

Eurotunnel on Track

January 2014



Letter to Groupe Eurotunnel SA shareholders



Dear shareholder,

At the beginning of January we announced that we had ended 2013 on a high note, with **all-time traffic highs for Le Shuttle** for the Christmas holiday period.

We have just published our **traffic and revenue figures for the full year for 2013**. Details appear overleaf.

It comes as no surprise that all commentators noted that our fourth quarter was better than expected. In fact, this applies to the whole of the year and all of our business.

Le Shuttle is progressing with over 2.5m vehicles transported. In 2013, Truck Shuttles no longer benefitted from either the Olympic Games effect of 2012 or the demise of SeaFrance but nevertheless managed to get back to their pre-2012 market share of 38.6% with 1.363m units.

With growth in Britain this year forecast at 2.4%, there is every reason to think that the market will finally overcome the effect of the subprime economic crisis and return to its 2007 level. In that context, we are ready to continue our growth. Eurostar will no doubt do likewise: **high speed rail travel has now crossed the 10m passenger mark** in 2013, with more precisely 10.133m passengers. It is a wonderful achievement and I am sure that Eurostar's management, buoyed by this success, are keen to forge ahead. It is all the more important to do so now that the British Government has announced its intention to sell off its 40% share in Eurostar. It is therefore in the best interest of the seller to present an attractive business plan, based on traffic growth, from which we would be the first to benefit.

The potential for high speed train traffic is great, irrespective of access charges, but its fulfilment requires an increased and diversified offer and the removal of a certain number of barriers or impediments to growth which are the responsibility of adjacent networks or Governments (such as border controls which are operated in the same way as for air travel and which could be simplified). I will return to this subject soon.

There is great satisfaction in the traffic increases for goods trains through the Tunnel: you will see that their number increased by 10% this year. This is an impressive achievement, especially in view of the fact that these international freight flows encounter many hurdles. I would need a whole page to list them all but rest assured that, in conjunction with interested parties, we are working to remove them. The most recent of these hurdles was the "security" surcharge imposed by the French rail infrastructure network for each visit to the Fréthun yard; I would like to acknowledge the goodwill of RFF's management with whom we have been able to find a solution, consisting of pooling our security resources, which has enabled us to get rid of this extra cost. There is still much to be done. We have initiated a revival of this type of traffic and we are seeking to maintain the momentum. Our incentive to the start up of new traffic – ETICA – inspired by the Marco Polo scheme in Europe but that we finance entirely, is bearing fruit and will support traffic in 2014. In view of its success, we are considering broadening its scope.

More generally, we think that international freight train traffic is bound to increase. Today, public rail operators have a largely national outlook, with each country being simply "juxtaposed". In the future, a truly international outlook, similar to the one we currently have will be evident to all. Not forgetting the Lyon-Turin project, which we support and which will enable the setting up of very relevant links between Italy and Great Britain. We are developing Europorte very much in this perspective.

I think we have clearly demonstrated the **relevance of our industrial model in this rail freight market**. The only limits to the growth of Europorte are those that are self-imposed, namely our ability to provide our customers with the best quality of service and only to invest wisely. This business has characteristics which make it difficult to access for some: it requires real know-how, the training and retention of independent colleagues (drivers) and knowing how to invest (locomotives). When all is said and done, the barriers to entry are numerous, but once they are overcome, as we have shown, this business generates regular and growing revenue; as illustrated by the 2013 revenue, this represents an additional vector for growth and a source of value creation.

Finally, a word about **MyFerryLink**. With revenue of €74m, our maritime segment remains modest but relevant. Operations are efficient and it is keeping to its business plan. The Competition Commission, however, still has the ability to stop this success in its tracks. The consumer would bear the brunt of such a decision. After almost two years now, it is obvious that MyFerryLink has had no impact on the maritime dominance of P&O and DFDS in the Short Straits market, when together they have more than a 50% share of the truck market. If anyone should be protected from eviction then clearly it should be MyFerryLink. The new MARPOL environmental standards will automatically lead to an increase in prices for ferry crossings and, with fewer ferry operators, prices can only go up. Groupe Eurotunnel will hold to its strategy, whatever happens: the customer comes first.

2014 marks the 20th Anniversary of the inauguration of the cross-Channel Fixed Link. It is an opportunity to remind ourselves that Le Shuttle was the first rolling motorway in the world and that more passengers travel on board our shuttles than by Eurostar.

We are looking forward to 2014 with great enthusiasm. We hope that you do too and wish you a Happy New Year!

Yours faithfully,

A handwritten signature in black ink, appearing to read "J. Gounon".

Jacques Gounon
Chairman and Chief Executive Officer

Activity in 2013

The Group

Total consolidated revenues for the Eurotunnel Group for the year 2013 amount to €1.092 billion, an increase of 12 %¹ compared to 2012.

Concession of the cross-Channel Fiked Link

Eurotunnel Shuttles

customer loyalty to the Eurotunnel system is clear. The renovation of terminal facilities and mobile services below the Channel have brought a new era of modernity which, added to the high frequency of Shuttle departures, the short crossing time, the punctuality levels and the minimal impact on the environment continues to attract both leisure passengers and commercial transporters to Eurotunnel.

- Revenue up to 2%.
- Eurotunnel's passenger traffic has continued to grow (+2% for cars, +9% for coaches).
- Truck's traffic has returned to its historic levels in a highly competitive market.

Railway Network

Eurostar has broken through the symbolic hurdle of 10 million passengers (+2%). The number of freight trains and tonnes transported are in progress (+10% and 11% respectively).

Europorte - Rail freight operators

- Revenue recorded a substantial increase of 16% to reach €238.5 million.
- New contracts and increase in its traffic for existing customers.
- GBRf signed a contract to transport silica sand. This contract strengthens GBRf's position in the aggregates business.

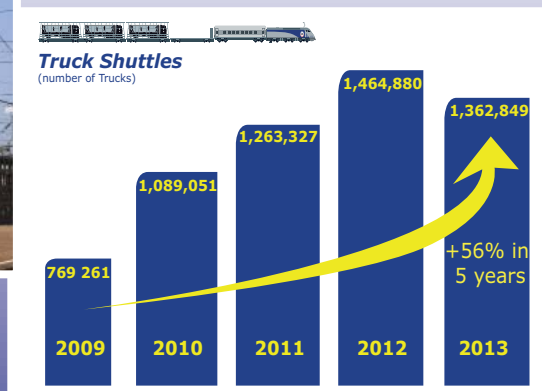
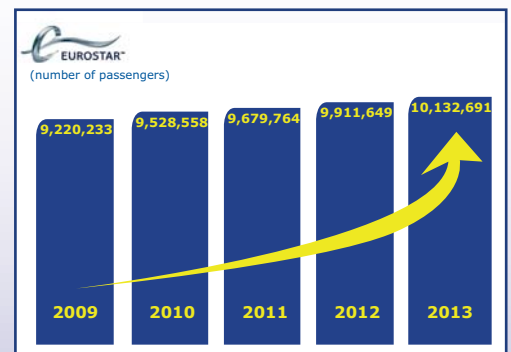
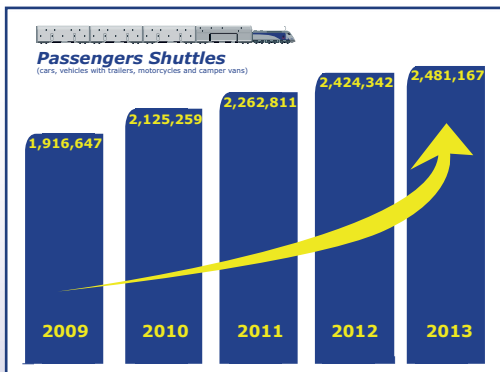
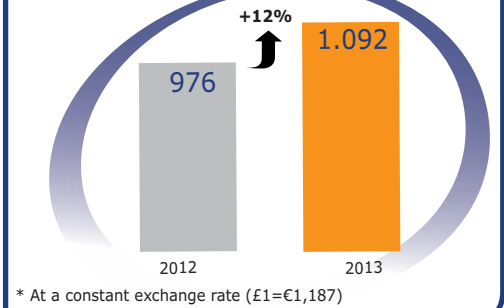
My Ferry Link

This essential third cross-Channel maritime operator has seen its turnover go from €7m in 2012 to €74 in 2013 as a result of the quality of its offer.

For more information on the Group's traffic and revenue, please see the «Traffic an revenue» announcement of 22 January 2014 by [clicking here](#).

¹All comparisons with 2012 are made at a constant exchange rate of £1 = €1,187.

Revenues



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.