PRESS RELEASE

GET 2010/32

19 July 2010

For release at 07:15

Half-year results[1]: improving activity levels

- **First consolidation of Europorte subsidiaries in France**
- **Insurance indemnities not taken into account**

➢ **Increase in traffic for all Eurotunnel Shuttles and for Eurostar:**
  - Truck Shuttles (+41%), Passenger Shuttles (cars +17%, coaches +8%)
  - Eurostar (+6%)

➢ **Substantial increase in revenues (+22%) compared to first half 2009, at a constant exchange rate:**
  - Shuttle Services revenues increased by 17%
  - Revenues from the railway network increased by 5%
  - Rail freight operator revenues: €29 million

➢ **Channel Tunnel Concession operating costs down by €14 million**

➢ **Operating margin up 3% to €143 million**

➢ **The net result takes no account of insurance indemnities: loss of €45 million**

The first half of 2010 has seen significant progress in all traffic (Eurotunnel Shuttles and Eurostar) and an increase in the Group's revenues, despite the economic situation remaining difficult and the bad weather at the start of the year. The return of truck traffic increased during the second quarter. Results would have been higher had €48 million of indemnities for losses resulting from the fire in September 2008 not been blocked since May 2009.

Jacques Gounon, Chairman and Chief Executive of Groupe Eurotunnel SA, stated, ***"I am pleased that traffic and revenues have both increased in the current economic crisis. However, if our insurance payments remain blocked, we shall be unable to declare a profit this year".***

[1] All comparisons with 2009 are made at a constant exchange rate of £1=€1.178.

Key events in the first half year

- **Eurotunnel continues its expansion through the acquisition of GB Railfreight Limited (GBRf), the third largest rail freight operator in the UK on 28 May 2010. This complements the existing rail freight business, Europorte France, to offer a complete cross-Channel rail freight proposition.**

- **Groupe Eurotunnel successfully tendered for the contract to manage the rail freight zone at the port of Dunkirk.**

- **Wind farm inaugurated on Coquelles terminal.**

- **In preparation for the London 2012 Olympic Games Eurotunnel has installed living quarters to enable a permanent military presence on the terminal in Coquelles.**

- **Having been selected to join the MSCI Global and MSCI Growth indices, on 10 February, Groupe Eurotunnel became part of the CAC Next 20 on the NYSE Euronext, from 22 June.**

- **Eurotunnel is also part of a British consortium bidding to acquire High Speed 1, which is being sold by the UK Government.**

Improving activity levels

Eurotunnel continues to demonstrate its significant presence in the cross-Channel market with very strong growth in both Shuttle Services (cars and trucks) and in the number of Eurostar passengers. During the first half-year, despite the bad winter weather and following the closure of air transport as a result of the volcanic eruption in Iceland, like for like growth has been significant, with a substantial 11% increase in revenues at a constant exchange rate, with a notable contribution from Eurotunnel's Shuttle Services (+17%). Market share recovery continues following the fire in September 2008, which resulted in one section of the Tunnel being unavailable until February 2009, and which had an important impact on commercial services.

The cross-Channel truck market continues to be affected by the economic situation, with a decline in the market estimated at 17% for the first half of 2010 compared to 2008. Truck Shuttle traffic, however has increased by 41% compared to the first half of 2009 (+35% in the first quarter and +48% in the second).

With the consolidation of Europorte and its subsidiaries (€29 million) since 1 January 2010, the increase in Eurotunnel's revenues is 22%. However, GBRf is not yet consolidated.

Revenues resulting from the use of Eurotunnel's railway network increased by 5%, stimulated by Eurostar's performance which was helped by the Icelandic volcano.

Costs under control

During the first six months, the Concession's operating costs were reduced by €14 million, of which €5 million came from the reduction in insurance premiums. The increase in staffing costs is directly related to the increase in size of the Group through the acquisition of Europorte's French subsidiaries which brought c. 600 new staff.

The operating margin (EBITDA) is €143 million, an increase of 3% compared to the first half of 2009, despite the absence of insurance indemnities for operating losses following the fire in September 2008, even though an amount of €37 million was taken into account in the first half of 2009.

Excluding insurance indemnities in the first half of 2009, and with all else being equal, the EBITDA increased by 39%.

The net result shows a loss of €45 million compared to the €5 million loss for the first half of 2009. This result is impacted by two main elements: the increase in financial charges linked to the increase in inflation, particularly in the UK, and the absence of payments from the insurers.

The cash situation has improved, with cash of €281 million at 30 June 2010, after the purchase of GBRf for €30 million; the net cash inflow for the first half of 2010 was €17 million.

Appendix 1: traffic and revenue tables for the first half of 2010

Appendix 2: half-yearly financial report for the six months to 30 June 2010

For media enquiries contact the press office on +44 (0) 1303 284491
Email: press@eurotunnel.com

For investor enquiries contact Michael Schuller on +44 (0) 1303 288749
Email: Michael.schuller@eurotunnel.com

APPENDIX 1: TABLES SHOWING REVENUE AND TRAFFIC FOR THE FIRST HALF OF 2010

REVENUE

Reminder: first quarter (January - March)

€ million	1st quarter 2010	1st quarter 2009 restated*	% change	1st quarter 2009 published**
Shuttle Services	71.3	61.7	+16%	60.4
Railway network	56.9	54.6	+4%	53.6
Other revenues	1.9	2.0	-3%	2.0
Sub-total Concession	**130.1**	**118.3**	**+10%**	**116.0**
Rail freight operator	14.3	-	-	-
Revenue	**144.4**	**118.3**	**+22%**	**144.6**

* *Average exchange rate: £1=€1.124*

** *Average exchange rate: £1=€1.074*

Second quarter (April - June)

€ million	2nd quarter 2010	2nd quarter 2009 restated*	% change	2nd quarter 2009 published**
Shuttle Services	99.3	84.3	+18%	82.4
Railway network	69.7	66.3	+5%	64.9
Other revenues	2.6	2.8	-9%	2.8
Sub-total Concession	**171.6**	**153.4**	**+12%**	**150.1**
Rail freight operator	15.3	-	-	-
Revenue	**186.9**	**153.4**	**+22%**	**150.1**

* *Average exchange rate for the first half of 2010: £1=€1.178*

** *Average exchange rate for the first half of 2009: £1=€1.128*

First half (January - June)

€ million	1st half 2010	1st half 2009 restated*	% change	1st half 2009 published**
Shuttle Services	171	146	+17%	143
Railway network	126	121	+5%	118
Other revenues	5	5	-	5
Sub-total Concession	**302**	**272**	**+11%**	**266**
Rail freight operator	29	-	-	-
Revenue	**331**	**272**	**+22%**	**266**

* *Average exchange rate for the first half of 2010: £1=€1.178*

** *Average exchange rate for the first half of 2009: £1=€1.128*

TRAFFIC

Reminder: 1st quarter

		1st quarter 2010	1st quarter 2009	% change
Truck Shuttles		231,264	171,675	+35%
Passenger Shuttles	Cars*	373,595	320,427	+17%
	Coaches	10,160	8,537	+19%
Eurostar**	Passengers	1,997,626	1,923,407	+4%
Rail freight***	Tonnes	298,964	275,749	+8%
	Trains	557	514	+8%

Second quarter

		2nd quarter 2010	2nd quarter 2009	% change
Truck Shuttles		269,711	182,809	+48%
Passenger Shuttles	Cars*	580,806	493,288	+18%
	Coaches	19,807	19,264	+3%
Eurostar**	Passengers	2,590,222	2,422,169	+7%
Rail freight***	Tonnes	290,080	299,254	-3%
	Trains	545	629	-13%

1st half

		1st half 2010	1st half 2009	% change
Truck Shuttles		500,975	354,484	+41%
Passenger Shuttles	Cars*	954,401	813,715	+17%
	Coaches	29,967	27,801	+8%
Eurostar**	Passengers	4,587,848	4,345,576	+6%
Rail freight***	Tonnes	589,044	575,003	+2%
	Trains	1,102	1,143	-4%

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

** *Only passengers using Eurostar to cross the Channel are included in this table, thus excluding journeys betweens Paris-Calais and Brussels-Lille.*

*** *Rail freight services by trains operators (DB Schenker on behalf of BRB, SNCF and its subsidiaries, and Europorte) using the Tunnel.*

www.eurotunnel.com

HALF-YEARLY FINANCIAL REPORT* FOR GROUPE EUROTUNNEL SA FOR THE SIX MONTHS TO 30 JUNE 2010

* *English translation of GET SA's 2010* "rapport financier semestriel" *for information purposes only.*

Contents

HALF-YEARLY ACTIVITY REPORT AT 30 JUNE 2010

For a better comparison between the two periods, Groupe Eurotunnel SA's consolidated income statement for the first half of 2009 presented in this half-yearly activity report has been recalculated at the exchange rate used for the 2010 half-yearly income statement of £1=€1.178.

The four new French Europorte subsidiaries acquired on 30 November 2009 have been consolidated with effect from 1 January 2010.

On 28 May 2010, the Group concluded the acquisition of the UK rail freight company GB Railfreight Limited (GBRf); given the recent nature of this acquisition, this entity has not been consolidated in the summary half-year consolidated financial statements at 30 June 2010.

Summary

Whilst reading this half-yearly activity report, it must be remembered that the section of the Tunnel that was damaged by the fire on 11 September 2008 remained closed until 9 February 2009. This closure, as well as its consequences on the commercial activity after re-opening, had a negative impact on Shuttle services revenues of the first half of 2009, and to a lesser extent, on the revenues arising from the railway network for that same period. The activity of the first half of 2010 continues to be affected by the consequences of the fire.

For the first half of 2010, Eurotunnel has recorded organic growth of its revenues of 11% at a constant exchange rate. After integration of the €29 million contribution from the four new rail freight companies from 1 January 2010, consolidated revenues increased by 22% to €331 million.

At €171 million for the first half of 2010, Shuttle revenues have increased by 17%, reflecting the gradual recovery in market share since the complete re-opening of the Tunnel in February 2009. Revenue from the use of the railway network has increased by 5%. Excluding the €33 million additional operating expenses arising from the integration of the new companies, operating charges decreased by €14 million on a like-for-like basis, of which €5 million is due to a reduction in insurance premiums.

At €143 million, the operating margin increased by 3% despite the fact that no insurance indemnities relating to operating losses following the fire in September 2008 were recorded during the first half of 2010 (€37 million was recorded in the first half of 2009). After taking into account a reduction of €5 million in depreciation, and net other operating income of €6 million, the operating profit for the first half of 2010 at €71 million has improved by €15 million compared to the same period in 2009.

The gross cost of financing and debt service has increased by €30 million, the result of the mechanical impact of increased inflation rates on the index-linked tranche of the debt. Taking into account this increase in financial charges, and the release of provision of €29 million in 2009, Groupe Eurotunnel SA recorded a net consolidated loss of €45 million for the first half of 2010 compared to a loss of €5 million for the same period in 2009 (restated).

€ million **Exchange rate €/£**	**30 June 2010** **1.178**	**30 June 2009 restated*** **1.178**	**% change**	**30 June 2009** **1.128**
Shuttle services	171	146	+17%	143
Railway network	126	121	+5%	118
Other revenue	5	5	-	5
Sub-total Concession	302	272	+11%	266
Rail freight operator	29	-		-
Revenue	**331**	**272**	**+22%**	**266**
Other income	-	37		36
Total turnover	**331**	**309**	**+7%**	**302**
Operating expenses	(111)	(105)	+5%	(103)
Employee benefits expense	(77)	(64)	+22%	(63)
Operating margin (EBITDA)	**143**	**140**	**+3%**	**136**
Depreciation	(78)	(83)		(83)
Trading profit	**65**	**57**	**+13%**	**53**
Other operating income/(expenses)	6	(1)		(1)
Operating profit (EBIT)	**71**	**56**		**52**
Income from cash and cash equivalents	6	2		2
Gross cost of servicing debt	(125)	(95)	+31%	(93)
Net cost of financing and debt service	(119)	(93)		(91)
Other financial income and income tax expense	3	32		31
Net result: (loss)	**(45)**	**(5)**		**(8)**

* *Restated at the rate of exchange used for the 2010 half-year income statement (£1=€1.178).*

Analysis of the result

Revenues

At €302 million for the first six months of 2010, "Concession" revenues increased by 11% compared to the same period in 2009 on a like-for-like basis and at a constant exchange rate.

Total revenues for the first half of 2010 amounted to €331 million, of which €29 million was generated by the subsidiaries which have been consolidated since 1 January 2010. The revenue for the first half of 2009 was €272 million restated at the 2010 exchange rate.

Shuttle services

TRAFFIC		1st quarter (January to March)			2nd quarter (April to June)			1st half (January to June)		
		2010	2009	% change	2010	2009	% change	2010	2009	% change
Truck Shuttle		231,264	171,675	35%	269,711	182,809	48%	500,975	354,484	41%
Passenger Shuttle	Cars(*)	373,595	320,427	17%	580,806	493,288	18%	954,401	813,715	17%
	Coaches	10,160	8,537	19%	19,807	19,264	3%	29,967	27,801	8%

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

At €171 million, Shuttle revenues for the first half of 2010 increased by 17% compared to the same period in 2009.

Truck Shuttles

The cross-Channel truck market continues to be affected by the economic situation, with a market contraction estimated at 17% in the first half of 2010 compared to the first half of 2008. The market has however grown by close to 4% compared to the first half of 2009 according to the latest estimations available.

Eurotunnel's Truck Shuttle traffic volume has increased by 41% compared to the first half of 2009 (+35% for the first quarter, +48% for the second), and its market share has progressed during the course of the first half but remains below levels recorded before the fire in September 2008.

Passenger Shuttles

The car market in the first half of 2010 is estimated to have grown by approximately 8% compared to the first half of 2009 and remains stable compared to the same period in 2008 according to the latest estimations available. Eurotunnel's car volumes have increased by 17% in the first half of 2010 compared to the same period last year.

The coach market during the first half of 2010 is estimated to have increased by approximately 5% compared to the first half of 2009 according to the latest estimations available, but has contracted by close to 7% compared to the first half of 2008. Eurotunnel's traffic has increased by 8% during the first half compared to last year and consequently, market share has increased slightly.

Railway network

TRAFFIC		1st quarter (January to March)			2nd quarter (April to June)			1st half (January to June)		
		2010	2009	% change	2010	2009	% change	2010	2009	% change
Eurostar	Passengers(*)	1,997,626	1,923,407	4%	2,590,222	2,422,169	7%	4,587,848	4,345,576	6%
Rail freight trains (**)	Tonnes	298,964	275,749	8%	290,080	299,254	-3%	589,044	575,003	2%
	Trains	557	514	8%	545	629	-13%	1,102	1,143	-4%

* *Only passengers using Eurostar to cross the Channel are included in this table, thus excluding journeys betweens Paris-Calais and Brussels-Lille.*

** *Rail freight services by trains operators (DB Schenker on behalf of BRB, SNCF and its subsidiaries, and Europorte) using the Tunnel.*

During the first half of 2010, the Eurotunnel Group earned revenues of €126 million from the use of the Tunnel railway network by Eurostar passenger trains and the freight train services of the rail companies (including DB Schenker, SNCF and its subsidiaries and Europorte Channel). This revenue increased by 5% compared to the first half of 2009 at a constant exchange rate, due to the increased number of Eurostar passenger through the Tunnel (+6%) despite a 4% reduction in the number of rail freight trains using the Tunnel.

Rail freight operator

The revenue from the rail freight operator activity of €29 million for the first half of 2010 is generated by the off-Concession activities of Europorte and it subsidiaries (Europorte Channel and the four companies acquired on 30 November 2009) as well as by the management of the rail freight zone at the port of Dunkirk.

Total turnover

"Other income" for the first half of 2009 corresponded to insurance indemnities relating to operating losses following the fire in 2008 totalling €37 million (restated the 2010 exchange rate). In the light of the situation as described in note 1 to the 2010 summary half-year consolidated financial statements, no additional indemnities for operating losses have been accounted for during the first half of 2010.

Operating margin (EBITDA)

In total, **operating expenses** for the first half of the year of €111 million have increased by €6 million compared to the first half of 2009. On a like-for-like basis, these costs fell by €13 million, mainly following a reduction of €5 million in insurance premiums and savings in other areas.

In total, **employee benefits expense** for the first half of 2010 of €77 million have increased by €13 million compared to the first half of 2009 due to the change in scope. On a like-for-like basis, staff benefit expenses have remained stable.

The **operating margin** for the first half of 2010 of €143 millions has improved by 3% compared to €140 million for the first half of 2009 restated at the exchange rate used for the first half of 2010.

Operating profit (EBIT)

Depreciation charges for the first six months of 2010 have reduced by €5 million compared to the same period in 2009. This reduction is the result of in the end of depreciation on assets amortised over a period of 15 years, and the accelerated depreciation of certain equipment accounted for in the first half of 2009.

Net other operating income of €6 million for the first half of 2010 consists mainly of an income of €4.5 million resulting from the accounting of a provisional negative goodwill arising from the first consolidation of the companies acquired on 30 November 2009 (see note 3 of the of the summary half-year consolidated financial statements at 30 June 2010) and an income of €3 million resulting from a re-imbursement of VAT.

The **operating profit** for the first six months of 2010 was €71 million, an increase of €15 million compared to €56 million for the first half of 2009.

Net cost of financing and debt service

Income from cash and cash equivalents have increased by €4 million corresponding to the interest received on the re-imbursement of VAT mentioned above.

At €125 million for the first half of 2010, the **gross cost of servicing debt** has increased by €30 million compared to the first half of 2009 at a constant exchange rate as a result of the impact of increased inflation rates on the nominal value of the index-linked tranche of the debt. Interest charges have returned to a level close to that seen in the first half of 2008 before the significant fall in inflation rates in 2009. The increase in interest charges in 2010 has no impact on cash flows for the period (see "analysis of cash flows" below) as the impact of the indexation on the nominal gives rise to cash payments only upon repayment of the debt.

In the first half of 2009, the net **other financial income** of €32 million included a release of provision for risk amounting to €29 million.

Net result

The consolidated net result for Groupe Eurotunnel SA for the first half of 2010 is a loss of €45 million compared to a net loss of €5 million (restated at the 2010 exchange rate) for the first half of 2009, despite the €15 million improvement in operating profit. This €40 million deterioration in the net result is essentially due to increased interest charges of €26 million and to the impact of a release of provision in 2009 of €29 million.

Analysis of cash flows

€ millions Exchange rate €/£	30 June 2010 1.223	30 June 2009 1.174
Net cash inflow from trading	158	116
Other operating cash flows and taxation	8	(3)
Net cash inflow from operating activities	**166**	**113**
Net cash outflow from investing activities	(47)	(11)
Net cash outflow from financing activities	(102)	(129)
Increase/(decrease) in cash	**17**	**(27)**

At €166 million, the **net cash inflow from operating activities** has increased by €53 million for the first half of 2010 compared to the same period in 2009, for mainly the same reasons as those described in the analysis on the result above.

At €47 million, the **net cash outflow from investing activities**, which increased by €36 million compared to the first half of 2009, comprises the acquisition of GBRf on 28 May 2010 for €30 million, the receipt of an indemnity of €6 million relating to the rolling stock destroyed in the fire, (€10 million in 2009), and €23 million of capital expenditure (€21 million during the first half of 2009).

Net cash outflow from financing activities for the first half of 2010 amounted to €102 million, a decrease of €27 million mainly as a result of the absence of cash spent on the financial operations carried out during the first half of 2009. Cash flows from financing activities for the first half of 2010 include:

- €105 million interest paid on the Term Loan;
- a net payment of €4 million relating to treasury share transactions; and
- €8 million of interest received.

The net increase in cash for the first six months of 2010 was €17 million, compared to a net decrease of €27 million for the same period in 2009.

Debt service cover ratio

Under the terms of the Term Loan, Groupe Eurotunnel SA is required to meet certain financial covenants as described in paragraph 10.6 of the 2009 Reference Document.

The debt service cover ratio and the synthetic service cover ratio for Groupe Eurotunnel SA at 30 June 2010 were 1.75 and 1.54 respectively, and thus the financial covenants for the period were respected.

Outlook

The main risks and uncertainties by which the Eurotunnel Group may be confronted in the remaining six months of the year have not evolved significantly compared to those identified in chapter 4 “Risk factors” of the 2009 Reference Document registered with the *Autorité des marchés financiers* (the French financial markets authority) on 6 May 2010.

The Eurotunnel Group considers that for 2010 the residual consequences of the fire are limited to the uncertainties relating to the last stage of recovering its share of the truck market. The Group is covered against losses resulting from the fire up to September 2010. The effective management of costs, without compromising its efforts in terms of maintenance and quality of service, gives the Group a competitive edge in the current economic circumstances.

The Group’s business model is very sensitive to changes in traffic volumes. In the current competitive environment, the Group is pursuing its strategy to restore its truck market share, and it is therefore well placed to benefit from the recovery in the markets as and when it occurs. The activity of the rail freight subsidiaries should also be favourably impacted once the current integration process is completed. The elements described above should enable the Group in 2010 to maintain its operating margin at its current level.

The Group’s result in 2010 otherwise remains dependant on the progress of negotiations with the insurers on the amount of losses sustained as a result of the fire, and on the outcome of the legal proceedings currently under way, as described in note 1 of the 2010 summary consolidated half-year financial statements.

Other

Since 22 June 2010, Groupe Eurotunnel SA has been added to the “CAC Next 20” following the decision taken by the Expert Commission Indices Committee of NYSE Euronext on 4 June 2010.

SUMMARY CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS AT 30 JUNE 2010

Consolidated income statement

€'000	Note	30 June 2010	30 June 2009	31 December 2009
Revenue		331,346	266,117	571,133
Other income	1.1	-	36,173	69,200
Total turnover		**331,346**	**302,290**	**640,333**
Operating expenses		(110,666)	(103,704)	(195,255)
Employee benefit expense		(77,376)	(62,727)	(120,051)
Depreciation		(78,720)	(82,810)	(163,905)
Trading profit		**64,584**	**53,049**	**161,122**
Other operating income/(expenses)	5	6,525	(1,438)	207
Operating profit		**71,109**	**51,611**	**161,329**
Income from cash and cash equivalents		5,698	2,099	2,974
Gross cost of servicing debt	6	(124,367)	(93,096)	(195,118)
Net cost of financing and debt service		(118,669)	(90,997)	(192,144)
Other financial income	7	36,099	58,833	42,722
Other financial charges	7	(33,158)	(27,370)	(10,248)
Income tax expense		(230)	(119)	(228)
(Loss)/profit for the period		**(44,849)**	**(8,042)**	**1,431**
(Loss)/profit: Group share		(44,847)	(7,893)	1,564
(Loss)/profit: minority interest share		(2)	(149)	(133)
(Loss)/profit per share (€)	8	(0.10)	(0.04)	0.01
(Loss)/profit per share after dilution (€)	8	(0.08)	(0.01)	n/s

Consolidated statement of comprehensive income

€'000	30 June 2010	31 December 2009
Foreign exchange translation differences	(141,709)	(113,124)
Movement in fair value of hedging contracts (*)	(201,345)	179,697
Net income recognised directly in equity	(343,054)	66,573
(Loss)/profit for the period - Group share	(44,847)	1,564
Total comprehensive income - Group share	(387,901)	68,137
Total comprehensive income/(expense) - minority interest share	3	(734)
Total comprehensive (expense)/income for the period	**(387,898)**	**67,403**

* *Including accrued interest.*

The notes form part of these financial statements.

Consolidated balance sheet

€'000	Note	30 June 2010	31 December 2009
ASSETS			
Property, plant and equipment			
Concession property, plant and equipment	9	6,697,325	6,759,173
Other property, plant and equipment		31,297	3,917
Total property, plant and equipment		**6,728,622**	**6,763,090**
Non-current financial assets			
Investment in subsidiary undertakings	10	30,136	10,450
Other financial assets		2,867	1,847
Total non-current assets		**6,761,625**	**6,775,387**
Stock		1,148	-
Trade receivables		69,837	46,499
Other receivables	11	65,578	86,487
Other financial assets		1,973	9,312
Cash and cash equivalents		281,184	251,226
Total current assets		**419,720**	**393,524**
Total assets		**7,181,345**	**7,168,911**
EQUITY AND LIABILITIES			
Issued share capital	12	190,920	190,825
Share premium account		1,782,621	1,780,896
Other reserves	13	346,716	582,169
Other equity and similar instruments	14	225,840	215,357
(Loss)/profit for the period		(44,847)	1,564
Cumulative translation reserve		158,718	300,427
Equity – Group share	13	**2,659,968**	**3,071,238**
Minority interest share	13	51	48
Total equity		**2,660,019**	**3,071,286**
Provisions and retirement benefit obligations		21,411	17,710
Financial liabilities	15	3,820,541	3,651,467
Other financial liabilities		1,526	1,404
Interest rate derivatives	15	476,127	274,782
Other non-current liabilities		209	-
Total non-current liabilities		**4,319,814**	**3,945,363**
Provisions	16	12,552	5,883
Financial liabilities	15	10,595	10,246
Other financial liabilities		19,039	443
Trade payables		119,215	112,875
Other payables		40,111	22,815
Total current liabilities		**201,512**	**152,262**
Total equity and liabilities		**7,181,345**	**7,168,911**

The notes form part of these financial statements.

Consolidated statement of changes in equity

€'000	Issued share capital	Share premium account	Consolidated reserves	Other equity and similar instruments	Retained earnings	Cumulative translation reserve	Group share	(*)Minority interests	Total
At 31 December 2008	**75,937**	**1,136,128**	**148,253**	**1,226,319**	**43,595**	**407,697**	**3,037,929**	**2,700**	**3,040,629**
Payment of dividend					(7,343)		**(7,343)**		**(7,343)**
Merger of TNU SA	71	929	(4,936)			5,854	**1,918**	(1,918)	**-**
Cost of merger of TNU SA		(929)					**(929)**		**(929)**
Adjustment of special reserve		846	(846)				**-**		**-**
Early conversion of 2007 Warrants	41,401		(41,401)				**-**		**-**
Cost of capital increase		(637)	(7,740)				**(8,377)**		**(8,377)**
Partial buy back of NRS I			1,472	(29,422)			**(27,950)**		**(27,950)**
Reclassification relating to redemption of NRS I T1		(87,580)	87,580				**-**		**-**
Reclassification of costs relating to purchase and redemption of NRS in 2008			(79,482)	79,482			**-**		**-**
Contractual redemption of NRS I T2	9,550		74,097	(83,406)			**241**		**241**
Payment of interest on NRS in July 2009			(11,483)	12,719			**1,236**		**1,236**
Partial early redemption of NRS I T3	27,401		227,395	(249,219)			**5,577**		**5,577**
Partial contractual redemption of SDES	36,465	732,139	(27,488)	(741,116)			**-**		**-**
Acquisition/sale of own shares			799				**799**		**799**
Result for the year					1,564		**1,564**	(133)	**1,431**
Transfer to non-distributable reserves			36,252		(36,252)		**-**		**-**
Net profit/(loss) recorded directly in equity			179,697			(113,124)	**66,573**	(601)	**65,972**
At 31 December 2009	**190,825**	**1,780,896**	**582,169**	**215,357**	**1,564**	**300,427**	**3,071,238**	**48**	**3,071,286**
Transfer to non-distributable reserves			1,564		(1,564)		**–**		**–**
Dividend to be paid			(18,515)				**(18,515)**		**(18,515)**
Cost of capital increase		(208)					**(208)**		**(208)**
Adjustment of special reserve		37	(37)				**–**		**–**
Partial contractual redemption of SDES	95	1,896	(54)	(1,937)			**–**		**–**
Amortisation of NRS costs (redemption in July 2010)			(12,420)	12,420			**–**		**–**
Acquisition/sale of own shares			(3,791)				**(3,791)**		**(3,791)**
Change in scope of consolidation (**)			(855)				**(855)**		**(855)**
Result for the period					(44,847)		**(44,847)**	(2)	**(44,849)**
Net profit/(loss) recorded directly in equity			(201,345)			(141,709)	**(343,054)**	5	**(343,049)**
30 June 2010	**190,920**	**1,782,621**	**346,716**	**225,840**	**(44,847)**	**158,718**	**2,659,968**	**51**	**2,660,019**

* *See note 13 below.*

** *Change in the net situation of the Europorte entities acquired between the date of the business combination on 30 November 2009 and the date on which they were first consolidated on 1 January 2010 (see note 3 below).*

The notes form part of these financial statements.

Consolidated statement of cash flows

€'000	30 June 2010	30 June 2009	31 December 2009
Result for the period: (loss)/profit	(44,849)	(8,042)	1,431
Income tax expense	230	119	228
Other financial income	(2,941)	(31,463)	(32,474)
Net cost of financing and debt service	118,669	90,997	192,144
Other operating (income) and expenses	(6,525)	1,438	(207)
Depreciation	78,720	82,810	163,905
Trading profit before depreciation	**143,304**	**135,859**	**325,027**
Exchange adjustment (*)	3,724	3,567	1,195
Decrease/(increase) in trade and other receivables	1,343	(15,413)	(38,892)
Increase/(decrease) in trade and other payables	9,714	(8,460)	(11,391)
Net cash inflow from trading	**158,085**	**115,553**	**275,939**
Other operating cash flows	7,790	(2,054)	5,391
Taxation	(24)	(44)	18
Net cash inflow from operating activities	**165,851**	**113,455**	**281,348**
Payments to acquire property, plant and equipment	(23,326)	(21,370)	(40,615)
Sale of property, plant and equipment	719	7	132
Receipt of compensation for rolling stock	5,720	10,000	10,000
Acquisition of shareholdings in subsidiary undertakings	(30,130)	-	(19,342)
Cash advance to a non-consolidated subsidiary (see note 17.1 below)	(1,414)	-	-
Net cash from subsidiaries entering into consolidation scope	1,792	-	-
Net cash outflow from investing activities	**(46,639)**	**(11 363)**	**(49,825)**
Dividend paid	-	-	(7,343)
Share issue costs	(693)	-	(9,237)
Redemption and partial buy back of NRS	-	(29,411)	(29,696)
Interest paid on redeemed NRS	-	(484)	-
Interest paid on Term Loan	(77,369)	(90,188)	(165,697)
Interest paid on hedging instruments	(27,670)	(11,988)	(35,286)
Interest paid on the NRS	-	-	(18,088)
Purchase of own shares	(14,329)	(2,594)	(9,616)
Interest received on cash and cash equivalents	7,610	2,076	2,845
Other interest received	19	103	162
Proceeds from sale of own shares	10,544	3,042	10,400
Net cash outflow from financing activities	**(101,888)**	**(129,444)**	**(261,556)**
Increase/(decrease) in cash in period	**17,324**	**(27,352)**	**(30,033)**

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

Movements during the period

€'000	30 June 2010	30 June 2009	31 December 2009
Cash and cash equivalents at 1 January	251,226	275,908	275,908
Increase/(decrease) in cash in the period	17,324	(27,352)	(30,033)
Increase/(decrease) in interest receivable in the period	99	(29)	1
Effect of movement in exchange rate	12,535	8,691	5,350
Cash and cash equivalents at the end of the period	**281,184**	**257,218**	**251,226**

The notes form part of these financial statements.

Notes to the summary financial statements

Groupe Eurotunnel SA (GET SA) refers to the holding company governed by French law, whose registered office is at 19 boulevard Malesherbes, 75008 Paris, France. GET SA is the consolidating entity of the Group and its shares are listed on Euronext Paris and the London Stock Exchange.

The term “Group” or “Eurotunnel Group” refers to Groupe Eurotunnel SA and all its subsidiaries.

The principal activities of the Group are the design, financing, construction and operation of the Fixed Link, in accordance with the terms of the Concession, and the development of the rail freight activity. The Concession will expire in 2086.

1 Important events

1.1 Consequences of the fire in September 2008

Activity in the first half of 2010 continues to be affected by the consequences of the fire on 11 September 2008 as described in note A1 to the consolidated financial statements for the year ended 31 December 2009.

During the first half of 2010, the Eurotunnel Group received €16 million compensation from its second layer insurers (see note 11 below), thus bringing the total insurance compensation received from its insurers to €157 million at 30 June 2010.

Following the demand for compensation from the Railways described in note A1 of the consolidated financial statements for the year ended 31 December 2009, the Group initiated proceedings before the French court of arbitration in April 2010 with a view to establishing that Eurotunnel does not have an obligation under the Railway Usage Contract to insure the Railways for their operating losses and that the Railways have not contributed to the premium relating to the cover against operating losses under the Group’s insurance policies.

Furthermore, Eurotunnel, which was not party to the legal proceedings initiated by the Railways against the Group’s insurers in May 2009, decided in June 2010 to associate itself voluntarily with these proceedings in order to assert its rights.

These proceedings were still ongoing at the date on which these 2010 half-year summary financial statements were drawn up.

In this context, GET SA has not accounted for any additional insurance indemnities to be received for operating losses prior to 2010 nor for operating losses incurred during the first half of 2010.

As indicated in note A1 to the consolidated financial statements for the year ended 31 December 2009, the Group’s operating losses remain covered by insurance up to September 2010.

1.2 Acquisition of the company GB Railfreight on 28 May 2010

On 28 May 2010, the Group concluded the acquisition of the company GB Railfreight Limited (GBRf) for £25.7 million (equivalent to €30.1 million). Due to the recent nature of this acquisition, this company has not been consolidated in the accounts of GET SA at 30 June 2010. The share holding is accounted for under “investment in subsidiary undertakings” at 30 June 2010 (see note 10 below).

2 Basis of preparation and significant accounting policies

2.1 Statement of compliance

The half-year summary consolidated financial statements have been prepared in accordance with IAS 34 and accordingly do not contain all the information necessary for complete annual financial statements and must be read in conjunction with Groupe Eurotunnel SA’s consolidated financial statements for the year ended 31 December 2009.

The half-year summary consolidated financial statements for 2010 were drawn up by the board of directors on 16 July 2010. There have been no significant events between 30 June and 16 July 2010.

2.2 Scope of consolidation

The half-year consolidated financial statements for Groupe Eurotunnel SA and its subsidiaries are prepared as at 30 June. The basis of consolidation at 30 June 2010 is the same as that used for Groupe Eurotunnel SA’s annual financial statements to 31 December 2009, with the exception of the entry into the consolidation of the following four subsidiaries: Europorte France, Europorte Link, Europorte Proximité and Socorail. Since 30 November 2009, these four companies have been wholly-owned by the Group, and have been fully consolidated in GET SA’s accounts since 1 January 2010 (see note 3 below).

2.3 Basis of preparation and presentation of the consolidated financial statements

The half-year summary consolidated financial statements have been prepared using the principles of currency conversion as defined in the 2009 annual financial statements.

The average and closing exchange rates used in the preparation of the 2010 and 2009 half-year accounts and the 2009 annual accounts are as follows:

€/£	30 June 2010	30 June 2009	31 December 2009
Closing rate	1.223	1.174	1.126
Average rate	1.178	1.128	1.119

2.4 Principal accounting policies

The half-year summary consolidated financial statements have been prepared in accordance with IFRS. The accounting principles and bases of calculation used for these half-year summary consolidated financial statements are consistent in all significant aspects with those used for GET SA's 2009 annual consolidated financial statements.

The following standards and interpretations became applicable to the Group on 1 January 2010:

- the revised IFRS 3R "Business Combinations" and IAS 27R "Consolidated and Separate Financial Statements" which have been applied at 1 January 2010 in order to account for the business combination relating to the integration into the consolidation scope of the new rail freight subsidiaries (see note 3 below);
- the amendment to IAS 39 relating to the eligibility of hedging elements, the amendments to IFRS 2 relating to cash settled intra-group transactions, the interpretation IFRIC 12 "Service Concession Arrangements"; the interpretation IFRIC 15 "Agreements for the Construction of Real Estate"; the interpretation IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"; the interpretation IFRIC 17 "Distributions of Non-cash Assets to Owners"; and the interpretation IFRIC 18 "Transfers of Assets from Customers": these amendments and interpretations have not had an impact on the results of the Group, nor on its financial situation.

The Group has not opted for early adoption of standards, amendments and interpretations published by the IASB but not yet adopted by the European Union.

The Group does not expect that these standards, amendments and interpretations, the application of which is not mandatory from 1 January 2010 and which may be adopted early, will have any significant impact on its results or its financial situation.

2.5 Use of estimates

As in the 2009 annual financial statements, the estimations underlying the preparation of the summary half-year financial statements at 30 June 2010 were made in a context of continued strong volatility in the markets and of the economic and financial crisis which have been characterised by undoubted difficulty in determining the outlook for the future.

2.6 Business combinations and goodwill

Business combinations are recorded in accordance with the acquisition accounting method as set out in the revised IFRS 3. Under this method, assets acquired and liabilities and contingent liabilities assumed are recorded at fair value.

Goodwill represents the excess of the acquisition price over the fair value of the identifiable assets, liabilities and contingent liabilities acquired. It is valued in the functional currency of the entity acquired and is accounted for on the balance sheet.

Pursuant to IFRS, goodwill is not amortised but is subject to impairment tests performed annually as soon as there is evidence calling into question the net carrying amount.

Where the fair value of assets, liabilities and contingent liabilities acquired exceeds the acquisition price, "negative goodwill" is immediately recorded in the income statement.

Costs directly attributable to business combinations were accounted for under the period's operating result.

3 Business combinations

Acquisition of the new rail freight subsidiaries

The four rail freight subsidiaries acquired by the Group on 30 November 2009, have been consolidated with effect from 1 January 2010.

In accordance with the revised IFRS 3, the initial value of assets and liabilities are provisional at 30 June 2010, and the Group has twelve months from the acquisition date to finalise allocation of the acquisition price and to harmonise accounting methods and measurement principles.

€'000	Historic value at 30 November 2009	Initial value in Groupe Eurotunnel's balance sheet
Property, plant and equipment	38,799	26,264
Other non-current assets	418	418
Total non-current assets	**39,217**	**26,682**
Cash and cash equivalents	5,065	5,065
Other current assets	23,610	23,610
Total current assets	**28,675**	**28,675**
Total assets	**67,892**	**55,357**
Provisions and other liabilities	(32,199)	(38,802)
Total liabilities	**(32,199)**	**(38,802)**
Provisional negative goodwill		(*) (4,500)
Total cost of the acquisition		**12,055**

* *See note 5 below.*

The total cost of the acquisition indicated in the table above corresponds to the amount paid at the acquisition date and the contractual price adjustment as estimated by the Group on 30 June 2010.

As part of the work to determine the initial balance sheet values, the evaluation of the assets and liabilities acquired at their fair value led the Group to revise the value in use of the locomotives and to record a provision for risks and charges. This work will be completed in the second half of the year.

4 Segment reporting

Following development of its rail freight activity, notably with the acquisitions referred to in note 3 above, the Group is organised around the following activities:

- the segment "Tunnel Concession", and
- the segment "Rail freight operator and other" which includes the activities of Europorte, Europorte Channel, the newly-acquired entities (Europorte France, Europorte Link, Europorte Proximité and Socorail), as well as the activity of managing the rail freight zone at the port of Dunkirk.

€'000	Tunnel Concession	Rail freight operator and other	Elimination	Total
Total turnover	301,743	29,603	-	331,346
Trading profit	69,183	(4,599)	-	64,584

5 Other operating income and (expenses)

€'000	30 June 2010	30 June 2009	31 December 2009
Legal and financial restructuring	(1,086)	(1,285)	701
Settlements received from governments	-	-	8,000
Cost of acquiring new subsidiaries	(587)	-	(1,492)
Provisional negative goodwill (see note 3 above)	4,500	-	-
Other	3,698	(153)	(7,002)
Total	**6,525**	**(1,438)**	**207**

6 Gross cost of servicing debt

€'000	30 June 2010	30 June 2009	31 December 2009
Interest on loans before hedging	75,921	87,834	164,459
Adjustments relating to hedging instruments	27,276	12,463	36,257
Effective rate adjustment	381	339	714
Sub-total	**103,578**	**100,636**	**201,430**
Inflation indexation of the nominal	20,591	(8,522)	(7,784)
Accretion expense of the NRS	198	982	1,472
Total gross cost of servicing debt after hedging	**124,367**	**93,096**	**195,118**

The inflation indexation of the nominal reflects the effect of the levels of French and British inflation rates in the period on the nominal amount of Tranches A1 and A2 of the Term Loan as described in note S.1i of the annual consolidated financial statements at 31 December 2009.

7 Other financial income and (charges)

€'000	30 June 2010	30 June 2009	31 December 2009
Unrealised exchange gains (*)	34,268	29,133	10,525
Realised exchange gains	1,575	554	932
Release of provision for depreciation and risks	-	28,568	28,482
Other	256	578	2,783
Financial income	**36,099**	**58,833**	**42,722**
Unrealised exchange losses (*)	(31,945)	(26,590)	(9,185)
Realised exchange losses	(1,163)	(569)	(947)
Other	(50)	(211)	(116)
Financial charges	**(33,158)**	**(27,370)**	**(10,248)**
Total	**2,941**	**31,463**	**32,474**

* *A net amount of €2,323,000 resulting from the re-evaluation of intra-group debtors and creditors at 30 June 2010 (30 June 2009: €2,543,000, 31 December 2009: €1,340,000).*

In 2009, the release of provision for depreciation and risks of €28 million follows the ending of certain legal proceedings relating to the safeguard plan.

8 Earnings per share

		30 June 2010	30 June 2009	31 December 2009
Weighted average number:				
- of issued ordinary shares		477,117,282	189,884,376	280,908,813
- of treasury shares		(14,271,893)	(6,355,870)	(10,018,006)
Number of shares used to calculate the result per share (A)		**462,845,389**	**183,528,506**	**270,890,807**
- conversion of NRS (2010)	i	52,975,341	148,146,900	52,975,341
- conversion of 2007 Warrants (2011)	ii	35,588,160	146,438,893	35,588,160
- conversion of SDES (2010)	i	3,487,607	94,888,000	3,723,760
- return on SDES (2009)		-	2,400,000	–
- conditional additional return on SDES (2011)	iii	3,939,173	4,320,000	4,089,176
- conditional additional return on 2008 rights issue (2011)	iv	2 549 938	2,770 989	2,639,602
Potential number of ordinary shares (B)		**98 540 219**	**398,964,782**	**99,016,039**
Number of shares used to calculate the diluted result per share (A+B)		**561,385,608**	**582,493,288**	**369,906,846**
(Loss)/profit (€'000) (C)		(44,847)	(7,893)	1,564
(Loss)/profit per share (€) (C/A)		**(0.10)**	**(0.04)**	**0.01**
(Loss)/profit per share after dilution (€) (C/(A+B))		**(0.08)**	**(0.01)**	**n/s**

The calculations were made on the following basis:

(i) on the assumption of a conversion of the maximum number of NRS I and SDES remaining in circulation 30 June 2010 (see note 14 below);

(ii) on the assumption of a conversion of the maximum number of 2007 Warrants remaining in circulation at 30 June 2010 (see note 12.2 below);

(iii) on an estimation of the number of ordinary shares to be attributed to the original holders of the SDES who keep their SDES until the date of their redemption in new ordinary shares and then keep these ordinary shares issued in redemption of the SDES until 6 March 2011 (see note 14.2 below), by the issue of 5.4 new or existing additional ordinary shares per SDES held. On the basis of information available at 30 June 2010, the maximum number of additional ordinary shares that may be attributed is 3,939,173; and

(iv) on an estimation of the number of additional ordinary shares to be attributed as part of the exercise of the BSA as described in the Securities Note issued in April 2008. Persons having held until 6 March 2011 the new ordinary shares for which they subscribed upon exercise of the BSA or which they acquired directly from the underwriters on the settlement-delivery date shall receive one additional ordinary share for 22 new ordinary shares subscribed for upon exercise of the BSA or acquired in connection with the share placement in May 2008. The maximum number of additional ordinary shares which could have been attributed as part of the exercise of the BSA was 4,755,554, but this has been reduced to 2 549 938 based on information available at 30 June 2010, as certain persons having sold their shares, no longer qualify. As a consequence, the Eurotunnel Group has reduced the special reserve set up for this purpose by €37,000 in the first half of 2010 (see note 13.3 below).

9 Property, plant and equipment

At 30 June 2010, the Eurotunnel Group has not identified any indication of impairment.

10 Investment in subsidiary undertakings

At 30 June 2010, the €30,130,000 relates to Europorte SAS's holding in its new subsidiary GBRf acquired from the FirstGroup on 28 May 2010, which is not consolidated at 30 June 2010 (see notes 1.2 above).

The assets and liabilities of GBRf at 31 March 2010, which are prepared under UK GAAP, are presented below. During the second half of 2010 they will be retreated in accordance with IFRS as applied by the Eurotunnel Group and the allocation of the purchase price will be made. For the accounting year 1 April 2009 to 31 March 2010, the company generated revenues of £57 million and made a net profit of £3 million.

€'000	
Non-current assets	4,356
Current assets	18,044
Total assets	**22,400**
Liabilities	(15,599)
Net assets	**6,801**

At 31 December 2009, the €10,450,000 related to the shares acquired in the four new subsidiaries Europorte France, Europorte Link, Europorte Proximité et Socorail (see note 2.2 above).

11 Other receivables

€'000	**30 June 2010**	**31 December 2009**
Suppliers	217	140
State debtors	12,726	24,751
Prepayments	14,415	3,041
Insurance indemnities to be received	35,386	50,667
Other	2,834	7,888
Total	**65,578**	**86,487**

During the first half of 2010, insurance indemnities relating to the fire in September 2008 totalling €16 million were received from insurers.

12 Share capital and 2007 Warrants

12.1 Share capital

€'000		
At 1 January 2009	189,841,915 ordinary shares of €0.40 and 1 preference share of €0.01	75,937
Consideration for the merger of TNU SA	178,730 ordinary shares of €0.40 each	71
Simplified public exchange offer on the 2007 Warrants	103,502,084 ordinary shares of €0.40 each	41,401
Redemption of NRS I Tranche 2	23,874,256 ordinary shares of €0.40 each	9,550
Redemption of SDES from 6 September 2009 to 31 December 2009	91,163,869 ordinary shares of €0.40 each	36 465
Partial redemption of NRS I Tranche 3 on 25 November 2009	68,502,375 ordinary shares of €0.40 each	27 401
At 31 December 2009	**477,063,229 ordinary shares of €0.40 and 1 preference share of €0.01**	**190,825**
Cancellation of the preference share and conversion into an ordinary share	-1 preference share of €0.01 and +1 ordinary share of €0.40	0
Redemption of SDES from 1 January to 30 June 2010	236,104 ordinary shares of €0.40	95
At 30 June 2010	**477,299,334 ordinary shares of €0.40**	**190,920**

At 30 June 2010, the issued share capital of GET SA amounted to €190,919,733.60 divided into 477,299,334 fully paid-up GET SA ordinary shares with a nominal value of €0.40 each.

On 12 February 2010, the board of directors recorded, in accordance with article 37 of the company's by-laws, the ending of the effects of the temporary specific rights attached to GET SAs preference share, this share thereby automatically reverting to an ordinary share of GET SA with effect from 1 January 2010.

In accordance with the terms of the SDES (see note 14.2 below), GET SA began the redemption of the SDES from 6 September 2009, which resulted in the issue of 236,104 ordinary shares in the first half of 2010.

Treasury shares

At 30 June 2010, GET SA held 14,496,608 shares purchased by the company as part of the share buy back programme renewed by the general meeting of shareholders on 26 May 2010 and implemented by decision of the board of directors on 26 May 2010, and 328,284 shares purchased under the liquidity agreement.

12.2 2007 Warrants

At 30 June 2010, 1,046,710,613 2007 Warrants remained in circulation following the simplified public exchange offer in 2009, giving the right to issue up to 35,588,160 GET SA ordinary shares on exercise, as initially planned, in 2011.

The fair value of the 2007 Warrants can be estimated by reference to market value: on this basis, the fair value of the 2007 Warrants at 30 June 2010 was €198 million (€232 million at 31 December 2009).

13 Changes in equity

13.1 Dividend

On 26 May 2010, Groupe Eurotunnel SA's shareholders' general meeting approved the payment of a dividend relating to the financial year ended 31 December 2009, of 4 cents of a euro per consolidated share. This dividend, which will be paid on 22 July 2010, was accounted for in the balance sheet under "other current financial liabilities" for a total of €18 million.

13.2 Minority interests

Groupe Eurotunnel SA fully owns all of the consolidated subsidiaries with the exception of TNU PLC, of which it continues to hold 99.32%.

13.3 Special reserve

In 2008, a specific non-distributable reserves account was set up which will be used to issue the additional ordinary shares in respect of the conditional additional return on the rights issue of 4 June 2008. This reserve was adjusted at 30 June 2010 to take into account the reduction in the maximum number of ordinary shares that may be issued (see note 8(iv) above).

14 Other equity and similar instruments

14.1 Notes Redeemable in Shares (NRS)

The NRS were issued by EGP on 28 June 2007. Originally divided into two series, the NRS I and the NRS II, the NRS II were redeemed early in cash in 2008. At 30 June 2010, only 2,035,947 NRS I remained in circulation, which are traded on Euronext Paris and on the London Stock Exchange. The detailed characteristics of the NRS are set out in chapter 2 of the securities note issued in April 2007. As part of the consolidation of shares in November 2007 and the rights issue in June 2008, the redemption ratio of the NRS was adjusted to 26.02 shares per NRS.

Transaction costs directly attributable to the NRS have been allocated in full to the equity component, and no allocation to the liability component has been made due to the fact that the impact of this was not considered material.

The NRS I carry interest at a rate of 3% per annum, and are not redeemable in cash. The evolution in the number of NRS I in circulation and the effect of their redemption are given in the following table:

	Tranche 2	Tranche 3	Total
Balance at 1 January 2010 and 30 June 2010:			
Number of notes	(*)9	2,035,938	2,035,947
Nominal value in £	272.80	54,880,676.40	54,880,949.20
Nominal value in €	500.00	123,123,600.00	123,124,100.00
Maximum number of GET SA ordinary shares resulting from redemption	234	52,975,107	52,975,341
Date of contractual redemption	-	28 July 2010	

* *Due but not yet presented.*

14.2 Subordinated Deferred Equity Securities (SDES)

Issue

On 6 March 2008, GET SA issued 800,000 SDES with a nominal value of €1,000 each, for a total amount of €800 million. The characteristics of this issue are described in the securities note of 20 February 2008. The SDES were admitted to listing and trading on the regulated market of the Luxembourg Stock Exchange with effect from their issue date.

Redemption

Each SDES entitles its holder to receive 118.61 shares. The SDES may be redeemed in ordinary shares at the option of their holders at any time up to 6 September 2010. In total, the number of ordinary shares issued on redemption of the SDES will give rise to an increase in capital of €37,955,200.

Between 6 September 2009 and the 31 December 2009, 768,605 SDES were redeemed, resulting in the issue of 91,163,869 GET SA ordinary shares.

Between 1 January 2010 and 30 June 2010, 1,991 SDES were redeemed, resulting in the issue of 236,104 GET SA ordinary shares.

The 29,404 SDES remaining at 30 June 2010 will give rise to a maximum of 3,487,607 GET SA ordinary shares which may be redeemed up to 6 September 2010.

Conditional additional return

A conditional additional return will be paid to initial SDES subscribers who hold their SDES until the date of their redemption in new ordinary shares then the new ordinary shares issued upon redemption of SDES until 6 March 2011. The conditional additional return will be paid, at the option of GET SA and in accordance with the terms described in section 7.2 of the securities note, either in cash, or in new or existing additional ordinary shares (on the basis of 5.4 new or existing additional ordinary shares per SDES initially subscribed).

The maximum number of new additional ordinary shares that may be issued in respect of the conditional additional return will be 3,939,173 (see note 8(iii) above).

15 Financial liabilities

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

€'000	31 December 2009 published	31 December 2009 restated (*)	Interest and indexation	30 June 2010
Non-current financial liabilities				
Term Loan	**3,651,467**	3,798,867	21,674	**3,820,541**
Total non-current financial liabilities	**3,651,467**	**3,798,867**	**21,674**	**3,820,541**
Current financial liabilities				
Liability component of the NRS	**5,772**	5,772	198	**5,970**
Accrued interest: on Term Loan	**4,474**	4,656	(31)	**4,625**
Total current financial liabilities	**10,246**	**10,428**	**167**	**10,595**
Total	**3,661,713**	**3,809,295**	**21,841**	**3,831,136**

* *The financial liabilities at 31 December 2009 (calculated at the year end exchange rate of £1=€1.126) have been recalculated at the exchange rate at 30 June 2010 (£1=€1.223) in order to facilitate comparison. The liability component of the NRS is accounted for at the historic rate.*

Interest rate exposure

The Eurotunnel Group has hedging contracts in place 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 4.85% and LIBOR against a fixed rate of 5.2%). No premiums were paid to obtain these contracts. The nominal value of the swaps is €953 million and £350 million.

These derivatives generated a net charge of €27,276,000 during the first six months of 2010, which has been accounted for in the income statement (a net charge of €12,463,000 during the first six months of 2009).

In accordance with IAS 39, these derivatives have been measured at their fair value on the balance sheet as a liability of €355.8 million for the euro-denominated contracts and as a liability of £98.4 million for the sterling-denominated contracts (31 December 2009: liability of €195 million for the euro-denominated contracts and as a liability of £71 million for the sterling-denominated contracts).

16 Provisions

€'000	1 January 2010	Change in scope	Charge to income statement	Release of unspent provisions	Provisions utilised	Exchange difference	30 June 2010
Restructuring	4,855				(8)		**4,847**
Other	1,028	6,684	7		(14)		**7,705**
Total	**5,883**	**6,684**	**7**	**-**	**(22)**	**-**	**12,552**

The provision for restructuring corresponds to the estimated remaining cost of the Group's commitments in relation to the operational restructuring, as well as to certain specific risks associated with the execution of the safeguard plan.

The change in the scope of €6,684,000 results from the consolidation of the four new companies with effect from 1 January 2010 (see note 3 above).

17 Related party transactions

17.1 Eurotunnel Group subsidiaries

As part of its centralised cash pooling management, at 30 June 2010 the Group has accounted for an advance of £1.2 million paid to its subsidiary GBRf (not consolidated at 30 June 2010).

17.2 Other related parties

During the financial restructuring in 2007, the Eurotunnel Group concluded interest rate hedging contracts with financial institutions, in the form of swaps. Goldman Sachs International was one of the counterparties to these hedging contracts, and at 30 June 2010 held 2.7% of the contracts, representing a charge of €0.7 million in the first half of 2010 and a liability of €12.9 million at 30 June 2010.

Two of Goldman Sachs's infrastructure funds (GS Global Infrastructure Partners I, L.P., et GS International Infrastructure Partners I, L.P., together known as GSIP) redeemed their SDES in GET SA ordinary shares in September 2009, and thereby hold approximately 17% of GET SA's share capital at 30 June 2010.

18 Post balance sheet events

Nothing to report.

DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF YEARLY FINANCIAL REPORT AT 30 JUNE 2010

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 Groupe Eurotunnel SA and of all the companies included in the consolidation, and that this half-yearly 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 of Groupe Eurotunnel SA,

16 July 2010

STATUTORY AUDITORS' REPORT ON THE 2010 HALF-YEARLY FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and is construed in accordance with, French Law and professional auditing standards applicable in France.

To the Shareholders,

Following our appointment as statutory auditors by your Annual General Meeting and in accordance with article L. 451-1-2 III of the French Monetary and Financial Law ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying summary half-year consolidated financial statements of Groupe Eurotunnel SA for the six-month period ended 30 June 2010, as attached to the present report;
- the verification of the information contained 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 – the standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information given 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.

The statutory auditors, Paris La Défense, 16 July 2010

KPMG Audit *Department of KPMG S.A.*	Mazars
Fabrice Odent *Partner*	Thierry de Bailliencourt *Partner*