



Bumper dividend on iron ore lift

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Body

Fortescue declared a \$1.08 interim dividend on Thursday, on the back of last year's surge in the iron ore price, as the company declared a \$US3.3bn (\$A5bn) net profit for the half.

The dividend represents a payout of 65 per cent of the company's first-half profit, and comes after **Fortescue** booked EBITDA of \$US5.9bn, up 36 per cent on the first half of the previous financial year.

The dividend will deliver a \$1.2bn payout to the commercial and charitable interests of Andrew and Nicola Forrest.

Fortescue's Energy division booked a \$US320m EBITDA loss for the half, up from \$US302m in the first half of the previous financial year. The energy division now includes UK technology business WAE, which booked revenue of about \$US26m for the year.

Fortescue's policy is to pay out 50 to 80 per cent of its net profit in dividends, and the mid-range payment comes as the company looks to ramp up spending on its Pilbara iron ore mines and its green energy projects.

The iron ore giant spent \$US1.52bn on capital projects in the first half, with about \$US1bn of that on sustaining capital for its existing Pilbara mines. Another \$US165m was spent on **Fortescue** Energy projects, and \$US104m on decarbonising the company's iron ore operations. **Fortescue** says it expects to spend \$US3.3bn to \$US3.7bn in capital for the full financial year. Its shares closed 2.1 per cent higher at \$27.83.

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