



ILUKA

2013 Full Year Results



David Robb, Managing Director
Alan Tate, Chief Financial Officer
21 February 2014

Disclaimer – Forward Looking Statements



Forward Looking Statements

This presentation contains certain statements which constitute “forward-looking statements”. These statements include, without limitation, estimates of future production and production potential; estimates of future capital expenditure and cash costs; estimates of future product supply, demand and consumption; statements regarding future product prices; and statements regarding the expectation of future Mineral Resources and Ore Reserves.

Where Iluka expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis. No representation or warranty, express or implied, is made by Iluka that the matters stated in this presentation will in fact be achieved or prove to be correct.

Forward-looking statements are only predictions and are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks and factors include, but are not limited to:

- changes in exchange rate assumptions;
- changes in product pricing assumptions;
- major changes in mine plans and/or resources;
- changes in equipment life or capability;
- emergence of previously underestimated technical challenges; and
- environmental or social factors which may affect a licence to operate.

Except for statutory liability which cannot be excluded, Iluka, its officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the material contained in this presentation and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission there from.

Iluka does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Non-IFRS Financial Information

This presentation uses non-IFRS financial information including mineral sands EBITDA, mineral sands EBIT, Group EBITDA and Group EBIT which are used to measure both group and operational performance. A reconciliation of non-IFRS financial information to profit before tax is included in the supplementary slides. Non-IFRS measures have not been subject to audit or review.



2013 Key Features

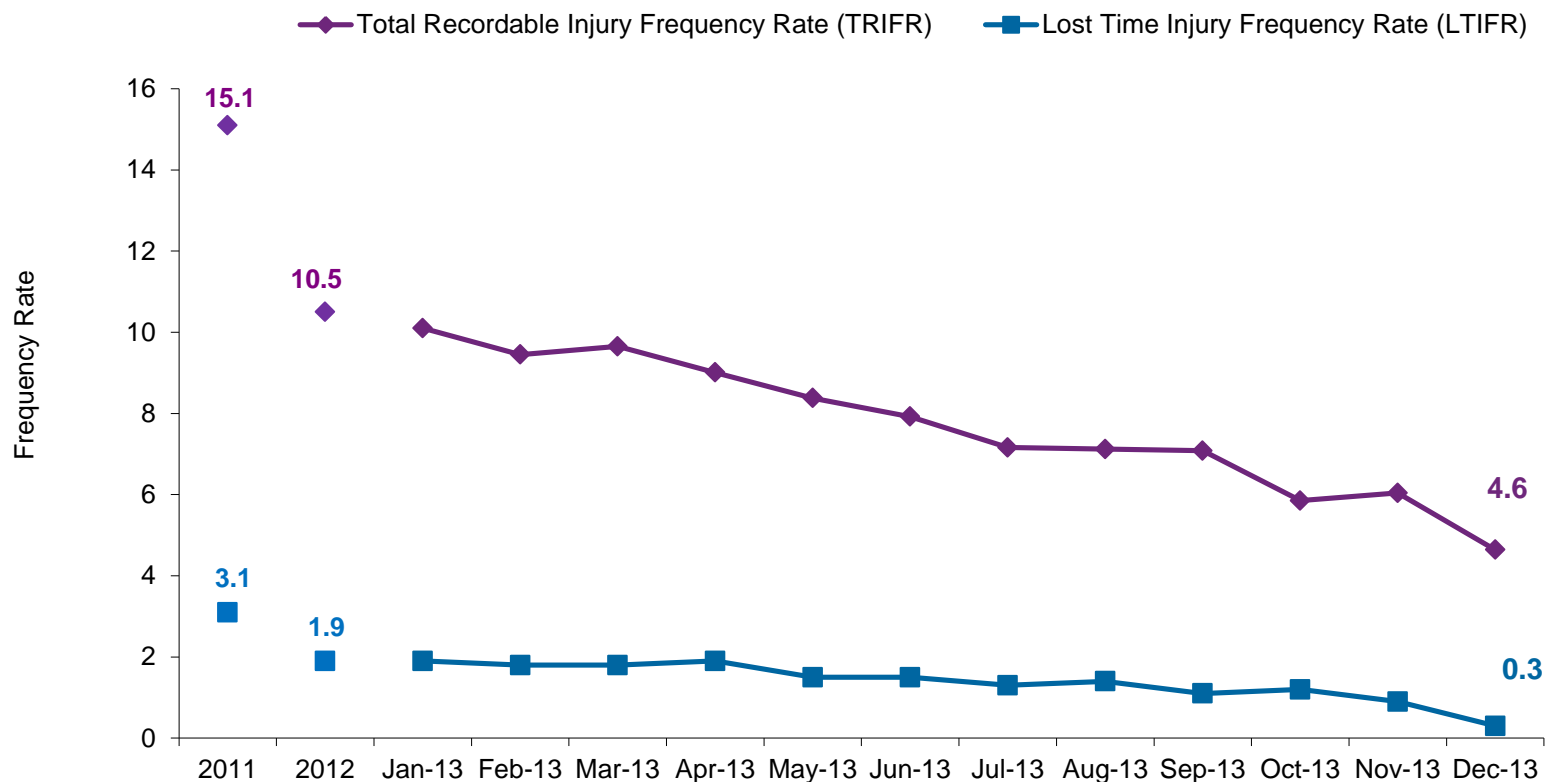
2013 Key Features

- Low cycle business conditions
 - globally uneven zircon demand
 - pigment industry adjustments flow through to low demand for rutile / synthetic rutile
- Significant year-on-year decline in mineral sand prices, particularly TiO₂ products
- Iluka operations flexed
 - low capacity utilisation
 - 42% reduction in Z/R/SR production c.f. 2012
 - initial drawdown of Z/R/SR inventories
 - build of concentrate and ilmenite inventories

2013 Key Features

- Cash conservation focus
 - lower total cash production costs (reduced 36% year-on-year)
 - low capital expenditure while preserving project development pathways
- Non-cash adjustments of \$41 million (after tax)
 - technical success consequence
 - old equipment now not required in mine plans
 - increase in rehabilitation provisions, based on lower discount rate
- Maintained robust balance sheet (gearing of 11.6% year end; 7.8% 31 Jan 2014)
- 2013 dividends of 9 cents, fully franked
- Cumulative payout = 76% of free cash flow since end 2010
- Broad range of indicators point to demand recovery

Continued Improvement in Safety Performance



- 63% reduction in TRIFR since 2011 (commencement of Safe Production Leadership)
- 90% reduction in LTIFR since 2011

Main Features of Full Year Results

Versus 2012

Mineral Sands Sales Volumes	↑	Z/R/SR sales up 19.5%; zircon up 73.2%, rutile up 59.2%, SR sales down 72.7%
Mineral Sands Revenue	↓	28.7% - higher sales volumes offset by lower prices
Cash Production Costs	↓	35.5% to \$376.1 million vs \$583.5 million in 2012
Cost of Goods Sold	↑	\$896/tonne of Z/R/SR vs \$872 in 2012
Revenue per Tonne	↓	41.1% to \$1,173/tonne (Z/R/SR)
Mining Area C EBIT	↑	\$87.9 million vs \$72.3 million
Mineral Sands EBITDA	↓	65.7% to \$249.0 million
Group EBITDA Margin	↓	34.7% vs 65.5%
Group EBITDA	↓	60.6% to \$295.2 million
Reported Earnings	↓	\$18.5 million NPAT vs \$363.2 million NPAT, \$41 million accounting adjustments impact
Return on Capital	↓	2.2% vs 32.3%
Return on Equity	↓	1.2% vs 23.2%
Capital Expenditure	↓	\$52.5 million cash expenditure vs. \$167.3 million. 2013 guidance of \$100 million.
Free Cash Flow	↓	\$27.5 million outflow vs \$81.2 million inflow; +ve in 2H 2013
Free Cash Flow per Share (cents)	↓	(6.6) cents, including \$118 million (28 cps) tax paid re 2012 vs 19.4 cents 2012
Net Debt	↑	\$206.6 million vs \$95.9 million; reduced to \$130.5 million at end January 2014
Earnings per Share	↓	4.4 cents vs 87.1 cents
Dividends declared in year	↓	9 cents fully franked vs 35 cents (100% franked)

Iluka Dividend Payments



- 4 cents final dividend fully franked payable 3 April 2014
- Equals 100% of 2H free cash flow
- 9 cents full year 2013 dividends fully franked
- Cumulative 76% free cash flow payout ratio since end of 2010

Distribution Metrics

	FCF	NPAT
Full year pay out ratio (%)	n.a.	209
Cumulative dividend payout ratio (2010 – 2013) (%)	76	55
Cumulative retained free cash flow (2010 – 2013) (\$m)	172	n/a

- Dividend payment consistent with Iluka's stated framework:
 - pay a minimum 40% of FCF not required for investing or balance sheet activity
 - distribute available franking credits

Summary Group Results



\$m	2013	2012	2011	2012 vs 2013 % change
Mineral sands revenue	763.1	1,069.8	1,536.7	(28.7)
Mineral sands EBITDA	249.0	726.0	925.9	(65.7)
Mining Area C royalty	88.3	72.7	88.5	21.5
Group EBITDA	295.2	748.8	979.3	(60.6)
Group EBITDA margin %	34.7	65.5	60.2	(47.0)
Depreciation and amortisation	(181.7)	(203.1)	(224.6)	10.5
Idle asset write downs	(40.0)	-	-	n/a
Group EBIT	73.5	545.7	790.3	(86.5)
Net interest and financing	(49.5)	(33.5)	(29.6)	(47.8)
Profit before tax	24.0	512.2	760.7	(95.3)
Tax expense	(5.5)	(149.0)	(218.9)	96.3
Profit after tax	18.5	363.2	541.8	(94.9)
EPS (cents per share)	4.4	87.1	130.1	(94.9)
Free cash (outflow)/inflow	(27.5)	81.2	589.6	n/a
Free cash (outflow)/inflow (cents per share)	(6.6)	19.4	140.6	n/a
Dividend (cents per share)	9.0	35.0	75.0	(74.3)
(Net debt)/net cash	(206.6)	(95.9)	156.7	(115.4)
Gearing (net debt /net debt + equity) %	11.8	5.8	n/a	(103.4)
Return on capital %	2.2	27.3	54.9	(93.0)
Return on equity %	1.2	32.3	54.9	(94.9)
Average A\$/US\$ exchange rate	96.8	103.6	103.2	6.6

Mining Area C Royalty

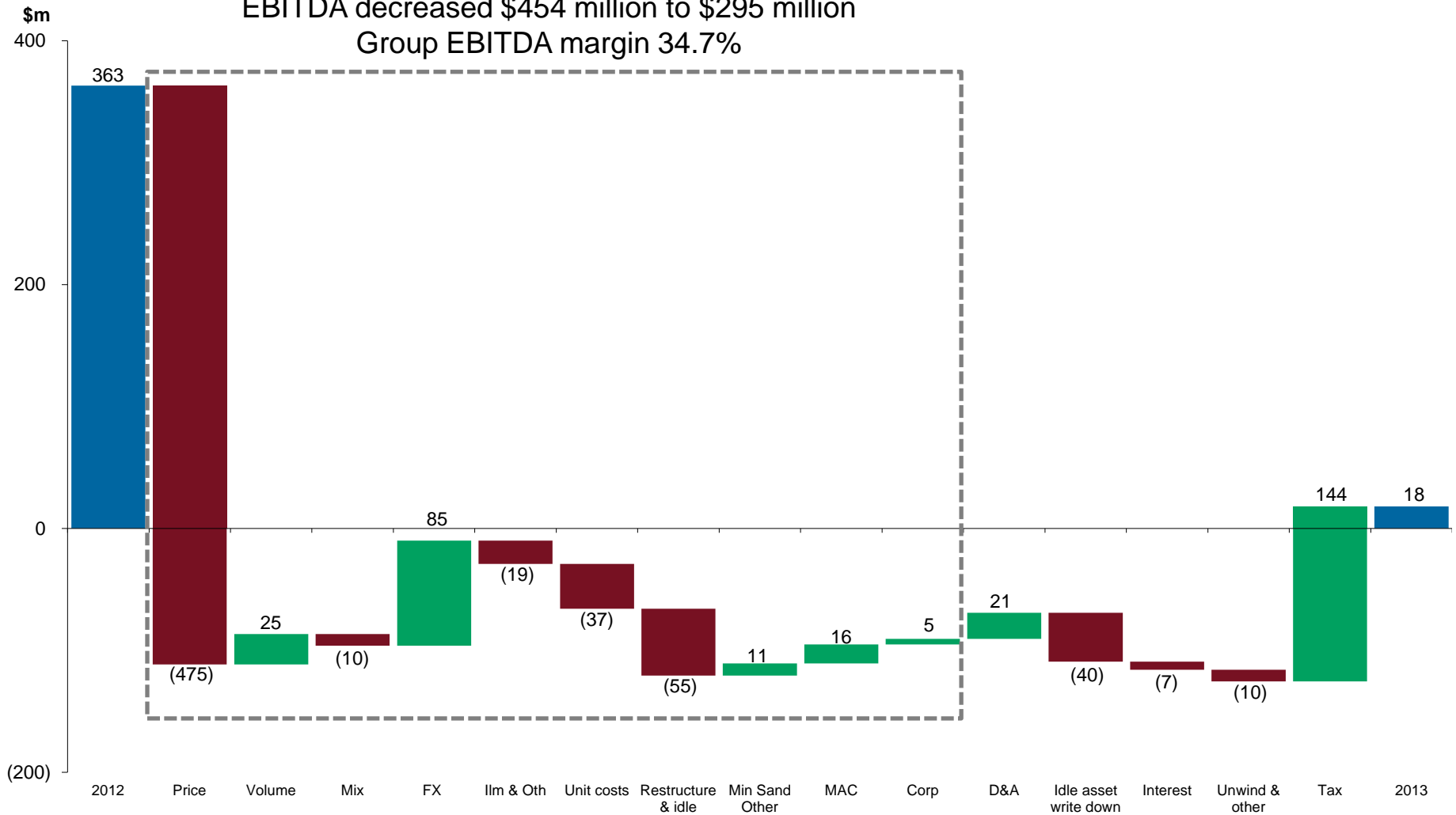
		2013	2012	% change
Annual production to 30 June	mdmt	50.5	46.9	7.7
Sales volumes	mdmt	52.5	47.4	10.8
Royalty income	\$m	84.3	69.7	20.9
Annual capacity payments	\$m	4.0	3.0	33.3
Iluka EBIT	\$m	87.9	72.3	21.6

(mdmt = million dry metric tonnes)

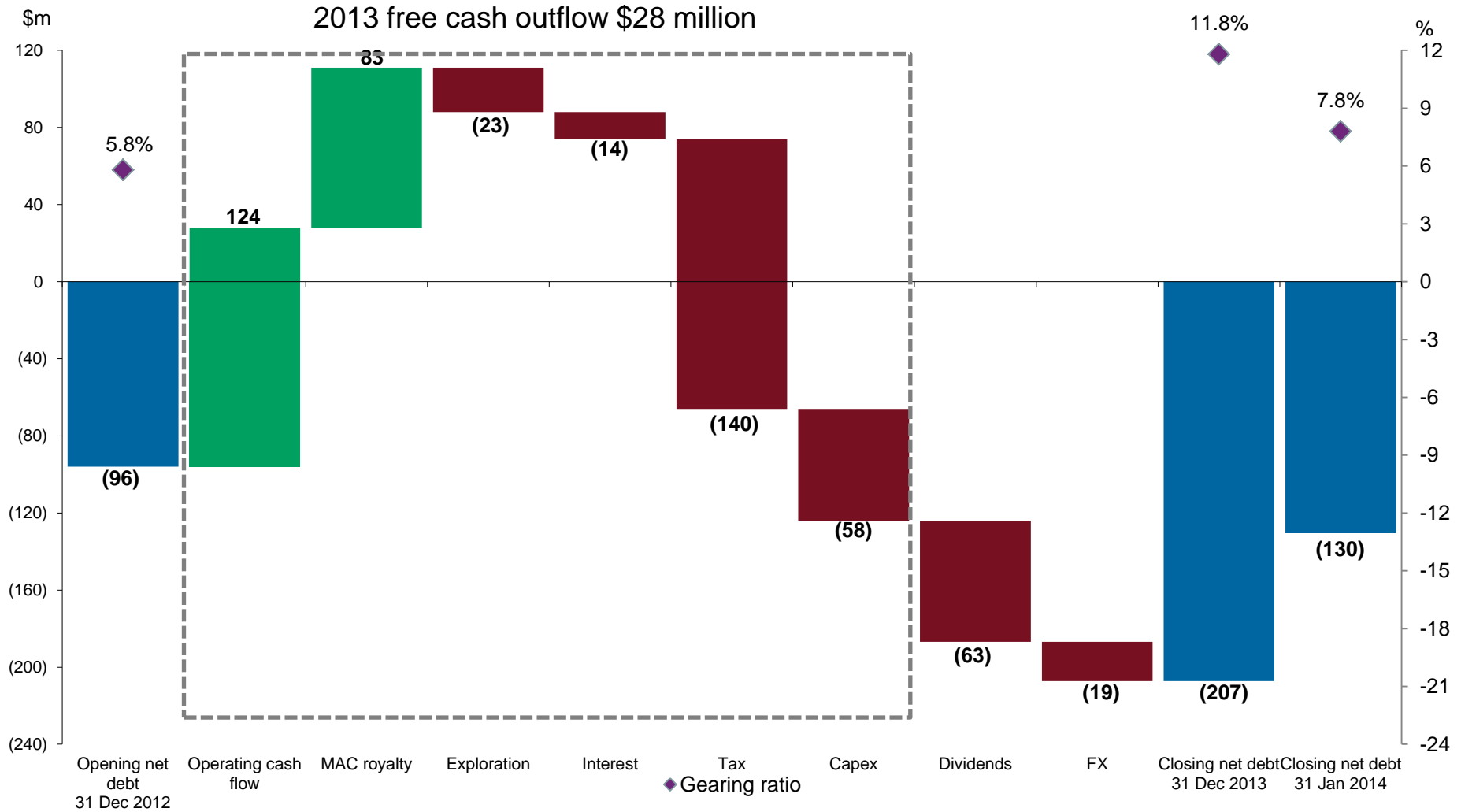
- Iron ore sales volumes up 10.8%
- Average AUD realised price of \$128/t increased by 8.9% from pcp (2012: \$118/t)
- \$4.0 million of annual capacity payments to 31 December (2012: \$3.0 million)

Net Profit after Tax

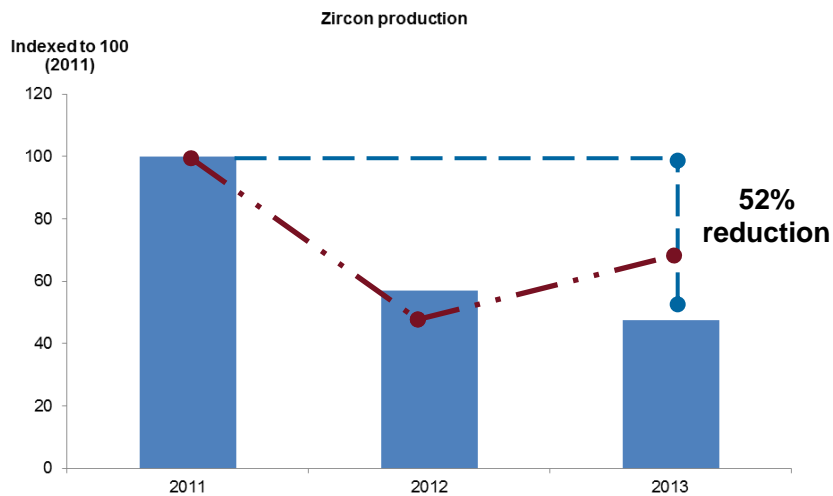
EBITDA decreased \$454 million to \$295 million
 Group EBITDA margin 34.7%



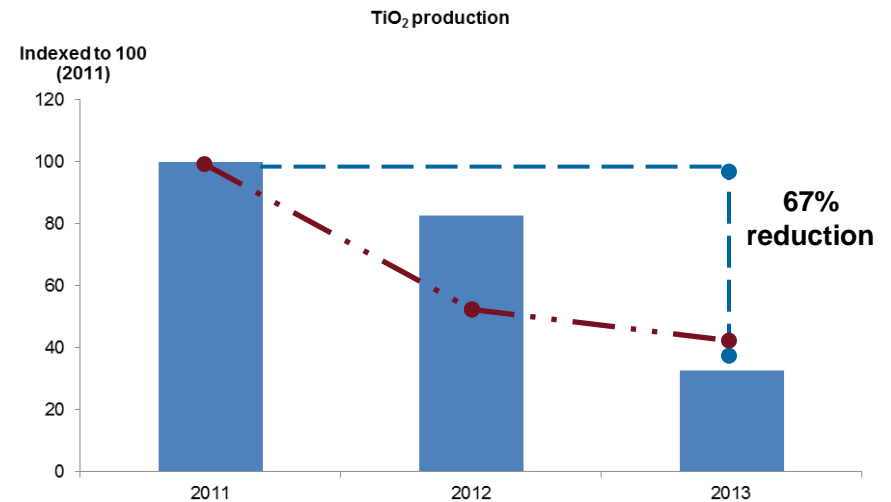
Net Debt Movement 2013



Production Flex – Zircon & High Grade TiO₂








—●— Sales profile - zircon



—●— Sales profile (rutile and synthetic rutile)

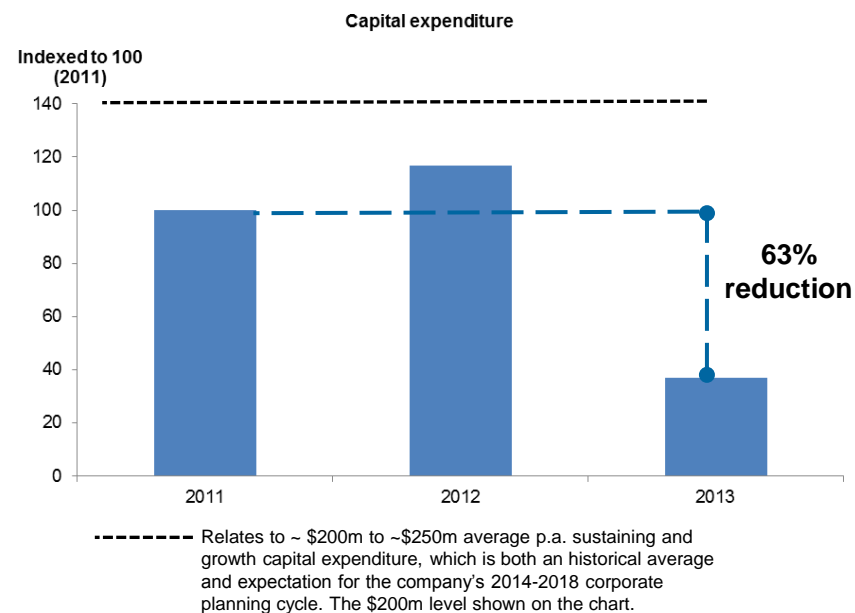
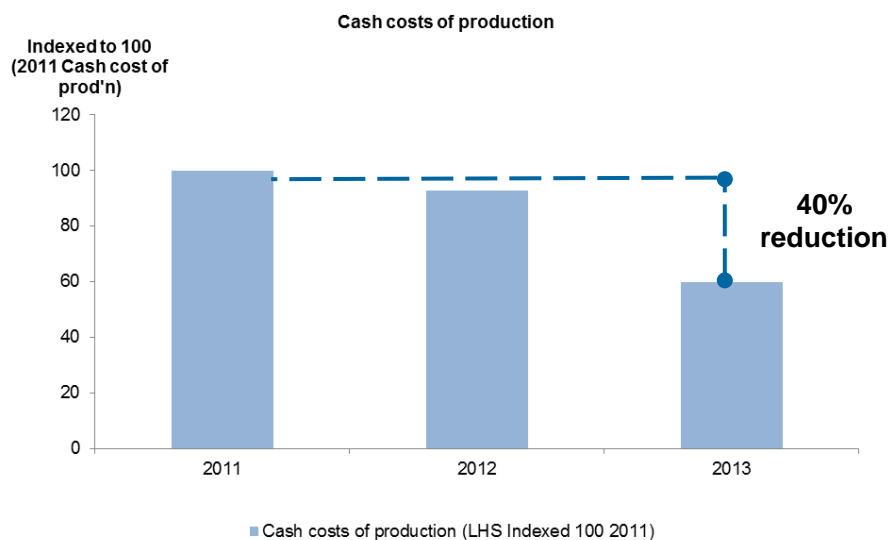
2013 and 2014 Production Settings

	2013	2014 ¹	
Murray Basin Mining (WRP)	Full utilisation		
Hamilton MSP	~50% utilisation	~80% utilisation] Focus on balancing unit costs inventory position objectives
Jacynth-Ambrosia Mining	Full utilisation – concentrate build		
Narngulu MSP	~40% utilisation	~50% utilisation	
Tutunup South Mining	Idled June		
SR2 Kiln	Idled June		
Other 3 Kilns	Idled prior years		
US Mining (Virginia)	Near full utilisation	Idling of Concord mine end February; Brink mining to continue	
Stony Creek MSP	~80% utilisation	Feed dependent ~50% utilisation	

Notes:

¹ 2014 operating regimes dependent on market demand conditions.

Cash Conservation Focus





Mineral Sands Market Conditions and Iluka's Production Response

Recent Zircon Market Dynamics

Demand

- China most robust global market (imports in 2013 higher than previous 3 years)
- Recent downturn in zircon demand due mainly to weakness in Europe and Asia ex China
- Demand consistent with cyclical global economic and industry conditions
- Recent Iluka tile survey
 - evidence of reversal in some substitution/thrifting practices
 - growing use of some new tile technologies positive for zircon loadings/demand

Supply

- Major producers have flexed production down
- Key global supply sources require mine developments to sustain production
 - timing and capital risk
- Declining grades and assemblage an industry supply headwind
- Minimal new zircon supply overall and from low risk regions particularly

Recent Titanium Dioxide Market Dynamics



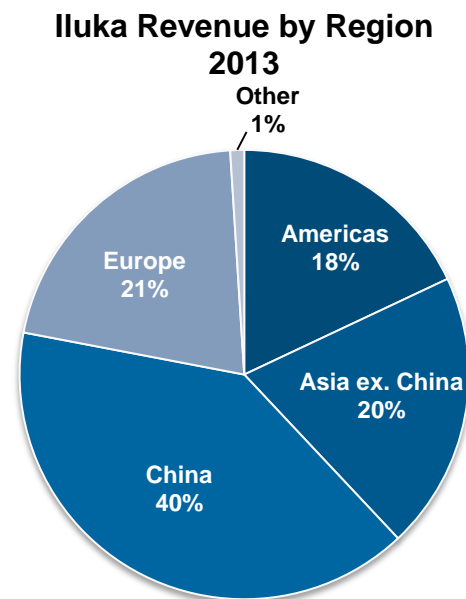
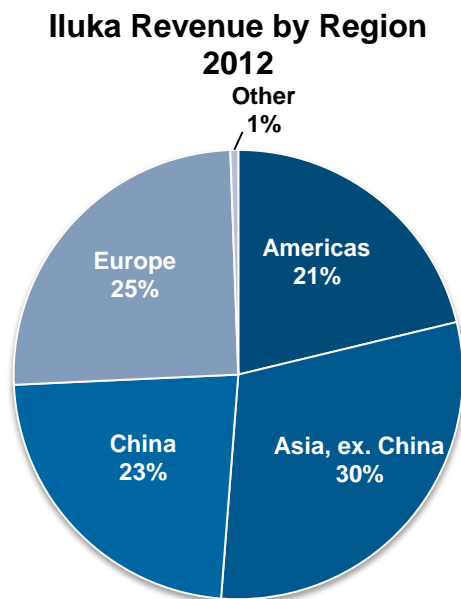
Pigment demand – main end use for high grade feedstocks

- 2011/12 downturn across all regions but Europe largest contributor
- Pigment demand cycles consistent with downstream conditions
 - Europe property, US housing, paint industry revenues
- Recovery commenced 2013

High Grade feedstock demand

- Expected to recover as pigment production increases
- Major new western chloride pigment capacity scheduled 2015/2016
- Nascent China chloride demand to grow

Geographical Revenue Sources



- China zircon market relatively robust
- North America zircon demand solid but weaker for titanium dioxide
- Markedly weaker demand in Europe, Asia, India, Japan

Iluka Product Prices - 2013



US\$/t FOB	2012 Wt Ave	1H 2013	2H 2013	Dec-13 Quarter	2013 Wt Ave
Zircon	2,080	1,173	1,119	1,083	1,150
Rutile	2,464	1,307	949	910	1,069
Synthetic rutile	1,771	1,200	1,111	1,121	1,150

Notes:

The above table provides weighted average received prices for Iluka's main products over varying periods in 2013, compared with weighted average 2012 received prices. Price outcomes are influenced by product specifications and quality, lot size sold, contractual and customer arrangements. As such, actual pricing for individual sales can vary markedly. Synthetic rutile pricing in 2013 was influenced by particular contractual arrangements distorting the typical synthetic rutile to natural rutile price relativity (with synthetic rutile generally being a slightly lower grade than natural rutile and therefore typically realising a slightly lower price). Iluka does not give price guidance, but believes that 'volumes lead prices.' Until sales volume and therefore price dynamics in any given year become clear, 'current prices', e.g. market prices realised late in a prior year, rather than prior year averages, could be argued to be the best guide to prices that might be realised in a following year.

Iluka's Production Focus - 2013



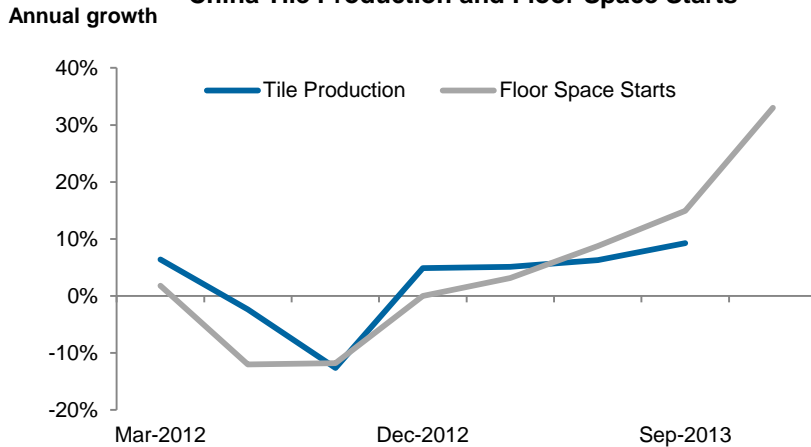
- Reduce production in line with market demand
- Conserve cash (both production costs and capital expenditure)
- Target reductions in finished goods inventory
- Enhance project development optionality
- Maintain capacity to respond rapidly to increased demand

Zircon Market Lead Indicators



Selection of lead indicators Iluka considers. Lead indicator data supplements short, medium and long term demand forecasts by end use application and individual geographical markets, as well as in-country direct market analysis. While indicators are shown with respect to zircon and titanium dioxide separately, there is significant overlap of end use sectors, and hence lead indicators, for the two markets.

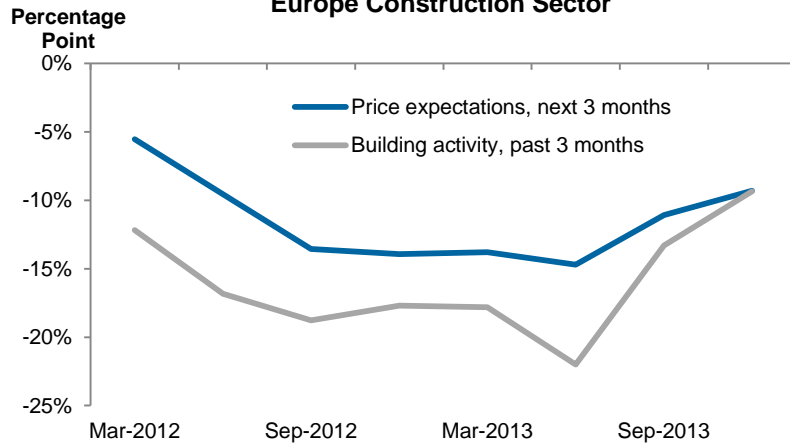
China Tile Production and Floor Space Starts



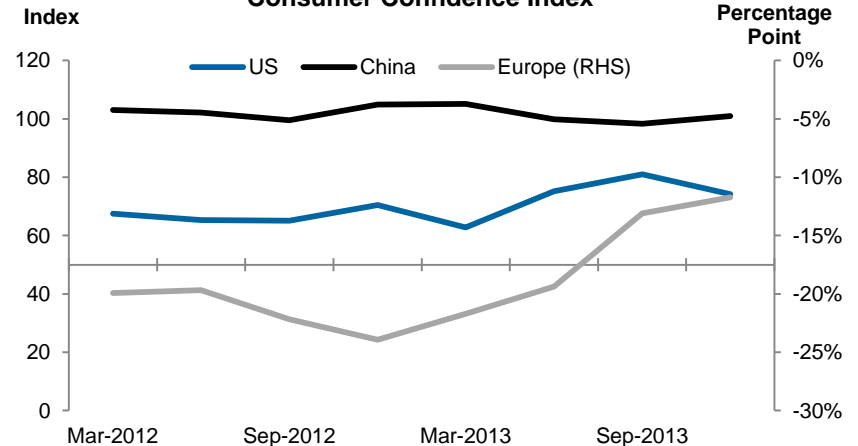
OECD Leading Indicator



Europe Construction Sector



Consumer Confidence Index



Zircon Heatmap

	Unit	2012				2013			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
China floor space starts*	% yoy	2%	(12%)	(12%)	0%	3%	9%	15%	33%
China purchasing managers index*	Index	52	51	49	51	51	51	52	52
China purchasing managers index - new orders less inventory*	Index	2	0	1	2	3	3	5	6
China electricity generation (Kwh)*	% yoy	7%	1%	2%	7%	4%	7%	12%	10%
China tile production (sqm)*	% yoy	6%	(2%)	(13%)	5%	5%	6%	9%	14%
China real estate loans (Rmb)*	% yoy	12%	12%	14%	14%	16%	18%	19%	19%
US consumer confidence index*	Index	68	65	65	70	63	75	81	74
Europe economic sentiment index*	Index	94	93	88	89	92	91	98	103
Europe construction confidence indicator *	%	(28%)	(29%)	(31%)	(34%)	(30%)	(32%)	(29%)	(26%)
Europe construction confidence indicator - price expectations next 3 months*	%	(6%)	(9%)	(14%)	(14%)	(14%)	(15%)	(11%)	(9%)
Europe construction confidence indicator - building activity past 3 months*	%	(12%)	(17%)	(18%)	(18%)	(18%)	(22%)	(13%)	(9%)
China OECD Composite Leading Indicator*	Index	100.7	99.6	99.8	100.5	100.3	99.7	99.8	99.5
US OECD Composite Leading Indicator*	Index	100.5	100.5	100.5	100.8	101.0	100.9	100.9	101.0
Europe OECD Composite Leading Indicator*	Index	99.6	99.4	99.1	99.1	99.5	99.9	100.4	100.9

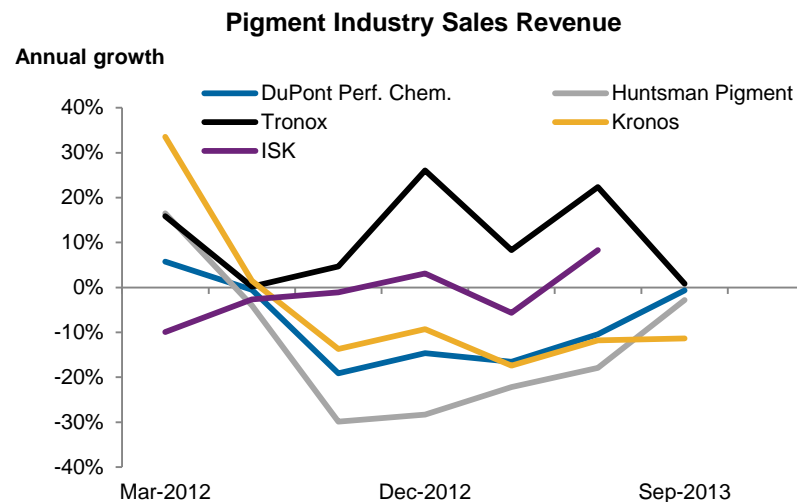
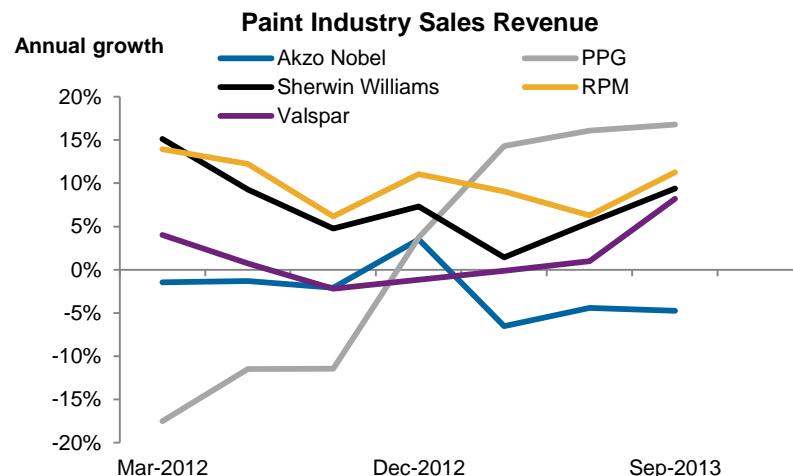
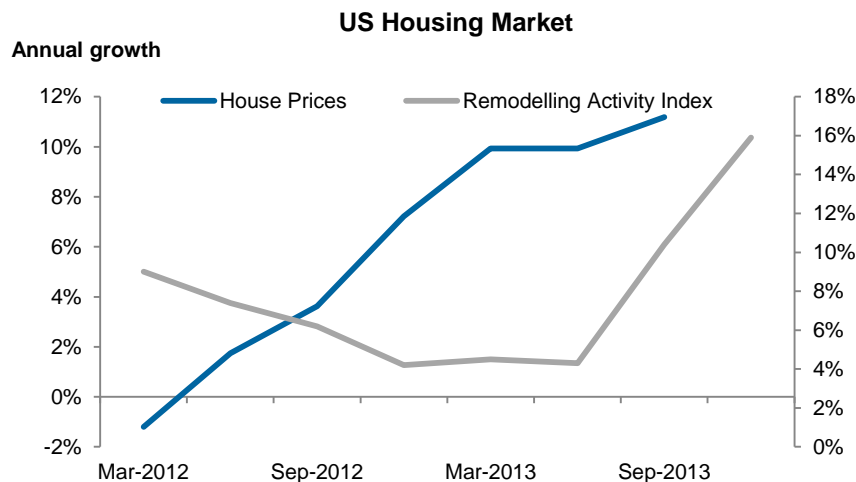
Notes:

The "heat map" is a visual representation of data movements. For each row or data series, more positive movements (relative to other numbers in the series) are coloured in shades of green while more negative movements are coloured in shades of red and orange. Each line therefore provides a relative health indicator over the period, from low to high, for the parameter concerned.

* Quarterly average of monthly data.

Source: CEIC, S&P, Markit, company reports

Titanium Dioxide Market Lead Indicators



Titanium Heatmap

	Unit	2012				2013			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
China purchasing managers index*	Index	52	51	49	51	51	51	52	52
China purchasing managers index - new orders less inventory*	Index	2	0	1	2	3	3	5	6
US Harvard remodelling activity leading indicator	%	9%	7%	6%	4%	5%	5%	10%	11%
US house prices	% yoy	0%	5%	7%	9%	9%	9%	9%	8%
US purchasing managers index*	Index	53	53	51	50	52	51	56	57
Europe purchasing managers index*	Index	49.5	45.4	45.1	45.9	47.5	37.9	50.9	51.9
Home Depot Sales Revenues	% yoy	6%	2%	5%	14%	7%	9%	7%	n/a
Ford Sales Revenues	% yoy	(2%)	(7%)	(3%)	5%	10%	15%	12%	3%
GM Sales Revenues	% yoy	4%	(4%)	2%	3%	(2%)	4%	4%	3%

Notes:

* Quarterly average of monthly data.

Source: CEIC, S&P, Markit, company reports

Iluka Ceramic Tile Analysis

- Second Iluka proprietary ceramics tile survey
- Large survey
- Eight important ceramic producing countries, multiple regions within countries
- Zircon content of varying types of tiles analysed
- Enables comparison of zircon loadings year-on-year
- Supplements other industry analysis work undertaken by Iluka
 - including direct interaction with tile manufacturers and ceramics institutes

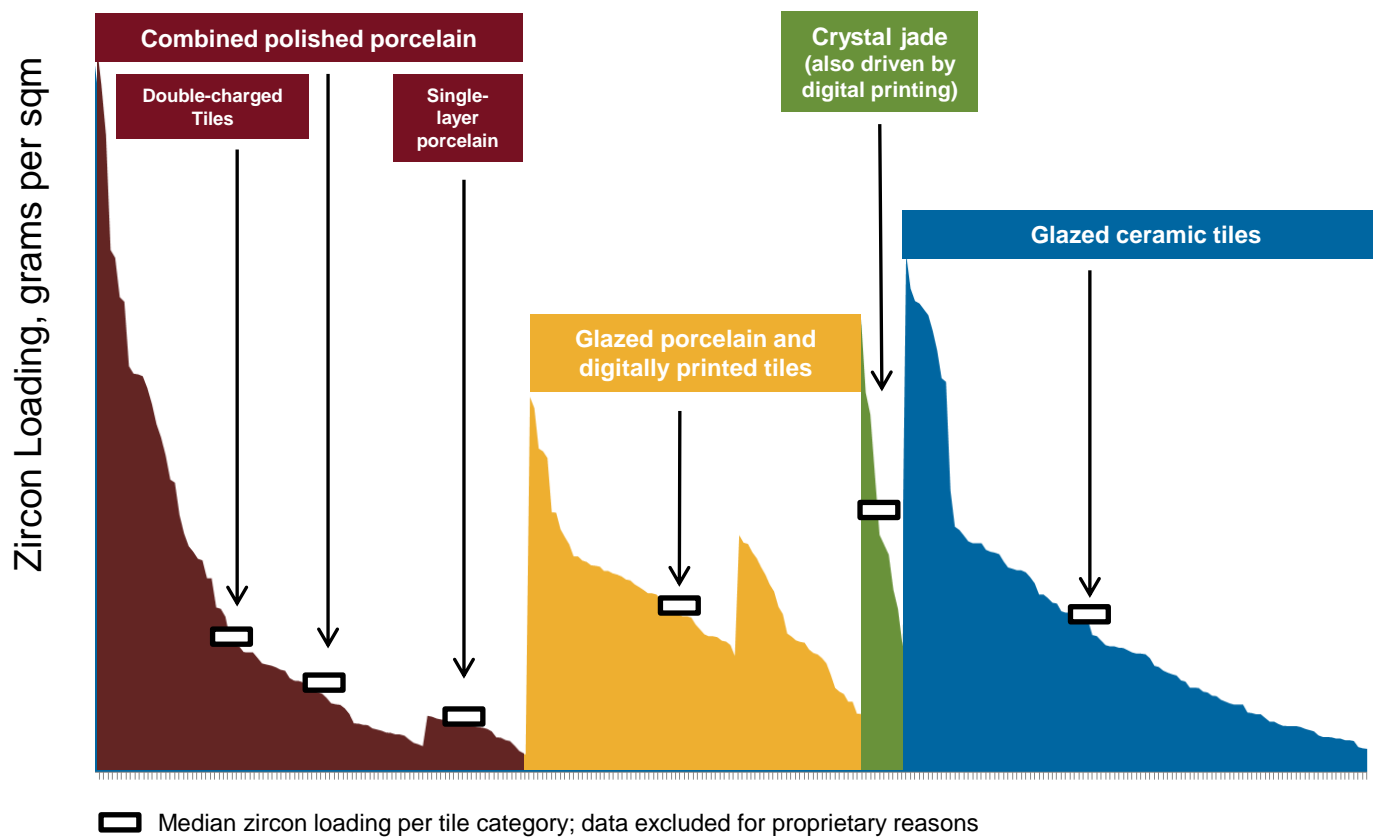
Iluka Ceramic Tile Analysis

- Zircon loadings (grams/m²) in all tile types showed increase year-on-year
 - some results statistically significant, some not
- China samples displayed overall increase in zircon loadings
 - glazed ceramics, polished porcelain and crystal jade tiles
 - some signs of reduced demand for lower end/lower zircon ceramics (soluble salt porcelain)
 - increasingly popular crystal jade tiles have highest median zircon content
 - crystal jade tiles show 30-50% loading increase relative to 2012

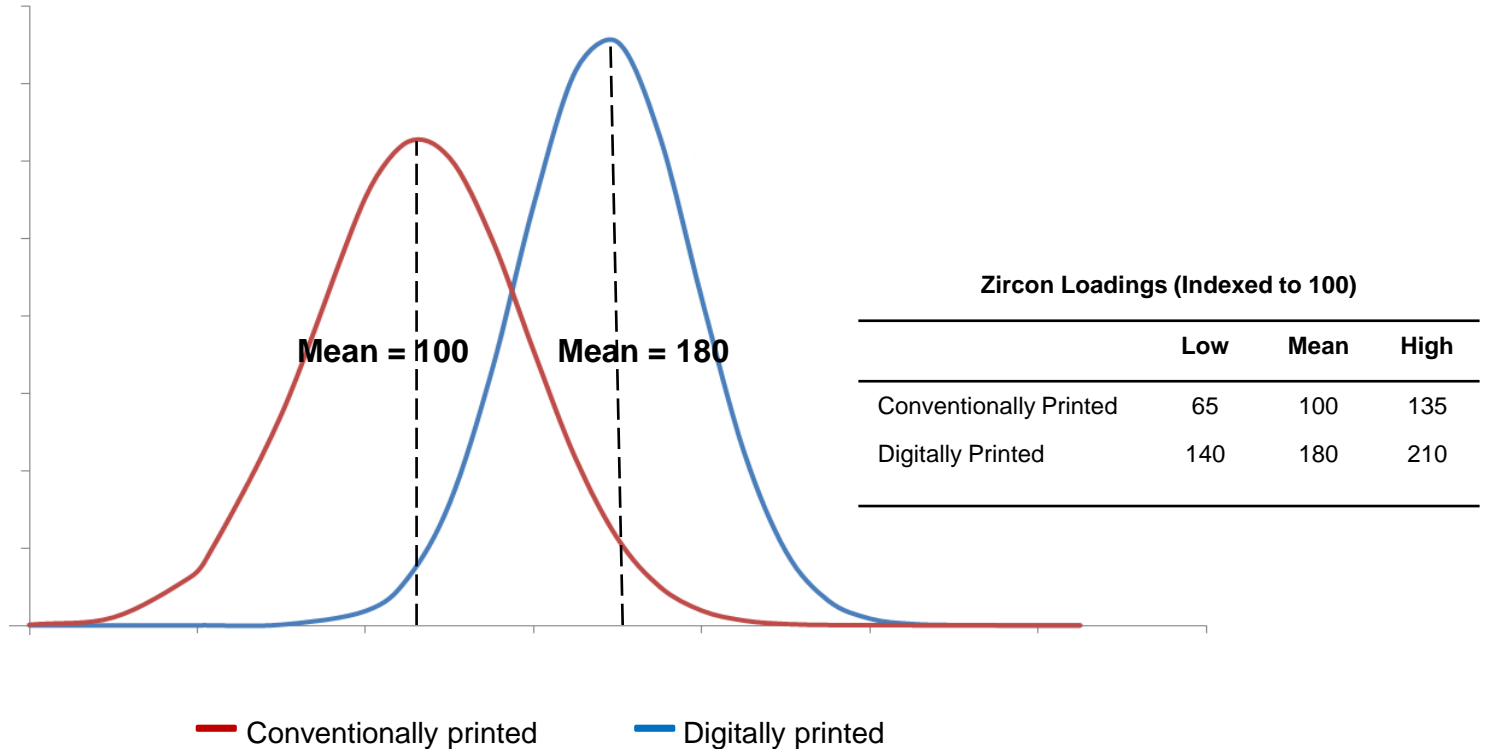
Iluka Ceramic Tile Analysis

- Trend to “designer” tiles – increasingly digitally printed
- Apparent in China and other major tile producing countries
- Increased use of digital printing a positive for zircon loadings
 - significantly greater zircon loading than conventionally decorated tiles
 - higher zircon loading than double charged porcelain tiles
- Higher zircon loadings due to:
 - requirement for a white engobe (base) layer
 - contrast and optimising use of digital inks

China Ceramics – 2013 Zircon Loading



Zircon Loading - Digital vs Conventionally Printed Tiles



Notes:

- This slide charts the distribution of zircon loadings for conventionally printed and digitally printed tiles, from Iluka's 2013 ceramics tile survey. The zircon distribution is shown as grams/sqm (data excluded for proprietary reasons).
- The mean of conventionally printed tile zircon loadings is shown as 100. Digitally printed mean zircon loading is shown as 180, hence 80% higher than the mean of conventionally printed tiles. The low and high zircon loadings for both types of tiles are shown in the table at 5% and 95% confidence intervals.

Mineral Sands Project Development



Project	Location	Characteristics
Pre-execute		
Hickory	Virginia, USA	<ul style="list-style-type: none"> • Chloride ilmenite with associated zircon • Utilisation of existing mineral separation plant (MSP) • ~ 10 year mine life
Definitive Feasibility Study		
West Balranald	Murray Basin, NSW	<ul style="list-style-type: none"> • High grade rutile, zircon, ilmenite • Next planned mine development in Murray Basin • ~ 8 year mine life
Cataby	Perth Basin, WA	<ul style="list-style-type: none"> • Chloride ilmenite with associated zircon • Next planned mine development in WA • ~ 6 year initial mine life
Eucla Basin Satellite Deposits	Eucla Basin, SA	<ul style="list-style-type: none"> • 3 chloride ilmenite with associated zircon deposits • Close proximity to Jacinth-Ambrosia infrastructure • Mine life extension to ~2027+
Aurelian Springs	North Carolina, USA	<ul style="list-style-type: none"> • Chloride & sulphate ilmenite with associated zircon • Utilisation of Virginia MSP • ~ 11 year mine life
Scoping / Pre PFS		
Puttalam	Sri Lanka	<ul style="list-style-type: none"> • Large, long life mainly sulphate resource, re- acquired by Iluka in 2013

Notes:

In some cases, particularly the US, projects may be a significant component of the carrying value of the associated assets.

Iluka's Ore Reserves and Mineral Resources



Ore Reserves In Situ Heavy Mineral	Tonnes (millions)
Opening Reserves 2013	29.0
Production/Depletions	(2.5)
New Ore Reserves/Adjustments	0.1
Closing Ore Reserves	26.6

Mineral Resources In Situ Heavy Mineral	Tonnes (millions)
Opening Resources 2013	122.7
Production/Depletions	(2.5)
New Mineral Resources/Adjustments	58.5
Closing Mineral Resources	178.7
Mineral Resources Net Change	56.0

Notes:

- Refer Iluka ASX Release, 2013 Ore Reserves and Mineral Resources, 21 February 2014.
- Mineral Resources and Ore Reserves have been produced in accordance with the Australasian Code for Reporting Mineral Resources and Ore Reserves, December 2012 (the JORC Code).
- Ore Reserves and Mineral Resources reported as at 31 December 2013.
- Mineral Resources are inclusive of Ore Reserves.
- Totals may not add due to rounding.

Iluka's Ore Reserves and Mineral Resources

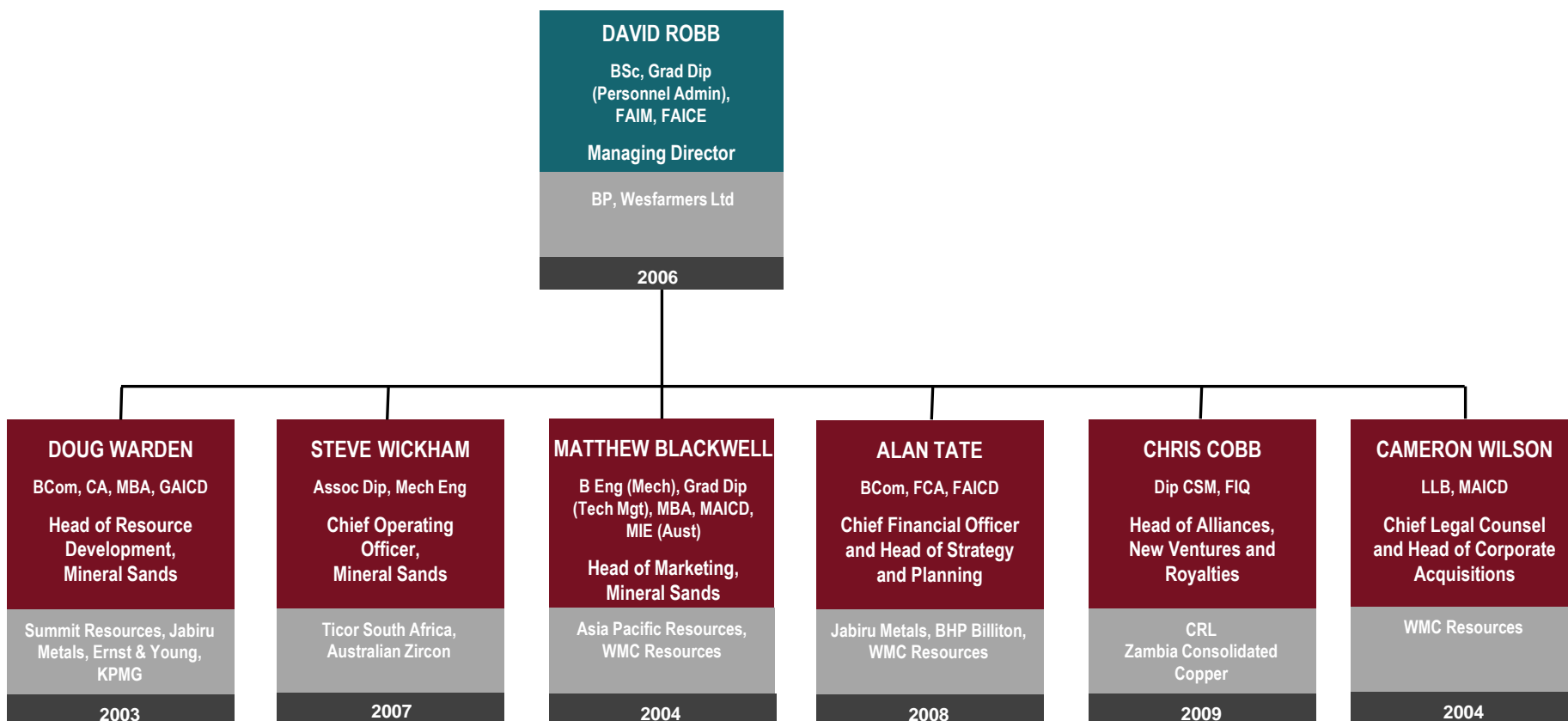


- 26.6 million tonnes of heavy mineral (HM) Ore Reserves
 - 8.2% year-on-year reduction
 - HM grade of 5.6%; assemblage 19% zircon, 6% rutile, 52% ilmenite
- Ore Reserve cover ~10 years at 2013 depletion rates
- 178.7 million tonnes of HM Mineral Resources
 - Mineral Resources ~ 6 times Ore Reserves
 - 45% increase in resources, mainly Sri Lanka (56.2 million tonnes)
 - HM grade of 6.9%; assemblage of 10% zircon, 6% rutile, 59% ilmenite

Notes:

- Mineral Resources and Ore Reserves have been produced in accordance with the Australasian Code for Reporting Mineral Resources and Ore Reserves, December 2012 (the JORC Code).
- Ore Reserves and Mineral Resources reported as at 31 December 2013.
- Mineral Resources are inclusive of Ore Reserves.
- Totals may not add due to rounding.
- Iluka's HM grade and assemblage reflects addition of Sri Lanka resource. In 2012 HM grade was 6.4% with a zircon assemblage of 13%, rutile 7% and ilmenite 55%.

Executive Aligned to Business Priorities



Metalysis – Strategic Fit

- Adjacencies with mineral sands business
 - could transform demand for titanium metal
- “Right” stage of technical/commercial development
- Ability for Iluka to contribute more than cash
 - supply of high grade titanium feedstocks
 - process engineering
 - project management
 - product development
 - knowledge of downstream Ti metal markets
 - global marketing
- Significant investment returns possible

New Investment - Metalysis

- 18.3% equity interest in Metalysis for \$22.5 million
- Metalysis has demonstrated an ability to produce titanium powder directly from rutile
- Metalysis process has the potential to materially reduce the cost of titanium powder
- UK Venture Capital company
- Metalysis process
 - developed patented production process for high value metals at lower cost
 - close to commercialisation
 - plan to construct processing plant
 - initial application tantalum metal powder
 - titanium (Ti) metal viewed as key market application for technology
- Potentially disruptive technology. If successfully commercialised:
 - new growth pathway for high value metals and alloys
 - major impact on Ti metal applications
 - application to new manufacturing technologies – including 3D printing

Key Elements

Iluka's 18.3% interest in Metalysis provides:

- One Board seat - with full voting rights - and one observer
- A non-exclusive world-wide licence over the Metalysis technology to produce titanium powder
 - in return for a net revenue royalty on normal commercial terms
- Right of first offer over future titanium metal licences*
- A right to increase its shareholding to between 20 to 24.9 per cent in the event of an IPO
- A pro-rata first right of refusal over any transfers of existing shares or issues of new shares.

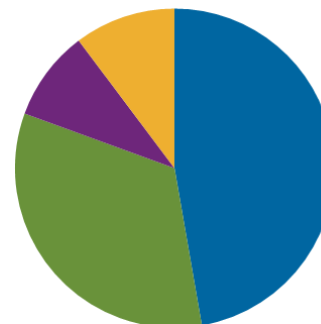
* Excluding current negotiations the Company is undertaking with respect to two specific licences.

Ti Metal Industry – Current ‘State of Play’

Titanium metal (Ti metal) has positive attributes:

- highest strength-to-weight ratio of any metal
- high level of corrosion resistance
- high melting point
- bio-compatible, e.g. joint replacements, bone repair

Ti Metal Markets
(2012 = 148kt)

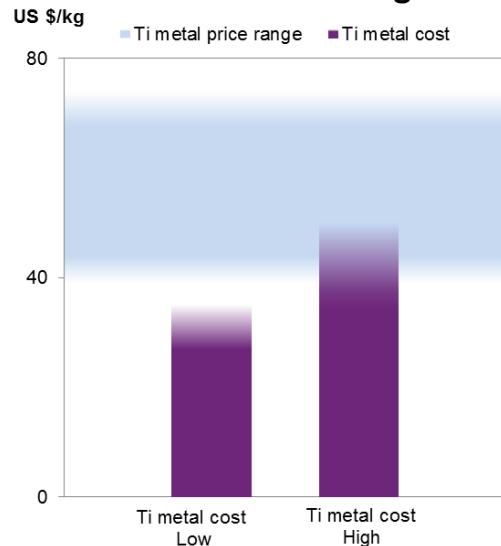


Industrial applications include chemical, shipping, desalination, oil and gas, power generation, metallurgy and auto industries.

Industrial applications is the highest-growing end use for titanium metal.

■ Industrial Applications ■ Aerospace
■ Military ■ Emerging Applications
Source: TZMI

Ti Metal Unit Margin

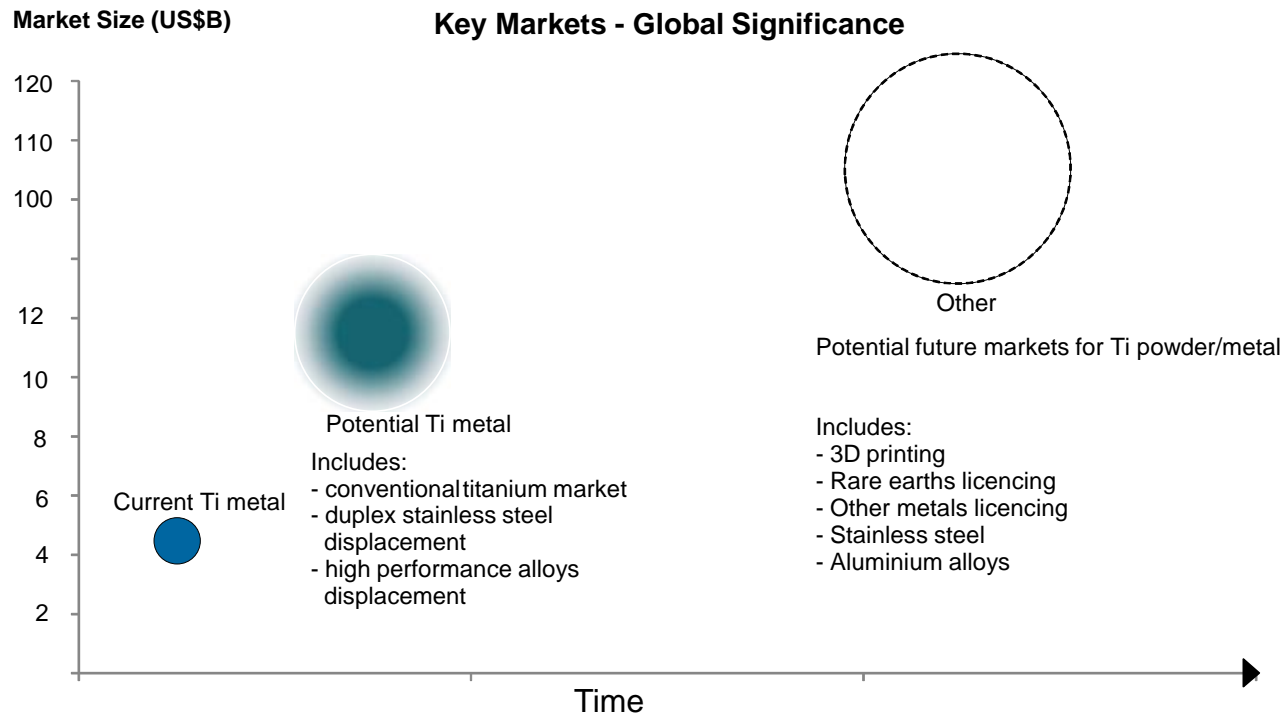


Source: TiMet, Roskill, Metalysis, Iluka research

- In 2012, 148kt of milled titanium products were produced
- Market estimated to be worth US\$5.4 billion
- Consumes 5-7% of global titanium feedstock production (~430kt TiO₂)
- Currently complex and expensive production methods
- Historically a low-margin industry.

Ti Metal Industry – Potential

- Lower cost Ti metal compete with High Performance Alloys (US\$4.5b market) & Duplex stainless steel (US\$2.3bn market)
 - access to a small percentages of these markets would significantly increase the size of the Ti metal industry;
- 3D printing: potential market size of \$230-\$550 billion per year by 2025*
- Flow through increase in demand for titanium feedstocks (~2.5t of rutile required for 1t of Metalysis Ti powder)



Iluka's Approach



- Focus on shareholder returns through the cycle
- Flex asset operation in line with market demand
- Continue market development through the cycle
- Preserve/advance mineral sands growth opportunities
- Maintain a strong balance sheet
- Continue to evaluate/pursue corporate growth opportunities
- Act counter-cyclically where appropriate



Supplementary Slides

Reconciliation of Non-IFRS Financial Information to Profit before Tax

Non-IFRS financial measures of Mineral Sands EBITDA, Mineral Sands EBIT, Group EBITDA and Group EBIT are highlighted in the table below, together with profit before tax.

\$m	AUS	US	Exploration & Other ⁽¹⁾	Mineral Sands	MAC	Corp	Group
Mineral sands revenue	676.5	86.6		763.1			763.1
Mineral sands expenses	(401.9)	(56.4)	(55.8)	(514.1)			(514.1)
Mining Area C					88.3		88.3
Corporate and other costs						(41.2)	(41.2)
Foreign exchange						(0.9)	(0.9)
EBITDA	274.6	30.2	(55.8)	249.0	88.3	(42.1)	295.2
Depreciation and amortisation	(166.9)	(11.0)	(3.4)	(181.3)	(0.4)		(181.7)
Idle assets write down	(40.0)			(40.0)			(40.0)
EBIT	67.7	19.2	(59.2)	27.7	87.9	(42.1)	73.5
Net interest expense						(13.1)	(13.1)
Rehab unwind/other finance costs	(31.7)	(2.9)		(34.6)		(1.8)	(36.4)
Profit before tax	36.0	16.3	(59.2)	(6.9)	87.9	(57.0)	24.0
<i>Segment result</i>	<i>36.0</i>	<i>16.3</i>		<i>52.3</i>	<i>87.9</i>		<i>140.2</i>

Notes:

⁽¹⁾ Comprises exploration and resources development costs (\$44.9m), marketing and selling costs (\$13.5m), offset by asset sales and other income (\$2.6m).

Cash Flow & Net Debt: 2013 vs 2012



\$m	1H 2013	2H 2013	2013	2012	% change
Opening net (debt) cash	(95.9)	(197.0)	(95.9)	156.7	n/a
Operating cash flow	92.4	31.6	124.0	368.7	(66.4)
MAC royalty	36.1	46.6	82.7	76.1	8.7
Exploration	(9.8)	(13.3)	(23.1)	(34.4)	32.8
Interest (net)	(6.6)	(7.1)	(13.7)	(0.7)	1,857.1
Tax	(124.0)	(16.1)	(140.1)	(159.1)	11.9
Capital expenditure	(31.5)	(21.0)	(52.5)	(167.3)	68.6
Purchase of Sri Lanka deposits	-	(4.6)	(4.6)	-	n/a
Asset sales	0.7	1.3	2.0	1.4	42.9
Share purchases	(1.8)	(0.4)	(2.2)	(3.5)	37.1
Free cash (outflow) inflow	(44.5)	17.0	(27.5)	81.2	(133.9)
Dividends	(41.9)	(20.9)	(62.8)	(333.7)	81.2
Net cash outflow	(86.4)	(3.9)	(90.3)	(252.5)	64.2
Exchange revaluation of USD net debt	(13.8)	(4.8)	(18.6)	2.2	n/a
Amortisation of deferred borrowing costs	(0.9)	(0.9)	(1.8)	(2.3)	21.7
Decrease in net (debt) cash	(101.1)	(9.6)	(110.7)	(252.6)	56.2
Closing net debt	(197.0)	(206.6)	(206.6)	(95.9)	(115.4)

Production Volumes



kt	2013	2012	% change
Zircon	285.1	343.2	(16.9)
Rutile	127.0	220.3	(42.4)
Synthetic rutile	59.0	248.3	(76.2)
Total Z/R/SR production	471.1	811.8	(42.0)
Ilmenite	584.5	674.1	(13.3)
Total production volume	1,055.6	1,485.9	(29.0)
HMC produced	1,538.3	1,529.7	0.6
HMC processed	1,044.2	1,468.1	(28.9)

Sales Volumes



kt	2013	2012	% change
Zircon	370.2	213.8	73.2
Rutile	168.0	105.5	59.2
Synthetic rutile	46.2	169.6	72.8
Total Z/R/SR	584.4	488.9	19.5
Ilmenite	337.5	443.2	(23.8)
Total sales volumes	921.9	932.1	(1.1)

Mineral Sands Results: 2013 versus 2012



\$m	1H 2013	2H 2013	2013	2012	% change
Mineral sands revenue	381.7	381.4	763.1	1,069.8	(28.7)
Australia EBITDA	146.1	128.5	274.6	706.3	(61.1)
United States EBITDA	15.1	15.0	30.1	70.0	(57.0)
Exploration and other EBITDA	(24.6)	(31.1)	(55.7)	(50.3)	10.7
Total mineral sands EBITDA	136.6	112.4	249.0	726.0	(65.7)
Idle assets write down	-	(40.0)	(40.0)	-	n/a
Depreciation and amortisation	(98.8)	(82.5)	(181.3)	(202.7)	10.6
Mineral sands EBIT	37.8	(10.1)	27.7	523.3	(94.7)

Unit Cash Costs and Revenue/tonne

2013 versus 2012

		2013	2012	% change
Total Z/R/SR production	kt	471.1	811.8	(42.0)
Ilmenite	kt	584.5	674.1	(13.3)
Total production	kt	1,055.6	1,485.9	(29.0)
Total cash costs of production	\$m	376.1	583.5	35.5
Unit cash costs per tonne of Z/R/SR produced ⁽¹⁾	\$/t	798	719	(11.0)
Z/R/SR revenue	\$m	685.8	973.8	(29.6)
Ilmenite and other revenue	\$m	77.3	96.0	(19.5)
Revenue per tonne of Z/R/SR sold ⁽²⁾	\$/t	1,173	1,991	(41.1)
Cost of goods sold (cash and non cash) Z/R/SR	\$/t	896	872	2.8

Notes:

⁽¹⁾ Unit cash cost per tonne of Z/R/SR produced is determined as cash costs of production divided by total Z/R/SR production volumes.

⁽²⁾ Revenue per tonne of Z/R/SR sold is determined as total Z/R/SR revenue divided by total Z/R/SR sales volumes.

Capital and Exploration Expenditure (cash)



\$m	2013	2012	% change
Capital expenditure	52.5	167.3	68.6
Exploration	23.1	34.4	32.8
Total	75.6	201.7	62.5

Factors Influencing Free Cash Flow

\$m	1H 2013	2H 2013	1H 2012	2H 2012
Operating cash flow	92.4	31.6	207.2	161.5
MAC royalty	36.1	46.6	36.8	39.3
Exploration	(9.8)	(13.3)	(14.9)	(19.5)
Interest (net)	(6.6)	(7.1)	4.2	(4.9)
Tax	(124.0)	(16.1)	(156.1)	(3.0)
Capital expenditure	(31.5)	(21.0)	(122.5)	(44.8)
Purchase of Sri Lanka deposits	-	(4.6)	-	-
Asset sales	0.7	1.3	1.2	0.2
Share purchases	(1.8)	(0.4)	(0.6)	(2.9)
Free cash flow	(41.9)	17.0	(44.7)	125.9

Australian Operations



		2013	2012	% change
Production volumes				
Zircon	kt	245.5	293.8	(16.4)
Rutile	kt	127.0	220.3	(42.4)
Synthetic rutile	kt	59.0	248.3	(76.2)
Total Z/R/SR production	kt	431.5	762.4	(43.4)
Ilmenite	kt	394.9	459.4	(14.0)
Total production	kt	826.4	1,221.8	(32.4)
HMC produced	kt	1,223.5	1,206.6	1.4
HMC processed	kt	736.4	1,117.5	(34.1)
Unit cash cost of production – zircon/rutile/SR	\$/t	708	687	(3.1)
Mineral sands revenue	\$m	676.5	958.2	(29.4)
Cash cost of production	\$m	(305.4)	(523.6)	41.7
Inventory movements	\$m	(0.6)	328.3	(100.2)
Restructure and idle capacity charges	\$m	(69.6)	(12.8)	(443.8)
Rehabilitation and holding costs for closed sites	\$m	3.2	(9.1)	135.2
Government royalties	\$m	(15.2)	(19.6)	22.4
Marketing and selling costs	\$m	(14.8)	(18.1)	18.2
Asset sales and other income	\$m	0.5	3.0	(83.3)
EBITDA	\$m	274.6	706.3	(61.1)
Depreciation & amortisation	\$m	(166.9)	(192.6)	13.3
Idle asset write off	\$m	(40.0)	-	n/a
EBIT	\$m	67.7	513.7	(86.8)

US Operations



		2013	2012	% change
Production volumes				
Zircon	kt	39.6	49.4	(19.8)
Ilmenite	kt	189.6	202.5	(11.7)
Total production	kt	229.2	251.9	(13.2)
HMC produced	kt	314.8	323.1	(2.6)
HMC processed	kt	307.8	350.6	(12.2)
Unit cash cost of production	\$/t	308	238	(29.4)
Mineral sands revenue	\$m	86.6	111.6	(22.4)
Cash cost of production	\$m	(70.7)	(59.9)	18.0
Inventory movements	\$m	14.6	18.6	(21.5)
Rehabilitation and idle capacity costs	\$m	(0.4)	(0.7)	(42.9)
Marketing and selling costs	\$m	-	0.4	(100.0)
EBITDA	\$m	30.1	70.0	(57.0)
Depreciation & amortisation	\$m	(11.0)	(7.0)	(57.1)
EBIT	\$m	19.1	63.0	(69.7)

Eucla/Perth Basins



		2013	2012	% change
Production volumes				
Zircon	kt	185.7	158.2	17.4
Rutile	kt	33.3	50.0	(33.4)
Synthetic rutile		59.0	248.3	(76.2)
Ilmenite	kt	211.2	290.6	(27.3)
Total production	kt	489.2	747.1	(34.5)
HMC produced	kt	827.5	821.8	(0.7)
HMC processed	kt	509.2	673.5	(24.4)
Unit cash cost of production – zircon/rutile/SR	\$/t	621	823	24.5
Mineral sands revenue				
	\$m	310.4	577.6	(46.3)
Cash cost of production	\$m	(172.6)	(375.9)	54.1
Inventory movements	\$m	35.0	228.0	(84.6)
Restructure and idle capacity charges	\$m	(59.9)	(9.2)	(551.1)
Rehabilitation and holding costs for closed sites	\$m	7.0	(9.1)	n/a
Government royalties	\$m	(5.8)	(10.3)	43.7
Marketing and selling costs	\$m	(7.7)	(7.7)	-
Asset sales and other income	\$m	0.2	2.7	(92.6)
EBITDA	\$m	106.6	396.1	(73.1)
Depreciation & amortisation	\$m	(70.6)	(84.2)	16.2
Idle asset write off	\$m	(40.0)	-	n/a
EBIT	\$m	(4.0)	311.9	n/a

Murray Basin



		2013	2012	% change
Production volumes				
Zircon	kt	59.8	135.6	(55.9)
Rutile	kt	93.7	170.3	(45.0)
Ilmenite	kt	183.7	168.8	8.8
Total production	kt	337.2	474.7	(29.0)
HMC produced	kt	396.0	384.8	2.9
HMC processed	kt	227.2	444.0	(48.8)
Unit cash cost of production – Z/R/SR	\$/t	865	483	(79.1)
Mineral sands revenue	\$m	366.1	380.6	(3.8)
Cash cost of production	\$m	(132.8)	(147.7)	10.1
Inventory movements	\$m	(35.6)	100.3	n/a
Restructure and idle capacity charges	\$m	(9.7)	(3.6)	(169.4)
Rehabilitation and holding costs for closed sites	\$m	(3.8)	-	n/a
Government royalties	\$m	(9.4)	(9.3)	(1.1)
Marketing and selling costs	\$m	(7.1)	(10.4)	(31.7)
Asset sales and other income	\$m	0.3	0.3	-
EBITDA	\$m	168.0	310.2	(45.8)
Depreciation & amortisation	\$m	(96.3)	(108.4)	11.2
EBIT	\$m	71.7	201.8	(64.5)

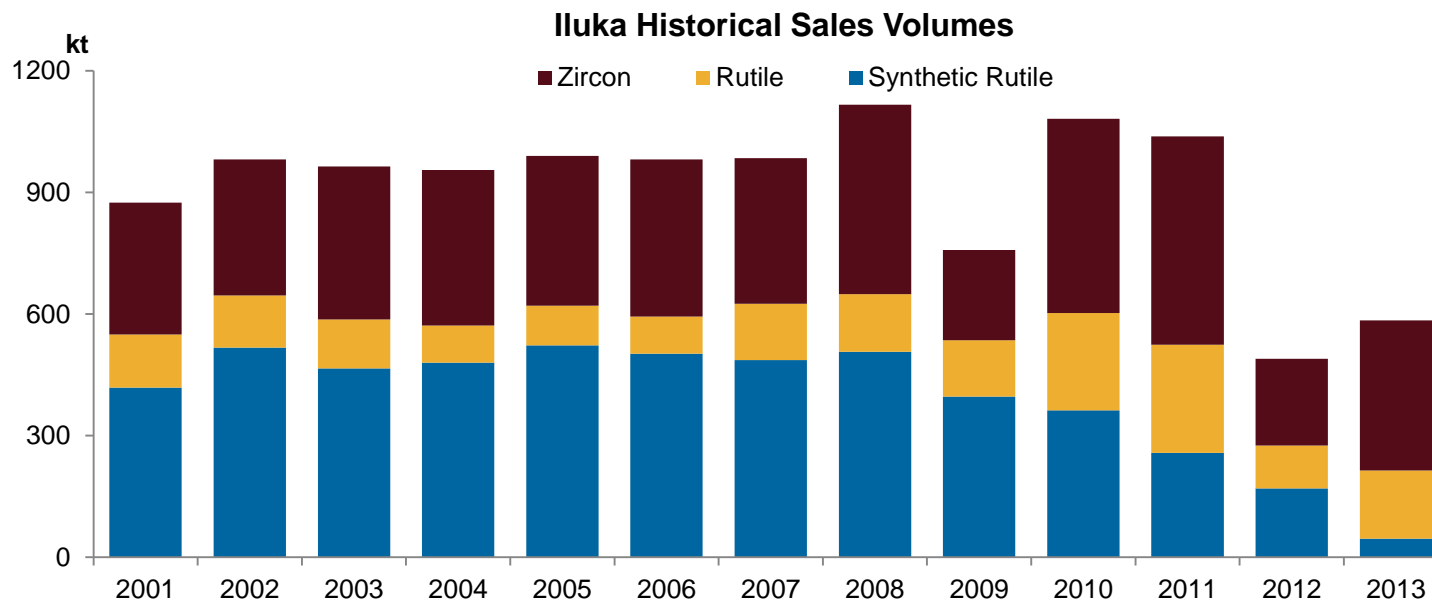
Indicative Physical and Financial Characteristics

	2013 Actual	2014	Comments
Production kt			
Zircon	285	~360	Higher planned production & HMC processing
Rutile/synthetic rutile	186	~190	No SR production expected in 2014
Z/R/SR	471	~550	
Cash Production Costs \$m	376	~430	Mainly reflects increased by-product production, with higher transport and processing costs, mine specific factors largely offset by lower SR costs.
Non Production Cash Costs \$m	120	~150	~\$40 m of non production costs (royalties and port costs), ~\$110m for marketing, exploration, innovation & technology, major projects, corporate costs.
Restructure & idle costs	70	~45	
Capital Expenditure \$m	53	110	~two thirds of 2014 spend on advancing projects – refer slide 31
Gearing (Net Debt – Net Debt + Equity) %	11.8	Not guided	

Notes:

This is an extract from Iluka's Key Physical and Financial Parameters disclosure, 21 February 2014 – refer to www.iluka for full details.

Iluka Historical Mineral Sands Sales



Sales Volumes kt	2009	2010	2011	2012	2013
Zircon	223	479	515	214	370
Rutile	139	240	266	106	168
Synthetic Rutile	397	363	258	170	46
Total Z/R/SR	758	1081	1038	489	584

Notes:

Totals may not add due to rounding.

Iluka Resources Limited

www.iluka.com

For more information, contact:

Robert Porter, General Manager Investor Relations

robert.porter@iluka.com

+61 3 9225 5008 / +61 (0) 407 391 829