



Ferrexpo Group

Credit Suisse Global Metals & Mining Conference 2008

24 September 2008



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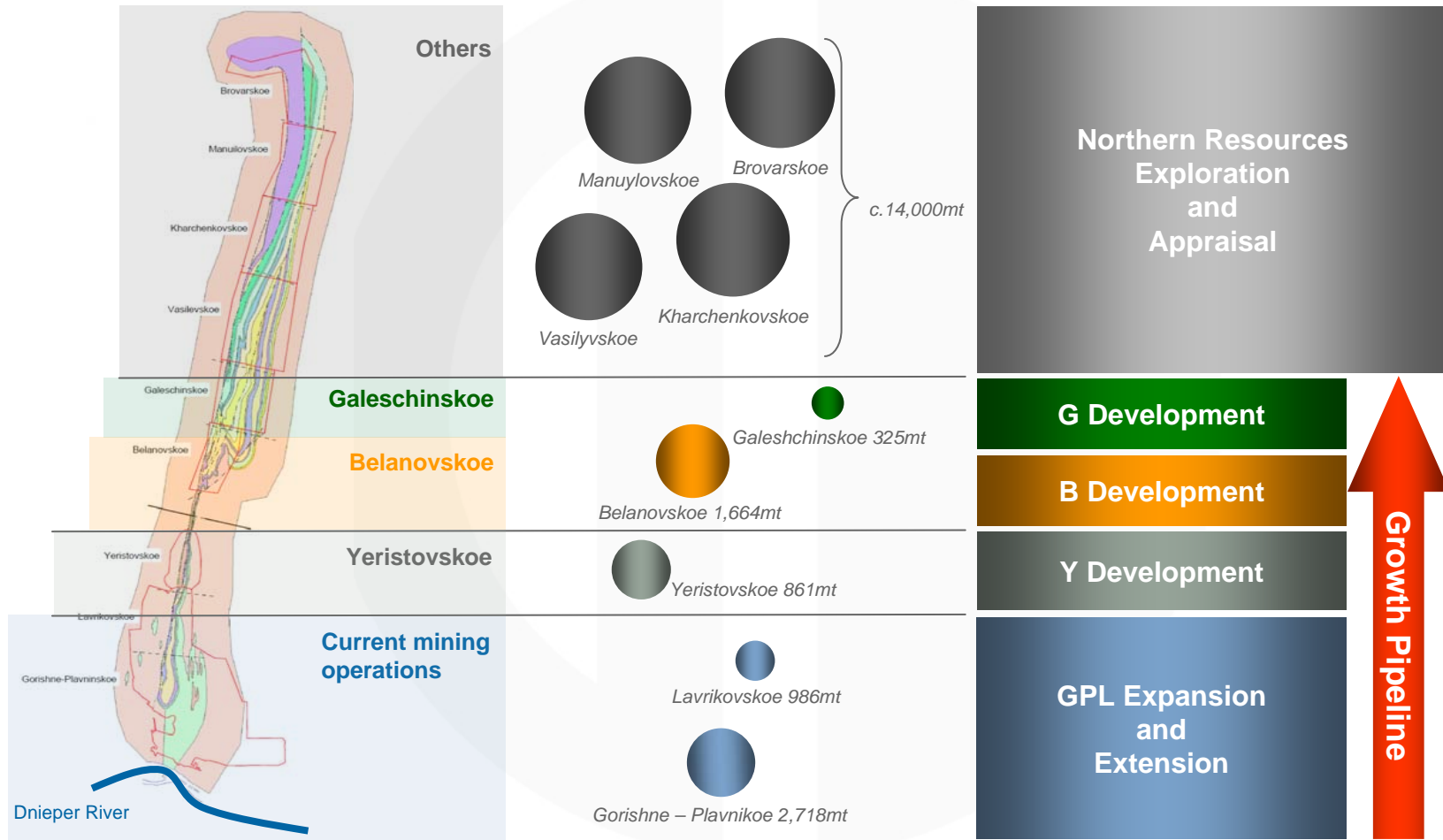
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Ferrexpo – A Vast Resource

Substantially under-exploited iron ore resources



Source: Ferrexpo plc

Supplier of Choice to Critical Customer Group

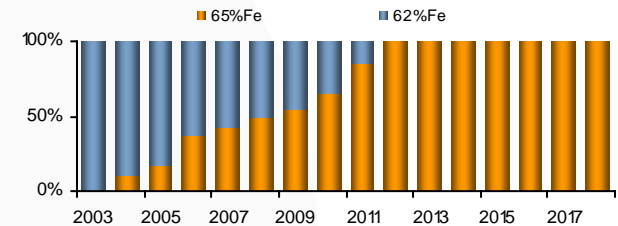
Position of operations – location is KEY



Competitive cash supply costs

First (lowest cost) quartile of iron ore pellet supply into existing markets in Central and Eastern Europe on a CIF basis

Production quality increasing



Potential for DR (68% Fe) pellets under consideration

Investments in logistics & infrastructure

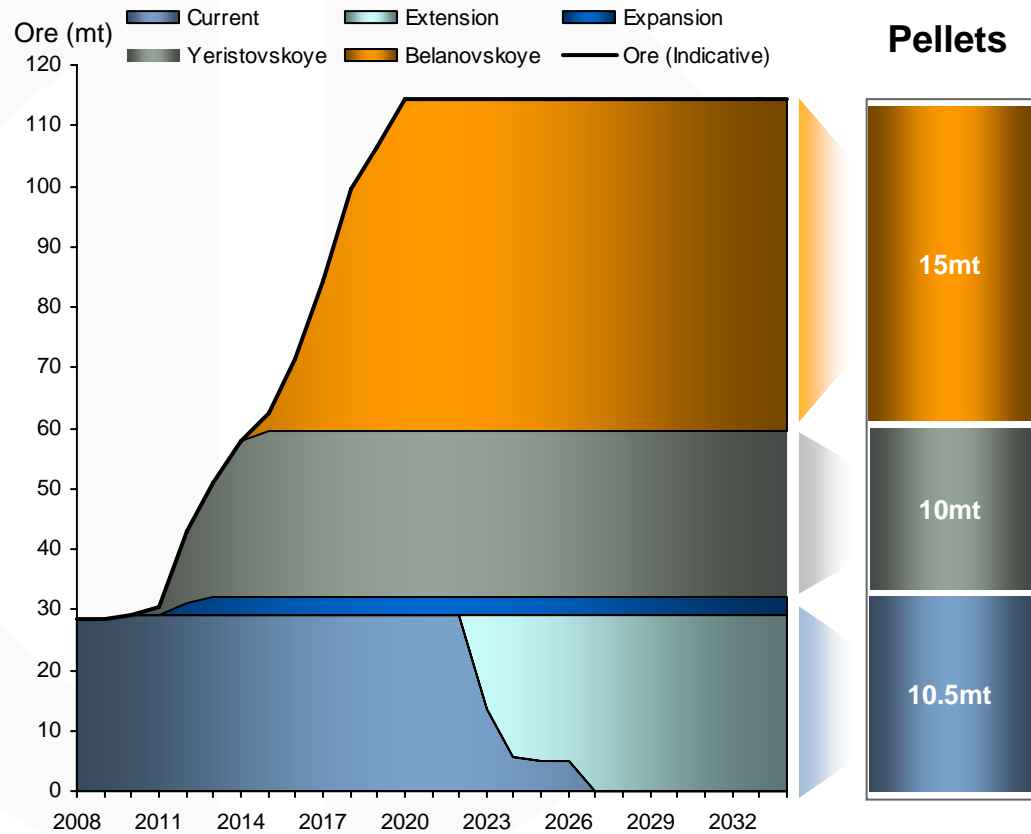
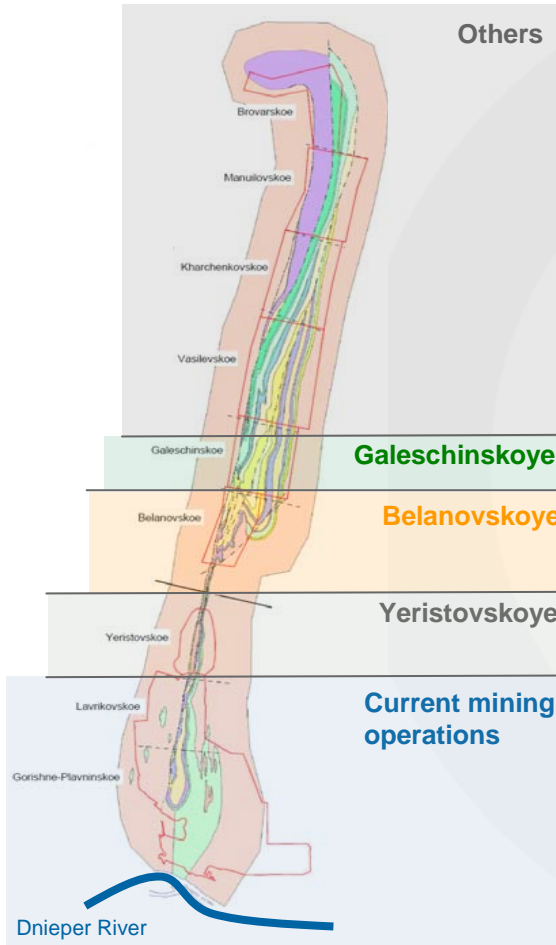
- Rail: Purchase of 550 railcars for US\$33.5m
- Shipping: Own 49.9% of TIS Ruda port facility, with access to 100% of 5mtpa capacity

Shipping distance to China²

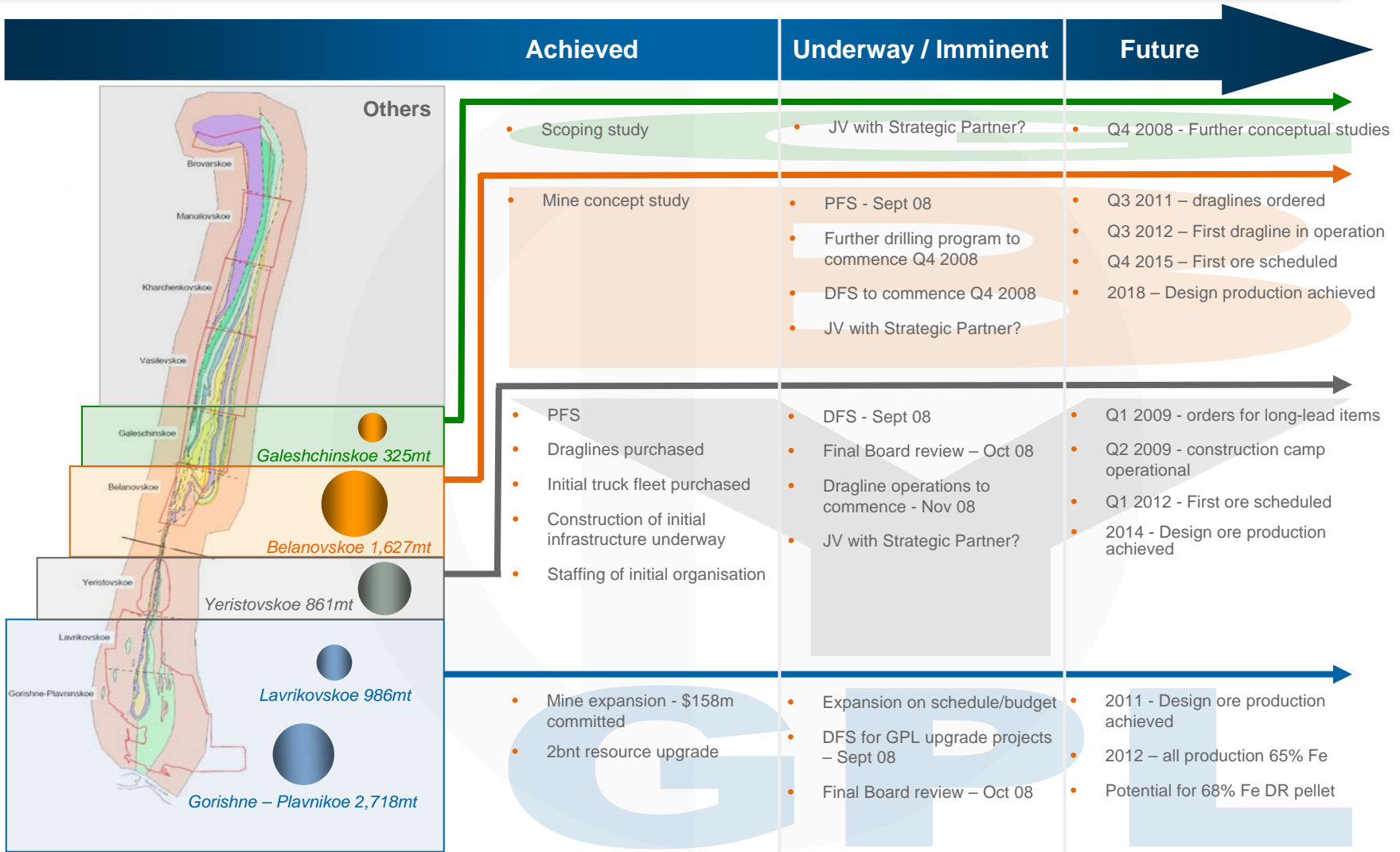
	Nautical Miles
P. Hedland (Australia)	3,600
Saldanha (S. Africa)	8,000
Yuzhny (Ukraine)	8,600
Tubarao (Brazil)	11,000
Sev. Island (Canada)	11,500 ¹

Strong Growth - Indicative Production Profile

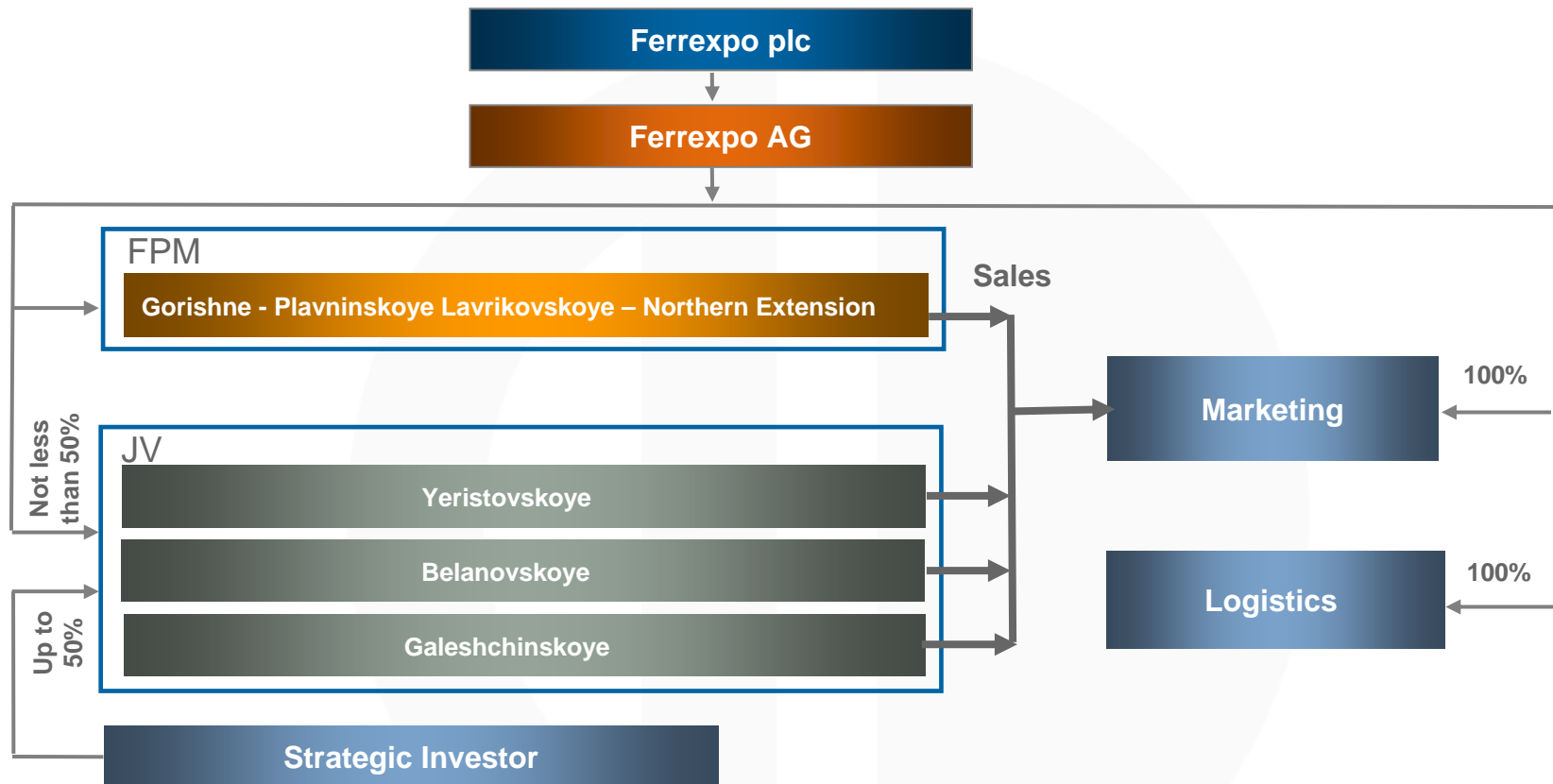
Over 100mtpa of iron ore and 35mtpa of pellets by 2018



Progress – Growth Project Pipeline



Strategic Investor Concept

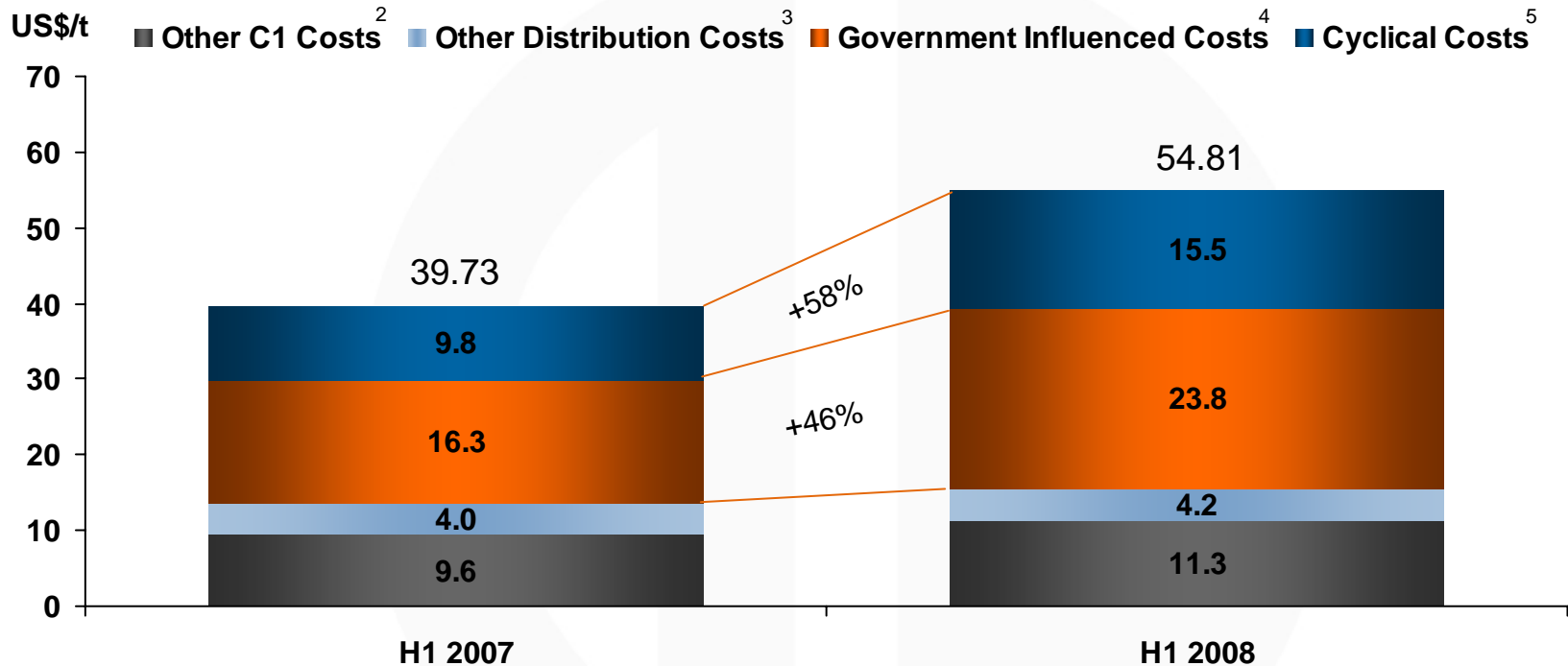


- Advisors appointed to run process
- Significant interest in proposed transaction
- Shortlist of potential candidates refined
- Due diligence underway with leading candidates
- Anticipated announcement of transaction in Q4 2008

- Yeristovskoye development proceeding in parallel with SI negotiations
 - Not dependent on outcome
 - Can be funded by Ferrexpo
 - Will proceed under all scenarios, once approved by Board in October

Factors effecting cost performance

DAF/FOB Cash Costs (C1 Costs¹ + Distribution Costs)



Ukrainian PPI⁶ (%)

11.0

29.4

UAH/US\$⁷

5.05

4.85

¹ C1 costs are total cash costs of production of pellets from produced concentrate, ex-works

² Includes Labour, Materials, Explosives and Royalties

³ Includes Port Charges, Sea Freight and Other Distribution Costs

⁴ Includes Electricity, Natural Gas, Railway Tariffs and Exchange Rate

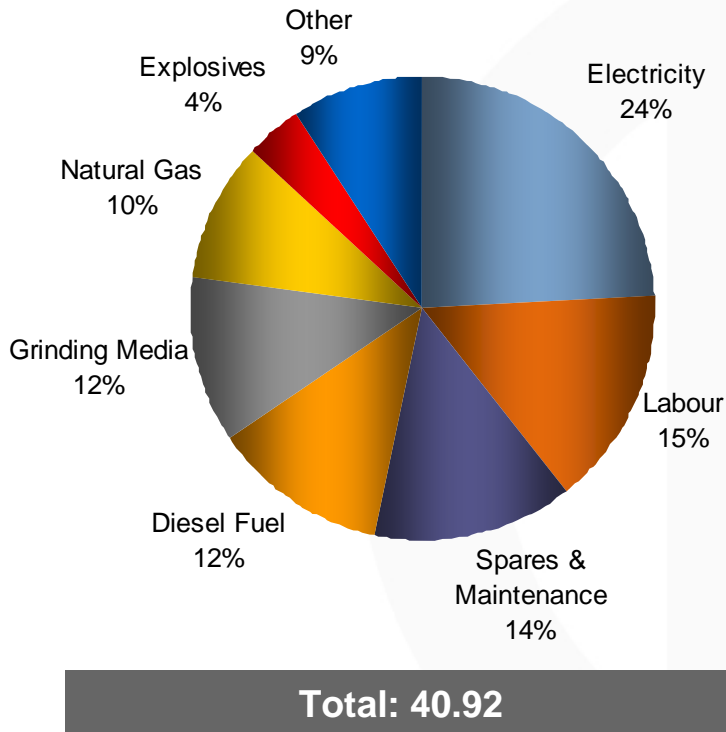
⁵ Includes Grinding Media, Spare Parts & Maintenance and Diesel Fuel

⁶ Producer price index over period

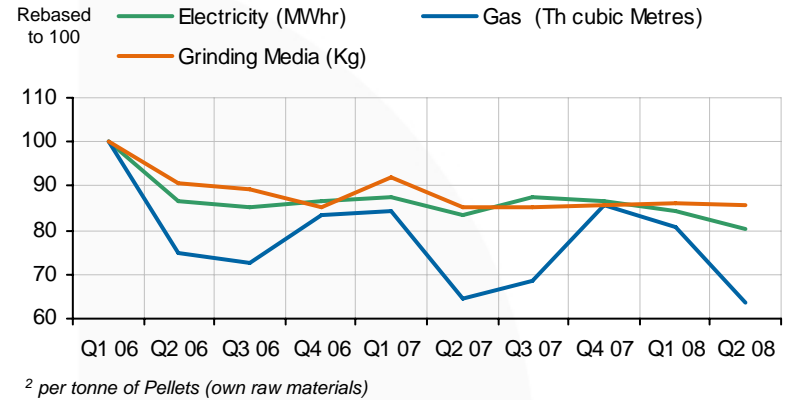
⁷ Average exchange rate over period

C1 Costs Breakdown

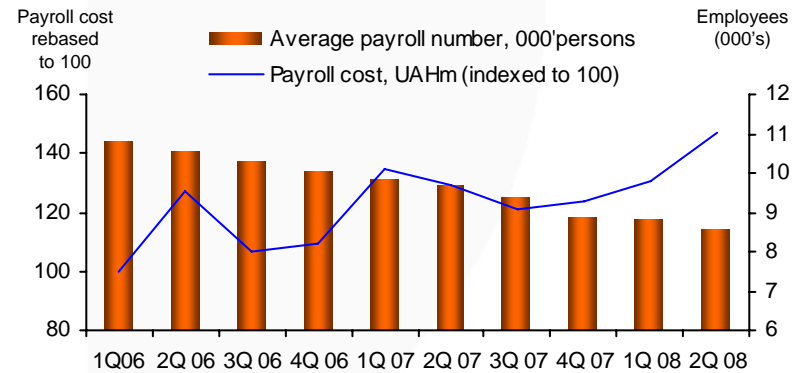
C1 Costs¹ by input (\$/t)



Reduction in utilisation of critical inputs²



Labour Cost Development



¹ C1 costs are total cash costs of production of pellets from produced concentrate, ex-works

Iron Ore Market - what we remain focused on

- Spot price movements vs freight rate movements – ‘spot’ is CFR China
- Reported inventory build – weeks of demand not absolute levels
- Demand fundamentals
 - Especially China / Asia steel demand per capita
- Type of iron/steel being produced in high per-capita demand regions:
 - BF/BOS in China (scrap deficient), Russia / Central Europe, India, South America
 - All have need of iron ore based processes
- Industry consolidation: both in steel and iron ore / minerals
- The case for pellets
- Getting used to living in a multi-speed world?
 - East-West decoupling – different growth rates and economic fundamentals
 - Developed / Developing decoupling – especially relevant to iron ore and steel given correlation to infrastructure and basic construction
- Financial market turmoil and equity market perception / panic kept in context

Outlook for remainder of 2008

- Positive market environment for iron ore pellets continues
 - Pricing extremely strong – contractual prices set for rest of year
 - Demand for pellets growing in key Traditional and Natural markets
- Incremental production & product quality improvements continuing
 - Overall production likely to be comparable to FY 2007
 - Modest increase in production from own ore possible
- Significant Ukrainian and industry cost inflation challenges remain
 - Further cost increases likely in second half
 - Initiatives in place to address exposure to energy and other cyclical costs
 - Efficiency improvement programmes will continue to mitigate
- Growth projects continue on accelerated development schedule
 - Critical investment decisions in Q4 on Yeristovskoye, GPL plant upgrades
 - Capability continues to be built
 - SI programme being actively pursued
- Group is well positioned for continued profitable growth