Fortescue
The New Force in Iron Ore

People and Innovation Driving Performance

People. Innovation. Performance.

Forward looking statements

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Additional Information

This presentation should be read in conjunction with the Annual Report at 30 June 2016 together with any announcements made by Fortescue in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

Any references to reserve and resources estimations should be read in conjunction with Fortescue's Ore Reserves and Mineral Resources statement for its Hematite and Magnetite projects at 30 June 2016 as released to the Australian Securities Exchange on 19 August 2016. Fortescue confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

All amounts within this presentation are stated in United States Dollars consistent with the functional currency of Fortescue Metals Group Limited, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.

Building a world class company

Core supplier to China's growth

Safety focus

Engagement
Empowerment
Leadership

First ore in 2008

$ **Low cost producer**

Shipped over
850mt

165-170mt
Production rate

Unique culture

Delivering on targets

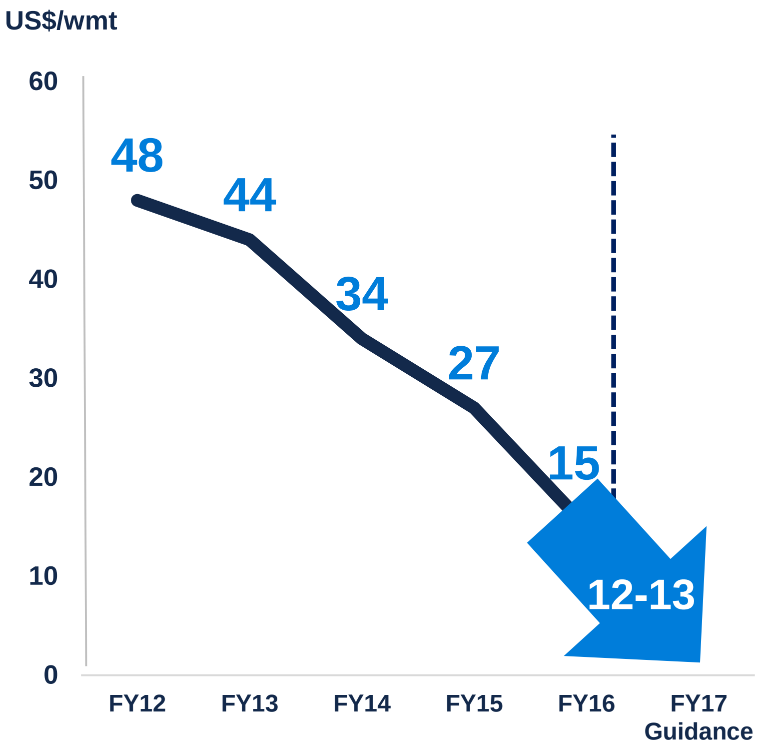
Focus on safety, productivity and efficiency

- ✓ **Safety** TRIFR reduced 33% to 2.9
- ✓ **165-170mtpa** shipped
- ✓ **Productivity + efficiency**
- ✓ **Low cost** global producer
- ✓ **Debt** repayment priority
- ✓ Consistent **dividend** policy

Continuous + sustainable cost improvements

Focus on productivity and efficiency delivering cost savings

1. **Solomon** operations
2. **Blending** strategy 58% Fe
3. **Processing**, wet plants + de-sands
4. Operational **efficiencies**
5. Fx and fuel **decreases**



Moving down the global cost curve

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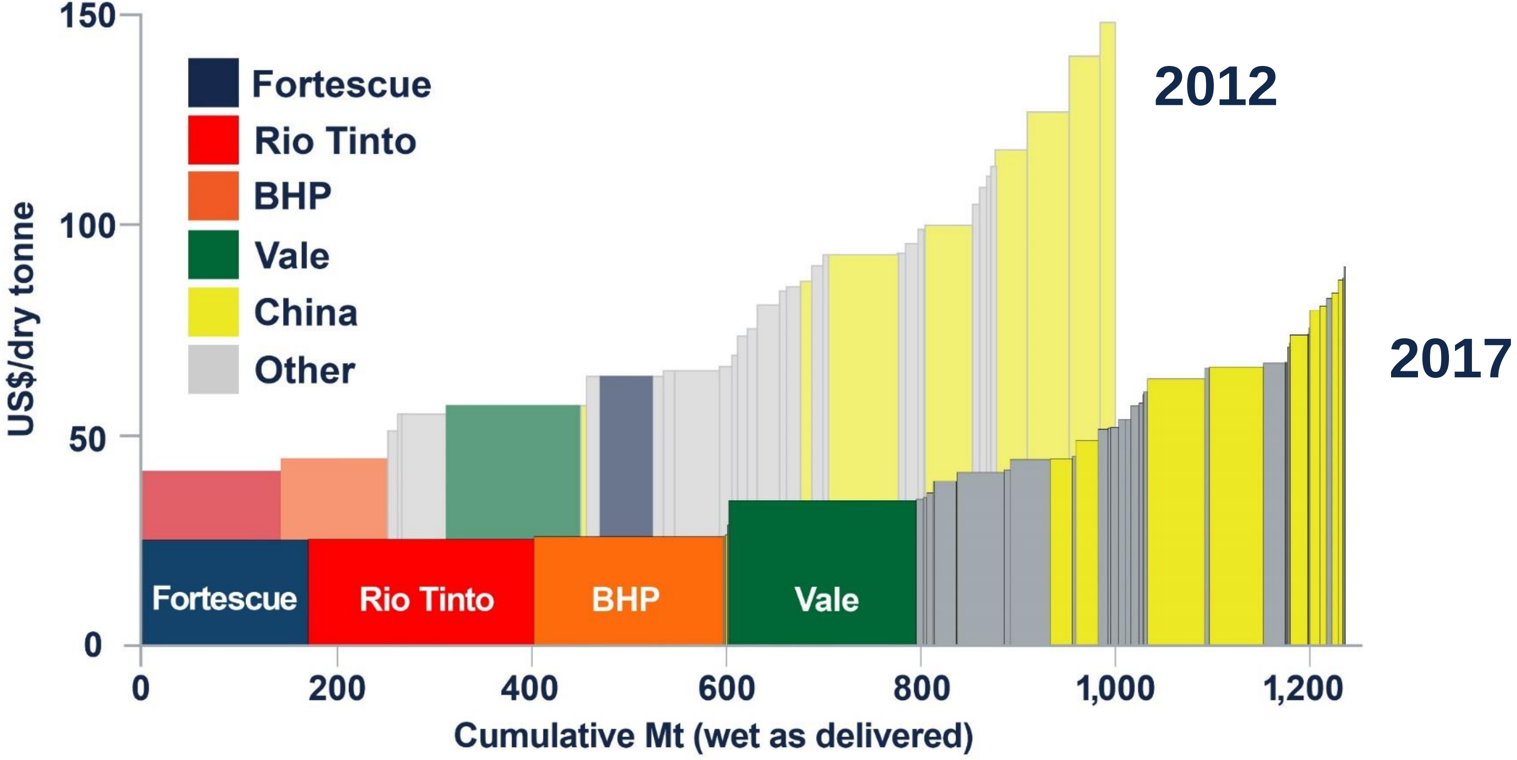
China's Iron Ore Supply CFR Costs *(including royalties & ocean freight)*



March quarter FY17 financial outcomes

Productivity initiatives delivering sustainable cost reductions and financial results

39.6mt Shipped for the quarter	**C1 Cost** **$13.06/wmt** **FY17 US$12-13**	**US$2.7bn** **Debt repaid**
US$4.3bn **Gross Debt**	**US$1.5bn** **Cash on hand**	**22%** **Net gearing**

Innovative Culture

Our Vision: The safest, lowest cost, most profitable iron ore producer

Safety

Family

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Integrity

Determination

Enthusiasm

Set yourself stretch targets

Empowerment

Generating ideas

Frugality

Values based approach

Embracing technology and innovation

Targets

Strong Plan B

Ownership

Engage
Empower
Encourage

Accountability

Delivering results

Evolution

Embracing change for continuous improvement

Early adopters and future opportunities

Supports planning for Firetail Replacement project

	Solomon Hub	Chichester Hub	Port and Rail
Early adopter	Autonomous Haulage Autonomous Drilling	Dewatering telemetry OPF optimisation Autonomous Drilling Integrated Operations Centre	Integrated Operations Centre Fortescue Ore Carriers
Future plans	Dewatering telemetry Complete autonomous haulage	Autonomous Haulage Low cost, relocatable conveyor	Shiploader automation Rail Cruise Control

Innovation delivering results

Automating equipment and processes

Delivering productivity and efficiency benefits

Improvement in **safety**

Autonomous trucks

56

20% Increase in productivity

Integrated Operations Centre

24/7 remote operations

Autonomous drills

23% improvement operating time and productivity

What will a mine look like in the future?

How will technology influence, or completely change, our decisions?

Focussed strategy

Key strategic focus

Disciplined value creation

- ✓ Debt repayment and **capital flexibility**
- ✓ Long term **sustainability** of iron ore
- ✓ **Returns** to **shareholders**
- ✓ Create **low cost growth** options
  - - Leverage skills and culture
  - - Exploration and early stage development

The new force in iron ore

Continuous improvement

Sustainable low cost producer

World class assets & people

Customer focus

Reliable Competitive

Unique culture drives performance

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