

Eurotunnel on Track

March 2014



Letter to Groupe Eurotunnel SA
shareholders



Dear shareholder,

The revenue (€1.092bn) and traffic figures published at the beginning of the year **bode well for the 2013 full-year results**. It is the case. You will find overleaf the key data which have just been published.

The EBITDA has increased by 7% on a like-for-like basis (comparison with the previous year must be done in light of the fact that in 2012 we had received the remainder of insurance indemnities, up to €30M). The improvement in the operational results for the Fixed Link and Europorte is €45m. The additional observations which help understand what has been achieved are as follows:-

- Net losses at the EBITDA level for the **MyFerryLink maritime business** are €22M. This may seem high but must be put into context since MyFerryLink is under a permanent threat to have to cease its activity. The decision of the UK Competition Commission is expected in May. Should we be allowed to continue, MyFerryLink may break even in 2015/2016.

- **Europorte – first private rail freight operator on the Franco-British market – achieved positive operational results**. Contrary to what some may say, rail freight has a future, particularly in view of environmental constraints and road congestion. It is worth noting that American and Russian investors are active in this sector.

- **The Concession of the Channel Fixed Link has also achieved great results**, by improving its performance further. **Operating costs**, at €327M, are below what we had anticipated, even when traffic has increased markedly. We must remember that our costs comprise a large variable part (energy, maintenance, staff) in order to manage traffic and in particular at peak times.

Another source of satisfaction is **seeing Eurostar finally reaching the 10 million passenger mark**. The modernisation drive undertaken by this operator should significantly contribute to the development of the traffic. New trains are being delivered: indeed Europorte has been tasked with this delivery from Germany to Britain. A nice seal of approval!

Beyond current traffic between London, Paris and Brussels, there is a **formidable potential for growth for rail operators**. A study carried out by PwC (available on [the Founding Texts](#) page of our website) estimates that the **total number of passenger by 2020 could reach 14M** with four new major destinations; in addition to the three generally referred to –

Amsterdam, Cologne and Frankfurt – there appears a new interesting destination: Geneva. This does not give rise to any difficult border control issues: a direct train would link up two cities outside of the Schengen area. All this to say that, with a little will and ambition, those in charge of running high speed trains can do a lot. There is no doubt that the British Government will have included this in the valuation of its 40% stake in Eurostar that it is selling off, and that any purchaser will be keen to see these potential developments concretised.

One last important subject: **deferred tax assets**. The current and future results of Groupe Eurotunnel will lead to an obligation to pay tax on our benefit, as does any company making a profit. This is final evidence of the fact the Group now has a totally normal existence. Accumulated losses will be utilised and, according to accounting standards, they have a net value to be activated this year of €81M. This explains the **net result after tax being €101M**.

The great predictability of our business (outside exceptional events) and the robust nature of the progress made these last few years enable us for the first time to **give the market a forecast**: we are working towards a 2014 EBITDA of €460M and over **€500M in 2015**.

It is therefore with great peace of mind that the Board is recommending to shareholders who will meet in Coquelles on 29 April, to increase **the dividend by 25% to €0.15** per share. Since we started making distributions, this represents **€239M that you, shareholders, have received**. We aim to improve further this quite legitimate return for private investors who financed, to the tune of €15bn, with no public support, this fantastic cross-Channel Fixed Link, **the 20th anniversary** of the opening of which we celebrate this year.

Already, we thank the 300.000 retail investors who took part in the introduction to market and enabled us to be what we are today.

Yours faithfully,

Jacques Gounon
Chairman and Chief Executive Officer

FOCUS ON THE 2013 ACCOUNTS

The Group

On 12 March, the board of directors finalised the Group's consolidated accounts for the 2013 financial year which were certified by the statutory auditors and show a net result for the 2013 financial year to be a profit of €101 million including net tax income of €81 million.

Revenue increase (+12%¹) to €1,092 billion compared to 2012.

Channel Tunnel Fixed Link Concession

Eurotunnel Shuttles

In 2013, the number of trucks transported by Truck Shuttles decreased by 7%, but at 38.6% in 2013, the Truck Shuttle's market share remains above the average market share recorded before 2012.

The number of cars transported by the Passenger Shuttles increased by 2% in 2013 compared to 2012 and the market share of the car market remained stable at 51%.

Railway Network

The Eurotunnel Group earned revenues of €289 million in 2013 from the use of its Railway Network by Eurostar's High-Speed Passenger Trains and by the Train Operators' Rail Freight Services, an increase of 3% compared to 2012.

Europorte - Rail freight operator

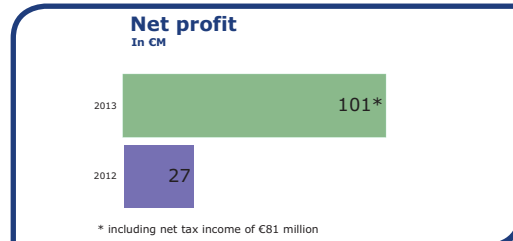
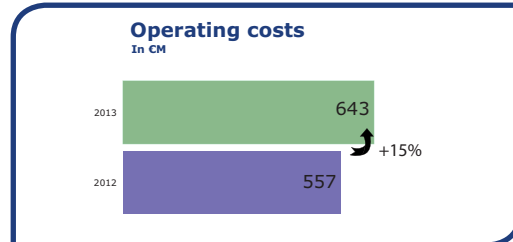
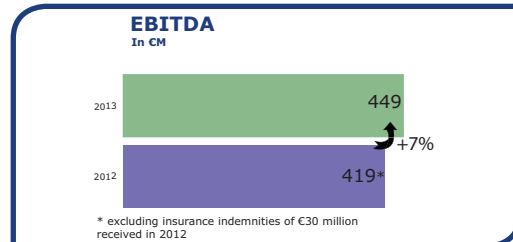
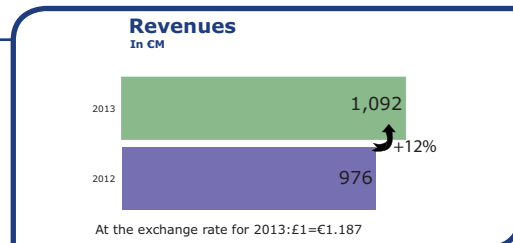
The increase of €33 million in Europorte's revenues (16%) has been generated by new contracts started in 2013 and in the second half of 2012, as well as by an increase in volumes on some existing contracts. The EBITDA of the Europorte segment is €19 million.

MyFerryLink

The segment generated revenues of €74 million in 2013 compared to €7 million in the four and a half months of operations in 2012.

For more information, please refer to our announcement of 13 March 2014 by [clicking here](#).

¹ All comparisons with the 2012 income statement are made at the exchange rate for 2013, E1 = €1.187.



GROUPE EUROTUNNEL 2014 GENERAL MEETING

Thursday 29 April 2014 at 10 a.m. (local time) in Coquelles.

Take an active part in the life of the Group: VOTE!

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.

For more information, please go to our dedicated page **2014 General Meeting** on our corporate website.

Shareholders who do not intend to attend the meeting should not request an admission card so this generates additional costs for the company

Potential of passengers traffic

Eurotunnel is at the heart of the European network of high speed trains. The prospect of a growing traffic, in particular thanks to the opening of new services by rail operators by 2016 at the latest is part of the long term strategy of the Group with the ability to accommodate other operators and therefore more passengers.

This study clearly demonstrates the potential of high speed trains traffic through a diversified and competitive offer:

- +1.8 million additional passengers by 2020 from the natural growth of the current traffic ;
- +2.5 million additional passengers by 2020 generated by the opening of new direct lines

The improvement journey times and higher frequency of departures relative to the planes will be major arguments to encourage more people to travel on high-speed trains.

Environmental certificate

In March 2013, we were talking about the introduction of an ecalculator for the Truck Shuttle customers. The aim is to calculate the reduction in CO₂ emissions for hauliers who choose to cross the Channel with Eurotunnel.

This month, with last year's CO₂ emission report, the customer receives a certificate in recognition of their efforts. We sent a personalised certificate to our customers intending to make freight customers aware of environmental issues, and stating the CO₂ emission reduction achieved by their company when choosing Eurotunnel as cross-Channel operator.

This initiative fits into Eurotunnel environmental liability and its corporate values. Moreover, as the company wish to protect the environment reducing paper use, this document will be presented in electronic format only.

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.