

2012 HALF-YEAR RESULTS



London & Edinburgh

20-23 February 2012

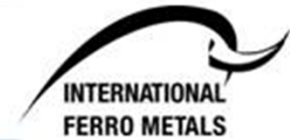
Chris Jordaan, CEO

Jannie Muller, CFO

IFM electricity co-generation plant, Buffelsfontein



DISCLAIMER

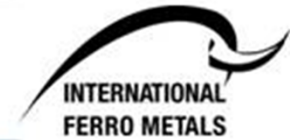


Chrome ore concentrate

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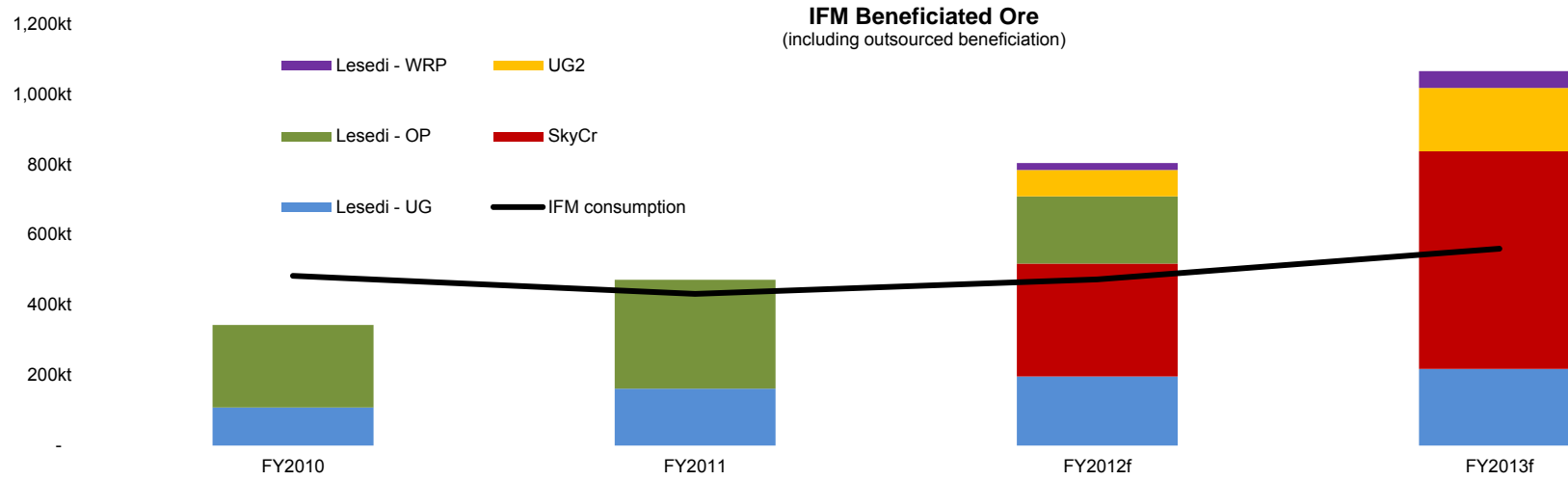


HIGHLIGHTS



Economic environment	Improved operational performance	Projects executed to plan
Compared to FY2011, ZAR weakened 10% on average against USD	Cost down ZAR0.21/lb on FY2011 adj. for changes in electricity and reductant prices, 27.5% of targeted ZAR0.76/lb (SA cpi \approx 6%)	UG2 plant commissioned and first product produced in Feb'12
Average FeCr Benchmark price down 8% from prior half	Furnace availability up from 90% to 98%	Furnace roof upgrade project completed successfully
Revenue R852m, up 18% on prior half EBITDA:-R73m EBT: -R139m	Record mining production for the half, up 34% compared to previous half	Sky Chrome throughput to 44kt in Dec '11
Net borrowings: 31 Dec 2011: R458m 31 Jan 2012: R440m	Fatality-free operating history, LTIF down 39%	CoGen modifications successfully completed on 4 engines

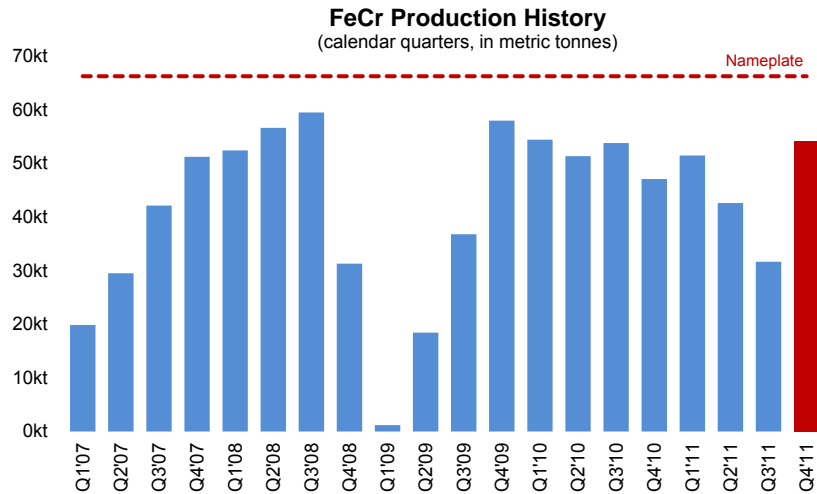
OPERATIONAL REVIEW



IFM long on ore from FY2012



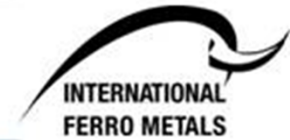
OPERATIONAL REVIEW



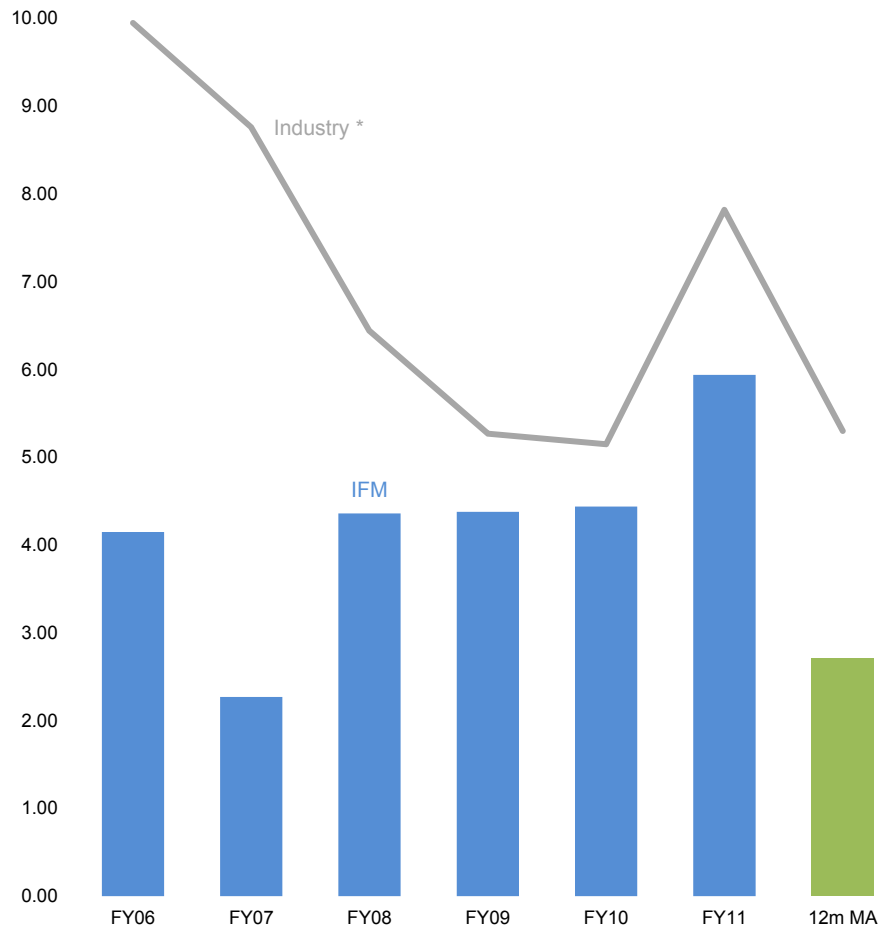
- Furnace roof refit completed on time and within budget
- Furnaces at full load
- Efficiency improvements



HEALTH & SAFETY



Lost Time Injury Frequency
(IFM vs. Industry*)



* Bushveld Safety Form (mining)

- Zero fatalities since inception
- Significant improvement continued
- Focus on visible leadership on all levels
- Continued focus on training and development



FINANCIAL REVIEW



CONSOLIDATED INCOME STATEMENT (R'000)	H1 2012	H2 2011	H1 2011
	six months 31 DEC 2011	six months 30 JUN 2011	six months 31 DEC 2010
<i>FeCr Production (tonnes)</i>	85,779	94,030	100,839
<i>FeCr Sales (tonnes)</i>	100,318	83,155	103,808
<i>Average R/\$ exchange rate</i>	R7.66	R6.88	R7.10
Total Revenue	851,843	724,515	850,944
Cost of goods sold	(859,354)	(714,456)	(904,942)
Gross (loss) / profit	(7,511)	10,059	(53,998)
Operating margin	-1%	1%	-6%
EBITDA	(73,466)	26,923	(98,834)
(Loss) / profit before tax	(139,281)	(53,992)	(160,095)
Taxation	47,093	26,045	53,091
Net (loss) / profit after tax	(92,188)	(27,947)	(107,004)
EPS (ZAR cents per share)	(16.42)	(5.00)	(19.14)
Weighted avg # shares ('000)	554,008	554,008	554,008
DPS (pence)	0p	0p	0p

FINANCIAL REVIEW

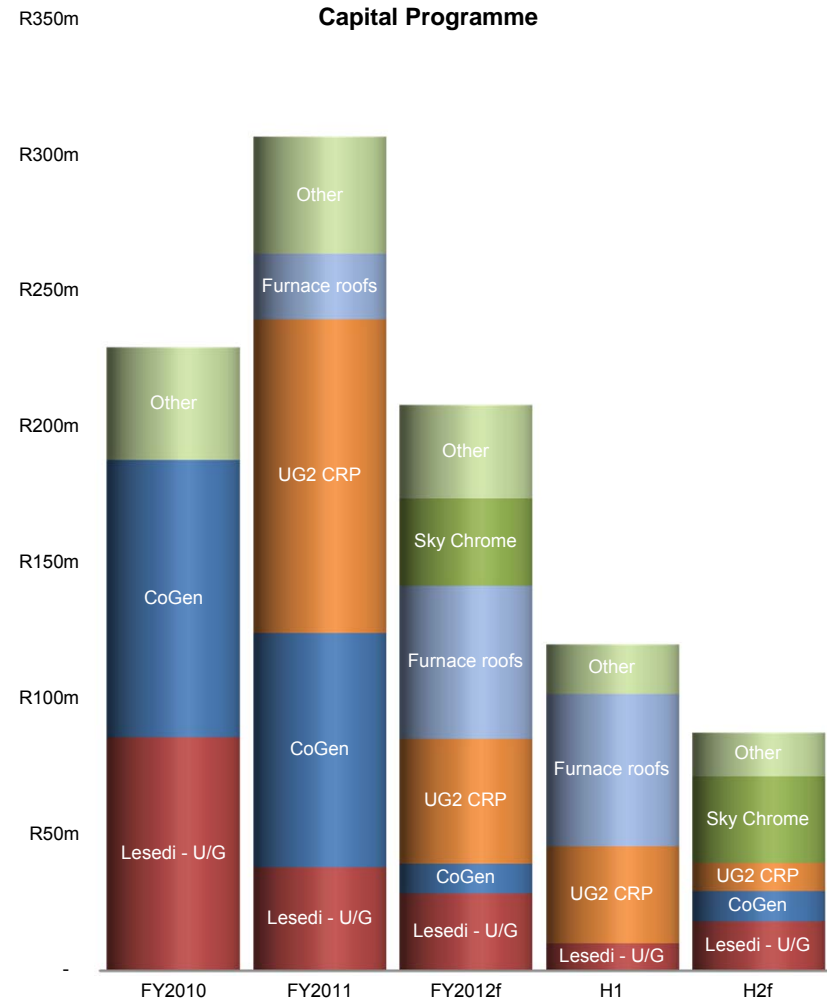
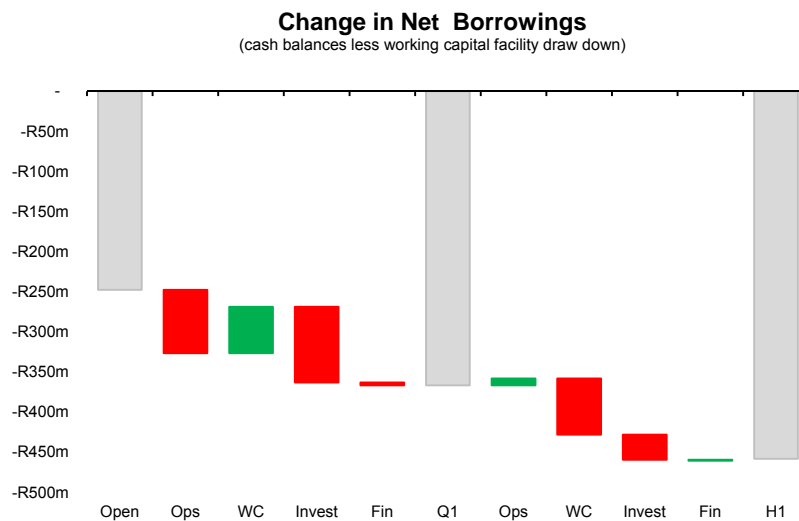


CONSOLIDATED BALANCE SHEET (R'000)	H1 2012	FY2011	H1 2011
	as at 31 DEC 2011	as at 30 JUN 2011	as at 31 DEC 2010
Cash and cash equivalents	41,837	67,482	230,952
Receivables	211,408	108,813	116,007
Inventories	290,938	376,756	400,683
Other current assets	7,638	1,655	9,873
Total current assets	551,821	554,706	757,515
Property, plant & equipment	2,112,540	2,070,604	2,038,177
Other non-current assets	477,943	385,689	305,700
Total non-current assets	2,590,483	2,456,293	2,343,877
Total Assets	3,142,304	3,010,999	3,101,392
Trade and other payables	203,919	167,900	131,807
Interest bearing loans and borrowings	510,483	319,031	-
Other current liabilities	32,333	52,519	27,140
Total current liabilities	746,735	539,450	158,947
Interest bearing loans and borrowings	58,956	57,678	508,480
Total other non-current liabilities	43,430	31,656	23,803
Total non-current liabilities	102,386	89,334	532,283
Total liabilities	849,121	628,784	691,230
Total shareholders' equity	2,293,183	2,382,215	2,410,162

FINANCIAL REVIEW



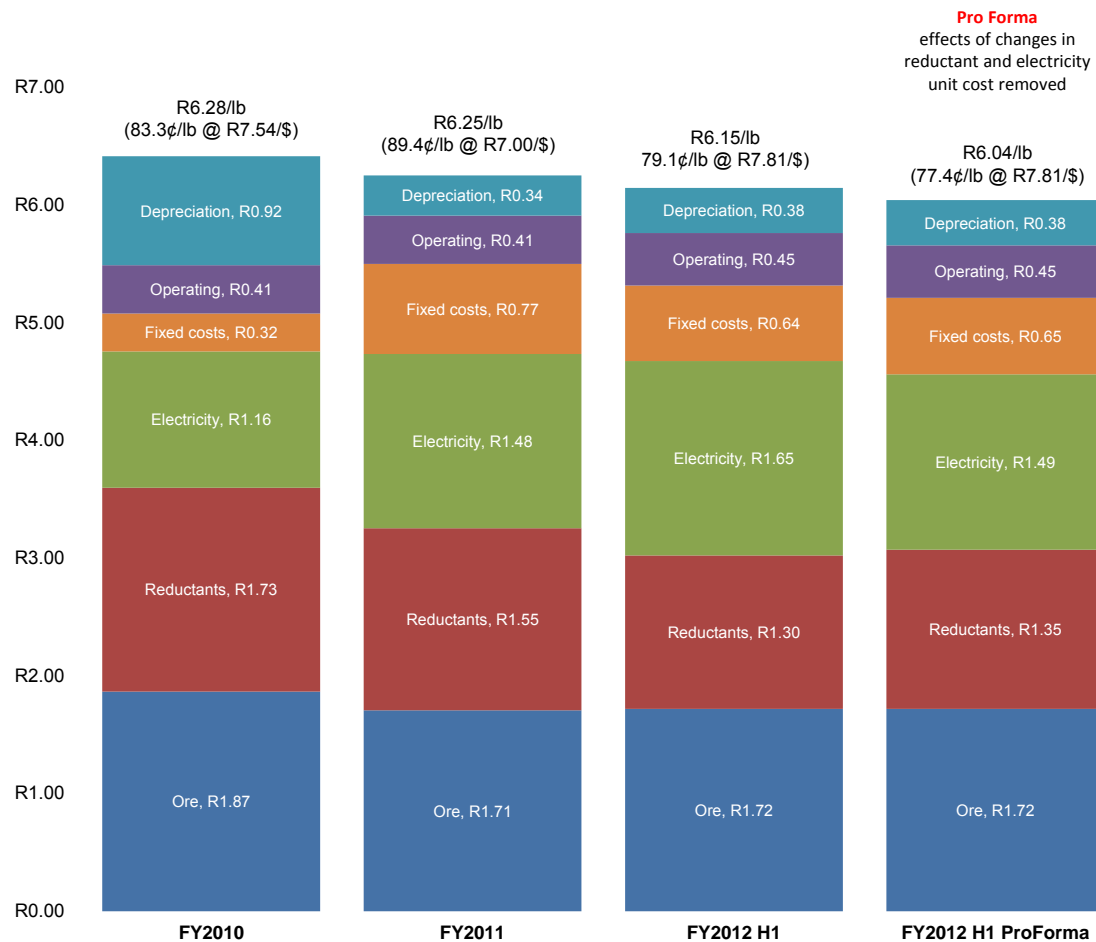
- Working capital facility expected to be extended in Q2 2012
- JISCO guarantee for short-term banking facility, documentation being prepared
- Continue to monetise low grade ores
- Major capital expenditure near complete



PRODUCTION COST – FY2012 H1



FeCr Production Cost
(ZAR/lb contained Cr)



- Rand production cost down 1.7% on FY2011, despite inflation (SA CPI ≈ 6%)
- Dollar production cost down 11.5% on FY2011
- Rand production cost down ZAR0.21/lb on FY2011 when adjusting for changes in electricity and reductant price changes, 27.5% of Q4 FY2012 targeted reduction of ZAR0.76/lb

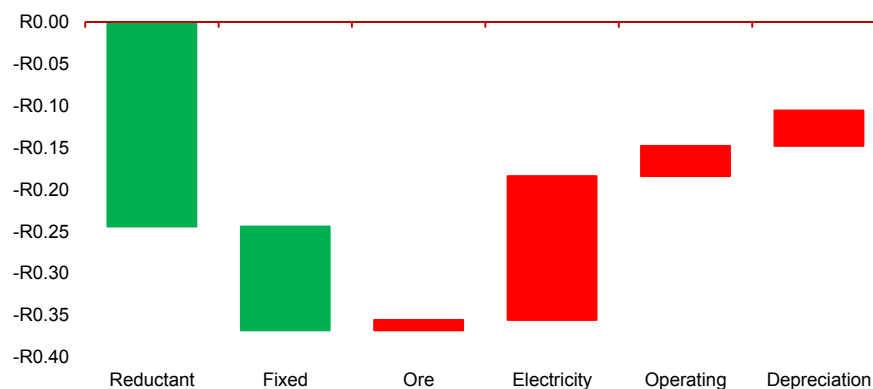
PRODUCTION COST – FY2012 H1



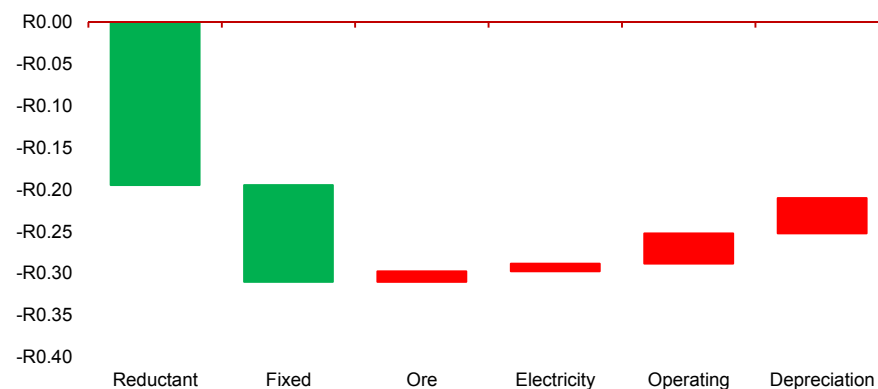
Production cost ZAR/lb contained Cr	Actual FY2010	Actual FY2011	Actual FY2012 H1	Pro Forma * FY2012 H1	change	change %
Ore	R1.87	R1.71	R1.72	R1.72	R0.01	0.7%
Reductants	R1.73	R1.55	R1.30	R1.35	-R0.19	-12.6%
Electricity	R1.16	R1.48	R1.65	R1.49	R0.01	0.6%
Operating	R0.41	R0.41	R0.45	R0.45	R0.04	8.8%
Depreciation	R0.32	R0.34	R0.38	R0.38	R0.04	12.3%
Fixed costs	R0.79	R0.77	R0.64	R0.65	-R0.12	-15.1%
Total	R6.28	R6.25	R6.15	R6.04	-R0.21	-3.4%

* Adjusted for changes in unit reductant and electricity costs from FY2011

**Decrease in Production Cost
from R6.25/lb (FY2011) to R6.15/lb (FY2012 H1)**
(ZAR/lb contained chrome)



**ProForma* Decrease in Production Cost
from R6.25/lb (FY2011) to R6.04/lb (FY2012 H1)**
(ZAR/lb contained chrome)



* effects of changes in reductant and electricity unit cost removed

PRODUCTION COST - OUTLOOK



Production cost outlook (expressed in FY2011 terms)		(ZAR/lb)
ORE	<ul style="list-style-type: none"> Sky Chrome open pit mining commenced Jun'11 - substitute Lesedi open pit at lower cost UG2 supply of 15ktpm (30% of total beneficiated ore requirement) of low cost concentrate from Anglo Platinum from Feb'12. 	-R0.21/lb
REDUCTANTS ⁽¹⁾	<ul style="list-style-type: none"> Successful introduction of cheaper reductant during H2 FY2011. Full year FY2012 at similar substitution level to further reduce cost of reductant 	-R0.09/lb
ELECTRICITY ⁽²⁾	<ul style="list-style-type: none"> Normalised consumption after furnace roof replacements Co-generation at full capacity, expected in Q4 FY2012 	-R0.11/lb -R0.14/lb
FIXED COST	<ul style="list-style-type: none"> Per unit fixed cost to decrease by reaching full production capacity, expected from calendar Q3 FY2012 	-R0.21/lb
TOTAL⁽³⁾		-R0.76/lb

(1) Excludes the effect of reductant price increases

(2) Excludes the effect of any further ESKOM increases

(3) ZAR0.76 equates to US10.9c/lb at FY2011 exchange rate of R7.00/\$, as previously reported

PROJECTS



FURNACES

- Steel roofs replaced with copper roofs
- Increased number of feed chutes
- F1 switched in 30-Jul-11, operating at full load
- F2 switched in 02-Sep-11, operating at full load
- Availability improved from 90% to circa 98%



COGEN

- CoGen plant re-started after furnace switch-ins
- 4 of 10 engines now modified and operating at capacity
- Remainder to be modified by Q3 FY2012
- Plant to supply c. 11% of electricity requirement



SKY CHROME

- Mining operations commenced Jun'11
- Ramp-up to 50ktpm (Q4 FY2012)
- Further ramp-up for ore export



UG2 RECOVERY PLANT

- Construction of UG2 CRP at RPM Concentrator completed
- Capital cost R161m
- c. 30% of beneficiated ore requirement
- First feed Feb'12, for 9 years
- Low cost – only transportation and regulatory charges
- Further UG2 resources under investigation



PROJECTS



LESEDI O/P

- UG1 uneconomical
- Open pit to be depleted end FY2012
- Strip ratio increase as mine reaches end of life
- Sky Chrome open pit to replace Lesedi open pit



LESEDI U/G

- Continued development - upgrade infrastructure capacity
- Development to enable increased production, improved recovery yields and lower cost



IFM integrated mining, beneficiation and smelting facility , Buffsfontein



RESOURCES AND RESERVES



AS at 30 June 2011

MINERAL RESERVES *	Lesedi ¹	Sky Chrome ²	Total
	<i>kt</i>	<i>kt</i>	<i>kt</i>
PROVED			
MG0	-	204	204
MG1	6,013	17,999	24,012
MG2	10,343	17,510	27,853
MG3	79	355	434
MG4	-	635	635
PROBABLE			
MG0	-	290	290
MG1	2,511	13,278	15,789
MG2	3,283	13,668	16,951
MG3	-	832	832
MG4	-	721	721
PROVED & PROBABLE RESERVES	22,229	65,492	87,721

* stated on a gross basis

¹ attributable: 99.375%

² attributable: 80.0%

MINERAL RESOURCES *	Lesedi ¹	Sky Chrome ²	Total
	<i>kt</i>	<i>kt</i>	<i>kt</i>
MEASURED			
MG0	-	179	179
MG1	4,937	25,814	30,751
MG2	6,767	25,363	32,130
MG3	68	310	378
MG4	-	671	671
INDICATED			
MG0	-	260	260
MG1	2,084	13,852	15,936
MG2	1,932	14,570	16,502
MG3	-	648	648
MG4	237	768	1,005
MEASURED & INDICATED RESOURCES	16,025	82,435	98,460
INFERRED			
MG0	-	187	187
MG1	2,745	8,789	11,534
MG2	2,766	10,902	13,668
MG3	-	159	159
MG4	-	2,005	2,005
INFERRED RESOURCES	5,511	22,042	27,553
TOTAL RESOURCES	21,536	104,477	126,013

OUTLOOK



- Record 2012 stainless steel production (CRU - 2011: 32.7Mt; 2012: 35.7Mt)
- Strong FeCr demand (CRU - 2011: 8.7Mt; 2012: 9.5Mt)
- Strong chrome ore demand
- Significant cost reduction pipeline
 - Reduced ore cost (UG2 supply, Sky Chrome open pit)
 - Reduced electricity cost (furnace efficiencies, cogen plant)
 - Optimised reductant blend (anthracite replace coke)
 - Increased production volume (furnace roof refit)
- Eskom electricity buy-back programme
 - Planned maintenance
 - Metal Bulletin reports participation by Xstrata, Samancor & Ruukki
 - Reduced supply (potential upward pressure on FeCr pricing)

