14 November 2011

LONMIN

Lonmin Plc

Final Results Announcement

Lonmin Plc, (Lonmin or the Company), the Platinum producer, today announces its Final Results for the year ended 30 September 2011.

HIGHLIGHTS

- **A strong performance across all operations:**
  - Sales of 721,000 ounces of Platinum – meeting revised guidance
  - Cost per ounce increase of 11.2%, normalised at 8.0% – met revised guidance
  - Mining Division – momentum re-established
    – available ore reserves up 8.8%
  - Process Division – sustained upward trend in concentrator recovery rates
  - Safety – unacceptable fatalities, but overall improvement in LTIFR of 19.8%
  - Underlying PBT of $315 million – up 32.9%
  - Underlying EPS of 111.6 cents – up 59.0%
  - Net debt reduced by 37.6% to $234 million
  - Capital spend of $410 million – met guidance
  - Dividend maintained 15.0 cents per share – in line with policy

- **Management actions taken in 2011:**
  - Reviewed safety culture and policies – improvement initiatives in place
  - First full year since successful relocation of senior executive team to South Africa – positive impact through 2011
  - Number One furnace successfully modified – stable performance
  - Longer term bank facilities of $945 million – balance sheet stronger, flexibility for the future
  - Contained the impact of the illegal strike at Karee mining operations
  - Tailings treatment and chrome plant projects successfully implemented – will maximise recoveries
  - Continued implementation of our transformation programme towards our 2014 Social and Labour Plan targets
  - Agreement with Shanduka to explore feasibility to manage and operate Limpopo operations

- **Key focus areas in 2012 and beyond:**
  - Maintain our focus on safety as we continue our journey to zero harm
  - Flexible management of our production profile to deliver profitable ounces
    - Build on momentum established in 2011 to further improve productivity
    - Maintain focus on instantaneous recoveries
  - Balance investing for future growth and prudent management of balance sheet
  - Deliver on the capital projects that will secure future growth
  - Deliver our transformation and sustainability targets

Ian Farmer, Chief Executive Officer, commented:

"We have worked hard in a difficult market to build robustness into the business wherever we can, and our solid end of year position reflects this. Our operational and financial performance have delivered a solid performance, despite seeing two months of serious disruption, caused by an illegal strike and by a very sad series of fatalities in the earlier part of the year. In the short term, markets are somewhat unpredictable, however we will continue to cautiously invest in capacity to create the operational flexibility to be ready to respond to more favorable conditions in the medium and longer term. Achieving optimal capacity of 950,000 Platinum ounces will depend on our rate of investment being sustained and this will be driven by the market. In 2012, we have a sales target of 750,000 Platinum ounces."

FINANCIAL HIGHLIGHTS

Year to 30 September		2011	2010
Revenue	$m	1,992	1,585
Underlying operating profit (i), (ii)	$m	311	228
Operating profit (ii)	$m	307	203
Underlying profit before taxation (i)	$m	315	237
Profit before taxation	$m	293	240
Underlying earnings per share (i)	cents	111.6	70.2
Earnings per share	cents	134.8	56.9
Net debt (iii)	$m	234	375
Gearing (iii)	%	7	10
Net debt/ Underlying EBITDA	x	0.54	1.07

NOTES ON FINANCIAL HIGHLIGHTS

(i) Underlying results and earnings per share are based on reported results and earnings per share excluding the effect of special items as defined in Note 3 to the Accounts.
(ii) Operating profit / (loss) is defined as revenue less operating expenses before impairment of available for sale financial assets, finance income and expenses and share of profit of equity accounted investments.
(iii) Gearing is calculated on the net debt attributable to the equity shareholders' of the Group divided by the total of the net debt attributable to the Group and equity shareholders' funds.

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This press release is available on www.lonmin.com. A live webcast of the Final Results presentation starting at 09.30hrs (London) on 14 November 2011 can be accessed through the Lonmin website. There will also be a web question facility available during the presentation. An archived version of the presentation, together with the presentation slides, will be available on the Lonmin website.

Chairman's Letter

Dear Fellow Shareholder,

I am pleased to be able to report that Lonmin has delivered a solid operational and financial performance for 2011. While production failed to meet our original expectations, the outturn was nevertheless satisfactory and increased sales of refined metal allowed your Company to report a worthwhile increase in profitability. Net earnings attributable to equity shareholders grew from $112 million to $273 million.

Markets, operations and costs

Our 2011 financial year was hallmarked by the instability of world economies. Lacklustre economic growth, coupled with the increasing burden of undigested debt, and the devastating earthquake in Japan all contributed to the substantial volatility and subsequent weakness in Platinum Group Metals (PGMs) prices and in our core currencies. Against that background, your Board's adherence to a policy of prudent balance sheet management was appropriate.

The two major operating challenges for your Company in 2011 were safety and labour relations. Lonmin and its management remain absolutely committed to ensuring the safety of our employees which is defined in our stated "Zero Harm" core value. Very regrettably, during the year we experienced six fatalities at our mines. We have subsequently reviewed and refocused our safety strategy and recent safety statistics have shown a significant improvement. Constant vigilance remains the watchword.

Labour relations also presented challenges during the year with ten production days lost because of an illegal strike at our Karee operations. This incident was the result of an internal union leadership dispute, not through any difference with management. We are determined to maintain a positive and constructive relationship with our entire workforce. Nevertheless the incident had severe adverse consequences for a large part of our workforce. Community relationships have also been challenging and considerable management effort is going into building a more effective rapport with community leaders.

Cost increases have continued to be an issue, driven by inflationary factors including wage increases and electricity, to mention just two, and by the costs of increasing production and development. Managing our cost performance will remain a key area of focus for both management and Board in 2012.

Industry challenges

The mining industry worldwide has experienced a growing number of external challenges in recent months. Windfall gains in some commodities from the explosive growth in China particularly, accompanied in some producing nations elsewhere by poor standards of living and unemployment, have fanned the political winds of change in resentment of perceived inequality. Governments are increasingly being pressured to take action to retain a greater proportion of the benefit of natural resources for local inhabitants. "Resource nationalism" is being debated in many countries and some of the South African expressions of these sentiments I discuss below. Responsible mining companies that operate according to best international corporate social responsibility standards, as defined by the International Council on Mining and Metals (ICMM), have a great deal to offer their host nations. It is imperative that in considering resource nationalism an appropriate balance is maintained between the distribution of the wealth that mining companies are able to create and the competitive nature of the world that that they operate in.

Transformation and growth initiatives

We have consistently demonstrated our full support for the transformation initiative. The word "transformation" can be read as shorthand for the process to change the old modus operandi of the South African mining industry to a new model representative of the non-racial, inclusive, more equitable standards of the country in a way that favours historically disadvantaged peoples without destroying the economic competitiveness of the industry and indeed the country. We completely endorse this objective and process. Determined action to meet targets established for employment equity, procurement, training and Historically Disadvantaged South Africans (HDSAs) ownership will progressively transform our business and do much to address the evils of poverty, unemployment and inequality. This approach is however clearly not the same as that espoused by those who claim that nationalisation will achieve these goals more speedily and effectively. While recognising that this is a matter for the elected government to decide, we cannot subscribe to this view. It seems to us at best debatable that South Africa can afford to acquire ownership control of the mining industry, and – if it did – whether the change of control would provide more efficient operations, yielding greater benefits for employees and other stakeholders, while still generating the capital necessary to fund the investment in maintaining let alone increasing production. It is an inescapable fact that there is a world shortage of technical and managerial skills in the mining industry

and it must be expected that nationalisation would be seen as a major disincentive by many incumbents. Similar considerations apply to the providers of capital, both domestic and foreign. The role played by foreign investors in the historic development of the South African mining industry should not be overlooked, especially at a time when one of the present government's most significant imperatives - the creation of many tens of thousands of new jobs - will require substantial private fixed investment if it is to have any chance of success.

In any event it can be argued that ownership of the country's mineral wealth is already vested in the State. In accordance with the Mineral and Petroleum Resources Development Act (MPRDA), your Company has the right to extract ore and refine precious and other associated metals. The New Order Mining Rights are subject to compliance with the detailed terms of the Mining Charter, and it is to meet these by 2014 that the work of transformation is directed. We pay taxes and royalties. We employ, directly and through contractors, some 37,000 people in our mines. Indirectly through our purchases of goods and services we employ many thousands more. In reality the economic benefits of our business are shared with South Africa, its citizens and businesses. Over 80% of the revenue we generated during the year flowed to employees, the South African Government, and local suppliers. The proportion paid to shareholders as profit was no more than 1%.

Notwithstanding the uncertainty arising from this debate, we remain focused on building mining capacity to our target of 950,000 ounces. Our key aim will be to mine safe and profitable ounces while building flexibility to take advantage of improvements in the market. Given near term market uncertainties, cash flow will be monitored vigilantly and our rate of production growth will be moderated when necessary to ensure balance sheet health.

In the year under review we reported capital expenditure of $410 million of which 56% represents an increase in investment in ore body development and back up smelting capacity and we plan our capital spend for 2012 to increase by 9.8% to around $450 million. It is important that our shareholders recognise that continued substantial investment reflects our confidence both in the long term prospects for PGMs and in a stable and economically vibrant South Africa. There is however a caveat relating to the fundamental importance of security of tenure; we cannot reasonably continue a programme of long term investment if we cannot enjoy the certainty of access to all the Company's mineral resources.

In summary, being an effective and supportive corporate citizen in South Africa, supporting our employees and working in partnership with the Government of South Africa towards our transformation targets must be and are priorities. As part of this, the decision to move our top executive team to South Africa has been shown to be the right one. I think the move has also been, in some part, responsible for the major growth from 5% to around 19% we have seen in our South African investor base over the last year. Lonmin however, remains predominantly an internationally owned Company.

Dividend

Consistent with the dividend policy established a year ago, and recognising the considerable cash commitment inherent in our capital investment programme, your Board is recommending a final dividend of 15c per share be declared, unchanged from last year.

Board changes

Michael Hartnall has served as a Director since May 2003, and has informed me of his intention not to seek re-election at the AGM in January 2012. We will miss his wise counsel and calm good nature, as Michael has been an invaluable member of the Board for nine years during which time he chaired the Audit & Risk Committee and was a member of the Nomination and Remuneration Committees, as well as acting as our Senior Independent Director. He will leave with our thanks and best wishes for the future. Len Konar has already taken over the chairmanship of the Audit & Risk Committee and Jim Sutcliffe has agreed to take on appointment as Senior Independent Director from the date of the AGM.

Outlook

We are cautious in the short term as global uncertainties continue to play out, but we remain confident that industrial fundamentals will begin to reassert themselves in the medium term. Both automobile and jewellery end users are holding up remarkably well in the face of gathering recession predictions. In the longer term the return of less dysfunctional markets, the resumption of growth and the unique environmentally important properties of these rare PGM metals, increasingly in new uses such as fuel cells, will underpin higher demand levels. It is our view that additional supply will be required to meet these higher needs and moreover that the investment in new capacity, across the industry, will only be justified by higher Rand prices. Consequently, our strategy is to continue to invest in capacity building, whilst retaining the flexibility to moderate the rate of capacity expansion consistent with markets and balance sheet prudence. Lonmin is well placed in this as production from the Marikana resource can be considerably expanded before a major new shaft system is required.

Employees

Once again, I would like to give the warm thanks of the entire Board to all our employees, who have worked so hard during the year and to all our contractors who continue to provide their support for our operations.

Roger Phillimore
Chairman

Chief Executive's Review

1. Introduction

Operationally, 2011 has been an encouraging year for the Company in which we have reaped the benefits of the operational turnaround we undertook in 2009 and 2010. Lonmin is a fundamentally healthier business, and is moving in the right direction towards clear goals.

However, against the backdrop of a fast changing South African environment the year has not been without its difficulties either, and I will address these later in this report.

There are areas which affect our business which we, like our peers, do not control - the Rand, the price of platinum and, of course, the global economy in which an international business like Lonmin operates to name but three. In the last year the entire Lonmin team, from mine to market, has focused relentlessly on those things we can control and in taking as much uncertainty out of the business as possible.

I am, therefore, pleased to be able to report that we achieved our revised Platinum sales guidance of 720,000 ounces and revised unit cost guidance of around 11%. Encouragingly, the mines hoisted ore containing 720,000 Platinum ounces, whilst metals in concentrate was 719,000 Platinum ounces, ahead of 715,000 and 694,000 Platinum ounces delivered last year respectively. These results are particularly pleasing given the safety issues and illegal strike we experienced.

For ten of the twelve months of the year our business delivered according to plan. In the two months where it did not, we saw factors around safety and an illegal industrial action at Karee affect performance. The operational review covers these events in more detail. Those ten months of delivery demonstrate that when these events do not affect us we are a fundamentally sound and successful operation. Our challenge is to ensure that those events become rare or are eradicated in future.

2. Safety

After many years of improving safety we lost six colleagues in separate fatal incidents at Marikana in the first seven months of 2011.

Lonmin, and mining, has been my working life for many years. The shock of losing colleagues never changes, and the loss of Thomage Kgwatlha, Modisaotsile Edward Setlhare, Afiado Mazive, Hermanus Potgieter, Rafael Macamo and Alpheus Mogane Moerane was felt across the entire business.

Whilst our safety performance was unacceptable I believe that our fundamental approach to safety management has been sound and our commitment to zero harm and safe production remains undiminished. We carried out a root and branch review of all of our safety procedures. This review re-affirmed our basic safety strategy, but we identified five key areas where we must improve: leadership development, systems development and simplification, safety culture, enabling environment and contractor safety management.

I am pleased to say that our safety performance following the cluster of fatalities mid year improved. All employees and management were consequently in breach of the balanced score card disqualifer of four fatalities and as a result, no bonus was allocated for this target. Lost Time Injury Frequency Rate (LTIFR) for 2011 showed a 19.8 % annual improvement. However, the entire workforce did not meet the balance score card on safety as a result of the fatalities. In the last five months of the year, at a time when we sought to increase our throughput, we achieved four million fatality free shifts across all of the Lonmin operations, an achievement which we last achieved in 2009 during a time when production was contracting as a result of the restructuring programme. I am also particularly pleased to report that Rowland shaft's safety record now leads in the industry having achieved twelve million fall of ground fatal free shifts over a ten year period.

The journey to zero harm will take time and require the continued commitment and dedication of both management and employees.

3. Operational Overview

Mining

Our Mining Division's performance demonstrated continued growth and it is unfortunate that the excellent momentum established at the beginning of the year was interrupted by the mid year fatalities and an illegal strike at Karee operations.

Total tonnes mined were 11.7 million, up 3.7% from last year, of which 10.9 million tonnes were from underground operations at Marikana. Management continued to place emphasis on quality of mining and improving mining discipline and the fruits of the processes, procedures, training and work initiatives are evident in these results. Notably, the lost momentum on all operations from the disruptions at Karee was quickly restored with excellent production being recorded from June through to September. The interruptions however had a detrimental effect on our overall mining figures.

Hossy, our proof-of-concept mechanised mine recorded a good year. However machine reliability, availability of replacement parts and the difficulty of attracting and retaining trained artisans have continued to be major barriers to efficient production. As a result, we are scaling back on the mechanised proof-of-concept method to introduce an element of hybrid mining to some of the mine areas to mitigate the risk to production.

Immediately available ore reserves at our Marikana operations were 2.9 million centares at the end of 2011, a remarkable 8.8% higher than last year. This level of preparedness allows us to plan our future growth with confidence.

Our overall milled grade was 4.40 grammes per tonne, a reduction of 5.4% against the prior year. The reduction reflects the slightly higher dilution resulting from the high levels of development, poor ground conditions experienced at K3, an overall lower UG2 in situ underground ore grade and the proportionate increase in the mining of lower grade merensky ore from underground and opencast. The grade however remains within our acceptable range.

Our unit costs per PGM ounce increased by 11.2% reflecting the continued inflationary pressures being felt by the industry in general. The unit cost was also impacted by the production losses arising from the safety stoppages and illegal strikes. Excluding these two major factors, unit cost was up around 8.0% on a normalised basis and in line with our original guidance, demonstrating prudent cost control.

We have made progress with our capital development with a mining capital spend of $268 million during the year mainly at K4, Hossy and Saffy and at the sub-decline at K3. This will stand us in good stead with meeting our future production profile

Processing

The Division delivered solid results. I am delighted to say the upward trend in concentrator recoveries we saw early in the year continued with high levels being sustained throughout 2011. The underground concentrator recoveries we achieved of 85.4% , up another 0.7% from 2010, contributed to the increase in the instantaneous recovery rate, which was 82.5%, up 3.4 percentage points. We say more about this key area in the Operational Review below.

The modifications made to the smelter during the re-build at the end of 2010 have been successful, and it operated satisfactorily throughout the year. Smelter risk will be further reduced in Q3 2012 when the Number Two furnace comes online.

The tailings treatment project is on schedule with three chrome plants commissioned by Xstrata-Merafe Chrome Ventures and ChromTech, our partners on the projects, and the Rowland tailings treatments plant was commissioned in August this year. The tailings treatment plant at Easterns is due to be commissioned in early 2012. The projects will improve our recoveries by 2% of PGMs per year when fully operational at these plants.

4. Financial

We completed the refinancing of our bank debt facilities during the second half of the year, and replaced $875 million bank debt facilities we had with approximately $945 million of new facilities on superior terms. As a result we have extended the maturity profile of our debt to support our growth and enhanced our ability to maintain a sound and efficient balance sheet with some flexibility. Our net debt position and balance sheet were strong at year end, and position us well to manage the prevailing short term global market uncertainties.

5. Growth Plan

We will continue to focus on maximising the value of the Marikana asset which has a long life high quality ore body. Our K3, K4, Saffy and Hossy shafts drive our growth ambitions. There are new sub-declines at K3 that will enable us to maintain the efficiency of this shaft. K4 is a new generation shaft that comes online in 2012 and will ramp up production over the next few years. Saffy and Hossy will continue to ramp up. Combined, these shafts are the platform for us to reach what we believe to be Marikana’s optimal production level of around 950 000 Platinum ounces. The world events of the last six months demonstrate how the timetable for delivery of this capacity may be influenced by external factors.

We now expect the platinum market in 2012 to remain broadly in balance with a bias to small surplus. The recovery in demand we had previously anticipated may be postponed due to these short term difficult market conditions.

We have the capacity to produce 800,000 ounces of Platinum in 2012. However given the high risk of business disruption, particularly from Section 54 safety stoppages, our guidance for next year's sale is 750,000 Platinum ounces.

The transaction we announced with Shanduka Group Proprietary on Limpopo provides a potential development roadmap whilst enabling our own management to continue to focus on delivering the value inherent in our Marikana asset. Akanani is a longer term prospect and we continue to look at the options that are available to us whilst completing additional feasibility work particularly on processing options.

Lonmin is well positioned for the future thanks to our strategy of investing in ore reserve development. At the time of our interim results in May, we announced our plan for organic growth beyond 2013 to reach Marikana's optimal production level of 950,000 Platinum ounces. We continue to believe that investing to grow our production capacity is the right thing to do to enable us to take advantage of the attractive long term fundamentals for PGM markets. However, in light of current economic uncertainty and short term PGM outlook, together with our objectives of delivering profitable ounces and maintaining balance sheet prudence, we will retain flexibility around our capital expenditure plans and we will moderate the pace of capacity expansion if the environment dictates.

Markets Outlook

As I mentioned above, I believe the outlook for the PGM markets will be challenging in the short term, influenced by the global uncertainties we have seen in recent months. However, beyond this horizon the fundamentals remain sound underpinned by the tightening emission legislation, demand growth arising from non-road emissions control, anticipated growth in diesel car market share particularly in the United States and India and growth in gasoline vehicles in China. The stationary fuel cell market is real and growing, whilst jewellery is set to remain a price equaliser in times of slack demand. Growth in supply from the South African PGM producers will however remain constrained.

6. Transformation

The whole management team is clear that issues around transformation are core to the continued success and growth of this business. It is a fundamental element of our licence to operate and we strive to do it well both because it is right, and because it is right for our investors.

Equally, a healthy, profitable and growing Lonmin brings benefits to all of our stakeholders, be they investors, our employees, the authorities or the communities in which we operate.

This year we have spent in total, R309 million on community projects, hostel conversions, healthcare delivery, adult learning schemes, training and provision of bursaries to university students. Of the 184 students we have sponsored to date, 157 are HDSAs and 35 are female. Our management payroll, excluding white women, now includes 32% HDSAs, up from 28% in 2010, all of whom are merit based appointments.

We strive to achieve good working relationships with our stakeholders and during the year we continued to build on the collaborative approach that we have successfully nurtured in the recent past particularly with the unions. We are also working closely with the Bapo Ba-Mogale Community in developing a roadmap that can unlock the inherent value of their position for the benefit of the Bapo community as a whole.

We are exploring initiatives that will enable us to attain the Mining Charter Phase Two ownership target by 2014 and have shared our concepts to achieve this with the Department of Mineral Resources (DMR). One such initiative is the Limpopo transaction as it creates the potential opportunity for Shanduka to become a Black Economic Empowerment (BEE) PGMs mining and operating company, in line with the DMR's empowerment objectives.

Some of the industry transformation targets are challenging, However, I believe Lonmin's performance to be ahead of industry average in most areas and we will be reproducing our reporting audited scorecard performance in our annual report. 2012 will see our transformation initiatives accelerated and we look forward to making announcements on this progress as the year passes.

Social issues are increasingly coming to the fore in the public consciousness, in the media and amongst policy makers. I expect this trend to continue and grow, presenting fresh challenges in the years ahead.

7. Sustainability

We have made some good progress in achieving our environmental targets. Whilst our total energy consumption increased by 5.1 % in 2011 to 6,533 Terajoules, we have made considerable progress with our programmes on optimal management of water resources and atmospheric emissions. Notwithstanding these initiatives, the PGMs that we produce are a vital component in autocatalytic convertors and therefore play a significant role in reducing air pollution and contributing positively to the climate.

8. Guidance

The healthy state of our ore reserves bode well for 2012. We anticipate sales of around 750,000 Platinum ounces in 2012 with additional ounces coming from the K3 sub-declines, Hossy, and Saffy as they continue to ramp up, and the planned decline of production from Newman continues.

We expect to improve cost control by driving productivity to mitigate the increase in our gross costs. We expect to achieve this, even though our operations face significant inflationary pressures, by maximising our efficiencies and economies of scale as this will enable us to move down the cost curve. Given this, we anticipate that unit cost will increase in line with wage increases which we expect will be in line with those recently achieved by our two larger competitors.

Our capital spend will mostly be on further developing K3 and Rowland shafts, ramping up production at Hossy and Saffy and bringing K4 into production. Our capex guidance for 2012 is around $450 million being R3.7 billion. This is slightly higher than prior guidance due to escalation, the devaluation of the Rand and minor scope changes. Most of this spend will be in Rands and will therefore be subject to Rand strength.

9. Executive Committee Changes

I was delighted to welcome to the Executive Committee (Exco) during the year, Natascha Viljoen and Thandeka Ncube. Natascha assumed the role of EVP Processing following Theuns de Bruyn's departure and was part of the team that worked with Theuns in enhancing our concentrator recoveries. Thandeka has joined the Exco representing Shanduka and replacing Rowan Smith and Karishma Sewpersad. Theuns, Rowan and Karishma leave with our thanks and good wishes.

10. Employee Thank You

The dedication, support and professionalism of our employees remain key to our success. I am proud of the way we have brought our operations back to good health and established a platform from which we can grow as a business in the years ahead.

I would like to end my report this year with a heartfelt "thank you" to each and every one of them.

Ian Farmer
Chief Executive Officer

Operational Review

Safety

We have historically been proud of the progress we have made in making our working environment safer and in the leading position in safety that we have occupied within the industry. The entire team is therefore very disappointed and saddened by the six fatalities experienced in the 2011 financial year.

The incidents were examined using our standard Incident Cause Analysis Methodology (ICAM) process and we spent a great deal of time trying to understand the failures and root causes. Across the six incidents, there are few if any common factors. While four of those fatally injured were contractors, the location, nature of the incident and the root causes were different in all six cases. In fact the only common theme was that the deaths all resulted from known hazards, for which there are well established protocol and risk mitigation processes, however, some of these were not adhered to as a result of unsafe behaviour.

Lonmin mining operations have introduced varied and far reaching remedial measures following the fatalities that occurred pertaining to Fall of Ground, Trucks and Tramming, Engulfment, Caught in Between, Scraping and Rigging. In addition, workplace stoppages were instituted in response to conditions believed to be unsafe, together with self-initiated mine wide production stoppages instituted by management on 30 March and 14 April 2011 to reinforce the importance of safety following two of the fatal accidents.

Our commitment to zero harm and safe production in our work place remains undiminished and we achieved four million fatality free shifts across all Lonmin operations at the end of September 2011 (only the second time in Lonmin's history that this milestone has been achieved). We believe that our fundamental approach to safety management remains sound, however, we continue to learn from the root causes of each incident. The Lost Time Injury Frequency Rate (LTIFR) for the financial year was 4.71, and over the past three years the LTIFR has improved by 33%.

Rowland shaft leads in the industry with an achievement of 12 million fall of ground fatal free shifts. This remarkable achievement took ten years to accumulate. Another exceptional performance to note was 4B shaft achieving 4.6 million fatality free shifts

The processes and procedures for safe production remain sound and, in consultation with our union leadership and the DMR, we are reinvigorating our efforts to re-assert our industry leading position. We believe that, together with our stakeholders and the working groups that have been established, this will lead to the entrenchment of sound leadership, an enabling environment, simple systems, a positive safety culture and improved contractor safety management.

Mining Division

During the 2011 financial year, the Mining Division demonstrated continued growth despite the impact of the illegal industrial action encountered at the Karee operations during May as well as the safety stoppages. Total tonnes mined during the 2011 financial year were 11.7 million, a 0.4 million tonne increase from 2010.

This is largely attributable to improvements at K3 shaft and the ramp up in production from our Merensky opencast operations. Momentum has been re-established following the strike in May.

Marikana Ore Reserve

	FY11 ('000 m2)	FY10 ('000 m2)	Change	%
Karee	1,437	1,154	283	25%
Middelkraal	385	354	31	9%
Westerns	533	702	(169)	(24)%
Easterns	576	483	93	19%
Total	2,931	2,693	238	9%

It is pleasing to note that the ore reserve position has increased by 9% from the level reported in 2010. The ore reserve increase for Karee of 25%, Middelkraal of 9% and Easterns of 19% support Lonmin's growth build up towards the 950,000 Platinum ounces. The Westerns operations decreased as planned.

Mining grades reduced in comparison to 2010 due to:
- an overall reduction in the in situ grade,
- increased development to support the ramp up in production, poor ground conditions at K3,
- increased dilution necessitated for safety reasons while mining through geologically disturbed ground conditions; and
- an increase in the proportion of underground Merensky and of lower grade opencast Merensky ore.

Grades however remain within the acceptable range.

Initiatives

Progress has been made on a number of initiatives launched over the past years to ensure improved delivery and increased productivity in the Mining Division. These include:

- finalisation of incentive programmes for our productive employees including supervision to increase the element of variable pay;
- improved long and short term planning systems are entrenched and have been enhanced to enable the evaluation of different production scenarios at short notice;
- design of fit for purpose cost and management systems have been completed and are scheduled to be rolled out to all operations during the course of 2012;
- the “Line of Sight” management system to track production on a daily basis has been embedded in all the operations and is starting to bear fruit in allowing early identification of technical bottlenecks, lost blast analysis and improved productivity; and
- relationships with the unions and DMR improved and continue to be enhanced as a result of various management actions, such as the safety initiatives, that were driven through the year.

The inflationary cost pressures being experienced by the industry are of great concern to management and various productivity improvement programmes such as team effectiveness development, technical up skilling of employees, face advance and blast frequency improvement projects, have been identified and are scheduled for implementation in 2012 to mitigate these pressures.

Overview of Marikana Mines

Karee

In 2011 the Karee operations, K3, 1B, 4B and K4, mined 4.4 million tonnes which represents an increase of 0.3 million tonnes from 2010. This is a result of the flexibility created by an improvement in ore reserves at K3 resulting in a better than anticipated ramp up following the industrial action during May of this year. Going forward management is confident that the improved momentum will continue and result in the planned increase from the Karee operations. The mining grade has decreased as a result of increased dilution associated with split reef and increased stoping widths for safety reasons. Unit cost per tonne increased by 6.8% to R573 and was negatively impacted on by the high fixed cost base during the strike.

Westerns

Production from our Westerns operations, Rowland and Newman at 3.4 million tonnes declined by 0.3 million tonnes on 2010 as expected with the depletion of Newman shaft. Additional dilution from the roof bolting in the stoping horizon, necessitated by safety concerns, together with a drop in the in situ grade had a negative impact on the head grade. The reduced production resulted in the unit cost per tonne increasing by 14.3% to R542 per tonne.

Middelkraal

The production from our mechanised and hybrid shafts at Middelkraal, Saffy and Hossy, was largely flat at 1.9 million tonnes per year. Grade was negatively impacted by the higher ratio of development ore versus stoping production. Unit cost per tonne increased to R739 per tonne or 17.5% whilst the operations struggled to meet increased production targets.

Saffy’s production was significantly impacted during 2011 by adverse ground conditions. The production delays experienced during the year have largely been addressed by means of changes in layout designs as well as a revision to the support strategy. The increase in face length availability resulting from the change in layout and the build up of stoping crews have resulted in this shaft having the necessary flexibility to achieve planned production increases in 2012.

Good progress was made at Hossy during the year. However, the biggest challenges that continue to be faced by the mechanised mining team centre around machine reliability, the availability of replacement parts and the supply of trained artisans. Whilst we have ongoing programmes to address these issues a decision has been taken to introduce hybrid mining in some upper quadrants, to reduce the risk to production.

Easterns

Although this is a small section of our business our Easterns operations, E1, E2, and E3 performed exceptionally well with production increasing by 8.4% in comparison to 2010 supported by the healthy position of the ore reserve. The mining grade from stoping operations improved, however, this was offset by increased ore from development evident from the improved ore reserve position. Cost per tonne was contained to increase by only 6.1% to R577 per tonne.

Opencast

The Merensky opencast operation at Marikana included a full year of production in 2011 compared to around six months of production in 2010. Although the grade was below expectations during most of the year the change in the mining method and sequencing introduced in the last quarter have resulted in improved grades being achieved.

Future growth from our underground operations will be generated from our Karee and Middelkraal mines as the K4 shaft continues to ramp up over the next few years.

Pandora Joint Venture

	2011	2010	Change
Attributable production (kt)	168	166	1.2%
Saleable MIC (koz PGMs)	48,199	49,345	(2.3)%
Profit after tax	$8m	$5m	60%

The extension of the current Pandora underground operation which will give access to two additional levels, extending the life of E3 shaft to 2029 is in execution phase. The capital project is currently ahead of schedule and has performed well.

The feasibility study on the 180,000 tonnes per month project has undergone review of the different components of the study and is ongoing.

Process Division

Safety remains a primary focus across the Process Division and this has been evident in the 30% year on year improvement in the LTIFR. This is based on a strategy of proactive measures that includes focusing on the lessons we learn through incidents that do not lead to injury.

The Process Division refined production of 731,273 ounces of Platinum compared to 685,365 ounces in 2010. This represents an increase of 6.7% due to improved availability of our smelting operations. The re-design of the Number One furnace has resulted in significant operational improvements. Recovery improvements over the past years have continued across each of our operations. Unit costs were well controlled with the year on year increase being limited to below inflationary levels.

Unit costs	2011	2010	Variance
Processing	R830/oz	R809/oz	(2.6)%

Concentrators

Another exceptional performance throughout the year was recorded at the concentrators with concentrator recovery rates improving to 85.3%, and higher plant running times.

Plant running times continued to improve during 2011 and the overall concentrator running time has increased to 91.4% in 2011 from 87.4% in 2010. The concentrators are targeting a 0.5% uplift in running time per year until the running times achieved in the period from 2003 to 2005 (93.5% overall for the concentrators) are realised.

Similar to the mining grade the milled grade was slightly lower than the previous year but well within the targeted range of 4.40 grammes per tonne to 4.80 grammes per tonne.

Tailing Treatment and Chrome Plants

Achievements during the year include the new chrome extraction plants commissioned by Xstrata and ChromTech.

- Rowland chrome plant was commissioned by Xstrata in April 2011;
- Rowland tailing treatment plant was commissioned in August 2011;
- K4 chrome plant was commissioned by Xstrata in May 2011;
- Karee B chrome plant was commissioned by ChromTech in July 2011; and
- Easterns tailing treatment plant is due to be commissioned in early 2012.

The chrome plants have resulted in chrome sales of around 730,000 tonnes in 2011 and these are anticipated to increase substantially in 2012 as the plant will be on line for a full year.

A tailings treatment plant that will re-treat tailings from the chrome plants to recover additional PGMs is under construction and will be commissioned in early 2012. The recovery of PGMs from these specific plants is anticipated to improve by up to 2% in 2012.

Smelter

The planned re-build and modification of Number One furnace was well executed and successfully re-commissioned on schedule in December 2010**.** Over the past year the new design and operational discipline of the Number One furnace has proven to be more robust, with no operational disruption to report. The furnace has been ramped up to operate consistently at the desired power for operational requirements. The use of the Number One furnace combined with the Pyromet furnaces has ensured that the excess stockpiles have been depleted. Tonnes smelted increased by 15.5% in 2011**.**

Progress continues with the building of the Number Two furnace on the site of the old Merensky furnace. We are on schedule for the furnace to be cold commissioned in March 2012 and fully commissioned and operational by the end of May 2012.

Refineries

koz	2011	2010	Change
Platinum	731	685	6.7%
PGMs	1,447	1,315	10.0%

Recoveries at our Base Metal and Precious Metal Refineries remain a key focus and we continue to see sustained improvements in efficiencies for the recovery of all metals with instantaneous recovery rates at the refineries increasing to 82.5% in 2011, up from 79.1% in 2010.

Refined production of PGMs increased by 10.0% and was greater than the 6.7% increase in refined production of Platinum. This was as a result of the other Platinum metals returned from toll refining in the first quarter of 2011 for which the associated Platinum ounces were returned in September 2010.

Overall, the performance of the Process Division was excellent and we expect this to continue.

Sales

Platinum sales	2011	2010	Variance
Refined metal	721koz	681koz	5.8%
Concentrate	-	25koz	(100.0)%
Total sales	721koz	706koz	2.1%

Final metal sales for 2011 were 720,783 which was in line with our sales guidance.

Capital Expenditure

Capital expenditure to support the future growth of the business was $410 million in the 2011 financial year. Expenditure in 2012 is planned at around $450 million to continue developing sufficient ore reserves to attain long term production of 950,000 ounces of Platinum per year.

Mining division: Capital expenditure during 2011 was $268 million, the majority of which was spent on developing the ore reserves at K4, Saffy, Hossy and K3.

Process division: Capital expenditure during 2011 was $142 million with the main areas of spend being the Number Two furnace and the Easterns tailing treatment plant.

Unit Costs

In line with the industry, Lonmin experienced continued inflationary pressures with above CPI increases in wage settlements of around 8% and power costs escalating around 24%.

The production losses associated with the industrial unrests during May together with the self-regulated mine wide production stoppages instituted by management, increased open cast production and the lower underground grade resulted in the C1 unit cost increasing by 11.2%.

Discounting the effect of the two set backs (strike and two day safety stoppages) the unit cost increase would have been around 8.0% which reflects Lonmin's continued focus on rigorous cost controls.

Business Development

Limpopo

There was no production from the Baobab shaft at Limpopo during the year as this shaft continued on care and maintenance.

At the end of September 2011 we entered into an agreement with Shanduka in regard to our Limpopo division. In terms of the agreement Shanduka will carry out a feasibility review to assess the viability of operating and developing the Limpopo operations. Based on the successful outcome of the feasibility review, and the fulfilment of certain conditions precedent, including Shanduka raising and contributing R1.1 billion in funding towards the ramp up and development of the operations, Shanduka will be entitled to acquire control and operational management of the operating entity, Messina Platinum Mines Ltd (MPML).

In addition, post completion of the transaction, Lonmin will be entitled to receive an amount of R400 million from MPML by way of subscription for preference shares in MPML or other such mechanism as may be agreed.

The transaction further strengthens our partnership with Shanduka and on completion will transform MPML into a BEE controlled and operated PGMs mining company. Additionally, we believe that this transaction will contribute to meeting the Mining Charter Phase Two equity target of 26% by 2014. The provision of capital by Shanduka, will enable us to retain our balance sheet capacity and management focus on growth from our Marikana operations.

Akanani

We are enhancing our mining and processing studies on this project and will make a decision in 2012 on further development.

BEE Equity Ownership

During the year we submitted a Concept Paper to the DMR setting out possible concepts to achieving compliance with the Phase Two 2014 requirements of the Mining Charter. Our ideas include inter alia selling down our shareholding in Incwala Resources (Pty) Limited (Incwala), renewed equity participation of our employees, further participation of our communities and the Shanduka Limpopo transaction outlined above.

As part of Shanduka's acquisition of 50.03% of Incwala, which acquisition was completed during the 2010 financial year and was dealt with in more detail in our 2010 Annual Report, Shanduka acquired the Lonmin Employee Masakhane Trust's (LEMT), (which Lonmin was instrumental in setting up) shares in Incwala and in each of the Cornerstone Investors in Incwala. During the course of 2011 the proceeds of the sale of the LEMT's shares were released from escrow resulting in the payment of around R199 million to almost 22,000 qualifying current and previous Lonmin employees – a triumph for sustainable broad based BEE.

Exploration

International

Joint ventures with Vale S.A. and Wallbridge Mining in Canada to explore for PGM-Copper footwall deposits on thirteen properties around the Sudbury Basin are progressing. On our Vale joint venture (JV) we announced the first PGMs resource on the Denison property which has a higher Platinum to Palladium ratio than usual in Sudbury. The JV has appointed Wardrop Tetra Tech to complete a prefeasibility study for a potential open pit on this mineralisation, which is due for completion in early 2012. Exploration mapping, geophysical surveys and drilling were carried out around the Sudbury Basin and generated targets for follow up in the coming year. Lonmin has options to enter into a further JV with Wallbridge in 2012 on its North Range properties which are prospective for PGM mineralisation associated with offset dykes and the footwall style of mineralisation.

Drilling has recently commenced in Northern Ireland on targets derived from geophysical and geochemical surveys carried out in the previous year.

South Africa

Western Platinum Limited (WPL) is carrying out exploration activities on Vlakfontein, near the Pilanesberg Complex and has a JV with Boynton.

Legal

Associated Minerals

Developments in the Keysha matter have been slow and a decision is still awaited from the Director-General (DG) on the appeal against the award of a prospecting right to Keysha. After all internal DMR procedures have been exhausted and in the absence of a decision favourable to Lonmin, the matter would proceed to court for review. The merits of a compensation claim being lodged by Lonmin on the basis of expropriation continue to be assessed, as does the merits of lodging a claim against a former Lonmin director for breach of statutory and common law duties.

Market Review

Overview

The short term will undoubtedly be challenging, however, medium and long term fundamentals remain intact and healthy. Tightening emission legislation, growth in non-road emissions control systems and anticipated growth in the diesel engine market share, bode well for the demand side while supply particularly from South Africa remains constrained. The medium term outlook is looking positive and the longer term view is even better, with stationary fuel cells promising strong growth potential and ultimately the possibility of the automotive drive train evolving from internal combustion to fuel cell driven solutions.

PGM Prices

The gains in the US Dollar basket price during the first quarter of the year were eroded following the turmoil and volatility that ensued from the Japan earthquake in the second quarter. Prices since then trended sideways to down following deepening sovereign debt concerns in Europe, debt default scares, credit risk downgrades, rumours of Chinese growth slowing and Japan slow to recover. The Rand basket was under downward pressure in the six month period from March to July, but Rand weakness in the final quarter brought some relief.

During the first half of the 2011 financial year, platinum prices rose 6% from $1,679 per ounce to $1,773 per ounce averaging $1,744 per ounce. Platinum prices averaged $1,778 per ounce in the second half of the financial year, a rise of 2% on the first half average.

Palladium price growth continued to outperform platinum on the back of firm supply and demand fundamentals, with palladium dominating the gasoline engine auto catalyst market in North America and China. Exchange Traded Funds (ETFs) were another source of demand in the first half of the period whilst rumours persist that the Russian stockpiles are close to depletion.

Rhodium has traded down with some autocatalyst manufacturers and OEMs well stocked after having stocks of metal for future requirements. Not even the launch of a new ETF by Deutsche Bank in May could arrest the price fall.

Demand

Automotive

The increasing need to manage engine emissions will remain the key driver of demand with more types of engines starting to fall into the legislative net. Other areas of growth such as fuel cells, both stationary and those used in vehicles, continue to gather momentum. Electric and hybrid power trains may increase in market share over coming years but are likely to be transition or bridge technologies and remain unlikely to become a significant market segment in terms of vehicle units in the next decade.

Non-road diesel remains a strong new market for platinum, with only Europe and the US covered by legislation at this stage, accounting for approximately a fifth of the world's non-road vehicle fleet. China and India are expected to follow in 2015/16 and other emerging countries after that. Estimates of on-road heavy duty diesel vehicles have been upgraded, due to stronger than expected orders. This is driven by new Tier VI emission legislation coming in 2014 and some retro fitting.

Diesels in Europe are back above 50% market share. The US also showed growth in diesel market share and is expected to increase from around 3% currently, to slightly more than double this figure by 2017.

Jewellery

We have seen sales in China, the world's largest jewellery market, increase by more than 10% year on year (800,000 ounces up to September 2011) despite the Dollar platinum price on average being 13% higher this year compared to 2010. Record high gold prices and the strong price increase in palladium, used in competing white gold, contributed to platinum appearing more affordable in relative terms.

Investment

Growth in the investment market slowed this year. There were some redemptions in the platinum market in the middle of the year and in the last month of the 2011 financial year, but overall investors have been adding to their Exchange Traded Funds (ETF) holdings. Overall, platinum ETF holdings increased and are still close to record levels. Following a strong performance in Lonmin's first half, the palladium market has seen consistent redemptions since March, resulting in a net drawdown for this year. Our long term view for this demand category is that it will remain a modest net consumer over time.

Outlook

South African supply side challenges remain largely unchanged whilst some aspects are amplified due to social pressures. Deeper mines, lower grades, skill shortages and power and water supply challenges all remain.

A further deterrent to investment has been the widely broadcast debate on nationalisation. Incidents of social and labour unrest place additional strain in an industry that has to compete for capital to deliver the supply required to match future demand.

The strength of the Rand and inflationary pressures continue to squeeze operating margins and cash flows. These factors not only provide an underpin to metal prices, but may also leave the market in deficit if demand picks up more strongly than anticipated.

Consequently we will continue to carefully balance the need to invest in growth capacity ahead of an upturn in demand whilst at the same time remaining focused on maintaining strong financial discipline.

Our outlook for 2012 has been reviewed with demand for platinum now expected to be lower than previously estimated. Our previously estimated small deficit has now changed to a balanced or modestly oversupplied market for the calendar year.

However, we believe that most companies in our end users markets, for example the auto industry, have strong balance sheets and are financially more robust than they were in 2009. They will be able to weather the potential slowdown much better and we also expect the market rebound to be strong when it occurs due to pent-up demand, with markets expected to recover from 2013 onwards.

Reserves & Resources

- Mineral Resource definition work in South Africa during the year was confined to the Marikana and Pandora properties. The Limpopo, Akanani and Loskop Mineral Resources were unchanged during 2011.
  - The Mineral Resources at Marikana reduced by 5.7 Moz (3%) of 3PGE+Au in 2011. Exploration drilling at Marikana in FY11 was focused on infill drilling rather than Mineral Resource extension and additional data collected during the year resulted in a 2% increase in resource thickness and a 3% decrease in the resource grade. Depletion through mining and higher geological losses assigned to the deeper and Inferred Resource areas accounted for the remainder of the decrease in the 3PGE+Au Mineral Resource.
- The West Kenya Earn-in and Joint Venture Agreement between Aviva and AfriOre International (Barbados) Limited, a wholly owned subsidiary of Lonmin Plc (Lonmin), declared a maiden Inferred Mineral Resource on the Bumbo deposit. The portion attributable to Lonmin (49%) is 0.82 Mt at a copper equivalent grade of 4%. Details of this copper-zinc-gold-silver resource can be found under the Non-Platinum Group Elements section of this report.
- Revisions to the Mineral Reserve at Marikana in 2011:
  - The Marikana Mineral Reserve grade decreased by 3% (0.13 g/t). This was largely due to the lower resource grade.
  - The 3PGE+Au content of the Marikana Mineral Reserve was 6% lower (2.5 Moz) as a result of the lower resource grade, depletion by mining and changes to the mine design in certain areas resulting in higher pillar and mining loss.
- Other areas of Lonmin's Mineral Reserve were largely unchanged.

A summary of the changes in the Lonmin Mineral Resources and Mineral Reserves are shown in the following tables.

PGE Mineral Resources (Total Measured, Indicated & Inferred)[1,4]

Area	30-Sep-2011				30-Sep-2010			
	Mt[5]	3PGE+Au		Pt	Mt[5]	3PGE+Au		Pt
		g/t	Moz	Moz		g/t	Moz	Moz
Marikana	730.7	4.87	114.4	68.4	740.1	5.05	120.1	71.7
Limpopo[2]	144.7	4.23	19.7	10.0	144.7	4.23	19.7	10.0
Limpopo Baobab shaft	46.1	3.91	5.8	3.0	46.1	3.91	5.8	3.0
Akanani	216.0	3.84	26.7	10.9	216.0	3.84	26.7	10.9
Pandora JV	54.8	4.29	7.6	4.6	54.8	4.30	7.6	4.5
Loskop JV[3]	10.1	4.04	1.3	0.8	10.1	4.04	1.3	0.8
Sudbury PGM JV[1,3]	0.35	6.30	0.07	0.04	0.35	6.30	0.07	0.04
Total Resource	**1,202.6**	**4.54**	**175.4**	**97.6**	**1,212.0**	**4.65**	**181.1**	**100.9**

Notes

1) *All figures are reported on a Lonmin attributable basis, the relative proportions of ownership per project being shown in the Key Assumptions section of this report.*
2) *Limpopo[2] excludes Baobab shaft.*
3) *Loskop and Denison JV[3] exclude Rhodium, due to insufficient assays, and therefore 2PGE+Au is reported.*
4) *Resources are reported Inclusive of Reserves.*
5) *Quantities and grades have been rounded to one or two decimal places, therefore minor computational errors may occur.*

***PGE Mineral Reserves (Total Proved & Probable)*[1]**

Area	30-Sep-2011				30-Sep-2010			
	Mt[3]	3PGE+Au		Pt	Mt[3]	3PGE+Au		Pt
		g/t	Moz	Moz		g/t	Moz	Moz
Marikana	284.8	4.09	37.4	22.6	293.9	4.22	39.9	24.1
Limpopo[2]	42.4	3.20	4.4	2.2	42.4	3.20	4.4	2.2
Limpopo Baobab shaft	9.4	3.16	1.0	0.5	9.4	3.16	1.0	0.5
Pandora JV	5.1	4.14	0.67	0.40	5.2	3.98	0.66	0.39
Total Reserve	**341.6**	**3.95**	**43.4**	**25.7**	**350.8**	**4.07**	**45.9**	**27.1**

Notes

1) *All figures are reported on a Lonmin attributable basis, the relative proportions of ownership per project being shown in the Key Assumptions section of this report.*
2) *Limpopo[2] excludes Baobab shaft.*
3) *Quantities have been rounded to one decimal place and grades have been rounded to two decimal places, therefore minor computational errors may occur.*

Key assumptions pertaining to the 2011 Lonmin Mineral Resource and Reserve Statement

- Mineral Resources are reported inclusive of Mineral Reserves. Resources that are converted to Reserves are also included in the Mineral Resource statement.
- All quoted Resources and Reserves include Lonmin's attributable portion only. There have been no changes in the percentage attributable to Lonmin during the year. The following percentages were applied to the total Mineral Resource and Reserve for each property:

	Marikana	Limpopo – Dwaalkop JV	Limpopo – Baobab, Doornvlei, Zebediela	Akanani	Pandora	Loskop	Sudbury PGM
Lonmin Attributable	82%	41%	82%	74%	34.85%	41%	50%

  - Incwala Resources, Lonmin's BEE partner, owns 18% of both Western Platinum Limited (WPL) and Eastern Platinum Limited (EPL), and 26% of Akanani.
  - Limpopo includes Dwaalkop JV which is a Lonmin managed JV between Mvelaphanda Resources (50%) and Western Platinum (50%).
  - Pandora JV: EPL has an attributable interest of 42.5% in the Pandora JV together with Anglo Platinum (42.5%), Mvelaphanda Resources (7.5%) and the Bapo Ba Mogale Mining Company (7.5%).
  - Loskop JV: WPL has an attributable interest of 50% in the Loskop JV with Boynton Investments.
  - Sudbury PGM JV - PGE grades are stated as Pt+Pd+Au (3E). Through the JV, Lonmin acquires its pro rata share, currently a nominal 50%, of the product from any PGE deposit developed on the participating properties. The agreement is that Lonmin will be allocated its pro-rata share in PGE's and Vale will be allocated its pro-rata share in Nickel, Copper, Cobalt, Gold and Silver. The exchange of metals will be governed by prevailing metal prices at the time of the refined metal production.
  - Lonmin has a 49% attributable portion of the Bumbo mineral resource in terms of The West Kenya Earn-in and Joint Venture Agreement between Aviva Corporation Limited and AfriOre International (Barbados) Limited a wholly owned subsidiary of Lonmin.

- Where grades are reported as 3PGE+Au these are a summation of the Platinum, Palladium, Rhodium and Gold grades. Modelling of available assay information, obtained from drillhole core, indicates that the proportion of 3PGE+Au contained in 5PGE+Au, which includes Ruthenium and Iridium, is approximately as follows:

	UG2	Merensky	Platreef
Marikana	0.81	0.92	-
Limpopo	0.86	0.93	-
Akanani	-	-	0.95
Pandora	0.81	-	-

- Where Nickel (Ni) and Copper (Cu) grade estimates are derived from sufficient reliable information for the various Mineral Resources, they are reported as average grades in percent. These grades represent acid soluble proportions. Acid soluble percentages of Ni and Cu are closely correlated to the metals present as sulphide minerals.
- Mineral Resources are reported as *"in-situ"* tonnes and grade and allow for geological losses such as faults, dykes, potholes and Iron Rich Ultramafic Pegmatite (IRUP).
- Mineral Resources are estimated using a minimum true width of at least 90 cm and therefore may include some diluting material.
- Proved and Probable Mineral Reserves are reported as tonnes and grade expected to be delivered to the mill, are inclusive of diluting materials and allow for losses that may occur when the material is mined.
- Mine tailings dams are excluded from the above Mineral Resource summary.
- For economic studies and the determination of pay limits, consideration was made of both short and long term revenue drivers. The following long term global assumptions were used:
  - Precious Metals (per Troy Ounce): Pt USD1,900, Pd USD850, Rh USD2,500, Ru USD200, Ir USD600, Au USD1,500.
  - Base Metals (per metric tonne): Ni USD20,000, Cu USD7,000.
  - Average exchange rate of US$1 to ZAR8.0.
- Dilutions are quoted as waste tonnes / waste + ore tonnes in percent.
- Bumbo Mineral Resources are reported using a cut off grade of 0.7% copper equivalent.
- The copper equivalent formula for Bumbo was based upon commodity prices at the close of the market on 25th July 2011, namely:
  - Copper: USD9,633/tonne ($Cu)
  - Zinc: USD2,441/tonne ($Zn)
  - Gold: USD1,614/ounce ($Au)
  - Silver: USD40/ounce ($Ag)
  - The copper equivalent (CuEq) is as follows:
    CuEq (%) = Cu% + (Zn%*($Zn/100)/($Cu/100)) + (Au g/t*($Au/31.1034768)/($Cu/100)) +(Ag g/t*($Ag/31.1034768)/($Cu/100))
- Unless otherwise stated, the Lonmin Mineral Resources and Reserves estimates were prepared or supervised by various persons employed by Lonmin.

Financial Review

Earnings per share

Profit for the year ended 30 September 2011 attributable to equity shareholders amounted to $273 million (2010 – $112 million) and the earnings per share was 134.8 cents compared to 56.9 cents in 2010. Underlying earnings per share, being earnings excluding special items, amounted to 111.6 cents (2010 – 70.2 cents). This significant increase in profitability reflects improved PGM and Base metal prices as well as higher sales volumes, offset somewhat by increased costs and the impact of the stronger Rand.

Income Statement

The $83 million movement between the underlying operating profit of $311 million for the year ended 30 September 2011 and that of $228 million for the year ended 30 September 2010 is analysed below.

	$m
Year to 30 September 2010 reported operating profit	203
Year to 30 September 2010 special items	25
Year to 30 September 2010 underlying operating profit	228
PGM price	290
PGM volume	126
PGM mix	(60)
Base metals	51
Revenue changes	407
Cost changes (including foreign exchange impact of $48m)	(324)
Year to 30 September 2011 underlying operating profit	311
Year to 30 September 2011 special items	(4)
Year to 30 September 2011 reported operating profit	307

Revenue

Total revenue rose by $407 million from 2010 to just below $2 billion for the year ended 30 September 2011.

The PGM pricing environment during the year improved over the last year and the impact on the average prices achieved on the key metals sold is shown below:

	Year ended 30.09.11 $/oz	Year ended 30.09.10 $/oz
Platinum	1,769	1,525
Palladium	752	448
Rhodium	2,145	2,308
PGM basket (excluding by-product revenue)	1,299	1,139

PGM price improvements contributed $290 million to the overall increase in revenue. It should be noted that whilst the US Dollar basket price has increased by 14% over the 2010 comparative period, in Rand terms the basket price increased by only 9% impacted by the relatively stronger Rand.

PGM sales volume for the year to 30 September 2011 at 1,435,929 ounces was 110,539 ounces or 8% up on the year to 30 September 2010.The improvement in PGM volumes contributed $126 million. However, the mix of metals sold resulted in an adverse impact of $60 million mainly due to a lower proportion of Platinum due to metal-in-process inventory timing differences. Base metal revenue was up $51 million due to a combination of volume and price improvements.

Operating costs

Total underlying costs in US Dollar terms increased by $324 million mainly due to increased production and the impact of cost escalations. A track of these changes is shown in the table below:

	$m
Year ended 30 September 2010 – underlying costs	1,357
Increase / (decrease):	
Marikana underground mining	92
Marikana opencast mining	31
Limpopo mining	1
Concentrating and processing	13
Overheads	21
Operating costs	158
Pandora and W1 ore purchases	15
Metal stock movement	103
Foreign exchange	48
Depreciation and amortisation	-
Cost changes (including foreign exchange impact)	324
Year ended 30 September 2011 – underlying costs	1,681

Total Marikana mining costs increased in the year by $123 million or 14%, mainly as a result of increased production, an 8% wage increase incurred in the period, and a 24% escalation in electricity costs due to an increase in tariffs. The ramp up of opencast mining also added $31m to the Marikana mining cost base.

Concentrator and processing costs increased over 2010 by $13 million driven primarily by increased ore processed, and escalation effects, in particular from electricity costs as described above.

Ore purchases increased by $15 million driven by a full year of purchases from W1 in addition to normal Pandora JV purchases.

Overheads increased by $21 million largely due to salary escalation and a full year of the new State Mining Royalty which added $6 million to the cost base over the prior year.

The $103 million adverse impact on operating profit, excluding exchange impacts, of metal stock movements results from the reversal of the stock build up in 2010 due to the run out of the Number One furnace.

The Rand remained strong against the US Dollar during the year under review averaging ZAR6.95 to USD1 compared to an average of ZAR7.45 to USD1 in 2010 resulting in a $48 million adverse impact on operating costs.

Cost per PGM ounce

The C1 cost per PGM ounce produced for the year to 30 September 2011 was R7,534. This was an increase of 11.2% compared to 2010. This increase was largely driven by higher than inflation increases in the wage bill (8%) and electricity tariffs (24%) as well as a lower grade due to the change in ore mix (increase in Merensky ore from open cast and underground operations as well as poorer geology at K3 shaft). These increases were not mitigated by the expected increase in production in the second half of the year due to the industrial action in May and management induced safety stoppages in March and April. Had the production interruptions arising from the safety induced stoppages and the illegal strike at Karee not occurred, the year on year cost increase per PGM ounce would have been 8.0%.

Further details of unit costs analysis can be found in the Operating Statistics.

Special operating costs

In 2011 special operating costs of $4 million were charged. The move of the operational head office from London to South Africa was completed in the first quarter at a cost of $2 million. In addition a further $2 million impairment charge was taken on the write down of employee housing in Marikana.

Financing costs

The total net finance costs of $23 million for the year ended 30 September 2011 represent a $52 million adverse movement compared to the total net finance income of $29 million for the year ended 30 September 2010.

Net bank interest and fees increased from $43 million to $46 million for the year ended 30 September 2011 largely as a result of the unwinding of previously capitalised unamortised bank fees relating to the old banking facilities which were replaced by new facilities during the year. Interest totalling $46 million was capitalised to assets (2010 - $43 million).

During the year Lonmin entered into an interest rate swap to hedge against its exposure to a base floating interest rate linked to a six month USD libor. The swap was entered into prior to drawing down on the loan facility resulting in an interim fair value loss of $6 million before hedge accounting was applied.

The HDSAs receivable, being the Sterling loan to Shanduka Resources (Proprietary) Limited (Shanduka), increased by $12 million during the year to 30 September 2011 with $3 million of foreign exchange losses recognised against $15 million of accrued interest. The fair value of the associated HDSA derivative decreased by $24 million reflecting the significant movement in Lonmin's share price since 30 September 2010.

Taxation

Reported tax for the current year was a credit of $28 million after exchange gains on the translation of Rand denominated tax balances of $82 million and the tax effects of special items of $2 million. The underlying tax charge is $56 million reflecting an effective rate of 18%. The underlying charge largely reflects deferred tax charges being recognised on accelerated capital allowances with an increased level of current tax in the year due to increased profitability. The dilution in the effective tax rate is driven by exchange gains on translation of Rand denominated working capital balances at year end which do not have a tax consequence in US Dollars.

Cash generation and net debt

The following table summarises the main components of the cash flow during the year:

	Year ended 30 September	
	2011	2010
	$m	$m
Operating profit	307	203
Depreciation, amortisation and impairment	124	134
Changes in working capital	245	(218)
Other	6	14
Cash flow generated from operations	682	133
Interest and finance costs	(36)	(41)
Tax	(16)	(12)
Trading cash inflow	630	80
Capital expenditure	(410)	(261)
Dividends paid to minority	(10)	(22)
Free cash inflow / (outflow)	210	(203)
Investment in joint venture	(2)	(3)
Net proceeds from equity issuance	-	229
Additions to financial assets	(30)	(285)
Issue costs on non current borrowings	(8)	-
Dividends paid to equity shareholders	(30)	-
Shares issued	1	1
Cash inflow / (outflow)	141	(261)
Opening net debt	(375)	(113)
Foreign exchange	2	1
Unamortised fees	(2)	(2)
Closing net debt	(234)	(375)
Trading cash inflow (cents per share)	311.2c	40.7c
Free cash inflow / (outflow) (cents per share)	103.7c	(103.2)c

Cash flow generated from operations in the year ended 30 September 2011 at $682 million was significantly higher than the $133 million recorded in 2010. This was driven off the back of improved operating profits coupled with a much improved working capital position which saw debtors and inventory decrease by $260 million and $12 million respectively during the year under review somewhat offset by a $27 million decrease in creditors.

Trading cash inflow for the year to 30 September 2011 amounted to $630 million (2010 - $80 million). The cash flow on interest and finance costs decreased by $5 million. Tax payments increased from $12 million in 2010 to $16 million in 2011 representing provisional corporate tax payments. The trading cash inflow per share was 311.2 cents for the year ended 30 September 2011 against 40.7 cents for 2010.

Capital expenditure cash flow at $410 million was $149 million above the prior year and in line with the company's drive to increase production. In Mining the expenditure incurred was focused on operating developments at Hossy and Saffy shafts, equipping and development at K4 and investment in sub-declines at K3. In the Process Division spend comprised additional furnace capacity and the Easterns tailings treatment plant.

The proposed final dividend of 15 cents per share for the financial year ended 30 September 2010 was paid during the period under review resulting in a cash outflow of $30 million.

Net debt at $234 million has decreased significantly by $141 million since 30 September 2010. In the 2010 financial year smelter run-outs led to significant back end loading of sales resulting in unusually high debtors as well as a stock build up at year end. This had a significant impact on working capital. The working capital locked up in receivables at the 2010 year end has subsequently been realised during the current period under review. Improved profitability on the back of higher PGM prices and improved volumes has also had a positive impact on the Group's net debt position.

As a result gearing, calculated on net borrowings attributable to the Group divided by those attributable net borrowings and the equity interests outstanding at the balance sheet date, was 7% at 30 September 2011 (30 September 2010 – 10%). The ratio of consolidated net debt to underlying EBITDA decreased from 1.07 times at 30 September 2010 to 0.54 times at 30 September 2011. As mentioned later in this report, the reorganisation of the Group's Bank debt facilities during the year has resulted in the debt maturity profile being extended. The quantum of gross bank debt facilities at year end amounted to $945 million, and consequently the Group's balance sheet has strengthened considerably over the year.

Principal risks and uncertainties

The Group faces many risks in the operation of its business. The Group's strategy takes into account known risks, but risks will exist of which we are currently unaware. This financial review focuses on financial risk management.

Financial risk management

The main financial risks faced by the Group relate to the availability of funds to meet business needs (liquidity risk), the risk of default by counterparties to financial transactions (credit risk), fluctuations in interest and foreign exchange rates and commodity prices.

These are the critical factors to consider when addressing the issue of whether the Group is a Going Concern. As is clear from the following paragraphs, the Group is in a strong position regarding financial risk. There are, however, factors which are outside the control of management, specifically, volatility in the Rand / US Dollar exchange rate and PGM commodity prices, which can have a significant impact on the business.

Liquidity risk

The policy on liquidity is to ensure that the Group has sufficient funds to facilitate all ongoing operations. The Group funds its operations through a mixture of equity funding and bank borrowings. The Group's philosophy is to maintain an appropriately low level of financial gearing given the exposure of the business to fluctuations in PGM commodity prices and the Rand / US Dollar exchange rate.

As part of the annual budgeting and long term planning process, the Group's cash flow forecast is reviewed and approved by the Board. The cash flow forecast is amended for any material changes identified during the year, for example material acquisitions and disposals. Where funding requirements are identified from the cash flow forecast, appropriate measures are taken to ensure these requirements can be satisfied. Factors taken into consideration are:

- the size and nature of the requirement;
- preferred sources of finance applying key criteria of cost, commitment, availability, security / covenant conditions;
- recommended counterparties, fees and market conditions; and
- covenants, guarantees and other financial commitments.

Bank debt facilities were reorganised in July and the existing $875 million in bank debt facilities were replaced with new facilities totalling approximately $945 million. The new facilities extend the debt maturity profile, with $823 million of the new facilities being committed for five years and the remaining facilities being one year rolling facilities. The new facilities consist of a $700 million syndicated US Dollar facility and three South African Rand bilateral facilities of R660 million each.

The $700 million syndicated facility which is supported by BNP Paribas S.A., Citigroup Global Markets Limited, HSBC Bank Plc, J.P. Morgan Limited, Lloyds TSB Bank Plc, The Royal Bank of Scotland N.V. and Standard Chartered Bank will be used to support the longer term capital requirements of the Group. The key covenants in the US Dollar facilities include a maximum net debt / EBITDA ratio of 4.0 times and a minimum EBITDA/net interest ratio of 3.5 times.

The three R660 million bilateral facilities are at the WPL level, the operating company, and will be used for day to day working capital requirements. These facilities are supported by FirstRand Bank Limited, Investec Bank Limited and The Standard Bank of South Africa Limited. The key covenants in these facilities include a maximum net debt / EBITDA ratio of 3.5 times and a minimum EBITDA/net interest ratio of 3.5 times calculated at a WPL level.

As at 30 September 2011, Lonmin had net debt of $234 million, comprising $310 million of drawn facilities net of $76 million of cash and equivalents and $8 million of unamortised bank fees as well as a further $8 million of external debt incurred to fund the construction of a chrome treatment plant with an outside partner.

The effective cost of debt funding was circa 5.9% for the financial period.

Credit risk

Banking counterparties

Banking counterparty credit risk is managed by spreading financial transactions across an approved list of counterparties of high credit quality. Banking counterparties are approved by the Board and consist of the ten banks that have participated in Lonmin's new bank debt facilities as described above.

Trade receivables

The Group is exposed to significant trade receivable credit risk through the sale of PGMs to a limited group of customers.

This risk is managed as follows:

- aged analysis is performed on trade receivable balances and reviewed on a monthly basis;
- credit ratings are obtained on any new customers and the credit ratings of existing customers are monitored on an ongoing basis;
- credit limits are set for customers; and
- trigger points and escalation procedures are clearly defined.

HDSA receivables

HDSA receivables are secured on the HDSA's shareholding in Incwala.

Interest rate risk

Currently, the bulk of Lonmin's outstanding borrowings are in US Dollars and at floating rates of interest. However, to provide greater certainty, Lonmin entered into a floating to fixed interest rate swap on the term component of the US Dollar debt. This fixes the base rate in respect of the $300 million term facility for the next five years. The interest position is kept under constant review in conjunction with the liquidity policy outlined above and the future funding requirements of the business.

Foreign currency risk

The Group's operations are predominantly based in South Africa and the majority of the revenue stream is in US Dollars. However, the bulk of the Group's operating costs and taxes are paid in Rand. Most of the cash received in South Africa is in US Dollars. Most of the Group's funding sources are in US Dollars.

The Group's reporting currency remains the US Dollar and the share capital of the Company is based in US Dollars.

Our current policy is not to hedge Rand / US Dollar currency exposures and, therefore, fluctuations in the Rand to US Dollar exchange rate can have a significant impact on the Group's results. A strengthening of the Rand against the US Dollar has an adverse effect on profits due to the majority of operating costs being paid in Rand.

The approximate effects on the Group's results of a 10% movement in the Rand to US Dollar 2011 average exchange rate would be as follows:

EBIT	+/- $142m
Profit for the year	+/- $102m
EPS (cents)	+/- 50.6c

These sensitivities are based on 2011 prices, costs and volumes and assume all other variables remain constant. They are estimated calculations only.

Commodity price risk

Our policy is not to hedge commodity price exposure on PGMs, excluding gold, and therefore any change in prices will have a direct effect on the Group's trading results.

For Base Metals and gold, hedging is undertaken where the Board determines that it is in the Group's interest to hedge a proportion of future cash flows. The policy is to hedge up to a maximum of 75% of the future cash flows from the sale of these products looking forward over the next 12 to 24 months. The Group did undertake a number of hedging contracts on Nickel, Copper and Gold sales using forward contracts during the year although no forward contracts were in place at year end.

The approximate effects on the Group's results of a 10% movement in the 2011 average metal prices achieved for Platinum (Pt) ($1,769 per ounce) and Rhodium (Rh) ($2,145 per ounce) would be as follows:

	Pt	Rh
EBIT	+/- $128m	+/- $22m
Profit for the year	+/- $92m	+/- $16m
EPS (cents)	+/- 45.4c	+/- 7.8c

These sensitivities are based on 2011 costs and volumes and assume all other variables remain constant. They are estimated calculations only.

Contingent liabilities

On 30 September 2011 Lonmin subscribed for an additional R175.5 million in preference shares from Lexshell 806 Investments (Pty) Limited, Shanduka's investment vehicle in Incwala Resources (Pty) Limited. These funds were then used by Incwala Resources (WPL's black empowerment shareholder) to settle its outstanding liabilities that had previously been guaranteed by Lonmin and as a result at year end no contingent liabilities in this regard were outstanding.

The Group provided third party guarantees to the Department of Minerals and Energy in connection with environmental and rehabilitation obligations which the Group has to fund in order to restore the environment once all mining operations have ceased. At 30 September 2011 these guarantees amounted to $50 million (2010 - $50 million).

Dividends

In line with the Board's policy on dividends introduced at the end of 2010, the Directors propose a final dividend of 15 cents per share for the year.

Simon Scott
Chief Financial Officer

Responsibility Statement of the Directors in respect of the Annual Report and Accounts

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the Directors' report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Roger Phillimore
Chairman

Simon Scott
Chief Financial Officer

11 November 2011

Operating statistics – 5 year review

		Units	**2011**	2010	2009	2008	2007
Tonnes mined							
Marikana	Karee [1]	kt	**4,438**	4,115	3,950	3,962	4,609
	Westerns [1]	kt	**3,434**	3,694	3,912	4,343	4,931
	Middelkraal [1]	kt	**1,904**	1,918	1,385	884	461
	Easterns [1]	kt	**1,174**	1,082	935	1,036	1,212
	Underground	kt	**10,949**	10,809	10,182	10,226	11,212
	Opencast	kt	**601**	329	234	1,300	1,597
Limpopo	Underground	kt	**-**	-	87	523	757
Pandora attributable [2]	Underground	kt	**168**	166	142	124	128
	Opencast	kt	**-**	-	156	275	286
Lonmin Platinum	Underground	kt	**11,117**	10,975	10,411	10,875	12,096
	Opencast	kt	**601**	329	389	1,575	1,883
	Total	kt	**11,718**	11,304	10,801	12,449	13,979
% tonnes mined from UG2 reef		%	**72.7**	75.6	77.7	73.1	72.0
Tonnes milled[3]							
Marikana	Underground	kt	**10,896**	10,655	10,148	10,206	11,216
	Opencast	kt	**748**	129	622	1,163	1,469
Limpopo	Underground	kt	**-**	-	92	534	781
Pandora [4]	Underground	kt	**394**	391	335	293	301
	Opencast	kt	**-**	-	430	595	649
Ore purchases [5]	Underground	kt	**-**	-	-	-	75
	Opencast	kt	**-**	-	-	30	20
Lonmin Platinum	Underground	kt	**11,290**	11,046	10,576	11,033	12,373
	Opencast	kt	**748**	129	1,053	1,788	2,138
	Total	kt	**12,037**	11,176	11,628	12,821	14,511
Milled head grade [6]	Underground	g/t	**4.54**	4.67	4.57	4.66	4.88
	Opencast	g/t	**2.23**	2.25	3.70	3.70	4.39
	Total	g/t	**4.40**	4.65	4.50	4.52	4.80
Concentrator recovery rate [7]	Underground	%	**85.4**	84.8	81.0	81.7	80.7
	Opencast	%	**81.6**	63.8	65.1	59.4	55.4
	Total	%	**85.3**	84.7	79.8	79.2	77.3

		Units	**2011**	2010	2009	2008	2007
Metals in concentrate [8]							
Marikana	Platinum	oz	**694 149**	668,620	612,910	660,429	778,049
	Palladium	oz	**324 655**	313,590	284,561	303,530	354,037
	Gold	oz	**17,471**	14,969	14,419	17,221	21,578
	Rhodium	oz	**91,659**	93,043	85,008	90,096	102,906
	Ruthenium	oz	**144,369**	144,913	130,080	139,158	164,826
	Iridium	oz	**31,294**	31,432	28,389	29,654	37,317
	Total PGMs	oz	**1,303,597**	1,266,566	1,155,367	1,240,088	1,458,713
Limpopo	Platinum	oz	**-**	-	3,770	22,017	35,567
	Palladium	oz	**-**	-	3,331	16,477	24,351
	Gold	oz	**-**	-	243	1,265	2,945
	Rhodium	oz	**-**	-	487	2,660	3,723
	Ruthenium	oz	**-**	-	688	4,128	5,769
	Iridium	oz	**-**	-	159	121	1,245
	Total PGMs	oz	**-**	-	8,679	46,667	73,600
Pandora	Platinum	oz	**25,241**	25,756	46,421	48,743	52,479
	Palladium	oz	**11,847**	12,108	20,866	21,282	24,417
	Gold	oz	**179**	176	350	371	461
	Rhodium	oz	**3,865**	4,036	6,425	6,334	7,439
	Ruthenium	oz	**6,070**	6,228	9,338	9,379	10,922
	Iridium	oz	**996**	1,041	1,767	1,762	2,415
	Total PGMs	oz	**48,199**	49,345	85,168	87,872	98,133
Ore purchases	Platinum	oz	**-**	-	-	937	3,737
	Palladium	oz	**-**	-	-	793	1,730
	Gold	oz	**-**	-	-	74	46
	Rhodium	oz	**-**	-	-	83	533
	Ruthenium	oz	**-**	-	-	107	809
	Iridium	oz	**-**	-	-	25	180
	Total PGMs	oz	**-**	-	-	2,019	7,035
Lonmin Platinum	Platinum	oz	**719,390**	694,376	663,101	732,125	869,832
	Palladium	oz	**336,502**	325,697	308,758	342,081	404,535
	Gold	oz	**17,650**	15,144	15,013	18,932	25,030
	Rhodium	oz	**95,524**	97,079	91,920	99,173	114,601
	Ruthenium	oz	**150,439**	151,141	140,106	152,772	182,326
	Iridium	oz	**32,290**	32,473	30,315	31,562	41,157
	Total PGMs	oz	**1,351,796**	1,315,911	1,249,214	1,376,645	1,637,481
	Nickel [9]	MT	**3,537**	2,972	2,794	3,549	4,636
	Copper [9]	MT	**2,223**	1,824	1,763	2,216	2,814

	Units	**2011**	2010	2009	2008	2007
Refined production						
Lonmin refined metal production						
Platinum	oz	**686,877**	607,794	655,291	699,942	695,842
Palladium	oz	**323,907**	303,748	297,415	330,209	318,758
Gold	oz	**18,013**	15,284	18,277	20,257	20,485
Rhodium	oz	**86,702**	94,690	95,596	91,063	88,469
Ruthenium	oz	**164,374**	147,854	146,506	158,424	135,873
Iridium	oz	**26,337**	36,073	23,908	31,599	30,430
Total PGMs	oz	**1,306,210**	1,205,443	1,236,992	1,331,493	1,289,857
Toll refined metal production						
Platinum	oz	**44,396**	77,571	2,025	-	93,609
Palladium	oz	**49,119**	15,274	941	-	43,274
Gold	oz	**2,879**	1,100	58	-	-
Rhodium	oz	**14,402**	5,411	1,532	-	12,966
Ruthenium	oz	**24,408**	8,278	2,647	-	20,439
Iridium	oz	**5,249**	1,695	513	-	4,090
Total PGMs	oz	**140,453**	109,328	7,717	-	174,378
Total refined PGMs						
Platinum	oz	**731,273**	685,365	657,317	699,942	789,451
Palladium	oz	**373,026**	319,022	298,356	330,209	362,032
Gold	oz	**20,892**	16,383	18,335	20,257	20,485
Rhodium	oz	**101,103**	100,100	97,128	91,063	101,435
Ruthenium	oz	**188,782**	156,133	149,153	158,424	156,312
Iridium	oz	**31,586**	37,768	24,420	31,599	34,520
Total PGMs	oz	**1,446,662**	1,314,772	1,244,709	1,331,493	1,464,235
Base metals						
Nickel [10]	MT	**4,188**	3,475	3,244	3,483	4,522
Copper [10]	MT	**2,454**	2,091	1,988	2,009	2,466

	Units	**2011**	2010	2009	2008	2007
Sales						
Refined metal sales						
Platinum	oz	**720,783**	681,424	659,703	706,492	786,552
Palladium	oz	**372,284**	315,515	305,332	329,460	362,077
Gold	oz	**19,417**	16,289	18,910	20,151	24,449
Rhodium	oz	**102,653**	98,657	94,160	93,337	102,916
Ruthenium	oz	**187,189**	153,865	146,009	158,477	162,853
Iridium	oz	**33,603**	34,790	23,522	32,140	37,858
Total PGMs	oz	**1,435,929**	1,300,540	1,247,636	1,340,057	1,476,705
Concentrate and other [11]						
Platinum	oz	**-**	24,850	23,253	20,425	7,032
Palladium	oz	**-**	-	(2,848)	11,888	3,232
Gold	oz	**-**	-	13	117	201
Rhodium	oz	**-**	-	175	889	1,008
Ruthenium	oz	**-**	-	303	26,205	1,942
Iridium	oz	**-**	-	387	1,789	64
Total PGMs	oz	**-**	24,850	21,282	61,313	13,479
Lonmin Platinum						
Platinum	oz	**720,783**	706,274	682,955	726,918	793,584
Palladium	oz	**372,284**	315,515	302,485	341,348	365,309
Gold	oz	**19,417**	16,289	18,922	20,268	24,650
Rhodium	oz	**102,653**	98,657	94,335	94,227	103,924
Ruthenium	oz	**187,189**	153,865	146,312	184,682	164,795
Iridium	oz	**33,603**	34,790	23,909	33,929	37,922
Total PGMs	oz	**1,435,929**	1,325,390	1,268,918	1,401,371	1,490,184
Nickel [10]	MT	**4,180**	3,033	3,318	3,338	5,308
Copper [10]	MT	**2,448**	2,169	2,045	1,978	2,474
Chrome [10]	MT	**730,278**	684,654	708,753	796,100	649,185
Average Prices						
Platinum	$/oz	**1,769**	1,525	1,086	1,655	1,213
Palladium	$/oz	**752**	448	224	372	339
Gold	$/oz	**1,405**	1,153	912	867	647
Rhodium	$/oz	**2,145**	2,308	1,571	7,614	5,757
Ruthenium	$/oz	**168**	173	97	340	404
Iridium	$/oz	**938**	520	388	414	402
Basket price of PGMs [12]	$/oz	**1,299**	1,139	786	1,529	1,196
Basket price of PGMs [12]	R/oz	**9,109**	8,375	6,873	11,543	8,533
Basket price of PGMs [13]	R/oz	**9,716**	8,790	7,316	11,983	9,298
Nickel [10]	$/MT	**21,009**	18,569	15,006	22,556	26,461
Copper [10]	$/MT	**8,612**	6,623	6,291	7,212	6,971
Chrome [10]	$/MT	**27**	5	2	1	1

Footnotes:

1 During 2010 the management structure in Mining was revised into four business units. Karee includes the shafts K3, 1B and 4B and will also include K4 once production commences. Westerns comprises Rowland, Newman and ore purchases from W1. Middelkraal represents Hossy and Saffy. Easterns includes E1, E2 and E3.

2 Pandora attributable tonnes mined includes Lonmin's share (42.5%) of the total tonnes mined on the Pandora joint venture.

3 Tonnes milled excludes slag milling.

4 Lonmin purchases 100% of the ore produced by the Pandora joint venture for onward processing which is included in downstream operating statistics.

5 Tonnes milled and derived metal in concentrate from third-party ore purchases.

6 Milled head grade is the grammes per tonne (5PGE+Au) value contained in the tonnes milled and fed into the concentrator from the mines (excluding slag milled).

7 Recovery rate in the concentrators is the total content produced divided by the total content milled (excluding slag).

8 Metals in concentrate includes slag and has been calculated using industry standard downstream processing losses.

9 Corresponds to contained base metals in concentrate.

10 Nickel is produced and sold as nickel sulphate crystals or solution and the volumes shown correspond to contained metal. Copper is produced as refined product but typically at the LME grade C. Chrome is produced in the form of chromite concentrate and volumes shown are in the form of chromite.

11 Concentrate and other sales have been adjusted to a saleable ounce basis using industry standard recovery rates.

12 Basket price of PGMs is based on the revenue generated in Rand and Dollar from the actual PGMs (5PGE + Au) sold in the period based on the appropriate Rand / Dollar exchange rate applicable for each sales transaction.

13 As per note 12 but including revenue from base metals.

	Units	2011	2010	2009	2008	2007
Capital expenditure [1]	Rm	**2,907**	1,989	2,106	2,816	1,923
	$m	**410**	267	234	378	276
Cost per PGM ounce sold [2]						
Group:						
Mining – Marikana	R/oz	**5,292**	4,575	4,468	3,880	2,306
Mining – Limpopo	R/oz	**-**	-	7,404	6,363	4,463
Mining (weighted average)	R/oz	**5,292**	4,575	4,490	3,979	2,430
Concentrating – Marikana	R/oz	**960**	862	808	724	470
Concentrating – Limpopo	R/oz	**-**	-	1,820	1,743	1,506
Concentrating (weighted average)	R/oz	**960**	862	815	761	526
Process division	R/oz	**830**	809	693	686	600
Shared business services	R/oz	**452**	527	632	845	612
C1 cost per PGM ounce produced	R/oz	**7,534**	6,773	6,630	6,271	4,168
Stock movement	R/oz	**(272)**	(358)	112	(863)	28
C1 cost per PGM ounce sold before base metal credits	R/oz	**7,262**	6,415	6,742	5,408	4,196
Base metal credits	R/oz	**(606)**	(415)	(440)	(482)	(762)
C1 cost per PGM ounce sold after base metal credits	R/oz	**6,656**	6,000	6,302	4,926	3,434
Amortisation	R/oz	**617**	571	516	420	360
C2 cost per PGM ounce sold	R/oz	**7,273**	6,571	6,818	5,346	3,794
Pandora Mining cost:						
C1 Pandora mining cost (in joint venture)	R/oz	**5,020**	4,727	3,371	3,223	2,453
Pandora JV cost/ounce to Lonmin (adjusting Lonmin share of profit)	R/oz	**7,228**	7,253	5,956	6,200	4,225
Exchange Rates						
Average rate for period [3]	R/$	**6.95**	7.45	9.00	7.45	7.14
	£/$	**0.62**	0.64	0.64	0.51	0.51
Closing rate	R/$	**8.05**	6.92	7.47	8.27	6.83
	£/$	**0.64**	0.64	0.62	0.56	0.50

Footnotes:

1 Capital expenditure is the aggregate of the purchase of property, plant and equipment and intangible assets (includes capital accruals and excludes capitalised interest).

2 It should be noted that with the restructuring of the business in 2011, 2010 and 2009 the cost allocation between business units has been changed and, therefore, whilst the total is on a like-for-like basis, individual line items are not totally comparable.

3 Exchange rates are calculated using the market average daily closing rate over the course of the period.

Consolidated income statement
for the year ended 30 September

Continuing operations	Note	2011 Underlying [i] $m	Special items (note 3) $m	2011 Total $m	2010 Underlying [i] $m	Special items (note 3) $m	2010 Total $m
Revenue	2	**1,992**	**-**	**1,992**	1,585	-	1,585
EBITDA [ii]		**433**	**(2)**	**431**	350	(13)	337
Depreciation, amortisation and impairment		**(122)**	**(2)**	**(124)**	(122)	(12)	(134)
Operating profit [iii]		**311**	**(4)**	**307**	228	(25)	203
Finance income	4	**5**	**15**	**20**	10	28	38
Finance expenses	4	**(10)**	**(33)**	**(43)**	(9)	-	(9)
Share of profit of equity accounted investments		**9**	**-**	**9**	8	-	8
Profit before taxation		**315**	**(22)**	**293**	237	3	240
Income tax (expense) / credit [iv]	5	**(56)**	**84**	**28**	(80)	(38)	(118)
Profit for the year		**259**	**62**	**321**	157	(35)	122
Attributable to:							
- Equity shareholders' of Lonmin Plc		**226**	**47**	**273**	138	(26)	112
- Non-controlling interests		**33**	**15**	**48**	19	(9)	10
Earnings per share	6			**134.8c**			56.9c
Diluted earnings per share [v]	6			**134.4c**			56.8c

Consolidated statement of comprehensive income
for the year ended 30 September

	Note	2011 Total $m	2010 Total $m
Profit for the year		**321**	122
Other comprehensive income / (expense):			
- Change in fair value of available for sale financial assets		**(20)**	(6)
- Effective portion of changes in fair value of cash flow hedges		**(9)**	-
- Net change in fair value of cash flow hedges reclassified to the income statement		**-**	1
- Changes in settled cash flow hedges released to the income statement		**1**	(3)
- Foreign exchange on retranslation of equity accounted investments		**(8)**	3
- Deferred tax on items taken directly to the statement of comprehensive income		**(4)**	1
Total comprehensive income for the year		**281**	118
Attributable to:			
-Equity shareholders' of Lonmin Plc		**235**	107
-Non-controlling interests		**46**	11
		281	118

Footnotes:

i Underlying results and earnings per share are based on reported results and earnings per share excluding the effect of special items as defined in note 3.
ii EBITDA is operating profit before depreciation, amortisation and impairment of goodwill, intangibles and property, plant and equipment.
iii Operating profit is defined as revenue less operating expenses before impairment of available for sale financial assets, finance income and expenses and share of profit of equity accounted investments.
iv The income tax (expense) / credit substantially relates to overseas taxation and includes net exchange gains of $82 million (2010 - exchange losses of $37 million) as disclosed in note 5.
v Diluted earnings per share is based on the weighted average number of ordinary shares in issue adjusted by dilutive outstanding share options.

Consolidated statement of financial position
as at 30 September

	Note	2011 $m	2010 $m
Non-current assets			
Goodwill		**113**	113
Intangible assets		**993**	978
Property, plant and equipment		**2,567**	2,199
Equity accounted investments		**175**	172
Other financial assets		**399**	404
		4,247	3,866
Current assets			
Inventories		**384**	396
Trade and other receivables		**154**	414
Tax recoverable		**1**	-
Cash and cash equivalents	8	**76**	148
		615	958
Current liabilities			
Trade and other payables		**(354)**	(381)
Interest bearing loans and borrowings	8	**(10)**	(66)
Derivative financial instruments		**(5)**	(1)
Tax payable		**(2)**	(6)
		(371)	(454)
Net current assets		**244**	504
Non-current liabilities			
Interest bearing loans and borrowings	8	**(300)**	(457)
Derivative financial instruments		**(9)**	-
Deferred tax liabilities		**(716)**	(751)
Provisions		**(125)**	(80)
		(1,150)	(1,288)
Net assets		**3,341**	3,082
Capital and reserves			
Share capital		**203**	202
Share premium		**997**	997
Other reserves		**80**	88
Retained earnings		**1,650**	1,422
Attributable to equity shareholders of Lonmin Plc		**2,930**	2,709
Attributable to non-controlling interests		**411**	373
Total equity		**3,341**	3,082

The financial statements were approved by the Board of Directors on 11 November 2011 and were signed on its behalf by:

Roger Phillimore *Chairman*
Simon Scott *Chief Financial Officer*

Consolidated statement of changes in equity
for the year ended 30 September

	Equity interest						
	Called up share capital $m	Share premium account $m	Other reserves[i] $m	Retained earnings[ii] $m	Total $m	Non-controlling interests[iii] $m	Total equity $m
At 1 October 2009	193	776	89	1,298	2,356	382	2,738
Profit for the year	-	-	-	112	112	10	122
Total other comprehensive (expense) / income:	-	-	(1)	(4)	(5)	1	(4)
- Change in fair value of available for sale financial assets	-	-	-	(6)	(6)	-	(6)
- Net change in fair value of cash flow hedges reclassified to the income statement	-	-	1	-	1	-	1
- Changes in settled cash flow hedges released to the income statement	-	-	(3)	-	(3)	-	(3)
- Foreign exchange on retranslation of equity accounted investments	-	-	-	2	2	1	3
- Deferred tax on items taken directly to the statement of comprehensive income	-	-	1	-	1	-	1
Items recognised directly in equity:	9	221	-	16	246	(20)	226
- Share-based payments	-	-	-	4	4	1	5
- Transfer from liability for own shares	-	-	-	14	14	1	15
- Share capital and share premium recognised on equity issuance	9	224	-	-	233	-	233
- Equity issue costs charged to share premium	-	(4)	-	-	(4)	-	(4)
- Reversal of fair value movements on derivative liability recognised on equity issuance	-	-	-	(2)	(2)	-	(2)
- Shares issued on exercise of share options	-	1	-	-	1	-	1
- Dividends	-	-	-	-	-	(22)	(22)
At 30 September 2010	202	997	88	1,422	2,709	373	3,082

	Equity interest						
	Called up share capital $m	Share premium account $m	Other reserves[i] $m	Retained earnings[ii] $m	Total $m	Non-controlling interests[iii] $m	Total equity $m
At 1 October 2010	**202**	**997**	**88**	**1,422**	**2,709**	**373**	**3,082**
Profit for the year	**-**	**-**	**-**	**273**	**273**	**48**	**321**
Total other comprehensive (expense) / income:	**-**	**-**	**(8)**	**(30)**	**(38)**	**(2)**	**(40)**
- Change in fair value of available for sale financial assets	**-**	**-**	**-**	**(20)**	**(20)**	**-**	**(20)**
- Effective portion of changes in fair value of cash flow hedges	**-**	**-**	**(9)**	**-**	**(9)**	**-**	**(9)**
- Changes in settled cash flow hedges released to the income statement	**-**	**-**	**1**	**-**	**1**	**-**	**1**
- Foreign exchange on retranslation of equity accounted investments	**-**	**-**	**-**	**(6)**	**(6)**	**(2)**	**(8)**
- Deferred tax on items taken directly to the statement of comprehensive income	**-**	**-**	**-**	**(4)**	**(4)**	**-**	**(4)**
Items recognised directly in equity:	**1**	**-**	**-**	**(15)**	**(14)**	**(8)**	**(22)**
- Share-based payments	**-**	**-**	**-**	**15**	**15**	**2**	**17**
- Shares issued on exercise of share options [iv]	**1**	**-**	**-**	**-**	**1**	**-**	**1**
- Dividends	**-**	**-**	**-**	**(30)**	**(30)**	**(10)**	**(40)**
At 30 September 2011	**203**	**997**	**80**	**1,650**	**2,930**	**411**	**3,341**

Footnotes:

i Other reserves at 30 September 2011 represent the capital redemption reserve of $88 million (2010 - $88 million) and an $8m hedging loss net of deferred tax (30 September 2010 - $nil hedging reserve net of deferred tax). The movement in the current year represents the movement on the hedging reserve.

ii Retained earnings include $13 million of accumulated credits in respect of fair value movements on available for sale financial assets (2010 - $33 million accumulated credits) and an $8 million credit of accumulated exchange on retranslation of equity accounted investments (2010 - $14 million credit).

iii Non-controlling interests represent a 18% shareholding in each of Eastern Platinum Limited, Western Platinum Limited and Messina Limited and a 26% shareholding in Akanani Mining (Pty) Limited.

iv During the year 364,924 share options were exercised (2010 – 173,936) on which $1 million of cash was received (2010 - $1 million).

Consolidated statement of cash flows

for the year ended 30 September

	Note	2011 $m	2010 $m
Profit for the year		**321**	122
Taxation	5	**(28)**	118
Share of profit of equity accounted investments		**(9)**	(8)
Finance income	4	**(20)**	(38)
Finance expenses	4	**43**	9
Depreciation, amortisation and impairment		**124**	134
Change in inventories		**12**	(125)
Change in trade and other receivables		**260**	(138)
Change in trade and other payables		**(27)**	40
Change in provisions		**(13)**	5
Share-based payments		**17**	9
Loss on disposal of property, plant and equipment		**2**	5
Cash flow from operations		**682**	133
Interest received		**3**	3
Interest and bank fees paid		**(39)**	(44)
Tax paid		**(16)**	(12)
Cash inflow from operating activities		**630**	80
Cash flow from investing activities			
Investment in joint venture		**(2)**	(3)
Additions to other financial assets		**(30)**	(285)
Purchase of property, plant and equipment		**(408)**	(259)
Purchase of intangible assets		**(2)**	(2)
Cash used in investing activities		**(442)**	(549)
Cash flow from financing activities			
Equity dividends paid to Lonmin shareholders		**(30)**	-
Dividends paid to non-controlling interests		**(10)**	(22)
Proceeds from current borrowings	8	**10**	60
Repayment of current borrowings	8	**(71)**	(47)
Proceeds from non-current borrowings	8	**300**	113
Issue cost on non-current borrowings		**(8)**	-
Repayment of non-current borrowings	8	**(454)**	-
Proceeds from equity issuance		**-**	233
Costs of issuing shares		**-**	(4)
Issue of other ordinary share capital		**1**	1
Cash (outflow) / inflow from financing activities		**(262)**	334
Decrease in cash and cash equivalents	8	**(74)**	(135)
Opening cash and cash equivalents	8	**148**	282
Effect of exchange rate changes	8	**2**	1
Closing cash and cash equivalents	8	**76**	148

Notes

1. Basis of preparation

The financial information presented has been prepared on the basis of International Financial Reporting Standards (IFRSs) as adopted by the EU.

2. Segmental analysis

The Group distinguishes between three reportable operating segments being the Platinum Group Metals (PGM) Operations segment, the Evaluation segment and the Exploration segment.

The PGM Operations segment comprises the activities involved in the mining and processing of PGMs, together with associated base metals, which are carried out entirely in South Africa. These operations are integrated and designed to support the process for extracting and refining PGMs from underground. PGMs move through each stage of the process and undergo successive levels of refinement which result in fully refined metals. The Chief Executive Officer, who performs the role of Chief Operating Decision Maker (CODM), views the PGM Operations segment as a single whole for the purpose of financial performance monitoring and assessment and does not make resource allocations based on margin, costs or cash flows incurred at each separate stage of the process. In addition, the CODM makes his decisions for running the business on a day to day basis using the physical operating statistics generated by the business as these summarise the operating performance of the entire segment.

The Evaluation segment covers the evaluation through pre-feasibility of the economic viability of newly discovered PGM deposits. Currently all of the evaluation projects are based in South Africa.

The Exploration segment covers the activities involved in the discovery or identification of new PGM deposits. This activity occurs on a worldwide basis.

No operating segments have been aggregated. Operating segments have consistently adopted the consolidated basis of accounting and there are no differences in measurement applied. Other covers mainly the results and investment activities of the corporate Head Office. The only intersegment transactions involve the provision of funding between segments and any associated interest.

	Year ended 30 September 2011					
	PGM Operations Segment $m	Evaluation Segment $m	Exploration Segment $m	Other $m	Inter-segment Adjustments $m	Total $m
Revenue (external sales by product):						
Platinum	1,275	-	-	-	-	1,275
Palladium	280	-	-	-	-	280
Gold	29	-	-	-	-	29
Rhodium	220	-	-	-	-	220
Ruthenium	32	-	-	-	-	32
Iridium	32	-	-	-	-	32
PGMs	1,868	-	-	-	-	1,868
Nickel	88	-	-	-	-	88
Copper	21	-	-	-	-	21
Chrome	15	-	-	-	-	15
	1,992	-	-	-	-	1,992

	Year ended 30 September 2011					
	PGM Operations Segment $m	Evaluation Segment $m	Exploration Segment $m	Other $m	Inter-segment Adjustments $m	Total $m
Underlying [i]:						
EBITDA / (LBITDA) [ii]	425	6	(1)	3	-	433
Depreciation, amortisation and impairment	(122)	-	-	-	-	(122)
Operating profit / (loss) [ii]	303	6	(1)	3	-	311
Finance income	8	-	-	7	(10)	5
Finance expenses	(20)	-	-	-	10	(10)
Share of profit of equity accounted investments	9	-	-	-	-	9
Profit / (loss) before taxation	300	6	(1)	10	-	315
Income tax (expense) / credit	(60)	4	-	-	-	(56)
Underlying profit / (loss) after taxation	240	10	(1)	10	-	259
Special items (note 3)						62
Profit after taxation						321
Total assets [iii]	3,541	866	1	1,206	(752)	4,862
Total liabilities [iv]	(1,587)	(306)	(42)	(338)	752	(1,521)
Net assets	1,954	560	(41)	868	-	3,341
Share of net assets of equity accounted investments	48	-	-	127	-	175
Additions to property, plant, equipment and intangibles	486	23	-	-	-	509
Material non cash items – share-based payments	17	-	-	-	-	17

	Year ended 30 September 2010					
	PGM Operations Segment $m	Evaluation Segment $m	Exploration Segment $m	Other $m	Inter-segment Adjustments $m	Total $m
Revenue (external sales by product):						
Platinum	1,078	-	-	-	-	1,078
Palladium	141	-	-	-	-	141
Gold	19	-	-	-	-	19
Rhodium	229	-	-	-	-	229
Ruthenium	27	-	-	-	-	27
Iridium	18	-	-	-	-	18
PGMs	1,512	-	-	-	-	1,512
Nickel	56	-	-	-	-	56
Copper	14	-	-	-	-	14
Chrome	3	-	-	-	-	3
	1,585	-	-	-	-	1,585

	Year ended 30 September 2010					
	PGM Operations Segment $m	Evaluation Segment $m	Exploration Segment $m	Other $m	Inter-segment Adjustments $m	Total $m
Underlying [i]:						
EBITDA / (LBITDA) [ii]	359	(3)	(6)	-	-	350
Depreciation, amortisation and impairment	(122)	-	-	-	-	(122)
Operating profit / (loss) [ii]	237	(3)	(6)	-	-	228
Finance income	3	-	-	36	(29)	10
Finance expenses	(23)	-	-	(15)	29	(9)
Share of profit of equity accounted investments	5	-	-	3	-	8
Profit / (loss) before taxation	222	(3)	(6)	24	-	237
Income tax (expense) / credit	(82)	(4)	-	6	-	(80)
Underlying profit / (loss) after taxation	140	(7)	(6)	30	-	157
Special items (note 3)						(35)
Profit after taxation						122
Total assets [iii]	3,537	843	4	963	(523)	4,824
Total liabilities [iv]	(1,888)	(294)	(46)	(37)	523	(1,742)
Net assets	1,649	549	(42)	926	-	3,082
Share of net assets of equity accounted investments	47	-	-	125	-	172
Additions to property, plant, equipment and intangibles	293	17	-	-	-	310
Material non cash items – share-based payments	9	-	-	-	-	9

Revenue by destination is analysed by geographical area below:

	Year ended 30 September 2011 $m	Year ended 30 September 2010 $m
The Americas	**414**	453
Asia	**557**	373
Europe	**616**	529
South Africa	**405**	230
	1,992	1,585

The Group's revenues are all derived from the PGM Operations segment. This segment has two major customers who contributed 59% and 27% of revenue in the year (2010 - 69% and 23%).

Metal sales prices are based on market prices which are denominated in US Dollars. The majority of sales are also invoiced in US Dollars with the exception of certain sales in South Africa which are invoiced in South African Rand based on exchange rates determined in accordance with the contractual arrangements.

Non-current assets, excluding financial instruments, by geographical area are shown below:

	Year ended 30 September 2011 $m	Year ended 30 September 2010 $m
South Africa	**3,847**	3,461
Europe	**1**	1
	3,848	3,462

Footnotes:

i Underlying results are based on reported results excluding the effect of special items as defined in note 3.

ii EBITDA / (LBITDA) and operating profit / (loss) are the key profit measures used by management.

iii The assets under "Other" include the HDSA receivable of $351 million (2010 - $318 million), the HDSA derivative of $nil million (2010 - $24 million) and intercompany receivables of $742 million (2010 - $479 million).

iv The liabilities under "Other" include non-current borrowings of $300 million (2010 - $15 million).

3. Special Items

'Special items' are those items of financial performance that the Group believes should be separately disclosed on the face of the income statement to assist in the understanding of the financial performance achieved by the Group and for consistency with prior years.

	2011 $m	2010 $m
Operating loss:	**(4)**	(25)
- Costs relating to HDSA financing [i]	**-**	(5)
- Impairment of property, plant and equipment [ii]	**(2)**	(12)
- Restructuring and reorganisation costs [iii]	**(2)**	(9)
- Pension refund	**-**	1
Net finance (expenses) / income:	**(18)**	28
- Interest accrued from HDSA receivable [i]	**15**	3
- Exchange (loss) / gain on HDSA receivable [i]	**(3)**	11
- Movement in fair value of HDSA derivative	**(24)**	12
- Net change in fair value of cash flow hedges [iv]	**(6)**	-
- Movement in fair value of derivative liability in respect of equity issuance	**-**	2
(Loss) / profit on special items before taxation	**(22)**	3
Taxation related to special items (note 5)	**84**	(38)
Special gain / (loss) before non-controlling interest	**62**	(35)
Non-controlling interests	**(15)**	9
Special gain / (loss) for the year attributable to equity shareholders of Lonmin Plc	**47**	(26)

Footnotes:

i During the year ended 30 September 2010 the Group provided financing to assist Shanduka to acquire a majority shareholding in Incwala, Lonmin's Black Economic Empowerment partner. This financing has given rise to foreign exchange movements and the accrual of interest in 2011 and 2010. The Group also incurred fees from advisors in relation to the transaction in 2010.

ii For the years ended 30 September 2011 and 2010 $2 million has been written off in respect of houses for sale. During the year ended September 2010 the Group took a strategic decision to enhance its smelting capacity by initiating the development of an additional pyromet furnace. The most cost effective approach was to decommission the existing Merensky furnace and leverage the existing infrastructure. As such the Merensky furnace assets could not be reutilised and these were written off.

iii During the year ended 30 September 2011 the Group incurred $2 million (2010 - $9 million) in transition costs in relocating corporate functions from the London office to South Africa.

iv The interest rate swap was entered into prior to draw down of the hedged item, resulting in a fair value loss during initial period of mismatch.

4. Net finance (expenses) / income

	2011 $m	2010 $m
Finance income:	**5**	10
- Interest receivable on cash and cash equivalents	**3**	2
- Other interest receivable	**-**	7
- Exchange gains on net debt [i]	**2**	1
Finance expenses:	**(10)**	(9)
- Interest payable on bank loans and overdrafts	**(30)**	(25)
- Bank fees	**(12)**	(20)
- Unamortised bank fees realised on settlement of old loan facility	**(7)**	-
- Capitalised interest [ii]	**46**	43
- Other finance expenses	**-**	(1)
- Unwind of discounting on provisions	**(7)**	(6)
Special items (note 3):	**(18)**	28
- Interest on HDSA receivable	**15**	3
- Exchange (loss) / gain on HDSA receivable	**(3)**	11
- Movement in fair value of HDSA derivative	**(24)**	12
- Net change in fair value of cash flow hedges	**(6)**	-
- Movement in fair value of derivative liability in respect of equity issuance	**-**	2
Net finance (expenses) / income	**(23)**	29

Footnotes:

i Net debt is defined by the Group as cash and cash equivalents, bank overdrafts repayable on demand and interest bearing loans and borrowings less unamortised bank fees.

ii Interest expenses incurred have been capitalised on a Group basis to the extent that there is an appropriate qualifying asset. The weighted average interest rate used by the Group for capitalisation is 5.9% (2010 - 5.7%).

5. Taxation

	2011 $m	2010 $m
Current tax charge (excluding special items):		
United Kingdom tax credit	**-**	(6)
Current tax credit at 28% (2010 – 28%)	**-**	(6)
Less amount of the benefit arising from double tax relief available	**-**	-
Overseas current tax expense at 28% (2010 – 28%)	**13**	8
Corporate tax expense – current year	**18**	9
Adjustment in respect of prior years	**(6)**	(3)
Tax on dividends remitted	**1**	2
Deferred tax charge (excluding special items):		
Deferred tax expense - UK and overseas	**43**	78
Origination and reversal of temporary differences	**47**	79
Adjustment in respect of prior years	**(4)**	(1)
Special items – UK and overseas (note 3):	**(84)**	38
Reversal of utilisation of losses from prior years to offset deferred tax liability	**(2)**	-
Exchange on current taxation [i]	**(1)**	1
Exchange on deferred taxation [i]	**(81)**	36
Tax on special items impacting profit before tax	**-**	1
Actual tax (credit) / charge	**(28)**	118
Tax charge excluding special items (note 3)	**56**	80
Effective tax rate	**(9)%**	49%
Effective tax rate excluding special items (note 3)	**18%**	34%

A reconciliation of the standard tax charge to the actual tax charge was as follows:

	2011 %	2011 $m	2010 %	2010 $m
Tax charge on profit at standard tax rate	**29**	**85**	29	70
Tax effect of:				
- Overseas taxes on dividends remitted by subsidiary companies	**-**	**1**	1	2
- Unutilised losses [ii]	**1**	**5**	(2)	(5)
- Foreign exchange impacts on taxable profits	**(12)**	**(38)**	6	14
- Adjustment in respect of prior years	**(3)**	**(10)**	(2)	(4)
- Other	**4**	**13**	2	4
Special items as defined above	**(28)**	**(84)**	15	37
Actual tax (credit) / charge	**(9)**	**(28)**	49	118

The Group's primary operations are based in South Africa. The South African statutory tax rate is 28% (2010 - 28%). Lonmin Plc operates a branch in South Africa which is subject to a tax rate of 33% on branch profits (2010 - 33%). After taking into account the tax rate effect of the Lonmin Plc branch, the aggregated standard tax rate for the Group is 29% (2010 - 29%). The secondary tax rate on dividends remitted by South African companies is 10% (2010 - 10%).

Footnotes:

i Overseas tax charges are predominantly calculated in Rand as required by the local authorities. As these subsidiaries' functional currency is US Dollar this leads to a variety of foreign exchange impacts being the retranslation of current and deferred tax balances and monetary assets, as well as other translation differences. The Rand denominated deferred tax balance in US Dollars at 30 September 2011 is $569 million (30 September 2010 - $524 million).

ii Unutilised losses reflect losses generated in entities for which no deferred tax is provided as it is not thought probable that future profits can be generated against which a deferred tax asset could be offset or previously unrecognised losses utilised.

6. Earnings per share

Earnings per share (EPS) has been calculated on the earnings attributable to equity shareholders amounting to $273 million (2010 - $112 million) using a weighted average number of 202,446,803 ordinary shares in issue (2010 – 196,684,833 ordinary shares).

Diluted earnings per share is based on the weighted average number of ordinary shares in issue adjusted by dilutive outstanding share options in accordance with IAS 33 - *Earnings Per Share*.

	2011			2010		
	Profit for the year $m	**Number of shares**	**Per share amount cents**	Profit for the year $m	Number of shares	Per share amount cents
Basic EPS	**273**	**202,446,803**	**134.8**	112	196,684,833	56.9
Share option schemes	**-**	**617,567**	**(0.4)**	-	489,302	(0.1)
Diluted EPS	**273**	**203,064,370**	**134.4**	112	197,174,135	56.8

	2011			2010		
	Profit for the year $m	**Number of shares**	**Per share amount cents**	Profit for the year $m	Number of shares	Per share amount cents
Underlying EPS	**226**	**202,446,803**	**111.6**	138	196,684,833	70.2
Share option schemes	**-**	**617,567**	**(0.3)**	-	489,302	(0.2)
Diluted Underlying EPS	**226**	**203,064,370**	**111.3**	138	197,174,135	70.0

Underlying earnings per share has been presented as the Directors consider it important to present the underlying results of the business. Underlying earnings per share is based on the earnings attributable to equity shareholders adjusted to exclude special items (as defined in note 3) as follows:

	2011			2010		
	Profit for the year $m	**Number of shares**	**Per share amount cents**	Profit for the year $m	Number of shares	Per share amount cents
Basic EPS	**273**	**202,446,803**	**134.8**	112	196,684,833	56.9
Special items (note 3)	**(47)**	**-**	**(23.2)**	26	-	13.3
Underlying EPS	**226**	**202,446,803**	**111.6**	138	196,684,833	70.2

Headline earnings and the resultant headline earnings per share are specific disclosures defined and required by the Johannesburg Stock Exchange. These are calculated as follows:

	Year ended 30 September 2011 $m	Year ended 30 September 2010 $m
Earnings attributable to ordinary shareholders (IAS 33 earnings)	**273**	112
Add back loss on disposal of property, plant and equipment	**2**	5
Add back impairment of assets (note 3)	**2**	12
Tax related to the above items	**(1)**	(5)
Non-controlling interests	**(1)**	(2)
Headline earnings	**275**	122

	2011			2010		
	Profit for the year $m	**Number of shares**	**Per share amount cents**	Profit for the year $m	Number of shares	Per share amount cents
Headline EPS	**275**	**202,446,803**	**135.8**	122	196,684,833	62.0
Share option schemes	**-**	**617,567**	**(0.4)**	-	489,302	(0.1)
Diluted Headline EPS	**275**	**203,064,370**	**135.4**	122	197,174,135	61.9

7. Dividends

	2011		2010	
	$m	**Cents per share**	$m	Cents per share
Prior year final dividend paid in the year	**30**	**15.0**	-	-
Interim dividend paid in the year	**-**	**-**	-	-
Total dividend paid in the year	**30**	**15.0**	-	-
Interim dividend paid in the year	**-**	**-**	-	-
Proposed final dividend for the year	**30**	**15.0**	30	15.0
Total dividend in respect of the year	**30**	**15.0**	30	15.0

8. Net debt as defined by the Group

	As at 1 October 2010 $m	**Cash flow $m**	**Foreign exchange and non cash movements $m**	**As at 30 September 2011 $m**
Cash and cash equivalents	**148**	**(74)**	**2**	**76**
Current borrowings	**(71)**	**61**	**-**	**(10)**
Non-current borrowings	**(462)**	**154**	**-**	**(308)**
Unamortised bank fees	**10**	**-**	**(2)**	**8**
Net debt as defined by the Group	**(375)**	**141**	**-**	**(234)**

	As at 1 October 2009 $m	Cash flow $m	Foreign exchange and non cash movements $m	As at 30 September 2010 $m
Cash and cash equivalents	282	(135)	1	148
Current borrowings	(58)	(13)	-	(71)
Non-current borrowings	(349)	(113)	-	(462)
Unamortised bank fees	12	-	(2)	10
Net debt as defined by the Group	(113)	(261)	(1)	(375)

Net debt as defined by the Group comprises cash and cash equivalents, bank overdrafts repayable on demand and interest bearing loans and borrowings less unamortised bank fees.

9. Statutory Disclosure

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2011 and 2010 but is derived from those accounts. Statutory accounts for 2010 have been delivered to the Registrar of Companies, and those for 2011 will be delivered in due course. The auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.