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Presentation by David Robb, Managing Director

Good morning everybody. Thanks for your attendance on a day when I am sure lots of people have lots of things to do, given what is happening in markets generally. I have got quite a few slides today so I am going to power through them. A number of them you have seen before and I will just make a few update comments, the shortest one will be the disclaimer.

In 2011 we met our objective. Our objectives have always been simply stated as creating and delivering value for shareholders. The highest profit and full year dividend in the company's history, excellent production and marketing performance, increased net ore reserves – the life blood of any mining company – and investing to position for future growth.

I don't intend to go through the details of our products and our markets as I am sure that is familiar to most of you. Certainly there is a lot of information on our website. I do want to make the point though, that in both zircon shown here (Slide 6) and in titanium dioxide markets, end uses and market segments are distinct and very different in their nature, so generalisations in our industry I think can be dangerous. Recent increases in titanium dioxide prices have restored a balance to our mineral sands product revenue mix. It is not something we target and I am happy for that balance frankly to be whatever it is. But it is clearly in my view better to have two horses pulling a margin cart than one. Our high-quality, low-risk, long-life iron ore royalty, Mining Area C, continues to make a growing contribution (Slide 7). It was $88 million last year in EBIT and it is in effect of infinite life, at least in terms of investing on my horizons. Unlike some who to me seem to have recently got religion, the Iluka game plan (Slide 8) has always had at its heart, at its centre, a shareholder-focussed objective to create and deliver value for shareholders. We know of course also that in order to do so we have to deliver for employees and customers also.

We take all our responsibilities seriously, including that for operating safely and sustainably. Pleasing to see significant performance improvements, injury frequency rates down 65% and the severity of those injuries down 70% (Slide 9). So we are pleased with the results of some initiatives there. Over the last two years, so since the GFC bottomed for us, which was mid-2009, production has recovered from those lows and margins have expanded, and as I showed on the earlier chart our ROE last year was above 40%.

EBITDA last year strongly second-half weighted, both halves above the previous year, and that trend in earnings is reflected in cash flows (Slide 11). Again we expect a weighting to the second half this year, with sales volumes split approximately one third first half, two thirds second half.

We have got a strong balance sheet and perhaps our timing here has been very good. That balance sheet position has been augmented by a recent, very successful renewal and extension of our debt facility, totalling now some $800 million in a series of bilaterals, each of five-year tenure and evergreen in nature. So we have flexibility, I think it is fair to say (Slides 12 and 13).

Now mineral sands markets (Slide 14), they have certain characteristics, a bit different from some others. We certainly believe the medium-term fundamentals are positive. We have always said we are not immune from global economic issues. We trade globally and we are exposed to the health of the world. A key point I want to make is that inventory issues in a small direct-supplied, volatile industry like mineral sands are influential, they are noticeable, so the stocking or de-stocking effects can mitigate or exaggerate underlying trends. Pigment producers, in particular, are capital-intensive businesses, much more than down stream of us in zircon, and for those customers supply security and the confidence that they can run their capital-intensive plants looms large and it is certainly looming large in the discussions we are having today.

In the medium term we are clearly and firmly of the view that supply is a problem. There has been really no new news in this industry in terms of major discoveries since 2004. Our marketing has followed the growth and evolved. It was once dominated by the Western world, it is now increasingly built and our logistics are oriented to serve emerging economies, often on an adjusting time basis. Our total revenue, as I said we sell to the world, and not surprising perhaps, our total revenue mix is balanced across the major economic regions. Versus our expectations at the beginning of the year, it is fair to say that a slower start in China, a slower ramp-up after Chinese New Year and continuous malaise in Europe, has caused us to reduce our zircon production and sales expectations and we announced that recently.

As the large producer it falls to us to make adjustments that we deem necessary on the supply side in zircon. Zircon markets are fragmented. We have quite a large customer base and as we drive deeper into emerging economies that fragmentation of our overall customer base will grow but this slide (Slide 17) actually shows the 2011 picture just for our zircon customer base. You can also see, I think, in the red colouring the large proportion of those customers now which are in China were not there a few years ago. So markets can come out of nowhere in our business. This is the story in India and the Middle East and surprisingly to us a big step as I say out of nowhere in the last couple of years. Africa now consumes more tiles than North America. So you should not think of our business, particularly the zircon part of it, as a mature market business. Another characteristic of mineral sands provinces – so producing regions – is that they can live longer than first thought, particularly when you have infrastructure in place. This is the story for Jacinth-Ambrosia in South Australia, where we have at least the same life ahead of us as when we started mining two years ago, and recently satellite deposit discoveries and drilling give us confidence that that will be extended further.

Zircon market conditions. They have been soft for the last quarter or two as we predicted, but we are certainly seeing some positive signs. Stocks we believe are exhausted, even in the most depressed of markets, prices are holding and the discount that was on offer for supply from what we would regard as lower-quality areas or less-reliable areas are discount to us but opened up in the first few months of this year, has closed, so the price relativity in our view between ourselves and what might be regarded as spot or discount sales has returned to a normal relationship. Interest in bulk orders is returning. It is a very positive sign because it means people are prepared to bet and order decision on future price direction, rather than taking just the bare minimum just in time. Conversely we have seen some negatives in terms of customer thrifting and investment in known technology to produce tiles with a lower zircon intensity, particularly in China. Another encouraging sign is that, we run an internet website that is a bid system where people can lodge bids to get zircon supply and the last couple of months have been encouraging for us in that it has proved to be a good lead indicator of how the market is trending and we are encouraged in March and April about what we are seeing there.

I think most people know the game, “rock, paper, scissors”, an analogy for that I think is when people think about zircon intensity in tiles. For example, consumption per square metre, I am firmly of the view that square metres win over any efforts to reduce the intensity of zircon in tiles so space wins over time and developing economies are a big part of the story.

It may be a bit hard for you to see but have a look at the top right of this picture (Slide 21). This is all about flooring preferences amongst emerging economies versus mature economies. We think developing economies currently dominate tile consumption, they will dominate global growth, they prefer tiles as a flooring medium, much more so than the growth drivers of the past, and they will migrate up the quality curve in everything they do as wealth per capita grows.

Urbanisation, you have heard so much about it, this is all about why we are confident about China. Urbanisation is a phenomenon and it is continuing. As a result, residential floor space is set to double over the next 10 to 15 years. Europe may be in a funk but China will build the floor space of Europe over the next 10 years. It also builds buildings that only last 20-odd years, as against a western trend of more like a 100. Despite this growth in total area, space per capita will still be low, and compared here on this chart (Slide 21) with the space per capital in say Taiwan, I believe that Chinese aspiration will drive this domain that they live in to be bigger or at least more expensively tiled. The composition of floor space in China is worth thinking about. There has been a lot of questions we have had and a lot of attention placed on so called social housing but have a look at the size, have a look at the proportion in China that is actually not residential - hotels airports, train stations, shopping centres, you name it, it is still a big contributor to what happens and as Chinese monetary policy becomes more accommodative we are confident in the trends here (Slide 25).

The other thing I would say about this so called social housing is, it is not poor quality housing. These are pictures (Slide 26) of social housing in China. And I guess if you contrast that with the early generations of housing you may have seen in other Asian cities like Singapore or Kuala Lumpur and so on when they began their journey, this is much better. The world is volatile but over time it grows and human nature demands it.

Look at the top right of this picture (Slide 27) also which is titled “Other zircon consuming countries”, so that includes, India Indonesia, the Middle East, Vietnam, Peru, Brazil, where we think the trend to growth and their preference for tiles is very strong, so we believe that overall zircon growth will continue to be positive. You can see the dip in 09 but you can also see the bounce. Previous Iluka sales dips have been followed by strong rebounds and I would urge you to remember that inventory effect that I mentioned earlier. If a growth engine slows down, by the time all the little inventory gaps, couplings if you like, are exhausted, the movement at the caboose – us – is severe. The same occurs in the reverse. As the engine picks up a bit of speed, all of those little couplings have to be re-populated and again the effect on us is significant, in that case positive. China’s export of ceramic tiles increased in March and I think was the highest for any month in the past 12 months. I think August might have been bigger last year. But other than that, a positive trend.

Now to titanium dioxide to change horses. More than half the Iluka story is titanium dioxide. There can be no doubt that pigment demand growth has substantial upside, it is not just paint. You need to think about industrial coatings. Plastics, the emerging word consumes 20 kilos per annum per year of plastic, the developed world,100 kilos. Paper, the developing world 25 kilos per person per year, the developed world 170 kilos. So you need to think about pigment in all of its end uses, not just paint.

Titanium dioxide market conditions are healthy, cost path throughs are occurring, there is some friction the further down the chain you go, that is entirely reasonable I think, and we do see a particular feature at the moment for various reasons you have multiple price levels for a very very similar product in titanium dioxide at the moment, depending on whether the material is sold under a legacy contract, a hybrid contract that was negotiated to get out of the legacy one or is sold reflecting free market conditions today. Feedstock buyers are clearly seeking supply security. And I guess in extreme you saw that to some extent in the Tronox Exxaro vertical integration deal. We plan to grow our titanium dioxide volumes but we will grow in a way which enables us to target all of the feedstock markets, not just the chloride segment, where we are traditionally very strong.

If you look at this chart (Slide 32), 3 million tonnes or so of sulphate pigment, which we don't supply - half the market. So we are number one in chloride, that's great, we are good in high-grade, we think we have an enormous opportunity to be strong in sulphate as well. And some of that relies on product and technical development, innovations that we have proved up to our satisfaction recently. We have the resources to support that growth in volume. Interestingly, we have not had one question I think so far about volume in our business, but we know, as you do, that it is price, yes, but it is also volume trends over time. We have the resources to support that growth and we can be fast, we can be flexible, we are capital-efficient and we won't lose our return on capital discipline. According to market circumstances, we can target quickly and efficiently extra tonnes, longer life or a combination of the two, and although you hear horror stories about capital cost inflation, our project management people have demonstrated their abilities again with our most recent project, the Woornack, Rownack Pirro development. Not huge dollars, $100 million but still in Australia today there is a lot of competition for any kind of resources associated with projects. This was delivered early and it was delivered on budget and it was delivered safely.

We made the most globally significant discovery in mineral sands, I would argue, and we are working hard to make the next one. Extensive tenement holdings, a good track record, fully-funded program that is growing globally, value ascribed by investors – zero. I find that strange – with plenty of ground still to cover, for example in the Eucla Basin, where we have a very substantial acreage. In addition to mineral sands, following new technologies, an airborne survey late last year and early this year, non-mineral sands drill targets will be established in this area this year.

Focus is a word I use a lot. I use it a lot because I believe that word protects shareholders. In 2012 we will strive to operate safely and sustainably. We have to navigate through some volatility in the world – we are in good shape to do that. We won't lose sight of our growth options, as indeed we did not during the GFC. We will continue to evolve our marketing and logistics, particularly around emerging markets. We think we can create tremendous value from product and technical development, as I alluded to earlier in relation to titanium dioxide development. We will accelerate our search for a new industry mainstay of production. We will continue to be conservative, I think that is a fair reputation we have, and we will provide shareholder returns through both growth and distributions along the way.