



**Dividend
distribution
A\$0.60/share**



14 May 2019

**Fortescue delivering growth and income for shareholders
Fully franked dividend of A\$0.60 per share declared, payable on 14 June 2019
Dividends declared for FY19 total A\$0.90 per share**

Fortescue's Board has today declared a fully franked dividend of A\$0.60 per share, bringing total dividends for FY19 to-date to A\$0.90 per share inclusive of the A\$0.19 per share interim and A\$0.11 per share special dividends declared in February.

Fortescue Chief Executive Officer, Elizabeth Gaines said, "This dividend reflects Fortescue's unwavering determination to deliver shareholder returns through dividends and investment in growth. The strength of our operating cashflows enables further accelerated distribution of franking credits to eligible shareholders, inclusive of the FY19 interim and special dividends totalling A\$0.30 per share.

"The ability to deliver this increased return to our shareholders reflects the success of our integrated operations and marketing strategy, enhanced product mix as well as the strength of demand for iron ore.

"Our investment in growth through the Eliwana and Iron Bridge projects represents a total investment of US\$3.875 billion and positions Fortescue to deliver on our strategy of a majority of our products being greater than 60 per cent iron grade."

A key driver of the dividend is Fortescue's cashflow generation following the significant increase in realised iron ore prices since January 2019 which saw a 47 per cent increase in the March quarter average realised price to US\$71 per dry metric tonne (dmt).

The factors which have influenced Fortescue's realised price include:

- Successful integrated operations and marketing strategy increasing the volume of higher margin product shipped;
- Continued strength in Chinese steel production, growing by 9.9 per cent in the first quarter of 2019 compared to the prior year;
- Increasing demand for Fortescue's products following moderation of steel mill margins in China; and
- Sustained strength in the benchmark iron ore price following supply disruptions in Brazil and Australia, leading to significant drawdowns in iron ore inventories at Chinese ports.

In addition, the near-term outlook remains positive based on:

- Fortescue's continued focus on optimising its product strategy by increasing the delivery of higher grade products such as West Pilbara Fines; and
- Strong demand for iron ore driven by steel production, iron ore supply and reducing iron ore inventories.

The dividend will be paid on 14 June 2019 and aligns with Fortescue's dividend pay-out policy which takes into account year to date earnings, forecast performance for the remainder of FY19 and the iron ore price outlook.

Looking forward, Fortescue's dividend pay-out ratio policy remains at 50 to 80 per cent of net profit after tax, with payment dates expected to revert to March/April for interim dividends and September/October for final dividends.

Fortescue operates a dividend reinvestment plan (DRP) which allows eligible shareholders to re-invest their dividends in ordinary shares. The key dates applicable for the payment of this dividend are set out below:

Announcement Date:	14 May
Ex-Dividend Date:	22 May
Record Date:	23 May
DRP Record Date:	24 May
Payment Date:	14 June

MEDIA

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INVESTOR RELATIONS

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REPORTING CALENDAR

EVENT	DATE
June Quarterly Production Report	25 July 2019
FY19 Results	26 August 2019