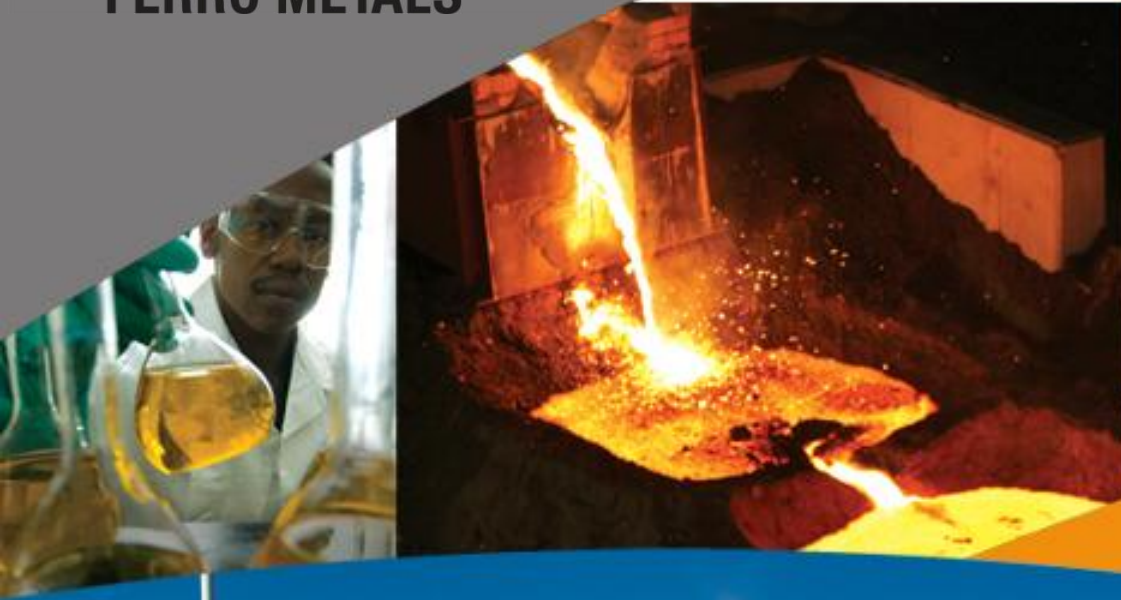




**INTERNATIONAL
FERRO METALS**

2011 HALF-YEAR RESULTS PRESENTATION



LONDON

21 – 25 February 2011



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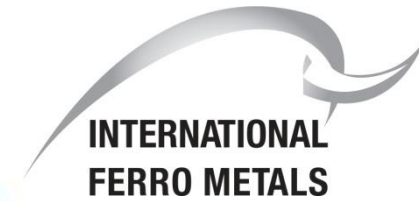
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EXECUTIVE SUMMARY



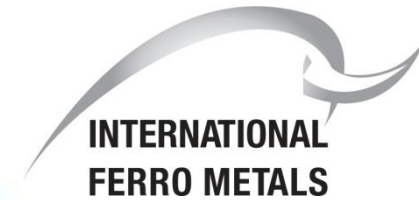
- Record global 2010 stainless steel and ferrochrome production
- Furnace roof and feed chute design problems identified and work started on furnace revamp
- Furnace upgrade work expected to complete by September 2011
- Production costs have been and will be further reduced
- Sky Chrome mining licence awarded in November 2010, mining to commence in April 2011
- UG2 feed to commence by January 2012
- Global ferrochrome market improving

FINANCIAL SUMMARY



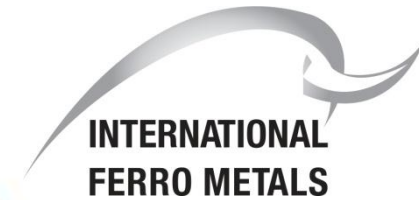
- Production down 5% to 101kt from previous half but up 6% on H1 FY2010
- Revenue down 13% to ZAR851m from previous half but up 88% on H1 FY2010
- Rand strengthened 6% against average FY2010 U.S. Dollar exchange rate
- Production costs up 9.7% in Dollars, but up only 3.4% in Rands
- Loss before tax ZAR160m (EBITDA loss ZAR98m)
- Net borrowings of ZAR216m
- Low grade ore sales to continue, generating significant cash flow
- Capex of ZAR148m
- Strong balance sheet with low debt
- Significant cost reductions once furnace roof upgrades completed

OPERATIONAL REVIEW - SMELTING



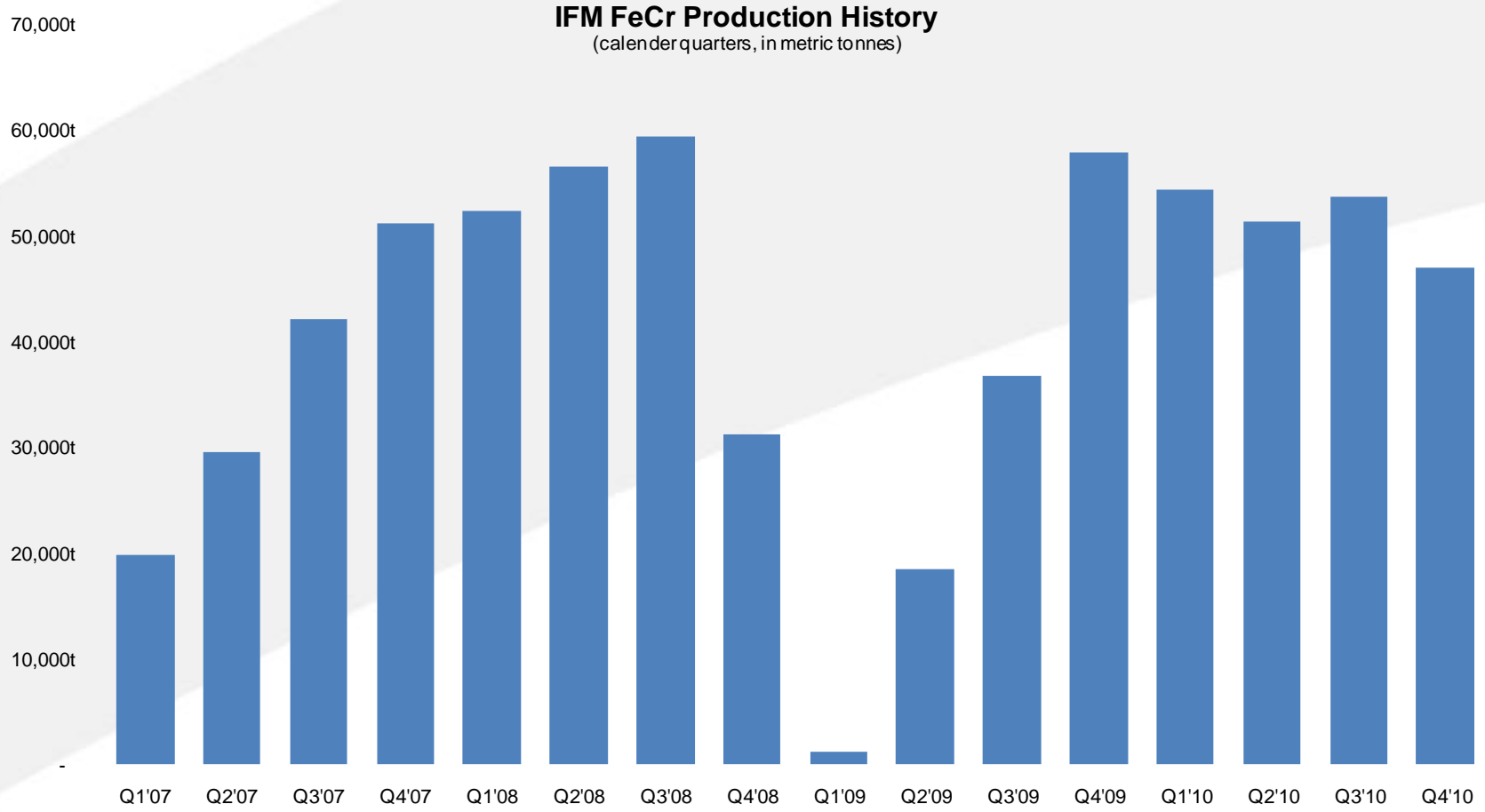
- Furnace problems relating to roofs and gas off take systems have been identified and a clear plan initiated
- Each furnace will be shut down for six weeks, and both furnaces will be running at the end of August 2011, with ramp up to name plate capacity during September 2011
- Total cost of furnace upgrade R80m
- High level of confidence that furnaces will run at name plate capacity after shut down
- Until shut down average production expected at 18,000 tonnes per month
- Pelletising plant running at nameplate capacity

OPERATIONAL REVIEW - MINING



- Underground mining ramped up from 20,000tpm in June 2010 to 28,000tpm by December 2010
- Production expected to reach 40,000tpm by June 2011
- Target of 75,000tpm expected by May 2014
- Open pit mining averaged 49,000tpm during the six month period
- Lower grade MG3 and MG4 from open pit sold into market
- Lesedi open pit operations expected to cease in July 2011, to be replaced with Sky Chrome open pit material
- Ore beneficiation plant operating at record levels

OPERATIONAL REVIEW - PRODUCTION HISTORY



FINANCIAL REVIEW



- Production and sales volumes decreased by 5% and 13% respectively
- Further Rand strengthening of 6% negatively impacting on margins

CONSOLIDATED INCOME STATEMENT (R'000)	H1 2011	H2 2010	H1 2010
	six months 31 DEC 2010	six months 30 JUN 2010	six months 31 DEC 2009
<i>FeCr Production (tonnes)</i>	100,839	105,725	94,715
<i>FeCr Sales (tonnes)</i>	103,808	119,496	70,936
<i>Average R/\$ exchange rate</i>	R7.10	R7.50	R7.64
Total Revenue	850,944	981,678	451,917
Cost of goods sold	(904,942)	(915,762)	(509,055)
Gross (loss) / profit	(53,998)	65,916	(57,138)
Operating margin	-6%	7%	-13%
EBITDA	(98,834)	43,404	(102,258)
(Loss) / profit before tax	(160,095)	(11,890)	(144,842)
Taxation	53,091	31,177	39,749
Net (loss) / profit after tax	(107,004)	19,287	(105,093)
EPS (cents per share)	(19.14)	3.68	(19.08)
Weighted avg # shares ('000)	554,008	549,442	544,926
DPS (pence)	0p	0p	0p

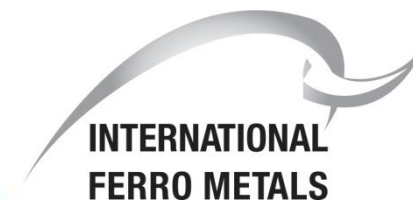
FINANCIAL REVIEW



- Low gearing
- De-stocking in final product and raw materials

CONSOLIDATED BALANCE SHEET (R'000)	H1 2011	H2 2010	H1 2010
	31 DEC 2010	30 JUN 2010	31 DEC 2009
Cash and cash equivalents	230,952	396,926	395,344
Receivables	116,007	230,031	69,132
Inventories	400,683	446,241	434,619
Other current assets	9,873	4,792	71,000
Total current assets	757,515	1,077,990	970,095
Property, plant & equipment	2,038,177	1,962,028	1,829,698
Other non-current assets	305,700	207,206	149,604
Total non-current assets	2,343,877	2,169,234	1,979,302
Total Assets	3,101,392	3,247,224	2,949,397
Trade and other payables	131,807	273,353	138,344
Other current liabilities	27,140	25,444	26,849
Total current liabilities	158,947	298,797	165,193
Interest bearing loans and borrowings	508,480	409,707	265,308
Total other non-current liabilities	23,803	21,554	21,017
Total non-current liabilities	532,283	431,261	286,325
Total liabilities	691,230	730,058	451,518
Total shareholders' equity	2,410,162	2,517,166	2,497,879

FINANCIAL REVIEW



- Net borrowings of ZAR216m at 31 Dec 2010

CONSOLIDATED CASH FLOW STATEMENT (R'000)	H1 2011	H2 2010	H1 2010
	six months 30 JUN 2010	six months 30 JUN 2010	six months 31 DEC 2009
Net cash flows from operating activities	(102,253)	5,502	(273,954)
Net cash flows from investing activities	(131,889)	(134,540)	(112,389)
Net cash flows from financing activities	90,421	135,934	452,063
Net increase / (decrease) in cash held	(143,721)	6,896	65,720
Cash at the beginning of the period	396,925	395,344	340,089
Effects of exchange rate changes	(22,253)	(5,314)	(10,465)
Cash at the end of the period	230,951	396,925	395,344

FINANCIAL REVIEW



- ZAR160m five year term-loan facility being negotiated for UG2 plant

CAPITAL EXPENDITURE	H1 FY2011 six months actual	H2 FY2011 six months <i>forecast</i>	FY2011 twelve months <i>forecast</i>	FY2010 twelve months actual
Co-generation plant	R75,272	R20,247	R95,518	R101,844
Underground development	R17,715	R32,947	R50,662	R86,039
Metal recovery plant	R6,679	R7,789	R14,468	R4,108
Return water project	-	R1,368	R1,368	R266
UG2 CTRP plant *	R33,176	R95,457	R128,633	-
Furnace roof upgrades +	-	R70,000	R70,000	-
Other	R15,051	R19,109	R34,160	R37,104
Total	R'000	R147,892	R246,917	R394,810

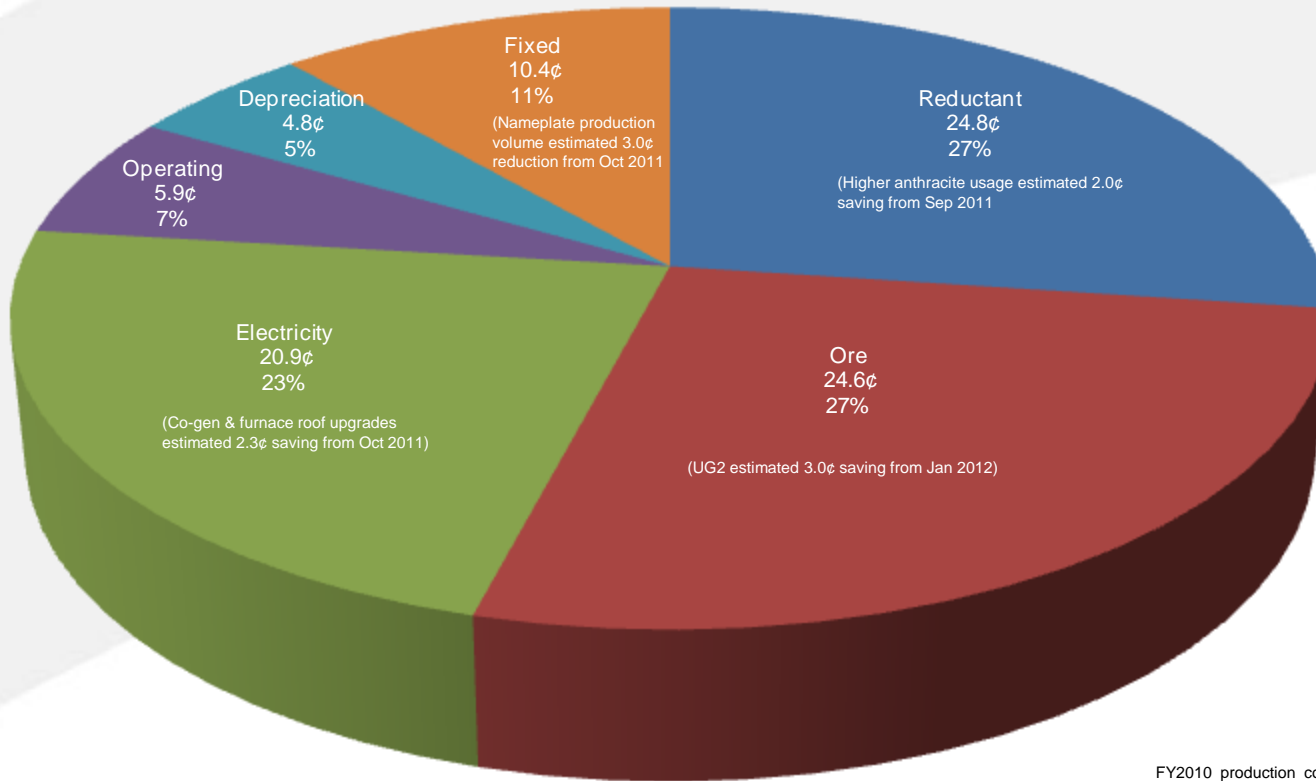
* the UG2 CRP plant expenditure is treated as a pre-payment

+ total furnace roof capex of R80 million of which an estimated R70 million falls within the current financial year

PRODUCTION COSTS – FY2011H1

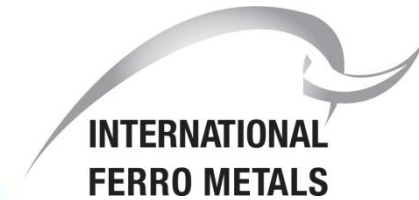


IFM FeCr Production Cost FY2011H1 (91¢/lb)
 (US¢/lb contained Cr, FeCr production 101kt ,average R7.10/\$)



FY2010 production cost was 83¢/lb at an exchange rate of R7.54/\$ which equates to 88¢/lb at R7.10/\$.

PRODUCTION COSTS – FY2011H1



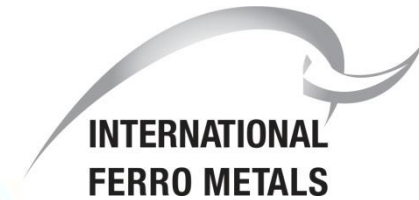
- US Dollar production cost increased by 9.7% from 83.4¢/lb in FY2010 to 91.4¢/lb in FY2011H1
- Rand production cost up 3.4% on FY2010 with electricity costs contributing 5.2% but reduced by 1.8% due to an overall decrease in other costs
- Rand production costs were driven by (compared to FY2010):
 - Ore cost down 1.7¢/lb (6.6%) from increased mining volumes and improved beneficiation recoveries
 - Reductant cost up 0.5¢/lb (2%) despite 12% increase in coke prices due to higher anthracite usage
 - Electricity cost up 4.6¢/lb (28%) due to higher electricity prices and partly due to higher consumption (furnace water leaks)
 - Fixed cost up 1.6¢/lb mainly due to inflation and higher maintenance costs

PRODUCTION COSTS - OUTLOOK



- Fixed costs:** Nameplate production volumes to decrease per unit fixed costs by estimated 3.0¢/lb from Sep 2011 after roof upgrades
- Ore:** Ramping up of mining operations to further reduce cost of ore. UG2 ore to reduce costs by estimated 3.0¢/lb from Jan 2012
- Reductant:** Increased anthracite usage expected to reduce costs by 2.0¢/lb from Sep 2011 after roof upgrades
- Electricity:** Co-generation plant and improved electricity consumption expected to reduce costs by 2.3¢/lb from Sep 2011 after roof upgrades
- Overheads:** Continued focus on reducing overhead expenses

SKY CHROME



- Mining licence granted November 2010
- 12 million tonnes of open pit material along MG1, 2, 3 and 4 seams
- Mining expected to commence by end April 2011
- Ramp up of production to 100,000tpm by January 2012
- Feasibility study on ore beneficiation plant to be completed within six months
- Until commissioning:
 - 35,000tpm to be treated at existing ore beneficiation plant
 - 25,000tpm to be be mined in saleable form
 - Balance stockpiled
 - 38,000tpm to be sold into market
- After commissioning 700,000tpa to be sold into market

Co-generation

- Plant completed on time and within budget
- H₂ levels in off gas above specification, expected to normalise after furnace roof upgrades. If not, then engines to be modified for higher H₂ content
- Plant operating at minimal level

UG2 supply agreement

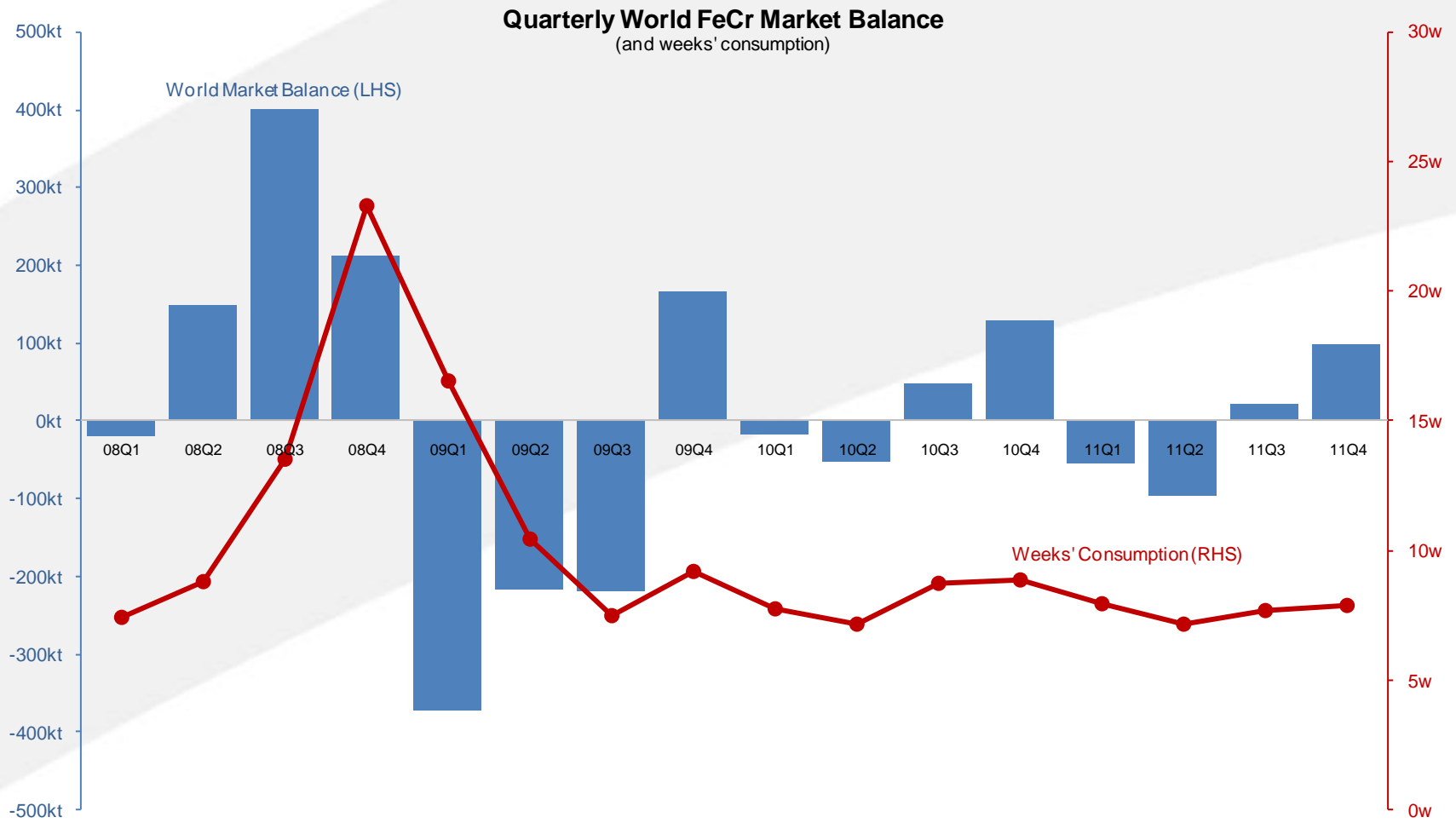
- Supply agreement with Anglo Platinum to receive 15,000tpm for approx. 9 years
- Cost fixed at R161m
- Anglo Platinum construction behind schedule
- First feed expected January 2012
- Delay does not materially affect supply tenor (3 months)

FERROCHROME MARKET



- Record stainless and ferrochrome production in 2010, 31.7m tonnes and 8.5m tonnes respectively
- 2011 forecast to be another record year
- Ferrochrome demand has recently strengthened in all markets
- Chinese domestic supply tight
- Regional disparities have started to disappear
- Chinese spot prices have increased by 9¢/lb over the past month
- Recent Rand weakness since December 2010 is increasing Rand revenues

FERROCHROME MARKET



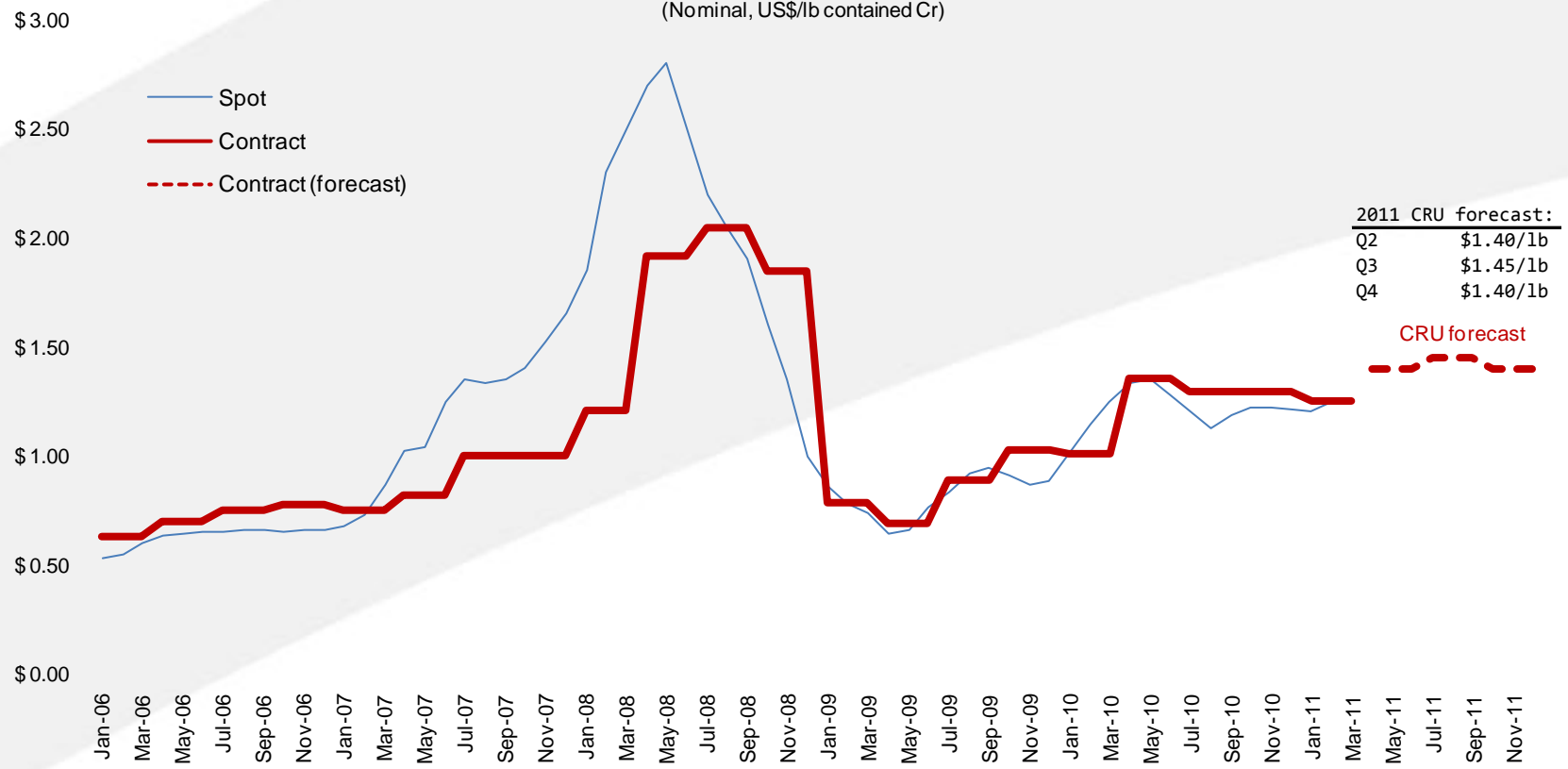
Source: CRU (Feb 2011)

FERROCHROME MARKET



European HC/Charge Chrome Prices

(Nominal, US\$/lb contained Cr)



Source: CRU (Feb 2011)

OUTLOOK



- Confident in long term stainless steel demand
- Furnace rebuild complete by September 2011
- Nameplate FeCr production from October 2011
- Significant further cost reductions
- Commencement of Sky Chrome mining and increased ore sales
- Improving global FeCr market – increasing prices