

29 August 2016



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

Dear Sir or Madam

### **Fitch upgrades Fortescue's credit ratings**

Fortescue Metals Group Ltd (ASX:FMG) notes today's announcement by Fitch Ratings affirming Fortescue's Long-Term Issuer Default Rating at BB+ and upgraded the Outlook to Stable from Negative.

At the same time Fitch has upgraded the rating of Fortescue's Senior Unsecured Notes due in 2022 to BB+ and also reaffirmed its Long-Term investment grade rating on the Secured Term Loan and Senior Secured Notes of BBB-.

In its update, Fitch noted that the upgrade: "reflects Fortescue's demonstrated ability to reduce its production costs amid persistently low iron ore prices" and "Fortescue is now one of the lowest-cost suppliers of iron ore to China."

Chief Financial Officer Stephen Pearce said "Fitch have acknowledged Fortescue's continued focus on sustainable cost reduction and early repayment of debt, as well as the future optionality provided by our existing debt capital structure. This includes alternatives for further debt repayment or refinancing, both of which are supported by our strengthened credit profile."

This rating update has no impact on Fortescue's debt capital structure.

Yours sincerely

**Fortescue Metals Group Ltd**

**Ian Wells**

Company Secretary

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