

HERBERT SMITH FREEHILLS ADVISES LONMIN PLC ON £226M TAKEOVER BY SIBANYE GOLD LTD

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Deals and cases

Herbert Smith Freehills has advised long-standing client Lonmin plc (Lonmin) on its £226 million recommended all-share takeover by Sibanye Gold Limited (trading as Sibanye-Stillwater) (Sibanye). The transaction was announced in December 2017 and required anti-trust clearances from the UK Competition and Markets Authority and from the South African Competition Tribunal and Competition Appeal Court. Closing marks the end of a long and contested regulatory process, with continued risk of further challenge and litigation up to sanction, and a sale which took place against a backdrop of challenging times for the business.

Lonmin is a major mine-to-market producer of platinum group metals (PGMs) with core operations in South Africa. Sibanye owns and operates a mix of gold and PGM mines and projects throughout South Africa, Zimbabwe and the United States.

Herbert Smith Freehills has advised Lonmin for many years, including on its 2015 rights issue. Sibanye's offer came against a background of several years of severe financial constraints faced by Lonmin which were caused by a range of factors, including low PGM prices and inflationary cost pressures. These were further exacerbated by operational, social and labour issues, including a five month strike in 2014.

Herbert Smith Freehills' team was led by London Corporate partners [Robert Moore](#) and [Stephen Wilkinson](#) alongside senior associate [Lucy Robson](#) and associates [Nishita Vasan](#), [Imogen White](#) and [Savy Jajmann](#). The wider team included [Kyriakos Fountoukakos](#), [Peter Rowland](#) and [Camille Puech](#) (CRT), [Mark Ife](#) and [Niall Crean](#) (Incentives), [Will Nevin](#), [Elliott Beard](#) and [Oliver Henderson](#) (Finance) and [Nick Wright](#) (Employment).

Cliffe Dekker Hofmeyr acted as legal adviser to Lonmin in South Africa. Linklaters acted as legal adviser to Sibanye in the UK and Edward Nathan Sonnenbergs as legal adviser in South Africa.

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