

FINANCIAL REVIEW

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HD **Roy Hill spending spree**
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Partners in Gina Rinehart's Roy Hill project continue to pour hundreds of **millions** of dollars into the **iron ore** project, despite a debt financing on the project taking longer than expected to complete.

The latest downpayment on the project totalled \$330.8 **million**, with the majority of that coming from Ms Rinehart's international partners POSCO, **China** Steel Corporation and Marubeni.

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POSCO purchased a further \$70 **million** in its own right, while a holding **company** set up to manage **equity** from all three of the international partners – known as KJTC – put in a further \$247 **million**, according to documents obtained by ASIC.

The latest instalments mean the partners have chimed in more than \$US1 **billion** (\$1.1 **billion**) for the project in the past four months, after making more than \$600 **million** of investments in the September quarter, and just less than \$300 **million** in mid-January.

While close to \$US3 **billion** worth of finance was offered by Korean and US export credit agencies in December, a further \$US4 **billion** has not yet been finalised. The project is scheduled to be exporting its first **iron ore** in just 20 months from now.

Fairfax Media revealed on Wednesday that Roy Hill had made alterations to its prime construction contract in recent weeks, including an agreement to push back the completion date on the contract by 46 days to the brink of 2016.

CO chnstl : China Steel Corporation | pohn : Posco Co
IN i221 : Iron/Steel/Ferroalloys | i22 : Primary Metals | ibasicm : Basic Materials/Resources | isteel : Steel Production
NS ccat : Corporate/Industrial News
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