



CONCORDE CAPITAL

Ukraine / Iron Ore

Ferrexpo

Top managers sell off shares

June 19, 2008

Current price: GBP 4.2 (USD 8.4)
12M Target: GBP 3.6 (USD 7.1)

HOLD

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- Ten Ferrexpo directors & managers sold off shares for more than USD 7 mln on the market, it was announced yesterday
- Ferrexpo says this came after IPO lock-ups came off
- We reiterate our 12M target price of GBP 360 per share and HOLD recommendation

After market close yesterday, Ferrexpo announced that ten directors and managers sold off shares in the company, including Chief Executive Officer Mike Oppenheimer, who sold 950,000 shares, and Director of Business Development Dennis McShane, who sold 750,000 shares.

The company told us that the timing of the sales fell one year after IPO, when the lock-up period on the stock expired.

Ferrexpo shed 5% to as low as 412 pence in trading today, before staging a U-turn to close at 430 pence. The stock has tripled since Ferrexpo sold shares at 140 pence each last June.



FLASH NOTE

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Appendix - Disclosures

Analyst certification

I, Eugene Cherviachenko, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

FXPO ratings history

| Date | 12M target price, USD | Market price, USD | Rating | Action |
|-----------|-----------------------|-------------------|--------|----------|
| 14-Mar-08 | 6.6 | 6.9 | HOLD | Initiate |
| 31-Mar-08 | 7.1 | 6.9 | HOLD | Maintain |
| 11-Apr-08 | 7.1 | 6.9 | HOLD | Maintain |
| 19-Jun-08 | 7.1 | 8.4 | HOLD | Maintain |

FXPO target price history, USD per share



Investment Ratings

The time horizon for target prices in Concorde Capital's research is 12 months unless otherwise stated. Concorde Capital employs three basic investment ratings: Buy, Hold and Sell. Typically, Buy recommendation is associated with an upside of 15% or more from the current market price; Sell is prompted by downside from the current market price (upside <0%); Hold recommendation is generally for limited upside within 15%. Though investment ratings are generally induced by the magnitude of upside, they are not derived on this basis alone. In certain cases, an analyst may have reasons to establish a recommendation where the associated range given above does not correspond. Temporary discrepancies between an investment rating and its upside at a specific point in time due to price movement and/or volatility will be permitted; Concorde Capital may revise an investment rating at its discretion. A recommendation and/or target price might be placed Under Review when impelled by corporate events, changes in finances or operations. Investors should base decisions to Buy, Hold or Sell a stock on the complete information regarding the analyst's views in the research report and on their individual investment objectives and circumstances.

Concorde Capital ratings distribution

| | | |
|--------------|-----|------|
| Buy | 56 | 49% |
| Hold | 22 | 19% |
| Sell | 19 | 17% |
| Under Review | 18 | 16% |
| Total | 115 | 100% |

Investment banking clients*

| | | |
|--------------|---|------|
| Buy | 6 | 100% |
| Hold | 0 | 0% |
| Sell | 0 | 0% |
| Under Review | 0 | 0% |
| Total | 6 | 100% |

* Within the last twelve month period, Concorde Capital has obtained compensation from these companies for investment banking services.

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