

**REGULATORY RELEASE**

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**9 May 2013****Update on New Recognition Dispensation**

Lonmin Plc announces developments in the ongoing negotiations of a new union recognition agreement with stakeholders.

The Company's union membership profile has changed significantly over the last 12 months with the Association of Mining and Construction Union (AMCU), now the largest union, representing 70% of Lonmin Category 4-9 employees. The National Union of Mineworkers (NUM), formerly the majority union, now represents approximately 20% of the Category 4-9 employees. This change has resulted in the need to negotiate a new recognition agreement with workers' representatives.

We currently have a limited organisational rights agreement with AMCU, which is valid until a new recognition agreement is finalised.

Negotiations on the recognition agreement commenced in January. We have focused on finding a way to work together towards a new recognition agreement which is inclusive and fair. Accordingly, we proposed a democratic, multi-union framework that is responsive to the needs of all workers and their representatives. We have found progressing towards this objective difficult.

Following a meeting earlier this week with AMCU, where no progress was made towards reaching an agreement, we have been notified that AMCU have referred the matter to the Commission for Conciliation, Mediation and Arbitration (CCMA). Lonmin welcomes this development. A process facilitated by the CCMA presents an opportunity to reach agreement. We will fully participate in this process.

Lonmin remains committed to seeking a negotiated outcome. We will provide updates on the CCMA process in due course.

- ENDS -

**ENQUIRIES****Investors / Analysts:**

Lonmin

Tanya Chikanza (Head of Investor Relations)

+27 11 218 8358 /

+44 20 7201 6007

Ruli Diseko (Investor Relations Manager)

+27 11 218 8300

**Media:**

Cardew Group

James Clark / Alexandra Stoneham

+44 20 7930 0777

Sue Vey

+27 72 644 9777

Brunswick - Johannesburg

Cecilia de Almeida

+27 11 502 7400 /

+27 83 325 9169

**Notes to editors**

Lonmin, which is listed on both the London Stock Exchange and the Johannesburg Stock Exchange, is one of the world's largest primary producers of PGMs. These metals are essential for many industrial applications, especially catalytic converters for internal combustion engine emissions, as well as their widespread use in jewellery.

Lonmin's operations are situated in the Bushveld Complex in South Africa, where nearly 80% of known global PGM resources are found.

The Company creates value for shareholders through mining, refining and marketing PGMs and has a vertically integrated operational structure - from mine to market. Lonmin's mining operations extract ore from which the Process Division produces refined PGMs for delivery to customers. Underpinning the operations is the Shared Services function which provides high quality levels of support and infrastructure across the operations.

For further information please visit our website: <http://www.lonmin.com>