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Media Release

31 October 2018

## Results for Roy Hill Holdings Pty Ltd ("Roy Hill") for the Financial Year Ended 30 June 2018

- Profit for the year after tax up 69% year on year to \$558 million
- Operating Sales Revenue up 68% year on year to \$3,840 million
- Ramp up to full production achieved during financial year
- Production up 54% year on year
- Net borrowings down
- Paid \$243 million of Western Australian State Royalties

Roy Hill's net profit after tax in FY18 increased by 69% year on year to \$558 million from \$331 million in FY17. This was due to increased production as Roy Hill completed its ramp up to full operations during the year.

The 2018 financial year marks Roy Hill's second year of commercial production, where operating sales revenues increased to \$3,840 million, up 68% year on year, as sales increased to 51 million tonnes from 33 million tonnes in FY17. Operating Sales Revenue of \$3,840 million (net of freight, amortisation of hedges) represents an overall achievement for Roy Hill products against the 62 Platts Index of over 90%.

Cash flow from operations increased by 38% year on year to \$1,786 million, reflecting the higher sales in the year. Gross borrowings reduced by \$773 million as Roy Hill continues to pay down its long-term borrowings and improve its leverage metrics.

Other comprehensive income of \$508 million (FY17: \$523 million) reflects the change in the fair value of cash flow hedges held against US Dollar denominated borrowings.

Roy Hill continues to move down the industry cost curve given its increased production through ramp up and the continuing optimisation of its operations.

For the financial year ended 30 June 2018, Roy Hill paid \$243 million in royalties to Western Australia.

**ENDS**

Please note: All amounts in A\$ (unless otherwise stated)

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## About Roy Hill

[Roy Hill](#) is a world-class iron ore operation and the largest single ore mine in Australia.

Situated 344km south east of Port Hedland in Western Australia's mineral rich Pilbara region, Roy Hill is an independent iron ore operation with local majority ownership and chaired by Mrs Gina Rinehart.

With integrated mine, rail and port facilities producing 55Mtpa – Roy Hill is one of the world's major resource-based operations, which will deliver enormous benefits to the broader community for many years to come.

Roy Hill's first shipment of iron ore departed from Port Hedland on 10 December 2015 and has since loaded multiple shipments to its key markets in Japan, Korea, China and Taiwan. Roy Hill achieved many firsts, including the largest mainland resource debt funding in the world, from 19 of the world's largest banks, and five Export Credit Agencies.

Roy Hill operates some of the largest equipment in the world and in addition to having the fastest ramp up to 55Mtpa in the Pilbara, has maintained a focus on safety excellence.

In December 2015, Mrs Rinehart was recognised as "Miner of the Decade" by the Sydney Mining Club. She has also been awarded "Chairman of the Year" by CEO Magazine.

Roy Hill has been presented with a range of accolades, including:

- 2018 WA Training Awards WA Employer of the Year
- 2018 DMIRS Safety and Health Resources Sector Engineering Award
- 2018 Prospect Award for Community Interaction
- 2018 L&MH Mercury Awards Transport Solution of the Year: Rail
- 2017 Platts Global Metals Awards Rising Star Company Award
- 2016 Australian Mining Prospect Awards Excellence in Environmental Management Award
- 2016 Engineers Australia (WA) Australian Engineering Excellence in Engineering Distinction
- 2016 Engineers Australia (WA) Australian Engineering Excellence in Resource Development
- 2016 Engineers Australia (WA) Australian Engineering Excellence in Project Management
- 2016 Project Management Institute Project of the Year
- 2016 Railway Technical Society of Australasia Railway Project Award
- 2015 Mines & Money Asian Corporate Development Award
- 2015 IJ Global Asia-Pacific Project Mining & Metals Deal of the Year
- 2015 IJ Global Asia Pacific Deal of the Year
- 2014 FinanceAsia Magazine Project Finance Deal of the Year Award
- 2014 Finance International Magazine Asia Pacific Deal of the Year
- 2012 Diggers and Dealers Deal of the Year Award