



10 June 2011

## Lonmin Plc Guidance Update

Further to the announcement made on 24 May 2011, Lonmin advises that, following the dismissal of workers engaged in unprotected illegal industrial action at its Karee operations, it has largely completed the process of recruitment and production at Karee has resumed and is ramping up.

The unprotected industrial action at Karee followed a period of poor safety in March and April, which had resulted in lost production in these months. The Company had expected to recapture this lost production during the second half of the 2011 financial year. A large portion of this catch up would have come from Karee.

Management has now completed an assessment of the impact on production of the industrial action taking into account the disruptive effect the action had on the business as a whole and the need to restore normal operations while being cognisant of the heightened safety risk associated with the restart. Management has concluded that full year sales guidance will be negatively impacted by around 30,000 Platinum ounces. Consequently, Lonmin is reducing its full year guidance for the year ended 30 September 2011 to sales of around 720,000 Platinum ounces. Unit costs will be negatively impacted due to the lower production, and the guidance of an 8% increase in unit costs for the full year will be exceeded. Further guidance on unit cost will be given with the Q3 production report.

Ian Farmer, Chief Executive Officer, commented:

"We have put this one off event behind us and anticipate having safely ramped back up to normal operating levels by August."

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