

Lonmin Development Outcomes

In 2006, IFC took an equity stake in platinum producer Lonmin and provided the company with a standby loan. Lonmin sought a partnership with IFC largely because of IFC's ability to help the company implement community development initiatives at its operations in South Africa.

Lonmin is the world's third largest platinum producer and has experienced positive growth since IFC's initial investment. Recently, the company has been affected by a dramatic drop in platinum prices and is undertaking cost cutting measures at its operations in South Africa, including reducing its workforce at certain sites. Despite these cut-backs the company continues to prioritize its community development programs and is not reducing any of its community investments at this point.

IFC and Lonmin have jointly developed a local economic development program to support the communities surrounding Lonmin's operations. To help enhance the positive development impact of Lonmin's mining operations, IFC provides advisory services in four areas: promoting female participation in Lonmin's workforce, HIV/AIDS prevention, community development, and local supplier development.

Information about the company's operations and financial results can be accessed at its web site: www.lonmin.com.

Update on Development Impact

Lonmin has created employment opportunities in South Africa, funded community development programs and contributed to government revenues on both a national and regional level.

Through its operations, Lonmin has made important contributions to development in South Africa. In 2008:

- Lonmin employed 33,725 professionals at its operations in South Africa (6.1% of which were women).
- Lonmin produced 1.37 million oz of platinum and paid over \$245 million to South African national and municipal governments.
- Lonmin spent \$7.3 million on community development programs.

IFC and Lonmin's economic development partnership has begun to produce tangible results in the communities where Lonmin operates. As of 2008:

- 165 contracts worth over \$29 million have been awarded to locally owned firms including ore transportation, construction, and training.
- Lonmin has seen a 41% increase in the number of women employed at its operations through the launch of a "Women in Mining" program.
- Over 98,000 employees and community members have been reached in Lonmin sponsored HIV/AIDS peer education sessions and over 1,300 people with AIDS

and orphans have been cared for by volunteers who receive support from Lonmin.

- 20 community projects worth over \$8 million have been designed with input from community stakeholders and are now being implemented.