A NEW DIMENSION IN RAIL TRANSPORT

GROUPE EUROTUNNEL

2010 ANNUAL REVIEW
01. Quality of service remains the top priority even at peak traffic periods such as at the start and end of British holidays.

02. In parallel with the group’s core business (operating the Channel Tunnel), rail freight and infrastructure management represent growth opportunities.

03. On 1 December 2010 the Tunnel celebrated 20 years since the first breakthrough in Tunnel construction. Eurotunnel staff created a human fresco representing the company’s logo above the French Tunnel portal.

04. The Tunnel portal in Coquelles (Pas-de-Calais) now displays the company colours and its standing: that of a vital link between England and the Continent.

05. With the acquisition of GB Railfreight, third largest rail freight operator in the UK, and its integration with Europorte, 2010 was the year Eurotunnel became a true group.

On 14 August 2010, Le Shuttle carried 14,975 passenger vehicles (cars, motorcycles, camper vans and coaches), a traffic record over a 24-hour period, smashing the previous highest, recorded in Summer 1999.

In the week from 5 to 12 September 2010, GB Railfreight, a subsidiary of Groupe Eurotunnel since May 2010, prepared and hauled 529 freight trains in Great Britain: it was the busiest week for this operator in its 10-year history.
CHAIRMAN’S MESSAGE
A stronger group ready to take up opportunities in all of its markets

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Strategy for the Tunnel
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TRUCK SHUTTLES
Leadership regained
RAIL FREIGHT SERVICES
A difficult year

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MAINTENANCE
Effective balance between performance and cost

PROCUREMENT
A broader scope
QUALITY OF SERVICE
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PROFILE
Groupe Eurotunnel SA is a French limited company (société anonyme) listed in Paris and London, with a market capitalisation of €3.5 billion at 31 December 2010.

Eurotunnel has been awarded the concession for the Channel Tunnel through to 2086. Eurotunnel operates Shuttle trains between Folkestone and Coquelles and gives passage to both passenger and freight trains from other operators.

Le Shuttle is the fastest, most reliable, easiest and most environmentally-friendly transport system for crossing the Strait of Dover.

These intrinsic strengths, combined with the expertise of its teams, have underpinned the commercial and operational success of Eurotunnel, the cross-Channel market leader. Since 1994, some 265 million passengers and more than 53 million vehicles (including 16 million heavy goods vehicles) have used this terrestrial connection, which has become a vital link between the UK and continental Europe.

Eurotunnel is moving forward with a long-term strategy which combines the development of its core business, cross-Channel transport, with growth beyond the Tunnel, in its two main business lines and areas of expertise: infrastructure management and railway operations. The structure of Groupe Eurotunnel strictly separates the activities of infrastructure manager and railway operator.

A stock for the future, Eurotunnel is building a group that will benefit from the characteristics of infrastructure concessionaires - including recurrent cash flow - with prospects for sustainable growth based on the increasing importance of environmental issues.
Dear Shareholder,

2010 has been remarkable for Eurotunnel for a number of reasons:

- It was the year which saw the formation of a true group, which is developing in two complementary sectors: the management of infrastructure and the development of international rail freight services, recently completed through the addition of GB Railfreight and its integration with the Europorte companies. In accordance with European Directives on the separation of infrastructure and railway operations, we have strictly partitioned these two activities and added a “corporate” level which was lacking in the past, thus equipping ourselves for future growth;

- It was the 20th anniversary of the “Breakthrough”, the first meeting between the British and French tunnellers below the Channel. This anniversary gave us the opportunity to pay homage to the visionaries who created this incredible structure, to the Tunnel builders and the original shareholders who enabled Eurotunnel to exist;

- It was the year when, in July, we carried the 250 millionth passenger through the Channel Tunnel proof, if it is needed, of the commercial and operational success of this infrastructure, the vital link between the United Kingdom and continental Europe.

- It was when we carried out a full scale test on a Deutsche Bahn ICE train in the Tunnel and then, hauled by a Eurotunnel locomotive, its arrival at St Pancras International station in London. This spectacular initiative heralds the development of high speed rail traffic to new destinations - Germany, Holland – and represents an additional 3 to 4 million passengers per year to add to the almost 10 million that we see today. It is a real revolution and, as such, generates conservative and protectionist reactions, which have no place in our modern world, and which must not be allowed to stand in the way of customer demand;

- It was the year which saw our biggest customer, Eurostar, re-launch its commercial offensive, ordering new trains, scheduling the renovation of the existing fleet and announcing new destinations, beyond current services. Once again it is the customer who will benefit but, more importantly, it is a victory for high speed rail over air travel for ever longer journeys through its intrinsic advantages of sustainability and ease of use;

- It was the year which saw our Truck Shuttles regain their market share (car traffic having already been regained the previous year), once again placing us as the incontestable leader across the Channel.

Clearly the translation of this success is not

Jacques Gounon
Chairman and Chief Executive Officer of Groupe Eurotunnel

Claude Lienard
Deputy Chief Executive Officer Corporate

Michel Boudoussier
Deputy Chief Executive Officer Corporate

Jo Wilfacy
Commercial Director

Patrick Etienne
Business Services Director

Pascal Sainson
Chairman of Europorte SAS

Hugues Lepic (born 1965)
Director

Colette Neuville (born 1937)
Independent Director

Robert Rochefort (born 1955)
Independent Director

Henri Rouanet (born 1933)
Independent Director

Jean-Pierre Trotignon (born 1950)
Director

Philippe Vasseur (born 1943)
Independent Director

Tim Yeo (born 1945)
Independent Director

* Mr Pierre Bilger, previously President of Alstom and a member of the Board of Directors of Groupe Eurotunnel since 2007, sadly passed away on 5 March 2011.
yet visible in the accounts for 2010, but you will see that these are heavily affected by the litigation initiated by Eurostar against our insurers. In order to be completely transparent and remain cautious, the Group has not taken account of any anticipated insurance payments, even though we were covered for the period between January and September 2010. I hope that 2011 will see all of these difficulties ironed out.

It was the year which saw the development of an innovative and high performance system to substantially increase the protection of our infrastructure and rolling stock in the event of a fire (people safety is already ensured with the refuge offered by the service tunnel). This “SAFE” system is composed of stations inside the tunnel which after identifying the exact location of a fire, spray it with a dense, high pressure mist which contains the fire and brings the temperature down dramatically, thus guaranteeing greater protection;

It was the year which finally led to economic reality placing one of our competitors, SeaFrance, under judicial protection, as was the case once before in the recent past, with its sole public shareholder coming to the rescue. Whatever the outcome of this situation, it is certain that we will see a stabilising of the market which can only be to our advantage;

Our core businesses are doing well and have potential for the future. We are gaining ever more customers, we generate positive cash flow, we are looking forward to the long term for you, in particular, dear shareholder: with a continuing dividend payment which, I hope, will improve from one year to the next.

Thank you for your support.
Yours faithfully

Jacques Gounon,
7 March 2011

“Our businesses have a positive future, we are attracting more customers and building for the long term.”
Groupe Eurotunnel provides a series of email alerts, which enable shareholders to keep up to date instantly when information which could be of interest to them is published online. In 2010, the Eurotunnel Group issued 45 news releases, four editions of “Eurotunnel On Track”, the Annual Review, the Reference Document and the Environment Report. The Group also provides webcast of the key moments from the AGM, on its website.

Beyond immediacy, the Group’s electronic communications bring the advantage of reducing the amount of printed paperwork, in accordance with our environmental approach. It is in this same spirit that the corporate website has now become the principal link with our shareholders. It has been completely reworked and, since 5 February 2011, provides access to regularly updated information in a precise, visual format, with clearer layout and simplified navigation. The result is that all of the information is now available in just a few clicks.

The website received 447,670 hits in 2010, approximately 38,000 per month, from 189 countries (39% from France, 38% from UK and 23% from other countries). In total, more than 900,000 pages were consulted, an average of 2 pages per visit (home page, Tunnel facts, share price…)

**Dividend**
The Eurotunnel Group puts its shareholders at the heart of its strategy, with one objective: increasing the value of their investment over the long term, with a robust dividend policy. In 2010, research conducted with 27,000 people who had signed up for the email alerts further strengthened the information gained in 2008 and 2009: our shareholders’ satisfaction with their Group.

In 2010, the Shareholder Relations Centre received 36,606 individual shareholder enquiries: 73% came from the UK and 27% from France. In accordance with its commitments, the Group dealt with these enquiries in the shortest time possible.

**TNU**
At the end of 2010, TNU PLC was merged into Groupe Eurotunnel SA. This operation represents the final stage in the simplification of the Group structure, announced in 2007.

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**MEMO**

**Share factsheet**

**Groupe Eurotunnel SA**

- **ISIN Code:** FR0010533075
- **Tickers:** GET on Euronext™ Paris, (GETS on London Stock Exchange)
- **Listing date:** 2 July 2007
- **Trading markets:** Euronext™ Paris (Eurolist compartment A), LSE – London Stock Exchange (secondary market)
- **Markets:** NYSE Euronext Paris – Eurolist – Compartment B (Mid-caps)
- **PEA scheme:** eligible
- **Main indexes:** CAC Next 20, SBF 120, DJ Stoxx 800, Next 150, MSCI World Index, MSCI Europe
- **The Groupe Eurotunnel SA share capital is €213,684,472.80. It is divided into 534,211,182 fully-paid-up ordinary shares with a nominal value of €0.40 each (A shares)**

**CONTACTS**

**Shareholder Relations Centre**

Groupe Eurotunnel

BP 69 - 62904 Coquelles Cedex France

Tel.: 0845 600 6634

Email: shareholder.info@eurotunnel.com

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**A STRENGTH: 335,000 INDIVIDUAL SHAREHOLDERS**

- **Capital breakdown** by shareholder profile
  - Custodians
  - Institutional investors
  - Individual shareholders

- **Capital breakdown** by location of account holder
  - France
  - United Kingdom/Eire
  - Luxembourg
  - USA
  - Belgium
  - Other countries

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* Based on a 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 between 100 and 1,000 shares.
In 2010, despite slow economic recovery and fierce competition, Eurotunnel regained its natural leadership of the Short Straits market, the group’s core business. The expansion of the group into rail freight activities and infrastructure management contracts represents an obvious springboard for growth.

**Groupe Eurotunnel consolidated revenue** increased by **26%** in 2010 compared to 2009, in large part due to the acquisition of rail freight subsidiaries in France (Europorte France, Europorte Link, Europorte Proximité and Socorail) and, within the same sphere of activity in the UK, GB Railfreight. In like for like terms, Eurotunnel revenue increased by 9% year on year.

In 2010, Europorte (the Eurotunnel group rail freight subsidiaries) generated **98 million euros** in revenues from the various activities of rail freight transport and infrastructure management.

The Channel Tunnel is currently utilised at an average of **52%** of its total capacity, which leaves a large number of paths available for an increase in existing traffic and the arrival of new railway companies.
The financial analysis of the consolidated results of Groupe Eurotunnel SA for 2010 is published on pages 34 and 35 of this Annual Review.

The reference document for Groupe Eurotunnel SA, lodged with the Autorité des marchés financiers (AMF) is available at www.eurotunnelgroup.com along with all regulatory information on corporate governance, risk management and the full consolidated accounts for GET SA.

NOTA BENE

Insurance compensation (for operating losses)
Rail subsidiaries** (Europorte)
Channel Tunnel (Concession)

* The figures for 2009 and 2008 have been recalculated at the 2010 exchange rate for better comparison, (£1=€1.169)

** Europorte SAS, Europorte France, Europorte Proximité, Socoral, Europorte Services, GB Railfreight and Europorte Channel
**GROUPE EUROTUNNEL ROLLING STOCK FLEET**

<table>
<thead>
<tr>
<th>Entity</th>
<th>Electric locomotives</th>
<th>Diesel locomotives</th>
<th>Eurotunnel Shuttle wagons</th>
<th>Other wagons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel Tunnel (Concession)</td>
<td>34 Brush/Bombardier (7 MW)</td>
<td>7 Krupp (1 MW)</td>
<td>292 Arbel carriers</td>
<td>30 works train</td>
</tr>
<tr>
<td></td>
<td>23 Brush/Bombardier (5.6 MW)</td>
<td></td>
<td>29 Arbel loaders</td>
<td>platform wagons</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>202 Breda carriers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>23 Breda loaders</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>216 Bombardier carriers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>38 Bombardier loaders</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europorte France and Europorte Proximité</td>
<td>12 Prima Alstom (4.2 MW)</td>
<td>2 Vossloh Euro 4000 (2.9 MW)</td>
<td>200 assorted wagons</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 Vossloh G 2000 (2.2 MW)</td>
<td></td>
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<td></td>
<td></td>
<td>12 Vossloh G 1206 (1.5 MW)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>8 Vossloh G 1000 (1.1 MW)</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>GB Railfreight</td>
<td>9 BR Class 73, electro-diesel (1 MW)</td>
<td>35 Class 66 EMD (2.3 MW)</td>
<td>660 assorted wagons</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 BR 08 shunter</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Europorte Channel</td>
<td>11 Brush Class 92 (5 MW)</td>
<td>79 shunters</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Groupe Eurotunnel</td>
<td>89</td>
<td>149</td>
<td>800</td>
<td>890</td>
</tr>
</tbody>
</table>

* Fleet at 31/12/2010, including material owned or leased by the different subsidiaries of Groupe Eurotunnel.

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**GROUPE EURO TUNNEL EMPLOYEES AT 31/21/2010**

**By company**
- Eurotunnel
- Europorte Proximité
- Europorte France
- GR Railfreight
- Socorail

**By country**
- United Kingdom
- France and other European countries

* The country is that of the workplace, no matter what the nationality of the employee.
THE CROSS-CHANNEL MARKET

Eurotunnel remains confident in its intrinsic strengths: the quality and flexibility of service, the transparent and competitive pricing and the advantages that come from having a minimal impact on the environment.

INTENSE COMPETITION

Even though the economic situation remains uncertain (16% reduction in the number of trucks transported across the whole Channel market between 2007 and 2010) there is still an excess of at least 20% in capacity across the Short Straits. This is unlikely to improve in the near future as P&O Ferries bring two new ships, the largest ever seen on this route, into service between Dover and Calais in 2011.

Serious pressure on prices
The depressed market and the increase in capacity have combined to heighten competition. The ferry operators, which cannot offer the speed, frequency or flexibility of Eurotunnel’s Shuttles, are competing on price between themselves and with the Tunnel, generating a price war which means they cannot even cover their running costs. On 5 September 2010, LD Lines closed the Boulogne-Dover service, which had launched just a few months previously. SeaFrance is in administration. P&O Ferries, which prices in sterling has benefitted from the 20% drop in this currency’s exchange rate against the euro. However, at the end of September 2010, the British operator announced that it was laying off 70 people at its Dover headquarters, around 15% of its workforce.

Restoring a level playing field
The cross-Channel market is also affected by serious distortions to competition. The rules of the game are not the same for Eurotunnel and the shipping operators. Indeed, shipping operators are the only ones to benefit from major levels of direct and indirect assistance:
- They do not pay any - or only very low amounts of - social charges for on-board staff
- They are exempt from fuel duty
- They benefit indirectly from the tax breaks granted to ports, which are exempt from the taxe professionnelle business tax (now replaced by the additional levy on land taxes), with this cost not reflected in the port dues charged to the ferries
- They benefit indirectly from public assistance provided to ports for investment or to reduce deficits.

Eurotunnel understands and shares the concerns of governments and regional authorities in terms of economic development. For the first time in 20 years, Eurotunnel has been elected to the Chamber of commerce and industry for the Opal Coast, which now groups together the three chambers for Boulogne, Calais and Dunkirk. The Group would simply like to see fair competition in the Channel market. It is therefore looking to address all the mechanisms and factors which introduce discrimination between its cross-Channel activity and the shipping links.

In November 2010, Eurotunnel filed a petition with the Rouen Administrative Court to challenge the legality of some 15 million euros of subsidies granted each year by the Seine-Maritime regional council to Louis Dreyfus Armateurs under a delegation of public service, which appears to be unjustifiable between two different countries.

In addition, the Group is closely monitoring and has drawn the attention of the European Commission to the restructuring of SeaFrance. This company, which had already been saved from bankruptcy in 1999 by SNCF, is due to present a recovery plan to the Paris Commercial Court on 15 April 2011. It would be dangerous for all the players on the cross-Channel market if one were artificially kept afloat by the introduction of further competitive imbalances.
**STRATEGY FOR THE TUNNEL**

**OPENING UP TO NEW ENTRANTS, THE EXPANSION OF EXISTING SERVICES**

In October 2010, Eurostar announced its plans to order ten full trains with a view to setting up new high-speed rail links between London and major European cities (in Holland, Switzerland and the south of France...) via the Channel Tunnel. A few days later, Deutsche Bahn revealed its plans to open up a service between London and Germany. In total, these projects potentially represent between 3 and 4 million additional passengers each year in the Tunnel, some 40% more than today.

The successful tests carried out inside the Tunnel by Deutsche Bahn ICE 3 in October 2010 indicate that distributed power trains would today be able to operate under the Channel in total safety. However, for external reasons, not actually linked to the Tunnel’s operations, the French and British authorities have not yet managed to reach a reasonable compromise with a view to changing the regulations.

**AVAILABILITY, SAFETY, TECHNICAL PROGRESS**

Tunnel availability remains the overriding priority for the Fixed Link Concessionaire. Evidence of this can be seen in the €21 million investment in the construction of four SAFE stations inside the Tunnel in 2011 (see page 27). The majority of the operating and safety rules for the Tunnel were established prior to construction, well before the Tunnel became operational. Since 1994, 1.7 million trains have used the system. This infrastructure which was truly exceptional when it was built has now, after 17 years of intense operations, reached maturity. This is why Eurotunnel has proposed improvements, which take account of the knowledge acquired and the technical progress made over this time, to the Intergovernmental Commission (IGC).

In this context, the principle of the “Go Zone”, which means that in future, in the event of a fire alarm, Truck Shuttles which are less than 15km from the exit will be inspected and dealt with on the outside, has been accepted by the IGC.

In the same light, the new TSI standards (Technical Specifications for Interoperability) authorise locomotives which comply to travel through all European tunnels except the Channel Tunnel, for which only the Class 92 locomotives are approved, thus putting an obstacle to the development of cross-Channel rail freight traffic. The homologation of Modalohr type wagons (see photo above), lowered and articulated and which are already in everyday use in the Fréjus railway tunnel, could also contribute to traffic growth. The opening of the Tunnel to 200m long trains and trains with distributed traction is necessary for the development of new passenger services, the most promising sector for growth in the Concession in the coming years.
The Railway Subsidiaries

Our expertise in rail freight and infrastructure management represent genuine opportunities for development. Groupe Eurotunnel continues to strengthen its positions in these high-potential markets, which dovetail effectively with its core business, with a cautious and debt-free approach.

External Growth Opportunities, a True European Dimension

Central to this strategy, Europorte is committed to becoming one of the leading players for rail freight in Europe. With increasing environmental constraints and the growing need to transport goods over both short and long distances, the rail freight market has many opportunities.

Following the acquisition of Veolia Cargo’s rail freight business in France at the end of 2009, to create Europorte, the group announced on 1 June 2010 that it had bought GB Railfreight, number three for rail freight in the UK, from FirstGroup. The UK has the most dynamic market in Europe, with steady and sustained growth since it was deregulated in 1996, averaging +4% per year to 2008.

A profitable company, GB Railfreight recorded £56 million in revenues in 2009 (€39 million in 2010 for the seven months activity as part of Groupe Eurotunnel), with 306 employees at the end of 2010. With a presence across all segments and a large, diversified and international customer base, this new subsidiary perfectly complements Europorte’s activities in France, and gives this business the international dimension.
that is essential for its development. Groupe Eurotunnel now has an effective tool enabling it to offer its customers a complete range of end-to-end solutions to meet their requirements for integrated supply chains and a high quality of service.

In another area in which it has potential for external growth, the group is also looking to capitalise on its infrastructure management and operations expertise. A first contract was signed in 2009 with the port of Dunkirk, where Eurotunnel has been responsible for managing the rail freight area since 21 December 2010. Every opportunity to work with rail transport infrastructures (port areas, tunnels…) is carefully analysed, with a strict focus on the prospects for profitability.

**Birth of a group**

With the development of activities beyond the scope of the Tunnel, a new group is being established. The creation of a support division (finance, legal, IT, etc.), forms part of this development.

The opening of the first railway training school in Coquelles at the beginning of 2011 also illustrates this approach. The Calais region’s international rail training centre (CIFFCO) is harnessing the resources and expertise from Eurotunnel’s training centre to provide programmes designed for staff from within the Group itself, as well as from other rail companies.

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**28 May 2010:** Groupe Eurotunnel acquires the third largest rail freight operator in the UK, GB Railfreight, (see photo 01). This acquisition, conducted without creating debt, is in line with the Group’s strategy, defined in 2009 by the constitution of Europorte. Groupe Eurotunnel has thus become a rail freight operator on a European scale.

**21 December 2010:** Europorte Services, contracted to manage the infrastructure at the port of Dunkirk (photos 02 and 03) has taken charge of the operation and maintenance of the rail network: 200km of track, 5 switching stations… The team is made up of approximately 40 members of staff who manage the movements of 120 trains per week.
RESUMING THE ROLE OF DEVELOPER

The role of developer entrusted to Eurotunnel by the French government alongside the Concession agreement represents a vehicle for boosting the local economy, at both ends of the Tunnel. The Group has been provided with significant land reserves around its Coquelles terminal with a view to establishing integrated development zones (ZAC). The largest spreads over 700 hectares, and is home to the Eurotunnel terminal and many other facilities, including Cité-Europe, France’s 10th largest shopping centre, a 12-screen multiplex cinema, a gourmet area with around 15 restaurants and three Accor group hotels. Following the opening of a BMW dealership in January 2011, Renault will also be setting up at this location. In addition, there will be a new shopping centre, built around French home equipment specialist, FLY and SOCOLDIS, a distributor of car wash and cleaning products. These new outlets will create more than 250 additional jobs between now and the end of 2012.

At the same time, the Sangatte tourist complex project (which covers sites owned by Eurotunnel), including an 18 hole golf course combined with hotel facilities and a real estate programme, is moving forward as planned. In consultation with all the administrative organisations concerned, the local council has decided on the scope for this complex. It is expected to launch the invitation to tender in spring this year.

The opening of a number of car dealerships on the Eurotunnel development land in Coquelles will complete developments in this area.

Sustainable development

In November 2010, Eurotunnel received the Leadership in Sustainable Development award from International Freighting Weekly (IFW), the leading European magazine for transport and logistics.

Quality of service

In a satisfaction survey of 26,000 people in Britain conducted in October 2010 by the United Kingdom Institute of Customer Service, Eurotunnel was ranked as the leading transport company, with a satisfaction rating of 83%, ahead of Virgin Atlantic (81.2%), P&O Ferries (80.8%), British Airways (79.8%) and EasyJet (75.7%).

Sixth consecutive Green Flag

In July, the Samphire Hoe site, owned by the Eurotunnel Group and spread over some 30 hectares at the foot of the cliffs near Dover, received its sixth Green Flag Award® for the best preserved natural areas in England and Wales.
Eurotunnel Shuttle traffic and the number of Eurostar passengers showed a sharp increase in 2010. The new rail freight and contracted infrastructure management activities, launched at the end of 2009, already generate more than 13% of the group’s revenues.

- **01** Eurotunnel Le Shuttle, which mainly transports cars carried
  - 2,125,259 passenger vehicles (including motorcycles, campervans and cars with trailers), i.e. 11% more than in 2009

- **02** Between Folkestone (Kent) and Coquelles (Pas-de-Calais), Eurotunnel carried
  - 1,089,051 heavy goods vehicles in 2010 on its Truck Shuttles, i.e. an increase of 42% over 2009

- **03** Between London and Paris or London and Brussels, Eurostar transported
  - 9,528,558 passengers in 2010 (3% more than in 2009), a record since the service opened in 1994
Following the eruption of the Icelandic volcano, Eyjafjallajökull, and the paralysis of air transport in spring last year, the volume of cross-Channel traffic for cars increased by nearly 6% in 2010, with this strong growth primarily benefitting Eurotunnel’s Shuttles. Le Shuttle achieved growth of 11% in terms of the number of vehicles carried, while ferry passenger business remained virtually static during the year. Eurotunnel’s market share reached 43% in 2010, 2 points more than 2009.

These results confirm the competitiveness of Le Shuttle, which combines speed, ease and reliability. When airports were closed at the end of April, at the height of the British school holiday period, Eurotunnel’s Passenger Shuttles carried up to 10,000 vehicles each day, compared with 5,000 during a normal period. This period is also the time when the British, who make up approximately 80% of Le Shuttle customers, make plans for their summer holidays.

Almost 15,000 cars in just 24 hours

After the ash cloud resulted in Heathrow and Gatwick being shut again between 16 and 17 May, bookings on the Eurotunnel website jumped 50%. Faced with uncertain climatic conditions and a difficult economic environment, many British people chose less expensive holidays, taking the Tunnel to drive to France or southern Europe, rather than flying to faraway destinations. Throughout the summer, Le Shuttle achieved record results, with an all-time high of 14,975 vehicles carried in both directions in 24 hours on 14 August.

Eurotunnel has thus gained a new customer base, enabling first time passengers to discover the benefits of Le Shuttle, which is expected to ensure their loyalty in the coming years. The quickest and most environmentally-friendly means of transport, the Passenger Shuttles make it possible to cross the Channel in 35 minutes without getting out of your car, with a price that is independent of the number of passengers, and with departures every 10 or 15 minutes at peak times.

MARKETING

Optimisation of media buying

The strong growth in sales in 2010 was accompanied by a 6% reduction in total marketing spend; largely due to increasingly precise measurement of return on investment which enabled an optimisation of media buying costs.
he cross-Channel freight market for accompanied trucks has contracted by 16% since 2007, the start of the global economic crisis. The cross-Channel transport market currently suffers from excess capacity (around 20%) and competition is intensifying with the price-cutting policy launched by ferry operators stepped up.

In this hostile environment, Eurotunnel managed to recover its historic market share of 38% at the end of 2010, after falling to 25% (average for the year 2009) following the fire in September 2008.

Targeted promotions
This position was regained by minimising the impact on operating profitability thanks to an innovative pricing policy. Rather than rushing into the ferries’ downward spiral and applying systematic discounts, Eurotunnel preferred to roll out targeted promotions in certain customer segments and for periods when the Truck Shuttle load factor was at its lowest, looking for timeslots when higher volumes could make up for lower prices.

In this way, promotional rates for vans have been available since April 2010. Their share of Truck Shuttle traffic has doubled, without affecting profitability, since two vans can be loaded onto one wagon in the same space required for just one heavy goods vehicle. Similarly, the discounts granted for trucks at weekends have been offset by improving the load factor for Shuttles during off-peak periods.

Elsewhere, in the segment for customers for whom delivery speed is essential, a differentiating sales drive has been launched for haulage firms of all sizes, especially those from Central and Eastern Europe, which are able to capitalise on the opportunities opened up by the evolution of the cross-Channel market.

A competitive offer
With the quick upturn seen after this pricing model was implemented, the Group returned to its historic market share levels within the timeframe set. Eurotunnel’s service has once again shown its competitiveness, combining its unique advantages of speed and reliability with balanced prices.

Even if, in view of economic forecasts, caution is required for the short term, Eurotunnel remains confident in the outlook for the development of business on its Truck Shuttles. With vans, a new and highly promising market segment (thanks to growth in courier services linked to the boom in online sales) has been identified and efforts are being made to secure the loyalty of these new customers. Our customer portfolio is changing; less dependent on large operators and increasingly international. Lastly, the Truck Shuttles are establishing their position as the most environmentally-friendly way of crossing the Channel (see also pages 30 and 31 for information on the carbon counter tool launched by Eurotunnel). Over and above its socially responsible dimension, this advantage is increasingly taking on a concrete economic value, as rising fossil fuel prices and carbon dioxide emission taxes become a growing burden on the costs of Eurotunnel’s maritime rivals.
01. Eurotunnel has opened access to its infrastructure and the specific services provided by Europorte Channel at Frethun to all railway operators.

02. The whole train sector remains dynamic for bulk goods transport.

### A DIFFICULT YEAR

Rail freight, despite operational efficiency being undermined by numerous strikes amongst the traditional operators in 2010, still has real potential, particularly since it represents the most environmentally-friendly option.

As an infrastructure manager, Eurotunnel has an open-access policy for both passenger and freight trains. This means of transport, which is more environmentally-friendly than road or air freight, looks set for a bright future over the medium term, reflecting the combined impact of the inevitable rise in hydrocarbon prices, the development of CO₂ emissions taxes, and government incentives which are taking shape. In 2010, however, this business was hit by both the economic crisis and an overall deterioration in the quality of service, with traffic disrupted by various rail accidents (notably in Buizingen in Belgium) and, above all, by the many strikes seen in several European countries, including Belgium and France, in particular, through which a large part of the traffic passes. These conditions have penalised the three rail companies which operate goods trains inside the Tunnel: DB Schenker (on behalf of BRB), SNCF (and its subsidiaries like Captrain) and Europorte. Traffic, which had remained relatively stable in terms of the number of tonnes transported since 2007, fell by -4% this year, with the number of trains reducing by -13%.

**Intermodal prospects**

Despite the disappointing results overall, there are encouraging signs in the most buoyant segment: intermodal transport. There are four types of goods trains: conventional full trains for a single customer, conventional trains with individual wagons (wagon load), trains with purpose-built wagons for transporting new vehicles, and intermodal trains, with wagons carrying intermodal crates or containers.

Wagon load services virtually disappeared in 2010 (essentially reflecting the downturn in traffic during the year), while the level of automotive freight traffic followed the trend for manufacturers scaling down their activities. However, the full-train segment has continued to be dynamic for transporting bulk goods, such as steel or mineral water through the Tunnel. Most significantly, the creation of two new intermodal train services in 2010, highlights the strengths of this means of transport for the future.

**Eurotunnel’s open-access approach**

Intent on boosting cross-Channel rail freight, the group has for the past three years focussed on a strategy based first and foremost on a simplified and competitive pricing structure. The group is also working to facilitate access for all rail companies to the specific services offered (shunting, coupling and decoupling, cross-Channel traction), based on an efficient and capped cost.

In this way, new tolls for goods trains have halved the cost of crossing the Channel since October 2007. As a result, the lower level of traffic recorded cannot be attributable to toll charges being too high.

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**THE TOLL CHARGED**

for a rail freight train on the high speed line between Paris and Strasbourg, is, proportionally*, 8.9 times higher than that for the Channel Tunnel.

*Relative to the cost of the infrastructure once public subsidies have been discounted.
The passenger transport market between London and Europe’s leading cities remained very buoyant for leisure travel in 2010 while business travel picked up again. It looks set to continue growing at a sustained rate over the next few years. Today, only one operator, Eurostar, offers rail connections between London and Paris and Brussels. Its high-speed services through the Channel Tunnel put Central London within 2 hours 15 minutes of Paris and 1 hour 51 minutes from Brussels. Driven by this competitive advantage, Eurostar has continued to gain market share over its air-based rivals, capturing more than 80% of the passenger transport market between London and Paris and London and Brussels at the end of 2010.

In addition, Eurostar traffic has seen strong growth during off-peak months, while climbing to record levels when the Icelandic volcano, Eyjafjallajökull, erupted and during the summer holiday period. However, due to a lack of sufficient capacity, the company has been unable to fully benefit from the increase in demand during peak periods.

New entrants, new destinations, new revenues
In early October, Eurostar announced its plans to acquire 10 new trains with a view to adding departures from London to other major cities in Northern Europe, Southern France and Switzerland. In the same month, Deutsche Bahn revealed its plans to create connections with double trains between London and Brussels, then between London and Rotterdam and Amsterdam or Cologne and Frankfurt. For the Channel Tunnel, which generates 41% of its revenues from the charges it receives from rail companies, these various projects open up significant opportunities for growth, with significant market share to be gained over polluting and expensive air transport. The potential traffic between London and Germany is estimated at between 1 and 1.4 million additional passengers per year in the Tunnel. Between London and Amsterdam, the market is expected to come in at 1.6 to 2 million additional passengers per year. If we include traffic to the south east of France and Switzerland, this gives a total of 3 to 4 million passengers, representing a potential 40% increase in passenger train traffic.

In strict accordance with the Concession Agreement, the agreement for the Tunnel to be used by train operators and the safety rules set by the Intergovernmental Commission, the group does everything possible to ensure:
- Fair treatment for all rail companies, free from any discrimination,
- The reliability of its infrastructure,
- The organisation of efficient and round-the-clock train services between the UK and continental Europe.

ICE 3 in the Tunnel
With this in mind, between 12 and 19 October 2010, Eurotunnel welcomed an ICE 3 high-speed train from Deutsche Bahn for various technical tests prior to the opening of regular services by the German operator. First of all, several configuration tests enabled the ICE 3 to make its own way into the Tunnel in total safety. The main exercise involved evacuating 300 volunteers, who had previously boarded the ICE 3, into the service tunnel. The operation was carried out quickly and smoothly in less than 20 minutes. Lastly, two Eurotunnel locomotives hauled the ICE 3 all the way to St Pancras International Station in London, strictly in accordance with the timetables and rules for operating on the High Speed 1 line.

After another record year for Eurostar, the arrival of new entrant operators, as announced, and services to more cities in Europe are opening up possibilities for the group to grow.
EUROPORTE

A DEVELOPMENT STRATEGY FULL OF POTENTIAL FOR THE FUTURE

Quality of service and end-to-end railway solutions: Europorte, brings together a series of specialised freight subsidiaries to harness these two strengths to drive the strategy for profitable growth. With GB Railfreight, acquired in May 2010, Europorte doubled its freight revenues and confirmed its position as a major player in this market in Europe.

DEVELOPMENT

Five initiatives for the future

Europorte France’s dynamic programme is intended to reduce its costs by €5 million by 2014. Five initiatives are already underway: centralising planning for human resources and rolling stock; increasing the multi-skilling capabilities of staff; extending the responsibilities of sector managers; developing localised traffic and gaining approval for trains to run at 120 km/h, instead of today’s maximum of 100 km/h.

The Group’s specialised rail freight business, Europorte is present, through its subsidiaries, in three activities: rail traction in France and the UK; rail operations and logistics at industrial sites and the maintenance and management of rail infrastructure and rolling stock.

The company covers the entire logistics chain: Europorte France hauls goods trains over long distances and up to the Channel Tunnel, while Europorte Channel takes them across the Channel and GB Railfreight hauls them in the UK. At industrial sites, Socorail carries out railway handling and logistics services: loading and unloading wagons, ships and trucks, as well as performing track management and maintenance for its customers, who operate notably in the oil, chemicals, steel, automotive and construction materials sectors. Lastly, Europorte Proximité manages full trains and wagon load trains on secondary lines with lower traffic levels. This subsidiary is a local rail operator and also carries out infrastructure work, subcontracting for SNCF or regional authorities.

Pooling know-how to offer end-to-end solutions

Covering the entire rail transport chain, Europorte is developing its combined activities as a local operator, long-distance operator and logistics provider on industrial sites in order to provide its customers with bespoke, end-to-end
solutions. The contract signed in summer 2010 with Cérévia illustrates this approach. This cereal group, representing potentially 3 million tonnes of grain for distribution, has entrusted Europorte with transporting 250,000 tonnes per year in Burgundy, where Europorte Proximité operates 150km of secondary lines. Europorte is able to provide not only local collection and transportation, but also long-distance haulage and secondary network management and maintenance. Its expertise across all the links in the chain helps it to maintain a high quality of service. The customer also benefits from one dedicated contact for building their entire supply chain. The very short channels of communication between the various Europorte entities make it possible to minimise the labour issues which are frequently seen with rail freight.

Quality of service, vital for rail freight
Won over by the reliability and punctuality rates achieved, consistently coming in at almost 100%, Lafarge Ciments has once again confirmed its confidence in Europorte. In December 2010, a new three-year deal was signed with Lafarge for transporting “slag” (a by-product of steel-working but a component of cement) from Dunkirk to its Le Havre cement works. Two Europorte subsidiaries cover the supply chain: Socorail handles the service to the ports in Dunkirk and Le Havre, where it also unloads the wagons. Their transportation between the two ports, at a rate of four trains each week, is handled by Europorte France. In February 2011, Europorte France and Belgian logistics company, Eurorail, signed the renewal of two strategic contracts for a further 3 years: one is the rail link to Golbey, in the Vosges, for the Norwegian paper manufacturer, Norske Skog and the other for a link between Lérouville, in the Meuse, and Le Boulou, on the Spanish border, with loaded trains in both directions.

Promising outlook
While the dynamic development of the European rail freight market is being held back by the economic environment and labour

NEW BUSINESS
Contracted infrastructure management in Dunkirk
At 13:50 on 21 December 2010, in keeping with traditional railway punctuality, Europorte Services, took on the running and maintenance of the rail network at the port of Dunkirk, for at least six years. With 200km of railway tracks, including 50km of electrified tracks, more than 400 points and crossings, seven links and five switching stations, it is used by more than 120 trains each week and represents the largest rail site in France. Europorte Services employs approximately 40 people, half of them seconded from Eurotunnel. The first year of the contract, the preparation for handing over operational responsibility, has been used to draw up the safety and operating regulations, enabling the port of Dunkirk to be officially recognised as a rail infrastructure manager, and to install the IT systems required to manage train movements and track paths, by adapting Eurotunnel’s own tools. Similarly, management applications have been directly adapted from the SAP software implemented by the Group, making it possible, as at Eurotunnel, to optimise infrastructure maintenance and provide performance indicators for the various facilities.

SYNERGY
IT integration
 Barely six months after taking over Veolia Cargo’s activities in France the Eurotunnel IT teams had connected the information systems. At the same time they ensured the convergence of the messaging systems and fully integrated all the Europorte workstations into the Group network, all the time maintaining the legal and operational separation of the various different entities. In a second phase, from March 2010, two major initiatives have been launched. The first involves replacing Veolia’s rail planning system with a German software package, which will be operational by the end of 2011. The second is focussed on administrative management tools, implementing the SAP enterprise management software package - already used by Eurotunnel – which is being rolled out from January 2011.

INCREASE
in volume transported by rail in Europe by 2022, according to experts

350
KILOMETRES
of branch line track in Burgundy and private track at the port of Dunkirk are managed by group subsidiaries Europorte Proximité and Europorte Services
issues, it has significant potential over the medium term. Environmental constraints, fuel costs and the development of "rail motorways" being encouraged by public authorities all represent competitive opportunities over road or maritime transportation for goods. The experts agree that the share for rail services in the European market will increase by 25% by 2022. In the UK, rail freight is already growing at a rate of +4% per year. The company is setting itself ambitious objectives. Europorte France generated €34 million in revenue in 2010. This subsidiary is expected to double its current revenues by 2013. Groupe Eurotunnel provides Europorte with the resources needed for its development. Currently, €2.8 million have been set aside for training and salary costs for 42 future train drivers, 28 of whom are CIFFCO’s first trainees (see page 28). A €20 million multi-year investment programme focusing, in particular, on acquiring and modernising locomotives has already been launched. GB RAILFREIGHT

Groupe Eurotunnel acquired GB Railfreight at the end of May 2010, completing its Europorte subsidiary with a rail freight operator based in the UK.

Since its creation in 1999, GB Railfreight has earned praise for its innovative approach, flexibility, reliability and competitiveness as well as for the quality of its customer service. GB Railfreight has received plaudits from colleagues and competitors alike, winning a raft of rail industry awards in the ten years since its founding. The combination of the Europorte subsidiaries in France and GB Railfreight in the UK gives Groupe Eurotunnel a presence in both the continental and UK markets and will ensure the growth of rail freight services through the Channel Tunnel in the future. Since the acquisition of GB Railfreight, control of Europorte Channel, the traction provider for cross Channel freight trains, has been transferred to GB Railfreight. Merging these two activities under one management will provide a one-stop shop for hauliers looking to move goods by rail through the Channel Tunnel between the UK and Continental Europe.

GB Railfreight and Europorte Channel have recently signed the first new contract for rail freight through the Channel Tunnel. A three times per week service running from Daventry in the Midlands to Novara in Italy will be hauled by GB Railfreight Class 66 locomotives in England and by Europorte Channel Class 92 locomotives through the Channel Tunnel. The service is a multi-modal container train for container shipping group DFDS.

GB Railfreight is a perfect complement to the Europorte subsidiaries in France and gives the Group a truly international dimension.

*In 2010, GB Railfreight generated revenues of €39 million for the seven months of activity within Groupe Eurotunnel (a full-year equivalent of approximately €68 million).
EXPERTISE

Continually improve rolling stock and infrastructure availability, make quality of service a priority every day and make Tunnel safety the best in the world. Eurotunnel focuses its capabilities in terms of expertise, innovation and investment on these three objectives.

01
With a new timetable arrangement, Le Shuttle can offer its customers up to 5 departures per hour (in peak periods) in 2011, an unrivalled frequency across the Channel.

02
The average rail replacement time, carried out regularly due to traffic density, has been reduced by 66% with the introduction of an innovative new maintenance module which uses telescopic cranes and carrier wagons.

03
By the end of 2011, the SAFE stations (fire suppression stations) will be operational. They will provide the Channel Tunnel with a high-tech safety system every 17km.
EXPERTISE

MAINTENANCE

EFFECTIVE BALANCE BETWEEN PERFORMANCE AND COST

Optimising maintenance is central to continuously improving the quality of service provided and ensuring effective control over production costs.

In 2011 the Channel Tunnel celebrates its 17th year of operation. For this unique transport system, handling the world’s highest levels of traffic, the time has come to refurbish its Passenger and Truck Shuttle wagons. In the current economic climate, Eurotunnel’s strategy is founded on the efficiency of maintenance operations and the ability to devise solutions that will improve its quality of service while minimising the costs involved.

Re-incorporating outsourced work

The Tunnel Infrastructure Maintenance Excellence (TIME) project, which was completed in summer 2010, provides a perfect illustration of this policy. By optimising maintenance times and improving working methods and planning processes, the operations carried out within this framework made it possible to re-incorporate tasks which had previously been entrusted to subcontractors and represent around 50 full-time jobs. With this progress, it is now possible to consider reducing the intervention times for Tunnel infrastructure maintenance teams from three to two nights a week, making it possible to significantly increase the transport capacity available at weekends.

66% reduction in rail replacement times

Thanks to reviews carried out as part of the TIME programme, a new rail handling module, designed to Eurotunnel’s own specification, was brought into operation in 2010 on the French and UK terminals, where work is underway to refurbish the tracks. This equipment is made up of two wagons carrying telescopic cranes, connected by a series of wagons capable of transporting rails that are 40 metres long and weigh 4.2 tonnes. Its dimensions have been researched to ensure that this module can be used underneath live overhead wires, making it possible to reduce the time needed for this work by two thirds, under safe conditions.

Inspecting the infrastructure at 100 km/h

Eurotunnel has signed a contract with SNCF to use its IRIS 320 measuring train. This specially developed high-speed train analyses all rail infrastructure elements - ballast, rails, signalling, overhead wires and telecoms reception - at 320 km/h on the French high-speed network. Since December 2010, it has also been inspecting the Channel Tunnel, pulled by a Eurotunnel diesel locomotive at 100 km/h. Its use, at least once every two months will further improve the speed and accuracy of measurements, particularly for checking the overhead wires, which were previously subject to visual inspections.

Overhauling Passenger Shuttle maintenance cycles

In terms of the rolling stock, the Keep Going to Quality programme optimises maintenance strategies based on a thorough analysis of working methods, as well as costs for upkeep and non-quality (delayed Shuttle departures, cancellations, failure to satisfy customers). This detailed review has already been launched for a dozen sensitive systems, such as the air-conditioning units and fire doors on the Passenger Shuttles. It is designed to help draw up new maintenance plans with a greater focus on preventive actions, while developing capabilities in real time day-to-day maintenance at the terminals, in order to reduce the cycle times and increase equipment availability. Today, each of the eight Passenger Shuttles in operation returns to the workshop every 22 days for first-line maintenance. This fixed timeframe will soon be correlated with the actual mileage covered, ensuring that the entire fleet of Shuttles will be ready to operate during peak periods, without any compromise whatsoever on safety or quality of service.

Refurbishing Truck Shuttles

Work has been launched to start refurbishing the fleet of 15 Truck Shuttles, with seven built by Breda and eight by Arbel. The method selected, open

20

BREDA TYPE WAGONS

which carry hundreds of trucks every day were reinforced in 2010. This project will continue with a further four wagons each month
to various options, aims to optimise the significant investments involved. The floors of 20 Breda truck-carrying wagons were replaced in 2010, and this operation is continuing, with a further four wagons each month.

The carrying wagons on the Truck Shuttles were originally equipped with heavy superstructures and canopies, designed principally to prevent any accidental contact with the catenary during loading. This type of protection has not been required for any other road/rail transport system in the world. Eurotunnel has now obtained authorisation from the IGC to reduce the number of canopies on the Arbel manufactured wagons from four to two (except for the last four wagons on each rake). Following this agreement, Eurotunnel is now removing the canopies from part of its fleet of 292 Arbel carrying wagons. The ultimate goal for the group is to remove all the canopies. Until then, the maintenance and improvement of rolling stock will continue at the highest levels.

**SCOPE**

**A BROADER PROCUREMENT**

Eurotunnel’s external expenditure has been reduced by 24% in terms of billing and 16% for commitments, reflecting an even better level of control achieved over the group’s costs.

**RESEARCH AND DEVELOPMENT**

*Eurotunnel leads the way in rail technology*

In 16 years of intensive operations, Eurotunnel has accumulated unique experience in managing infrastructure and operating rail transport systems, with this knowledge benefitting a number of development projects in these areas.

Today, Groupe Eurotunnel is focusing its research and development policy on the materials, measurements, tools and systems that will extend rail life. Groupe Eurotunnel is an active partner in the i-trans competitiveness cluster, devoted to land transport. Within this framework, which brings together the main players from industry, research and training for the rail sector in the Nord-Pas-de-Calais and Picardie regions, Groupe Eurotunnel is heading up the TTSA or Track Train System Availability project, which is working to develop four techniques and products to extend the lifespan of rails and increase track availability: new material and innovative design for rails, a new welding method, and tougher alloys for railcores (replacing traditional manganese steel).

Also in connection with i-trans, Eurotunnel is part of the RAIL 3 T project, looking to develop a system for measuring railhead integrity with equipment fitted on board a train running at 120 km/h, i.e. commercial operations speed. This collaborative research and development project has been selected as part of the 10th single inter-ministerial fund call for projects (AAP FUI), receiving €20,000 in assistance from the Nord-Pas-de-Calais regional council.

In 2010, the coverage of the procurement department increased by 6 points compared with the previous year. This significant improvement confirms the success of the collaborative approach rolled out over the past few years, enabling the operational entities and the procurement department to work closely together when negotiating with suppliers. It confirms the department’s greater level of involvement in “corporate” activities, such as finance, marketing and communications.

**Large contracts renewed**

The “multi-services” contract covering Shuttle cleaning and vehicle chocking on Truck Shuttles, as well as service and industrial cleaning for the various sites, was renewed in 2010, as was the “multi-technical” contract, notably encompassing building maintenance in France and the UK, work on the electro-technical equipment in the Tunnel and at the two Terminals. In addition, a British company has won the tender to carry out axle maintenance, and a contract has been awarded for installing the new passenger information system at the Folkestone terminal in 2010, followed by the

**Increasing purchasing in pounds sterling**

The bulk of Eurotunnel’s purchases are in euros, whereas approximately half of its revenues are generated in sterling. In view of this situation, specific care is taken with supplier sourcing. The value of purchases in pounds sterling increased by two points this year, to 34% of the total.

**Integrating the group’s new entities**

The Procurement department is supporting Europorte to help this subsidiary put in place a procurement policy, a dedicated structure and IT tools. It is also supporting GB Railfreight, which already has its own procurement section.

**Procurement**

**A BROADER SCOPE**

01 The multi-services contract, which includes the chocking of trucks on the Shuttles, was renegotiated in 2010.

01_ The multi-services contract, which includes the chocking of trucks on the Shuttles, was renegotiated in 2010.
QUALITY OF SERVICE

READY TO MEET ANY CHALLENGE

Volcanic eruptions in April, record traffic levels in summer, arctic conditions in winter: just some of the exceptional situations which our teams have successfully dealt with, while maintaining a high quality of service, as shown by the satisfaction ratings.

The ability to adapt the timetable when faced with an unexpected surge in demand and the warm welcome offered by Eurotunnel’s teams in April, as the Icelandic volcano erupted, convinced many customers to choose the Passenger Shuttles again for their summer holidays. Le Shuttle beat all its records, carrying more than 500,000 vehicles between 1 July and 31 August, with excellent quality of service. The punctuality* rate remained very high (on average between 92% - 98%) through to December, when the cold winter brought some mechanical challenges. These successes were achieved thanks to close cooperation between the planning, operations and maintenance teams, further strengthened this year by the introduction of cross-company coordination structures.

More fluid traffic flow on the terminals

Until recently, after passing through the Coquelles or Folkestone check-in booths, Le Shuttle customers first went to the Passenger terminal buildings to enjoy something to eat or do some shopping before getting back into their cars to drive through the frontier control checkpoints. This sometimes resulted in major congestion before boarding. From now on, customers travelling from France will pass through the frontier controls first, meaning that they then have plenty of time to enjoy a break while waiting calmly for their departure to be announced.

Snow Plan proves its effectiveness

During the last fortnight of the year, the snowy weather conditions which repeatedly hit Eurotunnel’s two terminals had only a limited impact on the fluidity of Le Shuttle traffic, thanks to the Snow Plan. As soon as the plan is activated, the service provider - selected following the call for tenders issued in 2010 - is required to deploy six snow-clearing vehicles on site and arrange for additional equipment to be kept on standby. Eurotunnel has also acquired four-wheel-drive vehicles fitted with snowplough blades and de-icer spraying systems, in addition to setting up a stock of 100 tonnes of salt and 5,000 litres of de-icer.

New information panels

The 17 new screens, including four very large units set up this summer on the Folkestone terminal, provide much clearer, more legible and more efficient access to all the practical information for customers relating to traffic, safety, the departure letter called or the closure of boarding. The largest screens offer 12.5m² of viewing space, are able to display large colour characters and also have a video function.

New look for www.eurotunnel.com

A close link between the Group and its customers and stakeholders, the website also represents the key marketing medium for Passenger Shuttles. Today, almost 80% of bookings are made on www.eurotunnel.com. The new version put online during the first quarter of 2011 benefits from a new design and even more fluid browsing. When overhauling the site, Eurotunnel decided, with a view to reducing costs, to reintegrate the hosting and maintenance of the site’s content, the only feature that was previously still entrusted to an external provider.

* Departure within ten minutes of schedule.

97% OF LE SHUTTLE PASSENGERS stated they were satisfied or extremely satisfied with Eurotunnel’s service, after a particularly busy summer in traffic terms.
Following highly conclusive tests, work to build the four SAFE fire-fighting stations began this year. They will be operational by the end of 2011.

Shorty after the fire in September 2008, Eurotunnel rolled out the Salamander plan with a view to minimising the impact of a potential future incident on infrastructure availability, the main measure being the creation of four SAFE fire-fighting stations inside the Tunnel. To minimise the damage that could be caused by a fire on a Truck, this approach involves, once any physical risks to its occupants have been ruled out, either removing the train from the tunnel or driving it to the nearest SAFE station, where the fire will be put out.

This innovative arrangement was put through its paces in April 2010 in a Spanish test tunnel using intense fires (generating a heat output of 100 to 150MW), equivalent to a blaze affecting several trucks. The results proved highly conclusive, significantly exceeding the anticipated performance levels. The SAFE firefighting stations have been approved by the Intergovernmental Commission and the various insurers, and a 120-metre long prototype is already operational. Work to build four full stations (each 870 metres long) has been started and is expected to be completed by the end of 2011. This investment, representing a total of €21 million, will provide a major guarantee of Tunnel availability by minimising the risks of the transport system’s capacity being reduced, in addition to bringing down the cost of insurance.
NEW PENSION AGREEMENT IN THE UK

The necessary pensions reform for the Group’s UK staff, carried out in 2010, is based on a hybrid system offering better protection than a strict defined-contribution scheme.

A s in many other private companies in the UK, Eurotunnel’s UK based staff previously had a defined-benefit pension scheme, in which all the risk was assumed by the employer. Employers were required to pay their retired staff the amount agreed irrespective of the situation concerning pension funds invested on the stock market, whereas their capitalisation and yield fluctuate with the market. This system has proved to be very expensive for businesses, especially during periods of major economic uncertainty. It was costing Eurotunnel around £2 million a year. In the UK, many companies have therefore decided to close their traditional funds, replacing them with defined-contribution systems, in which the risk lies primarily with the contributors. The contributors know how much they are paying in, but do not have any guarantee for the amount of their future pensions. Eurotunnel has preferred to adopt a hybrid system. Part of the remuneration for retired staff is still based on defined benefits, with reference to their pay in April 2010. Above this amount, a defined-contribution scheme takes over. The work accomplished with the Unite union led to a responsible compromise, with higher contributions for staff, lower contributions for the company and pensions based on amounts that will be far higher than under a strict defined-contribution scheme.

Profit-sharing based on quality of service

Under an agreement signed in March, a new profit-sharing system came into force in 2010. From now on, the amount of bonus is no longer determined by traffic volumes, but rather on weighted quality of service indicators, including customer transit times and the number of customers experiencing delays. The bonus, which is proportional to employees’ pay, is still calculated on operational criteria (safety, traffic, quality of service) and financial elements.
Respect for the environment is part of Eurotunnel’s DNA. The transport system has sought, from its conception, to limit its impact on the natural environment. Numerous initiatives (the wind farm, hybrid trains, particle filters…) embody this strength which is, today, recognised by our customers as a true competitive advantage.

Eurotunnel, already the most environmentally-friendly way to cross the Channel, has reduced its carbon footprint by -44% since 2008 as validated by the Carbon Trust Standard certification.

In May 2011 Eurotunnel will bring its first hybrid works train into service. This is made up of 7 wagons powered by electric batteries to replace the diesel powered loco-tractors.

A truck-crossing via the Channel Tunnel on a Eurotunnel Shuttle emits an average of just 8.8 kg of CO₂ compared with 158kg on a ferry.

Samphire Hoe nature reserve, created by Eurotunnel at the foot of Shakespeare Cliff.
The Channel Tunnel is without a doubt the most environmentally-friendly means of transport for crossing the Channel with a vehicle: it is scientifically proven that a truck crossing the Channel by Eurotunnel Shuttle emits up to 20 times less carbon dioxide (CO₂) into the atmosphere than if it took a ferry.

This strong environmental performance now offers more than just socially responsible benefits. Its economic dimension is becoming increasingly important. Eurotunnel’s Shuttles cross the Channel in just 35 minutes (compared with 75 minutes for the ferries). On top of that, when exiting the Tunnel, trucks arrive directly on the M20 motorway, with 25km less to cover in order to reach London than when getting off a ferry in Dover. Eurotunnel’s transport infrastructure uses electricity from low carbon sources which produce virtually no greenhouse gas emissions. Independent from fossil fuels, Eurotunnel’s prices are therefore never affected by variations in fuel prices or the introduction of environmental taxes, which are a growing burden on ferry operating costs. Not to mention the major investments that the ferry companies will need to make in order to adapt their means of propulsion with the tightening of regulations on CO₂ emissions.

First carbon-counter tool for cross-Channel transport

In addition to speed, ease and reliability, our flexibility, our independence in relation to oil and our reduced carbon footprint all contribute towards a competitive edge which is highly differentiating, indisputable and sustainable. They also represent a selling point which hauliers can freely highlight when dealing with their own customers. Eurotunnel is developing an external validation process, with recognised independent authorities, proving the environmental added value of its services. To enable its customers to measure the environmental impact of the various means of cross-Channel transport available, the Group has created a tool for them on its website, making it possible to compare greenhouse gas emissions for the different means of crossing (see opposite). This system has been designed based on research conducted by a specialist firm and in consultation with the French environment and energy efficiency agency (ADEME).

Recognised added value

This competitive advantage of the cross-Channel Fixed Link is acknowledged by leading independent bodies. In 2010, the UK’s main industry magazine specialising in the transport sector included its report on the economic and environmental benefits of Eurotunnel’s Shuttles. As such, Eurotunnel is proud to be a pioneer in this field.

In order to establish a sort of measure of the environmental impact of the different modes of transport available, an interface was set up on the Group’s website so that protagonists and the general public could compare the greenhouse gas emissions per mean of crossing (see opposite). This system has been designed based on research conducted by a specialist firm and in consultation with the French environment and energy efficiency agency (ADEME).
and logistics sectors - International Freighting Weekly - selected Eurotunnel to receive the award for the company with the strongest commitment to sustainable development in the transport sector. The panel, made up of distinguished experts from the sector, praised both the Group’s environmental performance and its renewed commitment to sustainable development, delivering real added value for its customers. Since May 2009, the Group has been certified by The Carbon Trust Standard, an independent British agency, for its efforts to effectively manage and reduce its carbon footprint. These awards represent elements which our customers can incorporate into their sales pitch for their own customers who are increasingly looking to minimise their impact on global warming. For its part, Eurotunnel is preparing for the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) to be implemented in the UK. Under this system, major energy consumers will have until April 2011 to declare their estimated CO₂ emissions, which will then make it possible to calculate the amount of the contribution they will be required to pay.

Hybrid works trains
Further progress has been made to reduce the Group’s carbon footprint, with seven hybrid works wagons to be operational by May 2011. Up until now, the specialised wagons for maintaining the Tunnel infrastructure were transported to the work site by diesel locomotives, and then moved during the work by diesel light-rail motor tractors. From now on, the three-wagon works trains will be able to move along the length of the work site thanks to battery-powered electric engines, able to run for 17km on one charge. This change will make it possible to save 620 carbon equivalent tonnes each year. In addition, staff are now able to operate in an atmosphere that is free from diesel engine exhaust fumes.

Inauguration of the Coquelles wind farm
Confirming Eurotunnel’s commitment to renewable energies and the Group’s desire to develop in harmony with its region, the three wind turbines at the Coquelles site were inaugurated on 20 April 2010. The three 49 metre high turbines, built by Enercon, each has a nominal capacity of 800KW. In total, the wind farm produces the equivalent of the electricity consumption for 2,000 homes (excluding heating).

Signing up to the responsible business manifesto
Eurotunnel is one of the 1,399 businesses to have signed the responsible business manifesto, committing them to sharing their initiatives to support a more responsible economy with others, helping ensure the widespread application of best practice. Moves to draw up this manifesto have been led by the Lille World Forum and the Alliances network, whose president, Philippe Vasseur, is also a member of the Groupe Eurotunnel Board of Directors. The most recent best practice published by the group in 2010 on the www.entreprise-responsable.org site concerns biodiversity. Eurotunnel is monitoring ecological elements at its French and English sites within the framework of a commitment made with the French environment and energy efficiency agency (ADEME) in 2007. In 2010, the Samphire Hoe nature reserve received a Green Flag Award for the sixth year running, with this award recognising the best preserved natural areas in the UK. Spread over more than 30 hectares at the foot of the Shakespeare Cliff near Dover, Samphire Hoe has been reclaimed from the sea by using some 5 million m³ of chalk marl extracted during the construction of the Tunnel. It is home to 200 species of plants (including the rare spider orchid), 200 species of bird and 30 species of butterfly.

First fully electric car on Le Shuttle
On 1 December 2010 a Citroën C-ZERO was the first production electric car to cross the Channel in a Eurotunnel Shuttle. This vehicle, powered exclusively by a battery and driven by two journalists from the Sunday Times, covered 250km, including 100km on a Eurotunnel Passenger Shuttle, from London to Calais and back to Ashford. According to the reporters: “The journey went perfectly, despite the worst winter conditions seen in southern England for 20 years”.

* Research carried out by the consultancy JMJ Conseil, benchmarking the assumptions for average pollution and CO₂ emissions for freight and leisure traffic between Eurotunnel and the ferries across the Channel for the period from 1 January 2009 to 31 August 2010.

** Foundations
Respecting the environment
A commitment from the outset, a challenge every day
Eurotunnel, in brief:
- An infrastructure which makes it possible to cross the Channel without the slightest interaction with the marine ecosystem
- A transport system powered by electricity, with a much smaller carbon footprint than its competitors
- Leading-edge noise control, energy saving, waste management and water treatment policies
- Opening the Coquelles (Pas-de-Calais) site to renewable energy production, thanks to the deployment of wind turbines
- Outstanding record of maintaining and developing biodiversity at its UK and French sites
- Building awareness of environmental issues among its customers, suppliers and staff.

Groupe Eurotunnel publishes a detailed Environment Report each year, available on line at www.eurotunnelgroup.com
A SOCIALLY RESPONSIBLE COMPANY

A leading local employer and economic force, Eurotunnel is delivering on its social responsibility to its staff and the regional environment through concrete initiatives.

In 2009, even before any regulatory measures were introduced concerning occupational stress, Eurotunnel drew up a charter on psychosocial disorders, consulting with the company council and the health and safety at work committee. This document takes into consideration occupational distress, stress and harassment. A permanent commission has been set up to prevent these risks, bringing together staff representatives, Human Resources managers and Occupational Health physicians. When a directive was issued by the French Ministry of Labour requiring measures to be adopted in this area, Eurotunnel was immediately able to sign an agreement on the prevention and treatment of psychosocial risks within the company with all the representative union bodies as early as February 2010. In addition to the previous arrangements, it provides for a consultant to conduct a company-wide review and introduces the possibility of calling on a psychologist. The commission, to which staff may refer issues in total confidence, intervened twice in 2010, with support from a psychologist.

Employment without age discrimination
In accordance with the regulatory framework in France, negotiations were launched with the representative union organisations in 2009 regarding the employment of older employees, although an agreement was not reached. Eurotunnel therefore mapped out the action plan provided for under the regulations. Since the French workforce included 3.8% of staff aged 55 and over in 2009, the company has set itself a target to help keep employees aged 55 and over in their jobs, representing at least 4% of the company’s workforce by 2012, based upon a number of measures: recruiting older staff, anticipating career changes, developing skills and qualifications, providing training, arranging the end-of-career phase for staff and their transition from working life to retirement. Two further rounds of negotiations led to an agreement being signed in 2010. The first concerned gender equality within the company, while the second focussed on professional integration and maintaining jobs for disabled people.

“Energy vouchers” for the Secours Populaire charity
The Group considers that its role as a local developer and its support for clean energies contribute towards its social responsibility. Accordingly, it has decided that 10% of the revenues generated from the wind farm’s operations, which began on the Coquelles site in 2010, will be donated to Secours Populaire Français, which will then distribute these amounts as “energy vouchers” to priority cases. An initial payment was made on 21 January, equivalent to the heating needs of five families of six people for a whole winter.

Community recycling
Following an initiative by the Folkestone operations teams, the weight of waste sent to landfill from the Folkestone terminal was reduced by 75% between June 2009 and June 2010. Every member of the team rallied around this project to identify solutions for each product. For instance, any leftover cement which has not been used in day-to-day upkeep work will no longer be sent to landfill, but transferred to a specialised plant which will recycle it into road repair materials. In addition, when the company’s mobile phone contract was renewed, the obsolete phones were sold on to a company which sorts, tests and reconditions them for the second-hand market. The proceeds from this sale were donated to two UK charities.

Support for Paralympic sport
Eurotunnel was the principal sponsor of the Kent International Paracycling event, a prequalifying level competition for the London 2012 Paralympic games, held in Kent in September 2010.
FINANCIAL INFORMATION

Despite an increase in revenues and tight control of operating costs, Groupe Eurotunnel SA ended 2010 with a net loss. The group nonetheless generated a positive cashflow of €60 million in 2010.

01 The consolidated revenues for Groupe Eurotunnel SA amounted to €737 million in 2010, an increase of 9% (and scope of consolidation at a constant exchange rate) compared to 2009.

02 The operating profit for 2010 was €190 million, an increase of €20 million compared to the previous year.

03 The consolidated net result for the Group in 2010 was a loss of €57 million, compared to a profit of €7 million in 2009 (recalculated).
NET RESULT NEGATIVE DESPITE IMPROVEMENTS IN OPERATIONS

In 2010, Eurotunnel revenues grew organically by 9% at a constant exchange rate. With the inclusion of the contribution from Europorte, the consolidated revenues for the Group increased by 26%.

Revenues generated from Shuttle operations increased by 15%, reflecting the progressive recovery of market share since the fire in September 2008.

The operating margin of €336 million increased slightly compared to 2009, despite the fact that no insurance compensation for operating losses was accounted for in 2010. The operating profit for 2010, at €190 million, is an increase of €90 million compared to 2009 like for like*. The gross cost of servicing debt has, however, increased by €56 million (at a constant exchange rate) as a result of the mechanical effect of the increase in inflation on the indexed element of the debt. The consolidated net result for the Group is therefore a loss of €57 million in 2010.

**INFORMATION**

*Income statement to help understand the numbers*

The Group’s new French rail freight subsidiaries (Europorte France, Europorte Link, Europorte Proximité and Socorel) which were acquired on 30 November 2009, have been consolidated with effect from 1 January 2010, and the new British rail freight subsidiary GB Railfreight which was acquired on 28 May 2010 has been consolidated from its date of acquisition (i.e. for 7 months of 2010). The total contribution of these entities to the group's consolidated revenue and trading result in 2010 is, respectively, €96 million and a loss of €4 million.

The Group’s consolidated accounts are prepared in accordance with IFRS (International Financial Reporting Standards). They were finalised by the Board of Directors of Groupe Eurotunnel SA on 3 March 2011 and have been certified by the statutory Auditors.

In order to enable a better comparison between the two years, the 2009 consolidated income statement presented below has been recalculated at the exchange rate used for the 2010 income statement of £1 = €1.169.

The mechanical impact of this treatment on the net result for 2009 is an improvement of €6 million, from a published profit of €1 million to a recalculated profit of €7 million.

For a full understanding of this analysis, the reader should refer to paragraphs 9, 10 and 20.3.1. in the 2010 Reference Document, available at www.eurotunnelgroup.com.

The increase in the number of rail freight trains during the first quarter gave way to a sharp decline over the remainder of the year, in particular due to accidents, numerous national strikes and the disappearance of wagon load services. Nevertheless, several new intermodal and full train services were launched during the year.

- **Railway network**
  In 2010, the Eurotunnel Group earned revenues of €263 million from the use of the Tunnel’s railway network by Eurostar passenger trains and rail freight services by rail operators. This is an increase of 3% compared to 2009 (at a constant exchange rate) as a result of the increased number of Eurostar passengers travelling through the Tunnel.

- **Europorte**
  In 2010, Europorte’s revenues of €98 million were generated by the activities of Europorte and its French subsidiaries (Europorte Channel and the companies acquired on 30 November 2009), of GB Railfreight (for the 7 months from its acquisition on 28 May 2010) and of the management of the rail freight zone at the port of Dunkirk. The contribution of the newly acquired companies to the consolidated Group revenues for the 2010 financial year was €96 million.

**TOTAL TURNOVER**

“Other income” corresponds to insurance indemnities relating to operating losses following the fire in 2008. No additional indemnities for operating losses have been accounted for during 2010: insurance indemnities of €69 million were accounted for in 2009.

**OPERATING MARGIN (EBITDA)**

In 2010, external operating expenses of €235 million increased by €38 million compared to
2009. Excluding the impact of the newly acquired companies, these costs decreased by €18 million of which €11 million was due to the reduction in insurance premiums. Total employee benefits expenses in 2010 amounted to €166 million, an increase of €44 million compared to 2009. Excluding the newly acquired companies, employee benefits expenses increased by 3% in 2010. The operating margin of €336 million in 2010 improved slightly compared to 2009.

**TRADING PROFIT**

Depreciation charges decreased by €8 million in 2010 mainly as a result of the end of depreciation of assets amortised over a period of 15 years and the accelerated depreciation of certain equipment accounted for in 2009. The trading profit increased to €180 million, an increase of €80 million compared to 2009 on a like for like basis.

**OPERATING PROFIT (EBIT)**

Net other operating income of €10 million in 2010 consisted mainly of negative goodwill arising from the first consolidation of the companies acquired on 30 November 2009. The operating profit for 2010 was €190 million, an increase of €20 million compared to 2009.

**NET COST OF FINANCING AND DEBT SERVICE**

Income from cash and cash equivalents increased by €4 million, corresponding mainly to the interest received on a re-imbursement of VAT in the UK. At €205 million in 2010, the gross cost of servicing debt increased by €56 million in 2010 compared to 2009 (at a constant exchange rate), as a result of the impact of increased inflation rates on the nominal value of the index-linked tranche of the debt. Interest charges have returned to a level close to that seen in 2008, before the significant fall in inflation rates in 2009. The increase in interest charges in 2010 had no impact on cash flows for the period as the impact of the indexation on the nominal gives rise to cash payments only upon repayment of the debt.

**NET RESULT**

Groupe Eurotunnel SA’s consolidated net result for the 2010 financial year was a loss of €57 million compared to a net profit of €7 million in 2009 (restated at the 2010 exchange rate). This net result also includes a charge of €4.5 million linked to the refurbishment of a Passenger Shuttle.

**CASH FLOW**

The available cash for Groupe Eurotunnel at 31 December 2010 is €316 million (compared to €251 million at the same date in 2009). The Group generated a net positive cash flow of €60 million in 2010 (against a negative net cash flow of €30 million in 2009), after the acquisition of GB Railfreight for a sum equivalent to €30 million. 

*In this analysis the phrase “like for like” signifies: excluding insurance indemnities for operating losses which amounted to €69 million in 2009.

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**COMPARISON OF INCOME STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009 AND 31 DECEMBER 2010**

<table>
<thead>
<tr>
<th>€ MILLION</th>
<th>2010</th>
<th>2009 restated*</th>
<th>% change</th>
<th>2009 published</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate €/£</td>
<td>1.169</td>
<td>1.169</td>
<td>1.119</td>
<td></td>
</tr>
<tr>
<td>Shuttle Services</td>
<td>366</td>
<td>319</td>
<td>+15%</td>
<td>311</td>
</tr>
<tr>
<td>Railway network</td>
<td>263</td>
<td>255</td>
<td>+3%</td>
<td>250</td>
</tr>
<tr>
<td>Other revenue</td>
<td>10</td>
<td>10</td>
<td>-1%</td>
<td>10</td>
</tr>
<tr>
<td><strong>Sub-total Concession</strong></td>
<td>639</td>
<td>584</td>
<td>+9%</td>
<td>571</td>
</tr>
<tr>
<td>Europorte</td>
<td>98</td>
<td>–</td>
<td>+100%</td>
<td>–</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>737</td>
<td>584</td>
<td>+26%</td>
<td>571</td>
</tr>
<tr>
<td>Other income</td>
<td>–</td>
<td>69</td>
<td>-100%</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total turnover</strong></td>
<td>737</td>
<td>653</td>
<td>+13%</td>
<td>640</td>
</tr>
<tr>
<td>External operating expenses</td>
<td>(235)</td>
<td>(197)</td>
<td>+18%</td>
<td>(195)</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>(166)</td>
<td>(122)</td>
<td>+36%</td>
<td>(120)</td>
</tr>
<tr>
<td><strong>Operating margin (EBITDA)</strong></td>
<td>336</td>
<td>334</td>
<td>+1%</td>
<td>325</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(156)</td>
<td>(164)</td>
<td>-5%</td>
<td>(164)</td>
</tr>
<tr>
<td><strong>Trading profit</strong></td>
<td>180</td>
<td>170</td>
<td>+5%</td>
<td>161</td>
</tr>
<tr>
<td>Other net operating income</td>
<td>10</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>190</td>
<td>170</td>
<td>+5%</td>
<td>161</td>
</tr>
<tr>
<td>Income from cash and cash equivalents</td>
<td>7</td>
<td>3</td>
<td>–</td>
<td>3</td>
</tr>
<tr>
<td>Gross cost of servicing debt</td>
<td>(255)</td>
<td>(193)</td>
<td>+28%</td>
<td>(195)</td>
</tr>
<tr>
<td>Net cost of financing and debt service</td>
<td>(248)</td>
<td>(196)</td>
<td>+27%</td>
<td>(192)</td>
</tr>
<tr>
<td>Other net financial income and income tax expense</td>
<td>1</td>
<td>33</td>
<td>–</td>
<td>32</td>
</tr>
<tr>
<td><strong>Result for the year: (loss)/profit</strong></td>
<td>(57)</td>
<td>7</td>
<td>–</td>
<td>1</td>
</tr>
</tbody>
</table>

*In order to enable a better comparison between the two years, the 2009 consolidated income statement presented above has been recalculated at the exchange rate used for the 2010 income statement of £1 = €1.169.*