

## MEDIA RELEASE

20 December 2001

### RETURN OF CAPITAL TO SHAREHOLDERS AND REDENOMINATION OF SHARE CAPITAL

On 29 November 2001, Lonmin announced its intention to return capital to shareholders of some £251 million, equivalent to approximately US\$356 million. The proposed return to shareholders will be effected by way of a capital reduction.

The Board has also decided to implement at the same time as the capital reduction, a redenomination of the share capital of Lonmin from Sterling into US Dollars. This is to reflect the fact that, whilst the Company will continue to have its headquarters in London and be an English company, the Group has a US Dollar based business, with US Dollar assets and US Dollar income streams. The currency of the share capital will also become consistent with the currency in which the financial statements are already prepared. The nominal value of the new shares will be US\$1.

The overall effect of the capital reduction and the redenomination ("the Proposal") is that shareholders will receive 150p in cash for each existing ordinary share and 21 new ordinary shares of US\$1 each in exchange for every 25 existing ordinary shares of £1 each. The Board expects that the implementation of the return of capital will enhance earnings per share in the current year.

After the implementation of the proposal, the new ordinary shares will continue to be traded in Sterling on the London Stock Exchange and in Rand on the JSE Securities Exchange South Africa.

With effect from the year ending 30 September 2002, the Directors will declare and recommend dividends in US Dollars but intend to pay dividends in Sterling to United Kingdom Shareholders (unless they elect to receive US Dollar dividends) calculated at the Sterling/US Dollar exchange rate at the dividend record date. Shareholders on the South African register will continue to receive dividends in Rand. All other overseas shareholders will be paid dividends in US Dollars (unless they elect to receive Sterling dividends).

Lonmin is also proposing to amend the Lonmin Share Option Schemes. The Proposal will not materially affect existing share option holders, but if the Proposal is approved in full, the options shall be in respect of the new US Dollar denominated ordinary shares which shall be of a different nominal value and currency than the existing ordinary shares. Separate approval will be sought from shareholders at the Extraordinary General Meeting.

Subject to the Proposal becoming effective, Lonmin will also need to renew the previous authorities granted by shareholders to the Directors to exercise the powers of the Company to allot new ordinary shares pursuant to section 80 of the Act and to disapply statutory pre-emption rights under section 89 of the Act. These authorities will need to be renewed following the Proposal in order to express the limits of those authorities in US Dollars and to take account of the reduced number of shares in issue.

Authority will also be sought at the Annual General Meeting to renew the Company's existing authority to make market purchases of the Company's ordinary shares and at the Extraordinary General Meeting to make market purchases of the Company's ordinary shares by Lonmin after the Proposal has been effected.

In order to implement the Proposal, the approval of shareholders and of the Court will be required. Full details of the Proposal, the proposed amendments to the Lonmin Share Option Schemes and the renewal of authorities are contained in two circulars which will be posted to shareholders today. Shareholder approval will be sought at an Extraordinary General Meeting to be held on Friday 25 January 2002 at 11:15 a.m. (or if later, 10 minutes after the Annual General Meeting of the Company to be held on the same day is concluded or adjourned) at The Ball Room, The Park Lane Hotel, Piccadilly, London W1. Principal dates in the timetable to enable the completion of the process are detailed below.

#### **Timetable of Principal Events (UK Version)**

Annual General Meeting	11:00 a.m. Friday, 25 January
Extraordinary General Meeting	11:15 a.m. on Friday, 25 January
Payment of final dividend for year ended 30 September 2001	Monday, 18 February
Court hearing to confirm the Capital Reduction and the Redenomination	Wednesday, 20 February
Last Day of dealing in Existing Ordinary Shares on the LSE	Friday, 22 February
Effective date for the Capital Reduction and the Redenomination	Friday, 22 February
Record Date for Cash Entitlement	6:00 p.m. Friday, 22 February
Dealings in the New Ordinary Shares commence on the London Stock Exchange and Johannesburg Stock Exchange	Monday, 25 February
Despatch of cheques in respect of the return of capital (for shareholders on the UK register)	by Thursday, 28 February
Despatch of cheques in respect of the return of capital (for shareholders on the SA register)	by Monday, 4 March

#### **Timetable of Principal Events (South Africa Version)**

Posting of circular to shareholders	Thursday, 20 December 2001
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Latest time for receipt of Forms of Proxy for EGM (1:15 p.m. South African time)	Wednesday 23 January
Annual General Meeting (1:00 p.m. South African time)	Friday, 25 January
Extraordinary General Meeting (1:15 p.m. South African time)	Friday, 25 January
Payment of final dividend for year ended 30 September 2001	Monday, 18 February
Court hearing to confirm the Capital Reduction and the Redenomination	Wednesday, 20 February
Last day of dealings in Existing Ordinary Shares on the LSE	Friday, 22 February
Last day to trade cum the return and consolidation on the JSE	Friday, 22 February
Effective date for the Capital Reduction and the Redenomination	Friday, 22 February
Record Date for Cash Entitlement	Friday, 22 February
Ex-date for SA Shareholders	Monday, 25 February
Trading in Existing Ordinary Shares suspended and termination of listing on the JSE (9:00 a.m. South African time)	Monday, 25 February
New Ordinary Shares listed on the JSE and dealings commence (9:00 a.m. South African time)	Monday, 25 February
Dealings in the New Ordinary Shares commence on the London Stock Exchange (8:00 a.m. UK time)	Monday, 25 February
South African record date (for settlement)	Friday, 1 March
Adjustment to CSDPs and brokers credit shareholders accounts (SA)	Monday, 4 March
Despatch of certificates for New Ordinary Shares (for shareholders on the SA register)	by Monday, 4 March
Despatch of cheques in respect of the return of capital (for shareholders on the SA register)	by Monday, 4 March
No rematerialisation or dematerialisation will take place after 15 February 2002.	

## **Enquiries**

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