

# ETAG

## Share Price Observations

2<sup>nd</sup> June 2007

Dealings resumed earlier in the week in shares which had not been tendered to the Offer.

Their performance has been volatile, to put it mildly. At the time they were suspended they were about 25p; they reopened at about 40p, and climbed to a peak of about 100p, since when they have fallen back to a range of about 65-70p.

One must bear in mind that it is a relatively thin market; as 87% of the shares in issue were tendered to the Offer, the current market is in the remaining 13%, and no doubt a portion of the remaining holders are either undecided what to do, do not know that the market has reopened, or are otherwise out of touch with developments. And it has been suggested that some dealers had sold short, thus creating an artificial demand.

Consequently, as indicated by the warning from the Autorité des Marchés Financiers (AMF), one should not necessarily expect the current price to be reflected in the price of the new units in Groupe Eurotunnel SA (GET SA) when trading in these starts, even though the exchange is on a one for one basis.

The Expert's Report in the Offer Document had suggested an equity value for GET SA of €2.2bn to €2.8bn. Additional share issues as provided for in the Reorganisation will in any event dilute existing shareholders' share of this equity to a maximum of 67%, but a further dilution to only 13% is possible if all the Notes Redeemable in Shares (NRS) are so redeemed. The point at which it becomes worthwhile for the company to redeem the NRS in cash is equivalent to about 50p per share.

So a share price in excess of 50p is good news for shareholders, and could be regarded by those with surplus shares as an opportunity for disposal in the market.

To see the current share price, [Click here](#)

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