

6 June 2011

## MINERAL SANDS PRICING OUTCOMES

Iluka Resources Limited (“Iluka”) advises that it has concluded discussions with its major high grade titanium dioxide customers in the pigment market segment and has reached agreement with those customers on rutile and synthetic rutile prices and volumes for products to be delivered in the second half of 2011.

As a result of these agreements and assuming the planned product sales mix is delivered, Iluka expects to achieve an increase in second half weighted average price for rutile<sup>1</sup> of between 70 and 75 per cent, relative to a forecast weighted average first half 2011 price of approximately US\$770/tonne. For synthetic rutile, a weighted average price increase of between 70 and 75 per cent is expected to be achieved relative to a forecast weighted average first half price of approximately US\$640/tonne.<sup>2</sup> The new prices are effective 1 July 2011 for six months.

The agreements relate to most of Iluka’s planned second half high grade titanium dioxide sales, which are predominantly into the pigment market, but also into other titanium market segments such as titanium sponge and welding.

Discussions with zircon customers in relation to proposed third quarter zircon prices have also progressed satisfactorily, such that Iluka can advise that it expects to achieve an increase in weighted average price for zircon of between 35 and 40 per cent for the September quarter (commencing 1 July), relative to a forecast weighted average price in the second quarter of approximately US\$1,600/tonne.<sup>2</sup>

The price increases achieved for zircon and for high grade titanium products 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:

**Dr Robert Porter**

**General Manager, Investor Relations**

**Phone: + 61 3 9600 0807**

**Mobile: +61 (0) 407 391 829 (available on this number Monday 6 June)**

**Email: [robert.porter@iluka.com](mailto:robert.porter@iluka.com)**

**[www.iluka.com](http://www.iluka.com)**

<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 titanium dioxide content between 90 per cent and 92 per cent, often referred to as Hyti.

<sup>2</sup> Pricing outcomes for individual customers across all of Iluka’s product suite may vary, depending on product specifications, quantities provided, as well as other arrangements.