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The Companies Officer
Australian Stock Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000



Dear Sir

Fortescue awards more than \$1 billion in contracts to Aboriginal businesses

Fortescue Metals Group Ltd (ASX: FMG, Fortescue) today announced it has achieved its target of awarding \$1 billion in contracts to Aboriginal businesses by the end of 2013.

Fortescue surpassed the \$1 billion mark following the award of contracts worth approximately \$500 million to six Aboriginal joint ventures owned by Native Title Groups to provide a range of services at the company's accommodation villages in the Pilbara.

In December 2011, Fortescue set the goal of awarding \$1 billion in contracts to Aboriginal businesses by the end of 2013. Since then, Fortescue has awarded 102 contracts and subcontracts to more than 50 Aboriginal businesses under its *Billion Opportunities* initiative.

To be included in the program, a business had to be at least 25% owned by an Aboriginal person or group. Of the contracts awarded, more than 80% were to Aboriginal businesses that were at least 50% Aboriginal-owned. Professional services firm KPMG has validated the contracts under the program.

Fortescue CEO Nev Power said he was extremely proud to announce the success of *Billion Opportunities* six months ahead of the target, which was testament to Fortescue's determination, size and ability to move quickly relative to its peers.

"I hope these contracts are just the first of many that these Aboriginal businesses secure and they each go on to become large, successful businesses providing jobs and opportunities to their communities and all of Australia for a long time to come," Mr Power said.

"By taking this opportunity, Aboriginal business people are setting a fabulous example for their children and their communities. They are showing there is a future that is independent and sustainable and that they can succeed without welfare and without handouts.

Brian Tucker, from the Nyiyaparli people, said winning a contract as part of a joint venture with Morris Corporation was, "the biggest thing that has happened to my people since mining started in the Pilbara".

"There's been a lot of frustration on our part trying to get to this point. We struggled and we felt that no one believed in us. But we kept knocking on doors and now Fortescue has given us this opportunity, we want to take it and do the best job we can," Mr Tucker said.

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“We want this contract to be the first of many. We want to have a future where we decide what’s best for our people. We want to provide sustainable jobs to our people in our country and hopefully this will change communities, people’s lifestyles and the environment.”

Fortescue founder and Chairman Andrew Forrest said the success of this program reflected the company’s commitment to building sustainable Aboriginal businesses, which were helping end years of disparity for people restricted by dependence on welfare handouts.

“We could have given our traditional owners only money but that would have been the easy option. Once that money is gone it is gone,” Mr Forrest said.

“We at Fortescue do the opposite of typical welfare policies: we teach a man to fish and give them a rod. They can then feed themselves for a lifetime.

“We gave our traditional owners something more important. We gave them the opportunity to start their own business, which means they can provide jobs for their own people, build capacity and build assets. This means that when their contracts with Fortescue are over they are left with a business that, hopefully, continues to grow and to provide more opportunities.

“I am extremely proud of the commitment we made and proud of the Aboriginal businesses that grabbed these opportunities and ran with them. I hope it marks a turning point in this country’s relationship with Aboriginal people.”

Fortescue’s commitment to Aboriginal people extends to training and employment. At the end of June 30, Fortescue directly employed 461 Aboriginal people representing 12 per cent of the workforce. An additional 504 Aboriginal people were employed by its contracting partners.

“The relationship that we have with each of our traditional owner groups is a very important part of our business. We take it very seriously and we respect our traditional owner groups and the need for them to have the same opportunities that every Australian enjoys,” Mr Power said.

“It is our strong belief that the best way for Aboriginal communities to lift their standard of living is through developing capability through business ventures like this.”

The Billion Opportunities celebration will be live streamed on the Fortescue website at [http://fmgl.com.au/community/A Billion Opportunities](http://fmgl.com.au/community/A_Billion_Opportunities) from 10am local time. Join the conversation on Twitter with @FortescueNews or the hashtag #1billion

Yours sincerely
Fortescue Metals Group

Mark Thomas
Company Secretary

Media contact:
Yvonne Ball
Mobile: +61 (0) 417 937 904
Email: yball@fmgl.com.au

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