News Release

Interim Results
8 May 2008

LONMIN

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Focusing on Operational Performance

- Record financial results in a strong pricing environment
- Continued progress in safety performance with a 45% improvement in LTIFR
- New mining team embedded and implementing plans to optimise mine performance
- Production impacted by four day Eskom power outage, safety shutdowns and absenteeism
- Refined production of 282,650 ounces of Platinum and 536,128 ounces of total PGMs
- Pre-feasibility studies for Limpopo and Pandora completed
- Attributable Indicated Resource for Akanani significantly increased to 8.8 million ounces of PGMs (3PGE+Au)
- Interim dividend increased by 7.3% to US$0.59 per share

Financial highlights – Continuing Operations Six Months – 31 March 2008		**2008**	2007	Variance
Revenue	US$m	**907**	631	43.7%
Underlying EBIT (i)	US$m	**371**	228	62.7%
EBIT (ii)	US$m	**368**	229	60.7%
Underlying profit before taxation (iii)	US$m	**399**	235	69.8%
Profit before taxation	US$m	**396**	132	200.0%
Underlying earnings per share (iii)	cents	**132.5**	81.5	62.6%
Earnings per share	cents	**181.1**	(2.0)	-
Declared dividend per share	cents	**59**	55	7.3%
Free cash flow per share (iv)	cents	**(19.2)**	25.8	-
Net debt (v)	US$m	**506**	665	-
Gearing (vi)	**%**	**17**	27	-

NOTES ON HIGHLIGHTS

(i) Underlying EBIT is defined as EBIT excluding special items (see note (iii))
(ii) EBIT is defined as revenue and other operating expenses before net finance costs and before share of profit of associates and joint ventures.
(iii) Underlying earnings are calculated on profit for the period excluding special items being pension scheme payments to fund augmentations of transfer values as part of a liability reduction exercise, profits on disposal of subsidiaries, foreign exchange on tax balances and effects of changes in corporate tax rates on deferred tax. For prior periods, special items also includes profit on the sale of Marikana houses, impairment of non-mining investments and movements in the fair value of the embedded derivative associated with the convertible bonds.
(iv) Free cash flow is trading cash flow from operating activities less expenditure on property, plant and equipment, intangibles, proceeds from disposal of assets held for sale and dividends paid to minority interests.
(v) Net debt as defined by the Group comprises cash and cash equivalents, bank overdrafts repayable on demand, interest-bearing loans and borrowings, and convertible bonds.
(vi) Gearing is calculated on the net debt attributable to the Group divided by the total of the net debt attributable to the Group and equity shareholders' funds.

Commenting on the results, Brad Mills, Lonmin's Chief Executive said:

"Financial results for the first six months were at record levels on the back of strong PGM price appreciation. Our safety performance continued to improve and we made further progress with our sustainability efforts. Production was impacted by the Eskom power interruption at the end of January, safety shutdowns and absenteeism. Our new mining team is now in place with a primary focus on improving operational performance. We are making steady progress with our growth projects, which position Lonmin to take advantage of the strong expected growth in PGM demand in the coming years."

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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 8 May 2007 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.

Chief Executive's Comments

Introduction

The strong pricing environment for our metals continued during the first half of 2008 as the supply of PGMs from South Africa remained constrained. In this higher price environment, we report today record half year revenue and earnings. Revenue for the period was US$907 million, up 44% on the same period for 2007 and underlying profit before tax was US$399 million, an increase of 70% on the first six months of the 2007 financial year. Underlying earnings per share were 132.5 cents, up 63% on the first half of 2007. Our average price received for Platinum rose to US$1,578 per ounce an increase of 43% on the same period last year. The average basket price per PGM ounce was up 41% to US$1,558 per ounce.

Total refined production for the first half was 282,650 ounces of Platinum and 536,128 ounces of total PGMs and we achieved sales of 288,963 ounces of Platinum and 557,276 ounces of total PGMs. Our metallurgical production was impacted by lower throughput from the mines, the four day Eskom power outage at the end of January and the planned Number One furnace inspection and repair which we brought forward as a result of the Eskom power crisis. The work on the Number One furnace was successfully completed in four weeks with the furnace tapping matte again on 2 March 2008.

Total mining production for the first six months of the year was 6.0 million tonnes of ore, 13% less than the same period last year. Production at both our Marikana and Limpopo operations was impacted by the four day Eskom power outage at the end of January which, we estimate, resulted in the loss of around 15,000 saleable ounces of Platinum in concentrate. In addition we saw an increase in the number of safety related shutdowns in the period and high levels of absenteeism around Christmas and Easter particularly among key skill groups.

We made steady progress with our development projects during the period. Our new Saffy and Hossy mechanised shafts continued to increase production with mechanised operations contributing 552,000 tonnes of ore, a 134% increase on the performance for the first half of 2007. Our K4 shaft will complete shaft equipping later this month at which point we will begin ore reserve development.

We completed pre-feasibility studies on both the Limpopo phase 2 and Pandora project during the six months and we have continued our drilling programme and mine design work at Akanani. Using these new drill results we have updated our resource estimate for Akanani with Attributable Indicated Resources of 8.8 million ounces of PGMs (3PGE+Au) now defined for the southern P2 section of the property. We remain confident about the prospects for this project which is ideal for large scale mechanised mining and aim to complete pre-feasibility work on phase one of the Akanani project during the last quarter of this year.

We estimate that sales for the 2008 financial year will be around 775,000 ounces of Platinum. This guidance is based on a steady improvement in the underlying performance of our mines in the second half as the initiatives implemented by the new mining team gain traction. This guidance also takes account of the current constraints in relation to electricity supply. However any deterioration of the current power supply situation or any further significant safety stoppages would be risks to this target.

Power Situation

One of the key issues facing the mining industry in South Africa today is the availability and security of electricity supply. Since the beginning of February we have been operating within a 90% of normal consumption constraint imposed by Eskom. In order to manage within that constraint we have scheduled planned maintenance in the concentrators to coincide with periods when our power consumption peaks. In addition we have rolled out energy saving initiatives across the business including maximising the efficiency of the compressed air networks in our shafts, running a number of energy saving programmes for electrical equipment and better managing our internal energy network. On 24 April 2008, Eskom gave notice that we could increase our power utilisation to 95% of normal consumption, giving us increased operational flexibility for the remainder of the financial year.

In addition, we are investigating a number of medium to longer term options to improve power supply to our operations, including self generation.

Eskom has indicated that they will provide more definitive information to the mining industry on power availability and how power demands for new projects will be treated in June of this year. Once we have more clarity around this we will develop plans with the aim of ensuring that we have adequate power to match our growth requirements.

Safety

Our safety performance improved further during the half with our lost time injury frequency rate (LTIFR) falling to 6.76 per million man hours worked, a decrease of 45% on the LTIFR for the first six months of 2007. Our severity rate (number of days lost per million man hours worked) also fell by 48% during the period from 122.4 for the first half of 2007 to 64.0 for 2008[1].

We regrettably suffered one industrial fatality at our Marikana operations during the six months.

We completed the roll out of our mine wide safety campaign based on learning map technology during the period and have extended this initiative to cover the Process Division. This campaign is based around the 2010 World Cup using football as a means to highlight safe behaviours and procedures. Initial signs indicate that the campaign has been well received and we will continue to raise awareness and increase its visibility in the second half. We have also strengthened our corporate safety team during the period with the appointment of Alvaro Pinto as Vice President, Safety. Alvaro joined us in December 2007 from the Canadian Albian Sands Energy project, owned by Shell where he was Operations Expansion HSE Manager. Alvaro will be responsible for the design and implementation of the Group safety strategy and for tracking our safety performance at a Group level.

Sustainability

We have continued to make good progress with our sustainability and community development efforts during the six months. The Lonmin-IFC Technical Assistance Programme, which was signed in March 2007, has made significant progress since its inception. One key piece of this programme is the development and promotion of suppliers and service providers within the communities around our operations. To date we have awarded 13 contracts to local suppliers nurtured under this scheme to the value of US$25 million. Another successful part of the programme is the peer education and training of our local community workers on HIV and AIDS. We have now trained 34 workplace and 56 community based peer educators.

One of our key focus areas is to facilitate the delivery of quality education in our communities. We have constructed sanitation facilities at three schools benefiting 1,500 children and we support the school nutrition programme at fifteen schools in collaboration with the national education department to ensure that all children have at least one balanced meal a day.

Mining

Chris Sheppard and the new senior mining team joined us at the beginning of the period and have now completed their initial assessment of the mining operations and their potential. The team has implemented a number of initiatives to optimise our mining operations and increase efficiency and productivity. These include the optimisation of our mining extraction strategy; a renewed focus on increasing productivity and reducing costs, through improvement programmes centred on half level optimisation and the acceleration of development at certain shafts; a review and upgrade of our management operating system in the shafts; and a focus on tackling non-attendance through communication with the workforce combined with a zero tolerance policy towards offenders.

Marikana

Overall production from the Marikana operations was 5.5 million tonnes for the six months, a decrease of 12% on the same period last year. Production was impacted by safety related shutdowns (including the loss of seven shifts at our K3 and Rowland shafts following the fatal accident at K3 in October), the four day Eskom power outage in January and high levels of absenteeism around Christmas and Easter.

The majority of our safety shutdowns during the period were initiated by management as we continue our drive to Zero Harm. We have also seen, in common with the rest of the industry, an increased focus on safety from the Department of Minerals & Energy ("DME") including more numerous inspections and ordered shaft closures in conjunction with these inspections. We fully support the DME in its safety drive and will continue to partner with them in ensuring safe production at our operations.

Our underground operations hoisted 4.9 million tonnes in the period down 12% on the same period last year. Conventional underground mining contributed 4.4 million tonnes, a fall of 19% on the first half of 2007. These operations, in particular our two deep shafts K3 and Rowland, were impacted by the issues already noted as well as an increased emphasis on accelerating ore reserve development.

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[1] We have previously reported a severity ratio calculated as the average number of days lost per lost time injury. In line with the guidelines of the International Council of Mining and Metals we have moved to report a severity rate which is calculated as the number of days lost per million man hours worked.

Production from our mechanised operations in the half increased to 552,000 tonnes hoisted, a rise of 134% on the first half of 2007 as we continue to increase production from Hossy and Saffy shafts. This was behind our aggressive ramp up schedule partly as a result of the slower than anticipated implementation of continuous operations which still awaits approval by relevant stakeholders. Mechanised operations contributed around 11% of our underground ore in the period. We have revised our targeted production for Hossy and Saffy for the second half of the year to take account of the performance of these shafts for the year to date and the lack of continuous operations. Production will continue to increase steadily for the remainder of the year and we expect, for the full year, mechanised production will be around 13% of our underground tonnages or more than double the 6% it contributed for the 2007 financial year.

Opencast production for the period was 624,000 tonnes mined, a decrease of 11% on 2007. These mines are near the end of their lives and will continue to decline over the coming years.

Limpopo – Baobab Shaft

Our Limpopo Baobab shaft operation produced 264,000 tonnes of ore in the period, a decline of 32% on the prior year. Production continued to be constrained by a lack of flexibility in the mine due to the ore reserve disruption caused by the IRUP occurrence. We will continue during the second half of the year to focus on development at Baobab shaft in order to build a higher degree of ore reserve flexibility at the mine.

Limpopo produced 8,589 saleable ounces of Platinum in concentrate for the period, a decline of 54% on the same period in 2007 due to the lower throughput from the mine and the shutdown of the Limpopo concentrator for 6 weeks during the period for repairs.

Pandora Joint Venture

Our share of production from the Pandora Joint Venture ground during the period through our E3 shaft and UG2 opencast operations was 169,000 tonnes mined (a decrease of 20% on the first half of 2007) primarily as a result of planned timing of the start up of our new opencast UG2 pit on the property. Lonmin purchases 100% of the ore from the Pandora Joint Venture and this ore contributed 17,824 saleable ounces of Platinum in concentrate and 32,875 saleable ounces of total PGMs in concentrate to our production.

The Pandora Joint Venture contributed US$11 million of profit after tax for our account in the half year.

Process Division

The concentrators produced a total of 346,892 saleable ounces of Platinum in concentrate for the first half, a fall of 22% on the first half of the 2007 financial year, mainly as a result of the lower throughput from the mines. Overall recoveries improved slightly during the half year to 78.8% from 78.1% for the first half of 2007. Underground recoveries remained flat at 81.5% versus last year. Our focus on campaigning our opencast ore had a positive impact on opencast recoveries which rose to 56.8% versus 56.0% last year.

Underground milled head grade was 4.8% lower than the prior year at 4.72 grammes per tonne (5PGE+Au) as a result of the increased percentage of lower grade development ore from the Marikana mechanised shafts and other ore mix issues. Opencast milled head grade was 3.18 grammes per tonne (5PGE+Au) as we continued to mill more oxidised shallow material.

The Smelting operations performed well during the period. We brought forward the planned inspection and repair of the Number One furnace to coincide with the Eskom power outage at the end of January. We successfully completed the work on the furnace in four weeks and it returned to full operations on 2 March 2008. The next planned shutdown of the Number One furnace will take place in the first quarter of the 2009 financial year to implement design changes to allow for longer operational campaigns.

Our Base Metal Refinery and Precious Metal Refinery also performed well in the six months. Total refined production for the half was 282,650 ounces of Platinum reflecting the lower level of throughput from the mines and a build up of metal in process across the Process Division of around 70,000 saleable ounces of Platinum partly as a result of the Number One furnace shutdown. It is anticipated that this metal in process will be released during the second half of the financial year.

Final metal sales for the half year were 288,963 ounces of Platinum and 557,276 ounces of total PGMs, slightly ahead of the same period in the 2007 financial year.

Costs and Capital Expenditure

Our C1 cost per ounce during the first half of 2008 was significantly impacted by lower production volumes, increasing by 24% over the same period last year to R5,003 per PGM ounce sold for Marikana and Limpopo combined before base metal credits. Base metal credits were R493 per ounce sold, which was significantly lower than the R867 per ounce recorded for the prior year period, due to lower sales of nickel in the half reflecting a stock release in the prior period and the reduced proportion of Limpopo ore in the mix while the Limpopo concentrator was offline.

Our gross costs have been impacted, in common with the rest of the South African mining industry, by continued increases in the cost of power, water and other key consumables. The shortage of, and difficulty in retaining, skilled labour has also increased the cost base as we have had to stay competitive in our packages for certain key skills.

Our capital expenditure for the first half was US$139 million. We expect that our capital spending will be around US$400 million for the financial year.

Markets

Supply side concerns from the South African producers continued to dominate the PGM pricing environment during the period.

In particular, the dual impact of DME enforced stoppages of mining operations due to safety incidents and the on-going power supply crisis have had an immediate effect on the mining sector as a whole, in particular PGM supply, 80% of which originates from South Africa. These supply constraints coupled with continuing current and forecast fundamental strong demand, in particular from the autocatalyst sector, has underpinned and exerted upward pressure on Platinum, Palladium and Rhodium prices. Interest from investors increased as evidenced by higher volumes of Platinum and Palladium Exchange-Traded Funds.

During the period the Platinum price moved from US$1,382 per ounce to US$2,045 per ounce, an increase of 48.0%; the Palladium price rose by 26.2% from US$355 per ounce to US$448 per ounce; and the Rhodium price, historically the most volatile metal increased significantly during the six months to US$9,025 from US$6,150 per ounce.

Growth Projects

We have made significant progress with our growth projects during the six months including completing pre-feasibility studies on the Limpopo expansion project and Pandora. Based on greater clarity surrounding these projects as well as an emerging view of the potential of our Akanani project, we have started a total value chain optimisation project. This project will look at matching our smelting capacity in Marikana with our mining operations on the Marikana property and determine the required size of a northern smelting and refining complex to support our Akanani and Limpopo projects. This work will determine the timing of the phase 2 expansion at Limpopo and, in conjunction with our plans to address the issues around electricity supply, will drive our long term growth profile.

Marikana

At Marikana, we continue to focus on a number of growth projects to expand future production from both our mechanised and conventional operations. Our existing fully mechanised shafts, Saffy and Hossy, are expected to reach a combined steady state production of around 3.5 million tonnes per annum by 2010. Shaft equipping at K4, our third mechanised shaft, is on track to be completed later this month, at which point ore reserve development will commence, with reef development expected in late 2009. At the conventional operations, on 2 May 2008, the Board approved a sub-decline project at our K3 shaft to mine a portion of the ore reserve above the K4 mining block and below the current K3 mining block, with full production from this expected by 2011.

Our power requirements for the Marikana operations will not increase significantly in the short term.

Limpopo

We completed our additional pre-feasibility work on the Limpopo expansion project in April this year and have approved the project to enter the feasibility stage which will be completed during the second quarter of 2010. The expansion area covered by the study encompasses two farms, Dwaalkop and Doornvlei. Doornvlei is 100% owned by Lonmin and Dwaalkop is a 50/50 joint venture between Lonmin and Mvelaphanda Resources.

The pre-feasibility work looked at ways to optimise the output of the Limpopo ground taking account of the existing operations at Baobab shaft and confirmed the viability of developing a mechanised operation on the property with access to the ore body through a series of spiral declines. Given the shallow nature of the ore body, this mine design allows quick access to the ore and is scaleable as the mine develops. The completed pre-feasibility study indicates the combined property supports a mine producing around 360,000 tonnes per month at full production.

Our current expectation is that power supply for the construction of the Limpopo expansion is relatively secure. We have in place a contract with Eskom for the provision of power to the Limpopo expansion project. However, Eskom has indicated it will start to re-evaluate growth projects in June this year and until this review is completed no real certainty can be given around the provision of power by Eskom to growth projects. Following Eskom's review in June we will evaluate our options for securing power for this project. Later this month, we expect to sign a memorandum of agreement with the Department of Water Affairs and Forestry to provide water to the Limpopo expansion project. We continue to look for additional water sources.

Pandora

A pre-feasibility study has been completed on the standalone Pandora project during the first half looking at the development of a 240,000 tonne per month operation on the property using a hybrid mining method combining mechanised development and conventional down dip stoping. This study has been submitted to the Joint Venture partners. Subject to our partner's approval, we anticipate beginning the work on the feasibility study, which underpins the full value of this asset.

Akanani

We have continued drilling at Akanani during the six months. Based on this work and on a better understanding of the variability of Platreef mineralisation at Akanani, we are today announcing a significant upgrade to the P2 (Platreef 2) Unit Mineral Resource of the southern portion of the project, where we have drilled an additional 26 holes since March 2007. Attributable Indicated P2 Resources have increased from the previous resource estimate published in March 2007 to 8.8 million ounces of PGMs (3PGE+Au) at a grade of 5.15 grammes per tonne. This same drilling has also indicated that we will need fairly close spaced drilling to classify P1 (Platreef 1) Unit mineralization as Inferred or Indicated Resources and we are consequently downgrading our certainty around areas of the P1 Unit deposit until such time as we can complete the detailed infill drilling required to ensure the mineability of mineralized intercepts in the P1 unit. The overall drilled mineralised envelope of the Akanani project continues to grow and we are confident that ultimately, much of this mineralisation will be converted to mineable reserves. The updated Resource statement is set out below:

Summary of P2 Unit Attributable Mineral Resource

Category	29 April 2008			
	Mt	3PGE+Au		Pt
		g/t	Moz	Moz
Indicated	53.5	5.15	8.8	3.8
Inferred	72.9	4.27	10.0	4.3
Total	**126.4**	**4.64**	**18.8**	**8.1**

Summary of P1 Unit Attributable Mineral Resource

Category	29 April 2008			
	Mt	3PGE+Au		Pt
		g/t	Moz	Moz
Inferred	28.1	3.39	3.1	1.2

<u>*Notes on the Mineral Resource Estimates*</u>

a. *The Mineral Resource estimate has been completed by Mr. J. C. Witley (BSc Hons, Pr. Sci Nat.) of Lonmin who is a Competent Person as defined by the SAMREC Code (2007). Mr. Witley is registered as a Professional Natural Scientist with the South African Council for Natural Scientific Professions (SACNASP) and a member of the Geological Society of South Africa (GSSA), with approximately 20 years' experience in the Base and Precious Metals Resource Industry and more than five years' experience relevant to PGE resource estimation.*
b. *The Mineral Resources at Akanani comprise stratiform disseminated PGM, Ni and Cu mineralisation that occurs within the Platreef pyroxenites of the Northern Limb of the Bushveld Complex. The Mineral Resource occurs between approximately 800 m and 1,900 m below surface in two sub-divisions of the Platreef known by Lonmin as the P2 and the P1 Units. The thickness of the P2 Mineral Resource, although variable, is on average approximately 20 m thick. Mineralisation in the P1 Unit is less well constrained than the P2 and occurs within a package of pyroxenites that are in the order of 100's metres in thickness. The thickness of the P1 Unit mineralisation is also variable and the P1 Unit mineralisation currently identified as Mineral Resource is also on average approximately 20 m thick.*

c. *The Mineral Resources were estimated using composited sample assays that have passed the relevant Quality Assurance and Quality Control (QAQC) tests, from over 60 drillhole intercepts and their deflections. Grades were interpolated by Ordinary Kriging into geological and/or grade constrained three dimensional block models.*
d. *The P2 Unit Mineral Resource was defined using a lithological hanging wall and a 2g/t 3PGE+Au (Pt, Pd, Rh and Au) assay footwall. The P1 Unit resource occurs in the P1 lithologies immediately below and contiguous with the P2 Unit resource and is constrained to a mineralized envelope of greater than 2g/t 3PGE+Au that is comparable between drillhole intersections.*
e. *The P2 Unit Mineral Resource was classified into the Indicated category taking into account continuity of mineralisation, structure and lithology within a drillhole grid of less than 250 m. Over 60% of the Inferred P2 Mineral Resource is covered by this drill grid and the maximum extrapolation distance for the P2 Unit Inferred Mineral Resources is 450 m. The P1 Unit Mineral Resource was classified as Inferred Resources due to this mineralisation exhibiting less continuity than the P2 Unit mineralisation.*
f. *Geological losses of 10% have been applied to the P2 Unit Mineral Resource and 20% for the P1 Unit. Geological losses include those from dykes and veins, fault loss, calc silicates and minor alteration.*
g. *Tabulated estimates have been rounded to two decimal places for grade and one decimal place for tonnage and content.*
h. *All Mineral Resources and Reserves have been restated to reflect Lonmin's 74% attributable shareholding in Akanani. Incwala Resources owns the remaining 26% in Akanani.*

We have completed an additional 2 drill holes in the northern section of the property. This drilling indicates that the Platreef mineralisation continues in this area, but with a higher degree of variability than we have seen in the southern section of the property. The most recent drill results from the northern section are set out below:

Borehole	Drilled width (metres)	3PGE+Au (g/t)	Cu (%)	Ni (%)
MO021	12.06	3.70	0.09	0.17
MO022	2.00	5.74	0.14	0.24

These results, especially the grade enhancements in the P2 reef, confirm our confidence in the longer term potential of the Akanani project and we are in the process of evaluating options for large scale mechanised mine development for this project.

The supply of power to Akanani is subject to the building of one of Eskom's planned new power stations which is expected to be completed in 2013. We currently have a contract in place with Eskom for power supply for the construction of the Akanani project. We are in the process of securing water for the Akanani project and we expect to enter into a memorandum of agreement for the provision of water with the Department of Water Affairs and Forestry later this month. The local municipality is planning the development of the bulk water infrastructure needed to support mining development in the region and we are continuing discussions with them to secure the additional water we need.

Dividend

As a result of our continued confidence in the long term prospects for the business, the Board has approved an interim dividend of 59.0 cents per share, an increase of 7.3% on the interim dividend paid last year. This dividend will be payable on 8 August 2008 to shareholders on the register on 11 July 2008.

Outlook

We estimate that Platinum sales for the 2008 financial year will be around 775,000 ounces of Platinum. This guidance is based on a steady improvement in the underlying performance of our mines in the second half as the initiatives implemented by the new mining team gain traction. This guidance does take account of the current constraints in relation to electricity supply but any deterioration of the current power supply situation or any further significant safety stoppages are risks to this target.

The contribution of Lonmin employees, contractors and community members during the last year is highly valued and their hard work and dedication is greatly appreciated.

The production environment remains challenging with the uncertainty over electricity supply, a tight market for certain skill groups and a continued emphasis on safety likely to continue in the medium term. These factors will continue to constrain PGM supply and should continue to support the current higher price environment.

Bradford A Mills
Chief Executive
8 May 2007

Financial Review

Introduction

The financial information presented has been prepared on the same basis and using the same accounting policies as those used to prepare the financial statements for the year ended 30 September 2007.

Analysis of results

Income Statement

Reported operating profit has increased by $139 million, or 61%, to $368 million in the six months to 31 March 2008. A comparison with the six months to 31 March 2007 is set out below:

	$m
Reported operating profit for the six months to 31 March 2007	229
PGM price	239
PGM volume	45
PGM mix	15
Base metals	(22)
Cost changes (including foreign exchange impact)	(134)
Movement on special items	(4)
Reported operating profit for the six months to 31 March 2008	368

The PGM metal markets have continued to strengthen over the last six months with supply issues evident for most South African producers. The average price per PGM ounce has increased 41% to $1,558 per ounce resulting in an additional $239 million of profit generated. The PGM sales volume for the six months was up by 40,000 ounces, or 8%, giving an additional $45 million profit. This performance, however, was below our expectations with metal production in the period adversely impacted by a variety of factors including the four-day shutdown imposed by Eskom due to electrical power supply constraints throughout South Africa, an increase in the number of safety closures implemented, high levels of absenteeism around Christmas and Easter and an increased focus on ore reserve development. The Number 1 furnace was also shut down for a planned inspection and repair in the period. The PGM mix was favourable by $15 million with Rhodium increasing by 0.75% points to almost 8% of the basket of ounces sold. The contribution from base metals fell by $22 million with Nickel sales falling by just over a 1,000 tonnes partly reflecting a one-off stock reduction in the prior period and ore mix factors.

Other cost changes (increase) / decrease:

	$m
Productive costs	(87)
Safety, health, environment and community	(12)
Exploration, development and marketing	(10)
Shared services and support functions	(6)
Depreciation and amortisation	(3)
Foreign exchange	(16)
	(134)

Productive costs increased by some $87 million in the period. These principally arose from the very significant inflationary pressures in South Africa both in the mining sector and in respect of raw materials. In addition, some other factors were at play. Since half one of financial year 2007 we have ramped-up our mechanised operations significantly and moved from a development to an operational phase resulting in the recognition of operating costs. The business also has continued to experience higher levels of labour absenteeism which necessitated increased staff numbers and resulted in lower productivity and increased use of contractors. Whilst we are taking steps to improve this situation the effects are likely to continue into the second half. The Process Division is also undertaking a major enhancement of its plant maintenance programme which, whilst increasing costs today, will improve the reliability of our operations over time.

We recognise the vital role we have in caring for our employees both within the work environment and in the wider community and have spent an incremental $12 million in the six months to March. Safety has remained a major area of focus and we have invested in training programmes, improved equipment and have extended our programme to enhance our roof-bolting to help prevent fall of ground incidents.

The Group continues to develop its growth opportunities and has recently completed the pre-feasibility studies on the Limpopo and Pandora expansion projects. The capital projects team is being developed to ensure that we have the appropriate delivery capability on our portfolio of projects. Our expenditure rate on exploration projects is increasing reflecting market conditions and several new exploration projects.

Costs of shared services and other functions which support the business have also increased and reflect a continuation of the expansion highlighted at year end. We have a number of projects underway which aim to optimise our usage of our SAP system and to enhance significantly our metallurgical accounting systems and improve our stock control.

Foreign exchange has been a negative factor with the Rand strengthening against the dollar versus the comparative period by 2%.

The Group C1 cost before by-product credits increased by 24% to R5,003 per PGM ounce sold. It should be noted that stock levels at September 2007 were higher than previous year ends and the Group has benefited by selling these cheaper ounces in the first half.

After adjusting for the stock movement, the C1 cost per ounce produced at R5,492 is 33% adverse to the prior period. This increase essentially has been caused by the increase in mining cost per unit at Marikana which is up by R1,113 per PGM ounce with costs up 21% and production volume down 21%. Further details of unit costs analysis can be found in the operating statistics table within the Interim Report.

Summary of net finance income / (costs):

	6 months to 31 March 2008 $m	6 months to 31 March 2007 $m
Net interest charges	(12)	(11)
Capitalised interest	15	6
Movement in fair value of embedded derivative of convertible bonds	0	(104)
Other	4	2
Net finance income / (costs)	7	(107)

Net interest charges at $12 million were in-line with the prior period. Capitalised interest for the period has increased to $15 million of which $7 million relates to the acquisition funding of the Akanani asset which was not a material factor in the prior half year. The convertible bonds redeemed by the company in the second half of financial year 2007 had a significant impact in the six months to March 2007 with $104 million of fair value movements reflected as a cost. This change is the major factor in the $114 million reported improvement in the period.

Reported profit before tax for the current six months at $396 million has increased by $264 million versus the comparable period. This has been driven by the $139 million improvement in operating profit, the $114 million improvement in net finance costs and an increase of $11 million in the Group's share of profit from associates and joint ventures. On an underlying basis profit before tax was up $164 million, or 70%, to $399 million.

The 2008 interim reported tax charge at $41 million was substantially lower than the reported $112 million to March 2007. However, this comparison is materially distorted by the special impacts of foreign currency retranslation differences together with a 1% reduction in the South African corporation tax rate to 28% for the 2008 financial year.

On an underlying basis tax expense has increased from $84 million to $137 million which has been driven by the improvement in profit before tax. The underlying tax rate decreased from 36% to 35%. The Group does not expect the full year underlying tax rate to be above that applied in half one although this is subject to the impact on secondary taxes based on the timing of dividends remitted.

Profit for the period attributable to equity shareholders amounted to $283 million (2007 - $3 million loss) and earnings per share were 181.1 cents compared with a loss per share of 2.0 cents in 2007. Underlying earnings per share, being earnings excluding special items, amounted to 132.5 cents (2007 – 81.5 cents) an increase of 63%.

Balance sheet

A reconciliation of the movement in equity shareholders' funds over the six months to 31 March 2008 is given below.

	$m
Equity shareholders' funds as at 1 October 2007	1,968
Total recognised income and expense	250
Dividends	(94)
Share scheme related and other	9
Equity shareholders' funds as at 31 March 2008	2,133

Equity shareholders' funds were $2,133 million at 31 March 2008 compared with $1,968 million at 1 October 2007, an increase of $165 million. Equity shareholder's funds in the period increased by $250 million through the recognition of attributable income, however, this was partially offset by the payment of the final dividend in respect of financial year 2007 of $94 million. The issuance of shares in respect of share option schemes together with other share based payment adjustments contributed a further $9 million.

Net debt at $506 million has increased by $131 million in the period with a cash outflow of $134 million (as explained below).

Gearing was 17% compared with 15% at 30 September 2007 and 27% at 31 March 2007 calculated on net borrowings attributable to the Group divided by those attributable net borrowings and the equity interests outstanding at the balance sheet date.

Cash flow

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

	6 months to March 2008	6 months to March 2007
	$m	$m
Operating profit	**368**	229
Depreciation and amortisation	**46**	43
Change in working capital	**(100)**	44
Other	**1**	6
Cash flow from operations	**315**	322
Interest and finance costs	**(12)**	(11)
Tax	**(144)**	(149)
Trading cash flow	**159**	162
Capital expenditure	**(139)**	(105)
Proceeds from asset held for sale	**1**	3
Dividends paid to minority	**(51)**	(21)
Free cash flow	**(30)**	39
Disposals / (acquisitions)	**3**	(393)
Financial investments	**(17)**	(3)
Shares issued	**4**	19
Equity dividends paid	**(94)**	(85)
Cash outflow	**(134)**	(423)
Opening net debt	**(375)**	(458)
Bond conversion	**-**	213
Foreign exchange	**3**	3
Closing net debt	**(506)**	(665)
Trading cash flow (cents per share)	**101.8c**	107.3c
Free cash flow (cents per share)	**(19.2)c**	25.8c

Despite the significant increase in operating profit the cash flow generated from operations at $315 million was marginally down compared to the prior period. This was entirely due to changes in working capital with the comparative period benefiting from abnormally high receipts from debtors which was a result of high volumes of concentrate sales at the end of the 2006 financial year. Furthermore, the first half profits and therefore cash flows have been impacted by the operational issues described above and the significant accumulation of inventory mainly due to the Number 1 smelter shut down and repair. After interest and finance costs of $12 million and tax payments of $144 million, trading cash flow to March 2008 amounted to $159 million against $162 million to March 2007, with trading cash flow per share of 101.8 cents in 2008 against 107.3 cents in 2007.

Capital expenditure of $139 million was incurred during the six months, up $34 million on the prior period. This rate of spend is expected to accelerate in the second half as we continue to develop the mechanised operations, complete our K4 shaft and invest in sub declines at Rowland and K3.

Dividends paid to minorities in the period at $51 million was $30 million higher than the prior period reflecting a timing difference on the payment of dividends from South African subsidiaries.

As a result of the above free cash flow generated fell from a positive $39 million at the prior interim to a negative $30 million in 2008 with free cash flow per share falling from positive 25.8 cents to negative 19.2 cents. After a small increase in investments and the payment of $94 million on equity dividends the overall cash outflow for the period was $134 million which increased net debt accordingly.

Dividends

As dividends are accounted for on a cash basis under IFRS the amount shown in the accounts represents the 2007 final dividend of 60.0 cents. In addition the Board has approved an interim dividend of 59.0 cents in respect of the period (2007 – 55.0 cents).

Financial risk management

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

The Group’s business is mining and it does not undertake trading activity in financial instruments.

Interest rate risk

Monetary assets and liabilities are exposed to movements in interest rates. The borrowings at 31 March 2008 comprised $181 million of borrowings in the UK together with an overdraft of $1 million, and in South Africa a long-term bank loan of $300 million was drawn together with an overdraft of $37 million. Cash deposits represented balances of $4 million in the UK and $9 million in South Africa.

Liquidity risk

Liquidity risk measures the risk that the Group may not be able to meet its liabilities as they fall due and, therefore, its ability to continue trading. The Group’s policy on overall liquidity is to ensure that there are sufficient committed facilities in place which, when combined with available cash resources, are sufficient to meet the funding requirements in the foreseeable future. At 31 March 2008 the Group had $1,127 million of committed facilities in place of which $519 million were drawn down.

Foreign currency risk

Foreign currency risk arises when movements in exchange rates, particularly the US Dollar against the South African Rand, affect the transactions the Group enters into, reported profits and net assets. Most of the Group’s operations are based in South Africa and the majority of the revenue stream is in US Dollars. However the bulk of the Group’s costs, and taxes, are in Rand. Most of the cash held in South Africa is in US Dollars and is normally remitted to the UK on a regular basis. Short-term working capital facilities required in South Africa are drawn primarily in US Dollars.

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 costs being denominated in Rand.

Commodity price risk
Commodities are traded on worldwide commodities markets and are subject to price fluctuations. Therefore the prices obtained are dependent upon the prevailing market prices. Any change in prices will have a direct effect on the Group's trading results. Forward sales are undertaken where the Board determines that it is in the Group's interest to hedge a proportion of future cash flows. No forward sales of Nickel and Copper were undertaken in the six months to 31 March 2008.

Fiscal risk
Changes in governmental fiscal policy in the territories in which the Group operates will impact on Group profitability. In South Africa the Government is finalising a Royalty Bill which will come into effect on 1 May 2009. The original royalty structure proposed was based on turnover, however, this has recently been amended. The current proposal is that the royalty rate will be calculated with reference to either profitability or taxable income which will be applied to turnover or a deemed concentrate value to calculate the royalty payable. Until the Bill is finalised it is difficult to be definitive about its financial impact. Our guidance remains that over time the charge is likely to represent around 3% of revenue and that this will be deductible for corporation tax purposes.

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. There is an extensive discussion of the principal risks and uncertainties facing the Company on pages 14 to 16 of the 2007 Annual Report, available from the Company's website, www.lonmin.com. As identified in the Chief Executive's comments during the half year the availability of electrical power in South Africa has worsened considerably and the issues facing the world's banking and financial sectors have potentially reduced the availability of capital and the willingness of banks to lend. Aside from this, there has been no significant change in the Company's risk environment.

Alan Ferguson
Chief Financial Officer
8 May 2008

Lonmin Interim Results
Operating Statistics and Financial Statements
Operational statistics

				6 months to 31 March 2008	6 months to 31 March 2007
Tonnes mined	Marikana	Underground conventional	000	**4,349**	5,344
		Underground M&A [1]	000	**552**	236
		Underground - total	000	**4,901**	5,580
		Opencast	000	**624**	704
		Total	000	**5,525**	6,284
	Limpopo	Underground	000	**264**	390
		Opencast	000	**-**	-
		Total	000	**264**	390
	Pandora attributable [2]	Underground	000	**68**	60
		Opencast	000	**101**	150
		Total	000	**169**	210
	Lonmin Platinum	Underground	000	**5,233**	6,030
		Opencast	000	**725**	854
		Total	000	**5,958**	6,884
Tonnes milled [3]	Marikana	Underground	000	**4,844**	5,581
		Opencast	000	**719**	738
		Total	000	**5,563**	6,319
	Limpopo	Underground	000	**207**	397
		Opencast	000	**-**	-
		Total	000	**207**	397
	Pandora [4]	Underground	000	**159**	141
		Opencast	000	**192**	336
		Total	000	**351**	477
	Ore Purchases [5]	Underground	000	**-**	72
		Opencast	000	**30**	-
		Total	000	**30**	72
	Lonmin Platinum	Underground	000	**5,210**	6,191
		Head grade [6]	*g/t*	**4.72**	4.96
		Recovery rate [7]	*%*	**81.5**	81.5
		Opencast	000	**941**	1,074
		Head grade [6]	*g/t*	**3.18**	4.34
		Recovery rate [7]	*%*	**56.8**	56.0
		Total	000	**6,151**	7,265
		Head grade [6]	*g/t*	**4.48**	4.87
		Recovery rate [7]	*%*	**78.8**	78.1

				6 months to 31 March 2008	6 months to 31 March Restated [8] 2007
Metals in concentrate [9]	Marikana	Platinum	oz	**319,543**	397,103
		Palladium	oz	**146,474**	181,192
		Gold	oz	**8,522**	11,030
		Rhodium	oz	**43,328**	52,146
		Ruthenium	oz	**66,680**	83,954
		Iridium	oz	**13,945**	17,284
		Total PGMs	oz	**598,492**	742,710
		Nickel [10]	MT	**1,493**	1,916
		Copper [10]	MT	**906**	1,155
	Limpopo	Platinum	oz	**8,589**	18,759
		Palladium	oz	**6,493**	13,083
		Gold	oz	**620**	1,448
		Rhodium	oz	**894**	1,955
		Ruthenium	oz	**1,302**	3,053
		Iridium	oz	**274**	722
		Total PGMs	oz	**18,172**	39,020
		Nickel [10]	MT	**175**	416
		Copper [10]	MT	**120**	285
	Pandora[4]	Platinum	oz	**17,824**	25,600
		Palladium	oz	**8,148**	11,997
		Gold	oz	**133**	226
		Rhodium	oz	**2,478**	3,707
		Ruthenium	oz	**3,676**	5,511
		Iridium	oz	**615**	1,198
		Total PGMs	oz	**32,875**	48,238
		Nickel [10]	MT	**25**	30
		Copper [10]	MT	**11**	17
	Ore purchases[5]	Platinum	oz	**937**	2,675
		Palladium	oz	**793**	1,233
		Gold	oz	**74**	36
		Rhodium	oz	**83**	416
		Ruthenium	oz	**107**	670
		Iridium	oz	**25**	138
		Total PGMs	oz	**2,019**	5,167
		Nickel [10]	MT	**16**	16
		Copper [10]	MT	**11**	8
	Lonmin Platinum	Platinum	oz	**346,892**	444,136
		Palladium	oz	**161,908**	207,505
		Gold	oz	**9,350**	12,740
		Rhodium	oz	**46,783**	58,224
		Ruthenium	oz	**71,765**	93,189
		Iridium	oz	**14,859**	19,342
		Total PGMs	oz	**651,556**	835,136
		Nickel [10]	MT	**1,709**	2,378
		Copper [10]	MT	**1,047**	1,466

				6 months to 31 March 2008	6 months to 31 March 2007
Metallurgical production	Lonmin refined Metal Production	Platinum	oz	**282,650**	259,434
		Palladium	oz	**128,140**	116,581
		Gold	oz	**9,563**	7,555
		Rhodium	oz	**42,437**	31,019
		Ruthenium	oz	**62,763**	42,587
		Iridium	oz	**10,577**	12,838
		Total PGMs	oz	**536,128**	470,015
	Toll refined metal production	Platinum	oz	**-**	23,872
		Palladium	oz	**-**	10,862
		Gold	oz	**-**	-
		Rhodium	oz	**-**	3,447
		Ruthenium	oz	**-**	5,409
		Iridium	oz	**-**	1,063
		Total PGMs	oz	**-**	44,653
	Total refined PGMs	Platinum	oz	**282,650**	283,306
		Palladium	oz	**128,140**	127,443
		Gold	oz	**9,563**	7,555
		Rhodium	oz	**42,437**	34,466
		Ruthenium	oz	**62,763**	47,996
		Iridium	oz	**10,577**	13,901
		Total PGMs	oz	**536,128**	514,668
	Base metals	Nickel [11]	MT	**1,323**	1,604
		Copper [11]	MT	**795**	826
Capital Expenditure			Rm	**1,000**	750
			$m	**139**	105
Sales	Refined Metal Sales	Platinum	oz	**284,730**	273,191
		Palladium	oz	**133,990**	124,884
		Gold	oz	**9,208**	7,560
		Rhodium	oz	**43,537**	37,170
		Ruthenium	oz	**65,940**	56,492
		Iridium	oz	**11,720**	13,981
		Total PGMs	oz	**549,127**	513,278
	Concentrate and other [12]	Platinum	oz	**4,233**	1,249
		Palladium	oz	**1,833**	496
		Gold	oz	**97**	2,037
		Rhodium	oz	**758**	46
		Ruthenium	oz	**990**	90
		Iridium	oz	**240**	22
		Total PGMs	oz	**8,150**	3,940
	Lonmin Platinum	Platinum	oz	**288,963**	274,440
		Palladium	oz	**135,823**	125,380
		Gold	oz	**9,305**	9,597
		Rhodium	oz	**44,295**	37,216
		Ruthenium	oz	**66,930**	56,582
		Iridium	oz	**11,960**	14,003
		Total PGMs	oz	**557,276**	517,218
		Nickel [11]	MT	**1,216**	2,232
		Copper [11]	MT	**805**	774

				6 months to 31 March 2008	6 months to 31 March 2007
Average Prices	Lonmin Platinum	Platinum	$/oz	**1,578**	1,103
		Palladium	$/oz	**396**	325
		Gold	$/oz	**853**	602
		Rhodium	$/oz	**7,121**	5,325
		Ruthenium	$/oz	**446**	305
		Iridium	$/oz	**424**	392
		Basket price of PGMs [13]	$/oz	**1,558**	1,102
		Nickel [11]	$/MT	**27,235**	25,067
		Copper [11]	$/MT	**6,936**	6,558
Cost per PGM ounce sold					
Mining – Marikana			R/oz	**3,247**	2,134
Mining – Limpopo			R/oz	**6,125**	4,405
Mining – (weighted average)			R/oz	**3,366**	2,270
Concentrating – Marikana			R/oz	**638**	408
Concentrating – Limpopo			R/oz	**2,193**	1,171
Concentrating – (weighted average)			R/oz	**684**	454
Process division			R/oz	**604**	722
Shared business service			R/oz	**838**	685
Stock movement			R/oz	**(489)**	(83)
C1 cost per PGM ounce sold before base metal credits			R/oz	**5,003**	4,048
Base metal credits			R/oz	**(493)**	(867)
C1 costs per PGM ounce sold after base credits			R/oz	**4,510**	3,181
Amortisation			R/oz	**496**	367
C2 costs per PGM ounce sold			R/oz	**5,006**	3,548
Pandora mining costs:					
C1 Pandora mining costs (in joint venture)			R/oz	**3,945**	1,921
Pandora JV cost/ounce to Lonmin (adjusting Lonmin share of profit)			R/oz	**6,703**	3,686
Exchange Rates	Average rate for period		R/$	**7.14**	7.31
	Closing rate		R/$	**8.08**	7.24

Footnotes:

1 M&A comprises ore produced by our ultra low profile mechanised equipment.

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 The metals in concentrate numbers for the prior year have been restated to adjust for a measurement error, discovered during the fourth quarter in the prior year, which occurred at one of our concentrators during the 2007 financial year.

9 Metals in concentrate includes slag and have been calculated at industry standard downstream processing losses.

10 Corresponds to contained base metals in concentrate.

11 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.

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

13 Basket price of PGMs is based on the revenue generated from the actual PGMs sold in the period.

INDEPENDENT REVIEW REPORT TO LONMIN PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2008 which comprises the consolidated balance sheet, consolidated income statement, consolidated statement of recognised income and expense, the consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.
As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2008 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

KPMG Audit Plc
Chartered Accountants, London
8 May 2008

Consolidated income statement
for the 6 months ended 31 March 2008

Continuing operations	Note	6 months to 31 March 2008 Underlying [(i)] $m	Special items (note 3) $m	6 months to 31 March 2008 Total $m	6 months to 31 March 2007 Underlying [(i)] $m	Special items (note 3) $m	6 months to 31 March 2007 Total $m	Year ended 30 September 2007 Underlying [(i)] $m	Special items (note 3) $m	Year ended 30 September 2007 Total $m
Revenue	2	**907**	**-**	**907**	631	-	631	1,941	-	1,941
EBITDA [(ii)]		**417**	**(3)**	**414**	271	1	272	883	(2)	881
Depreciation and amortisation		**(46)**	**-**	**(46)**	(43)	-	(43)	(87)	-	(87)
Operating profit/(loss) [(iii)]	2	**371**	**(3)**	**368**	228	1	229	796	(2)	794
Finance income	4	**8**	**-**	**8**	12	-	12	32	-	32
Finance expenses	4	**(1)**	**-**	**(1)**	(15)	(104)	(119)	(35)	(104)	(139)
Share of profit of associate and joint venture		**21**	**-**	**21**	10	-	10	18	-	18
Profit / (loss) before taxation		**399**	**(3)**	**396**	235	(103)	132	811	(106)	705
Income tax income/(expense) [(iv)]	5	**(137)**	**96**	**(41)**	(84)	(28)	(112)	(255)	(42)	(297)
Profit / (loss) for the period		**262**	**93**	**355**	151	(131)	20	556	(148)	408
Attributable to:										
- Equity shareholders of Lonmin Plc		**207**	**76**	**283**	123	(126)	(3)	453	(139)	314
- Minority interest		**55**	**17**	**72**	28	(5)	23	103	(9)	94
Earnings / (loss) per share	6	**132.5c**		**181.1c**	81.5c		(2.0)c	295.9c		205.1c
Diluted earnings / (loss) per share [(v)]	6	**132.0c**		**180.5c**	80.7c		(2.0)c	293.4c		203.3c
Dividend per share paid in period	7			**60.0c**			55.0c			110.0c

Footnotes:

(i) Underlying earnings are calculated on profit for the period excluding pension scheme payments to fund augmentations of transfer values as part of a liability reduction exercise, profit on disposal of subsidiaries, foreign exchange on tax balances and effects of changes in corporate tax rates on deferred tax. For prior periods, special items also includes profit on the sale of Marikana houses, impairment of non-mining investments and movements in the fair value of the embedded derivative associated with the convertible bonds as disclosed in note 3 to the interim accounts.

(ii) EBITDA is operating profit before depreciation and amortisation.

(iii) Operating profit is defined as revenue and other operating expenses before finance income and expense and before share of profit of associate and joint venture.

(iv) The income tax expense relates to overseas taxation and includes exchange gains of $83 million (March 2007 – losses of $28 million) as disclosed in note 5 to the interim accounts.

(v) In the prior periods the calculation of diluted EPS includes consideration of the movement in fair value of the embedded derivative within the convertible bonds subject to the limitation under IAS 33 – *Earnings Per Share*, that this cannot thereby create a figure exceeding basic EPS.

Consolidated statement of recognised income and expense for the 6 months ended 31 March 2008

	Note	6 months to 31 March 2008 $m	6 months to 31 March 2007 $m	Year ended 30 September 2007 $m
Profit for the period		**355**	20	408
Change in fair value of available for sale financial assets		**(33)**	72	111
Effective portion of changes in fair value of cash flow hedges		**-**	(35)	20
Net change in fair value of cash flow hedges transferred to income statement		**(8)**	10	(8)
Deferred tax on items taken directly to the statement of recognised income and expense		**7**	-	(32)
Actuarial losses on the post retirement benefit plan		**-**	-	(11)
Total recognised income for the period		**321**	67	488
Attributable to:				
- Equity shareholders of Lonmin Plc	8	**250**	49	392
- Minority interest	8	**71**	18	96
	8	**321**	67	488

Consolidated balance sheet
as at 31 March 2008

	Note	As at 31 March 2008 $m	As at 31 March 2007 $m	As at 30 September 2007 $m
Non-current assets				
Goodwill		**186**	186	186
Intangible assets		**937**	939	936
Property, plant and equipment		**1,780**	1,526	1,673
Investment in associate and joint venture		**152**	123	131
Financial assets:				
- Available for sale financial assets		**207**	170	226
- Other receivables		**21**	22	22
Employee benefits		**-**	9	-
		3,283	2,975	3,174
Current assets				
Inventories		**299**	256	186
Trade and other receivables		**246**	171	338
Assets held for sale		**6**	8	7
Tax recoverable		**12**	4	3
Financial assets:				
- Derivative financial instruments		**-**	-	8
Cash and cash equivalents		**13**	48	222
		576	487	764
Current liabilities				
Bank overdraft repayable on demand		**(38)**	(1)	(1)
Trade and other payables		**(207)**	(152)	(286)
Financial liabilities:				
- Interest bearing loans and borrowings		**(138)**	(332)	(237)
- Derivative financial instruments		**-**	(29)	-
Tax payable		**-**	(18)	(40)
		(383)	(532)	(564)
Net current assets		**193**	(45)	200
Non-current liabilities				
Employee benefits		**(27)**	(10)	(24)
Financial liabilities:				
Interest bearing loans and borrowings		**(343)**	(380)	(359)
Deferred tax liabilities		**(521)**	(506)	(585)
Provisions		**(40)**	(43)	(46)
		(931)	(939)	(1,014)
Net assets		**2,545**	1,991	2,360
Capital and reserves				
Share capital	8	**156**	155	156
Share premium	8	**303**	249	299
Other reserves	8	**88**	64	96
Retained earnings	8	**1,586**	1,190	1,417
Attributable to equity shareholders of Lonmin Plc	8	**2,133**	1,658	1,968
Attributable to minority interest	8	**412**	333	392
Total equity	8	**2,545**	1,991	2,360

Consolidated cash flow statement
for the 6 months ended 31 March 2008

	Note	6 months to 31 March 2008 $m	6 months to 31 March 2007 $m	Year ended 30 September 2007 $m
Profit for the period		**355**	20	408
Taxation	5	**41**	112	297
Finance income	4	**(8)**	(12)	(32)
Finance expenses	4	**1**	119	139
Share of profit after tax of associate and joint venture		**(21)**	(10)	(18)
Depreciation and amortisation		**46**	43	87
Change in inventories		**(113)**	(121)	(51)
Change in trade and other receivables		**92**	225	58
Change in trade and other payables		**(79)**	(60)	70
Change in provisions		**(6)**	4	4
Profit on sale of assets held for sale		**-**	(1)	(1)
Profit on sale of subsidiary		**(2)**	-	-
Share-based payments		**7**	-	24
Other non cash charges		**2**	3	(2)
Cash flow from operations		**315**	322	983
Interest received		**4**	4	16
Interest paid		**(16)**	(15)	(41)
Tax paid		**(144)**	(149)	(266)
Cash flow from operating activities		**159**	162	692
Cash flow from investing activities				
Acquisition of subsidiaries (net of cash acquired)	10	**-**	(393)	(393)
Proceeds from disposal of subsidiaries		**3**	-	-
Purchase of intangible assets		**(9)**	(4)	(6)
Purchase of property, plant and equipment		**(130)**	(101)	(270)
Proceeds from available for sale financial assets		**-**	-	51
Purchase of available for sale financial assets		**(17)**	(3)	(72)
Proceeds from disposal of assets held for sale		**1**	3	5
Cash used in investing activities		**(152)**	(498)	(685)
Cash flow from financing activities				
Equity dividends paid to Lonmin shareholders	8	**(94)**	(85)	(171)
Dividends paid to minority	8	**(51)**	(21)	(41)
Proceeds from current borrowings	9	**-**	332	237
Repayment of current borrowings	9	**(99)**	-	-
Proceeds from non-current borrowings	9	**-**	92	71
Repayment of non-current borrowings	9	**(16)**	-	-
Issue of ordinary share capital	8	**4**	19	68
Cash used in financing activities		**(256)**	337	164
(Decrease)/increase in cash and cash equivalents		**(249)**	1	171
Opening cash and cash equivalents	9	**221**	43	43
Effect of exchange rate changes	9	**3**	3	7
Closing cash and cash equivalents	9	**(25)**	47	221

Notes to the Accounts

1. Statement on accounting policies

Basis of preparation
Lonmin Plc (the "Company") is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 March 2008 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting,* as adopted by the EU. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2007.

The comparative figures for the financial year ended 30 September 2007 are not the Group's full statutory accounts for that financial year. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditors 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 237(2) or (3) of the Companies Act 1985.

The consolidated financial statements for the Group as at and for the year ended 30 September 2007 are available upon request from the Company's registered office at 4 Grosvenor Place, London, SW1X 7YL.

These condensed consolidated interim financial statements were approved by the Board of Directors on 8 May 2008.

These consolidated interim financial statements apply the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 September 2007, except for the changes outlined below.

New standards and amendments in the year

IFRS 7 – *Financial Instruments: Disclosure* and the Amendment to IAS 1 - *Presentation of Financial Statements: Capital Disclosures* require extensive disclosures about the significance of financial instruments for an entity's financial position and financial performance and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the Group's 2008 annual financial statements, will require additional disclosure with respect to the Group's financial instruments and share capital.

New standards that are relevant to the Group but have not yet been adopted

IFRS 8 – *Operating Segments* introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Group's 2009 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information by business group and geographical location.

Revised IAS 23 – *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. The revised IAS 23 will become mandatory for the Group's 2009 financial statements. Currently, the Group has elected to capitalise all relevant borrowing costs to the cost of the asset and therefore the change will not impact on the Group's results.

2. Segmental analysis

The Group's primary operating segment is in the mining of platinum group metals. The majority of the Group's operations are based in South Africa.

	6 months to 31 March 2008			
Analysis by business group	**Platinum $m**	**Corporate $m**	**Exploration $m**	**Total $m**
Revenue – external sales	**907**	**-**	**-**	**907**
Operating profit / (loss)	**426**	**(42)**	**(16)**	**368**
Segment total assets	**3,118**	**16**	**725**	**3,859**
Segment total liabilities	**(937)**	**(196)**	**(181)**	**(1,314)**
Capital expenditure[i]	**138**	**-**	**16**	**154**
Depreciation and amortisation	**46**	**-**	**-**	**46**
Share of profit of associate and JV	**21**	**-**	**-**	**21**

(Restated[ii])	6 months to 31 March 2007			
Analysis by business group	Platinum $m	Corporate $m	Exploration $m	Total $m
Revenue – external sales	631	-	-	631
Operating profit / (loss)	255	(18)	(8)	229
Segment total assets	2,722	50	690	3,462
Segment total liabilities	(956)	(342)	(173)	(1,471)
Capital expenditure[i]	107	-	4	111
Depreciation and amortisation	43	-	-	43
Share of profit of associate and JV	10	-	-	10

	Year ended 30 September 2007			
Analysis by business group	Platinum $m	Corporate $m	Exploration $m	Total $m
Revenue – external sales	1,941	-	-	1,941
Operating profit / (loss)	880	(63)	(23)	794
Segment total assets	3,211	41	686	3,938
Segment total liabilities	(1,066)	(339)	(173)	(1,578)
Capital expenditure[i]	353	-	19	372
Depreciation and amortisation	87	-	-	87
Share of profit of associate and JV	18	-	-	18

	6 months to 31 March 2008			
Analysis by geographical location	**South Africa $m**	**UK $m**	**Other $m**	**Total $m**
Revenue – external sales	**907**	**-**	**-**	**907**
Segment total assets	**3,817**	**6**	**36**	**3,859**
Capital expenditure[i]	**154**	**-**	**-**	**154**

	6 months to 31 March 2007			
Analysis by geographical location	South Africa $m	UK $m	Other $m	Total $m
Revenue – external sales	631	-	-	631
Segment total assets	3,410	50	2	3,462
Capital expenditure[i]	111	-	-	111

	Year ended 30 September 2007			
Analysis by geographical location	South Africa $m	UK $m	Other $m	Total $m
Revenue – external sales	1,941	-	-	1,941
Segment total assets	3,867	41	30	3,938
Capital expenditure[i]	372	-	-	372

Revenue by destination is analysed by geographical area below:

	6 months to 31 March 2008 $m	6 months to 31 March 2007 $m	Year ended 30 September 2007 $m
The Americas	**216**	76	419
Asia	**356**	300	705
Europe	**104**	60	314
South Africa	**226**	184	482
Zimbabwe	**5**	11	21
	907	631	1,941

Footnotes:

i Capital expenditure includes additions to plant, property and equipment (including capitalised interest), intangible assets and goodwill in accordance with IAS 14 – *Segment Reporting*.

ii Figures for the 6 months to 31 March 2007 have been restated to revise the classification of Exploration assets and liabilities.

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 periods.

	6 months to 31 March 2008 $m	6 months to 31 March 2007 $m	Year ended 30 September 2007 $m
EBITDA			
- Sale of houses[i]	**-**	1	1
- Pensions (expense [ii])/refund	**(5)**	-	2
- Impairment loss [iii]	**-**	-	(5)
- Profit on disposal of subsidiary [iv]	**2**	-	-
Finance expenses:			
- Movement in fair value of embedded derivative [v]	**-**	(104)	(104)
Loss on special items before taxation	**(3)**	(103)	(106)
Taxation related to special items (note 5)	**96**	(28)	(42)
Special profit / (loss) before minority interest	**93**	(131)	(148)
Minority interest	**(17)**	5	9
Special profit / (loss) for the period attributable to equity shareholders of Lonmin Plc	**76**	(126)	(139)

Footnotes:

i A substantial number of our employees are accommodated in hostels and married quarters. The Company is selling houses to employees to encourage home-ownership. Any profits or losses from such sales at fair value are not deemed to represent underlying earnings.

ii In December 2007 the Company contributed $5 million to the Lonmin Superannuation Scheme to fund augmentations of transfer values as part of a liability reduction exercise.

iii The Group carried out a review of non-mining investments in the prior year resulting in a $5 million impairment charge to the income statement.

iv During the period the Group disposed of a subsidiary, Southern Era Mining Exploration South Africa (Pty) Limited, for consideration of $3 million resulting in a profit before tax of $2 million.

v In prior periods convertible bonds existed which contained an embedded derivative that, because of the cash settlement option, was held at fair value with movements in fair value taken to the income statement. Fluctuations in fair value were mainly due to share price and as they were not considered underlying they were reported as special. The convertible bonds were fully redeemed during the 2007 fiscal year with the movement in fair value from the previous year end to the date of redemption being reported as periods.

4. Finance income and expense

	6 months to 31 March 2008 $m	6 months to 31 March 2007 $m	Year ended 30 September 2007 $m
Finance income:	**8**	12	32
Interest receivable	**4**	4	16
Expected return on defined benefit pension scheme assets	**-**	4	8
Movement in fair value of non-current other receivables	**1**	1	1
Exchange gains on net debt as defined by the Group[i]	**3**	3	7
Finance expenses:	**(1)**	(15)	(35)
Interest expense	**(16)**	(5)	(45)
Capitalised interest	**15**	6	23
Discounting on provisions	**-**	-	(3)
Unwind of discounting on convertible bonds	**-**	2)	(3)
Interest cost of defined benefit pension scheme liabilities	**-**	4)	(7)
Special items (note 3):	**-**	(104)	(104)
Movement in fair values of derivative financial instruments	**-**	(104)	(104)
Total finance expense	**(1)**	(119)	(139)
Net finance income/(expense) recognised in the income statement	**7**	(107)	(107)

Interest expenses incurred have been capitalised on a Group basis to the extent that there is an appropriate qualifying asset.

Footnote:

i Exchange gains on net debt as defined by the Group have been moved from finance expenses to finance income.

5. Taxation

	6 months to 31 March 2008 $m	6 months to 31 March 2007 $m	Year ended 30 September 2007 $m
United Kingdom:			
Current tax expense at 30% (2007 - 30%)	**98**	42	42
Less amount of the benefit arising from double tax relief available	**(98)**	(42)	(42)
Total UK tax expense	**-**	-	-
Overseas:			
Current tax expense at 28% (2007 - 29%) excluding special items	**120**	67	200
Corporate tax expense	**93**	53	186
Tax on dividends remitted	**27**	14	14
Deferred tax expense:	**17**	17	55
Origination and reversal of temporary differences	**17**	17	55
Special items (note 3):	**(96)**	28	42
Retranslation of Rand denominated current tax balance	**(11)**	6	10
Retranslation of Rand denominated deferred tax balance	**(58)**	22	41
Retranslation of monetary assets and other translation differences	**(14)**	-	-
Total effect of foreign exchange on taxation[i]	**(83)**	28	51
Utilisation of losses from prior periods to offset deferred tax liability	**-**	-	(9)
Change in South African corporate tax rate from 29% to 28%	**(13)**	-	-
Actual tax charge	**41**	112	297
Tax charge excluding special items (note 3)	**137**	84	255
Effective tax rate	**10%**	85%	42%
Effective tax rate excluding special items (note 3)	**35%**	36%	31%

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

	6 months to 31 March 2008 %	6 months to 31 March 2008 $m	6 months to 31 March 2007 %	6 months to 31 March 2007 $m	Year ended 30 September 2007 %	Year ended 30 September 2007 $m
Tax charge at standard tax rate	**28**	**111**	29	38	29	204
Overseas taxes on dividends remitted by subsidiary companies	**7**	**27**	11	14	2	14
Special items as defined above	**(25)**	**(96)**	21	28	6	42
Tax effect of movements in the fair values of financial instruments	**-**	**-**	23	30	4	31
Tax effect of other timing differences	**-**	**(1)**	1	2	1	6
Actual tax charge	**10**	**41**	85	112	42	297

The Group's primary operations are based in South Africa. Therefore, the relevant standard tax rate for the Group was the South African statutory tax rate of 28% (2007 - 29%). The secondary tax rate on dividends remitted by South African companies was 10% (2007 - 12.5%).

Footnote:

i Overseas tax charges are predominantly calculated based on Rand financial statements. As the Group's 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 31 March 2008 is $333 million (31 March 2007 - $333 million, 30 September 2007 - $392 million).

6. Earnings per share

Earnings per share have been calculated on the profit for the period attributable to equity shareholders amounting to $283 million (March 2007 – loss of $3 million) using a weighted average number of 156,250,562 ordinary shares in issue for the 6 months to 31 March 2008 (6 months to 31 March 2007 – 150,911,303 ordinary shares).

Diluted earnings per share are based on the weighted average number of ordinary shares in issue adjusted by dilutive outstanding share options and shares issuable on conversion of the convertible bonds. Shares issuable on conversion of the convertible bonds were anti-dilutive in the prior periods and have been excluded from diluted earnings per share in accordance with IAS 33 - *Earnings Per Share.*

	6 months to 31 March 2008			6 months to 31 March 2007			Year ended 30 September 2007		
	Profit for the period $m	**Number of shares**	**Per share amount cents**	Loss for the period $m	Number of shares	Per share amount cents	Profit for the year $m	Number of shares	Per share amount cents
Basic EPS	**283**	**156,250,562**	**181.1**	(3)	150,911,303	(2.0)	314	153,097,437	205.1
Share option schemes	**-**	**561,765**	**(0.6)**	-			-	1,324,642	(1.8)
Diluted EPS	**283**	**156,812,327**	**180.5**	(3)	150,911,303	(2.0)	314	154,422,079	203.3

	6 months to 31 March 2008			6 months to 31 March 2007			Year ended 30 September 2007		
	Profit for the period $m	**Number of shares**	**Per share amount cents**	Profit for the period $m	Number of shares	Per share amount cents	Profit for the year $m	Number of shares	Per share Amount cents
Underlying EPS	**207**	**156,250,562**	**132.5**	123	150,911,303	81.5	453	153,097,437	295.9
Share option schemes	**-**	**561,765**	**(0.5)**	-	1,448,157	(0.8)	-	1,324,642	(2.5)
Diluted Underlying EPS	**207**	**156,812,327**	**132.0**	123	152,359,460	80.7	453	154,422,079	293.4

Underlying earnings per share have been presented as the Directors consider it to give a fairer reflection of the underlying results of the business. Underlying earnings per share are based on the profit attributable to equity shareholders adjusted to exclude special items (as defined in note 3) as follows:

	6 months to 31 March 2008			6 months to 31 March 2007			Year ended 30 September 2007		
	Profit/(loss) for the period $m	**Number of shares**	**Per share amount cents**	Profit/ (loss) for the period $m	Number of shares	Per share amount cents	Profit for the year $m	Number of shares	Per share Amount cents
Basic EPS	**283**	**156,250,562**	**181.1**	(3)	150,911,303	(2.0)	314	153,097,437	205.1
Special items (note 3)	**(76)**	**-**	**(48.6)**	126	-	83.5	139	-	90.8
Underlying EPS	**207**	**156,250,562**	**132.5**	123	150,911,303	81.5	453	153,097,437	295.9

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:

	6 months to 31 March 2008 $m	6 months to 31 March 2007 $m	Year ended 30 September 2007 $m
Earnings attributable to ordinary shareholders (IAS 33 earnings)	**283**	(3)	314
Less profit on sale of subsidiary	**(2)**	-	-
Less profit on sale of available for sale financial assets	**-**	-	(2)
Add back impairment of available for sale financial assets	**-**	-	5
Tax related to the above items	**1**	-	(1)
Headline earnings	**282**	(3)	316

	6 months to 31 March 2008			6 months to 31 March 2007			Year ended 30 September 2007		
	Profit/(loss) for the period	Number of	Per share amount	Profit/ (loss) for the period	Number of	Per share amount	Profit for the year	Number of	Per share amount
	$m	**shares**	**cents**	$m	shares	cents	$m	shares	cents
Headline EPS	**282**	**156,250,562**	**180.5**	(3)	150,911,303	(2.0)	316	153,097,437	206.4
Share option schemes	**-**	**561,765**	**(0.7)**	-	-	-	-	1,324,642	(1.8)
Diluted headline EPS	**282**	**156,812,327**	**179.8**	(3)	150,911,303	(2.0)	316	154,422,079	204.6

7. Dividends

The final dividend for the year ended 30 September 2007 of 60.0 cents per share was paid on 8 February 2008 and is shown as a deduction from retained earnings in the period as disclosed in note 8 (final dividend for the year ended 30 September 2006 of 55.0 cents per share).

An interim dividend of 59.0 cents per share will be paid on 8 August 2008 to shareholders on the registers at the close of business on 11 July 2008 (interim dividend of 55.0 cents per share for the 6 months to 31 March 2007 was paid on 3 August 2007 to shareholders on the registers at the close of business on 6 July 2007).

8. Total equity

	Equity shareholders' funds						
	Called up share capital $m	Share premium account $m	Other reserves $m	Retained earnings $m	Total $m	Minority interests $m	Total equity $m
At 1 October 2006	143	26	84	836	1,089	223	1,312
Total recognised income and expense	-	-	(20)	69	49	18	67
Dividends	-	-	-	(85)	(85)	(21)	(106)
Conversion of the convertible bonds	11	205	-	-	216	-	216
Embedded derivative transfer	-	-	-	371	371	-	371
Other	-	-	-	(1)	(1)	-	(1)
Shares issued on exercise of share options	1	18	-	-	19	-	19
Minority interest on business acquisition	-	-	-	-	-	113	113
At 31 March 2007	155	249	64	1,190	1,658	333	1,991
At 1 April 2007	155	249	64	1,190	1,658	333	1,991
Total recognised income and expense	-	-	32	311	343	78	421
Dividends	-	-	-	(86)	(86)	(20)	(106)
Other	-	-	-	2	2	1	3
Shares issued on exercise of share options	-	14	-	-	14	-	14
Shares issued under the IFC options agreement	1	36	-	-	37	-	37
At 30 September 2007	156	299	96	1,417	1,968	392	2,360
At 1 October 2007	156	299	96	1,417	1,968	392	2,360
Total recognised income and expense	-	-	(8)	258	250	71	321
Dividends	-	-	-	(94)	(94)	(51)	(145)
Other	-	-	-	5	5	-	5
Shares issued on exercise of share options	-	4	-	-	4	-	4
At 31 March 2008	**156**	303	88	**1,586**	**2,133**	**412**	2,545

During the period 213,220 shares were issued upon the exercise of share options through which $4 million of cash was received.

Other reserves at 31 March 2008 represent the capital redemption reserve of $88 million. The movement in the current period represents the movement on the hedging reserve, which is $nil at 31 March 2008.

9. Analysis of net debt as defined by the Group[i]

	As at 1 October 2007 $m	Subsidiary acquired $m	Cash flow $m	Non cash movements $m	As at 31 March 2008 $m
Cash and cash equivalents	**222**	-	**(212)**	**3**	**13**
Overdrafts	**(1)**	-	**(37)**	**-**	**(38)**
Cash and cash equivalents in the statement of cash flows	**221**	-	**(249)**	**3**	**(25)**
Current borrowings	**(237)**	-	**99**	**-**	**(138)**
Non-current borrowings	**(359)**	-	**16**	**-**	**(343)**
Net debt as defined by the Group	**(375)**	-	**(134)**	**3**	**(506)**

	As at 1 April 2007 $m	Subsidiary acquired $m	Cash flow $m	Non cash movements $m	As at 30 September 2007 $m
Cash and cash equivalents	48	-	170	4	222
Overdrafts	(1)	-	-	-	(1)
Cash and cash equivalents in the statement of cash flows	47	-	170	4	221
Current borrowings	(332)	-	95	-	(237)
Non-current borrowings	(380)	-	21	-	(359)
Net debt as defined by the Group	(665)	-	286	4	(375)

	As at 1 October 2006 $m	Subsidiary acquired ii $m	Cash flow $m	Non cash movements $m	As at 31 March 2007 $m
Cash and cash equivalents	61	20	(36)	3	48
Overdrafts	(18)	-	17	-	(1)
Cash and cash equivalents in the statement of cash flows	43	20	(19)	3	47
Current borrowings	-	-	(332)	-	(332)
Non-current borrowings	(288)	-	(92)	-	(380)
Convertible bonds	(213)	-	-	213	-
Net debt as defined by the Group	(458)	20	(443)	216	(665)

Footnotes:

i Net debt as defined by the Group comprises cash and cash equivalents, banks overdrafts repayable on demand, interest bearing loans and borrowings and convertible bonds.

ii The analysis of movement in net debt from 1 October 2006 to 31 March 2007 has been expanded to reflect the cash recognised on acquisition of a subsidiary.

10. Business combinations

On 26 January 2007 the Group acquired 94% of AfriOre Limited. This increased to 96.5% on 8 February 2007 and to 100% on 16 February 2007. AfriOre's primary asset is a 74% stake in Akanani Mining (Pty) Limited which owns the Akanani PGM deposit. The acquisition was accounted for with an effective date of 1 February 2007, using the acquisition method of accounting. Since its acquisition AfriOre has only incurred exploration and evaluation expenditure which has been capitalised in accordance with the Group's accounting policy.

The assets and liabilities of AfriOre Limited and the final fair values attributed were as follows:

	Book value on acquisition $m	Accounting policy adjustment $m	Final fair value adjustment $m	**Final fair value $m**
Intangible assets	13	(13)	611	611
Trade and other payables	(5)	-	-	(5)
Cash and cash equivalents	20	-	-	20
Deferred tax liability	-	-	(173)	(173)
Total assets of acquired entity	28	(13)	438	453
Minority interest				(113)
Fair value of assets acquired				340
Goodwill				73
Consideration paid				413

The fair value exercise recognised the assets of the AfriOre Limited Group at the fair value they would carry if they held tax benefits. This resulted in the need to recognise a deferred tax liability of $173 million which in turn caused the creation of a goodwill balance of $73 million. The fair values were amended as necessary in accordance with IFRS 3 – *Business Combinations* resulting in the final fair values given above. These fair values have not changed since 30 September 2007.

The total consideration paid for the acquisition of AfriOre Limited amounted to $413 million comprising cash consideration of $409 million, and expenses on the transaction of $4 million, all paid in the period. Cash acquired with the entity amounted to $20 million resulting in a net consideration paid of $393 million.

There have been no new business combinations in the 6 months to 31 March 2008.

Responsibility statement of the directors in respect of the interim financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting* as adopted by the EU.

- the interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principle risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board

Sir John Craven
Chairman

Alan Ferguson
Chief Financial Officer

8 May 2008