



Q&YOU

LETTER TO SHAREHOLDERS

19 September 2018

Dear Shareholder,

Traffic through the Channel Tunnel has been excellent over the summer. In August, we set a new record with 130,926 trucks carried on our Shuttles (1,121,048 since 1st January). With 362,905 passenger vehicles transported in August 2018, Eurotunnel Le Shuttle matched the 2nd best traffic for cars of August 2015 (the all-time record was achieved in August 2014).

Our **high rate of infrastructure availability** (99,7%* in 2017) and the care we take with our rolling stock are what enable us to deliver such results. You will find overleaf the recap of the resources dedicated to maintenance which are clearly significant, alongside information on some of our maintenance projects. **Absolute priority is given to safety:** operations may from time to time be reduced or suspended momentarily to enable investigation if an anomaly is signalled on any one of the 40,000 control points we have around the system. In the vast majority of cases it turns out to be a false alert, but customers would never question us for being too careful, even if that might mean the odd delay.

Eurostar has also had great success, with an average growth over the summer of around 10% compared to last year.

The **ElecLink** work is going well too, with the first transformers delivered at the start of September (see over). The preparatory works for the cable installation continue without problems and we have provided the IGC with the safety studies they asked for.

Europorte has also performed well in a French railway environment that is finally free from strikes and other disruption from SNCF staff protesting against railway reform.

This reform provides for the French government to take over €35 billion of SNCF's debt by 2020. Then there will be the question of the €5 billion for the recapitalisation of Fret SNCF. We hope that this significant effort by the government will be accompanied by stimulus from the EU to bring a more rational operating mode to the market.

The consequences we can draw from this summer are that our different activities are well positioned in their markets and that we have a better performance than our competitors.

With regard to **Brexit**, we have no more information than that which is already public, and it is likely that the

situation will remain uncertain until the last minute. There are real tensions in the UK between the leave and remain supporters. Many voices have been raised to decry the consequences of a no-deal Brexit. We will not allow ourselves to get drawn into this debate, but it is right that these types of contributions are heard so that the best decisions can be made on both sides of the Channel before 29 March 2019.

That said, border control is the sole responsibility of governments. Whether it is Schengen/non-Schengen, as today, or Schengen/UK as a 3rd country in the future, there should be nothing new for the authorities to handle. Whatever decisions are taken, we are ready to adapt. Some arrangements will fall under bilateral agreements. The French government is at work preparing to put in place before 29 March 2019 the legal framework that allows it to take the contingency measures that could be necessary in case of a no-deal agreement. I am confident that the different parties concerned will maintain the flow of traffic across the border and thereby avoid any excessive disruption to trade or tourism.

The European Commission has recently considered the maritime link between Ireland and the continent that will, after Brexit, connect with the Dutch and Belgian ports. Reaction of French ports: "Will we still have access to European subsidies?". No comment !

Finally, I think we should all take a moment to think about the victims of the terrible tragedy of the Morandi Bridge collapse in Genoa and of their families and loved ones. I also offer our support to our principal shareholder, Atlantia, whose subsidiary (Autostrade per L'Italia) holds the concession there. Beyond all the inevitable position taking around this accident, time must be allowed for justice to follow its course and also to remind ourselves that there is no human enterprise without risk.

Yours faithfully,



Jacques Gounon
Chairman & Chief Executive Officer

* Excluding planned maintenance operations

In brief...



For your 2018 diary

23 October: Revenue and traffic figures for the 3rd quarter of 2018

ElecLink



13 September – Arrival on Eurotunnel site of an impressive exceptional convoy of 400 tonnes and 10m high carrying one of the 4 electric transformers for the ElecLink interconnector currently being built.

Getlink confirmed in the FTSE4Good index

Following the annual assessment in June 2018, Getlink again received confirmation of its inclusion in the FTSE4Good index (first inclusion in 2014). The index identifies those listed companies deemed ethical and responsible. This renewed recognition reflects the importance Getlink attaches to the development of its activities in compliance with non-financial criteria of corporate, environmental and social responsibility.

Visit of the Minister for Transport at Eurotunnel



On 27 July, Elisabeth Borne, the French Minister for transport, was welcomed by the prefect of Pas-de-Calais and Jacques Gounon, Laurent Fourtune and the two staff representative Directors on the Coquelles terminal where she was able to visit our security, maintenance and operational facilities, as well as to see the control checks for Customs and Border Police. Impressed by Eurotunnel's infrastructure, Elisabeth Borne who is an expert in railways, said that the Channel Tunnel is "a source of pride for France".

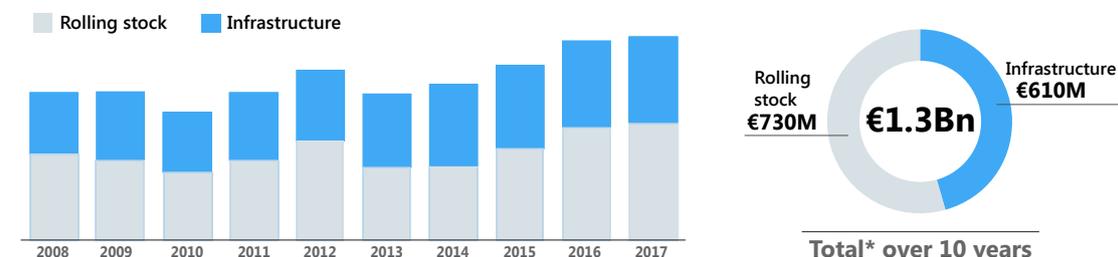
Eurotunnel on track to Smart maintenance

Since its opening in 1994, Eurotunnel has never compromised on safety and maintenance of its rail facilities, the busiest in the world. With the accumulation of experience and the implementation of many innovations over almost 25 years of operation, Eurotunnel has become a world-renowned expert in railway maintenance.

A team of nearly 1,000 engineers and technicians work shift hours to enable the maintenance of the infrastructure and rolling stock 24/24, 7/7, in order to further increase the availability of the Tunnel. For several years, Eurotunnel has embarked on the digitalisation of its predictive maintenance to anticipate breakdowns, to further increase the availability of the infrastructure and trains and to continue to improve the quality of service offered to its customers:

- **Drone** fitted with a high-definition camera monitors the status of infrastructure (bridges, access ramps, etc.) without disrupting traffic;
- **The Vectoor works train**, currently under development, will inspect, measure and analyse, with its on-board cameras, the tracks, catenaries, GSM networks, the base and vault of the railway tunnels which will enable us to evaluate the equipments' lifespan and to build big data models with the data collected;
- **The Cobra robot** examines the track sleeper blocks to detect potential cracks and triggers their replacement when necessary as a preventive measure;
- **Connected objects** installed on track circuits to allow parts to be replaced in advance;
- **The Static VAR Compensator (SVC)** is going to be replaced with a more recent device for enhanced and better distributed power supply.

Maintenance operations, innovations and investments are key elements of Eurotunnel's sustainable growth strategy which includes the industrialisation of asset management processes designed to further improve its rail efficiency and customer service thanks to digitalisation.



Costs (capex and opex) of Eurotunnel infrastructure and rolling stock maintenance departments, over the last decade
*Exchange rate: £1 = €1.15

New service in the Coquelles Flexiplus lounge



Launched in July, our partner World Duty Free offers our Eurotunnel Flexiplus customers **online** shopping for cosmetics, perfumes, confectionary or alcohol and to collect their purchase in the Coquelles lounge on their way to the UK, especially useful during the return of our British customers from their holidays. They can also purchase a selection of products directly in the Coquelles lounge. A smart and easy way to shop for our Flexiplus customers!



Gumball 3000 hypercars travelled with the Channel Tunnel

At the beginning of August, around 150 luxury cars travelled on board Le Shuttle from Folkestone to Coquelles for the Gumball 3000's 20th anniversary, the 3,000-mile international motor rally which brings together the most expensive and impressive supercars in the world. 2018's drivers, including a number of celebrities, have chosen quite naturally Le Shuttle for its speed and comfort before heading to Chantilly, the first stopping-off town, on their 8-day journey through Milan, Bologna, Osaka, Kyoto, Nanao and Tokyo, the final destination.