
Lonmin says it rejects takeover bid from Xstrata

By Editor

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LONDON, August 6, 2008 (AFP) - British platinum producer Lonmin rejected on Wednesday a takeover bid from Swiss mining giant Xstrata, arguing that it was 'opportunistic and unwelcome' and had undervalued the group.

Earlier on Wednesday, Xstrata launched a hostile bid for Lonmin, valuing the world's third largest platinum producer at more than 6.0 billion euros (9.3 billion dollars).

'The board of Lonmin notes the unsolicited, pre-conditional offer announced this morning by Xstrata for the entire issued share capital of Lonmin at 3,300 pence per share in cash,' Lonmin said in a brief statement.

'This is an opportunistic and entirely unwelcome attempt to acquire Lonmin at a price which undervalues its unique assets.'

Lonmin added that a further announcement would be made by management in due course, while shareholders were strongly advised to take no action.

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