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- TRANSLATION FOR INFORMATION -

Special Warning Report to Shareholders of Eurotunnel SA

Dear Shareholders,

In our capacity as auditors of the accounts of Eurotunnel SA, we hereby present our report established in accordance with article L-234-1 of the [French] Commercial Code relating to the warning procedure [*procédure d'alerte*] :

In the course of our work, we have noted the following facts which we consider likely to compromise the going concern of the company which have led us to implement the procedure as envisaged by law.

1. Facts noted which may compromise the going concern

Provisional cash flows prepared by the Eurotunnel Group show that on the basis of the most recent cash flow forecasts, the Group will not be in a position to meet its contractual obligations as early as the first half of 2007.

Despite the efforts made by the Group, the on-going actions to date do not guarantee the business continuing as a going concern over the coming 12 months.

2. Reminder as to the steps of the procedure

The implementation of the warning procedure led us to request from your chairman an explanation of the facts as noted on 6 February 2006.

On 22 February 2006, your chairman informed us of his analysis of the situation and of the measures taken by the Group at both operational and financial levels.

- At the operational level, the implementation of measures, which is almost complete today, consisted primarily of strengthening the operational efficiencies of the Group enabling it to generate additional cash flows.
- At the financial level, your Group's aim is to reach a financial restructuring agreement with its lenders and as the case may be to obtain approval for the agreement from shareholders by the end of the 2006 financial year.

If it does not prove possible to finalise such an agreement by that date, but in circumstances where there is tangible evidence of the possibility of putting such an agreement in place, your Group should be able to meet its cash flow requirements until the implementation of such an agreement by way of an additional facility of £50 million or by way of a Standstill arrangement. Current credit agreements provide for both mechanisms and specify that the Standstill can be terminated by a qualified majority of lenders.

Should negotiations not progress to a favourable outcome, the going concern of your Group could not be guaranteed.



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In view of developments and despite the measures envisaged, the going concern of your Group remains compromised.

Paris, 12th April 2006
KPMG Audit and Mazard & Guérard