

24 June 2016



The Companies Officer
Australian Stock Exchange Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Sir/Madam

Moody's upgrades Fortescue's outlook to Stable

Moody's Investors Service (Moody's) has today upgraded the outlook of Fortescue Metals Group (ASX: FMG, Fortescue) corporate family rating to stable and affirmed the rating at Ba3.

Moody's noted; "The debt reduction achieved in the second half of fiscal 2016 has lowered breakeven costs and created a substantial buffer for the company to maintain leverage metrics at adequate level for its rating, even under lower iron ore price scenarios."

Chief Financial Officer Stephen Pearce said; "We are pleased that Moody's has recognised Fortescue's operating performance, significant progress in reducing costs and the generation of strong operating cash flows. This has enabled the company to continue to reduce debt levels while maintaining solid liquidity."

The rating update does not impact Fortescue's debt capital structure.

Yours sincerely

Fortescue Metals Group Ltd

Ian Wells

Company Secretary

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