

ETAG

Progress Report from the Steering Committee

14th April 2007

Press Coverage

- Since ETAG was launched two weeks ago, our efforts have been focussed on getting as much coverage in the press as possible. This is critically important, not only to demonstrate to Eurotunnel how serious we are, but, most importantly, to make contact with all the affected shareholders who are still not aware of what is happening.
- We are reasonably pleased with the results of these efforts. We've appeared on the front page of the Daily Telegraph business section twice, had two good pieces in the Daily Mail, good coverage in the Guardian as well as commentary in the Times, Independent and Evening Standard. The story has now been picked up by the regional press as well. We have also had interviews on Radio Five Live, the Today programme on Radio Four and Radio Kent.
- We are disappointed not to get the Financial Times interested, despite our efforts and feel the coverage in the Times could have been better. There are to be two pieces in the Sunday Telegraph this weekend.

Fighting Fund

- This coverage, which has also given us good search results in Google, has resulted in contributions to the fighting fund flowing in. We are very pleased where we stand after only two weeks and we are expecting that contributions will continue to flood in as people return from their Easter breaks. The larger the fund, the more muscle we have at our elbow.

Legal Expertise

- As you will know from the press coverage, which resulted from our April 9 press release, Michael Spencer QC has taken the first step in the legal process by sending a "letter before action" to Eurotunnel. We have also been joined by another shareholder QC, a specialist in company litigation and he and Michael will be developing our legal strategy. This strategy will depend on Eurotunnel's response to the letter as well as our assessment of Eurotunnel's latest shift in position (see today's ETAG Newsflash)

Eurotunnel's wriggling

- As result of our actions Eurotunnel has had to change tack and has clearly demonstrated that the decision to terminate our travel rights was badly planned. It is also clear that Eurotunnel did not fully understand the nature of the contractual agreement. We knocked down their first assertion that the Takeover panel was responsible by contacting the Takeover Panel ourselves and getting them to confirm that they had never raised any objections. Eurotunnel then fell back on to a claim that they have a legal obstacle in France. We are not persuaded that there is any obstacle that could not be overcome if they chose to do so. They have now changed tack a third time as evidenced by the Newsflash.

Takeover Panel

- You should also be aware that there are still issues to be resolved with the Takeover Panel. A fellow shareholder, working with a member of our Committee, submitted a paper to them on April 10, listing out those areas where we believe that Takeover Code has been breached. The Panel have now forwarded this paper to Lehman Brothers, Eurotunnel's Rule 3 advisers, for their comments.

Future Progress

- We shall continue to issue periodic Progress Reports and Press Releases to keep you up to date.
- Should any matter require ETAG Members' urgent attention, we will contact you by email.