



2010 Half Year Financial Results

5 August 2010



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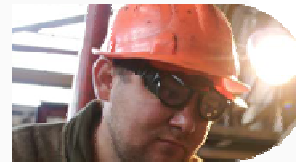
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Michael Abrahams



FINANCIAL RESULTS
Chris Mawe



OPERATIONAL HIGHLIGHTS
Kostyantyn Zhevago



STRATEGY AND OUTLOOK
Kostyantyn Zhevago

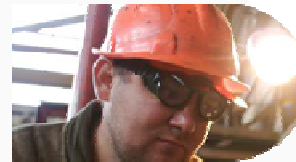


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STRATEGY AND OUTLOOK



1H 2010: Strong Volume and Price Increase

- Total production at record levels up 18% to 4.886 million tonnes
- Total sales volumes up 13% to 4.738 million tonnes
- Price increases of 90% to 120% achieved in 2Q 2010
- Geographical sales mix normalised
- Over 90% of sales volume based on long term framework contracts
- Robust cost control maintained - C1 cash cost US\$37.81 per tonne
- EBITDA up 257% to US\$215 million
- Dividend maintained at 3.3 US cents per share

Financial Highlights – Income Statement

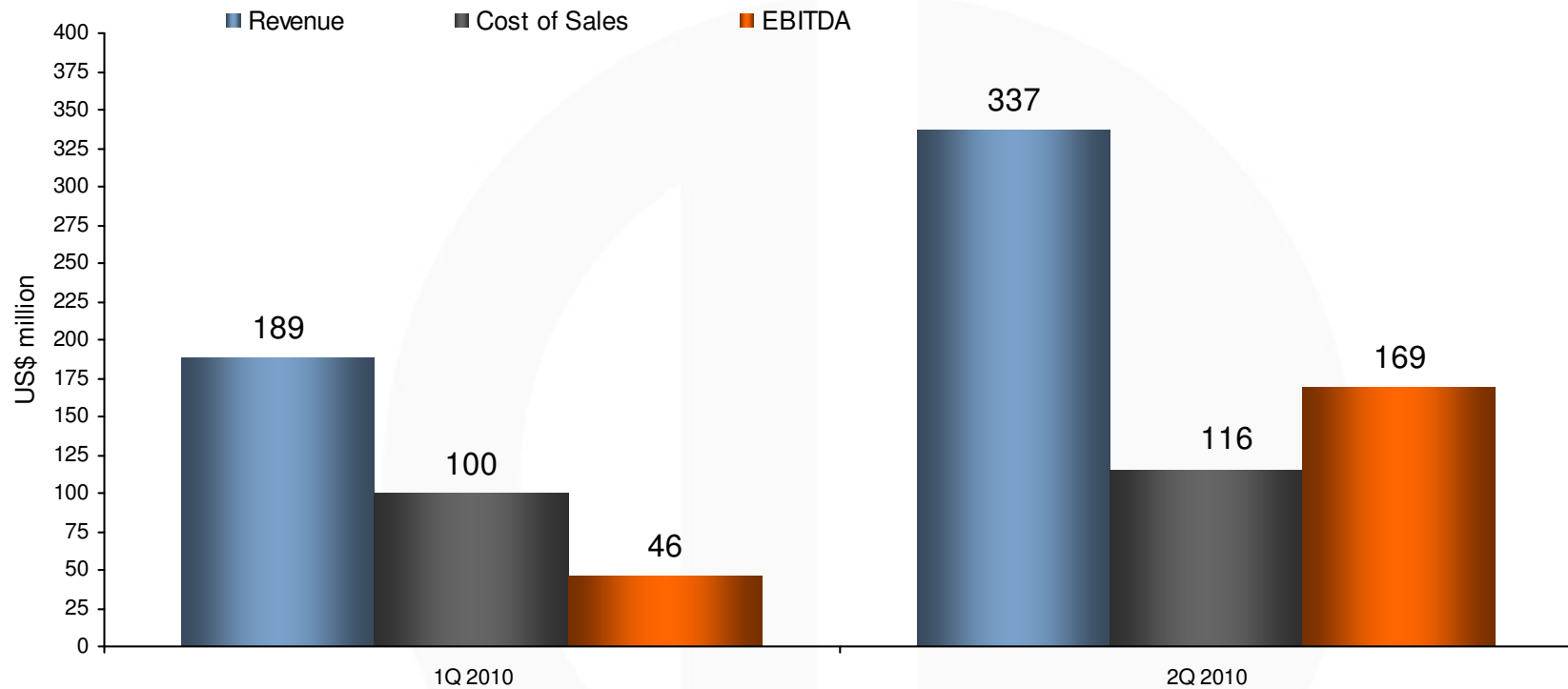
US\$'000	6 months to 30 June 2010	6 months to 30 June 2009	% change	Year ended 31 Dec 2009
Revenue	525.8	301.8	74.2%	648.7
C1 cost of production	-167.9	-142.4	-17.9%	-296.5
Other cost of sales	-48.4	-17.3		-44.6
Gross profit	309.5	142.1	117.8%	307.6
% margin	58.9%	47.1%		47.4%
Selling & distribution	-84.9	-75.8	-12.0%	-162.3
General admin & other	-24.1	-21.8	-10.6%	-39.9
Operating profit	198.2	44.5	345.4%	105.4
% margin	37.7%	14.7%		16.2%
EBITDA	215.2	60.3	256.9%	138.1
Exceptional	-15.0	0.0	n/a	0.0
Net finance expense	-16.2	-8.8	-85.0%	-20.8
Underlying profit before tax	183.0	37.1	393.1%	85.0
Income tax	-27.5	-9.1	-202.3%	-9.9
Underlying income tax rate	15.0%	24.5%	-38.8%	11.6%
Less minorities	-0.6	-0.2		-0.4
Underlying profit for the period	155.0	27.8	456.4%	74.8
Underlying eps (basic)	26.5	7.76	241.5%	12.8
Sales volume (000 tonne)	4,738	4,194	13.0%	9,015
C1 cash cost per tonne	37.8	34.5	9.46%	34.4

Strong FCF Generation Through-Out the Cycle

US\$m	2007	2008	2009	1H 2009	1H 2010
EBITDA	246.1	503.9	138.1	60.3	215.2
Working capital movements	-1.8	-33.8	-13.8	15.9	-135.8
Interest paid	-24	-15.4	-19.2	-8.8	-12.5
Income tax paid	-32	-67.2	-18.9	-17.2	1.8
Movement in provisions and other non-cash items	0.5	-16.2	0.0	-3.9	-1.4
Net cash flows from operating activities	188.8	370.9	76.9	46.3	67.3
Sustaining CAPEX	-49.8	-70.6	-20.5	-12.3	-11.6
Free cash flow	139.0	300.3	56.4	34	55.7
Development CAPEX	-54.8	-205.9	-65.7	-30.9	-30.7
Distributions including to minorities and share repurchases	-69.8	-126.3	-36.6	-13.6	-19.3
Other receipts / (payments) (incl 2008 IPO proceeds of \$153 M)	151.0	2.2	2.1	1.8	-3.6
Currency translation differences	-0.5	-68.9	-0.3	2.4	-1.3
Movement in Net Debt	160.6	-102.5	-37.6	-2.2	0.8
Cash and cash equivalents at the end of the period	87.0	87.8	12.0	74.3	60.2
Net debt at period end	117.6	220.1	257.7	222.3	256.9
Net Debt to EBITDA	0.5x	0.4x	1.9x	3.7x	1.2x
Gearing	0.2	0.4	0.4	0.5	0.4

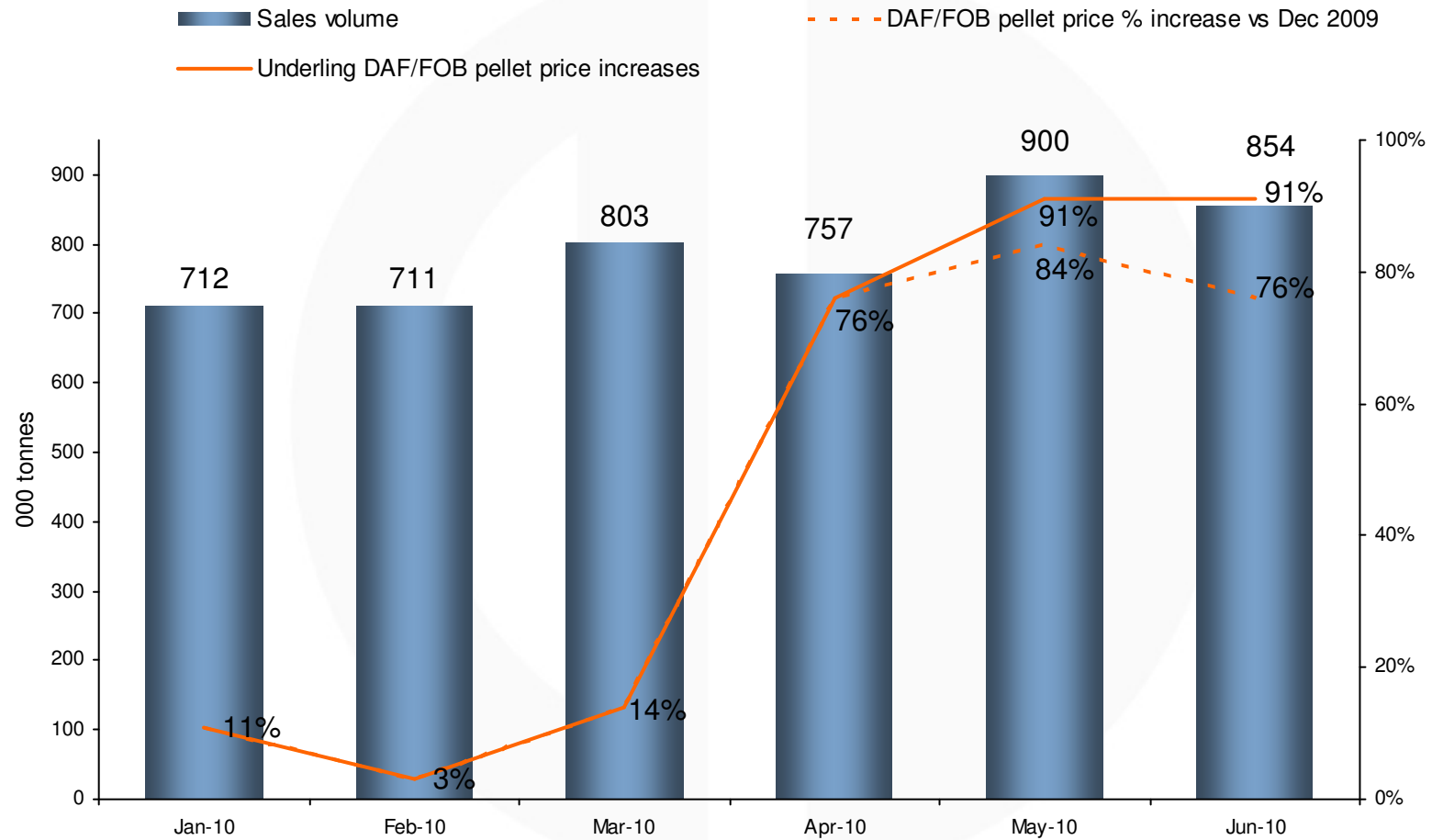
- > Net Debt to EBITDA comfortably below 2.5x
- > Cash generative throughout the cycle
- > Company intends to pay modest consistent dividends through-out the economic cycle

Quarter-on-Quarter Performance



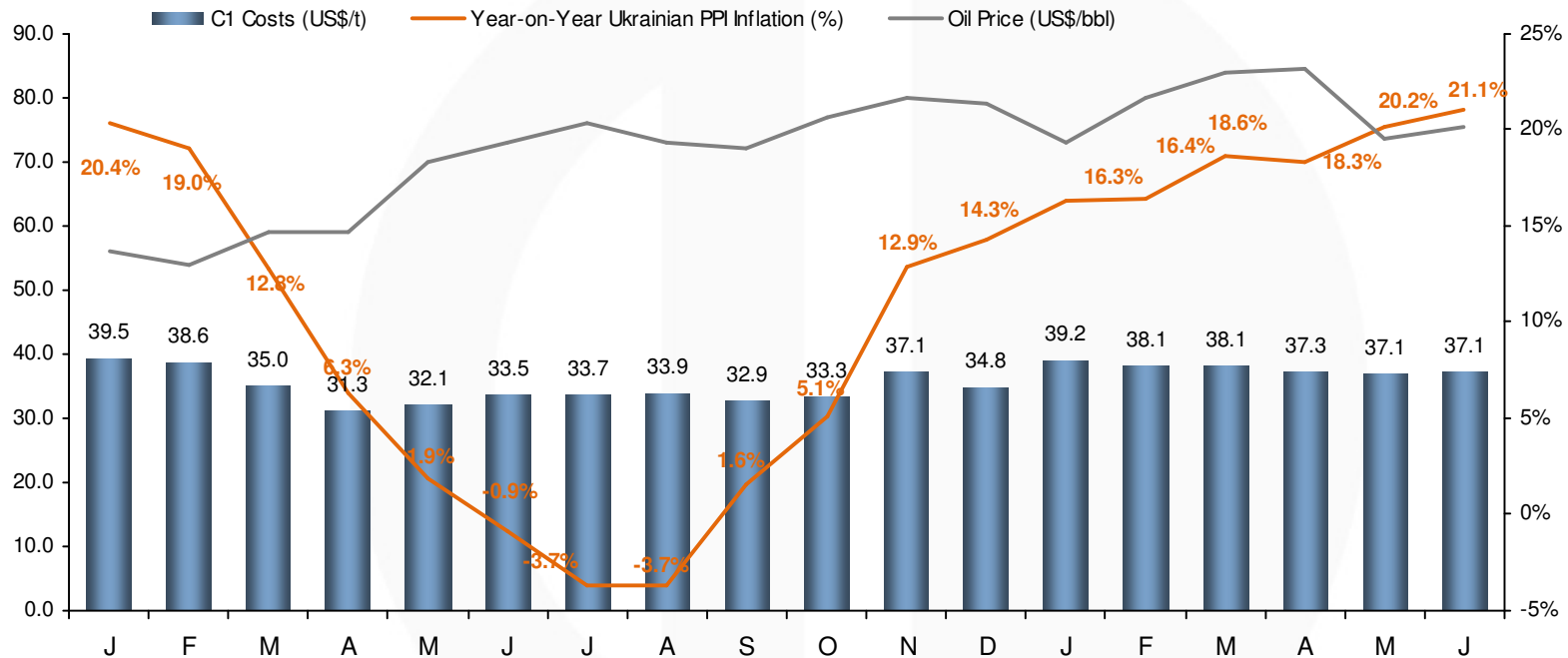
Sales Volume (kt)	2,225	2,513
C1 cost (US\$/t)	38.48	37.18

1H 2010 Sales Evolution



C1 costs – Robust Cost Management

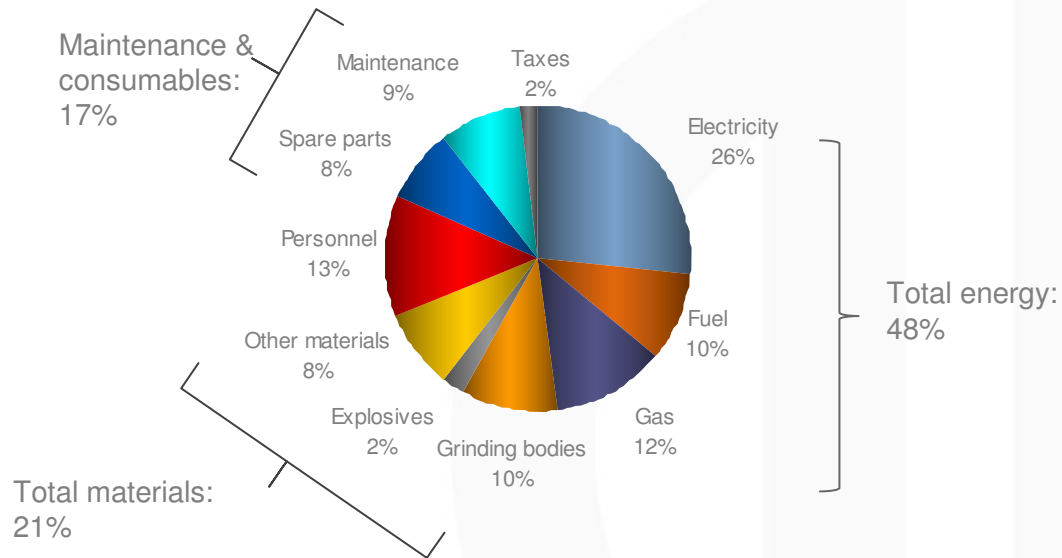
C1 Cash Costs of Production per tonne by month



- Ukrainian PPI inflation increasing mainly due to high steel and commodity prices (as measured year on year)
- Ukrainian PPI for June 2010 was 21.1% (as measured year on year)
- Ukrainian PPI inflation increased 14.3% from 31 Dec 2009 to 30 June 2010
- Hryvnia broadly stable between UAH7.9 and UAH8.0 to the US dollar

C1 Cash Cost Breakdown

C1 cash costs by input: 1H 2010 US\$37.8/t



➤ **BIP reduced consumption of:**

- Electricity per tonne of pellets by 5%
- Gas per tonne of pellets by 2%
- Grinding bodies per tonne of pellets by 2%

➤ **C1 costs continue to be stable as a result of strict cost control:**

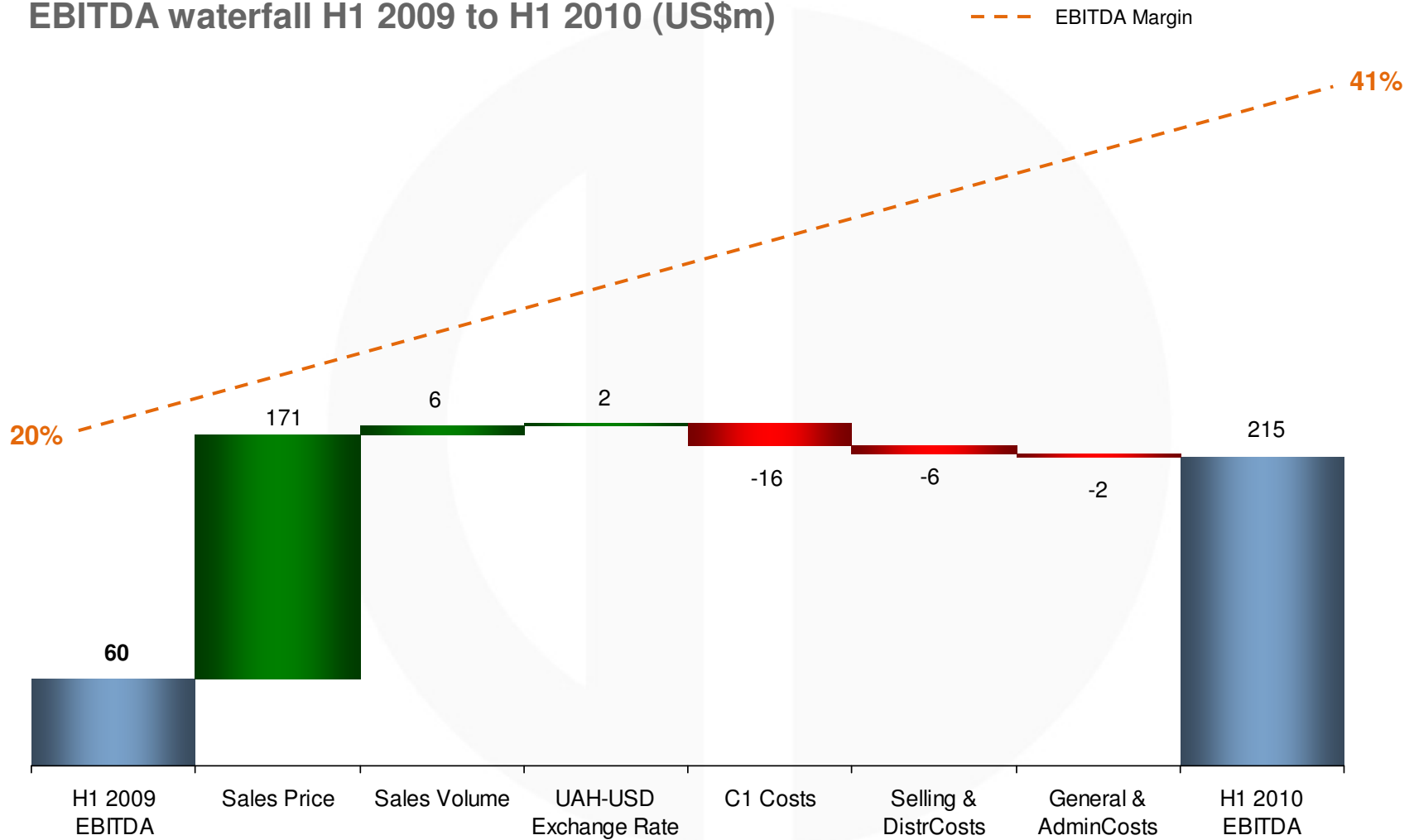
- Production at full capacity
- Business Improvement Programme continued
- Electricity tariffs up 4.4% in 2Q
- Grinding media reflects higher steel prices
- PPI inflation increased 14.3% (Jan to June 2010)
- Hryvnia stable since December 2009 at 8UAH/\$

C1 costs are total cash costs of production of pellets from own ore, ex-works



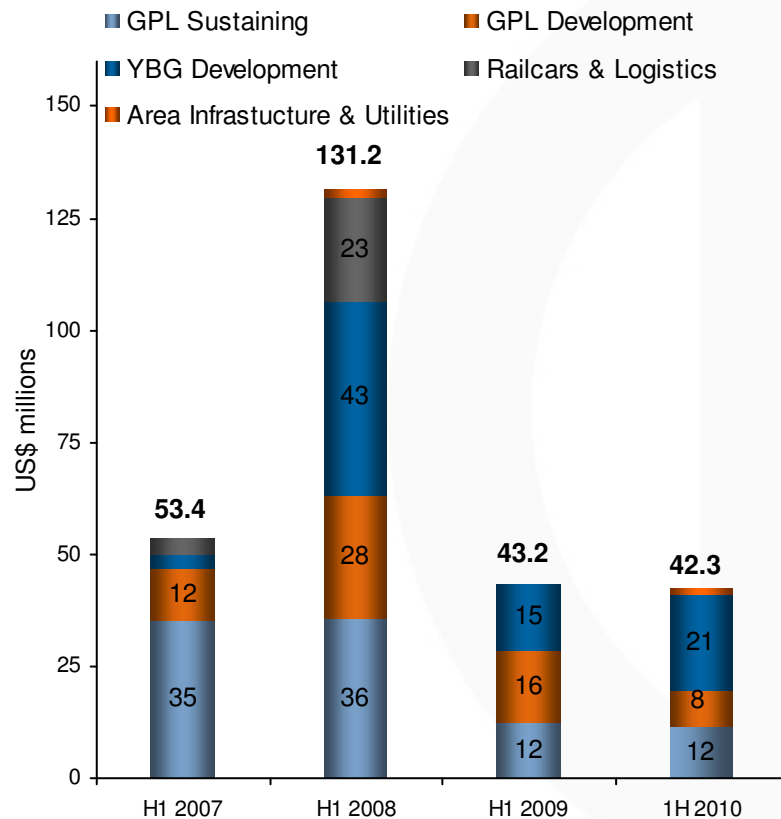
EBITDA and Influencing Factors

EBITDA waterfall H1 2009 to H1 2010 (US\$m)



Capital Expenditure and Funding

Capital Expenditure Split



Debt Position Secure

- Ferrexpo's principal debt facility is a US\$230 million pre-export financing facility
- Net debt at 30 June 2010 was US\$257 million – in line with December 2009 (US\$258 million)
- Cash of US\$60 million at period end (31 December 2009: US\$12 million)
- Projects to be developed in phases to provide investment flexibility should market conditions or the Group's cash flow position vary from plan

Financial Summary

- > **Excellent set of results driven by:**
 - **Record production**
 - **Robust cost control**
 - **Significant price increases**
- > **Strong balance sheet**
 - **Excellent cash generation**
 - **High level of discretionary capital flexibility enabling us to manage balance sheet**
 - **Material improvement in liquidity**

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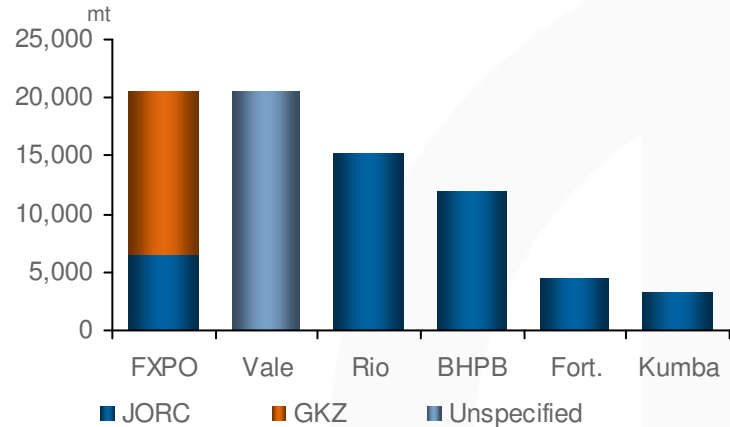


STRATEGY AND OUTLOOK



Ferrexpo at a Glance

Sizeable global iron ore resource



Source: US Bureau of Mines, FXPO, Vale, Rio, BHPB, Fortescue, Kumba

Favourable location



Source: pellet sales by volume, 1H 2010 results

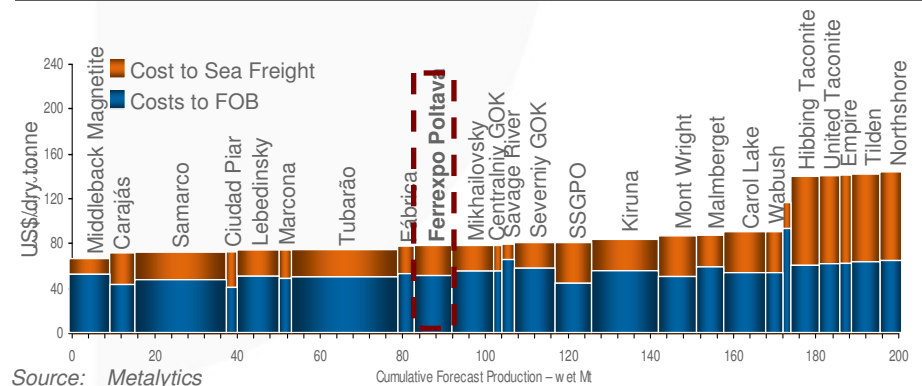
Summary financials

	2007	2008	2009	LTM *
Production (thousand tonne)	9072	9035	8767	9529
Average DAF/FOB price (per tonne)	72.3	124.6	66.3	87.1
Average C1 cash cost (per tonne)	31.8	42.3	34.4	36.1
Average selling & distribution cost (per tonne)**	8.5	14.4	12.3	12.9
EBITDA (US\$)	246.1	503.9	138.1	292.8
Free cash flow (US\$)	139.0	300.3	56.4	75.6
Net debt (US\$)	117.6	220.1	257.7	256.9

Source: Company, *Last twelve months to 30 June 2010

**excluding international freight and insurance

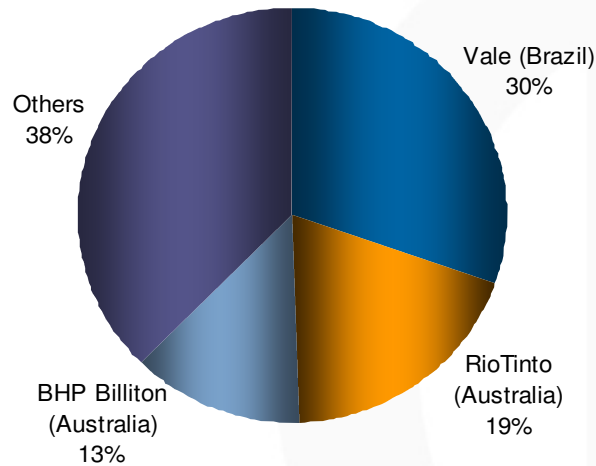
Competitive cost position (CFR China)



Source: Metalytics

Consolidated Industry Supply...

Seaborne iron ore — largest producers

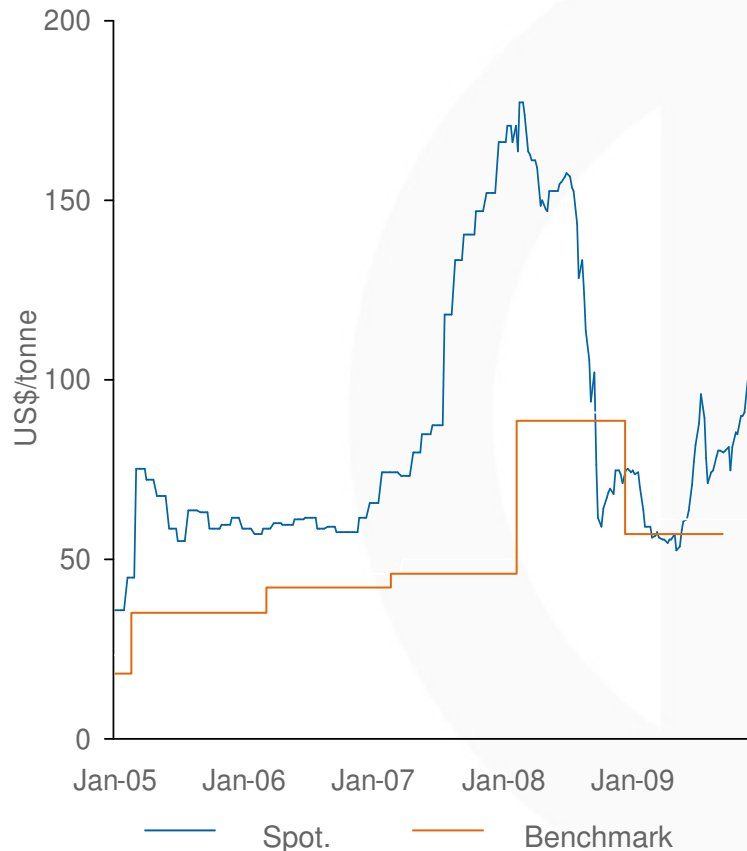


Source: Metalytics

- > The 'Big-3' iron ore producers supply c.63% of the global seaborne iron ore market
 - The large suppliers managed volume and therefore prices in the face of the recent downturn
 - Ferrexpo benefits from the high degree of consolidation, as it is able to sell all of its production into the market
- > Majority of iron ore projects are in the hands of the Big-3 (Vale, Rio Tinto, BHP Billiton)

...and a Changing Pricing Dynamic

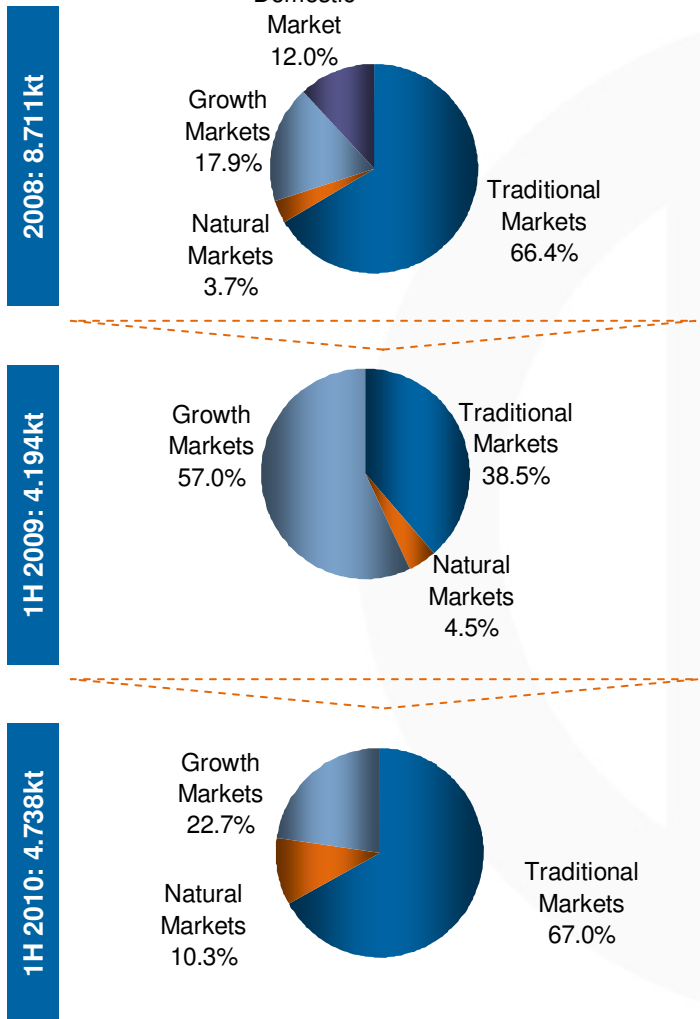
Benchmark vs. spot price



Source: Metalytics, Datastream

- > Seaborne iron ore prices traditionally determined on an annual basis by negotiation between major consumers and producers
- > During 2004 to 2009 imbalance of demand over supply led to sequential increases including c.90% increase in 2008
- > Global economic crisis and resultant decline in utilisation led to a c.48% decrease in pricing in 2009
- > Iron ore demand has recovered from its 2009 lows
- > Pricing mechanism is evolving as the spot market develops – Majors announced the adoption of a quarterly price mechanism
 - Globally traded spot iron ore tonnage has risen rapidly since 2001

Flexible Marketing Strategy



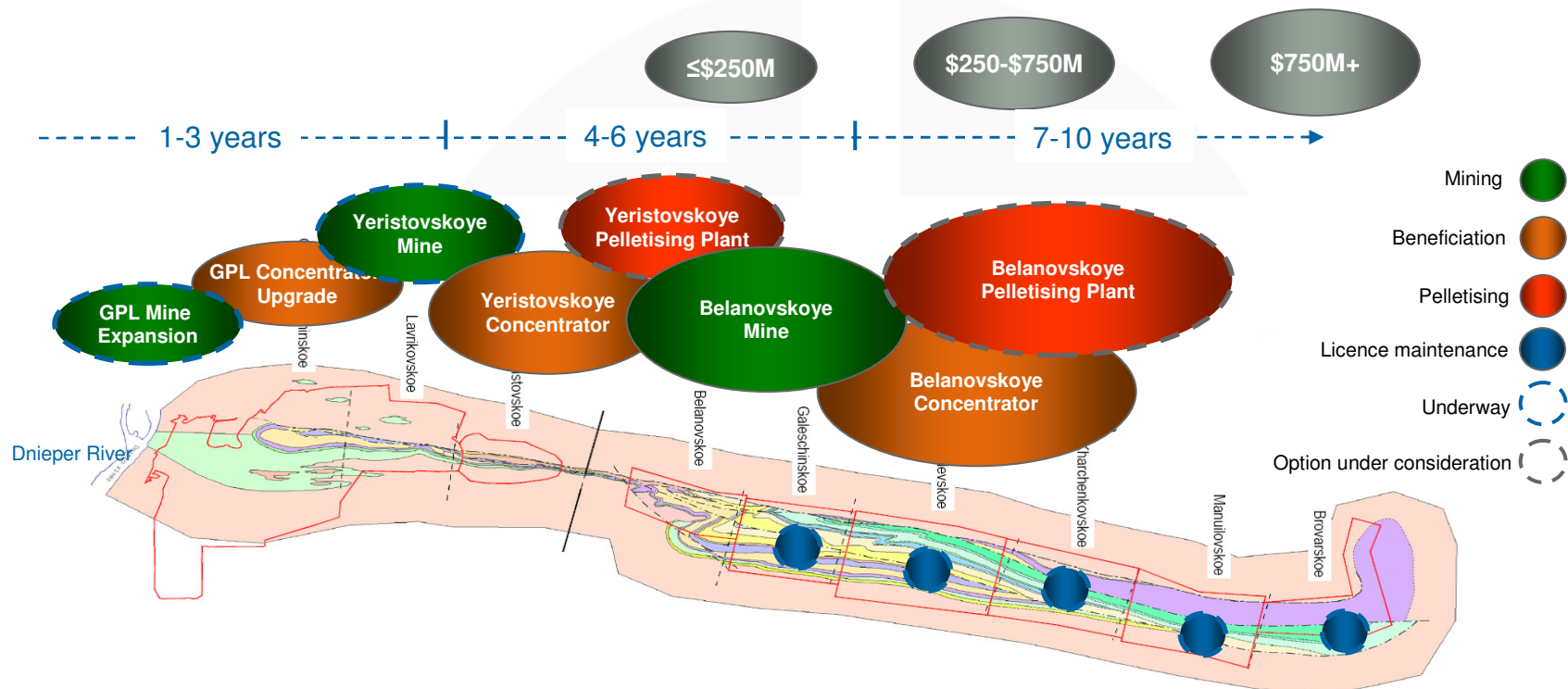
Source: Company accounts

Flexibility & relationships have been key

- > Flexible marketing and strong customer relationships allowed Ferrexpo to weather 2009 crisis better than competitors
- > Ferrexpo is seen as independent and strategic producer and important source of supply diversity
- > Focus on long term contract business — c. 90% of Ferrexpo production sold on long term agreements
- > Strong customer relationships
 - Loyalty – supply often reduced less/last
 - Effective inventory management
 - Established presence and reputation in China and growing Japan/Asia/India
- > In 1H 2010 sales profile normalised with majority to Traditional customers. But Growth and Natural markets still a third of sales.

Advanced Pipeline of Growth Projects

Growth projects largely on hold – but remain a priority



GPL Expansion & Upgrades	Yeristovskoye	Belanovskoye	Galeschina	Northern Resources
<ul style="list-style-type: none"> > Definitive feasibility study for upgrades completed <ul style="list-style-type: none"> > Quality Upgrade > Mine life extension > Production volume expansion 	<ul style="list-style-type: none"> > Definitive feasibility study completed > Stripping and construction works preserve development schedule and option value > Development on own balance sheet under consideration 	<ul style="list-style-type: none"> > Preliminary feasibility study completed 	<ul style="list-style-type: none"> > Alternatives for development explored in 2008 	<ul style="list-style-type: none"> > Exploration licences renewed till 2015

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Strategy and Outlook

Strategy:

- > Continue to develop our very significant resource base:
 - using a phased project approach to minimise financial risk and to maximise incremental production increases
 - using cash flows and prudent balance sheet management

Outlook:

- > Continue to produce at full capacity and to manage cost position
- > Industry pricing mechanism to continue to evolve
- > Maintain a flexible marketing strategy

Appendix



Poltava Dev. Projects – c. \$300 million

Quality Upgrade

- > Modifications and additions to the existing GPL plant to improve the grade of iron ore concentrate to a minimum 65%Fe
- > Development will include:
 - additional grinding facilities within the concentrator plant to achieve a finer grind
 - a second flotation plant to allow all the concentrate to be processed through the flotation stage, producing a single grade suitable for 65%Fe pellets
- > Expected timeframe of the upgrade is three years

Northern Pushback

- > Project enables the Company to access additional reserves of high quality K22 ore at the northern end of the existing GPL mine
 - Expands production and extends the mine life
- > Expansion process (Northern Pushback) will yield an additional 1.2Mtpa of pellets

It is envisaged that the project will be presented to the Board for approval in the later half of 2010

Yeristovo Project – c. US\$1.5 billion

Yeristovo Phase I

- > Phase I of the project is split out into two parts
 - Mining activity (in progress)
 - Construction of a 5mtpa concentrator
- > Mine pre-strip activities have been underway since the feasibility study in September 2008
- > Ore mining planned to commence in 2013 with the ore being treated at the GPL concentrator
- > 1st stage of concentrator construction should take 3 years once the full capex commitment is made
- > In full production phase 1 will produce an additional 2mtpa of pellets using FPM facilities and 5mtpa of pellet feed for sale

Yeristovo Phase II

- > Phase II of the project is split out into two parts
 - Incremental 5.0mtpa of concentrator capacity utilising the footprint of Phase 1 plant
 - Construction of a pelletizer
- > The feasibility study envisages construction of the concentrator and pelletiser commencing in 2013 with commissioning in 2016
- > Phase II project will produce additional 7.5mt of pelletizing capacity. This allows the whole group flexibility to produce up to 19.5mt of pellets and 0.5mt of pellet feed

It is envisaged that the project will be presented to the Board for approval in the later half of 2010