

Full Year Production Report and Guidance for 2008 25 October 2007

The logo for Lonmin, consisting of the word "LONMIN" in white, uppercase, sans-serif font, centered within a dark blue rectangular box.

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Lonmin today announces its production report for the three months and twelve months to 30 September 2007 (unaudited) and provides sales guidance for the 2008 financial year.

Q4 Production

Total tonnes mined for the fourth quarter at 3.5 million were down 8.6% on the same period in 2006 and we produced 207,513 saleable ounces of Platinum in concentrate a decline of 19.0% on the fourth quarter of 2006. The main reason for this was the illegal industrial action by the National Union of Mineworkers in August which affected both the Marikana and Pandora Joint Venture operations.

The Process Division performed well during the quarter to deliver 262,280 ounces of refined Platinum broadly flat on last year in spite of the impact of the strike on production at the Smelter and Base Metal Refinery. Final metal sales for the fourth quarter were 315,945 ounces of Platinum and 592,525 ounces of total PGMs.

2007 Production and Costs

Operationally 2007 was a challenging year for Lonmin. Overall we mined 14.0 million tonnes of ore a fall of 1.7% on 2006 after stripping out the effect of the additional seven days in the prior year.

Our Marikana operations mined 12.8 million tonnes in the year a 2.0% decrease on 2006 (after stripping out the effect of the additional seven days in the prior year). Production was lower than expected as a result of both industrial action and a longer than usual Christmas break. At Limpopo we mined 0.8 million tonnes of ore, a decrease of 13.2% on 2006 as the operation continued to be constrained by the lack of available developed ore and adverse ground conditions. Attributable tonnes mined at Pandora rose in the year to 0.4 million versus 0.3 million in the prior year as we continued to increase production from this ground.

We continued to ramp up production from our new mechanised shafts, Hossy and Saffy, on the eastern side of our Marikana operations. These shafts are performing well producing 461,000 tonnes in the year compared to 64,000 tonnes in the 2006 financial year. During the year our opencast tonnes mined increased by 6.3% to 1.9 million tonnes.

Milled head grade declined marginally during the year from 4.85 grams per tonne to 4.80 grams per tonne as we ramped up the Marikana mechanised shafts, processed more opencast ore than originally planned and sourced 25% more ore than in 2006 from the eastern side of the Marikana property.

The concentrators produced a total of 869,832 saleable ounces of Platinum in concentrate for the year down 9.9% on 2006 (after stripping out the effect of the additional seven days in the prior year). Concentrator recoveries were impacted by the blend of the feed mix including higher than anticipated opencast tonnage, the lower head grade and the continued shortage of skilled personnel.

The Process Division had a difficult start to the year with the shutdown of the Number One furnace in December and its subsequent rebuild. The Division has performed well since the restart of the Number One furnace at the end of April. We have run both the Number One furnace and Merensky furnace since the end of April and processed, through the Smelter, substantially all of the concentrate inventories built up during the first half of the year. We also toll refined a proportion of our concentrate which we could not store. Refined metal output for the year was 695,842 ounces of Platinum, a decline of 12.9% on 2006 (after stripping out the effect of the additional seven days in the prior year).

In order to improve operational efficiencies and consistency we have changed our year end inventory management practices. This change has resulted in an increase of around 65,000 Platinum ounces in metal in process at the year end, predominantly within the Base Metal Refinery. We estimate that of this year end stock around 19,000 ounces of Platinum should be released through the value chain in the 2008 financial year.

Final metal sales for the year were 793,584 ounces of Platinum and 1,490,184 ounces of total PGMs, in line with our revised forecast following the August strike. These sales included 93,609 ounces of Platinum which were toll refined and 7,032 ounces of Platinum which were sold as concentrate or other part processed products.

The reduction in production volumes as a result of the August strike has had an impact on our full year unit costs and we are revising our Marikana C1 cost guidance range because of this. Our guidance range for C1 costs net of base metal credits for the 2007 financial year is between R3,250 to R3,350 per PGM ounce sold for the Marikana operations. Our C1 guidance per PGM ounce sold for Marikana and Limpopo combined remains within our previous range of R3,450 to R3,550.

2008 Guidance

We currently anticipate sales for the 2008 financial year will be around 900,000 ounces of Platinum. We expect 2008 to be a year of consolidation as we continue to grow our mechanised mining at Marikana with production increasing from our Hossy and Saffy shafts. We currently forecast mechanised production will account for around 17.0% of underground ore mined at Marikana by the end of the 2008 financial year. The continued ramp up of our mechanised shafts will contribute to the mix and grade impact we saw in 2007 continuing into 2008 with our growth in Marikana next year coming predominantly from the eastern side of the operation. We are conducting a review of the ongoing viability of our opencast pits given their impact on concentrator recoveries and increasing costs but are currently planning for these pits to continue to contribute during 2008. At Limpopo the emphasis on development will continue. In the Process Division we will focus on improving recoveries across the value chain in particular at the Concentrators.

We anticipate a challenging cost environment in 2008. South African inflation in the mining sector for both operating costs and capital projects is accelerating rapidly due to the combined impact of the mining boom, construction boom, and 2010 World Cup infrastructure spend. The labour market for all skills at artisan level and above is very competitive with overall industry wage settlements increasing at double digit annual rates. Utility costs are rising rapidly as are the costs of basic materials such as steel, lubricants and fuel. These factors, plus the current stronger South African Rand, will increase unit costs and put pressure on margins in 2008.

Commenting on the Full Year Production Report, Brad Mills, Chief Executive said:

“2007 has been a difficult year for Lonmin. Although we have had many successes, including achieving a market leading safety performance and eliminating our over reliance on the Number One furnace, we have also encountered challenges in the strength of our planning and forecasting systems as well as operationally. We have made a number of changes to address these issues. We are shifting the focus of all our planning and forecasting across our value chain to ounces away from the historic tonnes focus of the mines. We have considerably strengthened the senior operational team within Marikana mining. The new management team at the Process Division is bedding down well and we have moved responsibility for concentrator operations to the Process Division to ensure the right focus on planning and recoveries. All capital projects are now managed by our dedicated capital programme group to ensure the right attention to project planning, scheduling and delivery. Lonmin remains committed to growing its business in a value enhancing and socially responsible way. The fundamental quality of our asset base is robust and we are confident that we are resolving our operational issues as we build a solid foundation for long term sustainable growth.”

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				3 months to	3 months to	12 months to	12 months to	12 months to
				30 September	30 September	30 September	30 September	30 September
				2007	2006	2007	2006	Restated ¹ 2006
Tonnes mined	Marikana	Underground	000	2,751	3,193	11,211	11,690	11,484
		Opencast	000	421	298	1,597	1,620	1,583
		Total	000	3,172	3,491	12,808	13,310	13,067
	Limpopo	Underground	000	193	189	757	857	857
		Opencast	000	0	0	0	14	14
		Total	000	193	189	757	871	871
	Pandora attributable ²	Underground	000	36	26	128	101	100
		Opencast	000	53	73	286	176	175
		Total	000	89	99	414	277	275
	Lonmin Platinum	Underground	000	2,980	3,408	12,096	12,648	12,441
		Opencast	000	474	371	1,883	1,810	1,772
		Total	000	3,454	3,779	13,979	14,458	14,213
Tonnes milled³	Marikana	Underground	000	2,801	3,244	11,216	11,707	11,502
		Opencast	000	391	337	1,469	1,895	1,854
		Total	000	3,192	3,581	12,685	13,602	13,356
	Limpopo	Underground	000	186	202	781	887	887
		Opencast	000	0	0	0	14	14
		Total	000	186	202	781	901	901
	Pandora ⁴	Underground	000	85	62	301	238	236
		Opencast	000	119	176	649	394	394
		Total	000	204	238	950	632	630
	Ore purchases ⁵	Underground	000	0	14	75	14	14
		Opencast	000	0	0	20	18	18
		Total	000	0	14	95	32	32
Lonmin Platinum	Underground	000	3,072	3,522	12,373	12,846	12,639	
	Opencast	000	510	513	2,138	2,321	2,280	
	Total	000	3,582	4,035	14,511	15,167	14,919	

				3 months to	3 months to	12 months to	12 months to	12 months to
				30 September	30 September	30 September	30 September	30 September
				2007	2006	2007	2006	Restated ¹ 2006
Metals in concentrate⁶	Marikana	Platinum	oz	188,194	232,619	778,049	897,494	881,068
		Palladium	oz	84,859	105,726	354,037	402,566	395,180
		Gold	oz	5,180	10,453	21,578	28,654	28,284
		Rhodium	oz	25,251	29,225	102,906	115,664	113,411
		Ruthenium	oz	40,635	46,924	164,826	185,719	182,078
		Iridium	oz	11,688	10,127	37,317	38,420	37,676
		Total PGMs	oz	355,807	435,074	1,458,713	1,668,517	1,637,697
		Nickel ⁷	MT	927	1,129	3,802	4,228	4,160
		Copper ⁷	MT	548	650	2,259	2,499	2,459
	Limpopo	Platinum	oz	8,195	10,046	35,567	48,640	48,640
		Palladium	oz	5,483	7,641	24,351	36,834	36,834
		Gold	oz	714	700	2,945	3,355	3,355
		Rhodium	oz	814	2,444	3,723	6,904	6,904
		Ruthenium	oz	1,200	2,001	5,769	8,704	8,704
		Iridium	oz	195	539	1,245	1,973	1,973
		Total PGMs	oz	16,601	23,371	73,600	106,410	106,410
		Nickel ⁷	MT	156	273	752	915	915
		Copper ⁷	MT	109	189	513	621	621
	Pandora ⁴	Platinum	oz	11,080	12,821	52,479	34,279	34,125
		Palladium	oz	5,197	5,784	24,417	15,537	15,463
		Gold	oz	93	107	461	303	302
		Rhodium	oz	1,622	1,841	7,439	4,975	4,949
		Ruthenium	oz	2,399	2,781	10,922	7,547	7,507
		Iridium	oz	522	596	2,415	1,603	1,595
		Total PGMs	oz	20,913	23,930	98,133	64,244	63,941
		Nickel ⁷	MT	13	28	61	41	41
		Copper ⁷	MT	7	10	32	22	22
	Ore purchases ⁵	Platinum	oz	44	605	3,737	1,125	1,125
		Palladium	oz	21	270	1,730	417	417
		Gold	oz	0	6	46	32	32
		Rhodium	oz	7	95	533	115	115
		Ruthenium	oz	11	158	809	202	202
		Iridium	oz	2	31	180	40	40
		Total PGMs	oz	85	1,165	7,035	1,931	1,931
		Nickel ⁷	MT	3	2	21	4	4
		Copper ⁷	MT	1	1	10	2	2
Lonmin Platinum	Platinum	oz	207,513	256,091	869,832	981,538	964,958	
	Palladium	oz	95,560	119,421	404,535	455,354	447,894	
	Gold	oz	5,987	11,266	25,030	32,344	31,973	
	Rhodium	oz	27,694	33,605	114,601	127,658	125,379	
	Ruthenium	oz	44,245	51,864	182,326	202,172	198,491	
	Iridium	oz	12,407	11,293	41,157	42,036	41,284	
	Total PGMs	oz	393,406	483,540	1,637,481	1,841,102	1,809,979	
	Nickel ⁷	MT	1,099	1,432	4,636	5,188	5,120	
	Copper ⁷	MT	665	850	2,814	3,144	3,104	

				3 months to	3 months to	12 months to	12 months to	12 months to
				30 September	30 September	30 September	30 September	30 September
				2007	2006	2007	2006	Restated ¹
				2007	2006	2007	2006	2006
Metallurgy	Lonmin refined Metal Production	Platinum	oz	262,280	262,973	695,842	799,070	799,070
		Palladium	oz	124,774	124,964	318,758	369,859	369,859
		Gold	oz	7,210	7,598	20,485	20,955	20,955
		Rhodium	oz	35,478	35,093	88,469	115,453	115,453
		Ruthenium	oz	52,430	52,143	135,873	174,639	174,639
		Iridium	oz	10,897	15,056	30,430	40,836	40,836
		Total PGMs	oz	493,069	497,827	1,289,857	1,520,812	1,520,812
		Toll refined metal production	Platinum	oz	8,827	0	93,609	0
		Palladium	oz	7,617	0	43,274	0	0
		Gold	oz	0	0	0	0	0
		Rhodium	oz	1,481	0	12,966	0	0
		Ruthenium	oz	1,698	0	20,439	0	0
		Iridium	oz	389	0	4,090	0	0
		Total PGMs	oz	20,012	0	174,378	0	0
		Total refined PGMs	oz	271,107	262,973	789,451	799,070	799,070
		Palladium	oz	132,391	124,964	362,032	369,859	369,859
		Gold	oz	7,210	7,598	20,485	20,955	20,955
		Rhodium	oz	36,959	35,093	101,435	115,453	115,453
		Ruthenium	oz	54,128	52,143	156,312	174,639	174,639
		Iridium	oz	11,286	15,056	34,520	40,836	40,836
		Total PGMs	oz	513,081	497,827	1,464,235	1,520,812	1,520,812
		Base metals	Nickel⁸	MT	1,417	1,251	4,522	4,342
		Copper⁸	MT	885	840	2,466	2,452	2,452

Sales	Refined Metal Sales	Platinum	oz	311,265	272,765	786,552	803,471	803,471	
		Palladium	oz	153,757	130,200	362,077	373,303	373,303	
		Gold	oz	9,570	6,516	24,449	22,133	22,133	
		Rhodium	oz	36,656	32,068	102,916	116,281	116,281	
		Ruthenium	oz	59,677	47,914	162,853	179,557	179,557	
		Iridium	oz	12,321	13,237	37,858	38,092	38,092	
		Total PGMs	oz	583,246	502,700	1,476,705	1,532,837	1,532,837	
		Concentrate and other ⁹	Platinum	oz	4,680	97,547	7,032	144,027	136,183
		Palladium	oz	2,123	46,391	3,232	66,902	61,110	
		Gold	oz	76	3,074	201	4,852	4,641	
		Rhodium	oz	806	11,592	1,008	16,867	15,965	
		Ruthenium	oz	1,594	19,313	1,942	27,975	26,137	
		Iridium	oz	0	3,818	64	5,520	5,291	
		Total PGMs	oz	9,279	181,735	13,479	266,143	249,327	
		Lonmin Platinum	Platinum	oz	315,945	370,312	793,584	947,498	939,654
			Palladium	oz	155,880	176,591	365,309	440,205	434,413
			Gold	oz	9,646	9,590	24,650	26,985	26,774
			Rhodium	oz	37,462	43,660	103,924	133,148	132,246
			Ruthenium	oz	61,271	67,227	164,795	207,532	205,694
			Iridium	oz	12,321	17,055	37,922	43,612	43,383
			Total PGMs	oz	592,525	684,435	1,490,184	1,798,980	1,782,164
			Nickel⁸	MT	2,211	1,401	5,308	4,604	4,604
		Copper⁸	MT	1,075	1,069	2,474	2,974	2,974	

				3 months to	3 months to	12 months to	12 months to	12 months to
				30 September	30 September	30 September	30 September	30 September
				2007	2006	2007	2006	Restated ¹
								2006
Prices	Average	Platinum	\$/oz	1,275	1,182	1,213	1,091	1,091
		Palladium	\$/oz	338	314	339	300	300
		Gold	\$/oz	682	603	647	571	571
		Rhodium	\$/oz	5,981	4,600	5,757	3,971	3,971
		Ruthenium	\$/oz	377	192	404	134	134
		Iridium	\$/oz	402	227	402	233	233
		Basket price of PGMs	\$/oz	1,205	1,048	1,196	972	972
		Nickel ⁸	\$/MT	24,718	30,665	26,461	17,975	17,975
		Copper ⁸	\$/MT	7,087	12,428	6,971	7,882	7,882

Exchange Rates			3 months to		12 months to		12 months to
			30 September	30 September	30 September	30 September	30 September
	Average rate for period	R/\$	7.04	7.14	7.14	6.63	6.63
	Closing rate	R/\$	6.83	7.77	6.83	7.77	7.77

Notes:

- 1 The year to September 2006 comprised an additional 7 days mining performance for Western Platinum Limited and Eastern Platinum Limited arising on the change of basis to report on a calendar month. This column shows the data restated on a like for like basis.
- 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 Metals in concentrate have been calculated at industry standard downstream processing losses. The metals in concentrate numbers for the first, second and third quarters of the 2007 financial year have been restated to adjust for a measurement error, discovered during the fourth quarter, which occurred at one of our concentrators. This has the impact of reducing the first quarter metals in concentrate produced by 1,259 ounces of Platinum and 2,549 ounces of total PGMs, second quarter metals in concentrate produced by 5,498 ounces of Platinum and 10,863 ounces of total PGMs and the third quarter metals in concentrate produced by 296 ounces of Platinum and 604 ounces of total PGMs.
- 7 Corresponds to contained base metals in concentrate.
- 8 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.
- 9 Concentrate and other sales have been adjusted to a saleable ounces basis using standard industry recovery rates.