

Eurotunnel on Track

October 2013



Letter to Groupe Eurotunnel SA shareholders



Dear shareholder,

The summer was excellent with **growth in our revenue of +16%** in the third quarter of this year (see details overleaf).

MyFerryLink contributes to this by keeping to its goals which were to take back, on economically viable terms, half of the space left behind by the now defunct SeaFrance. The summer traffic enabled operational break-even to be reached in August. By winning this market share, we have created value. If the appeal we have lodged against the decision of the UK Competition Commission were unsuccessful, the consequences for the employees of the SCOP would be dramatic and consumers would bear the brunt of it with the resulting reduction in capacity being converted into an increase in prices. The answer will be known in the next few weeks.

The summer was also excellent for Le Shuttle. For Passenger Shuttles, all historic records were broken on 17 August, with almost 16,000 vehicles carried even though 2012 benefited from the Olympic Games. The customer surveys we carried out confirmed that confidence in Le Shuttle remains very strong, even during peak periods. The renovation of the terminals has been commended: better visibility, better welcome, better signage and better revenues. Our customers' very high level of loyalty enables us to establish a lasting relationship which we will strengthen further by the **recent appointment of a senior manager in charge of customer relations**.

The logic is similar for **Truck Shuttles**: prioritise high-quality customers, who then form a "club" which we monitor closely. Hauliers who normally use ferries have been able to take advantage of the MyFerryLink offering without cannibalising Truck Shuttles: our market share is similar to before SeaFrance disappeared and our traffic has grown in line with the market (+10% compared to 2011) even though we have not changed our pricing policy, which continues to grow above inflation. Hauliers are fully aware that prices will go up significantly, first of all if MyFerryLink has to cease operating, and then when the new MARPOL anti-pollution standards come into effect for ferries in a year's time.

We continue to progress on these **environmental matters** and in particular with regards to Truck Shuttles: after many aerodynamic studies in the Tunnel, we are trialling new pagodas which are less wind-resistant, aiming to reduce the energy from traction by 10%. We aim to have a definitive model which is easy to maintain, before ordering the three additional Shuttles we require in order to meet future traffic growth.

In terms of **high-speed trains**, Eurostar traffic has increased by 5% (+4% for our revenue as our pricing is to the benefit of operators). However, it will not have escaped anyone's notice that at the same time Eurostar revenue increased by double that percentage: +10%. The IGC and the European Commission can

thus see clearly that we are not the cause of the continued and substantial increase in the Paris-to-London ticket price. Much needed transparency in the number of Eurostar journeys in the third quarter shows that the passenger capacity made available increased very little. In addition, this increase in capacity (+2%) was focussed solely on July (-1% in August and -0.5% in September). This means that there were overall fewer trains at the end of the summer and they were full up. I deduce from this that demand is there and **if the offer were more important**, be it more Eurostar trains (let us not forget that there is additional Tunnel-approved rolling stock which is not used), or more competition, **there would be more traffic in the Tunnel**.

As far as **rail freight** is concerned, a pressure group had published a note seeking to give credit to the idea that Tunnel pricing was a hindrance to growth. We know that obstacles in this area are not our responsibility. We have just sent Siim Kallas (European Commissioner for Transport) an **independent study** ([click here to view](#)) carried out by SNC-Lavalin on this subject. This document sets out all the barriers to entry which result from decisions made by the States, and undeniably shows that the **Tunnel pricing is more competitive** than other means of crossing the English Channel!

This does not stop us from doing what we can: we have just reached an **agreement with RFF** in respect of the removal of the **additional safety charges at Fréthun**. At the same time, our incentive programme to encourage new traffic – **ETICA** – is beginning to bear fruit. It will help to strengthen the **11% increase in tonnage** seen in the third quarter.

More generally, **rail freight**, as operated by us, bears real potential for growth, with a further increase in revenue of 21% achieved in line of our business plan. **GB Railfreight** continues its remarkable journey and, in France, despite very aggressive public operators keen on maintaining their monopoly, **Europorte is giving priority to its ever-increasing customer base that looks for quality and punctuality**.

All this seems to us to bode well for the remaining quarter and for next year. Signs of recovery in the United Kingdom are visible. Since 2008, we have managed to go through five years of economic crisis whilst **improving our performance and distributing growing dividends**. These two essential priorities should be made easier in the current context.

Yours faithfully,

Jacques Gounon,
Chairman and Chief Executive Officer

Focus on revenues and traffic for the third quarter of 2013

Following a very positive first half of the year, the total revenue figure for the third quarter of 2013 is up by 16% to €310 million compared to the third quarter of 2012¹.

Revenues In €M



Cross-Channel Fixed Link

- Shuttle services revenue increased by 4% to €144.1 million.
- Revenues from the use of the railway network increased by 4%.

Europorte

- Continued revenue growth (+21%) to €60.3 million.

MyFerryLink

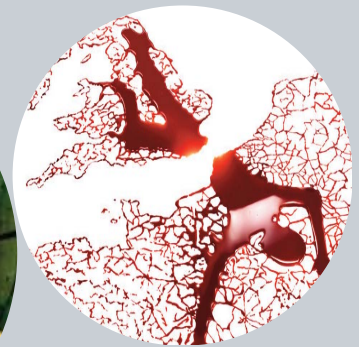
- Impressive growth, increasing from €1.9 million to €25.2 million in one year.

For more information on the Group's traffic and revenue on over the first nine months of 2012, please see the "Traffic and revenue" announcement of 22 October 2013 by clicking [here](#).

¹ Revenue figures are calculated at the average exchange rate for the first nine months of 2013 : £1=€1.182.

Tunnel

Eurotunnel's installations form the backdrop for an ambitious new 10-part television drama which started to critical acclaim on Sky Atlantic on 16 October. Adapted from the original Danish series Bron/Broen (The Bridge), **The Tunnel** is the first franco-british coproduction by Canal+; it plays on cultural differences between the two countries, relationships full of humour and curiosity. It stars Stephen Dillane (Game of Thrones, Secret State) and Clémence Poesy (Harry Potter). The first episode will be shown on Canal+ on 11 November. Some good evenings ahead!

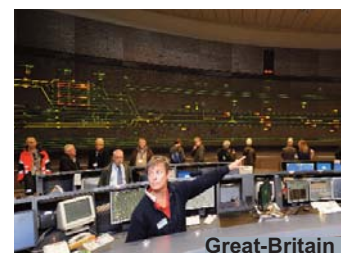


European Heritage Days

On Saturday 14 and Sunday 15 September, over a thousand people took part in the European Heritage Days. They were able to go behind the scenes of the Tunnel on either side of the English Channel. The public, guided by staff members, were impressed and won over. You can see a video on our website by clicking [here](#).



France



Great-Britain

In brief....

Groupe Eurotunnel has recently signed a Partnership Agreement with APF Entreprises (French Association for the Paralyzed). This reaffirms the values and commitments to human rights and non discrimination, which are an integral part of our Social Responsibility policy.



Samphire Hoe received a Gold Award in the Country Park Category of the South & South East in Bloom awards 2013 on its first entry in the competition.



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.