

HD Lynas rare earths revenue jumps as output grows

WC 414 words

PD 15 October 2014

ET 10:23

SN Reuters News

SC LBA

LA English

CY Copyright 2014 Thomson Reuters. All Rights Reserved.

LP

MELBOURNE, Oct 15 (Reuters) - Lynas Corp, one of two rare earths producers outside **China**, reported a 24 percent rise in revenue in the September quarter from the previous quarter as the first stage of its Malaysian plant finally moves toward full capacity.

Lynas' progress is being closely watched as it tries to attract institutions to invest in its battered shares after years of disappointment following delays in opening and ramping up production at the controversial Malaysian plant.

TD

Production rose to 2,043 tonnes of rare earths oxides in the first quarter of the 2015 financial year, Lynas said on Wednesday, which was more than half the volume it produced in the whole of the previous year.

Revenue rose to A\$32.9 **million** (\$28.7 **million**) in the September quarter from A\$26.5 **million** in the June quarter, while costs fell 14 percent to A\$42.7 **million**, including restructuring costs.

Lynas is currently carrying out a heavily discounted, fully underwritten entitlement offer as part of a broader A\$83 **million** share **sale** to five institutions and existing shareholders, who are nearly all mom and dad investors.

It also recently renegotiated an easier debt repayment schedule with its Japanese lenders, Japan **Oil**, Gas and Metals National Corp (JOGMEC) and Sojitz Corp, matching its more modest forecast of ramping up output.

"This financing structure and **equity** raising gives us the runway to get to cash positive," Lynas Chief Executive Amanda Lacaze told Reuters in an interview this week.

The **company** has long said it would be cash positive when its plant reaches full phase 1 capacity of 11,000 tonnes a year.

Lacaze, who took over as CEO about four months ago, said in July that should be achievable in the December quarter, and indicated earlier this week that this target was on track.

"The best indication of that is that we are bringing the phase 2 assets on line this quarter," she told Reuters on Tuesday.

In trying to attract institutions back into the **company**, Lacaze said she has stressed she would focus on delivering results rather than overpromising what could be achieved.

"It is my intention that we should surprise with overperformance, rather than disappointing with underperformance," she said.

Lacaze is acting as a subunderwriter for \$100,000 of the **equity** raising.

(1 US dollar = 1.1484 Australian dollar) (Reporting by Sonali Paul; Editing by Richard Pullin)

RF Released: 2014-10-15T00:23:31.000Z

CO lyngld : Lynas Corporation Ltd

IN iraremet : Rare Earth Metals | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

NS c21 : Output/Production | ccat : Corporate/Industrial News

RE austr : Australia | malay : Malaysia | melb : Melbourne | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | seasiaz : Southeast Asia | victor : Victoria (Australia)

IPD Business

IPC SERVICE:AUF

PUB Thomson Reuters (Markets) LLC

AN Document LBA0000020141014eaae00r3v