



12 November 2009

International Ferro Metals Limited
(“IFL” or the “Company”)
Production Report for the three months to 30 September 2009
and Interim Management Statement

Highlights:

- Ferrochrome production was 36,773 tonnes for the quarter to 30 September 2009, up sharply from the June 2009 quarter due to the start up of the second furnace
- Ferrochrome sales were down from 41,916 tonnes in the June 2009 quarter when the Company was selling inventory plus production, to 36,383 tonnes in the September quarter
- Inventory remained stable at 9,752 tonnes, compared to 9,362 tonnes at 30 June 2009
- Net cash balance of ZAR433m as at 30 September 2009 (30 June 2009: ZAR340m)
- Ferrochrome price was US\$0.89 per pound for the September 2009 quarter, compared to US\$0.69 for the June 2009 quarter

Post-period highlights

- Ferrochrome price has increased to US\$1.03 per pound for the December quarter of 2009

	Three months to 30 September 2009 (tonnes)	Three months to 30 June 2009 (tonnes)	Three months to 30 September 2008 (tonnes)
Production	36,773	18,437	59,470
Ferrochrome sales	36,383	41,916	28,025
Ferrochrome stock at quarter end	9,752	9,362	33,265

Commenting on the operational update, Chief Executive Officer David Kovarsky said:

“Following increased ferrochrome demand and general shortages during the quarter we made a decision to start up the second furnace on 17 August 2009, having switched on the first furnace on 20 April 2009. The start up went smoothly and production is now running at full Eskom constrained capacity. With the prospect of continued ferrochrome price increases through 2010, IFL is well placed to take full advantage of its strategic access to growth in stainless steel production.”

Ferrochrome market conditions

Since the beginning of 2009, global stainless steel production volumes have steadily increased and although there has been a recent slowdown over the quarter under review, it is expected that the upward trend will resume from the beginning of 2010.

Production

Production for the quarter to September 2009 was 36,773 tonnes compared with 18,437 tonnes in the previous quarter when only one furnace was in operation and 59,470 tonnes for the quarter to 30 September 2008 when both furnaces were running at full capacity after allowing for electricity constraints. Both furnaces are now running smoothly and achieved Eskom constrained nameplate capacity towards the end of October.

Sales

Ferrochrome sales were 36,383 tonnes for the quarter compared with 41,916 tonnes in the previous quarter when the Company was selling stockpiled material as well as production. These sales were executed in all of the Company's traditional markets: China, Europe and the United States. The strength of the Rand has adversely impacted achieved ZAR revenues and reduced margins.

Inventory and costs

Costs have been well controlled during the quarter.

Stock levels were low in the June quarter due to increased sales and are currently low as IFL turned on its second furnace part-way through the September quarter. The Company is now rebuilding inventory to more normal levels in response to expected increases in electricity prices due to regulatory tariff charges and seasonal pricing and in response to expected increases in the ferrochrome price.

Capital expenditure

Total capital expenditure budgeted for the remainder of the financial year is ZAR350 million which includes ZAR190 million for the electricity co-generation project and ZAR80 million for mine development.

The mine capital programme has begun with the MG2 decline expected to be completed by the end of November 2009. Development of the MG1 decline has commenced.

Construction of the co-generation plant, which will allow the Company to generate 10% of its electricity requirements at significantly lower cost, after allowing for carbon credits, is well underway and will be commissioned in the second half of 2010.

Cash

The Company's balance sheet remains strong with net cash of ZAR433m at the end of September 2009 and the ZAR500 million Bank of China working capital facility in place. The Company will continue its prudent management of cash and resources.

Outlook

Due to a lack of transparency in demand from developing economies and the outlook for the Rand and electricity costs, the Company remains cautious in the near term. However, on an

operational level, the Company's furnaces are operating efficiently, mining development has commenced as planned and the development of our co-generation project is on track. Our strategic relationships are key in harnessing the growth in demand in China and our belief in the outlook for stainless steel demand in the long term remains intact.

Other than as detailed above in this Interim Management Statement, there have been no material events or transactions in the period from 1 October 2009 to 12 November 2009.

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About International Ferro Metals:

International Ferro Metals produces ferrochrome, the essential ingredient in stainless steel, from its integrated chromite mine and ferrochrome processing operations in South Africa. International Ferro Metals is listed on the London Stock Exchange under the symbol IFL.

Forward Looking Statements

This announcement contains certain forward looking statements which by nature, contain risk and uncertainty because they relate to future events and depend on circumstances that occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements.