

Lonmin - Implats transaction
18 September 2003



LONMIN PLC

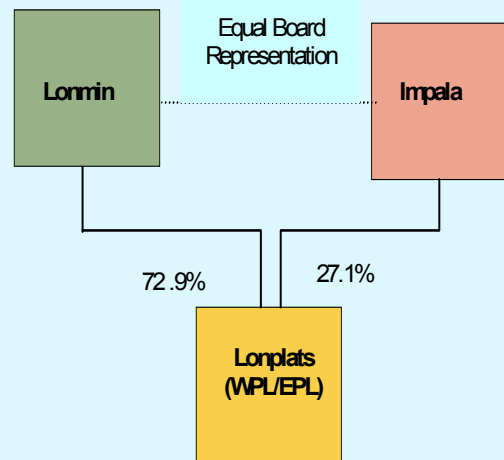


Introduction

- Lonmin acquires 9.1% of Lonplats from Implats taking its holding to 82%.
- Lonmin & Implats envisage a flagship BEE company holding 18% of Lonplats. Phase 1 equity requirements are expected to be exceeded.
- Lonmin and Implats end joint control of Lonplats.
- Support received from the Minister of Minerals and Energy.



Current Structure



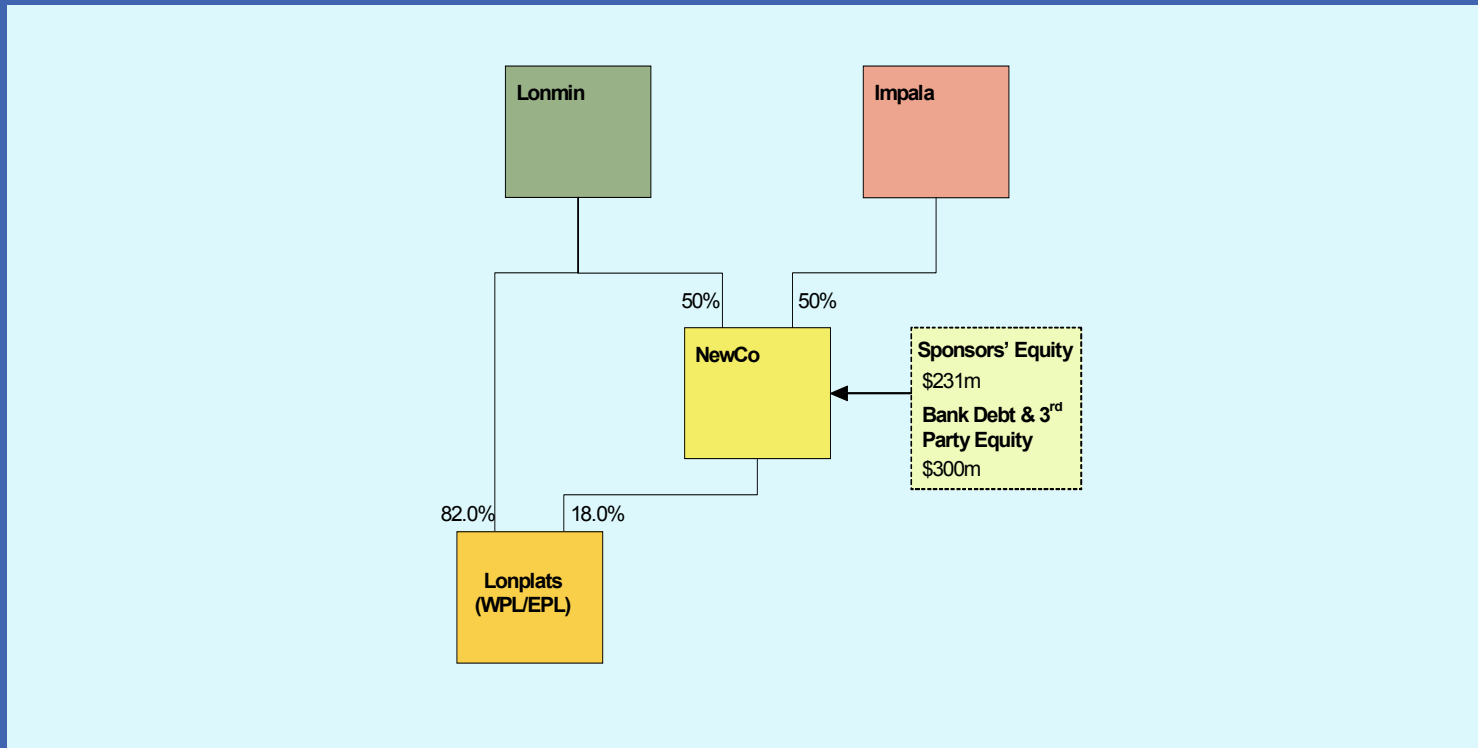
The Transaction

The key parameters of the transaction are as follows:

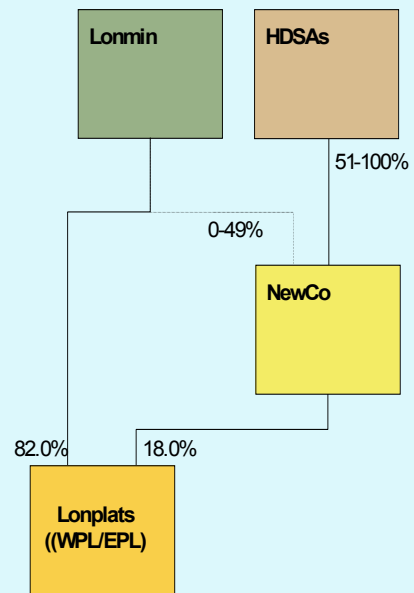
- Lonmin acquires 9.1% of Lonplats for a payment of \$269 million.
 - Part of this payment is satisfied by Implats share of the final Lonplats dividend (est. ZAR 203m; c.\$27 million).
 - Lonmin purchases 9.1% of Lonplats for a net payment of \$242 cash.
- Implats sells its remaining 18.0% shareholding in Lonplats to NewCo for \$531m in cash.
- NewCo is owned 50/50 by Lonmin and Implats, funded with \$231 million equity shared equally by each party plus \$300 million of 3rd party equity and credit facilities.



Structure Post Transaction



Structure Post BEE Transaction



NewCo's Development

Lonmin and Implats are committed to delivering phases 1 & 2.

Phase 1 Initial formation and funding of NewCo, enabling the unconditional acquisition by NewCo of 18% shareholding in Lonplats.

Phase 2 The introduction of HDSA investors, an HDSA representative board and management.

The HDSA board of NewCo will be responsible for delivering phases 3,4 and 5.

Phase 3 The transition of NewCo from owning a single asset to owning a broad spread of mining assets, in order to qualify for a JSE listing and become a suitable investment for HDSA retail investors.

Phase 4 Preparations for listing.

Phase 5 Listing and initial public offering of NewCo shares, targeting a broad spread of HDSA investors, including retail distribution.



Financial Implications

- Lonmin will fund its 9.1% interest in Lonplats and its equity in NewCo utilising existing senior debt facilities.
- Gearing rises to 80%. Management are confident that this level is sustainable without impacting dividend/policy.
- Our long term gearing target remains 30 - 40%.
- The 2004 earnings impact on Lonmin is expected to be broadly neutral before the amortisation of goodwill.



Strategic Rationale

- The strategic benefits from removal of the joint control/Board, change of control and obtaining unfettered control of Lonplats with a direct 82% holding.
- Enhances Lonmin's Strategic flexibility.
- The benefit of substantial progress towards a clear and Lonmin controlled route to a BEE solution for Lonplats.
- We believe there will be upside in retaining an investment in NewCo post the initial HDSA transaction.
- Flexibility will exist for Lonplats to potentially meet the phase 2 scorecard target of 26%.



Next Steps

- Signing of legally binding agreements is expected prior to 31st December 2003, provided that:
 - Satisfactory NewCo finance is in place.
 - DME confirmation that equity credits will be forthcoming.
- Lonmin to oversee NewCo. To commence BEE process immediately.
- Related party transaction under UKLA rules therefore requires Lonmin shareholder approval.
- Completion is expected prior to 27th February 2004.

Concluding Remarks

- Creative solution to the Implats/Lonplats stalemate.
- Exciting BEE prospects with potential for real broad based empowerment.
- Resolution of Lonmin's structural complications in sight!



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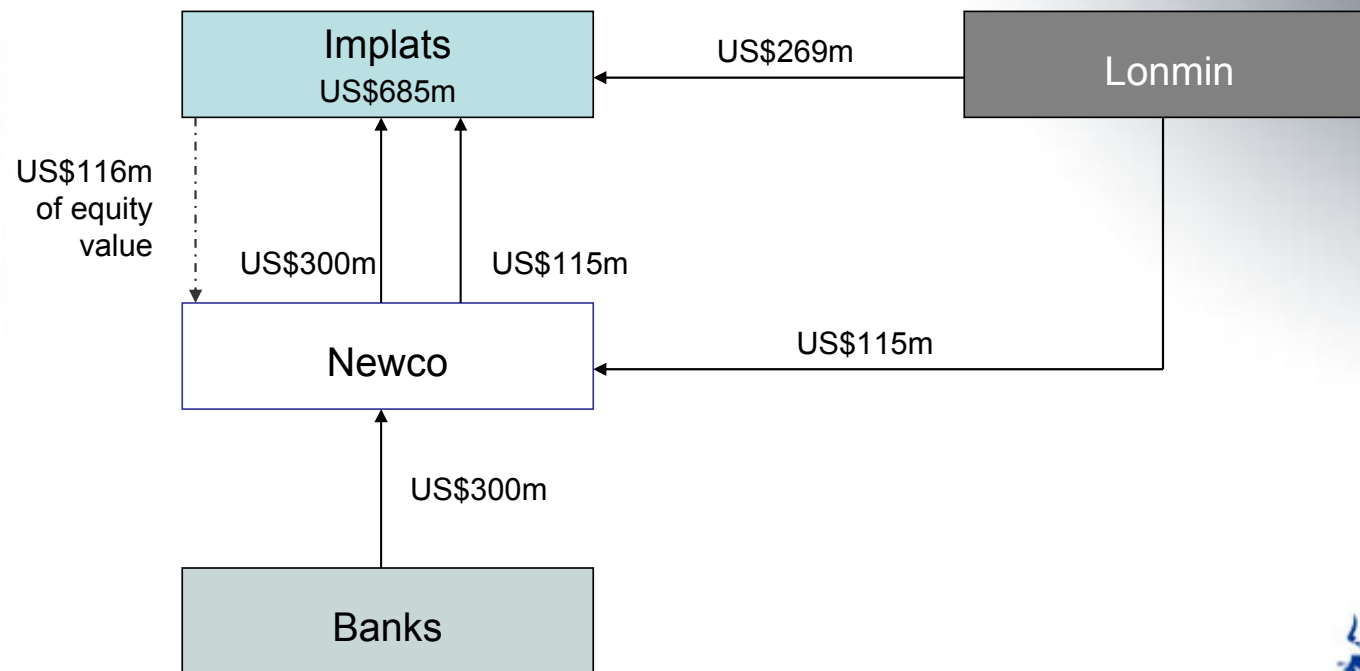
Overview of the transaction



- Sale of 27.1% stake for US\$800m
 - An amount of US\$115.5m to be re-invested in Newco
 - The balance of US\$684.5m to be paid to Implats on completion - end February 2004
- Premium of 20% to implied market value (60-day weighted average)
- Transaction conditional on confirmation of BEE credits
- Proceeds from sale to be used to:
 - Fund Implats' proportion of mine-to-market expansion projects
 - Be returned to shareholders



Cash flows

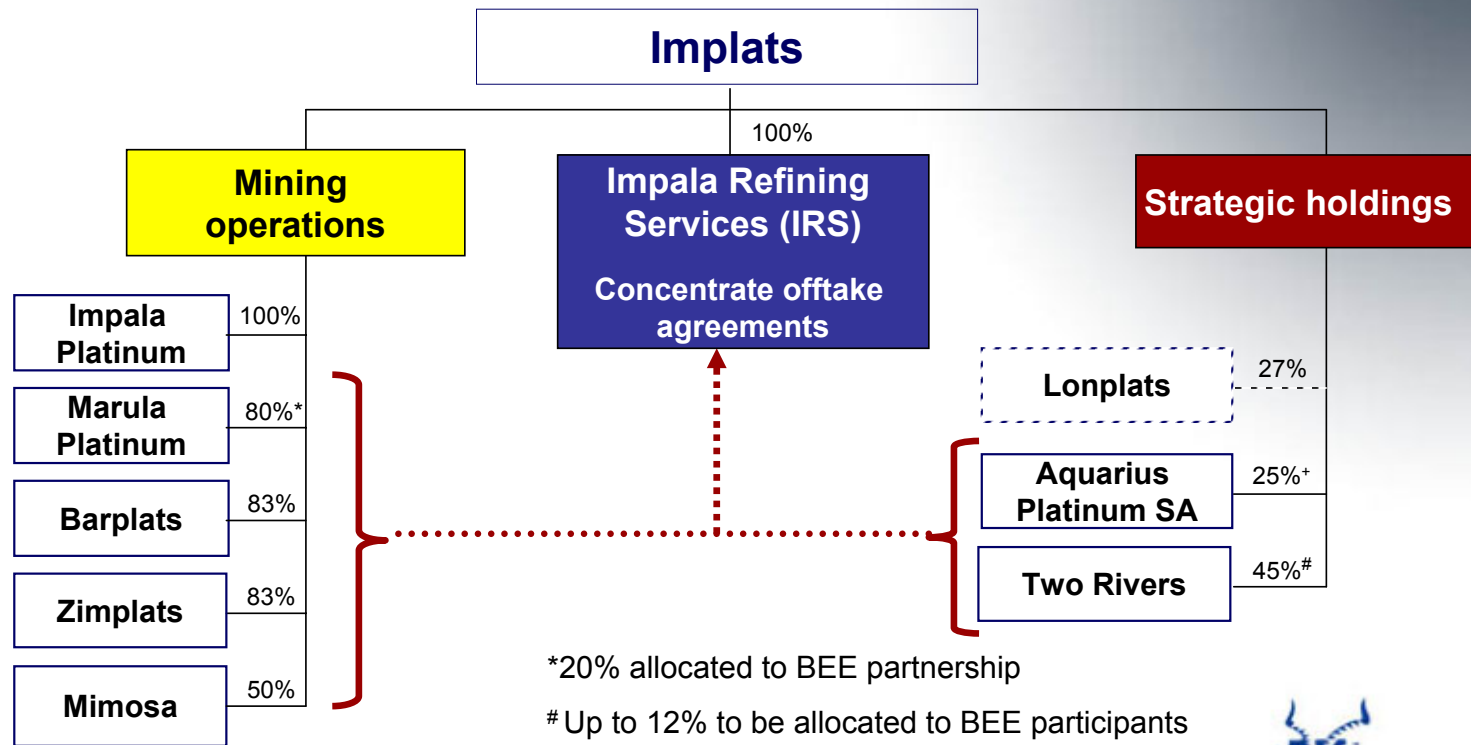


Strategic rationale

- Release of value for shareholders' benefit
- No longer resource-constrained
- Equity-accounted ounces can now be replaced through growth from mine-to-market ounces
- Rationalisation of strategic holdings



Corporate structure



*20% allocated to BEE partnership

Up to 12% to be allocated to BEE participants

+ Excluding 9% in Aquarius Platinum



Pre-conditions to agreement and conditions precedent



Pre-conditions to binding agreement

- Reasonable confirmation of BEE credits
- Non-recourse debt financing for Newco

Conditions precedent

- Lonmin shareholder approval
- Regulatory approval, including SA Competition Commission and SARB



Timing

- 18 Sept 2003 - Announcement of non-binding MOU
- By 31 December 2003 - binding agreements to be signed
 - Subject to standard conditions precedent
- By 28 February 2004 - Completion of the transaction

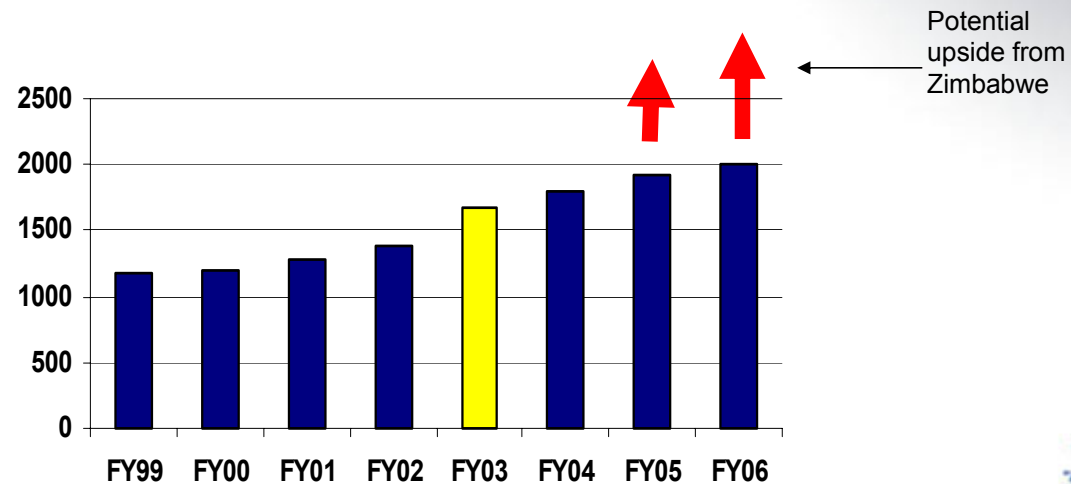


Impact on Implats



- Earnings slightly diluted in short-term
- Growth profile remains unchanged

Pt 000oz



In conclusion

- The transaction will release **value** for shareholders
- Further simplify Implats' corporate **structure**
- Significant step in obtaining **BEE equity credits**
- **Generate cash to:**
 - **Fund growth** of managed mine-to-market ounces
 - **Excess cash to be returned** to shareholders



**Lonmin-Implats announcement
18 September 2003**

