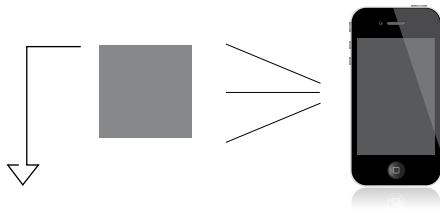

GROUPE EUROTUNNEL

2011 ANNUAL REVIEW

SUSTAINABILITY / FLEXIBILITY / INGENUITY / RESPONSIBILITY



2011



This 2011 activity report contains flashcodes so that you can access additional information (videos / photos / text) from your mobile phone. You can find a free decoding application in your store. Once you have loaded it onto your phone, you simply launch it and scan the flashcode with your screen*.

INGENUITY

Pages 21 > 28

- Innovations for safety
- Progress towards interoperability
- Enhanced flexibility
- Greater competitiveness
- Ongoing service improvement
- Research and development

GOVERNANCE

Pages 04 > 08

- Chairman's message
- Key figures for 2011
- Shareholders

SUSTAINABILITY

Pages 09 > 12

- Eurotunnel's transport system
- Competitive advantages

FLEXIBILITY

Pages 13 > 20

- The cross-Channel market
- A company always on the move
- *Le Shuttle*, a record summer
- Truck Shuttles, a solid leader
- Freight trains: return to growth
- Passenger trains: ready for the London 2012 Olympics
- Europorte is expanding, investing and recruiting
- GB Railfreight: "service quality, our trademark"

RESPONSIBILITY

Pages 29 > 32

- A responsible company from the beginning
- A CSR policy at the heart of our strategy

FINANCIAL INFORMATION

Pages 33 > 35

- Financial analysis of Groupe Eurotunnel SA
- Comparison of financial years 2011 and 2010

* The option to access videos depends on the type of smartphone, operating software and/or your mobile phone provider.

Profile

Eurotunnel holds the concession until 2086 for the Channel Tunnel, the fastest, most reliable, easiest and most environmentally friendly transport system for crossing the Strait of Dover.

These sustainable assets, combined with the expertise and inventiveness of teams committed to a process of continuous improvement, bolster Eurotunnel's success, and have made it an essential operator in the cross Channel market. Since 1994, some 284 million passengers and more than 57 million vehicles have used the Tunnel, which has become a vital link between the United Kingdom and continental Europe.

In addition to developing its core business, the Group is using its expertise to expand its scope of action beyond the Tunnel, in its two primary business lines and areas of competence: infrastructure management and rail transport.

A stock for the future that places social responsibility at the centre of its strategy, Eurotunnel is building a binational group with long term growth prospects based on the increasing impact of environmental challenges and which will benefit from the long term visibility inherent in infrastructure licensees, particularly in terms of recurrent cash flow.



MORE ON

www.eurotunnelgroup.com,
the Eurotunnel Group
corporate website,
updated several times
a week

CHAIRMAN'S MESSAGE

JACQUES GOUNON
Chairman &
Chief Executive Officer



Dear Shareholder,

The Eurotunnel Group, the business in which you have chosen to invest and place your confidence, is doing well. Our 2011 results, our established experience and outlook, which are all presented in this report, provide convincing evidence.

First of all, four of the most conclusive financial indicators: Group **revenues** for the year grew to €845 million, equivalent to an increase of 16% compared to 2010; next, rigorous management and control of costs have led to **profitability** (typically measured through the ratio of the EBITDA to revenue) which has reached 46.6% in 2011, a level against which many benchmark; the **net result** is positive and we have generated a profit of €11 million; finally, the €132 million **Free Cash Flow** (i.e. net cash flow relating to operating activities) gives us a considerable margin for manoeuvre. Overall, the economic crisis which has hit the world has not had a significant impact on us in 2011; in any event, this oppressive context did not prevent us from achieving profit. These results will, I hope, bolster your confidence. But confidence should also be gained on the promises we have kept.

- The Eurotunnel Group has a manageable debt: its value (reduced by the amount of the bonds we have purchased) is now €3.6 billion. It is worth remembering that in 2007, following the financial restructuring that enabled us to wipe out €5 billion of debt, it was still at a level of €4.3 billion, which shows you how far we have come. The annual debt service for 2011 was €211 million, compared to our operating margin (EBITDA) of €403 million.

The long term debt to tangible assets ratio is now only 56.4%. Put simply, we have turned the page.

- The Eurotunnel Group's equity is currently composed of 561 million shares, whilst the 2007 financial restructuring would have resulted in the issue of 613 million; the exercise of the final 2007 Warrants (which enabled shareholders who took part in the exchange offer to double their holding), the buyback of treasury shares, the decision not to issue new shares and all of the other transactions to simplify the capital structure since 2007 have led to an accretion of value for shareholders of almost 9%.

- For the past three years, we have

maintained a **sustainable dividend policy** and for 2012 we will put a proposal to the AGM, on 26 April in Coquelles (Pas-de-Calais), **to double it.**

FOUR CORNERSTONES FOR OUR FUTURE

The clear progress and the position that we have achieved are based upon four cornerstones, which will be our foundations for the future.

Eurotunnel's **SUSTAINABILITY** is a considerable advantage. Our core business, the cross-Channel Fixed Link, benefits – need I remind you – from a Concession which runs until 2086 and a robust and successful economic model which generates recurring cash flows.

The rational developments in France and in the United Kingdom by our subsidiary Europorte, in a familiar sector (the transport of freight, associated logistics services and the contract management of infrastructure) are delivering the expected growth – double digit in 2012 – and in line with our forecasts. The question of the debt, as we have seen above, is no longer an issue. When opportunities to buy debt at interesting values arise, as was the case this year, our available cash will enable us to take them and to further reduce the repayments.

And the challenges presented by the environment, along with the awakening of the collective conscience they have stimulated, put our “low carbon” transport system in an excellent position for the future.

The second advantage which strengthens the Eurotunnel Group for tomorrow is its **FLEXIBILITY.**

The Channel Tunnel, the vital link between Great Britain and the Continent, was used by almost 20 million people in 2011 (Eurostar and Shuttles), a number higher than international airports like Manchester or Dublin. This customer flow, much like that of freight, is clearly not continuous. We record huge peaks of traffic, as we will see for the Diamond Jubilee of Her Majesty Queen Elizabeth II and for the London 2012 Olympic Games this summer. Our ability to increase our capacity enables us to respond to demand (notably by bringing back into service the ninth Passenger Shuttle, which has been mothballed since 2005, or through the experimental increase in Passenger Shuttle speed to 160kph), is unique to our service and enables

us to implement additional demand whilst maintaining the highest quality of service. This readiness to adapt also guides our investments in Europorte. We are currently recruiting and training a hundred locomotive drivers; we are providing our various railway subsidiaries with new rolling stock which is powerful and standardised. This modern equipment, alongside the underlying values of safety, reliability and punctuality, means that our existing customers remain loyal and positions us well to win new ones. Finally, as we believe that a maritime link, enabled by Eurotunnel Group, would be complementary to our rail service, we have reacted positively to the administration of SeaFrance with our proposal to buy the maritime operator's assets.

The Eurotunnel Group sustainability and flexibility go hand in hand with continual **INGENUITY**. Bringing into service the four SAFE fire-fighting stations, a system for Tunnel protection that is unique in the world, is proof of our approach. As is also the plan to equip the Tunnel with a radiating cable which will bring mobile telephone coverage to our customers 100 metres below the surface of the Channel! For Europorte France, equipping all of the main line locomotives with GPS is an innovation, a first in France, and particularly appreciated by our customers. It is also important here to mention the medium term strategic project in the service tunnel, ElecLink (which involves the installation of a 500 MW electrical interconnector between the UK and France), the Eurotunnel Group's active participation in the Railenium Foundation (the rail transport centre for excellence) and the project which is currently under way to redesign the layout of the terminal in Coquelles.

Finally, it is my wish that social **RESPONSIBILITY** becomes one of the strategic objectives for the Eurotunnel Group. This is a field in which we have a long tradition and proven track record: the Channel Tunnel and its transport system have, since the very beginning, been particularly protective of the environment. Europorte is committed to adopting the same approach. The impact of our operations on the surrounding land, our mission, defined by the French authorities, as a local developer and our commitment to economic development are further proof of this commitment.

In the UK, our commitment to the environment has been recognised with a seventh consecutive Green Flag Award for Samphire Hoe, which honours the preservation of this nature reserve open to the public. It is also the prospect of the Strait of Dover gaining recognition from UNESCO as a World Heritage site. In the Calais region, we continue to support employment through the ongoing establishment of the ZAC 1 (the *Cité Europe* and its surrounds) in Coquelles and maintain our interest in the tourism project around Sangatte (Pas-de-Calais), for which a call for tenders will shortly be launched. The creation of CIFFCO (the *Côte d'Opale* international railway training centre) in Coquelles, the first private training centre entirely focused on railway trade, which provides young people with the skills needed for their future careers, is also in line with our focus on social responsibility. Across all our fields of interest, we make sure that the services and logistical solutions that we deliver to our customers meet their needs and contribute to the success of their own objectives.

So you can see that the **Eurotunnel Group benefits from a successful economic model, is founded on sound, transparent values and has a long term strategic vision**. This 2011 Annual Review will show you that **your company is forging ahead and building a sustainable future**. I hope you find it interesting.
Yours faithfully,

JACQUES GOUNON,
7 March 2012

“ The Principals, the Intergovernmental Commission and the Safety Authority shall give due consideration to the reasonable commercial objectives of the Concessionaires, including the avoidance of unnecessary costs and delays. ”

CONCESSION AGREEMENT
Extract from article 27.7.

GOVERNANCE

Groupe Eurotunnel SA Executive Committee

Jacques Gounon
Chairman and Chief Executive
Officer of Groupe Eurotunnel

Claude Liénard,
Chief Operating Officer – Corporate

Pascal Sainson,
Chairman of Europorte SAS

Michel Boudoussier,
Chief Operating Officer
cross-Channel Fixed Link

Jo Willacy,
Commercial Director

Patrick Étienne,
Business Services Director

The Executive Committee is supported
by Management Committees which
include the directors of other functional
departments.

Board of Directors of Eurotunnel Group SA

Jacques Gounon (born 1953)
Chairman & Chief Executive Officer

Philippe Camu (born 1967)
Director

Patricia Hewitt (born 1948)
Independent Director

Hughes Lepic (born 1965)
Director

Peter Levene* (born 1941)
Independent Director

Colette Lewiner (born 1945)
Independent Director

Colette Neuville (born 1937)
Independent Director

Robert Rochefort (born 1955)
Independent Director

Jean-Pierre Trotignon (born 1950)
Director

Philippe Vasseur (born 1943)
Independent Director

Tim Yeo (born 1945)
Independent Director

* Peter Levene was coopted by the Board at its
meeting on 29 February 2012 to replace
Henri Rouanet. This cooptation will be submitted for
ratification at the General Meeting on 26 April 2012.

Biographies of the Groupe Eurotunnel SA
directors, the work of the Board and of its various
committees, and corporate governance-related
information are detailed in the Registration
Document published by Groupe Eurotunnel SA and
available on its website www.eurotunnelgroup.com



KEY FIGURES FOR 2011



284

MILLION PASSENGERS*
have travelled through
the Channel Tunnel
since May 1994

39 MILLION VEHICLES

Eurotunnel has carried 39 million passenger vehicles* on *Le Shuttle* since May 1994 (cars, motorcycles, camper vans, etc.)



MILLION TONNES OF FREIGHT*
have been transported through
the Channel Tunnel since May 1994,
mainly on trucks (225 million tonnes)
or on freight trains (32 million tonnes)

17.2

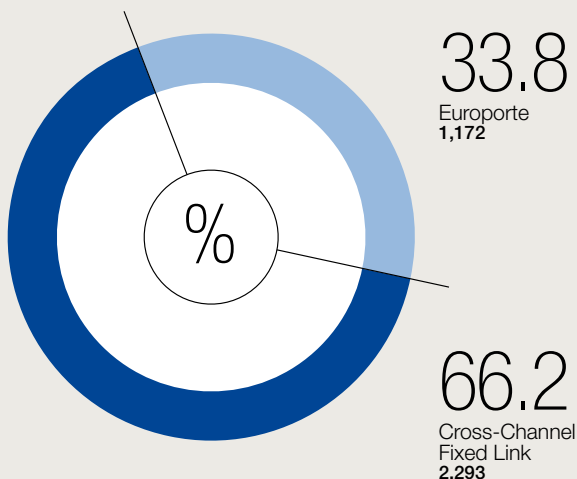
MILLION TRUCKS*
Eurotunnel, world leader in piggyback
transport, has carried more than
17.2 million trucks* over the past 18 years



* Data as at 31 December 2011

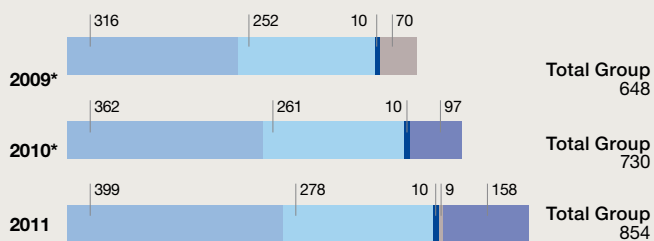
EUROTUNNEL GROUP EMPLOYEES AT 31/12/2011 BY COMPANY

Total Group: 3,465



GRUPE EUROTUNNEL TOTAL TURNOVER

(in € million)



Cross-Channel Fixed Link

■ Eurotunnel Shuttles ■ Railway network ■ Other revenue

■ Europorte**

■ Insurance indemnities for operating losses

* The figures for 2010 and 2009 have been recalculated at the 2011 exchange rate for better comparison (£1 = €1.148).

** Europorte SAS and its subsidiaries

MAINTENANCE AND INVESTMENT IN EUROTUNNEL SHUTTLES

(in € million)



* Budget forecast for Large Scale Maintenance (LSM) and investment in rolling stock, including shuttles: in particular, locomotive power upgrade to 7MW, decocooning, removal of pagodas (see pages 21 and following)

€11

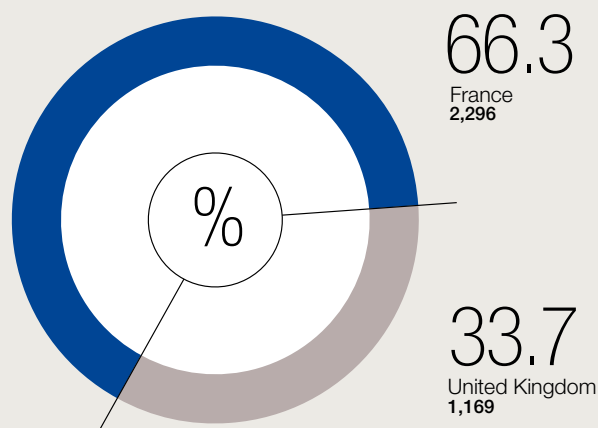
MILLION
net profit in 2011

€44.1

MILLION IN DIVIDEND
(€0.08 per share) paid to shareholders for the year 2011, if the General Meeting on 26 April 2012 votes in favour of this resolution

EUROTUNNEL GROUP EMPLOYEES AT 31/12/2011 BY COUNTRY

(The country is that of the workplace, no matter what the nationality of the employee)



EUROPORTE IN FRANCE

Europorte, third largest rail freight operator in France, is developing a very dense network and operates at all stages of freight transport supply chain logistics, collection and movement on secondary networks (Europorte Proximity) or loading and unloading of wagons on private branch lines at industrial sites (Socorail) as well as traction of freight trains in the Tunnel (Europorte Channel) and in France (Europorte France).

- Hubs
- Europorte
- Socorail
- Movement of rail freight
- trains hauled by Europorte

EUROPORTE FRANCE:

200

TRAINS A WEEK
and 1 billion tonnes/
kilometre a year

82%

PUNCTUALITY RATE
for trains hauled by Europorte France
(within 30 minutes of schedule)



GB RAILFREIGHT

GB Railfreight (GBRf) is the third largest rail freight operator in the United Kingdom. Its activities cover all segments of rail freight services including both short and long haul: combined intermodal transport; bulk transport including coal; infrastructure equipment; rail services to industry; transport of construction materials, petrochemical and metal products, consumer goods.

GB Railfreight has become the first and only company to transport biomass to replace coal at the Drax power station in the United Kingdom.

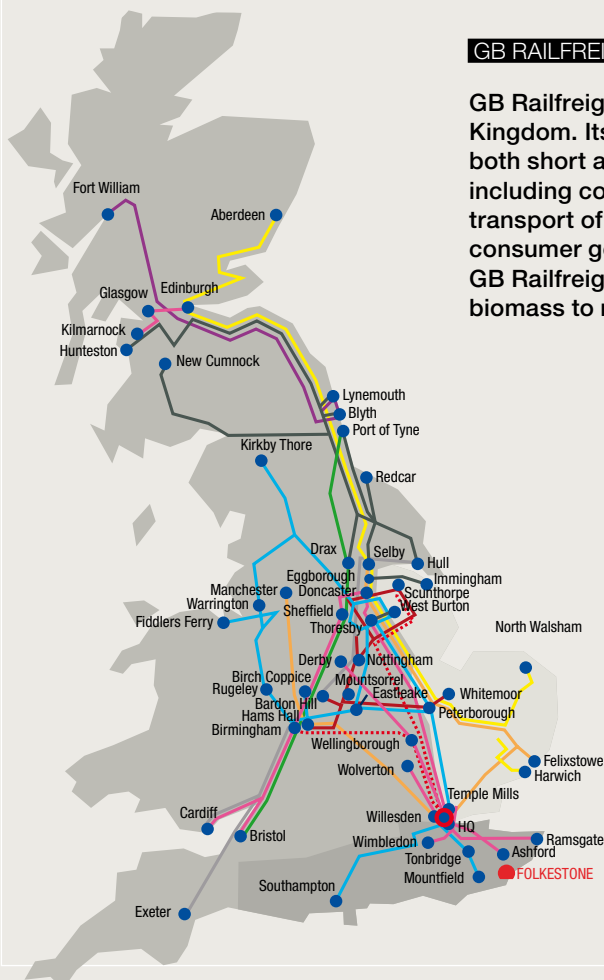
GB RAILFREIGHT:

70%

OF CONTAINERS
transported by GBRf are
delivered 'door to door'
to the end customer

50,000

TRUCK MOVEMENTS REMOVED
from Central London, thanks to the
contract won in early 2012 by GBRf
to transport over 1 million tonnes of
excavated material on board 860 trains
from West London to Kent



- Coal
- Biomass
- Container Services
- Metals
- Gypsum
- Alumina
- Petrochem Carless
- Network Rail Bulk Ballast Services
- Rail Services
- London Underground Track Alliance
- Southern Zone (Network Rail)
Infrastructure train possible coverage
- Anglia Zone (Network Rail)
Infrastructure train possible coverage

SHAREHOLDERS



DIVIDEND

GET SA doubles its dividend policy by proposing **€0.08 per share** to the General Meeting on 26 April 2012.



INFORMATION

Six shareholder letters and **40 electronic messages** have been issued.



2007 WARRANTS

91.2% of the warrants attributed free of charge in 2007 have been exercised by the end of 2011, proof of **shareholder confidence**.

GET SA SHARES KEY FIGURES

**Number of shares
at 29 February 2012**
560,572,129

**Market capitalisation
at 29 February 2012**
€3.6 billion

316,000 SHAREHOLDERS AT THE HEART OF OUR STRATEGY

The Eurotunnel Group strives to boost shareholder confidence through rigorous ethics, the highest standards of corporate governance, transparent information and quality communications. The Eurotunnel Group demonstrates its focus on shareholders through the steady and regular growth in its financial results and a long-term dividend policy.

As a result, the Group has decided to extend and strengthen the dividend distribution policy it initiated in 2009. At the General Meeting on 26 April 2012, Groupe Eurotunnel SA will recommend that shareholders approve a dividend of €0.08 per share, doubled in 2011.

The dividend policy is defined by the company's Board of Directors. It takes into account the Group's investment needs and outlook, the economic context, its cash management priorities, and any other factors considered pertinent.

Although automated trading and macro-economic and monetary pressures have a growing and sometimes irrational impact on share prices, the quality of the relationship built and maintained with shareholders is essential to limit share price volatility and stabilise markets.

The period opened by the Group to exercise the warrants attributed free of charge to shareholders in 2007, resulted in the exercise of 91.22% of the remaining 2007 warrants. The success of this operation demonstrates the confidence of private and institutional investors in the Group's strategy and outlook.

FAST AND TRANSPARENT INFORMATION

To ensure that its shareholders are informed as completely, proactively and responsibly as possible, The Eurotunnel Group diligently pursues an electronic communication policy. In this respect, in 2011 it transmitted or made the following documents available on request:

- The Annual Review
- The Environment Report (which will become the Corporate Social Responsibility Report in 2012)
- Six issues of Eurotunnel on Track, the periodic letter for shareholders
- 40 email alerts, messages that relay important information for understanding Group news (institutional press releases, for example)
- Electronic communications and voting for CDI holders

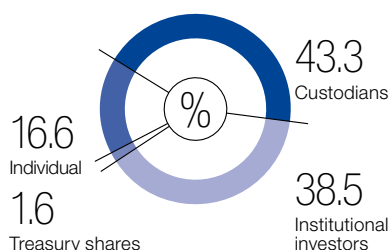
The following information is available on the dedicated website www.eurotunnelgroup.com, which was completely revamped in 2011 to improve the look and ease of use:

- A shareholder section
- The Registration Document including the Annual Financial Report
- The Half-Yearly Financial Report. ○

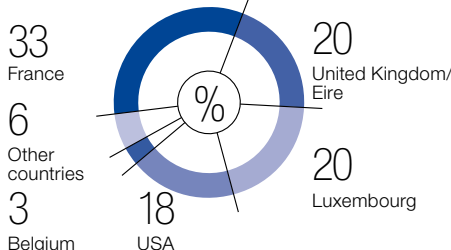
SHAREHOLDING STRUCTURE AT THE START OF 2012*

316,000 shareholders. Average holding: 3,176 shares

CAPITAL BREAKDOWN* BY SHAREHOLDER PROFILE



CAPITAL BREAKDOWN* BY LOCATION OF ACCOUNT HOLDER



* Based on a bearer holder identification analysis (TPI) conducted at the start of 2012, covering holders of 1,000 or more shares, on the registers of BNP Paribas Securities Services and Computershare, and an estimate of the TPI between 100 and 1,000 shares.

MEMO

Share factsheet Groupe Eurotunnel SA

- ISIN code: FR0010533075
- Tickers: GET on Euronext™ Paris, (GETS on the London Stock Exchange).
- Listing date: 2 July 2007.
- Listing markets: Euronext™ Paris (Eurolist compartment A), London Stock Exchange (standard listing).
- Market: NYSE Euronext Paris - Eurolist - Compartment A.
- PEA scheme (French Share Savings Plan): eligible.
- Main indexes: CAC Next 20, SBF 120, FTSE All-World, FTSE Medium Cap, DJ Stoxx 600, Next 150, MSCI World Index, MSCI Europe.
- The share capital of Groupe Eurotunnel SA is €224,228,851.60. It is divided into 560,572,129 fully paid-up ordinary shares with a nominal value of €0.40 each.

CONTACTS

Shareholder Relations Centre Eurotunnel Group

BP 69 - 62904 Coquelles Cedex, France
Tel.: 0845 600 6634

Monday to Friday
10:00am to 13:00pm and 3:30pm to 6:00pm (UK time)

Email: shareholder.info@eurotunnel.com



The Beussingues trench, the Continental gateway to the Channel Tunnel

SUSTAINABILITY

The sustainability of Eurotunnel Group is today self-evident. Its core activity, the cross-Channel Fixed Link benefits from a concession which runs until 2086 and a robust and successful business model. The reasoned developments of the Group in the United Kingdom and in France in the transport of freight, associated logistics services and the contract management of infrastructure are delivering the expected growth.

THE TUNNEL, HOW DOES IT WORK?

Unique in the world, the cross-Channel Fixed Link is the only way to cross the stretch of water between Great Britain and continental Europe in total safety, 365 days a year, 24 hours a day; the illustration below shows the key elements of this environmentally-friendly transport system which is constantly being modernised.

FOLKESTONE TERMINAL



THE CHANNEL TUNNEL

Consisting of three tunnels, two single track rail tunnels and a service tunnel all bored 40 metres below the Channel sea bed. At 50km long, of which 30 km is below the sea. The structure links Folkestone (Kent) and Coquelles (Pas de Calais)



CONTROL CENTRE

The management of the transport system is carried out in one of the two control centres situated on the Folkestone and Coquelles terminals. Round the clock, highly trained technicians manage the movement of trains and monitor more than 20,000 different sensors.

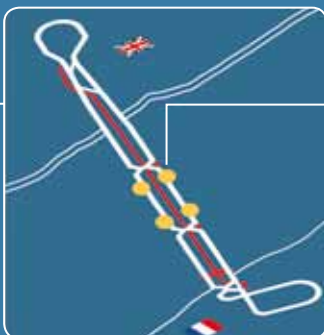


THE SERVICE TUNNEL

is linked to the rail tunnels every 375 metres. This road tunnel is used in both directions by special vehicles carrying maintenance or emergency equipment. The service tunnel is also home to some of the equipment essential to the running of a transport system; pipe work, electrical cabling, technical rooms...

THE SYSTEM

Trains can pass from one tunnel to the other via two cross-overs, vast sets of points situated a third of the way along each track. If necessary traffic can bypass one or two intervals, for example when there are maintenance works, generally at night, at the end of the week. Traffic is thus never interrupted.



THE SAFE STATIONS

The four SAFE stations installed in the middle of the rail tunnels in 2011 are accessible within a few minutes by shuttle. They automatically disperse a mist of pressurised micro droplets onto the site of a hotspot which has been detected. The propagation of a fire is thus limited.



DOVER

TRUCK SHUTTLES

The Eurotunnel Truck Shuttles allow heavy and light goods vehicles to cross the Strait of Dover with a departure every ten minutes in each direction. The intensity of this traffic makes Eurotunnel the world leader in piggyback transport.



LE SHUTTLE

Le Shuttle transports cars, coaches, camper vans, motorcycles and their passengers in 35 minutes (30 minutes from summer 2012) from platform to platform in Folkestone and Calais/Coquelles.



RAIL FREIGHT AND PASSENGER TRAINS

The Channel Tunnel provides paid access to rail freight and passenger trains from all interested railway operators. Amongst those customers Eurotunnel counts principally Eurostar, SNCF and its subsidiaries, DB Schenker and Europorte.



CALAIS

LILLE/BRUSSELS >

COQUELLES TERMINAL

< PARIS
A16

PARIS/LILLE/BRUSSELS
HIGH SPEED LINE
>

PERMANENT COMPETITIVE ADVANTAGES

FAST

The fastest way to cross the Channel

35 MINUTES with *Le Shuttle*, without leaving your vehicle

90 MINUTES motorway to motorway with Eurotunnel Truck Shuttles



FLEXIBLE

The most frequent service across the Strait of Dover

UP TO 6 DEPARTURES AN HOUR in each direction for truck drivers

UP TO 5 DEPARTURES AN HOUR for motorists

RELIABLE

The most reliable way of crossing from Folkestone to Calais-Couques

The only cross-Channel service

OPEN 24 HOURS A DAY, 365 DAYS A YEAR

PUNCTUALITY RATE

Shuttle 82%*

* < 3 minutes of scheduled departure



AN OLYMPIC YEAR

With the support of the International Olympic Committee and the London Organising Committee for the Olympic Games (LOCOG), a gigantic set of Olympic rings were set up at the Coquelles (Pas-de-Calais) portal and unveiled on 20 December 2011.

As the gateway to London, the Channel Tunnel is the only continental site to showcase this universal symbol.



MORE ON
the sporty installation of the rings in Coquelles!

20 TIMES LESS CO₂

The most environmentally-friendly cross-Channel transport system. Transporting a truck by Shuttle across the Strait of Dover emits 20 times less CO₂ than if transported by ferry.



A MAJOR PLAYER IN EUROPEAN TRANSPORT

With the Eurotunnel Truck Shuttles and Le Shuttle, passenger trains (Eurostar) and SNCF, Europorte Channel, DB Schenker freight trains, the cross-Channel Fixed Link is one of the most highly frequented railways in the world, with a daily average in 2011 of:

- **290 TRAINS**, averaging one every four-and-a-half minutes
- **52,000 PASSENGERS** (Shuttles and Eurostar)
- **6,200 CARS**
- **155 COACHES**
- **3,500 TRUCKS**
- **48,600 TONNES OF FREIGHT** (Shuttles and freight trains).

RECOGNISED PERFORMANCE YEAR AFTER YEAR

2011 BEST TRAIN COMPANY AWARD

in the United Kingdom.

After votes cast by thousands of readers of The Guardian, Observer and www.guardian.co.uk, the publisher of these media awarded the 2011 Best Train Company Award to Eurotunnel Le Shuttle, as part of the Guardian and Observer Travel Awards, recognised in the travel industry as one of the most credible performance indicators.

AS WINNER OF THE 2011 ENVIRONMENT AWARD

from *International Freight Week* (IFW), Europe's leading transport and logistics periodical, Eurotunnel was recognised for its "Leadership in Sustainable Development" for environmental reporting and its continuous commitment to sustainable development.

CARBON TRUST CERTIFICATION

The Carbon Trust Standard agency again certified Eurotunnel for its policy and achievements in reducing its carbon footprint: **down 20% between 2009 and 2010** (after a 44% reduction for the period 2006-2009).



GREEN FLAG AWARD

For the seventh consecutive year, in July 2011 Eurotunnel received the prestigious Green Flag Award, recognising its efforts in environmental preservation at Samphire Hoe, a nature reserve in England which is home to 200 plant species and 320 rare species of insects and birds. Together with The White Cliffs Countryside Partnership, Eurotunnel manages the Samphire Hoe site which welcomes over 100,000 visitors a year.





Coquelles Terminal: Truck Shuttle unloading

FLEXIBILITY

The flexibility of Eurotunnel Group is an advantage for tomorrow. The Tunnel, the vital link between Great Britain and the Continent was used by almost 20 million people in 2011. Our ability to increase our capacity enables us to respond to demand whilst maintaining the highest quality of service. This readiness to adapt also guides our investments in Europorte.

**TREND**

The **Short Straits transport** market improved in 2011, although it did not regain 2007 levels.

**SUPPLY & DEMAND**

Cross-Channel transport represents a broad market, where **many routes** coexist between Great Britain and the Continent.

**COMPETITION**

Eurotunnel closely monitors **competition** to ensure no distortion in the market.



THE CROSS-CHANNEL MARKET

Freight traffic (accompanied trucks) on the Short Straits increased by 5% in 2011, on top of the 9% posted in 2010. The recession that hit the United Kingdom has not, at least for now, impacted traffic. On the other hand, business has not returned to the pre-financial crisis levels of 2008, which has generated a decline of more than 20% in volume.

The passenger market remains resilient overall: traffic is virtually identical to 2010, a year that broke records due to an exceptional and non-recurring event: in the spring, when the Eyjafjallajökull

volcano erupted in Iceland with the resulting airspace disruptions, it created peak cross-Channel traffic.

Market conditions continue to be defined by the imbalance between supply and demand. In early 2011, the transport market was further hit by the commissioning of the P&O superferry which can carry 180 trucks, 195 cars and 2,000 passengers. Another vessel of the same type began service on 9 February 2012, producing a total excess capacity of well over 20%: to the extent that, when SeaFrance stopped operating in mid-November, the French operator's

volumes were easily absorbed by the other players.

Competition remains fierce. Faced with the competitive advantages of speed, frequency, reliability and flexibility of the Eurotunnel Shuttles, maritime operators continued dangerous pricing policies. By continuing to offer prices that did not cover their operating costs, SeaFrance was forced to discontinue operations on 16 November, prior to its final liquidation on 9 January 2012 by the Paris Commercial Court.

A LEVEL PLAYING FIELD

Eurotunnel's position is that all players in the cross-Channel market should be bound by the same rules. It is not targeting any one operator; it works to protect its 3,000 direct employees and the 3,000 indirect jobs created for its partners, from any injustice. Shipping operators in fact enjoy regulatory advantages that distort competition directly (by paying reduced or no social welfare contributions for crews in France, no fuel tax, etc.) or indirectly (tax credits and public subsidies for French ports which ferries do not repay in port charges).

The Group is lobbying against all mechanisms and factors that discriminate in favour of shipping operators. This was the case in 2010 when it challenged the legality of a €15 million annual subsidy by the Seine-Maritime regional council for Louis-Dreyfus Armateurs, the operators of the Newhaven-Dieppe Line. Eurotunnel will continue to exercise the utmost vigilance. ○

DID YOU KNOW?**WHY EUROTUNNEL GROUP COULD BECOME A SHIPOWNER**

Groupe Eurotunnel has stated an interest in SeaFrance's assets (mainly three ships) with the intention of making them available to an operating company that may be formed by the former employees of the ferry company.

The reasons for this decision reside in the nature of the company: its Channel Tunnel and related business park operations in the area generate 5,000-6,000 direct, indirect and induced jobs in France. Eurotunnel has nothing to gain from economically depressing its environment. The top priority of Eurotunnel Group is to be an active player in the market rather than suffer the commercial repercussions due to changing players in the cross-Channel transport market. The interoperability agreement that we had with SeaFrance was a key component of our relationship and we believe that it is possible to have a truly complementary relationship. This makes sense, for example, for the portion of the market which cannot be handled via Eurotunnel: for example, oversize vehicles, future 60-tonne trucks, non-urgent loads, low-value goods, etc.

The solution being considered (purchase assets and make them available to an operator, without debt) does not represent a risk for the Group, but rather an opportunity to develop.



LEADERSHIP

Eurotunnel is the undisputed market leader for the Short Straits.



STABILITY

Its business is **sustainable**, affixed to its location, founded on a solid business model.



INNOVATION

This stability does not exclude the need for innovation: a process of ongoing technological, commercial, and organisational improvement.

A COMPANY ALWAYS ON THE MOVE

In the current economically unstable environment, Eurotunnel stands out as the long-term cross-Channel operator. On the Short Straits market, the company continues to win market share without compromising its pricing policy, while optimising its transport system and expanding its customer base. These results are driven by the transport system's intrinsic assets. They are also based on our continuous improvement approach which is designed, through technological, social and commercial innovation, to offer our customers the highest quality of service while controlling operating costs.

TOWARDS INTEROPERABILITY

Continuous innovation to make the most of our competitive advantages: the commissioning of our new SAFE fire-fighting stations perfectly illustrates this dynamic approach to ensure the company's long-term sustainability. Operational since 13 November 2011, four SAFE fire-fighting stations now protect the infrastructure from

potential degradation resulting from any future fire in the Tunnel. This first substantial modification to the infrastructure is a major advance in the safety and availability of our facilities. It will also contribute to the convergence of traffic rules for the Tunnel with the rules for the other European networks. Like the official certification of distributed-power passenger trains and of the Modalohr system in 2011, this marks a new step towards the interoperability of rail networks, a key pre-requisite for the development of trans-European freight and passenger traffic.

CAPACITY GAINS AT CONSTANT COST

Eurotunnel's teams adapt the service to the growth in demand while optimising the reliability and availability of the transport system, all without increasing costs. The developments implemented in 2011 have increased the average load factor of the Truck Shuttles, and now permit up to six departures per hour for Truck Shuttles and five departures per hour for Le Shuttle. This

performance has been achieved thanks to the excellent availability of the rolling stock and infrastructure, which is itself due to an acceleration in the maintenance programmes plus efficiency innovations in the management of maintenance operations. This has improved equipment reliability to the point that, in summer 2011, it was possible to offer the equivalent of an additional half-shuttle for commercial operations during the 20 highest peak demand days, without the slightest impact on service quality.

A MORE FLUID ORGANISATION

Our internal reorganisation into smaller entities has greatly contributed to operational fluidity. An original approach intended to strengthen the sense of belonging and the motivation that accompanies it was implemented for the 800 UK employees. It combines coaching for managers, to encourage them to develop open dialogue with their teams, and the organisation of informal meetings between management and small groups of employees with their manager. This "Shaping Our Future" programme will continue in 2012 in Folkestone and a similar programme will be launched for French employees, tailored to their specific needs.

READY TO ROLL FOR THE OLYMPIC GAMES

In an uncertain economic environment, one factor provides a clear outlook for 2012. The London 2012 Olympic Games will focus the attention of the entire world on the UK capital. Eurotunnel is ready to seize the opportunities that this event will open in terms of Shuttle traffic, passenger and freight trains using the Tunnel, and the increased recognition for the cross-Channel Fixed Link that will undoubtedly result. The five Olympic rings that now greet passengers at the Coquelles portal are a superb announcement of this future (see page 12). ○



**COMPETITION**

Le Shuttle increased its car market share by 3 points in 2011.

**VOLUME**

+6% cars* transported in 2011 compared to 2010 (an additional 137,000).

**REVENUES**

The revenue in this segment has grown significantly.

LE SHUTTLE, A RECORD SUMMER

MYRIAM CARON, (Kent)
Frequent Traveller.

“

I'VE BEEN DRIVING ACROSS THE CHANNEL

for both business and personal reasons for many years and I couldn't have done it so easily without Eurotunnel. Taking advantage of the very frequent service and short check-in time I'm able to be much more productive with my day. The service is reliable and fast so the time I save crossing the Channel means that not only do I get to spend more time with my business partners but also relax with family and friends in France. It's so easy to book and use and the staff all take very good care of you; I couldn't imagine my life now without the peace of mind I get from using Eurotunnel. ”

Le Shuttle set new records in 2011, mainly during the UK summer holidays, exceeding even the exceptional peaks posted in 2010 after the eruption of Iceland's Eyjafjallajökull volcano.

Although the overall cross-Channel passenger market contracted slightly last year, Eurotunnel's Le Shuttle recorded growth in traffic, revenue and market share, as in 2010. Facing economic uncertainty, many British holiday makers who used to fly to distant sunny destinations are now opting to travel in their cars and head for the continent. The great majority of these customers continue to prefer the Eurotunnel Shuttles, which are faster, more comfortable and simpler than crossing by ferry, regardless of the price reductions offered by the marine operators.

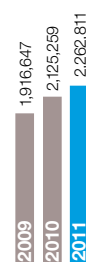
At the same time, ferry companies are losing a portion of their traditional customer base as people stop taking continental holidays.

CUSTOMERS CHOOSE LE SHUTTLE FOR THE VALUE OF THE SERVICE

Eurotunnel's Passenger Shuttles thus increased car market share on the Short Straits by three points to 46.4% and their revenue significantly in 2011, without compromising the company's pricing policy. Fine adjustments to prices to adapt to fluctuating demand kept the average price unchanged from 2010. This performance confirms the strength of Eurotunnel's competitive advantages: customers choose *Le Shuttle* for the value of the service offered by Eurotunnel. Even at a time when economic uncertainty encourages caution, Eurotunnel has been able to rely on the professionalism of its teams, the quality of its offer and the effectiveness of its pricing policy to make the most of the prospects opened up by preparations for the London 2012 Olympic Games, both in terms of traffic and in terms of sales promotions for the cross-Channel Fixed Link. ○



NUMBER OF CARS TRANSPORTED*



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



MIKE SMITH, Managing Director
Specialist Division,
Eddie Stobart Group.



CONSISTENTLY HIGH
QUALITY SERVICE IS PROVIDED
BY EUROTUNNEL

which is vital to our business model. A rapid service is key for us and our customers as we are able to react quickly to our customers' needs and also provide sustainable distribution by ensuring the journey time from door to door is kept to a minimum. The service offered by Eurotunnel enables us to do this through the frequency of their crossings and the efficient turnaround time at either end of the Tunnel. ”

TRUCK SHUTTLES, A SOLID LEADER

In a highly competitive environment, the Truck Shuttle service is showing steady growth, achieved without compromising the company's pricing policy, thus confirming the competitiveness of the service. In 2011 the market (Short Straits) grew steadily at the rate of 5% month on month, without however returning to the level before the 2008 financial crisis. Prudence seems to be the keyword in the short term. In this context, Eurotunnel has achieved an average annual market share of 38%, its

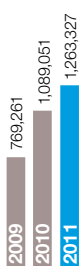
reference level. In terms of the number of vehicles transported, Eurotunnel posted 16% growth while maintaining the pricing policy. This performance demonstrates the Group's ability to react to more intense competition. Refusing to participate in a price war, Eurotunnel has a sales policy that combines the maintenance of its heavy-goods pricing alongside promotional offers aimed at light vans, a market segment that has been consistently dynamic since 2010.

THREE VANS PER WAGON

Efforts in recent years to optimise operations and maintenance have also achieved results in the capacity to adapt to demand and the availability of rolling stock. Increasing Truck Shuttles from 30 to 32 wagons, loading three vans per wagon instead of two has contributed to the sharp increase in the load factor: 75% for Truck Shuttles in 2011, the best result in the last three years. This is of course a key parameter in terms of efficiency and profitability.

Eurotunnel's competitiveness and service quality, which assures hauliers of a 90 minute motorway to motorway crossing, 24 hours a day and 365 days a year and a carbon footprint 20 times lower than that of the ferries, complete the advantages which allow Eurotunnel to consolidate its leadership in this market segment while restoring its operating margins. ○

NUMBER OF TRUCKS TRANSPORTED



TREND

Double-digit increase in **Truck Shuttle** traffic (+16%) in 2011.



MARKET

Additional 3.6 points of **market share** won during the year, giving an annual average of 38%.



ECONOMIC CLIMATE

Market remains 12% below 2007 levels.

PASSENGER AND FREIGHT TRAINS

FREIGHT

RETURN TO GROWTH

For the first time in seven years, Eurotunnel is benefiting from a sharp increase in the number of rail freight trains (+14%) along with an increase in tonnage (+17%) using the Tunnel. This trend reversal proves that a significant number of industrial customers are returning to cross-Channel transport by rail, convinced by its reliability and punctuality. The “open access” strategy which guarantees unrestricted cross-Channel access for all rail operators by offering a traction service through the Tunnel on advantageous terms is producing results. The spectacular recovery has been driven since late 2010 by the implementation of two new intermodal services, composed of wagons carrying containers or swap bodies, and by one-off steel transport contracts.

Eurotunnel expects this market growth to continue, mainly due to the reintroduction of intermodal train services and the authorisation granted in late 2011 for Class 92 locomotives to use High Speed 1, the line that links Folkestone and London. These locomotives, the only ones authorised to haul freight trains through the Tunnel, can now haul freight trains from the Channel Tunnel portal on the UK side to London in 70 minutes, instead of the 4 hours on a standard track. Above all, this authorisation allows continental gauge wagons to be hauled on HS1; these have a much higher load capacity than those approved on British networks, with resulting significant gains in productivity. In the medium term, the creation of a continental gauge rail corridor by extending the high speed network to industrial centres in the Midlands and the Northwest of England would open rich prospects for cross-Channel rail freight traffic. ○

NUMBER OF FREIGHT TRAINS**



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



NUMBER OF EUROSTAR* PASSENGERS (in million)



* Only Eurostar passengers travelling through the Channel Tunnel are counted, which excludes those who travel on the Paris-Calais and Brussels-Lille routes

EUROSTAR

READY FOR THE LONDON 2012 OLYMPICS

Eurostar, only operator offering a passenger train service between London and the major European cities through the Channel Tunnel, carried 9.7 million passengers* in 2011, 2% more than in the previous year. This further increase was achieved despite the reduction in the capacity offered (2 return trips a day less, compared to 2009 on the Paris-London and Brussels-London routes).

This demonstrates the strength of the market for business travel as well as tourism, despite the economic climate. Upcoming exceptional events including the Queen's Diamond Jubilee (the 60th anniversary of HM Queen Elizabeth II's reign in June) and the period of the London 2012 Olympic Games, with which Eurostar is an official partner, should allow the company to hit new records in 2012.

NEW DESTINATIONS, NEW OPERATORS

Growth in passenger train traffic in the Tunnel will be driven in the medium term by the creation of services to new destinations and the arrival of new operators. At the end of 2010, Eurostar ordered 10 new distributed-power trains from Siemens, each seating 900 passengers, to link London to new major European cities starting in 2015. In addition, Deutsche Bahn ordered double rakes trains from the same manufacturer to launch regular services between London and Brussels, where the trains will divide into two: one section continuing to Rotterdam and Amsterdam, the other to Cologne and Frankfurt. This service is scheduled to begin in 2015. ○

RAILWAY USAGE CONTRACT (RUC)

The Railway Usage Contract was signed on 29 July 1987 between Eurotunnel and the railway network operators BRB and SNCF. It defines the framework within which the railway network agrees and is authorised to use the Fixed Link until 2052. The RUC has therefore two remarkable characteristics: it is a long-term agreement, and is comparable to the public-private partnerships that are in wide use today.

Under this Contract, the trains of the railway network can use up to 50% of the capacity of the Fixed Link, for which they must pay Eurotunnel an annual fixed fee plus variable fees based on the number of passengers carried and the number of freight trains transiting the Tunnel; The Railways must also pay a contribution to operating costs.

At the time that the UK railways were privatised, BRB signed “mirror contracts” with Network Rail, DB Schenker UK and Eurostar International Ltd, under the terms of which BRB delegated to them the operational performance of some of its obligations to Eurotunnel.

In accordance with European Directives, Eurotunnel publishes its annual Network Statement which sets out the pricing framework of the Railway Usage Contract offering transparent and non-discriminatory usage conditions to its rail network to train operators.

MORE ON
the dedicated Europorte
website,
www.europorte.com



STRATEGY

Rail freight subsidiaries
play a full role as
vectors for growth.



REVENUES

Europorte revenues
up 26% in 2011
(on a like-for-like basis)*



GB Railfreight

The British subsidiary
maintains its ranking
as 3rd largest national
rail freight operator

EUROPORTE IS EXPANDING, INVESTING AND RECRUITING

Europorte, comprising all the Eurotunnel Group subsidiaries specialising in rail freight, fully confirmed its role as a vector for growth within the Group beyond the cross-Channel Fixed Link concession. Its total business rose by 63% in 2011 (26% on a like-for-like basis). Industrial customers clearly trust the rail freight service developed by the Eurotunnel Group, based on its service quality and punctuality.

EUROPORTE FRANCE

Europorte France provides short and long haul rail freight services in France and internationally, using complete trains or isolated wagons. It posted a revenue growth of 34%, buoyed by

numerous commercial successes. After signing a 3-year contract in mid-2010 with the cereal cooperative Cérévia, Europorte entered into a partnership with Trenitalia to haul five cereal trains a week from Burgundy to pasta factories in Italy. In the cement sector, Lafarge renewed its trust in the Europorte subsidiary for three years, a major contract was signed with Vicat, and the scope of business with Holcim was expanded. The two major French car manufacturers also established ties with Europorte. Renault's logistics partner CAT Group (*Compagnie d'Affrètement et de Transport des véhicules*) chose Europorte to transport the car manufacturer's light commercial vehicles. Operations with PSA's transport subsidiary

Gefco began in December 2011. These consist of transporting Peugeot and Citroën vehicles from the Gevrey yard in Burgundy, to Ambérieu (near Lyons), Marseilles Fos-Miramas, Bordeaux and Toulouse, a total of 34 trains a week.

97 DRIVERS RECRUITED AND TRAINED

These developments included major investment in people and equipment. Nearly 100 drivers were appointed in 2011 and trained at a total cost of €5 million. In terms of equipment, Europorte continues to modernise its fleet of locomotives to deliver homogeneous and reliable equipment that is less costly to operate. The company purchased 12 very high-powered Euro 4000 diesel locomotives built by Vossloh in Valence, which, due to their very low axle load, are permitted to travel on certain portions of track where other standard locomotives are barred. They are scheduled for phased delivery between 2011 and 2013. Four other Euro 4000s have been in operation on a leased basis since early 2011. The fleet is completed by eight Alstom Prima electric locomotives and seven low-power Vossloh G1000 diesel engines intended mainly for the port networks.

SOCORAIL

Specialising for over 30 years in local logistics services on industrial sites, especially in the oil, chemical, steel, automotive and construction materials sectors, Socorail's revenues declined in 2011, mainly due to cutbacks in refining activities in France. Faced with changes in its traditional businesses and in order to simplify Europorte's legal structure, Socorail will now consolidate all dockside activities, industrial and port rail network management activities. As a result, Socorail has absorbed Europorte Services, the Port of Dunkirk's contracted



€158

MILLION IN REVENUES
for the entire Europorte
operation in 2011
(+26% on a like-for-like basis)

650

TRAINS A WEEK
operated in the United
Kingdom by GB Railfreight



infrastructure rail network manager, and will also operate the contracted maintenance services in the port of Nantes-Saint-Nazaire, a contract won by Europorte in 2011 under a tender bid process. Socorail has also been selected for the maintenance lots jointly issued by the ports of Rouen and Le Havre. The group is also responsible for preparing the Reference Document for the port network and the safety and operating regulations for the Grand Port Maritime at Bordeaux.

MORE EFFICIENT MAINTENANCE

Europorte is optimising its maintenance activities, bringing them as close as possible to its operating centres. The company is currently using nearly 10% of its slots to move its locomotives to Belfort or to the workshop of its subsidiary Europorte Proximité in Gray. The current redeployment requires partnerships with other rail freight operators such as Masteris, VFLI, Euro Cargo Rail and Colas Rail. Technicians from the locomotive manufacturers travel to local workshops leased by Europorte from its counterparts. Alstom has already organised facilities to provide maintenance for the Prima in Lyons, Marseilles and the East. Similarly, Vossloh Spain technicians will save two days by sending the machines to Gray. With the same aim to boost the efficiency of its operations and the quality of its services, Europorte is now offering its customers high quality maintenance for their rolling stock. Carrying out small repairs on site prevents the immobilisation and transport of their rolling stock to distant workshops. ○

*Taking account of the GB Railfreight revenues from January to May 2010, before its acquisition by Groupe Eurotunnel

INTERVIEW

JOHN SMITH, CHIEF EXECUTIVE OF GB RAILFREIGHT

“SERVICE QUALITY HAS BECOME OUR TRADEMARK”

GB Railfreight had a remarkable year in 2011. To what do you attribute this success?

John Smith: Service quality is the top priority for us. Even more, it has become our trademark: more and more people know the efforts we make to offer unrivalled service and so they look to GBRf. It's this constant focus that retains the loyalty of our customers and attracts new ones. We've also extended our activities to the connected terminals, which has given us a foothold in key markets. Our ability to innovate, particularly in green energy, is also one of our major assets. The growth of GB Railfreight is also reflected in orders for new wagons which will upgrade our rolling stock, and we're getting ready to add additional locomotives to launch unparalleled services from 2013 and beyond.

In 2011, GBRf won the National Rail Awards Freight and Logistics prize. What does this recognition mean for you and your teams?

J. S.: It's the most important award in the British rail industry. The “freight and logistics” prize we won is a tremendous tribute to GBRf's teams who handle our customer accounts and business development; they've worked enormously hard to grow our coal freight and intermodal activities. Coal freight means developing the customer relationship, mutual confidence and the reliability of our commitments. Our intermodal business depends on our ability to get trains from Network Rail and Terminals and to improve our yield, both by running more trains and placing more freight on each one. The secret in this industry is hard work and productive use of equipment. Add customer relations to that and you have GB Railfreight's business model.

With Europorte Channel, you have established a link between Spain and the United Kingdom to transport fruit and vegetables. Is this a sign of the future for long-haul freight in Europe?

J. S.: The fact that we've been signing contracts like the one for this train between Valencia and Barking for the Stobart Group is really new: it demonstrates that there is interest in long-haul rail freight. Europorte Channel faced stiff competition to win this contract and, once again, it was service quality that gave us the edge. What is slowing down the development of long-haul rail freight in Europe today is that there are still too many places where things can go wrong: we haven't been treated very well by some infrastructure operators. French networks don't have the same sense of urgency or service. Our trains are sometimes



delayed by several hours and that can lead to refusal of a load by the customer... For international rail freight to have a viable future, infrastructure operators must truly improve services.

Class 92 locomotives are now authorised to run between Folkestone and London on the High Speed 1 line.

Will that change the game for rail freight via the Channel Tunnel?

J. S.: Yes of course. The reduction in the travel time between the Tunnel and London is an immediate benefit for both cost and efficiency: what used to take up to four hours on the standard track can now be run in 70 minutes. The HS1 line also allows continental gauge trains, which means larger cargoes and increased profitability. Another important hurdle was overcome with the use of the international lines around Dollands Moor freight yard, which means that trains can now run from Frethun in France via the Tunnel right to London without changing locomotives or stopping. All these factors make it possible to transport freight by rail between London and the continent.



Maintenance yard: the F40 workshop where Passenger Shuttles are maintained

INGENUITY

The Group is constantly demonstrating its ingenuity. The four SAFE fire-fighting stations, a system of tunnel protection that is unique in the world, have been operational since the end of 2011. In the summer of 2012 a radiating cable will bring mobile telephone coverage to our customers 100 metres below the surface of the Channel. For Europorte, equipping all of the main line locomotives with GPS is a first in France.

INNOVATION FOR SAFETY, PROGRESS TOWARDS INTEROPERABILITY

INFRASTRUCTURE

SAFE STATIONS: PROTECT THE STRUCTURE, GUARANTEE AVAILABILITY

In the first major modification to the Tunnel infrastructure since it was built, four SAFE fire-fighting stations became operational on 13 November 2011, on time

and within budget. This system, which is unique in the world and for which a patent application has been filed, demonstrates Eurotunnel's enormous capacity for innovation, contributes to guarantee maximum system availability in any eventuality and, above all, enhances the long-term sustainability of the cross-Channel Fixed Link.

If there is a fire on a train, and after ruling out any human risk, two solutions are now possible: drive the train to a SAFE station where the fire can be extinguished, or drive it out of the Tunnel. The four stations are located in the middle of the two tunnels, just after the cross-overs, so that when a fire is detected, the driver has time to move the train to a SAFE station, or to exit the Tunnel, where special tracks have been laid for fire fighting close to the two portal entrances.

Each SAFE station, 870 metres long, can accommodate the longest trains. It is designed in 30-metre sections, each equipped with a heat detection system. Once the train has stopped, a water mist is immediately released in the section where the fire is detected. Full scale trials carried out in a test tunnel in Spain

demonstrated the effectiveness of the process: temperatures remained well below 1,000° C, the level at which tunnel concrete begins to deteriorate.

This major advance in preserving both the integrity of the infrastructure and the goods transported once again makes the Channel Tunnel a worldwide benchmark and pioneer in safety. Many other comparable infrastructures are studying the SAFE system to take inspiration from it. Another benefit: insurance costs have dropped significantly since this protection system came into operation.



MORE ON

how the SAFE project was managed. Watch the video to find out all about it.



STANDARDS

FOR THE INTEROPERABILITY OF EUROPEAN RAILWAY NETWORKS

The commissioning of the SAFE stations also brings the Tunnel regulations more in line with European Technical Specifications for Interoperability (TSI).

As trains in the Tunnel can now quickly reach a SAFE station or exit, it could now be possible to modify the current specifications which require 30-minute fire resistance (originally the time needed to reach the outside to be rescued). This is particularly applicable to locomotives hauling rail freight trains. They are currently required to be equipped with fire doors capable of containing a fire for 30 minutes. This requirement

could be reduced to 15 minutes, sufficient time to reach a SAFE station or to exit. In that case, any locomotive that meets TSI standards (15 minutes) could travel through the Tunnel, which would remove a limit on the expansion of rail freight traffic between the United Kingdom and France. At the present time only Class 92 locomotives, which are scarce and costly to maintain, are approved to haul freight trains through the Tunnel. The ability to reach one of the SAFE stations in less than 15 minutes could also make it possible to modify the fire-resistance specifications for some passenger trains.



PAGODAS

TOWARDS HARMONISATION OF ROLLING STOCK

After twenty years of operating the most intensive railway traffic in the world, feedback from experience and innovations implemented are progressively aligning operating conditions in the Channel Tunnel with the conditions on other European railway networks. Examples in 2011 include the approval in principle of distributed power passenger trains, or the authorisation of flatbed articulated Modalohr wagons, (the first truck carriers without superstructure approved for unaccompanied freight), for Tunnel use. On Eurotunnel Truck Shuttles, a specially designed club car allows drivers to travel not in, but with their trucks. To prevent contact with the catenary during the loading and unloading, of trucks, the Shuttle carrier wagons are currently equipped with superstructures. This heavy equipment, subject to heavy use and intense forces, requires frequent and costly maintenance. This is particularly true for the carrier wagons built by Arbel, which have a superstructure originally made up of four pagodas. Eurotunnel is developing a series of innovations to make it possible to run wagons without a superstructure on the cross Channel Fixed Link while continuing to guarantee the highest level of safety for those on board. The solutions it is implementing have already driven changes in regulations. Currently, only three wagons at the front and rear of the Arbel Truck Shuttles, i.e. 6 out of a total 32, are still equipped with four pagodas. The others have been approved by the Intergovernmental Commission (IGC) to have one single pagoda. The 292 wagon Arbel fleet is gradually being adapted: by the end of 2011, 145 wagons had no more than two pagodas and 40 had only one each, dramatically reducing the time and cost of maintaining this equipment while increasing availability for operating times.

RISK MANAGEMENT

DISCONNECTING THE CATENARY AT THE PLATFORM

In order to safely operate truck carriers without superstructures, Eurotunnel has also installed a mechanism to switch off power and earth the catenary system at the platform. In effect, it is only on the platform that a driver might come close to the catenary system, for example, if he wants to inspect the roof of his truck. Implementing such a mechanism, a world first, is in fact a technical challenge and also requires a rethink of railway scheduling. A prototype is currently being tested on a platform in Folkestone and, if it proves satisfactory, the system will be deployed on 12 loading platforms at Coquelles and Folkestone by summer 2012.

PIGGYBACK TRANSPORT

AN ALL-PURPOSE TRUCK-CARRIER



In the medium term, the growth in rail freight will depend on designing simple wagons approved for all networks which comply with the Technical Standards for Interoperability (TSI). They will be designed to support convergence of the various transport methods: the accompanied piggybacking of the Eurotunnel Truck Shuttles, unaccompanied piggybacking (Modalohr wagons) and combined transport (containers transported in succession on wagons and trucks). With this in mind, Eurotunnel has launched a study to design a future wagon able to carry both containers and truck trailers and travel through the Tunnel and in France.

INNOVATIONS TO ENHANCE FLEXIBILITY AND COMPETITIVENESS

LOADING

OPTIMISING TRUCK SHUTTLE LOADING

The load factor on Truck Shuttles in 2011 averaged 75% over the year, up from 67% the previous year.

After 15 November, the date that SeaFrance ferries stopped sailing, business returned to the reference level set in 2007. This performance, synonymous with cost reductions and profitability, was driven by a number of innovations: the first was increasing the capacity on each shuttle by nearly 7% without purchasing new equipment. The Group originally had 16 shuttles (6 built by Breda and 10 by Arbel), each with 30 wagons. One Arbel shuttle was destroyed in the 2008 fire. The remaining 9 were configured as 8 shuttles with 32 carrier wagons each. Two Breda shuttles were configured as 32 wagons, with the other 4 shuttles maintained at 30 wagons. The second adjustment was to improve loading time and chocking of trucks, thanks to the commitment of the ground staff, who achieved an outstanding performance. The third adjustment was to allow Eurotunnel to delay departures by one or two minutes, to load other trucks which otherwise would have had to wait for the next departure.



TOURISM

FIVE DEPARTURES PER HOUR IN EACH DIRECTION FOR *LE SHUTTLE*

The same focus on efficiency led, in 2011, to scheduling a 5th passenger Shuttle departure per hour in each direction. The transport system was designed as a clock-based system: on the loop between the two terminals, the cycle of a Passenger Shuttle unfolds precisely in 60 minutes, which includes 26 minutes for unloading and loading the train and 34 minutes for the transit. With eight trains available for operations while one is in maintenance, four departures an hour can be sold in each direction which is sufficient capacity to satisfy average demand. This is why Eurotunnel initially purchased a fleet of 9 shuttles, which it reduced to 8.5 in 2005, when half a shuttle was withdrawn and has remained unused since then.

How, under these conditions, can we offer a 5th departure? Very simply by relying on the asymmetry of traffic flows. For example, in late July UK passengers take *Le Shuttle* to France and many return at the same time in early September when their holidays end. All it takes in these peak periods is to return two empty shuttles out of four in the least busy direction to be able to offer a 5th shuttle every hour departing in the busier direction. Implemented in the summer of 2011, this system was successful in absorbing record summer traffic while maintaining excellent service quality.

TRUCK SHUTTLES

DEPARTURES EVERY 10 MINUTES

Optimised departure schedule also means fewer trains. In normal traffic periods, only 10 or 11 shuttles are used, rarely 12, which means that the other three or four trains can be sent for servicing. Better maintained rolling stock is more reliable, which is reflected in the quality of service. In turn, excellent train availability allows greater frequency at peak periods, minimising the risk of traffic disruptions in the event of a breakdown. Departures can be increased to 6 per hour alternately in each direction: 6 departures from France to the UK in the first hour, then 6 from the UK to France the next hour, for an average 5.5 departures an hour in each direction.

CAPACITY**NINTH PASSENGER SHUTTLE:
BACK ON TRACK BEFORE SUMMER**

It would not have been possible to adjust equipment availability to the growth in demand without the advances achieved by our maintenance teams.

In standard periods, one half shuttle is being serviced, and 8 are operational. In peak traffic periods in 2011, no heavy maintenance was scheduled and an additional half shuttle was released for operations. This allowed us to run 8.5 shuttles a day for the busiest 20 days in the summer of 2011, without any deterioration in service quality and at a virtually unchanged operating cost. Two programmes to optimise maintenance will be implemented in 2012 to allow 9 shuttles to operate instead of 8 for nine months of the year. Intensive preventive maintenance which is currently performed in triplets, will be performed on full trains beginning in 2012 so that no shuttle is non operational for more than one month at a time from 2013.

At the same time, the half shuttle currently kept on standby will now be fully released. This programme was implemented in 2011 with the renovation of a single deck triplet and a single-deck carrier wagon delivered in late February 2012. The complete train, which includes 4 single-deck triplets and 4 double-deck triplets, should be available for delivery within a year.

**PRODUCTIVITY****MAINTENANCE ALSO
ON THE PLATFORMS**

Certain maintenance work can also be carried out on the platform, saving the four hours needed to send the train to the maintenance yard, plus the waiting time if workshop space is unavailable.

To achieve this, two 30-metre long pits were dug at the two platforms at Coquelles that were in the best locations to allow any type of train to be moved easily without disrupting terminal traffic. Above these pits, the tracks were placed on pilings able to support the heaviest trains running at 60km/h, the speed limit permitted on these sections of the network. True first-level maintenance workshops where technicians can move around underneath the trains, the two pits also provide the advantage of freeing up maintenance space. They have been operational since December 2011.

In addition, a new multi-skills team for night maintenance required also to intervene on fire-doors has increased deck availability on Passenger Shuttles by 40%.

**MAINTENANCE****PRIORITY TO INCREASE
AVAILABILITY**

A number of innovative initiatives are in progress to increase shuttle availability. Various technical improvements and advances in analysing equipment weaknesses increased the interval for light maintenance for all rolling stock in 2011 from 30 to 44 days: locomotives, Truck Shuttles and *Le Shuttle*.

For the same reason, Passenger Shuttle air conditioning systems, the weak point in this service, were completely renovated as part of a programme scheduled for completion in March 2012. The renovation of shuttle cabling, a major project in itself, began in 2010 with the replacement of the electrical connections between the two locomotives. This continued in 2011 for safety train lines. The entire 50 to 60 km of cables that supply every wagon will have to be progressively serviced as part of the mid-life maintenance programme for Passenger Shuttles.

**MORE ON**

Eurotunnel innovations.
Worksite progress
in pictures.

ONGOING SERVICE IMPROVEMENT



EFFICIENCY

GSM-R DIGITAL RADIOCOMMUNICATIONS

The installation of a digital radiocommunication system is intended to increase safety and manage Channel Tunnel traffic even more efficiently. The contract signed in late 2009 with Alcatel Lucent provides for the installation of a GSM R system, the first phase of the European Rail Traffic Management System (ERTMS).

Applications include the track to train radio service, communications between the rail control centre and train driver, and the recording of communications.

As part of an enhanced cooperation with adjacent networks and to achieve cost savings, a contract was signed in 2011 with the French rail network operator Réseau Ferré de France (RFF) to share certain equipment and maintenance. This partnership facilitates the implementation of an open and interoperable European network, which will result in optimal use of available capacity in the Tunnel and will simplify operations.

Deutsche Bahn trains, for example, need to run on six different networks to reach Amsterdam and Cologne from London. The GSM R radiocommunication network should be operational in 2014.

WEB

THREE NEW WEBSITES

Richer and more easily accessible information, fast and intuitive navigation, dynamic content and a contemporary design: our upgraded websites went live in February 2011. Based on leading edge technology and user-friendly, they reap the benefits of our accumulated web experience to make web users' lives easier by leading them to the information they are looking for in just a few clicks.

The dedicated Le Shuttle site,

www.eurotunnel.com welcomes up to 50,000 visitors a day and records over 80% of Shuttle Passenger bookings. Since September, it can also be accessed from a smartphone or tablet, in a format optimised for mobile devices. On www.eurotunnelfreight.com, **Truck Shuttle** customers can access, using their account number, a highly secure space reserved for businesses. The space offers a full range of useful services to manage their cross-Channel traffic smoothly.

Finally, **institutional information** is available on www.eurotunnelgroup.com.

A total of 700 new pages have been created.

The new software tools implemented along with internal site hosting provide greater autonomy and better responsiveness for placing new content online.

FLUIDITY

A 21ST CENTURY TERMINAL

The Eurotunnel terminals were designed in the 1980s, based on the motorway model. Today, new information technologies (the use of smartphones and tablets or the future implementation of an ecotax using electronic toll systems) open up new possibilities that need to be taken into consideration, from reservation to loading. This is the goal of the Newton project, to smooth traffic flow, initially at the Coquelles terminal. In February 2012, the first amendment of the resources available to border control staff allowed them to process the rush of British tourists returning from their winter holidays without any delay.

RELIABILITY

WINTER WEATHER: READY FOR ANY EVENTUALITY

Eurotunnel is the only cross-Channel operator open 24 hours a day, 365 days a year. To guarantee service continuity regardless of the weather conditions, the Snow Plan mobilises a full range of human resources and equipment to ensure the smooth and safe flow of road traffic at the two terminals and rail traffic between Coquelles and Folkestone. The plan was reinforced in 2011 with the definition of a new operating strategy specifically for adverse weather conditions, while new snow removal equipment was acquired along with additional salt reserves. Two Krupp diesel locomotives were bought in 2010, jointly with Eurostar, to increase the number of machines

used to haul out any train that breaks down inside the Tunnel. This new equipment is now operational after being adapted to the specific traffic conditions of the cross-Channel Fixed Link. In addition, another 18 electric heaters were installed on track equipment on the terminals. These devices, which prevent points from seizing up due to snow or ice, switch on automatically if the temperature falls below 5°C. Lastly, the glass insulators that support the catenary system were replaced with synthetic insulators in the dampest parts of the tunnel where a small amount of dust could be enough to trigger a short-circuit prevention alarm.

TELEPHONY

SMARTPHONES AND TABLETS IN THE TUNNEL



The digital telecommunications network being installed will allow passengers on *Le Shuttle* and on passenger trains to use their mobile phones inside the Channel Tunnel. The GSM-P (2G-3G) network uses the same radiating cables as the GSM-R radiocommunications network which is being laid in early 2012 in both rail tunnels, at the same time as the installation of GSM-P repeaters. Two small buildings have been built at Sangatte and Folkestone to house mobile phone operator facilities. The equipment in the North Tunnel will be made available to British operators, and in the South Tunnel to their French counterparts. This means that, depending on the tunnel in which passengers are phoning, they will be considered by their mobile operators to be calling from the UK or France.

On 6 March 2012 at the French Ministry for the Economy, Finance and Industry, Eurotunnel together with the telecoms operators in France, Orange, SFR, Bouygues Telecoms, Free* and the equipment manufacturer Alcatel-Lucent signed an agreement to install this €14 million investment.

* Free will join the project in 2017

TRAFFIC

REAL-TIME CUSTOMER INFORMATION

For Eurotunnel, service quality also means delivering accurate and thorough information to customers. The "SMS Top 50" service for key Truck Shuttle customers reflects this objective of clarity and efficiency. Customers receive an SMS alert if the motorway-to-motorway trip, from the Eurotunnel terminal entrance to arrival at the motorway network on the other side, is likely to exceed the usual 90 minutes. Such a situation happens only rarely. More frequently, however, bottlenecks can form on the motorway in heavy snow or when ferry services are disrupted, for example, all of which are events that happen outside the Eurotunnel sites and over which the group has no control. In such situations, Eurotunnel can decide to refuse additional travel requests in order to preserve its standard service quality for all its customers, particularly the most loyal ones. In this type of event, the Truck Shuttles go into "capacity protection" mode. Rather than take advantage of a windfall to increase sales, customers are alerted by email that, given the special circumstances, the commercial service may be forced to implement temporary restrictions in order to maintain the 90 minute motorway-to-motorway service level. Customers appreciate this transparency.



ENERGY

EUROTUNNEL CONTRIBUTES TO THE INTERCONNECTION OF EUROPEAN POWER GRIDS

Illustrating the pan-European value of the cross-Channel Tunnel, which is a vital link between the British Isles and the continent, Eurotunnel is putting this infrastructure at the disposition of a major European priority: the interconnection of power grids in order to optimise power distribution and improve the security of supply.

To achieve this, the Group has partnered with the European investment company Star Capital Partners, to create a joint subsidiary, ElecLink, 51% owned by Star Capital and 49% by Groupe Eurotunnel.

The two partners intend to invest €250 million to install two cables in the service tunnel capable of transmitting 500 MW of electric power as direct current, and therefore completely safe. The two cables,

75 km long, will be connected to the RTE grid in France and the National Grid in the UK, via transformer stations where alternating current will be transformed into direct current for the section in the Tunnel. This infrastructure will allow electricity companies to optimise the steady increase in consumption in France and the UK and take advantage of price differentials between the two companies at different times of day. This project, which is currently undergoing approval by the electricity regulators, could be operational in 2015. The President of the French Republic and the British Prime Minister jointly expressed their support and encouragement for the development of ElecLink, at the bilateral summit on 17 February 2012 in Paris.

RESEARCH & DEVELOPMENT

MAJOR PLAYER IN RAILWAY INNOVATION

The European Institute for Technological Research in Rail Infrastructure has been selected by the French government as one of its six "Investing for the future programmes" under the name Railenium Foundation. Funded with €550 million in public investments, Railenium is working to design a more sustainable, economical, safer and smarter railway system. This initiative should lead to the creation of an infrastructure test centre near Valenciennes, to be operational in 2017.

The only private infrastructure operator, Eurotunnel Group, is a founding member of this project which brings together within a foundation for scientific cooperation 19 manufacturers and 8 universities and research laboratories in Nord Pas de Calais and Picardy as well as the i Trans competitiveness cluster.

The Group, which has demonstrated for 18 years that efficient infrastructure is the key to service quality, has been an active partner in i Trans since its inception. As head of the TTSA (Track Train System Availability) project, Eurotunnel is driving research on four processes or products to prolong the lifespan of rail and therefore the lifespan of railway tracks.

Eurotunnel also participates in another i Trans project dedicated to detecting cracks in the rail head at commercial operating speeds (Rail 3 T).

HIGH TECH

CYCLAMEN STRENGTHENS SECURITY IN COQUELLES

A system for detecting radioactive materials now being installed on the Coquelles terminal will be completed before the 2012 summer Olympics. The project is funded by the UK Border Agency, the UK authority responsible for customs control and policing, carried out exclusively at Coquelles. It includes 11 gates across the 8 Shuttle access lanes and the 3 lanes reserved for vehicles crossing the Channel on Truck Shuttles.

EUROPORTE

GPS LOCOMOTIVE TRACKING

Since September 2011, 50 Europorte locomotives have been equipped with GPS beacons that indicate their location in real time and transmit a range of parameters on the status of the locomotive. This system, which keeps customers informed and optimises maintenance operations, is another element in the policy of continuous service quality improvement that is central to Europorte's strategy.



Samphire Hoe, a Eurotunnel site developed as a nature reserve at the foot of the White Cliffs near Dover

RESPONSIBILITY

The company's social responsibility is one of the Group's strategic objectives. This is a field in which we have a long tradition: a transport system, particularly protective of the environment, economic development activity... This commitment is further reinforced: Samphire Hoe nature reserve, ongoing establishment of ZAC 1, creation of ClFFCO...

**DNA**

Since day one, the Eurotunnel project has combined **regional development with respect for the environment**.

**PROJECT**

Social responsibility is now a **strategic objective** for the company.

**TRANSPARENCY**

Eurotunnel Group now publishes a **CSR report**, the first of which will be available in May 2012.

THE GROUP REAFFIRMS ITS COMMITMENT TO SUSTAINABLE DEVELOPMENT

Even before the emergence of an awareness of social and environmental responsibility, the concept of the cross-Channel Fixed Link combined economic logic, the need for regional development and the desire to be environmentally responsible:

- The transport system minimises negative environmental impacts. The tunnel bored through chalk marl, 50 metres below the Channel bed, avoids all interaction with the marine ecosystem. The decision to make it a rail tunnel and powered by electricity are major factors in reducing the carbon footprint of its operations.

- The Tunnel contributes significantly and measurably to social and economic development. The cross-Channel Fixed Link facilitates and accelerates trade and social exchange. Since services were launched in 1994, 284 million passengers and 257 million tonnes of freight have travelled through the Channel Tunnel, making it a vital link between the United Kingdom and the Continent. Its contribution to the regions it connects has resulted in 8,500 direct or indirect jobs created in Kent and the Nord-Pas-de-Calais along with major infrastructure (motorways, high speed trains, etc.). In the context of the development mission which the French authorities have assigned to it, the Group has gradually transformed its land reserves at Coquelles into an organised development zone which now boasts the 10th-largest shopping centre in France, a recreation complex, several hotels, a services hub and a clinic.

A PROACTIVE STRATEGY

Since 2005, the starting point for the operational reorganisation and the financial restructuring, Eurotunnel has been implementing major social responsibility initiatives. Since 2009 it has been building a Group the operations of which extend

to infrastructure management and rail freight transport. Through these dynamic choices and its proactive rail strategy, Eurotunnel is contributing fully to sustainable development. In December 2011, the Group decided to restructure and enhance its Corporate Social Responsibility (CSR) policy as a way of reaffirming its consistency, improving the efficiency of each of its entities, and ensuring their long-term sustainability.

The Board of Directors set up a new “Strategy and Sustainable Development” committee. Tasked with validating the strategy proposed by the operational management in terms of sustainable development, it has ratified the new medium-term objectives of the Group’s CSR policy:

- Preparation of a CSR status report in the first quarter of 2012 by an ad hoc working group;
- Identification of CSR challenges by an outside consultant;
- Implementation of a reporting system specific to CSR in all entities;
- Formalisation, validation, structuring and distribution of the CSR policy throughout the Group;
- Deployment of the process at all levels of the Group.

These initiatives are in line with the Group’s long-standing approach, which in addition to meeting regulatory obligations also reflects a desire to deliver to all stakeholders information that is as complete, objective and as transparent as possible. ○



SOCIAL RESPONSIBILITY

FOCUS ON EACH INDIVIDUAL EMPLOYEE

The Group is endeavouring to develop a working environment that encourages personal development in order to attract and retain the best people. Its human resources policies are designed to recognise the contribution of every person, based on qualifications, level of responsibility and individual performance.

SHAPING OUR FUTURE

An innovative approach to motivating the teams was launched in 2011 for the 800 British employees of the cross-Channel Fixed Link which includes coaching for managers and informal meetings between general management and teams.

CONTROL OF SAFETY

Safety in the workplace, the top priority of Eurotunnel, is the subject of regular team meetings. During Safety Day, created in 2011, these special meetings were held simultaneously in all Eurotunnel teams. For its part, Europorte launched its first "Safety Week" to promote discussion and enhance safety for its employees and customers.



ENVIRONMENTAL RESPONSIBILITY

"LOW CARBON" TRANSPORT SHARED WITH CUSTOMERS

Committed to "low carbon" transport, the Group is developing a comprehensive rail freight solution and related logistics services throughout France and the United Kingdom. The Group is resolutely committed as a leader in environmentally responsible transport and uses its expertise and leadership to assist its subsidiaries and customers in reducing the carbon footprints of their activities.

REDUCING THE CARBON IMPACT

The first since 2007 and still the only cross-Channel operator to carry out a carbon footprint assessment, Eurotunnel reduced its greenhouse gas emissions by 44% between 2006 and 2008 and by a further 20% in 2010, which earned renewal of the certificate awarded by the Carbon Trust Standard in early 2011. The Group is now committed to dynamic management of its greenhouse gas emissions and has set a permanent target of a further 3% reduction in CO₂ emissions every year.

ENERGY SAVINGS PLAN

In the crucial field of energy, which depends on both an environmental commitment and control of operating costs, Eurotunnel has completed ambitious projects such as the

power supply from France, the wind farm at Coquelles, and work trains with hybrid engines. A new energy savings plan was launched in 2011, designed to enhance energy efficiency and reduce consumption.

- The decision taken in 2011 to lengthen Truck Shuttles from 30 to 32 wagons adds nearly 7% in additional capacity with practically no extra energy consumption.

- In 2012, the installation of watt-meters in Shuttle locomotives will help drivers optimise their energy consumption, saving at least 1% in traction energy.

- Optimising air flow in the rail tunnels should reduce air resistance for trains, and is expected to reduce the required traction energy by 1%.

DRIVING ROLE IN DEVELOPING EUROPEAN STANDARDS

Eurotunnel participates in the work of the European Standardisation Committee as part of a working group tasked with drafting the standard to define the methodology for calculating greenhouse gas emissions from transport services.

MORE ON

the new website for
Samphire Hoe nature reserve at
www.samphirehoe.com



17 September 2011: 800 people took the opportunity to visit the Channel Tunnel site facilities in Coquelles during the 2011 European Heritage Days

SOCIETAL RESPONSIBILITY**IN STEP WITH ALL STAKEHOLDERS**

True to its Sustainable Development commitment, Eurotunnel Group also takes social, environmental and economic concerns into consideration in its interactions with its various stakeholders, particularly customers, suppliers, regional authorities, government agencies, associations and communities.

RESEARCH AND TRAINING

- Eurotunnel applies its expertise to research and training and played a role in creation of the Railenium Foundation, the European Institute for Technological Research in Rail Infrastructure, based near Valenciennes (also see page 28).
- In February 2012, the Group officially opened the International railway training centre in Coquelles (CIFFCO), manifesting its desire to contribute to the creation of qualified staff, to play a driving role in developing the rail industry, a clean mode of transport, and to continue supporting the economic development of the Calais region. For its first year, 6,500 hours of training in train driving, operating safety and maintenance were given to 223 trainees from all across France.

SUPPORTING HAULAGE CUSTOMERS

Effective July 2013, operators of freight and, passenger services will be required to give their customers information, on the back of train tickets for example, on the carbon impact of the service being supplied. Eurotunnel is helping them in this by making all relevant information available now. Already since 2010, a carbon counter has been made available to Eurotunnel's Truck Shuttle customers which allows them to access relevant, reliable and transparent informations.

PARTICIPATING IN CREATING SUBSIDISED JOBS

Eurotunnel supports the programmes of *Calais Promotion*, an economic development agency for the employment pool in Calais. In 2011, its €279,000 contribution helped create 135 jobs.

RELATIONS WITH ENVIRONMENTAL PROTECTION ASSOCIATIONS

The Samphire Hoe nature reserve, created with 5 million cubic metres of chalk extracted during construction welcomed more than 100,000 visitors in 2011. Eurotunnel is working with various UK associations to create an educational shelter at this site to host school visits as part of their educational activities.

EUROPEAN HERITAGE DAYS

For the first time in its history, Eurotunnel opened up the cross-Channel Fixed Link to the general public during European Heritage Days. Sponsored by the French Ministry of Culture, with the support of the *préfecture* of Pas-de-Calais, this event welcomed 800 visitors to the Coquelles site.



FINANCIAL INFORMATION

In 2011, the Group's revenues grew to €845 million. Rigorous financial management has led to profitability, with a 46.6% ratio. The net result is positive, with a profit of €11 million. Finally, the €132 million Free Cash Flow gives us a considerable margin for manoeuvre.

FINANCIAL ANALYSIS OF GROUPE EUROTUNNEL SA'S CONSOLIDATED RESULTS FOR 2011

Groupe Eurotunnel SA's consolidated revenue for the 2011 financial year was €845 million, an increase of €115 million (16%) compared to 2010 or an increase of €87 million, (11%) on a like-for-like basis***.

The increase in the Group's total turnover results from the growth in activity of both the Fixed Link and Europorte and from the accounting of €9 million of other income in respect of indemnities against operating losses resulting from the fire in 2008.

The operating margin and the trading profit increased by €70 million to €403 million and €247 million respectively. The operating profit amounted to €272 million, an improvement of €85 million of which a total of €29 million related to insurance indemnities for the fire in 2008.

However, the gross cost of servicing debt increased by €15 million mainly as a result of the effect of the increase in inflation rates on the revaluation of the nominal value of the index-linked tranche of the debt, although the interest paid remained relatively stable at €211 million.

Groupe Eurotunnel SA's consolidated net result in 2011 was a profit of €11 million compared to a loss of €58 million in 2010.

REVENUES

At €687 million, revenues for the Fixed Link for the 2011 financial year grew by €54 million (9%) compared to 2010.

At €158 million, the Europorte segment's revenues increased by €33 million, (26%) on a like-for-like basis.

Fixed Link activity

● Shuttle services

Compared to 2010, Shuttle Services revenues increased by 10% in 2011, to €399 million.

The Short Straits cross-Channel **truck** market continued to grow in 2011: +5% compared to 2010. Nevertheless, it remains about 12% below 2007, prior to the economic crisis. The number of trucks transported by the Shuttles in 2011 increased by 16% compared to 2010 and the Truck Shuttle's market share improved by 3.6 points to reach more than 38% and stabilise at a level similar to that of before the fire in 2008. The Short Straits cross-Channel **car** market contracted slightly (-0.4%) in 2011 compared to 2010 when it was boosted by the consequences of the eruption of the Icelandic volcano on air transport. Despite this decline in the market, Le Shuttle's traffic continued to grow: the number of cars transported in 2011 increased by 6% and its market share improved by about 3 points to more than 46%.

● Railway network

The Eurotunnel Group earned revenues of €278 million from the use of its Tunnel railway network by Eurostar passenger trains and the freight train services of the rail companies in 2011, an increase of 7% compared to 2010.

In 2011, the number of Eurostar passengers using the Tunnel reached 9.68 million, an increase of 1.6% compared to 2010. After a year of repeated disruptions to rail freight traffic and the ending of wagonload services in 2010, the creation of new rail freight services using the Tunnel in 2011 has resulted in a growth in traffic compared to 2010 of 14% in terms of the number of trains. This growth includes both the creation of new intermodal services and the short term transportation of steel during the second and third quarters.

Europorte activity

At €158 million in 2011, the increase in revenues for Europorte which comprise the railway subsidiaries of the Group, is driven by the start-up of new contracts and increased activity in

existing contracts, mainly for GB Railfreight and Europorte France.

OPERATING MARGIN (EBITDA)

The operating margin of €403 million is up 21% compared to 2010, of which €9 million was due to insurance indemnities relating to the fire in September 2008 received and accounted for in 2011.

External operating expenses

At €267 million in 2011, external operating expenses increased by €16 million (7%) on a like-for-like basis mainly due to:

- a €24 million increase in Europorte's costs associated with the growth in their activity and the investment in training of train drivers prior to the start of new contracts in 2012 and beyond,
- an €8 million decrease in Fixed Link's costs mainly due to the reduction in insurance premiums and local French taxes partially offset by a small increase in the cost of electricity and maintenance.

Employee benefits expense

Employee benefits expenses in 2011 totalling €184 million increased by €11 million on a like-for-like basis of which €2 million was in respect of the Fixed Link and €9 million in respect of Europorte and its subsidiaries, reflecting the increased staff numbers resulting from their growth in activity.

OPERATING PROFIT (EBIT)

The depreciation charge for 2011 remained stable in total compared to 2010, the increase resulting from the investment in rolling stock by Europorte's subsidiaries being offset by a small decrease in the depreciation of other assets.

The €25 million of other net operating income mainly consisted of €20 million of insurance indemnities received in respect of final compensation for rolling stock considered irreparable following the fire in 2008 and which was written off during the 2008 and 2009 financial years.

The operating result in 2011 was a profit of €272 million compared to €187 million in 2010.

NET COST OF FINANCING AND DEBT SERVICE

Income from cash and cash equivalents decreased by €3 million in 2011, 2010 having benefitted from the receipt of penalty interest in respect of a VAT reimbursement which has been partially offset by €0.8 million of interest received on the floating rate notes purchased in the second half of 2011.

At €268 million in 2011, the gross cost of servicing debt increased by €15 million compared to 2010 at a constant exchange rate as a result of the unusual and historically high level of inflation rates

MORE INFORMATION

● The figures relating to 2010 take into account the activity of GB Railfreight Limited (GBRf) from the date of its acquisition on 28 May 2010. However, in order to allow a better comparison between 2010 and 2011 in this analysis, the expression "like-for-like" means that the comparative figures have been adjusted to include GBRf's revenues (€28 million) and operating expenses (€27 million) for the period January to May 2010.

● The Group's consolidated accounts are prepared in accordance with IFRS (International Financial Reporting Standards). They were finalised by the Board of Directors of Groupe Eurotunnel SA on 29 February 2012 and have been certified by the statutory Auditors.

● For a full understanding of this analysis, the reader should refer to chapters 9, 10 and paragraph 20.3.1 of the 2011 Registration Document, available at www.eurotunnelgroup.com or via the flashcode below.

in the UK (5.4% for 2011 compared to an average of just under 3% between 2007 and 2010 due in particular to the effect of the increase in VAT) and the resulting effect on the nominal amount of the index-linked tranche of the debt.

This increase in interest charges has no effect in 2011 on the cash flows relating to interest and related hedging payments on the term loan which

remain relatively stable at €211 million as the effect of the indexation on the nominal gives rise to cash payments only upon repayment of the debt.

NET RESULT

The net consolidated result for Groupe Eurotunnel SA in 2011 was a profit of €11 million compared to a loss of €58 million in 2010.

CASH FLOW

The Free Cash Flow generated in 2011 was €132 million***. As at 31 December 2011, the Eurotunnel Group held cash balances of €276 million compared to €316 million at 31 December 2010, after the acquisition of the floating rate notes for €128 million, the purchase of treasury shares for €40 million and €98 million of capital expenditure.

COMPARISON OF INCOME STATEMENT

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2011

IN € MILLION	2011	2010* restated	% change 2011/2010	2010 published
Exchange rate €/£	1.148	1.148		1.169
Shuttle Services	399	362	+10%	366
Railway network	278	261	+7%	263
Other revenue	10	10	=	10
Sub-total Fixed Link	687	633	+9%	639
Europorte	158	97	+63%	98
Revenue	845	730	+16%	737
Other income (insurance indemnities for operating losses)	9	0		0
Total turnover	854	730	+17%	737
External operating expenses	-267	-232	15%	-235
Employee benefits expense	-184	-165	12%	-166
Operating margin (EBITDA)	403	333	21%	336
Depreciation	-156	-156	=	-156
Trading profit	247	177	40%	180
Other net operating income	25	10		10
Operating profit (EBIT)	272	187		190
Income from cash and cash equivalents	4	7		7
Gross cost of servicing debt	-268	-253	6%	-255
Net cost of financing and debt service	-264	-246	7%	-248
Other net financial income and income tax expense	3	1		1
Groupe Eurotunnel: Net result: profit/(loss)	11	58		57

* "Like-for like" means that the comparative figures have been adjusted to include GB Railfreight's revenues (€28 million) and operating expenses (€27 million) for the period January to May 2010.

** To allow better comparison between 2010 and 2011, the 2010 income statement figures have been recalculated at the 2011 exchange rate of £1 = €1.148.

*** The Group defines its Free Cash Flow as net cash flow from operating activities less net cash flow from investing activities (excluding the acquisition of shareholdings in subsidiary undertakings) and net cash flow from financing activities relating to the service of the debt (term loan and hedging instruments) plus interest received (on cash and cash equivalents).

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