

REGISTERED NO 1789274

LONMIN FINANCE PUBLIC LIMITED COMPANY

Annual Report
and Accounts

2006

Registered office

4 Grosvenor Place
LONDON SW1X 7YL

MONDAY



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LONMIN FINANCE PUBLIC LIMITED COMPANY
30 SEPTEMBER 2006

REPORT OF THE DIRECTORS

The Directors of Lonmin Finance Public Limited Company submit their Report together with the audited Accounts for the year ended 30 September 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company was to lend to its parent company, Lonmin Plc, funds which have been borrowed in the market. The Company does not currently have any loans and is currently dormant. The directors do not expect the situation to change in the future.

As the Company is dormant and is a wholly owned subsidiary of Lonmin Plc, its risks are minimal. It does, however, face a small risk until December 2008 (at which time the statute of limitation expires) in connection to possible claims for any unpaid principal and/or interest from bondholders of the LUF 1,000 million 91/96 Bond which was repaid during December 1996.

FINANCIAL RESULTS FOR THE YEAR

The result before dividends for the year was £Nil (2005: £Nil). The Directors do not propose the payment of any dividends in respect of the year under review.

GOING CONCERN

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements. The Directors have satisfied themselves that the Company is in a sound financial position and that sufficient facilities will be available from its parent company, to meet the Company's foreseeable cash requirements.

CREDITOR PAYMENT POLICY

It is the Company's policy

- to settle the terms of payment with its suppliers when agreeing the terms of each transaction
- to ensure that its suppliers are made aware of the terms of payment
- to endeavour to abide by the terms of payment

Trade creditors at 30 September 2006 represent Nil days purchases as there are no trade creditors.

DIRECTORATE

The present Board of the Company, who served throughout the year, is set out below

B A MILLS
J N ROBINSON
R C BELLHOUSE

DIRECTORS' INTERESTS

According to the Company's Register of Directors' Interests, the following interests have been disclosed in the share capital of Lonmin Plc

LONMIN PLC - Ordinary Shares US\$1 each							
	Shares		Number of shares under option				
	Share of	Shares of	1 10 05	Granted	Exercised	Lapsed	30 9.06
	US\$1 each	US\$1 each	Shares of				Shares of
	1 10 05	30.9 06	US\$1 each	US\$1 each			US\$1 each
R C BELLHOUSE	1,960	2,649	33,668	6,268	-	-	39,936

The share interests of Mr B A Mills and Mr J N Robinson are not disclosable by this Company, as it is a wholly-owned subsidiary of Lonmin Plc, of which they are also Directors and consequently their share interests will be disclosed by that company.

LONMIN FINANCE PUBLIC LIMITED COMPANY
30 SEPTEMBER 2006


DISCLOSURE OF INFORMATION TO AUDITORS

As required under Section 234ZA of the Companies Act 1985, so far as each current Director is aware, there is no information relevant to the audit of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any such information and to ensure that the Company's auditors are aware of that information

AUDITORS

A resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By Order of the Board


FOR THE SECRETARIES
THE AFRICAN INVESTMENT TRUST, LIMITED
27 APRIL 2007

REGISTERED OFFICE
4 GROSVENOR PLACE
LONDON, SW1X 7YL

LONMIN FINANCE PUBLIC LIMITED COMPANY
30 SEPTEMBER 2006

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT
AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

LONMIN FINANCE PUBLIC LIMITED COMPANY
30 SEPTEMBER 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LONMIN FINANCE PUBLIC LIMITED COMPANY

We have audited the financial statements of Lonmin Finance Public Limited Company for the year ended 30 September 2006 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

30 April 2007

LONMIN FINANCE PUBLIC LIMITED COMPANY

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2006

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure
Consequently, during those years the Company made neither a profit nor a loss

The attached notes on page 7 form part of these Accounts

The Company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during either 2006 or 2005. Therefore the result on ordinary activities is derived entirely from continuing operations

The Company has no recognized gains or losses other than the result for the years ended 30 September 2006 and 2005. Therefore, no statement of recognized gains or losses is given

LONMIN FINANCE PUBLIC LIMITED COMPANY

BALANCE SHEET

30 SEPTEMBER 2006

	<u>NOTES</u>	<u>2006</u>	<u>2005</u>
		£000	£000
CURRENT ASSETS			
Debtors			
Amounts falling due within one year	2	<u>2,000</u>	<u>2,000</u>
TOTAL ASSETS		<u>2,000</u>	<u>2,000</u>
CAPITAL AND RESERVES			
Called up share capital	3	2,000	2,000
Profit and loss account	4	<u>-</u>	<u>-</u>
EQUITY INTERESTS		<u>2,000</u>	<u>2,000</u>

The Accounts on pages 5 to 7 were approved by the Board of Directors on 27 APRIL 2007 and were signed on its behalf by

Director J N ROBINSON

Director R. C BELLHOUSE

LONMIN FINANCE PUBLIC LIMITED COMPANY

NOTES TO THE ACCOUNTS

30 SEPTEMBER 2006

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking

The Company is controlled by Lonmin Plc and is exempt from disclosing related party transactions with it and other group undertakings under Financial Reporting Standard 8 as it is a wholly owned subsidiary undertaking included within the consolidated financial statements which are publicly available

	<u>2006</u>	<u>2005</u>
	<u>£000</u>	<u>£000</u>
<u>2 DEBTORS</u>		
Amounts falling due within one year		
Amounts owed by ultimate parent company	<u>2,000</u>	<u>2,000</u>

3 CALLED UP SHARE CAPITAL

AUTHORISED, ISSUED AND FULLY PAID		
2,000,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

4 RESERVES

	<u>Profit and</u>
	<u>Loss Account</u>
At 30 September 2005	-
Retained result	-
At 30 September 2006	<u>-</u>

5 ULTIMATE PARENT COMPANY

The Company's ultimate parent Company is Lonmin Plc, a company registered in England and Wales

The parent undertaking of the only group of undertakings for which group accounts are drawn up, and of which the Company is a member, is Lonmin Plc

Copies of the consolidated accounts of Lonmin Plc can be obtained from The Secretary, Lonmin Plc, 4 Grosvenor Place, London SW1X 7YL or from the Registrar of Companies, Crown Way, Maundy, Cardiff CF4 3UZ