

*The first dividend for shareholders*



**2008**  
Annual  
Review



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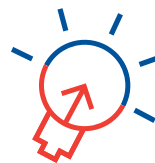
### SUSTAINABLE DEVELOPMENT

Follow this symbol to discover Groupe Eurotunnel's commitment to the environment and to sustainable development



### INNOVATIONS

Follow this symbol to discover how Groupe Eurotunnel innovates



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Eurotunnel has been awarded the Concession for the Channel Tunnel until 2086. The Tunnel is the quickest, most RELIABLE, easiest and most environmentally-friendly transport system for crossing the Straits of Dover. These intrinsic strengths, combined with a commitment to constantly improving its quality of service and its recognised ability to innovate, have underpinned the group's COMMERCIAL SUCCESS. In 15 years, nearly 250 million travellers will have used the Tunnel. This unique land connection has become a vital link between the Continent and the United Kingdom. AN INVESTMENT WITH POTENTIAL FOR THE FUTURE, Eurotunnel also benefits from all the characteristics of infrastructure concessionaires, including a significant recurrent cash flow.

15

years

of commercial operations for the Channel Tunnel in 2009

40

million euros

the net profit for the year 2008

c 250

million people

will have used the Tunnel before the end of 2009 (4 times the population of each of the linked countries)

# The first dividend in Eurotunnel's History

In Eurotunnel's lifetime, 2008 will remain a turning point year for the group. The success of the financial restructuring in 2007, at the same time, enabled the halving of the group's debt and the arrangement of a new loan (in conditions we could not hope to achieve in today's banking crisis). We were also able to substantially strengthen our balance sheet through the success of a capital increase – one of the few in the market – of 1.715 billion Euros. This enabled us to redeem the NRS II early, in July 2008, leading to both an increase in shareholder value and a reduction in financial charges.

The other significant event of the last year was, of course, the fire on 11 September, onboard a Truck Shuttle, in Interval 6 of the North Tunnel.

We were able to restart all railway services only 30 hours later, almost in their entirety for Eurostar and the rail freight trains, but with capacity reduced by about 50% for our Shuttles.

As soon as the Justice authorities, who are responsible for investigations of this nature, allowed us to regain possession of the damaged area, on 18 October 2008, Eurotunnel launched the renovation works. They were managed on an industrial scale, efficiently and ingeniously, which enabled us to limit the cost and, above all, to complete them in a record time: 3 and a half months!

As we very quickly forecast and announced, the restoration of Interval 6 was indeed completed before the middle of February 2009 and to mark the importance of the event the Secretary of State for Transport, Geoff Hoon, presided over the

reopening event. Eurostar re-initiated its normal timetable on the 23<sup>rd</sup> of the same month.

This incident occurred at a time when the first months of 2008 had shown strong progress on all our indicators: traffic, revenue, market share, at a time when the economic crisis was taking hold. Operating losses for 2008 as a result of the fire are covered by insurance up to 54 million Euros, from which the €10 million excess must be deducted. The 2008 results must therefore be viewed in this context.

Our Group has registered a net profit of 40 million Euros and has an available cash flow, at 31 December 2008, of 276 million Euros.

We are some 16% ahead of the safeguard plan. These good results have enabled our Board of Directors to propose the payment of a dividend, the first in our history. Further good news for shareholders who tendered their shares to the Exchange Tender Offer, the loyalty bonus which I promised has been achieved, two years ahead of schedule.

For 2009, the year of the 15<sup>th</sup> anniversary of the inauguration and start of operations in the Channel Tunnel, we have set ourselves three priority objectives:

- Strengthening our commercial proposition, which should enable us to consolidate our position as leader in cross Channel transport, despite the economic crisis and the re-shaping of our competitive environment. To regain our normal traffic, we must re-conquer customers lost because of the temporary unavailability of Interval 6 and, more than ever, improve the quality of our service,

“ 2009 priorities:  
Regain full traffic  
volumes and improve  
infrastructure  
protection ”

Jacques Gounon



guarantee its speed and reliability and emphasize our environmental strengths.

- Improve our protection against the risk of fire, through the creation – as soon as the Concession authorities permit – of extinction zones placed within the Tunnel, capable of instantly reducing the development of a fire and therefore limiting damage and its operational and commercial consequences.

- Continuing our efforts in terms of Sustainable Development: the 2008 Environment Report is excellent, with the reduction by half of our greenhouse gas emissions compared to 2006. We intend to continue with our progress and make everyone aware that Eurotunnel's Shuttles, Eurostar and rail freight trains are essential for anyone who is serious about using environmentally friendly transportation.

In fifteen years, the Tunnel has gained a reputation as a vital link between Great Britain and the Continent, both modern and ecological. In 2008, Groupe Eurotunnel has shown that it has become a profitable, reactive and innovative company. This is what I invite you to discover through the pages of this Annual Review.

Once again I thank you for your confidence  
Yours faithfully

2 April 2009

**Jacques Gounon**  
Chairman and Chief Executive

## GOUVERNANCE

### Management Committee

**Jacques Gounon :**

Chairman and Chief Executive

**Jean-Pierre Trotignon :**

Deputy Chief Executive\*

**Claude Liénard :**

Finance Director

**Pascal Sainson :**

Operations Director

**Jo Willacy :**

Commercial Director

**Christian Maquaire :**

Industry Director

**Ken Morrison :**

Legal Director

**Patrick Etienne :**

Business Services Director

**Nick Hawley :**

UK Human Resources Director

**Bernard Thomas :**

FR Human Resources Director

**Michael Schuller :**

Investor Relations Director

**Bruno Bouthors :**

Safety and Sustainable  
Development Director

**Jean-Alexis Souvras :**

Public Affairs Director

*\* Due to family reasons Jean-Pierre  
Trotignon steps down from his role  
on 31 May 2009.*

# The Board of Directors

## of Groupe Eurotunnel SA

**C**haired by Jacques Gounon, the Chairman and Chief Executive, the Groupe Eurotunnel SA Board of Directors is made up of 11 directors, including one woman, all appointed for a three-year term of office.

The Board of Directors regularly reviews the group's strategies, investment projects and internal restructuring, and ensures that shareholders and the general public are provided with relevant information.

The Board is made up of 11 individuals: Mrs. Colette Neuville, Messrs Jacques Gounon, Bernard Attali, Pierre Bilger, Gérard Van Kemmel, Jean-Pierre Mattéi, Robert Rochefort, Henri Rouanet, Martin Skaanild, Philippe Vasseur and Tim Yeo (refer to their biographies for further details). Messrs Attali, Van Kemmel, Mattei and Skaanild were co-opted on 5 June 2008.

Six out of the 11 Board members are independent directors, namely Mrs. Neuville and Messrs Rouanet, Rochefort, Yeo, Bilger and Vasseur. In accordance with the 2008 AFEP-MEDEF Code, this proportion makes it possible to ensure a balance of experience and expertise.

The percentage of non-French directors has been increased to 18% since June 2008.

In 2008, the Board of Directors held 16 meetings (including two special meetings devoted to the fire). The average rate of attendance for directors (natural persons) represented 96.75%.

### --> THE BOARD COMMITTEES

Four committees have been created, which meet under the authority of the Board of Directors, in order to look into specific areas:

**The Audit Committee** comprises Robert Rochefort (Chairman), Pierre Bilger (Vice-Chairman) and Colette Neuville, all of whom are independent directors.

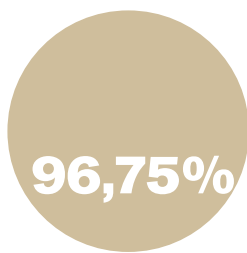
It met six times in 2008 and reviewed, among other things, the draft consolidated company financial accounts.

**The Nominations and Remuneration Committee** comprises Colette Neuville (Chairman), Philippe Vasseur (Vice-Chairman), Robert Rochefort and Jean-Pierre Mattéi. The Nominations and Remuneration Committee met six times in 2008.

**The Safety, Security and Environment Committee** comprises Henri Rouanet (Chairman), Tim Yeo (Vice-Chairman), Jacques Gounon, Martin Skaanild and Bernard Attali.

This committee met four times in 2008. Since safety and security represent key issues for GET SA, on 5 December 2007 the Board of Directors introduced the possibility of further strengthening the Safety, Security and Environment Committee's operations by creating working subgroups: seven met in 2008, including the "Binat" subgroup which is in charge of monitoring operational documents relating to organisation in an emergency.

**The Chairmen's Committee** comprises Jacques Gounon and the Chairmen of each of the committees. It meets as often as necessary for the company's interests and is responsible for coordinating work carried out by the various committees.



THE AVERAGE  
DIRECTORS'  
ATTENDANCE RATE  
(NATURAL PERSONS)  
WAS 96.75% IN 2008

## -> COMPLIANCE

Groupe Eurotunnel SA considers that the recommendations in the AFEP-MEDEF code, in relation to social and directoral organisation, in particular the number of independent directors, the frequency and length of board meetings, the role and composition of the various committees and directors' remuneration are all elements of corporate governance.

The total amount of remuneration due from GET SA for directors activity for the year 2008 was €519,417.

*(1) The AFEP-MEDEF corporate governance code, thus modified, that is the AFEP-MEDEF 2008 is that to which GET SA refers for the preparation of the report set out in article L.225-37 of the code de commerce, by application of the law of 3 July 2008, which transposes the community directive 2006/46/CE of 14 June 2006*



### JACQUES GOUNON

Jacques Gounon, 55, joined the TNU Joint Board on 17 December 2004, was appointed Chairman of the TNU Joint Board on 18 February 2005 and then Chairman and Chief Executive of TNU on 14 June 2005. He has been GET SA's Chairman and Chief Executive since 9 March 2007.



### BERNARD ATTALI

Bernard Attali, 65, has been a GET SA Director since 5 June 2008.



### PIERRE BILGER

Pierre Bilger, 68, has been a GET SA Director since 20 June 2007.



### GÉRARD VAN KEMMEL

Gérard Van Kemmel, 69, has been a GET SA Director since 5 June 2008.



### JEAN-PIERRE MATTÉI

Jean-Pierre Mattéi, 58, has been a GET SA Director since 5 June 2008.



### COLETTE NEUVILLE

Colette Neuville, 72, has been a GET SA Director since 9 March 2007.



### ROBERT ROCHEFORT

Robert Rochefort, 53, joined the TNU Joint Board on 7 April 2004, and has been a GET SA Director since 9 March 2007.



### HENRI ROUANET

Henri Rouanet, 76, joined the TNU Joint Board on 4 March 2005, and has been a GET SA Director since 9 March 2007.



### MARTIN SKAANILD

Martin Skaanild, 64, has been a GET SA Director since 5 June 2008.



### PHILIPPE VASSEUR

Philippe Vasseur, 65, has been a GET SA Director since 20 June 2007.



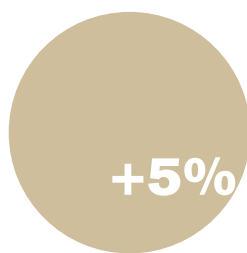
### TIM YEO

Tim Yeo, 63, has been a GET SA Director since 20 June 2007.

The biographies of Eurotunnel's Directors may be viewed online at [www.eurotunnel.com](http://www.eurotunnel.com)

# For the first time, Eurotunnel has made a profit: €40 million in 2008

In light of an excellent first half of the year, and despite the fire which reduced traffic and revenues (€704 million) from September, Eurotunnel continued to increase its operating margin (EBITDA\*) over 2008 (+5% at a constant exchange rate). Including insurance compensation, the operating margin for the year came to €421 million, enabling the group's profitability (EBITDA/turnover) to remain stable. As a result of this improvement in operations and the lower level of debt following the financial restructuring, the group recorded the first profit in its history in 2008.



+5% INCREASE IN THE OPERATING MARGIN COMPARED WITH 2007 (AT A CONSTANT EXCHANGE RATE)

The fire in September 2008 had a significant impact on the group's operating conditions, traffic and revenues in 2008. Although all activities were able to resume within 30 hours of the incident and the operational capacity was optimised in less than three weeks, the damaged section of the Tunnel (Interval 6) remained unavailable until 9 February 2009. Until then, the number of Passenger and Truck Shuttle missions was half the number for the same period in 2007, with Eurostar services having deliberately been given priority.

At the time of the fire, the Eurotunnel group was insured against operating losses and material damage for €900 million, limiting the financial consequences on the 2008

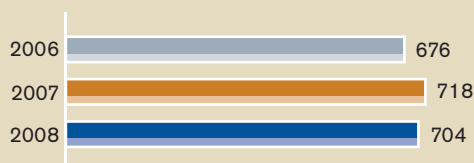
results to the amount of the insurance excess, i.e. €10 million.

## --> REVENUES

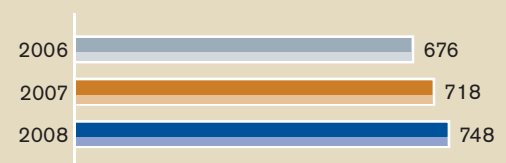
With €704 million for 2008, the Eurotunnel group's consolidated revenues were down 2% on 2007 at a constant exchange rate. The unexpected reduction in available capacity over the last quarter, due to the fire, adversely affected traffic. Shuttle revenues fell by 7% in 2008 at a constant exchange rate compared with the previous year.

During the first half of 2008, **truck traffic** had increased by 7%. To limit the consequences of Interval 6 being unavailable, Eurotunnel chose to give priority to its haulage contract customers in order to maintain quality of service, while the service was

REVENUES  
IN MILLION €



TURNOVER  
IN MILLION €



\* EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation, and other income and operating charges



temporarily reduced. Moves to optimise available capacity made it possible to limit the decline in the number of trucks transported during the fourth quarter of 2008 to 45%, whereas capacity had been cut by around 50%.

Furthermore, our pricing policy enabled a slight increase in average yields over the year, which partially offset the 11% reduction in traffic over the same period.

Although traffic increased by 4% in the first half of 2008, the **car** business ended the year down 11%. For the fourth quarter of 2008, the reduction in the number of vehicles transported (-37%) was lower than the reduction in capacity (-50%).

The dynamic pricing system helped increase average yields for the car business in the year without, however, making up for the 11% reduction in volumes.

Revenues from the **Railways** came to €260 million for 2008, 7% higher than 2007 at a constant exchange rate.

This growth primarily reflects the increased number of Eurostar passengers, following the opening of the second part of the high speed line between the Tunnel and St Pancras International. In 2008, Eurostar transported more than 9 million passengers

in one year for the first time, representing an increase of over 10%.

The number of rail freight trains continued to decline over the first quarter of 2008 (-13%), but the stabilisation seen over the following three quarters limited the decrease in traffic to 4% for the year, with the fourth quarter even seeing an increase, up 6%.

#### --> **TURNOVER**

Insurance compensation received up to 31 December 2008 relating to operating losses following the fire is recorded under "other income" for a total of €44 million, with total turnover at €748 million, up 4% on 2007 at a constant exchange rate.

#### --> **OPERATING MARGIN (EBITDA)**

In 2008, operating expenses, excluding employer benefit expenses, totalled €200 million, representing an increase of 1% compared with 2007 at a constant exchange rate.

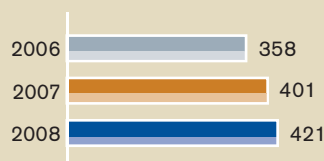
The cost of repairs following the fire will be offset by a corresponding amount of insurance compensation, and therefore has no impact on operating expenses, with the exception of the €10 million insurance excess. -->

**The 2008 Annual Review was designed to provide a summary of Eurotunnel's year in an attractive format for shareholders and the general public.**

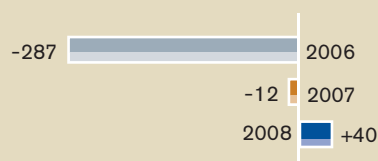
**with the financial market authorities. This exhaustive document can be consulted on the web site of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of Groupe Eurotunnel SA ([www.eurotunnel.com](http://www.eurotunnel.com))**

**A Reference Document 2008 for Group Eurotunnel SA has also been registered**

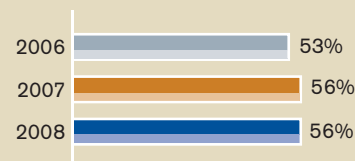
**OPERATING MARGIN (EBITDA\*)**  
IN MILLION €



**NET PROFIT (EXCLUDING PROFIT RESULTING FROM THE FINANCIAL RESTRUCTURING IN 2007)**  
IN MILLION €



**EBITDA\*/TURNOVER**  
IN %



*To facilitate comparison, the figures presented above for 2007 and 2006 have been recalculated based on the exchange rate used for earnings in 2008, i.e. £1 = €1.216*



**+€40m**

+€40M:  
CONSOLIDATED  
NET PROFIT  
FOR GROUPE  
EUROTUNNEL FOR  
THE YEAR 2008

Employee benefit expenses for 2008 totalled €27 million, compared to €20 million in 2007. During the first half of the year, the group increased its operational and maintenance staffing levels from an average of 2,284 for 2007 to 2,353 for 2008, and did not put any of its staff on short-time working as a result of the fire in September 2008. The operating margin came to €421 million, up 5% on 2007 at a constant exchange rate. As an indicator of the group's profitability, the EBITDA/turnover ratio remained stable in relation to 2007 at 56%.

#### --> **TRADING PROFIT**

At €261 million the trading profit improved by 9% compared with 2007.

#### --> **OPERATING PROFIT (EBIT\*)**

"Other operating income and expenses" include:

- €24 million in income representing the settlement resulting from the agreement reached with the French government following the disturbances caused to Eurotunnel's business by the intrusion of illegal migrants coming from the Sangatte Camp near Calais during the early part of the decade.
- €11 million in net income resulting from compensation for 17 Shuttle wagons declared beyond repair at 31 December 2008 following the fire in September 2008.

EBIT thus came to €289 million in 2008, representing an increase of €62 million compared with 2007 at a constant exchange rate.

#### --> **NET COST OF FINANCING AND DEBT SERVICE**

The €6 million increase in income from cash and cash equivalents is mainly due to the short-term investment of funds from the financial operations carried out during the

first half of 2008. Overall, the gross cost of financing and debt service remained stable at €268 million compared with the *pro forma* 2007 gross cost recalculated at a constant exchange rate.

#### --> **NET RESULT**

The Eurotunnel group recorded a consolidated net profit of €40 million for 2008, compared to a net *pro forma* loss of €12 million in 2007 (recalculated at a constant exchange rate and excluding the €3,323 million profit resulting from the financial restructuring).

\* EBIT: Earnings Before Interest and Tax

## Results

€ million	2008	2007 Pro forma <sup>1</sup> restated <sup>2</sup>	% change	2007 Pro forma <sup>1</sup> published
Exchange rate €/£	1.216	1.216		1.437
Shuttle services	431	464	-7%	500
Railways	260	242	+7%	262
Other revenue	13	12	+7%	13
<b>Revenue</b>	<b>704</b>	<b>718</b>	<b>-2%</b>	<b>775</b>
Other income	44	-		-
<b>Total turnover</b>	<b>748</b>	<b>718</b>	<b>+4%</b>	<b>775</b>
Operating expenses	(200)	(197)	+1%	(210)
Employee benefit expense	(127)	(120)	+6%	(126)
<b>Operating margin (EBITDA)</b>	<b>421</b>	<b>401</b>	<b>+5%</b>	<b>439</b>
Depreciation	(160)	(162)	-1%	(162)
Trading profit	261	239	+9%	277
Other operating income / (expenses)	28	(12)	n/s	(13)
<b>Operating profit (EBIT)</b>	<b>289</b>	<b>227</b>	<b>n/s</b>	<b>264</b>
Income from cash and cash equivalents	19	13	+42%	14
Gross cost of servicing debt	(268)	(268)	=	(292)
Net cost of financing and debt service	(249)	(255)	-2%	(278)
<b>Result after net cost of financing and debt service</b>	<b>40</b>	<b>(28)</b>		<b>(14)</b>
Profit arising from the financial restructuring	-	3,323		3,323
Other financial income and income tax expenses	-	16		15
<b>Profit for the year</b>	<b>40</b>	<b>3,311</b>		<b>3,324</b>
EBITDA/turnover	56 %	56 %		57 %

<sup>1</sup> The pro forma consolidated income statement for the period 1 January to 31 December 2007 was intended to present the impact on the year of the 2007 financial restructuring as if it had been put in place on the theoretical date of 1 January 2007.

<sup>2</sup> In order to enable a better comparison between the two years, the 2007 consolidated pro forma income statement presented above has been recalculated at the exchange rate used for the 2008 income statement (£1=€1.216).

## ACCOUNTING STANDARDS

Pursuant to EC Regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of GET SA for the financial year ended 31 December 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2008.

The information contained in this Activity Report relating to Groupe Eurotunnel's financial situation and results must be read in conjunction with the consolidated financial statements as found in Annex II of the Reference Document published by Eurotunnel.

# Shareholder information:

## proximity and transparency

Information for shareholders and investors is a key principle for Eurotunnel and the group is committed to providing them with real-time updates and regular information on its activities, financial news, strategy and development.



9 ISSUES OF  
*EUROTUNNEL ON  
TRACK* IN 2009, THE  
NEWSLETTER FOR  
EUROTUNNEL GROUP  
SHAREHOLDERS

To provide shareholders with complete information, in addition to its Annual Review, Groupe Eurotunnel SA also issued the Reference Document filed with the AMF and an "Environment" report. The group also sent 42 email messages releases and nine issues of the *Eurotunnel on Track* newsletter in 2008. The publication of the half-year and full-year results was accompanied by detailed presentations for investors and analysts, as well as financial notices published in the economic, financial and asset management press. In 2008, we also worked to improve the group's visibility for the markets, with a communication campaign in the economic press.

In 2008, Groupe Eurotunnel SA successively joined the Next 150 index, which represents the segment for mid and large caps listed on Euronext, then the SBF 120 index, which is made up of the 120 most liquid stocks (including CAC 40 stocks) listed on the Euronext Paris regulated market. There are around 10 analysts tracking the company today, compared with only four last year and none before the financial restructuring. This is essential for the company's credibility.

All of this information as well as the share price and legal and regulatory documents are available in English and French in a dedicated section on the [www.eurotunnel.com](http://www.eurotunnel.com) website.

In addition, shareholders and investors can sign up for an email alert service, enabling them to receive *Eurotunnel on Track*, press releases and various other group publications, and receive real-time updates on the company's business. Today, nearly 24,000 people are

registered for this service, which enables us to reduce our printing and postage costs on the one hand, while helping protect the environment on the other. We would like more people to sign up for this service.

The Annual General Meeting represents an opportunity to develop links with shareholders. For any shareholders who are unable to attend on the day, a deferred webcast is available on the website. A process for consulting shareholders before the event makes it possible to find out about the subjects they would like to see covered and in this way meet their expectations more effectively.

### --> INSTITUTIONAL INVESTORS AND FINANCIAL ANALYSTS

The Investor Relations team regularly contacts institutional investors and financial analysts to keep them fully apprised of Eurotunnel's financial operations, earnings and strategy.

In 2008, several meetings were held with investors in Paris, London, Frankfurt, Geneva and Milan, notably with a view to presenting the capital increase. The company also took part in six international conferences organised by financial institutions, providing an opportunity to further strengthen its profile among the financial community.

In September 2008, around 20 analysts and institutional investors were invited to visit the operations sites and meet the company's operational management team.

### --> INDIVIDUAL SHAREHOLDERS

In 2008, the Shareholder Relations Centre registered 53,405 requests from individual shareholders, with 51.5% of requests from



At Coquelles, a bilingual team ensures that shareholder enquiries are dealt with in 48 hours, unless the request is particularly specific



The AGM is an opportunity to meet and exchange information with shareholders. This is the Calais 2008 edition

the United Kingdom and 48.5% from France, well below the 126,090 requests received in 2007. This is explained by the scale of events in 2007, including the Exchange Tender Offer and share consolidation. Requests primarily concerned corporate actions (i.e. operations on securities), relations with financial intermediaries, the share price and eligibility for travel privilege programmes.

A bilingual team in Coquelles ensures that such requests (phone calls, emails and letters) are processed within 48 hours, unless they are highly specific.

In 2008, approximately 5,000 return trips were covered by GET SA travel privileges.

The TNU travel privilege programmes for 1987, 1990 and 1996 represented a cost for the company of around €1 million. To ensure more effective management, TNU travel privileges are now applicable per calendar year (i.e. from 1 January to 31 December) and the annual processing costs, which had been suspended in 1996, have been brought back in again. For 2009, the annual fee is set at £27.50 / €29.

In Spring 2008, the Shareholder Relations Centre carried out a survey with 50,000 registered and bearer shareholders. More than

10% of the shareholders who received our questionnaire took the time to answer, which represents a high rate of return for this type of survey. This study revealed a very strong level of satisfaction among shareholders concerning the group's new situation. In addition, the vast majority of the people polled asked for Eurotunnel to continue developing regular communications with its shareholders, notably through *Eurotunnel on Track*, with 60% of them satisfied with this newsletter, and the website.

In Autumn 2008, following the technical difficulties experienced by a large number of CDI\* holders looking to take part in Groupe Eurotunnel's latest corporate actions, they were offered the possibility of converting all their securities. As a result, nearly 17,000 CDI holders asked to be included on the shareholder register held by BNP Paribas Securities Services, making it a resounding success!

\* CDI (Crest Depository Interest): Financial instrument issued to represent the dematerialised GET SA shares in the UK.

# Groupe Eurotunnel SA

## Shareholder analysis

In January 2009, Groupe Eurotunnel SA carried out an analysis of its shareholding structure. The first reason to be satisfied is your loyalty and commitment. The average portfolio has trebled despite the crisis, which has no doubt forced some of you to sell off your securities. 60% of the shareholders who subscribed for last May's capital increase have kept their shares, maintaining their entitlement to the corresponding loyalty bonus.

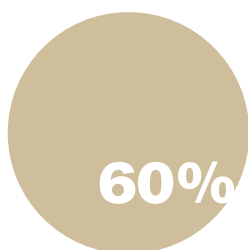
M & G Investment Management Limited, acting on behalf of clients of companies in the Prudential group, has declared that on 12 September 2008 it moved above the threshold of 5% of the capital and voting rights in GET SA. On 10 March 2009, this investor held 7.41% of the capital of GET SA.

Individual shareholding remains strong, with 400,000 identified people representing one third of the capital, in addition to those of you who are present through the

custodian network. The number of shareholders with more than 25 shares is estimated at 210,000, while the average portfolio for GET SA shareholders currently represents 902 shares.

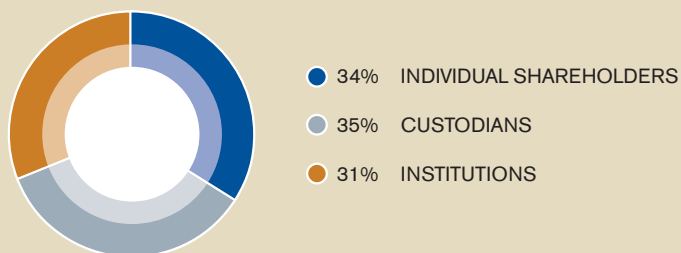
The major institutional shareholders that have joined us have maintained their positions.

This general stability seems to stem directly from our main characteristic: a long-term infrastructure generating high levels of recurrent cash flow. This represents a key asset set against the deep global crisis we are seeing today.

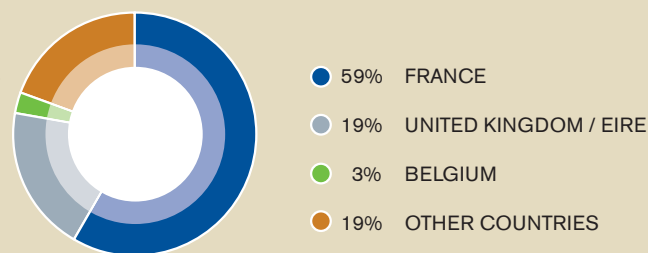


60% OF THE SHAREHOLDERS WHO SUBSCRIBED THE CAPITAL INCREASE IN MAY 2008 HAVE RETAINED THEIR SHARES

CAPITAL BREAKDOWN BY SHAREHOLDER PROFILE



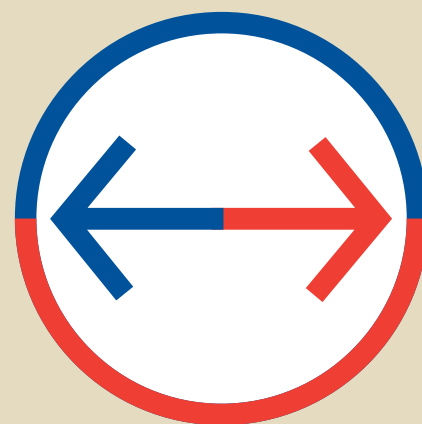
CAPITAL BREAKDOWN BY LOCATION OF ACCOUNT HOLDER



Based on a bearer holder identification analysis covering holders of 25 or more shares, on the register maintained by BNP Paribas Securities Services and on the CDI register of Computershare.

# A vital link, modern and ecological

In May 2009, the Channel Tunnel celebrates fifteen years of intense operations. It is now recognised as a fast, reliable link, respectful of the environment and essential for exchanges between Great Britain and the Continent, for the long term.



**14** --> Recapitalised **16** --> Mobilised **18** --> 2009, a historic year  
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In addition to the early redemption of NRS II, the successful capital increase has given the group additional room for manoeuvre in order to boost its development

# Recapitalised,

## Eurotunnel enters an era of development

The group's financial restructuring has made it possible to effectively safeguard the interests of its shareholders, while halving its debt, stabilising its financing and providing it with more financial leeway in order to build for the future and capitalising on its exceptional strengths as a Concession.



68 MILLION EUROS  
CASH SAVINGS ON  
FINANCIAL COSTS PER  
YEAR BY REDEEMING  
NRS II EARLY

The successful capital increase, completed on 4 June 2008, put the finishing touches to the financial restructuring launched the previous year in line with the Safeguard Plan. Since its approval by the Paris Commercial Court on 15 January 2007, this plan has made it possible to clear 54% of the debt, reduced to €4 billion. In a second stage, Groupe Eurotunnel SA (GET SA), the Group's new holding company, launched an

Exchange Tender Offer (ETO) on the former Eurotunnel, which was successfully completed on 21 June 2007.

On 5 and 14 February 2008, GET SA decided to raise €1.7 billion for the early cash redemption of the notes redeemable in shares (NRS II) in connection with the reorganisation. The aim is to achieve €68 million of cash savings on financial costs per year, increase earnings per share for shareholders and stabilise the shareholding structure.



**-> A TWO-PHASE OPERATION**

In light of the instability of the markets and the amount of funds to be raised, the operation was split into two phases. A Subordinated Deferred Equity Securities (SDES) issue was first carried out in March for a nominal total of €800 million. Subscribed in full, it made it possible to redeem more than half of the NRS II as of 10 April for a total of €841 million, due to the favourable euro-sterling exchange rate. The second phase took place in May based on a fully underwritten capital increase for €915 million. GET SA shareholders received one share warrant for each GET SA share held, with four warrants making it possible to subscribe for seven new shares. Following the public placement period, 70% of the share warrants freely awarded to shareholders were exercised for a total of €614 million. The private placement with institutional investors for any shares still to be subscribed was highly oversubscribed in just a few hours.

The undeniable success of these two placements highlights the confidence of Eurotunnel's shareholders and the strong level of investor interest in the new Eurotunnel. On 10 July, the new resources enabled the early redemption of the remaining NRS II issued in 2007 and still outstanding, for an amount equivalent to €729 million. The balance from the €915 million raised, representing €196 million, has given the group additional leeway to boost its development.

\* 140% of nominal value, based on the exchange rate for the exercise of: £1 = €1.27.

**AWARD FOR "BEST FINANCIAL OPERATION"**

On 15 May 2008, Eurotunnel received the prize for the "Best Financial Operation" of the year 2007, as decided by the *Club des Trente*, which is composed of the chief executives and financial directors of the largest French companies. The *Club des Trente* said "This operation enabled an emblematic European company to be saved and maintained shareholder value for the small investors through the use of a wide range of financial and legal innovations"

Insertion for the capital increase campaign in the French-speaking financial press



One of the few non mechanised elements of the reconstruction, the meticulous installation of a new steelwork frame before the spraying of the concrete

## Mobilised, Eurotunnel pulls out all the stops following September's fire

On 9 February 2009, Eurotunnel's facilities were back up to full capacity again, just three and a half months after reconstruction work began and much earlier than initially forecast. This record turnaround time, the cost targets met and the minimised impact of the reduction in capacity on revenues reflect the responsiveness of Eurotunnel's teams and the effectiveness of its business model.

Less than  
€60m

LESS THAN  
€60 MILLION  
COST OF RENOVATION  
(€90 MILLION AFTER  
THE FIRE IN 1996)

At 3:55 pm on 11 September 2008, a fire broke out on a Shuttle transporting trucks in Interval 6 of the North Tunnel. It was detected immediately. The train was stopped and the 32 people on board were immediately evacuated through the Service Tunnel. Once the fire had been brought under control and a full inspection of the facilities carried out, traffic gradually resumed, barely 30 hours after the start of the incident – initially only in the South Tunnel; then in two of the North Tunnel's three sections.

During this period, capacity was reduced by 50% for Eurotunnel Shuttles, with all trains limited to a speed of 100 kph instead of 140 kph for Passenger and Truck Shuttles. Eurostar, whose capacity was on the whole maintained, saw its journey times increased due to these speed restrictions. The efforts made by the sales and operations teams made it possible to keep the reduction in the group's revenues for 2008 down to only 2%. The damage proved to be twice as serious as that sustained in 1996, affecting 650 metres



**At 4 pm on 9 February 2009, the British Secretary of State for Transport, Geoff Hoon, gave the signal for the departure of the first Shuttle to run again in Interval 6 of the North Tunnel, enabling the full resumption of commercial services. Geoff Hoon declared: "This really is a fantastic achievement. Eurotunnel has done a magnificent job in bringing this vital piece of European high-speed transport infrastructure back into full service so quickly".**

of tunnel. In 1996, it took six months to return to normal operations and the work cost nearly €90 million. Drawing on this experience, Eurotunnel's maintenance managers set themselves highly ambitious objectives: returning to normal service for the half term holidays in February 2009, a period of intense traffic, and keeping the budget for the work below the €60 million mark.

### **-> EFFECTIVE ORGANISATION**

As a result of the effective organisation and innovative approaches used these two challenges have been met. A dedicated Eurotunnel team set up an operations centre working out of premises established near the French entrance to the Tunnel. This team was soon joined by personnel from the group of businesses selected for their knowledge of the Tunnel, with Freyssinet as main contractor. The portion of tunnel to be restored was located 11 km in from the entrance. To optimise movements, a passenger wagon, able to carry up to 100 people, was acquired. A canteen was also set up at the actual worksite, where three teams of 80 people worked in shifts around the clock (with changeover onsite) during the busiest periods.

On 18 October, Interval 6, which had until then been made available to the French Government investigators, was fully accessible again, with the shuttle affected by the incident extracted beforehand and the tunnel cleared in just 14 days. The work began immediately with the protective bolting of the vault. One thousand 3 metre metal rods were inserted, ensuring the solidity of the concrete segments, mortar and rock. A 610 metre long roadway was built, with fireproofed sleepers lying on ballast, to make it easier for construction vehicles to move around.

Then, the damaged concrete was removed using high-pressure water jets. The tunnel lining could then be rebuilt by laying a new steel mesh and several layers of concrete.

All that was left then was to fit the equipment: power cables, new rails, optical fibres, the signalling system, overhead catenary, cooling pipes. Finally, following a test period and authorisation from the Intergovernmental Commission Safety Authority, normal traffic was able to resume on 9 February 2009.



### **FIVE KEY PRACTICES FOR OPTIMISING TURNAROUND TIMES AND COSTS FOR THE WORK**

- 1 During the rebuilding phase, vehicles on the worksite were able to move around independently throughout the area being worked on due to the building of a 610 metre long roadway.
- 2 This roadway made it possible to put up fixed scaffolding on the entire section to be repaired, enabling several activities to be carried out simultaneously (concrete spraying, finishing, surveying, installation of equipment supports), on three different levels.
- 3 Five remote-controlled vehicles stripped the Tunnel through the selective hydro-demolition of concrete sections. High-pressure water jets were used to remove the damaged concrete, while leaving the healthy concrete untouched. This technique was used for the first time in a confined space and proved to be far quicker than percussion drills.
- 4 More than 4,000 tonnes of concrete were sprayed at 360 km/h over 650 metres of tunnel. The material, stored outside, was transported by train to the concrete plant set up at the end of the track, with three 10 m<sup>3</sup> silos. The concrete was then sprayed on the Tunnel's walls using a "dry process" technique, with only a very small quantity of water added in the nozzle during spraying.
- 5 To facilitate the hydro-demolition and concrete spraying, the teams chose to take out the large diameter pipes used for cooling the Tunnel. Their reinstatement was particularly quick and efficient due to the assembly of 96-metre sections in a specially set out area (seven 12-metre long tubes welded together), the conversion of a train with four flat wagons using an ingenious two-level storage system and an articulated arm.



25 July 1909, 05:12, for the first time a flying machine has crossed the Channel (Photo of a reconstruction of the event)

# 2009, a historic year

Fifteen years on from its commercial opening, the company is gearing up to celebrate its 250 millionth traveller in 2009. 100 years after Blériot crossed the Channel in 37 minutes, the journey is being completed in the same time and in total safety by 48,000 people each day (on average), in the trains travelling through the Tunnel.

**O**n 25 July 1909, in Sangatte, under Cap Blanc-Nez, a flimsy mechanical "bird" mounted on three bicycle wheels flew out to sea. The time was 4:35 am. Piloted by its designer, Louis Blériot, a 37-year-old graduate of the Ecole Centrale des Arts et Manufactures, "Blériot XI" landed in Dover some 37 minutes later.

## -> 37 MINUTES IN 1909: AN EXPLOIT THAT LAUNCHED A GREAT INDUSTRIAL ERA

For the first time, an aircraft had crossed the Channel. The plane showed that it had a future as a means of transport. The next day, Blériot returned to a triumphant welcome in Paris at Saint-Lazare train station, feted by a crowd of over 100,000 people. The entrepreneur won the £1,000 prize offered by the *Daily Mail*, and the French army placed an order for 100 planes. This marked the start of a great industrial saga.

## -> 35 MINUTES IN 2009: AN UNRIVALLED SERVICE FOR c250 MILLION PASSENGERS

Another major technological feat in Sangatte: in February 1988 work began on digging the Channel Tunnel. Seven years later, on 6 May 1994, Queen Elizabeth II and President François Mitterrand inaugurated the world's longest undersea tunnel. It comprises two independent rail tunnels and one service tunnel, each 50 km long, sunk an average of 40 metres below the Channel seabed. Two crossovers allow the trains to switch from one tunnel to another if one of the six sections is closed. The Service Tunnel makes it possible to perform maintenance operations and carry out any urgent interventions or evacuations required. This transport system is compliant with the most stringent safety and security standards, overseen by the Intergovernmental Commission.



15 YEARS AGO:  
INAUGURATION AND  
START OF SERVICES  
THROUGH THE  
CHANNEL TUNNEL

1986 : Margaret Thatcher and François Mitterrand sign the Treaty of Canterbury



“ Canterbury cathedral has many claims to fame and infamy. But it is likely that its most consequential secular event – after Thomas Becket’s unfortunate demise in the north-east transept – took place 23 years ago last month. I refer to the signing of the Treaty of Canterbury by Margaret Thatcher and François Mitterrand; the Treaty which enabled the Channel Tunnel to be built. ”

Lord Andrew Adonis, Minister of State for Transport, 30 January 2009

1990: Philippe Cozette and Graham Fagg shake hands beneath the Channel



#### FOUR KEY DATES

##### --> 12 FEBRUARY 1986

The British and French Governments sign the Treaty of Canterbury agreeing on the Channel Tunnel. The Treaty sets out the construction and operation of a cross-Channel fixed link by privately owned concession holders. It also describes the first land border between the two countries, in the middle of the future Tunnel.

##### --> 14 MARCH 1986, SIGNATURE OF THE CONCESSION AGREEMENT

The French and British Governments confer on France Manche and the Channel Tunnel Group Ltd the construction and operation of the Channel Tunnel for an initial period of 55 years, later extended until 2086.

##### --> 1 DECEMBER 1990, THE BREAKTHROUGH

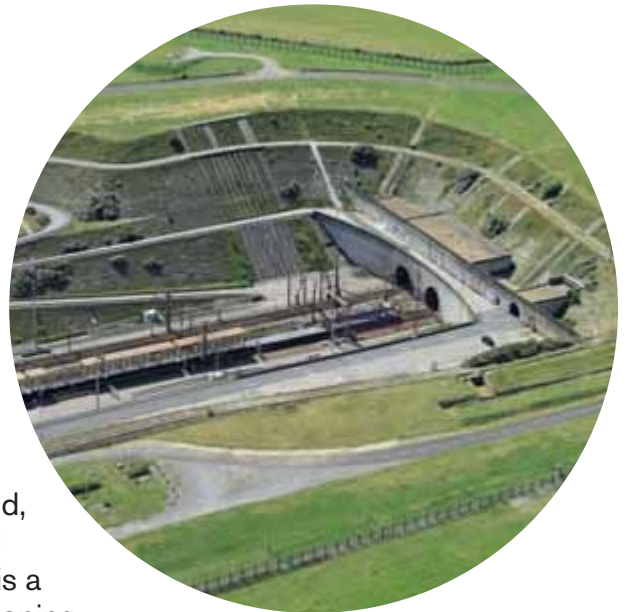
The British and French tunnelers meet for the first time below the Channel, 15.6 km from France and 22.3 km from England.

##### --> 6 MAY 1994

Official inauguration by Queen Elizabeth II and President François Mitterrand. The Sovereign and the French Head of state cross the Channel on a Eurotunnel Shuttle. During 1994 four services began their activities: first, rail freight trains on 1 June, followed by Truck Shuttles on 25 July then Eurostar on 14 November and Passenger Shuttles on 22 December.

# Eurotunnel, the most environmentally-friendly cross-Channel service

Rail transport has the wind in its sails. Throughout the world, public investment is resuming in this fast, safe, economical and environmentally-friendly means of transport, making this a particularly favourable context for capitalising on and developing Eurotunnel's specific assets and strengths.



**43,000  
cet**

43,000 CET (CARBON EQUIVALENT TONNES) OF EMISSIONS IN 2008, HALF THOSE IN 2006

## --> A MAJOR EUROPEAN TRANSPORT PLAYER

The cross-Channel Fixed Link is an integrated transport system with separate Truck and Passenger Shuttles. Eurotunnel is also open to other rail operators with passenger trains (Eurostar) or goods trains (SNCF, EWS-DB Schenker, Europorte 2). Each day, an average of more than 270 trains pass through the Channel Tunnel, with a record of 453 trains in 24 hours. This represents an average of 48,000 travellers, 5,200 cars, 150 coaches, 3,400 trucks and 48,000 tonnes of goods each day, making it one of the world's busiest railway tracks.

## --> A FAST, RELIABLE AND EASY MEANS OF TRANSPORT

Eurotunnel offers the fastest, most reliable and easiest cross-Channel service. With the Passenger Shuttles it takes barely 35 minutes to cross the Straits, without even having to get out of your car. For European hauliers, the Truck Shuttles offer up to seven departures every hour. They ensure a continuous supply chain without any load-splitting or weather hazards: trucks are able to cross the Channel in around 90 minutes, from motorway to motorway, whatever the sea conditions, enabling them to achieve major operational savings.

## --> CROSS-CHANNEL MARKET LEADER

With 1.25 million trucks transporting 16.3 million tonnes of goods, and nearly 2 million passenger vehicles (cars, motorcycles, coaches, etc.) on its Passenger Shuttles, equivalent to 7 million people, Eurotunnel continues to be the undisputed leader on the cross-Channel market in 2008.

## --> THE GLOBAL RAIL-ROAD TRANSPORT LEADER

More than 14 million trucks and nearly 200 million tonnes of goods have been transported by the Truck Shuttles since the service began: Eurotunnel has established itself as the world number one for rail-road transport.

## --> THE BEST ENVIRONMENTAL PERFORMANCE BY FAR

Eurotunnel is committed to protecting the environment every day. In two years, our greenhouse gas emissions have been halved, from 85,000 carbon equivalent tonnes in 2006 to 43,000 in 2008. The Group is the only cross-channel operator to have published a carbon footprint review.

## --> AN OPTIMISED SOURCE OF ENERGY

Eurotunnel now buys virtually all of the electricity needed to power its trains in France, with three benefits: a highly competitive price compared with British suppliers, a high percentage of power from nuclear or hydroelectric sources (90%), which are therefore CO<sub>2</sub> emission free, and a source of power that is independent of fluctuations in hydrocarbon supplies.

# Outlook for the new Eurotunnel

As a result of its successful financial restructuring, Eurotunnel is now in a position to effectively manage its own future. The group has all the means needed to meet its financial commitments, develop its future and create value for its shareholders. With five main objectives:

## → CONSOLIDATING OUR POSITION AS THE CROSS-CHANNEL LEADER

Eurotunnel aims to win back the customers it lost following the fire in September 2008 by constantly improving its offering and its quality of service for freight and passenger customers, adapting the capacity of its Truck Shuttles, further strengthening its commercial strategy and building long-term partnerships with hauliers.

## → INVESTING FOR THE FUTURE

Confident in its growth over the medium to long term, the company continues to roll out programmes to maintain, renew and modernise its facilities and infrastructures. Upgrading the power of the locomotives and current moves to design a new type of wagon will make it possible to increase the capacity of Truck Shuttles from 30 to 32 trucks, with corresponding productivity gains.

## → SUPPORTING RAIL FREIGHT

Eurotunnel is cautiously moving ahead with the deployment of its plan to re-launch rail freight, aiming for its specialised subsidiary Europorte 2 to become a local operator for traction in the Tunnel and operations on the ground for goods trains at the Frethun Depot.

## → PROMOTING GENUINE “GREEN” CREDENTIALS

Eurotunnel is committed to minimising the environmental impact of its business, specifically by massively reducing its CO<sub>2</sub> emissions, limiting its energy and water

consumption, and recycling its waste.

The official “Winning Planet” (*Planète Gagnante*) partnership charter recognises and strengthens Eurotunnel's efforts to support sustainable development. A similar process is underway with the *Carbon Trust*.

The building of a wind farm with three turbines at the Coquelles terminal has been entrusted to a specialised provider.

## → RE-LAUNCHING OUR DEVELOPER MISSION

With its new financial leeway, the group has the means to re-launch its developer mission. Within this framework, Eurotunnel signed a partnership agreement with the Pas-de-Calais regional council on 6 January 2009. Some 36 tangible projects are already covered under this agreement, including making Sangatte a tourist destination, and creating facilities for teams participating in the London 2012 Olympics and facilitating their transport across the Channel.



### THREE WIND TURBINES ON THE COQUELLES TERMINAL

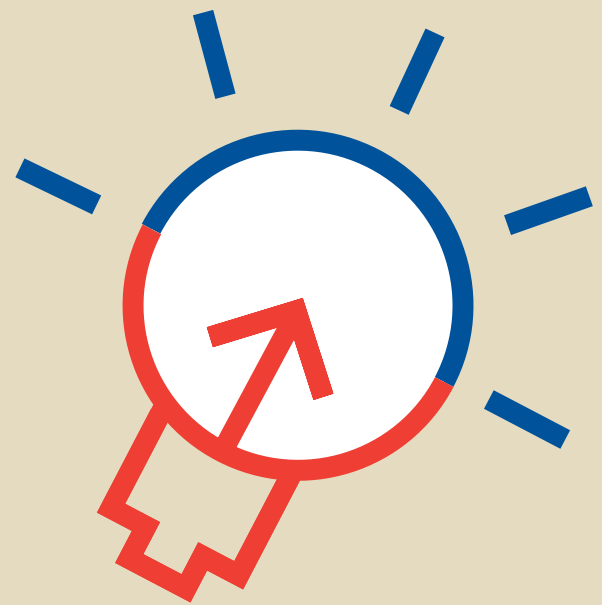
The planning permission has been approved. These wind turbines are part of Eurotunnel's contribution to the development of renewable energy. With an output of 0.8

Megawatts each, they will produce enough electricity for the every day domestic needs of 3,500 houses (excluding heating)



# An expert, innovative and reactive company

In the railway world, Eurotunnel is positioned at the forefront of progress and continues to invest for the future. The improvement and the modernisation of the infrastructure, of the rolling stock and of the quality of service constitute a permanent challenge.



**24** --> Maintenance **28** --> Operations **30** --> Safety **31** --> Security  
**32** --> Human Resources **34** --> Procurement



60 metres long, 60 tonnes, 60 men...  
changing the points 17 km inside the Tunnel,  
a challenge completed in one day

## Maintenance, a reputation for expertise and innovation

It is a daily challenge to ensure the faultless maintenance of an infrastructure as complex as the Channel Tunnel and of rolling stock handling the world's highest density of traffic, while minimising costs and downtimes. It also represents a wonderful incentive to invent new structures, processes and tools.

**120 mt**

120 MILLION  
TONNES PER YEAR:  
THE EUROTUNNEL  
TRACKS ARE  
AMONGST THE MOST  
HEAVILY USED  
IN THE WORLD

In addition to being the world's longest undersea railway tunnel, the Eurotunnel network is also setting records in terms of its operations. More than 270 trains run each day, representing one train every three minutes at peak times. The Truck Shuttles carry up to 30 heavy goods vehicles, each weighing up to 44 tonnes. These 800-metre long trains run at 140 kph. The Passenger Shuttles travel at the same speed and transport up to 120 cars and 12 coaches. The Eurostar trains travel at 160 kph below the sea. Some of the Freight Shuttles weigh in at 2,500 tonnes.

All this makes extreme demands on the equipment. For instance, in 15 years of operations, all the Tunnel's rails (excluding points) have already been changed twice.

Their quality is not at issue: they simply wear out much quicker than in conventional networks due to the unique load they carry – the highest in the world – with around 120 million tonnes each year.

### --> RELIABILITY, SAFETY, AVAILABILITY

Keeping the infrastructure and facilities in excellent condition to meet the highest reliability and safety standards, at a cost respecting the company's profitability targets, represents a challenge not only at a technological and economic level, but also in terms of organisation. Indeed, the primary goal is to optimise the availability of facilities and equipment, anticipating breakdowns and devising solutions so that the infrastructures

can be maintained with minimal disruption to traffic.

### --> INDUSTRIALISING MAINTENANCE

These constraints have represented a major incentive for Eurotunnel. With the experience built up over 15 years and the implementation of numerous innovations, the group has become a globally recognised expert in railway maintenance. Many rail infrastructure managers and operators, as well as professionals from other business sectors, regularly visit our workshops, and we are delighted to share our know-how in this area with them.

Eurotunnel has an original approach to maintenance. Handled like any other industrial activity, the "Maintenance Production Plan" sets out the scheduling and launch of operations, covering seven different types of maintenance. This methodology, which is based on a very clear organisation and a detailed description of each process, has made it possible to continuously improve performance in terms of reliability, availability and productivity since 2002. In 10 years, rolling stock maintenance staffing levels have been cut from 500 people to 355, while at the same time, the fleet to be maintained has virtually doubled, representing around 1,000 rail vehicles today.

### --> STRINGENT MONITORING OF WEAR AND TEAR ON WHEELS

In Coquelles, when the trains are brought in to be serviced in the world's longest workshop (825 metres), on one of the two track sections built on pilings, each wheel is scanned by the Wheel Measurement System (WMS), which takes a series of measurements. The accuracy and frequency of these measurements make it possible to anticipate maintenance needs before the wheels' characteristics start to approach acceptable limits. In this way, the under-floor lathe for wheel reprofiling can be scheduled, ensuring



In 15 years Eurotunnel has become an expert with a worldwide reputation for rail maintenance

that this does not affect the equipment's availability for commercial services. In addition, this forward-looking approach makes it possible to extend the lifespan of the rolling stock and by extension, the lifespan of the rails.

Further advances are being made, with Eurotunnel planning to fit WMS systems on the tunnel's rails in order to examine the state of the wheels in operation, particularly on trains from other rail operators. Eurotunnel will then be able to ask them to carry out repairs that will make it possible to prevent early wear and tear on the rails.



### CHANGING POINTS IN THE TUNNEL IN JUST 25 HOURS

Never before had equipment been replaced in a tunnel 17 km in from the entrance in such a short turnaround time. Under the Channel, each of the two crossovers that allow the trains to switch from one tunnel to another has four points and one cross-tie/traverse oblique. After 15 years of intensive use, the process of replacing them started at the end of 2007, with the first two points changed in the French crossover. The following two were replaced in January 2009 on the English side. In March, it was the turn of the cross-tie, the piece at the heart of the crossover, to be changed. The same process will then be carried out on the French crossover.

This world first represents a genuine technical feat, carried out in a record time of 25 hours. The points cover a section that is 60 metres long and 5 metres wide, with the longest cross-tie weighing some 60 tonnes. Assembling it on site is not an option due to the lack of space and time. As traffic disruption must be kept to a minimum, the equipment is first preassembled outside, then put on a series of small wagons fitted with frames for lifting and laying the points. 60 people coordinate their work to ensure that the equipment is placed and laid in exactly the right position, accurate to the nearest millimetre.

The development of this technique and its preparation, which took more than a year, and its successful deployment were recognised with the first Mobility Award, received at Innotrans, the Berlin international engineering and transport show, in September 2008.

**1,200 m**

1,200 METRES OF  
EXPERIMENTAL  
TRACKS TO TEST  
NEW RAILS AND  
HIGH TECH WELDS

**--> PARTNERING THE I-TRANS  
COMPETITIVE POLE**

The work, carried out in cooperation with various industrial and scientific players from the region (Corus, RailTech, Sculfort, Outreau Technologies, RFF, Ecole des Mines de Douai, INSA-Lyon), is focusing on four areas: the materials and geometries of tomorrow for extending rail life; new welding; and the tracks of tomorrow.

**--> A FULL-SCALE TEST STAND**

Extending the lifespan of rails represents a major concern for Eurotunnel, on account of the intensity of its traffic. Since its creation, the company has therefore been involved in the i-trans competitive pole, which groups together leading rail and land transport players from industry, research and training in the Nord-Pas-de-Calais and Picardie Regions. Within this framework, Eurotunnel is heading up the TTSA or Track Train System Availability project, which is developing techniques and products to increase rail infrastructure availability. This programme has a €6 million budget, including €240,000 contributed by the group.

Eurotunnel is making its network's and the world's only full-scale test stand available for the TTSA project. Since the end of 2007, an experimental rail has been laid on 1,200

metres of track, also using a new welding technique. Every two months, the industrial and scientific players who developed these innovations come to examine how they are performing *in situ*, under the most demanding real-life operating conditions. The first results are proving to be positive: unlike conventional equipment, which needs to be ground very regularly, after 18 months of testing the new rail has not yet required any grinding at all.

A new alloy, replacing the traditional "manganese steel", has also been developed for the railcores. It will be tested over the next few months, initially on external facilities, which are easier to access, then inside the Tunnel.

**--> ADAPTING THE LOCOMOTIVES  
AND TRUCK SHUTTLES TO  
GROWTH OF THE MARKET**

Looking beyond the current economic environment, the cross-Channel transport market for trucks is expected to see sustained growth over the medium term. In order to meet the needs of this expansion, Eurotunnel will be able to add to its timetable, offering up to seven or eight departures every hour and increasing the number of wagons on each Truck Shuttle from 30 to 32.

In view of this, the decision was taken to continue with the programme to increase the power of the specialised Brush/Bombardier locomotives for powering the shuttles. Up until 2000, this fleet was made up of fifty-one 5.6 MW machines. Since then, it has been strengthened with seven better performing 7 MW locomotives. Out of the 51 initial machines, 20 were then upgraded to 7 MW, while 13 underwent their mid-life heavy maintenance, staying at 5.6 MW. In 2008, it was decided to upgrade the 18 remaining locomotives to 7 MW.



**SELECTIVE WASTE COLLECTION**

Eurotunnel is committed to constantly improving its selective waste collection with a view to optimising its sorting and facilitating its recycling. In 2008, 51% of the different waste produced on the Coquelles site was able to be recycled, instead of 30% in 2006. The expansion of the waste reclamation centre will help improve this performance in the future. On the English side, a system has been put in place for the selective sorting of plastic bottles and cans, making it possible to achieve a rate of 47% recycling for mixed waste.

This operation requires six months of work for each locomotive at the manufacturers, notably to replace the principal transformer, the three converters and the six traction motors. In 2012, following this €90 million programme, the fleet will be made up of forty-five 7 MW locomotives and thirteen 5.6 MW machines.

Alongside this, Eurotunnel has launched various studies to design new truck-

carrying wagons in order to supplement the fleet and gradually replace models reaching the end of their lifespans. These third-generation wagons are expected to be fitted with a harder wearing floor. The technological choices will naturally be taken after consulting with and being approved by the Intergovernmental Commission's Safety Authority.

## 45 locomotives

FORTY FIVE 7 MW  
LOCOMOTIVES  
BY 2012



It is an everyday challenge to manage the maintenance of rolling stock which transports the heaviest loads in the railway world whilst minimising costs and downtimes



Rail control centre:  
up to 450 trains each day  
and an ever faster, more reliable  
and easier crossing

## Operations, in the front line for quality of service

The operations teams are in contact with Truck and Passenger Shuttle customers 365 days a year, and throughout 2008 they pulled out all the stops to optimise the management of record traffic levels during the first half of the year and record load factors during the last quarter. Their effort is recognised by the very high scores achieved in satisfaction surveys.

In March 2008, disruption in the Port of Calais led to many trucks switching to Eurotunnel shuttles. During two weeks, all the records were beaten, with 6,800 trucks on one day, instead of an average of 3,500, in excellent conditions. During the February holiday period, at Easter and in mid-June, the peaks in passenger traffic were handled while maintaining the highest standard quality of service. The last three months of the year saw

another challenge – the loading and unloading of Truck and Passenger Shuttles in very short turnaround times, despite load factors of up to 100%.

These results reflect the commitment shown by the staff, as well as the success of the group's *Focus on Customers* programme. This is highlighted by the investments made and the innovative developments carried out over 2008 in order to make crossing the Channel ever

faster, more reliable and easier for our customers.

### -> QUALITY OF SERVICE FOR HAULIERS

**Truck parking capacity doubled:** work to extend the Coquelles truck parking capacity was completed in May 2008. With 73 additional spaces, this parking area can now accommodate 150 trucks before their check-in.

**New customs clearance facilities:** since September 2008, goods on trucks entering the United Kingdom via the Tunnel can be checked by specialist organisation, Channel Port, which saves them a lengthy detour.

**Operation Stack:** to prevent the M20 motorway (London-Folkestone) becoming totally blocked if there are disruptions in the ferry ports, the British authorities hold the trucks in parking areas further upstream. So as not to penalise our customers who are heading to Folkestone, Eurotunnel provides drivers with an identification document that enables the Authorities to differentiate them and allow the drivers to continue on their journey to the Tunnel.

**Club-car refurbishment:** the club-cars, which accommodate haulage drivers during their Tunnel crossing, are being fully refurbished. The first club-car, refurbished after four months' work, was brought back into service in February 2008, to the great satisfaction of customers, who appreciate its level of comfort. Work on the other eight cars will be completed by the end of 2009.

### -> QUALITY OF SERVICE FOR PASSENGER SHUTTLE CUSTOMERS

**Free Wi-Fi:** the wireless networks set up in 2008 in the passenger buildings and FlexiPlus lounges allow customers with a computer to browse the internet while waiting for their departure.

**Double check-in kiosks for FlexiPlus customers:** at check-in, passenger cars can choose the lane that corresponds to the steering wheel position on the left or right hand side of their vehicle. Counter-intuitively, however, priority FlexiPlus passengers had only one lane with a single check-in kiosk. A second kiosk has now been added on the other side for greater convenience.

**Clearer signage in Coquelles:** the new dynamic signage in Coquelles makes it easier to direct customers to the frontier controls. The LED display system, offering better performance than neon signs, means that the green arrows or red crosses can now be seen from any point in the parking bays.



The customer facing staff maintained high levels of performance throughout the year to manage the dense traffic flows of the first half year and the record load factors in the last quarter



### IRIS WILL IMPROVE THE TRAFFIC FLOW BEFORE LOADING

Using automated number plate recognition, the IRIS project will enable every car to be tracked in real time from the point it enters the terminal from the toll booth until it is loaded on board one of the Passenger Shuttles. In Folkestone and Coquelles, cameras will record the licence plates, which will then be recognised on computer. This will ensure that the system has all the information needed at any one time to enable the operations teams to take the best decisions to keep the traffic flowing and speed up the Shuttle loading process. The IRIS project was put in place during 2008 and will be operational this year.

# Safety, at the heart of Eurotunnel's strategy

Together with protecting the environment, safety represents one of the key characteristics underpinning the image of rail transport worldwide. It also represents an essential priority for Eurotunnel, in all aspects: the safety of passengers, closely linked to that of the various systems, and the safety of staff at work.



The frequency of accidents leading to time off work at Eurotunnel is 4.2 (compared to 6.7 in 2007)

From the outset, Eurotunnel implemented a highly documented safety management system, enabling accurate measurement of its performance against this priority objective. In 2008, the indicators, presented monthly to the Intergovernmental Commission, revealed a continued and constant improvement through to the end of August.

The fire in September 2008 affected these results of course. But, most importantly, it made it possible to gauge Eurotunnel's efficiency and effectiveness in terms of the safety of people. The safety systems immediately detected the fire which broke out onboard a Shuttle transporting trucks. The 32 people who were on this train were

immediately evacuated to the Service Tunnel. People safety represents an absolute priority for Eurotunnel. Following an analysis of this event and how it was managed, the group established that no fundamental changes were necessary concerning its processes in this area.

Nevertheless, the scale of the damage to the infrastructure and its consequences in terms of quality of service for our customers and loss of business for the company was considerable. In light of this, Eurotunnel very quickly launched a review looking into the means to be implemented in order to minimise the impact of such incidents in the future. This review has already led to the immediate implementation of some initial measures.

## --> STRENGTHENING SHUTTLE SURVEILLANCE AT PLATFORMS

The platform teams now have an additional member who is responsible for checking that all the safety operations have been carried before for each departure. With the drivers' agreement, this agent may also open a random selection of truck cab doors. If this person is refused, the vehicle will not be authorised to board the Shuttle and the authorities are notified.

## --> DISTRIBUTION OF SAFETY GUIDELINES TO DRIVERS IN NINE LANGUAGES

At the same time, a brochure detailing all the safety guidelines, written in nine languages (offering such a wide range of language options in the transport world is a first), is provided to truck drivers when loading their trucks onto Eurotunnel Shuttles.

Other actions will be carried out over the short or medium term, once they have been approved by the Intergovernmental Commission Safety Authority. For example, a more efficient procedure needs to be finalised with the fire services (Tunnel ventilation, response time): simulations have revealed that the fire developed quite slowly during the first 30 minutes, before reaching its height after one hour, making intervention very difficult.

The group and the experts it has appointed are also looking into various automatic fire extinction systems, set up at points along the Tunnel.



# Security, a priority issue

After spending more than €30 million on security equipment since 1999, Eurotunnel spent more than €6 million in 2008 and is gearing up to make further investments, in line with its commitment to provide its customers with the best level of protection at all times and to manage the growing pressure from potential illegal immigrants.

**E**urotunnel is required to provide the British and French governments with the means to exercise their sovereign responsibilities in terms of security. In this area, the company has always gone further than required under the Concession Agreement; for example, the entire video surveillance system for the Folkestone and Shakespeare Cliff sites in England was renewed in 2008. With new screens, new cameras with the latest technologies and more efficient image analysis, a leading-edge system has now replaced the solution installed when the infrastructure was built. On the French side, the video surveillance equipment had already been modernised. It will be upgraded again in 2009.

## -> QUICKER CONTROLS AND STRONGER SECURITY

Before boarding a Shuttle, each truck is scanned by the Passive Millimetric Wave (PMMW) control system, enabling the real-time detection of any people hidden on board. If there are any doubts, the vehicle may then be subjected to a CO<sub>2</sub> check and a visual inspection, with the driver's agreement. If this is refused, the truck is not permitted to continue on its journey. Following its first full year of use, the new Euroscan has proven its efficiency. This x-ray scanner, two-thirds funded by the French customs authorities and one third by Eurotunnel, was put in place by the Government services to detect the presence of any weapons or explosives in trucks by x-raying their loads. With improved performances over its predecessor, this Euroscan

is contributing significantly to the higher level of security. It is also twice as quick, as it can analyse up to 35 trucks every hour.

## -> PRESSURE FROM ILLEGAL IMMIGRANTS CONTINUES TO GROW

With more than 400 interceptions every month on the site, the number of people discovered in trucks or attempting to break in increased by 50% in 2008. The people intercepted by our surveillance teams are handed over to the authorities. If they have caused any damage or loss of operations, Eurotunnel seeks compensation through the courts.

Pressure from immigrants who are trying to enter the United Kingdom illegally has continued to grow. Outsourced to a specialised provider, there are currently 125 people working full time on the security issue.

So far, this phenomenon has not had any significant impact on operations or the quality of service for customers and has resulted in only a few slight delays on the trains. To continue managing this effectively in the future, with the dual concern of ensuring the safety of the immigrants themselves as well as the quality of service for our customers, Eurotunnel is looking into various high-technology solutions, and at the same time calling for the governments to further strengthen their resources.



Before loading onto a Truck Shuttle, trucks are subject to controls which can detect the presence of illegal passengers



Improving quality of life at work is one of the goals for the Agora project and Eurotunnel's Human Resources policy

# Human resources, responsive and multitasking

Eurotunnel's Human Resources policy is part of a global strategy focused on the quality of service for customers and the ability to meet their needs as effectively as possible under all circumstances.

**83,000  
hours**

83,000 HOURS OF  
TRAINING GIVEN  
TO EUROTUNNEL  
STAFF IN 2008

In a year marked by very strong growth in traffic over the first six months, followed by a 50% reduction in our service, Eurotunnel's teams demonstrated their ability to adapt very quickly to sharply contrasting situations. Following the fire in September, our constant focus on promoting flexibility and multitasking made it possible to avoid having to put any staff on short-time working. In fact, the staff with greater availability following the reduction in traffic were very quickly redeployed where there were urgent needs due to the situation, such as on marketing services to redefine

the offer or on monitoring the reconstruction work.

## **--> FURTHER STRENGTHENING MANAGERIAL KNOW-HOW**

The corporate Agora project, launched at the end of 2007 on the French side and in 2008 on the English side, is being developed with a focus on two areas: further strengthening the management team's managerial skills and improving quality of life at work. First-line managers, who are in direct contact with the teams, and their immediate superiors took part in a number



### NO PERCUT, A THEATRE BASED PROGRAMME TO FURTHER IMPROVE SAFETY AT WORK

The 360 rolling stock maintenance specialists have been able to benefit from the original *No Percut* training programme, with participants writing and then acting out a "theatre" scene, helping them see the extent to which overconfidence can often lead to accidents in the workplace. Since the *No Percut* programme was launched in 2008, this departments results have continued to improve in terms of safety at work.

of training events during 2008, focusing on improving leadership skills, evaluating staff and actively supervising teams on the ground.

#### -> IMPROVING THE QUALITY OF LIFE AT WORK

Agora's second focus is on staff and is designed to improve the workplace, the working environment and relations at work. More specifically, the seven "Agora Initiatives" rolled out in 2008 concern the induction of new recruits and moves to refresh and refurbish the working environment, in light of the needs identified by employees. For example, a consultation process was set up to design new work uniforms for 2010, giving each member of staff the opportunity to express their requirements, before a designer was selected. In addition, ceremonies are being held to reward and recognise teams who have performed particularly well and for examples of employee loyalty to the company. A staff directory with photos has also been created and a "Family Discovery Day" is planned.

#### -> MAJOR TRAINING PUSH

In addition to the actions carried out under Agora, Eurotunnel is continuing to set aside more than 2.7% of its total payroll for training its staff. More than 83,000 hours of training were provided on both sides of the Channel in 2008, 24% more than the previous year, benefiting some 1,966 staff, representing 83% of the company's total workforce.

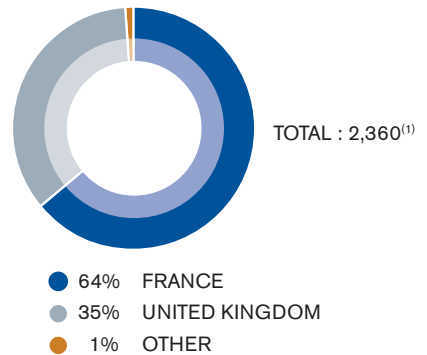
A "Focus on Customer" programme,

launched in 2006, contributed significantly to the results achieved in terms of quality of service during a year marked by unforeseen circumstances.

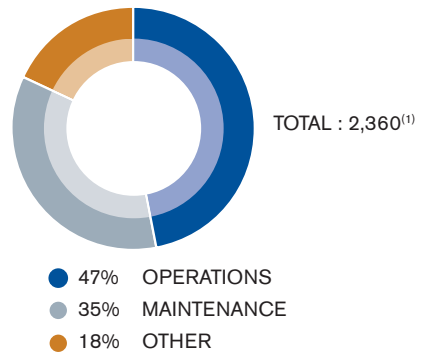
#### -> CAREER DEVELOPMENT, AN ORIGINAL APPROACH TO MANAGING SKILLS IN A CHANGING ENVIRONMENT

To best absorb the peaks of traffic, Eurotunnel is developing a multi-skilled workforce in operations (check-in, information desk ...) by encouraging them to increase their competencies. A regular evaluation of progress ensures that the results bring constant improvements. Today, the majority of the staff are competent in at least two or three different roles.

DISTRIBUTION OF EMPLOYEES BY COUNTRY



DISTRIBUTION OF EMPLOYEES BY SECTOR



(1) Equivalent to 2,298 full time equivalents (the country is that where the job is based, not the nationality of the individual).



### COMMITMENT TO KEEPING EMPLOYEES CONSTANTLY INFORMED

In line with its partnership with the French environment and energy management agency (ADEME), Eurotunnel takes part in a variety of campaigns to build awareness: "Sustainable Development Week" in April 2008, "Mobility Week" in September and "Waste Reduction Week" in November.

Marking these three key events, the group's 2,300 employees and staff from its subcontractors were able to enjoy two touring exhibitions at a number of locations in France and the United Kingdom. They included detailed information on how to be an eco-citizen and the findings from the carbon footprint review, as well as presentations from experts on energy savings and waste reduction. Every month, Eurotunnel's electronic newsletter also includes a dedicated section on sustainable development news.

# Procurement, a collaborative approach

In 2008, a year marked by the negotiation of three major contracts and the opening of a dedicated section of the company's website for suppliers, Eurotunnel's Procurement department achieved a 13% reduction in commitments on the external spending it was responsible for.

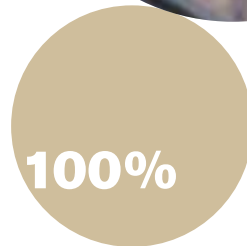
## --> FURTHER STRENGTHENING THE PARTNERSHIP WITH SUPPLIERS

The opening of a dedicated Supplier's section on [www.eurotunnel.com](http://www.eurotunnel.com) in January 2009 represents the first step towards further strengthening the partnerships already forged and expanding our supplier base. This section provides firms that are aiming to develop their business with the group with access to all the relevant information on Eurotunnel's priorities, commitments and expectations in relation to its suppliers. It also offers them an opportunity to register online with a view to being listed. As a second step, the Procurement department plans to provide online access to an electronic document base (specifications, regulations, etc.) for companies replying to calls for tenders, then partially automating the tendering processes and buying certain products by auction.

## --> LOCOMOTIVES AND ELECTRICITY: TWO MAJOR CONTRACTS NEGOTIATED IN 2008

The decision taken in 2008 to upgrade 18 traction locomotives to 7MW rather than simply carrying out their mid-life maintenance (see Page 24) illustrates the collaborative approach adopted by Eurotunnel. The Procurement department has been involved in the various strategic decisions, acting as a facilitator in order to achieve together the best choices for the business.

Similarly, the sourcing of 100% of electricity for the overhead catenary from France, where prices are considerably lower than in the United Kingdom, became fully operational in April 2008. This has made it possible to achieve cost savings in line with our forecasts, despite part of the North Tunnel being closed in the fourth quarter, which required 50-50 power supplies to be temporarily resumed.



100% OF THE POWER SUPPLY FOR THE OVERHEAD CATENARY SOURCED IN FRANCE, WHERE PRICES ARE SIGNIFICANTLY LOWER



## GETTING SUPPLIERS ON BOARD FOR SUSTAINABLE DEVELOPMENT

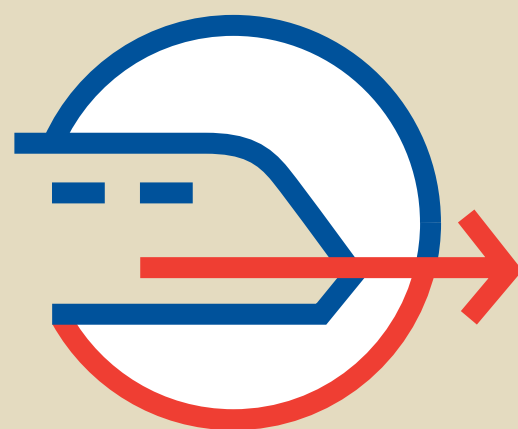
In line with its commitment to sustainable development, Eurotunnel wanted to get its suppliers and subcontractors more involved in its approach. The group has therefore drawn up a list of criteria measuring each supplier's relationship on an environmental level. This analysis is taken into consideration in the selection process for new business partnerships.

## --> RESPONSIVENESS FACED WITH AN EXCEPTIONAL EVENT

The Procurement department also made an important contribution to the Tunnel's rapid restoration by selecting only one group of businesses (all subsidiaries from the same industrial group) which already had proven experience on our infrastructure. This considerably helped to minimise the turnaround times.

# An efficient operator, attentive to customers

World leader in Piggy Back transport, principal cross-Channel operator, Eurotunnel has developed a strong economic model. Its intrinsic strengths of Speed, Ease, Reliability and the environmental advantage enable it to consolidate its position and to improve its commercial proposition



**36** --> Eurostar **38** --> The Truck Shuttles **40** --> The Passenger Shuttles  
**42** --> Rail freight **43** --> Europorte 2



## Eurostar, record growth and promising outlook

For the first time, Eurostar carried more than 9 million passengers through the Channel Tunnel in 2008, +10% more than the previous year. This dynamic development should continue to be driven by the opening up of new markets over the next few years.



2 HRS 15 MINS,  
TRAVEL TIME  
BETWEEN LONDON  
AND PARIS

Now that Britain's first high-speed line – *High Speed 1* – is in service, the heart of London is just 2 hours and 15 minutes from the centre of Paris (instead of 2 hours 35 minutes), 1 hour 51 minutes from Brussels and 1 hour 20 minutes from Lille. This performance is reflected in further market share gains achieved over 2008. Speed, but also reliability: more than 90% of Eurostar trains arrive on time or ahead of schedule. Eurotunnel is contributing to this punctuality as our regulators ensure that the Eurostars make up time in the Tunnel. Sometimes the order of trains is even changed to free up “paths” (slots for circulation in rail industry terms) for Eurostar, the group's leading

customer in terms of both revenues and traffic volume.

### --> NEW CUSTOMER BASE IN THE NORTH OF ENGLAND AND THE MIDLANDS

In London, the new St. Pancras International station is located next to King's Cross Station and a few hundred yards from Euston. These two stations serve the whole of Northern England and the Midlands, and this easy connection is attracting a new customer base, from outside the Greater London Region. A very significant percentage of Eurostar's traffic growth in 2008 was due to this population, attracted by the speed and comfort of rail travel for their

trips to the Continent. In most cases, they previously used regional airports to get to France or Belgium. This new market offers major potential for development, especially over the long term, as high-speed rail networks are developed in the United Kingdom.

**-> LONDON AND THE SOUTHEAST**

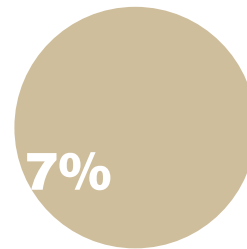
Another new station on the British high-speed line, Ebbsfleet station in Kent, is located next to the M25. It is as easy to access by car as Gatwick Airport, south of the capital, or Stansted Airport, to the north east. Now that the journey time between London and Paris is even more competitive, Eurostar looks likely to achieve further market share gains against air links.

**-> MAJOR DEVELOPMENT SERVING ROTTERDAM, SCHIPHOL AND AMSTERDAM**

Today, services between London, Paris and Brussels represent the heart of the Eurostar network. This system also includes a link to Disneyland-Paris (one direct train every day) and two seasonal services. During the winter, the ski train connects London to Moûtiers and Bourg-Saint-Maurice twice a week. During the summer, a weekly connection is offered to Avignon, while a service will be opened up in the medium term to Toulon, Saint-Tropez and the Côte d'Azur, on the Mediterranean high-speed line, via Lyon and Marseille. Looking ahead, the development of new infrastructures will open up major potential for development. More specifically, this includes the HSL-Zuid high-speed line, which will be brought

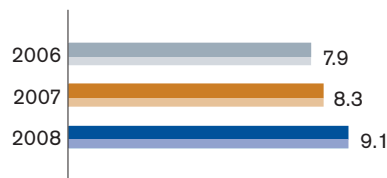
into service in December 2009 between Antwerp and Amsterdam, passing through Rotterdam and Schiphol Airport, the Air France-KLM Group's hub.

Lastly, and in line with its Concession Agreement, Eurotunnel's network is ready to welcome any new operators looking to open rail services, such as those to Europe's leading airports.

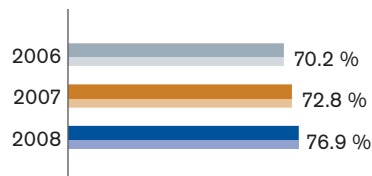


THE AMOUNT EUROSTAR PAYS EUROTUNNEL VARIES DEPENDING ON THE NUMBER OF PASSENGERS CARRIED. GROWTH IN EUROSTAR TRAFFIC THEREFORE HAS A DIRECT IMPACT ON EUROTUNNEL'S REVENUE GROWTH. IN 2008, REVENUES FROM RAIL NETWORKS, EUROSTAR AND RAIL FREIGHT TRAINS, INCREASED BY 7% COMPARED WITH THE PREVIOUS YEAR

NUMBER OF PASSENGERS TRANSPORTED



EUROSTAR MARKET SHARE ON THE PARIS-LONDON ROUTE



**TWO MORE TRAINS EVERY DAY**

The frequency of Eurostar increased to 17 trains between London and Paris every day in February 2008, instead of 15 since October 2007, with 10 trains continuing to operate every day between London and Brussels.



# Truck Shuttles, time is money

Eurotunnel's Truck Shuttles saw only a slight drop in their revenues, despite capacity being cut by half at the end of the year. This activity, like all of the group's business lines, has maintained its position as the cross-Channel transport market leader in 2008 and the world number one for rail-road transport.

**6,800  
trucks**

6,800 TRUCKS IN  
24 HOURS ON  
13 MARS 2008 AN  
ALL TIME RECORD

Eurotunnel offers its freight customers unrivalled speed, frequency, flexibility and reliability for crossing the Channel. Trucks are able to cross the Straits in 90 minutes at the most, from motorway to motorway, including time for inspection, loading, crossing and unloading. This journey takes much longer with ferries. Truck Shuttles leave every 10, 12 or 15 minutes depending on traffic levels, and there is no need to book ahead: customers are served as soon as they arrive at the terminal. The highly flexible timetables are adjusted to traffic levels every day.

Furthermore, the underground Fixed Link guarantees a level of reliability that is unaffected by weather conditions, whereas ferry services are interrupted for an average of around 10 days every year due to storms. This unrivalled quality of service has made it possible to build a sales policy that gives priority to value over volume, offer a pricing schedule that reflects our service's competitive advantages and maintain a priority focus on the customers making the biggest contributions. The continued market share gains highlight the relevance of this strategy.



93% of road haulage drivers are quite satisfied, satisfied, or very satisfied with Eurotunnel's service (TNS-SOFRES survey of 498 truck drivers conducted 9-19 June 2008)



Load factors of over 80% during the last four months of the year



**-> SUSTAINED GROWTH OVER THE FIRST HALF OF THE YEAR**

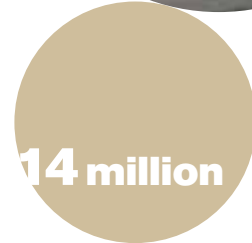
During the first half of 2008, truck traffic increased by 7%, setting a number of new records in March. Following the fire in September 2008, traffic was able to resume very quickly, although with capacity halved and one flight of two or three shuttles every 90 minutes, with speed reduced from 140-100 kph.

**-> VERY LOYAL CUSTOMERS**

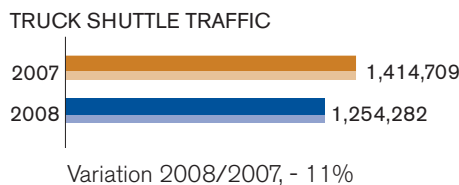
The hauliers remained loyal to us. None of the freight customers under annual contracts with Eurotunnel decided to terminate their agreements. They made their own adaptations to this temporary reduction in our capacity. However, in order to secure additional crossings, they were obliged to use the ferries. To continue providing the best possible quality of service under these conditions, with reduced capacity, the Operations teams worked exceptionally hard to ensure that the Shuttles were loaded and unloaded as quickly as possible. In fact, load factors were kept above 80% at all times for four months, instead of the usual average of 74%. In this way, despite a 50% reduction in our capacity, traffic fell by only 45% in the last quarter. In the end, over the full year, 1.25 million trucks were carried instead of 1.4 million in 2007, 11% fewer. In terms of total revenues, Eurotunnel Shuttles recorded a drop of only 7%, down to €431 million.

**-> REAL-TIME COMMUNICATION WITH HAULIERS**

With the same emphasis on quality of service under all circumstances, the sales teams established a system for real-time communication on the traffic's status with hauliers. Thanks to accurate advance information on the departure time for the next available Shuttle, customers were able to take the best decision on a case-by-case basis, including the decision to opt for the ferries, and immediately notify their drivers on the road. This commitment to immediate sharing of information proved to be such a success that this new service will be maintained. At the entrance to our terminals, haulage drivers now have access to display panels with reliable information on the departure times for the next available Shuttles.



ON 11 OCTOBER 2008, THE 14 MILLIONTH TRUCK WAS CARRIED ONBOARD A EUROTUNNEL SHUTTLE (SINCE THIS SERVICE BEGAN IN 1994)





The relationship of trust that Eurotunnel has built up with these customers - 80% British - is founded on our three key assets: speed, ease and reliability

## Passenger Shuttles, very strong demand

As a result of the robust business model, a responsive commercial policy and a constant focus on quality of service, demand from passenger customers remained very strong throughout the year.

As with freight, the results achieved by Passenger Shuttles in the first half of 2008 came in higher than our forecasts and the overall market trend, with the number of cars transported up +4%. These performances confirmed the strength of a strategy based on optimising revenues rather than volumes, as well as excellent quality of service rather than low prices. Despite the ferry companies increasing their promotional activity in 2008, Eurotunnel's service continued to gain market share. The relationship of trust that Eurotunnel has built up with these customers – 80% British – is founded on our offering's three key assets: Speed, Ease and Reliability.

### --> RECORD LOAD FACTORS

From September, and for the following five months, capacity was halved. Immediately after the incident, it was first of all necessary to reorganise the 70,000 existing bookings, readapt the timetable and implement a major communications drive in order to distribute real-time information updates for all of our customers. The next challenge was to find the best trade-off between sustained demand and a level of "supply" restricted to one departure of two or three shuttles every 90 minutes in each direction instead of the usual three to four Shuttles every hour.



**20,000 cars**

20,000 CARS WERE CARRIED ON 13, 14 AND 15 FEBRUARY 2009, THE START OF HALF-TERM IN THE UK (AND LESS THAN ONE WEEK AFTER INTERVAL 6 IN THE NORTH TUNNEL REOPENED)

**-> EFFECTIVE PRICING POLICY**

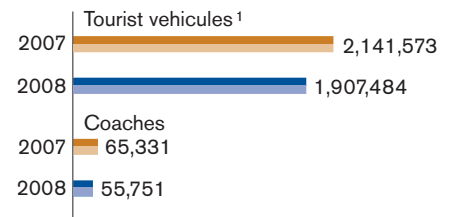
The sales teams continued to operate the same dynamic pricing policy, which aims to optimise both the load factor and the value of the average ticket: as space on the Shuttles fills up, so its price increases. Eurotunnel's yield management system has proved to be highly effective, enabling very high load factors to be achieved, up to 100% at peak times during the November half-term and Christmas holiday periods, combined with a considerably higher level of revenues per shuttle – at an equivalent load factor – than the usual ratios. For their part, the Operations teams performed genuine feats to guarantee the best possible service in this context. The drop in traffic was thus kept down to only -37% in the fourth quarter, despite the 50% reduction in capacity, while the revenues generated by Passenger Shuttles fell by only 30%.

**-> POSITIVE IMPACT ON THE GROUP'S IMAGE**

In the end, everything indicates that Eurotunnel's image with its Passenger Shuttle customers has been further strengthened. The event confirmed to them the safety, efficiency and effectiveness of our transport system. The question most frequently put to the call centres – *"When will you be returning to normal service?"* – shows to what extent the Tunnel has become a vital link between the United Kingdom and the Continent, as well as our customers' continued confidence and trust

in us. This is also confirmed by the excellent start in October and November 2008 to bookings for the 2009 Summer holiday period. Similarly, all the research shows that if they were unable to find space on our Shuttles, many of Eurotunnel's customers simply preferred to cancel or postpone their trip rather than opting for one of our rivals.

**PASSENGER SHUTTLE TRAFFIC**



<sup>1</sup> Includes motorcycles, vehicles with trailers, caravans and camper vans



**SUSTAINABLE DEVELOPMENT, AN ATTITUDE TO SHARE**

In 2008, more than 200,000 Eurotunnel customers were made aware of sustainable development issues through campaigns organised in partnership with the French environment and energy management agency (ADEME) in April ("sustainable development week"), September ("mobility week") and November ("waste reduction week"). Customers taking Truck and Passenger Shuttles were able to enjoy two exhibitions in the Folkestone and Coquelles Passenger Terminal Buildings. Brochures were available describing simple ways of helping reduce water or energy consumption, promoting renewable energies, sorting waste and protecting biodiversity.

# Rail freight: reversing the trend

The benefits of implementing the new free access policy and simplified pricing system from October 2007 are starting to be seen. After falling off sharply for years, goods train traffic levels stabilised over 2008.



**2,718  
trains**

IN 2008, 2,718 TRAINS  
CARRIED 1.24 MILLIONS  
TONNES OF FREIGHT  
VIA THE CHANNEL  
TUNNEL EQUIVALENT TO  
456 TONNES PER TRAIN

The tonnage transported by goods trains rose for the first time in four years: 1.24 million tonnes in 2008, compared with the previous year's 1.21 million tonnes. This 2% increase marks an end to a decade-long sharp downturn. After peaking at 3 million tonnes in 1998, still some way off the initial forecasts of 10 million tonnes, the volume of rail freight carried through the Channel Tunnel fell steadily. In 2007, traffic had even dropped to under 10 trains per day. This turnaround – even if the number of trains is down 4% – is particularly significant since it has been achieved in the midst of an economic crisis and under unusual operating conditions for our infrastructure. It highlights the effectiveness of the new offer structure from October 2007, thanks

to the efforts of all the departments concerned. Designed to establish the conditions for kick-starting cross-Channel rail freight again, the approach is built around three sections:

- Free access to the infrastructure with a single pricing structure for all incumbent or new operators and a capping of essential cross-Channel services;
- A simplified pricing structure, per train and no longer based on a variable price per tonne, depending on the nature of the goods carried;
- A total crossing cost for operators cut by virtually half, down to €4,500 per train compared with an average of €8,000 in 2007.



## AN EXCELLENT ENVIRONMENTAL PERFORMANCE

Eurotunnel achieved an excellent environmental performance over 2008. Indeed, we launched a project to rate our emissions with the Carbon Trust. In addition, the benefits of the programme to reduce greenhouse gas emissions are being seen, with hydrocarbon gas emissions halved to 2,700 carbon equivalent tonnes (CET) on the one hand, and above all the use of electricity from nuclear power sources instead of fossil fuels, in addition to the major operating savings generated. The power connection from France has made it possible to reduce this item from 60,000 CET to just 24,000 CET. Investment, optimisation of purchases and the environment clearly fit together well!

# Europorte 2, successfully up and running

During its first full year of operations, Eurotunnel's rail subsidiary handled 2,718 trains on the ground at Frethun. The Class 92 locomotives also pulled 847 goods trains between the Dollands Moor terminal in Kent and its counterpart on the French side.

The first French operator – excluding the SNCF – to have been granted a licence by the public authorities for developing rail services throughout the European Union, Europorte 2 launched its operational activities on 28 November 2007.

This wholly-owned Eurotunnel subsidiary was created with a view to achieving two goals: capitalising on the group's rail know-how and offering its customers an entire range of specific services for promoting the development of goods train traffic, primarily through the Tunnel.

Europorte 2's teams perform various "on the ground" operations for goods trains on behalf of the rail operators (Fret SNCF, EWS now Deutsche Bahn Schenker): coupling and de-coupling, shunting, safety inspections, regulatory documents and monitoring of cross-Channel traffic. In 2008, the services covered all railfreight passing through Frethun, representing 2,718 trains.

Like tug boats in ports, Europorte 2 also pulls goods trains between the Channel Tunnel's two terminals for Fret SNCF and, on a case-by-case basis, for EWS. To deliver this service, the company has acquired 11 specialised Brush Class 92 locomotives equipped for the Tunnel and approved to operate on the entire British network. Technically very similar to the machines used by Eurotunnel to drive its Truck and Passenger Shuttles, Europorte 2's Class 92 locomotives, acquired second hand, are gradually being upgraded. In 2008, they pulled 847 goods trains, representing nearly one third of cross-Channel rail freight. Europorte 2 is also gearing up to capitalise

on any opportunities for developing railfreight over short and medium distances on both sides of the Tunnel when the economic conditions are appropriate.



**13**  
locomotives

13 LOCOMOTIVES ARE AVAILABLE TO EUROPORTE 2: 11 CLASS 92 (BRUSH/ BOMBARDIER) ABLE TO RUN ON THE BRITISH NETWORK, THROUGH THE TUNNEL AND, AT PRESENT, AS FAR AS FRETHUN; 2 PRIMA (ALSTOM) WHICH CAN RUN IN FRANCE AND GERMANY



## MODAL TRANSFER FROM ROAD TO RAIL: LESS CO<sub>2</sub> IN THE ATMOSPHERE

The development of rail freight traffic across the Channel and, by correlation, on the national networks in the UK and France represents a challenge for modal transfer from road to rail of some 4 billion tonnes per kilometre per year, in France alone, the equivalent of more than a quarter of the target set by the French Government. This will have a significant impact on the reduction of green house gas emissions.

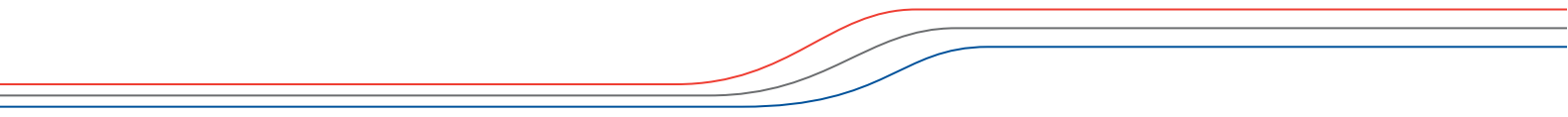
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