Ferrexpo Group

2008 Interim Results Presentation

28 August 2008

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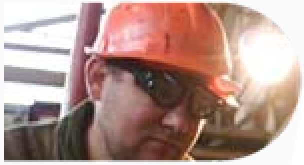
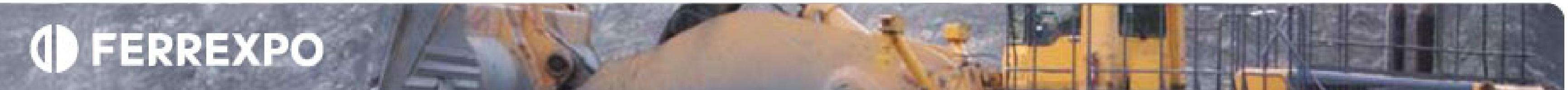
Today’s Agenda

HIGHLIGHTS	**Mike Oppenheimer**	
INTERIM RESULTS	Chris Mawe	
GROWTH & OUTLOOK	Mike Oppenheimer	
Q&A	Ferrexpo Team	



Strong Financial Results

- Revenue increased by 58% to $519.5 million (H1 2007: $327.9m)
- EBITDA increased by 101%, to $228.0 million (H1 2007: $113.3m)
- Profit increased by 288%, to $157.7 million (H1 2007: $40.6m)
- Net cash flow from operating activities increased by $58.5m (FY 2007: $83.3m)
- Underlying[1] EPS up by 105% to 22.76 US cents per share (H1 2007: USc11.10)

[1] 'Underlying earnings' is an alternative earnings measure, which the directors believe provides a clearer picture of the underlying financial performance of the Group's operations. Underlying earnings is presented after minority interests and excludes adjusted items.

Adjusted items are those items of financial performance that the Group believes should be separately disclosed on the face of the income statement to assist in the understanding of the underlying financial performance achieved by the Group. Adjusted items that relate to the operating performance of the Group include impairment charges and reversals and other exceptional items. Non-operating adjusting items include profits and losses on disposal of investments and businesses.

Operational Improvement Continues

- Product quality improved
  - 8% increase in production of higher grade 65% Fe pellets
  - 43% of total production now higher grade pellets
- Production cost increases mitigated despite high inflationary environment
- Health and Safety improvement initiatives continuing
  - Regrettably, two fatalities in H1 2008
  - Dupont Safety Resources on site, behavioural safety culture initiated

Marketing and Logistics Successes

- Pellet prices increased by over 90% on average from 1 April
  - Realising premium to benchmark
- 330 of the 550 own rail cars ordered have been delivered and are operating
  - Remainder expected by year end
- Deliveries to Turkey commenced via TIS Ruda port
- Studies underway on further control of logistics chain

Accelerated Growth on Track

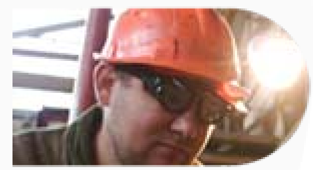
- Project to expand and extend existing operations on schedule and on budget
- Definitive Feasibility Study for GPL processing plant near completion
  - Final Board review in October
- Definitive Feasibility Study for new Yeristovskoye mine near completion
  - Final Board review in October
- First equipment for Yeristovskoye development delivered to site
  - Assembly of first two draglines underway
- Preliminary Feasibility Study for new Belanovskoye mine underway
- Actively seeking strategic partner for joint venture of major growth projects

Agenda

HIGHLIGHTS

INTERIM RESULTS **Chris Mawe**

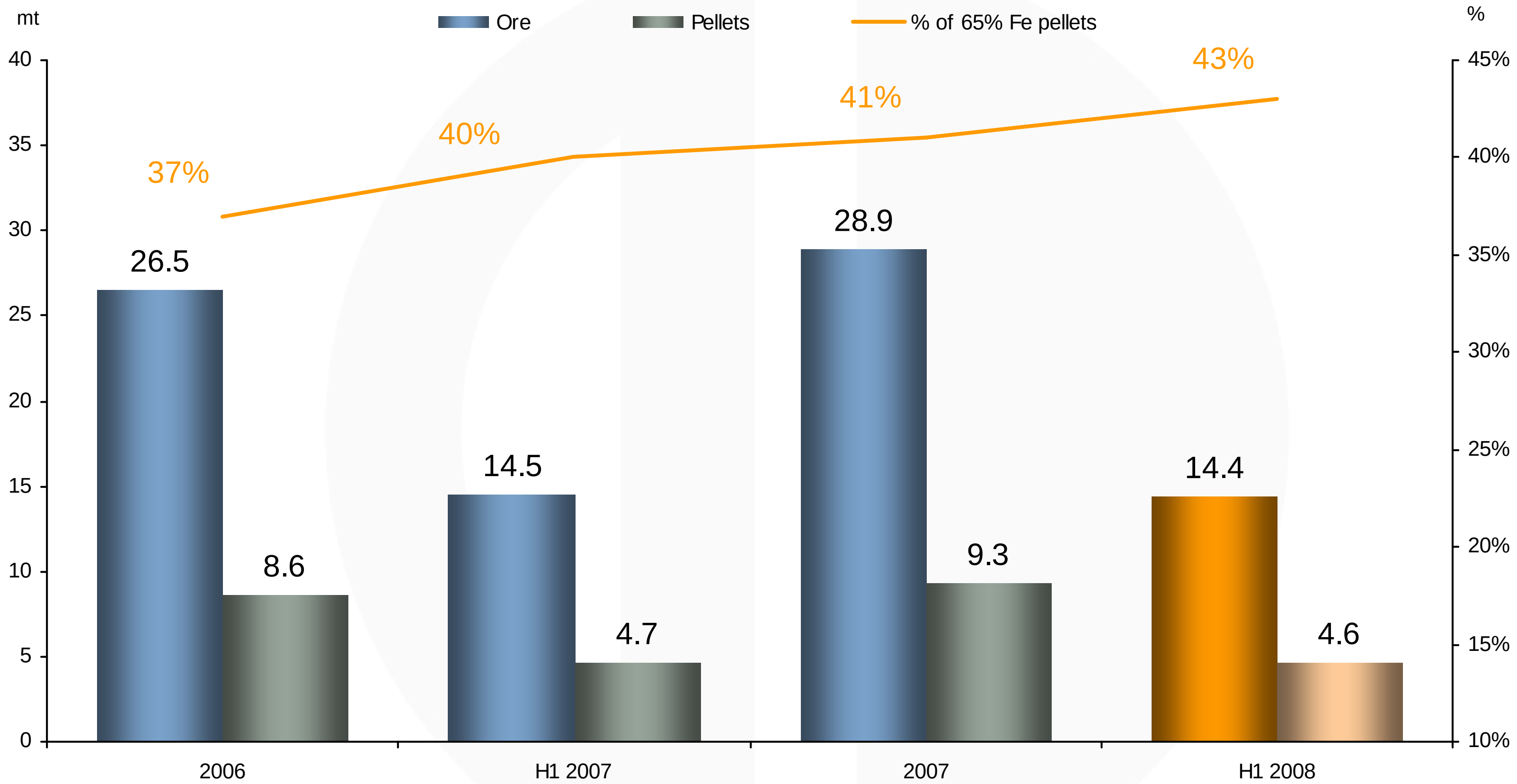
GROWTH & OUTLOOK



Q&A

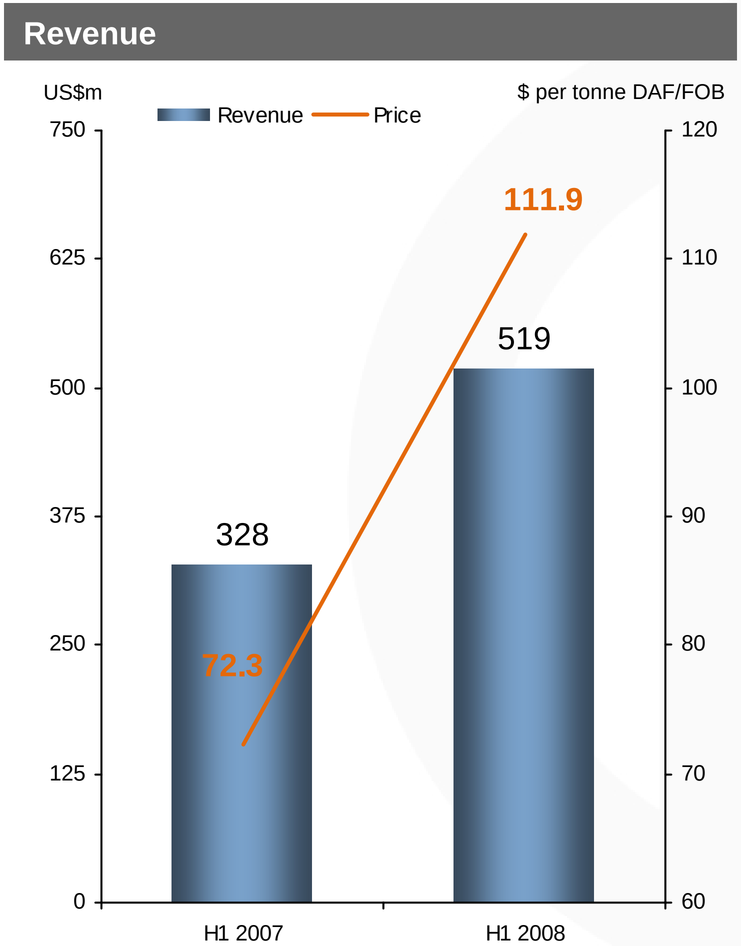
Production Performance

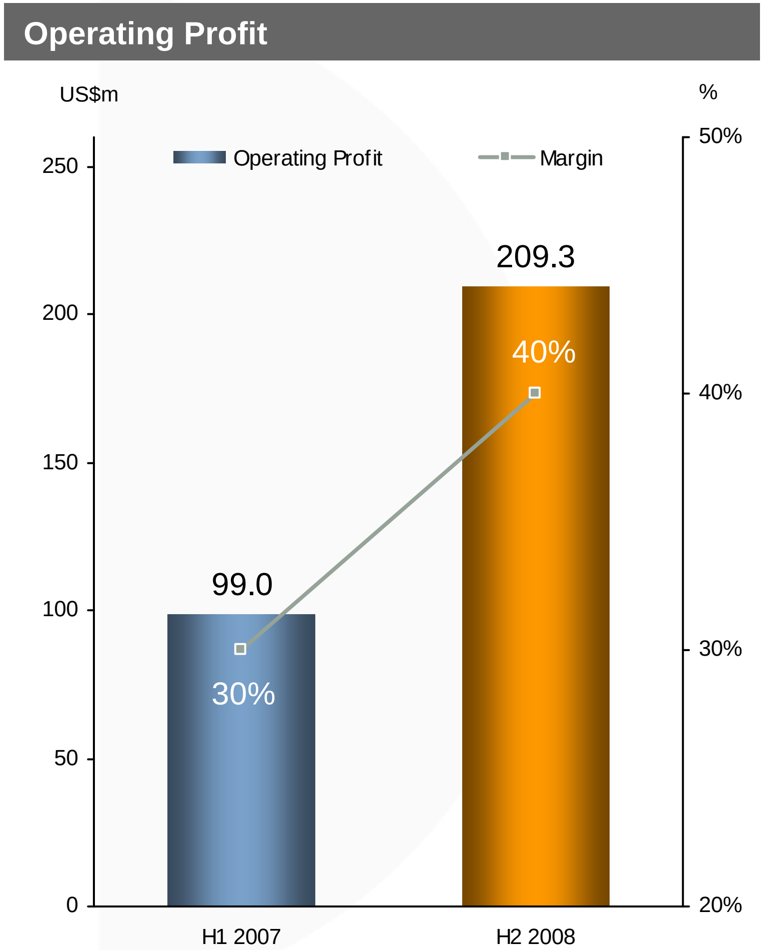
Production Profile



Stripping (mm^3)	13.7	9.3	18.6	10.6

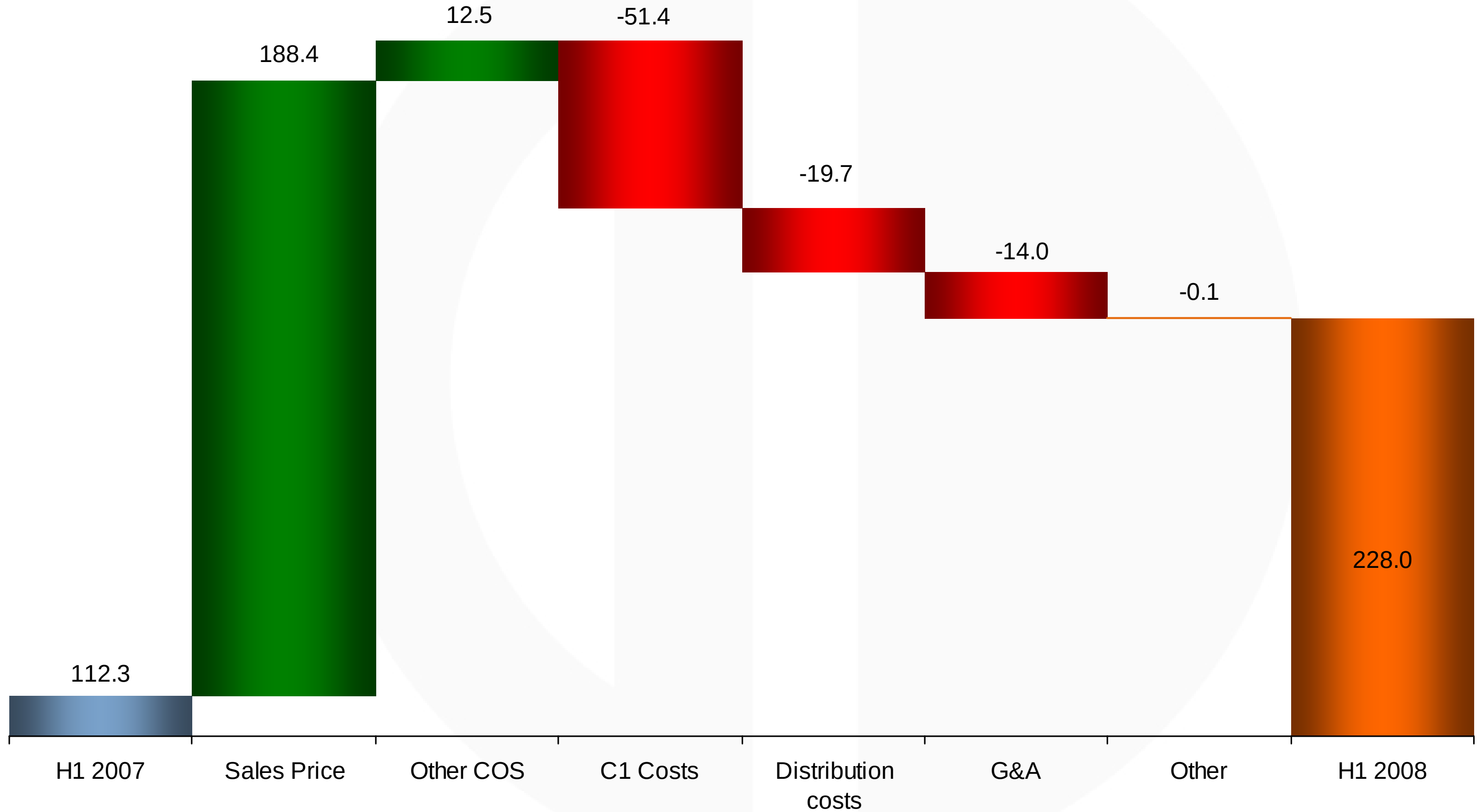
Strong revenue and operating profit growth





EBITDA[1] and influencing factors

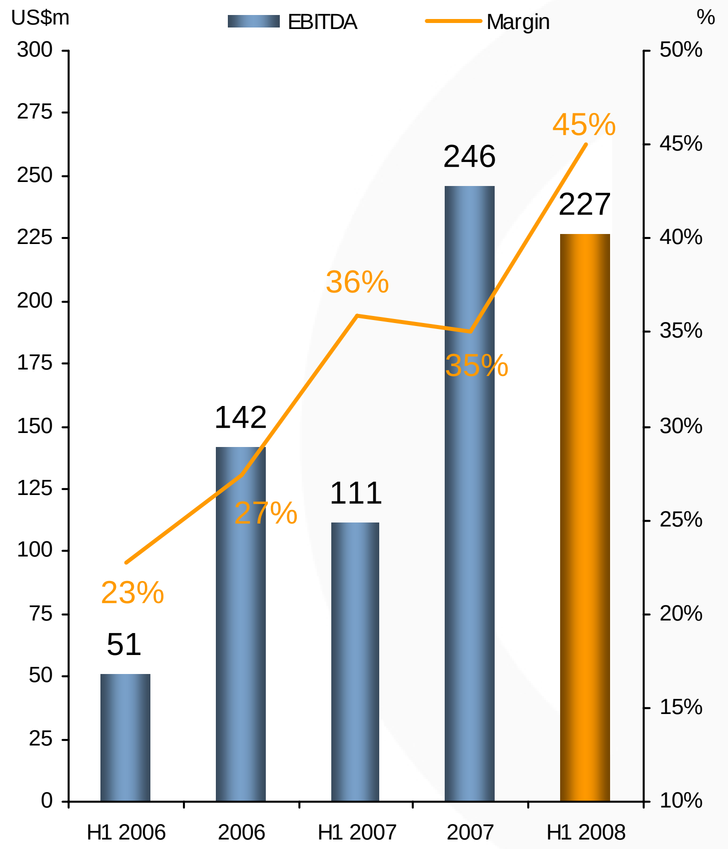
EBITDA waterfall H1 2007 – H1 2008 ($m)



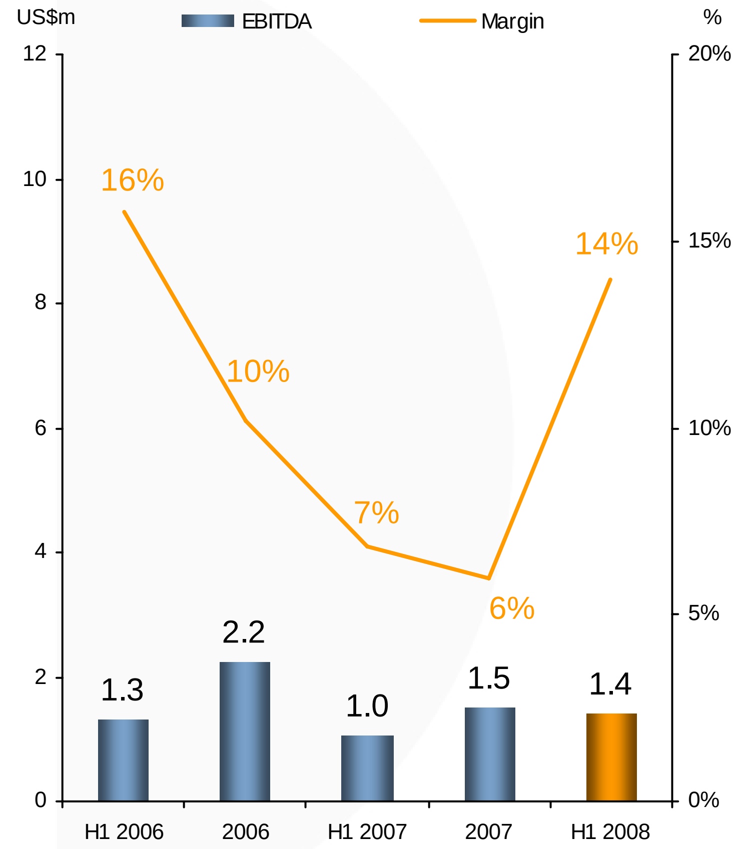
[1] EBITDA is profit from continuing operations before tax and finance less foreign exchange gain/(loss) plus depreciation and amortisation (included in cost of sales, administrative expenses and selling and distribution costs) and non-recurring cash items included in other income, non-recurring cash items included in other costs plus the net gain/(loss) from disposal of subsidiaries and associates.

EBITDA Margin

EBITDA from produced concentrate

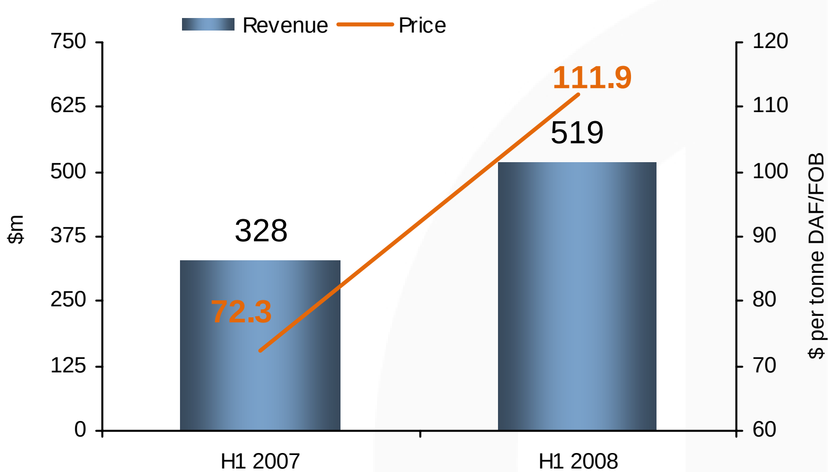


EBITDA from purchased concentrate

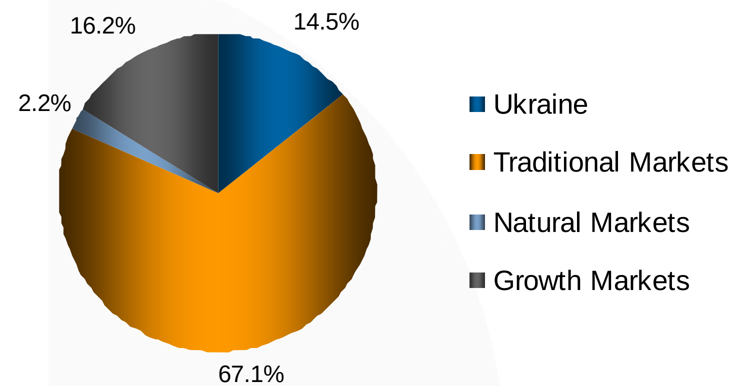


Marketing – a strong performance

Revenue and average pellet price



Market mix [1]



H1 2008 Sales: 4,517kt

[1] by H1 2008 Sales volume

EBITDA margin by segment

Ukraine → **59%**

Traditional Markets → **40%**

CIS
Eastern Europe
Central Europe

Natural Markets → **53%**

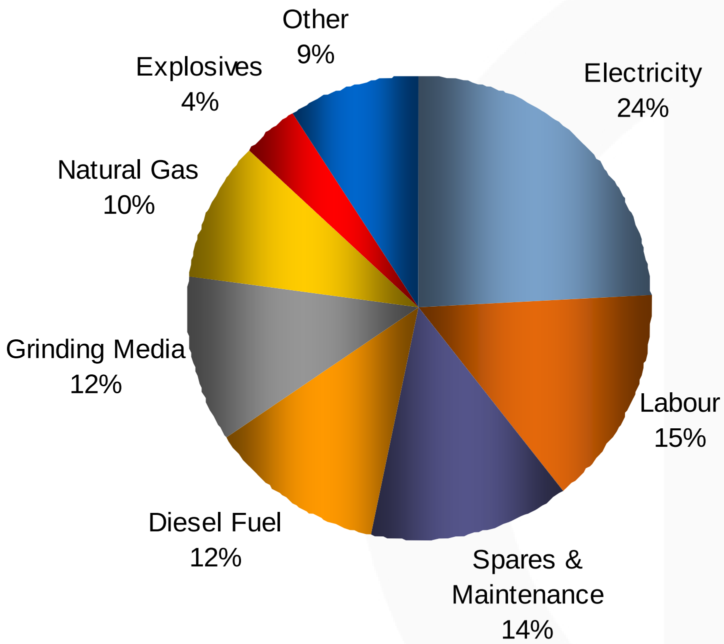
Western Europe
Southern Europe
Middle East

Growth Markets → **44%**

China
India
Japan

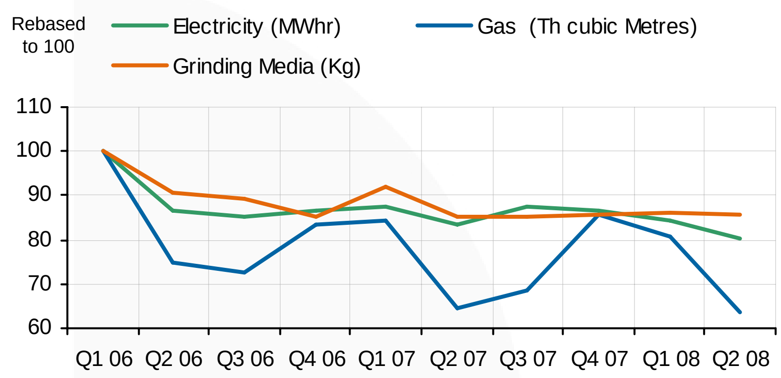
C1 Costs Breakdown

C1 Costs[1] by input ($/t)



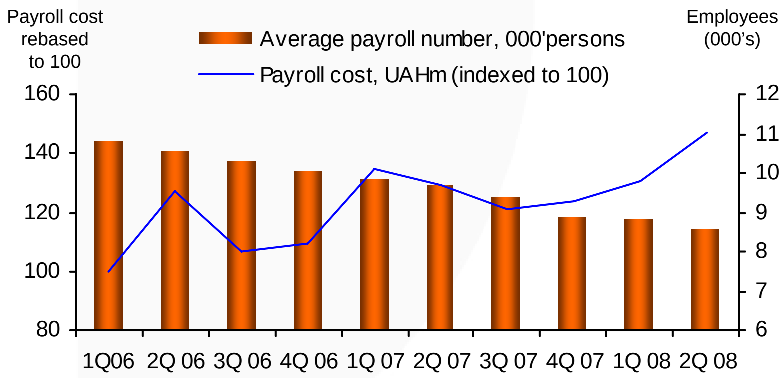
Total: 40.92

Reduction in utilisation of critical inputs[2]

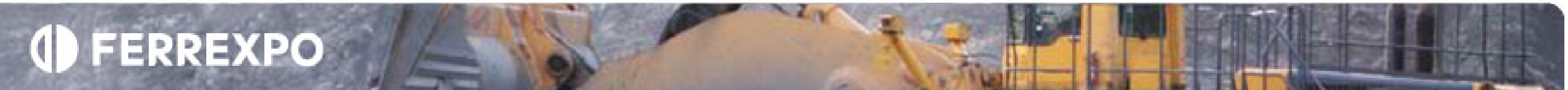


[2] per tonne of Pellets (own raw materials)

Labour Cost Development

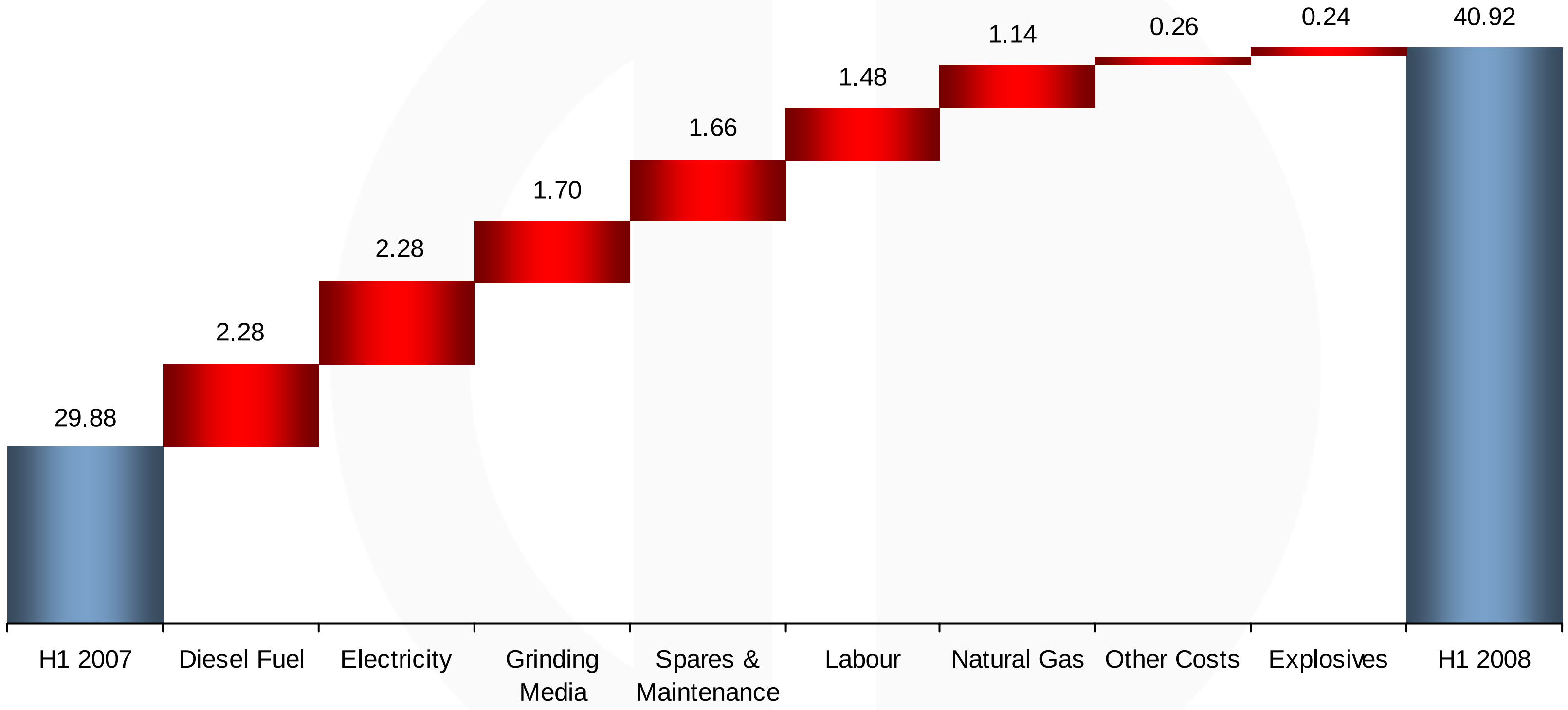


[1] C1 costs are total cash costs of production of pellets from produced concentrate, ex-works



C1 Costs – relative increases

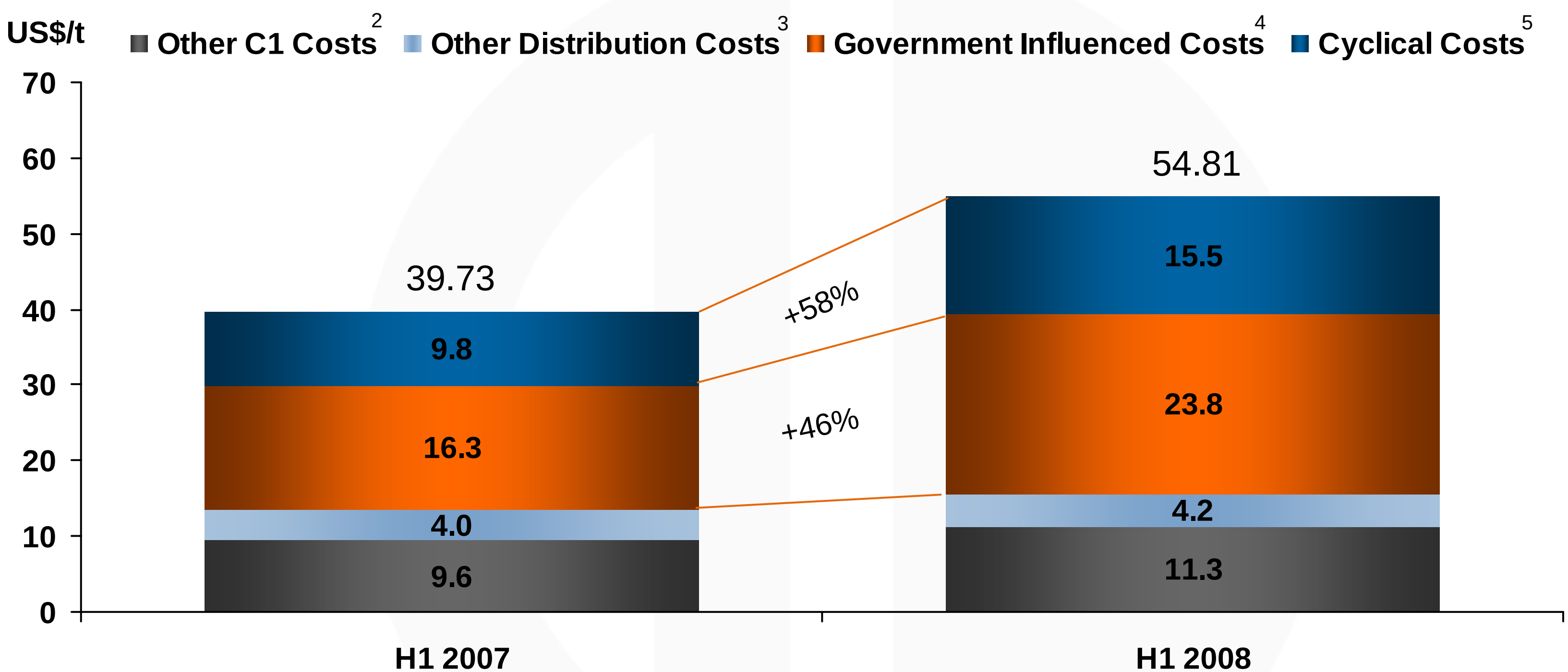
C1 Costs waterfall H1 2007 – H1 2008 ($/t)



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

Factors effecting cost performance

DAF/FOB Cash Costs (C1 Costs[1] + Distribution Costs)

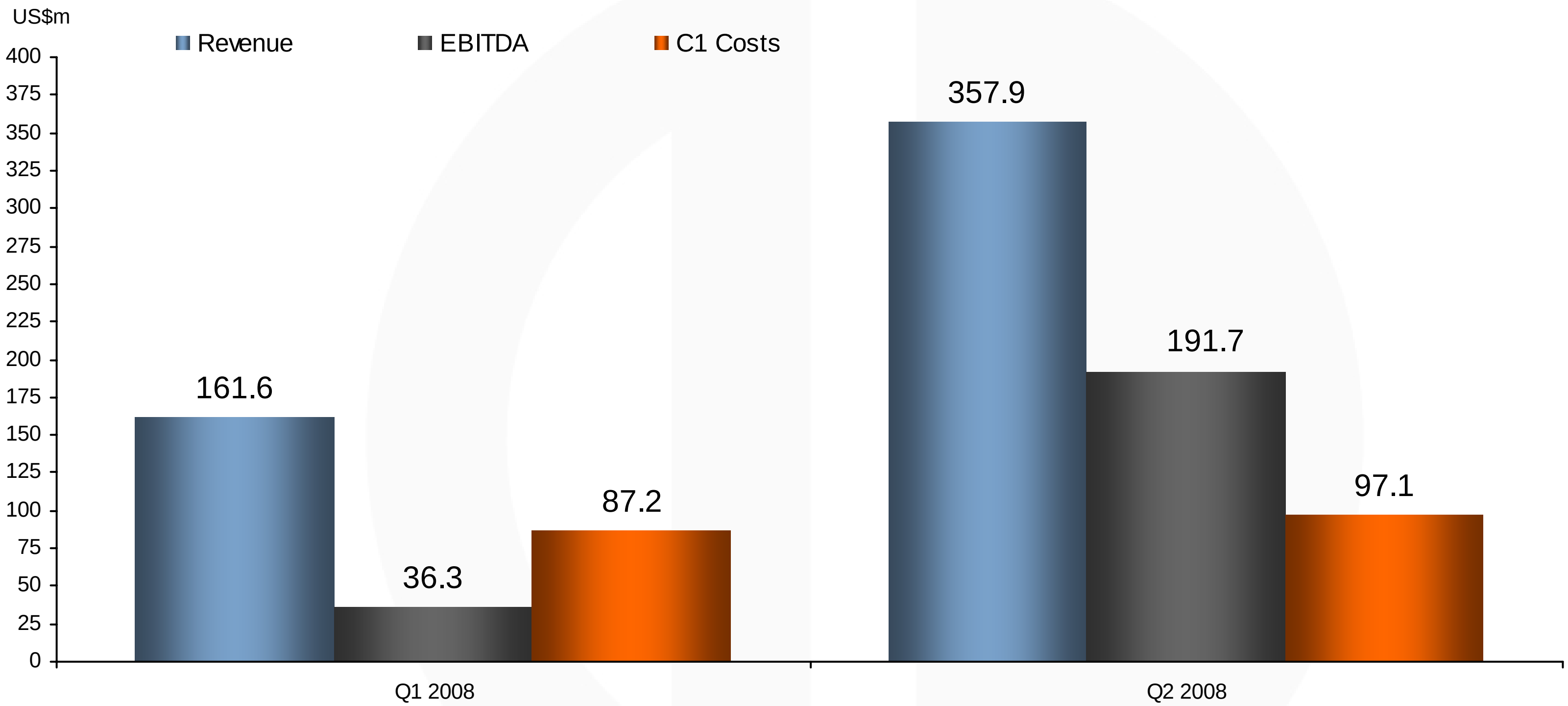


	H1 2007	H1 2008
Ukrainian PPI[6] (%)	11.0	29.4
UAH/US$[7]	5.05	4.85

[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

Quarter-on-Quarter Performance

Q2 2008 gives a better idea of likely FY 2008 performance



	Q1 2008	Q2 2008
Average Achieved Price (US$/t)	74.88	144.22
Ukrainian PPI inflation over period (%)	12.2	15.1

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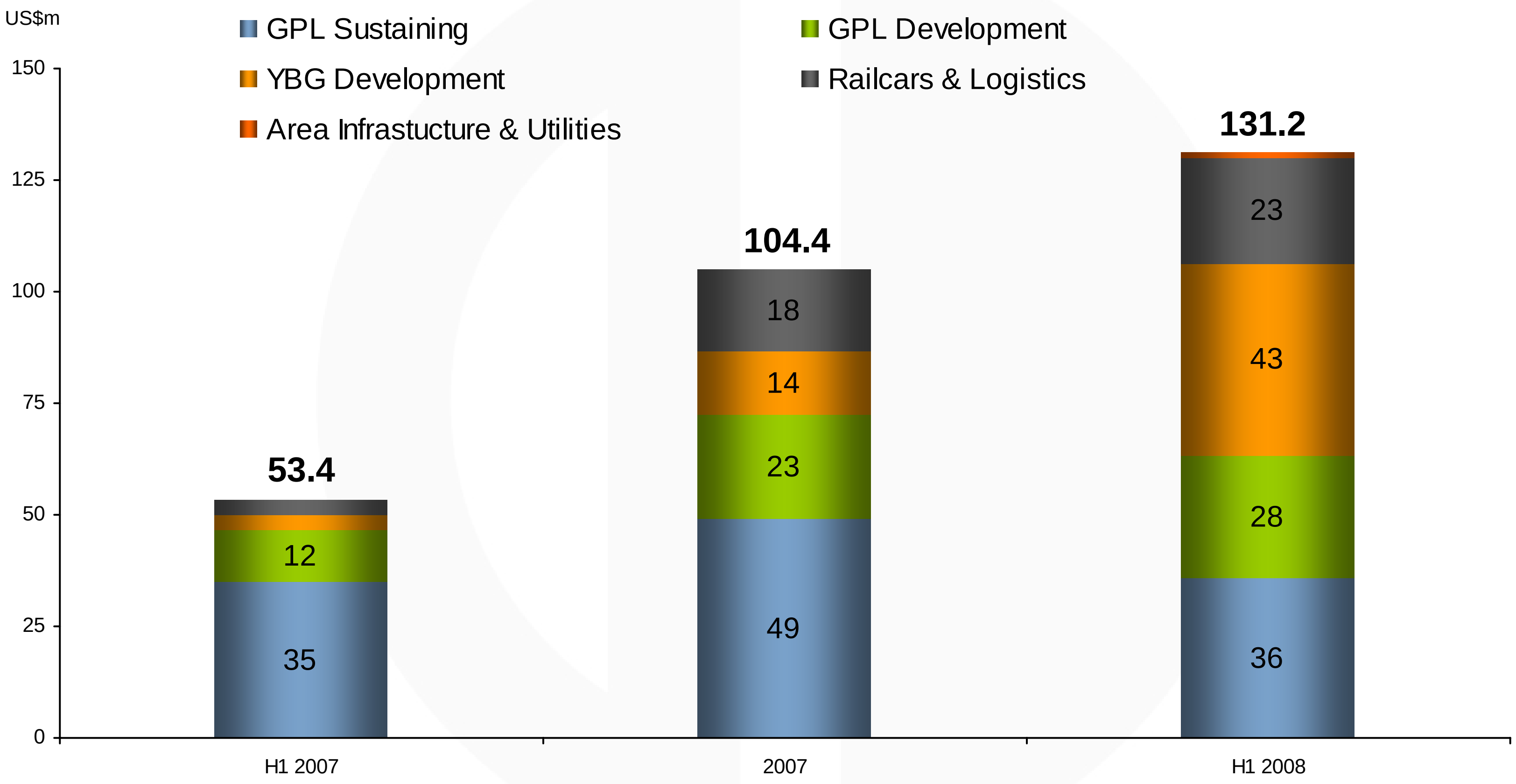
Capital expenditure accelerating

Capital Expenditure Split

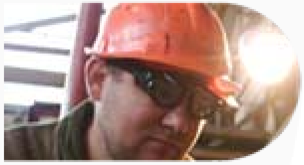


Agenda

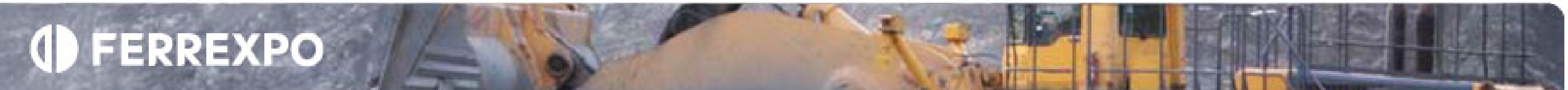
HIGHLIGHTS

INTERIM RESULTS

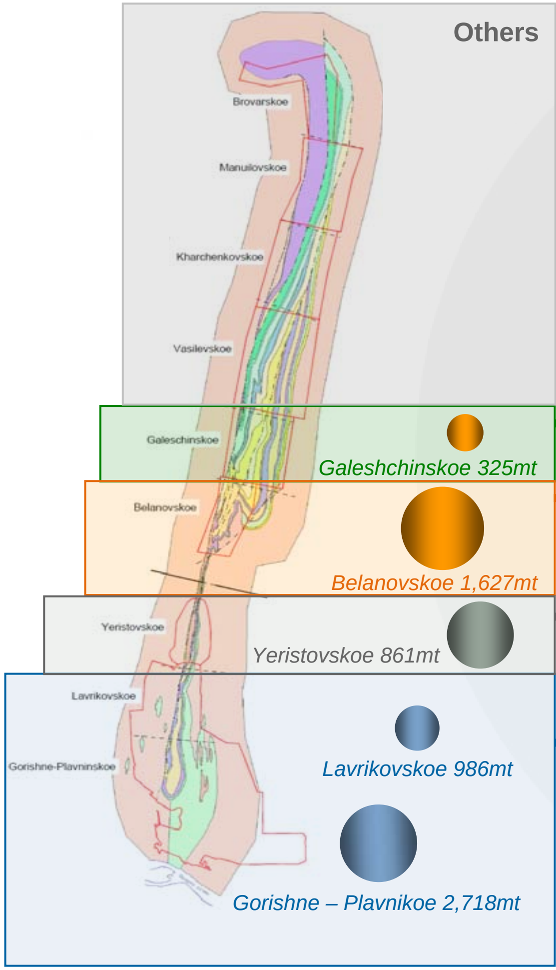
GROWTH & OUTLOOK Mike Oppenheimer



Q&A

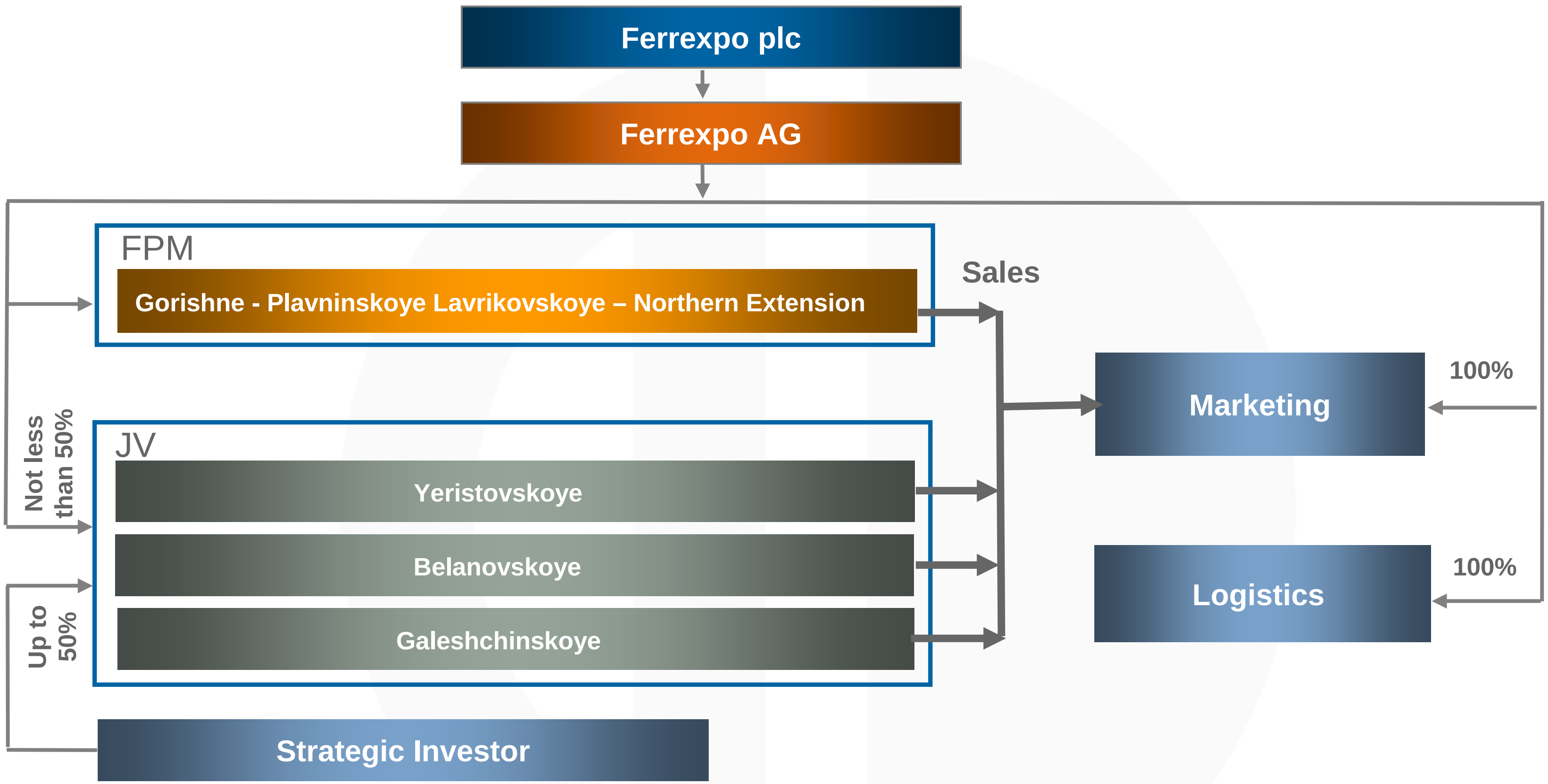


Progress – growth project pipeline



	Achieved	Underway / Imminent	Future
Galeshchinskoe	• Scoping study	• JV with Strategic Partner?	• Q4 2008 - Further conceptual studies
Belanovskoe	• Mine concept study	• PFS - Sept 08 • Further drilling program to commence Q4 2008 • DFS to commence Q4 2008 • JV with Strategic Partner?	• Q3 2011 – draglines ordered • Q3 2012 – First dragline in operation • Q4 2015 – First ore scheduled • 2018 – Design production achieved
Yeristovskoe	• PFS • Draglines purchased • Initial truck fleet purchased • Construction of initial infrastructure underway • Staffing of initial organisation	• DFS - Sept 08 • Final Board review – Oct 08 • Dragline operations to commence - Nov 08 • JV with Strategic Partner?	• Q1 2009 - orders for long-lead items • Q2 2009 - construction camp operational • Q1 2012 - First ore scheduled • 2014 - Design ore production achieved
Lavrikovskoe / Gorishne – Plavnikoe	• Mine expansion - $158m committed • 2bnt resource upgrade	• Expansion on schedule/budget • DFS for GPL upgrade projects – Sept 08 • Final Board review – Oct 08	• 2011 - Design ore production achieved • 2012 – all production 65% Fe • Potential for 68% Fe DR pellet

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

Outlook for remainder of 2008

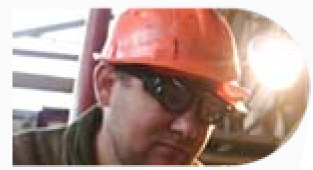
- Positive market environment for iron ore pellets continues
  - Pricing extremely strong – contractual prices set for rest of year
  - Demand for pellets growing in key Traditional and Natural markets
- Incremental production & product quality improvements continuing
  - Overall production likely to 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

Agenda

HIGHLIGHTS

INTERIM RESULTS

GROWTH & OUTLOOK



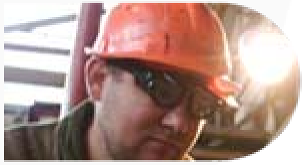
Q&A **Ferrexpo Team**

Appendix – Financial Highlights

INCOME STATEMENT

BALANCE SHEET

CASHFLOW STATEMENT

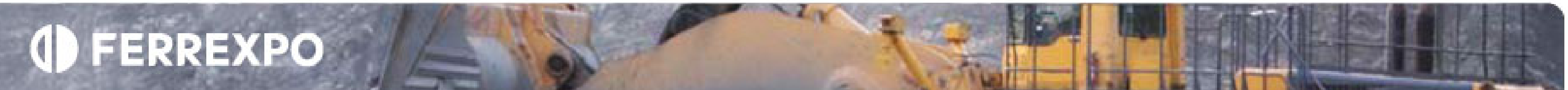


Financial highlights – Income Statement

US$ ‘000	6 Months to 30 June 2008	6 Months to 30 June 2007	% Change
Revenue	**519,498**	**327,915**	58%
Gross Profit	**311,990**	**167,628**	86%
% Margin	*60%*	*51%*	
Operating Profit	**209,259**	**98,965**	111%
% Margin	*40%*	*30%*	
EBITDA	**228,023**	**113,289**	101%
% Margin	*44%*	*35%*	
Profit before Taxation	**201,350**	**54,484**	270%
% Margin	*38%*	*17%*	
Profit for the Period	**157,658**	**40,579**[1]	289%
% Margin	*30%*	*12%*	
Underlying Earnings[2]	**138,783**	**67,408**	106%
Underlying EPS	**22.76**	**11.10**	105%
EPS	**23.20**	**6.03**	285%

[1] After IPO costs of $30.1 million

[2] 'Underlying earnings' is an alternative earnings measure, which the directors believe provides a clearer picture of the underlying financial performance of the Group's operations. Underlying earnings is presented after minority interests and excludes adjusted items.



Financial highlights – Balance Sheet

US$ '000	As at 30 June 2008	As at 30 June 2007	% Change
Non-Current Assets	**737,039**	**535,874**	**38%**
Property, Plant & Equipment	474,742	322,769	47%
Current Assets	**292,462**	**236,033**	**24%**
Inventories	75,234	55,383	36%
Trade & Other Receivables	78,447	49,951	57%
Cash & Equivalents	62,600	71,904	(13%)
Total Assets	**1,029,501**	**771,907**	**33%**
Total Equity	**737,663**	**481,166**	**53%**
Non-Current Liabilities	**136,313**	**211,382**	**(36%)**
Interest-Bearing Loans & Borrowings	111,386	178,667	(38%)
Trade & Other Payables	1,705	4,994	(66%)
Current Liabilities	**155,525**	**79,359**	**96%**
Interest-Bearing Loans & Borrowings	73,693	15,350	380%
Trade & Other Payables	42,849	29,002	48%
Total Liabilities	**291,838**	**290,741**	**0%**
Total Equity & Liabilities	**1,029,501**	**771,907**	**33%**

Financial highlights – Cash Flow Statement

US$ '000	6 months ended 30 June 2008	6 months ended 30 June 2007	% Change
Net Cash Flows from Operating Activities	**141,805**	**83,324**	**70%**
Net Cash Flows from Investing Activities	**(131,147)**	**(35,617)**	**268%**
Purchase of Property, Plant & Equipment	(131,200)	(53,430)	-
Sales of Property, Plant & Equipment	46	14,870	-
Net Cash Flows from Financing Activities	**(41,730)**	**7,797**	**(635%)**
Proceeds from Borrowing & Finance	-	175,244	-
Repayment of Borrowing & Finance	(22,049)	(267,471)	-
IPO Proceeds	-	202,072	-
IPO Costs	-	(32,250)	-
Net Increase/(Decrease) in Cash & Equivalents	**(31,072)**	**55,504**	**(156%)**
Cash & Equivalents at Beginning of Period	86,966	16,236	436%
Currency Translation Differences	6,706	164	-
Cash & Equivalents at End of Period	**62,600**	**71,904**	**(13%)**