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Eurotunnel shrugs off unit's cost concern

By Rose Jacobs

Shares in [Groupe Eurotunnel](#) fell almost 6 per cent after the operator of the Channel tunnel said half-year operating profits had sunk in spite of a strong surge in revenues.

Analysts blamed cost management at Europorte, the company's rail freight and infrastructure subsidiary, which accounted for two-thirds of a €45m rise in group operating costs.

Jacques Gounon, chairman and chief executive, dismissed concerns, saying he expected the Europorte division to break even early next year.

He argued the spending – including on new staff and training – was necessary for expansion, including a 36 per cent increase in revenues in the six months to the end of June.

Group sales rose 14 per cent at constant currencies, to €473m, while operating profits were €129m, compared with €144m last year.

The UK's diamond jubilee helped a record-breaking day for travel from the UK to continental Europe: 10,000 passenger vehicles left by shuttle on the Friday ahead of the celebrations.

Eurotunnel is adding an extra half-shuttle to cope with demand during the Olympics, and is increasing the speed of shuttle trains from 140kph to 160kph – the speed they are due to run at in 2015, when Deutsche Bahn is set to add services.

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