



Media Release

18 December 2018

Roy Hill responds to media claims following the release of the ATO Transparency Report FY17

Following the Australian Tax Office's release of its Transparency Report for FY17, several media outlets have incorrectly reported Roy Hill's tax liability within the context of its major shareholder, Hancock Prospecting Pty Ltd (HPPL).

During the 2017 fiscal year, Roy Hill Holdings (Roy Hill) reported approximately \$2.0 billion in total sales. As Roy Hill is in its early phases, there was no taxable income due to carried forward losses, given the huge loans it entered into, approximately \$7.2 billion to build the project.

Given these loans to enable the project, Roy Hill's contribution to the Australian fiscal component of the economy continues to significantly increase. Between 2012 and 2018, Roy Hill has paid over \$492m in federal and state taxes and royalties.

As a \$10 billion mega iron ore project, Roy Hill directly or indirectly employed over 50,000 people during its construction phase. Roy Hill currently provides direct employment for over 2,000 men and women. Tax revenue is created from these employees, employees of contractors and indirect employees.

During the 2017 fiscal year, Roy Hill was focussed on ramping up its production, reaching its nameplate capacity of 55million tonnes per annum, and achieving lender's completion. These milestones were not complete until FY18, though Roy Hill did achieve its maiden accounting profit. Roy Hill is now utilising the majority of its cashflow to reduce these very significant debt levels which will improve taxable profitability going forward.

No dividends have been declared as cash flow is being utilised to paydown debt. Roy Hill maintains cash balances, the use of this cash is restricted while debt facilities are in place. Roy Hill's debt level was reduced by nearly \$800m in the 2018 fiscal year.

Roy Hill Holdings majority owner Hancock Prospecting Pty Ltd (HPPL) paid Australian federal and state taxes during fiscal 2018 of some \$860 million, bringing the total taxes paid by HPPL for the last eight fiscal years to nearly \$5billion, averaging more than \$610 million per year.

Mrs Gina Rinehart, personally and through the HPPL private group, pays more tax than any other Australian. Her private company HPPL is amongst the ranks of Australia's largest corporate taxpayers, as reflected in the publications by the Australian Taxation Office, with further tax payable to state governments and via royalties.

Mrs Rinehart continues to primarily direct investment into Australia and pays substantial taxation in Australia, while providing employment opportunities for many thousands of Australians, directly and indirectly, who in turn create through their employment, tax revenue.

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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 for its largely Greenfield project, 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 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

Mrs Rinehart's recent achievements include:

- 2018 Mines and Money special award for Outstanding Achievement in the mining and resources sector
- 2018 Champion of Entrepreneurship Award - Ernst & Young Entrepreneur of the Year awards

- 2018 The Angkor Award for leadership in female empowerment from the Cambodian Children's Fund
- 2018 American Chamber of Commerce in Australia (AmCham) – Gold Trophy
- 2018 500 Club State Shapers Award for her role in shaping the state of Western Australia
- 2017 Women Leaders of the Decade in Innovation & Enterprise Award from the Women Economic Forum
- 2017 Lifetime Achievement Award from S&P Global Platts
- 2017 Excellence in Mining award at the Women in Industry Conference and Awards
- 2017 Contribution to Mining, Australian Mining Prospect Awards
- 2017 Chairperson of the Year Award, CEO Magazine's Executive of the Year Awards
- 2016 Momentum Most Inspiring Woman of the Year Award
- 2016 Honorary Life Membership of the Institute of Public Affairs (IPA)
- 2016 Global Lifetime Brand Icon Award in Minerals & Exploration
- 2016 Federation Star Award from the International Women's Federation of Commerce and Industry (IWFCI)
- 2016 Chamber of Minerals and Energy of Western Australia (CME) Women in Resources Lifetime Achievement Award
- 2015 Sydney Mining Club, Australian Miner of the Decade
- 2015 Outstanding Women Leadership Achievement Award – presented by the World Women Leadership Congress and Awards Mumbai February
- 2015 Mines & Money "Lifetime Achiever's Award" Hong Kong
- 2015 McMillan Woods Global Awards – Philanthropist of the Year Award.
- 2015 IMARC Inaugural 2015 Lifetime Achievement Award
- 2015 IJ Global Asia Award – Roy Hill Mining and Metals Deal of the Year for the Asia Pacific region
- 2015 Australian Mining Prospect Award – Contribution to Mining