

Fortescue makes \$500m debt repayment



PERTH, 18 October 2014: Fortescue Metals Group today completed the repayment of US\$500 million of the 2018 senior unsecured notes.

Fortescue
The New Force in Iron Ore

This brings total debt repayments since November 2013 to US\$3.6 billion, delivering an interest saving of approximately US\$330 million per annum.

CEO Nev Power said Fortescue's priority was repaying debt used to fund its expansion to a production rate of more than 155 million tonnes per annum in March 2014.

Fortescue's flexible debt profile allows for voluntary repayments, refinancing of debt prior to maturity and facilitates the debt repayment strategy to achieve the initial targeted gearing level of 40 per cent.

"Our balance sheet is in a strong position with no debt repayments due until 2017 and the flexibility to repay the debt early. We have taken advantage of this flexibility by repaying \$3.6bn to date and we are targeting a further reduction of US\$2-2.5billion over the next 18 to 24 months," Mr Power said.

After this payment, Fortescue's pro forma net debt will stand at US\$6.9 billion down from peak net debt of US\$11.3 billion back in March 2013.

A total of US\$5.3 billion, or in excess of 60 per cent, of the Company's long term debt is available for voluntary repayment or refinance prior to final maturity dates and at Fortescue's sole option.

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