



This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorized under the Financial services and markets act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial advisor if you are in a territory outside the United Kingdom.

If you sell or transfer or have sold or otherwise transferred all of your ordinary shares in Ferrexpo plc ("Ordinary Shares"), please forward this document and the accompanying materials to the purchaser or the stockbroker, bank or other agent through whom the sale or transfer is or was effected for onward transmission to the purchaser or transferee. If you sell or transfer or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this document and the accompanying documents.

2011 DIVIDEND INFORMATION



Ferrexpo plc
Registered in England & Wales Company number 5432915

Registered office:
2-4 King Street London SW1Y 6QL

6 April 2011

To the holders of Ferrexpo plc Ordinary Shares

Dear Shareholder,

Introduction

I am delighted to confirm that the board of directors (the "Board") of Ferrexpo plc (the "Company") has proposed a dividend in respect of profits generated by the Ferrexpo Group in 2010 of 3.3 US cents per Ordinary Share, payable on 3 June 2011 to shareholders on the register on 3 May 2011 (the "Proposed Dividend"). The Proposed Dividend will be put to shareholders for approval at the annual general meeting of the Company which will be held at 11.00a.m. on Thursday 26 May 2011 (the "Annual General Meeting").

I am, therefore, writing again to shareholders to explain the options available to them in respect of their dividend payments and to give some information about the possible tax implications of the Proposed Dividend.

This information is provided for guidance only, and shareholders are strongly recommended to seek their own personal financial advice from their stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (if in the United Kingdom), or from another appropriately authorised independent financial adviser (if in a territory outside the United Kingdom).

The Proposed Dividend

Although we publish our accounts in US dollars and our dividends are declared in US dollars, our shares are denominated in UK pounds sterling and therefore dividends are paid in UK pounds sterling. The exchange rate at which the Proposed Dividend has been calculated for payment is based on the closing average exchange rate over the five business days up to and including 22 March 2011 and therefore the UK pounds sterling equivalent of the Proposed Dividend will be 2.0 pence per Ordinary Share. The Proposed Dividend will be paid by the Company on 3 June 2011.

Receiving your Proposed Dividend in US Dollars (Currency Election)

The Company has made arrangements for shareholders to receive dividends in US dollars if they so wish. To take advantage of this currency election option (assuming you did not do so last year), you need to complete the dividend currency election form (the "Currency Election Form") (enclosed with this letter).

Please complete the attached Currency Election Form if you require your dividend to be paid in US dollars. The completed Currency Election Form must be returned to the Company's Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by no later than 3 May 2011 in order to be applied to the 3 June 2011 payment date. Further copies of the Currency Election Form are available on the Company's website at www.ferrexpo.com and Equiniti's website www.equiniti.com.

Receiving your Proposed Dividend by Bank Transfer

Shareholders receiving the Proposed Dividend in UK pounds sterling may, if they wish, receive their payment by bank transfer. To take advantage of this bank transfer option, you need to complete the bank mandate form (the "Bank Mandate Form") enclosed with this letter.

Please complete the attached Bank Mandate Form if you require your dividend to be paid direct into your bank account. The completed Bank Mandate Form must be returned to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by no later than 3 May 2011 in order to be applied to the 3 June 2011 payment date.

Shareholders who wish to receive the Proposed Dividend in US dollars cannot receive their payment by bank transfer.

The Tax Implications of the Proposed Dividend

Ferrexpo plc is, for tax purposes, a Swiss resident company. As such any dividend payment which the Company makes will be subject to the current Swiss federal withholding tax rate of 35 per cent (the "Withholding Tax"). The Withholding Tax must be withheld by the Company from the gross distribution and paid directly to the Swiss Federal Tax Administration.

A full or partial refund of the Withholding Tax may be available in certain circumstances, depending on your place of tax residence, (beneficial) ownership, related refund applications and evidence. Please read the information regarding the dividend taxation refund which may be applicable to you in the appendix attached to this letter, headed "Dividend Payment and Swiss Withholding Tax".

Enquiries about your dividend payment

Should you have any queries about the payment of your dividend, please do not hesitate to contact Equiniti on 0871 384 2030 (0830 – 1730, Monday to Friday). The helpline will not be able to provide advice concerning tax implications for consideration by individual persons.

Yours sincerely

Michael Abrahams CBE DL
Chairman

APPENDIX

Dividend Payment and Swiss Withholding Tax

The following paragraphs, which are intended as a general guide only, are based on current UK tax legislation and Inland Revenue practice, Swiss tax law and US federal income tax law and practice. The following paragraphs are intended for use by individual shareholders, and do not address categories of shareholders who may be subject to special rules (such as banks, dealers or traders in securities, insurance companies, etc) or any shareholders who are not tax resident or ordinarily resident in the United Kingdom, Switzerland or the United States.

As it pertains to US tax issues, this analysis applies only to US individuals who own (or are deemed to own) stock of the Company and who qualify for benefits under the double tax treaty between Switzerland and the United States. Also, it describes only the US federal income tax consequences of the dividend; it does not discuss any state tax or non-US tax issues. Finally, it is assumed for this analysis, that the company paying the dividend is not a "passive foreign investments company" for US federal income tax purposes.

The summary below does not purport to constitute a comprehensive analysis of the relevant tax issues and does not consider any shareholder's particular circumstances. It is not a substitute for tax advice. If you are in any doubt about your taxation position, or you are resident other than in the United Kingdom, Switzerland or the United States, you should consult an appropriate professional adviser.

1. Shareholders resident in Switzerland for tax purposes.

Withholding Tax may be fully refunded or fully credited against your Swiss income tax if:

- You are/were the beneficial owner of ordinary shares at the time of the payment of the dividend; and
- You duly declare/declared the gross amount of dividend received on your individual tax return.

2. Shareholders NOT resident in Switzerland for tax purposes.

If you are not a resident of Switzerland for tax purposes and you do not hold shares in Ferrexpo plc in connection with the conduct of a trade or business in Switzerland through a permanent establishment or a fixed place of business, any entitlement to a refund of the Withholding Tax will depend on the existence of a double tax treaty between your country of tax residence and Switzerland:

(i) UK tax resident shareholders

The current double tax treaty between the United Kingdom and Switzerland may entitle you to a certain reclaim of Swiss Withholding Tax on the dividend. Qualifying UK resident shareholders will be able to claim back 4/7ths of the 35 per cent Swiss Withholding Tax, leaving a net tax cost of 15 per cent of the taxation levied by the Swiss authorities on the basis that you are, under UK taxation law, already obliged to pay tax on the gross amount of the dividends (which are treated as income for taxation purposes) received from the Company.

(ii) US tax resident shareholders

The current double tax treaty between the United States and Switzerland may entitle you to a certain reclaim of Swiss Withholding Tax on the dividend. Qualifying US resident shareholders who own (or are deemed to own) stock of the Company will be able to claim back 4/7ths of the 35 per cent Swiss Withholding Tax, leaving a net tax cost of 15 per cent of the taxation levied by the Swiss authorities.

(iii) Other non-Swiss tax resident shareholders

If you are resident outside the United Kingdom, Switzerland or the United States, you may still be able to take advantage of a refund or reduction of Swiss Withholding Tax if your country of residence has a double tax treaty in place with Switzerland. You should seek appropriate professional advice on the options available to you.

3. Procedure for reclaiming the refund

(i) Swiss tax resident shareholders

Claims for credit/refunds may be submitted to the respective cantonal tax authorities on the official individual tax return for income taxes after the expiration of the calendar year in which the taxable payment becomes due, but no later than 31 December of the third year following the calendar year in which the income tax became due. The tax administration may require additional information relevant for the credit or refund. The Withholding Tax will be credited to your income tax paid, or the excess Withholding Tax over your tax liability will be refunded in the following year.

(ii) UK resident shareholders

Three copies of Swiss tax Form 86, duly completed and signed, must be sent to the Inspector of Taxes in the United Kingdom to whom your income tax return is made (or to the Inspector of Taxes for the district in which you reside, if you have not made such a return) no later than 31 December of the third year following the calendar year in which the dividend became due. Rights to repayment arising in one calendar year must be claimed in a single claim. Two copies of the forms will be sent by the Inspector of Taxes to the Federal Tax Administration of Switzerland, Eigerstrasse 65, CH 3003 Berne, Switzerland. The relevant Form 86 can be found or ordered on the homepage of the Swiss Federal Tax Administration (<http://www.estv.admin.ch>).

The claim must be accompanied by evidence of deduction of Swiss Withholding Tax. In general, a certificate of deduction, signed bank voucher or credit slip will satisfy this requirement. A dividend voucher will be provided at the time of payment. However, the Swiss administration reserves the right to request further evidence and information.

The claim form may be filed by a representative on behalf of the beneficial owner, provided that the representative is formally authorised by a power of attorney (which must be attached to the form).

Please note: If your Ordinary Shares are held through a custodian, then the reclaim may be automatically generated on your behalf. You should therefore check with your custodian whether the reclaim will be made on your behalf.

We have been advised by the Swiss tax authorities that refunds may take some months to obtain, so you are advised to make your application as soon as possible. Refunds will be paid in Swiss francs.

(iii) US resident shareholders

Three copies of the Swiss tax Form 82-I, duly completed and signed before a notary public of the United States, must be sent to the Federal Tax Administration of Switzerland, Eigerstrasse 65, CH 3003 Berne, Switzerland, no later than 31 December of the third year following the calendar year in which the dividend became due. Rights to repayment arising in one calendar month must be claimed in a single claim. If, at the time of claiming, you are outside the United States, the declaration may be made before a United States consular office. The relevant Form 82-I can be found or ordered on the homepage of the Swiss Federal Tax Administration (<http://www.estv.admin.ch>).

The claim must be accompanied by evidence of deduction of Swiss Withholding Tax. In general, a certificate of deduction, signed bank voucher or credit slip will satisfy this requirement. A dividend voucher will be provided at the time of payment. However, the Swiss administration reserves the right to request further evidence and information.

The claim form may be filed by a representative on behalf of the beneficial owner, provided that the representative is formally authorised by a power of attorney (which must be attached to the form).

Please note: If your shares are held through a custodian, then the reclaim may be automatically generated on your behalf. You should therefore check with your custodian whether the claim will be made on your behalf.

We have been advised by the Swiss tax authorities that refunds may take some months to obtain, so you are advised to make your application as soon as possible. Refunds will be paid in Swiss francs.

(iv) Other non-Swiss tax resident shareholder

If you are resident outside the United Kingdom, Switzerland or the United States, you should contact the relevant tax office for the appropriate form and information on the reclaim procedure.