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## **Baotou net profit in 2007 up by 55% YoY**

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As per a report released on rare earth business by Baotou Iron and Steel Corporation, its operation revenue amounted to CNY2.5 billion in 2007 with CNY308 million net profits up by 55.33% and 325.84% separately.

The annual report disclosed that the company will rely on the advantage of research and development of Rare Earth Institute to exploit downstream products, optimize the industrial chain, and construct rare earth materials, scientific research and the application of materials three parks. In 2008, Btsteel's rare earth company plans to achieve sales revenue of CNY 3.5 billion.

On the risks, the report pointed out that this year, China implements 15% to 25% export tariff on some rare earth products and renminbi continues to appreciate, these have certain effect on rare earth products' export. At the same time, the product chain of the company will extend, from neodymium oxide, praseodymium neodymium oxide products to metal neodymium, metal praseodymium neodymium products, the price change of these products will affect the company's outstanding achievement. Btsteel's rare earth company will be concerned about the price trend, timely adjust the supply volume in the market and eliminate the adverse factors.

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