 12 February 2010, the board of directors recorded, in accordance with article 37 of the company's by-laws, the ending of the effects of the temporary specific rights attached to GET SA's preference share, this share thereby automatically reverting to an ordinary share of GET SA with effect from 1 January 2010.

In accordance with the terms of the SDES (see note U.2 below), GET SA continued the redemption of the SDES to 6 September 2010, which resulted in the issue of 3,723,278 ordinary shares during 2010.

In accordance with the terms of the NRS I, GET SA redeemed Tranche 3 and the remaining Tranche 2 by issuing, respectively, 52,974,440 and 234 GET SA ordinary shares during the second half of 2010 (see note U.1 below).

The merger of TNU PLC into GET SA led to the issue of 450,000 new GET SA ordinary shares in consideration for the merger.

Treasury shares

Between 1 January and 31 December 2010, GET SA purchased 484,000 of its own shares as part of the share buy back programme. At 31 December 2010, GET SA held 14,496,608 of its own shares purchased under the previous programme, which are to be used mainly to provide shares upon exercise of the rights attached to equity-linked securities (such as the conditional additional return on SDES) or to cover share option plans whose implementation was approved by the general meeting of shareholders in 2010.

The movements in the number of own shares held as part of the share buy back programme during 2010 were as follows:

At 1 January 2010	14,012,608
Share buy back programme	484,000
At 31 December 2010	14,496,608

At 31 December 2010, GET SA held 236,356 treasury shares purchased under the liquidity contract.

S.2 2007 Warrants

Characteristics

On 28 June 2007, GET SA issued 4,307,026,273 warrants which entitled their holders to subscribe for GET SA ordinary shares provided that there has been an increase in the value of the Eurotunnel Group. The 2007 Warrants were admitted to listing and trading on Euronext Paris on 2 July 2007. The detailed characteristics of the 2007 Warrants are set out in chapter 3 of the securities note issued in April 2007. As part of the consolidation of shares on 12 November 2007, the rights of holders of securities which may be converted into GET SA equity (including the 2007 Warrants) were adjusted, and as part of the rights issue of 4 June 2008, the terms of the adjustment of the exercise ratio of the 2007 Warrants were adjusted in accordance with the securities note issued in April 2007.

Each warrant entitles its holder to subscribe for a number of GET SA shares on the basis of an exercise ratio which is determined as a function of:

- the lump sums to be received or saved outside the normal course of business between 23 May 2006 and 30 June 2008 as defined in note 14.2 of the GET SA 2008 consolidated accounts set out in annex II of the 2008 Reference Document;
- performance in excess of a reference EBITDA, which includes non-financial criteria (added value etc.).

Consequently, at the time of their issue, the exercise conditions of the 2007 Warrants could not be fully determined.

Accounting treatment

In the consolidated financial accounts of GET SA, the 2007 Warrants were initially accounted for as non-derivative financial liabilities at their issue value, i.e. zero. The warrants could not be accounted for as equity instruments, since the number of shares to which they give the right to subscribe was not fixed at the date of their issue. Since the key

criteria which trigger the exercise of the warrants are specific to the issuer (i.e. the result of negotiations with governments, and performance in excess of the reference EBITDA), these instruments were not derivatives. Finally, in the context of the financial restructuring and the uncertainty which prevailed at the time as to the Group's future operating conditions, it was not possible to reliably estimate the value of the warrants on issue.

The expert's report set out in chapter 23 of the 2008 Reference Document confirmed that the maximum target had been reached, giving an exercise ratio of 0.034 of a GET SA share for each warrant. Since the exercise ratio is now fixed, the 2007 Warrants constitute equity instruments under IFRS. They were therefore reclassified in equity for their original book value, i.e. zero.

Situation at 31 December 2010

At 31 December 2010, 1,046,710,613 2007 Warrants remained in circulation following the simplified public exchange offer on the 2007 Warrants in 2009, giving the right to issue up to 35,588,160 GET SA ordinary shares on exercise, as initially planned, in 2011.

The fair value of the 2007 Warrants can be estimated by reference to their market value: on this basis, the fair value of the 2007 Warrants at 31 December 2010 was €234 million (31 December 2009: €232 million).

T. Changes in equity

Dividend

On 26 May 2010, Groupe Eurotunnel SA's shareholders' general meeting approved the payment of a dividend relating to the financial year ended 31 December 2009, of 4 cents of a euro per share. This dividend was paid on 22 July 2010.

Minority interests

Following the transactions to simplify the legal structure and the merger of TNU PLC into GET SA, Groupe Eurotunnel SA holds 100% of all its subsidiaries. This change in the Group's structure is reflected in equity by a reclassification of minority interests into the Group's share of equity for €51,000.

Special reserve

A specific non-distributable reserves account was set up in 2008 which will be used to issue the additional ordinary shares in respect of the conditional additional return on the rights issue of 4 June 2008. This reserve was adjusted in 2009 and 2010 to take into account the reduction in the maximum number of ordinary shares that may be issued (see note N above).

U. Other equity and similar instruments

U.1 Notes Redeemable in Shares (NRS)

The NRS were issued by EGP on 28 June 2007. Originally divided into two series, the NRS I and the NRS II, the NRS II were redeemed early in cash in 2008. The detailed characteristics of the NRS are set out in chapter 2 of the securities note issued in April 2007.

Transaction costs directly attributable to the NRS were allocated in full to the equity component, and no allocation to the liability component was made due to the fact that the impact of this was not considered material.

As part of the consolidation of shares in November 2007 and the rights issue in June 2008, the redemption ratio of the NRS was adjusted to 26.02 shares per NRS.

The NRS I carried interest at a rate of 3% per annum, and were not redeemable in cash. The evolution in the number of NRS I in circulation and the effect of their redemption are given in the following table:

	Tranche 2	Tranche 3	Total
Balance at 1 January 2010:			
Number of notes	(*) 9	2,035,938	2,035,947
Nominal value in £	272.80	54,880,676.40	54,880,949.20
Nominal value in €	500.00	123,123,600.00	123,124,100.00
Maximum number of ordinary shares to be created	234	52,975,107	52,975,341
Redeemed during the second half of 2010:			
Number of notes	9	2,035,938	2,035,947
Nominal value in £	272.80	54,880,676.40	54,880,949.20
Nominal value in €	500.00	123,123,600.00	123,124,100.00
Number of ordinary shares created	234	52,974,440	52,974,674
Balance at 31 December 2010:			
Number of notes	—	—	—
Nominal value in £	—	—	—
Nominal value in €	—	—	—

* Due but not presented by 31 December 2009.

Contractual redemption of the NRS I Tranche 3

On 28 July 2010, the Eurotunnel Group carried out the contractual redemption of the third and final tranche of the NRS I in GET SA ordinary shares. This operation resulted in:

- the cancellation of 2,035,938 NRS I, and
- the issue of 52,974,440 GET SA ordinary shares.

The line "Contractual redemption of NRS I Tranche 3" in the table of consolidated statement of changes in equity includes the adjustments to equity resulting from this operation:

- Issued share capital increased by €21,190,000 corresponding to the nominal value of the shares issued.
- Other equity and similar instruments reduced by €185,139,000, including €197,859,000 corresponding to the equity component of the NRS purchased and €12,720,000 relating to the re-allocation to reserves of the costs of issuing these instruments.
- Consolidated reserves increased by €164,244,000, including €182,404,000 being the difference between the nominal value of the redeemed NRS and the nominal value of the shares issued in exchange, partially offset by a €5,440,000 interest write back corresponding to the amount paid on the date of the redemption and the re-allocation of the issue costs of €12,720,000.

Financial liabilities (see note X below) have been reduced by €5,772,000.

U.2 Subordinated Deferred Equity Securities (SDES)

During 2010, all the remaining SDES were redeemed.

Issue

On 6 March 2008, GET SA issued 800,000 SDES with a nominal value of €1,000 each, for a total amount of €800 million. The characteristics of this issue are described in the securities note of 20 February 2008. The SDES were admitted to listing and trading on the regulated market of the Luxembourg Stock Exchange starting on their issue date, 6 March 2008 until their deregistration in 2010.

Redemption

Each SDES entitled its holder to receive 118.61 shares. The SDES were redeemable in ordinary shares at the discretion of their holders at any time up to 6 September 2010.

Between 6 September 2009 and 31 December 2009, 768,605 SDES were redeemed, resulting in the issue of 91,163,869 GET SA ordinary shares.

Between 1 January 2010 and 6 September 2010, 31,395 SDES were redeemed, resulting in the issue of 3,723,278 GET SA ordinary shares.

The total number of ordinary shares issued on redemption of the SDES was 94,887,147, giving rise to an increase in capital of €37,955,000.

The line "Contractual redemption of SDES" in the table of consolidated statement of changes in equity includes the adjustments to equity resulting from this operation:

- Issued share capital increased by €1,489,000 corresponding to the nominal value of the shares issued.
- Share premium increased by €29,906,000 corresponding to the premium on the shares issued.
- Other equity and similar instruments reduced by €30,218,000, including €31,395,000 corresponding to the nominal value of the redeemed SDES less €1,177,000 relating to the re-allocation to reserves of the costs of issuing these instruments.
- Consolidated reserves decreased by €1,177,000, corresponding to the re-allocation of the issue costs.

Conditional additional return

A conditional additional return will be paid to initial SDES subscribers who hold their SDES until the date of their redemption in new ordinary shares then the new ordinary shares issued upon redemption of SDES until 6 March 2011. The conditional additional return will be paid, at the option of GET SA and in accordance with the terms described in section 7.2 of the securities note, in new or existing additional ordinary shares, on the basis of 5.4 new or existing additional ordinary shares per SDES initially subscribed.

The maximum number of new additional ordinary shares that may be issued in respect of the conditional additional return will be 3,928,859 (see note N above).

V. Share based payments

Share option plan (treated as an equity instrument)

On 26 May 2010, the general meeting of shareholders approved a share options plan which gives the right to key executives and senior staff to acquire GET SA shares. Under this scheme, when the rights have vested, option-holders can purchase the shares at the option exercise price, determined on 16 July 2010 by the board of directors.

Characteristics and conditions of the share option plan

The characteristics and conditions attached to the attribution of the share options are as follows:

Date of grant / main staff concerned	Number of options	Conditions for acquiring rights	Contractual duration of options
Options granted to key executives and senior staff on 16 July 2010	1,164,000	<p>Staff must remain as employees of the Group until the exercise of options.</p> <p>Performance conditions: 50% of options are subject to conditions based on the financial performance of the Group (distribution of a dividend, consolidated EBITDA in 2010 and 2011 above a predetermined level).</p> <p>Market performance condition: 50% of options are conditional on the GET SA share price performing better than the SBF120 index.</p>	4 years

Information on the share option plan and on the rights of replacement

The number and the average weighted exercise price of the share options are as follows:

	Average weighted exercise price (in euros)	Number of options
In circulation at 1 January	–	–
Granted during the year	6.42	1,164,000
Cancelled during the year	6.42	(52,000)
Exercised during the year	–	–
Expired during the year	–	–
In circulation at 31 December 2010	6.42	1,112,000
Exercisable at 31 December 2010	–	–

Assumptions used for the fair value measurement on the grant date

The fair value of the rights granted to staff as part of the share option plan on the grant date was calculated by applying the binomial Black & Scholes model and the Monte-Carlo approach. The assumptions used to measure the fair value of the share option plan on the grant date were as follows:

Fair value of options and assumptions	2010 share option plan
Fair value of options on grant date (€)	2.02
Share price on grant date (€)	6.046
Exercise price of an option (€)	6.42
Expected volatility	40%
Contractual duration of options	7 years
Risk-free interest rate (based on government bonds)	2.4%

A charge of €239,000 was made to the income statement in "staff benefits expense" relating to share options granted in 2010.

W. Retirement benefits

The Group has provided for the following retirement liabilities:

€'000	31 December 2010	31 December 2009
UK: ESL	14,550	11,385
UK: GBRf	7,436	–
France	7,827	6,325
Total	29,813	17,710

W.1 UK employee defined benefit obligations

In the UK, GET SA operates three pension schemes: The Channel Tunnel Group Pension Fund and The Channel Tunnel Group Senior Executives Pension Fund providing defined benefits based on final pensionable pay, and the GBRf retirement fund. The characteristics of these schemes are similar and the assets of each are held in separate trustee-administered funds.

The valuation has been prepared by an independent qualified actuary to take account of the requirements of IAS 19 in order to assess the liabilities and assets of the scheme as at 31 December 2010. Scheme assets are stated at their fair value as at 31 December 2010.

Set out below is a summary of the overall IAS 19 defined benefit pension schemes' liabilities. The fair value of the schemes' assets, which are not intended to be realised in the short term and may be subject to significant change, and the present value of the schemes' liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

€'000	ESL					GBRf
	31 December 2010	31 December 2009	31 December 2008	31 December 2007	31 December 2006	31 December 2010
Analysis of plan assets:						
Equities	108,254	79,977	63,606	102,775	104,135	22,306
Gilts	21,740	25,024	24,137	33,122	20,109	581
Bonds	25,439	24,986	6,884	9,447	22,555	–
Other	1,205	2,148	8,917	6,757	421	116
Fair value of plan assets	156,638	132,135	103,544	152,101	147,220	23,003
Present value of funded obligations	176,343	181,815	118,582	168,643	179,033	29,393
Present value of net obligations	19,705	49,680	15,038	16,542	31,813	6,390
Portion of deficit / surplus attributed to members	–	–	–	–	–	(2,556)
Unrecognised negative past service cost	13,387	–	–	–	–	–
Unrecognised actuarial gains and (losses)	(18,542)	(38,295)	(4,909)	(6,113)	(14,801)	3,601
Recognised liability for retirement obligations (see below)	14,550	11,385	10,129	10,429	17,012	7,435

Assumptions

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	ESL		GBRf
	31 December 2010	31 December 2009	31 December 2010
Expected return on plan assets:			
Equities	8.1%	8.2%	8.1%
Gilts	4.2%	4.4%	4.2%
Bonds	4.9%	5.1%	–
Other	4.3%	4.7%	4.3%
Discount rate	5.5%	5.6%	5.5%
Future salary increases	5.0%	5.1%	3.7%
Inflation rate	3.7%	3.8%	3.7%
Future pension increases	3.7%	3.8%	3.1%

Movements in the present value of retirement obligations

€'000	ESL		GBRf
	2010	2009	2010
Opening liability at 1 January	181,815	118,582	–
Value at initial consolidation	–	–	32,158
Current service costs	3,189	2,710	1,520
Interest on obligation	9,966	7,655	1,052
Contributions received from employees	2,156	2,047	468
Unrecognised negative past service costs	(13,454)	–	–
Benefits paid	(2,610)	(1,933)	(117)
Actuarial gain/(loss) and curtailment	(10,565)	43,833	(5,377)
Exchange rate adjustment	5,846	8,921	(311)
Closing liability at 31 December	176,343	181,815	29,393

Movements in the fair value of plan assets

€'000	ESL		GBRf
	2010	2009	2010
Fair value of plan assets at 1 January	132,135	103,544	–
Value at initial consolidation	–	–	20,187
Contributions received from employer	2,954	2,800	701
Contributions received from employees	2,156	2,047	468
Benefits paid	(2,610)	(1,933)	(117)
Expected return on plan assets	9,352	7,293	585
Actuarial gain / (loss) on plan assets	8,579	10,753	1,403
Exchange rate adjustment	4,072	7,631	(224)
Fair value of plan assets at 31 December	156,638	132,135	23,003

Movements in the net liability for retirement obligations recognised in the balance sheet

€'000	ESL		GBRf
	2010	2009	2010
Opening net liability at 1 January	11,385	10,129	–
Value at initial consolidation	–	–	7,159
Company contributions paid	(2,954)	(2,800)	(701)
Cost of benefits	5,776	3,318	1,052
Exchange rate adjustment	343	738	(75)
Closing net liability at 31 December	14,550	11,385	7,435

Expense recognised in the income statement

€'000	ESL		GBRf
	2010	2009	2010
Current service costs	3,196	2,710	936
Interest on obligation	9,966	7,655	701
Expected return on plan assets	(9,352)	(7,293)	(585)
Effect of asset ceiling	633	(2,272)	–
Recognised actuarial (profit)/loss	(428)	2,518	–
Amortisation of unrecognised actuarial differences	1,761	–	–
Total	5,776	3,318	1,052

All costs in relation to the benefit are charged to “employee benefits expense” in the income statement.

In April 2010, the Group negotiated a modification to the terms of the defined benefits plan of the main UK pension fund (The Channel Tunnel Group Pension Fund) with the staff concerned, which led to a €13.5 million reduction in the value of the present value of obligations of this retirement fund. At the same time, the Group put in place a new defined contribution plan for the staff affected. The reduction in the value of the discounted liabilities of the defined benefits scheme is treated as an unrecognised negative past service cost and will be released into the income statement over the remaining working life of the beneficiaries.

In accordance with the corridor method, a charge of €1,701,000 was made to the income statement in 2010 (2009: €nil) for the amortisation of the excess of unrecognised actuarial differences beyond 10% of the gross value of the obligation which had not been accounted for in previous periods.

W.2 UK defined contribution scheme

Since 1 October 2006, Eurotunnel has had in place a defined contribution pension scheme (the Eurotunnel Defined Contribution Pension Scheme) which is open to all new ESL employees. The charge to the income statement in 2010 relating to this scheme was €199,000 (2009: €157,000).

W.3 French employee defined benefit scheme

In France, employees receive a lump sum payment on retirement in accordance with contractual commitments. The provision for these commitments at 31 December 2010 amounted to €7,827,000 (31 December 2009: €6,325,000).

All costs relating to this benefit are included in the income statement in "employee benefits expense" comprising current service cost of €445,000 (2009: €355,000) and the unwinding of the discount of €242,000 (2009: €210,000).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

	31 December 2010	31 December 2009
Discount rate	3.55%	4.2%
Future salary increases	1.1%	1.1%
Inflation rate	1.0%	1.0%

X. Financial liabilities

The movements in financial liabilities during the year were as follows:

€'000	31 December 2009 published	31 December 2009 recalculated ^(*)	Redemption and purchase of NRS	Interest and indexation	31 December 2010
Non-current financial liabilities					
Term Loan	3,651,467	3,705,657		48,167	3,753,824
Total non-current financial liabilities	3,651,467	3,705,657	–	48,167	3,753,824
Current financial liabilities					
Liability component of the NRS	5,772	5,772	(6,015)	243	–
Accrued interest on Term Loan	4,474	4,541		274	4,815
Total current financial liabilities	10,246	10,313	(6,015)	517	4,815
Total	3,661,713	3,715,970	(6,015)	48,684	3,758,639

* The financial liabilities at 31 December 2009 (calculated at the year end exchange rate of £1 = €1.126) have been recalculated at the exchange rate of 31 December 2010 (£1 = €1.162) in order to facilitate comparison. The liability component of the NRS was accounted for at the historic rate.

X.1 Description of the loans**i. Term Loan**

The long term loans effective from 28 June 2007 (collectively known as the "Term Loan") comprise the following elements:

In millions	Currency	Amount in currency	Amount in euro ^(**)	Effective interest rate	Contractual interest rate
Tranche A ₁ ^(*)	GBP	750	871	8.59%	3.49%
Tranche A ₂ ^(*)	EUR	367	367	5.77%	3.98%
Tranche B ₁	GBP	400	465	6.66%	6.63%
Tranche B ₂	EUR	645	645	6.23%	6.18%
Tranche C ₁	GBP	350	407	2.34% ^(***)	LIBOR + 1.39%
Tranche C ₂	EUR	953	953	2.45% ^(***)	EURIBOR + 1.39%
Total Term Loan			3,708	5.41%	

* Linked to inflation (see notes a) and b) below).

** Nominal amount excluding impact of effective interest rate and inflation indexation and at the exchange rate at 31 December 2010 (£1=€1.162).

*** Excluding hedging and additional margin. The effective interest rate with hedging of tranches C₁ and C₂ for the 2010 financial year was 6.62% and 6.28% respectively.

The transaction costs used for the determination of the effective interest rate correspond to the issue costs for the Term Loan, amounted to €69 million (1.6% of the nominal value). These costs include mainly those relating to financing and to legal and bank fees.

a) Tranche A₁

The tranche A₁ loan amounts to £750 million, and bears interest at a fixed rate until its maturity, of 3.49%, and is linked to the UK All Items Retail Price Index inflation index as published by the United Kingdom's Office for National Statistics. Repayment of this tranche will begin on 20 June 2018 to end on 20 June 2042. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

b) Tranche A₂

The tranche A₂ loan amounts to €367 million, and bears interest at a fixed rate until its maturity, of 3.98%, and is linked to the indice des prix à la consommation hors tabac inflation index as published by l'Institut National de la Statistique et des Etudes Economiques. Repayment of this tranche will begin on 20 June 2018 to end on 20 June 2041. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

c) Tranche B₁

The tranche B₁ loan amounts to £400 million, and bears interest at a fixed rate of 6.63% until its maturity. Repayment of this tranche will begin on 20 June 2013 to end on 20 June 2046. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

d) Tranche B₂

The tranche B₂ loan amounts to €645 million, and bears interest at a fixed rate of 6.18% until its maturity. Repayment of this tranche will begin on 20 June 2013 to end on 20 June 2041. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

e) Tranche C₁

The tranche C₁ loan amounts to £350 million, and bears interest at a floating rate (LIBOR) plus a margin of 1.39% which is entirely hedged by a fixed/floating interest rate swap for which Eurotunnel pays a fixed rate of 5.2135% and receives a floating rate (LIBOR). Repayment of this tranche will begin on 20 June 2046 to end on 20 June 2050. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

f) Tranche C₂

The tranche C₂ loan amounts to €953 million, and bears interest at a floating rate (EURIBOR) plus a margin of 1.39% which is entirely hedged by a fixed/floating interest rate swap for which Eurotunnel pays a fixed rate of 4.853% and receives a floating rate (EURIBOR). Repayment of this tranche will begin on 20 June 2041 to end on 20 June 2050. Repayments of capital and payments of interest will fall every six months on 20 June and 20 December of each year.

If Tranches C₁ and C₂ are not refinanced before June 2012, there will be an additional margin of 2% on their nominal amounts. The financial impact on debt service cash flows is estimated at €27 million on an annual basis.

Undertakings and restrictions under the Term Loan

The Term Loan provides for a number of undertakings and restrictions which are customary for this type of financing. These relate to the creation of new or the continuation of existing guarantees on the assets of the Eurotunnel Group, to the transfer of the assets of the Eurotunnel Group, to the acquisition by the Eurotunnel Group of new assets, to the granting of loans, guarantees or warranties to third parties, and to the respect of two financial ratios, one of which, if not met, would constitute an event of default (see section on "Event of default and acceleration" below).

The other ratio is the ratio of operating cash flow to the total synthetic debt service on the Term Loan. GET SA is required to ensure that at each six-monthly test date after 31 December 2007, this ratio is not less than 1.25. For the purposes of this test, the ratio is calculated taking into account the hypothetical amortisation on the Term Loan and on the basis of a rolling 12 month period prior to the date of the test. Failure to meet this ratio on a six-monthly testing date would lead to restrictions on the use of the Group's excess available cash flow on the date of the next interest payment on the Term Loan until such time as the test is met once again. These restrictions include, in particular, the ability of the Eurotunnel Group to pay dividends and to finance new activities. Failure to meet this test on three consecutive six monthly testing dates would trigger a prepayment event, under which the Group's excess available cash flow would have to be used towards prepayment of the Term Loan until the testing date on which the ratio is met once again.

Voluntary prepayment of long term loans

Clause 7.2 of the credit agreements provide for voluntary prepayments to be made on the long term loans for a minimum amount of £5 million or €7.5 million, without penalties but subject to the payment of certain market standard prepayment premia.

Guarantees and security relating to the Term Loan

● *Guarantees:*

Under the Intercreditor Deed, the main companies in the Group each jointly and severally guarantee the obligations of FM and CTG as borrowers of the Term Loan vis-à-vis the lenders, the arrangers and the hedging counterparties of the Term Loan.

- *Security granted by Eurotunnel Group under French law:*

- (i) assignment of trade receivables by way of security under which, on the one hand, FM assigns its trade receivables relating to the freight transporters and coach operators and, on the other hand, members of the Eurotunnel Group assign certain receivables arising out of contracts accessory to the operation of the Tunnel, such as receivables arising out of the Railway Usage Contract and the insurance policies;
- (ii) unregistered mortgages over their main real estate assets that are not the subject of short or medium term development projects;
- (iii) a registered pledge over rolling stock;
- (iv) a charge over all bank accounts open in France under the name of any borrower or guarantor;
- (v) a charge over shares in Eurotunnel Group members (with the exception of Europorte SAS and its subsidiaries) held by the borrowers or guarantors of the Term Loan; and
- (vi) a charge over the main Eurotunnel trademarks.

- *Security granted by Eurotunnel Group under English law:*

The main companies in the Group grant security over all of their assets held at the date of execution of the Term Loan as well as over their future assets and over certain of their contractual rights.

- *Security over the other assets of the Eurotunnel Group:*

All of the shares of member companies of Eurotunnel Group that are not subject to security as described above (with the exception of Europorte SAS and its subsidiaries) are pledged by way of security for the obligations of the borrowers under the Term Loan and guarantors under the Intercreditor Deed.

Event of default and acceleration

The Term Loan contains a number of events of default which, in certain instances subject to grace periods, permit the lenders to declare the Term Loan immediately due and payable, to enforce the security, and/or to demand the implementation of the substitution mechanism provided for under the terms of the Concession.

The events of default include:

- any non-payment under the Term Loan;
- a failure to comply with any provision of the Term Loan, the Intercreditor Deed or related documents. These provisions impose restrictions on, among other things, indebtedness, acquisitions, disposals and other transfers, mergers, borrowings, and the granting of guarantees and new security by the companies of the Eurotunnel Group, and include, in particular:
 - (i) a financial covenant which requires GET SA to ensure that at each six-monthly test date after 31 December 2007, a ratio of operating cash flow to total debt service on the Term Loan is not less than 1.20 until 28 June 2012 and not less than 1.10 thereafter, such ratio being calculated by reference to a rolling 12 month period preceding the testing date; and
 - (ii) certain undertakings and representations relating to the tax treatment of the Eurotunnel Group to the extent that a breach is reasonably likely to have a materially adverse effect on the financial position of FM, CTG or the Eurotunnel Group;

- a representation or warranty is made or deemed to have been made by a Borrower or a guarantor under the terms of the Term Loan, or any related finance document or any other document delivered by or on behalf of a Borrower or an Obligor under the terms of the finance documents (which contain representations and warranties that are customary for this type of document), which proves to have been incorrect or misleading at the time at which it was made or deemed to have been made;
- the occurrence of a cross default under any other indebtedness in excess of a specified amount of any of the companies within Eurotunnel Group (other than Groupe Eurotunnel SA);
- the inability of any borrower or guarantor to pay its debts as they fall due, the insolvency or the opening of any legal proceedings in relation to any borrower or guarantor under the Term Loan;
- the illegality or invalidity of the Term Loan, any related security or the subordination created under the Intercreditor Deed;
- Eurotunnel becoming permanently unable to carry on the business of operating the Tunnel, the destruction of the Tunnel, or the cessation of a material part of its business by a borrower or a guarantor;
- a guarantor ceasing to be a wholly-owned subsidiary of Groupe Eurotunnel SA;
- any act or omission of France or the United Kingdom which renders a borrower or guarantor under the Term Loan incapable of performing its obligations under the Term Loan and associated documents; and
- the occurrence of litigation (or similar proceedings) against any Eurotunnel Group member or its assets, which is reasonably likely (i) to be adversely determined against the relevant company and (ii) to have a material adverse effect on the financial condition of FM, CTG or Eurotunnel Group.

The Term Loan also includes other events of default which are customary for this type of financing.

The debt service cover ratio and the synthetic service cover ratio for Groupe Eurotunnel SA at 31 December 2010 were 1.52 and 1.34 respectively, and thus the financial covenants for the period were respected.

X.2 Interest rate exposure

The Eurotunnel Group has hedging contracts in place to cover its floating rate loans (tranches C₁ and C₂) in the form of swaps for the same duration and for the same value (EURIBOR against a fixed rate of 4.85% and LIBOR against a fixed rate of 5.2%). No premiums were paid to obtain these contracts. The nominal value of hedging swap is €953 million and £350 million.

These derivatives generated a charge of €54 million in 2010 which was accounted for in the income statement (2009: charge of €36 million).

In accordance with IAS 39, these derivatives have been measured at their fair value on the balance sheet as a liability of €285 million for the euro contracts and as a liability of £93 million for the sterling contracts (31 December 2009: liability of €195 million for the euro contracts and as a liability of £71 million for the sterling contracts).

The following table indicates the periods in which the cash flows associated with the derivatives are expected to occur, and the periods in which the amounts initially recognised in equity are expected to impact the income statement.

At 31 December 2010

In millions	Accounting value	Contractual cash flow	12 months or less	1-5 years	5-10 years	10-20 years	20-30 years	30-40 years
Sterling interest rate swaps used for hedging								
Asset	-	58	-	-	12	24	24	19
Liability	(92)	-	(12)	(7)	-	-	-	-
Euro interest rate swaps used for hedging								
Asset	-	776	-	70	118	237	237	132
Liability	(285)	-	(18)	-	-	-	-	-
Total in £	(92)	58	(12)	(7)	12	24	24	19
Total in €	(285)	776	(18)	70	118	237	237	132

At 31 December 2009

In millions	Accounting value	Contractual cash flow	12 months or less	1-5 years	5-10 years	10-20 years	20-30 years	30-40 years	More than 40 years
Sterling interest rate swaps used for hedging									
Asset	-	-	-	-	-	-	-	-	-
Liability	(71)	(143)	(13)	(16)	(17)	(34)	(33)	(30)	-
Euro interest rate swaps used for hedging									
Asset	-	-	-	-	-	-	-	-	-
Liability	(195)	(363)	(17)	(35)	(49)	(98)	(99)	(64)	(1)
Total in £	(71)	(143)	(13)	(16)	(17)	(34)	(33)	(30)	-
Total in €	(195)	(363)	(17)	(35)	(49)	(98)	(99)	(64)	(1)

The maturity profile of the contractual cash flows is based on the Group's medium and long term budgetary assumptions.

Y. Financial risks**Y.1 Exchange rate exposure**

Approximately half of the Eurotunnel Group's revenues are denominated in sterling, whereas more than half of its operating expenses and capital expenditure are in euros. The Term Loan is denominated in sterling for a total of £1.5 billion and in euros for a total of €1.965 billion. All the external financial instruments are denominated either in sterling or in euros. As a result, no exchange gain or loss can arise on revaluation of the external financial instruments. The residual foreign exchange risk relates to the revaluation of intra-Group balances, the residual value of which at 31 December 2010 is €16 million; a 10% change in the euro/sterling parity would result in unrealised exchange gains or losses of approximately €1.6 million.

The Eurotunnel Group has and will continue to make every effort to closely match the currencies in which its revenues and costs are denominated and will use currency hedging transactions to manage its foreign exchange risk where necessary. Groupe Eurotunnel SA prepares its consolidated accounts in euros. Fluctuations in the value of the sterling/euro rates have an impact on the value in euros of revenues, costs and financial income and costs, as well as on elements of the Group's reported assets and liabilities. By way of example and all else being equal and on the basis of accounting information at 31 December 2010, a reduction in euro/sterling exchange rate used to consolidate the 2010 income statement of 10% (1.169 to 1.052) would lead to a mechanical change in consolidated revenues from €736.6 million to €700.8 million, in consolidated EBITDA from €336 million to €314 million, and in the consolidated net result from a loss of €57 million to a loss of €67 million.

Y.2 Liquidity risk

The contractual cash flow takes into account the effects of the 2007 financial restructuring and confirms that Eurotunnel is able to meet its liquidity risks.

The contractual maturity profile of the financial liabilities (including interest payments and excluding the impact of offset agreements) is as follows:

At 31 December 2010

In millions	Accounting value	Contractual cash flow	12 months or less	1-5 years	5-10 years	10-20 years	20-30 years	30-40 years
Non-derivative financial liabilities								
Guaranteed sterling bank loans	1,551	(4,872)	(67)	(367)	(534)	(1,247)	(1,580)	(1,077)
Tranche A ₁ – £ ^(*)	813	(2,489)	(30)	(133)	(266)	(759)	(1,096)	(205)
Tranche B ₁ – £	394	(1,098)	(27)	(150)	(140)	(233)	(229)	(319)
Tranche C ₁ – £ ^(**)	344	(1,285)	(10)	(84)	(128)	(255)	(255)	(553)
Total in sterling	1,551	(4,872)	(67)	(367)	(534)	(1,247)	(1,580)	(1,077)
Guaranteed euro bank loans	1,952	(6,271)	(97)	(585)	(788)	(1,643)	(1,730)	(1,428)
Tranche A ₂ – € ^(*)	379	(1,023)	(16)	(67)	(127)	(348)	(459)	(6)
Tranche B ₂ – €	635	(1,403)	(40)	(211)	(245)	(463)	(439)	(5)
Tranche C ₂ – € ^(**)	938	(3,845)	(41)	(307)	(416)	(832)	(832)	(1,417)
Total in euros	1,952	(6,271)	(97)	(585)	(788)	(1,643)	(1,730)	(1,428)
Total expressed in euros	3,754	(11,933)	(175)	(1,012)	(1,407)	(3,092)	(3,566)	(2,681)
Derivative financial liabilities								
Sterling interest rate swaps used for hedging	92	58	(12)	(7)	12	24	24	19
Euro interest rate swaps used for hedging	285	776	(18)	70	118	237	237	132
Cash flow net of hedging expressed in euros	4,146	(11,090)	(208)	(952)	(1,275)	(2,827)	(3,301)	(2,527)
Suppliers and other creditors in £	40	(40)	(40)	–	–	–	–	–
Suppliers and other creditors in €	110	(110)	(110)	–	–	–	–	–

* Tranches A₁ and A₂ are indexed with inflation, and are presented in the liquidity table on the basis of the Group's medium and long term budgetary assumptions.

** Tranches C₁ and C₂ are at a variable rate of interest, and are presented in the liquidity table on the basis of a long-term interest rate at the balance sheet date, excluding the additional margin.

At 31 December 2009

In millions	Accounting value	Contractual cash flow	12 months or less	1-5 years	5-10 years	10-20 years	20-30 years	30-40 years	More than 40 years
Non-derivative financial liabilities									
Guaranteed sterling bank loans	1,515	(4,700)	(65)	(339)	(481)	(1,141)	(1,469)	(1,158)	(47)
Tranche A ₁ – £ ^(*)	777	(2,469)	(28)	(124)	(227)	(711)	(1,043)	(336)	–
Tranche B ₁ – £	394	(1,124)	(27)	(138)	(155)	(233)	(229)	(342)	–
Tranche C ₁ – £ ^(**)	344	(1,107)	(10)	(77)	(99)	(197)	(197)	(480)	(47)
Guaranteed euro bank loans	1,946	(5,218)	(98)	(466)	(615)	(1,291)	(1,397)	(1,286)	(65)
Tranche A ₂ – € ^(*)	373	(1,009)	(16)	(66)	(114)	(330)	(445)	(38)	–
Tranche B ₂ – €	635	(1,443)	(40)	(197)	(253)	(464)	(456)	(33)	–
Tranche C ₂ – € ^(**)	938	(2,766)	(42)	(203)	(248)	(497)	(496)	(1,215)	(65)
Notes redeemable in shares in £	2	(2)	(2)	–	–	–	–	–	–
NRS I – T ₃ – £	2	(2)	(2)	–	–	–	–	–	–
NRS I – T ₂ – £	–	–	–	–	–	–	–	–	–
Notes redeemable in shares in €	4	(4)	(4)	–	–	–	–	–	–
NRS I – T ₃ – €	4	(4)	(4)	–	–	–	–	–	–
NRS I – T ₂ – €	–	–	–	–	–	–	–	–	–
Total in sterling	1,519	(4,700)	(65)	(339)	(481)	(1,141)	(1,469)	(1,158)	(47)
Total in euros	1,952	(5,220)	(100)	(466)	(615)	(1,291)	(1,397)	(1,286)	(65)
Total expressed in euros	3,662	(10,513)	(173)	(848)	(1,157)	(2,576)	(3,051)	(2,590)	(118)
Derivative financial liabilities									
Sterling interest rate swaps used for hedging	71	(143)	(13)	(16)	(17)	(34)	(33)	(30)	–
Euro interest rate swaps used for hedging	195	(363)	(17)	(35)	(49)	(98)	(99)	(64)	(1)
Cash flow net of hedging expressed in euros	3,937	(11,037)	(205)	(901)	(1,225)	(2,712)	(3,187)	(2,688)	(119)
Suppliers and other creditors in £	21	21	21	–	–	–	–	–	–
Suppliers and other creditors in €	90	90	90	–	–	–	–	–	–

* Tranches A₁ and A₂ are indexed with inflation, and are presented in the liquidity table on the basis of the Group's medium and long term budgetary assumptions.

** Tranches C₁ and C₂ are at a variable rate of interest, and are presented in the liquidity table on the basis of a long-term interest rate at the balance sheet date, excluding the additional margin.

If Tranches C₁ and C₂ are not refinanced before June 2012, there will be an additional margin of 2% on their nominal amounts. The financial impact on debt service cash flows is estimated at €27 million on an annual basis.

Furthermore, the credit agreements allow, on the condition that the debt service cover ratio is not less than 1.25, to apply for (i) a renewable credit line of up to €75 million, and (ii) a structurally subordinated additional credit line of up to £225 million (or equivalent in euros).

Y.3 Rate risk exposure

The risk of an unfavourable movement in rates during the duration of the Term Loan is covered by the fact that tranches B₁ and B₂ are at a fixed rate of interest, tranches A₁ and A₂ which are indexed on inflation are at a fixed rate of interest, and tranches C₁ and C₂ are at a variable rate of interest but are covered by fixed/variable rate hedging

contracts. The NRS also carry a fixed rate of interest. Short-term receivables and debts are not at risk from interest rate exposure.

The inflation risk relates to the interest and the repayments of principal on the two indexed tranches (A_1 and A_2). By way of example, a variation of 1% in the inflation rate would have an impact of €12 million on the amount of the principal of these two tranches.

Y.4 Credit risks

Credit risk represents the risk of financial loss to the Group in the event that a customer or counterparty to a financial instrument fails to honour their contractual obligations.

i. Trade receivables

The Group's credit risk exposure on trade receivables is principally in the freight road transport market.

The Group applies a credit policy which requires that every new customer is subject to a credit check before being able to benefit from the Group's standard credit terms. The Group's credit risk exposure to account customers is managed by means of continuous monitoring of their financial situation and of their outstanding debt in regard to their credit limits and payment terms.

ii. Investments

The Group limits its credit risk exposure by only investing in i) short-term deposits and certificates of deposit with a maximum term of 6 months with counterparties with a minimum rating of P-1 from Moody's or ii) in monetary SICAVs (the French equivalent of mutual funds) and money market funds with a minimum rating of Aaa from Moody's or AAA from S&P.

Funds invested by the Group in any one monetary SICAV or money market fund should not exceed £100 million per SICAV or fund in pounds sterling or €100 million per fund or SICAV in euros. Investments in short term deposits or certificates of deposit should not exceed £65 million in the UK or €65 million in France with any one counterparty.

iii. Credit risk exposure

The carrying value of the financial assets represents the maximum credit risk exposure. The maximum credit risk exposure at the balance sheet date is as follows:

€'000	31 December 2010	31 December 2009
Available-for-sale financial assets	5	–
Trade receivables	80,438	46,499
Cash and cash equivalents	316,323	251,226
Total	396,766	297,725

At 31 December 2010, the Group held guarantees for a value of €0.6 million (31 December 2009: €1 million) covering the credit risk on trade receivables.

Z. Fair value of financial assets and liabilities**Z.1 Hierarchy of fair value**

The table below analyses the financial instruments which are accounted for at their fair value, according to their method of valuation. The different levels are defined as follows:

- Level 1: fair value using quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2: fair value using data ("inputs") other than quoted prices included in level 1, which are observable for the asset or liability, either directly (in the form of price) or indirectly (determined from the price).
- Level 3: fair value from valuation techniques which rely completely or in part on non observable data such as prices on an inactive market or the valuation on a multiples basis for non quoted securities.

Financial liabilities are accounted for at their amortised cost and are therefore not included in the tables below.

Assets

€ million	Level 1	Level 2	Level 3	Total
At 31 December 2010:				
Cash and cash equivalents	316	–	–	316
At 31 December 2009:				
Cash and cash equivalents	251	–	–	251

Liabilities

€ million	Level 1	Level 2	Level 3	Total
At 31 December 2010:				
Interest rate swaps used for hedging	–	392	–	392
At 31 December 2009:				
Interest rate swaps used for hedging	–	275	–	275

Z.2 Fair value of financial liabilities

On 28 June 2007, Eurotunnel took out a long-term loan totalling €3,708 million (nominal value at the balance sheet rate on 31 December 2010), from a banking consortium comprising Goldman Sachs International and Deutsche Bank AG, with a spread of 139 basis points. This debt is accounted for at its amortised cost.

The Term Loan is not quoted or traded on an active financial market and it is particularly difficult to identify any observable market equivalents, taking into account the specificities and characteristics of the Eurotunnel Group's debt and in particular its 30 to 40-year maturity profile (see note X.1i above).

Nevertheless, on the basis of available data relating to issues in 2010 of long term debt with maturities of between 17 and 25 years at a fixed rate of interest and with a similar credit rating to Eurotunnel's, the Group considers that the fair value of the Term Loan is close to its accounting value at 31 December 2010. As an indication, if the rate (including the margin) on 31 December 2010 had been 100 basis points above that obtained on 28 June 2007, the fair value of the Term Loan would have been approximately €810 million below its amortised cost value.

AA. Litigation for which no provision has been made

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 (see paragraph 20.8.1 of the 2010 Reference Document); 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.

No provision has been made for this litigation.

BB. Provisions

€'000	1 January 2010	Change in consolidation scope	Charge to income statement	Release of unspent provisions	Provisions utilised	Exchange difference	31 December 2010
Restructuring	4,855				(1,952)		2,903
Other	1,028	6,676	170	(646)	(1,387)		5,841
Total	5,883	6,676	170	(646)	(3,339)	–	8,744

CC. Trade and other payables

€'000	31 December 2010	31 December 2009
Trade cash advances	899	812
Trade creditors and accruals	72,294	52,967
Taxation, social security and staff	53,213	39,511
Property, plant and equipment creditors and accruals	20,313	19,585
Trade payables (current)	146,719	112,875
Deferred income(*)	21,933	19,138
Other	3,825	3,677
Other payables (current)	25,758	22,815
Total	172,477	135,690

* Deferred income is mainly composed of tickets issued but not yet used.

At 31 December 2010, trade and other payables of the newly-acquired companies amounted to €30 million.

DD. Commitments and contingent liabilities

GET SA, FM, CTG, Eurotunnel SE, EFL, ESGIE, ESL and EurotunnelPlus Limited each jointly and severally guarantee the obligations of FM and CTG in relation to the Term Loan. In order to guarantee these obligations, these companies have granted security as described in note X above.

EE. Operating lease contracts

The contractual duration of non-cancellable operating lease contracts is set out in the table below:

€'000	31 December 2010
Less than one year	16,340
From one to five years	42,208
More than five years	15,967
Total	74,515

These relate to the leasing commitments for rolling stock by the rail freight subsidiaries. In general at 31 December 2010, the contracts have a residual duration of up to 10 years and include options to renew at the end of the contractual duration. In order to take into account changes in leasing market conditions, the rental amounts of certain contracts are reviewed every year.

During the year, leasing charges of €13,014,000 were accounted for relating to rolling stock operating leases.

FF. Statutory auditors' fees

In application of decree number 2008-1487 dated 30 December 2008, the table below presents the statutory auditors' fees for the financial years ended 31 December 2009 and 2010 for all Eurotunnel Group companies.

€'000	2010	2009
Auditorship, certification and examination of individual and consolidated accounts	1,893	2,153
Other fees and services directly linked to the duties of the auditors	32	263
Total	1,925	2,416

GG. Related party transactions**GG.1 Eurotunnel Group subsidiaries**

Within the Eurotunnel Group, all companies are fully consolidated at 31 December 2010.

GG.2 Related parties with a significant influence on the Group

During the financial restructuring in 2007, the Eurotunnel Group concluded interest rate hedging contracts with financial institutions, in the form of swaps (see note X above). Goldman Sachs International was one of the counterparties to these hedging contracts, and at 31 December 2010 held 2.7% of the contracts, representing a charge of €1.5 million in 2010 and a liability of €10.6 million at 31 December 2010.

Two of Goldman Sachs's infrastructure funds (GS Global Infrastructure Partners I, L.P., et GS International Infrastructure Partners I, L.P., together known as GSIP) redeemed their SDES in GET SA ordinary shares in September 2009, and thereby hold approximately 15% of GET SA's share capital at 31 December 2010.

GG.3 Remuneration of board members and senior executives

The amount of remuneration paid to members of the board of directors and senior directors is included in note I above.

HH. Post balance sheet events

Nothing to report.

*20.3.2 Groupe Eurotunnel SA parent company financial statements for the financial year ending
31 December 2010 and the statutory auditors' report thereon*

Contents of the parent company financial statements⁽¹⁾

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⁽¹⁾ Groupe Eurotunnel SA's parent company financial statements are prepared in accordance with French accounting standards.

Report of the statutory auditors on the annual parent company financial statements for the financial year ending 31 December 2010

This is a free translation into English of the statutory auditor's report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditor's report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying financial statements of Groupe Eurotunnel SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

2 Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code ("Code de commerce") relating to the justification of our assessments, we bring to your attention the following matters.

TNU PLC merger loss and EGP merger profit

Note A.1ii of the financial statements presents the conditions relating to the mergers of TNU PLC and EGP performed in the context of the end of the simplification of the group's legal structure and the impacts of the operations in the financial statements.

We assessed the accounting treatment used by the company, as described in the financial statements and performed some tests in order to check, on a sample basis, their appropriate implementation.

Value in use of investments

Note D of the financial statements relating to the investments in subsidiary undertakings presents the approach of the company relating to the value in use of the investments. We assessed the approach used by the company on the basis of underlying business plans and the appropriateness of the information given in this note to the financial statements.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code ("Code de commerce") relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders has been properly disclosed in the management report.

Statutory auditors

Paris La Défense and Courbevoie, 3 March 2011

KPMG Audit
A division of KPMG S.A.

Mazars

Fabrice Odent
Partner

Philippe Cherqui
Partner

Thierry de Baillencourt
Partner

Jean-Marc Deslandes
Partner

Balance sheet

€'000	Note	Gross	Impairment	31 December 2010 Net	31 December 2009 Net
ASSETS					
Intangible assets	C	116,552	–	116,552	116,552
Investments in subsidiary undertakings	D	1,453,714	–	1,453,714	2,015,670
Loans	E.1	1,998,712	–	1,998,712	3,575,943
Treasury shares	F	66,027	796	65,231	66,049
Other		–	–	–	1
Fixed assets		3,635,005	796	3,634,209	5,774,215
Trade receivables		211	–	211	–
Receivables from Government and other public bodies		6,881	–	6,881	5,840
Group and associates	E.3	5,148	–	5,148	44,456
Other financial assets	E.1	20,664	–	20,664	6,324
Investments in securities	G	7,273	–	7,273	43,430
Cash and cash equivalents	G	27	–	27	413
Current assets		40,204	–	40,204	100,463
Prepaid expenses		352	–	352	277
Total assets		3,675,561	796	3,674,765	5,874,955
LIABILITIES					
Share capital	H.1			213,684	190,825
Share premium	H.2			1,812,316	1,780,896
Legal reserve	H.2			3,633	2,410
Special reserve and other reserves	H.2			599,786	417,450
Retained earnings	H.2			37,165	32,427
Result for the year	H.2			571,264	24,450
Equity				3,237,848	2,448,458
Quasi-equity	I			–	31,395
Total shareholders' funds				3,237,848	2,479,853
Provision for risk and charges				21	–
Financial liabilities				46	–
Group and associates	E.2			427,557	3,383,665
Trade payables				7,145	4,441
Tax and social security liabilities				2,044	6,888
Other liabilities				104	108
Debts*				436,896	3,395,102
Total liabilities				3,674,765	5,874,955

* More than one year: none (2009: none).

The notes form an integral part of the annual financial statements.

Income statement

€'000	Note	2010	2009
Operating revenue			
Revenue from sale of services	J	11,222	11,626
Total operating revenue		11,222	11,626
Operating expenses			
Purchases and external costs	K	(12,114)	(19,367)
Salaries and charges	L	(1,661)	(598)
Taxes		(60)	(451)
Depreciation and provisions		(21)	–
Other expenses		(592)	(569)
Total operating expenses		(14,448)	(20,985)
Operating result		(3,226)	(9,359)
Financial income			
Interest and similar income	N	682,397	59,352
Release of provisions		751	10,663
Net income on sales of investments		66	734
Exchange gains	M	470	74
Total financial income		683,684	70,823
Financial charges			
Interest and similar charges	N	(101,449)	(41,169)
Exchange losses		(8,363)	(136)
Total financial charges		(109,812)	(41,305)
Financial result		573,872	29,518
Exceptional result	O	121	4,288
Tax: group relief income	P	497	3
Net result for the year		571,264	24,450

The notes form an integral part of the annual financial statements.

Notes to the financial statements

The terms "Groupe Eurotunnel SA" and "GET SA" are used hereafter to refer to the holding company governed by French law, whose registered office is at 3 rue La Boétie, 75008 Paris, France. The term "Group" or "Eurotunnel Group" refers to Groupe Eurotunnel SA and all its subsidiaries. GET SA is the consolidating entity of the Group and its shares are listed on Euronext Paris and the London Stock Exchange.

The principal activities are the design, financing, construction and operation of the Fixed Link, in accordance with the terms of the Concession, and the development of the rail freight activity. The Concession will expire in 2086.

GET SA, the Eurotunnel Group's holding company, manages relations with shareholders on behalf of the Concessionaires, for which GET SA includes in its income statement the cost of staff services relating to its activities which have been charged to it by Group companies ESGIE and ESL. GET SA charges the Concessionaires for its shareholder relations services and other services provided, which amounted to €11 million in 2010.

During 2010, GET SA carried out the merger of TNU PLC and EGP into GET SA, as a result of which GET SA now holds 100% of all the Group's subsidiaries.

A. Important events

A.1 Financial transactions and simplification of the Group's structure

i. Contractual redemptions

During 2010, the Group carried out:

- the final contractual redemption of the NRS I Tranche 3 in July 2010 (see note H.4 below), and
- the final contractual redemption of the SDES on 6 September 2010 (see note I below).

Following final redemptions of the NRS and SDES, the only instruments remaining to be redeemed from the 2007 financial restructuring are the outstanding 2007 Warrants and the conditional additional returns (see note Q below).

ii. Finalisation of the simplification of the Group's structure

Following these transactions, the Group continued the simplification of its legal structure with the merger of TNU PLC and EGP into GET SA.

Merger of TNU PLC into GET SA

The merger of TNU PLC into GET SA was completed on 31 October 2010. The merger was carried out on the basis of an exchange ratio of 0.002537 of a GET SA new ordinary share to one TNU PLC share (i.e. a ratio of 394 TNU PLC shares for one new GET SA ordinary share). The exchange ratio was determined in accordance with the work of an independent expert appointed for the transaction, and corresponds to a valuation of €483 million for TNU PLC and €4.1 billion for GET SA.

As part of this transaction:

- GET SA issued 450,000 new ordinary shares in consideration of the 177,299,763 TNU PLC shares, representing 0.68% of capital, held by shareholders outside the Group, GET SA having renounced the new shares corresponding to its shareholding in TNU PLC.
- This transaction had the following impacts on GET SA's 2010 accounts:
 - An increase in the company's share capital of €180,000.

- The recording in the company's equity of a merger premium of €3,135,000, corresponding to the difference between the value of the portion of TNU PLC's net assets held by shareholders outside the Group and the nominal value of the GET SA shares issued in consideration of its contribution to the merger.
- The recording of a merger deficit of €78,788,000 corresponding to the difference between the value of the portion of TNU PLC's net assets held by GET SA and the net accounting value of the TNU PLC shares held by GET SA. Taking into account the absence of contributed assets underlying the merger, this deficit was accounted for in "interest and related charges" on GET SA's income statement.

TNU PLC merger deficit	€'000
Adjusted net assets of TNU PLC	486,448
Percentage of GET SA's holding in TNU PLC	99.32%
Portion of adjusted net assets held by GET SA	483,129
Accounting value of GET SA's shareholding in TNU PLC	561,917
Total	78,788

Merger of EGP into GET SA

The merger of EGP into GET SA was completed on 31 October 2010. GET SA holding 100% of EGP's capital, EGP's contribution to the benefit of GET SA was recorded in GET SA's accounts at their net accounting value at the date of the merger.

In GET SA's 2010 accounts, this transaction resulted in the recording of a merger premium of €647 million corresponding to the difference between the value of EGP's net assets contributed to the merger and the net accounting value of EGP's shares held by GET SA. This merger premium corresponds mainly to the net profit realised by EGP on the transactions to simplify the Group's legal structure in 2009.

The merger of TNU PLC and EGP into GET SA also resulted in the extinction of certain intra-group receivables and debts (see note E below) and the transfer of the assets and liabilities of the merged companies.

EGP merger deficit	€'000
Adjusted net assets of EGP	646,672
Percentage of GET SA's holding in EGP	100%
Portion of adjusted net assets held by GET SA	646,672
Accounting value of GET SA's shareholding in EGP	73
Total	646,599

A.2 Result for the year

The net result for the year was a profit of €571,264,000.

B. Accounting methods and policies

B.1 Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the period. The board of

directors periodically reviews its valuations and estimates based on its experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value.

The actual results could differ significantly from these estimates depending on different conditions and hypotheses. The use of estimations concerns mainly the valuation of investments in subsidiary undertakings and of associated debts and loans.

B.2 Valuation of intangible assets

Intangible assets consist of goodwill (see note C below). A provision for depreciation is recorded when the value in use of the underlying assets to which the goodwill is allocated is less than its accounting value.

B.3 Valuation of investments in subsidiary undertakings

Investments in subsidiary undertakings are valued according to their value in use. A provision for impairment is booked when the value in use is lower than the carrying value.

B.4 Investments in securities

Investments are stated in the balance sheet at cost. If the market value is lower than the purchase cost, a provision for depreciation is booked for the difference. "Investments in securities" and "Cash and cash equivalents" include any accrued interest due thereon.

B.5 Treasury shares

GET SA holds its own shares acquired as part of a share buy back programme and a liquidity contract.

Treasury shares which are reserved explicitly for a share option plan are accounted for as investments in securities at their purchase price.

In the absence of an explicit allocation to staff or to a share capital reduction, the shares purchased as part of the buy back programme are accounted for at cost in financial fixed assets.

Shares acquired as part of the liquidity contract, the aim of which is to reduce excessive volatility in GET SA's shares, are accounted for at cost in investments and the gain or loss on sale of these shares is calculated on a FIFO basis.

At the end of the financial year, these shares are valued on the average share price during the last month. A provision is made if this valuation is below the book value.

B.6 Share based payments

As part of the share option plan, GET SA makes a provision for risk and charges relating to share option grants as soon as there is an outflow of resources from the company. When treasury shares are granted as part of a share option plan, a provision is made for the difference between the exercise price proposed to the beneficiaries and the net accounting value of the treasury shares granted.

B.7 Tax integration convention

Under the terms of the Group tax integration convention, tax charges are recognised in the individual financial statements of consolidated companies, on a stand-alone basis. Any tax savings or losses realised by the Group are recognised immediately in the parent company's income statement for the financial year.

B.8 Provisions

Provisions are recognised when there exists a legal or constructive obligation stemming from a past event and when the future cash flows can be reliably estimated.

C. Goodwill

The goodwill of €116,552,000 which resulted from the merger of TNU SA into GET SA in 2009 was accounted for as an intangible asset.

D. Investments in subsidiary undertakings

At 31 December 2010, shares in subsidiary undertakings are analysed as follows:

€'000	Gross value at 31 December 2009	Merger of EGP	Merger of TNU PLC	Gross value at 31 December 2010	Depreciation	Net accounting value at 31 December 2010
TNU PLC	561,917		(561,917)	–		–
FM	239,450			239,450		239,450
CTG	1,163,879			1,163,879		1,163,879
Eurotunnel Services GIE	1			1		1
Europorte Société Immobilière et Foncière	48,000			48,000		48,000
Eurotunnel	1,350			1,350		1,350
Europorte Services	1,000			1,000		1,000
EGP	73	(73)		–		–
Eurotunnel Finance Limited	–		1	1		1
Eurotunnel Developments Limited	–			–		–
GET Rail	–			–		–
Cheriton companies	–		33	33		33
Total	2,015,670	(73)	(561,883)	1,453,714	–	1,453,714

The key financial information for subsidiaries is presented in the following table:

In thousands	TOTAL	CTG (£)	Cheriton companies (£)	EDL (£)	EFL (£)	GET Rail (£)	FM (£)	ESGIE (£)	Société Immobilière et Foncière Eurotunnel (£)	Europorte Services (£)	Europorte (£)
Revenues excluding tax	683,781	273,633	–	5	–	–	317,825	87,907	–	1,457	2,955
Equity											
Share capital	1,781,648	1,437,851	4	7,257	1	–	287,570	2	525	438	48,000
Other equity (excluding the result for the year)	(1,334,885)	(1,150,023)	81	(11,646)	–	–	(170,847)	–	825	563	(3,837)
Result for the year	(59,208)	(16,112)	–	5	–	–	(41,663)	–	(33)	320	(1,725)
Total equity (€'000)	387,554	271,717^(**)	85^(**)	(4,384)^(**)	1^(**)	–^(**)	75,060	2	1,317	1,320	42,438
Percentage of capital held											
Directly		100%	100%	100%	100%	100%	100%	40%	100%	100%	100%
Directly and indirectly		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Carrying value of shares (€'000)											
Gross:	1,453,714	1,163,879	33	–	1	–	239,450	1	1,350	1,000	48,000
Net:	1,453,714	1,163,879	33	–	1	–	239,450	1	1,350	1,000	48,000
Security and guarantees given by the company		(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

* This information is provided in note T below.

** In euros at the consolidated balance sheet exchange rate at 31 December 2010 of £1=€1.162.

The value in use of the investments in subsidiary undertakings in FM and CTG has been estimated taking into account the most recent valuation of the Concession.

The value in use of the investments in subsidiary undertakings in Europorte has been estimated taking into account the most recent valuation of the Europorte sub-group which takes account of the outlook for the newly-acquired companies.

E. Group and associates**E.1 Other financial assets**

€'000	31 December 2010	31 December 2009
Other non-current financial assets:		
Amended bond debt (ABD):		
– CTG	275,960	285,770
– FM	1,161,024	1,161,024
Sub-total EOA	1,436,984	1,446,794
Intra-group loan (EGP)	–	2,087,862
NRS Redemption Premium Debt (FM)	254,835	–
NRS Redemption Premium Debt (CTG)	163,823	–
NRS Commission Loan (FM)	80,200	–
NRS Commission Loan (EFL)	42,870	41,287
Intra-group loan (Europorte)	20,000	–
Total	1,998,712	3,575,943
Other current financial assets:		
Accrued interest on the ABD:		
– CTG	6,320	2,322
– FM	1,354	3,939
Sub-total accrued interest on ABD	7,674	6,261
Accrued interest on NRS Commission Loan (FM)	11,356	–
Accrued interest on NRS Commission Loan (EFL)	1,445	63
Accrued interest on Europorte loan	189	–
Total	20,664	6,324

All the conditions relating to intra-group borrowings are governed by the “Master Inter-Group Debt Agreement”.

The merger of EGP into GET SA as described in note A.1ii above had the following consequences:

- The termination of the intra-group loan between the two companies which financed the redemption and purchase of the NRS I and NRS II during 2008 and 2009.
- The transfer to GET SA of EGP's receivables from FM and CTG relating to the NRS Commission Loans and the NRS Redemption Premium Debts (see below) and related accrued interest.

Amended Bond Debt (ABD)

The ABD corresponds to the original bond holdings purchased by EGP as part of the 2007 financial restructuring with the proceeds from the issue of the NRS. This receivable was transferred by EGP to GET SA in 2008 and in 2009 on the basis of a valuation by an expert.

Up until 28 July 2010, the amount of interest to be paid in relation to the ABD was equivalent to the interest to be paid by EGP in relation to the NRS and the inter-company loans. With effect from this date, the ABD carries interest at EONIA + 1% for the receivable from FM and at LIBOR + 1% for the receivable from CTG. The ABD is subordinate to the Group's external financial liabilities supported by FM and CTG, the contractual termination date for which is 2050.

NRS Commission Loans

The NRS Commission Loans correspond to the amounts due by EFL and FM relating to commissions paid by EGP as part of the financial restructuring in 2007. The NRS Commission Loans carry interest at EONIA +1% for the receivable from FM and at LIBOR +1% for the receivable from EFL.

NRS Redemption Premium Debts

The NRS Redemption Premium Debts correspond to the premium of 40% paid by EGP on the early cash redemption of the NRS I in April and July 2008 and which was due from FM and CTG to EGP in accordance with the terms of the ABD. The NRS Redemption Premium Debts carry interest at EONIA +1% for the receivable from FM and LIBOR +1% for the receivable from CTG.

Intra-group loan (Europorte)

In order to finance the acquisition of GBRf on 28 May 2010, GET SA made a loan of €20 million to its subsidiary Europorte SAS, the holding company of the Group's rail freight activities. This loan carries interest at EONIA +1% and is reimbursable on demand by GET SA or Europorte SAS.

E.2 Debt with other Group companies

€'000	31 December 2010	31 December 2009
Debt relating to the TNU SA and TNU PLC Share Transfer Debt (EGP)	–	571,346
Debt relating to the FM and CTG Amended Bond Debt Assignment (EGP)	–	2,211,966
Debt relating to the CTG Purchase Loan (TNU PLC)	–	478,718
Debt relating to the transfer of the NRS Commission Loan (EGP)	–	28,259
Debt relating to the Funding Loan (FM)	196,583	–
Debt relating to the Funding Loan (CTG)	124,977	–
Current accounts:		
– Europorte Services	–	38
– Société Immobilière et Foncière Eurotunnel	–	38
– FM	105,997	92,231
– CTG	–	1,069
Total	427,557	3,383,665

All the conditions relating to intra-group borrowings are governed by the “Master Inter-Group Debt Agreement”.

The merger of EGP into GET SA as described in note A.1ii above had the following consequences:

- The termination of the intra-group debts between the two companies relating to the TNU SA and TNU PLC Share Transfer Debt, the FM and CTG Amended Bond Debt Assignment and the transfer of the NRS Commission Loan.
- The transfer to GET SA of EGP's receivables from FM and CTG relating to the Funding Loans (see below).

The merger of TNU PLC into GET SA as described in note A.1ii above had the following consequences:

- The termination of the intra-group loan between the two companies relating to the CTG Purchase Loan resulting from the sale by TNU PLC of CTG to TNU SA and transferred to GET SA following the merger of TNU SA as part of the operations to simplify the Group's structure in 2009.

Debt relating to the Funding Loan

These debts correspond to the advances made by FM and CTG to EGP as part of the financial restructuring in 2007. The Funding Loans carry interest at EONIA + 1% for the loan from FM and at LIBOR + 1% for the loan from CTG. The amount included in the accounts relating to the Funding Loan from FM corresponds to the nominal value of the debt (€195,229,000) plus the accrued interest (€1,354,000) and the amount included in the accounts relating to the Funding Loan from CTG corresponds to the nominal value of the debt (€124,148,000, or £106,860,000) plus the accrued interest (€829,000).

E.3 Receivables from other Group companies

€'000	31 December 2010	31 December 2009
FM	2,250	—
Europorte SAS	1,984	276
Socorail	134	—
Europorte Proximité	197	—
Europorte Services	583	—
EGP	—	44,180
Total	5,148	44,456

The merger of EGP into GET SA extinguished the receivable of €44 million between the two companies. Receivables from other Group companies relate mainly to the invoicing of management fees.

F. Treasury shares

Between 1 January and 31 December 2010, GET SA purchased 484,000 of its own shares as part of the share buy back programme. At 31 December 2010, GET SA held 14,496,608 of its own shares purchased under this and the previous programme, which are to be used mainly to provide shares upon exercise of the rights attached to equity-linked securities (such as the conditional additional return on SDES) or to cover share option plans implemented following approval by the general meeting of shareholders in 2010.

The movements in the number of treasury shares held as part of the share buy back programme during 2010 were as follows:

At 1 January 2010	14,012,608
Share buy back programme	484,000
At 31 December 2010	14,496,608

At 31 December 2010, 1,112,000 treasury shares were reserved for the share option plan (see H.5 below). These treasury shares are included as investments in securities in the balance sheet at 31 December 2010.

G. Investments in securities and cash and cash equivalents

This includes mainly short-term investments, primarily certificates of deposit, deposit accounts and money market funds.

€'000	31 December 2010	31 December 2009
Treasury shares	6,065	1,169
Investments in euros	1,208	42,261
Sub-total	7,273	43,430
Cash at bank and in hand	27	413
Total	7,300	43,843

At 31 December 2010, GET SA held 236,356 treasury shares purchased by Oddo et Cie under the liquidity contract. At 31 December 2010, the value of these shares amounted to €1,611,947 compared to a cost of acquisition of €1,616,795.

H. Equity and 2007 Warrants**H.1 Movements in share capital**

		€'000
At 1 January 2009	189,841,915 ordinary shares of €0.40 each and 1 preference share of €0.01	75,937
Consideration for the merger of TNU SA	178,730 ordinary shares of €0.40 each	71
Simplified public exchange offer on the 2007 Warrants	103,502,084 ordinary shares of €0.40 each	41,401
Redemption of NRS I Tranche 2	23,874,256 ordinary shares of €0.40 each	9,550
Redemption of SDES from 6 September 2009 to 31 December 2009	91,163,869 ordinary shares of €0.40 each	36,465
Partial redemption of NRS I Tranche 3 on 25 November 2009	68,502,375 ordinary shares of €0.40 each	27,401
At 31 December 2009	477,063,229 ordinary shares of €0.40 each and 1 preference share of €0.01	190,825
Cancellation of the preference share and conversion into an ordinary share	– 1 preference share of €0.01 and + 1 ordinary share of €0.40	0
Redemption of SDES from 1 January to 6 September 2010	3,723,278 ordinary shares of €0.40 each	1,489
Redemption of NRS I Tranche 3	52,974,440 ordinary shares of €0.40 each	21,190
Redemption of NRS I Tranche 2	234 ordinary shares of €0.40 each	0
Consideration for the merger of TNU PLC	450,000 ordinary shares of €0.40 each	180
At 31 December 2010	534,211,182 ordinary shares of €0.40 each	213,684

At 31 December 2010, the issued share capital of GET SA amounted to €213,684,472.80 divided into 534,211,182 fully paid-up GET SA ordinary shares with a nominal value of €0.40 each.

On 12 February 2010, the board of directors recorded, in accordance with article 37 of the company's by-laws, the ending of the effects of the temporary specific rights attached to GET SA's preference share, this share thereby automatically reverting to an ordinary share of GET SA with effect from 1 January 2010.

In accordance with the terms of the SDES (see note I below), GET SA continued the redemption of the SDES until 6 September 2010, which resulted in the issue of 3,723,278 ordinary shares during 2010.

In accordance with the terms of the NRS I, GET SA redeemed Tranche 3 and the remaining Tranche 2 by issuing, respectively, 52,974,440 and 234 GET SA ordinary shares during the second half of 2010 (see note H.4 below).

The merger of TNU PLC into GET SA led to the issue of 450,000 new GET SA ordinary shares in consideration for the merger.

H.2 Statement of changes in equity

€'000	Share capital	Share premium account	Legal reserve	Special reserve	Reserve for the redemption of NRS	Special reserve and other reserves	Retained earnings	Result for the year	Total
1 January 2009	75,937	1,136,128	317	1,902	–	1,902	–	41,863	1,256,147
Affectation of result			2,093				32,176	(34,269)	–
Payment of dividend ^(*)							251	(7,594)	(7,343)
Merger of TNU SA	71	929							1,000
Costs of merger of TNU SA		(929)							(929)
Early conversion of 2007 Warrants	41,401								41,401
Share issue costs		(636)							(636)
Reclassification relating to redemption of the NRS I T1		(87,580)			87,580	87,580			–
Redemption of the NRS I T2	9,550				82,204	82,204			91,754
Partial early redemption of NRS I T3	27,401				246,610	246,610			274,011
Contractual partial redemption of the SDES	36,465	732,138							768,603
Adjustment of special reserve		846		(846)		(846)			–
Result for the year								24,450	24,450
At 31 December 2009	190,825	1,780,896	2,410	1,056	416,394	417,450	32,427	24,450	2,448,458
Affectation of result			1,223				3,996	(5,219)	–
Payment of dividend ^(*)							742	(19,231)	(18,489)
Merger of TNU PLC	180	3,135							3,315
Costs of merger of TNU PLC		(1,175)							(1,175)
Share issue costs		(513)							(513)
Contractual redemption of NRS I T3 (note H.4)	21,190				182,403	182,403			203,593
Contractual redemption of the SDES (note I)	1,489	29,906							31,395
Adjustment of special reserve		67		(67)					–
Result for the year								571,264	571,264
At 31 December 2010	213,684	1,812,316	3,633	989	598,797	599,786	37,165	571,264	3,237,848

* Corresponds to dividends on treasury shares affected to retained earnings.

Special reserve

A specific non-distributable reserves account was set up in 2008, which will be used to issue the additional ordinary shares in respect of the conditional additional return on the rights issue of 4 June 2008. This reserve was adjusted in 2009 and 2010 to take into account the reduction in the maximum number of ordinary shares that may be issued.

Reserve for the redemption of the NRS

The reserve for the redemption of the NRS corresponds to the difference between the nominal value of the shares issued by GET SA in redemption of the NRS and the nominal value of the NRS redeemed by EGP. As a result of the final redemption of the NRS I T3 on 28 July 2010, this reserve was credited with an amount of €182,403,000.

H.3 2007 Warrants

Characteristics

On 28 June 2007, GET SA issued 4,307,026,273 warrants which entitled their holders to subscribe for GET SA ordinary shares provided that there has been an increase in the value of the Eurotunnel Group. The 2007 Warrants were admitted to listing and trading on Euronext Paris on 2 July 2007. The detailed characteristics of the 2007 Warrants are set out in chapter 3 of the securities note issued in April 2007. As part of the consolidation of shares on 12 November 2007, the rights of holders of securities which may be converted into GET SA equity (including the 2007 Warrants) were adjusted, and as part of the rights issue of 4 June 2008, the terms of the adjustment of the exercise ratio of the 2007 Warrants were adjusted in accordance with the securities note issued in April 2007.

Each warrant entitles its holder to subscribe for a number of GET SA shares on the basis of an exercise ratio which is determined as a function of:

- the lump sums to be received or saved outside the normal course of business between 23 May 2006 and 30 June 2008 as defined in note 14.2 of the GET SA 2008 consolidated accounts set out in annex II of the 2008 Reference Document;
- performance in excess of a reference EBITDA, which includes non-financial criteria (added value etc.).

Consequently, at the time of their issue, the exercise conditions of the 2007 Warrants could not be fully determined.

Accounting treatment

In the consolidated financial accounts of GET SA, the 2007 Warrants were initially accounted for as non-derivative financial liabilities at their issue value, i.e. zero. The warrants could not be accounted for as equity instruments, since the number of shares to which they give the right to subscribe was not fixed at the date of their issue. Since the key criteria which trigger the exercise of the warrants are specific to the issuer (i.e. the result of negotiations with governments, and performance in excess of the reference EBITDA), these instruments were not derivatives. Finally, in the context of the financial restructuring and the uncertainty which prevailed at the time as to the Group's future operating conditions, it was not possible to reliably estimate the value of the warrants on issue.

The expert's report set out in chapter 23 of the 2008 Reference Document confirmed that the maximum target had been reached, giving an exercise ratio of 0.034 of a GET SA share for each warrant. Since the exercise ratio is now fixed, the 2007 Warrants constitute equity instruments under IFRS. They were therefore reclassified in equity for their original book value, i.e. zero.

Situation at 31 December 2010

At 31 December 2010, 1,046,710,613 2007 Warrants remained in circulation following the simplified public exchange offer on the 2007 Warrants in 2009, giving the right to issue up to 35,588,160 GET SA ordinary shares on exercise, as initially planned, in 2011.

The fair value of the 2007 Warrants can be estimated by reference to their market value: on this basis, the fair value of the 2007 Warrants at 31 December 2010 was €234 million (31 December 2009: €232 million).

H.4 Notes Redeemable in Shares (NRS)

The NRS were issued by EGP on 28 June 2007. Originally divided into two series, the NRS I and the NRS II, the NRS II were redeemed early in cash in 2008. The detailed characteristics of the NRS are set out in chapter 2 of the securities note issued in April 2007.

Transaction costs directly attributable to the NRS were allocated in full to the equity component, and no allocation to the liability component was made due to the fact that the impact of this was not considered material.

As part of the consolidation of shares in November 2007 and the rights issue in June 2008, the redemption ratio of the NRS was adjusted to 26.02 shares per NRS.

The NRS I carried interest at a rate of 3% per annum, and were not redeemable in cash. The evolution in the number of NRS I in circulation and the effect of their redemption are given in the following table:

	Tranche 2	Tranche 3	Total
Balance at 1 January 2010:			
Number of notes	9(*)	2,035,938	2,035,947
Nominal value in £	272.80	54,880,676.40	54,880,949.20
Nominal value in €	500.00	123,123,600.00	123,124,100.00
Maximum number of ordinary shares to be created	234	52,975,107	52,975,341
Redeemed during the second half of 2010:			
Number of notes	9	2,035,938	2,035,947
Nominal value in £	272.80	54,880,676.40	54,880,949.20
Nominal value in €	500.00	123,123,600.00	123,124,100.00
Number of ordinary shares created	234	52,974,440	52,974,674
Balance at 31 December 2010:			
Number of notes	—	—	—
Nominal value in £	—	—	—
Nominal value in €	—	—	—

* Due but not presented by 31 December 2009.

Contractual redemption of the NRS I Tranche 3

On 28 July 2010, the Eurotunnel Group carried out the contractual redemption of the third and final tranche of the NRS I in GET SA ordinary shares. This operation resulted in:

- the cancellation of 2,035,938 NRS I, and
- the issue of 52,974,440 GET SA ordinary shares.

The line "Contractual redemption of NRS I Tranche 3" in the table of statement of changes in equity in H.2 above includes the adjustments to equity resulting from this operation:

- Share capital increased by €21,190,000 corresponding to the nominal value of the shares issued.
- The reserve for the redemption of NRS increased by €182,403,000 being the difference between the nominal value of the redeemed NRS and the nominal value of the shares issued in exchange.

H.5 Employee share option plans

Share option plan (treated as an equity instrument)

On 26 May 2010, the general meeting of shareholders approved a share option plan which gives the right to key executives and senior staff of the Group to acquire GET SA shares. Under this scheme, when the rights have vested, option-holders can purchase the shares at the option exercise price determined on 16 July 2010 by the board of directors.

Characteristics and conditions of the share option plan

The characteristics and conditions attached to the attribution of the share options are as follows:

Date of grant / main staff concerned	Number of options	Conditions for acquiring rights	Contractual duration of options
Options granted to key executives and senior staff on 16 July 2010	1,164,000	<p>Staff must remain as employees of the Group until the exercise of options.</p> <p>Performance conditions: 50% of options are subject to conditions based on the financial performance of the Group (distribution of a dividend, consolidated EBITDA in 2010 and 2011 above a predetermined level).</p> <p>Market performance condition: 50% of options are conditional on the GET SA share price performing better than the SBF120 index.</p>	4 years

Information on the share option plan and on the rights of replacement

The number and the average weighted exercise price of the share options are as follows:

	Average weighted exercise price (in euros)	Number of options
In circulation at 1 January	–	–
Granted during the year	6.42	1,164,000
Cancelled during the year	6.42	(52,000)
Exercised during the year	–	–
Expired during the year	–	–
In circulation at 31 December 2010	6.42	1,112,000
Exercisable at 31 December 2010	–	–

I. Quasi-equity: Subordinated Deferred Equity Securities (SDES)

During 2010, all the remaining SDES were redeemed.

Issue

On 6 March 2008, GET SA issued 800,000 SDES with a nominal value of €1,000 each, for a total amount of €800 million. The characteristics of this issue are described in the securities note of 20 February 2008. The SDES were admitted to listing and trading on the regulated market of the Luxembourg Stock Exchange starting on their issue date, 6 March 2008 until their deregistration in 2010.

Redemption

Each SDES entitled its holder to receive 118.61 shares. The SDES were redeemable in ordinary shares at the discretion of their holders at any time up to 6 September 2010.

Between 6 September 2009 and 31 December 2009, 768,605 SDES were redeemed, resulting in the issue of 91,163,869 GET SA ordinary shares.

Between 1 January 2010 and 6 September 2010, 31,395 SDES were redeemed, resulting in the issue of 3,723,278 GET SA ordinary shares.

The total number of ordinary shares issued on redemption of the SDES was 94,887,147, giving rise to an increase in capital of €37,955,000.

The line "Contractual redemption of SDES" in the table of statement of changes in equity includes the adjustments to equity resulting from this operation:

- Share capital increased by €1,489,000 corresponding to the nominal value of the shares issued.
- Share premium increased by €29,906,000 corresponding to the premium on the shares issued.
- Quasi-equity decreased by €31,395,000.

Conditional additional return

A conditional additional return will be paid to initial SDES subscribers who hold their SDES until the date of their redemption in new ordinary shares then the new ordinary shares issued upon redemption of SDES until 6 March 2011. The conditional additional return will be paid, at the option of GET SA and in accordance with the terms described in section 7.2 of the securities note, in new or existing additional ordinary shares, on the basis of 5.4 new or existing additional ordinary shares per SDES initially subscribed.

The maximum number of new additional ordinary shares that may be issued in respect of the conditional additional return will be 3,928,859 (see note Q below).

J. Revenues from sale of services

This item comprises revenues from services charged to the Concessionaires FM and CTG and to the rail freight companies via their holding company Europorte.

K. Purchases and external costs

This item includes €5 million of fees relating to external acquisitions and financial transactions carried out during the year (2009: €9 million relating to the financial transactions of that year) as well as costs incurred on behalf of subsidiaries including the Concessionaires.

L. Staff numbers

The average number of staff employed during the year was 3 (no staff in 2009).

At 31 December 2010, 5 staff were employed by the company.

M. Exchange gains and losses

In 2010 this included unrealised exchange gains and losses from the revaluation of intragroup debts.

N. Interest and related income and charges

€'000	2010	2009
Interest and related income		
Interest due from EGP on the intra-group loan ^(*)	25,172	40,336
Interest due from CTG on the ABD	3,815	6,849
Interest due from FM on the ABD	5,014	12,036
Merger premium on merger of EGP into GET SA (see note A.1ii)	647,713	–
Interest due from EFL on the NRS Commission Loan	683	64
Bank interest	–	67
Total	682,397	59,352
Interest and related charges		
Interest due to EGP under the NRS Relationship Agreement	250	1,405
Interest on the SDES paid in treasury shares	–	10,152
Merger deficit on merger of TNU PLC into GET SA (see note A.1ii)	78,788	–
Interest due to EGP on the TNU SA and TNU PLC Share Transfer Debt ^(*)	6,851	6,939
Interest due to EGP on the FM and CTG Amended Bond Debt Assignment ^(*)	7,480	17,888
Interest due to TNU PLC on the CTG Purchase Loan ^(*)	5,753	4,785
Interest due on intra-group current accounts	2,327	–
Total	101,449	41,169

* Income or charges on receivables or payables cancelled following the merger transactions in 2010 (EGP, TNU PLC).

The evolution of certain interest and related income and charges in 2010 was affected by the termination and the transfer to GET SA of certain intra-group receivables and payables as a result of the merger of TNU PLC and EGP into GET SA (see note E above.)

O. Exceptional result

This mainly comprises the gains and losses recognised on the sale of treasury shares held under the liquidity contract totalling €121,000. In 2009, it included the gain realised on the purchase of the NRS in the first half of 2009 (€4,018,000), the gains and losses recognised on the sale of treasury shares held under the liquidity contract, and the allocation of treasury shares in payment of the interest on the SDES (€7,013,000).

P. Result and tax situation

GET SA is the parent company of the consolidated tax group which includes FM, Europorte Services SAS, Société Immobilière et Foncière Eurotunnel SAS, Europorte SAS, and Eurotunnel SE for its French establishment, as well as the new French rail freight companies acquired in November 2009 (Europorte France SAS, Europorte Proximité SAS and Socorail SAS) which entered into GET SA's consolidated tax group with effect from 1 January 2010.

As part of the merger of TNU SA into GET SA on 6 May 2009, the Group obtained an agreement from the French *Ministre du Budget* allowing it to transfer the cumulated tax losses from the old TNU SA consolidated tax group to GET SA. These deficits remain exclusively chargeable to the taxable profits of the subsidiaries of the old TNU SA consolidated tax group, i.e. FM, Europorte Services SAS, Société Immobilière et Foncière Eurotunnel SAS, and Europorte SAS.

As part of the merger of Europorte Link SAS into Europorte France SAS in 2010, the Group obtained an agreement from the French *Ministre du Budget* allowing it to transfer the cumulated tax losses from Europorte Link SAS to

Europorte France SAS, as well as the proportion of financial interest mentioned in the 6th sub-paragraph of 1 of II of article 212 of the CGI.

At 31 December 2010, the cumulative tax losses of the GET SA consolidated tax group which can be carried forward indefinitely amount to €2,437 million (31 December 2009: €2,304 million), divided between:

- cumulative tax losses which can be carried forward indefinitely of €449 million generated by the GET SA consolidated tax group since 1 January 2008 and chargeable to the taxable profits of the members of this group (31 December 2009: €316 million),
- cumulative tax losses which can be carried forward indefinitely of €1,988 million (31 December 2009: €1,988 million) generated by the old TNU SA consolidated tax group. These deficits may only be chargeable to the taxable profits of FM, Europorte Services SAS, Société Immobilière et Foncière Eurotunnel SAS, and Europorte SAS, and
- cumulative tax losses which can be carried forward indefinitely of €2 million generated by Europorte France SAS.

The other operations simplifying the Group's legal structure as described in note A.1 above do not have any effect on the level or the nature of the Group's cumulative tax losses.

GET SA's taxable result, excluding integration, was a loss of €37 million (31 December 2009: €7 million profit).

Q. Earnings per share and effect of dilution

	2010	2009
Weighted average number:		
– of issued ordinary shares	498,722,778	280,908,813
– of own shares	(14,492,838)	(10,018,006)
Number of shares used to calculate the result per share (A)	484,229,940	270,890,807
– conversion of NRS (2010)	–	52,975,341
– conversion of 2007 Warrants (2011)	i 35,588,160	35,588,160
– conversion of SDES (2010)	–	3,723,760
– conditional additional return on SDES (2011)	ii 3,928,859	4,089,176
– conditional additional return on rights issue (2011)	iii 2,473,175	2,639,602
– share options	iv 3,699	–
Potential number of ordinary shares (B)	41,993,893	99,016,039
Number of shares used to calculate the diluted result per share (A+B)	526,223,833	369,906,846
Net profit (€'000) (C)	571,264	24,450
Profit per share (€) (C/A)	1.18	0.09
Profit per share after dilution (€) (C/(A+B))	1.09	0.07

The calculations were made on the following basis:

- (i) on the assumption of a conversion of the maximum number of 2007 Warrants remaining in circulation at 31 December 2010 (see note H.3 above);

- (ii) on an estimation of the number of ordinary shares to be attributed to the original holders of the SDES who keep their SDES until the date of their redemption in new ordinary shares and then keep these ordinary shares issued in redemption of the SDES until 6 March 2011 (see note I above "Conditional additional return"), by the issue of 5.4 new or existing additional ordinary shares per SDES held. On the basis of information available at 31 December 2010, the maximum number of additional ordinary shares that may be attributed is 3,928,859;
- (iii) on an estimation of the number of additional ordinary shares to be attributed as part of the exercise of the BSA as described in the Securities Note issued in April 2008. Persons having held until 6 March 2011 the new ordinary shares for which they subscribed upon exercise of the BSA or which they acquired directly from the underwriters on the settlement-delivery date shall receive one additional ordinary share for 22 new ordinary shares subscribed for upon exercise of the BSA or acquired in connection with the share placement in May 2008. The maximum number of additional ordinary shares which could have been attributed as part of the exercise of the BSA was 4,755,554, but this has been reduced to 2,473,175 (based on the number of GET SA ordinary shares on the specific ISIN code in circulation on 31 December 2010) as certain persons have sold their shares and therefore no longer qualify. As a consequence, the Eurotunnel Group has reduced the special reserve set up for this purpose by €67,000 in 2010 (see note H.2 above); and
- (iv) on the assumption of the exercise of the maximum number of options issued on 16 July 2010 and still in issue at 31 December 2010. The exercise of these options is conditional on attaining the targets described in note H.5 above.

R. Directors

Details of directors' remuneration are provided in chapter 15 of the 2010 Reference Document.

S. Shares held by directors

Shares held by directors are described in chapter 14 and directors' remuneration is described in chapter 15 of the 2010 Reference Document.

T. Commitments and contingent liabilities

GET SA, FM, CTG, Eurotunnel SE, EFL, ESGIE, ESL and EurotunnelPlus Limited jointly and severally guarantee the obligations of FM and CTG in respect of the Term Loan. In order to guarantee these obligations, these companies have granted security as described in note X of GET SA's consolidated financial statements.

U. Related party transactions

U.1 Subsidiaries of the Eurotunnel Group

Related party transactions were affected by the mergers described in note A.1ii.

The main transactions carried out with related parties (the other companies within the Eurotunnel Group), as well as the receivables and the debts relating to these companies, are as follows:

Balance sheet (€'000)	Note	31 December 2010	31 December 2009
Assets			
Other non-current financial assets	E.1	1,998,713	3,575,943
Group and associates receivables	E.3	5,148	44,456
Other current financial assets	E.1	20,664	6,324
Debts and suppliers			
Group and associates	E.2	427,556	3,383,665

Income statement (€'000)	2010	2009
FM	9,011	11,395
Europorte SAS	1,861	231
Europorte Services	350	–
Sales	11,222	11,626
Eurotunnel Services GIE	553	1,080
Eurotunnel Services Ltd	389	334
Europorte Services	1,944	–
Purchases	2,886	1,414
TNU PLC	5,753	4,785
EGP	14,581	26,232
Financial charges	20,334	31,017
FM	5,014	12,036
CTG	3,815	6,849
Eurotunnel Finance Limited	683	64
EGP	25,172	40,336
Financial income	34,684	59,285

U.2 Remuneration of board members and senior executives

The amount of remuneration paid to members of the board of directors and senior directors is included in chapter 15 of the 2010 Reference Document.

V. Post balance sheet events

Nothing to report.

20.4. Auditing of historical annual financial information

The reports of the statutory auditors on the parent company and consolidated financial statements of GET SA for the year ended 31 December 2010 are set out in section 20.3 of this Reference Document. The reports of the statutory auditors on the parent company and consolidated financial statements of GET SA for the year ended 31 December 2009 (contained in section 20.3 of the 2009 Reference Document) and the reports of the statutory auditors on the parent company and consolidated financial statements of GET SA for the year ended 31 December 2008 (contained in annexes II and III of the 2008 Reference Document) are incorporated by reference in this Reference Document pursuant to article 28-1 of European Commission Regulation (EC) 809-2004.

20.5. Date of latest financial information

The last financial year for which audited financial information is available is the year ended 31 December 2010.

20.6. Interim and other financial information

None.

20.7. Dividend policy

GET SA intends to maintain its dividend policy. On 28 April 2011, GET SA will propose to its shareholders a further dividend distribution and the following appropriation of the 2010 profit of €571,263,556.52.

In euros	
Net profit for the financial year	571,263,556.52
Profits carried forward	37,165,771.93
Appropriation to the legal reserve	17,735,454.54
Dividend	21,368,447.28
Balance carried forward	532,159,654.70

Shareholders will be asked to approve a dividend of €0.04 for each GET SA Ordinary Share with a nominal value of €0.40 that comprises the share capital and that is entitled to such a dividend on account of its dividend entitlement date.

The ex-dividend date on Euronext Paris will be 3 May 2011, and the dividend will be paid in cash on 6 May 2011.

At the time of payment of the dividend, should GET SA own some of its own ordinary shares, the amount of the dividends not paid by reason of the ownership of such shares would be appropriated to the "earnings carried forward" account.

During the accounting periods ended on 31 December 2009 and 2010, GET SA paid a dividend of €0.04 for each GET SA Ordinary Share. No dividend had been paid during the accounting period ended 31 December 2008.

20.8 Legal and arbitration proceedings*20.8.1 Proceedings relating to the Safeguard Plan***a) Proceedings relating to the opening of the Safeguard Procedure**

The judgments of 2 August 2006, by which the Paris Commercial Court opened safeguard proceedings in favour of TNU PLC, Eurotunnel Service Limited, EurotunnelPlus Limited, Eurotunnel Finance Limited and CTG, were subject to third-party opposition by Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park SARL, M.D. Sass Re/Enterprise Partners LP and M.D. Sass Corporate Resurgence Partners III, LP.

These third-party oppositions were rejected by five judgments of the Paris Commercial Court dated 15 January 2007.

The appeal filed by Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park SARL, M.D. Sass Re/Enterprise Partners LP, and M.D. Sass Corporate Resurgence Partners III LP was rejected by five orders of the Paris Court of Appeal delivered on 29 November 2007. These orders were subsequently partially overthrown on the grounds that they declared opposition by a third party inadmissible, but since the case involves foreign creditors of foreign companies, the foreign creditors have, under the European Convention on Human Rights, the right to question the jurisdiction of French courts before the Judge.

The French Supreme Court of Appeal returned the case to the Paris Court of Appeal (with different members), and a schedule for the proceedings has not yet been determined.

b) Proceedings relating to the progress of the Safeguard Procedure

- i) By a decision dated 16 November 2006, the *Juge Commissaire* held that the Noteholders did not constitute a body of Noteholders and the judicial administrators of FM and EFL were authorised to convene a meeting of the Noteholders of FM and EFL "in accordance with applicable law."

Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park, M.D. Sass Re/Enterprise Partners L.P and M.D. Sass Corporate Resurgence Partners III L.P. have challenged this ruling based on the terms of the agreements pursuant to which the Notes were issued, arguing that only Law Debenture Trustees Limited had authority to convene Noteholders' meetings.

This case was heard before the Paris Commercial Court (*Chambre du Conseil*) on 27 April 2007.

In a judgment dated 29 May 2007, the Paris Council Chamber dismissed the claim. The plaintiffs have decided not to appeal, making the judgement final.

- ii) On 7 December 2006, Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park, M.D. Sass Re/Enterprise Partners L.P and M.D. Sass Corporate Resurgence Partners III L.P., in their capacity as holders of the Resettable Bonds issued by EFL and the Stabilisation Notes issued by FM, brought a claim before the *Juge Commissaire* for the meetings of the Noteholders of FM and EFL convened by the judicial administrators and held on 14 December 2006 to be cancelled.

This claim was principally based on the fact that the judicial administrators convened a single meeting for each company having issued the Notes, instead of six meetings.

This dispute was heard before the *Juge Commissaire* on 12 February 2007.

By a decision dated 22 February 2007, the *Juge Commissaire* stayed the proceedings until the dispute described in paragraph (i) above is resolved. Because the plaintiffs have decided not to appeal (as indicated in (i) above), the case went back before the *Juge Commissaire* who sent back the hearing as at 17 March 2011.

- iii) On 12 January 2007, Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park, M.D. Sass Re/Enterprise Partners L.P and M.D. Sass Corporate Resurgence Partners III L.P. brought a claim in the Paris Commercial Court for the meetings of the Noteholders of FM and EFL which approved the proposed Safeguard Plan to be declared null and void in respect of the treatment of the Notes of the two issuers.

It was claimed that the meetings should be void because the judicial administrators did not have the authority to convene them and because only one meeting was held for each of FM and EFL which was not in accordance with the quorum and majority rules set out in the agreements pursuant to which the Notes were issued.

This initial hearing of the dispute was held on 3 April 2007 before the 7th Chamber of the Paris Commercial Court. It has been sent back to hearing as at 17 March 2011, date on which a date for the hearing on the grounds of extinction of the case will be fixed. No judicial steps having been undertaken for more than two years, the case has lapsed.

c) Judgments approving the Safeguard Plan

The judgments of the Paris Commercial Court dated 15 January 2007 approving the Safeguard Plan have been challenged by Elliott International LP, The Liverpool Limited Partnership, Tompkins Square Park, M.D. Sass Re/Entreprise Partners L.P and M.D. Sass Corporate Resurgence Partners III L.P. (the "Opposing Parties") based on the terms on which the meetings of the Noteholders were convened and held under the Safeguard Procedure.

The Opposing Parties were holders of Resettable Bonds issued by EFL on 15 May 2006 in accordance with the Resettable Bond Constituting Trust Deed and Stabilisation Notes issued by FM in July 2002, December 2003, January 2004 and May 2006 in accordance with the Stabilisation Note Constituting Trust Deed dated 7 April 1998.

In accordance with article L. 626-33 of the French Commercial Code, the Judicial Administrators convened one meeting of Noteholders per issuer (FM and EFL) which combined the holders of Stabilisation Notes, Resettable Bonds and Participating Loan Notes.

On 14 December 2006 the two meetings of Noteholders convened by the Judicial Administrators approved the Proposed Safeguard Plan by a majority of more than half of the Noteholders in number, representing more than two thirds of the nominal value of the Notes.

The Opposing Parties claim in their objections:

- that the judicial administrators did not have the power to convene the meetings; and
- that only one meeting of Noteholders was held for both FM and EFL whereas, in accordance with the agreements pursuant to which the Notes were issued, FM and EFL should each have held one Noteholders' meeting for each series of Note issued (three meetings of Noteholders per company).

According to the Opposing Parties, failure to comply with the agreements pursuant to which the Notes were issued rendered the Noteholders' meeting void pursuant to article L. 626-32 of the French Commercial Code which, according to the Opposing Parties, is equivalent to no meeting of Noteholders having been held, rendering the court decisions of 15 January 2007 which approved the terms of the Safeguard Plan specific to FM and EFL void.

The Opposing Parties also claim that the decisions of the Paris Commercial Court of 15 January 2007 should be void in that they ordered the compulsory sale of the Notes even though article L. 626-32 of the French Commercial Code only authorises "a total or partial waiver of claims under debt security instruments."

This third party opposition procedure is the continuation of the previous action brought before the Commercial Court of Paris by the same applicants and on the same grounds for the meetings of Noteholders of FM and EFL held on 14 December 2006 to be cancelled.

This hearing was held on 18 June 2007. In a judgment on 22 October 2007, the Paris Commercial Court decided to postpone its decision until the events described in paragraph 20.7.1(a) are resolved. This postponement currently remains in effect.

d) Analysis

The conditions in which the meetings of Noteholders of EFL and FM were convened and held were determined by the Judicial Administrators, who considered that in the absence of a body of Noteholders, the formal provisions of Article L. 626-3 of the French Commercial Code obliged them to convene the relevant meetings themselves.

Furthermore, although the judicial administrators were required to convene the meetings, article L. 626-3 of the Commercial Code does not contain any provisions relating to the quorum or the majority required to approve the business considered by the meeting. The question therefore arose as to whether the applicable law was that governing the agreements pursuant to which the Notes were issued or French law.

Following advice, the judicial administrators considered that the provisions of article L. 626-30 of the French Commercial Code should apply.

In light of the facts and the legal analysis carried out by the Eurotunnel Group on the basis of applicable texts, case law and amendments of the safeguard law, the Eurotunnel Group believes that it has solid arguments to successfully oppose the claims referred to above.

20.8.2 Impact on the financial situation and profitability of the Eurotunnel Group

As far as it is aware, and subject to the paragraphs above, GET SA and its subsidiaries have not during the last twelve months been involved in any judicial or governmental proceedings or arbitration that is ongoing or suspended, which could have or has had a significant negative effect on its financial situation or profitability.

The Eurotunnel Group had no significant provisions for litigation at 31 December 2010.

20.9. Significant changes to the financial or commercial situation

Please refer to note HH to the consolidated accounts, contained in paragraph 20.3.1 of this Reference Document.

20.10. Table of GET SA parent company results for the last five financial years

	2010	2009	2008	2007	2006
Capital at end of financial year					
Share capital	213,684,473	190,825,292	75,936,766	23,913,644	1,000
Number of existing Ordinary Shares	534,211,182	477,063,229	189,841,915	59,784,111	1,000
Number of existing Preferred Shares	–	1	1	1	–
Maximum number of future Ordinary Shares to be created on exercise of rights of holders of securities giving access to GET SA equity ^(*)	41,993,893	99,016,039	409,653,217	553,005,748	–
Transactions and results for the year (€'000)					
Revenue excluding tax	11,222	11,626	12,340	5,112	–
Result before tax, employee participation and depreciation and provisions	570,037	24,447	61,566	135	0
Tax on profits	497	3	–	–	–
Result after tax, employee participation and depreciation and provisions	571,264	24,450	41,863	317	0
Distributed result	(**) ^(**) 21,368	19,231	7,594	–	–
Earnings per share (€)					
Result after tax, employee participation and before depreciation and provisions	1.07	0.05	0.32	ns	ns
Result after tax, employee participation and depreciation and provisions	1.07	0.05	0.22	ns	ns
Dividend per consolidated share	(**) ^(**) 0.04	0.04	0.04	–	–

* For details, see note N of the consolidated accounts in paragraph 20.3.1 of this Reference Document.

** Subject to approval by the general meeting on 28 April 2011 of the appropriation of the 2010 result.

20.11. Statutory auditors' fees

€'000	KPMG				Mazars			
	Amount (pre-tax)		%		Amount (pre-tax)		%	
	2010	2009	2010	2009	2010	2009	2010	2009
Audit								
Statutory auditors, certification, examination of the individual and consolidated accounts	1,184	1,871	100%	95%	709	282	96%	64%
<i>Issuer</i>	676	1,248	57%	63%	210	141	28%	32%
<i>Fully consolidated subsidiaries</i>	508	623	43%	31%	499	141	67%	32%
Other fees and services directly linked to the duties of the statutory auditors	–	107	–	5%	32	156	4%	36%
<i>Issuer</i>	–	107	–	5%	32	156	4%	36%
<i>Fully consolidated subsidiaries</i>	–	–	–	–	–	–	–	–
Sub-total	1,184	1,978	100%	100%	741	438	100%	100%
Other services	–	–	–	–	–	–	–	–
<i>Legal, tax and social</i>	–	–	–	–	–	–	–	–
<i>Other</i>	–	–	–	–	–	–	–	–
Total	1,184	1,978	100%	100%	741	438	100%	100%

CHAPTER 21 – ADDITIONAL INFORMATION

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21.1. Share capital

21.1.1 Amount of share capital (article 6 of GET SA's by-laws)

On 31 December 2010, the share capital of GET SA was €213,684,472.80, divided into 534,211,182 GET SA Ordinary Shares with a nominal value of €0.40 each, fully paid-up.

At the date of this Reference Document, the share capital of GET SA is €213,684,472.80 divided into 534,211,182 GET SA Ordinary Shares with a nominal value of €0.40 each, fully paid-up.

The board of directors noted, at its meeting on 12 February 2010, as provided in article 38 of the by-laws, that the specific rights attached to the GET SA preferred share had terminated, this preferred share automatically becoming a GET SA Ordinary Share, with effect from 1 January 2010.

The share capital may be increased or reduced by a collective decision of the shareholders in accordance with applicable law and the by-laws of GET SA.

As at the date of this Reference Document, GET SA is not aware of any charge over any significant proportion of its share capital.

21.1.2 Form and transfer of shares (articles 9 and 10 of GET SA's by-laws)

Unless otherwise provided by law or regulations, GET SA Ordinary Shares are held in registered or bearer form, at the shareholder's discretion.

GET SA Ordinary Shares can be traded freely. They must be held in a securities account and are transferred by inter account transfer under the conditions set forth by legislative and regulatory provisions.

21.1.3 Securities not representing share capital

As at the date of this Reference Document, there are no securities that do not represent share capital.

21.1.4 GET SA Ordinary Shares held by GET SA or its subsidiaries

As at the date of this Reference Document, with the exception of the GET SA Ordinary Shares acquired by GET SA in accordance with the terms and conditions described in paragraph 21.1.8 below, neither GET SA, nor its subsidiaries hold any GET SA Ordinary Shares.

21.1.5 Securities redeemable in shares or securities with subscription warrants attached

The 2007 Warrants give their holders the right to subscribe for GET SA Ordinary Shares according to the procedures and details respectively described in note S.2 of the consolidated financial statements for the financial year ended 31 December 2010 set out in paragraph 20.3.1 of this Reference Document.

In June 2011, the representative of the holders of 2007 Warrants will have a period of 25 calendar days to notify the final exercise ratio. It is envisaged that the period of exercise of the 2007 Warrants will commence following determination of the final exercise ratio, around 1 July 2011 for a period of 6 months.

21.1.6 Authorised but unissued share capital, commitments to share capital increases

On 31 December 2010, there were 534,211,182 GET SA Ordinary Shares in issue. In addition, 1,046,710,613 2007 Warrants giving access to the capital of GET SA were still in issue. The exercise of these 2007 Warrants would eventually lead to the issue (based on the exercise ratio⁽¹⁾ as at the date of this Reference Document) of a maximum of 35,588,160 GET SA Ordinary Shares.

⁽¹⁾ On the date of this Reference Document, the exercise ratio for the 2007 Warrants was 0.034 per warrant.

A maximum of 3,928,859 GET SA Ordinary Shares may be assigned as conditional additional return on the SDES. This conditional additional return will be paid to those initial SDES subscribers who will have held their SDES until their redemption in new GET SA Ordinary Shares and such new Ordinary Shares issued upon redemption of their SDES until 6 March 2011 and which will be equal, following GET SA's decision, according to the terms and conditions set out in the securities note approved by the AMF on 20 February 2008 under number 08-032, to 5.4 additional existing Ordinary Shares, as indicated in paragraph 21.1.8 of this Reference Document. The said GET SA Ordinary Shares will be credited by 18 March at the latest.

In addition, a theoretical maximum of 2,473,175 GET SA Ordinary Shares could be created in 2011 for the benefit of persons holding, until 6 March 2011, the shares identified by ISIN Code FR0010612176, which are new Ordinary Shares subscribed for in the 2008 rights issue, or which these persons have directly acquired from the underwriters on the date of settlement-delivery in accordance with the securities note approved by the AMF on 15 April 2008 under number R. 08-024. Pursuant to the terms of paragraph 7.2 of securities note n° 08-077 of 28 April 2008, holders of 22 GET SA shares with ISIN Code FR0010612176 until Sunday 6 March 2011 (the eligibility date) will be entitled to one new share. The GET SA Ordinary Shares will be credited on 18 March 2011 at the latest.

On 28 July 2010, GET SA carried out the contractual redemption of the third and final tranche of the NRS still in issue as at that date, by issuing 52,974,440 GET SA Ordinary Shares.

The SDES, in accordance with the terms and conditions set out in the securities note approved by the AMF under n° 08-032 on 20 February 2008, were fully redeemed in GET SA Ordinary Shares during a period that ended on 6 September 2010, as stated in note U.2 of the consolidated financial statements for the year ended 31 December 2010 shown in paragraph 20.3.1 of this Reference Document. In total, the reimbursement of the SDES resulted in the issue of 94,887,147 Ordinary Shares in GET SA and a capital increase with a nominal value of €37,955,000.

The table below summarises the authorisations granted to the board of directors' by the GET SA combined general meeting, held on first notice on 6 May 2009, in order to increase the share capital.

Summary of purpose	Date of general meeting granting the authorisation	Duration of the authorisation	Maximum nominal amount authorised	Use made by the board of directors' at the date of this Reference Document
Delegation of authority granted to the board of directors to issue GET SA ordinary shares and securities convertible into GET SA ordinary shares or shares of one of its subsidiaries, with shareholders' preferential subscription right (12 th resolution)	6 May 2009	26 months	€37.5 million €300 million (debt instruments)	None
Delegation of authority granted to the board of directors to issue GET SA Ordinary Shares and securities convertible into GET SA Ordinary Shares or shares of one of its subsidiaries, without shareholders' preferential subscription right (13 th resolution)	6 May 2009	26 months	€15 million €300 million (debt instruments)	None

Summary of purpose	Date of general meeting granting the authorisation	Duration of the authorisation	Maximum nominal amount authorised	Use made by the board of directors' at the date of this Reference Document
Not used Delegation of authority granted to the board of directors to issue ordinary shares or securities convertible into GET SA ordinary shares or shares of one of its subsidiaries, as part of a private placement as defined in article L. 411-2 II of the French Monetary and Financial Code without shareholders' preferential subscription right (14 th resolution)	6 May 2009	26 months	€15 million 20% of share capital per year	None
Delegation of authority granted to the board of directors to issue GET SA Ordinary Shares and securities convertible into GET SA Ordinary Shares in consideration of contributions in kind to GET SA consisting of equity securities or securities giving access to equity (15 th resolution)	6 May 2009	26 months	10% of share capital	None
Overall limit on the authorities referred to above (16 th resolution)	6 May 2009	26 months	€37.5 million	
Delegation of authority granted to the board of directors to issue GET SA Ordinary Shares (and securities convertible into GET SA Ordinary Shares) in consideration of transfer of shares made as part of an exchange tender offer initiated by GET SA on the 2007 Warrants or NRS (17 th resolution)	6 May 2009	26 months	€115 million (outside of cap above)	103,502,084 GET SA Ordinary Shares issued on 27 July 2009, and corresponding capital increase for a total nominal amount of €41,400,833.60, in exchange for 3,260,315,660 2007 Warrants transferred as part of the simplified exchange tender offer in 2009.

Summary of purpose	Date of general meeting granting the authorisation	Duration of the authorisation	Maximum nominal amount authorised	Use made by the board of directors' at the date of this Reference Document
Delegation of authority given to the board of directors for the purpose of increasing the share capital for the benefit of employees who are members of a company savings plan (19 th resolution)	6 May 2009	26 months	€2 million	None

In consideration of the proximity of the expiry date of these authorisations, their renewal will be submitted for approval by shareholders at the general meeting of 28 April 2011.

Share capital subject to options

In accordance with applicable legal and regulatory provisions relating to the grant of options (in particular articles L. 225-177 *et seq* of the French Commercial Code), the combined general meeting of the Company held on 26 May 2010, in its 25th resolution, authorised the board of directors to grant, on one or more occasion, options over shares in the Company, to salaried staff with executive status and executive directors of GET SA and its subsidiaries, during a period of thirty-eight (38) months from the date of the general meeting.

Pursuant to this authorisation, on the recommendation of the nomination and remuneration committee, the board of directors, approved the terms of a share option scheme and, on 16 July 2010, proceeded with a grant.

The exercise price cannot be less than:

- the average share price of the Company's shares on NYSE EURONEXT during the twenty (20) last trading days preceding the date on which the options to purchase shares are granted;
- the average of the last 3 (three) months preceding the date on which the share options are granted;
- the average of the buyback price for the shares where they are held by the Company as at the date of grant, in accordance with articles L. 225-208 and L. 225-209 of the French Commercial Code.

The said price is €6.42.

The internal and external performance criteria are as follows:

- 50% of the options granted are subject to the following performance criterion being met: (i) the general meeting of shareholders of GET SA deciding the distribution of a dividend and (ii) the EBITDA in the consolidated annual accounts, for the relevant financial year, being at least equal to that in the scheme rules.
 - in respect of 25% of the options, this condition will be measured against the 2010 accounts which will have been submitted for approval by shareholders at the 2011 general meeting,
 - in respect of 25% of the options, this condition will be measured against the 2011 accounts which will have been submitted for approval by shareholders at the 2012 general meeting,

- 50% of the options granted are subject to the following performance criterion being met: GET SA share price performance against the SBF120 share index, such performance being at least equal to the performance of the said index or any index which may replace it. The share price performance will be measured over a period starting with the opening share price on the grant date (16 July 2010) and ending twelve months later:
 - in respect of 25% of the options, this condition will be measured on the basis of actual share price for the period 16 July 2010 to 15 July 2011,
 - in respect of 25% of the options, this condition will be measured on the basis of actual share price for the period 16 July 2011 to 15 July 2012.

Characteristics and conditions of stock option plans

The characteristics and conditions relating to the grant of share options are as follows:

Date of grant/main personnel concerned	Number of options	Conditions for the acquisition of entitlements	Contractual maturity of options
Options granted to the main executive officers and senior executives on 16 July 2010	1,164,000	Presence condition until the date of option exercise. Performance conditions: 50% of the options are associated with a performance condition related to the financial performance of the Group (distribution of a dividend, consolidated EBITDA greater in 2010 and 2011 than a determined lower limit), and 50% to a performance condition covering the GET SA share, which must be superior to the performance of the SBF120 index.	4 years

The total number of options may not give entitlement to a total number of shares that is greater than 3,900,000 (three million nine hundred thousand) shares with a nominal value of €0.40 each. The board of directors has allocated 3,900,000 shares as part of the share buyback programme to cover these options.

21.1.7 Share capital history over the last three years

Share capital prior to settlement of the 2007 exchange tender offer

The share capital of GET SA, prior to settlement of the exchange tender offer in 2007, was comprised of 22,500,000 shares of which 21,300,000 were held by Eurotunnel Participations 1 SAS and 1,200,000 were held by the directors and individuals who were the initial shareholders of GET SA.

Share capital after settlement of the 2007 exchange tender offer

Following settlement of the 2007 exchange tender offer, GET SA's share capital was comprised of 2,391,364,450 class A Ordinary Shares each with a nominal value of €0.01. With the exception of (i) the GET SA Ordinary Shares held by Eurotunnel Participations 1 SAS and by the directors and individuals who were the initial shareholders of GET SA and (ii) a preferred share, the full amount of the share capital of GET SA was held by the holders of the units who tendered them to the 2007 exchange tender offer (each unit included a TNU SA share and a TNU PLC share).

The shares held by Eurotunnel Participations 1 SAS and those held by the directors (with the exception of qualification shares required to be held by directors pursuant to GET SA's by-laws) and the other initial shareholders

of GET SA were acquired by GET SA in accordance with the terms set out in paragraph 21.1.9 of this Reference Document.

The GET SA Ordinary Shares were admitted to trading on Euronext Paris and were the subject of a secondary listing on the Official List of the United Kingdom Listing Authority and were admitted to trading on the London Stock Exchange. As a result, the initial shareholder base of GET SA, being the holders of units who tendered such units to the exchange tender offer, has changed. For more details on GET SA's shareholder base see chapter 18 of this Reference Document.

Share capital following the 40:1 consolidation of the GET SA Ordinary Shares

On 12 November 2007 a 40:1 consolidation was carried out by GET SA in accordance with the Safeguard Plan. 2,391,364,440⁽²⁾ GET SA Ordinary Shares with a nominal value of €0.01 each were subject to this consolidation.

As a result of the consolidation, the share capital of GET SA was comprised of 59,784,111 GET SA Ordinary Shares with a nominal value of €0.40 each and one GET SA preferred share with a nominal value of €0.01. On 12 November 2009, the unclaimed GET SA Ordinary Shares were sold on the stock market and the net proceeds of sale are held for the benefit of the persons so entitled, who did not ask for their non-consolidated Ordinary Shares to be exchanged prior to 12 November 2009, for a ten-year period in a blocked account opened with BNP Paribas Securities Services. At the end of the said ten-year period, any sums owed to any person so entitled either (i) who had not requested the exchange, before 12 November 2009, of their non-consolidated Ordinary Shares for GET SA Ordinary Shares, or (ii) who had not requested a cash payment between 12 November 2009 and 12 November 2019, will be transferred to the Caisse des dépôts et consignations subject to the 30-year limitation period for the benefit of the French State.

Share capital following the exercise of the warrants

In connection with the early cash redemption of all of the NRS II, 104,622,189 GET SA Ordinary Shares were issued on 4 June 2008 on exercise of the warrants allocated free of charge to GET SA Shareholders on 30 April 2008 (representing an increase in share capital of a nominal amount of €41,848,875.60). This transaction complemented the issue, on 6 March 2008, of 800,000 SDES at a nominal value of €1,000 each.

Share capital following the redemption of the NRS I T1

On 28 July 2008, in accordance with the terms and conditions relating to the NRS I as set out in the 2007 Securities Note, 537,532 NRS I T1 denominated in euros and 440,013 NRS I T1 denominated in sterling, were redeemed by the issue of 13,986,490 GET SA Ordinary Shares and 11,449,125 GET SA Ordinary Shares respectively, on the basis of a redemption ratio for the NRS I of 26.02 as adjusted following the rights issue of 4 June 2008, making a total of 25,435,615 GET SA Ordinary Shares after rounding.

Share capital following the Simplified Exchange Tender Offer of 2007 Warrants

In connection with the Simplified Exchange tender offer carried out in 2009 for the 2007 Warrants, 3,260,315,660 2007 Warrants were tendered to the offer and in exchange 103,502,084 GET SA Ordinary Shares were issued on 27 July 2009 (representing an increase in share capital of a nominal amount of €41,400,833.60).

Share capital following the redemption of the NRS I T2

On 28 July 2009, in accordance with the terms and conditions relating to the NRS I as set out in the 2007 Securities Note, the Eurotunnel Group redeemed the NRS I T2 by issuing GET SA Ordinary Shares at their contractual maturity. 530,798 NRS I T2 denominated in euros and 386,738 NRS I T2 denominated in sterling, were redeemed. As at 31 December 2009, 9 NRS I T2 remained to be redeemed; the redemption of NRS I T2 resulted in an increase in nominal share capital of 9,549,702.40 over the financial year, by the issuing of 23,874,256 GET SA Ordinary Shares.

⁽²⁾ One GET SA shareholder renounced the consolidation of 10 of their non-consolidated shares.

Share capital following the early redemption of the NRS I T3

As part of the early redemption period running from 4 November 2009 to 17 November 2009 for the holders of NRS I T3, 1,545,317 NRS I T3 denominated in euros and 1,194,778 NRS I T3 denominated in sterling were redeemed by the issue of 68,502,375 GET SA Ordinary Shares, on the basis of a redemption ratio of 25 GET SA Ordinary Shares per NRS I T3, representing an increase in nominal share capital of €27,400,950.

Redemption of SDES into shares

From 6 September 2009 to 6 September 2010, SDES were redeemed in GET SA Ordinary Shares, on the basis of a redemption ratio of 118.61 shares for one SDES. As at 31 December 2010, all SDES had been presented for redemption, representing over the period, the issue of 94,887,147 GET SA Ordinary Shares, and the corresponding increase in nominal share capital of €37,954,858.80.

GET SA preferred share

The board of directors noted, at its meeting on 12 February 2010, as provided in article 38 of the by-laws, that the specific rights attached to the GET SA Preferred Share had terminated, the GET SA preferred share becoming a GET SA Ordinary Share, with effect from 1 January 2010.

Contractual redemption of the NRS I Tranche 3

On 28 July 2010, Eurotunnel Group carried out the contractual redemption of the third and final tranche of NRS I in GET SA Ordinary Shares. This transaction resulted in a nominal capital increase of €21,190,000 through the issue of 52,974,440 Ordinary Shares. The 9 NRS I T2 remaining to be presented for redemption were presented in the course of 2010.

21.1.8 Acquisition by GET SA of its own shares

The general meeting held on 26 May 2010, authorised GET SA to purchase, or procure the purchase of its own shares, under the conditions set by articles L. 225-209 and following of the French Commercial Code.

a) Description of the 2010 share buyback programme

The characteristics of the new share buyback programme were determined by the board of directors on 26 May 2010 and published pursuant to article 241-2 of the General Regulations of the AMF. Pursuant to the 2010 buyback programme, GET SA is authorised, for a period of eighteen months to purchase, or to procure the purchase of, its own shares under the conditions set out in articles L. 225-209 et seq. of the French Commercial Code, in the General Regulations of the AMF and in EC Regulation 2273/2003 of 22 December 2003.

The following applies in respect of the programme:

- The purchase price per share must not exceed €12, it being stipulated that the board of directors may nevertheless adjust this purchase price should transactions occur giving rise to an increase in the nominal value of ordinary shares or the creation and allotment of free shares, as well as a decrease of the nominal value of the ordinary shares or the consolidation of ordinary shares or any other transaction affecting equity in order to reflect the impact of such transaction on the value of the ordinary shares;
- the maximum amount of funds destined for the purchase of ordinary shares under the present resolution may not, based on the current number of shares in issue, exceed €572.50 million;
- share buybacks carried out by GET SA pursuant to the buyback programme, cannot result in GET SA, at any time, holding, directly or indirectly, more than 10% of its own shares;

- Where ordinary shares are transferred within applicable laws and regulations, the transfer price must not be less than €6.50 with the exception of transfers of ordinary shares to employees within the scope of articles L. 3332-19 and L. 3332-21 of the French Labour Code where the transfer price shall be set in accordance with the terms of the said articles.

The transactions carried out by GET SA within the scope of the 2010 buyback programme may be effected with a view to any allocation permissible by law or that may become permissible by the law, in particular for the following purposes:

- to carry out any market practices allowed by the AMF, such as (i) the purchase of shares in GET SA, to be retained then transferred or exchanged at a later date as part of external growth transactions, provided that the maximum number of shares acquired with a view to their use in the event of a merger, demerger or exchange must not exceed 5% of the share capital of the company at the time of the acquisition; or (ii) the sale or purchase of shares under a liquidity contract concluded with an entity qualified as an investment services provider and complying with the ethics code recognised by the AMF; as well as (iii) any market practice which may become permissible by the AMF or by law;
- to enter into or comply with obligations and, in particular, to transfer shares on exercise of securities convertible, immediately or in future, into shares in GET SA, as well as implement hedging transactions in respect of the obligations of GET SA (or those of any of its subsidiaries) linked to these securities, within the conditions set out by the market authorities and at any time determined by the board of directors or any person acting on the authority of the board of directors;
- to cover any stock option plans granted, in accordance with articles L. 225-177 et seq. of the French Commercial Code, to corporate officers of GET SA or any related company or group linked to it within the meaning of the regulations in force, pursuant to authorisation to be granted subsequently;
- to freely assign ordinary shares in GET SA, under the conditions specified by articles L. 225-197-1 et seq. of the French Commercial Code, to employees or corporate officers of GET SA or companies or groups that are related to it according to the meaning of the regulations in force, pursuant to authorisation to be granted subsequently;
- to offer employees the possibility to acquire shares, in particular within the framework of a company savings scheme, in accordance with articles L. 3332-1 et seq. of the French Labour Code, pursuant to authorisation to be granted subsequently;
- to reduce the capital of GET SA pursuant to authorisation to be granted subsequently.

b) Summary of transactions carried out by GET SA on its own securities under the buyback programme approved by the combined general meeting of 26 May 2010

Since 24 May 2010, GET SA has appointed Oddo Corporate Finance to implement a liquidity contract in accordance with the ethics code established by the French Financial Markets Association and approved by the AMF through its decision of 1 October 2008. The balance of the liquidity account at Exane BNP Paribas before being transferred to Oddo Corporate Finance was:

- 253,149 GET SA Ordinary Shares; and
- €797,219.37.

Between 1 January 2010 and 31 December 2010, under the share buyback programme, GET SA bought back a total of 484,000 GET SA Ordinary Shares at an average price per share of €5.95.

On 31 December 2010, under the previously-mentioned share buyback programme, GET SA held⁽³⁾ 14,496,608 of its own shares, mainly to provide shares upon exercise of the rights attached to equity-linked securities (such as the conditional additional return on SDES) or to cover share option plans whose implementation was approved by the general meeting of shareholders in 2010. These shares represent 2.71% of GET SA's share capital, with a nominal value of €5,798,643.20 and a market value, estimated on the basis of the average purchase price (€4.861), of €70,475,123.18 excluding the liquidity contract.

Summary as at 31 December 2010	
Percentage of share capital held by GET SA	2.71%
Number of shares cancelled over the preceding 24 months	None
Number of shares in the portfolio	14,496,608
Book value of the portfolio	69,679,280 euros
Market value of the portfolio	95,387,680.64 euros
Positions opened/closed on derivatives	None

21.2. Constitutional document and by-laws

21.2.1 Corporate purpose (article 2 of GET SA's by-laws)

The corporate purpose of GET SA is:

- acquire equity interests by way of the purchase, subscription, transfer or exchange of corporate rights, shares, partnership interests or otherwise, with any co-contracting party, French or foreign, in any company whose purpose is directly or indirectly related to the operation of the Tunnel between France and the United Kingdom or any other fixed links;
- participate in any manner whatsoever, directly or indirectly, in any transactions connected with its corporate purpose via the creation of new companies, the contribution, subscription or purchase of securities or corporate rights, merger or otherwise, creation, acquisition, leasing, lease management of all businesses or establishments; taking, acquiring, operating or selling any procedures or patents relating to its activities;
- generally, all industrial, commercial, financial, civil, personal or real property transactions, directly or indirectly related to any of the purposes referred to above or any similar or connected purposes, including in particular, any transport business.

21.2.2 Members of the board of directors and management bodies

The provisions relating to the board of directors and management bodies of GET SA are described in sections 14.1 and 16.2 of this Reference Document.

21.2.3 Rights and obligations attached to the shares (articles 11 and 37 of GET SA's by-laws)

Ownership of one GET SA Ordinary Share implies acceptance of the terms of the by-laws of GET SA and of all decisions taken by GET SA shareholders in general meetings.

GET SA Ordinary Shares

In addition to voting rights, each GET SA Ordinary Share grants the right to a share in the ownership of the company's assets, profits and liquidation proceeds, in proportion to the fraction of the share capital that it represents.

⁽³⁾ Excluding shares acquired by Oddo Corporate Finance under the liquidity contract and excluding shares held by the Eurotunnel company FCPE (employee shareholding vehicle – 150,300 GET SA Ordinary Shares) and Eurotunnel Trustees Limited (1,463 GET SA Ordinary Shares).

21.2.4 Allocation of profits (article 31 of GET SA's by-laws)

The following deductions are made from the profits of each financial year, minus prior losses if any, in the order set out below:

- five per cent at least to constitute the reserve account required by law;
- the amounts determined by the general meeting to constitute such reserves for which it determines the distribution and use; and
- the amounts that the general meeting decides to carry forward.

The balance, if any, shall be distributed among all of the shareholders in proportion to the number of shares held by each of them.

If the balance sheet prepared during or at the end of the financial year and certified by the statutory auditors indicates that GET SA, since the end of the previous financial year, after any necessary depreciation and reserves and after deducting any previous losses and amounts required to constitute the necessary reserves pursuant to applicable law or the by-laws, has made a profit, interim dividends may be distributed before the accounts for the financial year have been approved. The amount of the interim dividend may not exceed the amount of profit as defined above.

The conditions for the payment of dividends in cash are set by the shareholders' general meeting, or failing that, by the board of directors.

Payment of dividends in cash must be carried out within a maximum period of nine months following the end of the financial year, unless extended by a court authorisation.

21.2.5 Modifications of shareholders' rights

The modification of the by-laws requires the approval of an extraordinary general meeting in accordance with the quorum and majority required by applicable laws and regulations.

The general meeting of shareholders on 26 May 2010 noted the consequences of the conversion of GET SA preference shares into GET SA ordinary shares and made the consequential changes to the by-laws.

Notice of meeting (article 27 of GET SA's by-laws)

General meetings are convened in accordance with applicable laws and regulations.

Venue of meetings (article 27 of GET SA's by-laws)

General meetings are held at the registered office of GET SA or at any other place referred to in the notice of the meeting.

Attendance at general meetings (article 27 of the by-laws of GET SA)

Any shareholder may attend general meetings in person or by proxy, regardless of the number of shares held, upon providing proof of identity and proof of ownership of the shares, by registering the shares in the shareholders' name or in the name of the intermediary registered on his behalf pursuant to the seventh paragraph of article L. 228-1 of the French Commercial Code by midnight, Paris time, on the third business day prior to the meeting, either in the registered accounts, held by GET SA, or in the bearer's form accounts held by the authorised intermediary in accordance with the provisions of article R. 225-85 of the French Commercial Code.

Use of electronic means of communication (article 27 of GET SA's by-laws)

If the Board so decides at the time the meeting is convened, any shareholder may participate and vote at general meetings by video conference or any other electronic means of communication in accordance with applicable laws and regulations.

For the purposes of calculating the quorum and majority, shareholders participating in the meeting by video conference or another form of electronic communication enabling them to be identified, and the nature and conditions of application of which are set in accordance with applicable laws and regulations, are deemed to be present.

Representation at general meetings (article 27 of GET SA's by-laws and articles L. 222-106 and following of the French Commercial Code)

Pursuant to articles L. 222-106 and following of the French Commercial Code, shareholders may be represented at meetings by the individual or legal entity of their choice under the conditions stipulated in current regulations. The proxy must prove his authority in accordance with article L. 225-106 of the French Commercial Code. He is bound by the disclosure obligations stipulated in current regulations. In addition, owners of securities referred to in the 3rd paragraph of article L. 228-1 of the French Commercial Code may be represented by a registered intermediary in accordance with the provisions of article L. 228-3-2 of the French Commercial Code.

Legal representatives of shareholders without legal capacity and individuals representing corporate shareholders may participate in general meetings, whether or not they are shareholders.

Authority to act as a proxy may be given for one meeting only and shall be in respect of the agenda of such meeting. The authorisation must specify the agenda of the meeting for which it is granted and provide necessary information to identify the shares. Authority may however be given for two meetings, one ordinary and the other extraordinary, held on the same day or within a period of fifteen days. The authority given for one meeting shall be valid for all successive meetings convened with the same agenda. The proxy named in person on the proxy form may not substitute any other person.

All documents required by applicable laws and regulations must be attached to all proxy forms sent to shareholders.

The proxy form must be signed by the shareholder being represented and provide the last name, the first name, his address, the number of shares he owns and the number of votes attached to those shares. Only proxy forms which have been received two days prior to the meeting will be taken into account by GET SA.

The intermediary referred to in article L. 228-1 of the French Commercial Code may, pursuant to a securities management general mandate, send votes or powers of attorney on behalf of a shareholder as defined in article L. 228-1 of the French Commercial Code for the purposes of a general meeting.

Exercise of voting rights (article 27 of GET SA's by-laws)

All shareholders may vote by postal ballot under the conditions and within the time limits provided for by law by using a form prepared by GET SA and sent to shareholders requesting the form and provided such forms reach GET SA two days prior to the general meeting.

Chairmanship of general meetings (article 27 of GET SA's by-laws)

General meetings of shareholders are chaired by the Chairman of the board of directors or, in his absence, by the most senior director present at the meeting. If the meeting has been convened by the statutory auditors, by a court appointed representative or by a liquidator, the general meeting shall be chaired by the person, or one of those persons, who called the meeting.

Quorum and majority at general meetings (articles 28 and 29 of GET SA's by-laws)

Ordinary, extraordinary, combined or special general meetings shall be subject to the quorum and majority conditions provided by applicable laws and regulations governing such meetings and shall exercise the powers conferred them by law.

Voting rights and double voting rights (article 11 of GET SA's by-laws)

Subject to the provisions set forth below, each member of a general meeting is entitled to as many voting rights and casts as many votes as the number of fully paid-up GET SA Ordinary Shares he owns or is representing.

However, each fully paid-up GET SA Ordinary Share which has been held by the same shareholder in registered form for two years will carry a double voting right in accordance with applicable laws and regulations.

In the event of a share capital increase by incorporation of reserves, profits or share premiums, this double voting right is conferred from their date of issue to GET SA Ordinary Shares held in registered form and allocated for free to a shareholder by virtue of the existing GET SA Ordinary Shares from which he derived this right.

A merger or demerger of GET SA has no effect on the double voting right that may be exercised at shareholder meetings of the surviving companies if the by-laws of such companies so provide.

Any GET SA Ordinary Share converted into bearer form or which is transferred shall lose the double voting right conferred on it as described in the preceding three paragraphs. However, the double voting right is not lost and the time proceeds are not affected by a transfer by inheritance, liquidation of assets held jointly by spouses or inter vivos gifts in favour of a spouse or relative entitled to inherit.

21.2.6 Clauses that could possibly have an impact on the control of GET SA

There are no provisions in the by-laws that could have the effect of delaying, deferring or preventing a change of control of GET SA.

21.2.7 Identification of shareholders (article 14 of GET SA's by-laws)

GET SA has the right to request the securities clearing house for information relating to the identification of its shareholders in accordance with applicable laws and regulations (articles L. 228-2 et seq. of the French Commercial Code) as follows: their name or in the case of legal entities, their company name, nationality, address, number of shares held by each of them, any restrictions affecting the shares, the year of birth of the holder, or in the case of a legal entity, the date of its incorporation.

21.2.8 Notification of interests in shares

The rules relating to the obligation to declare major interests in shares are those set out in applicable laws and regulations as there is no provision of the Articles of Association fixing thresholds above which interest in shares must be declared.

21.2.9 Modifications of share capital

The share capital may be modified in accordance with applicable laws and regulations.

21.3. Dilutive effect of 2007 Warrants

For a full description of the dilutive effect of the 2007 Warrants, please refer to paragraph 21.1.6 of this Reference Document and to note S to the consolidated accounts in paragraph 20.3.1 of this Reference Document.

21.4. Travel privileges

GET SA offers its shareholders a travel privilege programme for Passenger Shuttle crossings. This programme offers a 30% reduction on the standard fare up to a limit of six one-way tickets (equivalent to three round-trip tickets) per year. Shareholders holding at least 750 GET SA Ordinary Shares continuously for more than three months are eligible for the programme. The board of directors of Groupe Eurotunnel SA, at its meeting of 12 February 2010, resolved to renew GET SA's programme, which ended on 31 December 2010, for a new period of three years, namely from 1 January 2011 to 31 December 2013.

The general conditions of this travel privilege programme are available on the Group's web site www.eurotunnelgroup.com.

CHAPTER 22 – MATERIAL CONTRACTS

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22.1. The Treaty of Canterbury

The principal purpose of the Treaty of Canterbury is to authorise the construction and operation of the Fixed Link by private concessionaire companies, without the need to resort to requesting government funds.

Under the terms of the Treaty of Canterbury, the States guarantee FM and CTG, as Concessionaires, under national and EU law, freedom to determine their commercial policy, tariffs and the nature of the services they offer to customers.

The Treaty of Canterbury also includes various other provisions relating to the Fixed Link such as:

- the establishment of the IGC, to deal with all issues relating to the construction and operation of the Fixed Link in the name of the States and by express delegation of their authority;
- the establishment of the Safety Authority to advise and assist the IGC on all issues relating to the safety of the construction and operation of the Fixed Link. The Safety Authority also assists in drawing up regulations applicable to the safety of the Fixed Link and monitors compliance of such regulations with applicable national or international rules and regulations. The members of the Safety Authority are appointed on an equal basis by each of the States;
- the establishment of an arbitration tribunal to settle disputes between the States and the Concessionaires relating to the Concession Agreement;
- the taxation by the two States of profits and earnings generated by the construction and operation of the Fixed Link is governed by applicable legislation, including any double taxation treaties for the prevention of tax evasion in force between the two States and relating to direct taxes, together with any related protocols;
- compliance by the two States with the principle of non-discrimination with respect to taxes relating to charges payable by customers of other directly competing modes of crossing the Channel;
- the absence of any withholding tax by the two States on the transfer of funds and financial payments required for the operation of the Fixed Link, either between the two States, or coming from or going to other countries, other than the general taxation of payments represented by such transfers or financial payments; and
- the commitment of the States to cooperate in a number of areas, including defence, safety, policing, border controls, interpretation or application of the Treaty of Canterbury and the Concession Agreement.

22.2. The Concession Agreement

The Concession Agreement was signed on 14 March 1986 between the States and the Concessionaires, pursuant to the Treaty of Canterbury.

Initially entered into for a period of 55 years, the Concession Agreement was extended by 10 years and then 34 years by successive amendments dated, respectively, 29 June 1994 and 29 March 1999, duly ratified by legislative provisions in France and the United Kingdom. The term of the Concession Agreement was therefore extended first from 55 to 65 years, then from 65 to 99 years and expires in 2086.

Pursuant to the terms of the Concession Agreement, the Concessionaires have the right and the obligation, jointly and severally, to design, finance, construct and operate the Fixed Link, and the Concessionaires do so at their own risk and without any government funds or state guarantees whatever risks may materialise during the performance of the Concession Agreement. In particular, the Concessionaires are solely liable for any loss or damage caused to users of the Fixed Link or third parties resulting from its operation.

Accordingly, the principal obligations of the Concessionaires under the Concession Agreement are:

- to operate and maintain the Fixed Link and employ all means necessary to permit the continuous and fluid flow of traffic in safe and convenient conditions; and
- to comply with applicable laws and regulations in relation to the operation of the System and in particular in relation to customs, immigration, safety, sanitary and road transport controls and rescue services.

22.2.1 Tariffs and commercial policy

The Concessionaires are free to set their fares. National laws relating to price and fare controls by public authorities do not apply to the Fixed Link. However, these provisions are without prejudice to the application of national or EU rules relating to competition and abuse of dominant positions. The Concessionaires must not discriminate between users of the Fixed Link, notably with respect to their nationality or direction of travel. They may however adjust tariffs in accordance with normal commercial practices.

22.2.2 Role of the IGC

The IGC, established by the Treaty of Canterbury, was created to monitor, on behalf and with the authority of the States, all issues relating to the construction and operation of the System. The IGC is made up of representatives of each of the States on an equal basis.

The IGC acts as concession authority vis-à-vis the Eurotunnel Group on behalf of the States and its duties in this regard are:

- to supervise the construction and operation of the System;
- to take decisions on behalf of the States in relation to the performance of the Concession Agreement, including the right to impose penalties on the Concessionaires in the event of a breach of their obligations under the Concession Agreement;
- to approve the proposals of the Safety Authority;
- to prepare or participate in the preparation of all regulations applicable to the System and monitor their application, including those in relation to maritime environmental matters; and
- to issue advice and recommendations concerning the States and the Concessionaires.

22.2.3 Penalties

Any failure by the Concessionaires to perform their obligations under the Concession Agreement shall entitle the States to impose penalties, but no other measure under the Concession Agreement.

If a breach is identified by the IGC, it shall inform the Concessionaires in writing, specifying the nature and subject of the breach. After the Concessionaires have been heard, the IGC may issue a formal notice to remedy the breach within a sufficiently long time period which may not be less than thirty days.

If at the end of such period, the Concessionaires have not remedied the breach identified by the IGC, it may impose a penalty on the basis of a fixed initial daily sum of between 10,000 and 100,000 ecus at 1986 values (changed to euros at a rate of one to one on 1 January 1999) and proportionate to the seriousness of the breach giving rise to the penalty.

22.2.4 Early termination of the Concession Agreement and compensation

Each party to the Concession Agreement may request the arbitration tribunal, established pursuant to the Treaty of Canterbury, to declare the termination of the Concession Agreement in exceptional circumstances, such as war, invasion, nuclear explosion or natural disaster. In such cases, in principle, no compensation is owed to the Concessionaires. However, the States may pay the Concessionaires an amount representing the financial benefits, if any, that they may derive from such termination.

Each of the States may terminate the Concession for reasons of national defence. In such case, the Concessionaires may claim compensation under the conditions laid down in the Treaty of Canterbury. The Treaty of Canterbury specifies that such compensation shall be governed by the law of the relevant State.

Each of the States may terminate the Concession Agreement in the event of a fault committed by the Concessionaires. The Concession Agreement defines a fault as a breach of a particularly serious nature of the

obligations under the Concession Agreement or ceasing to operate the Fixed Link. The States may issue a formal notice to the Concessionaires giving them a period of three months, which may be extended up to a maximum period of six months, to remedy the breach. This formal notice is also sent to the lenders which financed the construction and operation of the Fixed Link. If, within such period, the Concessionaires have not remedied the breaches complained of, the States may terminate the Concession Agreement, subject to giving prior notice to the Lenders of their right of substitution.

Any termination of the Concession Agreement by the States, other than in a situation described above, gives the Concessionaires the right to payment of compensation. Such compensation shall be for the entire direct and certain loss actually suffered by the Concessionaires and attributable to the States, within the limits of what can reasonably be estimated at the date of the termination, including the damage suffered and operating losses. To calculate this compensation, account is taken of the share of liability of the Concessionaires, if any, in the events which led to the termination.

22.2.5 Assignment and substitution by lenders

The Concession Agreement provides that each of the Concessionaires has the right to transfer the Concession Agreement or the rights it confers, with the agreement of the States.

In addition, upon the occurrence of one of the events set out below, and for as long as the effects of the event are ongoing, or any other action or intention that could lead to the termination of the Concession Agreement, the lenders, approved as such by the States pursuant to the Concession Agreement (the “*Lenders*”) may request to the States that substitution be operated in favour of entities controlled by them (the “*Substituted Entities*”) if: (i) the Concessionaires fail to pay, within any contractual grace period, any sum due and payable under the terms of the finance documents, (ii) the Concessionaires do not have and cannot procure sufficient funds to finance the forecast operating costs of the Fixed Link, and the related finance charges, (iii) it appears that the date of full and final payment of all claims of the Lenders must be postponed for a significant length of time (iv) if the Fixed Link is abandoned, suspension of payments, liquidation, enforcement of security by other creditors or similar events.

The Substituted Entities must prove to the States, at the time of the substitution, that they have sufficient technical and financial capacity to continue performance of the Concession Agreement.

The amendment to the Concession Agreement dated 29 March 1999 granted an extension to the term of the Concession Agreement for the sole benefit of the Concessionaires, such that the extension would not apply if the Lenders exercised their Substitution Right.

In accordance with Article 32 of the Concession Agreement, the lenders of the Term Loan have been approved by the States as Lenders able to benefit from the Substitution Right on the terms set out in the Concession Agreement.

22.2.6 Taxation and sharing of profits

Taxation and customs matters are decided by the States in accordance with the provisions of the Treaty of Canterbury. If it appears that changes in tax or customs legislation have a discriminatory effect on the Fixed Link, the relevant State will examine the issue with the Concessionaires. Furthermore, in accordance with Article 19 of the Concession Agreement, as a matter of principle the Concessionaires share equally between CTG and FM at cost price, all expenses and all revenues from the Fixed Link for the period during which they operate it. To this end, the consequences of any indirect taxation on the supply of goods or services levied only on one of the Concessionaires will be taken into account in the costs to be shared. Any equalising payment made between FM and CTG will be treated as a capital expense or a revenue payment as determined by the relevant legislation of the two States.

With respect to the period between 2052 and 2086, the Concessionaires will be obliged to pay to the States a total annual sum, including all corporate taxes of any kind whatsoever, equal to 59% of all pre-tax profits.

22.2.7 Litigation

Disputes relating to the application of the Concession Agreement must be submitted to an arbitration tribunal which will apply the relevant provisions of the Treaty of Canterbury and the Concession Agreement. Provisions of French or

English law may, if necessary, be applied, if this is dictated by the performance of specific obligations under French or English law. Relevant principles of international law and, if the parties so agree, the principles of equity may be applied.

22.3. Railway Usage Contract

The Railways Usage Contract was entered into on 29 July 1987 between the Concessionaires and the BRB and SNCF rail networks. It sets out the basis on which the Railways undertake and are authorised to use the Fixed Link until the expiry of the Railways Usage Contract in 2052.

The Railways Usage Contract specifies the conditions under which the Concessionaires allow the trains of the Railways to use the Fixed Link from the date the Railways Usage Contract came into force until 2052, and the conditions under which the Railways undertake to supply certain railway infrastructure to the Concessionaires, and develop certain services.

The Railways Usage Contract also sets out the obligations of the Railways, with respect to the railway infrastructure and the rolling stock utilised to ensure a sufficient level and quality of traffic in the Tunnel. Likewise, the Concessionaires subscribe to a number of commitments relating to maintenance of the Fixed Link. Pursuant to the Railways Usage Contract, the Railways are authorised to use up to 50% of the capacity of the Fixed Link per hour and in each direction, up until 2052.

Under the terms of the Railways Usage Contract, the Railways are obliged to pay the Concessionaires fixed annual charges and variable charges depending on the number of passengers travelling on passenger trains and the freight tonnage carried through the Fixed Link. Adjustment mechanisms for annual charges are set out in the event that the Fixed Link is unavailable. Finally, under the Railways Usage Contract, the Railways have to pay a contribution to the Concessionaires' operating costs. To this end, the Railways make monthly provisional payments to the Concessionaires against operating costs for the current period. Payments are subsequently adjusted to take account of real operating costs, with the final amount of the contribution determined in accordance with the formula set out in the Railways Usage Contract.

The Railways Usage Contract is governed by French law.

In addition, the strategy for the re-launch of freight services offers a simplified pricing structure mechanism for rail freight trains, with a toll per freight train rather than per tonne of freight, based on a charging regime published annually by Eurotunnel in its Network Statement.

A substantial majority of the Eurotunnel Group's revenues emanating from its rail network, (see chapter 6) is made up of the annual fixed and variable charges as referred to above.

In the context of the privatisation of the British railways, BRB entered into back-to-back contracts with certain entities, including Network Rail, DB Schenker (formerly EWS) and Eurostar International Ltd (formerly Eurostar UK Ltd), under the terms of which BRB delegated to them operational execution of some of the obligations it owes to the Concessionaires. As part of the agreement with the British and French governments regarding the extension of the Concession Agreement until 2086, Groupe Eurotunnel undertook, under certain conditions, to work with the entities to which execution of these obligations had been delegated, to ensure the development of the passenger train services and the goods train services.

In accordance with EU directives governing the liberalisation of the international rail transport market, Eurotunnel publishes its Network Statement annually offering equivalent conditions of access to its rail network as those set out by the Railway Usage Contract of other Railway Companies.

22.4. The Term Loan and ancillary agreements

FM and CTG entered into the Term Loan dated 20 March 2007 (as modified by the amendments dated 27 June 2007, 20 August 2007, 30 November 2007, 31 January 2008 and 13 May 2009), under which credit facilities in a principal amount of £1,500 million and €1,965 million (the "*Senior Facilities*") were made available to FM and CTG on 28 June 2007 by Goldman Sachs Credit Partners L.P. and Deutsche Bank A.G. (London Branch) (together, the "*Initial Lenders*") in order to (i) reimburse the outstanding debt of TNU SA, TNU PLC and their subsidiaries prior to

the financial restructuring of the business in 2007 of a principal amount of €9.073 billion at 30 September 2006 (the Senior Debt, the Fourth Tranche Debt, the Tier 1A Debt, the Tier 1 Debt and the Tier 2 Debt), (ii) finance the cash payments provided for in the safeguard plan to the holders of the Tier 3 Debt and the owners of Eurotunnel bonds issued prior to the financial restructuring of the business in 2007, and (iii) pay the costs and expenses of the financial business of the company in 2007 and certain interest due in respect of the old financial debt.

The financing of the Senior Facilities has been arranged by Goldman Sachs International and Deutsche Bank AG (London Branch) (the “MLAs”).

For the purposes of the management of the Senior Facilities, these loans were securitised on 20 August 2007.

22.4.1 Principal provisions of the Term Loan

Summary of the tranching and the financial conditions of the Term Loan

The Term Loan consists of:

- a tranche A₁ loan denominated in sterling, bearing interest at a fixed rate linked to inflation in the United Kingdom;
- a tranche A₂ loan denominated in euros, bearing interest at a fixed rate linked to inflation in France;
- a tranche B₁ loan denominated in sterling, bearing interest at a fixed rate;
- a tranche B₂ loan denominated in euros, bearing interest at a fixed rate;
- a tranche C₁ loan denominated in sterling, bearing interest at a variable rate; and
- a tranche C₂ loan denominated in euros, bearing interest at a variable rate.

The weighted average interest rate applicable to the Term Loan, including commission, calculated on the basis of interest and commission payable in respect of the Term Loan and the fee letter relating to the commitment letter of the MLAs dated 25 November 2006 (as amended and accepted on 16 December 2006) is estimated to be 5.41% per annum (taking into account for these purposes applicable rates as of the date of this Reference Document).

Expenditure relating to the servicing of debt under the Term Loan is expected to be approximately €210 million per annum during the next three years (based on the interest rate in force on the date of the present Reference Document and excluding step-up on tranches C₁ and C₂ from June 2012), with principal repayments under the loans commencing only in June 2013.

The borrowings denominated in sterling have been made available to CTG and those in euros have been made available to FM.

Repayment of the Term Loan

The funds borrowed under the Term Loan will be repayable in accordance with their respective repayment schedules.

Repayment of the tranche A₁ and A₂ loans will begin 11 years after the start of availability of such loans and will be completed at least 35 years after the date of signature of the Term Loan.

The repayment of the tranche B₁ and B₂ loans will begin six years after the date on which the Term Loan was signed.

Repayment of the tranche C₁ and C₂ loans will begin respectively 39 and 34 years after the date on which such loans become available and will be completed on 30 June 2050.

Prepayment of the Term Loan

The amounts borrowed under the Term Loan may be voluntarily prepaid at the instigation of the relevant borrower, subject to the payment of certain market standard prepayment premia.

The amounts borrowed under the Term Loan may also be subject to mandatory prepayment, under certain conditions and in certain proportions, in particular from funds arising from insurance proceeds, permitted asset transfers, expropriation of such assets, compensation under the Concession Agreement and, in certain instances, excess cash flow. The total amounts borrowed under the Senior Facilities are subject to mandatory prepayment if a person (or a group of persons acting together) should come to hold GET SA Ordinary Shares representing over 50% of the capital of GET SA or carrying over 50% of the voting rights at general meetings. The threshold of 50% is based on the total diluted capital after the redemption or issue of any financial instrument granting access to this capital.

If the Eurotunnel Group does not meet certain financial targets, excess cash flow must (i) during the first years following drawdown on the Term Loan, be paid into a secured account set up for prepayment of amounts lent under the Term Loan and (ii) subsequently to be used directly for such prepayment until Eurotunnel once again meets the above mentioned financial targets.

Undertakings and prohibitions under the Term Loan

The Term Loan includes certain undertakings and prohibitions which are customary for a loan of its nature, in particular restrictions relating to:

- the creation or maintenance of liens over the assets of the Eurotunnel Group;
- the sale or transfer of Eurotunnel assets and the acquisition by the Eurotunnel Group of new assets; and
- the granting of loans or guarantees for the benefit of third parties.

In addition, pursuant to the terms of the Term Loan, the Eurotunnel Group is required to meet the following financial covenants: at each reference date, the debt-service coverage ratio must not be less than 1.20 until the fifth anniversary of the availability of the Senior Facilities, and thereafter may not be less than 1.10. For the purposes of this test, the ratio is calculated, on a rolling 12 month period, on a consolidated basis taking into account (i) as regards the calculation of available cash flow for the servicing of debt, the borrowers and guarantors in connection with the Senior Facilities, and (ii) as regards the calculation of debt servicing, the Eurotunnel Group. GET SA has respected the debt service cover ratio for 2010.

While the Senior Facilities restricts any increase in the financial indebtedness of the Eurotunnel Group, it permits, subject to certain conditions, the borrowing of revolving facilities up to a maximum amount of €75 million (the “*Revolving Credit Facility*”).

The Term Loan permits the Eurotunnel Group to pay dividends, provided that such dividends are paid out of excess cash flow (as defined in the Term Loan) or funds arising from a permitted disposal under the Term Loan on the condition that no default is continuing under the Term Loan and that the debt service cover ratio is not less than 1.25. For the purposes of this test, the ratio is calculated on the basis of a rolling 12 month period, on a consolidated basis, such consolidation to include (i) as regards the calculation of available cash flow for the servicing of debt, the borrowers and guarantors in connection with the Senior Facilities and (ii) as regards the calculation of debt service, the Eurotunnel Group (with amortisation being calculated by reference to the greater of (a) the hypothetical amortisation of the loan based on an annuity and (b) the contractual amortisation). Failure to meet this ratio on a six-monthly testing date would not constitute a case of default but would lead to restrictions on the use of the Group's excess available cash flow on the date of the next interest payment on the Term Loan until such time as the test is met once again. If these conditions are not met on an interest repayment date in connection with the Term Loan, the excess cash flow and funds will be placed into an account dedicated to so-called “capex” expenditure. Failure to meet this test on three consecutive six monthly testing dates would trigger a prepayment event, under which the Group's excess available cash flow would have to be used towards prepayment of the Term Loan until the testing date on which the ratio is met once again.

Event of default and acceleration

The Term Loan contains a number of events of default which, in certain instances subject to grace periods, enable the lenders to declare the Term Loan immediately due and payable, to enforce the liens described below or to demand the start of the substitution mechanism provided for under the terms of the Concession Agreement and described in paragraph 22.2.5 of this Reference Document.

The events of default include in particular:

- any failure to pay under the Term Loan;
- a failure to comply with any provision of the Term Loan, the Intercreditor Agreement or related documents. These provisions impose limits relative to indebtedness, acquisitions, sales and other transfers, mergers, loans, guarantees and the granting of new sureties by the member companies of the Eurotunnel Group, and include in particular:
 - (i) a financial commitment pursuant to which GET SA is obliged to ensure that at each half-yearly test date subsequent to 31 December 2007, the ratio of cash flow from operational activities over the total cost of servicing the debt resulting from the Senior Facilities is not below 1.20 until 28 June 2012, and is not below 1.10 after that date, the said ratio been calculated by reference to the twelve-month period preceding the date of the test; and
 - (ii) certain commitments related to the tax treatment of the Eurotunnel Group and where non-compliance is reasonably likely to substantially affect the financial situation of FM, CTG or the Eurotunnel Group;
- a declaration or statement made or deemed to have been made by a borrower or a guarantor in relation to the Term Loan, or any other financial document related to it or any other document presented by or on behalf of a borrower or a guarantor in relation to the said financial documents (which contain the declarations and statements that are usual for this type of financing), which proves to have been erroneous or misleading at the time when it was made or deemed to have been made;
- the occurrence of a cross default under any other indebtedness (greater than a certain amount) of any of the companies within the Eurotunnel Group (other than GET SA);
- the inability of any borrower or guarantor to pay its debts as they fall due, the insolvency or the opening of any legal proceedings in relation to any borrower or guarantor under the Term Loan;
- the illegality or invalidity of the Term Loan, any related liens or the subordination created under the Intercreditor Agreement;
- Eurotunnel becoming permanently unable to carry on the business of operating the Tunnel, or the destruction of the Tunnel, or the cessation of a substantial part of its activities by a borrower or a guarantor;
- a guarantor ceases to be a wholly-owned subsidiary of Groupe Eurotunnel SA;
- any act or omission of France or the United Kingdom which renders a borrower or guarantor under the Term Loan incapable of performing its obligations under the Term Loan and related documents; and
- the occurrence of litigation (or similar proceedings) against any Eurotunnel Group member or its assets, which is reasonably likely (i) to be adversely determined against the relevant company and (ii) to have a substantial adverse effect on the financial position of FM, CTG or the Eurotunnel Group.

The Term Loan also provides that no event of default may be deemed to have occurred because of (i) the Safeguard Procedure having been initiated for the benefit of certain TNU group companies or the implementation of the Safeguard Plan, (ii) the commencement or continuation of any litigation (including any appeal thereof) prior to the closing date for the Term Loan disputing the validity of the Safeguard Procedure or the Safeguard Plan, (iii) any act or omission of any TNU group company under the Safeguard Procedure which is required by the legal provisions relating to the Safeguard Plan or which is made for the purpose of implementing the Safeguard Plan, and (iv) any failure by any TNU group company to make a payment when due where such payment has not been made solely because that company is prevented from making such payment by the legal provisions relating to the Safeguard Plan.

The Term Loan also includes other cases of default that are usual for this type of funding.

a) Hedging arrangements in respect of the Term Loan

FM and CTG, prior to the drawdown under the Term Loan, each entered into various hedging arrangements in order to hedge their respective exposure to interest rate fluctuation in connection with their payment obligations under the Term Loan.

b) Agreement between Creditors

Prior to drawdown under the Term Loan, the Eurotunnel Group entered into an intercreditor deed with its bank lenders and its intragroup creditors (the “*Intercreditor Deed*”) pursuant to which the claims of all intragroup creditors are subordinated to the claims of the bank lenders. Payments to EGP in connection with the intra group debt, which result in particular from the transfer of the Tier 3 Debt and the Notes to EGP as part of the Safeguard Plan and which, along with the amounts paid by GET SA to EGP pursuant to the *NRS Relationship Agreement*, will enable EGP to pay interest due under the NRS will therefore be subordinated to the amounts due under the Term Loan and the Revolving Credit Facility.

The Intercreditor Deed also provides for the security and the guarantees described below to be held by a “*Security Trustee*” for the benefit of the lenders under the Term Loan, and, ultimately once in existence, the Revolving Credit Facility.

22.4.2 Guarantees and security relating to the Term Loan

Guarantees

Under the Intercreditor Deed, GET SA, FM, EFL, CTG, ESGIE, Eurotunnel SE, ESL and EurotunnelPlus Limited (the “*Original Guarantors*”) each jointly and severally guarantee the commitments made by FM and CTG, in their capacity as borrowers under the Term Loan vis-à-vis the Initial Lenders, the arrangers, the Agents and the hedging counterparties of the Term Loan. EGP, TNU SA and TNU PLC, each of which were Original Guarantors, have been merged with GET SA, and EurotunnelPlus Distribution SAS, which was also an Original Guarantor, has been merged with Eurotunnel SE.

The Term Loan provides that, following its execution, certain of the Eurotunnel Group companies (other than the Original Guarantors) will be required also to become guarantors of the Term Loan if, in particular, their contribution to the EBITDA, gross value of assets or turnover of the Eurotunnel Group increases above a specified pre-determined threshold.

In order to guarantee their obligations as borrowers under the Term Loan and guarantors under the Intercreditor Deed, the Initial Guarantors have granted security, the terms and scope of which, unlike the security granted in connection with the debt prior to the financial restructuring of the business in 2007, will take into account the operational needs of the business of the Eurotunnel Group. Compared with the debt prior to the financial restructuring of the business in 2007, these functional changes will facilitate the day to day management of the Term Loan.

Security granted by the Eurotunnel Group under French law

To secure their obligations as borrower under the Term Loan or guarantor under the Intercreditor Deed, the Initial Guarantors owning French assets have granted the following security:

- i) assignment of trade receivables by way of guarantee under which FM assigns, on the one hand, its trade receivables owed by the freight transporters and coach operators and, on the other hand, members of the Eurotunnel Group assign certain receivables arising out of contracts ancillary to the operation of the Tunnel, such as receivables arising out of the Railway Usage Contract and out of insurance policies;
- ii) unregistered mortgages over their main real estate assets belonging to companies that are part of the Eurotunnel Group that are not the subject of short or medium term development projects;

- iii) a non-possessory lien over rolling stock;
- iv) a lien on all bank accounts open in France in the name of any borrower or guarantor under the Term Loan;
- v) a lien on shares in the Eurotunnel Group members (with the exception of Europorte SAS and its subsidiaries) held by the borrowers or guarantors under the Term Loan; and
- vi) a lien on the main Eurotunnel trademarks.

Security granted by the Eurotunnel Group under English law

To secure their obligations as borrower under the Term Loan or guarantor under the Intercreditor Deed, the Initial Guarantors owning English assets have each granted security over all of their assets held at the date of execution of the Term Loan as well as over their future assets.

Security over the other assets of the Eurotunnel Group

All of the shares of members of the Eurotunnel Group that are not subject to security as described above (with the exception of Europorte SAS and its subsidiaries) have been pledged by way of security for the obligations of the borrowers under the Term Loan and guarantors under the Intercreditor Deed.

22.5. Master Intra-Group Debt Agreement

Intra-group debts existed between the various companies of the Group. Some of them were expressed in contracts concluded between 2007 and 2009 for the financial restructuring or simplification of the structure of the Group ("Intra-Group Debts"). Certain of these Intra-Group Debts for which contracts were concluded in 2007 were reorganised in 2009 as part of the transactions prior to the merger of TNU SA into GET SA which gave rise to the conclusion of new contracts for intra-group loans.

The Intra-Group Debts, because they were concluded over a period from 2007 to 2009 and partly re-organised in 2009, had different characteristics as to interest rate and maturity which complicated the financial and accounting management of Group companies.

Group companies have therefore concluded a contract entitled the "Master Intra-Group Debt Agreement" the principal object of which is the harmonisation of (i) the rules for current accounts between Group companies, (ii) the interest rates of the various Intra-Group Debts and (iii) where possible, the other conditions of these Intra-Group Debts in order to facilitate the financial and accounting management of Group companies and to reflect the financial policy between the Group's companies.

**CHAPTER 23 – INFORMATION RECEIVED FROM THIRD PARTIES,
STATEMENTS OF EXPERTS AND INTERESTED PARTIES**

Nothing to report.

CHAPTER 24 – DOCUMENTS AVAILABLE TO THE PUBLIC

24.1. Location of the documents and information that can be consulted regarding GET SA

All of the corporate documents of GET SA which must be made available to shareholders are accessible, as the case may be, on GET SA's website (www.eurotunnelgroup.com) or paper copies may be consulted during normal office hours at the registered office of GET SA (3 rue La Boétie, 75008 Paris). In particular, the following may be consulted:

- the by-laws of GET SA;
- all reports, letters and other documents, or historical financial information of which any part is included or referred to in this Reference Document; and
- historical financial information of GET SA for each of the two financial years prior to the publication of this Reference Document.

24.2. Annual document prepared pursuant to article 222-7 of the General Regulations of the AMF

Pursuant to Article 222-7 of the General Regulations of the *Autorité des marchés financiers*, the table below was prepared by GET SA listing all public information, or information made public by GET SA, from 1 January 2010, in satisfaction of the legislative and regulatory requirements concerning financial instruments, issuers of financial instruments and markets for financial instruments.

All of the information⁽¹⁾ contained in the table below can be obtained from:

- GET SA's website (www.eurotunnelgroup.com) for press releases and financial presentations;
- the website of the *Autorité des marchés financiers* (www.amf-france.org);
- the website of French gazette (*Bulletin des annonces légales obligatoires*) (www.ledalo.com) for information published by way of such announcement;
- the "Infogreffe" website (www.infogreffe.fr) for information filed with the registrar of the Paris commercial court.

	Dates	Information
1	04/01/2010	Olivier Linchet appointed Manager, Major Accounts France and Southern Belgium, for Eurotunnel Truck Service
2	13/01/2010	Six-monthly return relating to liquidity contract
3	20/01/2010	Eurotunnel 2009 traffic and revenue figures
4	22/01/2010	Bruno de Pontfarcy appointed Director of Security and operational Coordination from 20 January 2010
5	27/01/2010	On 27 January, Eurotunnel, world leader in piggyback transport, carried its 15 millionth truck since cross-Channel services began 15 years ago
6	28/01/2010	Information relating to the total number of shares and voting rights which form the share capital
7	11/02/2010	Eurotunnel the only company from Euro zone selected for MSCI Global Standard and MSCI Growth indices, following update on 10 February
8	12/02/2010	Eurotunnel's statement on the publication of Eurostar Report
9	23/02/2010	Filing of Articles of Associations as at 24 November 2009
10	23/02/2010	Filing of minutes of the capital increase of 24 November 2009

⁽¹⁾ In accordance with article 222-7 of the general regulations of the *Autorité des marchés financiers*, published information or information made public by GET SA from 1st January 2010 to 3 May 2010 inclusive have already been listed in the summary table relating in the 2009 Reference Document.

	Dates	Information
11	01/03/2010	Eurotunnel celebrates 10 years of Pet Travel
12	05/03/2010	Eurotunnel signs an agreement for the prevention and treatment of psycho sociological risks, which includes the existing arrangements
13	09/03/2010	2009 Annual results
14	15/03/2010	Eurotunnel organises 20 th major safety exercise in Channel Tunnel
15	18/03/2010	Filing of Articles of Associations as at 18 January 2010
16	18/03/2010	Filing of minutes of the capital increase of 18 January 2010
17	18/03/2010	Filing of court order appointing merger auditors
18	22/03/2010	Composition of Board put to shareholder vote at AGM on 26 May 2010
19	31/03/2010	Notice of holding of combined general meeting
20	12/04/2010	Filing of draft cross-border merger treaty with Eurotunnel Group UK PLC
21	12/04/2010	Filing of draft cross-border merger treaty with TNU PLC
22	12/04/2010	Notice of proposed merger with Eurotunnel Group UK PLC
23	12/04/2010	Notice of proposed merger with TNU PLC
24	14/04/2010	Groupe Eurotunnel: successfully completes tests to implement new fire safety measures (SAFE)
25	19/04/2010	Air traffic suspended: more than 100,000 passengers switch to Channel Tunnel
26	20/04/2010	Eurotunnel inaugurates wind farm in Coquelles and reaffirms its commitment to sustainable development
27	22/04/2010	Eurotunnel Group revenue and traffic figures for the 1 st quarter of 2010
28	03/05/2010	Eurotunnel appointments
29	05/05/2010	Notice of combined general meeting
30	12/05/2010	Notice of Meeting of the Combined General Meeting of Groupe Eurotunnel SA on 26 May 2010 and press release prepared in accordance with article 12 of AMF Instruction n° 2005-11 dated 13 December 2005
31	14/05/2010	Filing of merger commissioner report
32	17/05/2010	Pascal Sainson appointed Chairman of Europorte SAS
33	17/05/2010	Information relating to the total number of shares and voting rights which form the share capital
34	19/05/2010	Ash Cloud: Passengers move to more reliable modes of transport
35	25/05/2010	Liquidity agreement: Termination and Implementation
36	26/05/2010	Groupe Eurotunnel SA Combined General Meeting
37	26/05/2010	Description of share buy back programme authorised by Groupe Eurotunnel SA in a general meeting on 26 May 2010
38	31/05/2010	Share buyback programme – weekly notification of transactions in own ordinary shares for the period 24/05/2010 to 28/05/2010
39	01/06/2010	Groupe Eurotunnel acquires GBRf (GB Railfreight): Eurotunnel becomes a major player in European rail freight
40	07/06/2010	Notice of approval by the general meeting of the company and consolidated accounts for the year ended 31 December 2009
41	14/06/2010	Share buyback programme – weekly notification of transactions in own ordinary shares for the period 07/06/2010 to 11/06/2010
42	15/06/2010	Eurotunnel strengthens security ahead of 2012 Olympic Games in London: accommodation centre for security services on Coquelles terminal
43	21/06/2010	Groupe Eurotunnel enters the “CAC Next 20” index on the Paris Stock Exchange
44	09/07/2010	Information relating to the total number of shares and voting rights which form the share capital
45	15/07/2010	Share buy back programme – Monthly report on transactions for May and June 2010
46	15/07/2010	Six-monthly return relating to liquidity agreement
47	16/07/2010	Smoother border controls for Eurotunnel Customers
48	19/07/2010	Half-year results: improving activity levels
49	21/07/2010	Eurotunnel celebrates 250 million people through the Channel Tunnel
50	26/07/2010	Eurotunnel sets new record for cross Channel transport: 9,382 cars Shuttled from England to France in 24 hours

	Dates	Information
51	28/07/2010	Eurotunnel awarded a sixth consecutive Green Flag, recognising its efforts to protect the environment
52	23/08/2010	Information relating to the total number of shares and voting rights which form the share capital
53	06/09/2010	Record summer for Eurotunnel
54	24/09/2010	Filing of by-laws as at 26 May 2010
55	24/09/2010	Filing of extract of board minutes of appointment of directors and amendments to by-laws
56	24/09/2010	Filing of Chairman's decision to increase the share capital and consequential by-laws amendments
57	29/09/2010	Filing of extract of board minutes of proposed cross-border merger; approval of cross-border mergers with Eurotunnel Group UK PLC and TNU PLC; delegation of authority
58	29/09/2010	Compliance certificate Eurotunnel Group UK PLC
59	29/09/2010	Compliance certificate TNU PLC
60	12/10/2010	Information relating to the total number of shares and voting rights which form the share capital
61	13/10/2010	Filing of extract of board minutes of the completion of the cross-border merger with Eurotunnel Group UK PLC and TNU PLC; delegation of authority; capital increase
62	13/10/2010	Filing of merger certificate (articles L. 236-30 and R. 236-19 of the French Commercial code)
63	13/10/2010	Filing of merger certificate (articles L. 236-30 and R. 236-19 of the French Commercial code)
64	18/10/2010	Traffic and revenue figures for the Eurotunnel Group for the 3rd quarter 2010
65	28/10/2010	Eurotunnel leads transport sector in customer satisfaction
66	02/11/2010	Eurotunnel wins IFW Award for Leadership in Sustainable Development
67	03/11/2010	Eurotunnel and Eurostar co-finance purchase of two rescue units
68	22/11/2010	Filing of board minutes delegation of authority
69	22/11/2010	Filing of by-laws as at 7 October 2010
70	22/11/2010	Filing of Chairman's decision capital increase and by-laws amendments
71	22/11/2010	Filing of by-laws as at 25 October 2010
72	22/11/2010	Filing of final cross-border merger treaty with Eurotunnel Group UK PLC and TNU PLC; capital increase and by-laws amendments
73	24/11/2010	Notice of realisation of cross-border mergers and capital increase
74	13/12/2010	Eurotunnel posts Channel Tunnel Access Conditions for 2012, year of the London Olympics, on Web
75	14/12/2010	Eurotunnel first to launch Cross Channel Carbon Counter
76	23/12/2010	Information relating to the total number of shares and voting rights which form the share capital
77	10/01/2011	21st major Channel Tunnel safety exercise. Safety: the priority for Eurotunnel
78	11/01/2011	Groupe Eurotunnel Drives Cross Channel Freight Development – GB Railfreight opens first Daventry to Italy (Novarro) service
79	17/01/2011	Six-monthly return relating to liquidity agreement
80	18/01/2011	Eurotunnel 2010 traffic and revenue figures

24.3. Other information**Analysts and investors**

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General questions

Email: CommunicationInternet@eurotunnel.com

CHAPTER 25 – INFORMATION ON SHAREHOLDINGS

Table of shareholdings as at 31 December 2010

Over the course of financial year 2010, the Group acquired the British rail freight operator, GBf.

Company name	Registered office	Country	Activities	% of capital and voting rights held by		TOTAL ⁽¹⁾
				Holding company ⁽¹⁾	Subsidiaries ⁽¹⁾	
France Manche SA	3 rue La Boétie, 75008 Paris, France	France	Operation of the Fixed Link	100		100
The Channel Tunnel Group Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Operation of the Fixed Link	100		100
Eurotunnel Services GIE	3 rue La Boétie, 75008 Paris, France	France	Management of staff in France	40	60	100
Eurotunnel Services Limited	Citypoint, One Ropemaker Street, London EC2Y 9AH, United Kingdom	United Kingdom	Management of UK staff		100	100
Europorte SAS	Tour de Lille, 6 Bd de Turin Euralille 59777 Lille, France	France	Railways operator		100	100
Europorte Channel SAS	Tour de Lille, 6 Bd de Turin Euralille 59777 Lille, France	France	None		100	100
Socorail SAS	Tour de Lille, 6 Bd de Turin Euralille 59777 Lille, France	France	Railway operations		100	100
Europorte Proximité SAS	Tour de Lille, 6 Bd de Turin Euralille 59777 Lille, France	France	Goods rail freight		100	100
Europorte France SAS	Tour de Lille, 6 Bd de Turin Euralille 59777 Lille, France	France	Rail freight operator		100	100
Europorte Services SAS	Tour de Lille, 6 Bd de Turin Euralille 59777 Lille, France	France	Railway infrastructure operator		100	100
Société Immobilière et Foncière Eurotunnel SAS	1, boulevard de l'Europe, 62231 Coquelles, France	France	Property development ⁽²⁾		100	100

Company name	Registered office	Country	Activities	% of capital and voting rights held by		TOTAL ⁽¹⁾
				Holding company ⁽¹⁾	Subsidiaries ⁽¹⁾	
Centre International de Formation Ferroviaire de la Côte d'Opale (CIFFCO)	1, boulevard de l'Europe, 62231 Coquelles, France	France	Vocational training		100	100
EuroSco	1, boulevard de l'Europe, 62231 Coquelles, France	France	Rolling stock fleet management		100	100
Cheriton Leasing Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Financing ⁽²⁾	100		100
Cheriton Resources 1 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 2 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 3 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 6 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 7 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 8 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 9 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 10 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Cheriton Resources 11 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100

Company name	Registered office	Country	Activities	% of capital and voting rights held by		TOTAL ⁽¹⁾
				Holding company ⁽¹⁾	Subsidiaries ⁽¹⁾	
Cheriton Resources 12 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Financing		100	100
Cheriton Resources 13 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Financing ⁽²⁾		100	100
Cheriton Resources 14 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Financing		100	100
Cheriton Resources 15 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Financing ⁽²⁾		100	100
Cheriton Resources 16 Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Eurotunnel Agent Services Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Financing ⁽²⁾	100		100
Eurotunnel Developments Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Property development ⁽²⁾	100		100
Le Shuttle Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Orbital Park Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Property development ⁽²⁾		100	100
London Carex Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Eurotunnel Finance Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Financing	79	21	100
Eurotunnel Financial Services Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Resale of insurance products		100	100

Company name	Registered office	Country	Activities	% of capital and voting rights held by		TOTAL ⁽¹⁾
				Holding company ⁽¹⁾	Subsidiaries ⁽¹⁾	
Gamond Insurance Company Limited	Maison Trinity, Trinity Square, St Peter Port, Guernsey Channel Islands	Guernsey	Insurance		100	100
Eurotunnel Trustees Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Eurotunnel SE	Avenue Louise 65, boîte 11, 1050 Brussels, Belgium	Belgium	Centralising, management, development and sale of freight tickets		100	100
EurotunnelPlus Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Sale of freight tickets ⁽²⁾		100	100
EurotunnelPlus GmbH	Axel-Springer-Platz 3, 20355 Hamburg, Germany	Germany	Sale of freight tickets ⁽²⁾		100	100
GB Railfreight Limited	15-25 Artillery Lane, London E1 7HA, United Kingdom	United Kingdom	Rail freight operator		100	100
GET Rail Ltd	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100

⁽¹⁾ Excluding the shares held by directors.

⁽²⁾ These companies did not have any significant activity in 2010.

Eurotunnel Link merged with Europorte France in accordance with shareholders' decisions in extraordinary general meeting on 25 October 2010.

CHAPTER 26 – DEFINITIONS

2007 Reference Document	means the reference document relating to GET SA registered by the Autorité des marchés financiers on 15 April 2008 under number R. 08-024;
2007 Securities Note	means the securities note relating to the GET SA Ordinary Shares, the NRS and the 2007 Warrants issued as part of the financial restructuring of the business in 2007 approved by the Autorité des marchés financiers on 4 April 2007 under number 07-113;
2007 Warrants	means the warrants to subscribe for GET SA Ordinary Shares which were admitted on Euronext Paris, in accordance with the 2007 Securities Note;
2008 Afep/Medef code	means the corporate governance code for listed companies published in December 2008 by the Association française des entreprises privées (Afep) and the Mouvement des entreprises de France (Medef) as amended;
2008 Reference Document	means the reference document relating to GET SA registered by the Autorité des marchés financiers on 16 April 2009 under number R. 09-018;
2009 Reference Document	means the reference document relating to GET SA registered by the Autorité des marchés financiers on 6 May 2010 under number R10-034;
AMF	means the Autorité des marchés financiers, an independent public organisation, being a legal entity, created pursuant to French financial security law n° 2003-706 of 1 August 2003 and which is tasked in particular with protecting the investment of savings in financial instruments, the information of investors and the proper conduct of the markets in financial instruments;
BRB	means the British Railways Board;
CDI	means the Crest Depositary Interests representing GET SA Ordinary Shares or, as the case may be, 2007 Warrants;
CIFFCO	means the simplified joint-stock company Centre International de Formation Ferroviaire de la Côte d'Opale;
Concession	means the concession forming the subject matter of the Concession Agreement;
Concession Agreement	means the concession agreement dated 14 March 1986 between the States and the Concessionaires, under which the States granted to the Concessionaires the right and the obligation to design, finance, construct and operate the Channel Tunnel until 2086 as amended;
Concession Coordination Committee	means the common body specified by article 18 of the Concession Agreement composed of members designated by the Concessionaires;
Concessionaire(s)	means FM and CTG, the concessionaires pursuant to the Concession Agreement;
Conditional Additional Return	means the conditional additional return that must be paid to the initial SDES subscribers who will have held their SDES until their redemption in new Ordinary Shares, then the new Ordinary Shares issued to redeem their SDES until 6 March 2011 and which will be equal to 5.4 additional Ordinary Shares;
Crossover Junction	means one of the two rail junctions allowing trains and Shuttles to switch from one rail tunnel to the other, particularly during maintenance or renovation works. The two Crossover-Junctions divide each rail tunnel into three sections;

CTG	means The Channel Tunnel Group Limited, a company incorporated under English law and wholly-owned by GET SA;
Debt	means the debt owed on the Term Loan;
EFL	means Eurotunnel Finance Limited, a company incorporated under English law and 79% owned by TNU PLC and 21% by FM;
EGP	means Eurotunnel Group UK PLC, a company incorporated under English law and merged with GET SA on 31 October 2010;
EPF	means Europorte France SAS;
EPP	means Europorte Proximité SAS;
EPS	means Europorte Services SAS;
ESGIE	means Eurotunnel Services GIE;
ESL	means Eurotunnel Services Limited;
Europorte	means all rail-freight operation and ancillary activities carried out by Europorte SAS, its subsidiaries and Europorte Services SAS;
Europorte SAS	means the company Europorte, holding company of all the Europorte companies;
Eurostar	means the brand name used by SNCF, Eurostar UK Ltd and SNCB for the joint operation of direct high speed passenger rail services which they operate between the United Kingdom and continental Europe;
Eurotunnel Group/the Group	means the group of companies comprising GET SA and its subsidiaries;
Fire in September 2008	means the fire which broke out on 11 September 2008 on a Truck Shuttle in the northern rail tunnel;
Fixed Link	means the fixed link across the Channel;
FM	means France Manche SA, a company incorporated under French law and wholly-owned by GET SA;
GBRf	means GB Railfreight Limited, a company incorporated under English law wholly-owned by Europorte SAS;
GET SA	means the company Groupe Eurotunnel SA;
GET SA Ordinary Shares	means the ordinary shares of GET SA listed on Euronext Paris as reference market and on the Official List of the United Kingdom Listing Authority as a standard listing and trading on the London Stock Exchange;
GSM-R	means Global System for Mobile communications – Railways, a wireless communication standard based on GSM technology and developed specifically for railway communications and applications;
High Speed 1/HS1	means the high-speed rail link and its infrastructure between London and the British end of the Tunnel;
IGC	means the intergovernmental commission, to which the British and French governments appoint an equal number of members and which is established pursuant to the Treaty of Canterbury and the Concession Agreement in order to supervise the construction and operation of the System on behalf of the States;
Interval	means the sections of each rail tunnel between the entry portal and a Crossover Junction or between the two Crossover Junctions;
Lift-On/Lift-Off	means the top-loading method using a crane (for mobile containers and crates);

Network Statement	means the document published annually by Eurotunnel which sets out the conditions of access to its rail network;
NRS	means the notes redeemable in GET SA Ordinary Shares issued by EGP pursuant to the safeguard plan which have been admitted to Euronext Paris and to the London Stock Exchange, in accordance with the 2007 securities note approved by the AMF on 4 April 2007 under number 07-113;
NRS I	means the first series of NRS divided into three tranches: T1, T2 and T3;
NRS II	means the second series of NRS made up of a single tranche;
Passenger Shuttle Services	means the Eurotunnel Group's passenger service, which provides for the transport of cars, motor homes, caravans, coaches, motorcycles and trailers (and their passengers) on shuttles between the United Kingdom and France;
Passenger Shuttles	means the Shuttles used by the Eurotunnel Group for the Passenger Shuttle Service;
Railway Company(ies)	means a licensed company (or undertaking) whose main business is to provide rail transport services for freight and/or passengers;
Railway Usage Contract	means the railway usage contract dated 29 July 1987 between the Concessionaires and the Railways, governing the relationship between the Eurotunnel Group and the Railways and setting out the basis upon which the Railways will use the System until the expiry of the Railway Usage Contract;
Railways	means, together, SNCF and BRB;
Reference Document	means this reference document relating to GET SA;
RFF	means the French national railway network, an EPIC (French public industrial and commercial institution) that owns and manages the rail infrastructure in France;
Roll-On/Roll-Off	means the method of horizontal loading on wheels (for trucks and trailers);
SAFE	means the fire-fighting stations, specially fitted Tunnel areas intended to facilitate the management of a fire;
Safeguard Procedure	means the safeguard procedure opened for the benefit of 17 TNU group companies on 2 August 2006, under which the company was financially restructured in application of the safeguard plan determined by the Paris commercial court on 15 January 2007, which recognised its complete implementation on 23 December 2008;
Safety Authority	means the authority established pursuant to the Treaty of Canterbury and the Concession Agreement to advise and assist the IGC on all matters concerning the safety of the construction and operation of the System;
SDES	means the subordinated deferred equity securities issued by GET SA in accordance with the securities note approved by the AMF on 20 February 2008 under number 08-032 and fully redeemed in shares;
Short Straits	means any passenger or freight link connecting Dover, Folkestone or Ramsgate to Calais, Boulogne-sur-Mer, Ostende or Dunkirk;
Shuttles	means the Truck Shuttles and the Passenger Shuttles;
Shuttle Services	means the Truck Shuttle Services and the Passenger Shuttle Services;
SMS	means Safety Management System;
SNCB	means Société Nationale des Chemins de Fer Belges;

<i>SNCF</i>	means Société Nationale des Chemins de Fer Français;
<i>States</i>	means the French Republic and the United Kingdom of Great Britain and Northern Ireland;
<i>System</i>	means the system made up of the Tunnel together with the related terminals, fixed equipment and annex buildings;
<i>Term Loan</i>	means the term loan, the main characteristics of which are described in paragraph 22.4.1 of this Reference Document;
<i>TNU</i>	means the group of companies comprising TNU SA and TNU PLC;
<i>TNU PLC</i>	means TNU PLC, formerly Eurotunnel P.L.C. merged with GET SA on 31 October 2010 and subsequently dissolved;
<i>TNU SA</i>	means TNU SA, formerly Eurotunnel SA, merged with GET SA on 6 May 2009 and subsequently dissolved;
<i>Train Operators' Railfreight Services</i>	means the rail freight services between the United Kingdom and continental Europe operated by Railway Companies such as SNCF and DB Schenker (formerly EWS);
<i>Treaty of Canterbury</i>	means the Treaty between France and the United Kingdom, signed on 12 February 1986 and ratified on 29 July 1987, authorising the construction and operation by the private concessionaires of the Fixed Link;
<i>Truck Shuttle Services</i>	means the Eurotunnel Group's road freight service, which provides for the transport of trucks on Shuttles between the United Kingdom and France;
<i>Truck Shuttles</i>	means the Shuttles used by the Eurotunnel Group for the Truck Shuttle Service;
<i>Tunnel</i>	means the two rail tunnels and the service tunnel under the English Channel.

ANNEX I STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF GROUPE EUROTUNNEL SA

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and the relevant professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Groupe Eurotunnel SA, and in accordance with Article L. 225-235 of the French Commercial Code ("Code de commerce"), we hereby report on the report prepared by the Chairman of your company in accordance with L. 225-37 of the French Commercial Code for the year ended 31 December 2010.

It is the chairman's responsibility to prepare, and submit to the board of directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly of:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the chairman of the board in accordance with Article L. 225-37 of the French Commercial Code.

ANNEX I : STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF GROUPE EUROTUNNEL SA

Other disclosures

We hereby attest that the chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Statutory auditors

Paris La Défense and Courbevoie, 3 March 2011

KPMG Audit
A division of KPMG S.A.

Mazars

Fabrice Odent
Partner

Philippe Cherqui
Partner

Thierry de Bailliencourt
Partner

Jean-Marc Deslandes
Partner

ANNEX II STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present our report on regulated agreements and commitments.

We are responsible, on the basis of the information which we have been given, to notify you of the nature and main characteristics of the agreements and commitments of which we have been informed or which we may have discovered in the course of our assignment without delivering any opinion as to their utility and validity, nor looking for the existence of other agreements and commitments.

Under Article R. 225-31 of the French Commercial Code (Code de commerce), it is for you to assess the value of concluding these agreements and commitments with a view to their approval.

We are also responsible to notify you of the information requested by Article R. 225-31 of the French Commercial Code, which relates to the execution, in the financial period, of agreements and commitments previously approved by the Company's General Meeting.

We have performed our examination in accordance with the professional standards set out by the French national auditors' association (*Compagnie nationale des commissaires aux comptes*) for such a mission. This due care has consisted of verifying the agreement of the information provided to us with the source documents on which it is based.

Agreements and commitments submitted for ratification to the Company's General Meeting

Under Article L. 225-40 of the French Commercial Code (Code de commerce), we have been informed of the following agreements and commitments, which have been approved by the Board of Directors.

- **MoU ("Memorandum of Understanding"), agreement on the rules of the consortium set up to submit an offer for the acquisition of High Speed One**

On 18 June 2010, the Board of Directors authorised the signing of the MoU between GET SA and GSIP, its direct shareholder. Related Members of the Board, Mr Hugh Lepic and Mr Philippe Camu, have not taken part in the vote on the authorisation. Since the consortium's offer for the acquisition of High Speed One was not successful, it was decided to end the consortium set up with GS Global Infrastructure Partners II, L.P and Infracapital Partners LP ("Infracapital"), managed by M&G Investment Management Limited ("M&G").

This agreement has no impact on the annual accounts of GET SA for the reporting period ending on 31 December 2010.

- **Shareholders' pact entitled "Convention d'Investissement et Pacte d'actionnaires se rapportant à GB Speedrail Ltd" constituted to submit an offer for the acquisition of High Speed One**

On 22 October 2010, the Board of Directors authorised the signing of the Shareholders' pact entitled "Convention d'Investissement et Pacte d'actionnaires se rapportant à GB Speedrail Ltd". Related Members of the Board, Mr Hugh Lepic and Mr. Philippe Camu, have not taken part in the vote on the authorisation.

Since the consortium's offer for the acquisition of High Speed One was not successful, the Shareholders' pact has not been signed.

Agreements and commitments previously approved by the Company's General Meeting

Under article R. 225-30 of the French Commercial Code (Code de commerce), we have been informed that the execution of the following agreements and commitments previously approved by the Company's General Meeting continued during the financial period ending on 31 December 2010.

- **Agreement to harmonise the financial conditions of intra-group loans entitled "Master Intra-Group Debt Agreement"**

The introduction of financial restructuring, followed by the simplification of the Group structure, between 2007 and 2009 has generated receivables and debts between the different subsidiaries of the Eurotunnel Group. On 8 March 2010, GET SA, EGP, FM, CTG and TNU PLC concluded a contract entitled "Master Intra-Group Debt Agreement" (the MIGDA) specifically in order to harmonise (i) the current account arrangements between Group companies, (ii) interest rates on the different intra-group debts and (iii) as far as possible the other conditions of these intra-group debts, in order to facilitate the financial and accounting management of Group companies and to reflect the financial policy existing between the companies of the Group.

In application of this contract, all intra-group loans, with the exception of the Amended Bond Debt between GET SA, FM and CTG (the debt between GET SA and EGP on account of the Amended Bond Debt carries the same conditions of remuneration as the Amended Bond Debt between the grantors and GET SA), and the debt held by EGP on GET SA following the assignment of the Amended Bond Debt, carry interest at the Eonia rate plus 1 percent for sums denominated in euro and Libor plus 1 percent for sum expressed in pounds sterling. Under the terms of the MIGDA, these financial conditions are retroactively applicable from 1 January 2009, with the exception of the interest on the "funding loans" for which the date of application is 1 January 2010.

The impact of this agreement on the annual accounts of GET SA for the reporting period ending on 31 December 2010 is given for each of the following agreements.

- **Assignment contract between Groupe Eurotunnel SA (GET SA) and EGP relating to debts due by Eurotunnel Finance Limit (EFL) to Eurotunnel Group UK PLC (EGP) entitled "Deed of Assignment (Assignment of EFL debt from EGP to Groupe Eurotunnel SA)".**

On 28 June 2007, GET SA and its subsidiary Eurotunnel Group UK PLC (EGP) concluded a contract under English law relating to the issue of Notes Redeemable in Shares (NRS), under the terms of which EGP undertook to issue the bonds at the instruction of GET SA, in accordance with the procedures and conditions specified in the NRS Relationship Agreement on the conditions of issue.

In addition to the remaining debts under the NRS Relationship Agreement ensuring the paying up of all ordinary shares in GET SA to be issued in redemption of NRS still in circulation, EGP assigned to GET SA the debts on another company in the Group, Eurotunnel Finance Limited (EFL), in the course of the conclusion on 24 November 2009 of a contract entitled "Deed of Assignment (Assignment of EFL debt from EGP to GET SA)".

The financial conditions of this agreement have been modified by the Agreement to harmonise the financial conditions of intra-group loans entitled "Master Intra-Group Debt Agreement".

During the financial year 2010, the revenue from interest recorded in the annual accounts of GET SA stood at 683 thousand euros. At 31 December 2010, the GET SA loan to EFL stood at 44,314 thousand euros including the accrued interest.

During the financial year 2010, the interest expense recorded in the annual accounts of GET SA stood at 250 thousand euros. The GET SA loan from EGP was cancelled following the merger of EGP with GET SA on 31 October 2010.

- **"Addendum to the Letter of Instruction", annexed to the document entitled "Letter of Instruction" of 28 June 2007 to which GET SA became a party and containing joint and several payment commitments or counter indemnities by GET SA**

Under the terms of a document entitled "Letter of Instruction" established on 28 June 2007, the signatory companies The Channel Tunnel Group Limited (CTG), EFL, France Manche SA (FM), TNU SA, TNU PLC, Eurotunnel Services GIE, Eurotunnel Services Limited, Eurotunnel Developments Limited and EGP requested Deutsche Bank

AG to guarantee, with respect to Deutsche Trustee Company Limited, their payment obligations in application of the "Intercreditor Agreement" under the terms of a document entitled "Letter of Guarantee". As a counterparty to the issue of the guarantee, the Signatories undertook, irrevocably and unconditionally under the terms of the Letter of Instruction, to pay to the guarantor the maximum amount mentioned at Article 4 of the Letter of Instruction, on delivery by the guarantor of a demand for payment.

Subsequent to completion of the operations prior to the merger between GET SA and TNU SA, GET SA was obliged to become party to the Letter of Instruction, and in consequence of the merger, be substituted for TNU SA in all its rights and obligations under the Letter of Instruction and the framework agreement for the transfer of trade debts under the guarantee. This is the subject of the Addendum to the Letter of Instruction concluded on 13 May 2009.

Under the terms of this Addendum GET SA undertakes jointly and severally with the Signatories to pay to the guarantor any amount which he may be obliged to pay to the Security Trustee under the guarantee.

This agreement has no impact on the annual accounts of GET SA for the reporting period ending on 31 December 2010.

- **Assignment contract between GET SA and EGP regarding the "Restated Bonds Facility" (amended bond debt) entitled "Deed of assignment" (Assignment of Amended Bond Debt from EGP to GET SA)**

During the simplification of the Eurotunnel Group structure in 2009, EGP transferred to GET SA the debt under a contract entitled "Restated Bonds Facility" (Amended Bond Debt). On the expiry of an agreement entitled "Master Amendment and Termination Deed" dated 28 June 2007 concluded between the companies EFL (CTG having become the debtor, as a result of the conclusion of a contract for novation by change of debtor) and FM in its capacity as borrower and, among other parties, EGP in the capacity of lender, EGP became a creditor of the grantees.

On 5 May 2009, EGP and GET SA entered into a contract entitled "Deed of assignment" (Assignment of Amended Bond Debt from EGP to GET SA) effecting the transfer to GET SA by EGP in its capacity as creditor of the amended bond debt.

The financial conditions of this agreement have been modified by the Agreement to harmonise the financial conditions of intra-group loans entitled "Master Intra-Group Debt Agreement".

During the financial year 2010, the revenue from interest recorded in the annual accounts of GET SA stood at 5,014 thousand euros in respect of the loan on FM and 3,815 thousand euros in respect of the loan on CTG.

At 31 December 2010 the loans held on FM and CTG stood at 1,162,378 thousand euros and 282,280 thousand euros respectively, including accrued interest.

- **Two intra-group contracts entitled "Intra-group indebtedness agreement (CTG Amended Bond Debt Purchase Price)" relating to the part of the loan corresponding to the Amended Bond Debt for which the borrower is CTG and "Intra-group indebtedness agreement (FM Amended Bond Debt Purchase Price)" relating to the part of the loan corresponding to the Amended Bond Debt for which the borrower is FM.**

The assignment by EGP to GET SA of debts arising under a contract entitled "Restated Bonds Facility" (the Amended Bond Debt) stipulated that the price would not be paid immediately by GET SA. Prior to the assignment of the Amended Bond Debt a novation by change of debtor took place, under which CTG took on the Amended Bond Debt in place of EFL.

In consequence of the assignment of the Amended Bond Debt EGP came to hold a charge on GET SA for a sum equal to the value of the Amended Bond Debt, the borrowers of which are, firstly, FM for the sum of €1,415,572,814 and, secondly, CTG for the sum of £813,096,073 (pounds sterling).

The conditions of this loan have been formalised in two intra-group indebtedness agreements. The first, entitled "Intra-group indebtedness agreement (CTG Amended Bond Debt Purchase Price)", relates to the part of the loan corresponding to the Amended Bond Debt for which the borrower is CTG. The second, entitled "Intra-group indebtedness agreement (FM Amended Bond Debt Purchase Price)" relates to the part of the loan corresponding to the Amended Bond Debt for which the borrower is FM.

The financial conditions of this agreement have been modified by the Agreement to harmonise the financial conditions of intra-group loans entitled "Master Intra-Group Debt Agreement"

During the financial year 2010, the interest charges recorded in the annual accounts of GET SA on account of the debt to EGP stood at 7,480 thousand euros.

The GET SA loan from EGP was cancelled following the merger of EGP with GET SA on 31 October 2010.

- **Share purchase contract entitled "Share purchase agreement (TNU Units comprised of TNU PLC and TNU SA shares)" between GET SA as purchaser and EGP as vendor**

As part of the simplification of the structure of the Eurotunnel Group in 2009 and before the merger between GET SA and TNU SA, on 31 March 2009 GET SA acquired from EGP under a contract entitled "Share purchase agreement (TNU Units comprised of TNU PLC and TNU SA shares)" 23,464,395,474 TNU Units corresponding to 23,464,395,474 shares representing 90.21% of the capital and voting rights of TNU PLC and 23,464,395,474 shares representing 90.21% of the capital voting rights of TNU SA, at a total consideration of €564,407,411.49 giving rise to an EGP debt in GET SA for the same amount.

Following the merger/acquisition of TNU SA by GET SA in 2009, the TNU SA shares acquired for the sum of 132,422 thousand euros by GET SA from EGP have been annulled.

Following the merger/acquisition of TNU PLC by GET SA in 2010, the TNU PLC shares acquired for the sum of 431,985 thousand euros have been annulled.

- **Two intra-group contracts concluded between GET SA and EGP in consequence of the acquisition by GET SA of TNU Units and entitled "Intra-group indebtedness agreement (TNU SA Purchase Price)" and "Intra-group indebtedness agreement (TNU PLC Purchase Price)" respectively.**

In consequence of GET SA's acquisition of TNU SA and TNU PLC shares, at the expiry of the contract entitled "Share purchase agreement (TNU Units comprised of TNU PLC and TNU SA shares)", EGP came to hold a debt on GET SA for the sum of €564,407,411.49 broken down into, firstly, €132,422,133.06 corresponding to the sale of the 23,464,395,474 TNU SA shares, and, secondly, £359,987,732.02 (pounds sterling) corresponding to the sale of the 23,464,395,474 TNU PLC shares. In fact the sale price of these Units was not paid by GET SA to EGP.

The conditions of these two debts have been formalised in two intra-group indebtedness agreements concluded on 31 March 2009 between GET SA as debtor and EGP as creditor. The first, entitled "Intra-group indebtedness agreement (TNU SA Purchase Price)", relates to the part of the debt due to the sale of TNU Units corresponding to the 23,464,395,474 TNU SA shares composing the TNU Units. The second, entitled "Intra-group indebtedness agreement (TNU PLC Purchase Price)", relates to the part of the debt due to the sale of TNU Units corresponding to the 23,464,395,474 TNU PLC shares composing the TNU Units.

The financial conditions of this agreement have been modified by the Agreement to harmonise the financial conditions of intra-group loans entitled "Master Intra-Group Debt Agreement".

During the financial year 2010, the interest charges recorded in the annual accounts of GET SA stood at 6,851 thousand euros. The GET SA loan from EGP was cancelled following the merger of EGP with GET SA on 31 October 2010.

- **Inter-group loan contract entitled "Prêt Intra-Groupe" between GET SA and EGP**

Following the share capital increase performed in two stages during 2008 by GET SA in order to fund the early cash redemption of the Group's NRS II issue of notes redeemable in shares, GET SA granted its subsidiary EGP a loan of a nominal €1,658,876,385 to enable EGP, as issuer of the notes, to redeem the NRS II and a block of NRS I.

The amounts received by EGP as "Additional Value", being the difference between the nominal value of the shares issued by GET SA in the course of the repayment of the NRS, and the nominal amount of the NRS redeemed by EGP, has been added to this intra-group loan between GET SA and EGP.

The financial conditions of this agreement have been modified by the Agreement to harmonise the financial conditions of intra-group loans entitled "Master Intra-Group Debt Agreement".

During the financial year 2010, the revenue from interest recorded in the annual accounts of GET SA stood at 25,172 thousand euros. The GET SA loan from EGP was cancelled following the merger of EGP with GET SA on 31 October 2010.

- **Deed of Indemnity in favour of Law Debenture Trustees Limited**

On 26 June 2007, EGP, FM and Law Debenture, along with GET SA, TNU SA, TNU PLC, CTG and Eurotunnel Plus Limited as guarantors, entered into a deed of indemnity for the benefit of Law Debenture in respect of any expenditure incurred by Law Debenture in the course of the safeguard plan (full execution of which was acknowledged by the Paris commercial court on 23 December 2008) and associated transactions relating to the 2007 Reorganisation. The Deed of Indemnity was amended by an Addendum on 2 October 2007.

This agreement has no impact on the annual accounts of GET SA for the reporting period ending on 31 December 2010.

- **Deed of Indemnity in favour of CALYON, HSBC Bank Plc and Clemet SAS**

On 28 June 2007, GET SA, FM, CTG and EGP entered into a deed of indemnity for the benefit of the Agents in order to relieve them from any liability in the event of actions brought against them as a result of their instructing the Security Trustees to relinquish certain sureties under the 2007 Reorganisation.

This agreement has no impact on the annual accounts of GET SA for the reporting period ending on 31 December 2010.

- **Agreement between Creditors**

The Term Loan provided for GET SA to enter into an Agreement between Creditors, namely an agreement with both GET SA's bank and its intra-group creditors.

Under this agreement, GET SA was required to jointly guarantee both the obligations of the borrowers under the Term Loan and those of the guarantors in respect of the Agreement between Creditors, up to the amounts due or liable to be due in principal, interest, interest for late payment, commissions, fees, compensation and incidental or other costs of whatever nature. The Agreement between Creditors further provides that the said guarantee accrues to the Security Trustee for its own benefit and for that of the lenders, the arrangers, the Credit Agent and the parties to any hedging arrangements for the Term Loan. GET SA has also undertaken to pay the Security Trustee all amounts due by GET SA as a guarantor of the Creditor Documents and under its independent commitments towards the other Secured Creditors (namely for the Parallel Debt). The Agreement between Creditors further provides for the intra-group creditors to be subordinated to the bank creditors. GET SA, EGP, TNU SA, TNU PLC, FM, Eurotunnel Finance Limited, Eurotunnel Services GIE, Eurotunnel Plus Limited and Eurotunnel Services Limited (with GET SA, the initial guarantors) have all provided guarantees under the Agreement between Creditors.

This agreement has no impact on the annual accounts of GET SA for the reporting period ending on 31 December 2010.

Statutory auditors

Paris La Défense and Courbevoie, 3 March 2011

KPMG Audit
A division of KPMG S.A.

Mazars

Fabrice Odent
Partner

Philippe Cherqui
Partner

Thierry de Bailliencourt
Partner

Jean-Marc Deslandes
Partner

ANNEXE III REFERENCE DOCUMENT CHECKLIST

The numbers of the chapters, sections or paragraphs containing the information relating to each heading in Annex I of the EC Regulation 809/2004 of the European Commission of 29 April 2004 in the Reference Document are set out in the following table.

NUMBER	NAME OF THE HEADING IN THE EC REGULATION	CHAPTER(S)/SECTION(S)
1	Persons responsible	chapter 1
1.1	Persons responsible for the information contained in the Reference Document	section 1.1
1.2	Declaration by those responsible for the Reference Document	section 1.2
2	Statutory auditors	chapter 2
2.1	Names and addresses of the issuer's statutory auditors	sections 2.1 and 2.2
2.2	If statutory auditors have resigned or have been removed during the period covered	not relevant
3	Selected financial information	chapter 3
3.1	Selected historical financial information	chapter 3
3.2	Selected financial information for the interim periods, and comparative data covering the same period in the prior year	chapter 3
4	Risk factors	chapter 4
5	Information on the issuer	chapter 5
5.1	History and development of the issuer	section 5.1
5.1.1	<i>Legal and commercial name of the issuer</i>	paragraph 5.1.1
5.1.2	<i>Place of registration and registration number of the issuer</i>	paragraph 5.1.2
5.1.3	<i>Date of incorporation and duration of the issuer</i>	paragraph 5.1.3
5.1.4	<i>Domicile and legal form of the issuer, legislation under which it operates, country of incorporation, address and telephone number of its registered office</i>	paragraph 5.1.4
5.1.5	<i>Important events in the development of the issuer's business</i>	paragraph 5.1.5
5.2	Investments	section 5.2
5.2.1	<i>Principal investments made by the issuer for each financial year for the period covered by the historical financial information</i>	paragraph 5.2.1
5.2.2	<i>Current principal investments of the issuer</i>	paragraph 5.2.1
5.2.3	<i>Information concerning the principal investments which the issuer plans to make in the future to which it has already made firm commitments</i>	paragraph 5.2.2
6	Business overview	chapter 6
6.1	Principal activities	section 6.1
6.1.1	<i>Nature of the operations and principal activities performed by the issuer</i>	section 6.2 and 6.3
6.1.2	<i>Significant new products and/or services introduced into the market</i>	section 6.3
6.2	Principal markets	section 6.2
6.3	Exceptional factors which have influenced the information provided in accordance with points 6.1 and 6.2	paragraph 5.1.5

NUMBER	NAME OF THE HEADING IN THE EC REGULATION	CHAPTER(S)/SECTION(S)
6.4	Extent of the issuer's dependence on patents and licenses, industrial, commercial or financial contracts, or new manufacturing processes	section 6.9
6.5	Elements on which all declarations of the issuer concerning its competitive position are based	sections 6.4
7	Organisational structure	chapter 7
7.1	Description of the Group and the place occupied by the issuer	chapter 7
7.2	List of the issuer's significant subsidiaries	chapters 7 and 25
8	Property, plants and equipment	chapter 8
8.1	Information regarding any existing or planned material tangible fixed assets, including leased properties	section 8.1
8.2	Environmental issues that may influence the use of its tangible fixed assets by the issuer	sections 6.10 and 8.2
9	Operating and financial review	chapter 9
9.1	The issuer's financial condition, the changes in this financial condition, and the results of the operations conducted during each financial year and interim period for which historical financial information is required	chapter 3 and section 9.2 ⁽¹⁾
9.2	Operating results	section 9.2
9.2.1	<i>Significant factors including unusual or infrequent events or new developments materially influencing the issuer's operating income</i>	section 9.1
9.2.2	<i>Material changes in net sales or revenues</i>	section 9.2
9.2.3	<i>Strategy or governmental, economic, fiscal, monetary or political factors that have substantially influenced or could substantially influence the issuer's operations</i>	chapter 4
10	Capital resources	chapter 10
10.1	Information on the issuer's capital resources (short and long-term)	section 10.1
10.2	Sources and amounts of the issuer's cash flows	section 10.2
10.3	Information on the loan conditions and the structure of the financing of the issuer	sections 22.4 and 10.3
10.4	Information on any restriction on the use of capital resources	sections 10.4, 10.6 and 22.4
10.5	Information concerning the sources of expected financing	section 10.5
11	Research and Development, patents and licences	chapter 11
	Description of the material research and development policies applied by the issuer and the cost of the research and development activities sponsored by the issuer	
12	Trend information	chapter 12
12.1	Significant trends that have affected production, sales and inventories, costs and selling prices since the end of the last financial year up to the date of the registration document	section 12
12.2	Known trends, uncertainty or demand or any commitment or event that might be reasonably likely to have a material effect on the issuer's prospects, for at least the current financial year	section 12

⁽¹⁾ In application of Article 28-1 of Regulation 809/2004/EC of the European Commission, the operating and financial review for the financial year 2009 has been incorporated by reference in this Reference Document. It appears on pages 49 to 53 of the 2009 Reference Document.

NUMBER	NAME OF THE HEADING IN THE EC REGULATION	CHAPTER(S)/SECTION(S)
13	Profit forecasts or estimates	chapter 13
13.1	Statement explaining the principal assumptions on which the issuer based its forecast or estimate	not relevant
13.2	Report prepared by independent accountants or auditors stating that, in the opinion of the independent accountants or auditors, the forecast or estimate has been properly compiled on the basis stated, and that the accounting used for such profit forecast or estimate is consistent with the accounting policies of the issuer	not relevant
14	Administrative, management and supervisory bodies and senior management	chapter 14
14.1	Information on the activities, absence of convictions and the roles of: – members of the administrative, management or supervisory bodies and senior management; and – any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business	section 14.1 section 14.3 section 14.6
14.2	Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management Arrangements or understandings concluded with the major shareholders, customers, suppliers or other parties under which any of the persons described in point 14.1 has been selected as a member of an administrative, management or supervisory board or as a member of senior management; details of any restriction accepted by the persons described in point 14.1 concerning the sales, within a certain period of time, of their holdings in the securities of the issuer	section 14.4 section 18.1 and chapter 19
15	Remuneration and benefits of persons described in point 14.1	chapter 15
15.1	The amount of remuneration paid and benefits-in-kind granted by the issuer and its subsidiaries	section 15.1
15.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	section 15.2
16	Board practices	chapter 16
16.1	The expiry date of the current term of office of the members of the administrative, management or supervisory bodies	section 14.1
16.2	Information about service contracts relating to the members of the administrative, management or supervisory bodies	section 16.7
16.3	Information about the issuer's audit committee and remuneration committee	paragraph 16.2.3
16.4	Statement indicating whether or not the issuer is in compliance with its country's of incorporation corporate governance regime(s)	section 16.11
17	Employees	chapter 17
17.1	Number of employees at the end of the period covered by the historical financial information or the average for each financial year of this period and breakdown of the employees	section 17.1

NUMBER	NAME OF THE HEADING IN THE EC REGULATION	CHAPTER(S)/SECTION(S)
17.2	Equity interests and stock options: For each person mentioned in section 14.1, information concerning their shareholding in the issuer and all options relating the issuer's shares	sections 17.4 and 14.5
17.3	Arrangements for involving the employees in the capital of the issuer	section 17.5
18	Major shareholders	chapter 18
18.1	Identity of any person other than a member of the administrative, management or supervisory bodies who holds, directly or indirectly, an interest in the capital or voting rights in the issuer which is notifiable under the applicable national laws governing the issuer	section 18.1
18.2	The existence of different voting rights	section 18.2
18.3	Ownership or control of the issuer and the measures taken to ensure that such control is not abused	section 18.2
18.4	Arrangements, the operation of which may result in a change in control of the issuer	section 18.2
19	Related party transactions	chapter 19
20	Financial information concerning the issuer's assets and liabilities, financial position and profit and losses	chapter 20
20.1	Historical financial information	sections 20.1 and 20.3
20.2	Pro forma financial information	none
20.3	Financial statements (company accounts and consolidated accounts)	section 20.3
20.4	Auditing of historical annual financial information	section 20.4
20.4.1	<i>Statement that the historical financial information has been audited</i>	section 20.3
20.4.2	<i>Other information contained in the registration document that has been audited by the auditors</i>	annex I and II
20.4.3	<i>Where financial information contained in the registration document is not taken from the issuer's audited financial statements, state the source and state that the data is an unaudited</i>	not relevant
20.5	Date of the latest audited financial information	section 20.5
20.6	Interim and other financial information	section 20.6
20.7	Dividend distribution policy	section 20.7
20.7.1	<i>Dividend per share</i>	section 20.7
20.8	Legal and arbitration proceedings	section 20.8
20.9	Any significant change in the financial or trading position of the group which has occurred since the end of the last financial year	section 20.9

NUMBER	NAME OF THE HEADING IN THE EC REGULATION	CHAPTER(S)/SECTION(S)
21	Additional information	chapter 21
21.1	Share capital	section 21.1
21.1.1	<i>The amount of share capital subscribed for, the number of shares issued, their nominal value and difference between the number of shares in circulation at the beginning of the financial year and at the end</i>	paragraph 21.1.1
21.1.2	<i>Shares not representing capital</i>	paragraph 21.1.3
21.1.3	<i>The number, book value and nominal value of the shares held by the issuer or its subsidiaries</i>	paragraph 21.1.4
21.1.4	<i>Convertible or exchangeable securities or securities with warrants</i>	paragraphs 21.1.5 and 21.1.6
21.1.5	<i>Information about and terms of any right of acquisition and/or any obligation attached to the capital subscribed but not paid up, or an undertaking to increase the capital</i>	paragraph 21.1.6
21.1.6	<i>Information on the capital of any member of the group that is subject to an option or to an agreement providing for the capital to be subject to an option</i>	paragraph 21.1.6
21.1.7	<i>History of the share capital for the period covered by the historical financial information</i>	paragraph 21.1.7
21.2	Memorandum and Articles of Association	section 21.2
21.2.1	<i>Description of the issuer's objects and corporate purpose</i>	paragraph 21.2.1
21.2.2	<i>Members of the administrative, management and supervisory bodies</i>	paragraph 21.2.2
21.2.3	<i>Rights, preferences and restrictions attached to each class of existing shares</i>	paragraph 21.2.3
21.2.4	<i>Number of shares required to modify the rights of the shareholders</i>	paragraph 21.2.5
21.2.5	<i>Conditions for admission to, and calling of annual general meetings and special meetings of shareholders</i>	paragraph 21.2.5
21.2.6	<i>Provisions that could have the effect of delaying, deferring or preventing a change of control</i>	paragraph 21.2.6
21.2.7	<i>Provisions fixing the minimum thresholds for disclosure of shareholder ownership</i>	paragraph 21.2.8
21.2.8	<i>Provisions modifying the capital, where such conditions are more strict than those required by law</i>	paragraph 21.2.9
22	Material contracts	chapter 22
23	Third party information and statement by experts and declarations of any interest	chapter 23
24	Documents on display	chapter 24
25	Information on holdings	chapter 25
	Information concerning companies in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	chapter 25

ANNEXE IV TABLE OF CROSS-REFERENCES

This Reference Document includes all the elements of the management report of GET SA required by articles L. 225-100 et seq., L. 232-1, II and R. 225-102 of the French Commercial Code. It also contains all the information from the annual financial report required by articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the AMF.

In order to make it easier to read the management and annual financial reports mentioned above, the following table of cross-references identifies the sections which make up those reports. The table of cross-references also covers the other reports of the board of directors and of the statutory auditors.

NUMBER	INFORMATION	REFERENCE
I	MANAGEMENT REPORT	
1	Situation and business of GET SA during the current financial year and, if applicable, of its subsidiaries and the companies it controls	chapter 6, paragraphs 5.1.5, 5.1.6, 5.2.1, sections 9.1, and 9.2, note A of the consolidated accounts contained in paragraph 20.3.1 and 20.3.2
2	Amendments made to the way in which the accounts were presented or evaluated since previous years	note B of the consolidated accounts contained in paragraph 20.3.1 and 20.3.2
3	Results from business activities for GET SA, its subsidiaries and those companies it controls	sections 9.2, 20.1, 20.2, 20.3 and 20.10
4	Key financial performance indicators	chapter 3
5	Analysis of the development of the business, of its results and of its financial situation	section 9.2
6	Progress made and difficulties encountered	section 9.2, and chapter 6
7	Description of the main risks and uncertainties facing GET SA (including GET SA's exposure to financial risks)	chapter 4
8	Indications concerning the use of financial instruments, and objectives and policies of GET SA relating to the management of financial risks	Section 4.3, 4.4 et 4.5
9	Important events that have occurred since the end of the financial year	paragraph 5.1.6
10	Anticipated developments concerning GET SA and prospects for the future	chapter 12 and 13
11	Research and development activities	chapter 11
12	List of offices and functions carried out within the companies by each director during the past financial year	section 14.1

NUMBER	INFORMATION	REFERENCE
I	MANAGEMENT REPORT	
13	Total remuneration and benefits of any nature paid to each director during the past financial year ⁽¹⁾	chapter 15
14	Commitments of any nature, made by GET SA to the directors relating to elements of remuneration, indemnities or advantages owed or that could become due at the time of, or following the removal, transfer or change of their functions	chapter 15
15	Transactions carried out by executives with respect to GET SA securities	section 16.8
16	Key environmental and social indicators	chapter 17 and section 6.10
17	<p>Workforce information:</p> <ul style="list-style-type: none"> • Total headcount, employment (fixed term and permanent contracts), potential recruitment difficulties, dismissals and reasons for dismissal, overtime hours, workforce external to GET SA • If applicable, information relating to the reduction of the employee base and job saving plans, re-employment and accompanying measures • Organisation of working hours, amount of hours worked by both full-time and part-time employees, absences • Remuneration and development, social security costs, application of the provisions of the French Labour Code, performance-related bonuses, company savings scheme, professional equality between men and women • Professional relations and summary report of collective agreements • Health and safety conditions • Training • Employment and integration of disabled employees • Pro bono activities • Importance of sub-contracting and manner in which GET SA recruits sub-contractors and ensures compliance of its subsidiaries with the provisions of the fundamental conventions of the International Labour Organisation • Manner in which GET SA takes into account the territorial impact of its activities in terms of employment and regional development • Relations between GET SA and charitable organisations for integration, educational establishments, organisations for the protection of the environment, organisations representing consumers, and local residents • Manner in which the foreign subsidiaries of GET SA take into account the impact of their activities on regional development and local populations 	<p>chapter 17</p> <p>paragraphs 17.1.1 and 17.1.3</p> <p>not relevant</p> <p>paragraphs 17.1.3 and 17.1.4</p> <p>paragraphs 17.1.6 and sections 17.4 and 17.5</p> <p>paragraph 17.3.1</p> <p>section 17.2</p> <p>paragraph 17.1.5</p> <p>paragraph 17.1.7</p> <p>section 17.6</p> <p>paragraph 17.1.3</p> <p>paragraph 17.1.2</p> <p>sections 6.10 and paragraph 17.1.2</p> <p>section 6.10</p>
18	Employees' shareholdings	section 17.5

⁽¹⁾ This includes the remuneration and benefits allocated by GET SA and its subsidiaries, including by allocation of shares, debt or entitlements to shares. It is appropriate to distinguish the fixed, variable and exceptional elements making up the remuneration and benefits as well as the circumstances under which they are granted and the criteria according to which they are calculated.

NUMBER	INFORMATION	REFERENCE
I	MANAGEMENT REPORT	
19	<p>Environmental information:</p> <ul style="list-style-type: none"> Consumption of water, raw materials and energy resources and, if applicable, the measures taken to improve energy efficiency, the use of renewable energy, conditions of use of soil, discharge of waste products into the air, the water or the ground, thereby seriously affecting the environment, auditory or olfactory nuisances, waste Measures taken to limit the impact on the biological equilibrium, the ecosystem, and on endangered animal or vegetable species Evaluation or certification measures taken with respect to the environment Measures taken, wherever applicable, to ensure that GET SA's business activities comply with the legislative and regulatory provisions in this domain Spending on measures to prevent any harm that GET SA's activity could have on the environment Existence of an internal department dedicated to environmental services management, training and the supply of information to employees about the environment, the means adopted for reducing environmental risks, the procedures put in place for dealing with polluting accidents which impact areas beyond GET SA premises Amount of provisions and guarantees set aside for environmental risks⁽²⁾ Amount of the indemnities paid during the financial year pursuant to court decisions concerning the environment and relating to the actions taken to repair the damage caused Environmental objectives that GET SA assigns to its foreign subsidiaries 	<p>sections 6.10 and 8.2</p> <p>section 4.5.4</p> <p>section 6.10 and 4.2</p> <p>section 6.10</p> <p>section 6.10</p> <p>section 6.10</p> <p>section 6.10 and paragraphs 16.2.3 and 16.10.2</p> <p>not relevant</p> <p>not relevant</p> <p>section 6.10 and 4.2</p>
20	Information on the policies concerning the prevention of technological accidents, the capacity of GET SA to cover all third party liabilities risks it faces with respect to goods or persons in light of its classified facilities, and the financial means with which it expects to ensure the management of the indemnification of victims, should a technological accident occur for which GET SA is found liable	sections 4.2, 4.9, 6.5 and 6.6
21	Shareholdings in companies having their registered office in France, and representing more than 1/20, 1/10, 1/5, 1/3, 1/2 or 2/3 of the share capital or the voting rights of those companies	chapter 25
22	Disposals of shares for the purpose of regulating cross-holdings	not relevant
23	Natural or legal persons directly or indirectly holding more than 1/20, 1/10, 3/20, 1/5, 1/4, 1/3, 1/2, 2/3 or 19/20 of the share capital or the voting rights of GET SA at shareholders' meetings	sections 18.1 and 18.2
24	Injunctions or fines for anti-competitive practices	not relevant

⁽²⁾ Except where the information is of such a nature as to cause serious prejudice to the company in ongoing litigation.

NUMBER	INFORMATION	REFERENCE
I	MANAGEMENT REPORT	
25	<p>Elements likely to have an impact on a public offer:</p> <ul style="list-style-type: none"> • Structure of the capital of GET SA • Statutory restrictions on the exercise of voting rights, transfers of shares, and clauses of agreements that are brought to the attention of GET SA pursuant to Article L. 233-11 of the French Commercial Code • Direct or indirect shareholdings in GET SA, that it is aware of in accordance with Articles L. 233-7 and L. 233-12 of the French Commercial Code • List of holders of all securities bearing special rights of control and a description of those rights • Control mechanism in any system of staff shareholdings, when control over the shares is not exercised by employees • Agreements between shareholders that GET SA is aware of and which involve restrictions on the transfer of shares and the exercise of voting rights • Rules applicable to the nomination and the replacement of members of the board of directors, as well as the amendment of the Articles of Association of GET SA • Powers of the board of directors, in particular the issue or buy-back of shares • Agreements concluded by GET SA which are modified or are coming to an end when a change of control occurs • Agreements providing for indemnities to be paid to the members of the board of directors or the employees if they resign or are dismissed without an appropriate and serious reason or if their job position is no longer needed following the public offer 	<p>section 18.1 and paragraph 21.1.8</p> <p>paragraphs 21.1.2, 21.2.3, and 21.2.8</p> <p>section 18.1</p> <p>section 18.2</p> <p>not relevant</p> <p>not relevant</p> <p>paragraphs 16.2.1 and 21.2.5</p> <p>paragraphs 16.2.1 and 21.1.8</p> <p>paragraph 22.4.1</p> <p>none</p>
26	Senior management of GET SA (only in case of modification)	not relevant
27	Elements for the calculations and results of the adjustment of the basis of conversion or exercise of securities giving access to the share capital and options to subscribe for or purchase shares	section 21.1.6
28	Information on the share buy-back programmes ⁽³⁾	paragraph 21.1.8
29	Summary table listing the authorisations currently in effect concerning the increase in share capital	paragraph 21.1.6
30	Table of results of GET SA over the course of the past 5 financial years	section 20.10
31	Amount of dividends distributed over the last 3 financial years	section 20.7

⁽³⁾ This information includes average rates of sales and purchases, the total amount of negotiation fees, the number of shares registered in the name of GET SA at the end of the financial year and their estimated market value as well as their nominal value, reasons for the acquisitions made and the fraction of capital they represent.

NUMBER	INFORMATION	REFERENCE
II	ANNUAL FINANCIAL REPORT	
1	Company accounts	paragraph 20.3.2
2	Consolidated accounts	paragraph 20.3.1
3	Report of the auditors on the company accounts	paragraph 20.3.2
4	Report of the auditors on the consolidated accounts	paragraph 20.3.1
5	Management report including at least the information mentioned in articles L. 225-100, L. 225-100-2, L. 225-100-3 and L. 225-211 paragraph 2 of the French Commercial Code Declaration of the persons assuming responsibility for the management report	please refer to the management report mentioned in I above and, in particular, headings 4, 5, 7, 8, 25, 28 and 29 chapter 1
6	Auditors' fees	section 20.11
7	Chairman's report on the conditions for the preparation and organisation of the board's duties and responsibilities, as well as the internal control and risk management procedures in place within GET SA	sections 16.2, 16.3, 16.4, 16.5, 16.6, 16.10, 16.11 and 16.12
8	Report of the auditors on the internal controls	annex I
9	List of all the information published by GET SA or made public over the course of the last 12 months	chapter 24
III	OTHER REPORTS	
1	Special report of the auditors on the regulated agreements	annex II



Groupe Eurotunnel SA

Société Anonyme with a share capital of €213,684,472.80

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