

# PRESS RELEASE



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## Eurotunnel Group: Revenues increase during 3<sup>rd</sup> quarter 2015

### ► Third Quarter 2015

- Total revenues for the third quarter of 2015 increase by +3%, like for like<sup>1</sup>, to €334.4 million, compared to the same period in 2014<sup>2</sup>.
- Cross-Channel Fixed Link
  - Shuttle revenues increased by 3% to €172 million.
  - Passenger and Truck Shuttle traffic was almost stable (-1% each) in a context of disruptions by migrant activity in Calais.
  - Eurostar traffic grew by 2%.
- Europorte: continued revenue growth (+6%)

**Jacques Gounon, Chairman and Chief Executive Officer of Groupe Eurotunnel SE stated:** *“Eurotunnel’s revenues have increased despite the migrant pressure which affects the Port of Calais and the Channel Tunnel. Eurotunnel appreciates the support of the British and French governments for this vital link for the European economy and the circulation of people.”*

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<sup>1</sup> Excluding MyFerryLink whose activity stopped on 2 July 2015

<sup>2</sup> All comparisons with 2014 are made at the average exchange rate for the first nine months of 2015 of £1=€1.378

## ► **Third quarter of 2015: key events**

### ➤ **Cross-Channel Fixed Link**

- Public order – including inside the perimeter of the Concession, is the responsibility of the Conceding States<sup>3</sup>. The series of visits this summer by Home Secretary, Theresa May, Immigration Minister James Brokenshire and French Minister for the Interior, Bernard Cazeneuve on 20 August, followed by the visit from French Prime Minister, Manuel Valls accompanied by European Commissioners Franz Timmemans and Dimitris Avramopoulos, on 31 August, and the visit from Violeta Bulc, European Commissioner for Transport, and Michael Cramer, Chairman of the TRAN committee, on 20 October, confirm this framework; they underline the vital importance of Eurotunnel to the logistics industry and the European economy.

Since the arrival of migrants in the Calais area in 2000, Eurotunnel has, over and above its own contractual obligations, invested hugely in physical security (fences, lighting, cameras, infra-red detectors) and human security to protect the terminal in Coquelles. This has enabled the company in cooperation with police, to face up the new migratory pressure which has appeared this summer..

- Eurotunnel is completing the installation of 29 km of high security fences. Security personnel have been doubled to nearly 250 people, including dog teams.  
The financing of this expenditure in the second half year is fully covered by agreements signed with the British government (Border Force) and SNCF Réseau. Additional costs, especially those linked to searches of Shuttles and the interception of migrants will be the object of a request for reimbursement from the two governments via the IGC, in accord with the position defined by the Arbitration Tribunal in April 2007.
- Despite the disruptions arising from this difficult situation, Eurotunnel Le Shuttle set new records this summer: almost 658,000 passenger vehicles crossed the Channel with Eurotunnel in July and August and the all-time record for traffic carried in one day was broken on 15 August 2015, with 17,000 vehicles transported.
- Eurotunnel, the leading rolling motorway with 1.5 million trucks transported every year, is investing in additional capacity to be able to carry 2 million trucks a year in 2020. The inauguration of Terminal 2015 on 20 October 2015 forms part of this ambition. Truck parking capacity has been increased through the addition of a further 340 spaces on the Coquelles terminal and the doubling of the access lanes.

### ➤ **Europorte**

- The Verdon terminal near Bordeaux is an ideally placed logistics platform for maritime, fluvial and terrestrial transport modes. It will come into service as the “Terminal à Conteneurs du Sud-Ouest” (TCSO). Europorte was selected to manage the terminal by the Grand Port Maritime de Bordeaux. The company will handle the rail shuttle between the Verdon and the freight zone and has subcontracted to “Société de Manutention Portuaire d’Aquitaine” (SMPA) for the handling of goods on the terminal.

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<sup>3</sup> Treaty of Canterbury, 12 February 1986

- Europorte continues to grow with the signature of new contracts for goods haulage. Two new contracts will come into force in 2016: Total Petrochemicals France and K+S.

➤ **MyFerryLink**

In the first half of the year the company had achieved the goals set for it at the launch, but was forced to stop its activity on 29 June 2015. The competitors P&O and DFDS were able to increase their prices on 1<sup>st</sup> July and have implemented capacity to recover as much maritime traffic as possible, in a context where this traffic is not immune to attacks of migrants: the port of Dover saw its traffic decline by 10.5% in the third quarter of 2015.

## **EUROTUNNEL GROUP REVENUES**

### **Revenue for the third quarter (1 July to 30 September)**

Total revenues for the Group, excluding MyFerryLink, grew by 3% at a constant exchange rate, to €334.4 million, compared to 2014.

<b>Revenues (€ million)</b>	<b>3<sup>rd</sup> quarter 2015 un-audited</b>	<b>3<sup>rd</sup> quarter 2014 restated*</b>	<b>Change 2015/2014</b>	<b>3<sup>rd</sup> quarter 2014 published**</b>
Shuttle Services	172.0	166.7	+3%	160.3
Railway Network	83.9	82.9	+1%	80.8
Other revenues	4.4	4.7	-8%	4.7
<b>Sub-total Fixed Link</b>	<b>260.3</b>	<b>254.3</b>	<b>+2%</b>	<b>245.8</b>
Europorte	74.1	69.7	+6%	67.8
<b>Sub-total excluding MyFerryLink</b>	<b>334.4</b>	<b>324.0</b>	<b>+3%</b>	<b>313.6</b>
MyFerryLink	-	30.3	-100%	30.3
<b>Revenue</b>	<b>334.4</b>	<b>354.3</b>	<b>-6%</b>	<b>343.9</b>

\* Average exchange rate for the first nine months of 2015: £1=€1.378

\*\* Average exchange rate for the first nine months of 2014: £1=€1.250

Revenues from the Fixed Link grew by 2% in the third quarter of 2015 to €260.3 million. Taking account of Europorte, total revenues are €334.4 million.

Revenues from Shuttle Services increased by 3% to €172 million, compared to the same period in the previous year due to an increase in yield, and despite the disruption through the summer (strikes by ferry workers, migrants).

Revenues from the Railway Network increased by 1% in the third quarter as a result of the growth in the number of passengers. In July 2015, for the first time in its history, Eurostar broke through the 1 million passengers in a month barrier.

The number of rail freight trains using the Channel Tunnel suffered a significant drop of 33% due to the intensity of migrant activity around the SNCF Calais-Fréthun yard. This forced the railway operators periodically to suspend rail freight traffic overnight. Eurotunnel has informed the European Commission that the target of 5,000 tonnes per year in 2018 cannot be met if migrant activity remains at current levels.

Revenues from Europorte reached €74.1 million (+6%).

## Revenues for the first nine months (1 January to 30 September)

Revenues (€ million)	Year to date 30 Sept 2015 un-audited	Year to date 30 Sept 2014 restated*	Change 2015/2014	Year to date 30 Sept 2014 published**
Shuttle Services	447.5	418.7	+7%	397.2
Railway Network	243.8	241.5	+1%	229.9
Other revenues	12.1	11.8	+2%	11.3
<b>Sub-total Fixed Link</b>	<b>703.4</b>	<b>672.0</b>	<b>+5%</b>	<b>638.4</b>
Europorte	227.7	206.0	+11%	194.7
<b>Sub-total excluding MyFerryLink</b>	<b>931.1</b>	<b>878.0</b>	<b>+6%</b>	<b>833.1</b>
MyFerryLink	52.1	69.4	-25%	69.4
Revenue	983.2	947.4	+4%	902.5

\* Average exchange rate for the first nine months of 2015: £1=€1.378.

\*\* Average exchange rate for the first nine months of 2014: £1=€1.250.

For the first nine months of the year, up until the end of September 2015, revenues for the Group reached €931.1 million (+6%) excluding MyFerryLink.

- Revenues for Shuttles increased by 7% to €447.5 million
- Revenues from the use of the Railway Network (€243.8 million) grew by 1%
- Europorte revenues increased by 11% to €227.7 million

## **► FIXED LINK TRAFFIC**

### Traffic for the third quarter (1 July to 30 September)

		2015	2014	Change 2015/2014
Truck Shuttles	Trucks	349,849	353,469	-1%
Passenger Shuttles	Cars <sup>1</sup>	864,159	869,945	-1%
	Coaches	12,834	14,106	-9%
High-speed passenger trains <sup>2</sup> (Eurostar)	Passengers	2,866,155	2,803,745	+2%
Rail freight trains <sup>3</sup>	Tonnes	283,016	389,146	-27%
	Trains	459	681	-33%

<sup>1</sup> Including motorcycles, vehicles with trailers, caravans and motor homes.

<sup>2</sup> Only Eurostar passengers travelling through the Channel Tunnel are included in this table, thus excluding journeys between Paris-Calais and Brussels-Lille.

<sup>3</sup> Rail freight services by train operators (DB Schenker on behalf of BRB, the SNCF and its subsidiaries, and Europorte) using the Tunnel.

### **Traffic for the first nine months (1st January to 30 September)**

		<b>2015</b>	<b>2014</b>	<b>Change 2015/2014</b>
Truck Shuttles	Trucks	1,102,139	1,052,000	+5%
Passengers Shuttles	Cars <sup>1</sup>	2,204,022	1,990,432	+2%
	Coaches	44,603	47,294	-6%
High-speed passenger trains <sup>2</sup> (Eurostar)	Passengers	7,986,911	7,845,120	+2%
Rail freight trains <sup>3</sup>	Tonnes	1,175,039	1,228,889	-4%
	Trains	1,995	2,164	-8%

<sup>1</sup> Including motorcycles, vehicles with trailers, caravans and motor homes.

<sup>2</sup> Only Eurostar passengers travelling through the Channel Tunnel are included in this table, thus excluding journeys between Paris-Calais and Brussels-Lille.

<sup>3</sup> Rail freight services by train operators (DB Schenker on behalf of BRB, the SNCF and its subsidiaries, and Europorte) using the Tunnel.

### **Eurotunnel Shuttles for the nine month period**

#### **Le Shuttle (Passenger Shuttle)**

Car traffic increased by 2% over the first nine months of 2015 and maintained its growth trend in a market that decreased slightly overall (-1.5%). However, the Short Straits car market, which was strongly impacted by the migrant crisis during the 3<sup>rd</sup> quarter, declined by 6% and the volume transported by Eurotunnel was down by 1%. The Group has been able to adapt its proposition to cater for those customers who prefer to use environmentally friendly means of transport and British customers who now favour the Continent for their holidays, as it is both an easier and safer destination to reach, hence the records set this summer.

#### **Truck Shuttles**

Truck traffic grew by 5% in the first nine months of 2015 compared to the same period in 2014, due to the continuing growth in the UK economy (the cross-Channel market grew 5.2% over the nine months) and the reinforced controls implemented by Eurotunnel to reassure transporters before crossing the border. Eurotunnel's market share for trucks is 37% for the first nine months of the year. In the 3<sup>rd</sup> quarter, the market and Eurotunnel traffic was impacted by the blockade of the ships by the SCOP SeaFrance employees and by migrant intrusions; truck traffic reduced by 1% over the period whilst the market contracted by 0.6%.

## **The Railway Network**

### **Eurostar**

2,866,155 passengers used Eurostar services through the Channel Tunnel during the 3<sup>rd</sup> quarter, representing a 2% increase compared to the 3<sup>rd</sup> quarter in 2014 and for the first 9 months of the year. This increase is led by the new service to Lyon and Marseille which has been a clear success. The new e320 trains will bring an increase in capacity (20% extra seats per train) and quality of service on board.

### **Rail freight services by railway operators**

Over the first nine months of the year, the number of rail freight trains using the Channel Tunnel declined by 8% to 1,995 trains due to the intense migrant pressure on the SNCF Réseau site at Calais-Fréthun, and a decline of -33% for the quarter. The Group has reached an agreement with SNCF Réseau to conduct security improvements on the yard of SNCF Calais-Fréthun and is working with stakeholders to find the methods of control that will restore the levels of efficiency to their pre-summer standards.

### **Europorte**

In addition to the impact of the Caledonian Sleeper contract, GB Railfreight also benefited in this quarter from the full effect of the new five-year contract signed in 2014 with Network Rail.

The steel maker SSI, a major GB Railfreight customer, has gone into liquidation as a result of the steel industry crisis.

## **OUTLOOK**

Business remains dynamic, buoyed by growth in the UK economy and, to a lesser degree in the Euro-zone. The high concentration of migrants in the Calais area has led to disruptions of traffic since the summer. The Group is taking the steps necessary to protect its services and the availability of its equipment.

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