

23 April 2009

Lonmin Plc

Second Quarter and First Half 2009 Production Report

Lonmin Plc, (“Lonmin” or “the company”), the world’s third largest Platinum producer, today announces its production report for the three months and six months to 31 March 2009 (unaudited).

Q209 Production

Total tonnes mined for the second quarter of the 2009 financial year were 2.7 million, an 8% decline year-on-year. This was due to the planned closures of our Marikana opencast operations and our Baobab shaft at Limpopo.

Our underground Marikana mining operations produced 2.6 million tonnes during the second quarter of the 2009 financial year, a 7% increase from the same period last year, when production was impacted by the Eskom power outage in January 2008. The increase in production from the prior year period was supported by an improved performance from our conventional operations, which was achieved despite the disruption caused by the significant restructuring programme being carried out during the period. Production at Saffy and Hossy shafts continued to ramp up, whilst underground ore reserve development at Marikana continued to improve.

Our safety performance remained strong, with LTIFR at the end of 31 March 2009 improving 6% from the 2008 financial year. However, we regrettably suffered two fatalities during the quarter.

Total tonnes milled in the quarter increased 2% year-on-year to 2.8 million tonnes, reflecting increased production from Marikana and Pandora underground mining operations, and exceeded total tonnes mined, due to the milling of some opencast stock piles in the period. The remainder of these opencast stock piles and the further opencast tonnes from Pandora will be processed during the second half of the 2009 financial year.

The concentrators produced 164,909 saleable ounces of Platinum in concentrate for the quarter, a 5% increase from the second quarter in the 2008 financial year, reflecting increased production from underground Marikana operations and Pandora. Underground and overall concentrator recoveries improved to 81.4% and 80.6% respectively from the first quarter of the 2009 financial year, when underground and overall recoveries were 80.2% and 79.4% respectively.

Overall milled head grade was up 2% year-on-year to 4.68 grammes per tonne (5PGE+Au), whilst underground milled head grade increased marginally to 4.69 grammes per tonne (5PGE+Au). Encouragingly, underground head grade improved 5% from the first quarter of the 2009 financial year, reflecting in part the impact of management actions taken to tackle the unplanned dilution identified in the first quarter of 2009.

Refined production for the second quarter was 185,284 ounces of Platinum and 362,326 ounces of total PGMs, an increase of 45% and 41% respectively from the second quarter of the 2008 financial year. Metal sales during the second quarter of the 2009 financial year were 185,651 ounces of Platinum and 355,069 ounces of PGMs, increases of 30% and 26% respectively from the prior year period. This growth in refined production and sales partly reflected the improved contribution from our Marikana underground operations. Furthermore, the Process Division delivered an excellent performance during the second quarter and, ahead of our expectations, it processed the vast majority of the inventory built up during the planned re-build of the Number One furnace which tapped matte on 13 January 2009. Refined production and sales in the prior year period were more significantly impacted by a planned inspection and repair of the Number One furnace, following the Eskom power outage, which caused a build up of metal in process at that time.

H109 Production

Total tonnes mined during the first half of the 2009 financial year were 5.8 million tonnes, a 3% decline from 2008. This was due to the planned cessation of production at our Marikana opencast operations at the end of the first quarter of the 2009 financial year and production at our Baobab shaft at Limpopo being impacted by the winding down of the operation towards care and maintenance, as well as a 21 day wage related strike at Limpopo in the first quarter of the 2009 financial year.

In the first six months of the 2009 financial year we mined a total of 5.3 million tonnes of ore from our core underground Marikana operations, an increase of 7% on the same period last year. This was due to an improved performance from our conventional sections with production rising in both the first and second quarters of the 2009 financial year from the same periods in 2008. Production from Saffy and Hossy shafts also increased during the first half of the 2009 financial year, from 2008.

The concentrators produced a total of 338,142 saleable ounces of Platinum in concentrate in the first half of the 2009 financial year, a 3% year-on-year decline, mainly as a result of the planned operational changes at our Marikana opencast and Limpopo operations, as mentioned above. Overall concentrator recoveries improved during the first half of the 2009 financial year to 80.0% from 78.8% in the first half of 2008, partly due to reduced levels of low grade opencast stock piles being processed during the first half of the 2009 financial year compared to the prior year period. However, during the first half of the 2009 financial year, underground recoveries fell to 80.8%, from 81.5% in the first half of the 2008 financial year, partly as a result of undertaking extensive maintenance on some of our Marikana concentrators in the first quarter of the 2009 financial year.

Overall milled head grade improved 2% year-on-year to 4.58 grammes per tonne (5PGE+Au), mainly due to higher levels of low grade opencast stock piles processed during the first half of the 2008 financial year which had an adverse impact on grade at that time. Underground milled head grade was 3% lower year-on-year at 4.57 grammes per tonne (5PGE+Au) as a result of an increased percentage of development ore coming from Hossy and Saffy and unplanned dilution on the UG2 reef horizon, as well as a lack of flexibility in face availability on the Merensky reef horizon, where some localised lower grade areas were encountered, particularly during the first quarter. However, management actions initiated to tackle the latter two issues have already started to have a positive impact, as evidenced by the sequential improvement in underground head grade delivered in the second quarter of the 2009 financial year.

Total refined production for the first half of the 2009 financial year was 318,219 ounces of Platinum and 606,145 of total PGMs, both up 13% from the same period in 2008, partly reflecting the improvement from our core Marikana underground operations during the first half of the 2009 financial year. In addition, refined production during the first half of the 2008 financial year was adversely impacted by a build up of metal in process, partly due to the planned inspection and repair of the Number One furnace, following the Eskom power outage in January 2008.

During the first half of the 2009 financial year, our Process Division delivered an excellent performance and processed the vast majority of the inventory built up during the planned re-build of the Number One furnace in the first quarter. Final metal sales for the first half of the 2009 financial year were 311,853 ounces of Platinum and 583,873 ounces of total PGMs, up 8% and 5% respectively on the same period in 2008.

2009 Sales Guidance

We maintain our sales guidance for the 2009 financial year of around 700,000 Platinum ounces.

Platinum sales in the first half of the 2009 financial year were around 45% of the full year Platinum sales target for our core Marikana operations, which we first published in November 2008, and this was ahead of our initial expectations for the period. The key driver of this was the performance of the Process Division, where metal in process inventory was drawn down faster than had been expected following the Number One furnace re-build during the first quarter of the 2009 financial year.

For the second half of the 2009 financial year, management will be focused on minimising the possible disruption resulting from the execution of our significant restructuring programme, particularly as crews are redeployed around the Marikana property, and the closure of a small uneconomic decline shaft and a further five uneconomic half levels at Marikana as part of this restructuring programme. In addition, the continuing ramp up of Saffy shaft is a key area of focus. It is anticipated that any impact of these factors on production and sales will be compensated for by the normalising of metal in process inventory from the Process Division.

Update on restructuring

Further to our announcement on 24 February 2009, we have now essentially completed a major restructuring exercise at our Marikana and Limpopo operations. Further details, including expected annual cost savings and one-off costs, will be disclosed at our Interim Results on 11 May 2009.

Debt re-financing

We have completed a \$575m debt re-financing package, comprising a \$250m revolving credit facility and a \$150m amortising term loan both maturing in November 2012 in the UK and a \$175m revolving credit facility in South Africa, maturing in November 2010. This re-financing significantly lengthens the tenure of the company's banking facilities.

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				3 months to 31st March 2009	3 months to 31st March 2008	6 months to 31st March 2009	6 months to 31st March 2008
Tonnes mined	Marikana	Underground - conventional	000	2,184	2,174	4,487	4,349
		Underground - M&A ¹	000	400	252	771	552
		Underground - total	000	2,584	2,426	5,258	4,901
		Opencast	000	13	255	229	624
		Total	000	2,598	2,681	5,488	5,525
	Limpopo	Underground	000	0	126	87	264
		Opencast	000	0	0	0	0
		Total	000	0	126	87	264
	Pandora attributable ²	Underground	000	37	34	71	68
		Opencast	000	41	54	110	101
		Total	000	78	88	181	169
	Lonmin Platinum	Underground	000	2,621	2,586	5,417	5,233
		Opencast	000	55	309	339	725
		Total	000	2,676	2,895	5,756	5,958

Tonnes milled³	Marikana	Underground	000	2,462	2,335	5,124	4,844
		Opencast	000	78	157	194	719
		Total	000	2,540	2,491	5,319	5,563
	Limpopo	Underground	000	0	78	92	207
		Opencast	000	0	0	0	0
		Total	000	0	78	92	207
	Pandora ⁴	Underground	000	88	78	168	159
		Opencast	000	126	64	251	192
		Total	000	214	142	419	351
	Ore purchases ⁵	Underground	000	0	0	0	0
		Opencast	000	0	0	0	30
		Total	000	0	0	0	30
	Lonmin Platinum	Underground	000	2,550	2,491	5,384	5,210
		<i>Head grade⁶</i>	<i>g/t</i>	<i>4.69</i>	<i>4.68</i>	<i>4.57</i>	<i>4.72</i>
		<i>Recovery rate⁷</i>	<i>%</i>	<i>81.4%</i>	<i>81.5%</i>	<i>80.8%</i>	<i>81.5%</i>
		Opencast	000	205	221	445	941
		<i>Head grade⁶</i>	<i>g/t</i>	<i>4.61</i>	<i>3.62</i>	<i>4.68</i>	<i>3.18</i>
		<i>Recovery rate⁷</i>	<i>%</i>	<i>71.3%</i>	<i>54.6%</i>	<i>70.6%</i>	<i>56.8%</i>
		Total	000	2,754	2,711	5,829	6,151
		<i>Head grade⁶</i>	<i>g/t</i>	<i>4.68</i>	<i>4.59</i>	<i>4.58</i>	<i>4.48</i>
<i>Recovery rate⁷</i>		<i>%</i>	<i>80.6%</i>	<i>79.8%</i>	<i>80.0%</i>	<i>78.8%</i>	

				3 months to 31st March 2009	3 months to 31st March 2008	6 months to 31st March 2009	6 months to 31st March 2008
Metals in concentrate⁸	Marikana	Platinum	OZ	151,168	147,414	308,617	319,543
		Palladium	OZ	70,285	67,814	143,110	146,474
		Gold	OZ	3,444	3,851	7,057	8,522
		Rhodium	OZ	21,191	20,092	43,000	43,328
		Ruthenium	OZ	32,617	30,828	66,454	66,680
		Iridium	OZ	7,110	6,573	14,520	13,945
		Total PGMs	OZ	285,815	276,572	582,759	598,492
		Nickel ⁹	MT	642	685	1,321	1,493
		Copper ⁹	MT	405	413	825	906
	Limpopo	Platinum	OZ	0	3,062	3,770	8,589
		Palladium	OZ	0	2,618	3,331	6,493
		Gold	OZ	0	213	243	620
		Rhodium	OZ	0	357	487	894
		Ruthenium	OZ	0	498	688	1,302
		Iridium	OZ	0	116	159	274
		Total PGMs	OZ	0	6,864	8,679	18,172
		Nickel ⁹	MT	0	67	76	175
		Copper ⁹	MT	0	46	54	120
	Pandora ⁴	Platinum	OZ	13,742	6,698	25,754	17,825
		Palladium	OZ	6,194	3,075	11,601	8,148
		Gold	OZ	110	50	202	133
		Rhodium	OZ	1,909	962	3,566	2,478
		Ruthenium	OZ	2,789	1,413	5,216	3,676
		Iridium	OZ	515	239	971	615
		Total PGMs	OZ	25,259	12,436	47,310	32,875
		Nickel ⁹	MT	13	10	25	25
		Copper ⁹	MT	8	4	15	11
	Ore purchases ⁵	Platinum	OZ	0	104	0	937
		Palladium	OZ	0	(141)	0	793
		Gold	OZ	0	(13)	0	74
		Rhodium	OZ	0	25	0	83
		Ruthenium	OZ	0	57	0	107
		Iridium	OZ	0	10	0	25
		Total PGMs	OZ	0	42	0	2,019
		Nickel ⁹	MT	0	4	0	16
		Copper ⁹	MT	0	2	0	11
	Lonmin Platinum	Platinum	OZ	164,909	157,277	338,142	346,894
		Palladium	OZ	76,479	73,366	158,042	161,908
		Gold	OZ	3,554	4,101	7,503	9,349
		Rhodium	OZ	23,100	21,436	47,053	46,783
Ruthenium		OZ	35,406	32,796	72,358	71,765	
Iridium		OZ	7,625	6,938	15,649	14,859	
Total PGMs		OZ	311,074	295,914	638,748	651,558	
Nickel ⁹		MT	655	766	1,422	1,709	
Copper ⁹		MT	412	465	894	1,048	

				3 months to 31st March 2009	3 months to 31st March 2008	6 months to 31st March 2009	6 months to 31st March 2008
Metallurgy	Lonmin refined metal production	Platinum	OZ	184,969	128,124	317,904	282,650
		Palladium	OZ	86,637	65,956	147,393	128,140
		Gold	OZ	5,151	6,042	8,647	9,563
		Rhodium	OZ	25,939	21,179	44,688	42,437
		Ruthenium	OZ	47,614	31,232	72,952	62,763
		Iridium	OZ	9,935	5,284	12,479	10,577
		Total PGMs	OZ	360,245	257,816	604,063	536,128
	Toll refined metal production	Platinum	OZ	315	0	315	0
		Palladium	OZ	0	0	0	0
		Gold	OZ	0	0	0	0
		Rhodium	OZ	573	0	573	0
		Ruthenium	OZ	1,009	0	1,009	0
		Iridium	OZ	184	0	184	0
		Total PGMs	OZ	2,081	0	2,081	0
	Total refined PGMs	Platinum	OZ	185,284	128,124	318,219	282,650
		Palladium	OZ	86,637	65,956	147,393	128,140
		Gold	OZ	5,151	6,042	8,647	9,563
		Rhodium	OZ	26,512	21,179	45,261	42,437
		Ruthenium	OZ	48,623	31,232	73,961	62,763
		Iridium	OZ	10,119	5,284	12,663	10,577
		Total PGMs	OZ	362,326	257,816	606,145	536,128
	Base metals	Nickel¹⁰	MT	869	508	1,632	1,323
Copper¹⁰		MT	579	286	1,079	795	

Sales	Refined metal sales	Platinum	OZ	187,250	140,875	313,671	284,731
		Palladium	OZ	92,439	70,662	147,184	133,991
		Gold	OZ	5,940	4,916	9,318	9,208
		Rhodium	OZ	21,636	21,818	38,739	43,537
		Ruthenium	OZ	41,833	33,374	67,501	65,941
		Iridium	OZ	9,392	6,088	12,500	11,720
		Total PGMs	OZ	358,490	277,732	588,913	549,127
	Concentrate and other ¹¹	Platinum	OZ	(1,600)	2,478	(1,818)	4,233
		Palladium	OZ	(1,822)	1,095	(3,222)	1,833
		Gold	OZ	0	55	0	97
		Rhodium	OZ	0	534	0	758
		Ruthenium	OZ	0	628	0	990
		Iridium	OZ	0	137	0	240
		Total PGMs	OZ	(3,421)	4,926	(5,039)	8,150
	Lonmin Platinum	Platinum	OZ	185,651	143,352	311,853	288,963
		Palladium	OZ	90,617	71,756	143,962	135,823
		Gold	OZ	5,940	4,971	9,318	9,305
		Rhodium	OZ	21,636	22,352	38,739	44,295
		Ruthenium	OZ	41,833	34,002	67,501	66,931
		Iridium	OZ	9,392	6,225	12,500	11,960
		Total PGMs	OZ	355,069	282,658	583,873	557,277
		Nickel¹⁰	MT	693	413	1,368	1,216
Copper¹⁰	MT	503	376	907	805		

				3 months to 31st March 2009	3 months to 31st March 2008	6 months to 31st March 2009	6 months to 31st March 2008
Prices	Average	Platinum	\$/oz	991	1,734	947	1,578
		Palladium	\$/oz	195	431	192	396
		Gold	\$/oz	901	908	871	853
		Rhodium	\$/oz	1,099	7,853	1,650	7,121
		Ruthenium	\$/oz	47	407	124	446
		Iridium	\$/oz	384	428	393	424
		Basket price of PGMs ¹²	\$/oz	666	1,684	699	1,558
		Nickel ¹⁰	\$/MT	16,285	23,374	15,721	27,235
		Copper ¹⁰	\$/MT	6,953	8,042	6,062	6,936

Exchange Rates	Average rate for period	R/\$	9.90	7.52	9.91	7.14
	Closing rate	R/\$	9.49	8.08	9.49	8.08

Notes:

- 1 M&A comprises ore produced by our fully mechanised shafts and from Saffy shaft, which is being transitioned to hybrid mining.
- 2 JV 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 Relates to the tonnes milled and derived metal in concentrate from third-party ore purchases.
- 6 Head Grade is the grammes per tonne (5PGE + Au) value contained in the tonnes milled and fed into the concentrator from the mines (excludes 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 have been calculated at 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 LME grade C.
- 11 Concentrate and other sales have been adjusted to a saleable ounces basis using standard industry recovery rates.
- 12 Basket price of PGMs is based on the revenue generated from the actual PGMs sold in the period.