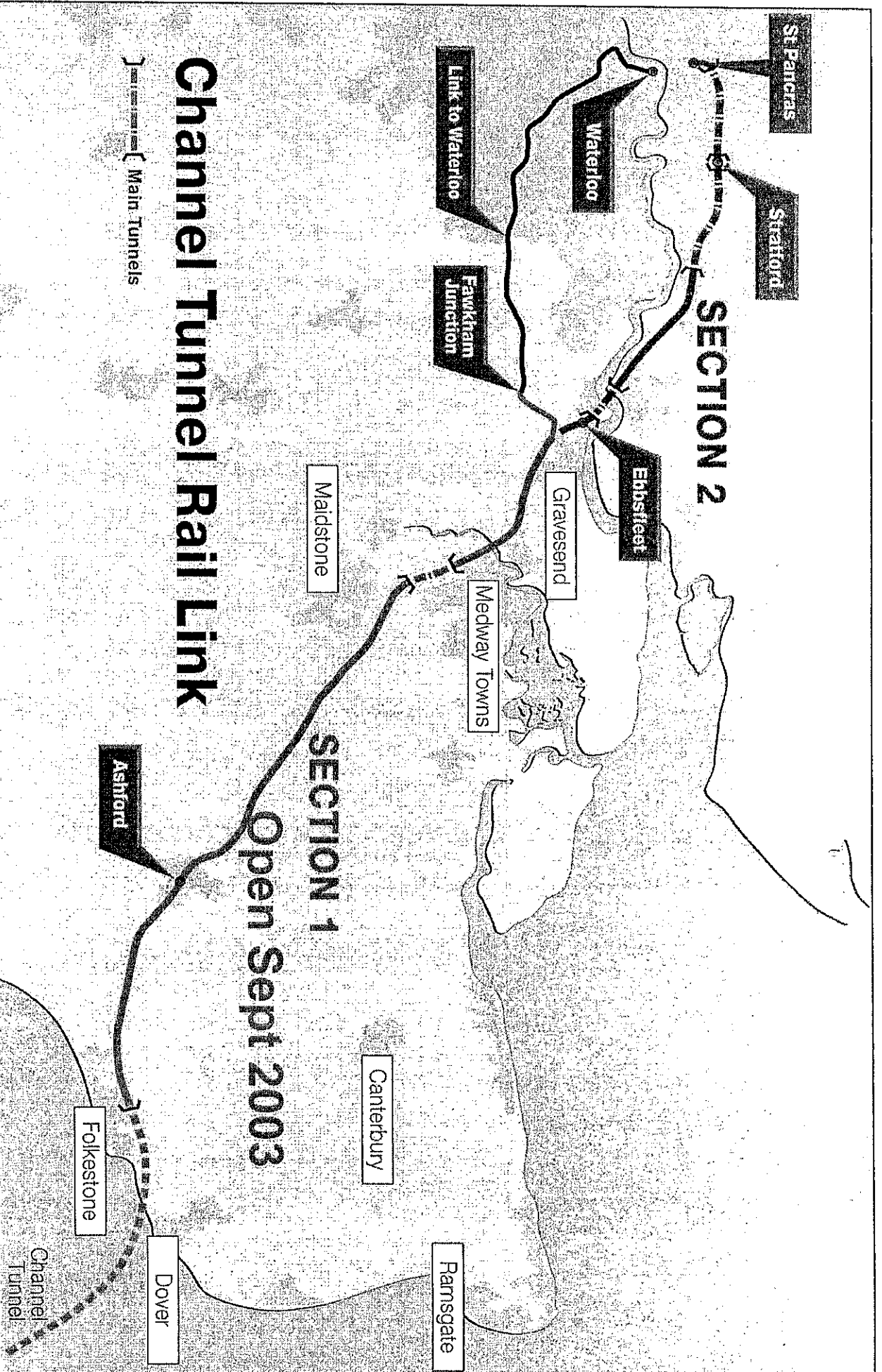


Chris Rayner

Director NR (CTRL) Ltd



Channel Tunnel Rail Link

--- Main Tunnels

CTRL Key dates

- Section 1 – Eurotunnel Boundary to Fawkhams Junction
 - Opened 28th September 2003,

- Section 2 – Fawkhams Junction to St Pancras Int.

- Energised 4 January 2007

- CHOC 15 June 2007

- PTU 13 July 2007

- 1st Eurostar Service

Slide 3

14th November



2007

NR (CTRL) Ltd – Overview

- Wholly owned Subsidiary of NRIL
- Set up to Operate, Maintain & Renewal (OMR) CTRL for London & Continental Railways.
- Costs and Income to be kept separated from Regulated Railway.
- ‘Supervised’ by Department for Transport not ORR

London & Continental Railways (LCR)

- Holding company own
 - CTRL (UK) – Section 1
 - Union Railways North – Section 2 (plus stations)

At present 2 companies as S1/2 construction financed separately.

- Eurostar (UK) Limited – International Passenger Operator.

The Railway Regulations (Access & Management) 2005.

- NR (CTRL) delegated 'Allocation and Charging Body' to ensure independence between Infrastructure Manager and Transport Operator.

Performance

Section 1 has performed remarkably well since opening.

The annual moving average train delay stands at only :-

3.10 seconds per train at Period 11 2006/7 compared to

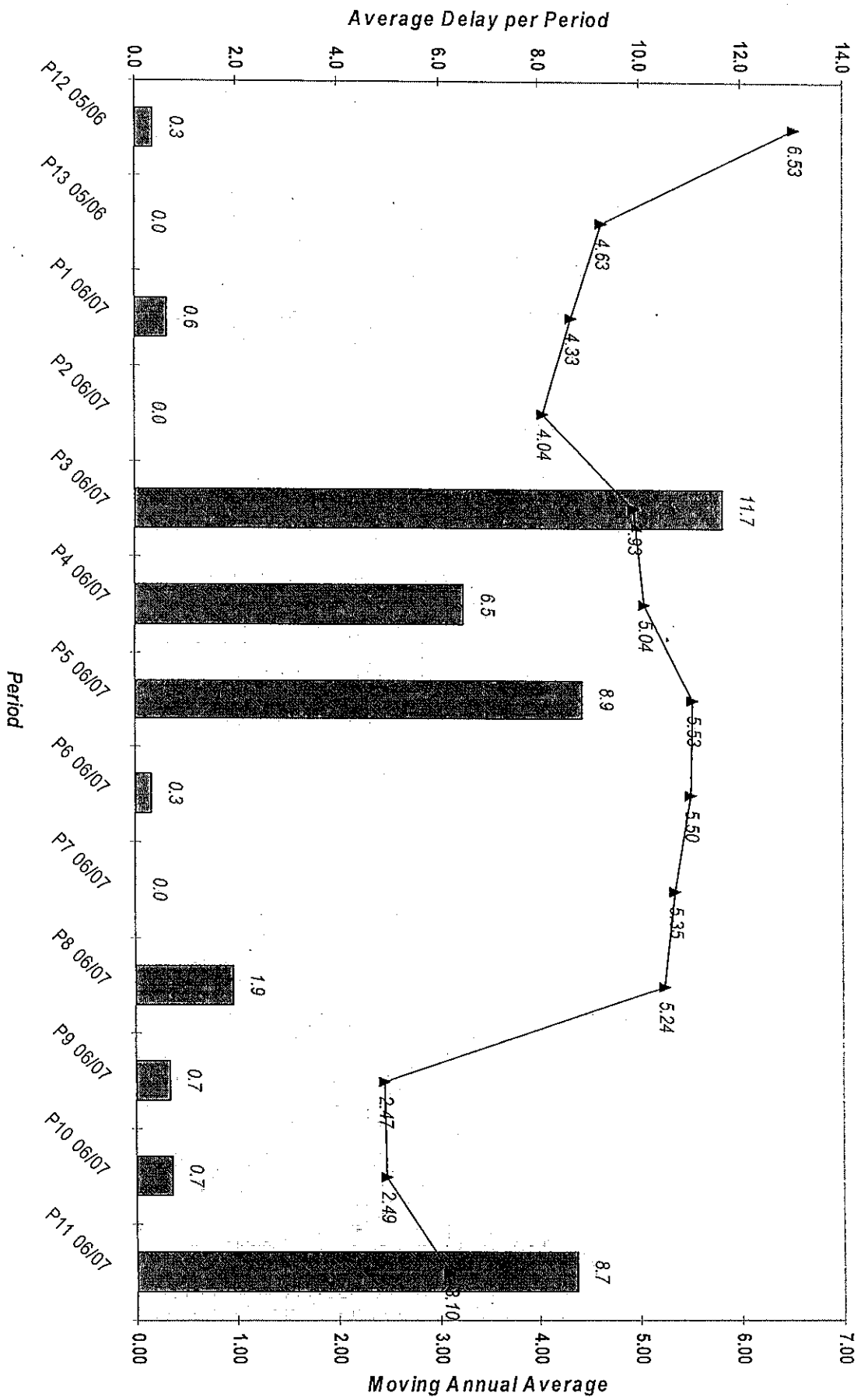
4.63 at P13 2005/06 and

12.24 at P13 2004/05.

This asset stewardship has helped Eurostar to deliver 91.3% of their trains to their destination within 15 minutes of right time so far in 2006-07.

Slide 7

Average Seconds Delay Per Train on CTRL



Capacity on CTRL

Day Operations

Capacity is available (Off Peak)

Increased Risk of FOC on TOC delays

Current Performance Regime compensates Eurostar
£700 - £1000 a minute for delays to their services.

The £/min is calculated independently using an
industry standard model.

Capacity on CTRL

Night Operations

Capacity is available as follows

Mon/Tue/Weds – Single line working to undertake Maintenance

Thurs/Fri – Spare nights for ad hoc work/testing – paths available

Sat/Sun – double line blocked to undertake Maintenance

Reduced Risk of FOC on TOC delays

This would be reflected in a reduced £/min.

Contingent paths would be made available should night operators miss their 'slot'.

Slide 10

Charging on CTRL

Will comply with the Railways Infrastructure (Access & Management) Regulations 2005.

Equivalent Million Gross Tonne per Annum (EMGTPA)
model assesses relative damage to the infrastructure based on speed, weight, suspension and formation of each rolling stock movement.

The infrastructure is segmented into 16 'routes' and the incremental cost of damage can be ascertained.

Indicative Tariffs on CTRL

A typical journey

CTRL Boundary at Eurotunnel to Ripple Lane (55 miles)

Class 92 Loco

20 Laden Bogied Trailers

Excluding EC4T

Excluding 'Mark-Up'

Approximately £495 or £9/mile.

NRIL £4/mile

ET £40/mile

Indicative Tariffs on CTRL

Maintenance costs (and therefore charges) are higher than classic lines

Cost model uses only costs that are effected by freight i.e. Track tamping – grinding etc.

These are driven by onerous (SNCF) standards for HSL's

Track tolerances are tight – an 8mm top defect would result in a speed restriction for Eurostar

Wheel burns are a concern – we have 2.5% gradients

Algorithm takes these (and other factors into account)

Charging on CTRL

The application of a 'Rate of Return which the market can bear' has been the subject of much debate.

Data has been collected from NRIL, Eurotunnel, SNCF and other transport sectors. Regulatory documents have been reviewed.

However CTRL is unique so this is the area that is most difficult for us

Main purpose of today therefore to get your views – on how we should derive this?

Performance Regime on CTRL

Modelling is ongoing to implement a regime that is equitable to all operators

Freight operations will have to bear some or all of the risk @ £700 per minute it is unlikely that operators will take on the risk

Night operation of freight better in a number of ways –
pathing – delay mitigation etc

Summary

- We are open for business
- Costs are understood but we'd like you input on a sensible route to determination of a 'Mark up'
- Night time operation looks manageable day time may be too risky
- Questions?