

PRESS RELEASE



GET 2015/51

28 December 2015

For release at 07:45

Eurotunnel Group simplifies the structure of its debt

Eurotunnel completed on Thursday 24 December 2015 the removal of the monolines Ambac¹ and FGIC² as guarantors of the Channel Link Enterprises Finance (CLEF) Notes.

In June 2007, as part of the financial restructuring of the business, Eurotunnel borrowed £1.5 billion and €2.0 billion under a term loan facility. This facility includes tranches of inflation-linked, fixed rate and floating rate loans with final maturity dates ranging between 2041 and 2050. In August 2007, all of the loans under the facility were purchased by a newly incorporated special purpose vehicle CLEF Plc. These CLEF Notes included a number of inflation-linked tranches of notes credit-enhanced by either Ambac, FGIC or Assured Guaranty³. In return for providing these guarantees the monolines received a fee over the full duration of the loans.

In order to simplify its capital structure and benefit from increased flexibility going forward, Eurotunnel has sought the removal of Ambac and FGIC as guarantors of the CLEF Notes; this is rendered possible by the high degree of predictability of the Group's financial results. Assured Guaranty will remain as the sole guarantor of certain index-linked tranches of the CLEF Notes and is currently rated AA by S&P and A2 by Moody's.

The fees incurred in the removal of Ambac and FGIC (including payments to FGIC and Ambac in lieu of payment of their ongoing guarantee fee and various consent fees) will be compensated by a net reduction in the on-going interest costs over the life of the inflation-linked loans.

This simplification will enable Eurotunnel to pursue a possible refinancing of its floating rate debt, subject to market conditions.

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¹ Ambac Assurance (UK) Limited

² FGIC (UK) Limited

³ Assured Guaranty (Europe) Ltd (formerly Financial Security Assurance (U.K.) Limited)