

14 April 2015

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

Dear Sir

### **ORGANISATIONAL REVIEW LEADS TO ROSTER CHANGES**

With ongoing instability in the iron ore market, Fortescue has undertaken a thorough organisational review and as a result will bring work rosters across its operations into line with the standard rosters worked in the Pilbara iron ore industry.

Chief Executive Officer Nev Power said, "This will further strengthen Fortescue's position to withstand the market challenges now and into the future. We have already reduced our cost base significantly since 2012 through sustained productivity and efficiency improvements and today's announcement will further bolster our resilience in an uncertain and volatile market."

Fortescue's operational rosters will move from a predominantly eight days on, six days off cycle to a two weeks on, one week off cycle. Opportunities for internal transfers for those affected by the roster change will be fully explored to minimise the impact on affected employees. It is anticipated that the new roster will be in place by 30 June, 2015.

"While we would prefer not to have to change what has been a successful and differentiating roster for Fortescue, we are taking steps in response to the threat of oversupply in the market over the medium term," Mr Power said. "While Fortescue took a disciplined decision to cut its capital expansion budget last year and defer additional capacity in our system, it is the threat of oversupply in the medium term by our competitors that is causing ongoing damage to our industry, all companies in it and to the state and national economies.

"In this environment, bringing our costs down rapidly and sustainably is critical and will place our company in the strongest possible position for the future."

"Our people are Fortescue's greatest strength and I'm confident they will step up through this challenging time. Our key focus during the transition to the new rosters is the safety, health and wellbeing of our people and we will be consulting with everyone affected during the process."

Yours sincerely  
**Fortescue Metals Group**

Ian Wells  
**Company Secretary**

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Fortescue's March Quarterly Production Update is scheduled for Thursday, 16 April at 10.00am AWST/12.00pm AEST