Ferrexpo PLC

2010 Full Year Results

23 March 2011

FERREXPO

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Footnotes

[1] EBITDA, slides 5, 20 - The financial information in this presentation is not intended to comply with non-IFRS reporting requirements. EBITDA, and its related ratios, is a non-IFRS measures and you should not consider such items as alternatives to the applicable IFRS measures. In particular, you should not consider EBITDA, and its related ratios, as a measurement of the Company's financial performance or liquidity under IFRS, as an alternative to profit, operating income or any other performance measures derived in accordance with IFRS, or as an alternative to cash flow from operating activities as a measure of the Company's liquidity.

[2] Resource base, slide 9 - The mineral reserves and resources, as described in this presentation, are estimates and the estimated quantities or grades of minerals may not be available to extract and the particular level of recovery of minerals may not be realised. Reserves estimates are imprecise and depend on assumptions about operating costs, commodity prices and geological analyses based partly on statistical inferences drawn from drilling and sample analyses, any of which may prove unreliable. In particular, the resources we have classified under the Soviet Classification standards would not be classified as resources under JORC or as reserves or resources under the SEC's Industry Guide 7. In addition, they have not been the subject of a competent person's or independent engineer's report. Valid estimates may change significantly when new information becomes available. Therefore, the actual deposits and the grade of mineralisation encountered may differ materially from the estimates disclosed in this presentation.

[3] Metalytics cash cost curve, slide 13 - This chart was created by Metalytics in January 2011 and reflects Metalytics' estimates of the 2011 global pellet supply cost curve. The forecast cash production costs estimated by Metalytics are based on industry data sources and assumptions that may be incomplete or inaccurate. Like all such forecasts, they are subject to significant degrees of economic or other uncertainty.

[4] Total liquidity, slide 22 - includes restricted cash of US$37.8M held in escrow relating to the acquisition of Helogistics.

Introduction
Michael Abrahams

2010 Highlights – A Record Year

- Record earnings and cashflows
- In November 2010, Board approved $647mn capex
  - Yeristovo Stage 1
  - Quality to all 65%
  - Mine Life Extension programme
- Continuing strong market environment for iron ore

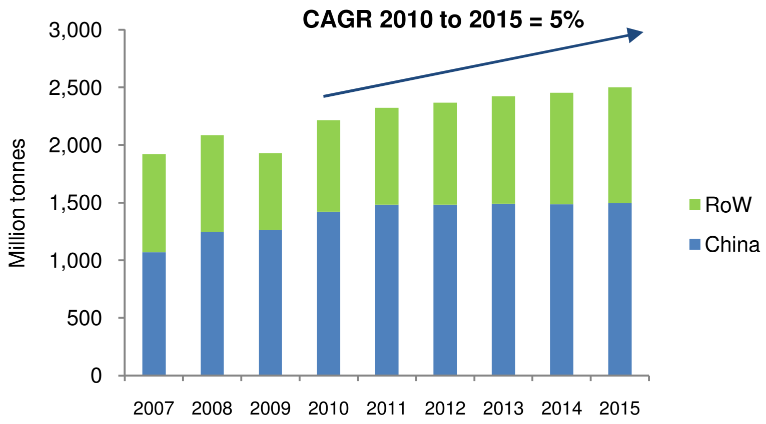
US$mn (unless otherwise stated)	2010	2009	Change
EBITDA[1]	585	138	**+324%**
Diluted eps (cents per share)	72.24	12.05	**+500%**
Final dividend (cents per share)	3.3	3.3	
Cash flow from operations	380	77	**+350%**
Cash balance at 31 December	320	12	
Net debt	104	258	**-60%**
Net debt to EBITDA	0.2x	1.9x	

Business & Strategy Update

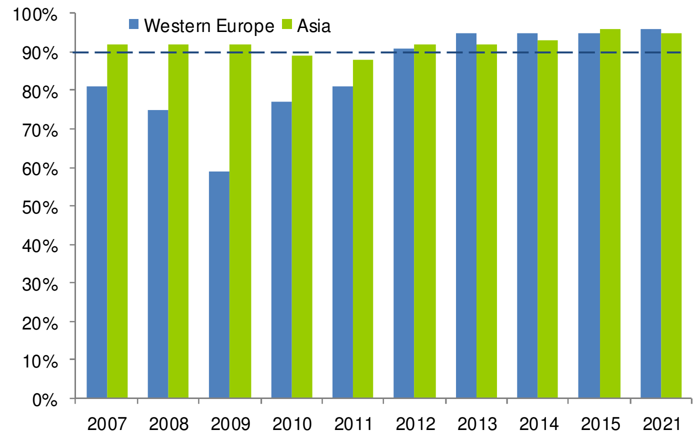
Kostyantin Zhevago

Favourable Market Outlook

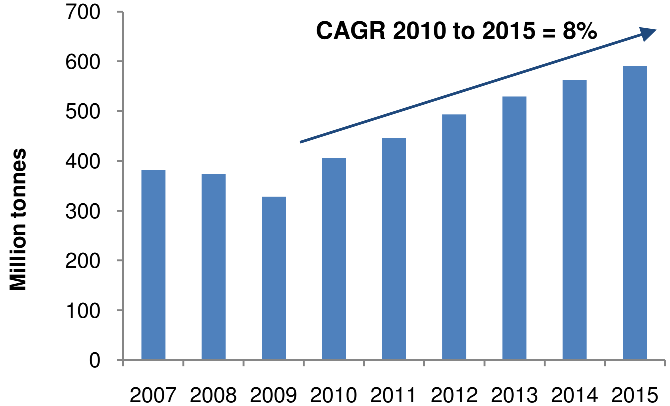
Strong Iron Ore Demand Growth



Driving Blast Furnace Capacity Utilisation

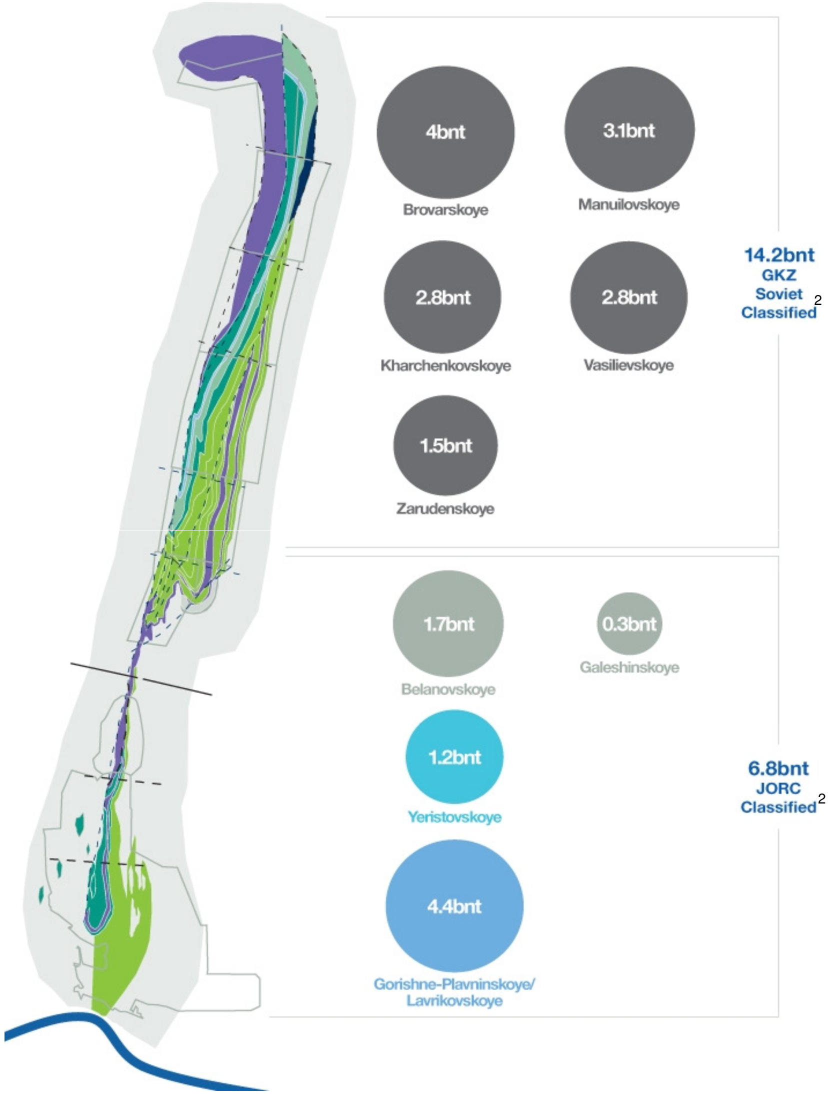


Leading to Robust Seaborne Pellet Demand



Source: CRU 2010 interim report

Strong Pipeline of Growth Projects



Stage 1: US$647mn capex approved and underway

- FPM Quality Upgrade Project – all 65% Fe pellets by 2014 (cost US$212mn)
- FPM Mine Life Extension Project – increase mine life to 2038 (cost US$168mn)
- FYM 1st ore (cost US$267mn) processed by FPM in 1H 2013

Increase pellet output by a third to 12mtpa

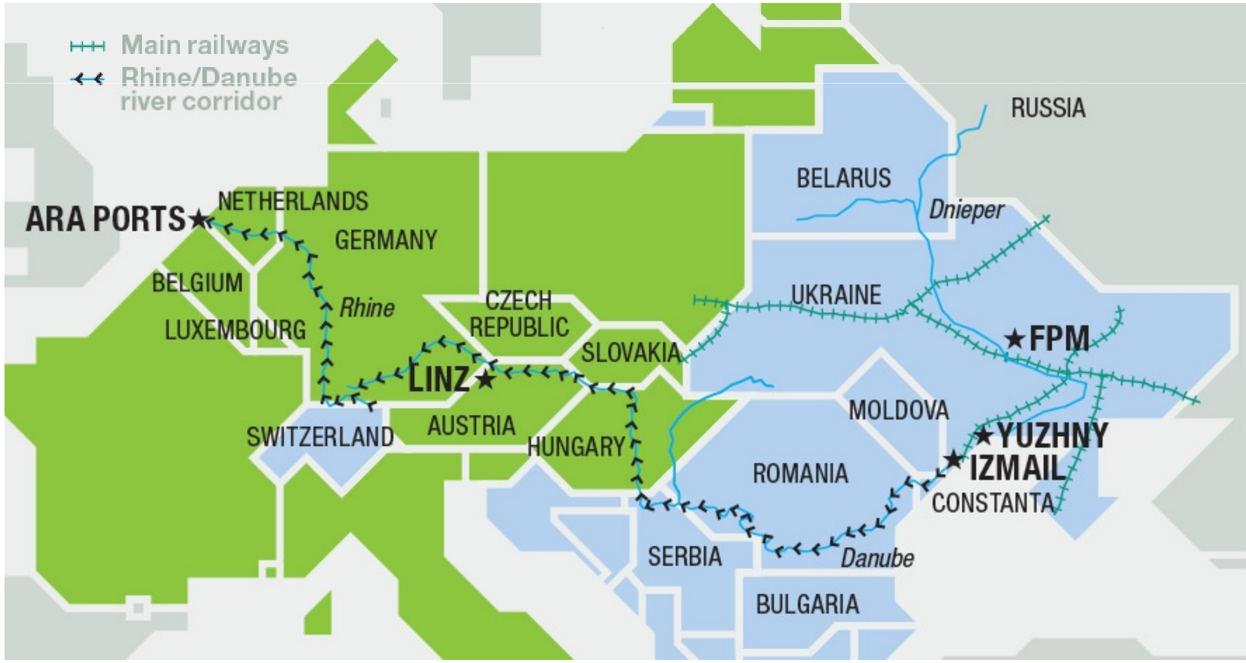
Increase pellet quality

Next phases

- Additional **concentrating capacity** under review
- Additional **pelletiser capacity** under review
- **Belanovskoe** drilling works and site preparation

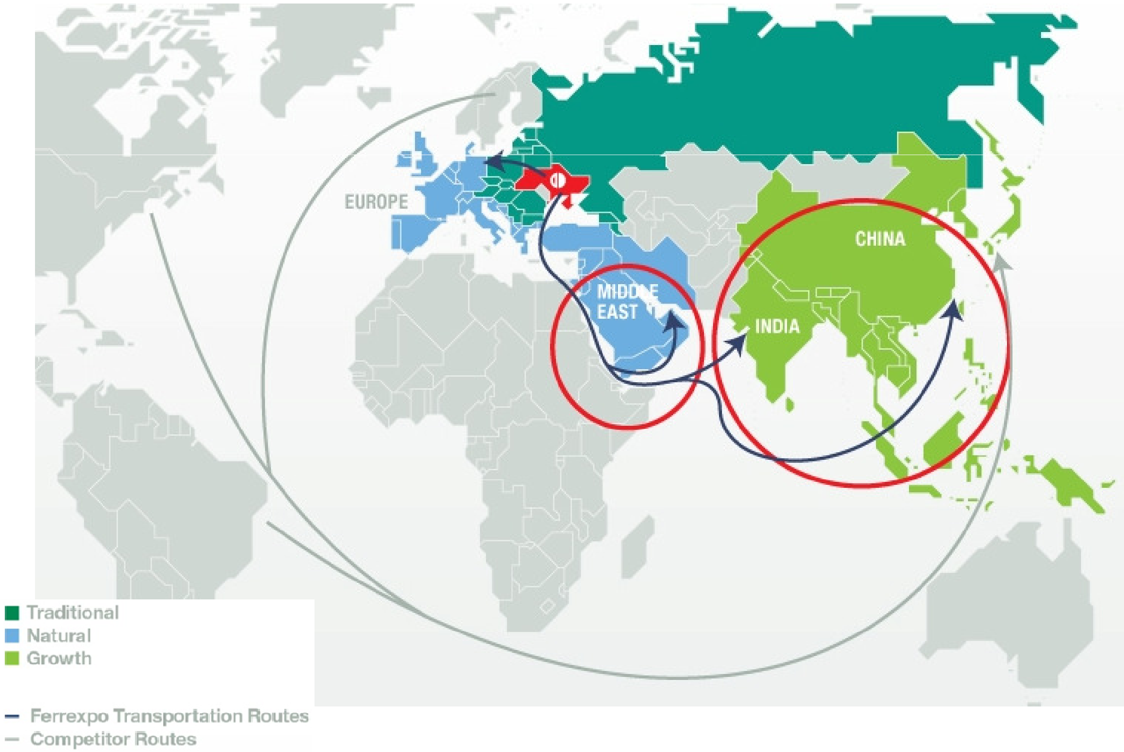
Enhancing Logistics in Traditional Markets

- Ferrexpo has over 900 rail cars transporting over half of pellet volume
- Contract to purchase 400 rail cars in 2011 (+600 optional)
- Acquisition of Helogistics in January 2011 adds over 250 river vessels and provides access to entire Rhine – Danube corridor



Establishing Routes to M/E and Asia

- JV in TIS-Ruda port, Yuzhny
- Closest pellet supplier to Middle East and Asia
- Investigating ship loading options for capesizes at Yuzhny
- Opened a marketing office in UAE



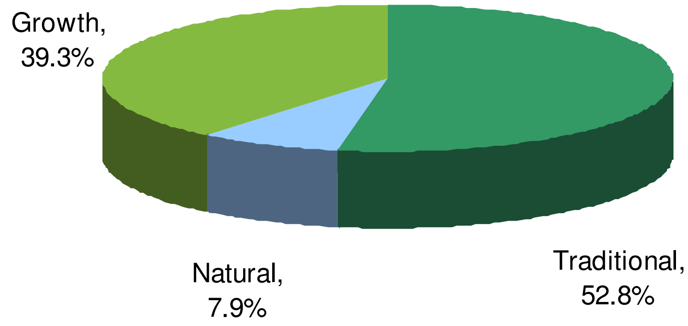
	Middle East (avg)	
	Sailing days	Nautical miles
Tubarao (VALE)	33	7,912
Seven Islands (IOC)	32	7,615
Lulea (LKAB)	31	7,506
Yuzhny (Ferrexpo)	16	4,019

	China (avg)	
	Sailing days	Nautical miles
Seven Islands (IOC)	60	14,446
Lulea (LKAB)	49	11,866
Tubarao (VALE)	45	10,857
Yuzhny (Ferrexpo)	35	8,379

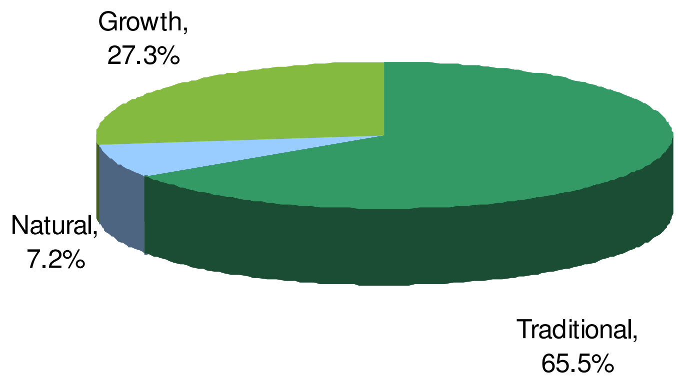
Source: http://e-ships.net/dist.htm

Global Customer Base and Pricing

2009 Customer Breakdown (by sales volume)



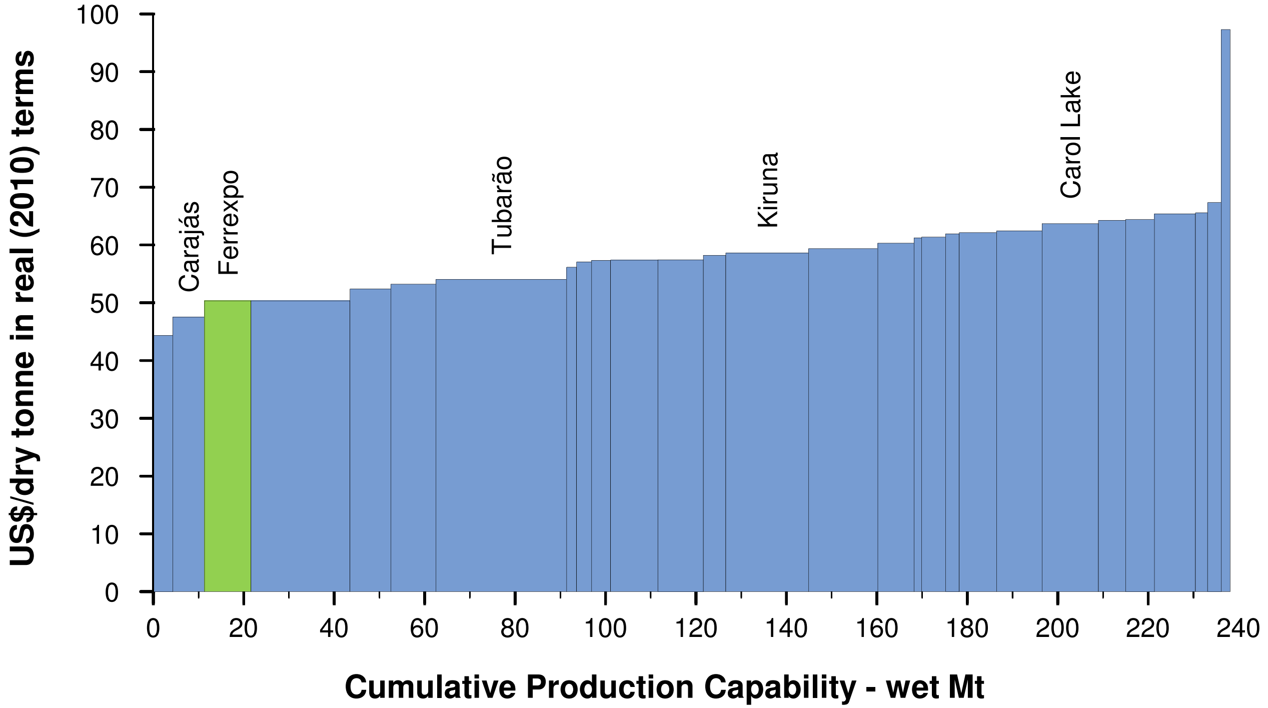
2010 Customer Breakdown (by sales volume)



- Recovery of Traditional Markets in 2010
- Customer trials in Asia and Western Europe ahead of increased output
- Ferrexpo continues to be a price follower. We match FOB Tubarao prices, adjusted for freight and quality, on the majority of our sales contracts
- Intend to align all of our customers to the quarterly pricing system

Competitive Cost Positioning

FOB Cash Costs for 2011 – Pellets Only



Metalytics Resource Sector Economics

Source: Metalytics January 2011[3]

Ukraine – A Good Place to do Business

- Stable political environment since 2010 election
- Steel industry increased production in 2010 by 12.8%[1] (2009: -20.1%[1])
- Positive GDP growth in 2010 of 4.2% vs. -15.1% in 2009
- Renewed IMF support
- Significant improvement in Ukraine's credit rating with a stable outlook (Fitch: B, S&P: B+, Moody's: B2)
- Well educated workforce – Transfer skills to FYM development

([1] source: OECD)

Financial Results

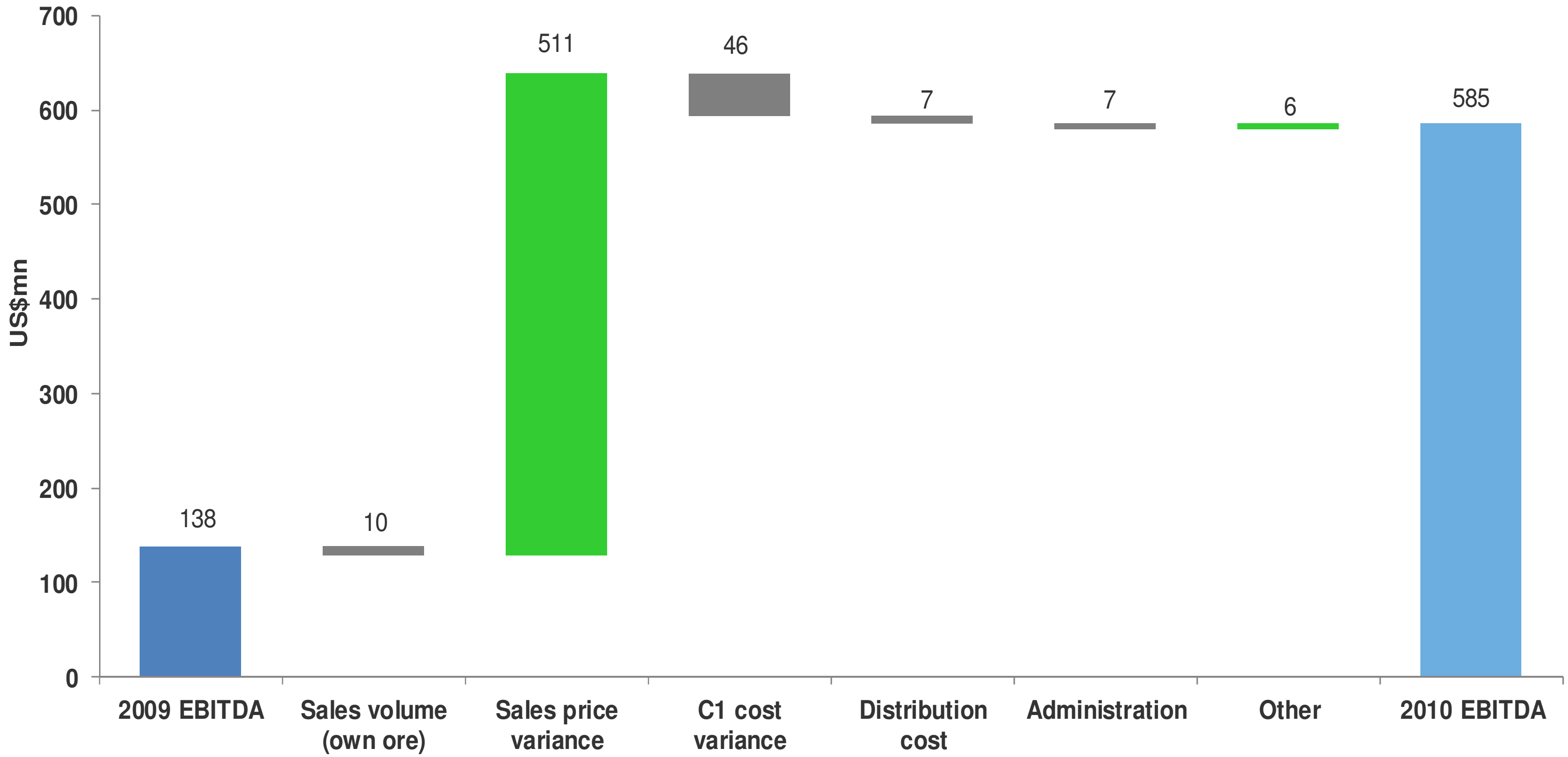
Chris Mawe

Income Statement

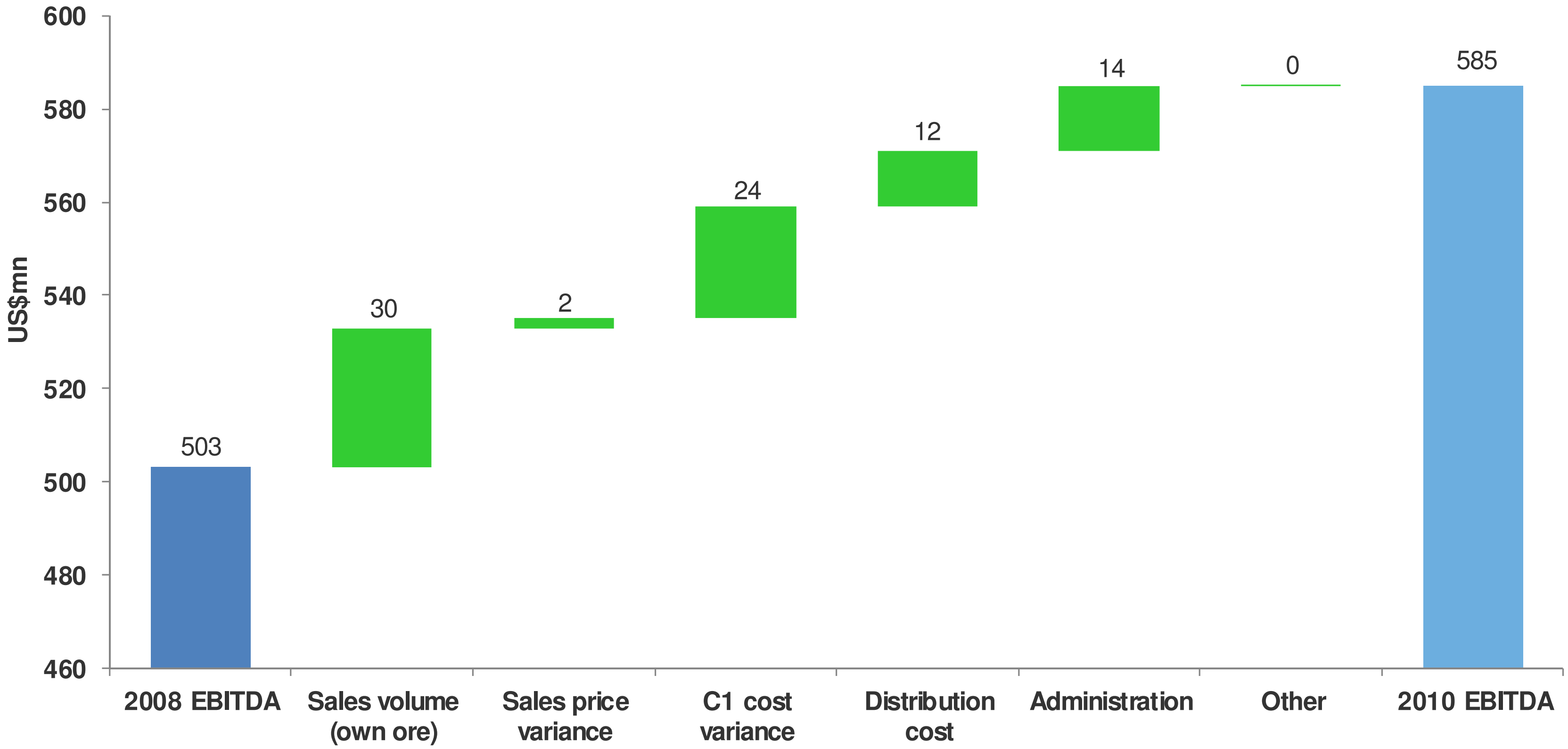
US$mn (unless otherwise stated)	2010	2009	Change
Pellet production (000' tonnes)	*10,031*	*8,767*	**14%**
Pellet sales (000' tonnes)	*9,721*	*9,015*	**8%**
Revenue	1,294.9	648.7	**100%**
C1 cost of production	(358.5)	(296.5)	
C1 cost per tonne	39.69	34.40	
Other cost of goods sold	(123.3)	(45.0)	
Gross profit	813.0	307.6	**>150%**
% margin	62.9%	47.4%	
Selling and distribution	(212.0)	(162.3)	
General admin and other	(51.7)	(39.9)	
VAT, associates & acquisitions	(7.1)	(1.1)	
Financing incl non operating Forex	(44.1)	(23.4)	
Profit before tax	498.1	80.9	**>500%**
% margin	38.5%	12.5%	
Income tax %	14.7%	12.2%	
Profit for the year	425.1	71.0	**>450%**
Diluted eps (US cents)	72.24	12.05	**500%**

- **Record production & sales volumes**
- **Produced at full capacity throughout the period**
- **Other COGS: 3rd party concentrate**
- **Selling & distribution reflects higher sales volumes**

Record EBITDA 2010 vs. 2009

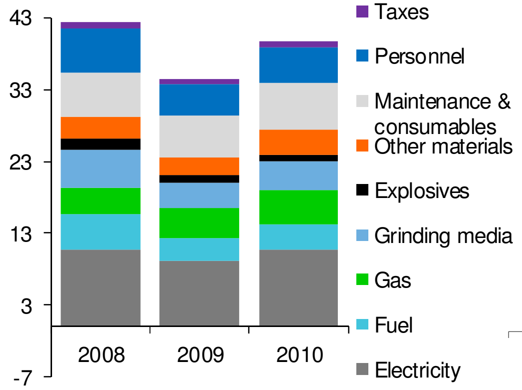


2010 vs. 2008 Significant Progress

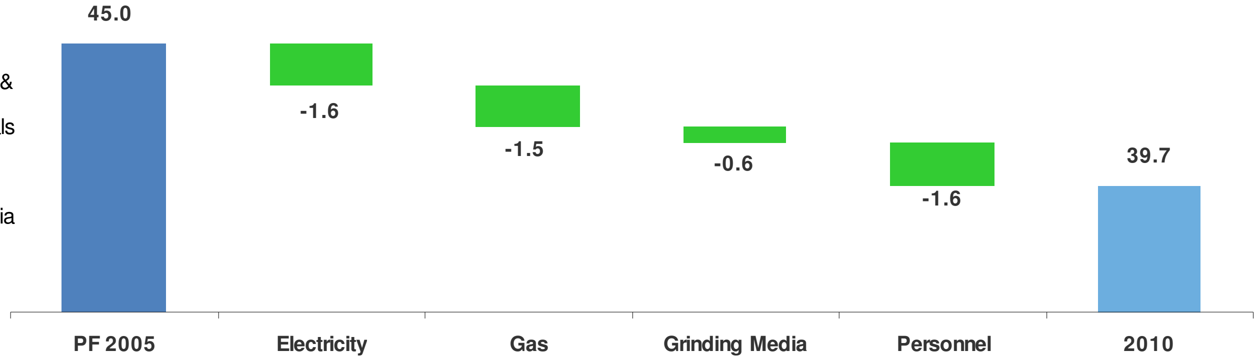


Effective Business Improvement Program

Business Improvement Programme reduced C1 cost by US$5.27/tonne since 2005

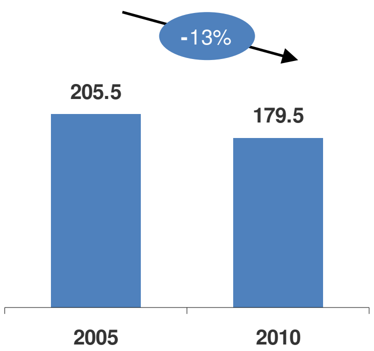


Illustrative Effects of BIP 2005–2010 (per tonne of pellets)



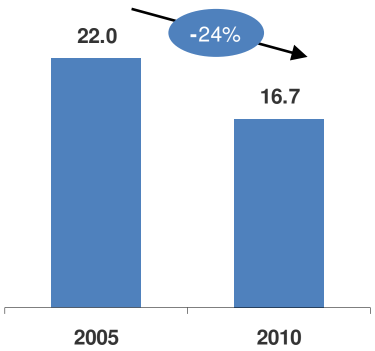
Electricity

kWh per tn of pellets



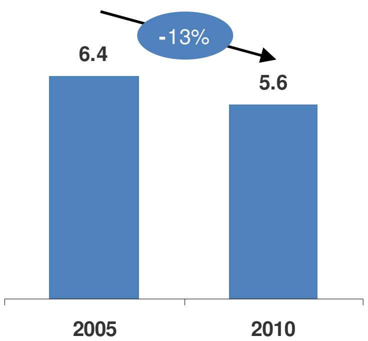
Gas

m3 per tn of pellets



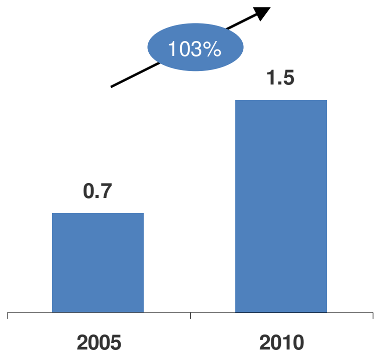
Grinding Media

Kg per tn of pellets



Personnel

'000 tonnes of pellets per employee

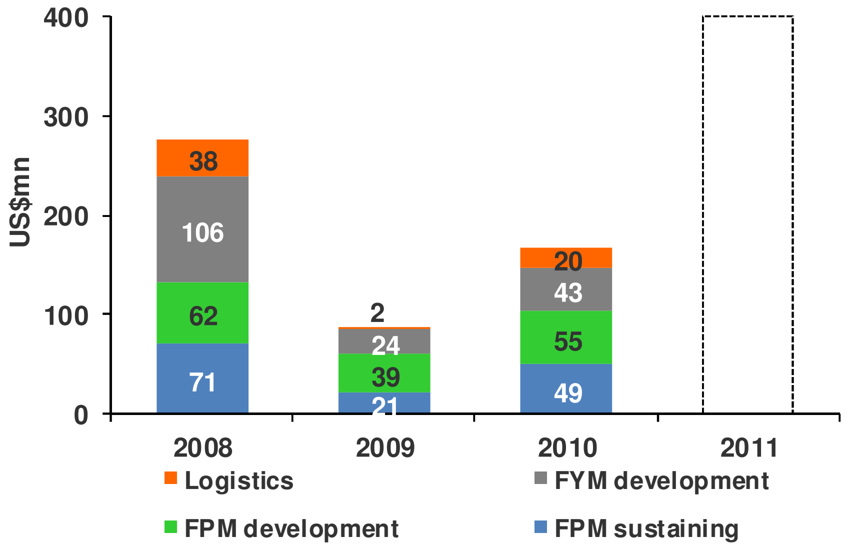


Strong Cash Generation

US$mn (unless otherwise stated)	2010	2009	Change
EBITDA[1]	585.3	138.1	>300%
Working capital movements	(136.8)	(13.7)	
Interest, tax and other	(68.7)	(47.5)	
Net cash flow from operating activities	379.8	76.9	>350%
Sustaining capex	(49.1)	(20.5)	
Free cash flow	330.7	56.4	>450%
Development capex	(118.3)	(65.7)	
Distributions	(38.6)	(39.6)	
Acquisitions and other	(8.7)	10.6	
Net financing inflow	142.4	(37.5)	
Net increase/(decrease)	307.5	(75.8)	
Cash balance at 1 January	12.0	87.8	
Cash balance at 31 December	319.5	12.0	
Net debt at 31 December	104.4	257.7	-60%
Net debt to EBITDA	0.2x	1.9x	
Gearing	11%	36%	

- **Working capital reflects:**
  - Higher selling prices & year end stocks
  - VAT resolved
- **2010 Development capex:**
  - FYM US$42.7mn
  - FPM US$55.1mn
  - Logistics US$18.1mn
  - Northern deposits US$2.4mn

CAPEX Investments Moving Ahead



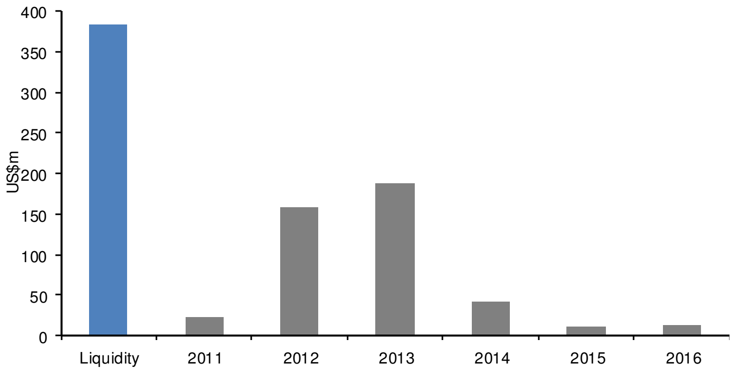
- 1st phase capex of US$647mn:
  - US$250mn budgeted for 2011
  - US$240mn budgeted for 2012
- In 2011 remainder of CAPEX spend:
  - Logistics and infrastructure;
  - Sustaining / modernisation CAPEX
- Future steps: Review/approve costs of additional concentrating and pelletising capacity

Strong Balance Sheet

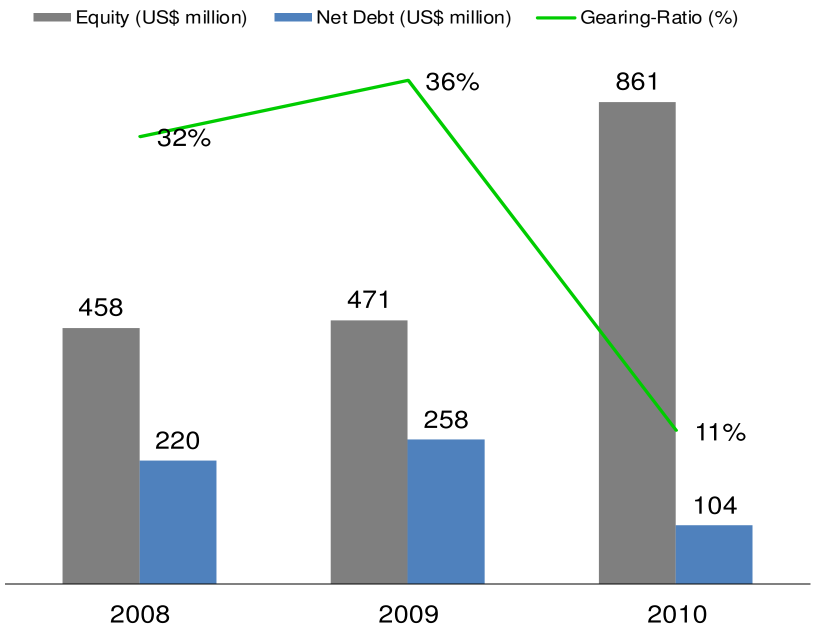
Credit Metrics – High Liquidity

US$mn	31 Dec 2010	2010 EBITDA
Cash and Equivalents	320	
Total Gross Debt	424	0.72x
Net Debt	*104*	*0.18x*
Total Equity	861	
Undrawn committed facilities	65	
Total Liquidity (facilities + cash)	*385*[4]	

Debt Maturity Schedule



Low Gearing



Net Debt / EBITDA		
2008	2009	2010
0.44x	1.90x	0.18x

Financial Summary

> **Excellent set of results driven by**
  - Record production
  - Significant price increases
  - Robust cost control

> **Strong balance sheet**
  - Excellent cash generation
  - Maintained final dividend of 3.3 US cents
  - Low gearing & healthy liquidity profile
  - Capacity to develop projects

Outlook

Kostyantin Zhevago

Strategy and Outlook

Strategy

- To double pellet output to 20MT (in phases) over medium to long term
- Position the business for increased FYM and FPM output
  - Expand logistics capabilities into Western Europe, Middle East and Asia
  - Develop growth market customer base

Outlook

- The new financial year has started well with strong demand
- FPM to continue to produce at full capacity
- Industry is cyclical - low cost base, flexible marketing strategy and established infrastructure to seaborne and regional markets to mitigate demand volatility

The End