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Recent Titanium Dioxide Market Information Prepared based on publicly available information

Selected Extracts from Kronos, Tronox and Huntsman results calls – all major pigment manufacturers

Kronos

Steven J Watson CEO, Kronos

During the first and second quarters of 2011, we continued to experience strong global customer demand for TiO₂ products. This allowed us to successfully implement further significant selling price increases. Our TiO₂ segment profit in the first half of 2011 nearly quadrupled from the first half of 2010. We believe the global shortage will continue for several years due to the constraints to adding significant new production capacity especially for TiO₂ premium grade produced through the chloride process.

Major capacity additions, both brownfield and greenfield, require considerable investments of capital and time. It generally takes two to five years from the time of announced capacity expansion until the additional facilities are fully operational. As we have discussed previously, the mere announcement of capacity expansion, such as those occurring in the last few months, will do little to relieve the longer-term shortage of TiO₂ products. We believe that higher, long-term, sustainable profitability levels will be needed to induce TiO₂ producers to commit the capital.

The increasing raw materials cost and in particular, the global shortage of ore feedstocks is also an impediment to capacity expansion. We anticipate the tightness in ore feedstock supplies will last at least for a couple more years. As we have previously discussed, an extended period of low profit margins did not foster the investment in and development of ore supplies that are now needed for an expanding TiO₂ industry. The TiO₂ industry cannot grow without the expansion of ore supplies and the ore industry needs the TiO₂ industry to grow in order to justify its own expansion. We believe both sides of these relationships understand this co-dependency and that increasing cost of ore will remain in check so not to become a major factor in hindering profit margin expansion in the TiO₂ industry, which could in turn hinder TiO₂ capacity expansion. Although the ore supply situation is tight, we believe our long-standing relationships with our key suppliers will allow us to have an assured supply of feedstock while the supply shortage continues.

We do, however, believe our feedstock costs will increase significantly in 2012.

Gregory M. Swalwell

For the first half of 2011, we achieved segment profit of \$250.8 million compared to \$64.3 million last year. Our average TiO₂ selling prices in the second quarter were up 39% as compared to the second quarter of last year and our prices at the end of the second quarter were about 10% higher than at the end of the first quarter of this year. For the first six months of the year, our selling prices were up 36%. As a result of the global shortage of TiO₂, we anticipate our selling prices will continue to increase significantly during the remainder of the year.

Tronox

Denniss Wanlass, CEO, Tronox

Broadly, our financial results were driven by improved cost structure, increased global demand as well as the current favorable pricing environment. On the demand side, we have experienced higher demand as a result of the recovery in the global economy, particularly in Asia Pacific where we're seeing strong demand for our products.

While we are seeing improving pricing in the market, we're also aware and focused on the growing constraints and cost of our feedstocks. Our company continually seeks to ensure that we have adequate supply to long-term contracts with producers.

Dan Chandra: ... there has been a lot of price increases thus far in the industry with yourselves making several announcements. Can you kind of comment upon like how the conversation has gone with your customers, like level of acceptance, are these things by and large being accepted? And I guess what your thinking is in terms of ability to increase prices to offset raw material costs going forward?

Dennis L. Wanlass: I'll make a general comment and I'll ask maybe John Romano to comment, since he has had some of the conversations with the customers. I believe that as we started to implement price increases based on the supply/demand curve, our customers were initially shocked, there was pushback, but I think they got a sense of reality in a period of time that in fact the supply/demand issue was real and as they started to worry more about the supply than they did pricing at some point in time.

Given that, I mean price increases are always difficult for customers to try to accept, but I think that they understand the environment that we are operating in and they understand the feedstock issues. And I think with that in mind I believe that reluctantly they are understanding that pricing is necessary in the supply chain. With that I'll ask John to embellish anything.

John D. Romano Yeah, Dan. I mean as a rule we don't provide a lot of comments on forward pricing but in general with demand growing on TiO₂ roughly 3% to 4% on an annual basis and not a lot of additional capacity slated to come online until late 2013, 2014. We would expect to continue to see the market constrained somewhat in the near-term and when you've got a constrained market where demand continues to outpace supply for an extended period of time, there is going to be opportunities for pricing to continue to move up. and then open the line for questions?

Huntsman

Peter R. Huntsman, President, Chief Executive Officer and a Director

We've seen general inflationary pressure on our raw material costs. Spending costs increased approximately 20% compared to the prior year. As a result of our strong pricing initiatives, we were able to improve our earnings in the second quarter and recapture margin previously eroded due to raw material pressures.

Question: You know in TiO₂ you don't use much rutile ore where prices are going up. Can you talk about your ore prices in Ilmenite? And what do you see happening there?

<A - Peter R. Huntsman, President, Chief Executive Officer and a Director

.Well we said on our last call that the prices this year would be going up about 35% to 40% and that would be throughout 2011. 2012 a little too early to tell but I would imagine 2012 that prices will increase at a greater pace than that. But, P.J., as we look at the market today and the tightness in the market, as I sit here today, I'm very confident that we will be able to pass those of the quality spectrum in terms of ores, ilmenites and rutilites are up pretty significantly.

<A - J. Kimo Esplin, Executive Vice President and Chief Financial Officer>: P.J., when you look at rutilites and we do consume -we have two chloride plants. Rutilites are up

significantly in the under 70% range. Ilmenites are up as high as 50% 2011 versus 2010. The sweet spot frankly is in the slag area that's up about half that much. But really both ends of the quality spectrum in terms of ores, ilmenites and rutiles are up pretty significantly.

<Q - Jeff Zekauskas>: In terms of TiO₂, you talked about being able to offset the raw material price pressure that you're facing, so as you see the TiO₂ business, is the idea that your margins will remain relatively constant as you offset your raw material pressure? Or over time do you expect your margins to expand, or to contract temporarily? How do you see the margin progression in the future?

<A - Peter R. Huntsman, President, Chief Executive Officer and a Director>: Well, we've seen the margin – look, I'm not going to comment on where I would expect margins to be two or three quarters down. I would say that we expect that the market to be tight enough to be offset our raw material costs. We also believe that there is room for margin improvement to recover our cost of capital in that business, and to be able to justify the de-bottleneck and the further investment that need to be taken in the future. If I look at the historical margins of TiO₂, in average over the last couple of years I believe that any board of directors would be hard pressed to build a green filled, brand new TiO₂ facility. I mean – we just now – we're starting to get back into the margins that would justify a new plant capacity. So I would hope that in the coming quarters, that we're able not only to offset raw material cost increases, but we're also able to expand margins. Because this division, particularly when we look at the losses over the last six or seven years, this division needs to be able to justify the invested capital going forward.

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