REUTERS

HD	**Fortescue open to selling assets as iron ore slides**
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MELBOURNE, Dec 5 (Reuters) - Australia's Fortescue Metals Group is willing to sell down stakes in some of its assets amid a collapse in iron ore prices, but the world's fourth-biggest iron ore miner says it is under no pressure to take quick action.

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Despite cutting debt and reducing spending, Fortescue's equity value is now below its $8.8 billion in debt after its share price halved this year, which investors say may be dangerous if iron ore prices slide further.

Two years ago Fortescue was forced to cut spending on everything from new mines to tomato ketchup to survive a sharp price dip. It axed jobs, sold assets and restructured debt, but rejected bids for a stake in its coveted port and rail unit.

While the company and investors say it is not under immediate pressure, facing no bond repayments until 2017, Fortescue Chief Financial Officer Stephen Pearce told a UBS conference last week the company would be open to selling stakes in its mines.

It has not launched any auction yet.

"Fortescue is not engaged in any processes with banks around the sale of assets," a spokeswoman said in an email.

Fortescue is now producing two-and-a-half times as much ironore as it was in 2012 and has slashed its all-in production costs to the equivalent of $60 a tonne, compared with an ironore price of $69.70.

That puts it in much better shape than smaller producers in West Australia's Pilbara belt, some of whome are barely breaking even or who have closed mines.

It has also passed the peak of its capital spending, which reached just over $6 billion in the 2013 financial year, and last month announced it was halving capital spending for 2015 to just $650 million.

But investors says asset sales should be on the cards.

"They aren't under pressure now, but they could be. It's a risk management exercise," said Rohan Walsh, a portfolio manager at Karara Capital, which doesn't hold Fortescue shares.

"They've got some good assets. Their infrastructure's valuable," he said.

There is little consensus on iron ore forecasts, but UBS has warned prices could fall to the low $60s if high cost miners don't pare back production.

A second fund manager, who declined to be named, said Fortescue should look to sell at least $1 billion worth of mine stakes. Selling down to customers or shareholder, China's Hunan Valin Iron & Steel Group, or its Iron Bridge partner Baoshan Iron & Steel Co Ltd (Baosteel) could be an option.

Fortescue is one of the few iron ore producers that owns 100 percent of its mines, so a sell-down would not be unusual.

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