

Weak Rough Prices Dent Petra Sales



Petra Diamonds' revenue fell in the first fiscal quarter amid a drop in the average price for rough due to weak demand.

Sales slipped 4% year on year to \$97.6 million for the three months ending September 30, the [miner](#) said Tuesday. The decline came despite an 81% increase in sales volume to 932,431 carats. However, revenue was up 96% compared to the previous quarter.

During the period, Petra held one complete tender, which yielded \$79.3 million. It also brought forward its second tender to avoid selling during India's two-month moratorium on rough imports, which began October 15. The company realized 75% of the sale's total during the period, with the remaining \$22.2 million added after the end of the quarter, Petra explained.

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OUTPUT FOR JULY TO SEPTEMBER DECREASED 8% YEAR ON YEAR TO 696,639 CARATS AS THE COMPANY PROCESSED LOWER-GRADE ORE FROM ITS CULLINAN MINE IN SOUTH AFRICA AND DECREASED THE VOLUME IT TREATED

AT FINSCH.

DURING THE PERIOD, PETRA'S DEBT INCREASED TO \$192.4 MILLION AS OF THE END OF SEPTEMBER, FROM \$176.8 MILLION ON JUNE 30.

&LDQUO;WE BELIEVE THE ACTIONS TAKEN BY THE MAJOR PRODUCERS TO CURB SUPPLY AND THE TWO-MONTH INDIAN DIAMOND-IMPORT MORATORIUM WILL ASSIST IN STABILIZING THE MARKET AND SUPPORTING PRICES AS INVENTORY LEVELS REDUCE,&RDQUO; SAID PETRA CEO RICHARD DUFFY. &LDQUO;WHILST WE CONTINUE TO SEE SUPPORT FOR THE MARKET IN THE MEDIUM TO LONGER TERM AS A RESULT OF THE STRUCTURAL SUPPLY DEFICIT, WE ARE TAKING PRUDENT STEPS TO ENHANCE OUR BUSINESS RESILIENCE IN LIGHT OF THESE MARKET CHALLENGES AND UNCERTAINTIES THAT ARE EXPECTED TO CONTINUE OVER THE COMING MONTHS.&RDQUO;

MAIN IMAGE: THE CULLINAN MINE. (PETRA DIAMONDS)