



[www.getlinkgroup.com](http://www.getlinkgroup.com)

**EUROTUNNEL HOLDING SAS  
CONSOLIDATED ACCOUNTING  
STATEMENTS  
FOR THE SIX MONTHS ENDED  
30 JUNE 2019**

# Contents

<b>INTRODUCTION</b>	<b>1</b>
<b>SUMMARY CONSOLIDATED ACCOUNTING STATEMENTS</b>	<b>2</b>
INCOME STATEMENT	2
STATEMENT OF FINANCIAL POSITION	3
CASH FLOW STATEMENT	4
NOTES TO THE ACCOUNTING STATEMENTS	5

# **EUROTUNNEL HOLDING SAS: CONSOLIDATED ACCOUNTING STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019**

## **INTRODUCTION**

This document has been prepared in order to meet the requirements under clause 23 of the Permanent Facility Agreement dated 20 March 2007 as amended on 13 April 2018. These accounting statements consolidate the accounts of Getlink SE's sub-group (the "Eurotunnel Group") which consists of Eurotunnel Holding SAS and its subsidiaries, including most notably The Channel Tunnel Group Limited (CTG) and France Manche SA, concessionaires of the Fixed Link and holders of the Term Loan.

These accounting statements cover the same scope of consolidation as the "Eurotunnel" segment in the Getlink Group's consolidated reporting and have been prepared on the same basis as the Getlink Group's consolidated financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 30 June 2019.

The Eurotunnel Group was created following the Getlink Group's internal corporate reorganisation in April 2018. For the purposes of the first-time preparation of these consolidated half-year accounting statements and to ensure a meaningful and comparable set of accounts, the income statement for the six months to 30 June 2018 has been prepared as if this new organisation had been in place since 1 January 2018.

## SUMMARY CONSOLIDATED ACCOUNTING STATEMENTS

### Income statement

€'000	30 June 2019	30 June 2018
Exchange rate €/£	1.145	1.136
Revenue	456,554	449,414
Operating expenses *	(107,295)	(108,787)
Employee benefits expense	(93,556)	(86,378)
<b>Operating margin (EBITDA)</b>	<b>255,703</b>	<b>254,249</b>
Depreciation	(75,333)	(74,930)
<b>Trading profit</b>	<b>180,370</b>	<b>179,319</b>
Other operating income	9	2,416
Other operating expenses	(3,179)	(3,241)
<b>Operating profit</b>	<b>177,200</b>	<b>178,494</b>
Finance income	4,865	5,605
Finance costs	(139,648)	(148,487)
Net finance costs	(134,783)	(142,882)
Other financial income	2,316	982
Other financial charges	(1,783)	(1,915)
<b>Pre-tax profit</b>	<b>42,950</b>	<b>34,679</b>
Income tax expense	(1,958)	18
<b>Net profit for the period</b>	<b>40,992</b>	<b>34,697</b>

\* Operating expenses include €5,040,000 in 2019 (2018: €1,471,000) invoiced by Eurotunnel to ElecLink relating to the interconnector construction project which was eliminated on consolidation in the Getlink Group accounts.

**EUROTUNNEL HOLDING SAS: CONSOLIDATED ACCOUNTING STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

## Statement of financial position

€'000	30 June 2019	31 December 2018
Exchange rate €/£	1.115	1.118
<b>ASSETS</b>		
Intangible assets	1,833	2,055
Concession property, plant and equipment	5,890,977	5,928,076
Other property, plant and equipment	3	4
<b>Total property, plant and equipment (tangible and intangible)</b>	<b>5,892,813</b>	<b>5,930,135</b>
Deferred tax asset	480,001	485,223
Other financial assets: external	257	257
Other financial assets: intragroup	314,420	314,687
<b>Total non-current assets</b>	<b>6,687,491</b>	<b>6,730,302</b>
Trade receivables: external	79,181	76,211
Trade receivables: intragroup	4,409	24,134
Other receivables: external	42,469	38,026
Other receivables: intragroup	764,114	762,590
Cash and cash equivalents	242,641	205,533
<b>Total current assets</b>	<b>1,132,814</b>	<b>1,106,494</b>
<b>Total assets</b>	<b>7,820,305</b>	<b>7,836,796</b>
<b>EQUITY AND LIABILITIES</b>		
Issued share capital	508,620	508,621
Share premium account	894,709	894,718
Other reserves	(1,130,936)	(958,108)
Profit for the period	40,992	125,784
Cumulative translation reserve	308,554	312,740
<b>Total equity</b>	<b>621,939</b>	<b>883,755</b>
Retirement benefit obligations	105,662	84,811
Financial liabilities: external	4,206,117	4,217,049
Financial liabilities: intragroup	1,576,501	1,597,122
Other financial liabilities	34,198	37,322
Interest rate derivatives	992,753	748,398
<b>Total non-current liabilities</b>	<b>6,915,231</b>	<b>6,684,702</b>
Provisions	1,764	2,527
Financial liabilities	56,238	54,565
Other financial liabilities: external	7,192	7,605
Other financial liabilities: intragroup	7,595	9,564
Trade payables: external	140,998	136,374
Trade payables: intragroup	1,877	21,579
Other payables: external	67,599	36,123
Other payables: intragroup	(128)	2
<b>Total current liabilities</b>	<b>283,135</b>	<b>268,339</b>
<b>Total equity and liabilities</b>	<b>7,820,305</b>	<b>7,836,796</b>

Intragroup comprises fellow Getlink Group entities not part of the Eurotunnel Group.

**EUROTUNNEL HOLDING SAS: CONSOLIDATED ACCOUNTING STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

**Cash flow statement**

<i>€'000</i>	<b>30 June 2019</b>
Exchange rate €/£	1.115
Operating margin (EBITDA)	255,703
Exchange adjustment *	(3,663)
Increase in working capital	24,298
Net cash inflow from trading	276,338
Other operating cash flows received	9,407
Net cash outflow from taxation	(7,915)
<b>Net cash inflow from operating activities</b>	<b>277,830</b>
Payments to acquire property, plant and equipment	(39,063)
Sale of property, plant and equipment	370
<b>Net cash outflow from investing activities</b>	<b>(38,693)</b>
Dividend paid to Getlink SE	(66,121)
Fees paid on loans	(3,040)
SPV Noteholder ongoing fee	(454)
Interest paid on external loans (CLEF)	(82,192)
Interest paid on loans (Vendor Loan ETH/GET)	(7,234)
Interest received on loans (Funding Loan CTG/GET)	1,632
Interest paid and repayments on rental contracts	(579)
Scheduled repayment of loans	(24,188)
Movement in intercompany loans with GET	(20,000)
Interest received on cash and cash equivalents	1,048
<b>Net cash outflow from financing activities</b>	<b>(201,128)</b>
<b>Increase in cash in period</b>	<b>38,009</b>

## **Notes to the accounting statements**

Eurotunnel Holding SAS (ETH) is a private simplified joint stock company (*Société par Actions Simplifiée*, SAS) registered in France on 21 December 2016 which has been a wholly-owned subsidiary of Getlink SE since April 2018. ETH is the holding company of France Manche SA (FM) and The Channel Tunnel Group Ltd (CTG) (the concessionaires of the Channel Tunnel under the Concession Agreement dated 14 March 1986) and other subsidiaries as set out in note B to the ETH consolidated accounting statements at 31 December 2018. ETH's accounts are fully consolidated in the consolidated accounts of Getlink SE. References to the "Eurotunnel Group" in this document relates to the Eurotunnel Holding SAS and all its subsidiaries. References to the "Getlink Group" in this document relates to the Getlink SE and all its subsidiaries.

The main activities of the Eurotunnel Group are the design, financing, construction and operation of the Fixed Link's infrastructure and transport system in accordance with the terms of the Concession which will expire in 2086. ETH has as its object the holding and the management of all participations and all interests in all companies and groups of French and foreign law, and more generally, all operations of any nature, legal, economic and financial, civil or commercial, related to the object indicated above.

### **A. Principles of preparation, main accounting policies and methods**

These consolidated accounts consist of the consolidation of the accounts of Eurotunnel Holding SAS and its subsidiaries and have been prepared for the six month period to 30 June 2019. The summary half-year consolidated accounting statements have been prepared in accordance with IFRS as adopted by the European Union and applicable on that date. They have been prepared in accordance with IAS 34 and therefore do not contain all the information required for complete annual financial statements and must be read in conjunction with the Eurotunnel Group's consolidated accounting statements for the year ended 31 December 2018.

#### **A.1 General principles**

The consolidated accounting statements (the income statement, the statement of financial position and the cash flow statement) have been prepared in accordance with the valuation and accounting principles described in the accompanying explanatory notes and the notes to the consolidated financial statements of Getlink SE for the year ending 31 December 2018<sup>1</sup>.

These consolidated accounting statements are prepared in the specific context of the Amended Permanent Facility Agreement. They do not constitute a complete set of financial statements prepared in accordance with the IFRS accounting principles.

The Eurotunnel Group was created following the Getlink Group's internal corporate reorganisation in April 2018. For the purposes of the preparation of the first-time consolidated accounts and to ensure a meaningful and comparable set of accounts, the income statements and the cash flow statement for the six month period to 30 June 2018<sup>2</sup> have been prepared as if this new organisation had been in place since 1 January 2018.

---

<sup>1</sup> Except for some accounting treatments elected in the specific case of the first time preparation of ETH consolidated accounts and the corporate reorganisation (common control transaction) and the specific context of the Amended Permanent Facility Agreement.

<sup>2</sup> For the net cash in/outflows outside Getlink Group.

# EUROTUNNEL HOLDING SAS: CONSOLIDATED ACCOUNTING STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

## A.2 Basis of preparation

The summary half-year consolidated financial statements have been prepared using the principles of currency conversion as defined in the annual accounting statements as at 31 December 2018.

The average and closing exchange rates used in the preparation of the 2019 and 2018 half-year accounts and the 2018 annual accounts are as follows:

€/£	2019	30 June 2018	31 December 2018
Closing rate	1.115	1.129	1.118
Average rate	1.145	1.136	1.128

As at 31 December 2018, the Eurotunnel Group opted for the early application of the new accounting standard IFRS 16. The application of other texts mandatory for financial years beginning on 1 January 2019 has not had a significant impact on the Eurotunnel Group's consolidated accounts.

### Use of estimates and judgements

The preparation of the consolidated financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the period. The valuations and estimates are periodically reviewed based on experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value. Accordingly, the estimates underlying the preparation of these accounting statements as at 30 June 2019 have been established in the context of the uncertainties concerning the final terms and conditions for the implementation of Brexit. Depending on the evolution of these assumptions, actual results may differ from current estimates.

The use of estimations concerns mainly the valuation of intangible and tangible property, plant and equipment, the evaluation of the Group's deferred tax situation, the valuation of the Group's retirement liabilities and certain elements of the valuation of financial assets and liabilities as well as the application of IFRS 16 "Leases" which requires the use of estimates, in particular for the definition of the lease, the estimation of the remaining term of each lease and the determination of the discount rate.

#### *Brexit: the United Kingdom's exit from the European Union*

Following the UK's decision to leave the European Union on 23 June 2016 and the triggering of article 50 by the British government at the end of March 2017, the official exit date of the United Kingdom from the European Union which was initially set for 29 March 2019 has been postponed to 31 October 2019. Despite this postponement, the political and economic context in the United Kingdom still makes the situation uncertain and the risk of a Brexit without an agreement remains real.

The Group has seen the first impacts of this situation on its activity in the first half of 2019 with the Truck market being affected first by stockpiling and then by destocking in the UK as well as a certain hesitation to travel on the part of its Passenger customers. This situation has been aggravated by the actions by the French customs officers between March and May 2019. During the period, the Group completed most of its action and investment plan, launched in mid-2018, which is designed to maintain the free flow of its traffic post-Brexit, whatever the political or regulatory situation may be. The postponement of the official exit date has no impact on this plan, which remains in force.

## A.3 Seasonal variations

The revenue and the trading result generated in each reporting period are subject to seasonal variations over the year, in particular for the Passenger Shuttle's car activity during the peak summer season. Therefore the results for the first half of the year cannot be extrapolated to the full year.