

SE Finance  
HD **Paladin losses grow as uranium price slumps**

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**MINING:** A third year of weak **uranium** prices has led to Paladin **Energy's** half-year net loss rising to \$US255 **million** (\$283m).

The **uranium** producer does not expect any short-term improvement, shutting one of its two producing mines last week and reducing production guidance for the year.

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But Paladin predicts the nuclear power industry will recover and the long-term future will be positive for **uranium** producers, with the current mine closures and lack of investment in new supply leading to sharp price rises.

**Chinese** giant **China** National Nuclear Corp agreed last year to pay Paladin \$US190m for a 25 per cent **stake** in Langer Heinrich mine in Namibia, with regulatory approval expected this year.

Paladin's loss grew by 32 per cent from a \$US193.5m half-year loss last year.

The result was inflated by a \$US226.5m impairment on its Queensland exploration assets. Stripping those out, Paladin's gross result was a \$US29.3m loss compared with a \$US11.3m profit last year. It blamed the loss on a 21 per cent fall in the **uranium** price and higher impairment of inventory at the loss-making Kayelekera mine in Malawi, which it put on care and maintenance last week.

Paladin cut its basic cost of production in the December quarter by 8 per cent to \$US27.50 a pound at the Langer Heinrich mine in Namibia and 24 per cent to \$US33.10 at Kayelekera.

Paladin's average realised **uranium** sales price for the six months was \$US38.40 a pound.

Following the decision to close Kayelekera, Paladin has revised its 2014 production guidance from 8.3-8.7 **million** pounds to 7.8-eight **million** pounds.

No dividend will be paid. Paladin shares closed steady at 47.5c.

CO chinuc : China National Nuclear Corp. | palrs : Paladin Energy Limited

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