HALF-YEAR FINANCIAL REPORT

Getlink SE

FOR THE SIX MONTHS TO 30 JUNE

2019

GETLINK

CONTENTS*

Accounting standards applied and presentation of the consolidated results

Pursuant to EC Regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of Getlink SE for the six month period ended 30 June 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS).

At 30 June 2018, the Group presented its operating leases off-balance sheet. At 31 December 2018, the Group opted for the early adoption of the new standard IFRS 16 on leasing contracts. The impact of the new standard on the consolidated financial statements as at 30 June 2018 is set out in note B.3.1 to the Group's consolidated half-year financial statements as at 30 June 2019.

Since the completion of the Group's internal corporate reorganisation described in note A.1 to the consolidated financial statements as at 31 December 2018 set out in section 2.2.1 of the 2018 Registration Document, the Group's corporate services have been presented in the "Getlink" segment, separately from those of the Eurotunnel segment.

The Group has applied IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to its maritime segment since the cessation of MyFerryLink's operations in the second half of 2015. Accordingly, this activity's net results for the current and previous periods are presented as a single line in the income statement called "Net result from discontinued operations". More information on these transactions is given in note C.2 to the summary consolidated half-year financial statements.

* *English translation of Getlink SE's "rapport financier semestriel" for information purposes only.*

HALF-YEAR ACTIVITY REPORT AT 30 JUNE 2019

ANALYSIS OF CONSOLIDATED INCOME STATEMENT

To enable a better comparison between the two periods, the consolidated income statement for the first half of 2018 presented in this half-year activity report has been recalculated at the exchange rate used for the 2019 half-year income statement of £1=€1.145.

In the first half of 2019, the Group's consolidated revenues amounted to €523 million, an increase of €11 million (2%) compared to 2018, despite the negative impact of the French customs officers' strike action between 4 March and 15 May 2019 estimated at €10 million. Operating costs totalled €268 million, an increase of €16 million (6%) compared to 2018, including one-off costs for the Macron bonus payments of €1 million and Brexit preparations of €3 million. EBITDA reduced by €5 million (2%) to €255 million and the trading profit reduced by €5 million (3%) to €169 million. At €164 million, the operating profit for the first six months of 2019 was down by €8 million compared to 2018. After taking into account a reduction of €9 million in net finance costs and other financial income, the pre-tax result for the Group's continuing operations for the first half of 2019 was a profit of €37 million, an increase of €1 million compared to 2018.

After taking into account a net tax income of €4 million, the Group's net consolidated result for the first six months of 2019 was a profit of €41 million compared to a profit of €39 million in 2018.

€ million Improvement/(deterioration) of result	1st half 2019	1st half 2018 *recalculated	Change €M	 %	1st half 2018 **restated
Exchange rate €/£	1.145	1.145			1.136
Eurotunnel	456	451	5	+1%	449
Getlink	1	1	–	–	1
Europorte	66	60	6	+10%	60
Revenue	**523**	**512**	**11**	**+2%**	**510**
Eurotunnel	(205)	(197)	(8)	-4%	(196)
Getlink	(9)	(6)	(3)	-50%	(6)
Europorte	(53)	(48)	(5)	-10%	(48)
ElecLink	(1)	(1)	–	–	(1)
Operating costs	**(268)**	**(252)**	**(16)**	**-6%**	**(251)**
Operating margin (EBITDA)	**255**	**260**	**(5)**	**-2%**	**259**
Depreciation	(86)	(86)	–	–	(86)
Trading profit	**169**	**174**	**(5)**	**-3%**	**173**
Other net operating charges	(5)	(2)	(3)		(2)
Operating profit (EBIT)	**164**	**172**	**(8)**	**-5%**	**171**
Net finance costs	(133)	(136)	3	+2%	(135)
Net other financial income	6	–	6		–
Pre-tax profit from continuing operations	**37**	**36**	**1**	**+3%**	**36**
Income tax income/(expense)	4	3	1		3
Net profit from continuing operations	**41**	**39**	**2**	**+5%**	**39**
Net profit/(loss) from discontinued operations	–	–	–		–
Net consolidated profit for the period	**41**	**39**	**2**	**+5%**	**39**

* *Restated at the rate of exchange used for the 2019 half-year income statement (£1=€1.145) and for the application of IFRS 16 as described in note B.3.1 to the summary half-year financial statements as at 30 June 2019.*

** *The revenue and operating costs published for the Fixed Link in the first half of 2018 were €450 million and €202 million (after restatement for IFRS 16) respectively.*

The evolution of the pre-tax result from continuing operations by segment compared to 2018 is presented below:

€ million	Eurotunnel	Getlink	Europorte	ElecLink	Total continuing activities
Pre-tax result from continuing activities for the 1st half of 2018*	**33**	**4**	**1**	**(2)**	**36**
Improvement/(deterioration) of result:					
Revenue	+5	-	+6	-	+11
Operating expenses	-8	-3	-5	-	-16
EBITDA	**-3**	**-3**	**+1**	**-**	**-5**
Depreciation	-	-	-	-	-
Trading result	**-3**	**-3**	**+1**	**-**	**-5**
Other net operating income/charges	-4	+1	-	-	-3
Operating result (EBIT)	**-7**	**-2**	**+1**	**-**	**-8**
Net financial costs and other	+13	-4	-1	+1	+9
Total changes	**+6**	**-6**	**-**	**+1**	**+1**
Pre-tax result from continuing operations for the 1st half of 2019	**39**	**(2)**	**1**	**(1)**	**37**

* *Restated at the rate of exchange used for the 2019 half-year income statement (£1=€1.145) and for the application of IFRS 16 as described in note B.3.1 to the summary half-year financial statements as at 30 June 2019.*

1 EUROTUNNEL SEGMENT

The Group's core business is the Eurotunnel segment which operates and directly markets its Shuttle Services and also provides access, on payment of a toll, for the circulation of High-Speed Passenger Trains (Eurostar) and the Train Operators' Rail Freight Trains through its Railway Network. Since the Group's internal legal reorganisation described in note A.1 to the 2018 consolidated financial statements set out in section 2.2.1 of the 2018 Registration Document, the activities of the Group's corporate services have been presented separately from those of the Eurotunnel segment, in the "Getlink" segment. At 30 June 2018, as the new organisation had only recently been put in place, the Group's corporate services were reported together in the Fixed Link segment as previously.

€ million	1st half	1st half	Change	
Improvement/(deterioration) of result	2019	2018*	€M	%
Exchange rate €/£	1.145	1.145		
Shuttle Services	297	297	–	–
Railway Network	153	148	5	+3%
Other revenue	6	6	–	–
Revenue	**456**	**451**	**5**	**+1%**
External operating costs	(112)	(110)	(2)	-2%
Employee benefits expense	(93)	(87)	(6)	-7%
Operating costs	**(205)**	**(197)**	**(8)**	**-4%**
Operating margin (EBITDA)	**251**	**254**	**(3)**	**-1%**
EBITDA/revenue	*55%*	*56%*	*-1 pt*	

* *Restated at the rate of exchange used for the 2019 half-year income statement (£1=€1.145) and for the application of IFRS 16 as described in note B.3.1 to the summary half-year financial statements as at 30 June 2019.*

1.1 EUROTUNNEL SEGMENT REVENUE

Revenue generated by this segment, which in the first six months of 2019 represented 87% of the Group's total revenue, reached €456 million, up 1% compared to 2018.

1.1.1 Shuttle Services

Traffic (number of vehicles)	1st half 2019	1st half 2018	Change
Truck Shuttle	809,621	845,132	-4%
Passenger Shuttle:			
Cars *	1,139,149	1,163,054	-2%
Coaches	26,954	27,274	-1%

* *Includes motorcycles, vehicles with trailers, caravans and motor homes.*

At €297 million, Shuttle Services' revenue for the first half of 2019 remained at the same level as the previous year as a result of an increase in yields in line with the strategy of optimising the profitability of the Shuttle business and its dynamic pricing policy for both truck and passenger traffic.

Truck Shuttle

In a Short Straits cross-Channel truck market that contracted during the period by 3.0%, the Truck Shuttle service's market share remained relatively stable at 40.4% for the first half of 2019. After a first quarter boosted by stockpiling in anticipation of the initial Brexit date of 29 March 2019, the market was impacted by the French customs officers' strike as well as by the annual maintenance shutdowns of several car factories in the UK which were programmed in April instead of August as usual. The delay in the implementation of Brexit due to political uncertainties in Britain seems to be affecting economic activity. The number of vehicles carried by Eurotunnel decreased by 4% to 809,621 trucks.

Passenger Shuttle

Despite a Short Straits cross-Channel car market affected by the uncertainties surrounding Brexit and which contracted during the period by 5.9%, Eurotunnel's car traffic decreased by only 2% thanks to a market share improvement of 2 points compared to the previous year, to 59.9%.

The Passenger Shuttle's coach market share for the first half of 2019 remained relatively stable compared to the previous year, at 40.7% in a market that contracted by 0.5%.

1.1.2 Railway Network

Traffic	1st half 2019	1st half 2018	Change
High-Speed Passenger Trains (Eurostar)			
Passengers *	5,299,197	5,198,821	2%
Train Operators' Rail Freight Services **:			
Number of trains	1,166	1,060	10%

* *Only passengers travelling through the Channel Tunnel are included in this table, excluding those who travel between continental stations (such as Brussels-Calais, Brussels-Lille, Brussels-Amsterdam, etc.).*

** *Rail freight services by train operators (DB Cargo for BRB, SNCF and its subsidiaries, GB Railfreight, Rail Operations Group, RailAdventure and Europorte) using the Tunnel.*

The Group earned revenues of €153 million in the first half of 2019 from the use of its Railway Network by Eurostar's High-Speed Passenger Trains and by the Train Operators' Rail Freight Services, up 3% compared to 2018.

The 5,299,197 Eurostar passengers that used the Tunnel in the first half of 2019 represented a record first-half. This growth is driven by the continuing success of the London to Amsterdam service launched in April 2018 and the addition of a third service in June 2019, and is despite the significant impact on Eurostar's Paris-London traffic of the French customs officers' work to rule in March, April and May 2019.

In the first half of 2019, cross-Channel rail freight recorded a growth of 10% in the number of trains compared to the same period in 2018.

1.2 EUROTUNNEL SEGMENT OPERATING COSTS

Up to 30 June 2018, Eurotunnel and Getlink's operating costs were presented together as the Fixed Link segment. Following the internal legal reorganisation in 2018, the Group changed the allocation of operating charges between the two segments Getlink and Eurotunnel. In order to facilitate the comparison between the first half of 2018 and the first half of 2019, the analysis of the changes in operating costs given below is presented with the two segments together.

On this basis, operating costs of €214 million in the first half of 2019, have increased by 5% or €11 million compared to 2018 mainly as the result of:

- the impact of inflation on staff and other costs, including the Macron bonus payments and staff incentives;
- costs relating to Brexit of €3 million; and
- an increase of €4 million to assure improvements in the quality of service and the modernisation of equipment and infrastructure, particularly in customer services, the premium Flexiplus service, enhanced maintenance of both infrastructure and rolling stock as well as in digitalisation.

2 GETLINK SEGMENT

As explained above, the activities of the Getlink segment are now presented separately from those of the Eurotunnel segment. The Getlink segment includes the activities of the Group's holding company, Getlink SE, as well as its direct subsidiaries including the railway training centre CIFFCO.

For the first half of 2019, the Getlink segment's operating charges amounted to €9 million, up €3 million, reflecting the new allocation of operating costs between the Getlink and Eurotunnel segments. Explanation of changes in operating costs is included in paragraph 1.2 above.

3 EUROPORTE SEGMENT

The Europorte segment covers the entire rail freight transport logistics chain mainly in France and includes Europorte France and Socorail.

€ million Improvement/(deterioration) of result	1st half 2019	1st half 2018	Change €M
Revenue	66	60	6
External operating costs	(27)	(24)	(3)
Employee benefits expense	(26)	(24)	(2)
Operating costs	**(53)**	**(48)**	**(5)**
Operating margin (EBITDA)	**13**	**12**	**1**

Europorte's EBITDA for the first half of 2019 increased by €1 million compared to 2018. The results for the period were driven by the contribution of new business and increased activity particularly in the petrochemical sector as well as by the continued strategy to sustainably reinforce Europorte's profitability.

4 ELECLINK SEGMENT

ElecLink's activity is the construction and operation of a 1 GW electricity interconnector between the UK and France. Construction works began in 2016 and the interconnector is expected to be in commercial operation mid-2020.

Costs directly attributable to the project are capitalised as assets under construction. During the first half of 2019, investment in the project amounted to €71 million.

Operating costs for the first half of 2019 amounted to €1 million, at a similar level as in the first half of 2018.

5 OPERATING MARGIN (EBITDA)

EBITDA by business segment evolved as follows:

€ million	Eurotunnel	Getlink	Europorte	ElecLink	Total Group
EBITDA 2018 restated *	254	(5)	12	(1)	**260**
Improvement/(deterioration):					
Revenue	5	–	6	–	**11**
Operating costs	(8)	(3)	(5)	–	**(16)**
Total changes	**(3)**	**(3)**	**1**	**–**	**(5)**
EBITDA 2019	**251**	**(8)**	**13**	**(1)**	**255**

* *Restated at the rate of exchange used for the 2019 income statement (£1=€1.145) and for the application of IFRS 16 as described in note B.3.1 to the summary half-year financial statements as at 30 June 2019.*

The significant slowdown in the cross-Channel markets in the second quarter of 2019 together with the sporadic blockages caused by the French customs officers' strike in March, April and May have had a negative impact on the Eurotunnel segment's EBITDA in the first half of 2019. The impact of the customs officers' strike action in the period is estimated at €10.6 million. The Group's strategy of optimising the profitability of its Shuttle business through its dynamic pricing policy, of investment in the quality of its services and in the modernisation of its product as well as the control of its recurrent costs, has limited the reduction in the Group's operating margin to €5 million (-2%) compared to 2018. The Group's EBITDA for the first half of 2019 was €255 million.

6 OPERATING PROFIT (EBIT)

At €86 million, depreciation charges remained stable compared to the first half of 2018.

The trading profit in the first half of 2019 was €169 million, down by €5 million (-3%) compared to 2018.

After taking into account net other operating charges of €5 million (€2 million in 2018), the operating profit for the first six months of 2019 was down by €8 million (-5%) compared to 2018, to €164 million.

7 NET FINANCIAL CHARGES

At €133 million for the first half of 2019, net finance costs decreased by €3 million compared to 2018 at a constant exchange rate. This decrease was mainly as a result of the impact of the decrease in inflation rates in the UK and France on the index-linked tranches of the debt (€9 million) and of the increase in the capitalisation of interest on the financing of the ElecLink project (€4 million) partially offset by financial charges on the Senior Secured Notes issued in October 2018 (€12 million).

Other net financial income of €6 million in the first half of 2019 included a €6 million income on the G2 notes held by the Group (2018: €4 million).

8 NET CONSOLIDATED RESULT

The Group's pre-tax result for continuing operations for the first six months of 2019 was a profit of €37 million, up €1 million compared to 2018 at a constant exchange rate.

Information on discontinued activities is set out in note C.2 to the Group's half-year consolidated financial statements as at 30 June 2019.

After taking into account a net tax income of €4 million, the Group's net consolidated result for the first half of the 2019 financial year was a profit of €41 million compared to a profit of €39 million (restated at an equivalent exchange rate) for the same period in 2018.

ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	30 June 2019	31 December 2018
Exchange rate €/£	1.115	1.118
Fixed assets	6,682	6,657
Other non-current assets	582	569
Total non-current assets	**7,264**	**7,226**
Trade and other receivables	107	97
Other current assets	62	65
Cash and cash equivalents	485	607
Total current assets	**654**	**769**
Total assets	**7,918**	**7,995**
Total equity	1,624	2,006
Financial liabilities	4,887	4,907
Interest rate derivatives	993	748
Other liabilities	414	334
Total equity and liabilities	**7,918**	**7,995**

The table above summarises the Group's consolidated statement of financial position as at 30 June 2019 and 31 December 2018. The main elements and changes between the two dates, presented at the exchange rate for each period, are as follows:

- At 30 June 2019, "Fixed assets" include property, plant and equipment and intangible assets amounting to €5,893 million for the Eurotunnel segment, €682 million for the ElecLink segment and €102 million for the Europorte segment. The increase between 31 December 2018 and 30 June 2019 results mainly from investments of €71 million in the ElecLink project.
- Other non-current assets at 30 June 2019 include the G2 notes held by the Group amounting to €332 million and a deferred tax asset of €211 million.
- At 30 June 2019, "Cash and cash equivalents" amounted to €485 million after payment of the €193 million dividend, net capital expenditure of €101 million and €123 million in debt service costs (interest, repayments and fees).
- Equity decreased by €382 million as a result of the €193 million dividend distribution and the impact of the recycling of the fair value of value and of the change in market value on the partially terminated hedging contracts totalling €223 million partly offset by the net profit for the period of €41 million.
- Financial liabilities have decreased by €20 million compared to 31 December 2018 as a result of contractual debt repayments of €25 million, a decrease of €9 million in the liability relating to lease contracts under IFRS 16 and a decrease of €5 million due to the impact of the change in exchange rate on the sterling-denominated debt. These decreases have been partially offset by an increase of €22 million arising from fees and from the effect of inflation on the index-linked debt tranches of the Term Loan.
- The liability in respect of the valuation of the fair value of the interest rate derivatives which were partially terminated in 2017 increased by €245 million due to a decrease in the long term rates.
- Other liabilities include €306 million of trade and other payables and provisions, as well as retirement liabilities of €108 million.

ANALYSIS OF CONSOLIDATED CASH FLOWS

Consolidated cash flows

€ million	1st half 2019	1st half 2018*
Exchange rate €/£	1.115	1.129
Net cash inflow from trading	279	280
Other operating cash flows and taxation	12	(9)
Net cash inflow from operating activities	**291**	**271**
Net cash outflow from investing activities	(101)	(111)
Net cash outflow from financing activities	(311)	(307)
Net cash outflow from financing operations	–	(192)
Total decrease in cash in the period	**(121)**	**(339)**

* *The financial statements as at 30 June 2018 have been restated under IFRS 16 "Leases" as presented in note B.3.1 to the consolidated financial statements at 30 June 2019.*

At €279 million, net cash generated from trading by continuing operations in the first half of 2019 reduced by €1 million compared to the first half of 2018. This change is explained mainly by:

- a reduction of €3 million to €269 million for the Eurotunnel and Getlink segments' activities (first half of 2018: €272 million),
- Europorte's trading cash flow improved by €1 million to €10 million (first half of 2018: €9 million), and
- ElecLink's operating expenditure remained relatively stable at approximately €1 million.

The €21 million improvement in other operating and taxation cash flows is mainly due to a change in tax payments (net receipts of €6 million in the first half of 2019 compared to net payments of €5 million in the first half of 2018) and the receipt of £11 million in respect of the settlement agreement between the British Secretary of State for Transport and Eurotunnel (see note A.2 to the half-year consolidated financial statements at 30 June 2019).

At €101 million in the first half of 2019 (down by €10 million compared to the first half of 2018), net cash payments from investing activities comprised mainly:

- a net amount of €40 million relating to the Eurotunnel and Getlink segments (first half of 2018: €31 million). The main expenditure during the period comprised €9 million for facilities for Brexit (such as the pit-stops to regroup the different safety controls and loads, the SIVEP zone for the customs, veterinary and phytosanitary controls and e-gates with facial recognition for coach passengers), €14 million on infrastructure, €6 million on rolling stock, €2 million to improve service to customers on the terminals and €7 million on computing and digital projects, and
- payments of €60 million for the construction works on the ElecLink project (€79 million in the first half of 2018).

Net financing payments in the first half of 2019 amounted to €311 million compared to €307 million in the first half of 2018. During 2019, cash flow from financing comprised:

- €188 million for capital transactions:
  - €193 million paid in dividends (€160 million in the first half of 2018); and
  - €3 million net receipts from the liquidity contract (€0 million in the first half of 2018) and €3 million from the exercise of stock options (€3 million in the first half of 2018); in the first half of 2018, €15 million was paid in respect of the share buyback programme.
- €123 million of net debt service costs:
  - €92 million of interest paid on the Term Loan and on other borrowings (€84 million in the first half of 2018); the increase in interest paid is mainly due to new Senior Secured Notes issued in October 2018;
  - €25 million paid in respect of the scheduled repayments on the Term Loan and other borrowings (€39 million in the first half of 2018);
  - €2 million of cash received from the scheduled repayment and €3 million of interest received on the G2 notes held by the Group;
  - €10 million paid in relation to leasing contracts (€9 million in the first half of 2018) presented in cash flows related to financing activities in accordance with IFRS 16, and
  - €4 million in relation to fees on the operation to simplify the debt completed in 2015 (€4 million in the first half of 2018).

On 9 February 2018, the Group completed the acquisition of the G2 inflation-linked notes, which was financed in part by an external loan. This transaction generated a net cash outflow of €192 million in the first half of 2018.

Free Cash Flow

The Group's Free Cash Flow, as defined in section 2.1.3.b of the 2018 Registration Document, shows the cash flows generated by the Group's current activities.

€ million	1st half 2019	1st half 2018*
Exchange rate €/£	1.115	1.129
Net cash inflow from operating activities	291	271
Net cash outflow from investing activities	(41)	(31)
Debt service costs (interest paid, fees and repayments)	(123)	(135)
Interest received and other receipts	2	3
Free Cash Flow	**129**	**108**
Dividend paid	(193)	(160)
Purchase of treasury shares and net movement on liquidity contract	3	(16)
ElecLink: project expenditure	(60)	(79)
Refinancing operations	–	(192)
Use of Free Cash Flow	**(250)**	**(447)**
Decrease in cash in the period	**(121)**	**(339)**

* *The financial statements as at 30 June 2018 have been restated under IFRS 16 "Leases" as presented in note B.3.1 to the consolidated financial statements at 30 June 2019.*

At €129 million in the first half of 2019, Free Cash Flow for continuing activities has increased by €21 million compared to the same period in 2018 for the reasons set out in the previous section.

OTHER FINANCIAL INDICATORS

Financial covenants

Since the completion of the Group's corporate reorganisation during the first half of 2018, the debt service cover ratio has been based on the cash flows of the Eurotunnel Holding SAS sub-group of companies only. It is defined as their net operating cash flow less capital expenditure and taxes compared to their debt service costs, calculated on a rolling 12 month basis. The synthetic debt service cover ratio is calculated on the same basis but using a hypothetical amortisation on the Term Loan.

The financial covenants were comfortably respected for the period to 30 June 2019.

Net debt to EBITDA ratio

The net debt to EBITDA ratio as defined by the Group in paragraph 2.1.4.a of the 2018 Registration Document, is the ratio between consolidated EBITDA and financial liabilities less the value of the G2 notes and cash and cash equivalents held by the Group. The Group does not consider it appropriate to publish this ratio when calculated on the basis of the activity of a six month period. At 31 December 2018, the ratio was 7.2.

EBITDA to finance cost ratio

The ratio of the Group's consolidated EBITDA to its finance costs (excluding interest received and indexation) as defined in paragraph 2.1.4.a of the 2018 Registration Document is 2.2 at 30 June 2019 (30 June 2018 restated: 2.3).

OUTLOOK

The Group's results for the first half of 2019 have been affected by the uncertainties created by the delay to the implementation of Brexit and its impact on the economic environment. The sharp slowdown in the cross-Channel markets in the second quarter of 2019 as well as the sporadic blockages caused by the French customs officers' strike have impacted the activity of the Eurotunnel segment during the period.

Nevertheless, the results of the Shuttle activity, with revenue stable despite traffic being 3% lower, comfort, in a difficult context, the Group's commercial strategy of optimising profitability through active management of prices, for both the truck and car activities.

After a first quarter of strong growth which was boosted by the stockpiling by British companies during the first three months of the year on the assumption that Brexit would take place on 29 March, the cross-Channel truck market contracted sharply in the second quarter in a context of destocking and a progressive resumption of the automotive sector following the annual maintenance closure of several factories in April rather than August as would normally be the case. This situation was aggravated by the impact of the French customs officers' strike in March, April and May. Against this background, the Group has maintained its market share and its position as market leader on the cross-Channel truck market.

In a cross-Channel car market also affected by the uncertainties surrounding Brexit and which was significantly down in the first half of 2019, the Group increased its market share and the margins of its Passenger Shuttle business. The hesitancy of certain customers in relation to the effects of Brexit is slightly affecting the profile of reservations but the Group remains confident in its traffic targets for the peak summer period.

The political and economic situation in the UK remains uncertain and this situation is likely to continue in the second half of 2019. Nevertheless, the Group remains confident in its business model and in its ability to deliver sustainable growth. Its strategy, driven by an attractive commercial proposition based on quality of service and the digitalisation of processes, is aimed at maintaining its margins whilst adapting to market changes. The Group's investment policy serves this strategy and, with the signature during the period of the partnership with Bombardier as part of the large scale maintenance of the Passenger Shuttles, the Group is continuing its investments targeted at reinforcing service quality and modernising its infrastructure and equipment.

Despite the significant impact of the French customs officers' strike during the period, passenger high-speed train traffic travelling through the Tunnel continued to grow with an increase of 2% in the first half of 2019. The launch in June 2019 of a third return service between London and Amsterdam confirms the potential for growth of the rail transport market between the UK and the Continent despite the short term uncertainties surrounding Brexit.

With Brexit initially planned for 29 March 2019, the Group continued during the period to consult with the French and British authorities at all levels and implemented its action and investment plan designed to maintain the fluidity of traffic through its terminals.

In order to be ready to face the operational challenges of the new cross-border administrative formalities, during the first half of 2019 the Group completed the projects that it launched mid-2018 to modify the road layouts on the terminals and to construct new control areas for its Truck and Passenger Shuttle Services, as well as the digital projects for the capture and processing of data for the new border control formalities.

At the same time, the Group has defined and tested operating and organisational procedures for its operating staff on the terminals in Coquelles and Folkestone in order to ensure the optimal management of traffic flows through the sites post-Brexit, whatever the regulatory framework.

Europorte continues its strategy of prioritising the profitability of its operations and the quality of its services. Its performance in the first half of the year reinforces the Group's objective of creating value in rail freight in France through controlled growth and a high quality of service.

In respect of ElecLink, the Group continues its exchanges with the IGC and the Channel Tunnel Safety Authority in order to enable them to make a global decision on the authorisation for the commissioning of the interconnector. In the mean time, construction works on the converter stations have been completed in line with the original timetable. In this context, the Group currently expects that the interconnector will be operational mid-2020, slightly later than planned but with no impact on the 2020/2021 winter season.

Following Getlink's bond issue of €550 million in the form of Green Bonds in October 2018, the Group continues to seek opportunities to optimise its financing structure in order, as market conditions allow, to minimise the cost of servicing its debt and to support its strategy of developing its core business of infrastructure and transport activities.

Objectives*

In the context of the UK's exit from the European Union expected on 29 March 2019, the Group set a financial objective when announcing its 2018 annual results of an EBITDA for 2019 of €560 million in the case of a "no deal" Brexit (scenario 2) or €575 million if an agreement was reached (scenario 1) at an exchange rate of £1=€1.128.

The absence of an agreement on Brexit before 30 March, the successive failures of attempts to reach a withdrawal agreement and the new deadline of 31 October 2019 have increased the likelihood of a "no deal" Brexit and therefore mean that scenario 1 as announced during the annual results is no longer applicable.

The current political and economic climate correspond to scenario 2 and the EBITDA objective of €560 million at an exchange rate of £1=€1.128 now becomes the objective for 2019, but is still dependent on the States rapidly putting in place efficient border control procedures which do not result in operational disruptions.

This short term uncertainty does not detract from the Group's confidence in the solidity of its various businesses and in their medium- and long-term growth potential. The Group still maintains its objective of an EBITDA above €735 million (at £1=€1.14) by 2022.

RISKS

The main risks and uncertainties that the Group may face in the remaining six months of the financial year are identified in the "Risks and Controls" chapter (chapter 3) of the 2018 Registration Document, which contains a detailed description of the risk factors to which the Group is exposed. However, other risks, not identified at the date of publication of this half-year report, may exist.

RELATED PARTIES

In the first half of 2019, the Group did not have any related parties transactions as defined by IAS 24.

* *Objectives are based on data, assumptions and estimates that are considered to be reasonable. They take particular account of the consequences of the geopolitical context but are however liable to change or to be modified due to uncertainties related in particular to the economic, financial, competitive and regulatory environment. Furthermore, the materialisation of certain risks as described in chapter 3 "Risk and control" of the 2018 Registration Document could have an impact on the Group's activities and its capacity to achieve its objectives. The Group does not therefore make any commitments nor does it give any guarantee that the objectives will be met, and the forward looking information contained in this chapter cannot be used to make a forecast of results.*

SUMMARY HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€'000	Note	1st half 2019	1st half 2018*	Full year 2018
Revenue	D.1	523,042	510,373	1,079,449
Operating expenses	D.2	(142,753)	(135,741)	(270,198)
Employee benefits expense	E	(124,974)	(115,169)	(240,146)
Operating margin (EBITDA)	D.1	**255,315**	**259,463**	**569,105**
Depreciation	F	(86,671)	(86,091)	(173,944)
Trading profit		**168,644**	**173,372**	**395,161**
Other operating income	D.3	87	663	1,638
Other operating expenses	D.3	(4,304)	(2,966)	(4,092)
Operating profit		**164,427**	**171,069**	**392,707**
Finance income	G.6	1,324	859	1,733
Finance costs	G.6	(134,626)	(136,421)	(270,991)
Net finance costs		(133,302)	(135,562)	(269,258)
Other financial income	G.7	15,016	9,317	36,046
Other financial charges	G.7	(9,363)	(8,860)	(30,175)
Pre-tax profit from continuing operations		**36,778**	**35,964**	**129,320**
Income tax expense of continuing operations	I.1	3,884	2,961	1,066
Net profit from continuing operations		**40,662**	**38,925**	**130,386**
Net (loss)/profit from discontinued operations	C.2	(57)	4	(66)
Net profit for the period		**40,605**	**38,929**	**130,320**
Net profit attributable to:				
Group share		40,605	38,929	130,320
Earnings per share (€):	H.3			
Basic earnings per share: Group share		0.08	0.07	0.24
Diluted earnings per share: Group share		0.08	0.07	0.24
Basic earnings per share from continuing operations		0.08	0.07	0.24
Diluted earnings per share from continuing operations		0.08	0.07	0.24

* *The financial statements as at 30 June 2018 have been restated under IFRS 16 "Leases" as presented in note B.3.1 below.*

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

€'000	Note	1st half 2019	1st half 2018*	Full year 2018
Items that will never be reclassified to the income statement:				
Actuarial gains and losses on employee benefits		(20,954)	(21)	(10,225)
Related tax	I	1,125	6	222
Items that are or may be reclassified to the income statement:				
Foreign exchange translation differences		3,837	(2,133)	12,892
Hedging contracts: movement in market value and recycling of the fair value on the partially terminated contracts	G.2	(215,724)	25,780	25,975
Related tax	I	(7,001)	(7,376)	(15,140)
Net income recognised directly in equity		**(238,717)**	**16,256**	**13,724**
Profit for the period – Group share		40,605	38,929	130,320
Total comprehensive (loss)/ income for the period		**(198,112)**	**55,185**	**144,044**

* *The financial statements as at 30 June 2018 have been restated under IFRS 16 "Leases" as presented in note B.3.1 below.*

The accompanying notes form an integral part of these consolidated financial statements. The exchange rates used for the preparation of these financial statements are set out in note B.2 below.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€'000	Note	30 June 2019	31 December 2018
ASSETS			
Goodwill	F	20,392	20,392
Intangible assets	F	149,823	158,493
Total intangible assets		**170,215**	**178,885**
Concession property, plant and equipment	F	5,890,977	5,928,076
Other property, plant and equipment	F	620,479	550,258
Total property, plant and equipment		**6,511,456**	**6,478,334**
Deferred tax asset	I.2	210,686	210,358
Other financial assets	G.3	371,587	358,473
Total non-current assets		**7,263,944**	**7,226,050**
Inventories		2,537	2,291
Trade receivables		106,907	97,489
Other receivables		58,743	62,474
Other financial assets	G.3	199	199
Cash and cash equivalents		485,239	606,532
Total current assets		**653,625**	**768,985**
Total assets		**7,917,569**	**7,995,035**
EQUITY AND LIABILITIES			
Issued share capital	H.1	220,000	220,000
Share premium account		1,711,796	1,711,796
Other reserves	H.4	(657,099)	(361,117)
Profit for the period		40,605	130,320
Cumulative translation reserve		309,119	305,282
Equity		**1,624,421**	**2,006,281**
Retirement benefit obligations		107,967	87,003
Financial liabilities	G.1	4,748,921	4,758,652
Other financial liabilities	G.4	48,157	57,206
Interest rate derivatives	G.2	992,753	748,398
Total non-current liabilities		**5,897,798**	**5,651,259**
Provisions	D.4	14,912	15,712
Financial liabilities	G.1	57,172	55,094
Other financial liabilities	G.4	32,910	35,874
Trade payables		219,285	191,368
Other payables		71,071	39,447
Total current liabilities		**395,350**	**337,495**
Total equity and liabilities		**7,917,569**	**7,995,035**

The accompanying notes form an integral part of these consolidated financial statements. The exchange rates used for the preparation of these financial statements are set out in note B.2 below.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€'000	**Issued share capital**	**Share premium account**	*** Consolidated reserves**	**Result**	**Cumulative translation reserve**	**Total**
1 January 2018	220,000	1,711,796	(308,559)	112,932	292,390	**2,028,559**
Transfer to consolidated reserves	–	–	112,932	(112,932)	–	**–**
Payment of dividend	–	–	(160,385)	–	–	**(160,385)**
Share based payments	–	–	7,000	–	–	**7,000**
Acquisition/sale of treasury shares	–	–	(12,937)	–	–	**(12,937)**
Result for the year	–	–	–	130,320	–	**130,320**
Profit/(loss) recorded directly in other comprehensive income:						
▪ Actuarial gains and losses on employee benefits	–	–	(10,225)	–	–	**(10,225)**
▪ Related tax	–	–	222	–	–	**222**
▪ Movement in fair value of hedging contracts	–	–	(30,747)	–	–	**(30,747)**
▪ Recycling of the fair value on the partially terminated hedging contracts	–	–	56,722	–	–	**56,722**
▪ Related tax	–	–	(15,140)	–	–	**(15,140)**
▪ Foreign exchange translation differences	–	–	–	–	12,892	**12,892**
31 December 2018	**220,000**	**1,711,796**	**(361,117)**	**130,320**	**305,282**	**2,006,281**
Transfer to consolidated reserves	–	–	130,320	(130,320)	–	**–**
Payment of dividend	–	–	(193,014)	–	–	**(193,014)**
Share based payments **	–	–	4,871	–	–	**4,871**
Acquisition/sale of treasury shares	–	–	4,395	–	–	**4,395**
Result for the period	–	–	–	40,605	–	**40,605**
Profit/(loss) recorded directly in other comprehensive income:						
▪ Actuarial gains and losses on employee benefits	–	–	(20,954)	–	–	**(20,954)**
▪ Related tax	–	–	1,125	–	–	**1,125**
▪ Movement in fair value of hedging contracts (G.2)	–	–	(244,200)	–	–	**(244,200)**
▪ Recycling of the fair value on the partially terminated hedging contracts (G.2)	–	–	28,476	–	–	**28,476**
▪ Related tax	–	–	(7,001)	–	–	**(7,001)**
▪ Foreign exchange translation differences	–	–	–	–	3,837	**3,837**
30 June 2019	**220,000**	**1,711,796**	**(657,099)**	**40,605**	**309,119**	**1,624,421**

* *See note H.4 below.*
** *Of which €2,446,000 is in respect of free shares and €2,425,000 is in respect of preference shares.*

The accompanying notes form an integral part of these consolidated financial statements. The exchange rates used for the preparation of these financial statements are set out in note B.2 below.

CONSOLIDATED STATEMENT OF CASH FLOWS

€'000	Note	1st half 2019	1st half 2018**	Full year 2018
Operating margin (EBITDA) from continuing operations	D.1	255,315	259,463	569,105
Operating margin (EBITDA) from discontinued operations	C.2	(23)	(48)	(107)
Exchange adjustment	*	(3,676)	(904)	(2,921)
Decrease in inventories		(245)	(279)	(448)
Increase in trade and other receivables		(3,363)	(11,023)	(5,824)
Increase in trade and other payables		30,964	33,012	27,741
Net cash inflow from trading		**278,972**	**280,221**	**587,546**
Other operating cash flows		6,375	(3,297)	(5,315)
Taxation received /(paid)		5,389	(5,373)	(10,048)
Net cash inflow from operating activities		**290,736**	**271,551**	**572,183**
Payments to acquire property, plant and equipment		(101,047)	(110,604)	(268,671)
Sale of property, plant and equipment		370	17	18
Net cash outflow from investing activities		**(100,677)**	**(110,587)**	**(268,653)**
Capital transactions:				
Dividend paid		(193,014)	(160,385)	(160,385)
Exercise of stock options		2,564	2,922	3,112
Purchase of treasury shares		–	(14,923)	(14,923)
Liquidity contract (net)		2,771	(460)	(1,238)
Financial transactions:				
Purchase of G2 notes		–	(405,028)	(401,189)
Issue of Senior Secured Notes		–	–	550,000
Fees paid on new loans		(48)	(1,622)	(13,851)
Payment into Senior Secured Notes debt service reserve account		–	–	(19,940)
Cash received from loans		–	214,435	–
Net debt service cost:				
Fees paid on loans		(3,541)	(3,546)	(7,086)
Interest paid on loans		(92,432)	(83,656)	(174,313)
Scheduled repayment of loans		(24,718)	(38,998)	(63,374)
Cash received from scheduled repayment of G2 notes		2,448	–	6,959
Interest paid on leasing and repayment of leasing obligations (IFRS 16)	B.3.1	(9,598)	(9,387)	(18,833)
Interest received on cash and cash equivalents		1,311	938	1,842
Interest received on other financial assets		3,275	–	6,578
Net cash outflow from financing activities		**(310,982)**	**(499,710)**	**(306,641)**
Decrease in cash in the period		**(120,923)**	**(338,746)**	**(3,111)**

* *The adjustment relates to the restatement of elements of the income statement at the exchange rate ruling at the period end.*
** *The financial statements as at 30 June 2018 have been restated under IFRS 16 "Leases" as presented in note B.3.1 below.*

Movement during the period

€'000	1st half 2019	1st half 2018	Full year 2018
Cash and cash equivalents at 1 January	606,533	612,533	612,533
Effect of movement in exchange rate	(350)	471	(2,886)
Decrease in cash in the period	(120,923)	(338,746)	(3,111)
(Decrease)/increase in interest receivable in the period	(21)	39	(4)
Cash and cash equivalents at the period end	**485,239**	**274,297**	**606,532**

The accompanying notes form an integral part of these consolidated financial statements. The exchange rates used for the preparation of these financial statements are set out in note B.2 below.

NOTES TO THE FINANCIAL STATEMENTS

Getlink SE is the Group's consolidating entity. Its registered office is at 3 rue La Boétie, 75008 Paris, France, and its shares are listed on Euronext Paris and on NYSE Euronext London. The term "Getlink SE" refers to the holding company which is governed by French law. The term "Group" refers to Getlink SE and all its subsidiaries.

The main activities of the Group are the design, financing, construction and operation of the Fixed Link's infrastructure and transport system in accordance with the terms of the Concession (which will expire in 2086), the rail freight activity of the Europorte segment as well as the construction and operation (expected mid-2020) of the 1 GW electricity interconnector in the Tunnel by ElecLink. The maritime activity was discontinued in 2015 (see note C.2 below).

The summary half-year consolidated financial statements for 2019 were prepared under the responsibility of the Board of Directors at its meeting held on 22 July 2019.

A. Important events

A.1 Brexit: the United Kingdom's exit from the European Union

Following the UK's decision to leave the European Union on 23 June 2016 and the triggering of article 50 by the British government at the end of March 2017, the official exit date of the United Kingdom from the European Union which was initially set for 29 March 2019 has been postponed to 31 October 2019. Despite this postponement, the political and economic context in the United Kingdom still makes the situation uncertain and the risk of a Brexit without an agreement remains real.

The Group has seen the first impacts of this situation on its activity in the first half of 2019 with the Truck market being affected first by stockpiling and then by destocking in the UK as well as a certain hesitation to travel on the part of its Passenger customers. This situation has been aggravated by the actions by the French customs officers between March and May 2019.

During the period, the Group completed most of its action and investment plan, launched in mid-2018, which is designed to maintain the free flow of its traffic post-Brexit, whatever the political or regulatory situation may be. The postponement of the official exit date has no impact on this plan, which remains in force.

The Group has taken account of this situation in the determination of the principal estimates and assumptions used in the preparation of its consolidated financial statements at 30 June 2019 as set out in note B.4 below.

A.2 Settlement agreement with the British government

On 28 February 2019, the Group concluded a settlement agreement with the British Secretary for State for Transport which put an end to the legal action started by the Group following the British government's award at the end of 2018 of capacity contracts to three ferry companies as part of its preparations for a Brexit on 29 March 2019.

Under the terms of this agreement, the Group agreed to withdraw its claims in return for the payment by the British government of £33 million (€38 million) spread in three equal instalments over a period of three years. The agreement also confirms that the Group will carry out some investments on its sites.

On 25 May 2019, the company P&O filed a claim against the British government in respect of the settlement agreement concluded with the Group, alleging that it constitutes state aid. At 30 June 2019, the legal proceedings are ongoing.

During the first half of 2019, the Group received £11 million (€12 million) in respect of the first instalment paid under this agreement. This payment, with no impact on the income statement, has been recorded in deferred income in the Group's consolidated statement of financial position as at 30 June 2019.

A.3 ElecLink project

During the period, the Group continued its exchanges with the IGC as well as the Channel Tunnel Safety Authority, the ad-hoc committee and the working group of their experts in order to enable them to make a global decision on the authorisation of the commissioning of the interconnector. Numerous additional safety studies and reports of independent experts have been submitted as part of this process. At the same time, construction works on the converter stations have been completed in line with the original timetable. In this context, the Group currently expects that operation of the interconnector will be delayed to mid-2020, with no impact on the 2020/2021 winter season.

Investment in the project during the first half of 2019 amounted to €71 million, bringing the total investment, since the Group took full control of ElecLink in 2016, to €524 million as at 30 June 2019.

Also during the first half of 2019, ElecLink reached an agreement with RTE confirming its participation in the French capacity market from 2021.

B. Principles of preparation, main accounting policies and methods

B.1 Statement of compliance

The summary half-year consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and applicable on that date. They have been prepared in accordance with IAS 34 and therefore do not contain all the information required for complete annual financial statements and must be read in conjunction with Getlink SE's consolidated financial statements for the year ended 31 December 2018.

B.2 Basis of preparation and presentation of the consolidated financial statements

The summary half-year consolidated financial statements for Getlink SE and its subsidiaries are prepared as at 30 June.

The summary half-year consolidated financial statements have been prepared using the principles of currency conversion as defined in the annual financial statements as at 31 December 2018.

The average and closing exchange rates used in the preparation of the 2019 and 2018 half-year accounts and the 2018 annual accounts are as follows:

€/£	30 June 2019	30 June 2018	31 December 2018
Closing rate	1.115	1.129	1.118
Average rate	1.145	1.136	1.128

B.3 Changes in accounting standards as at 30 June 2019

The standards and interpretations used and described in the annual financial statements as at 31 December 2018 have been supplemented by the standards, amendments and interpretations whose application is mandatory for financial years beginning on or after 1 January 2019.

B.3.1 Texts adopted by the European Union whose application is compulsory

The texts adopted by the European Union, the application of which is compulsory for financial years beginning on or after 1 January 2019, are as follows:

- IFRS 16 "Leases" (see below);
- Interpretation IFRIC 23 "Uncertainty over Income Tax Treatments";
- amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"; and
- amendments to IAS 19 "Plan Amendment, Curtailment or Settlement".

IFRS 16 "Leases"

IFRS 16 "Leases" is mandatory for financial years beginning on or after 1 January 2019. Up to 30 June 2018, the Group presented operating leases off-balance sheet. At 31 December 2018, the Group opted for early application of this standard for the 2018 financial year as explained in note B.2.2 to the 2018 annual financial statements.

IFRS 16 has a significant impact on the accounting for leases by lessees:

- In the balance sheet: recognition as an asset in the form of a right of use in return for a lease liability for all contracts regardless of their nature (operating or financial leases);
- In the income statement: instead of an operating expense, depreciation and an interest expense are recorded; and
- In the cash flow statement, presentation of leases paid as cash flows from financing activities (previously presented as cash flows from operating activities).

In accordance with the analyses made in advance and as previously indicated, the impact of this new standard mainly concerns the Europorte rail freight segment. Leased assets include locomotives and other rolling stock used by the Europorte companies, business premises used by Europorte, Getlink and ElecLink as well as service vehicles.

The Group adopted the modified retrospective transition method with:

- the use of a single discount rate for all contracts, based on the finding, supported by a sensitivity analysis, that a change in the rate has very little impact on the amount of the adjustments as the residual term of the contracts is relatively short;
- the exclusion of contracts with a residual term of less than 12 months; and
- the recognition of the right of use for an amount equivalent to the lease debt.

The tables below show the transition between the information published at 30 June 2018 under IAS 17 and the information restated in IFRS 16 at the same date.

Effects on the consolidated income statement

	1st half 2018						
	As	Application of IFRS 16					Restated
€'000	published	Eurotunnel segment	Europorte segment	ElecLink segment	Getlink segment	Total Group	
Revenue	510,373	–	–	–	–	–	510,373
Operating expenses	(260,297)	580	8,601	–	206	9,387	(250,910)
Operating margin (EBITDA)	**250,076**	**580**	**8,601**	**–**	**206**	**9,387**	**259,463**
Depreciation	(77,353)	(550)	(7,991)	–	(197)	(8,738)	(86,091)
Trading profit	**172,723**	**30**	**610**	**–**	**9**	**649**	**173,372**
Other operating income	(2,303)	–	–	–	–	–	(2,303)
Operating profit	**170,420**	**30**	**610**	**–**	**9**	**649**	**171,069**
Net finance costs	(135,562)	–	–	–	–	–	(135,562)
Other financial income	1,380	(53)	(855)	–	(15)	(923)	457
Pre-tax result from continuing operations	**36,238**	**(23)**	**(245)**	**–**	**(6)**	**(274)**	**35,964**
Income tax expense of continuing operations	2,961	–	–	–	–	–	2,961
Net result from continuing operations	**39,199**	**(23)**	**(245)**	**–**	**(6)**	**(274)**	**38,925**
Net result from discontinued operations	4	–	–	–	–	–	4
Net consolidated result	**39,203**	**(23)**	**(245)**	**–**	**(6)**	**(274)**	**38,929**

Effects on the consolidated cash flow statement

	1st half 2018						
	As	Application of IFRS 16					Restated
€'000	published	Eurotunnel segment	Europorte segment	ElecLink segment	Getlink segment	Total Group	
Net cash inflow from operating activities	262,164	580	8,601	–	206	9,387	271,551
Net cash outflow from investing activities	(110,587)	–	–	–	–	–	(110,587)
Interest and repayment on lease debts	–	(580)	(8,601)	–	(206)	(9,387)	(9,387)
Other financing cash flows	(490,323)	–	–	–	–	–	(490,323)
Net cash flow from financing activities	**(490,323)**	**(580)**	**(8,601)**	**–**	**(206)**	**(9,387)**	**(499,710)**
Decrease in cash	**(338,746)**	**–**	**–**	**–**	**–**	**–**	**(338,746)**

The application of other texts has not had a significant impact on the Group's consolidated financial statements.

B.3.2 Other texts and amendments published by the IASB but not approved by the European Union

The following texts concerning accounting rules and methods specifically applied by the Group have not yet been approved by the European Union:

- amendments to IAS 1 and IAS 8 "Definition of Material";
- IFRS 17 "Insurance Contracts";
- IFRS 14 "Regulatory Deferral Accounts";
- amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associate/joint venture"; and
- amendments to IFRS 3 "Definition of a Business".

The potential impact of these other texts will be assessed by the Group in subsequent years.

B.4 Use of estimates and judgements

The preparation of the consolidated financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the period. The Group's management and Board of Directors periodically review its valuations and estimates based on their experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value. Accordingly, the estimates underlying the preparation of half-year consolidated financial statements to 30 June 2019 have been established in the context of the decision by the UK to leave the European Union as described in note A.1 above. Depending on the evolution of these assumptions, actual results may differ from current estimates.

The use of estimations concerns mainly the valuation of intangible and tangible property, plant and equipment (see note F), the evaluation of the Group's deferred tax situation (note I), the valuation of the Group's retirement liabilities and certain elements of the valuation of financial assets and liabilities (note G.5) as well as the application of IFRS 16 "Leases" which requires the use of estimates, in particular for the definition of the lease, the estimation of the remaining term of each lease and the determination of the discount rate.

B.5 Seasonal variations

The revenue and the trading result generated in each reporting period are subject to seasonal variations over the year, in particular for the Passenger Shuttle's car activity during the peak summer season. Therefore the results for the first half of the year cannot be extrapolated to the full year.

C. Scope of consolidation

C.1 Changes in the scope of consolidation

The scope of consolidation at 30 June 2019 is the same as that at 31 December 2018.

C.2 Assets held for sale and discontinued operations

Maritime segment MyFerryLink

The Group has applied IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" to its maritime segment since the ending of its maritime activity in the second half of 2015. In 2017, the Group sold its three ferries. The Group is the subject of a number of legal claims following the cessation of its maritime activity for which provision has been made which amounts to €11 million as at 30 June 2019.

The net result of the discontinued operations for the first half of 2019 was a loss of €57,000 (1st half of 2018: profit of €4,000, 2018 full year: loss of €66,000) and the net cash flow was an outflow of €93,000 (first half of 2018: outflow of €5,000, 2018 full year: outflow of €1,027,000).

D. Operating data

D.1 Segment information

As described in note A.1 to the consolidated financial statements for the year ended 31 December 2018, the Group put in place a new internal legal structure in 2018 and since December 2018 has split its old "Fixed Link" segment into two new segments: "Eurotunnel" and "Getlink". The Group is now organised around the following four sectors, which correspond to the internal information reviewed and used by the main operational decision makers (the Executive Committee):

- the "Eurotunnel" segment, which includes the Concessionaires' of the cross-Channel Fixed Link and their subsidiaries,
- the "Europorte" segment, the main activity of which is that of rail freight operator,
- the "ElecLink" segment, whose activity is the construction and operation of a 1 GW electricity interconnector running through the Channel Tunnel, and
- the "Getlink" segment which includes the Group's corporate services and which, since the Group's internal legal reorganisation, is reported separately from the Eurotunnel segment. This segment includes the activities of the Group's holding company Getlink SE as well as its direct subsidiaries including the railway training centre CIFFCO.

Information by segment

€'000	Eurotunnel*	Getlink	Europorte	ElecLink	Total of continuing operations	Discontinued operations**	Total
At 30 June 2019							
Revenue	456,554	626	65,862	–	**523,042**	–	**523,042**
EBITDA	250,663	(8,400)	13,910	(858)	**255,315**	–	**255,315**
Trading profit/(loss)	175,330	(8,670)	3,186	(1,202)	**168,644**	–	**168,644**
Pre-tax result of continuing operations	37,910	(2,524)	2,402	(1,010)	**36,778**	–	**36,778**
Net consolidated result					**40,662**	(57)	**40,605**
Investment in property, plant and equipment	39,106	1,366	1,060	70,700	**112,232**	–	**112,232**
Property, plant and equipment (intangible and tangible)	5,892,812	5,591	101,572	681,696	**6,681,671**	–	**6,681,671**
External financial liabilities	4,262,354	531,711	12,028	–	**4,806,093**	–	**4,806,093**
At 30 June 2018* **							
Revenue	449,414	1,190	59,769	–	**510,373**	–	**510,373**
EBITDA	252,776	(4,997)	12,414	(730)	**259,463**	–	**259,463**
Trading profit/(loss)	177,846	(5,282)	1,558	(750)	**173,372**	–	**173,372**
Pre-tax result of continuing operations	33,207	4,243	748	(2,234)	**35,964**	–	**35,964**
Net consolidated result					**38,925**	4	**38,929**
Investment in property, plant and equipment	23,403	835	943	114,544	**139,725**	–	**139,725**
Property, plant and equipment (intangible and tangible)	5,963,105	4,018	120,371	510,980	**6,598,474**	–	**6,598,474**
External financial liabilities	4,292,721	215,920	13,071	–	**4,521,712**	–	**4,521,712**
At 31 December 2018							
Revenue	955,986	2,428	121,035	–	**1,079,449**	–	**1,079,449**
EBITDA	559,374	(14,238)	24,865	(896)	**569,105**	–	**569,105**
Trading profit/(loss)	407,950	(14,788)	2,990	(991)	**395,161**	–	**395,161**
Pre-tax result of continuing operations	130,150	479	1,385	(2,694)	**129,320**	–	**129,320**
Net consolidated result					**130,386**	(66)	**130,320**
Investment in property, plant and equipment	66,866	1,587	2,114	213,042	**283,609**	–	**283,609**
Property, plant and equipment (intangible and tangible)	5,930,135	4,495	111,249	611,340	**6,657,219**	–	**6,657,219**
External financial liabilities	4,271,614	529,577	12,555	–	**4,813,746**	–	**4,813,746**

* *In the first half of 2019, €5,040,000 (30 June 2018: €1,471,000, 31 December 2018: €5,250,000) invoiced by Eurotunnel to ElecLink in respect of the interconnector project is eliminated on consolidation in the Group's financial statements.*

** *See note C.2 above for details of discontinued operations.*

*** *The financial statements at 30 June 2018 have been restated in accordance with IFRS 16 on leasing contracts as presented in note B.3.1 above.*

D.2 Operating costs

Operating costs are analysed as follows:

€'000	1st half 2019	1st half 2018**	Full year 2018
Operations and maintenance: subcontracting and spares	58,317	54,470	110,664
Electricity*	14,091	14,036	31,722
Cost of sales and commercial costs	7,842	9,594	16,778
Regulatory costs, insurance and local taxes	24,713	24,569	42,484
General overheads and centralised costs	7,373	7,589	15,880
Sub-total Eurotunnel	**112,336**	**110,258**	**217,528**
Getlink services	3,155	1,083	3,732
Europorte	26,661	24,018	48,270
ElecLink	601	382	668
Total	**142,753**	**135,741**	**270,198**

* *Net of a credit of €3.9 million in the first half of 2019 relating to EDF energy certificates in respect of the operation of the new Truck Shuttles (first half of 2018: €3.9 million).*

** *First half of 2018 restated for the separation between the Eurotunnel and Getlink segments.*

D.3 Other operating income and (expenses)

€'000	1st half 2019	1st half 2018	Full year 2018
Other operating income	87	663	1,638
Sub-total other operating income	**87**	**663**	**1,638**
Net loss on disposal or write-off of assets	(391)	(2,196)	(2,654)
Other	(3,913)	(770)	(1,438)
Sub-total other operating expenses	**(4,304)**	**(2,966)**	**(4,092)**
Total	**(4,217)**	**(2,303)**	**(2,454)**

Other operating expenses relate mainly to legal and advisory costs arising from non-recurring charges.

D.4 Provisions

€'000	1 January 2019	Charge to income statement	Release of unspent provisions	Provisions utilised	Exchange difference	30 June 2019
Continuing activities	4,514	–	(149)	(670)	19	**3,714**
Discontinued maritime activity (see note C.2)	11,198	–	–	–	–	**11,198**
Total	**15,712**	**–**	**(149)**	**(670)**	**19**	**14,912**

E. Personnel expenses and benefits

Share-based payments

E.1 Free share plans with no performance conditions

Following the approval by the general meeting of shareholders on 18 April 2019 of the plan to issue existing free shares, Getlink SE's Board of Directors decided on 18 April 2019 to grant a total of 447,750 Getlink SE ordinary shares (125 shares per employee) to all employees of Getlink SE and its related companies with the exception of executive and corporate officers of Getlink SE. The vesting period for these shares is one year and is followed by a three-year lock-up period.

During the first half of 2019, 527,800 free shares issued in 2015 and 2018 were acquired by employees.

Movements on the free share plans

Number of shares	2019	2018
In issue at 1 January	535,800	573,075
Granted during the period	447,750	348,700
Renounced during the period	(8,125)	(24,675)
Acquired during the period	(527,800)	(361,300)
In issue at the end of the period	**447,625**	**535,800**

Assumptions used for the fair value measurement on the grant date

Year of grant	2019
Fair value of free shares on grant date (€)	13.08
Share price on grant date (€)	14.03
Number of beneficiaries	3,582
Risk-free interest rate (based on government bonds):	
1 year	-0.44%
4 years	-0.24%

E.2 Preference shares convertible into ordinary shares subject to performance conditions

On 18 April 2019, the general meeting of shareholders authorised the Board of Directors to grant to executives and senior staff of Getlink SE and its subsidiaries preference shares (class E shares) with a nominal value of €0.01 each with no voting rights which are convertible into Getlink SE ordinary shares subject to performance conditions at the end of a three-year period. The total number of preference shares may not give the right to more than 1,500,000 ordinary shares of a nominal value of €0.40 each. Under this scheme, the Board approved on 18 April 2019 the grant of 1,500 preference shares, each convertible at the end of the period into a maximum of 1,000 ordinary shares.

Information on the preference share plans

Date of grant / main staff concerned	Preference shares granted	Conversion ratio	Maximum permitted number of ordinary shares	Conditions for acquiring rights	Vesting period
Preference shares granted to key executives and senior staff on 18 April 2019 (E shares)	1,500	1,000	1,500,000	Staff must remain as employees of the Group. Internal performance condition for 50% of the attributable volume: based on the Group's long-term economic performance measured by reference to the average rate of achievement of the EBITDA targets announced to the market for the years 2019, 2020 and 2021. External performance condition (TSR) for 40% of the attributable volume: based on the stock market performance of the Getlink SE share compared to the performance of the GPR Getlink SE index (dividends included) at the end of 2021. CSR internal performance condition for 10% of attributable volume: based on the performance Composite CSR index over a 3 year period.	3 years

Assumptions used for the fair value measurement of preference shares on the grant date

The fair value on grant date of the rights granted to staff as part of the plan was calculated by using the Monte Carlo valuation model. The assumptions used to measure the fair value of the plan on grant date were as follows:

	E shares
Fair value on grant date (€)	9.62
Share price on grant date (€)	14.03
Number of beneficiaries	55
Risk-free interest rate (based on government bonds):	
1 year	-0.30%
2 years	-0.27%
3 years	-0.21%

E.3 Charges to income statement

€'000	1st half 2019	1st half 2018	Full year 2018
Free shares with no performance conditions	2,409	1,551	3,485
Preference shares and free shares with performance conditions	2,243	1,492	3,051
Total	**4,652**	**3,043**	**6,536**

F. Intangible and tangible property, plant and equipment

Intangible property, plant and equipment

Intangible assets are made up of

- residual goodwill in respect of ElecLink of €20,392,000 recognised at 31 December 2017 resulting from the recognition of a deferred tax liability on the intangible asset in accordance with IAS 12;
- €119,955,000 in respect ElecLink (corresponding to the estimate of the fair value on the date of acquisition of ElecLink in 2016 of the licence and exemption granted to ElecLink by the national regulators which will be depreciated from the start of operations of the interconnector); as well as
- €29,867,000 in respect of the right-of-use of lease contracts in application of IFRS 16.

Tangible property, plant and equipment

Other property, plant and equipment consists mainly of the Europorte subsidiaries' rolling stock fleet and ElecLink's construction works.

Fixed asset additions during the first half of 2019 relate mainly to construction works on the ElecLink project.

Concession and Europorte tangible property, plant and equipment

The Group has not identified any indication of impairment in the tangible or intangible assets of either its Concession or its Europorte activities as at 30 June 2019.

ElecLink tangible property, plant and equipment

At 30 June 2019, the Group performed a test of value in use of the ElecLink CGU. This test, carried out in accordance with the accounting rules and methods described in note F to the consolidated financial statements as at 31 December 2018 set out in section 2.2.1 of the 2018 Registration Document, and applying WACC of 7.78%, confirms that the value in use of the ElecLink CGU's assets is greater than its carrying amount at 30 June 2019. In carrying out these valuation tests, the Group used the best estimates available to it at the balance sheet date and sensitivity tests were carried out. However, in view of the ongoing construction of the ElecLink project and the current context, in particular relating to Brexit, the assumptions on which these estimates are based are by their nature still uncertain and the actual results could be different from these estimates.

G. Financing and financial instruments

G.1 Financial liabilities

The movements in financial liabilities during the period were as follows:

€'000	31 December 2018 published	31 December 2018 restated*	Reclass-ification	Drawdown	Repayment	Interest, indexation and fees	30 June
Senior Secured Notes	529,577	529,577	–	–	–	2,134	531,711
Term Loan	4,217,050	4,212,130	(25,827)	–	–	19,814	4,206,117
Europorte loan	12,025	12,025	(932)	12,025	(12,025)	–	11,093
Total non-current financial liabilities	**4,758,652**	**4,753,732**	**(26,759)**	**12,025**	**(12,025)**	**21,948**	**4,748,921**
Term Loan	49,526	49,466	25,827	–	(24,188)	117	51,222
Europorte loans	530	530	932	–	(530)	–	932
Accrued interest on loans:							
Term Loan	5,038	5,032	–	–	–	(17)	5,015
Europorte loan	–	–	–	–	–	3	3
Total current financial liabilities	**55,094**	**55,028**	**26,759**	**–**	**(24,718)**	**103**	**57,172**
Total	**4,813,746**	**4,808,760**	**–**	**12,025**	**(36,743)**	**22,051**	**4,806,093**

* *The financial liabilities at 31 December 2018 (calculated at the year-end exchange rate of £1=€1.118) have been recalculated at the exchange rate at 30 June 2019 (£1=€1.115) in order to facilitate comparison.*

Europorte loan

The Europorte loan amounting to €12.6 million at 31 December 2018 represented a bank loan drawn by Europorte SAS in 2012 in order to finance the purchase of locomotives by its subsidiaries. The last instalment of this loan of €12 million due on 28 June 2019, was refinanced on this date by a new loan for the same amount. This new loan bears interest at a fixed rate of 2.51% and is repayable over a period of seven years.

G.2 Hedging instruments

In 2007, the Group put in place hedging contracts to cover its floating rate loans (tranches C1 and C2) in the form of swaps for the same duration and for the same value (EURIBOR against a fixed rate of 4.90% and LIBOR against a fixed rate of 5.26%). The nominal value of hedging swap is €953 million and £350 million. These derivatives were partially terminated as part of the refinancing of tranche C in June 2017.

These derivatives have been measured at their fair value as a liability on the statement of financial position as follows:

€'000	31 December 2018	* Changes in market value	Exchange difference	30 June 2019
Contracts in euros	545,456	211,555	–	757,011
Contracts in sterling	202,942	33,257	(457)	235,742
Total	**748,398**	**244,812**	**(457)**	**992,753**

* *Recorded directly in equity.*

The amount of negative reserves for hedging instruments changed as follows:

€'000	31 December 2018	Recycling of partial termination June 2017	Changes in market value	Exchange difference	30 June 2019
Contracts in euros	796,804	(20,797)	211,555	–	987,562
Contracts in sterling	359,869	(7,679)	33,257	(612)	384,835
Total	**1,156,673**	**(28,476)**	**244,812**	**(612)**	**1,372,397**

These derivatives generated a net charge to the income statement of €28 million for the first half of 2019 (€28 million for the first half of 2018).

G.3 Other financial assets

€'000	30 June 2019	31 December 2018
G2 notes	331,755	332,711
Other*	39,832	25,762
Total non-current	**371,587**	**358,473**
Accrued interest on G2 notes	199	199
Total current	**199**	**199**

* *Including €19,940,000 held in the DSRA in accordance with the terms of the Senior Secured Notes' Trust Deed.*

During the first half of 2019, the Group paid €14 million in respect of a deposit relating to the ElecLink project.

G.4 Other financial liabilities

€'000	30 June 2019	31 December 2018
Fees on financial operations	33,123	36,181
IFRS 16 lease obligations	15,034	21,025
Total non-current	**48,157**	**57,206**
Fees on financial operations	17,580	17,833
IFRS 16 lease obligations	15,330	18,041
Total current	**32,910**	**35,874**

G.5 Matrix of class of financial instrument and recognition categories and fair value

The table below presents the carrying amount and fair value of financial assets and liabilities. The different levels of fair value are defined in note G.9 to the consolidated financial statements at 31 December 2018.

At 30 June 2019

€'000		Carrying amount							Fair value			
Class of financial instrument	**Note**	**Assets at fair value through profit and loss**	**Financial assets at fair value through equity**	**Securities at amortised cost**	**Receivables at amortised cost**	**Hedging instruments**	**Liabilities at amortised cost**	**Total net carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value												
Other non-current financial assets		–	–	–	–	–	–	**–**	–	–	–	**–**
Financial assets not measured at fair value												
Other current and non-current financial assets	G.3	–	–	371,786	–	–	–	**371,786**	–	–	390,885	**390,885**
Trade receivables		–	–	–	106,907	–	–	**106,907**	–	–	–	**–**
Cash and cash equivalents		485,239	–	–	–	–	–	**485,239**	485,239	–	–	**485,239**
Financial liabilities measured at fair value												
Interest rate derivatives	G.2	–	–	–	–	992,753	–	**992,753**	–	992,753	–	**992,753**
Financial liabilities not measured at fair value												
Financial liabilities	G.1	–	–	–	–	–	4,806,093	**4,806,093**	–	577,659	5,691,110	**6,268,769**
Other financial liabilities	G.4	–	–	–	–	–	81,067	**81,067**	–	–	–	**–**
Trade payables		–	–	–	–	–	219,285	**219,285**	–	–	–	**–**

At 30 June 2019, information relating to the fair value of the financial liabilities takes into account the evolution of the yield curves at 30 June 2019 and remains as described in note G.9 to the annual consolidated financial statements at 31 December 2018, except for the valuation of the Senior Secured Notes of €578 million which is now valued on the basis of observable data in an active OTC market. As a result, the fair value of the Senior Secured Notes has been transferred from level 3 to level 2 as at 30 June 2019.

G.6 Net finance costs

€'000	1st half 2019	1st half 2018	Full year 2018
Finance income	1,324	859	1,733
Total finance income	**1,324**	**859**	**1,733**
Interest on loans before hedging: Term Loan and other	(83,587)	(83,898)	(166,838)
Amortisation of hedging costs	(28,476)	(28,415)	(56,723)
Interest on loans: Getlink	(9,972)	(1,495)	(7,922)
Interest on loans: Europorte	(271)	(294)	(577)
Capitalisation of interest on the ElecLink project	10,176	6,370	14,921
Effective rate adjustment	(5,905)	(3,742)	(8,496)
Sub-total	**(118,035)**	**(111,474)**	**(225,635)**
Inflation indexation of the nominal	(16,591)	(24,947)	(45,356)
Total finance costs after hedging	**(134,626)**	**(136,421)**	**(270,991)**
Total net finance costs	**(133,302)**	**(135,562)**	**(269,258)**

The inflation indexation of the loan principal estimated at 30 June 2019 reflects the estimated effect of annual French and British inflation rates on the principal amount of the A tranches of the Term Loan as described in note G.1.2 of the annual consolidated financial statements at 31 December 2018.

G.7 Other financial income and (charges)

€'000	1st half 2019	1st half 2018**	Full year 2018
Unrealised exchange gains *	5,553	3,293	16,017
Other exchange gains	3,800	1,762	9,746
Interest received on notes owned by the Group	5,663	4,124	9,310
Other	–	138	973
Other financial income	**15,016**	**9,317**	**36,046**
Financial charges arising from financial transactions:			
Costs of refinancing operations	15	(7)	(1,740)
Cost of acquisition of notes	–	(2,779)	(2,770)
Sub-total	**15**	**(2,786)**	**(4,510)**
Unrealised exchange losses *	(4,571)	(3,710)	(16,487)
Other exchange losses	(4,148)	(1,422)	(7,442)
Interest charges on IFRS 16 lease contracts	(644)	(923)	(1,699)
Other	(15)	(19)	(37)
Other financial charges	**(9,363)**	**(8,860)**	**(30,175)**
Total	**5,653**	**457**	**5,871**
Of which net unrealised exchange gains/(losses)	*982*	*(417)*	*(470)*

* *Mainly arising from the re-evaluation of intra-group debtors and creditors.*
** *The financial statements as at 30 June 2018 have been restated under IFRS 16 "Leases" as presented in note B.3.1 above.*

H. Share capital and earnings per share

H.1 Changes in share capital

€	30 June 2019	31 December 2018
550,000,000 fully paid-up ordinary shares each with a nominal value of €0.40	220,000,000.00	220,000,000.00
Category B fully paid-up preference shares each with a nominal value of €0.01	–	0.28
Category C fully paid-up preference shares each with a nominal value of €0.01	–	6.92
Category D fully paid-up preference shares each with a nominal value of €0.01	11.27	–
Total	**220,000,011.27**	**220,000,007.20**

During the first half of 2019:

- 28 category B preference shares issued under the 2014 programme of preference shares convertible into ordinary shares and 692 category C preference shares issued under the 2015 programme of preference shares convertible into ordinary shares were cancelled; and
- 1,127 category D preference shares issued under the 2018 programme of preference shares convertible into ordinary shares were issued.

The programmes of preference shares convertible into ordinary shares are described in note E.5.3 to the consolidated financial statements at 31 December 2018.

H.2 Treasury shares

The movements in the number of own shares held during the period were as follows:

	Share buyback programme	Liquidity contract	Total
At 1 January 2019	14,834,926	420,000	**15,254,926**
Shares transferred to staff (free share scheme)	(958,904)	–	**(958,904)**
Exercise of stock options	(261,970)	–	**(261,970)**
Net purchase/(sale) under liquidity contract	–	(217,766)	**(217,766)**
At 30 June 2019	**13,614,052**	**202,234**	**13,816,286**

Treasury shares held as part of the share buyback programme approved by the general meetings of shareholders and implemented by decisions of the Board of Directors are allocated, in particular, to cover share option plans and the grant of free shares.

H.3 Earnings per share

H.3.1 Number of shares

	1st half 2019	1st half 2018	Full year 2018
Weighted average number:			
– of issued ordinary shares	550,000,000	550,000,000	550,000,000
– of treasury shares	(14,519,188)	(15,870,291)	(15,689,634)
Number of shares used to calculate the result per share (A)	**535,480,812**	**534,129,709**	**534,310,366**
– effect of share options	236,350	371,498	341,284
– effect of free shares	2,312,365	2,913,188	2,918,944
– effect of preference shares	2,700,000	1,118,774	1,561,627
Potential number of ordinary shares (B)	**5,248,715**	**4,403,460**	**4,821,855**
Number of shares used to calculate the diluted result per share (A+B)	**540,729,527**	**538,533,169**	**539,132,221**

The calculations were made on the following bases:

- on the assumption of the exercise of all the options issued and still in issue at 30 June 2019. The exercise of these options is conditional on the criteria described in note E.5.1 to the consolidated financial statements at 31 December 2018;
- on the assumption of the acquisition of all the free shares allocated to staff. During the first half of 2019, 527,800 of the free shares issued in 2015 and 2018 were acquired by staff and 447,750 new free shares were granted (see note E.1 above). Details of free shares are given in note E.5.2 to the consolidated financial statements at 31 December 2018; and
- on the assumption of the acquisition of all the preference shares allocated to staff and still in issue at 30 June 2019. Conversion of these preference shares is subject to achieving certain targets and remaining in the Group's employment as described in note E.5.3 to the consolidated financial statements at 31 December 2018.

H.3.2 Earnings per share

	1st half 2019	1st half 2018	Full year 2018
Group share: profit/(loss)			
Net result (€'000) (C)	40,605	38,929	130,320
Basic earnings per share (€) (C/A)	**0.08**	**0.07**	**0.24**
Diluted earnings per share (€) (C/(A+B))	**0.08**	**0.07**	**0.24**
Continuing operations: profit/(loss)			
Net result (€'000) (D)	40,662	38,925	130,386
Basic earnings per share (€) (D/A)	**0.08**	**0.07**	**0.24**
Diluted earnings per share (€) (D/(A+B))	**0.08**	**0.07**	**0.24**
Discontinued operations: profit/(loss)			
Net result (€'000) (E)	(57)	4	(66)
Basic earnings per share (€) (E/A)	**(0.00)**	**0.00**	**(0.00)**
Diluted earnings per share (€) (E/(A+B))	**(0.00)**	**0.00**	**(0.00)**

H.4 Detail of consolidated reserves by origin

€'000	30 June 2019	31 December 2018
Hedging contracts	(1,372,397)	(1,156,673)
Share options, free and preference shares and treasury shares	(92,682)	(101,949)
Retirement liability	(59,218)	(38,264)
Deferred tax	86,429	92,305
Retained earnings	780,769	843,464
Total	**(657,099)**	**(361,117)**

Dividend

On 18 April 2019, Getlink SE's shareholders' general meeting approved the payment of a dividend relating to the financial year ended 31 December 2018, of €0.36 per share. This dividend was paid on 28 May 2019 for a total of €193 million.

I. Income tax expense

I.1 Tax accounted for through the income statement

€'000	1st half 2019	1st half 2018	Full year 2018
Current tax:			
Income tax	(2,505)	(1,913)	(3,582)
Tax on dividends	–	–	34
Total current tax	**(2,505)**	**(1,913)**	**(3,548)**
Deferred tax	6,389	4,874	4,614
Total	**3,884**	**2,961**	**1,066**

The tax charge is determined by applying to the half year's result the estimated effective tax rate based on internal forecasts for the full year. The effective tax rate for the first half of 2019 was 10.6% (first half of 2018: 8.2%) as a result of the impact of the activation of deferred tax in respect of tax losses.

I.2 Changes to deferred tax during the period

			2019 impact on:			
€'000	At 31 December 2018 published	At 31 December 2018 restated	income statement	statement of financial position	other compre-hensive income	At 30 June 2019
Tax effects of temporary differences related to:						
Property, plant and equipment	154,722	155,165	(3,700)	–	–	**151,465**
ElecLink goodwill	(20,392)	(20,392)	–	–	–	**(20,392)**
Deferred taxation of restructuring profit	(352,353)	(352,353)	–	–	–	**(352,353)**
Hedging contracts	89,111	89,110	–	–	(7,001)	**82,109**
Tax losses	332,062	331,251	10,089	–	–	**341,340**
Other	7,208	7,392	–	–	1,125	**8,517**
Net tax assets/(liabilities)	**210,358**	**210,173**	**6,389**	**–**	**(5,876)**	**210,686**

J. Events after the reporting period

Nothing to report.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2019 HALF-YEAR FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' review report on the half-year financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-year management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your general meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying summary half-year consolidated financial statements of Getlink SE, for the period from 1 January to 30 June 2019,
- the verification of the information presented in the half-year management report.

These summary half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying summary half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-year management report on the summary half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the summary half-year consolidated financial statements.

Statutory auditors, Paris La Défense, 22 July 2019,

KPMG Audit *A division of KPMG S.A.*	Mazars
French original signed by	
Philippe Cherqui *Partner*	**Francisco Sanchez** *Partner*

DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2019

I declare that, to the best of my knowledge, these summary half-year consolidated financial statements have been prepared in accordance with applicable accounting standards and present fairly the assets, financial situation and results of Getlink SE and of all the companies included in the consolidation, and that this half-year financial report presents fairly the important events of the first six months of the financial year, their effect on the summary half-year consolidated financial statements, the main transactions between related parties, and a description of the main risks and uncertainties for the remaining six months of the financial year.

Jacques Gounon
Chairman and Chief Executive Officer of Getlink SE
22 July 2019

GETLINK SE
European company with a capital of €220,000,011.27
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