



NEWS RELEASE

Implats agrees with Lonmin the sale of Implats 27.1% in Lonplats companies and the facilitation of empowerment process

Introduction

Lonmin Plc ("Lonmin") and Impala Platinum Holdings Ltd ("Implats") announced today that they have signed a non-binding conditional Memorandum of Understanding ("MoU") for the sale by Implats of its entire 27.1% holding in Western Platinum Ltd. and Eastern Platinum Ltd. (together referred to as "Lonplats"). Lonmin currently holds the balance of 72.9% of Lonplats, which is Lonmin's principal operating subsidiary. The sale will simplify the structure of both Implats and Lonmin and lays the foundation for a significant Black Economic Empowerment (BEE) transaction in due course. The sale will also generate substantial additional foreign direct investment by Lonmin in South Africa.

The key terms of the MoU are as follows:

Implats will dispose of its entire 27.1% holding in Lonplats for US\$800m. The Principals' Agreement between Lonmin and Implats regulating their relationship as shareholders and governing related matters will terminate by mutual agreement on completion of the transaction, thus ending joint control of Lonplats, the restrictions relating to the introduction of new shareholders and the change of control clause relating to Lonmin. The transaction will occur as follows :

- Implats will sell to Lonmin its 9.1% interest of the issued share capital of Lonplats for a consideration of US\$269 million. Part of this consideration will be satisfied by the payment of Implats' share of the final Lonplats dividend, estimated at US\$27 million.
- Implats will simultaneously sell 18% of the issued share capital of Lonplats for a consideration of US\$531 million to a new company (Newco) to be jointly formed and owned (50:50) by Lonmin and Implats. Historically Disadvantaged South Africans (HDSAs) will be invited to acquire a controlling stake in Newco in a process that will be facilitated by both Lonmin and Implats and overseen by Lonmin.
- Newco will be funded through an initial equity capital contribution by Lonmin and Implats of US\$115.5 million each. The balance of Newco's capital of US\$300 million is expected to comprise senior debt facilities, mezzanine finance and HDSA equity. This is expected to be arranged by J.P. Morgan and Standard Bank.
- Lonmin and Implats intend initiating the empowerment process promptly. HDSAs will be invited to subscribe for and/or purchase shares in the equity of Newco with a view to Newco becoming controlled by HDSA's. Lonmin will oversee this process with Implats' participation.

Conditions and Timetable

The parties will enter into the sale and purchase agreement when satisfactory debt financing for Newco has been secured and once the parties have received confirmation to their reasonable satisfaction from the Department of Minerals and Energy that Charter Scorecard credits in respect of units of production/equity ownership will be granted both to Implats and to WPL/EPL upon Newco becoming HDSA-controlled.

The transactions in the shares in Lonplats and the formation of Newco are conditional, inter alia, on the signing of legally binding agreements between the parties, the approval of Lonmin shareholders (being related party transactions under the UK Listing Rules), completion of the financing of Newco and the approval of the South African competition authorities and other relevant regulatory authorities.

Lonmin and Implats will work towards the signing of legally binding agreements between them and Newco by 31 December 2003. Subject to the receipt of the necessary approvals, completion is expected to take place by 27 February 2004.

An announcement containing full details of the transaction, including financial effects, will be made in due course.

Peter Joubert, Chairman of Implats said:

"This transaction has the potential to be another step in Implats' continued rationalisation of its structure in line with the objectives we have set ourselves to unlock shareholder value. As our group has transformed itself from a resource-constrained company to one which has a range of growth opportunities, so the strategic holdings that we have built up over time have become less important. Lonplats has become a good cash generator for Implats' and played a significant role in funding the opportunities for growth. We have, however, consistently maintained our position that we believed that our share price has not recognised the full value of this investment.

Sir John Craven, Chairman of Lonmin said:

"This transaction will consolidate Lonmin's position in Lonplats and end Lonplats joint control, significantly enhancing Lonmin's strategic flexibility.

It is a substantial foreign investment in South Africa and also underlines Lonmin's support and endorsement of the South African Government's BEE initiative for the mining industry.

Commenting on the announcement the Minister of Minerals and Energy, Ms Phumzile Mlambo-Ngcuka said:

"The said assets under consideration are amongst the best in SA and in the world.

Successful conclusion of a deal with a BEE partner could be one of the biggest transactions in the mining industry.

We welcome the steps undertaken by Impala and Lonmin and we are optimistic that further discussions between the Department and the two companies will lead to compliance with the requirements of the Broad-Based Socio-Economic Empowerment Charter of the mining industry."