



**INTERNATIONAL
FERRO METALS**

2009 FULL YEAR RESULTS PRESENTATION



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1. EXECUTIVE SUMMARY

- FeCr prices collapsed in Q4 '08 due to the global economic crisis
- Quick response: both furnaces shut down in Nov 08
- Focused on conserving cash by cutting costs and monetising inventory
- One furnace restarted in Apr 09
- Global stimulus response to the crisis and end of destocking cycle led to recovery in stainless steel production
- Since year end, second furnace and mining restarted
- Balance sheet strengthened through capital raising
- Will remain vigilant on costs
- Very strong position in Chinese market

On track to take advantage of resumption in stainless steel demand

2. FINANCIAL SUMMARY

- FeCr price down 64% to US\$0.69/lb (Q2 '08 to Q2 '09)
- Revenue ZAR782m, down 59%
- EBITDA loss ZAR396m
- Net loss before tax ZAR456m compared with profit ZAR630 in FY08
- Loss per share ZAR0.66
- Strong balance sheet: ZAR340m cash (net ZAR500m at 31 Aug '09)

2. OPERATIONAL SUMMARY



Smelting

- Both furnaces shut down November 2008
- First furnace restarted April 2009
- Second furnace restarted August 2009

Mining

- Open pit mining continued during the year, now ramping up to 35,000 tpm
- Underground mining contractor terminated December 2008
- Recommenced development of MG2 decline
- MG1 decline development to recommence November 2009
- Shortfall of ore during ramp-up will be met by ore purchases - not expected to add materially to overall costs

Certified ISO compliant

2. OPERATIONAL SUMMARY



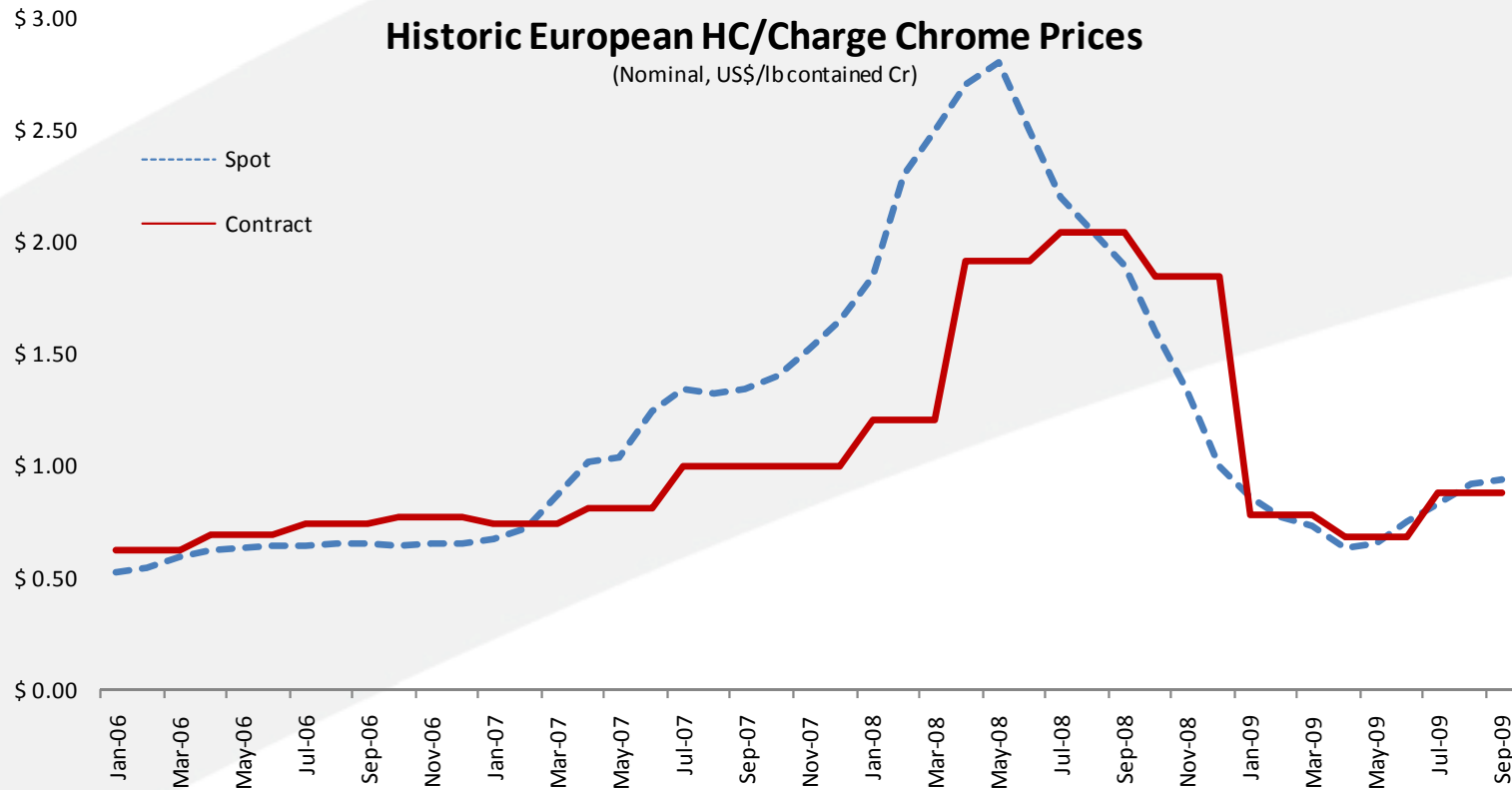
Reserves & Resources

MINERAL RESERVES	Lesedi	Sky Chrome	Total
	kt	kt	kt
PROVED			
MG1	3,840	64	3,904
MG2	6,808	130	6,938
PROBABLE			
MG1	826	21,074	21,900
MG2	2,129	20,488	22,617
PROVED & PROBABLE RESERVES	13,603	41,756	55,359

MINERAL RESOURCES	Lesedi	Sky Chrome	Total
	kt	kt	kt
MEASURED			
MG1	6,130	1,022	7,152
MG2	7,615	1,325	8,940
MG3	4,982	-	4,982
INDICATED			
MG1	1,938	28,535	30,473
MG2	2,060	47,719	49,779
MG3	1,227	-	1,227
MEASURED & INDICATED	23,952	78,601	102,553
INFERRED			
MG1	2,730	6,435	9,166
MG2	2,848	9,622	12,470
MG3	1,894	-	1,894
INFERRED RESOURCES	7,472	16,057	23,530
TOTAL RESOURCES	31,424	94,658	126,083

Resources sufficient to operate 5 furnaces for over 30 years

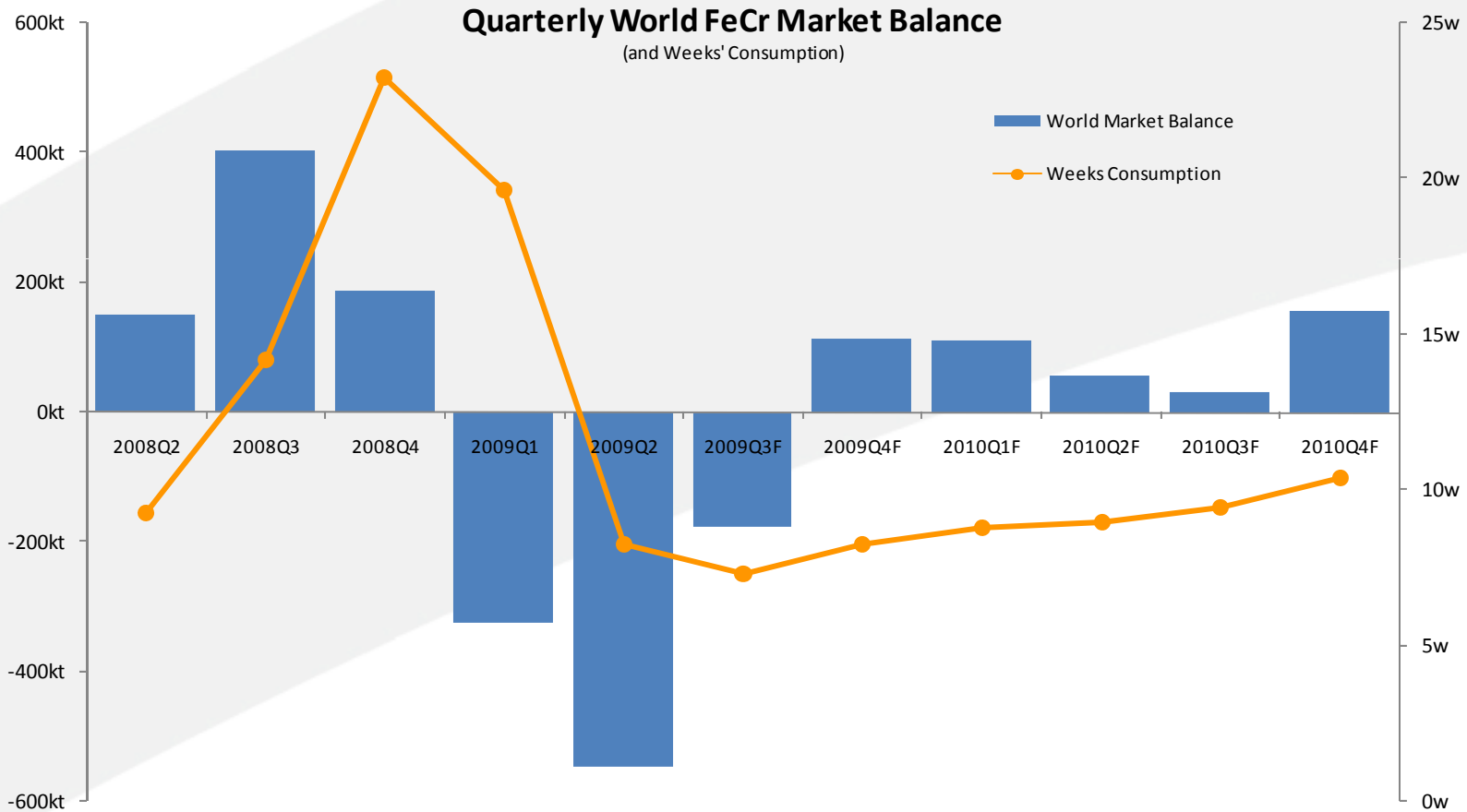
3. FERROCHROME MARKET



Source: CRU Analysis (Sep 2009)

Spot prices moving above contract prices

3. FERROCHROME MARKET



Source: CRU Analysis (July 2009)

Current CRU estimates ferrochrome inventories to fall from over 23 weeks of demand at Dec 2008 to just 7.5 by end Sep 2009 (furnace start-ups taken into account)

4. FINANCIAL REVIEW



- Production and sales volumes down 46% and 51% respectively
- Revenue down 59% - collapse in FeCr prices and monetisation campaign
- Negative margin - record high coke prices and significantly higher electricity prices

Income Statement	H1 2009	H2 2009	FY 2009	FY 2008
	ZAR'000	ZAR'000	ZAR'000	ZAR'000
FeCr production (tonnes)	90,759	19,605	110,364	205,607
FeCr sales (tonnes)	49,435	52,400	101,835	207,862
R/\$ (avg quoted)	R8.82	R9.19	R9.00	R7.26
Total revenue	526,057	255,517	781,574	1,919,396
Cost of goods sold	(456,560)	(412,417)	(868,977)	(1,190,926)
Operating margin	13%	-61%	-11%	38%
EBITDA	(2,331)	(393,637)	(395,968)	726,727
PBT	(26,809)	(428,969)	(455,778)	630,359
Taxation	30,060	87,139	117,199	(52,177)
Net profit/(loss) after tax	3,251	(341,830)	(338,579)	578,182
Net operating cashflow	(321,398)	(26,776)	(348,174)	251,257
EPS (cents per share)	1	(67)	(66)	114
Weighted avg # shares ('000)			504,757	502,590
DPS (pence)			-	1p

4. FINANCIAL REVIEW



- Capex of R197 million
- Cash at R340 million

Balance Sheet	H1 2009	FY 2009	FY 2008
	ZAR'000	ZAR'000	ZAR'000
Cash and cash equivalents	703,823	340,089	972,190
Trade and other receivables	174,602	81,059	462,919
Inventories	506,736	195,820	109,752
Other current assets	12,783	6,263	13,382
Total current assets	1,397,944	623,231	1,558,243
Property, plant & equipment	1,736,467	1,798,151	1,672,281
Other non-current assets	27,215	103,499	25,625
Total non-current assets	1,763,682	1,901,650	1,697,906
TOTAL ASSETS	3,161,626	2,524,881	3,256,149
Trade and other payables	128,858	105,998	213,149
Other current liabilities	224,945	12,411	100,852
Total current liabilities	353,803	118,409	314,001
Interest bearing loans and borrowings	85,954	64,053	92,716
Deferred tax liability	18,905	-	50,602
Total other non-current liabilities	22,592	13,307	27,184
Total non-current liabilities	127,451	77,360	170,502
TOTAL LIABILITIES	481,254	195,769	484,503
TOTAL SHAREHOLDERS' EQUITY	2,680,372	2,329,112	2,771,646

4. FINANCIAL REVIEW



- Net cash of R500 million at end Aug 2009

Cash Flow Statement	H1 2009	H2 2009	FY 2009	FY 2008
	ZAR'000	ZAR'000	ZAR'000	ZAR'000
Net cash flows from operating activities	(321,398)	(26,776)	(348,174)	251,257
Net cash flows from investing activities	(76,570)	(84,525)	(161,095)	(39,701)
Net cash flows from financing activities	97,726	(208,971)	(111,245)	607,214
Net increase / (decrease) in cash held	(300,242)	(320,272)	(620,514)	818,770
Cash at the beginning of the financial year	972,190	703,823	972,190	43,929
Effects of exchange rate changes on cash	31,875	(43,462)	(11,587)	109,491
Cash and cash equivalents at the end of the year	703,823	340,089	340,089	972,190

5. POST PERIOD HIGHLIGHTS



Stainless steel demand – update

USA Strong evidence of end of destocking in the US, plants operating above 60% capacity, driven by real US consumption

Europe European end consumption weak, but large exports from Europe into China

Asia South Korea, Japan and Taiwan reflect slightly higher domestic consumption and strong exports into China

China showing robust stainless steel consumption

5. POST PERIOD HIGHLIGHTS



FeCr market

- Fifth month of consecutive FeCr spot price increases
- FeCr market remains in deficit
- Global FeCr stock forecast to be 7.5 weeks of consumption at end Sep '09 (CRU September 2009)
- JISCO doubling stainless capacity to consume 384,000 tonnes pa of FeCr
- JISCO off-take agreement of 120,000 tpa of FeCr (50% of Eskom constrained capacity)
- All stainless steel produced by JISCO is being consumed, not stockpiled
- JISCO is producing ferritic 400 series stainless steel
- JISCO is agent for IFL in China (new customers include Baosteel, ZPSS and Walsin)

5. POST PERIOD HIGHLIGHTS



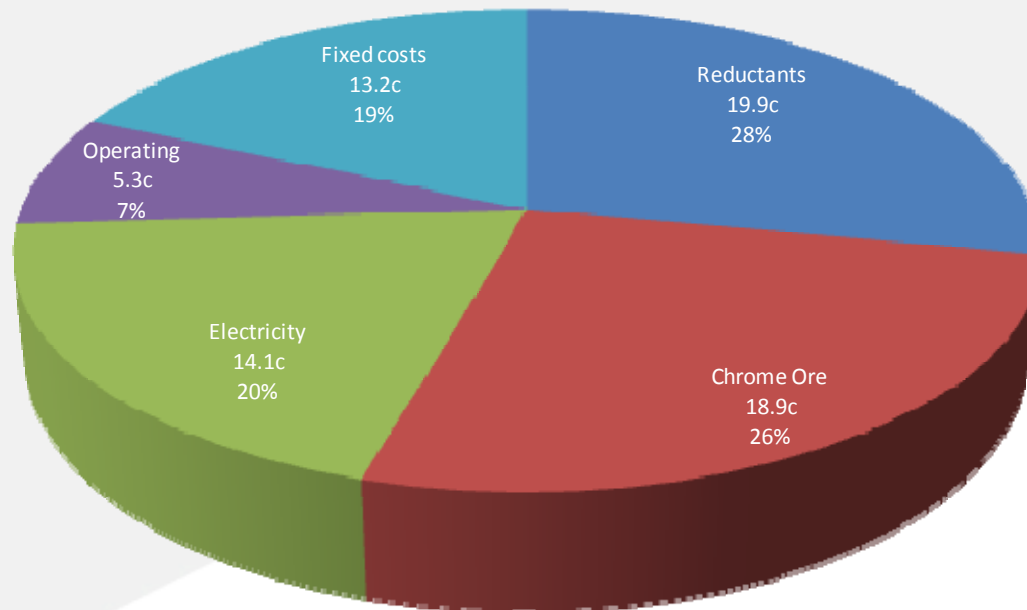
Operations

- Successful capital raising of GBP22.2m
- Co-generation plant on schedule and budget for commissioning in Sept 2010
- ZAR500m working capital secured from Bank of China
- Second furnace restarted mid Aug - both furnaces operating well
- Open pit mining ramped up and underground mining resumed
- Net cash of ZAR500 million at 31 Aug 2009

6. FORECAST PRODUCTION COSTS



IFM Forecast Production Cost FY2010 (US71c/lb)
(per lbs contained Cr)



Assumptions:

Capacity utilization @ 90%

Average R/\$ @ R8.25

Inflation @ 10.00%

Coke prices constant @ Q1FY2010

Electricity unit cost increases:

- July 2009 @ 45%
- April 2010 @ 30%

7. OUTLOOK



- Strong balance sheet with ZAR340m cash, no debt (net ZAR500m at 31 Aug '09)
- Both furnaces restarted; resumption of mining
- New co-generation plant to restore capacity and reduce electricity costs
- Position in Chinese market has strengthened through JISCO
- JISCO plans to double stainless steel production in 2010
- Improving demand for ferrochrome as stainless steel production increases

Taking full advantage of stainless steel demand

8. APPENDICES



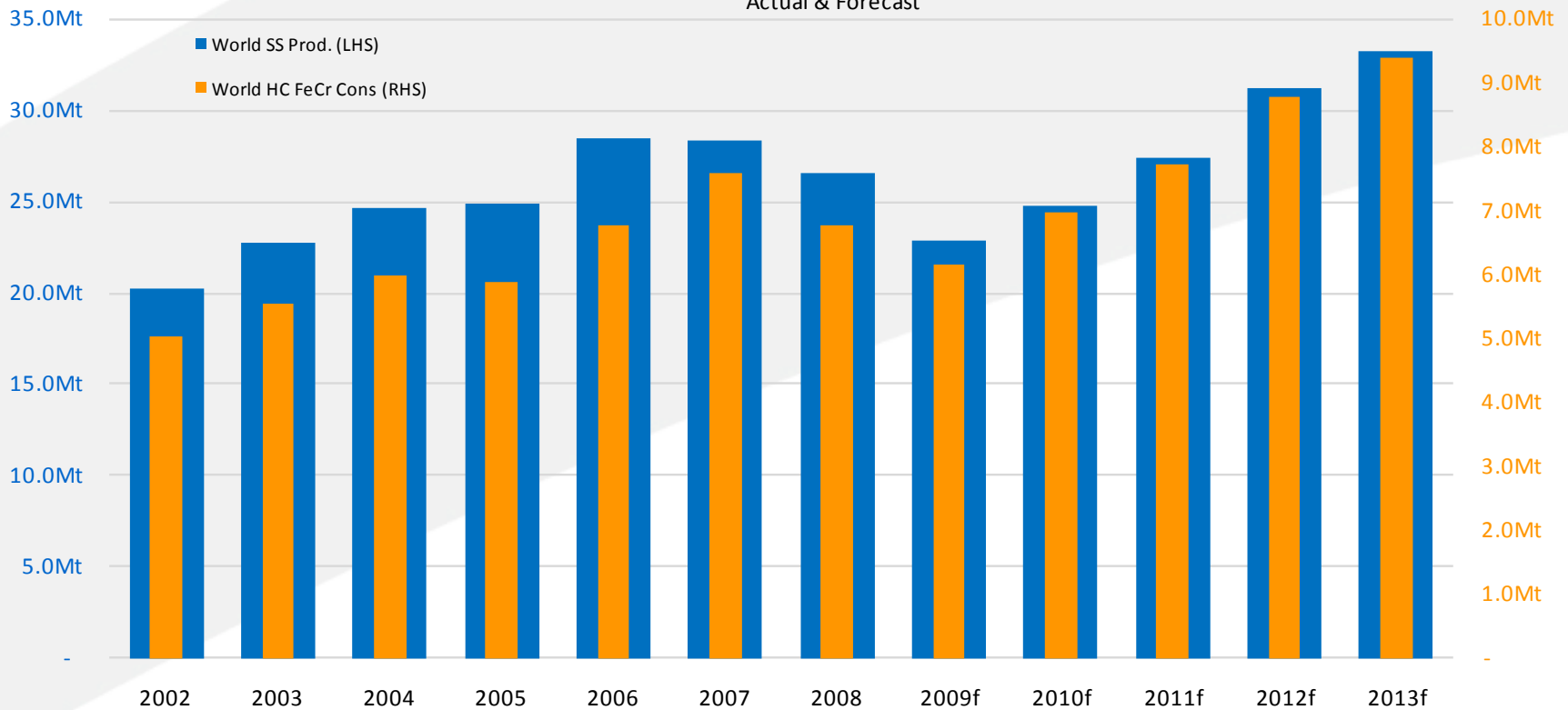
- 8.1 SS Production & FeCr Demand
- 8.2 FeCr Production by Country
- 8.3 SS Consumption by Sector
- 8.4 Electricity and Co-generation
- 8.5 Black Economic Empowerment (BEE)

8.1 SS PRODUCTION & FECR DEMAND



World SS Production & HC FeCr Consumption

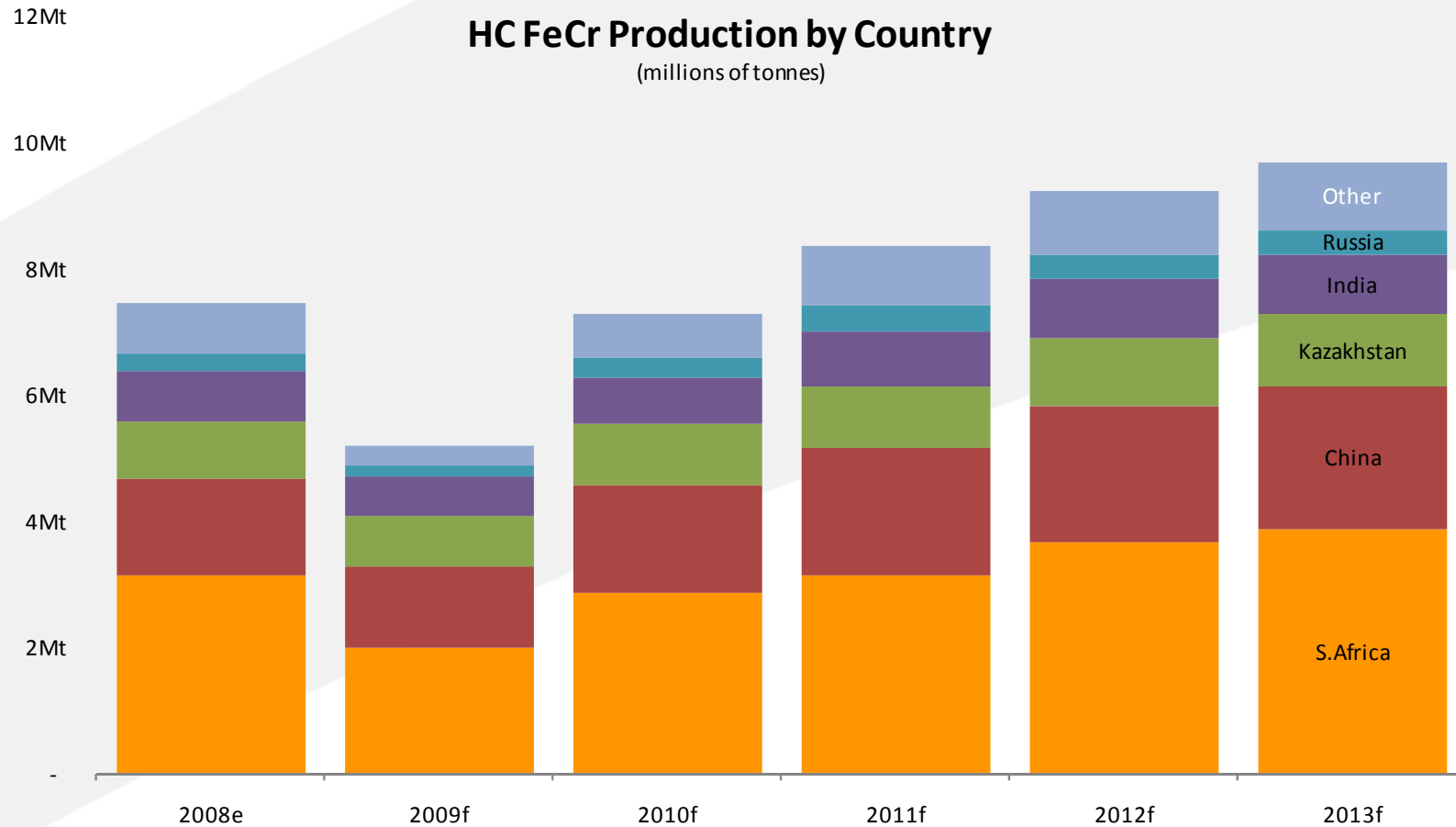
Actual & Forecast



Source: CRU Ferrochrome Market Service (August 2009)

Additional ferrochrome capacity required by 2012

8.2 FECR PRODUCTION BY COUNTRY



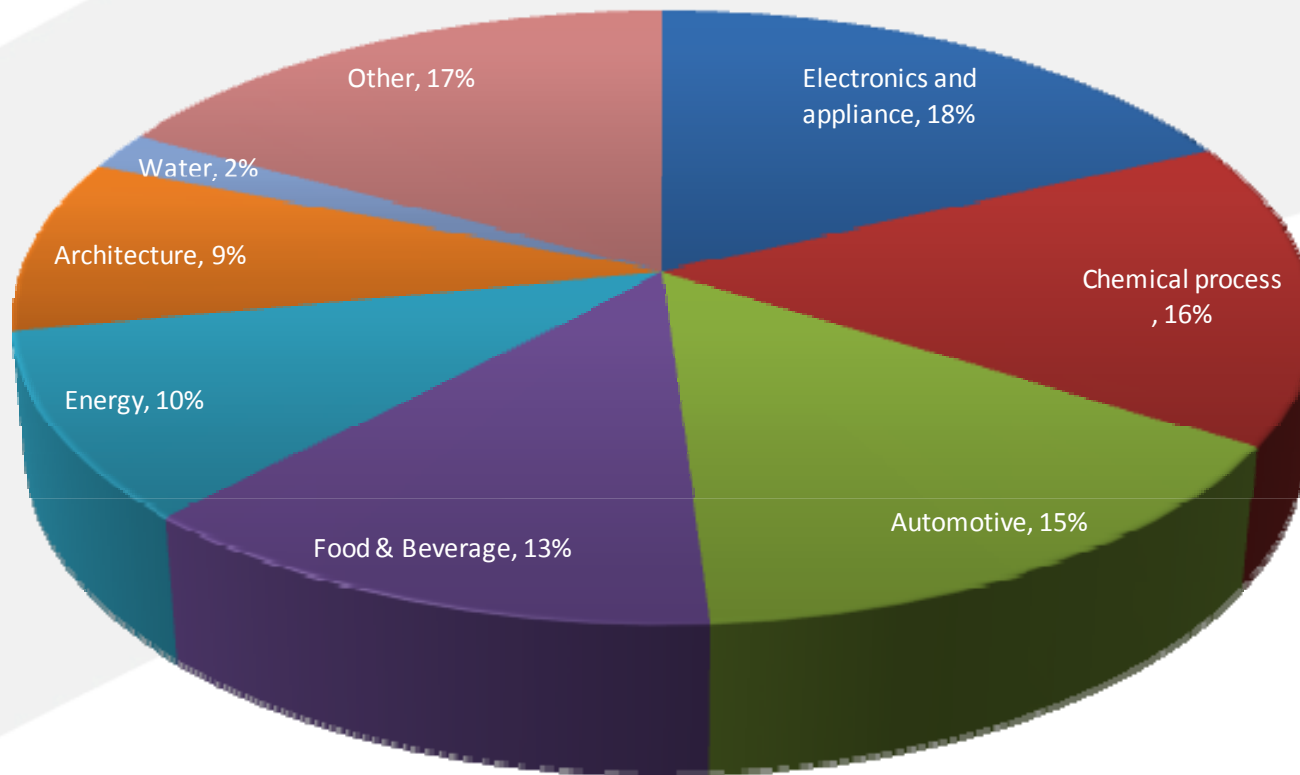
Source: CRU Market Service - August 2009

South Africa's capacity increases not expected in this timeframe

8.3 SS CONSUMPTION BY SECTOR

Stainless Steel Consumption by Sector (2007)

(91% of Chrome Ore consumed in Stainless Steel)



Source: Metal Bulletin Research

8.4 ELECTRICITY AND CO-GENERATION



- A Clean Development Mechanism (CDM) Project
- Eskom per unit tariff increases of 96% since April 2007, further above-inflation increases expected
- Eskom current wholesale pricing of R275/MWh (time-of-use weighted average)
- Co-generation cost c.R14/MWh after CER revenue (c.R151/MWh before CER revenue)
- Proven technology to convert waste gas to electricity (manufactured by General Electric Jenbacher , total capex of ZAR254 million)
- Expected commissioning in September 2010
- Generate c. 11% (13.7MW) of overall electricity requirements and reduce electricity costs by 10%
- Displace approx. 144,000 tonnes of CO₂ equivalent - earning Carbon Emission Reductions (Carbon Credits)
- Restores FeCr production capacity back to 267ktpa (currently Eskom-constrained to 240ktpa)
- Eskom constraints expected to continue beyond 2012

8.5 BLACK ECONOMIC EMPOWERMENT (BEE)



- Proposed BEE transaction submitted to the Department of Minerals and Energy (DME) in April 2009
- Transaction effective 2 months after DME conversion of old order to new order mining rights (conversion expected in 2010)
- Transaction brings immediate 26% BEE compliance as per DME requirement
- In line with SA Government need for Broad-Based BEE (employees, entrepreneur and communities)
- Sustainable - BEE shareholders are not financially encumbered
- Reduced dilution - business is sold at fair value
- Optimal BEE points
- Flexibility in financing structure (preference share/debenture mix)