

REUTERS

Timminco shares plunge as output lags estimates

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TORONTO (Reuters) - Shares of Timminco Ltd (TIM.TO: [Quote](#)) plunged as much as 27 percent on Tuesday to their lowest level in six months after the Canadian silicon processor reported quarterly results that were not as strong as the market had expected.

Timminco shares were down C\$5.07, or 25 percent, at C\$14.90 by midafternoon on the Toronto Stock Exchange and were the net loss leader. Earlier they fell to C\$14.50, their lowest level since February 7.

Nearly 4 million shares changed hands, which is well above the stock's daily average.

In reporting its second quarter results on Monday, Timminco said it shipped 221 tonnes of solar grade silicon.

"The market was expecting something closer to 300 (tonnes of solar grade silicon)," said Marvin Wolff, an analyst at Paradigm Capital.

Wolff maintained a "buy" recommendation on Timminco shares but lowered his 12-month target price 10 percent to C\$45.

Timminco had a net loss of C\$7 million, or 7 Canadian cents a share, for the quarter ended June 30, compared with a loss of C\$1.5 million, or 2 Canadian cents a shares, in the year-before quarter.

The bigger loss was due partly to a reorganization charge related to the closure of a facility.

The company said revenue during the second quarter rose 49 percent to C\$63 million from the year-before quarter.

(\$1=\$1.06 Canadian)

(Reporting by Frank Pingue; Editing by Peter Galloway)

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