

# Groupe Eurotunnel

SUSTAINABLE INFRASTRUCTURE, INNOVATIVE TRANSPORT



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Eurotunnel Group, a company listed on the stock exchanges in Paris and London, brings together a group of companies active in the fields of **infrastructure management** and **transport operations**. Its various entities share the same attention to **quality** and **customer service**, with priority given to **safety**, a taste for innovation, a sense of social **responsibility** and commitment to **sustainable development**. All the Group's investments are intended to generate growth and value.

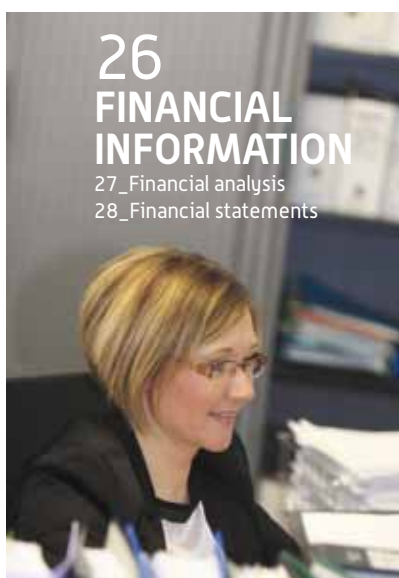
In 2012, Eurotunnel Group generated **revenues of almost €1 billion**. It employs more than **3,600 staff** in the United Kingdom and France.

● The operation of the cross-Channel Fixed Link, in which two Eurotunnel Group companies are concessionaires until 2086, represents the core business of the Group. Opened in 1994, the Channel Tunnel, the vital link between the United Kingdom and the continent, has been used by more than **300 million passengers**. The rail Shuttle transport system carries **2.5 million cars** (Le Shuttle) and **1.5 million trucks** every year, making it by far the world leader in piggyback transport. High-speed passenger trains and rail freight trains also run through the Tunnel.

● In 2009, Eurotunnel Group created the **Europorte** group of companies, which is a particularly dynamic springboard for growth. These subsidiaries are now the third largest rail freight operator (for hauling trains) in the UK and France. They operate and maintain the rail infrastructures of eight major ports in France, delivering logistics services to major European industrial players.

● Eurotunnel Group is also pursuing its **development** in the businesses it manages or to which it was appointed by the French government: **land development**, training in railway professions...

● Eurotunnel Group, **owns three ferries** and leases the vessels to a ferry operating company, thus increasing the transport offer across the Straits of Dover.



**Cover photo,**  
100 metres below sea level, Eurotunnel technicians manage Tunnel maintenance work without interrupting the flow of railway traffic.

This report includes QR codes, allowing you to access additional information (video/text/websites) from your smartphone. You will find the app needed to access this information in your app store as a free download

\* The ability to access video may depend on your smartphone type, its operating software and/or your mobile phone operator.



**MORE ON**

[www.eurotunnelgroup.com](http://www.eurotunnelgroup.com),  
the Eurotunnel Group corporate website  
updated several times a week

## CHAIRMAN'S MESSAGE

# A STRATEGY FOCUSED ON PROFITABILITY

for a long term policy  
of increasing dividend payments



Dear Shareholder,

2012 was an excellent year in which your company, Eurotunnel Group, lived up to its forecasts. The **threefold increase in net profit** compared to 2011 is the very best demonstration of this success story. The Board and I wanted to make sure that it was shared with our 300,000 shareholders by planning for a **50% increase in the dividend payment**.

You will receive payments totalling €66 million, in July. If you add this to the dividends from previous years, that will make a total of €156 million in dividend payments, to which can be added the effect of the buyback and cancellation of shares, giving an increase in shareholder value equivalent to more than €400 million. That is what your company is about today.

This Annual Review, which I hope you will enjoy reading, looks back at the important events and performance over the year. It will help you to appreciate our progress and our capacity to go even further still.

### Operating records

In the spring of 2012, the United Kingdom celebrated the Diamond Jubilee of Queen Elizabeth II. As part of this exceptional event, on 1 June, for the first time in our history, Eurotunnel *Le Shuttle* carried more than 10,000 passenger vehicles from Folkestone to Coquelles in a 24 hour period.

This operating achievement was followed during the summer by many others, both technical and commercial. The whole company was mobilised around the Olympic and Paralympic Games in London: an additional *Le Shuttle* rake was brought back into service; a new service, enabling the carriage of horses on board our Passenger Shuttles was

opened, a service welcomed by the national equine sports teams; the timetable was increased with particular attention to the transport of spectators who had chosen to travel by coach to the Games... But on top of this, new traffic records were also set during the summer, one particular memory sticks in my mind: the Olympic Rings displayed above the Tunnel entrance in France, – an exceptional location, and the only one outside the UK, to carry this universal symbol.

Building on that momentum, in October Eurotunnel identified and celebrated the **300 millionth passenger** to travel through the Channel Tunnel since the start of commercial services in 1994. 300 million, that is 5 times the population of Great Britain or France: Eurotunnel has undeniably, and in less than 20 years, become the **vital link** between the two countries.

In 2012 Eurotunnel also transported the highest number of trucks in its history and the largest number of cars in ten years. And, between January and December 2012, 20 million people and 20 million tonnes of goods travelled from one side of the Channel to the other, thanks to the Tunnel.

These volumes are a sign of our success, the quality of our customer is the reason behind them. As a result, *Eurotunnel Le Shuttle* has now, for the second consecutive year, won the “Best Train Operator Award” at the Guardian Observer Travel Awards 2012, a prize which gives great satisfaction as it is based upon the choice of transport users themselves.

We are continuing with our efforts in this direction. Eurotunnel and the French telecoms operators brought into operation a mobile telephone network in the south running tunnel in July. This enables passengers on Shuttles and high-speed passenger trains travelling



to the UK to use their mobile devices in the Tunnel, beneath the Channel. Eurotunnel is in discussion with the British telecoms operators to provide the same service in the north running tunnel.

## Europorte's continuing development

As you know, Eurotunnel has become a fast developing group across the railway freight services spectrum both in the UK and in France. Europorte has been an undeniable springboard for growth. In 2012, for the first time, it generated a positive operating margin (EBITDA) of €3 million.

Europorte now holds the licence which enables it to operate rail freight trains on the Belgian Infrabel network, giving it the option to further develop in that country. Many traffic flows originating in Belgium, a country with several major ports, such as Antwerp, could one day be diverted to the Channel Tunnel.

Europorte has also won all of the competitive tenders it has entered in the field of **infrastructure management**: it operates and/or maintains the railway networks at the sea ports of Dunkirk, La Rochelle, Nantes-Saint-Nazaire, Le Havre, Bordeaux and Rouen, as well as the inland ports in Paris and Strasbourg.

## GB Railfreight, the third largest operator in Great Britain, continues its dynamic growth.

It has won a two year contract to transport more than a million tonnes of spoil from the Crossrail tunnels in west London and continues its development in the biomass and coal sectors, carrying 30% of all the coal delivered in the UK.

The Cote d'Opale International training centre (CIFFCO) created by Eurotunnel Group in Coquelles, and inaugurated at the start of 2012 had an excellent first year. It is the first private training facility of its type, open to all railway companies in Europe, to infrastructure managers and to their subcontractors. CIFFCO trains technicians working on the French National network and on those of neighbouring countries.

On 11 June, the Paris Commercial Court accepted the offer made by Eurotunnel at the sale of the assets of SeaFrance, during its judicial administration process. The ships, **the Berlioz, the Rodin and the Nord Pas-de-Calais** are leased to an independent operating company, the SCOP (a Cooperative and Participatory Association). On 8 November 2012, the French competition

authority issued a favourable opinion on the acquisition of the ships. The British Competition Commission has taken a different approach. In accordance with European best practice, we expect that a compromise will be found between the two views.

## Sustainable commitments

Eurotunnel Group also pays attention to its social and economic responsibilities (CSR), an area in which we are developing ahead of legislation. The Group publishes a report and non-financial indicators in its Corporate Social Responsibility Report, issued to complement this Annual Review.

This responsibility extends in the first instance to the 3,677 men and women who are employed by the Group (at 31 December 2012): a fertile social dialogue (as witnessed by the signature of a number of collective agreements in 2012) and several initiatives that take into account the expectations of the staff have built a working environment which supports the development of the individual. The Group always seeks to attract and retain qualified and high quality employees.

The Eurotunnel Group is a leader in carbon efficient transport, limiting as much as possible the impact of its activities on the environment and has, in 2012, joined the Global Union for Sustainability, committing to further reduce its greenhouse gas emissions by 3% per year.

At the start of 2013, the Eurotunnel Group signed up to the global principles of the United Nations (Global Compact), the reference charter in the field of human rights, working conditions, respect for the environment, and the fight against corruption.

## A new dimension

Reading this report, you will notice that your Group has changed dimension: revenues of almost €1 billion, a market capitalisation of €3.6 billion (20 March 2013), growing profitability and increased dividend payments

We are determined to continue along this path for a long time to come.

Yours sincerely,



Jacques Gounon,  
21 March 2013

## GOVERNANCE

### Groupe Eurotunnel SA Executive Committee

**Jacques Gounon**  
Chairman and Chief Executive Officer  
of Eurotunnel Group

**Emmanuel Moulin**  
Chief Operating Officer - Corporate

**Michel Boudoussier**  
Chief Operating Officer –  
cross-Channel Fixed Link

**Pascal Sainson**  
Chairman of Europorte SAS

**Jo Willacy**  
Commercial Director –  
cross-Channel Fixed Link

**Patrick Étienne**  
Business Services Director

The Executive Committee is supported by a Management Committee (CODIR) which includes the directors of other functional departments.

### Board of Directors of Groupe Eurotunnel SA

**Jacques Gounon** (born 1953)  
Chairman & Chief Executive Officer

**Philippe Camu** (born 1967)  
Director

**Patricia Hewitt** (born 1948)  
Independent Director

**Hugues Lepic\*** (born 1965)  
Director

**Lord Peter Levene of Portsoken**  
(born 1941) Independent Director

**Colette Lewiner** (born 1945)  
Independent Director

**Colette Neuville** (born 1937)  
Independent Director

**Robert Rochefort** (born 1955)  
Independent Director

**Jean-Pierre Trotignon** (born 1950)  
Director

**Philippe Vasseur** (born 1943)  
Independent Director

**Tim Yeo** (born 1945)  
Independent Director

\*At its meeting on 20 March 2013, the Board of Groupe Eurotunnel SA appointed Perrette Rey as an independent Director to replace Hugues Lepic who has stepped down from the Board.

Biographies of the Groupe Eurotunnel SA Directors, the work of the Board and its various committees, and corporate governance-related information are detailed in the Registration Document published by the Groupe Eurotunnel SA and available on its website [www.eurotunnelgroup.com](http://www.eurotunnelgroup.com)

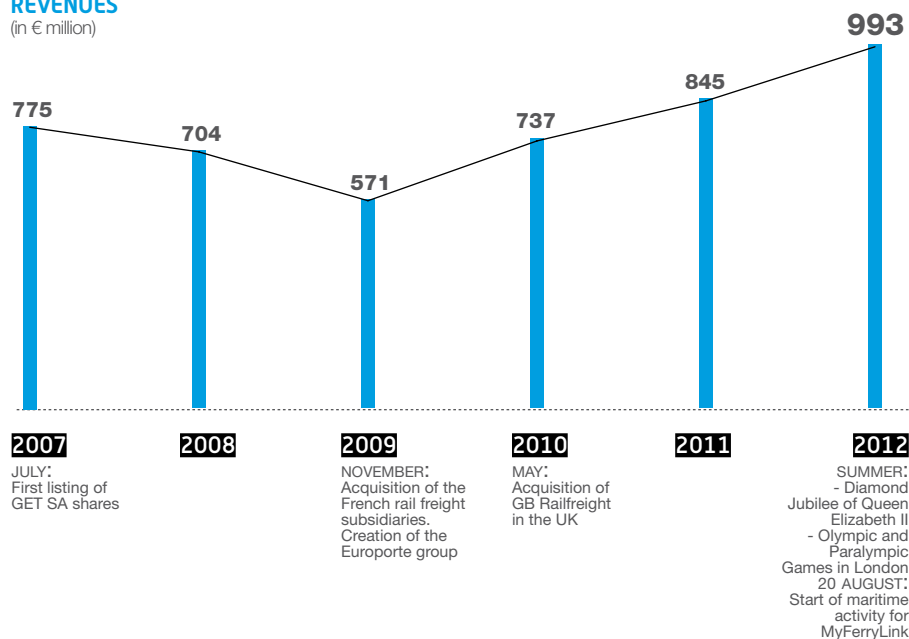
# KEY FIGURES

## EUROTUNNEL GROUP\*

A 100% privately-owned Group with no public funding

### REVENUES

(in € million)



### NET RESULT

**€34**

MILLION  
profit in 2012  
(€19 million in 2011)

### PROFITABILITY

**43%**

OPERATING MARGIN  
(EBITDA\*\*/Revenue  
2012)

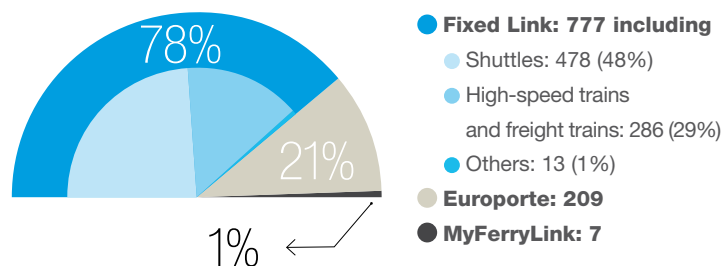
### DIVIDEND

**€66**

MILLION  
i.e. €0.12 per share  
will be paid to  
shareholders for the  
year 2012, if the  
General Meeting on  
15 May 2013 votes  
in favour of this  
resolution

### BREAKDOWN OF REVENUE BY SEGMENT IN 2012

(in € million)



### WORKFORCE

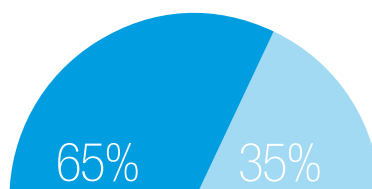
(at 31/12/2012)

**3,677**

EMPLOYEES  
(i.e. +6% compared to 2011)

### BREAKDOWN BY COUNTRY

- France: 2,399 employees
- United Kingdom: 1,278 employees



\* Published data for 2007 to 2011 has been recalculated at the exchange rate for each period.

\*\* Excluding insurance indemnities for operating losses.

## EUROPORTE

Each week,

**800**

### TRAINS

are hauled across  
Europe by the Europorte  
railway subsidiaries

**230**

### LOCOMOTIVES AND SHUNTERS

make up Europorte's rolling  
stock fleet in the United Kingdom  
and France

In 2012, in France,  
Europorte subsidiary  
Socorail handled

**250,000**

### WAGONS and

**250,000**

### TRUCKS

on industrial sites  
and carried out  
3,500 operations on ships

The service implemented by  
GB Railfreight in May 2012 to  
move excavated materials from  
the Crossrail works at Westbourne  
Park to Northfleet in Kent has  
enabled the "removal" of the  
equivalent of

**11,707**

### TRUCKS

from the roads in 2012

## CHANNEL TUNNEL\*

over **300**  
**MILLION PASSENGERS**

have used the Channel Tunnel since May 1994.

On 18 October 2012, Chris McCairns became the 300 millionth passenger to use the Tunnel, and received the news by text message during his crossing

**20**  
**MILLION**  
**PEOPLE**

crossed the Channel using the Tunnel in 2012 (all Tunnel services combined)



In 2012, Eurotunnel carried **2.5 MILLION** vehicles by Shuttle (cars, motorcycles, campervans, etc.)

Since May 1994, Eurotunnel has carried

**278** **MILLION** tonnes of freight



In 2012, Eurotunnel transported

**1.5** **MILLION** trucks on board its Truck Shuttles



\* Figures at 31 December 2012.

### ELECLINK

The emission of

**400,000**  
**TONNES OF CO<sub>2</sub>/YEAR**

will be avoided thanks to the interconnection of British and French electricity grids via the Channel Tunnel

### CIFFCO

Some

**10,000**  
**DAYS' TRAINING**

was provided to **2,125 people** in 2012 by the Opal Coast International Railway Training Centre

### MyFerryLink

**2,005**  
**FERRY CROSSINGS**

between the ports of Dover and Calais since the start of commercial ferry services on 20 August 2012, i.e. 8 round trips per day

## OUR AWARDS IN 2012

### BEST TRAIN COMPANY AWARD

Eurotunnel *Le Shuttle* has now won this award for the second year running. Voted for by thousands of Guardian and Observer readers, it recognises the value of Eurotunnel's performance as the only cross-Channel operator to provide its customers with both a high-quality service and an environmentally-friendly transport system.

### BEST SUPPLIER AWARD

Eurotunnel Truck Shuttles were honoured as part of the InnoTrans fair in Berlin. Our customer DB Schenker underlined our quality of service, and the reliability and frequency of our departures. Eurotunnel is the first French company to win this prestigious award.

### BEST COACH TRANSPORTER

Coach Monthly, the professional reference journal in the world of coach travel and tourism has recognised Eurotunnel for our results in terms of reducing our carbon footprint.

### TOP DOG

*Le Shuttle* received "special recognition" at the UK Kennel Club "Open for Dogs" Awards. Eurotunnel is the leader in pet transport to and from the United Kingdom.

### FIRST PRIZE FOR TECHNICAL INNOVATION

Europorte and London Carex were both recognised by the Rail Freight Group, following the successful test completed in March 2012, during which a high-speed train loaded with packages travelled between Lyon airport and the city of London, via the airport at "Roissy-Charles de Gaulle" and the Channel Tunnel.

### GREEN FLAG AWARD

An eighth consecutive "green flag" flies on the Samphire Hoe site, owned by Eurotunnel Group, at the foot of the White Cliffs of Dover. It acknowledges the efforts made on this site that has been turned into a nature reserve to preserve the environment and maintain biodiversity.

### RAILWAY MANAGER OF THE YEAR AWARD

John Smith, Managing Director GB Railfreight received this award, for his "outstanding personal contribution to the rail industry" during the National Rail Awards ceremony, held in London.

# SHAREHOLDERS AND INVESTORS

## NUMBER OF SHARES

550

MILLION  
at 20 March 2013

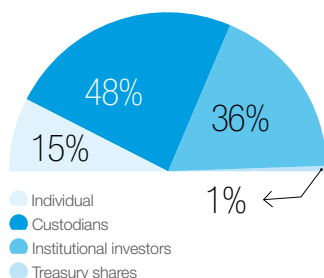
## MARKET CAPITALISATION

€3.6

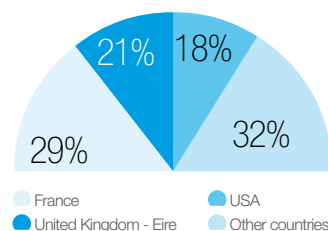
BILLION  
at 20 March 2013

## SHAREHOLDING STRUCTURE\*

CAPITAL BREAKDOWN  
BY SHAREHOLDER PROFILE

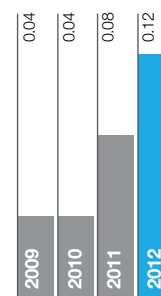


CAPITAL BREAKDOWN BY LOCATION  
OF ACCOUNT HOLDER



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

DIVIDEND  
PER SHARE



The Board of Directors decided to propose the payment of €0.12 per share to the General meeting on 15 May 2013

## INDIVIDUAL SHAREHOLDERS

Transparency and dialogue are the principles which guide the relations of the Group with its individual shareholders. The Shareholder Relations Centre whose mission is to inform, develop and build loyalty with the individual shareholders of the Group, creates numerous opportunities for exchanging information:

- In 2012, Eurotunnel Group published numerous documents on its corporate website [www.eurotunnelgroup.com](http://www.eurotunnelgroup.com), including the Annual review, the Corporate Social Responsibility Report, the Registration Document and eight issues of Eurotunnel on Track, the letter to individual shareholders, as well as 44 press releases.
- From early 2012, the group's website was enriched by videos which allow individual shareholders to find out more in pictures on topical issues. Prior to the General Meeting held in 2012, interviews of the new Board members were posted online.
- Each year, highlights of the General Meeting are also webcast on the internet site.

## INSTITUTIONAL INVESTORS

- Eurotunnel Group maintains regular dialogue with its institutional investors and has an ongoing relationship with the financial community through sell side analysts.
- In 2012, Eurotunnel took part in eight industry conferences and investor days organised by financial institutions, including those in Geneva and Frankfurt.
- This activity is strengthened with the setting up of conferences, roadshows and one-to-one meetings with the Chairman and Chief Executive Officer of the Eurotunnel Group in Paris and in London, for example for the announcement of financial information.

## NEW TRADING PLATFORM IN LONDON

On 19 July 2012, in order to enable British shareholders in particular to benefit from an increased liquidity of their shares on the London market, the Group transferred trading in its shares from the London Stock Exchange to the NYSE Euronext™ London. This operation gives the investor community a single European platform for trading GET SA shares, with one order book and a common currency in euros.

## NB

### GET SA SHARE

- ISIN Code: FR0010533075
- Tickers: GET on Euronext™ Paris and Euronext™ London
- Listing date: 2 July 2007
- Stock markets: Euronext™ Paris (Eurolist compartment A), UK Listing Authority in London (as standard).
- Trading platforms: NYSE Euronext™ Paris and NYSE Euronext™ London
- PEA scheme (French Share Savings Plan): eligible
- Main indices: SBF 120, FTSE All-World, FTSE Medium Cap, DJ Stoxx 600, Next 150, MSCI World Index, MSCI Europe
- The share capital of Groupe Eurotunnel SA is €220,000,000. It is divided into 550,000,000 fully paid-up ordinary shares with a nominal value of €0.40.

## CONTACTS

Shareholder Relations Centre  
Groupe Eurotunnel SA

PO Box 302  
Folkestone  
Kent CT19 4QZ  
Monday to Friday  
8am to 11am and 1.30-4pm (UK time)  
Email: [shareholder.info@eurotunnel.com](mailto:shareholder.info@eurotunnel.com)



# STRATEGY

Eurotunnel Group and its subsidiaries, as service providers, place the customer

**at the centre of their priorities**



Mr. and Mrs. Coughlan and their daughter Charlotte, Eurotunnel Le Shuttle customers, Guildford, Surrey (UK)

## KEY ISSUES

### THE CHANNEL TUNNEL

#### HOW HAS THE CROSS-CHANNEL MARKET CHANGED IN 2012?

	SHORT STRAITS CROSS-CHANNEL MARKET IN 2012**	MARKET VARIATION BETWEEN 2011/2012	FIXED LINK MARKET SHARE	FIXED LINK MARKET SHARE GAIN 2011/2012
Cars*	4,855,000	-2.4% 	50.8%	+4.4 points 
Coaches	143,000	+1.6% 	41.2%	+1.4 point 
Trucks	3,371,000	+2.5% 	43.5%	+5 points 

\* Including motorcycles, vehicles with trailers, caravans and campervans.  
\*\* Source: IRN services Ltd.

#### WHICH TRAINS ACCESS THE TUNNEL?

Interoperability (that is to say the ability to safely transport rolling stock from the continental network through the Channel Tunnel and into the United Kingdom) is a key issue for Eurotunnel.

● Since March 2012, the European Technical Specifications for Interoperability (TSI) have applied in the Channel Tunnel: this now allows the development of standard freight traffic without the use of specialised Class 92-type locomotives.

● This approval was followed by two successful locomotive tests: in September, a Prima II loco-



January 2013: A successful test in the Tunnel for the Vectron locomotive (Siemens) and its 1,350 tonne cargo

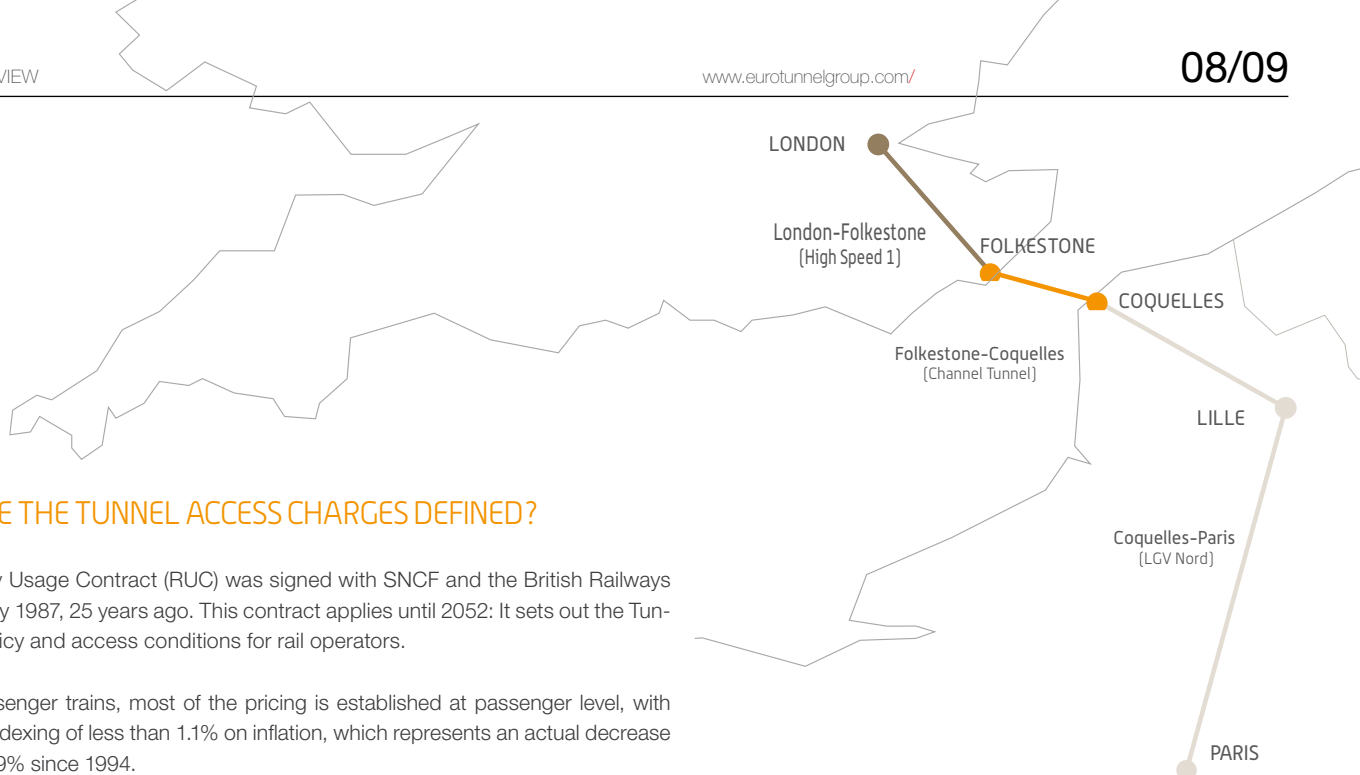
tive (Alstom), hauling a load of 950 tonnes passed all the required tests, as did a Vectron locomotive (Siemens) and its cargo of 1,350 tonnes, in January 2013.

● The new distributed power trains ordered by Eurostar from Siemens (399 metres, 894 passengers) are awaiting approval. They could enter into service from 2014.

● Siemens short trains (200 m), which Deutsche Bahn intends to use between cities in northern Europe and London, are the subject of a substantiated request for approval made to the IGC.

#### WHO USES THE TUNNEL?





## HOW ARE THE TUNNEL ACCESS CHARGES DEFINED?

The Railway Usage Contract (RUC) was signed with SNCF and the British Railways Board in July 1987, 25 years ago. This contract applies until 2052: It sets out the Tunnel tariff policy and access conditions for rail operators.

● For passenger trains, most of the pricing is established at passenger level, with long-term indexing of less than 1.1% on inflation, which represents an actual decrease in price of 19% since 1994.

● This change is to be compared to the increase in access charges imposed by neighbouring networks over the same period (RFF and HS1), which have increased significantly in the last few years.

Toll amounts were set taking into account the Tunnel's entirely privately funded cost of construction, an important contrast with other major European transport infrastructures. Proportionate to investment, the Tunnel access charges are the most competitive.

### How to read the table

For a journey between London and Paris, this table below compares the construction costs borne by the infrastructure manager and the share of toll costs. For example, completion of the Channel Tunnel represents 62.9% of the total cost of the three infrastructures used although it represents less than 48.7% of the charges paid by an operator using all three of these infrastructures (i.e. a 0.77 ratio between toll share and infrastructure construction cost share). Between London and Paris, 33.6% of the total toll costs is paid by the operator to the LGV Nord (the high-speed line between Paris and Coquelles), whereas this section of the high-speed only represents 17.8% of the whole construction costs (i.e. a 1.92 ratio between toll share and infrastructure construction costs share).

LONDON-PARIS HIGH-SPEED LINE				TOLL SHARE/ INFRASTRUCTURE COST SHARE RATIO
	CONSTRUCTION COST IN €BN*	SHARE OF THE INFRASTRUCTURE IN THE TOTAL CONSTRUCTION COST	SHARE OF THE INFRASTRUCTURE IN THE TOTAL TOLL COSTS**	
LGV Nord	3.8	17.8%	33.6%	1.89
Channel Tunnel	13.4	62.9%	48.7%	0.77
High Speed 1	4	19.2%	17.7%	0.92
Total London-Paris	21.2	100%	100%	na

\* 2011 value

\*\* Passenger trains

## OTHER ACTIVITIES

### WHERE IS EUROPORTE HEADING?

Over and above the cross-Channel Fixed Link (80% of 2012 revenues), Eurotunnel Group is continuing its expansion in Europe, in markets that complement its core business, such as rail freight and infrastructure management. All the Group's investments are intended to generate growth and value.

● Europorte, which has brought together all these British and French subsidiaries since 2009, saw a substantial increase in its revenues (+28%) in 2012, as well as a positive operating margin (EBITDA) of €3 million.

● The third ranking rail freight company in the UK, GB Railfreight is a major and profitable operator accounting for 30% of all deliveries of rail-transported coal in the UK.

● In France, Europorte is seeing its revenues increase and is reaching the critical mass required for this type of activity. Implementation of its rationalisation plan should enable it to achieve an operating profit at end of 2013.

● As a result of Eurotunnel's experience in infrastructure management and the fact that it has won all the tenders in this area in France since 2010, the Europorte subsidiary now operates and/or maintains the rail networks at eight sea and river ports around France (details on pages 20-21).

GB Railfreight transports raw materials for British Gypsum (Saint-Gobain Group) in Robertsbridge





## CORPORATE SOCIAL RESPONSIBILITY



MORE ON

Watch the video to find out all about Samphire Hoe, the Eurotunnel Group's nature reserve in the UK

# A COMMITMENT AT THE VERY HEART OF THE STRATEGY

**E**urotunnel Group is a voluntary contributor to Sustainable Development objectives. This attitude can be seen in its consideration for social, environmental and economic concerns in the activities of each of its subsidiaries as well as in their interactions with various stakeholders (employees, customers, suppliers, shareholders, investors, regional authorities, governments, associations etc...).

The latest developments undertaken by Eurotunnel Group (training in railway professions, the interconnection of the British and French power grids, the maritime business...) also take social and environmental concerns into account.

At group level, CSR is considered as a strategic challenge, a source of unity and a springboard for growth. Eurotunnel Group endorses the principles of the United Nations Global Compact in its four main areas of human rights, working conditions, respect for the environment and anti-corruption.

### People

Eurotunnel seeks to create a working environment that encourages the growth and development of employees to attract and retain qualified, high-quality staff. In 2012, development of the business was accompanied by a 6% increase in Group staffing levels (3,677 employees).

Our human resources policies acknowledge the contribution of each employee in terms of their qualifications, level of responsibility and individual performance. In 2012, Eurotunnel Group, which devotes a substantial budget to training, created the Opal Coast International Railway Training Centre, known as ClFFCO.

### Environment

An innovative rail company and a responsible infrastructure manager, Eurotunnel Group develops high potential activities with inherent environmental assets. Solutions put forward



by each subsidiary advocate "low-carbon" transportation and encourage modal shift. Eurotunnel had already reduced the greenhouse gas emissions of its Channel Fixed Link by more than 50%. In 2012, the Group joined the Global Union for Sustainability, created following the Rio+20 World Summit, and in this respect has committed to an annual reduction of a further 3% of its overall carbon footprint (scope of consolidation restricted to subsidiaries of Groupe Eurotunnel SA). Another illustration of the Group's ambitions in this field is the renovation of the Victor Hugo building, which welcomes *Le Shuttle* customers at Folkestone, and which will bring significant savings in water and energy.

### Region

A committed partner in its economic and social environment, Eurotunnel has created 8,500 direct, indirect and induced jobs in Kent and the Calais region. In line with its stakeholders, the

Group is involved in multiple activities, specifically in terms of research, education, environmental protection, maintaining biodiversity and solidarity. The purchase of three SeaFrance ferries in 2012 has resulted in the creation of 500 jobs within a Cooperative and Participatory Association. Eurotunnel Group leases the ships to the SCOP to operate a maritime route between Dover and Calais.

### CSR INDICATORS

The Group's CSR activities are measured by a range of non-financial indicators audited and published each year in the Eurotunnel Group Registration Document and the CSR Report. The 2012 edition will be available in May 2013.



The cross-Channel

# FIXED LINK

concession remains the main business of the Group. We are already making plans for this transport system for the next twenty years and beyond



Karine Wadoux,  
Customer Service Agent,  
Eurotunnel,  
Coquelles (Pas-de-Calais)

## FIXED LINK

# PRIORITY TO AVAILABILITY THROUGH INNOVATION

**A**s a result of its sustained capability to implement solutions which enhance the quality of service and the availability of the transport system, Eurotunnel has built loyalty among its existing customers and is gaining new ones.

### INFRASTRUCTURE

In order to minimise the downtime of the infrastructure used by some 300 to 400 railway movements every day, specialist Infrastructure teams plan to group Tunnel maintenance works together as much as possible. In September 2012, the French diamond cross-over, a vital piece of equipment enabling traffic to flow from one railway tunnel to the other, was replaced in just 30 hours. This was a real technical achievement; the rails and sleepers combined are 40 m long by 10 m wide and weigh 40 tonnes. An operation of this magnitude had only been performed once before in the railway world, also in the Channel Tunnel! Yet this time, the partial interruption of traffic was used to its best advantage, carrying out some thirty other maintenance operations, including the replacement of a 60m-long point at the Tunnel exit at the same time.

### Two nights' work instead of three

Since 2012, maintenance works in the Tunnel have been conducted over two nights each week instead of three, representing major progress in maintenance planning. This amalgamation of work is set to increase, particularly in terms of rail replacement. Eurotunnel is even considering grouping work together so that it



01



02



03



#### MORE ON

A video showing the entry into service of the ninth Shuttle

#### RELIABILITY

# 99.8%

TUNNEL AVAILABILITY RATE in 2012 (excluding scheduled maintenance operations)

#### TRACTION

# 44

LOCOMOTIVES with a power of 7 MW by the end of 2013

is possible to close one of the six intervals for a week in order to perform all the required maintenance, then not returning for several months.

### ROLLING STOCK

In order to transport 1.5 million trucks in 2012, the 9 Arbel and 6 Breda Shuttles had their work cut out on a daily basis. Once again, the amalgamation of maintenance work afforded access to maximum capacity without compromising the quality of service. Previously, Truck Shuttle maintenance was performed on groups of wagons, throughout the year. Today, we can proceed with whole train maintenance activity and manage it during off-peak periods

alone. This way, almost the entire fleet was able to remain in service throughout Q4 2012, contributing to record-breaking traffic figures.

### Pagoda-free wagons

The fleet's availability has been most enhanced by developments in the Arbel wagons. Originally, these were equipped with pagoda-shaped superstructures designed to avoid any risk of contact with the catenary during loading operations. Each wagon was topped with four heavy steel pagodas. This load caused overconsumption of traction electricity. More importantly, these pagodas were poorly designed, requiring frequent costly maintenance

which impacted heavily on the fleet's availability. Eurotunnel therefore developed a range of innovations enabling wagons free of three-quarters of the pagodas to travel safely back and forth. They were brought into service from summer 2012, after approval from the IGC. As a result, energy bills, loading manoeuvres and fleet availability were improved. At the same time an original, over-platform catenary cut-off system was installed on six platforms in Coquelles and six in Folkestone to ensure safety for all.

### A ninth Passenger Shuttle

In 2011 to cope with expected increases in traffic, Eurotunnel began the restoration of the ninth Passenger Shuttle, which had been mothballed for several years. This train was gradually brought back into service by "triplet" (group of three wagons). Six triplets were available by June, with a seventh following that month. Restoration of the eighth and final triplet was completed in early 2013, making it available for the British winter holiday rush.



#### MORE ON

A 40 tonne set of points replaced in less than 30 hours. Watch the video here

**1** Eurotunnel has modified its Arbel carrying wagons in order to improve availability

**2** A ninth Passenger Shuttle was brought back into service in 2012

**3** The diamond cross-over, a crucial network element of the Tunnel, was changed in just 30 hours



## FIXED LINK

# PRIORITY FOR CUSTOMERS

## LE SHUTTLE

● By carrying almost 2.5 million cars and coaches\* in 2012, Eurotunnel Le Shuttle achieved its best performance in ten years. In terms of volume, compared to 2011, growth stood at 7%.

● The Jubilee of HM Queen Elizabeth II and the Olympic and Paralympic Games in London contributed to last year's historic Le Shuttle performance but do not alone explain this success: traffic remained very strong in September and new records were set during the end-of-year holiday period.

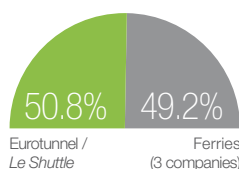
● Le Shuttle consolidated its leadership position on the Straits of Dover and gained a further 4.4 points of car market share in 2012. The intrinsic quality of this service, which offers a 35-minute Channel crossing and provides up to 5 departures an hour from Folkestone or Coquelles, explains this success.



NUMBER OF CARS\* TRANSPORTED



MARKETS SHARE\*\* (CARS\*)



## TRUCK SHUTTLES

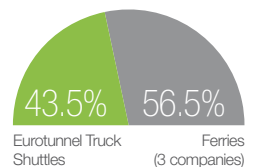
● In 2012, Eurotunnel beat its historic annual record by transporting some 1.5 million trucks (with c.€19 million tonnes of goods on board), making it by far the world leader in piggyback transport.

● In terms of volume, growth compared to 2011 is +16%.

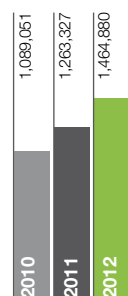
● Eurotunnel adapts to the market and customer demand: for instance, by making this service accessible to vans, the numbers of which are growing with the rise of small load deliveries thanks to the success of e-business, and by offering six departures per hour in each direction with its fleet of 15 Truck Shuttles.

● Eurotunnel gained 5 percentage points of market share in 2012 and remains the leading cross-Channel carrier in this field.

MARKET SHARE\*\*



NUMBER OF TRUCKS TRANSPORTED



\* Including motorcycles, vehicles with trailers, caravans and campervans.

\*\* Straits of Dover market, including all the routes from continental Europe to Dover, Folkestone and Ramsgate.



## QUALITY OF SERVICE

### TELEPHONY UNDER THE SEA

Since 25 July 2012, passengers on Eurotunnel Shuttles and Eurostar trains have been able to use their mobile phones to make and receive calls, to send and receive texts and emails or to surf the web during their short journey. Eurotunnel equipped the two rail tunnels, with help from Alcatel-Lucent. This service is available in the south Tunnel, assigned to French operators. British operators should be able to provide this service in the north Tunnel from 2013.

### VICTOR HUGO AND CHARLES DICKENS WELCOME OUR PASSENGERS

The ten million passengers boarding *Le Shuttle* are now welcomed into the Victor Hugo passenger terminal in Folkestone, an ultra-modern building inaugurated in September 2012. This completely renovated construction with a surface area of 5,000 m<sup>2</sup> is ranked alongside the best international airports, thanks to its design and the quality of its offer. The leading UK retailer devoted to travellers, World Duty Free, invested substantially in its elegant retail space. The Charles Dickens terminal in Coquelles will in turn undergo complete renovation in 2013.

### FASTER ON THE TERMINALS

Determined to further improve the customer experience, Eurotunnel is continuing to invest so customers can save as much time as possible when travelling. The "Terminal 2015" project provides for the creation of a secure truck park able to hold 370 trucks on the Coquelles site, thus avoiding traffic jams on the motorway. New Truck Shuttle access routes will also be built in Folkestone and Coquelles. In 2013, the FlexiPlus building will be repositioned, coach passengers will be able to benefit from the amalgamation of both sets of border controls into one building, and those travelling with pets will be integrated into the conventional customer route.

## HIGH-SPEED PASSENGER TRAINS

● In 2012, Eurostar carried 9.9 million passengers between London, Paris and Brussels, an increase of 2% compared to the previous year.

● Traffic grew in 10 months of 2012, except for July and August during the London Olympic Games, when many travellers appeared to postpone their trips. A good fourth quarter 2012 (+5%) confirmed this observation.

● As announced, Eurostar will test a new service between London, Lyon and Aix-en-Provence in the spring of 2013 and is gearing up to commission 10 new interoperable train rakes which will enable it to reach new destinations.

● Even though, without any proper justification, the IGC continues to refuse access to the Fixed Link for Deutsche Bahn trains, the opening of services between London, Germany and the Netherlands remains scheduled for 2015. This means that several million extra passengers are waiting to travel through the Channel Tunnel.

## FREIGHT TRAINS

● 2,325 freight trains crossed the Channel Tunnel in 2012 (with 1.2 million tonnes of freight on board), which is 3% less than in 2011, reflecting a rather adverse economic situation. In comparison, the French rail freight sector fell by more than 5% in 2012 (trend observed during the first three quarters).

● Since 2007, Eurotunnel Group has made extensive efforts to revive the cross-Channel rail freight business. This open access approach has succeeded in doubling the number of inter-modal container trains. In 2012, the introduction by Réseau Ferré de France of a heavy "security" tax charged to operators using the Frethun yard (Pas-de-Calais) was obviously an obstacle to this recovery.

● Given growing environmental constraints, Eurotunnel Group is convinced that intermodal traffic and the innovations tested in 2012 will lead to development opportunities: in March, a special high speed freight train chartered under the auspices of Euro Carex transported express parcels from the airport at Lyon Saint-Exupéry via the Channel Tunnel to St. Pancras Station in London, in under 10 hours (with a stop at Roissy-Charles de Gaulle airport). It emitted 35% less CO<sub>2</sub> than the seven semi-trailers or the seven Boeing 737 aircraft normally used. In May, for the first time, unaccompanied trailers passed through the Tunnel, aboard wagons specially chartered by Europorte on behalf of Ewals Intermodal and Ewals Cargo, travelling from Antwerp to London.

NUMBER OF FREIGHT TRAINS

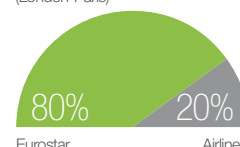


NUMBER OF EUROSTAR\* PASSENGERS  
(In millions)



\* Only passengers travelling through the Channel Tunnel are included in this table, excluding those who travel between Paris-Calais and Brussels-Lille.

EUROSTAR MARKET SHARE  
(London-Paris)



## FIXED LINK

# PRIORITY TO SAFETY

**T**he Channel Tunnel welcomes 20 million passengers a year, more traffic than London Stansted airport. This responsibility requires the highest standards of safety which must be continuously improved.

### FLOR

The Fixed Link safety rules require a permanent specialist team to be present at each portal, ready to provide immediate assistance to passengers. The duties of this First Line of Response (FLOR) were originally entrusted to public service fire-fighters, employed for this purpose via a private contract paid for by Eurotunnel. In early 2012, this agreement was terminated unilaterally by the fire-fighters and Eurotunnel had to choose another supplier. After a rigorous tender process, Main Sécurité (an Onet group company)

was selected. A team of 48 men and women, specially trained in the Channel Tunnel environment and experienced in emergency response operations, began its activities on 31 December 2012

### SAFE

Further tested as part of the bi-national safety exercise (BINAT 21) in January 2012, the SAFE stations once again demonstrated their efficiency. Operational for just over a year, the four SAFE stations are conveniently located in the central intervals of the Tunnel so that in the event of fire on board a Truck Shuttle, an 800m-long train can quickly arrive at one of the stations. Once stopped, the train is evacuated and a sensor locates the fire. As soon as this is done, a mist of pressurised micro droplets is targeted at the seat of the fire. It restricts the

propagation of the fire and helps to put it out, thus minimising damage to the infrastructure. The Channel Tunnel is the only infrastructure of this type in the world to be equipped with such a patented device.

### GSM-P

Since July 2012, the implementation of the GSM-P public network (mobile telephone and internet) inside the south Tunnel (the north Tunnel should be equipped in 2013) has increased passenger comfort in Eurotunnel Shuttles and in high-speed passenger trains. This service also provides a real "asset" in terms of safety. Now, the slightest incident can be brought to passengers' attention very quickly by text message. At the same time, Eurotunnel created a Customer Information Coordinator function. In addition to on-board announcements made by crew, the Customer Information Coordinator is able to provide customers with regular, reliable and relevant information by text message, in particular when a train stoppage occurs in the Tunnel.

The future deployment of GSM-R, a radio system that meets European rail standards, will further improve the flow of information and safety.



Composed of 48 men and women trained in emergency rescue operations, the new FLOR team patrols the service tunnel 24 hours a day

# The RAILWAY ACTIVITIES

of the Group, the third-largest operator in the UK and France, provide a significant springboard for growth. The culture of customer service and safety are shaping this development



David Arnaud  
Operating Foreman,  
Port Edouard Herriot,  
Lyon (Rhône),  
Socorail by Europorte



## RAILWAY ACTIVITIES

### REVENUES

# €111

MILLION REVENUE  
generated by  
GB Railfreight  
activities in the  
UK in 2012



GB Railfreight hauls new tube trains for the London Underground

# GB RAILFREIGHT GAINS MOMENTUM

**G**B Railfreight continues to grow its market share and won several major contracts in 2012, demonstrating yet again that it has the capability and resources to work on increasingly ambitious projects and deliver a high quality service.

### A million tonnes to transport

Specialist in tunnel boring, BFK, a sub-contractor of Crossrail (the infrastructure management company in charge of the construction of the brand new railway network to run through London), awarded GB Railfreight a major contract to move over one million tonnes of excavated material from a tunnel portal at Westbourne Park (west London) to Northfleet (Kent). The two-year contract will see GB Railfreight run more than 860 Class 66 hauled trains between west London and Kent. This major contract is also good news for the environment with rail removing at least 50,000 truck movements from the already congested roads of the London urban area.

Activity in the infrastructure sector has been

above expectations with an increase in Network Rail orders towards the year end, particularly in seasonal activities providing trains for leaf clearance and snow and ice treatment. This sector is forecast to remain strong for much of 2013.

### New services in the energy sector

Volumes of coal transported to coal fired power stations (whose activity rose by 32.3% in 2012 due to the increase in gas prices) remain a key market for GB Railfreight: new business during the year included coal blending movements from Potland Burn to Kellingley and EDF Energy imports from Hull Docks to West Burton. A three year contract for EoN has brought movements of imported biomass from Liverpool Docks to Ironbridge.

Greenergy, the UK's third largest private company, awarded GB Railfreight a contract to provide movements of petroleum and diesel between Humberside (in 2012), Teeside (in late 2013) and South Wales. An additional ser-

vice was added for PetroChem Carless from Harwich to Holybourne.

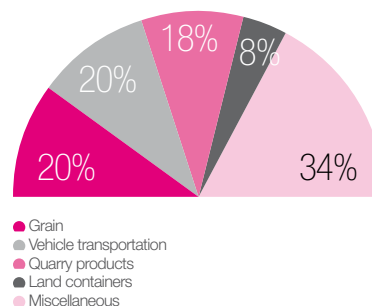
### An increase in container transport

GB Railfreight provides on-site logistics and the movement of scrap metal, lime and limestone feedstocks at the newly reopened steelworks on Teeside. Movement of railborne coal is expected to commence in 2013.

The maritime intermodal business has continued to grow steadily with increased box volumes. GB Railfreight now has a total service offering from the Port of Felixstowe of six import and six export trains daily.

The outlook for 2013 remains positive: the energy sector is in development. Trials to move slag from Port Talbot and Scunthorpe to Acton and granite from Tunstead to Bury St. Edmunds for concrete production are underway.



EUROPORTE FRANCE VOLUME OF BUSINESS  
IN 2012 BY TRANSPORT TYPE

# EUROPORTE ACHIEVES POSITIVE OPERATING MARGIN

**C**ommitted to accelerated progress towards critical mass, in France Europorte has invested massively for two years. The company's aim is to achieve by the end of 2013. In 2012, the company achieved an operational balance (positive EBITDA at €3 million).

## Grain transportation

Revenues generated by French subsidiaries of the Europorte group of companies were up in 2012, with two-thirds made by Europorte France rail services and the remaining third produced by Socorail's existing businesses. Socorail specialises in the provision of internal logistics services on industrial sites.

The company consolidated its position in the traction of freight trains over all distances in France and Europe thanks to a very competitive quality of service. This is proven by the efficiency of services provided to Gefco, one-third of whose vehicles, made at the PSA plants in Eastern France, are transported by Europorte. With the Cerevia grain cooperatives, Europorte also demonstrated its ability to adapt to fluctuations in its customers' business. Winter barley and wheat sent via Marseille to China

and North Africa were not produced in sufficient quantity in 2012 owing to frost. As a result, Europorte shifted a number of its operations in order to transport more spring grain to ports in Northern Europe. This flexibility opens up new perspectives in grain (see below), as witnessed by the creation of a specialised subsidiary, Bourgogne Fret Services. A major new contract was also signed with oil producer Exxon covering all the rail transportation of its fuel between the refinery at Fos-sur-Mer, Dijon and Western France.

## A licence in Belgium

In Belgium, the Eurotunnel Group subsidiary is licensed to operate trains on the national network. It provides up to six journeys a week between the quarry at Lessines and a French cement plant near Amiens. A contract was also signed with the industrial chemist Prayon, the world leader in phosphates, to haul trains between the Antwerp region and France.

## Critical mass and profitability

Since its creation in 2009, Europorte has doubled the volume of its business. Its progress towards critical mass required some



In 2012, Europorte France hauled an average of 180 trains per week

investment effort in terms of acquiring rolling stock (€55 million, 2010-2012) and for training (€9.2 million, 2011-2012). At the same time, the economic crisis, particularly in container transportation, resulted in the loss of contracts. The business is expected to achieve profitability by end of 2013. The break-even plan first concentrates on organisational optimisation, re-focused around four regions instead of seven, put under the authority of managers covering all of the Europorte France and Socorail operations. A global service contract, signed with Alstom in 2012 entrusts maintenance of the electric locomotive fleet to the manufacturer. The agreement with the same partner was enhanced by a research protocol on productivity gains. Following the example set by Eurotunnel specialists, who are pioneers in this field, a relaxation process for maintenance cycles has already been initiated with Alstom and Vossloh which look set to become partners in maintaining the Europorte fleet. The rationalisation of the locomotive fleet also paves the way for significant potential cost savings.

## BOURGOGNE FRET SERVICES, A NEW LOCAL RAILWAY OPERATOR

At the end of 2012, Europorte and Cerevia jointly created Bourgogne Fret Services, a Local Railway Operator subsidiary, co-owned at 67% by the rail freight company and at 33% by the agricultural cooperative. The new local railway operator generates traffic flows by creating trains for one or more customers in the food industry to be pooled with other sectors such as timber or metallurgy, enabling them to benefit from existing resources. This new solution offers firms in the Burgundy region the opportunity to access an efficient rail freight service.

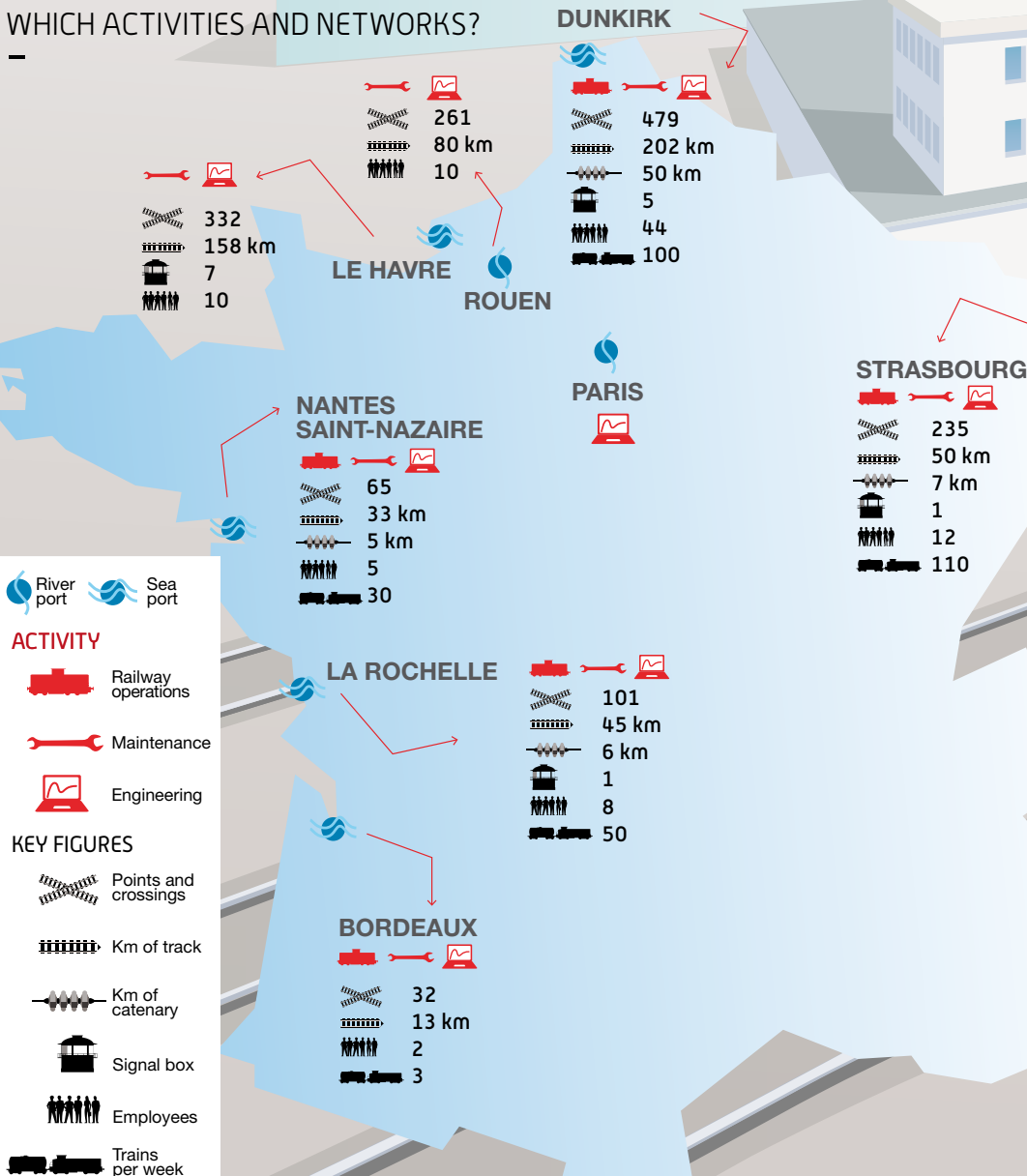
## PORTS

Eurotunnel Group is a specialist in

# INFRASTRUCTURE MANAGEMENT

Its subsidiary Socorail operates and maintains rail networks at eight sea and river ports in France.

### WHICH ACTIVITIES AND NETWORKS?



### ENGINEERING

Socorail takes responsibility for preparing the Reference Documents for port railway networks, the safety and operating regulations along with assistance in project management, for instance in case of future extensions.

Since 2011, Socorail has developed a large range of services specialising in railway infrastructure management which include traffic operations, maintenance and railway engineering management.

In 2012, the commercial offer won approval from an increasing number of new customers. A maintenance contract for the ports of Le Havre and Rouen is in place; delegated management of the ports of Bordeaux, Strasbourg and La Rochelle was won by Socorail. In 2012, these activities in port rail network management represented some 30% of the business of this Europorte subsidiary, thus ensuring a rebalancing of its business portfolio.



#### OPERATIONS

Socorail manages rail traffic operations and the rail network, track capacity, reporting on train movements to ports, and carries out railway handling and related administrative tasks.

#### MAINTENANCE

Socorail works on preventive and corrective maintenance operations for infrastructure, lifting operations to recover trains, takes on the overall responsibility for infrastructure operability: rail tracks, signalling, signal box stations, points and crossings equipment, catenary...



## DEVELOPMENTS

The Group's

# TERRITORIAL ROOTS

are evident in its development projects,  
all of which aim to optimise its assets and know-how



### CIFFCO ACTIVITY IN 2012:

**2,125**

TRAINEES

**679**

Fixed Link

**158**

Europorte

**1,288**

External

## CIFFCO

### reaches for the stars

Inaugurated in February 2012, the Opal Coast International Railway Training Centre (CIFFCO) provides training for careers in the rail sector. It acts as both an internal training centre for cross-Channel Fixed Link staff and for other Group companies but is also open to all European companies in the sector. Specifically, CIFFCO is approved by the French Public Railway Safety Establishment (EPSF). CIFFCO makes approximately 30% of its revenues through companies or institutions outside the group, such as SNCF, VFLI, the Alstom Rail Test Centre, Colas, ATIF, Lamblin or EPSF.

Benefiting from the expertise and know-how gained through the operation of the Tunnel, the Centre prepares trainees for fifteen different professions, from ground operations for those holding vocational training certificates (CAP) to the driving of locomotives for trainees with higher education experience. Located in a building covering 1,100 m<sup>2</sup> in Coquelles, it employs some twenty staff and has significant resources, specifically eight mobile driving simulators.



**MORE ON**

Read the training catalogue  
on the CIFFCO website



## ELECLINK INCREASES THE VALUE OF THE INFRASTRUCTURE

Created as a joint venture with STAR Capital, ElecLink will build, own and operate a new 1,000MW interconnector in the Tunnel between the UK and France. It received support from the British Prime Minister and the President of the French Republic at the 17 February 2012 summit. This means of transmitting electricity will allow the most to be made of the complementarities between the two countries in terms of generation and consumption. It will also facilitate the development of renewable energies. Use of the Tunnel will minimise the project's impact on the environment, avoiding 400,000 tonnes of CO<sub>2</sub> emissions per year. The choice of the Tunnel rather than a submarine cable will help to speed up the project, enabling it to be operational by 2016.

### ELECLINK IN FIGURES

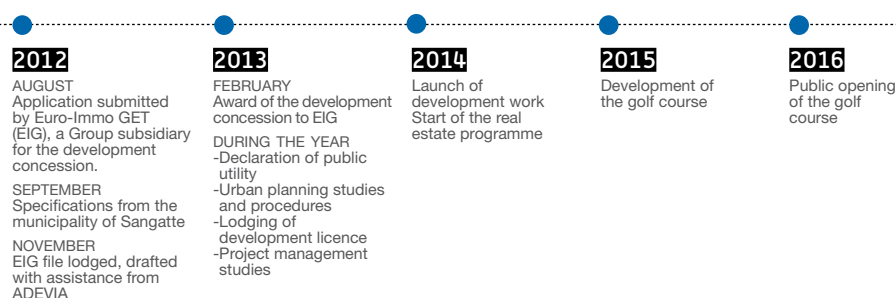
- Two cables, each 75km long, of which 51km will be installed in the service tunnel, will carry DC power of 1,000 MW to two AC converter stations located close to the British and French portals. This is where the connection will be made between the high-voltage public grids (400 kV), National Grid Electrical Transmission and ERDF, transport subsidiaries of the National Grid and EDF.
- Connection contracts were signed in late 2012 for both grids.
- Applications for approval of ElecLink as an electrical carrier and operator will be submitted to the British and French regulatory authorities during the first half of 2013.
- Calls for tender for construction will be launched in Q2 2013.
- The interconnectors should be operational by October 2016.

## EUROTUNNEL GROUP, CONCESSIONAIRE OF AN ECO-VILLAGE IN SANGATTE-BLERIOT

Eurotunnel Group is pursuing its mission as a developer, with which it was entrusted at the outset of the Channel Tunnel project by the French public authorities, which has led in particular to the realisation of the ZAC area of Cité Europe (€220 million investment, 2,500 jobs). Following a request for proposals, its subsidiary Euro-Immo GET was chosen in early 2013 by the municipality of Sangatte-Bleriot-Plage to become the developer

of a seafront eco-housing and golf resort at the Porte des Deux-Caps, which includes the construction of a world class golf course, a luxury hotel, a real estate programme for an eco-housing village (500 homes) and a spa complex. Part of this extensive programme will be built on land owned by the Group. This ambitious operation, a stone's throw from the Tunnel entrance, aims to increase tourism in the Calais region.

### PROJECT TIMELINE



## MARITIME BUSINESS

# MyFerryLink enhances competition in the **CROSS-CHANNEL** ferry market

As the leading economic player in the Calais region and acutely aware of its social responsibility, Eurotunnel Group could not remain indifferent to the departure of SeaFrance and its consequences for the region.

Eurotunnel Group also firmly believes that the Tunnel and sea connections are complementary: some traffic is prohibited from using the Channel Tunnel, for reasons of size or regulations, whilst others are destined for sea transportation for reasons of cost or reduced sensitivity to timing. In launching a cross-Channel maritime venture, Eurotunnel Group maintains competition, which is in essence advantageous to customers.



## A FAIR MARKET PRICE

The Group applied to buy three ex-SeaFrance ferries with a book value of €150 million. Following a public and transparent procedure, the Paris Commercial Court approved the Eurotunnel Group offer, which was the highest bid. Now a ship owner, Eurotunnel Group has two mixed ferries, the Berlioz and the Rodin, built in 2001 and 2005 respectively. As they are recently-built twin vessels, the maintenance costs of these “sister ships” are minimised. Their modern engines provide improved fuel efficiency and a reduced carbon footprint. They are very easy to manoeuvre and are particularly suitable for navigation in the Straits of Dover. Immediately sent to the Arno shipyards in Dunkirk for overhaul, the Berlioz and the Rodin were brought into service on 20 August 2012. The third, and oldest, vessel the freight ship Nord-Pas-de-Calais, underwent a full refit later in the year and was brought into service in November.

## AN INDEPENDENT COMPANY OPERATES THE FERRIES

Eurotunnel Group leases its three ferries to SCOP, an operator providing marine transportation and maintenance. This Cooperative and Participatory Association is headed up by a former Managing Director of Brittany Ferries. It recruited its staff essentially from the former SeaFrance employee base. This meant the creation of 500 jobs in France and around 100 in the United Kingdom.

## A HIGH-QUALITY OPERATION

The MyFerryLink Dover-Calais line was opened less than two months after the acquisition of the ships. This record lead time highlights the professionalism and commitment of all the teams. Since then, operations have continued with a very high level of quality at a rate of four return trips per day for both the Berlioz and the Rodin. At the end of 2012, the resumption of passenger traffic was achieved on schedule. Regarding the freight business, the January 2013 campaign for new contracts involving major customers also means we can be confident for the future. It shows that the positioning of its offers makes MyFerryLink a serious alternative in terms of price and quality of service.

In terms of both passengers and freight, MyFerryLink aims to achieve 8% of market share by the end of 2013.



**THE RODIN** (mixed ferry),  
Brought into service  
in 2001  
Capacity: 700 cars  
or 120 trucks

**THE BERLIOZ** (photo)  
(mixed ferry),  
Brought into service  
in 2005  
Capacity: 700 cars  
or 120 trucks

**THE NORD-PAS-DE-CALAIS**  
(freight ferry),  
Brought into service  
in 1987  
Capacity: 85 trucks



# FINANCIAL INFORMATION

For the first time,  
Eurotunnel Group approached  
€1 billion in revenues and generated  
a threefold increase in net result\*  
compared to 2011



Anne-Sophie Aboulwafa,  
Accountant, Eurotunnel  
Coquelles

\* Compared to the 2011 net result as published, i.e. €11 million.

## SUMMARY

**The Group's consolidated revenues in 2012 amounted to €993 million**, an increase of €118 million or +14%\* compared to 2011. Operating costs increased to €562 million. At €461 million, the operating margin (EBITDA) was 10% above 2011. EBITDA by business segment evolved as shown on the table opposite:

In 2012, the Group accounted for €30 million of other income received from its insurers relating to the final settlement of insurance indemnities resulting from the fire in 2008.

The trading profit increased by €36 million. Net finance costs reduced by 2%.

In 2012, the Group recorded a **net profit of €34 million**.

(In € million)	FIXED LINK	EUROPORTE	MYFERRYLINK	GROUP
EBITDA** 2011	413	-1	–	412
Change in revenue	66	45	7	118
Change in operating costs	-38	-41	-20	-99
EBITDA** 2012	441	3	-13	431

\*\* EBITDA excluding other income relating to insurance indemnities for operating losses following the fire in 2008.

## FIXED LINK

The Channel Tunnel Fixed Link Concession operations represent the core business of the Group. This segment also includes the activity of the Group's corporate services.

### REVENUES

Revenue generated by the Fixed Link segment, which represents 78% of the Group's total revenue, increased by 9% to €777 million, mainly due to increased Shuttle activity.

#### ● Shuttle services

Revenue amounted to €478 million, up 16%. 2012 was marked by the collapse of the historic operator SeaFrance and the resulting redistribution of traffic.

The **Truck** market continued to grow in 2012: +2.5% compared to 2011. But it nevertheless remains approximately 10% below 2007, before the economic crisis. In 2012 the number of trucks transported by the Shuttles increased by 16%. Truck Shuttle market share increased by 5 points to 43.5%, a record level since the opening of the Tunnel.

Despite a market contraction in 2012, the Passenger Shuttle **Car** market share increased by 4.4 points to reach almost 51%. The **Coach** market grew slightly and the Fixed Link share of the market increased by 1.0 percentage point to 41.2% representing an increase in coach traffic of 5% in 2012.

#### ● Railway network

The use of the Channel Tunnel railway network by Eurostar's **high speed passenger trains** and by **rail freight trains** generated revenues of €286 million in 2012. During the course of the

year, the number of Eurostar passengers using the Tunnel reached 9.9 million, i.e. 2% more than in 2011. The number of rail freight trains decreased by 3% in 2012 reflecting the cessation of the cross-Channel wagon load business by SNCF and the surcharge imposed on customers by RFF at Frethun.

### OPERATING COSTS

In 2012, the operating costs of the Fixed Link amounted to €336 million, an increase of €38 million (+13%). This increase is due to additional operating costs directly linked to increased Shuttle services activity (electricity and operating costs, regular maintenance and staff bonuses) and due to non-recurrent costs (cyclical large scale maintenance and projects, exceptional items related to UK retirement liabilities, release of provisions).

## EUROPORTE

Europorte covers the entire rail freight transport logistical chain in France, in the UK and in Belgium. It includes GB Railfreight, Europorte France, Socorail, Europorte proximité and Europorte Channel.

### REVENUES

Europorte's revenues (€209 million) increased by 28%, most of which was generated by GB Railfreight and Europorte France as a result of new contracts started in 2012, the full-year effect of new contracts started in 2011 and a small increase in volumes on existing contracts.

### OPERATING COSTS

Up 25% to €206 million in 2012, operating costs have, however increased to a lesser

extent than revenue.

As a result, Europorte's operating margin improved by €4 million, reflecting the effect of the productivity initiatives launched in 2011. For the first time since it was acquired by the Group, the Europorte segment generated a positive EBITDA of €3 million.

## MYFERRYLINK

The Eurotunnel Group's maritime subsidiaries, MyFerryLink, lease ships to the SCOP (an operating company outside the Eurotunnel Group) and market cross-Channel passage for freight and tourist vehicles.

Following the acquisition of part of ex-SeaFrance assets at the beginning of July 2012, the Eurotunnel Group's maritime activity began on 20 August 2012 with two of the ferries (the Rodin and the Berlioz) following their refit.

### REVENUES

This segment generated revenues of €7 million in the four and a half months of operations in 2012.

The start of this activity occurred at the end of the tourist market's peak summer season and before the annual negotiations with freight transporters.

As a result, revenues generated in 2012 are not representative of the potential for this business.

### OPERATING COSTS

Operating costs which mainly comprise the purchase of ferry crossings from the SCOP, amounted to €20 million for the period.

\* In order to enable a better comparison between the two years, the 2011 consolidated income statement presented in this section has been recalculated at the exchange rate used for the 2012 income statement of £1 = €1.23.

## NET FINANCE COSTS

**-2%**

A €5 MILLION  
decrease in net  
finance costs  
for the Group  
in 2012

## FREE CASH FLOW\*

**€133**

MILLION  
generated in 2012

## CONSOLIDATED DATA

### OTHER INCOME

Other income of €30 million in 2012 relates to cash received in the year for the definitive settlement of insurance indemnities for operating losses arising from the fire in 2008. Similarly, €9 million was accounted for in 2011.

### OPERATING MARGIN (EBITDA)

At €461 million, the Group's operating margin improved by €40 million compared to 2011 (€19 million excluding the impact of the insurance indemnities for operating losses).

### OPERATING PROFIT (EBIT)

Depreciation charges (€161 million) increased by €4 million, of which €3 million was in the Europorte segment following their acquisition of new rolling stock in 2011 and 2012.

Excluding the insurance indemnities relating to operating losses in 2012 and 2011 and the losses incurred in 2012 by the new maritime activity of €14 million, the trading profit improved by €29 million compared to 2011 (+11%).

In 2012, other net operating charges amounted to €4 million compared to net income of €25 million in 2011 (of which €20 million related to insurance indemnities in respect of the final compensation for rolling stock damaged by the fire in 2008).

The operating profit in 2012 was €296 million compared to €289 million in 2011. On a comparable basis (excluding the effect on 2012 of the new maritime activity) the operating profit improved by €22 million (+7%).

### Net finance costs

At €269 million, net finance costs decreased by €5 million (at a constant exchange rate) as a result of the decrease in the UK inflation rate and the resulting effect on the nominal value of the index-linked tranche of the debt, partially

compensated for by the impact of the additional 2% margin on tranche C of the debt from July 2012.

### NET RESULT

The consolidated net result for the Eurotunnel Group for the 2012 financial year was a profit of €34 million compared to a profit of €19 million in 2011 (restated at the 2012 exchange rate). On a comparable basis (excluding the €15 million loss from the new maritime activity in 2012) the net result improved by €30 million.

### CASH FLOW

Free Cash Flow\* generated in 2012 was of €133 million compared to €132 million in 2011. At 31 December 2012 the Group held cash balances of €256 million compared to €276 million at

31 December 2011, after capital expenditure of €183 million (including €74 million paid for the acquisition and refurbishment of the assets for the new maritime activity), payment of a dividend of €44 million, payment of €18 million for the purchase of floating rate notes and €44 million spent on the share buyback programme.

\*The Group defines its Free Cash Flow as net cash flow from operating activities less net cash flow from investing activities (excluding the initial investment in new activities and the acquisition of shareholdings in subsidiary undertakings) and net cash flow from financing activities relating to the service of the debt (Term Loan and hedging instruments) plus interest received (on cash and cash equivalents and other financial assets). The calculation is shown in section 10.8 of the 2012 Registration Document.

## MORE INFORMATION

● For a full understanding of this analysis, the reader should refer to chapters 3, 6, 9, 10 and 20.3.1 of the 2012 Registration Document available at [www.eurotunnelgroup.com](http://www.eurotunnelgroup.com)

● The consolidated financial statements of the group are prepared in accordance with IFRS (International Financial Reporting Standards). They were finalised by the Board of Directors of Groupe Eurotunnel SA on 20 March 2013 and have been certified by the statutory Auditors.



## COMPARISON OF INCOME STATEMENT FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2012

In € million	2012	2011 restated	Variance 2012/2011	2011 published
Exchange rate €/£	1.23	1.23		1.148
Fixed Link	777	711	+9%	687
Europorte	209	164	+28%	158
MyFerryLink	7	-	-	-
<b>Revenue</b>	<b>993</b>	<b>875</b>	<b>+14%</b>	<b>845</b>
Other income	30	9		9
<b>Total turnover</b>	<b>1,023</b>	<b>884</b>	<b>+16%</b>	<b>854</b>
External operating costs	-337	-274	+23%	-267
Employee benefits expense	-225	-189	+19%	-184
<b>Operating costs</b>	<b>-562</b>	<b>-463</b>	<b>+21%</b>	<b>-451</b>
<b>Operating margin (EBITDA)</b>	<b>461</b>	<b>421</b>	<b>+10%</b>	<b>403</b>
Depreciation	-161	-157	+3%	-156
<b>Trading profit</b>	<b>300</b>	<b>264</b>	<b>+14%</b>	<b>247</b>
Other net operating (charges)/income	-4	25		25
<b>Operating profit (EBIT)</b>	<b>296</b>	<b>289</b>		<b>272</b>
Finance income	3	4	-24%	4
Finance costs	-272	-278	-2%	-268
Net finance costs	-269	-274	-2%	-264
Other net financial income and income tax expense	7	4		3
<b>Net result : profit</b>	<b>34</b>	<b>19</b>		<b>11</b>

In order to enable a better comparison between the two years, the 2011 consolidated income statement presented in this section has been recalculated at the exchange rate used for the 2012 income statement of £1 = €1.23.

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