

NEWS RELEASE

Implats sells 27.1% stake in Lonplats at a value of US\$800 million

Facilitates major black economic empowerment initiative to meet charter BEE targets

The transaction values the holdings at US\$800 million, which represents a premium of some 20% based on a see-through value and represents a significant step towards achieving Implats' Black Economic Empowerment (BEE) targets under the new mining legislation, including the Mining Charter.

Initial discussions have been held with the Department of Minerals and Energy, which has endorsed the transaction and indicated that they 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.

The transaction

Key terms of the MOU include:

- Implats' 27.1% stake in Lonplats is valued at \$800 million. Implats will receive the final dividend (estimated at \$27 million) from Lonplats as part of this payment.
- Implats will sell 9.1% of Lonplats to Lonmin for a cash consideration of million US\$269 million.
- Simultaneously, Implats will vend its remaining 18% stake, valued at US\$531 million, into a newly created company (Newco) that will be jointly-owned by Implats and Lonmin. Capital for Newco will be raised through an initial equity contribution of \$115.5 million, from each of Impala Platinum (a wholly-owned subsidiary of Implats) and Lonmin, and US\$300 million non-recourse debt financing raised by Newco from a syndicate of domestic and international finance houses.
- Impala and Lonmin will make their equity in Newco available to HDSAs with the objective that Newco will become majority owned by HDSAs at the time of completion of the transaction. It is hoped that, in due course, Newco could become independently quoted on the JSE Securities Exchange South Africa.
- All steps of the transaction are inter-conditional.
- Lonmin and Implats intend to enter into binding documentation by the end of 2003 with closing in the first quarter 2004.
- The execution of a binding agreement will be subject to the fulfillment of a number of conditions including:
 - Approval from the Department of Energy and Minerals in a form satisfactory to Implats and Lonmin in relation to Mining Scorecard credits;
 - Obtaining non-recourse financing of US\$300 million in Newco;
 - Unqualified regulatory approvals; and
 - Lonmin shareholder approval.

Rationale

Implats' rationale for the transaction is as follows:

- This would be a major step forward in satisfying Implats' BEE equity requirements under the new Mining Charter
- The transaction would realise full value for Implats' shareholding in Lonplats, unlocking **value** that has previously been hidden.
- The deal will simplify Implats' **structure** and allow capital and management time to be focused on owned and managed assets (mine-to-market).
- Over US\$700 million of **cash** will be realised on closing; US\$800 million would be received if a BEE group were to buy all of Implats' equity
- Capital can be deployed in order to enhance Implats' **growth** profile at higher-margin mine-to-market operations, such as Zimplats.
- Depending on capital requirements at the time, it is anticipated that surplus cash will be generated as a result of the transaction. In addition to funding capital requirements, it is envisaged that excess **funds will be returned** to shareholders as has been Implats' policy in the past.

Peter Joubert, Implats Chairman, commented, "This transaction will be a further step in Implats' continued rationalisation of its structure in line with the objective we have set to unlock shareholder value. As our group has transformed 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 been a good cash generator for Implats. However, we have consistently maintained our position that we believed that our share price has not recognized the full value of this investment."

Said Implats CEO, Keith Rumble, "We explored in some detail a number of alternatives for the stake in Lonplats. We believe this transaction will realise significant value for our shareholders and BEE credits. This is the most significant BEE transaction in the resources sector and one that creates an HDSA entity which we envisage will have the capacity to undertake further BEE transactions."

A briefing will be held today (18 September 2003) in Johannesburg and London at 15:00 SA time (14:00 UK time). A webcast of the proceedings will be available at www.implats.co.za.