

WORLD TELEVISION

Lonmin Plc

Results Presentation 16th November 2009

Ian Farmer:

Good morning ladies and gentlemen and welcome to our Final Results presentation for 2009. I am joined today by Alan Ferguson – our Chief Financial Officer, and Mahomed Seedat – our Chief Operating Officer. Roger Phillimore, our Chairman, is also with us in the audience.

In 2009, we made significant progress in restoring Lonmin's operational health. There is however, still some work to be done. We are one year into a two-year turnaround of the business, and I am pleased to say that the direction of travel is positive.

So let's look at how we have performed.

We were largely successful in delivering against our key targets.

Firstly, we sold around six hundred and eighty three thousand ounces of platinum in 2009, which was only slightly below our initial target of 700,000 ounces.

Rand gross operating costs of 8.8 billion were below our guidance and despite a twelve and a half per cent wage increase for the majority of our workforce, we managed to keep gross costs below 2008 levels.

As a result of our restructuring programme we achieved \$64 million of cost savings in the second half of 2009. This was ahead of our initial annualised target of \$90 million.

Despite the extensive restructuring programme, we achieved the majority of our operational targets as well.

Our senior management team have had an extremely challenging year, but they have begun to deliver and I pleased to report that morale is improving across the business.

Hossy and Saffy shafts both achieved their published productivity and production targets and we made good progress in restoring underground ore reserve development.

At our Process Division, monthly recoveries improved materially during the course of the year.

Operations were however adversely affected by other factors, including an increasing frequency of Section 54 safety stoppages and a matte run-out at our Number One furnace.

The PGM industry in South Africa currently faces a number of significant challenges, which will continue in 2010.

The industry remains cash constrained, with on-going pressure on producer margins caused by relatively high mining inflation in South Africa. Recent improvements in dollar-based PGM pricing have been largely offset by Rand strength, resulting in capital shortages and new projects being delayed. Cash flow management therefore remains a high priority.

The labour environment in South Africa remains challenging as well. Industry wage settlements for 2010 have once again been above inflation. While we support the move to raise the levels of disposable income for the lowest paid, we would challenge the unions to work with us to improve productivity. Without a co-operative spirit between unions and management, we will ultimately both lose.

We fully support the DMR in its drive to improve safety standards. This manifested itself during the year through a growing prevalence of Section 54 safety stoppages throughout the industry.

Our operations were affected with the loss of some 30,000 platinum ounces, or 5% of our underground production. This equates to lost revenue of around \$50 million and clearly is also a material loss to the fiscus.

These stoppages are likely to continue in 2010.

We would encourage the DMR to initiate a co-operative process with industry and the unions to address the safety agenda, with minimal economic impact on the industry, at a time when the industry and South Africa can least afford it. From a Lonmin perspective, we will strive to maintain, or even improve on our industry-leading safety record.

Another industry challenge is the increasingly difficult and complicated geology in the Bushveld Complex. It is a maturing geological environment, with many of the easier to access reserves becoming steadily depleted. This will have an impact on industry costs, recoveries and grades in the future.

Investment inducing revenue levels must rise if PGM supply growth is to be delivered.

Finally, challenges in the supply and cost of electricity in South Africa remain. Electricity pricing tariffs are said to be increasing by over 45% in 2010 and there are likely to be similar increases in subsequent years. There is also the possibility that security of supply could again come under pressure in the medium term.

With these significant headwinds in mind, in particular the continued strength of the Rand, the PGM industry has never in my experience been more challenged. While, the Rand PGM revenue basket must eventually rise, we cannot rest on this assumption and we must continue taking action to best position Lonmin.

South African Mining productivity in general has fallen during the course of the last decade.

As you can see from the graph on the left hand side of this slide, productivity in the PGM industry in particular has declined.

During the decade real wages have increased and employee numbers have grown. Absenteeism has been on the increase, partially due to social issues, such as healthcare, and partly due to employee discipline challenges arising from emboldened unions. As a result of these factors, industry productivity has declined by around 40%.

Lonmin's productivity during this decade is shown on the graph on the right of this slide, which uses the simple measure of Marikana production divided by average full time employees. The improvement in 2009 was driven by the restructuring programme, which reduced our total workforce by around 20%. Spiralling wage costs and declining productivity cannot continue. In these challenging economic times, we need to work with our unions to ensure we deliver the productivity improvements required to ensure the industry remains economically sound.

So, let's look at some of the actions we are taking to weather this challenging environment and to prepare the business for a market recovery.

This time last year, I set out a number of actions we planned to initiate in reaction to the global economic downturn, which was in its infancy at that time.

Firstly, I promised that we would stop chasing volume for volumes sake and focus on only producing value adding ounces.

Consequently, we placed our uneconomic Baobab shaft at Limpopo on to care and maintenance. We also closed our opencast operations, as well as rationalizing certain areas of high cost production at Marikana. In total, these actions have removed around 75,000 high cost Platinum ounces from the market place.

Secondly, I stressed the importance of improving our control of costs and maintaining a strong balance sheet.

Our cost base was right-sized through a major restructuring program across our operations. Seven thousand full time employees and contractors left the business with all personnel levels being affected.

Understandably, the exercise impacted employee morale and caused disruption to production.

We strengthened our balance sheet by raising \$458 million through the completion of a Rights Issue in June.

We also negotiated with our lending banks the re-financing of a significant portion of our debt facilities and the waiving of all EBITDA covenants relating to our debt facilities until September 2010. Alan will provide more detail on this later.

Thirdly, I stated that we would maximise output from our invested capital, through productivity and recovery improvements. Mahomed will outline our progress in these areas.

Finally, I committed to simplifying our organisational structure to provide clear lines of authority and accountability.

This was achieved, and last month, we announced plans to relocate our operational headquarters from London to Johannesburg. This places executive management in a single location close to our operations and will therefore enhance day-to-day management and communications. Importantly, it will also enable us to engage more effectively with our South African stakeholders.

Our focus in 2010 will be on growing our unit throughput and, improving our position on the cost curve. In my view we have a strong management team in place and this goal is achievable.

In the Mining business, we are concentrating on operational delivery. We have implemented several productivity and cost control initiatives, as well as increasing our focus on employee relations. We reorganised our senior technical management team to place a greater emphasis on operational oversight and long term planning.

Our Process Division has benefited from stability and an increased investment in plant maintenance. This has resulted in improved recoveries and better management of metal in process inventories.

We expect to deliver several years of steady growth from our Marikana operations through ramping up production from our three new shafts, Saffy, Hossy and K4.

At Saffy shaft, we made good progress in converting our mining method from fully mechanized to hybrid mining and, next year, we expect Saffy to continue to ramp up towards full capacity.

A year ago, we took the decision to continue to run Hossy shaft on a fully mechanized basis, setting ourselves specific productivity targets. I am pleased to say that these targets were achieved and the shaft's general performance has exceeded expectations. As a result, we have decided to continue with a fully mechanized mining method at Hossy.

The development of K4 remains on track and we anticipate that stoping will commence in 2012.

In time, these three shafts will contribute over 50% of total underground production at Marikana.

Growth in mining production needs to be supported by processing capacity.

Our Number One and Pyromet furnaces have the capacity to support current and medium term levels of production. However, taking into account our longer term growth ambitions, and the need to mitigate the risk of Smelter disruptions, we anticipate a requirement for increased Smelter capacity in the coming years. We have therefore started to investigate options for additional backup capacity.

The continued inflationary environment in South Africa, including an anticipated increase in real wages for the majority of our

workforce, means strict cost control allied to growth in productivity remains paramount in 2010. As a result, we continue to run a number of cost-cutting initiatives across the operations.

Discussions commenced during the year on the future structural ownership of Incwala, our BEE partner. These discussions are on going and we will update the market on these discussions, once they have been fully concluded.

In 2010, we are forecasting a slight increase in Platinum sales to seven hundred thousand ounces, and we are targeting a below South African inflation increase in Rand gross operating costs. We expect capital investment in 2010 to be up to \$270 million.

Whilst this increase in production is only modest, it is a significant turning point and signals the first steps in re-commencing production growth from our high quality asset base at Marikana. We also believe this is the appropriate sales volume for a year in which we anticipate a gradual improvement in demand and a move back to a balanced market.

Now I will hand over to Mahomed who will take you through a review of our operational performance.

Mahomed Seedat:

Thank you Ian.

Our safety performance continued to improve, with actual Lost Time Injuries reducing by 8%, from 2008, and our lost time injury frequency rate improving slightly.

The Marikana ore body is a high quality, long life Tier One asset. Following the completion of a number of drilling programmes at Marikana during the year, we today report a 20% increase in the

asset's resource base. We now have 121 million ounces of PGM resources.

Our PGM reserves at Marikana decreased by 7%, to 39 million ounces, due to a portion of ground around K4 shaft being removed from the K4 reserve base, and re-allocated to a longer term growth project at Marikana. This ground is still part of our Resource base and, as this growth project comes into development, it will once again be re-classified as Reserves.

We remain in negotiations with unions on a wage settlement, for our workforce for 2010. We will update the market once these negotiations have been concluded.

Total Marikana underground production was unchanged from 2008, despite a 20% reduction in our workforce, as a result of the restructuring programme. Production from our mechanised and hybrid shafts increased by 49% from 2008, offset at a Marikana level by, amongst other things, an increase in the frequency and severity of Section 54 safety shutdowns.

Ore reserve development remains a key focus area, and we made good progress at Marikana in 2009.

At the Process Division, management made good progress on a number of fronts, at each of the operating units within the division.

The performance of our Concentrators continued to improve as a result of a strong management team, investment in maintenance to improve plant availability, and our concentrator optimisation project.

In June, we shut down our Number One furnace following a matte run out. The furnace was subsequently run at reduced power for most of the fourth quarter. Following a re-design of the matte tappe hole area at the furnace, a re-build commenced on 10 October and concluded earlier this month, with matte being tapped at the furnace on 9 November.

We continued to improve our safety performance, with our lost time injury frequency rate improving slightly to 6.21 per million man hours worked, with the actual number of Lost Time Injuries improving by 8%. We regrettably however, suffered three industrial fatalities during the year at our Marikana operations.

We believe that our safety record continues to be the best in the industry. This is supported by the graph on this slide, compiled by the DMR, with data supplied by Lonmin as well as the other producers. It shows the 12 month rolling fatality rate for Lonmin, our peers and the Platinum industry in general, going back to 2005.

As you can see, Lonmin's safety performance, shown in the dark blue line on the graph, has significantly improved in this period, outperforming the industry since the end of 2005.

As Ian mentioned earlier, Section 54 safety stoppages increased, in frequency and severity in 2009, compared to 2008.

As you can see from this graph, we lost around 513,000 tonnes as a result of these shutdowns in 2009, compared to around 210,000 tonnes in 2008.

Eighty per cent of these lost tonnes occurred at K3, and at Rowland, our two largest shafts.

As a result of these production losses, we estimate that the business suffered lost revenue of around 50 million dollars.

We have implemented several initiatives to assist us in better managing inspections by the DMR, including a review of relevant procedures, and the roll-out of a union consultation and communication plan relating to these inspections.

Most importantly, we need to keep our focus, on at least maintaining, if not improving on our industry-leading safety record.

Despite these safety stoppages, and the disruption relating to the restructuring programme, total Marikana underground production in 2009, was the same as 2008, at 10.2 million tonnes. Given the challenges we faced in the year, this was a respectable performance.

During the second half of the year, we restructured our senior operational management team, in order to create a Technical Services function.

This function is responsible for key business areas, including the life of mine plan, capital expenditure, and providing an important check and balance with regard to the technical health of the business.

Chris Sheppard, previously EVP Mining, has taken on the key role of EVP Technical Services, and Mark Munroe, who played a crucial role in the implementation of the restructuring programme, has been appointed as EVP Mining. Mark is now responsible for safely delivering growth in production, and the necessary productivity improvements, from our Marikana mining operations.

We implemented a number of productivity improvement programs, which are expected to show some benefits in 2010. These include, Piloting of a revised incentive program for our productive employees; Labour management improvement programs, including a project to address absenteeism; Consultations with the recognized unions, to increase the number of shifts worked; and the removal of technical bottlenecks, through our Half Level Optimisation program, and the implementation of operating systems at each shaft.

A key focus area continues to be ore reserve development. Progress was made in 2009, as highlighted in this graph. At the end of September 2009, underground ore reserve development at Marikana reached some 2.0 million square metres, of immediately available ore reserves.

Most of our shafts at Marikana now have appropriate levels of development, but there remains scope for improvement at certain shafts, particularly at K3 and at Rowland.

It is likely to take another twelve to eighteen months, before we achieve acceptable levels of available ore reserves, as the higher extraction rates demanded by production growth, will require even greater levels of development replacement.

Underground milled head grade was 1.7% lower year-on-year at 4.57 grammes per tonne (5PGE+Au), mainly as a result of an increased proportion of development ore coming from Hossy and Saffy, and a general increase in development ore throughout the operations.

During the year, grade was impacted on the UG2 horizon, by a larger proportion of ore being mined from the slightly lower

grade areas of Marikana, and a lack of flexibility in face length on the Merensky reef horizon.

Importantly, however, our grade has stabilised over the last 18 months, at between 4.5 and 4.6 grammes per tonne.

We are pleased with the performance of Hossy during the year. The shaft achieved its year-end target of an average of 1,500 square metres, per month, per suite of equipment, with the best performing suite reaching productivity of around 1,800 square metres.

Hossy also significantly increased production during the year, hoisting over 60,000 tonnes in the month of September 2009, from 20,000 tonnes in September 2008.

The improvement in productivity at Hossy shaft was as a result of substantial management effort, and focus, to deliver better performance. We made some important improvements to the way we implemented mechanized mining at the shaft. These include: Increased focus on equipment availability, with better maintenance and quicker repair times being achieved, supported by improved mining standards and conditions; Improvements in the utilisation of the XLP equipment, focusing on improving operator and supervisor skills, as well as upgrading management operating systems; significant changes to the shaft's mining layout, and as a result, we are starting to see an increase in stoping panels per fleet; upgrading of the shaft infrastructure, implementing a new communication network backbone, installing new strike conveyors, and constructing a new underground maintenance workshop.

Whilst this performance does not yet make production costs competitive, with conventional mining methods, it is encouraging

to see what can be achieved, with the appropriate degree of focus.

Consequently, we have taken the decision to continue with mechanized mining at Hossy, for the foreseeable future, and we are now targeting productivity of 2,200 square metres, per suite of equipment, per month, by September 2011.

Now turning to Saffy shaft.

Saffy performed well, despite the challenges faced in converting to hybrid mining during the year. As with Hossy, production costs are not yet competitive with conventional mining costs.

However, the shaft achieved its year end monthly hoisting target, of 80,000 tonnes in September 2009. It will take a further 18 months for the full transition to hybrid mining. And, as you can see, grade has also improved during the year, as a result of lower dilution, due to the decreasing proportion of development ore being mined.

Saffy will continue to ramp up production in 2010, towards shaft capacity of around 200,000 tonnes per month, which we expect to achieve in 2014.

The concentrators produced a total of around 660,000 saleable ounces of Platinum in concentrate during 2009, a 9% decline from 2008, mainly as a result of closing production at the Marikana and Pandora opencast operations, as well as Limpopo.

Underground recoveries fell to 81.0%, from 81.7% in 2008, mainly as a result of extensive maintenance on some of our

Marikana concentrators, in the first quarter of the 2009 financial year, and also due to ore mix.

However, as highlighted in this graph, performance against our own internal models, which take into account ore mix issues, showed a significant performance improvement during course of the year. This was due to the strong management team now fully in place, investment in maintenance to improve plant availability, and our concentrator optimisation project. As evidence of this improvement in performance, overall monthly recoveries at Marikana improved to 82.3% for September 2009, compared to 79.5% in October 2008.

To further enhance recoveries, the Concentrator team is currently investigating a number of ways, to extract value from the treatment of our tailings. This involves the extraction of chrome for onward sale, leaving the retreated tailings in a form such that further PGMs can be extracted.

We shut down our Number One furnace in June following a matte run out.

From our investigations, we identified a design weakness in the furnace, around the new tappe holes, which, when allied to other factors, including the level at which the electrodes were being operated at in the furnace, caused this incident. The furnace was subsequently run at reduced power for most of the fourth quarter, supported by the running of our 3 Pyromets.

Following a re-design of the matte tappe hole, a re-build was completed earlier this month, with first matte being tapped on 9 November.

On inspection after shutdown, we were pleased with the condition of the interior of the furnace, as this indicated that the changes we made to the management of the electrodes, had the desired effect.

As a result of the timing of this rebuild, refined production during the first quarter of the 2010 financial year, will be well below that of the prior year period.

Whilst the Number One smelter has had a number of run outs, since it came into commission in 2002, our benchmarking analysis shows that it has performed in line with other smelters in the industry.

We mitigated the financial impact of the June run out, and the cost impact in the year was not significant, at around 5 million dollars, given the short term catch-up capacity we have in place. Our knowledge of the workings of the smelter has improved significantly, and we now have a very experienced and knowledgeable Smelter team.

We have initiated a study to look at increasing smelter capacity in the longer term. Additional long term capacity will also enable us to further mitigate the risk and impact of future Smelter disruptions.

Our sustainability efforts in 2009 have focused on: helping to alleviate sickness and improve health, better managing energy and water resources and improving our community engagement and development programmes.

Sustainable development continues to remain of critical importance to Lonmin, our employees, the communities in which

we operate, and our key stakeholders, given its impact on these diverse audiences. Consequently, we will continue to focus our efforts, supported by capital investments were required, on a range of sustainability projects and programmes.

So, to sum up my slides.

We took significant steps in 2009 to restore Lonmin's operational health.

We produced a further improvement in our safety performance, which remains industry leading.

Our Marikana Mining business produced a decent performance, despite all of the challenges we faced during the year, and we were particularly pleased with Hossy's and Saffy's performance.

Ore reserve development remains a key focus area, and we continue to make good progress in this regard.

And finally, the Process Division management remains focused on plant maintenance, efficiency, and stability, in order to maximize recoveries.

That's it from me. I will now pass on to Alan, who will take you through the financial results.

Alan Ferguson:

Thanks Mahomed – and good morning everyone. Today I will take you through an overview of our results for 2009.

Looking first at the income statement.

As you can see it was a very difficult year with revenue down over 52%, or \$1.2 billion, due to much lower PGM prices.

However despite this we managed to breakeven at the underlying EBITDA level and this was after losing \$51 million in the first half. We also incurred one off costs relating to the restructuring programme of \$49 million but we achieved a full payback on this spend in the period.

Loss before interest and tax was some \$142 million and no dividend was declared in the period.

This slide highlights the dramatic impact of falling PGM pricing in the period. This slide highlights the dramatic impact of falling PGM pricing in the period. The average price realised per PGM ounce has decreased by 49% to 786 dollars, resulting in a loss of revenue of over \$1 billion. PGM sales volumes were down some 10%, mainly due to the closed businesses, however the mix effect was favourable due to platinum and rhodium. Gross costs were below last year as shown on the next slide, whilst cost of sales was also impacted by stock movements and foreign exchange benefits.

Gross costs were well controlled in the year and benefited in the second half from the restructuring programme, with half two costs being 9% lower than half one.

Total costs at R8.8 billion were R0.6 billion below our guidance.

Cost per ounce rose by around 6% mainly due to the reduction in ounces from the mines. However the first half / second half trend is positive and shows a 6% reduction and a slide in the appendices gives details on this.

Net debt decreased by \$190 million, following a \$458 million inflow of funds from the Rights Issue.

Pleasingly we generated a positive operational cash flow of \$63 million despite our profit fall.

We paid \$48 million in taxes, mainly relating to last year's profits.

Capital expenditure was \$234 million in the period below our full year guidance due to strict control over spend.

This left us with net debt of \$113 million, and gearing of 2%.

After the year end Impala called on a guarantee in relation to Incwala resulting in a \$39 million cash outflow.

We have \$875 million of committed facilities of which \$575 million were renegotiated in the year. As a result of this \$405 million of these facilities extend into 2012 and 2013.

We have also relaxed all EBITDA covenants until September 2010 in order to protect ourselves against margin pressure in a volatile Rand pricing environment.

This demonstrates that we have a very supportive banking group and, allied to our low level of debt, means that we have a strong financial position which provides a solid foundation for the future.

That's all from me - I'll now hand over to Ian who will take you through our views on the PGM markets before outlining our thinking on Lonmin's future growth prospects.

Ian Farmer:

Thanks Alan.

Some of you may have attended our recent Markets Seminar. The presentation from that Seminar can be found on our website.

The investment case for Platinum is simple - it possesses a unique dual dynamic that other metals do not have: During favourable economic times with strong consumer confidence, demand tends to be driven by buoyant automotive and industrial sectors. During less favourable times and lower prices, platinum demand is supported by price-stimulated investment buying and jewellery purchases.

Underpinning these attributes is a tightening and geographical expansion of emissions legislation driven by the climate change agenda. This will have a positive and protracted impact on overall PGM demand from auto catalysts, despite thrifting and inter-metal substitution. In the longer term, there is also the prospect of growth in the stationary fuel cell market.

The overall case for investing in PGMs therefore remains highly compelling in the medium to long term.

This graph shows quarterly global motor vehicle sales volumes, illustrating the cyclical nature of the auto industry. We have seen a steep recovery in auto demand in recent months as a result of stimulus and scrapage schemes. It remains to be seen how sustainable this recovery will be in the absence of these incentives.

However, automotive companies are beginning to re-stock and inventories are returning to normal levels. We have seen a recovery in demand for sponge products as opposed to ingot,

and the Platinum sponge discount has shrunk to around US\$1/oz in recent months. This supports our view of a return to moderate but steady industrial recovery that will gain momentum over the course of 2010. We expect this to be followed by a more pronounced demand bounce in 2011 and 2012.

Jewellery demand in 2009 is well ahead of 2008 and continues to provide a refuge at times of suppressed pricing. Chinese jewellery demand continues to be particularly strong, with a good proxy being the 30% increase in year-to-date sales on the Shanghai Gold Exchange

The introduction over recent years of ETF's has added a new dynamic to the market. Investment demand has absorbed excess inventory this year, which would otherwise have placed downward pressure on prices.

Investment purchases continued to grow strongly, with demand for the Platinum fund doubling in the year, whilst increasing by 60% for Palladium.

Whilst this demand element is difficult to predict, investment interest is showing steady growth to new highs

If the Rand PGM basket price continues to squeeze industry profitability and cash flow, short term under-investment will be the consequence. We therefore anticipate that supply will struggle to keep up with recovering demand from 2010 onwards and this will lead to a recovery in PGM profit margins.

As already outlined, we expect Platinum industrial demand to gradually improve, with the market being in balance for 2010. The behaviour of the ETF investor will continue to influence short term price movements.

In 2011, we expect to see a more significant upturn in demand, and slow supply response, with the market moving back into deficit.

As a result of these factors, we continue to believe that the Platinum group metal markets are structurally compelling.

I would now like to update you on Lonmin's medium to long term growth objectives.

Our Marikana operations remain at the heart of the Lonmin business and our focus remains on improving safety, reducing costs and growing production, through delivery of profitable ounces, from this high quality ore body.

Beyond 2010, the ramp up of the three newer shafts will more than offset the decline in production from some of our smaller shallower shafts.

As a result, we expect to steadily grow metal in concentrate production from our Marikana operations, including the Pandora joint venture, so that by 2013 we will deliver sustained, profitable production of around 850,000 ounces of Platinum per annum.

This growth requires a relatively limited incremental increase in annual capital expenditure to between \$300 and \$350 million per annum from 2011.

This anticipated production growth and capital investment is of course subject to market conditions. Our 2010 planning initiates this growth, supported by capital investment of up to \$270 million for the year. However, our plans will be regularly reviewed as market circumstances unfold.

Our growth projects at Akanani and Limpopo give us longer term growth optionality to supplement the short to medium growth to be delivered from Marikana.

Achieving this growth, whilst simultaneously restoring the operational health of the business, is a significant challenge but one which will restore the market's view of Lonmin as the quality asset in the PGM sector.

Finally, to summarise the key themes from today's presentation....

We made good progress in 2009 and we believe the direction of travel for the performance of the business is positive

However, there is still work to be done. This will be achieved in 2010 in conjunction with restoring production growth and improving our position on the cost curve.

All our efforts will be directed towards achieving these objectives, enabling us to exploit the robust market fundamentals we foresee in 2011 and beyond.

Thank you ladies and gentlemen – that concludes our presentation.

We will now take any questions you may have, firstly from the room and then from the web cast and call. As always please could you state who you are at the start of your question.

Jon Bergtheil, Citi:

We're facing electricity price increases of up to 45% in South Africa. Could you just remind us what the direct impact is on

Lonmin - what the indirect impact is perhaps through general South African inflation, and also - what is the risk nowadays still of absolute shortages of power?

Ian Farmer:

The 45% headline number is a percentage that ESCOM themselves have put into the marketplace. It will be subject to some debate and consultation, and I think the street view is that it will end up around the sort of 30% mark. And it will take some months, as that dialogue and that consultation process takes place.

Currently around 3% of our costs are power, so that will probably move up to 4% next year as a result of that increase in tariff. It's difficult to say in terms of security of supply what impact these price increases are going to have on consumption. And that's something that I think we need to think through very carefully - the Chamber of Mines is actually looking at that issue.

Obviously as tariffs go up, we will become more economical with their use of this expensive commodity, and hopefully demand should moderate as a result.

Grant Sporre, Deutsche Bank:

I have two questions, if I may. The first one is on your split of cost in terms of rand per tonne between mechanised and non-mechanised. I think, if I remember correctly, the non-mechanised - or the conventional mining - was 466 rand per tonne versus the hybrid at 630. Now I'm presuming that the mechanised sections have a lower labour component, and therefore you're expecting that component to come down and perhaps the conventional to rise, and at some point you're going to see a crossover. When would you expect to see that? That would be my first question.

And then the second question on CAPEX. It's - you're sort of between 270 next year, and then 300 and 350. What component - once you reach your steady state of 850 - is pure sustaining CAPEX? If you could give us some guidance on that.

Ian Farmer:

Okay. I'll ask Alan to contribute to the cost question first. We achieved our targets efficiency from our equipment at Hossy Shaft this year of £1,500 square metres, but we've always said that we believe parity is around 2,200 square metres per month. And we think we'll get there in 2011. And obviously, as production ramps up in terms of tonnage, that obviously helps with the level of throughput through the fixed costs of the shaft. Um - in terms of the absolute numbers of cost per tonne, I'll come back to that in a second.

The second question you asked was about the capital spend - 270 next year, creeping up to 300 and 350 or so the years after that to get to 850. Clearly that spend is dependent on the market ability to absorb the metal. We have caveated that guidance with 'market permitting' kind of statements. We generally say that sustaining capital for around 700,000 ounces is about \$150 million of that

Alan, do you want to add to the unit cost question?

Alan Ferguson:

Yes. I think the other point you'd make is that Hossy and Saffy are clearly only at part capacity. Hossy's at 60,000 tonnes out of 125,000; Saffy's at 80,000 out of 200,000. And that has a big impact on your cost. So as they ramp up, you'd expect to actually see their cost per tonne coming down. In fact in the year it was virtually flat. There was actually a typo in the announcement this morning. It said 33%; it should have been 3 - so apologies for that. But thanks for asking the question, so I could set the record straight.

Ephrem Ravi,
Morgan Stanley:

A few questions. Number one, on your 850,000 ounces long term target, can you give a split in terms of how much is Marikana, how much is Limpopo and potentially Akanani, or is all of Akanani considered as pure optionality?

Secondly, on the smelter expansion issue, are you considering going into toll smelting with other smelting capacity available, or is it entirely internal options that you're looking at?

And thirdly, on the general outlook for the covenants, you said you had relaxed all your covenants till September 2010. Can you remind us of the covenants henceforth from 2010 onwards? Thank you.

Ian Farmer:

Okay, I'll take the first two and then pass the third one over to Alan.

In terms of the 850,000 ounces, that's entirely from Marikana property, including Pandora. It does not include any ounces from Limpopo or Akanani at all.

In terms of the smelter capacity review, it is a review only we're announcing at this time. It's primarily driven by risk mitigation rather than capacity, and we do not have any intentions to go into the toll processing business at this time.

We need to bed Lonmin down; we need to get Lonmin running in a steady state where we're totally in control of the business and recoveries are maximised. And we don't need the complication of third party feed at this time. But possibly in the future, but not right now.

Alan, do you want to come back to the third part?

Alan Ferguson:

Sure. In terms of post 2000 - September 2010, the net debt to EBITDA is four times. And that will kick in post then. Actually at 30th September 2010 there's an EBITDA to net interest covenant which is in place at four times. They're for the UK facilities; there are some slightly different ones for the South African facilities. It's all laid out in the financial review for you.

Fraser Jamieson, Cazenove:

Just a question on the cost performance. I see in the appendix I think, in the second half you were running at about 6,400 rand per PGM ounce. I assume that, at the start of the half, you were still - or the restructuring programme was still ongoing. I'm really trying to get an idea of what the run rate going into H1 2010 is.

And then just to clarify on the CAPEX, the 300 to 350 million, is that to get you to the 850,000 ounces sustainable production level or is that on the assumption that you might be looking to take it higher with the additional smelting capacity.

Ian Farmer:

As regards the second part of the question, the answer is 300 to 350 gets us to the 850,000 ounces. It's not to take us further.

As regards the unit cost increases, we have guided that gross costs next year will be increasing at below inflation, and clearly with a slight increase in the overall throughput, that's helped from a unit cost perspective.

Do you want to add anything, Alan?

Alan Ferguson:

Yes, I mean - the run rate, the restructuring programme really took effect in March. So actually it wasn't as if it really gradually reduced further in the second half. So those costs were all taken out for the whole of the six-month period, so it didn't really

have an impact on the second half cost per ounce. So that's your best guide.

Clearly it's second half weighted, and that tends to be stronger for us from a production perspective, which is the other thing you just need to think about when you're looking at the half year numbers.

Rebecca O'Dwyer, Investec:

Can you guys give me a sense of where you sit on the cost curve? And secondly can I get you to hazard a guess as to what you think the marginal cost of production is today? You can give it to me in rand per ounce of PGM or US dollar platinum.

Ian Farmer:

Crikey. Everyone that produces a cost curve produces it in a slightly different way. So the consensus is that we're somewhere about three quarters of the way along it. That's not where we would like to be. We have reduced the cost base of the company to enable us to run at a sort of 700,000 ounce run rate, but clearly the key target for us is to now gradually improve the production throughput and keep our cost bases as steady and static as we can, which should take us across the page to the left hand side of the cost curve. That's what we're trying to achieve.

Alan Ferguson:

So what was the second part of the question? About the marginal costing? Our profit margins right now are still only moderate. The price basket has moved up just a little in the last few weeks. We have made a profit in the second six months at the EBITDA level, some \$50 million profit in the second six months post the restructuring. So it must be not far below where we are currently are, quite frankly. So given where the rand is at 740 this morning, I guess if the prices slips below

1250 or so, you're going to start to see PGM producers red ink again.

Rebecca O'Dwyer, Investec:

And a second question on Incwala. I see you've paid \$39 million as part of a guarantee to Impala. Is there more money potentially to come that Incwala will call on you for, or is that it?

Ian Farmer:

No, there's a total guarantee in favour of Impala Platinum in relation to the Incwala transaction, which I think from memory totals just over \$80 million. It's not all callable at once; a portion of that's only two years away. There was a portion that was due this September which they did call, which was \$39 million. So we'll probably have another \$20 million called in December. So a total of - call it \$60 million in this financial year. The remaining balance is a couple of years away still.

Peter Davey, Ambrian:

In terms of your ore reserves you've got two million square meters there, where would you like to see that for you to sleep easy at night, given that you're going to increase in production update 850,000 ounces which is so you need another 20% anyway, but...

Ian Farmer:

We knew someone was going to ask this question. [Laughs]

Peter Davey, Ambrian:

Because that two million ounces is what, about nine months reserves?

Ian Farmer:

No I think...

Peter Davey, Ambrian:

Plus or minus?

Mohamed Seedat

Plus minus 13 months at the moment. It all depends on how well you're producing as well obviously, so we would rather do it in terms of or meters, so you have an absolute number. Two

Million, I think we'll be much more comfortable between 2.5 and 3 Million, that's the range we're aiming for and as we say we're going to take 12 to 18 months to get there.

Peter Davey, Ambrian:

And just a follow up from that. In your cost base this year how much have you spent roughly on development, excess development, let's put it that way to get you to those extra reserves and, you know, so if you had to strip that out of the cost to look at it on an ongoing business steady state, you know, we can get a better idea of what the running costs are?

Ian Farmer:

I don't know that number in my head.

Alan Ferguson:

The development costs were up about 14% in the period which was about slightly shy of 14 million. So that gives you an idea of how much we spent and how much of that's catch up and how much is steady state I can't tell you, but you've see how far our developments moved and clearly we need to continue to spend in that area.

Peter Davey, Ambrian:

It's 14 million dollars.

Alan Ferguson:

14 million dollars.

Dominic O'Kane,
Liberum Capital:

Just on Section 54s which have clearly been an issue throughout the year and we saw them accelerate in sort of prevalence through the year. About 197,000 tons lost in the fourth quarter, I wonder if you could just comment on how that's sort of carried over into Q1 2010? And I guess if there are any further details that you could give on the impact of the operational relocation and where you think you could see improvements coming through as a direct result of that relocation to Johannesburg?

Ian Farmer:

The section 54 has been a major issue in our lives particularly in the second half. We had 36 Section 54 interventions in 2009 versus I think 17 in 2008, so almost doubling in terms of the number and severity, in terms of days lost were higher. As we've headed into 2010, so far, touch wood we're in a pretty good shape, we have one at K3 I think it was very early in the month but nothing since then, so the run rate if you like has decreased in October.

But clearly the main focus here is to make sure your safety standards and your safety record is the best it possibly can be and that's where all our focus of attention is going.

We do have in place measures to improve our communications and our relationship with both the DME with the inspectors, with the unions that we work with obviously have an intimate role in getting this right. We do look to train our staff that are on the receiving end of these safety inspections, exactly what the correct way is to deal with these inspectors when they come along to make sure we give the right information and that we are fully transparent and we do everything by the book.

So a lot of effort is going into getting this right, but the key here is your safety record. Make sure your safety record is as good as it possibly can be in the hope that the attention gets focused elsewhere not in your business. But I think it is an industry challenge and you've seen our stats today, we lost 5% of our production last year as a result of this and we need to make sure that that number comes down.

So you had a second part of the question about whether I thought that the move to Johannesburg would actually help?

Dominic O'Kane,
Liberum Capital:

Yeah, I meant can you see that there would be a direct impact on Section 54 from the relocation?

Ian Farmer:

I don't think that myself and Alan being close to S..... would actually impact the Section 54's per se directly. But I think indirectly being in Johannesburg will allow us better communications, better empathy with these kind of issues, better rapport with government at senior levels and I think will show Lonmin in a better light. It will also show how committed we are to the country, you know, if you are a PGM miner you have to be committed to South Africa and just being there and walking the walk and living the talk I think is important in terms of visible leadership.

Charles Kernot, Evolution:

Just a couple of questions. First in terms of tailings reprocessing, is that something that you'll look at doing in house or would you outsource it to I suppose someone like Sylvania that does it already for other producers?

Ian Farmer:

There are two aspects to that. One is retrieving the chrome from the tailings and upgrading the product, the residual product in recovering the PGMs from that, that's the project we're looking at very actively at this time. And I think the time is right for us to be addressing that constructively. We've done a little bit of chrome treatment at EPR for sometime. Chrome markets have changed tremendously in the last years so we are revisiting that as we speak.

Generally recovering tailings otherwise, the likes of Sylvania is again something that we're looking at probably further out, that's probably a year or so away.

Charles Kernot, Evolution: Thanks and I suppose in a way perhaps a question for Alan. In terms of the - and sorry I haven't had a chance to read through all of your document this morning, but in terms of the EBITDA covenants and things, how will that work? I mean will it be calculated on your expectations for the 2011 financial year as from the 1st of October 2010 or can you explain that in a little bit more detail please?

Alan Ferguson: Sure, I mean we've waved all the EBITDA covenants through until September where we have the net interest, EBITDA net interest covenant. The net debt EBITDA covenant doesn't kick in until 2011, so it will only be tested from March 2011 onwards.

Charles Kernot, Evolution: Thanks. And then just finally in terms of capital expenditure, has there been any change in your accounting policies for that or has that, is that sort of sustained all the way through? I'm just sort of intrigued by in a way some of the increase in CAPEX that you're looking at going forwards whether or not in fact you're putting into capital expenditure items that might previously have been expense through the PNL account?

And also could you give a break down, I think your sustaining CAPEX, you've talked about in the past somewhere between a \$150 and \$175 million where the extra \$100 million is going to be spent this financial year?

Alan Ferguson: In terms of accounting policies absolutely no change at all. In terms of where the additional money spent, we spent 234 million in '09. We're talking up to 270 in 2010 and then 300 to 350 further out. Predominantly all of that increase is in the mines, it's in Hossy, Saffy and K4 and we've got a couple of declines at Roland and K3 which are two deep conventional shafts. One thing for 2010 you need to bear in mind is of course is the Rand

would be a different rate in 2010 than it was in 2009 and the bulk of our capital expenditure is actually spent in Rand.

Charles Kernot, Evolution:

Thank you.

Alison Turner,
Panmure Gordon:

I had a question on just getting a little more colour from you on what you expect from the conventional underground operations at Marikana. You've given quite explicit guidance on the M&A operations, which forces me to kind of work backwards in a sense, but that working backwards suggest that you're seeing production at the conventional operations, not improving much from Q4 '09, do you think that's a fair assessment?

Mohamed Seedat:

Yeah, we have some shafts that are coming to the end of their lives so they are going to continue declining. We've got K3 and Rowland where we have to do the declines and then we've got K4 coming up in the future. So it's a fair assessment that we're going to have some of the older shafts coming to the end of the lives and being replaced by a capacity from the new shaft K4, whereas K3 and Rowland would essentially maintain current capacity of slightly more to maximise the shaft capacity.

Alison Turner,
Panmure Gordon:

And can I ask just a follow up question on that, is that historically the conventional operations of Marikana have produced somewhere north of 2.2 Million tonnes per quarter, and at times that's been over 2.5, 2.6, are those rates no longer sustainable and is that because of the restructuring or is that because of the operations coming to the end of their lives?

Mohamed Seedat:

Mainly because the operation is coming to the end of their lives. We shut down two shafts in the course of this year and there's another one that we're going to be reducing or stopping it soon

as well, even that there's still some capacity but because it's uneconomic it's going to stop as well.

Alison Turner,
Panmure Gordon:

Okay, thanks very much.

Ian Farmer:

Can I just add to that, we have put a lot of effort this year into long-term planning, which I think was something that was prior to this year we had not put the effort into, we should have quite frankly. And I know it's not clear-cut because Hossy, Saffy and K4 are partially growth and partially replacement ounces, but I think we're in a good space. I think that the long-term plans we now have are pretty robust and I'm quite satisfied that we've put the requisite effort into making sure we've got the planning right this time round. Do we have some questions from the wire?

Telephone Operator:

The first question is from Emma Townshend BJM, Emma please go ahead.

Emma Townshend, BJM:

Hi good morning, I have got four questions if possible. The first is the breakdown on the split between Pandora and Marikana in that 850, should I go through them one by one or put them in a row?

Ian Farmer:

One by one is easier for me.

Emma Townshend, BJM:

That's what I thought. Okay.

Ian Farmer:

Pandora of that 850 is around about 50,000 ounces about in that time, if that helps?

Emma Townshend, BJM:

Yes, would it that still be you purchasing or the concentrate or all the ore from the JV Partners, so all for your own account?

- Ian Farmer: That I think includes our portion of the JV only, 42.5%, so the total production of Pandora is in round numbers 100,000 ounces, that's what I've got in my head. And obviously we get 42.5% of that, so somewhere around 40 or 50,000 ounces.
- Emma Townshend, BJM: Okay, so effectively Pandora increasing production to 100,000 ounces of which 50,000 up for your account?
- Ian Farmer: In round numbers yeah. We can give you the actual ounces if you like in due course but that's round numbers where we are.
- Emma Townshend, BJM: So out of your 800,000 ounces of platinum from Marikana, what sort of tonnage are you looking at? What kind of way are grades going with the ramp up of more possibly mechanised production from K4, do you have a tonnage number for both answers?
- Ian Farmer: Not in my head unless you have Mohamed, but the grade should remain more or less where it is around the sort of 4.5, 4.6 numbers you saw in our presentation Emma. The grade at K4 is substantially better and that starts to contribute from 2012, but it will be small numbers quite frankly by 2013. But of course as the years go by, yes, that will contribute quite nicely going forward.
- Emma Townshend, BJM: Okay. The next question is obviously... [Voice breaking up] is tricky when you're forecasting in US dollars of what Rand you're assuming for that 370 million and also the Rand that you're using for your dollars fixed costs?
- Ian Farmer: I'm sorry Emma you are extremely broken up on that question. I think you're asking at what our exchange rate assumption is going forward?

- Emma Townshend, BJM: Exactly and next year... [voice was breaking up] next year and then for your dollars CAPEX Number?
- Ian Farmer: Yeah, I'm sorry I still didn't hear that, but you know, most economists are assuming the Rand is going to remain strong for the immediate future and clearly that's not good news for PGM producers. We do need to see the revenue basket improve if we're to motivate reinvestment. Right now we're fortunate that the PGM prices are moving up which is helpful.
- We've prepared our budgets based on numbers above 8 quite frankly, but we have obviously stress tested them down to the 7.3 type Rand exchange rate numbers. And you will recall that when we announced the 850,000 ounces by 2013 we did add the caveat that that was subject to market conditions. And clearly we need to know that we can run this business such that the balance sheet remains in good shape and our gearing remains moderated at numbers that are satisfactory and don't add risk to the company.
- So if, for example, the exchange rate stays at 7.4 and the basket metals stay at, you know, 1300 or so, we'll have to slow down that CAPEX plan. So the 850,000 ounces by 2013 is not a hard target, it's a soft target subject to market conditions and our ability to generate cash to fund it. I'm not sure if I answered your question exactly because the line was very bad.
- Emma Townshend, BJM: So you're looking at about 8 to the Dollar for your 300 to 350 target and 7.50 after next year?
- Alan Ferguson: We would look somewhere around 8.5 somewhere like that - looking further out would be a planning assumption. But I think what Ian was saying was that at the end of the day it completely depends on market conditions and market conditions can be

characterised best with the Rand basket price and therefore it takes into effect the exchange rate. And the relationship between the exchange rate and the pricing will dictate our profitability, our cash flows and our confidence about underlying demand.

Ian Farmer:

I think Emma another way to look at it is our intention is to make sure that our balance sheet management remains prudent and we will use that as the measure for affordability for the capital spend.

So we're not planning on any particular exchange rate or any particular Rand basket, PGM basket, but the combination of those factors and our ability to control costs needs to make sure that we can maintain decent balance sheet gearing going forward. So that will be the driver for us rather than one absolute number or another.

Emma Townshend, BJM:

Okay, and then a final question if possible - can you give an update on your wage negotiations?

Ian Farmer:

Yeah wage negotiations are ongoing as we speak. We have a reasonable relationship with the unions and as you would expect those discussions are robust but they're heading in a sensible direction at the moment. And we expect to conclude in the next few weeks; so it's following the usual course Emma

Emma Townshend, BJM:

Okay, thanks very much.

Telephone Operator:

Okay the next question is from Nic Dinham of Cadiz - Nic please go ahead.

Nic Dinham, Cadiz:

Can you hear me?

Ian Farmer: Yes Nic I can.

Nic Dinham, Cadiz: Okay, sorry we've got a bit of a communications problem out here in South Africa and we've had a broken interruption of your video cast as well so I just want to make sure that I've asked these questions.

Firstly - the stockpiles it seems to be that you've modelled quite a lot of stockpiles this year - does that clean up the stockpiles broken or stockpiles that you had?

Ian Farmer: Yes largely it does. We had going into this year we had stocks of metal in progress in the various refineries, etc, and we also had stockpiles of ore that were residual open cast ore basically and we've used this year to clear that backlog, yes. So there's not a great deal under cover going forward.

Nic Dinham, Cadiz: Okay, thanks.

The second question relates a little bit to the debt that you might accumulate through the liabilities that you have with the HDSA and - sorry there's a lot of feedback and echo's going through here so I'm going to have to speak through this. On top of which I'd like to know do you have or do you think that some of the outcomes that you were trying to negotiate with Incwala are going to lead to further equity injections?

Ian Farmer: We've had one cash call under the Incwala structure from Impala of \$39 million. There is a probability of another one in December of \$20 million. The remaining Implats guarantees only kick in in 201, so they're further out.

The discussions with Incwala are ongoing. The existing HDSA shareholders had a refinancing event at the end of September

and, you know, clearly given current market conditions, refinancing is challenging.

So they are the drivers of those discussions because it's them that have the refinancing event they have to navigate. But we're obviously keep close to that situation and we have no more guidance I can give at this point other than that discussions are ongoing. I don't know what form of solution we'll take ultimately.

Nic Dinham, Cadiz:

Okay, I guess what I'm coming down to is at the end of the next six month period, the current six month period, you will if you burn the same amount of cash that you burnt in the second half of the year, underlying cash burn, you'll probably be somewhere in the order of \$300 to \$350 million in net debt.

Ian Farmer:

I don't want to comment on an absolute number but clearly net debt would likely go up in the first half year you're right. Our production tends to be skewed to second half and indeed we've had the smelter downtime for some six weeks in Q1. So yes, likely at the end of the half-year debt will be somewhat higher than it is now.

But as I mentioned earlier and I've mentioned repeatedly in this presentation balance sheet management right now is of paramount importance. And we do have various levers we can pull to manage cash flow in terms of decelerating capital and managing our cost profile and we'll continue to watch those with some vigilance I can assure you.

Nic Dinham, Cadiz:

I suppose where this is all going to is that you have on top of your underlying operational cash flow issues you have Incwala issues or HDSA related issues that are not helping. And you might have some outcomes in your Incwala negotiations which require more money out of you?

Ian Farmer: Yeah but in context of the company, you know, with \$875 million of debt facilities, we have gearing of only \$113 million at the end of September. We're a company with a market capitalisation of some \$5 billion. These are fairly moderate in context to the size of the company and our resources.

Nic Dinham, Cadiz: Okay, fair enough ...

Ian Farmer: Yeah I'm sorry for the communications - it's not good our end either and perhaps there's something Rob we can have someone quickly look into, I don't know whether someone at the back can turn some buttons and make it a little better. But it's not easy for me either I can assure you, so my sincere apologies for that ...

Nic Dinham, Cadiz: My apologies as well.

Telephone Operator: There are currently no further questions in the queue - are there any further questions from the floor?

Rob Gurner: One question from the web cast from Nik Stanojevic from Brewin Dolphin. What would it take for the platinum industry to make further cuts to production - how likely do you think this is?

Ian Farmer: Well I think the cash flow position is still very tight and I think platinum producers will be looking very carefully at their short term volumes. We are profitable at these prices but clearly finding capital is still a challenge.

So I think that if you were to see the Rand strengthening materially from its current position or indeed the PGM price basket falling back, it would be something that PGM producers would be forced to readdress.

But I don't want to make any exact predictions because I just don't know. I just know that things are tight and it's something we keep under careful scrutiny at all times.

Rob: I think we've got one more question from the call. Apparently there's a problem with South African telecoms so I've been told.

Telephone Operator: Okay, yes the question's from Yuen Low of RBC Capital Markets. Ewan please go ahead.

Yuen Low, RBC Capital Markets: I was reading in your results that you are going to be buying some Merensky ore. Can I ask how much of that and what sort of grade because is it low grade. And also the Merensky pit that you will be reopening - how much do you expect to be mining from there and for how long?

Ian Farmer: We bought a fairly small amount of Merensky feed in this year from Implats. The grade was a fairly normal average type grades, I can't remember them off the top of my head. The reason for buying in was simply for blending and for smelting purposes - as you know managing your nickel/copper balance is very important for smelter stability.

That contract has, I think it's ended or is about to end ...

Alan Ferguson: ... July next year.

Ian Farmer: It ends in July next year so we're going to buy very small amounts. I think the total is probably something like 12, 15,000 ounces of platinum equivalent a year so it's particularly small.

Next year we are looking at reopening one of our Merensky pits to put Merensky feed into the blend from our own internal

sources. One of the advantages of the recent credit crunch is we've managed to screw down some of the open cast contractors to much better rates than we had this time last year. So that will contribute to profitability as well next year.

But it's very important to keep the Merensky UG2 mix very carefully balanced for smelting purposes and that was the reason for the buy and no more.

Yuen Low, RBC Capital Markets: Can I ask how many tonnes a year do you think you'll be doing from the Merensky pit?

Mahomed Seedat: This is about 20,000 ounces a year ...

Ian Farmer: It's not big.

Yuen Low, RBC Capital Markets: Okay, thank you.

Ian Farmer: Thanks very much.

Telephone Operator: Okay there are no further questions in the queue.

Ian Farmer: Any more from you Rob?

Rob Gurner: Yeah. Well just a couple more from the webcast.

Firstly, this is from Allan Cooke at JP Morgan. Can you remind us of the capital cost of the Number One furnace - what's it in today's money and can you give me an indication of what replacement furnace capacity for Lonmin might cost?

Ian Farmer: The answer to those questions from me is probably no I can't remember what the original cost was. Somebody can come back to you Alan; it's something we can dig out.

At this stage it's just too early to predict what sort of smelted capacity we require and how much it might cost. Clearly cost is very important.

We have ample capacity to deal with our short and medium term requirements. We've run with the business at north of 900,000 ounces in the past with the current smelting configuration. So, in the short to medium term the matter is more risk mitigation rather than a need for excess capacity.

And indeed we do have smelter disruptions as you know from time to time and that's something that clearly we'll seek to avoid at all costs. But when those events do happen they don't tend to cost us materially, it cost us \$5 million in terms of rebuild. So they're more a sort of a timing disruption to revenue flows rather than massive impact on the business.

So we tend to look at it very closely over the coming months - it's not something we've an answer to yet.

Rob Gurner:

And one final question from Abhishek Shukla at Nomura. Longer-term can you give any CAPEX guidance post 2013 to keep production flat at around 850?

Ian Farmer:

Again I don't have that number - off the top of my head I'd imagine something like a 250 number would be a guess but again we can come back to you on that.

Alan Ferguson:

Yeah say 200 to 250 ...

Ian Farmer:

Okay, we've exhausted you all. All right well thank you very much for coming along.

END