

# Media Release



## Investor Tour to highlight Fortescue's sustainable operating and financial performance

**PERTH, 27 October 2015:** Fortescue Metals Group Limited (ASX:FMG, Fortescue) will demonstrate its continued journey of achieving sustainable cost and efficiency improvements during its Annual Investor Tour, commencing with a briefing in Perth today by Chief Executive Officer Nev Power and senior company leaders.

The tour will take in Fortescue's Port, Rail, Solomon Hub and Chichester Hub operations over the next two days and will focus on Fortescue's investment in world class infrastructure assets, mining and processing facilities. Mr Power said, "Our vision is to continue leveraging the strengths of each of our ore bodies through beneficiation and blending. A focus on efficiency and optimisation combined with a relatively new asset base mean both our operational costs and capital expenditure are sustainably low with further improvement to come."

"Beyond the considerable reductions in cost already achieved, we have a clear pathway to drive C1 costs below US\$15/wmt in Q4 FY16."

"At the same time, Fortescue is committed to progressively and systematically reducing our debt over the medium term to an initial gearing target of 40%. Our strong cashflow generation has resulted in approximately US\$1.5 billion available for further debt repayment, in addition to the recent US\$384 million debt retirement."

Key points of the tour include:

- **Delivery of sustainable cost improvements**, with a pathway to C1 costs below US\$15/wmt through the next wave of savings
- **Shipping efficiency** and VLOC operational benefits
- **Clear safety and productivity benefits** achieved through Autonomous Haulage Operations at the Solomon Hub
- **Successful blending strategy** to maximise value
- **Driving higher price realisation** with strong market demand for Fortescue product

A copy of the Annual Investor Tour presentation will be released separately.

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