Transforming our Iron Ore business

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Our Pilbara context - the world’s most advanced mining assets

- +12,500 workforce
- 5 towns, 3000 houses
- 15 iron ore mines, 1700km of rail, 4 port terminals
- ~100 global customers
- 24hrs/day from the Operations Centre in Perth
- First-mover automation advantage
- 61% FOB EBITDA margin in H1 2015
Business success fundamentals

Vision: “The best iron ore producer in the world”

The way we work:

- Accountability
- Teamwork
- Integrity
- Respect

Strategic Pillars:

- Production at the right cost
- Value-driven growth
- Maximising portfolio value
Transformational times and actions

- Scenarios change rapidly and transformation is required
- Build a case and ensure it is understood
- Leaders need to be involved and accountable
- Make a martial art out of paying attention
- Be ‘action ready’ and never give up
Leadership transformation

A critical step toward zero fatalities

Every critical risk

- General Manager
- Manager
- Supervisor
- Operator/Maintainer/Contractors

Ensuring like never before that work STOPS if it’s not safe

Every operational person

Indigenous participation

Supporting attraction, development and retention

~1000 indigenous employees
Providing opportunities to local Pilbara Aboriginal business
Leadership transformation

Mental health and wellbeing

Prioritising employee wellbeing:
- Mindfulness and health
- Improved engagement
- Improved capability

Inclusion and diversity

Greater diversity and inclusiveness leads to:
- Increased resilience
- Increased collaboration
- Fewer blind spots and mistakes

Leadership critical for a better performing business
Technology & innovation: first-mover advantage

2008
Atlas Copco Alliance

2008
Autonomous train trial

2010/11
Autonomous Drilling System (ADS) trial

2012
Cab-less Drill

2012
Advanced Survey

2014
Launch of the Processing Excellence Centre in Brisbane

2014
Deployment of RTVis™

2007
Trials starts on the Operations Centre and Autonomous truck project in Western Australia

2009/10
Autonomous trucks Pilbara ‘A Pit’ trial

2010
Operations Centre commissioned

2011
Komatsu MOU for autonomous trucks deployment

2012
Autonomous truck deployment

2012
Announcement of autonomous train deployment in 2015

2014
Deployment of the Autonomous Drilling System (ADS)

69 Autonomous trucks
30Tb of data processed each month
Improving safety, efficiency and productivity while reducing costs
High-performing environment

The future workforce will be different

The right business structure
- Direct accountability
- Clear communication
- Faster decision making

High performing teams
- Know your job
- Know your accountabilities
- Know what the business expects
- Know what the business stands for

Re-defining the relationship between person and machine
Rapid improvement projects delivering results

**FasTrack 35**
35 hrs cycle time target
Cycle time improvement to date ~11.0% & aiming for ~20%

**Iron ore material**
Rehandle reduced by 16 Mt in 2014

**Tyre management**
- $16 million tyre inventory reduction
- $10 million supply volume reduction

**Heavy Equipment Life Extension**
- $60 million major component opex saving
- $90 million 2015 capex deferrals

**Brockman train loading**
100 minute reduction in train loading time at Brockman 2

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Market intelligence and interpretation

- World steel demand around 3 billion tonnes by 2030
- In 2030, China will remain the largest demand region, followed by India and then ASEAN
- Rest of world steel demand to increase by 65% by 2030
- Australia is competing with the world
- We can’t regulate the global market-based price
Ground-breaking achievements
Some final thoughts
Questions