

PRESS RELEASE



8 April 2008

2007 PRO FORMA RESULTS*

Groupe Eurotunnel: a profitable Group

- Revenues increased for the third year in succession: +6%, to €775 million
- Shuttle revenues, Eurotunnel's core activity, increased by 8%, to €500 million
- A net improvement in EBITDA to €439 million (+12%), more than €50 million above business plan forecasts**
- A new rise in profitability, with a ratio of EBITDA to revenues which has increased from 54% in 2006 to 57% in 2007
- Pro forma net profit: €3.324 billion as a consequence of the massive reduction in debt. Excluding this exceptional amount, the first result is a net profit of €1 million.

Outlook

An exceptional first quarter of 2008 which underlines the Group's progress

- Estimated revenues: €187.6 million in the first quarter of 2008, an increase of 15% compared to the first quarter of 2007, at a constant exchange rate***
- Continuing growth in Shuttle traffic, amplified by favourable market conditions
 - Passenger Shuttles: 454,076 cars, +11%,
 - Truck Shuttles: 385,145 trucks, +10%
- Outstanding growth from Eurostar, following the opening of the final section of the High Speed Line
- Partial compensation for "Sangatte" litigation from the French government (awaiting ratification)
- In 2011, 43% of the warrants issued in 2007 will be exercisable, on the basis of value already created

Jacques Gounon, Chairman and Chief Executive of Groupe Eurotunnel, declared:

"2007 shows that the new Groupe Eurotunnel is nothing like the old. Our Group recorded a pro forma profit of €1 million (excluding the exceptional profit of €3.3 billion).

The results are due to remarkable levels of performance and to strict management of operating costs. They also benefit from the massive reduction in debt achieved through the financial restructuring.

The excellent level of activity in the first quarter of 2008 confirms our rapid progress.

These results and the future value represented by the Channel Tunnel Concession enable us to look forward to 2008 with confidence and determination."

* Groupe Eurotunnel SA's pro forma consolidated income statement for 2007 are intended to present the impact on the year of the implementation of the new financing; it consists of the combined income statement of TNU up to the operating result and of the gross cost of servicing debt using the hypothesis of an implementation of the financial restructuring on the theoretical date of 1 January 2007 for the first half of the year, and of the consolidated income statement of GET SA for the second half year. The comparative figures for 2006 are extracts from the combined accounts of the TNU Group, and to allow a better comparison between the two years, they have been restated to exclude the impact of the MUC top up and at a constant exchange rate of £1=€1.437.

** Safeguard Plan Business plan prepared using exchange rate of £1=€1.4

*** Exchange rate used for the revenues for the first quarter of 2008 is: £1 = €1.257. The comparative figures for 2007 are those for the TNU Group.

Appendix:

Financial analysis and extracts from GET SA' consolidated accounts for the year ended 31 December 2007.

Forthcoming dates in 2008:

15 April: publication of 1st quarter 2008 revenues

27 June: Groupe Eurotunnel SA AGM

ANALYSIS OF ANNUAL PRO FORMA CONSOLIDATED RESULTS

In order to compare line by line the performance of the Group, the two columns entitled "excluding MUC top up" in the table below exclude the impact of the revenue top-up in 2006 from the MUC (Minimum Usage Charge, being the clause in the contract with the Railways which guaranteed TNU a minimum level of revenue up to the end of November 2006). The comparisons in the commentary below are stated including the MUC top-up unless otherwise stated. The comparative figures for 2006 presented in this analysis have been recalculated at the exchange rate used for the 2007 income statement of £1=€1.437 in order to enable a better comparison between the two years.

SUMMARY

In a buoyant cross-Channel market, the Eurotunnel Group has consolidated its market share for both its Passenger and Truck Shuttle activities, and increased its Shuttle revenues by a substantial 8% compared to 2006 at constant exchange rates, to reach €500 million.

Excluding the MUC top-up for which TNU recorded €94 million (restated) in 2006, revenue increased by 6% to €775 million, which combined with slightly lower operating costs, generated a significant improvement of 12% in EBITDA, to €439 million, bringing the EBITDA/revenue ratio to 57%.

At €292 million (pro forma) in 2007, gross debt service costs are 40% (€195 million) lower than in 2006 as a result of the financial restructuring.

After taking into account the €3,323 million profit arising from the financial restructuring, GET SA's pro forma net result for 2007 is a profit of €3,324 million, compared to a loss of €204 million in 2006 for TNU.

ANALYSIS OF RESULT

€million	GET SA PRO FORMA 2007	TNU restated ³ 2006	% change	TNU published 2006	Excluding MUC top-up	
					restated ³ 2006	% change
Exchange rate €/£	1.437	1.437		1.462	1,437	
Shuttle services	500	461	+8%	465	461	+8%
Railways excluding MUC	262	254	-25%	255	254	+3%
MUC	-	94		95		
Other revenue	13	14	-8%	15	14	-8%
Revenue	775	823	-6%	830	729	+6%
Operating expenses	(210)	(217)	-3%	(218)	(217)	-3%
Employee benefit expense	(126)	(121)	+4%	(122)	(121)	+4%
EBITDA ¹	439	485	-9%	490	391	+12%
Depreciation	(162)	(164)	-1%	(164)	(164)	-1%
Trading profit	277	321	-14%	326	227	+22%
Other operating (expenses) / income	(13)	7		7	7	
EBIT ² (Operating profit)	264	328		333	234	
Income from cash and cash equivalents	14	5		5	5	
Cost of servicing debt (gross)	(292)	(487)		(492)	(487)	
Net cost of financing and debt service	(278)	(482)		(487)	(482)	
Profit arising from the financial restructuring	3 323	-		-	-	
Other financial income and (charges) and income tax expenses	15	(50)		(50)	(50)	
Net result: profit / (loss)	3,324	(204)		(204)	(298)	
Profit arising from the financial restructuring	3,323					
Net result excluding profit arising from the financial restructuring: profit / (loss)	1					
EBITDA/revenue	57%	59%	-2pts	59%	54%	+3pts

¹ EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortisation, and other operating charges.

² EBIT: Earnings Before Interest and Taxes.

³ Restated at the rate of exchange used for the preparation of the 2007 income statement (£1=€1.437).

Revenues

Excluding the effect of the MUC top-up in 2006, revenues improved for the third consecutive year. At €775 million in 2007, revenues increased by 6% compared to 2006 at a constant exchange rate.

In 2007, Shuttle revenues increased by 8% to €500 million. The cross-Channel truck market continued to grow in 2007 (+4%), and the car market grew for the second consecutive year, with a strong growth of 7%.

The improvement in Truck Shuttle revenues in 2007 was mainly due to increased traffic (+9%), resulting principally from the continued growth of the cross-Channel market, and to a market share gain of two points compared to 2006.

The 6% increase in car traffic led to an increase in car revenue in 2007 compared to 2006, and reflects a similar growth in the cross-Channel market. The Eurotunnel Group continues to benefit from the positive effects of its dynamic pricing policy which has increased average yields.

Coach revenues increased mainly as a result of improved average yields, despite a reduction of 3% in volumes.

Up until the end of November 2006, revenues from the Railways were protected by the MUC, which represented €94 million of TNU's revenues in 2006 (restated at the 2007 average exchange rate of £1=€1.437). As a result of the ending of this mechanism, revenues from the Railways decreased by 25% to €262 million in 2007. Excluding the MUC top-up in 2006, Railways revenues grew by 3% in 2007 as a result of the increased number of Eurostar passengers (+5% travelling through the Tunnel), despite decreased rail freight tonnage (-23%).

Other revenues amounted to €13 million for the period, €1 million below 2006. They are largely made up of revenues from the retail facilities available to the Eurotunnel Group's customers on the two terminals.

EBITDA

External costs reduced by 3% to €210 million in 2007, compared to €217 in 2006.

The main reductions were as follows:

- energy costs reduced by 7%, from €38 million in 2006 to €35 million in 2007, as a result of the application of the *Tarif Réglementé Transitoire d'Ajustement du Marché* (regulatory transitory adjustment to market price) which has enabled French costs to remain close to last year, a UK purchasing policy which has profited from market opportunities, and the introduction of various initiatives to reduce electricity consumption;
- French business tax (*taxe professionnelle*) and local UK taxes reduced by 23%, from €24 million in 2006 to €19 million in 2007, following the reduction in the rate of *taxe professionnelle* which in 2006 was capped at 4% of the added value of the French companies but which was reduced to 3.5% in 2007, and following the ending of the MUC top-up; and
- a significant decrease of approximately €11 million in Corporate costs between 2006 and 2007.

These reductions were partly offset by an increase of €11 million in external maintenance and operations costs in 2007, reflecting the beginning of new maintenance cycles and the increased traffic during the year.

Employee benefit expense increased by 4% to €126 million in 2007, compared to €121 million in 2006.

Total operating charges reduced slightly in 2007 compared to 2006 at a constant exchange rate, despite the increase in activity.

Excluding the MUC top-up in 2006, the combined effects of the increase in revenues and the reduction in operating costs have led to a 12% improvement in EBITDA between 2006 (€391 million) and 2007 (€439 million), and the EBITDA/revenue ratio increased by 3 points from 54% in 2006 to 57% in 2007. Despite this improvement, the loss of the MUC top-up (€94 million in 2006) has led to a reduction in EBITDA of 9% between 2006 and 2007.

Trading profit

At €162 million in 2007, the depreciation charge was €2 million below 2006.

The trading profit in 2007 was €277 million compared to €321 million in 2006. Excluding the MUC top-up in 2006, the improvement in revenues and the stability of costs have resulted in a 22% improvement in trading profit in 2007.

EBIT (Operating profit)

Other operating income and expenses amounted to a net expense of €13 million in 2007, mainly consisting of expenses incurred in relation to the financial restructuring and the Safeguard Procedure.

EBIT for 2007 was €264 million compared to €328 million (restated) for 2006. Excluding the MUC top-up in 2006, EBIT in 2007 was €30 million above 2006.

Net result

The suspension of payments to suppliers and of debt service payments during the safeguard period resulted in higher average cash balances during 2007 compared to 2006. As a consequence, the €14 million interest received on cash deposits and similar instruments in 2007 was €9 million above 2006.

The pro forma gross cost of servicing debt for 2007 amounted to €292 million. It was calculated on the hypothetical basis that the financial restructuring had been put in place at 1 January 2007. The main elements are as follows:

- interest due on loans amounting to €275 million, and
- accretion expense on the notes redeemable in shares (NRS) amounting to €15 million.

The gross cost of servicing debt in 2006 for TNU amounted to €487 million (restated).

The €3,323 million profit arising from the financial restructuring results from the difference between the amount of the old pre-restructuring financial liabilities (principal and interest) of €9,181 million and the amount reimbursed of €5,849 million, after taking into account an exchange rate difference of €9 million (the NRS were accounted for at the rate set out in the

Safeguard Plan of £1=€1.46635 whereas the reimbursement of the debt was accounted for at the rate ruling on the settlement date).

GET SA's pro forma net result for 2007 was a profit of €3,324 million compared to a loss of €204 million for TNU in 2006.

CASH FLOW

€million	GET SA PRO FORMA 2007	TNU 2006
Exchange rate €/£	1.364	1.489
Net cash flow from trading	398	510
Other operating cash flows and taxation	(117)	(37)
Net cash inflow from operating activities	281	473
Net cash flow from investing activities	(37)	(14)
Net cash flow from financing activities	(369)	(353)
(Decrease) / increase in cash	(125)	106

The pro forma cash flow for the twelve months to 31 December 2007 reflects the operating cash flows as well as the financing cash flows resulting from the financial restructuring.

The net cash flow from trading was €398 million in 2007, compared to €510 million in 2006 (€500 million at the 2007 closing rate of £1=€1.364). A substantial increase in operating cash flow, in particular from Shuttle Services receipts (+€40 million), has partly compensated for the loss of the MUC top-up (€92 million). Moreover, supplier invoices totalling €39 million from the period prior to the opening of the Safeguard Plan for which payment had been suspended, were settled in full during 2007. The Safeguard Procedure caused a reduction in supplier credit terms during late 2006 and the first half of 2007. During the second half of 2007, the creditor terms have largely reverted to their earlier levels.

The increase in cash flows from investing activities (€23 million) arises mainly from the purchase of locomotives (class 92) to be used in the development of the rail freight activity, the replacement of the Euroscan, and the modifications to the power supply system, which when complete, will enable greater use of the cheaper electricity generated in France.

Cash flows from financing activities in 2006, which corresponded to payments on the old financial instruments, benefited from the suspension of debt service payments during the Safeguard period. In 2007, net cash flows from financing activities corresponded mainly to the implementation of the restructuring, and are broken down as follows:

- payments of €4,204 million for the reimbursement of principal and interest on the old financial instruments;
- payments of €84 million related to the implementation of the Term Loan and the financial restructuring;
- receipts of €4 010 million from the drawdown of the Term Loan;
- receipts of €13 million for interest received on cash and cash equivalents; and
- first payment of interest on the new Term Loan in December 2007 totalling €104 million.

Overall, the pro forma net cash outflow for 2007 was €125 million, compared to a net cash inflow of €106 million in 2006, the cash flow of both years having been significantly affected by the Safeguard Procedure and the financial restructuring.

Consolidated income statement **for the year to 31 December 2007**

(€000)	GET SA 2007	¹ GET SA PRO FORMA 2007	TNU 2006
Revenue	401,762	774,882	829,831
Operating expenses	107,926	209,691	218,510
Employee benefit expense	62,729	126,039	121,513
Depreciation	82,016	161,956	163,662
Trading profit	149,091	277,196	326,146
Other operating (expenses) / income	(13,229)	(12,922)	7,076
Operating profit	135,862	264,274	333,222
Income from cash and cash equivalents	5,410	13,863	5,478
Cost of servicing debt (gross)	140,406	291,377	492,368
Net cost of financing and debt service	134,996	277,514	486,890
Other financial income	22,666	48,770	17,807
Other financial charges	28,724	33,668	67,890
Profit arising from the financial restructuring	3,322,803	3,322,803	-
Income tax expense	318	318	260
Profit / (loss) for the year	3,317,293	3,324,347	(204,011)
Profit / (loss): Group share	3,317,834	3,325,087	-
Profit / (loss): minority interest share	(541)	(740)	-
Profit / (loss) per share / Unit (€)	55.52	55.64	(0.08)
Profit / (loss) per share / Unit after dilution ² (€)	5.41	5.43	(0.08)

¹ See note 2.3i of GET SA's 2007 consolidated accounts.

² The profit per share after dilution was calculated on the basis of the conversion of the maximum number of NRS and Warrants, and before the transaction on the NRS II as described in note 1.4i below.

Consolidated statement of recognised income and expense **at 31 December 2007**

(€000)	GET SA 2007	TNU 2006
Foreign exchange translation differences	224,050	(98,764)
Impact of exchange differences on overseas investment	(26,991)	-
Impact of the termination of hedging contracts	-	48,169
Movement in fair value of hedging contracts *	(64,586)	60,626
Net income recognised directly in equity	132,473	10,031
Profit / (loss) for the year - Group share	3,317,834	(204,011)
Recognised income and expense - Group share	3,450,307	(193,980)
Recognised income and expense - minority interest share	962	-
Total recognised income and expense	3,451,269	(193,980)

* Including accrued interest.

Balance sheet

**Consolidated balance sheet
at 31 December 2007**

(€000)	GET SA 31 December 2007	TNU 31 December 2006
ASSETS		
Property, plant and equipment		
Concession property, plant and equipment	7,012,773	7,141,377
Other property, plant and equipment	29	37
Non-current financial assets		
Shares	115	116
Other financial assets	3,420	4,636
Total non-current assets	7,016,337	7,146,166
Inventories	60	65
Trade receivables	78,377	75,753
Other receivables	26,268	43,062
Other financial assets	602	2,900
Cash and cash equivalents	154,983	282,163
Total current assets	260,290	403,943
Total assets	7,276,627	7,550,109
EQUITY AND LIABILITIES		
Issued share capital	23,914	419,521
Share premium account	218,127	3,545,633
Other reserves	(2,216,031)	5,103
Other equity and similar instruments	1,472,678	–
Retained earnings	(26,991)	(5,650,185)
Profit / (loss) for the year	3,317,834	(204,011)
Cumulative translation reserve	(54,707)	(341,168)
Equity –Group share	2,734,824	(2,225,107)
Minority interest share	4,040	–
Total equity	2,738,864	(2,225,107)
Retirement benefit obligations	15,699	21,721
Financial liabilities	4,120,310	–
Other financial liabilities	3,089	4,504
Interest rate derivatives	65,033	–
Total non-current liabilities	4,204,131	26,225
Provisions	49,258	115,387
Financial liabilities	140,229	9,391,524
Other financial liabilities	602	2,900
Trade payables	115,026	213,978
Other payables	28,517	25,202
Total current liabilities	333,632	9,748,991
Total equity and liabilities	7,276,627	7,550,109

Cash flow statement

**Consolidated cash flow statement
at 31 December 2007**

(€000)	GET SA 2007	² GET SA PRO FORMA 2007	TNU 2006
Result for the year: profit / (loss)	3,317,293	3,324,347	(204,011)
Income tax expense	318	318	260
Profit arising from the financial restructuring	(3,322,803)	(3,322,803)	–
Other financial charges and (income)	6,058	(15,102)	50,083
Net cost of financing and debt service	134,996	277,514	486,890
Other operating expenses and (income)	13,229	12,922	(7,076)
Depreciation	82,016	161,956	163,662
Trading profit before depreciation	231,107	439,152	489,808
Exchange adjustment ¹	(3,813)	(12,523)	5,052
Decrease in inventories	–	–	1,086
Decrease / (increase) in trade and other receivables	7,540	(4,370)	(10,856)
(Decrease) / increase in trade and other payables	(2,004)	(24,652)	25,277
Net cash inflow from trading	232,830	397,607	510,367
Other operating cash flows	(91,775)	(116,147)	(36,877)
Taxation	(318)	(318)	(82)
Net cash inflow from operating activities	140,737	281,142	473,408
Payments to acquire property, plant and equipment	(20,776)	(38,618)	(18,846)
Sale of property, plant and equipment	863	1,133	4,928
Net cash outflow from investing activities	(19,913)	(37,485)	(13,918)
Drawdown of Term Loan	4,010,408	4,010,408	–
Share issue costs	(10,595)	(17,789)	–
Repayment of old financial instruments	(3,914,237)	(3,914,237)	(2,966)
Interest paid on old financial instruments	(286,801)	(286,801)	(294,867)
Fees paid for Term Loan	(51,476)	(66,145)	–
Interest paid on old hedging instruments	(3,000)	(3,000)	(67,361)
Interest received on old hedging instruments	–	–	6,478
Capital increase	225	225	–
Interest received on cash and cash equivalents	4,574	13,345	5,143
Interest received on new hedging instruments	2,032	2,032	–
Other interest received	113	235	88
Interest paid on Term Loan	(104,052)	(104,052)	–
Interest paid on new hedging instruments	(2,225)	(2,225)	–
Purchase of own shares	(714)	(714)	–
Net cash outflow from financing activities	(355,748)	(368,718)	(353,485)
Cash from the TNU Group following the ETO ³	391,870	–	–
Increase / (decrease) in interest receivable in year	589	(28)	612
Movement in bank overdrafts	–	12	268
Effect of movement in exchange rate	(2,552)	(2,103)	2,468
Increase / (decrease) in cash in year	154,983	(127,180)	109,353

¹ The adjustment relates to the restatement of elements of the income statement at the exchange rate ruling at the year end.

² See note 2.3ii of GET SA's 2007 consolidated accounts.

³ On 28 June 2007, as part of the business combination resulting from the ETO, TNU brought cash balances of €392 million to the newly formed Group.

Important events

The terms of the Safeguard Plan provided for the implementation of a new Group structure and, in particular, the creation of Groupe Eurotunnel SA (GET SA). The launch by GET SA of the ETO enabled those former shareholders of ESA and EPLC who had tendered their Units to the offer to become shareholders of the new entity in June 2007.

GET SA is the holding company of EGP and the TNU Group and its subsidiaries, which have as their principal purposes the design, financing, construction and operation of the Fixed Link, in accordance with the terms of the Concession.

1.1 2007 financial restructuring

During 2007, Eurotunnel implemented the financial restructuring in accordance with the Safeguard Plan approved by the Paris Commercial Court on 15 January 2007:

- The drawdown of a new loan on 28 June 2007 (the Term Loan) for a total of £1,500 million and €1,965 million (a total of €4,010 million at the closing exchange rate on 31 December 2007) by France Manche SA (FM) and The Channel Tunnel Group Limited (CTG) from a banking consortium comprising Goldman Sachs International and Deutsche Bank AG, which enabled (i) the complete refinancing of the old loans up to the Tier 2 Debt, (ii) to make cash payments to holders of the Tier 3 Debt and to note holders for a total of €354 million, (iii) to pay accrued interest on the old loans in accordance with the terms and limits set out in the Safeguard Plan, and (iv) to provide a cash surplus.
- The issue by EGP of Notes Redeemable in Shares (NRS) in GET SA for a total of €1,870 million. These NRS are automatically redeemable in GET SA Ordinary Shares between the 13th and 37th month following the date of their issue.
- The repurchase of the Tier 3 Debt and of the notes on 28 June 2007 by EGP.

At 31 December 2007, the consolidated financial liabilities of GET SA amounted to €4.3 billion after the drawdown of the Term Loan and the repurchase of all of the financial instruments of the TNU Group which amounted to €9.4 billion at 31 December 2006.

1.2 Implementation of the new Group structure

The main terms of the financial restructuring as set out in the Registration Document issued in March 2007 and implemented under the supervision of the Commissioners for the Execution of the Plan, are as follows:

- The creation of GET SA, the new holding company the Group and of its UK subsidiary Eurotunnel Group UK plc (EGP).
With effect from 2 July 2007, the listing on Euronext Paris of the GET SA shares and Warrants and of the NRS issued by GET SA's UK subsidiary EGP. GET SA's shares and the NRS issued by EGP have been listed on the London Stock Exchange since 2 July 2007.
- The completion of the ETO enabling Unit holders to receive GET SA shares and Warrants in exchange for their Units.
A total of 4,307,026,273 GET SA Warrants were issued by GET SA. Since 2 July 2007, GET SA's shares have been listed in Paris and as a secondary listing in London.
- The consolidation of GET SA's shares on 12 November 2007 by the allocation of one new share for 40 old shares, thereby creating 59,784,111 new shares each with a nominal value of €0.40. The consolidated shares have been listed on Segment B of Euronext Paris since 12 November 2007.
The rights of holders of securities which may be converted into GET SA equity (Warrants/NRS) were consequently adjusted in accordance with the terms set out in the Securities Note which received visa 07-113 from the French market authority (AMF) on 4 April 2007.
- On 21 December 2007, the reconstitution of the shareholders' equity of the TNU Group in accordance with the Safeguard Plan by way of set-off against a receivable in respect of former Tier 3 debt, enabling the reconstitution of the equity of GET SA's subsidiaries. After this operation, GET SA and EGP hold 25,833,259,924 Units, representing 99.32% of the Units in circulation.

The implementation of the Safeguard Plan continued during the year, under the supervision of the Commissioners for the Execution of the Plan.

Listing of the TNU Units ceased in London on 30 July 2007, in Brussels on 10 September 2007, and in Paris on 14 January 2008.

1.3 Going concern

The consolidated accounts for the year to 31 December 2007 were approved by the Board of Directors on 7 April 2008 on a going concern basis, and will be submitted for shareholders' approval at the next general meeting.

Certain legal proceedings that have been initiated relating to the Safeguard Procedure continue. They are not considered likely to challenge the validity, the continuation and the completion of the Safeguard Plan. Should the outcome of certain of these proceedings be unfavourable, they could result in the payment of damages and interest. Eurotunnel remains

confident of a favourable outcome to these claims, and for this reason, has not forecast that any payments will be made in relation to them.

1.4 Post balance sheet events

i. Early partial cash redemption of NRS II

On 20 February 2008, GET SA announced the launch of an issue of SDES (subordinated deferred equity securities) with a term of 18 months, for a total principal amount of €800 million, by way of the issue of 800,000 SDES in France and internationally (outside the United States, Canada and Italy). The characteristics of this issue are described in the Securities Note as approved by the AMF (*Autorité des marchés financiers*) on 20 February 2008. The net proceeds of the issue will be used to finance the early cash redemption of a first part of the NRS II issued by EGP in June 2007.

The SDES have a nominal value of €1,000 each, and the subscription price per SDES will be equal to their individual nominal value. Each SDES will entitle its holder to receive 103.8 ordinary shares upon redemption.

On the 4 March 2008, GET SA announced the outcome of this transaction, as a result of which the Group will redeem a total nominal value of €601 million of the €1.154 billion NRS II. Given the favourable exchange rate for the euro against the pound and with a very limited additional financing from the Group, 6.0 million NRS II were redeemed, with a value in principal significantly greater than the initial objective. This redemption will enable savings of €35 million in interest in a full year (excluding interest payable as a return on the SDES and on the basis of an exchange rate of £1=€1.4), and will reduce the number of shares to be issued by approximately 51 million (not including shares potentially as part of the conditional additional return).

The return on the SDES will be comprised of (i) the issue and allotment to SDES holders of 3 new ordinary shares per SDES or (ii) at the option of GET SA, the payment in cash of interest calculated at an annual rate of 2% (within the limit of the amount of available cash flow within GET SA, provided that in the event that such cash flow is not sufficient, the return on the SDES will be paid entirely or in part in the manner specified in (i) above). The return will be payable in one instalment on 6 September 2009.

In order to facilitate the creation of a stable shareholder base, each shareholder having subscribed for SDES within the priority subscription period and each investor having subscribed for SDES in the SDES placement and having held their SDES until the date of their redemption in ordinary shares and the ordinary shares issued upon redemption of SDES until 6 March 2011 will be granted a conditional additional return payable, at the option of the company and in accordance with the terms described in section 7.2 of the Securities Note¹, in cash, in new shares (provided that the requisite shareholder authorisation is obtained) or in existing shares (on the basis of 5.4 additional existing or new ordinary shares for each SDES).

The maximum number of any new ordinary shares that may be issued in respect of the conditional additional return will be 4,320,000 new additional ordinary shares.

The SDES will be redeemable in new ordinary shares at the discretion of their holders at any time between 6 September 2009 and 6 September 2010. In addition, the SDES may be redeemed in shares in advance of this date at the option of SDES holders upon the occurrence of one of the events referred to in section 4.8(d) of the Securities Note¹ and will be automatically redeemed in shares upon the occurrence of one of the events referred to in section 4.8(g) of the Securities Note¹.

ii. Arbitration

Following the disturbances caused to its business by the intrusion of illegal migrants coming from the Sangatte centre between 2000 and 2002, Eurotunnel petitioned the international ad hoc Tribunal at the International Court of Justice on 17 December 2003, to seek compensation for damages suffered. In its ruling of 30 January 2007 published on 23 February 2007, the ad hoc Arbitration Tribunal recognised Eurotunnel's right to compensation, the amount of which to be determined by the Tribunal at a later date.

Following this decision, Eurotunnel entered into negotiations with the French government, and an agreement has been reached whereby the French government will make a full and final settlement of €24 million. This agreement is currently being ratified and the payment will be accounted when the agreement is signed. Following this agreement, Eurotunnel will withdraw its claim against the French government.

The British government has also accepted the principle of an amicable agreement to the litigation, and negotiations should begin shortly.

The two events described in 1.4i and 1.4ii have no effect on the 2007 consolidated accounts.

¹ Securities Note as approved by the AMF (*Autorité des marchés financiers*) on 20 February 2008.