



Fortescue
The New Force in Iron Ore

Annual General Meeting

11 November 2015



Forward Looking Statements



Disclaimer

Important Notice

The purpose of this presentation is to provide general information about Fortescue Metals Group Limited ("Fortescue"). It is not recommended that any person makes any investment decision in relation to Fortescue based on this presentation. This presentation contains certain statements which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

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Additional Information

This presentation should be read in conjunction with the Annual Financial Report at 30 June 2015 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 2015 as released to the Australian Securities Exchange on 21 August 2015. 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. Tables contained within this presentation may contain immaterial rounding differences.



Fortescue
The New Force in Iron Ore

CEO's Presentation



Fortescue's world class assets

Pilbara

Western Australia

Core supplier to
Asia's growth



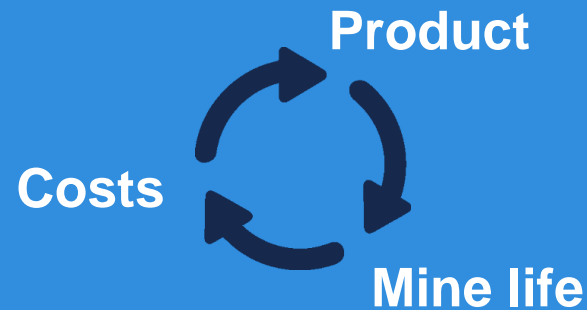




Key themes

Sustainable
performance

Expansions
complete



Established
product suite

Cashflow
supports
balance sheet

Continuous
improvement
focus

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



Safety



Family



Integrity



Determination



Enthusiasm



**Set yourself
stretch targets**



Empowerment



Generating ideas



Frugality

Safety is at the heart of Fortescue's values

My brothers' / sisters' keeper

- **Safety Priorities**
 - 1 Look after yourself
 - 2 Look after your mates
- **Engagement** active participation
- **Empowerment** to make decisions
- **Encouragement** to speak up
- **Leadership** strong and visible

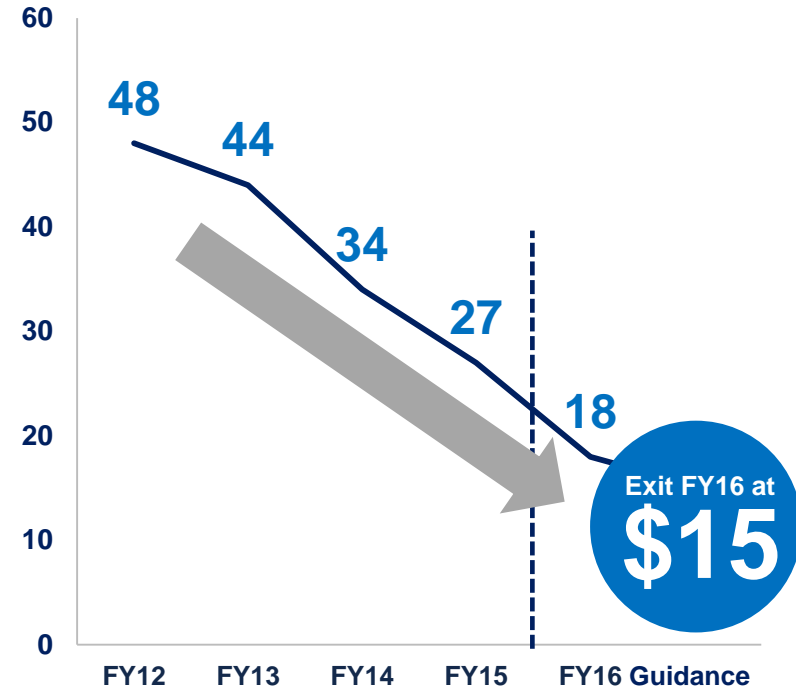


Safety

Delivery of sustainable cost improvements

Through development of assets, efficiencies, productivity and costs saving

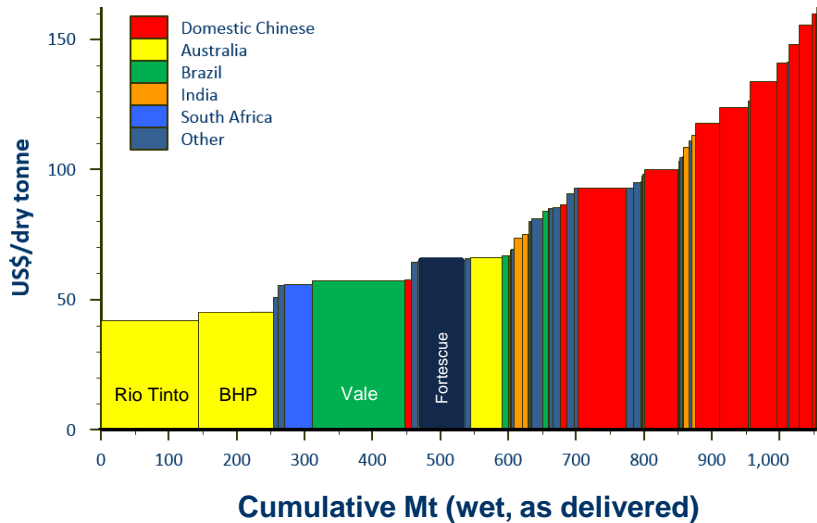
- 1 **Solomon** operations
- 2 **Blending** strategy 58% Fe
- 3 **Processing**, wet plants + de-sands
- 4 Operational **efficiencies**
- 5 Fx and fuel **decreases**



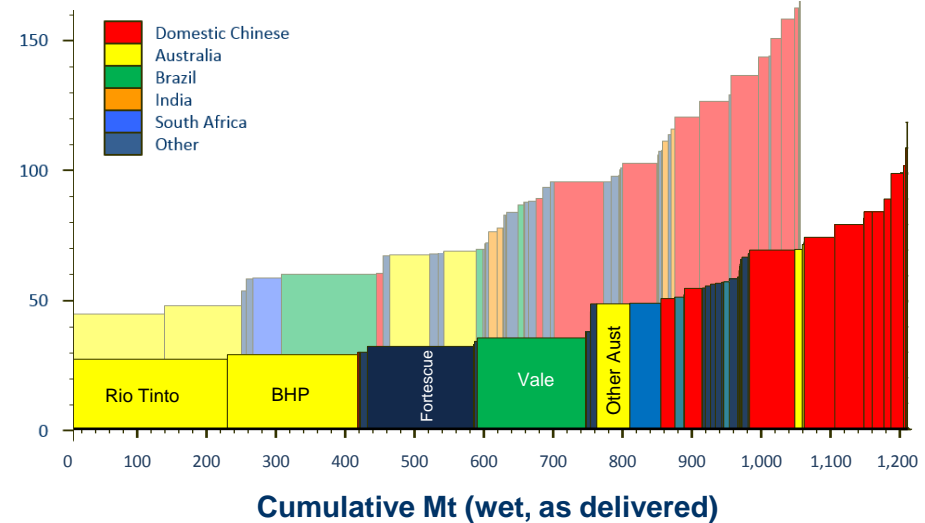
Moving down the global cost curve

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

2012

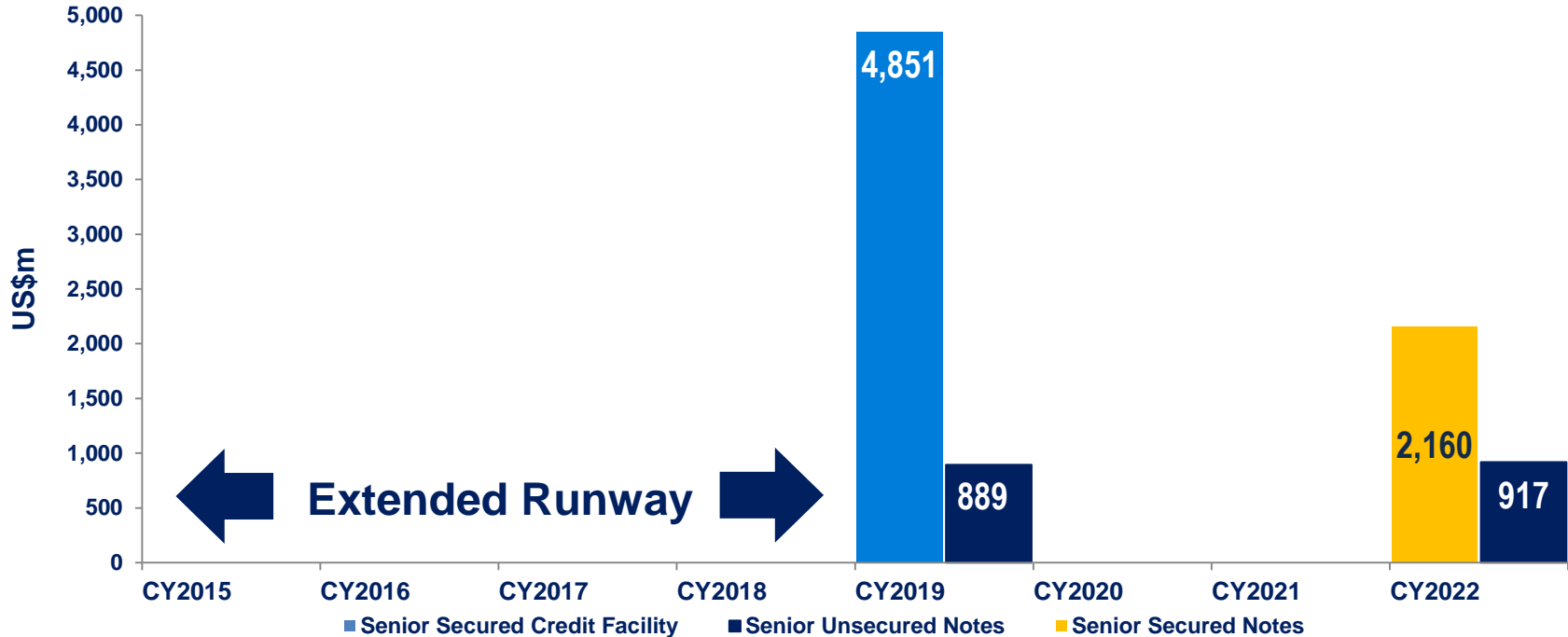


2015



Debt maturity profile

More than US\$4.1bn of debt repaid to date



US\$2.6bn cash on hand at 30 September 2015

Accelerated debt reduction

Repaying debt in advance of maturity

- Purchase debt below par:
 - On-market: gain US\$68m**
and interest savings **US\$33m pa**
 - Tender offer:** launched for
US\$750m of 2019 and 2022 Notes
- On track for **targeted 40%** gearing ratio





Fortescue
The New Force in Iron Ore

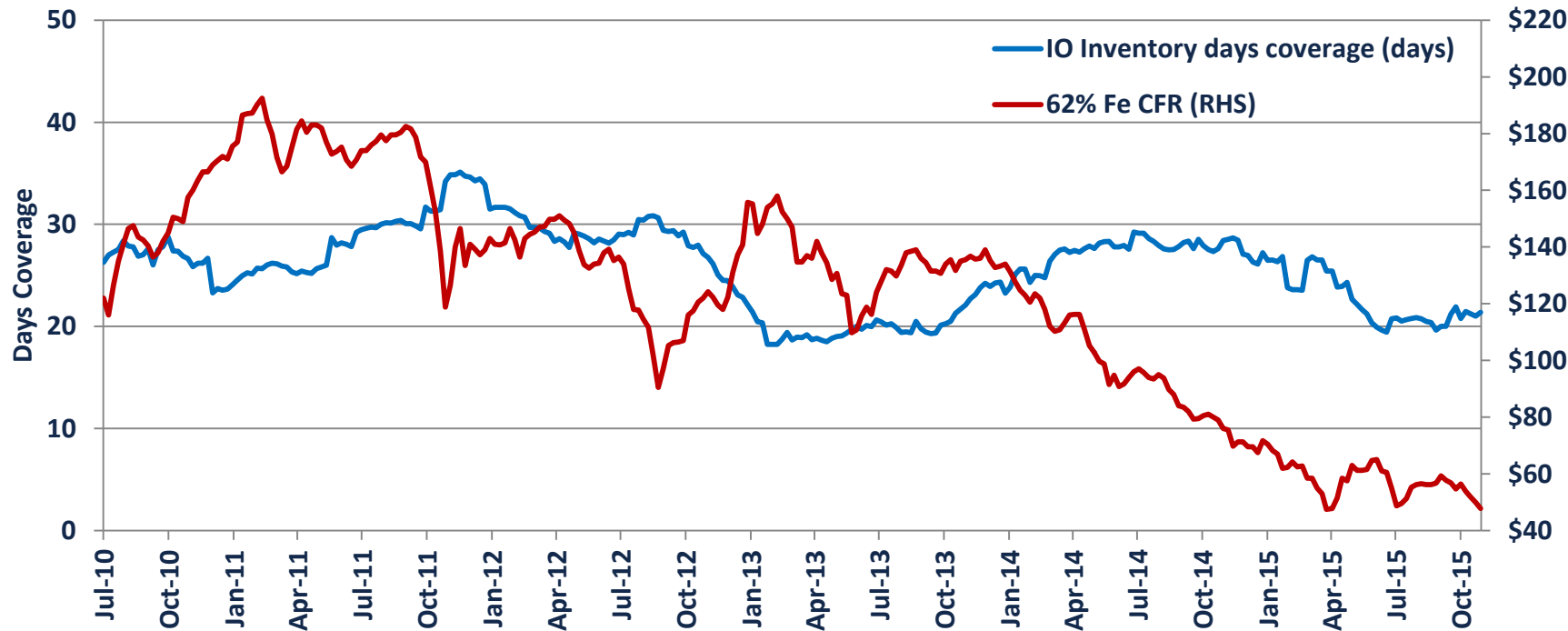
Market



Iron ore supply in balance...sentiment driving price



Port stocks stable, currently at 87mt



China's long term growth remains strong

- Steel **demand above 800mtpa**
- **Competitive** and rising steel exports
- **One Belt One Road**
- **300 million** people to **urbanise**
- Growth **maintained** 6-7%



Core supplier to Asia



Well established 18% market share of imported iron ore to China

- **Low impurity** 58% Fe average
- High **value in use**
- Large diverse **customer base**
- **Reliable consistent** delivery
- **Proximity** to high growth region





Development and Resources



Exploration a core strength

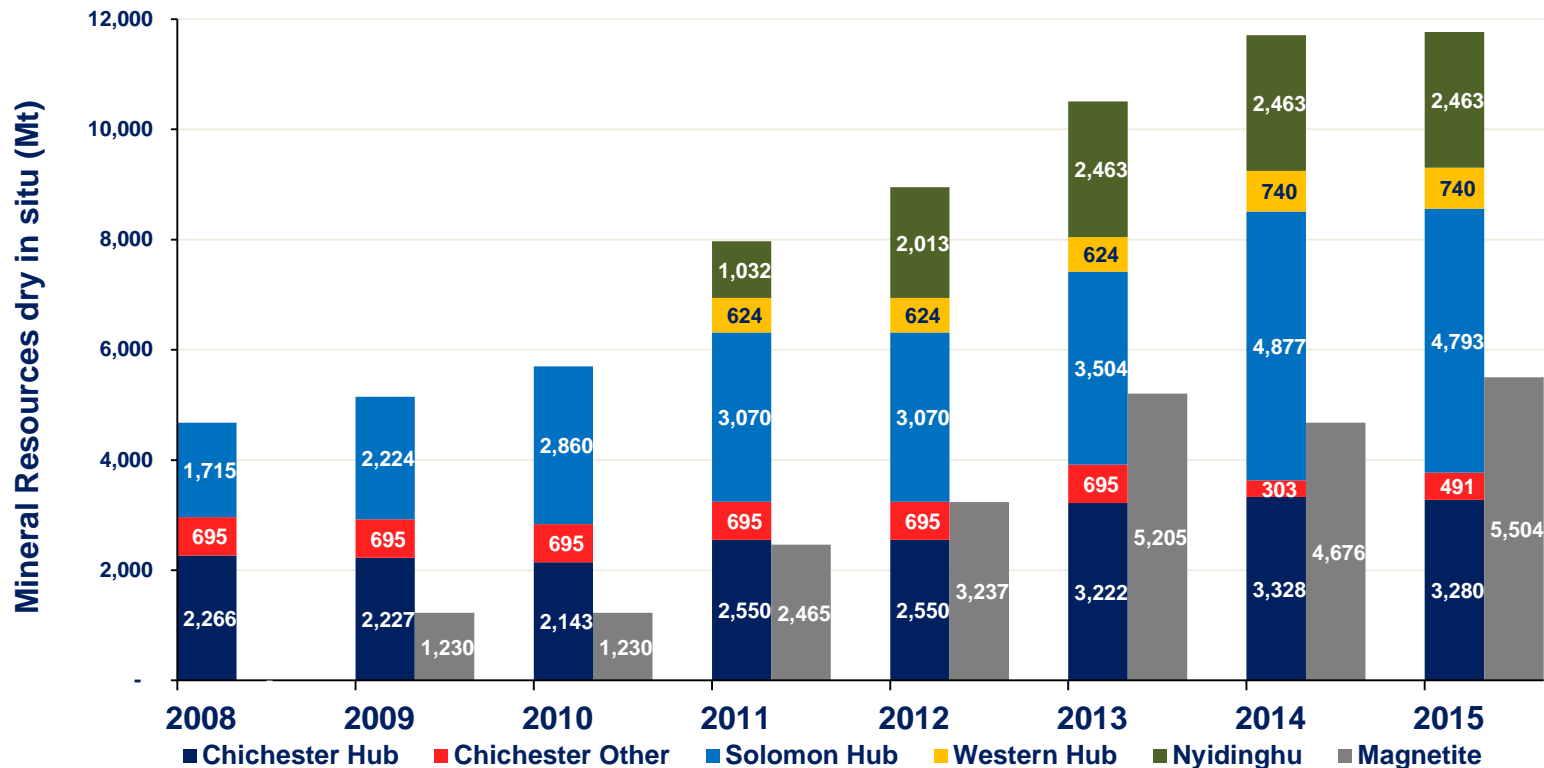
Consistent long term success

- Proven **world class** team
- **750mt+** new iron ore tonnes FY16
 - Western Hub** 740mt
 - Near mine** exploration
- **Low cost exploration** projects
- Developing **future growth** options



Resource portfolio supports asset base

Largest Pilbara tenement footprint





Fortescue
The New Force in Iron Ore

Supporting our local community



Ending Aboriginal disparity in the Pilbara



Creating opportunities through training, employment and business opportunity



1,000

Aboriginal employees



13%

Aboriginal people in
Fortescue workforce



A\$1.8bn

Contracts to Aboriginal
companies and JVs



VTEC

Roebourne | South Hedland





Focused strategy



The new force in iron ore



Reliable efficient delivery



Sustainable
low cost
producer

World class
assets + people

165mt
Production rate

Unique culture
drives performance





Business of Meeting



Consideration of the Financial Reports

To receive and consider the financial report, the reports of the Directors and the auditors of the Company and its controlled entities for the year ended 30 June 2015.

Further Information

Mr Stephen Pearce, Fortescue's CFO and Mr Nick Henry from PwC, the Company's auditor, are present to answer any questions.

Please note:

There is no requirement for a resolution in relation to these reports.

Resolution 1



Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an advisory resolution:

“That the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2015 be approved and adopted.”

Further Information

- This resolution is advisory only
- The Chairman will vote undirected proxies for Resolution 1
- Voting restrictions apply to key management personnel and their closely related parties.
- The Board recommend that Shareholders vote for Resolution 1
- The Remuneration Report can be found at pages 143 to 162 of the 2015 Annual Report

Resolution 1



Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an advisory resolution:

“That the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2015 be approved and adopted.”

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
988,330,414 (79.89%)	239,673,502 (19.37%)	8,694,224 (0.70%)	494,984 (0.04%)

Re-election of Mr Cao Huiquan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Cao Huiquan be re-elected as a Director of the Company.”

Further Information

- Mr Huiquan, who has an interest in the Resolution, makes no recommendation
- The remaining Directors recommend that Shareholders vote for Resolution 2
- The Chairman will vote undirected proxies for Resolution 2
- Details of the experience and qualifications of Mr Huiquan are set out at page 8 of the Explanatory Statement of the Notice of Meeting

Resolution 2



Re-election of Mr Cao Huiquan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Cao Huiquan be re-elected as a Director of the Company.”

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,319,346,446 (95.61%)	97,443,761 (4.02%)	8,627,194 (0.35%)	497,331 (0.02%)

Election of Dr Jean Baderschneider

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Dr Jean Baderschneider be elected as a Director of the Company.”

Further Information

- Dr Baderschneider, who has an interest in the Resolution, makes no recommendation
- The remaining Directors recommend that Shareholders vote for Resolution 3
- The Chairman will vote undirected proxies for Resolution 3
- Details of the experience and qualifications of Dr Baderschneider are set out at page 8 of the Explanatory Statement of the Notice of Meeting

Resolution 3



Election of Dr Jean Baderschneider

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Dr Jean Baderschneider be elected as a Director of the Company.”

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,420,831,044 (99.55%)	1,719,019 (0.07%)	8,700,957 (0.36%)	497,331 (0.02%)

Approval of the Fortescue Metals Group Ltd Performance Rights Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve the terms of, and authorise the grant of performance rights and issue of shares pursuant to the terms of the performance rights, under the Fortescue Metals Group Ltd Performance Rights Plan.”

Further Information

- Mr Neville Power and Mr Peter Meurs, who have an interest in the Resolution, make no recommendation
- The remaining Directors recommend that Shareholders vote for Resolution 4
- The Chairman will vote undirected proxies for Resolution 4
- Voting restrictions apply to key management personnel and their closely related parties
- Details of the Performance Rights Plan are set out at page 9 of the Explanatory Statement of the Notice of Meeting

Resolution 4



Approval of the Fortescue Metals Group Ltd Performance Rights Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve the terms of, and authorise the grant of performance rights and issue of shares pursuant to the terms of the performance rights, under the Fortescue Metals Group Ltd Performance Rights Plan.”

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,256,861,808 (99.28%)	7,362,164 (0.32%)	8,584,564 (0.38%)	492,031 (0.02%)

Resolution 5



Participation in the Performance Rights Plan by Mr Neville Power and Mr Peter Meurs

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve:

- a) the grant of up to 8,566,657 performance rights to Mr Neville Power and up to 3,148,248 performance rights to Mr Peter Meurs over a 3 year period under the Fortescue Metals Group Ltd Performance Rights Plan; and*
- b) the issue, transfer or allocation of, and acquisition by Mr Neville Power and Mr Peter Meurs of, fully paid ordinary shares in respect of those performance rights, in accordance with the terms of the Fortescue Metals Group Ltd Performance Rights Plan and on the basis described in the Explanatory Statement.”*

Further Information

- Mr Neville Power and Mr Peter Meurs, who have an interest in the Resolution, make no recommendation
- The remaining Directors recommend that Shareholders vote for Resolution 5
- The Chairman will vote undirected proxies for Resolution 5
- Voting restrictions apply to key management personnel and their closely related parties
- Details of the Performance Rights Plan are set out at page 10 to 14 of the Explanatory Statement of the Notice of Meeting

Resolution 5

Participation in the Performance Rights Plan by Mr Neville Power and Mr Peter Meurs

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve:

- a) the grant of up to 8,566,657 performance rights to Mr Neville Power and up to 3,148,248 performance rights to Mr Peter Meurs over a 3 year period under the Fortescue Metals Group Ltd Performance Rights Plan; and*
- b) the issue, transfer or allocation of, and acquisition by Mr Neville Power and Mr Peter Meurs of, fully paid ordinary shares in respect of those performance rights, in accordance with the terms of the Fortescue Metals Group Ltd Performance Rights Plan and on the basis described in the Explanatory Statement.”*

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,254,793,034 (99.18%)	8,977,210 (0.40%)	9,069,215 (0.40%)	492,031 (0.02%)



Chairman's Address




Fortescue: a world class operating company



**Founded
in 2003**

**First ore
in 2008**



**Simplicity and
transparency**



**Shipped over
580mt**

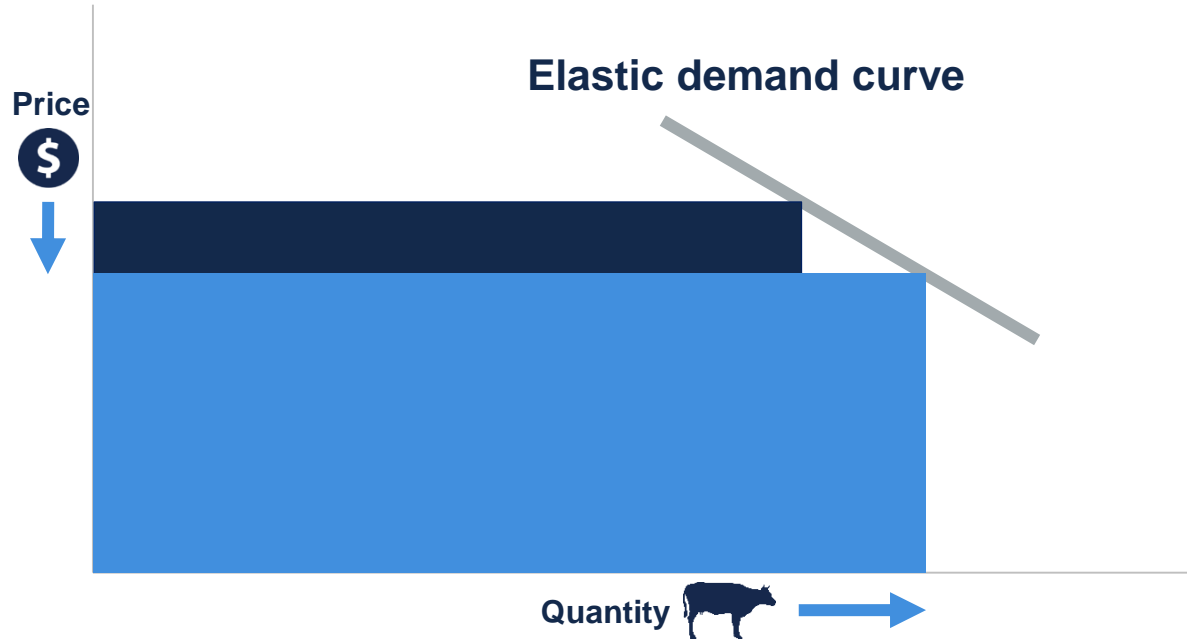
**Best address
for iron ore**



Unique culture

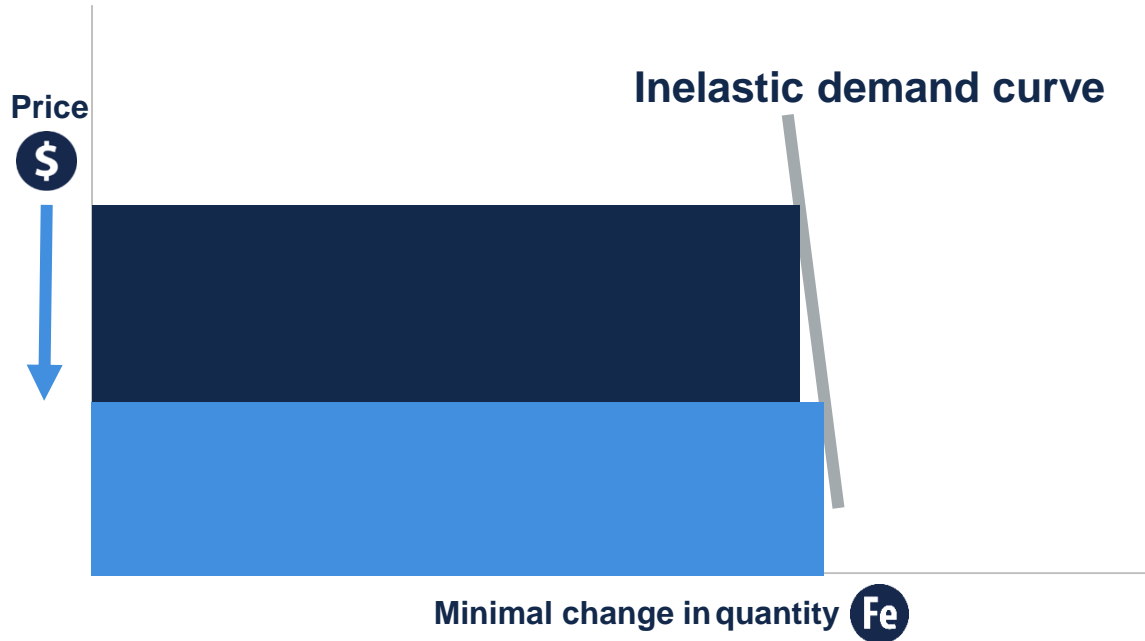
Consumer demand for beef is 'elastic'

As the price of beef falls, demand increases

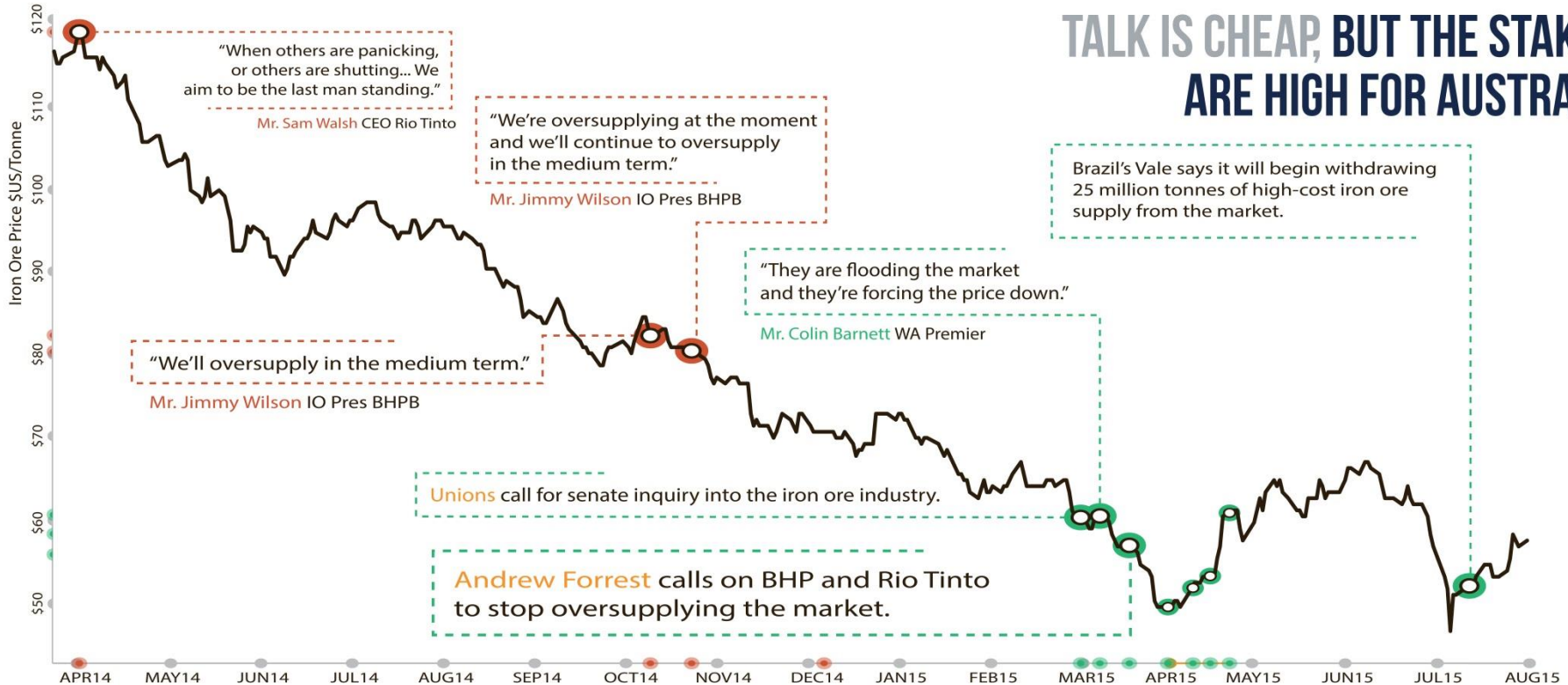


For iron ore, demand is 'inelastic'

Lowering price of iron ore does not increase demand



Our Iron Ore



Market should dictate rational behaviour



Our public education campaign has been successful

“Commodity prices are telling you that the market doesn’t need the volumes, so why keep adding new volumes to the market?”

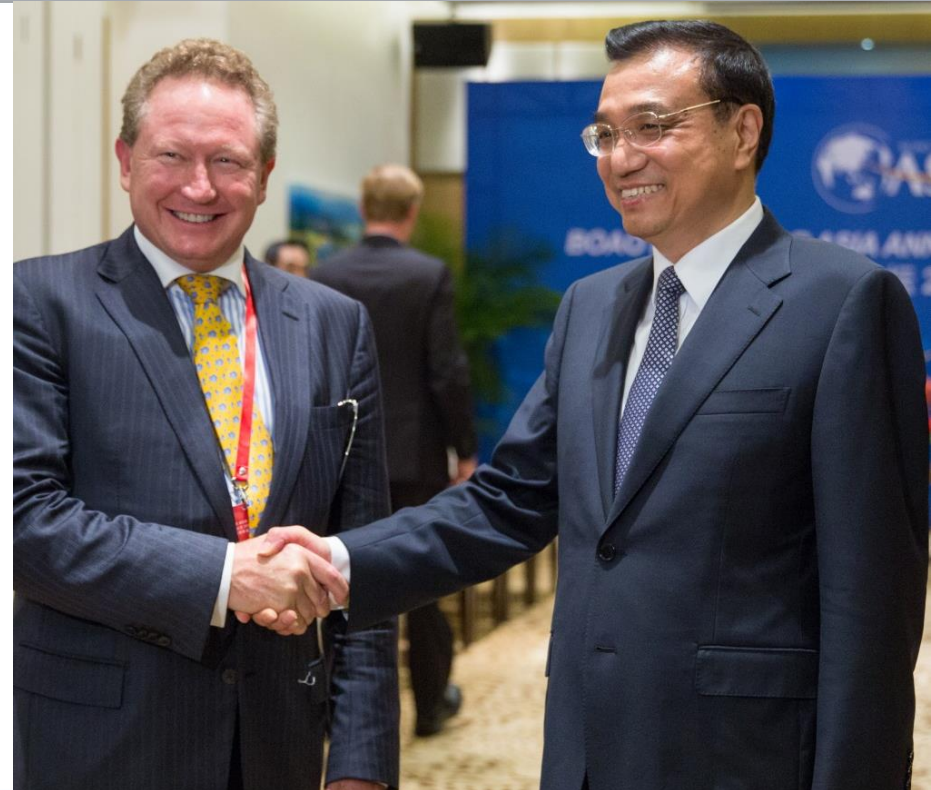
If you can preserve your commodity price exposure, manage your position in the good part of the cost curve over a very long period of time, then that can be a great result for shareholders. ”

Evvy Hambro, BlackRock Natural Resources, 25 September 2015

Strengthening our relationships in China

Chinese market fundamentals are strong

- Diamond Sponsor of the **Boao Forum** for 7 consecutive years
- Continued success of the **Australia China Senior Business Leaders Forum**
- Launch of **ASA100**



Fortescue success supporting key philanthropic ventures.

GENERATIONONE



minderoo



WALK FREE
FOUNDATION



FORREST
RESEARCH
FOUNDATION



Creating Parity

Catalytic Philanthropy



Give a hand up, not a hand out.

- Over **AU\$222 million** committed
- **230** community organisations supported
- **15 years** of operation

www.minderoo.com.au



End modern slavery in this generation.

- **8.3 million** people mobilised
- Joint Declaration of **Religious Leaders** against Modern Slavery
- **3rd edition** of Global Slavery Index in 2016
- **2,940 people liberated** from slavery

www.walkfreefoundation.org

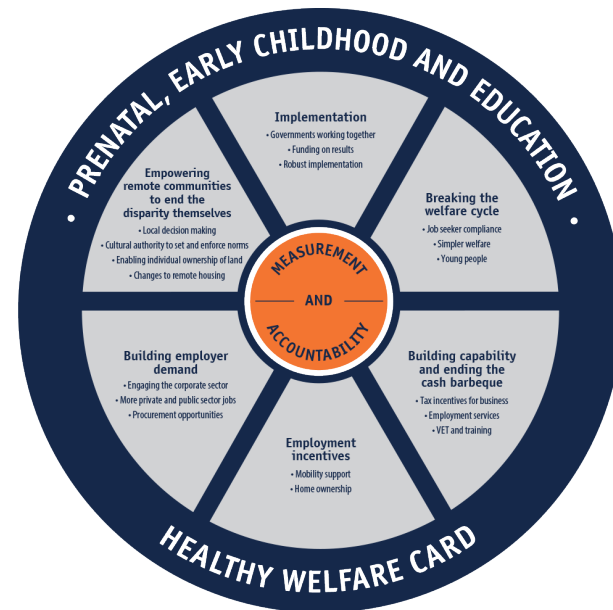


WALK FREE
FOUNDATION

End Indigenous disparity through employment.

- **24,000 jobs** filled by Indigenous Australians
- **Creating Parity:** Forrest Review – blueprint to **end disadvantage**
- VTEC trial on target to fill **5,000 jobs by March 2016**

www.generationone.org.au



Forrest Research Foundation



Attract the world's best minds to Western Australia to tackle critical global issues.

- **AU\$65 million** committed
- **Scholarships** and **residential** hub
- All five **WA universities**
- Five **scholarships** awarded to date

www.forrestfoundation.org.au



FORREST
RESEARCH
FOUNDATION

Thrive by Five

Every child should have the opportunity to reach their potential for tomorrow.

- **AU\$20 million** from Federal Government to improve service delivery in child care
- **AU\$3 million** research **translation** partnership with the Telethon Kids Institute
- Challis model - **500 children** supported every year



Thrive by Five



Encourage excellence, vibrancy, collaboration and new talent in the arts across Australia.

- Over **AU\$20 million** gifted to arts and culture organisations
- **AU\$1 million** committed to Western Australian Academy for Performing Arts (**WAAPA**)
- **Visiting international artists** inspire and enhance



Community development in Australia and internationally.

- **230 community organisations** supported through partnerships or grants
- **AU\$12 million** in shares gifted to community organisations. Dividends contribute to ongoing operations.
- **Education, anti-trafficking, mentoring, medical research and women and children**



Fortescue's success is directly impacting lives





Fortescue
The New Force in Iron Ore

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