

8 December 2011

## HIGH GRADE TITANIUM DIOXIDE PRICING

Iluka Resources Limited (“Iluka”) advises that it has concluded discussions with its major high grade titanium dioxide customers in the pigment market and has reached agreement with those customers on rutile and synthetic rutile prices and volumes for products to be delivered under contract in the first half of 2012.

As a result of these agreements and assuming the planned product sales mix is delivered, Iluka expects to achieve an increase in the first half 2012 weighted average price for rutile<sup>1</sup> of between 80 and 85 per cent, relative to a forecast weighted average second half 2011 price of approximately US\$1,340/tonne. For synthetic rutile<sup>2</sup>, a first half 2012 weighted average price increase of between 85 and 90 per cent is expected to be achieved relative to a forecast weighted average second half 2011 price of approximately US\$1,075/tonne. The new prices are effective 1 January 2012 for six months.

Iluka’s high grade titanium dioxide sales are predominantly into the pigment market, but also into other titanium market segments such as titanium sponge and welding.

The price increases achieved reflect Iluka’s preferred product pricing approach, current market dynamics and competitive conditions, all of which may vary from period to period.

### Investment market and media inquiries:

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Note: All pricing outcomes for individual customers across all of Iluka’s product suites may vary, depending on product specifications, quantities provided, as well as other arrangements.

<sup>1</sup> Rutile production volumes predominantly comprise a rutile product with a titanium dioxide content of 95 to 96 per cent, together with a proportion of material with a titanium dioxide content between 90 and 92 per cent, often referred to as Hyti.

<sup>2</sup> Synthetic rutile volumes comprise of a range of manufactured titanium products with a titanium dioxide content of 85 to 95 per cent.