

Chairman's message

Andrew Forrest AO



In its short history, Fortescue has achieved what many people thought was impossible: to build a company from a start up to a global leader in the mining industry without losing its heritage, identity and never, ever give up family culture.

A decade ago, when we shipped our first 180,000 tonnes of ore to China, I said it was a phenomenal achievement of sheer hard work, of guts and grind over scepticism, of character over doubt. The same can be said today, as we continue to set records, achieve stretch targets and grow as a company.

From one of Australia's most successful explorers we have transitioned through planning, construction and commissioning to build truly global scale operations. We have gone on to demonstrate our excellent operational capability and are now recognised as the world's lowest cost provider of seaborne iron ore to China based on Metalitics Resource Sector Economic analysis.

During the year Lord Sebastian Coe returned to Fortescue's Board, bringing his unique perspective through his experience in business, marketing and politics across the European Union, India and other markets.

We also farewelled Mr Cao Huiquan and welcomed Dr Cao Zhiqiang, who brings extensive experience in technology and steel mill management along with a deep background in international cooperation.

Mr Mark Barnaba AM, Lead Independent Director, joined Ms Sharon Warburton as Joint Deputy Chair of the Board of

Directors. The appointment of two Deputy Chairs further strengthens the overall independence of the Board, supporting the interests of all shareholders.

During the year Fortescue moved from its traditional leadership focus with the appointment of our new Core Leadership team, with Chief Executive Officer, Ms Elizabeth Gaines, Chief Financial Officer, Mr Ian Wells, Chief Operating Officer, Mr Greg Lilleyman and Deputy Chief Executive Officer, Ms Julie Shuttleworth.

This team brings together a group of incredible individuals who are ingrained with Fortescue's culture, and who all possess the experience, talent and personal values required to lead our company's new direction. Collectively, they will champion Fortescue's unique family values, and have the courage and determination to set immensely challenging stretch targets and to deliver against them.

Fortescue is now rapidly evolving and through product diversification and asset development, we are exploring growth opportunities in Australia and internationally.

Our future growth will be built on our reputational capital, underpinned by our people and our relationships. Fortescue's

long-term engagement with our Chinese customers has played a critical role in the company's growth.

We are proud of our contribution to China's remarkable urban development and our role in supporting trade relations between China and Australia which has been vital to driving economic growth in both nations.

It was a pleasure to once again co-host the Australia-China Senior Business Leaders Forum which, since inception, has provided a unique platform to strengthen the comprehensive strategic partnership between our two countries.

Nicola and I founded the Munderoo Foundation with the belief in the power of giving a hand up, rather than a hand out. It gives me great pride to see this philosophy lived at Fortescue every day. Perhaps there is no greater demonstration of this innate belief than our Vocational Training and Employment Centre (VTEC).

When we started VTEC at Fortescue 12 years ago, I was determined it would end the cycle of jobless training once and for all and break down the social barriers that prohibit so many Aboriginal people from gaining employment.

I was incredibly proud to join the team in recognising the tenth anniversary of VTEC graduations during FY18 and celebrating the lives and achievements of hundreds of Aboriginal people who have seized the opportunities Fortescue's VTEC has offered.

The outstanding financial performance of Fortescue has benefited all shareholders. As shareholders, Nicola and I choose to use our dividends to fund the important work of the Munderoo Foundation and to support and contribute to programs that strengthen communities and support disadvantaged people in Australia and overseas.

Our seven focus areas include driving collaboration and change in global cancer research, ending modern slavery, creating parity for Indigenous Australians, ensuring all children in Australia reach their full potential, nurturing new talents in the arts, generating

world changing research and innovation in Western Australia and innovative community development and environmental conservation initiatives.

These initiatives are captured in the Eliminate Cancer Initiative, Walk Free Foundation, GenerationOne, Thrive by Five, Forrest Research Foundation and arts, culture, community and environment partnerships.

Our recently launched seventh philanthropic pillar, Munderoo Ocean Research, aims to harness the power of science, industry and collaboration to ensure the longevity of our ocean ecology.

We have also supported the Western Force which has been rebuilt as a wholly integrated community and high performance rugby club.

Fortescue's ongoing success has been built on 15 years of stable leadership. Under the stewardship of Mr Nev Power, the company earned its reputation as one of the largest and most consistent seaborne iron ore suppliers, taking its place as the lowest cost most efficient producer in the world. Nev, we thank you.

I would like to thank and congratulate everyone at Fortescue, led by our Core Leadership team, on a transformative year. When we founded Fortescue our vision was to build a truly Australian entity, committed to becoming the safest, lowest cost, most profitable mining company. I am humbled to see our Fortescue team delivering such outstanding results.

An ethical focus on promoting positive change



Fortescue and the Munderoo Foundation share a culture and core values of family, integrity, enthusiasm and challenging the status quo. Our organisations are closely aligned through an ethical focus of promoting positive change, as Fortescue looks beyond its Australian borders for growth and development opportunities.

Fortescue was established with a clear vision that communities should benefit from the growth of our businesses. The shipment of Fortescue's first tonne of ore a decade ago wasn't only a hugely significant milestone for our company, but for the whole Pilbara region.

Fortescue is committed to protecting and promoting human rights and shares the goals of the Munderoo Foundation: to eradicate modern slavery, protect the environment and enhance early childhood development. As Fortescue enters more countries and engages with local businesses, we will work with them to also ensure there is no slavery or forced labour in any operations anywhere near ours, and will do our best to defeat it while protecting the environment and spreading the huge nation building benefits of focussing on early childhood development.

We begin our exploration activities in South America with the same vision: to ensure that

local communities benefit from our success. We are committed to providing training, employment and business development opportunities for local, Indigenous people; just as we have in the Pilbara. Even before our drilling program starts, we have established community offices and have engaged with the community to assist in our exploration activities.

As we enter this next exciting phase in Fortescue's history, our promise to the towns, communities and countries where we seek to work is that we will collaborate to contribute effectively to overall social and economic wellbeing and to the empowerment of communities.