



Ferrexpo Group

Interim Results Presentation

19th September 2007

Today's Agenda

- Introduction - Mike Oppenheimer
- Interim Results - Dennis McShane
- Review and Outlook - Mike Oppenheimer
- Q & A's - Ferrexpo Team



Disclaimer

This document is being supplied to you solely for your information and does not constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company or any other securities, nor shall any part of it nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company. No information made available to you in connection with this document may be passed on, copied, reproduced, in whole or in part, or otherwise disseminated, directly or indirectly, to any other person.

Some of the information in this document is still in draft form and is subject to verification, finalisation and change. Neither the Company nor its affiliates nor advisers are under an obligation to correct, update or keep current the information contained in this document or to publicly announce the result of any revision to the statements made herein except where they would be required to do so under applicable law.

No reliance may be placed for any purpose whatsoever on the information contained in this document. No representation or warranty, expressed or implied, is given by or on behalf of the Company or any of the Company's directors, officers or employees or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability whatsoever is accepted by the Company or any of the Company's members, directors, officers or employees nor any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions otherwise arising in connection therewith.

This presentation and its contents are confidential. By reviewing and/or attending this presentation you are deemed to accept that you are under a duty of confidentiality in relation to the contents of this presentation. You agree that you will not at any time have any discussion, correspondence or contact concerning the information in this document with any of the directors or employees of the Company or its subsidiaries nor with any of their customers or suppliers, or any governmental or regulatory body without the prior written consent of the Company.

Certain statements, beliefs and opinions in this document and any materials distributed in connection with this document are forward-looking. The statements typically contain words such as "anticipate", "assume", "believe", "estimate", "expect", "plan", "intend" and words of similar substance. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risk, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Statements contained in the document regarding past trends or activities should not be taken as a representation or warranty (express or implied) that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast. You should not place reliance on forward-looking statements, which speak only as of the date of this document.

You should not base any behaviour in relation to financial instruments related to the Company's securities or any other securities and investments on information until after it is made publicly available by the Company or any of their respective advisers. Any dealing or encouraging others to deal on the basis of such information may amount to insider dealing under the Criminal Justice Act 1993 and to market abuse under the Financial Services and Markets Act 2000.



Highlights – six months to 30 June 2007

➤ **Strong financial results**

- Revenue increased to \$327.9 million, up 39% on equivalent period in 2006
- Profit for the period (after IPO costs) increased to \$40.6 million, up 179%
- Underlying earnings increased to \$67.4 million, up 309%
- Net financial indebtedness reduced by \$143.4 million to \$127.5 million

➤ **Operational improvement continues**

- Growth in pellet production volumes of 19% to 4.7mt
- Product quality improved, 14% increase in production of 65% pellets
- Flat nominal unit production costs, despite high Ukrainian inflation
- Operations commenced at new port investment on Black Sea - TIS Ruda

➤ **Growth projects accelerating**

- Development of the Yeristovskoe deposit underway
- Studies underway for current pit upgrade, Belanovskoe and Galeschinskoe
- Plans to involve outside parties to help accelerate resource commercialisation

➤ **HSE programme delivering positive results**



Financial highlights – Income Statement

US\$ '000	6 Months to 30 June 2007	6 Months to 30 June 2006	% Change
Revenue	327,915	236,217	+39%
Gross Profit	167,628	95,066	+76%
<i>% Margin</i>	51%	40%	
Operating Profit	98,965	36,539	+171%
<i>% Margin</i>	30%	15%	
EBITDA	112,300	51,218	+119%
<i>% Margin</i>	34%	22%	
Profit before Taxation	54,484	18,973	+187%
<i>% Margin</i>	17%	8%	
Profit for the Period	40,579¹	14,564	+179%
<i>% Margin</i>	12%	6%	
Underlying Earnings	67,408	16,501	+309%
Underlying EPS	11.10	2.80	+296%
EPS	6.03	2.55	+136%

¹ After IPO costs of \$30.1 million



Financial highlights – Balance Sheet

US\$ '000	As at 30 June 2007	As at 30 June 2006	% Change
Non-Current Assets	535,874	374,744	43%
Property, Plant & Equipment	322,769	313,345	3%
Current Assets	236,033	253,738	(7%)
Inventories	55,383	50,632	9%
Trade & Other Receivables	49,951	31,096	61%
Cash & Equivalents	71,904	7,735	830%
Total Assets	771,907	628,482	23%
Total Equity	481,166	271,298	77%
Non-Current Liabilities	211,382	126,842	67%
Interest-Bearing Loans & Borrowings	178,667	86,450	107%
Trade & Other Payables	4,994	11,085	(55%)
Current Liabilities	79,359	230,342	(66%)
Interest-Bearing Loans & Borrowings	15,350	184,711	(92%)
Trade & Other Payables	29,002	24,826	17%
Total Liabilities	290,741	357,184	(19%)
Total Equity & Liabilities	771,907	628,482	23%

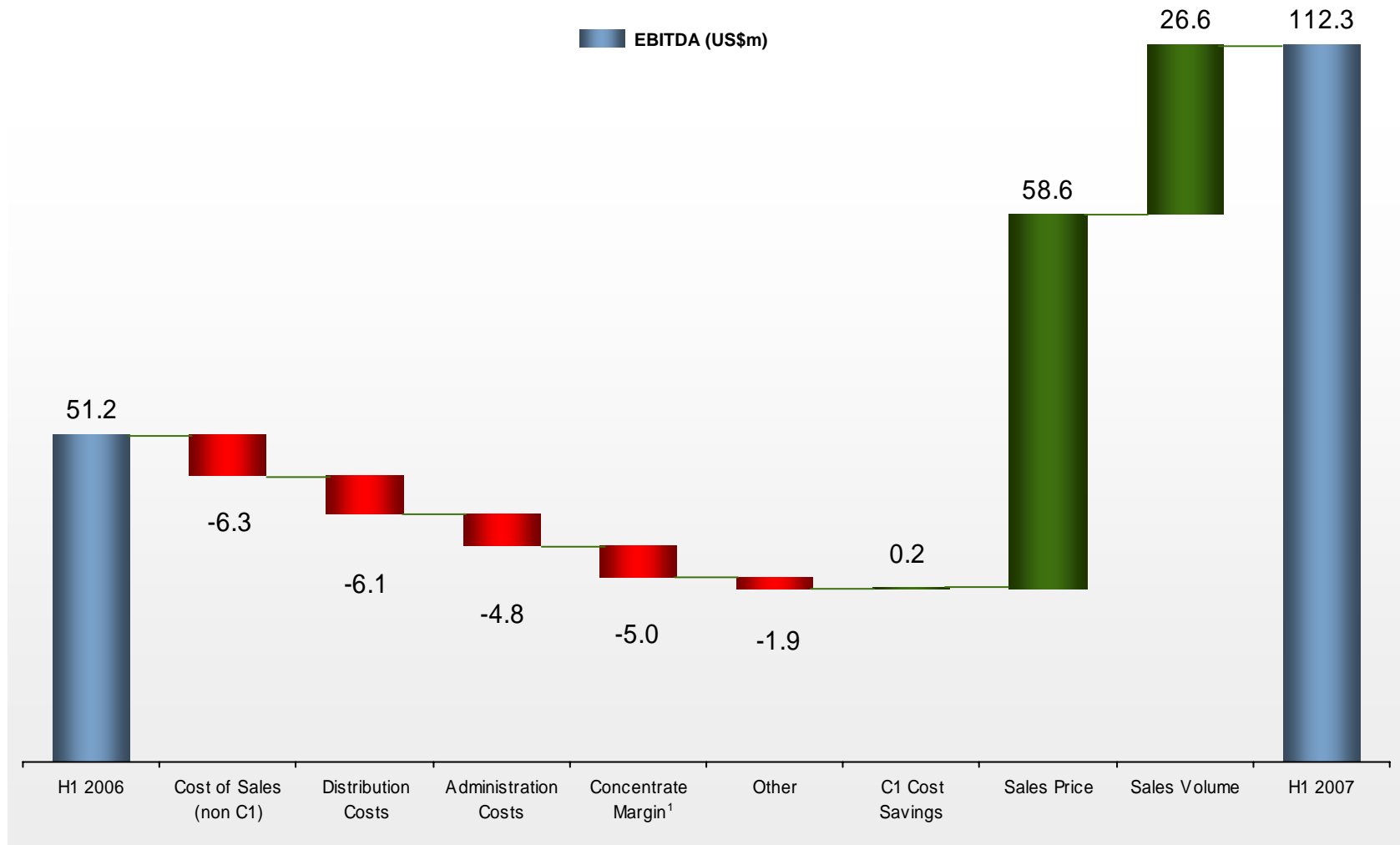


Financial highlights – Cash Flow Statement

US\$ '000	6 months ended 30 June 2007	6 months ended 30 June 2006	% Change
Net Cash Flows from Operating Activities	83,324	4,039	1,963%
Net Cash Flows from Investing Activities	(35,617)	(26,980)	32%
Purchase of Property, Plant & Equipment	(53,430)	(37,253)	-
Sales of Property, Plant & Equipment	14,870	290	-
Net Cash Flows from Financing Activities	7,797	27,688	(72%)
Proceeds from Borrowing & Finance	175,244	201,432	-
Repayment of Borrowing & Finance	(267,471)	(160,015)	-
IPO Proceeds	202,072	-	-
IPO Costs	(32,250)	(6,199)	-
Net Increase/(Decrease) in Cash & Equivalents	55,504	4,747	1,069%
Cash & Equivalents at Beginning of Period	16,236	2,496	550%
Currency Translation Differences	164	492	-
Cash & Equivalents at End of Period	71,904	7,735	830%



EBITDA and influencing factors

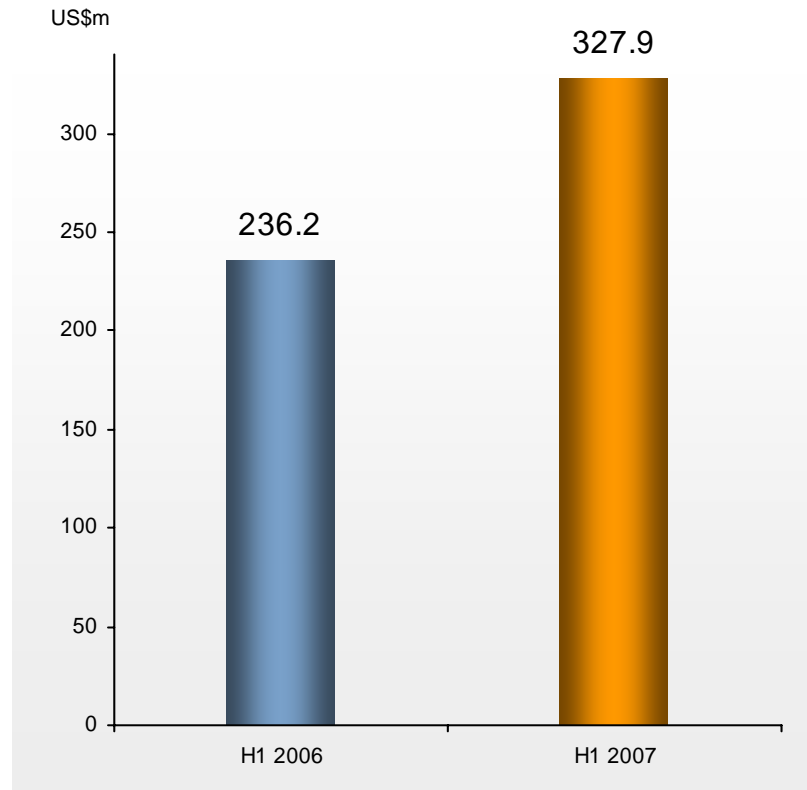


¹ Reflects reduced margin on pellets produced from purchased concentrate



Revenue

Revenue



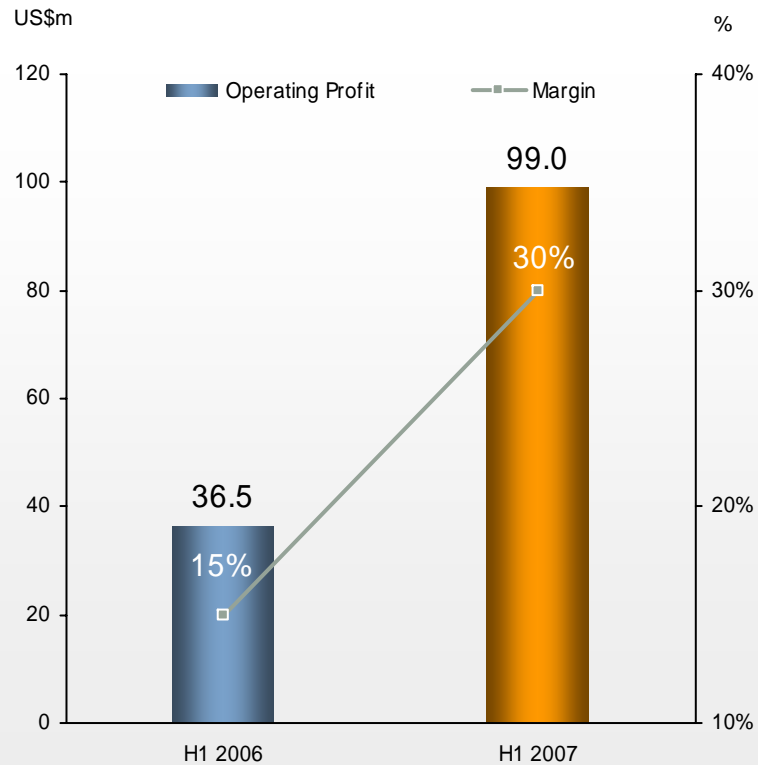
Results and Outlook

- Benefit of price increases
 - 23% between H1'06 and H1'07
 - 10% between Q1'07 and Q2'07
- Export sales 81% of revenue
- Ukrainian pellet sales 18% of revenue
 - 15% in FY 2006
 - Higher netback business
 - Higher income tax expense
- Revenue from sales into:
 - China up 22%
 - Austria up 25%
- Revenue from sales into Serbia doubled



Operating Profit

Operating Profit



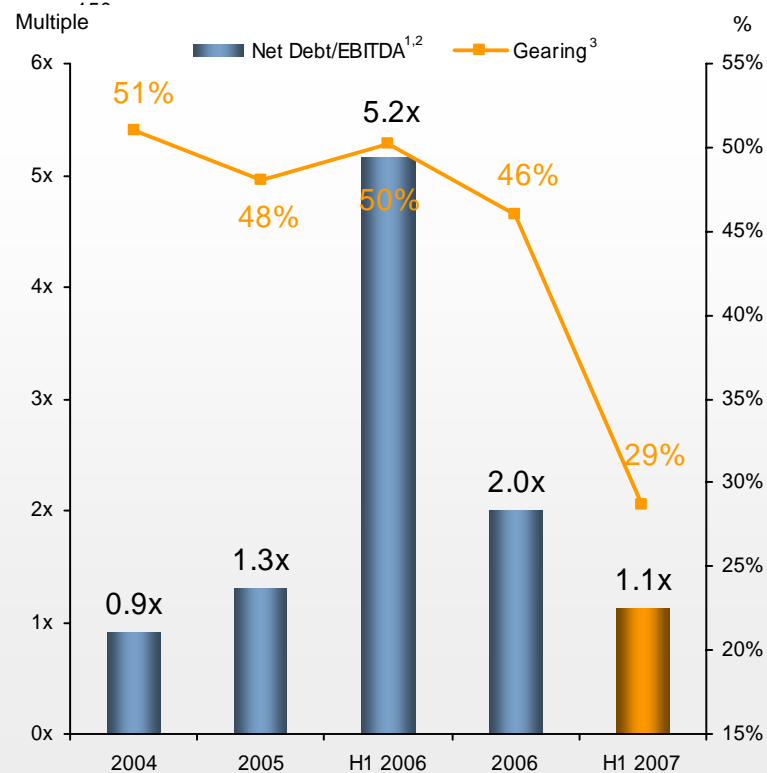
Results and Outlook

- Operating profit up 171%
- Margin twice that in H1'06
 - Stronger prices and volume
 - Benefits of cost control
 - Business Improvement Programme
- Cost targeting set to continue
 - Input costs rising across industry
 - Margins under pressure
 - Rate of improvement likely to decline



Capital Structure

Balance Sheet Strengthening



¹ Net debt calculated as current interest bearing loans & borrowings + non-current interest bearing loans & borrowings + non-current trade & other payables – cash & cash equivalents and short term deposits

² EBITDA is calculated as profit from continuing operations before tax and finance less foreign exchange (loss)/gain plus depreciation (included in both cost of sales and administrative expenses) and non-recurring cash items included in other income, non-recurring cash items included in other costs plus disposal of subsidiaries and associates. EBITDA is not a measure of financial performance under IFRS

³ Total debt for the purposes of gearing is all interest-bearing debt, i.e. current interest bearing loans & borrowings + non-current interest bearing loans & borrowings. Gearing is Total Debt / (Total Debt + Total Equity)

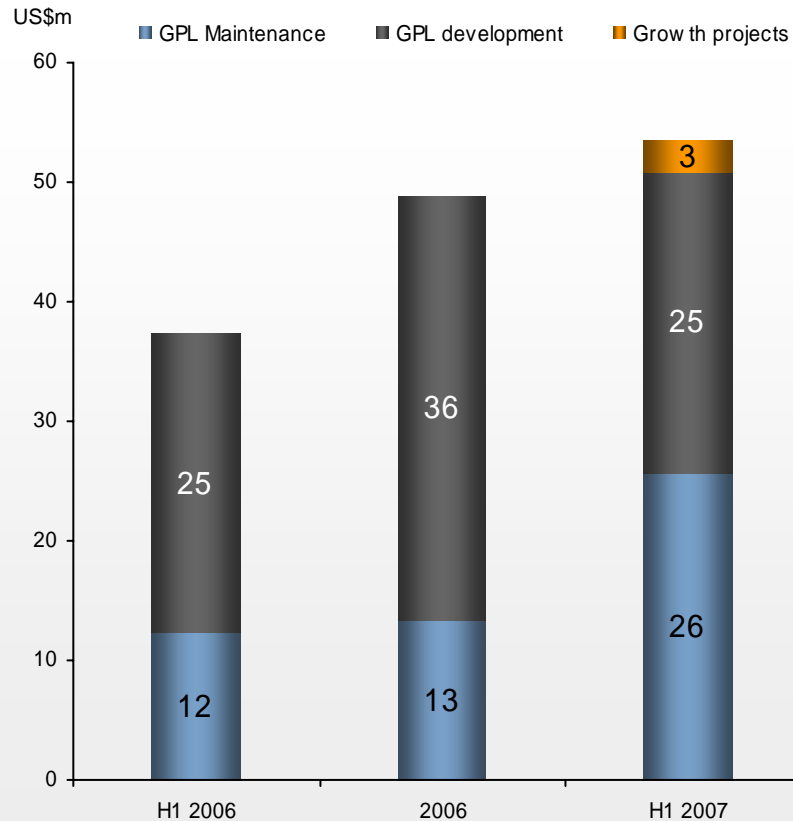
Capital Structure

- Benefits of debt restructuring in 2006
 - Reduced margins
 - Reduced effective borrowing cost
 - Extended tenor - less reliant on expensive short term debt
- Increased capital base
 - Total assets up by 23%
- Rebalanced short and long term liabilities
- Improved working capital prospects
- Maintain prudent gearing levels
 - Throughout cycle



Capital Expenditure

Capital Expenditure Split

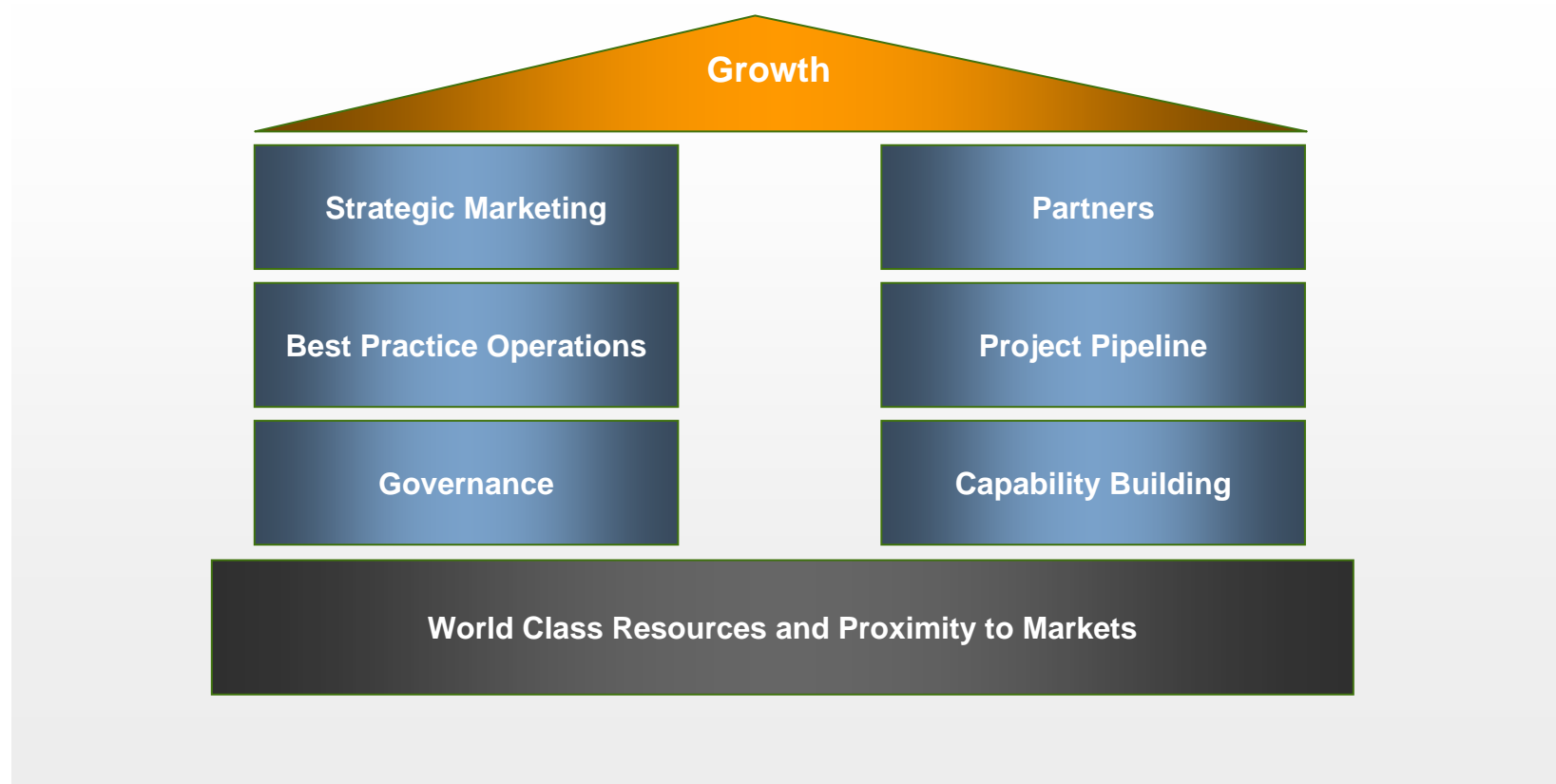


Capital investment

- 3 focus areas for future development capex
 - Optimisation of GPL
 - Development of Y, B and G
 - Further logistics investments
- Developments since balance sheet date
 - \$46 million committed for draglines
 - \$5 million committed for railcars

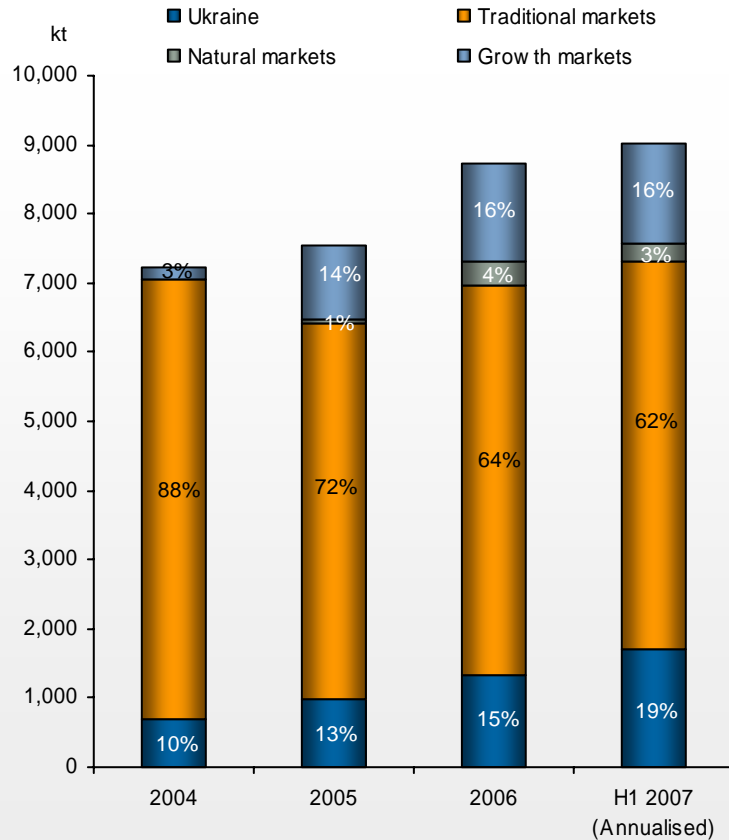


Ferrexpo Core Business Focus

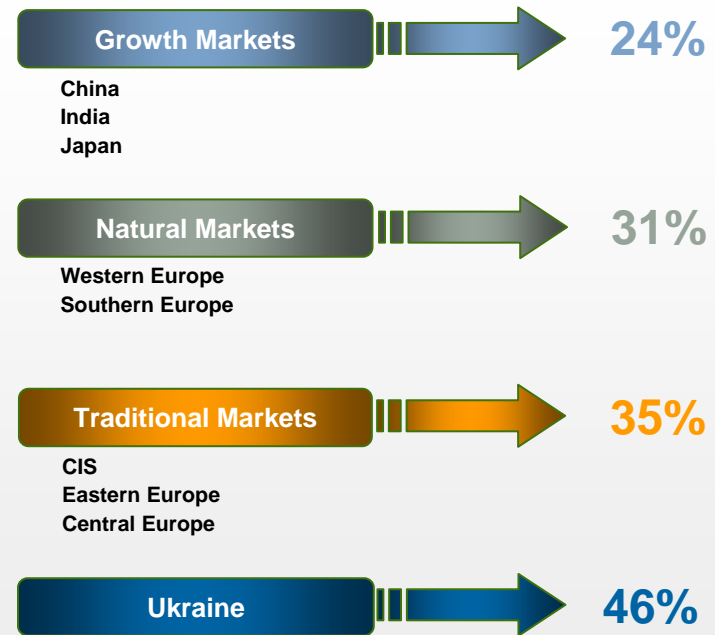


Market Mix

Pellets sold into market segments

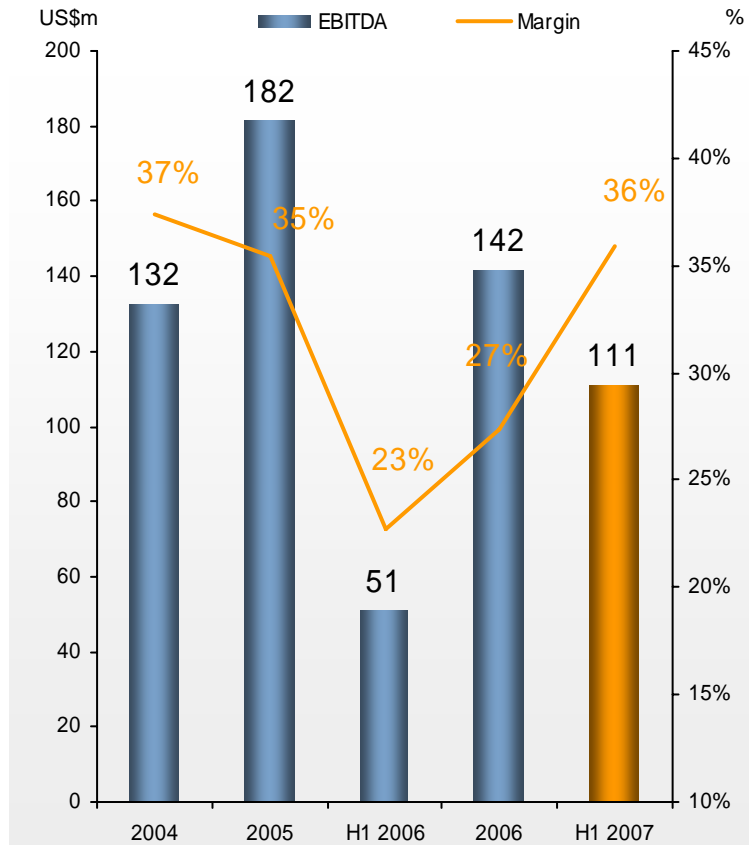


EBITDA margin by segment H1 2007

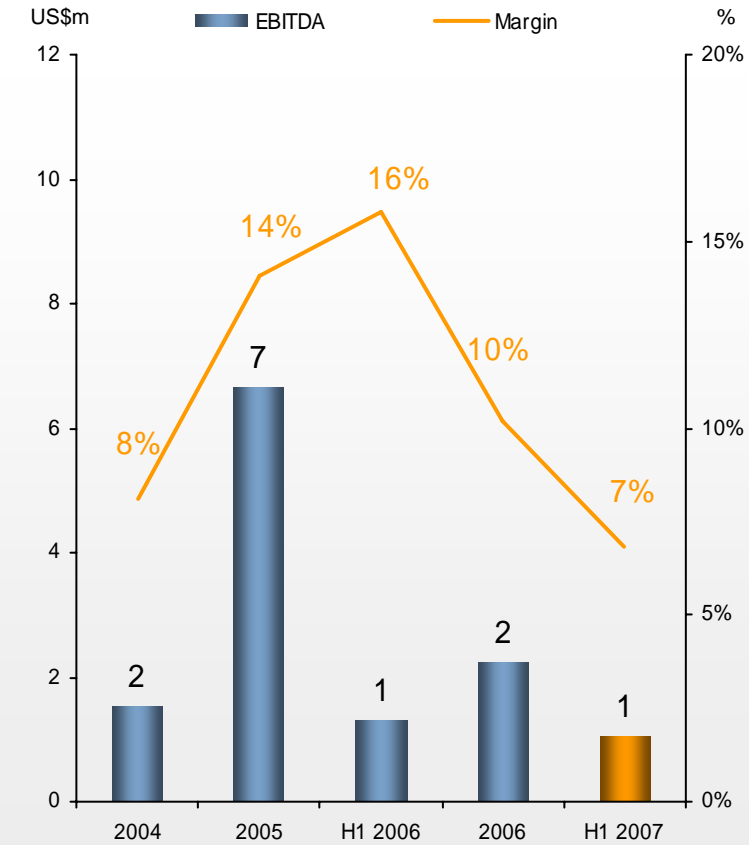


EBITDA Margin

EBITDA from produced concentrate

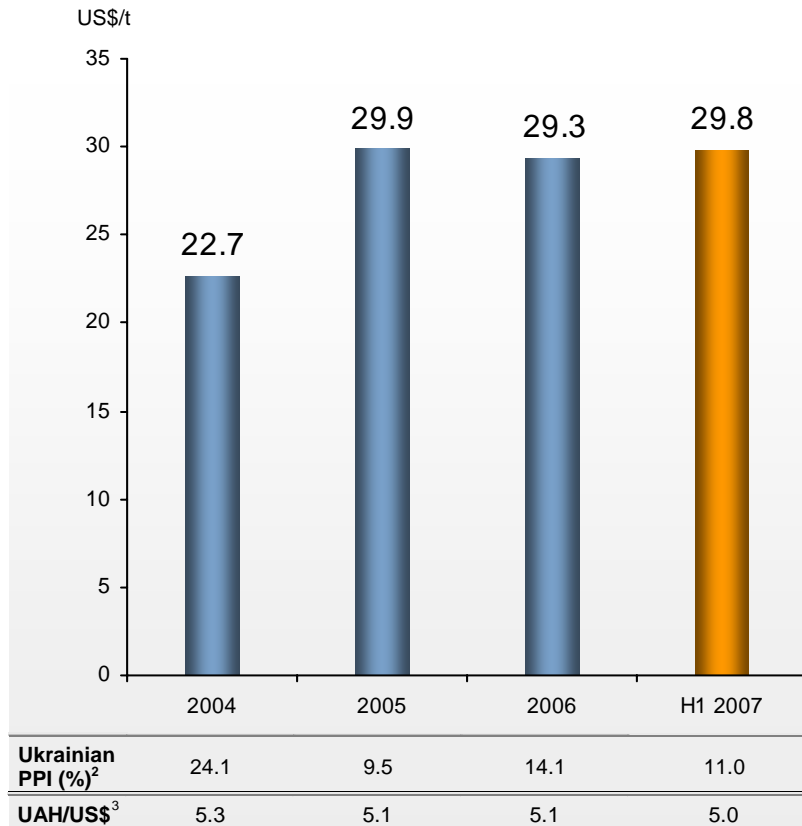


EBITDA from purchased concentrate



Cost Performance

C1 Costs¹



Outlook

- Focus on efficiency and inputs utilisation
- Mitigate unit input cost pressures
 - Energy
 - Grinding materials
 - Explosives
- Retention of critical skills
- Manage mining issues
 - Deepening pit
 - Haul distance increasing
 - Increased stripping
 - Increase exposure of richer ore
 - Need for quality enhancement

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

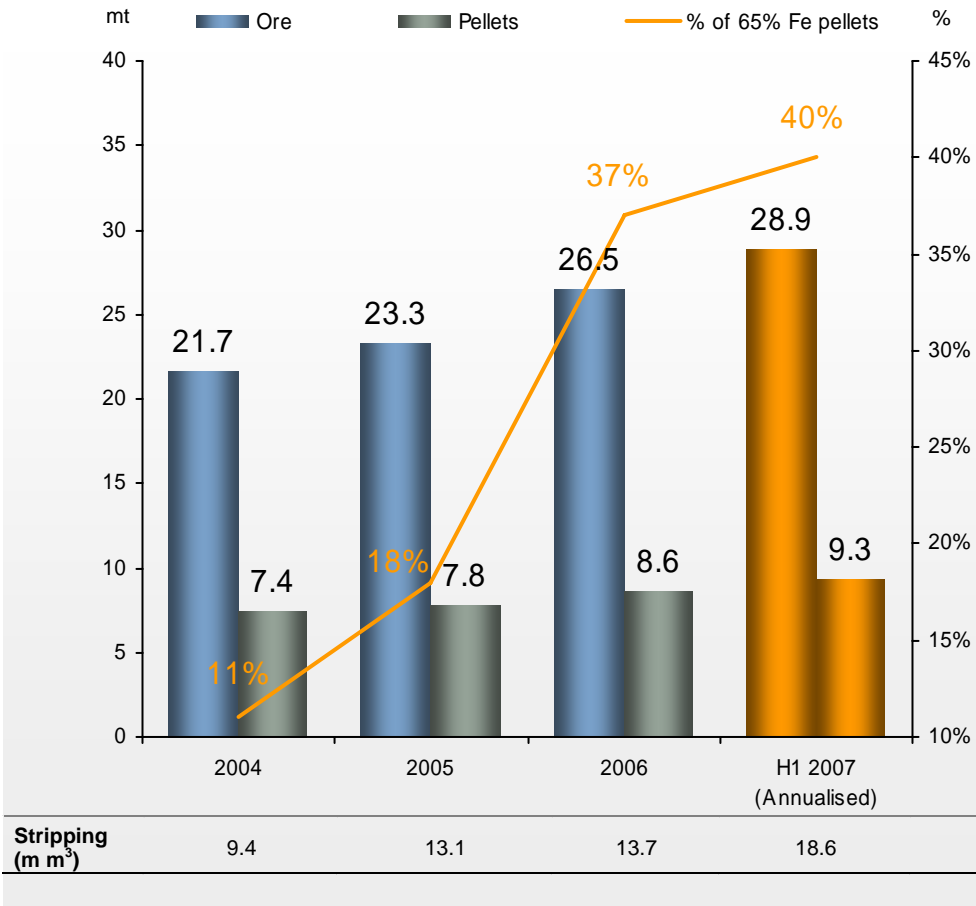
² Producer price index over period

³ Average exchange rate over period



Production Performance

Production Profile

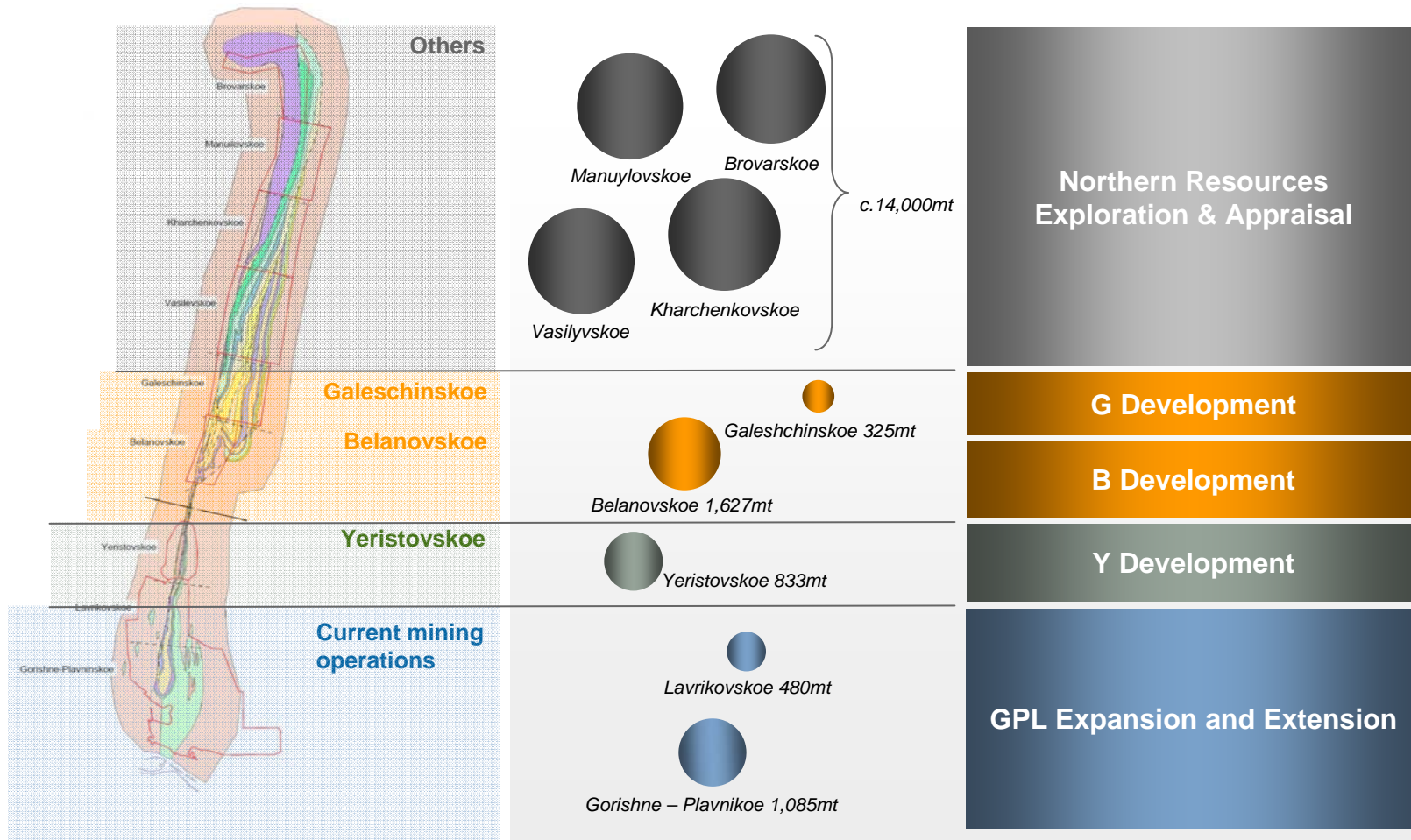


Outlook

- Market demand for higher quality
 - > 65% Fe pellets
- Accelerated stripping
 - increase long-term ore exposure
 - manage C1 cost implication
- Increasing volume of rich ore mined
 - quality benefit in processing
- Increased availability of equipment
 - BIP benefits
- Upgrading processing technology
 - flotation
 - pelletising efficiency



Ferrexpo Poltava Mining – Development Horizons



Project Pipeline (indicative)

