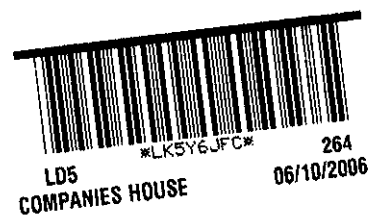


EUROPEAN NIGHT SERVICES LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2005



EUROPEAN NIGHT SERVICES LIMITED

DIRECTORS' REPORT

The Directors present their report, together with the accounts of the Company, for the year ended 31 December 2005.

Review of the Business

The Company has not traded during the year and has no plans to enter into any trading activities in the foreseeable future.

Dividends

The Directors do not propose that a dividend is paid.

Directors and interests

The following Directors, none of whom have any interest in the shares of the Company, served during the year:

R D Holden - Chairman
J L Drugeon
H Schneidereit
L Lankhorst

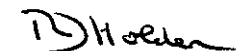
Corporate Governance

The Company is a subsidiary of Eurostar (U.K) Limited which includes in its annual report and accounts a statement on corporate governance. The Directors of the Company consider that the measures put in place by Eurostar (U.K) Limited are sufficient to ensure compliance by the Company with the requirements of Corporate Governance best practice.

Auditor

Pursuant to a shareholder's resolution the Company is not obliged to re-appoint its auditor annually. KPMG Audit Plc will continue as auditor to the company.

BY ORDER OF THE BOARD



R D Holden
Chairman

EUROPEAN NIGHT SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

EUROPEAN NIGHT SERVICES LIMITED

Report of the Auditor, KPMG Audit Plc, to the members of European Night Services Limited

We have audited the financial statements of European Night Services Limited for the year ended 31st December 2005 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

The Directors are responsible for preparing the Directors' Report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications of our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

31 July 2006

EUROPEAN NIGHT SERVICES LIMITED

Profit and Loss Account

For the year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Turnover	2	-	-
Cost of sales		-	131
Profit before interest and taxation		-	131
Interest receivable and similar income		-	-
Profit on ordinary activities before taxation		-	131
Tax on profit on ordinary activities	5	-	-
Profit retained and transferred to reserves		-	131

All of the activities of the Company are derived from continuing operations. There is no material difference between the profit as reported and the historical cost profit. Accordingly no statement of historical profit or loss has been prepared.

There were no recognised gains or losses arising in either the current or preceding year other than the profit for that financial year.

EUROPEAN NIGHT SERVICES LIMITED

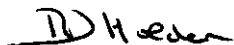
Balance Sheets

As at 31 December 2005

	Note	2005 £'000	2004 £'000
Current Assets			
Creditors: amounts falling due within one year	6	(185,970)	(185,970)
Net current liabilities		(185,970)	(185,970)
Total assets less current liabilities		(185,970)	(185,970)
Provision for liabilities and charges	7	(69)	(69)
Net liabilities		(186,039)	(186,039)
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	(186,139)	(186,139)
Equity shareholders' funds	9	(186,039)	(186,039)

These accounts were approved by the Directors on

20 July 2006



R. D. Holden
Chairman

EUROPEAN NIGHT SERVICES LIMITED

Notes to the accounts

1. Accounting policies

Basis of accounts

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. They have also been prepared recognising that there are no current plans to enter into trading activities. The shareholders have agreed to continue to support the company as required by the joint venture agreement to which they are party.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Foreign exchange

Transactions in a foreign currency are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate ruling at the balance sheet date.

Going Concern

Notwithstanding the company's net current liabilities and net liabilities, the directors have received confirmation from the directors of the Eurostar (U.K.) Limited that they will not demand immediate repayment of debt but will continue to support the company financially to enable it to meet its liabilities as and when they fall due, for a period not less than one year from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

2. Turnover

The company received no trading income during the year.

3. Operating expenditure

The Company employs no direct staff. All services are provided by the Shareholders, for which no charge is made.

4. Directors' emoluments

The Company's Directors are all employees of the shareholding Railways and, as such, received no emoluments or expenses in respect of their Directorship. Under an agreement between the Company and the shareholding Railways no recharge is made in respect of Directors' costs. No Director held any material interest in any contract so far as the relevant provisions of the Companies Act are concerned.

EUROPEAN NIGHT SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

5. Taxation

	2005	2004
	£'000	£'000
<i>UK Corporation tax</i>		
Tax on profit on ordinary activities	-	-
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	131
Current tax at 30 % (30%)	-	39
Effects of:		
Unrelieved tax losses	-	(39)
Total current tax	-	-

6. Creditors: Amounts falling due within one year

	2005	2004
	£'000	£'000
Shareholders' loans (see Note 9)	185,970	185,970
Trade creditors	-	-
	<u>185,970</u>	<u>185,970</u>

The Shareholders' loans are unsecured, interest free and are repayable within one year.

7. Provision for Liabilities and Charges

	2005	2004
	£'000	£'000
Balance as at 1 January 2005 and 31 December 2005	<u>69</u>	<u>69</u>

The provision related to expected legal costs to be incurred in relation to the closure of the Company. Costs incurred to date have been met by Eurostar (U.K.) Limited.

8. Share capital

The authorised, issued and fully paid-up share capital of the Company is 100,000 ordinary shares of £1 each. No shares have been issued during the year.

9. Reconciliation of shareholders' funds

	Share Capital	Profit & loss account	Total
	£'000	£'000	£'000
Balance as at 1 January 2005	100	(186, 139)	(186,039)
Result for the year	-	-	-
Balance as at 31 December 2004	<u>100</u>	<u>(186,139)</u>	<u>(186,039)</u>

EUROPEAN NIGHT SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

10. Immediate and ultimate parent undertaking

The immediate parent is Eurostar (U.K.) Limited who owns 61.5% of the issued share capital, within whose accounts the Company's results are consolidated. The ultimate parent company is London & Continental Railways Ltd. Copies of the accounts of both the immediate parent company and the ultimate parent company will be obtainable from Companies House.

The only material transactions with related parties are the provision of loans by shareholders. The amounts outstanding on these loans are as follows:

	GRUK	EUKL	NS	TNT	TOTAL
	£(000)	£(000)	£(000)	£(000)	£(000)
Balance at 1 January 2005 and 31 December 2005	25,101	114,378	25,106	21,385	185,970

The shareholders and their percentage shareholdings are:

German Rail U.K. Limited (shareholding – 13.5%)

Eurostar (U.K.) Limited (shareholding – 61.5%)

N.S. Railbedrijven B.V. (shareholding – 13.5%)

Transmanche Night Travel Limited (shareholding – 11.5%)