

# **ETAG**

## **EGMs**

### **for TNU PLC & TNU SA**

**(formerly Eurotunnel PLC & Eurotunnel SA)**

**21<sup>st</sup> December 2007**

## **Commentary from the Steering Committee**

### **Content**

The purpose of the meetings is to sanction the implementation of the strategy foreshadowed in the Exchange Tender Offer documents, namely:

1. Eliminate the former losses brought forward, to enable dividends to be paid up to the new holding company, Groupe Eurotunnel SA (GET SA).
2. Issue new shares in TNU PLC & TNU SA to GET SA in exchange for debt, thus massively diluting the residual minority's interest.
3. Provide for the issue of shares to staff up to 1% of the total equity in issue.

### **Observations**

The information given on the documentation appears to be the minimum required to comply with statutory requirements in England and France. Without further detail, it is not possible to comment in detail on the overall effect on the group structure and its operation. However:

1. No reference is made to travel rights, which are not affected by the proposed transactions.

2. It is clear that TNU PLC & TNU SA will remain as part of the group for the time being, and that staff may have an interest in their future prosperity. It is TNU PLC which has the liability for the Foundation Shareholders' travel rights.
3. Channel Tunnel Group Ltd (CTG), which holds the concession from the English & French governments, will continue to remain a subsidiary of TNU PLC.
4. Income from core operations will continue to be generated by TNU PLC & TNU SA and their subsidiaries including CTG and will be channelled via TNU PLC & TNU SA to GET SA.
5. The effect should be to make the group as a whole, including TNU PLC & CTG, soundly based enterprises well placed to secure the continuing travel rights.

## Action

No action is required. As GET SA presently controls about 93% of the share capital of TNU PLC & TNU SA it can pass any resolutions it wishes that are within the law.

## Attendance at EGMs

ETAG will be represented at the EGMs, primarily to observe. It has always been our view that the future prosperity of Eurotunnel was a prerequisite to the security of the travel rights, and the steps M Gounon is putting in place are steps in the right direction.

20.11.07

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**Note:** The GET SA share price quoted on Eurotunnel's website (accessible via the link near the head of ETAG's website, [www.ETAG.uk.com](http://www.ETAG.uk.com)), now reflects the 1 for 40 consolidation, although the prices shown on our links to the Paris Bourse are still in unconsolidated form.