

10 November 2011

Ferrexpo plc

("Ferrexpo", the "Group" or the "Company")

Interim Management Statement

Ferrexpo plc ("Ferrexpo", the "Company" or the "Group") today issues its interim management statement in accordance with the UK Listing Authority's Disclosure and Transparency Rules.

Production

As announced on 6 October 2011, total pellet production from own ore in 3Q 2011 increased by 2.8% compared to 2Q 2011. Production of higher grade 65% Fe pellets increased by 12.3% compared to 3Q 2010 and by 6.6% year to date. Production of pellets from third party concentrate is dependent on availability in local markets. Overall, including third party concentrate, total pellet production in 3Q 2011 was in-line with 2Q 2011 at 2.5 million tonnes.

Production in Tonnes '000	3Q 2011	2Q 2011	Change %	3Q 2010	Change %	YTD 2011	YTD 2010	Change %
Production from own raw materials								
Iron Ore	7,497.3	7,182.0	4.4	7,386.4	1.5	21,695.5	21,589.1	0.5
Concentrate	2,949.8	2,865.4	2.9	2,873.3	2.7	8,524.5	8,382.9	1.7
Pellets								
62% Fe	1,258.3	1,217.3	3.4	1,342.1	(6.2)	3,513.0	3,726.3	(5.7)
65% Fe	1,075.3	1,053.3	2.1	957.6	12.3	3,214.7	3,014.6	6.6
Total Pellets	2,333.6	2,270.5	2.8	2,299.7	1.5	6,727.7	6,740.9	(0.2)
Production/reprocessing from purchased raw materials								
Pellets								
62% Fe	64.4	56.2	14.6	42.2	52.5	154.0	132.9	15.9
65% Fe	74.0	155.1	(52.3)	217.6	(66.0)	375.1	571.5	(34.4)
Total Pellets	138.4	211.3	(34.5)	259.8	(46.7)	529.1	704.4	(24.9)
Total Pellets Produced	2,471.9	2,481.8	(0.4)	2,559.5	(3.4)	7,256.8	7,445.3	(2.5)
62% Fe	1,322.6	1,273.4	3.9	1,384.3	(4.5)	3,667.0	3,859.2	(5.0)
65% Fe	1,149.3	1,208.4	(4.9)	1,175.2	(2.2)	3,589.8	3,586.1	0.1

Production in October was in line with expectations and represented 774 thousand tonnes of pellets compared to 781 thousand tonnes of pellets in September 2011. Year to date production from own ore is in line with 2010 at 7.5 million tonnes.

Costs

From 1 July 2011 to 31 October 2011, the cost environment reflected local PPI inflation of 15.6% year to date driven principally by higher electricity and gas prices. The increase in the average C1 cash cost for the period was offset by higher production and efficiency improvements and as a result increased by 8.9% to US\$52.5 per tonne (versus 1H 2011 of US\$48.2 per tonne) The Ukrainian Hryvnia, in which 70% of the Group's operating costs are denominated, remained stable against the US Dollar at around 7.99 UAH to 1 US\$.

Sales

Sales volumes from 1 July 2011 to 31 October 2011 were 3.3 million tonnes. The average realised price in 3Q 2011 was in line with that achieved for 2Q 2011. For the full year the Group is expected to sell approximately 25% of its output on spot with new long term contracts commencing in 2012. These new long term contracts are expected to be on an index linked price mechanism which will complement existing contracts on an index linked and quarterly negotiated basis.

Growth projects

The investment programme announced in November 2010 is progressing as planned:

Ferrexpo Yeristovo Mining (FYM)

First ore (budgeted cost US\$267 million):

The Group is progressing in line with its schedule and budget to achieve first ore from the Yeristovo deposit in 2013. FYM took delivery of five 220 tonne CAT trucks in October 2011 increasing the current haul truck fleet to 21 units.

In terms of the next stage of development for FYM, design of the concentrator is ongoing. Full board approval is expected in March 2012, subject to market conditions.

Ferrexpo Poltava Mining (FPM)

Mine Life Extension Project (budgeted cost US\$168 million):

This project is proceeding on schedule and is progressing as planned to extend the life of the FPM mine to 2038. Higher energy costs for stripping have inevitably caused cost increases; the Company expects this to moderate over the remaining life of the project which runs to 2018.

Quality Upgrade Project (budgeted cost US\$212 million):

The project is underway to increase the proportion of 65% Fe pellets to 100% of production and costs are in line with the budget. The planned works will increase FPM's capacity by upgrading the existing ore floatation circuit and adding two additional circuits. Orders for long lead items have been placed and detailed design is underway. The Company forecasts that the project will be completed and fully commissioned in 2014 and ramp up to full 65% Fe production will occur in 2015.

In summary, the Group remains on track to increase pellet output capacity to 12 million tonnes per annum by the end of 2013 and to increase production of 65% Fe pellets to 100% of output by the end of 2014. These projects are fully financed.

Funding

During the period under review, Ferrexpo secured a new credit facility for US\$420 million at 225 basis points above LIBOR. The Group now has gross borrowing facilities of over US\$1 billion with an average tenor of 4 years. Net debt as of 31 October 2011 was US\$60.0 million. The Group believes that it has sufficient financing to complete the core projects in its investment pipeline.

Michael Abrahams, Ferrexpo Chairman, said:

"Ferrexpo continues to benefit from its established reputation as a quality long term pellet supplier. Should there be further deterioration in market conditions, the Group remains well positioned in the global market to maintain full production due to its low cost position on the supply curve and established infrastructure to seaborne markets, supporting the local economy and its reputation as reliable supplier to the global steel industry."

Next Update

Ferrexpo will release a 4Q 2011 production report on 12 January 2012.

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Notes to Editors:

Ferrexpo is a Swiss headquartered iron ore company with assets in Ukraine. It is principally involved in the production and export of high quality iron ore pellets, which are used in the manufacture of steel. Ferrexpo's resource base is one of the largest iron ore deposits in the world. Its current producing asset, FPM, produced approximately 10 million tonnes of iron ore pellets in 2010 making it the largest exporter of pellets in the CIS. The Company has a diversified customer base supplying steel mills in Austria, Serbia, Slovakia, Czech Republic, Germany and other European states, as well as in China, India, Japan, and other Asian countries. Ferrexpo is listed on the main market of the London Stock Exchange under the ticker FXPO. For further information, please visit www.ferrexpo.com