

Eurotunnel on Track

April 2013



Letter to Groupe Eurotunnel SA
shareholders



Dear shareholder,

Despite a continuing difficult economic environment, your Group's **performance for the first quarter of this year is good**, with revenue up 8%, to €238M.

Rail freight shows the most improvement: +9%, to €55M. The **maritime business** is keeping to its business plan and reaches €11M in revenue – Dover Harbour was pleased by this new business. It is all the more encouraging when this was the not the continuation of the existing SeaFrance business but a new business, starting from scratch.

A detailed analysis of the cross-Channel **Fixed Link** traffic shows clearly that the Shuttle and ferry markets are more and more independent from each other.

For **passenger vehicles**, despite a fairly lifeless market, the Tunnel has attracted many more customers than last year and this is without accounting for the excellent traffic linked to the return from the Easter holidays which falls in the second quarter.

For **trucks**, unsurprisingly, traffic is down on the first quarter of 2012, although this is not a cause for concern as there are clearly identifiable factors: the abundance of snow falls in Kent and Pas-de-Calais at the start of this year which blocked access to the Tunnel for a few days (although the Shuttles were unaffected), and the impact of the Olympic Games in 2012 which we estimate was 10,000 trucks for that quarter. To be more precise, it would be necessary to account for the up and down variations of SeaFrance and MyFerryLink.

We forge ahead, including with regards to the gradual increase in prices which still do not reflect the value of the investment and of the technical know-how involved in **crossing the Channel in only 35 minutes**.

The ferries' aggressive commercial attitude remains strong and one of the operators – DFDS-Seaways – has found the answer to strengthen its commercial position (23% of the Short Straits market): it practically "instructed" the **UK Competition Commission** to force MyFerryLink to cease trading before the summer. No doubt in the name of protecting the consumer.

The decision of the commission is expected by 9 June.

Next on the agenda is the **general meeting to be held in Coquelles on 15 May**; an important event for the 300,000 shareholders of the big family that is Eurotunnel.

You will find overleaf some information on the **structure of the shareholder base**, which remains stable and, positively: the average holding has increased, to more than 3,400 shares.

Our largest shareholders show very strong loyalty too: GSIP, the infrastructure fund managed by Goldman Sachs, Norge Bank, M&G (Prudential), sovereign funds, the biggest names in insurance and pension funds, etc.

With this **very stable shareholder base** – the envy of many other companies – comes relatively low liquidity; this enables some hedge funds to short our stock even though the analysts' consensus is at a much higher level than our current share price.

As you know, our communication policy is to give detailed, honest and transparent information. Our 2012 results are excellent. Our **dividend policy** is clear: progressively increase distribution to two-third of our free cash flows. Already, as part of the resolution proposed to the general meeting, you will be asked to vote on a 50% increase in the dividend.

On this basis, the aggregate amount of all dividends since we started making distributions will be €156m. We must not forget the effect of reducing the number of shares in issue by 63m, at current prices this represents around €400m.

Our **market capitalisation** on 31 March 2013 was €3.4bn.

We are also mindful of our **corporate social responsibility** (CSR): we signed up to the United Nations' Global Compact and we were one of the first private company in the world to sign up to the Global Union for Sustainability, a non-governmental organisation set up following the Rio+20 summit. These are clear commitments to ethics, progress and environmental protection.

That is Eurotunnel today. But we want to do better.

We have a clear **long-term strategy** focused on **creating value and a return on investment** and based on our fundamental strengths: infrastructure management, rail know-how, customer focus and quality of service. This enables us to progress where others stagnate or regress. Our business portfolio is complementary and does not currently require any further acquisition.

Our **investment policy** for the months ahead will be focused on the Channel Tunnel. Next year will see the 20th anniversary of its opening, 20 years of incredible success.

With ever-increasing traffic and the arrival of Deutsche Bahn's high speed trains, we must renovate our terminals and adopt the most efficient technologies (GSM-R rail signalling and GSM-P, its public telephony add-on). To efficiently manage millions of extra passengers with our available capacity, **we must equip ourselves by 2015 with the infrastructure for the next 20 years**.

Our continued progress ahead is compelling, we are working on your future. The Board of directors and I ask you for your full support in your vote on 15 May

Yours faithfully,

A handwritten signature in black ink, appearing to be "J. Gounon". The signature is fluid and stylized, with a long horizontal stroke at the end.

Jacques Gounon,
Chairman and Chief Executive Officer



Focus on the results for the first quarter of 2013

Total revenue for the Eurotunnel Group for the first quarter of 2013 is €238 million, an increase of 8% compared to the first quarter of 2012.

Channel Tunnel Fixed Link Concession: revenues of €171.7 million.

Shuttles:

- Increase in car traffic (+4%).
- Increase in coach traffic (+20%).
- Expected decrease in truck traffic (-9%) – volumes remain 11% up from the first quarter of 2011.

Eurostar:

- 2,2 millions de passagers.

Europorte: revenue of €55.4 million (+9%).

MyFerryLink: quarterly revenue of €11.2 million.

For more information, please read the announcement published on 24 April 2013 available on our website www.eurotunnelgroup.com.

*All comparisons with 2012 are done using the exchange rate of the first quarter of 2013 £1 = €1.183.

Chiffre d'affaires

En M€



General Meeting

Wednesday 15 May 2013 at 10 a.m (local time) in Coquelles

If you are a **registered shareholder**, you will receive the notice of meeting and personalised voting form at your home address without having to request them.

If you are a **CDI holder** and have signed up for **electronic communications**, you will receive a notice of availability giving you **all the information** you require to take part. If you have opted to receive **hard copy documents**, you will receive the notice of meeting and personalised voting form at your home address without having to request them.

If you hold your **shares in bearer form**, please note that banks have a legal obligation to make available to shareholders who so request, all documents relating to the general meeting (per article 322-4 of the French market authority (AMF) Regulations and article R.225-85 of the French commercial code). Contact your bank and request the notice of meeting, voting form and certificate of holding.

Approval of the statutory and consolidated accounts for 2012: a profit of €34 million (€19 million for 2011).

A **dividend doubled**;

Exemplary governance standards:

Diversity: the appointment of Perrette Rey means the board of directors now comprises over 36% of female;

Independence : **eight independent directors out of a total of eleven (i.e. 72% of the total number of directors in office).**

For more information, please go to our **dedicated general meeting page on our corporate website:** www.eurotunnelgroup.com.

Dividend for the 2012 financial year

For the fourth consecutive year, the Board reaffirmed its commitment to maintaining its dividend policy. The general meeting on 15 May 2013 will be asked to consider and approve a dividend distribution representing a payment of €66 million.

The ex-dividend date for ordinary shares on NYSE Euronext Paris is 3 June 2013, and the dividend will be paid in cash on 6 June 2013.



Groupe Eurotunnel SA shareholder structure

- **300 000 shareholders**
- **Average holding: 3,419 shares**



Based on a bearer holder identification analysis (TPI) conducted at the start of 2013, covering holders of 1,000 or more shares, on the registers of BNP Paribas Securities Services and Computershare, and on an estimate of the TPI of holdings of between 100 and 1,000 shares.

For the attention of CDI holders

Holders of Crest Depository Interests (CDIs) via Computershare Investor Services have the option to receive information relating to the Group electronically, including information relating to general meetings. If you are a CDI holder and have not yet opted to do so, please register at

www.investorcentre.co.uk/ecomms

You can also register to vote electronically on resolutions presented at the general meeting. These initiatives reduce costs and protect the environment, priorities for Groupe Eurotunnel SA.

The deadline for receipt of the CDI voting forms is Thursday 9 May 2013 by 10 a.m.

Change of address?

If you hold your shares in registered form with BNP Paribas Securities Services or in the form of CDIs via Computershare Investor Services PLC, don't forget to notify any change in your personal information, in particular any change of postal or email address. Information on how to contact them is available on our website www.eurotunnelgroup.com.