2009 1st Half Results
Iluka Resources Limited

19 August 2009

ILUKA

Disclaimer – Forward Looking Statements

This presentation contains forward-looking statements that are subject to risk factors associated with exploring for, developing, mining, processing and sale of minerals. Forward-looking statements include those containing such words as anticipate, estimates, should, will, expects, plans or similar expressions. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a range of variables and changes in underlying assumptions which could cause actual results or trends to differ materially. These include, but are not limited to: price and currency fluctuations, actual supply versus demand, production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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The information contained in this presentation is subject to, but not exclusively to, the following:

- 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
- Environmental or social pressures which impact licence to operate

All currency referred to is Australian denominated unless otherwise indicated.

1st Half Overview and Results Summary

1^{st} Half Overview

Main Features of the Half

- Mineral sands revenue (post hedging) down 62% pcp
- Mineral sands shipments of 450 thousand tonnes, down 51% compared to pcp
- Zircon sales appreciably lower than pcp
- Higher 2009 YTD pricing on all higher value products
- Reported net loss of $55.8 million
  - $47.3 million after tax non cash charge
  - $23.3 million profit on sale of CRL
- Net loss from continuing business $78.9 million

Global Economic Crisis Response

- Targeting production cuts commensurate with sales expectations
  - ~50% of WA production capacity idled; 1/3 reduction in WA workforce
  - reduction in production costs – cash savings in 2^{nd} Half
- Corporate organisational review to generate $5 – 10 million savings
- Asset reconfiguration increases margin leverage to demand recovery

1st Half Overview

Progress in Transition to New Assets

- Virginia Brink development successfully completed
- Murray Basin Stage 2 commissioning
- Jacinth-Ambrosia commissioning potentially before year-end – early and below budget

Balance Sheet Strengthened

- $113 million institutional placement
- $84 million proceeds from sale of 51% interest in CRL
- Net debt of $309 million; gearing of 21.5%
- Total undrawn facilities of ~$340 million

Main Features of 1st Half Results

Comparison with 1st Half 2008

Mineral Sands Sales Volumes	↓	51.7% - weak demand, inventory draw down
USD Product Pricing	↑	Higher TiO_2 and zircon pricing
Revenue (pre-hedging)	↓	49.7% to $195 million
Currency Hedging	↓	$45.9 million loss versus $8.5 million benefit
Gross Cash Costs	↑	5.2% - $281.3 million vs $267.3 million + Restructure and idle costs of $16.1 million
Unit Cash Production Costs	↑	28% excluding restructure and idle costs; production down 15% Benefits of asset reconfiguration and cost reductions evident 2H09
D&A	↑	14.4% to $83.7 million Accelerated closure of WA mines and shorter kiln lives
Total Costs of Production (cash cost + depreciation)	↑	7.2% to $364.8 million
Net Interest Costs	↓	57% to $6.5 million $5.9 million of interest capitalisation
Loss from Continuing Operations	↓	$78.9 million loss vs $16.8 million loss Incl $47.3 (post tax) non-cash write-off of ore deposits
Discontinued Operations	↓	$11.7 million variance - profit from CRL sale vs Narama sale 08
Reported Earnings	↓	$55.8 million loss

1st Half 2009 Group Results

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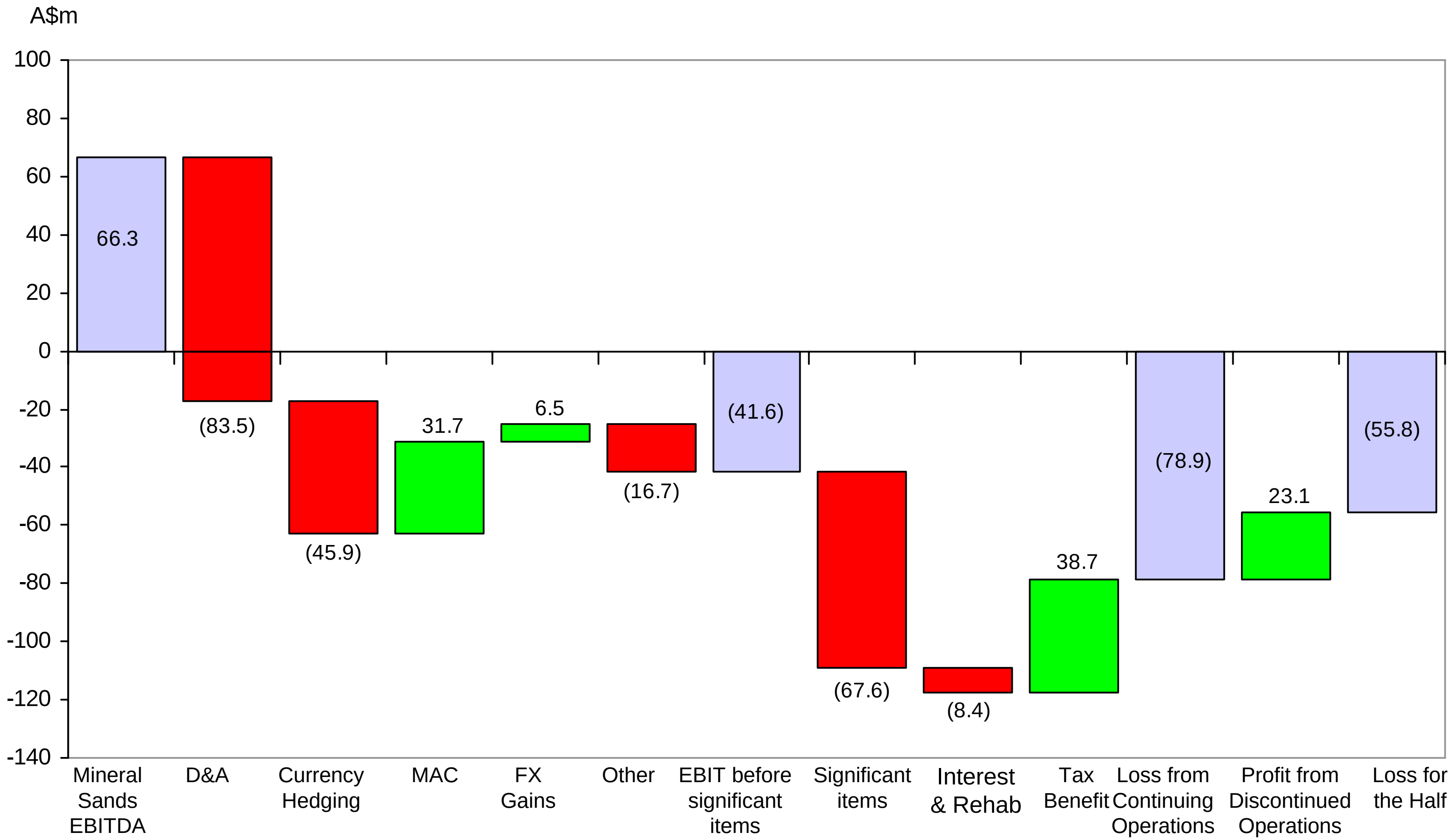
$m	1H 2008	1H2009	% change pcp
Revenue (pre hedging)	**387.4**	**194.8**	(49.7)
EBITDA			
Mineral Sands	43.3	66.3	53.1
Hedging	8.5	(45.9)	N/A
Mining Area C	27.8	31.9	14.7
Other Earnings	0.1	0.2	100.0
Foreign exchange gains/(losses)	(1.4)	6.5	N/A
Corporate costs	(12.4)	(16.9)	(36.3)
Total EBITDA	**65.9**	**42.1**	**(36.1)**
Depreciation & Amortisation	(73.2)	(83.7)	(14.3)
Total EBIT (before significant items)	**(7.3)**	**(41.6)**	**(469.9)**
Mineral Sands EBITDA/ Revenue Margin	17.0	21.6	27.1
Capital Employed	1,303.7	1,427.3	9.5

1st Half Earnings

EBITDA to Net Loss



Refer supplementary slides for detailed 1H 2009 NPAT vs 1H 2008 NPAT reconciliation

Significant Items

Fair Value Write Off – Low Margin Deposits

Eneabba, Western Australia (IPL South, Allied Tails)

- Write-off at $38.5 million fair value, attributed in 1998 as part of RGC acquisition
- Small deposits unlikely to be mined
- Jacinth-Ambrosia heavy mineral concentrate provides significantly higher margins

Murray Basin, Victoria (Bondi East Far North)

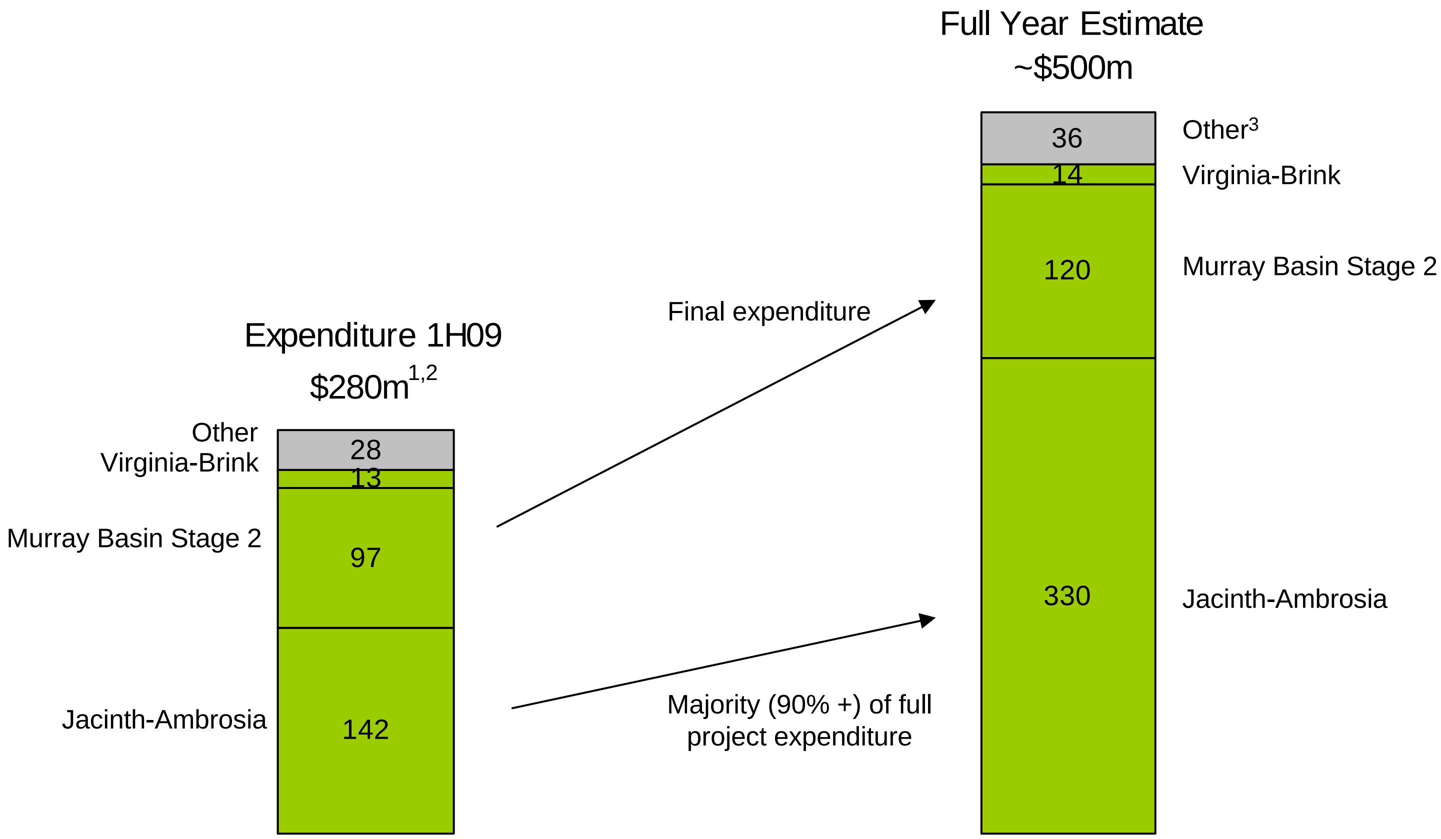
- Write-off of $29.1 million fair value, attributed in 2002 as part of Basin Minerals acquisition
- Small deposit unlikely to be mined

Total non cash write-off - $67.6 million (pre-tax)

1st Half 2009 Cash Flow and Net Debt

$m	1H 2008	1H 2009	% change pcp
Opening Net Debt	**(598.1)**	**(215.7)**	**63.9**
Operating Cash Flow	88.3	(94.4)	N/A
MAC and Other	13.6	28.6	110.3
Exploration	(8.7)	(10.2)	(17.2)
Net Interest	(17.0)	(6.0)	64.7
Tax	(12.1)	(6.8)	43.8
Payments for Property, Plant & Equipment	(68.0)	(234.3)	(244.6)
Asset sales	57.6	85.8	49.0
Dividends Paid to Minorities	(7.9)	(1.8)	77.2
Proceeds from Equity Raising	341.0	113.3	(66.8)
CRL net debt eliminated on sale	-	9.4	N/A
Exchange Revaluation of Net US Debt	11.7	22.7	94.0
(Increase)/Decrease in Net Debt	**398.5**	**(93.7)**	**N/A**
Closing Net Debt	**(199.6)**	**(309.4)**	**(55.0)**

2009 Capital Expenditure



■ Denotes growth capital expenditure

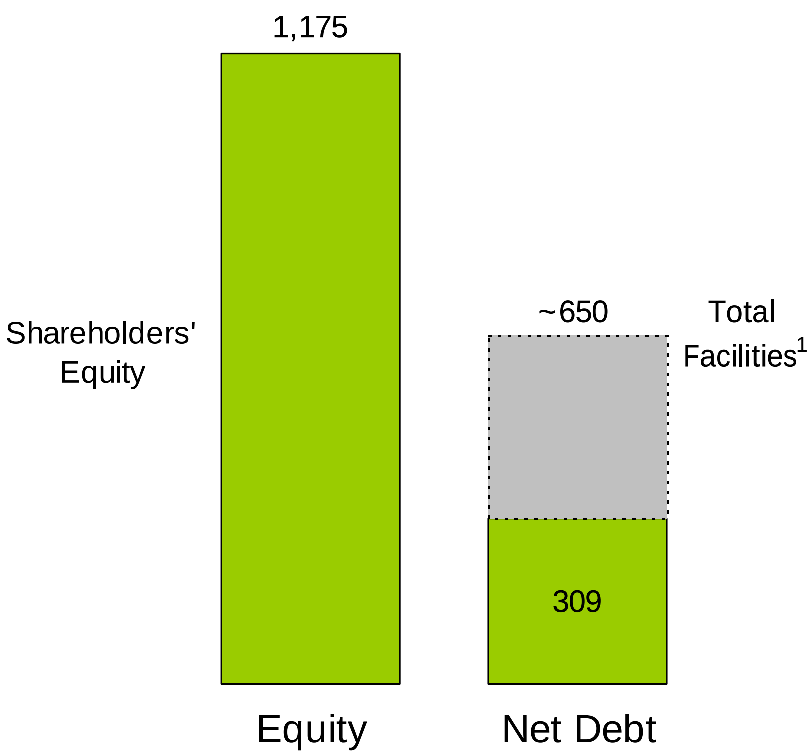
[1] Refers to accrued capital expenditure for the half year

[2] Cash expenditure $234.3 million for the first half

[3] Includes a component of expenditure which is subject to ongoing review and may not be spent in full in 2009

Balance Sheet

Net Debt & Equity ($ million)



[1] Includes $55 million working capital facility, renewable annually
Total facilities includes a USD component

- Gearing (net debt / net debt + equity) of 21.5%
- 6.3x Interest cover (EBITDA / net interest expense)
- All debt convenants satisfied
- Majority of debt matures post Murray Basin and Jacinth-Ambrosia cash flows

Debt Maturity Profile

2010	Mar:	A$55m working capital facility (annual renewal)
	Jun:	US$40m USPP (US Private Placement Notes)
2011	Dec:	US$30m USPP
2012	Mar:	A$100m of $454m syndicated facility
2013	Mar:	A$345m syndicated facility
	Jun:	US$40m USPP
2015	Jun:	US$20m USPP

Mineral Sands Market Conditions

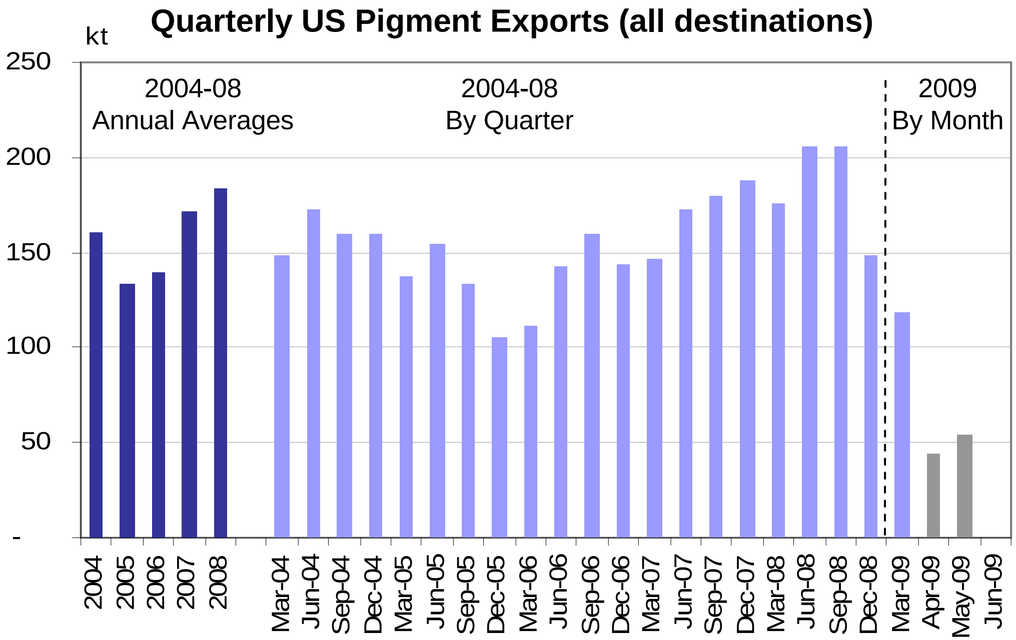
Titanium Dioxide
Market Conditions

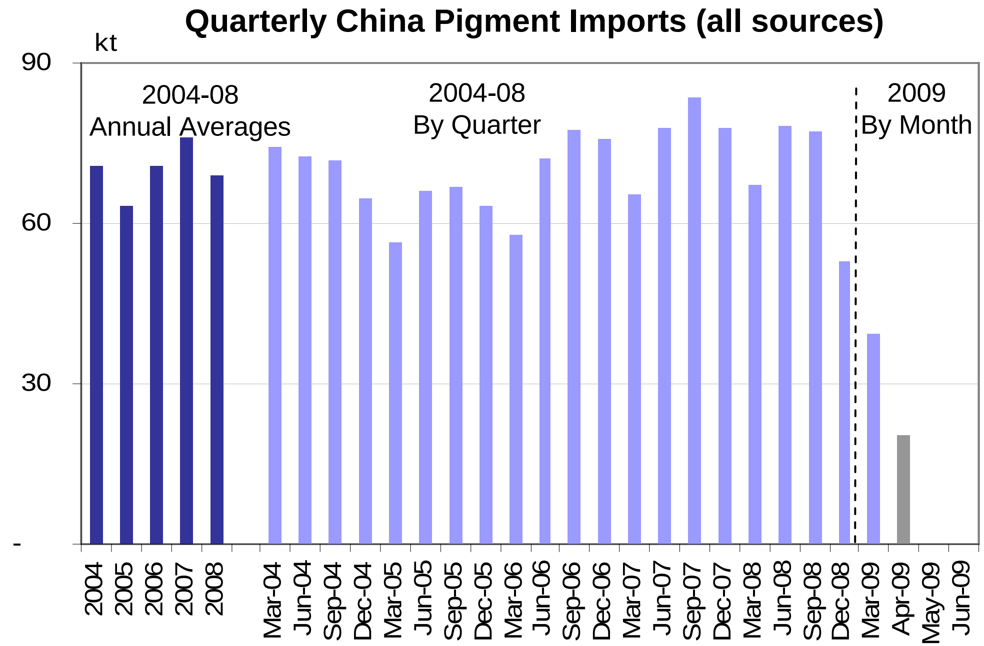
- Pigment demand (~90% of titanium dioxide feedstock end use)
  - late 2008 / Q1 2009 demand declined rapidly
  - reduction in sulphate pigment production in China
  - significant weakness in construction and housing sectors
  - higher prices encouraged maximum drawdown of inventories
- Pigment plant utilisation down and capacity idled
- Raw material inventories have been high and taken time to be drawn down
- Raw material inventory restocking has not yet occurred in US or Europe
- Improved 2H demand outlook for TiO_2
- April commentary on 2009 sales volumes retained (adjusted for CRL disposal):
  - rutile: ~180k tonnes
  - synthetic rutile: ~400k tonnes

  (subject to year end shipment scheduling)
- Iluka expects to end 2009 with minimal stocks of rutile and synthetic rutile

Pigment Industry

Indications of Demand Recovery





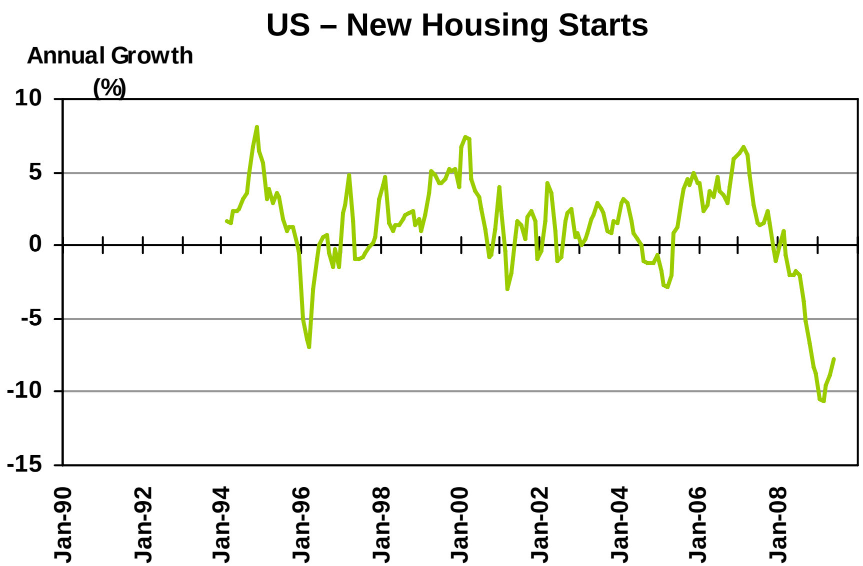
- Capacity being restored
- Evidence of recovery in US pigment exports
- Domestic demand recovery requires strengthening of housing, automotive and other sectors
- More positive commentary from major producers – “Demand signals [for TiO2] picking up.” Dupont July 21 09
- Chloride pigment plants now running at normal levels

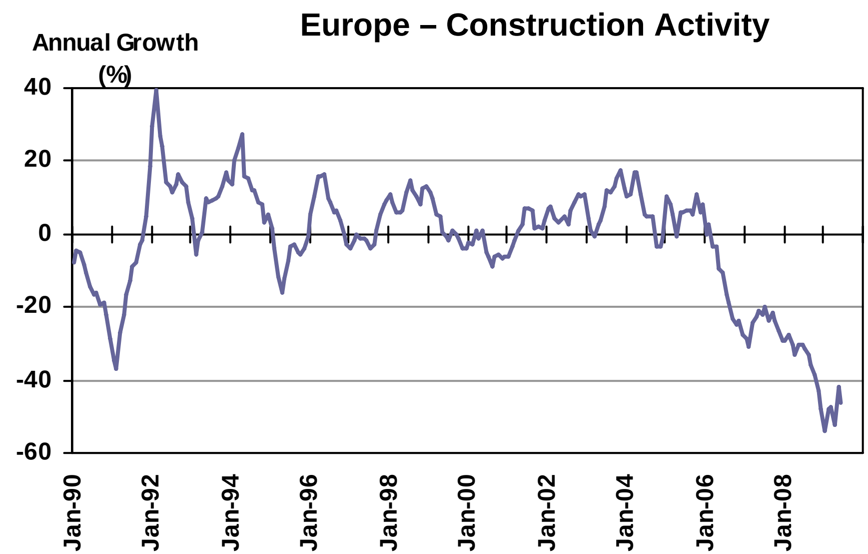
- Pigment demand driven by export markets and domestic construction, and other sectors - car sales
- Chinese pigment imports typically chloride based pigments used in automotive and other higher end manufacturing
- Evidence of recovery in demand, as with domestic sulphate pigment capacity

Source: Datamyne and TZMI

Some Lead Indicators Bottoming?

US and Europe





- Initial signs of recovery in US construction sector
- Possible early signs of recovery in European construction activity

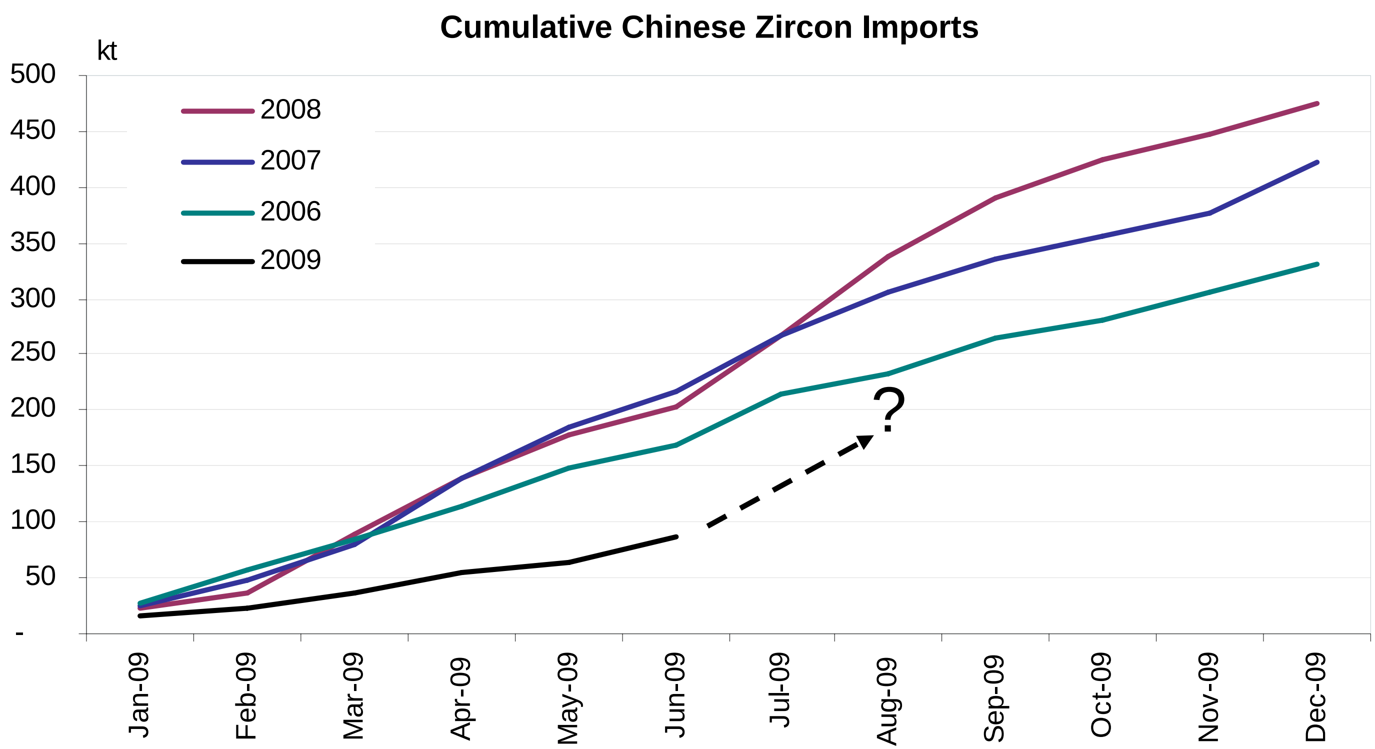
Source: Federal Reserve, Census Bureau, NBSC, Eurostat, ISM, Markit, CLSA, ANZ

Market Conditions
Zircon

- Zircon demand declined appreciably in 1H09 influenced by:
  - lower GDP and weaker construction / housing sector, especially Europe
  - lower imports of European ceramics into Nth America
  - higher than usual customer inventory levels influenced by pre-ordering before price increases
  - Chinese imports ~50% lower due to inventory drawdown
- Improved zircon sales outlook based on:
  - evidence that China resuming more typical ordering, inventory restocking
  - US and Europe may be at or near bottom – restocking timing and pace unclear
- Zircon sales based on shorter contractual terms than TiO2 – forecasts more difficult
  - best current estimate full year sales volumes of 200 - 250kt
- Higher prices received YTD – 2nd Half pricing environment more competitive
- Year end zircon inventories similar to 2007

Zircon

Demand Recovery Linked to China Restocking

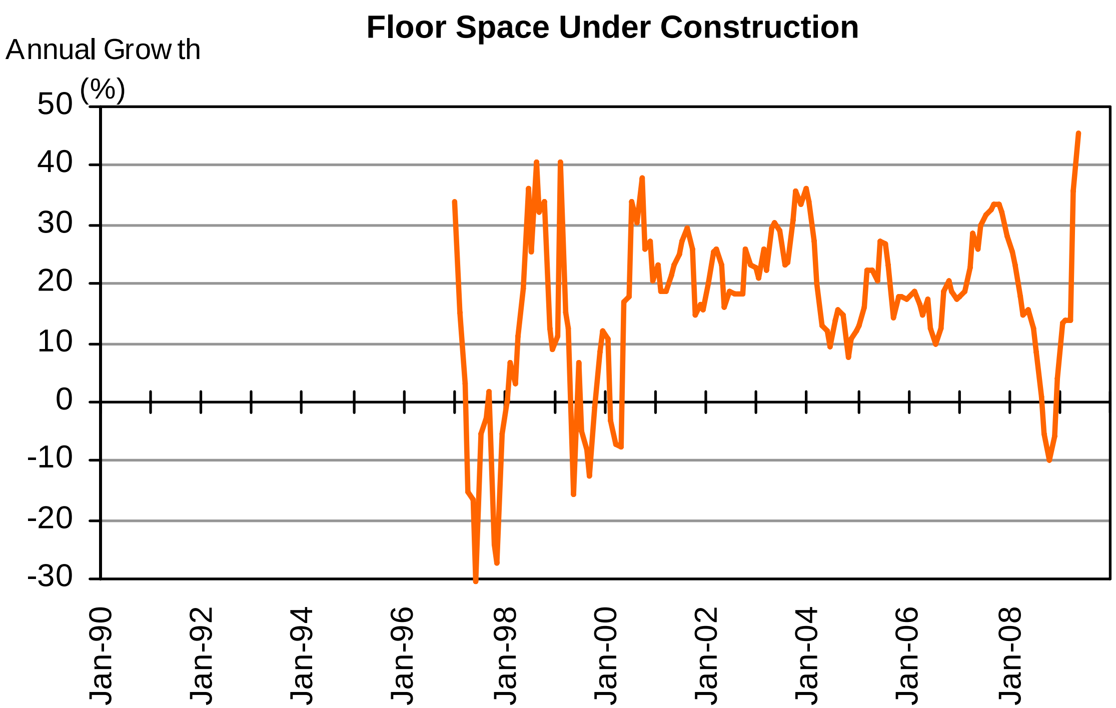


- Significantly lower Chinese zircon imports to June 2009 but consumption down by only 10 -15%
- Imports expected to trend strongly upwards in the 2nd Half of 09

Source: Iluka estimates and TZMI

Positive Economic Indicators

China Floor Space

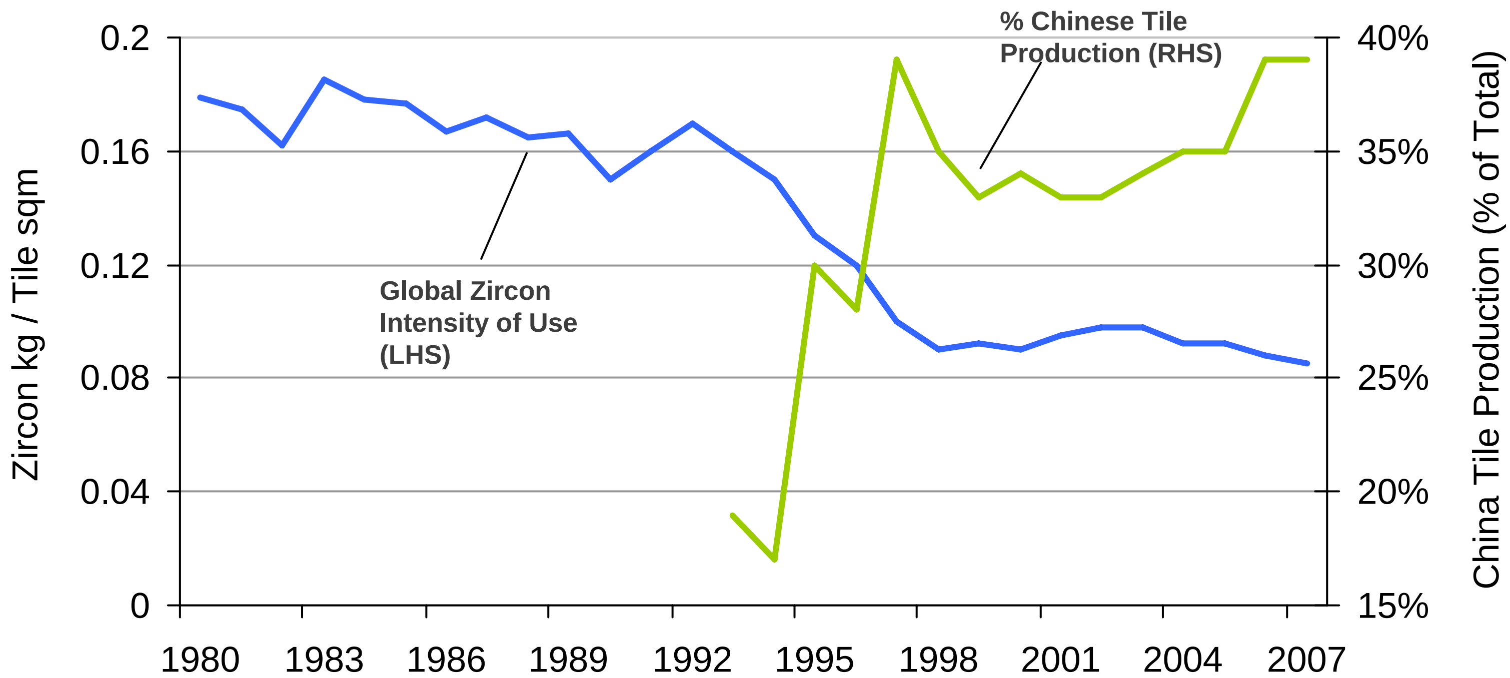


- Chinese government stimulus is producing response in infrastructure and property construction
- Fixed asset Investment is growing at 33% pa
- Construction has been strongest sector in 2009 and the largest beneficiary of the stimulus
- Private property construction is back up to double digit growth

Source: NSBC, Census Bureau, Eurostat

Medium Term Ceramic Demand Positive

China Tile Production Trends



- Lower intensity of zircon use in early 1990s reflects significant growth of low quality/low zircon tiles in China
- Ceramic segment zircon consumption expected to grow in China
  - linked to increase in ceramic quality expectations (higher zircon content) by consumers
  - massive projected increase in floor space
  - increase in Chinese exports to compete with western producers

*Note: Global Intensity of Use = Global Tile Production (m2) / Global ceramic Grade Zircon Consumption (kt)

Source: Ceramic World, TZMI

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GEC Response and Asset Reconfiguration

Overview of Industry Supply Response

Actions to Date

Main actions:

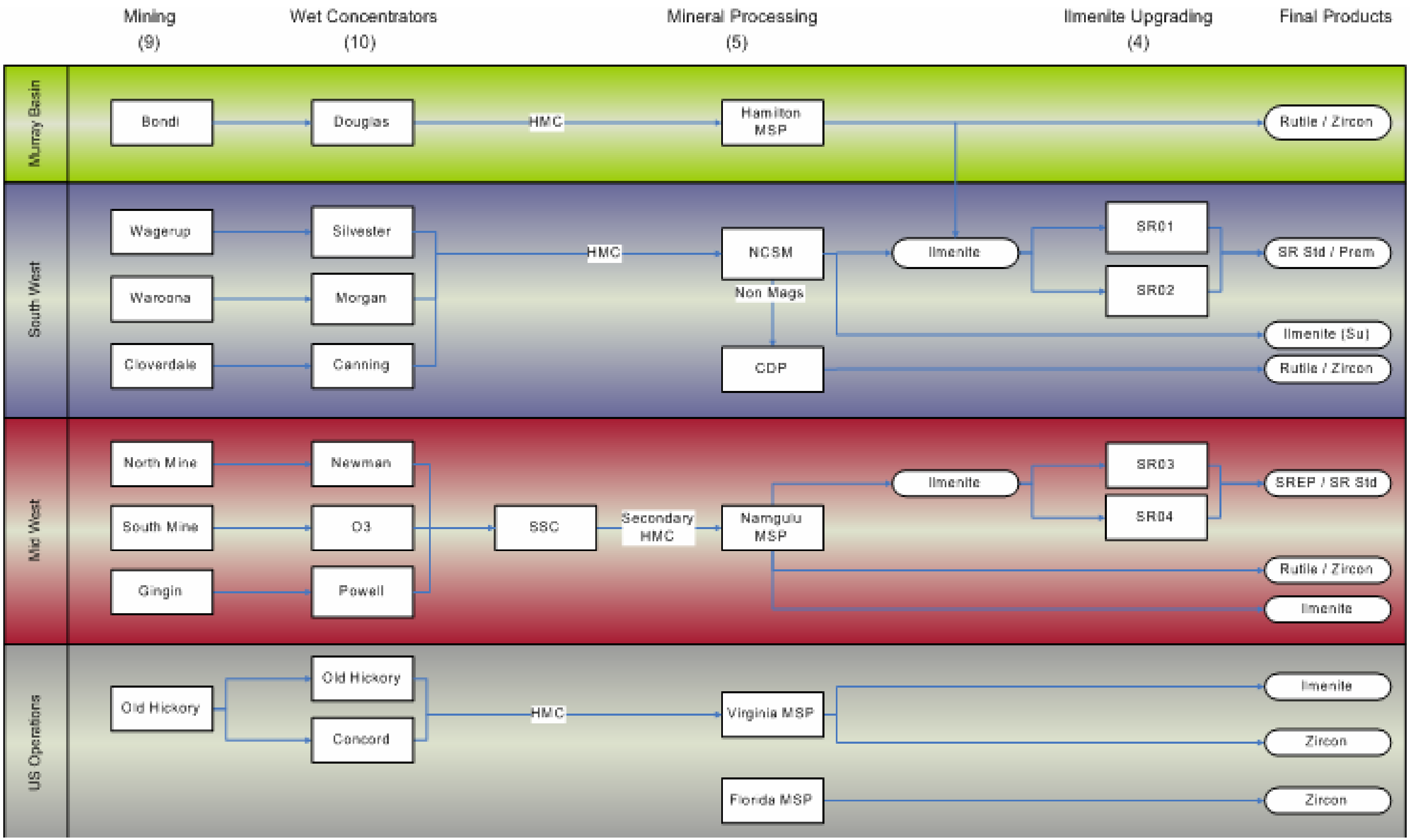
- Iluka
  - curtailed TiO_2 and zircon production
  - approximately 50% of Western Australian production capacity idled
  - large scale redundancies
  - deferred mining of zircon-rich satellite deposit (Echo)
  - decision not to mine lower value Mid West and Murray Basin ore bodies

- QIT (Rio Tinto), Canada
  - suspended all upgrading (UGS) operations July to September
  - equivalent to 14% reduction in production

- Exxaro, South Africa
  - brought forward maintenance of furnace from 3Q to March
  - Namakwa expected to shut MSP and mine in August and possibly October

2007 Asset Configuration

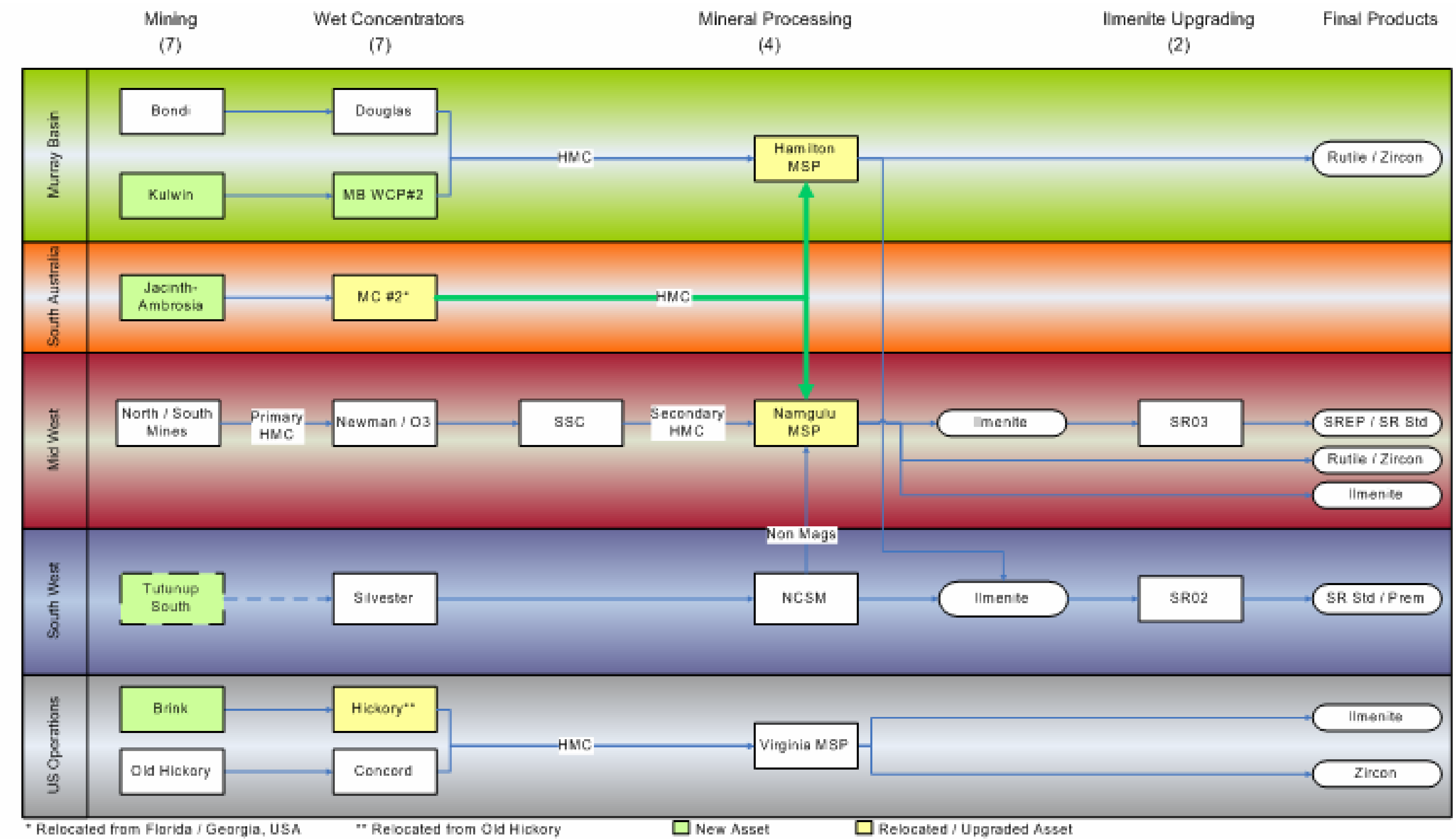
Largely Old / Short Life Non Integrated Asset Base



MSP = Mineral Separation Plant HMC = Heavy Mineral Concentrate SR = Synthetic Rutile SSC = South Secondary Concentrator

2009 Asset Configuration

Rationalised and Integrated Portfolio Structure



Implications of Reconfiguration Activities

- Accelerated transition to new, longer life assets of Murray Basin and Eucla Basin
- Reduction in number of assets without reduction in processing capacity
- Integrated, larger scale asset model now apparent
  - Jacinth-Ambrosia HMC to Narngulu and Hamilton MSPs
  - Murray Basin ilmenite feed to South West kiln/s
  - Jacinth-Ambrosia ilmenite feed potentially to Mid West or South West kilns
  - South West non magnetic HMC processing at Narngulu
- Z / R production rebased from Western Australia to Jacinth-Ambrosia / Murray Basin
- Quick, cost efficient response to demand growth available e.g. restart of idled assets
- Iluka's analysis suggest pricing not sufficient to induce new high value supply

Characteristics of Iluka's Operations

Jacinth-Ambrosia

- High quality zircon HMC production source
- Minimum 10 years economic life
- HMC producer – final processing in WA or Murray Basin
- High cash (R:CC) and earnings margin
- Low sustaining capex; ~2017 mine extension to Ambrosia
- Ilmenite potential as feedstock for SR kilns, or for direct sale
- Large exploration tenement holdings >50 thousand sq km

Murray Basin

- High quality rutile production source with zircon stream
- Current 15 year estimated reserve / resource life
- Attractive cash margins (R:CC), with EBIT margin impacted by sunk capital (acquisition & development costs)
- Regular mine move capital in medium term
- Ilmenite used as SR feedstock
- Large exploration tenement holdings >30 thousand sq km

Virginia

- Very high quality zircon and ilmenite production source
- Sold predominantly into domestic US market
- High margin, consistent earnings profile
- Economic life estimated to 2015
- Minimal sustaining capex

Western Australia

Mid West

- Major role as processor of Jacinth-Ambrosia HMC
- Ability to process South West non magnetic production stream (zircon & rutile)
- Limited (swing) mining and concentrating activities

South West

- Planned mining operations: Tutunup, Tutunup South, Cataby
- SR kilns 1 and 2 (kiln 1 currently idled)
- Minimum 10 year reserve life
- Land development / monetisation potential

Project Status

Murray Basin Stage 2

Project Update

- Mining commenced mid August with ore stockpiled in front of the Mining Unit Plant
- Commissioning commenced
- First production of HMC expected end August
- All major activities completed:
  - key infrastructure – roads, communications, accommodation
  - installation and pre-commissioning of the mining unit
  - installation and pre-commissioning of the WCP
  - water treatment plants installed
  - mining contract awarded
  - upgrading and commissioning of the Hamilton MSP from 55tph to 80 tph
- Project capex in line with latest advice
  - $209 million plus approximately 5%
  - Additional MB2 spend likely to be largely offset by lower regional capex in 09

Murray Basin Stage 2
Project Update

Jacinth-Ambrosia

Project Update

- Project construction 80% complete
- Installation of all structural equipment nearing completion
- High voltage power connected; bore water being drawn
- Most major contracts, including mining contract, awarded
- Improved project economics
- Mining Unit Plant on site in September
- Narngulu MSP upgrade on-schedule
- Potential for first HMC production in December
- Project within budget of $420 million, current forecast <$400 million
- GEC impact warrants lower tonnage profile in initial year (2010)
- Zircon production potential of ~300ktpa retained

Jacinth-Ambrosia

Project Update

Priorities

Iluka Timeframe

2007 - 2009

2007- Alignment

- Focus on value drivers - Profitability, Sustainability, Growth (“PSG”)
- Increased alignment to shareholder interests (ROC → ROE)
- Integrated business planning and decision making processes

2008 - Growth Commitments

- Balance sheet recapitalisation – debt and equity
- Commitment to new growth projects in capital-efficient manner
- Re-focussed marketing / pricing disciplines

2009 - GEC Response / Project Delivery

- Supply response and accelerated portfolio reconfiguration
- Further balance sheet initiatives - CRL sale and institutional placement
- Execution phase for new projects

Priorities

- Continued focus on prime objective: creation and delivery of shareholder value
- Deliver two new long life, high cash margin projects within combined original budgets
- Finalise reconfiguration of existing asset base
- Deliver costs reductions associated with reconfigured portfolio
- Drive margin (R:CC) and cash generation leverage to volume recovery
- Monetise inventory as demand recovery progresses
- Restore then maintain financial flexibility post 2009 as capex drops
- Secure growth options beyond / in addition to Murray Basin and Jacinth-Ambrosia
- Deliver sales growth based on evolving product offer and market penetration strategies

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Supplementary Slides

Group Results

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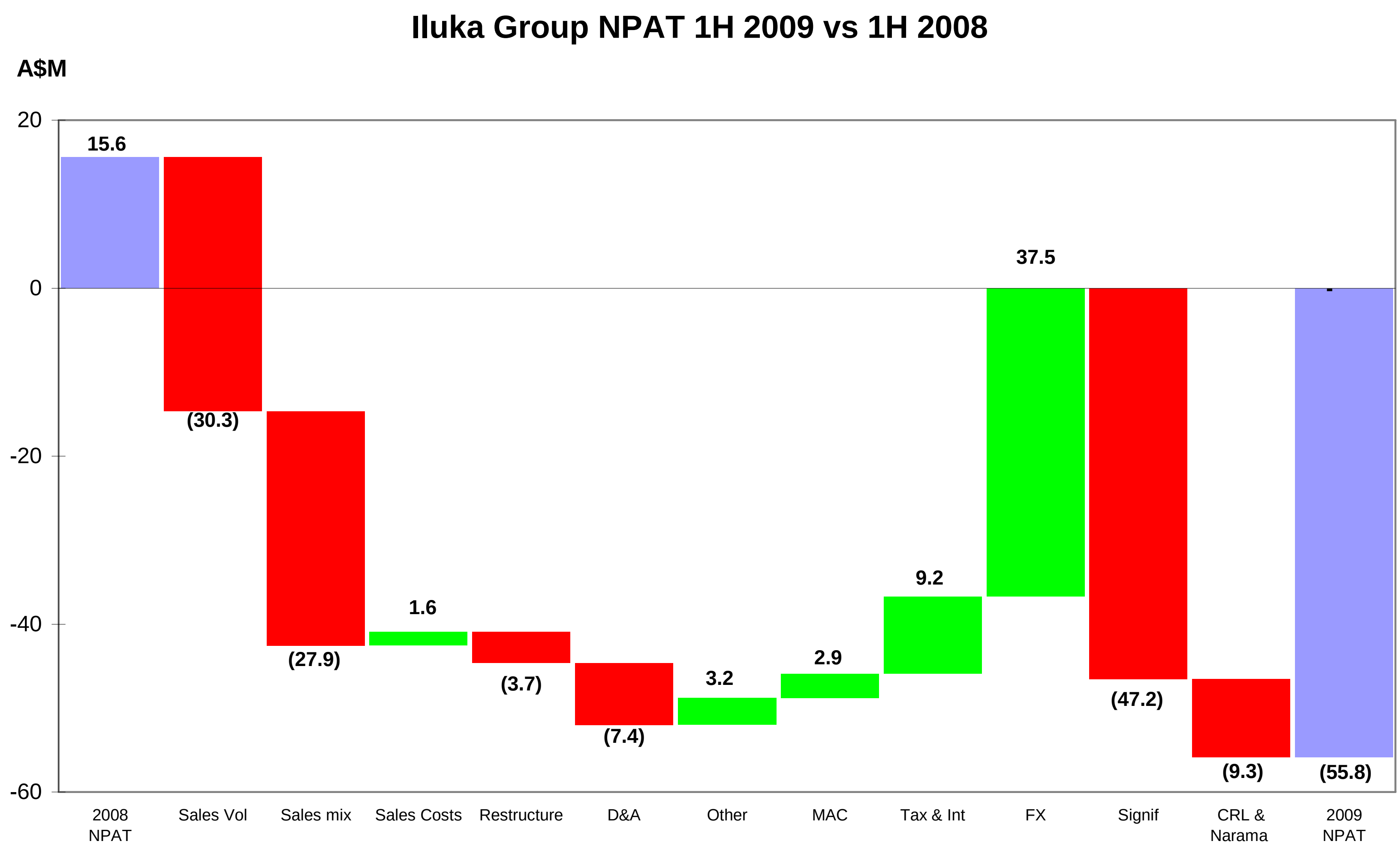
$m	1H 2008	1H 2009	% change
Revenue (pre hedging)	**387.4**	**194.8**	**(49.7)**
EBITDA	**65.9**	**42.1**	**(36.1)**
Depreciation and Amortisation	(73.2)	(83.7)	(14.3)
EBIT	**(7.3)**	**(41.6)**	**(469.9)**
Net Interest and Financing Costs	(20.6)	(8.4)	59.2
Significant non-cash items	-	(67.6)	N/A
Profit Before Tax	**(27.9)**	**(117.6)**	**(321.5)**
Tax Benefit	11.1	38.7	248.6
Profit from discontinued operation	34.6	22.9	(33.8)
Minority Interests	(2.2)	0.2	N/A
Net Profit After Tax	**15.6**	**(55.8)**	**N/A**
Average A$:US$ exchange rate	0.925	0.712	(23.0)
Financial Ratios			
EPS cents per share	5.0	(14.2)	N/A
Interest cover (EBITDA / net interest expense) times	4.4	6.3	43.2
Return on Equity % (annualised)	2.9	(4.9)	N/A
Gearing / net debt (net debt + equity)%	14.9	21.5	44.3

Net Profit After Tax
1st Half 2009 vs 1st Half 2008



Mineral Sands Results

$m	1H 2008	1H 2009	% change
Revenue (pre hedging)	**387.4**	**194.8**	**(49.7)**
EBITDA			
Western Australia	23.7	44.3	86.9
Murray Basin	13.0	17.7	36.2
US operations	15.9	14.2	(10.7)
Non Operating Regions	(9.3)	(9.9)	(6.5)
Total Mineral Sands EBITDA (Pre hedging)	**43.3**	**66.3**	**53.1**
Depreciation & Amortisation	(73.0)	(83.5)	(14.4)
Mineral Sands EBIT (Pre hedging)	**(29.7)**	**(17.2)**	**42.1**

Hedging losses were $45.9M, (2008: $8.5M gain)

Cash Costs of Final Products Produced

	1H 2008	1H 2009	% change
Z/R/SR[1] Production tonnes	464,724	467,364	0.6
Saleable Ilmenite tonnes	304,468	162,889	(46.5)
Other products	9,954	10,196	2.4
Final Product Produced	779,146	640,449	(17.8)
Total Cash Cost (A$m)	267.3	281.3	(5.2)
Cash Cost / tonne of High Value Core Products[1] (A$/t)	575.2	601.9	(4.6)
Cash Cost / tonne of Finished Product[2] (A$/t)	343.1	439.2	(28.0)

[1] zircon / rutile / synthetic rutile and other minor by-products

[2] Also includes saleable ilmenite

- 5.2% higher cash costs of production – higher level of SR kiln operation, higher Murray Basin costs
- Higher unit costs reflect 17.8% lower production and higher Murray Basin costs
- Full benefit of operational cost reductions to be reflected in subsequent reporting periods

Capital and Exploration Expenditure

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A$m	1H 2008	1H 2009	% change
Capital Expenditure			
Major Projects[1]	44.6	251.8	464.6
Sustaining & Other	41.9	28.0	(33.2)
Total	**86.5**	**279.8**	**223.5**
Exploration	8.7	10.2	17.2
Total	**95.2**	**290.0**	**204.6**

[1] Murray Basin Stage 2; Jacinth-Ambrosia; Brink

Capital Expenditure (Cash)

$m	1H 2008	1H 2009	% change
Western Australia	25.5	18.6	(27.1)
Murray Basin	6.6	9.9	50.0
US Operations	3.6	14.8	311.1
CRL	4.1	2.5	(39.0)
Murray Basin Stage 2	24.9	87.3	250.6
Eucla Basin (Jacinth-Ambrosia)	20.8	101.0	385.6
Other	1.0	0.2	(80.0)
Total	**86.5**	**234.3**	**170.9**

Mining Area C Royalty

	1H 2008	1H 2009	% change
Annual Production to 30 June MDMT	29.3	37.8	29.0
Sales volume MDMT	17.8	19.5	9.6
Royalty Income $m	21.8	23.9	9.6
Capacity Payments $m	6.0	8.0	33.3
Iluka EBIT A$m	**27.6**	**31.7**	**14.9**

- Higher one-off capacity payments - $8 million vs $6million
- 10% higher iron ore sales volumes
- Average AUD realised price unchanged ($1.23/MDMT) due to significant volumes sold at spot prices

1st Half 2009 Production

('000 tonnes)	**1H 2008**	**1H 2009**	**% change**
Zircon	191.6	165	(13.9)
Rutile	74.7	63.5	(15.0)
Synthetic Rutile	198.4	238.8	20.4
Leucoxene/Hyti	9.1	9.6	5.5
Ilmenite	635.3	482.4	(24.1)

Western Australia – Financials

		1H 2008	1H 2009	% change
Sales Revenue (pre-hedging)	$m	266.7	140.9	(47.2)
Total Cash Production Costs	$m	(192.9)	(202.1)	(4.8)
Depreciation & Amortisation	$m	(53.6)	(59.2)	(10.4)
Inventory Movements	$m	(26.2)	123.0	N/A
Cost of Goods Sold	$m	(272.7)	(138.3)	49.3
Other Costs[1]	$m	(23.9)	(17.5)	26.8
EBIT (pre-hedging and significant items)	$m	(29.9)	(14.9)	(50.2)
Hedging	$m	6.3	(43.0)	N/A
EBIT (pre significant items)	$m	(23.6)	(57.9)	(145.3)
EBITDA (pre hedging)	$m	23.7	44.3	86.9
EBIT / Sales	%	(8.8)	(41.1)	(367.0)
EBITDA / Sales	%	8.9	31.4	253.8
Capital Expenditure	$m	25.5	18.6	(27.1)

[1] Marketing, Technical Costs & Restructure And idle capacity costs

Western Australia - Key Operational Parameters

	1H 2008	1H 2009	% change
Production (kt)			
Zircon	89.4	98.5	10.2
Rutile	39.6	31.6	(20.2)
Synthetic Rutile	198.4	238.8	20.4
Ilmenite - saleable	193.4	73.1	(62.2)
Ilmenite - upgraded to synthetic rutile	330.8	319.5	(3.4)
Hyti	5.5	5.9	7.3
Cash Production Costs $m	192.9	202.1	(4.8)

Cash Production Cost Breakdown 1H 2009

Area	% of Total Cash Costs
Mining	18
Concentrating	17
Separation	13
Synthetic Rutile	34
Overheads & Other	18

Murray Basin – Financials

		1H 2008	1H 2009	% change
Sales Revenue	$m	70.8	31.0	(56.2)
Total Cash Production Costs	$m	(42.2)	(41.4)	1.9
Depreciation & Amortisation	$m	(13.2)	(15.0)	(13.6)
Inventory Movements	$m	(11.0)	34.0	N/A
Cost of Goods Sold	$m	(66.4)	(22.4)	66.3
Other Costs[1]	$m	(4.6)	(5.9)	(28.3)
EBIT (pre-hedging)	$m	(0.2)	2.7	N/A
Hedging	$m	2.2	(2.9)	N/A
EBIT (pre significant items)	$m	2.0	(0.2)	N/A
EBITDA (pre-hedging)	$m	13.0	17.7	36.2
EBIT / Sales	%	2.8	(0.6)	N/A
EBITDA / Sales	%	18.4	57.1	211.0
Capital Expenditure	$m	31.5	97.2	208.6

[1] Marketing, Technical Costs and Restructure and idle capacity costs

Murray Basin - Key Operational Parameters

	1H 2008	1H 2009	% change
Production (kt)			
Zircon	61.2	40.3	(34.2)
Rutile	35.1	32.0	(8.8)
Leucoxene	3.6	3.6	0.0
Ilmenite	0.0	6.9	N/A
Cash Production Costs $m	42.2	41.4	1.9

Cash Production Cost Breakdown 1H 2009

Area	% of Total Cash Costs
Mining	37
Concentrating	23
Separation	25
Overheads & Other	15

US Operations – Financials

		1H 2008	1H 2009	% change
Sales Revenue	$m	49.9	22.9	(54.1)
Total Cash Production Costs	$m	(32.3)	(30.2)	6.5
Depreciation & Amortisation	$m	(6.2)	(9.3)	(50.0)
Inventory Movements	$m	(1.7)	22.1	N/A
Cost of Goods Sold[1]	$m	(40.2)	(17.4)	56.7
Other Costs[2]	$m	0.0	(0.6)	N/A
EBIT	$m	9.7	4.9	(49.5)
EBITDA	$m	15.9	14.2	(10.7)
EBIT / Sales	%	19.4	21.4	10.1
EBITDA / Sales	%	31.9	62.0	94.6
Capital Expenditure	$m	3.6	14.8	311.1

[1] Cost of Goods Sold includes rehabilitation provisions
[2] Marketing & Technical Costs

US Operations - Key Operational Parameters

	1H 2008	1H 2009	% change
Production (kt)			
Zircon	40.9	26.2	(35.9)
Ilmenite	111.0	82.9	(25.3)
Cash Production Costs $m	32.3	30.2	6.5

Cash Production Cost Breakdown 1H 2009

Area	% of Total Cash Costs
Mining	38
Concentrating	16
Separation	25
Overheads & Other	21

Currency Hedging Arrangements

Period	Instrument Type	Face Value US$m	Cap[2]	Average Floor	Average Rate
July – December 2009	Collar options[1]	88.0	0.8500	0.7906	-
	Forward FX Contracts[2]	70.0	-	-	0.8519
January – December 2010	Forward FX Contracts	153.5	-	-	0.8553

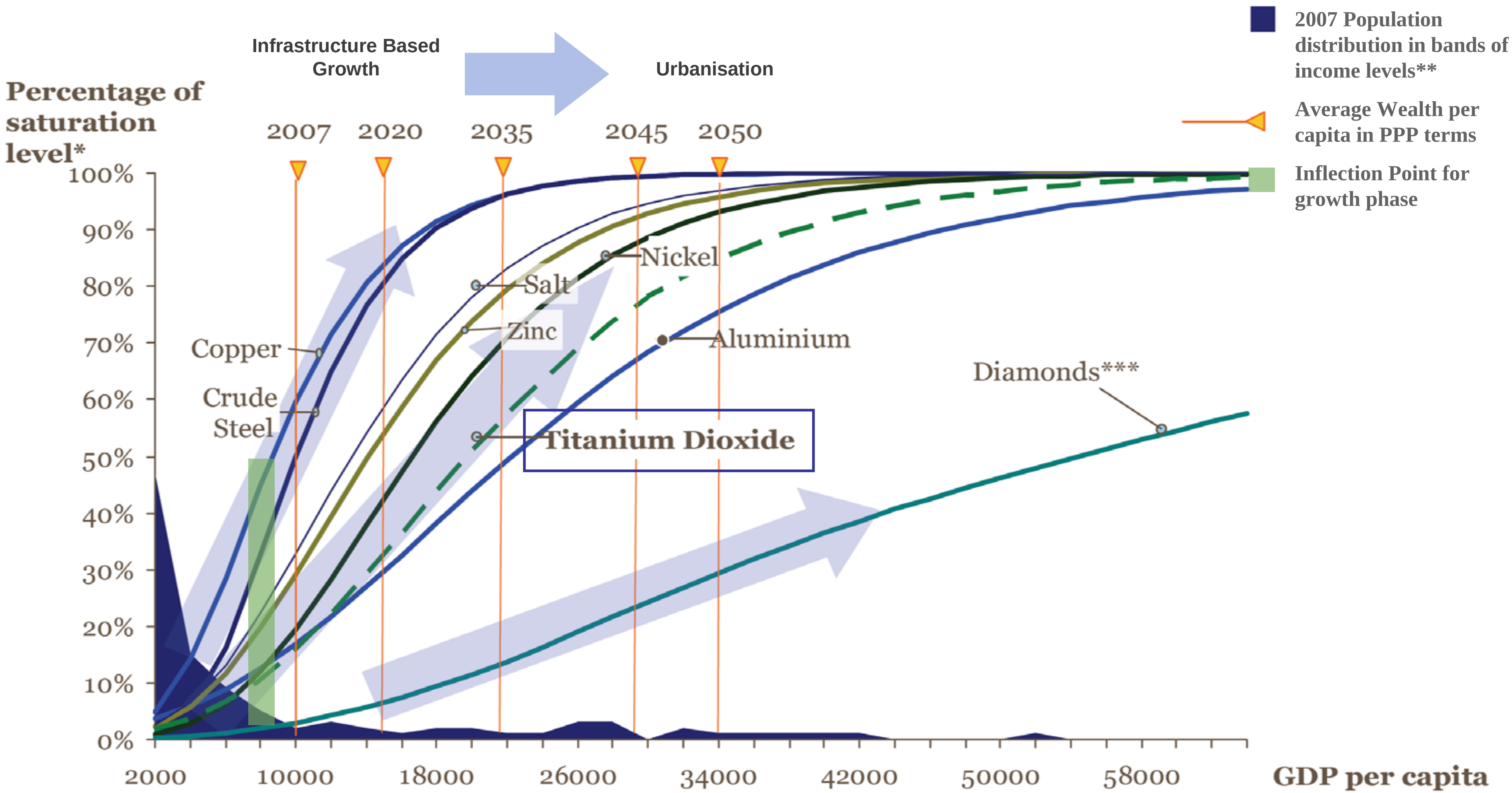
[1] The effect of the collar structure is that, for the amount of US$ receipts hedged:

- if the A$/US$ spot exchange rate is above the cap price the Group receives US$ at the cap price;
- if the A$/US$ spot exchange rate is below the cap price but above the floor price the Group receives US$ at the spot rate;
- if the A$/US$ spot exchange rate is below the floor price the Group receives US$ at the floor price.

[2] The effect of the forward exchange contracts is that the Group will receive US$ at the fixed rate specified.

Positive Demand for Ti02

Rio's Model for Long Term Growth



* Saturation level – point at which consumption per capita does not increase with income levels

** Population income distribution is in market exchange rate terms

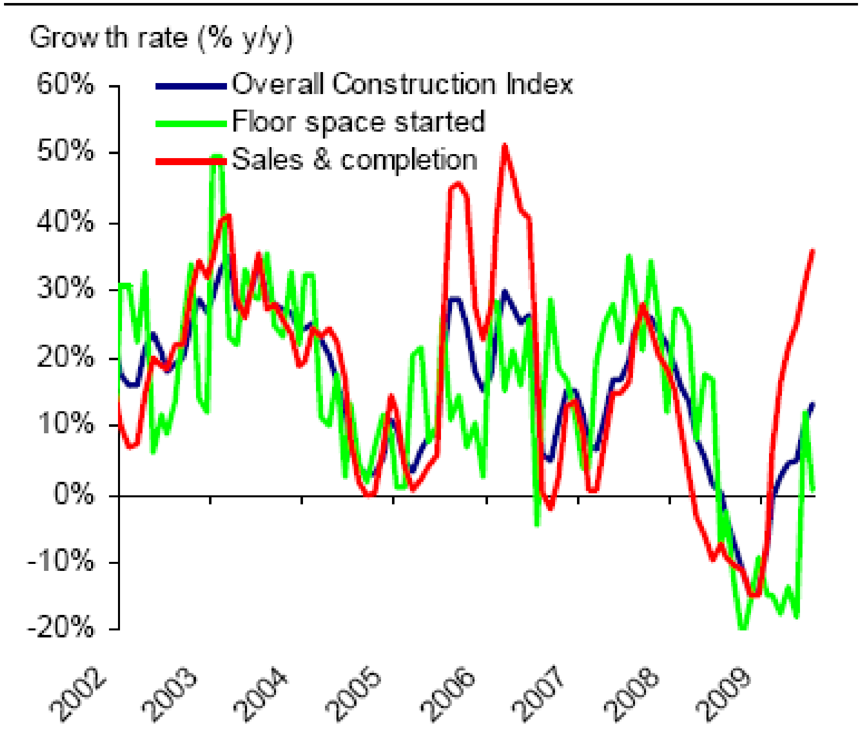
*** Diamonds is classed as a luxury good and hence saturation levels are not reached within the specified time period

Source Rio Tinto TZMI Conference Singapore

Zircon

Strength in China Property Sector

UBS China Construction Index

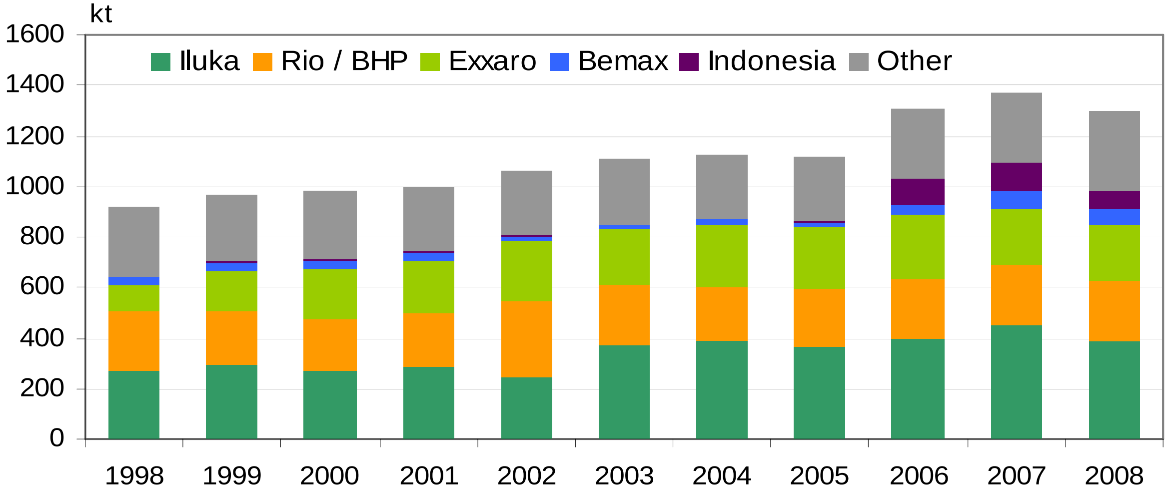


Source: NBS, CEIC,UBS estimates

UBS China analysis: "…construction and investment in property will continue their path of recovery…" August 2009

Main Zircon Feedstock Producers

Majority of Production Sourced from 3 Suppliers

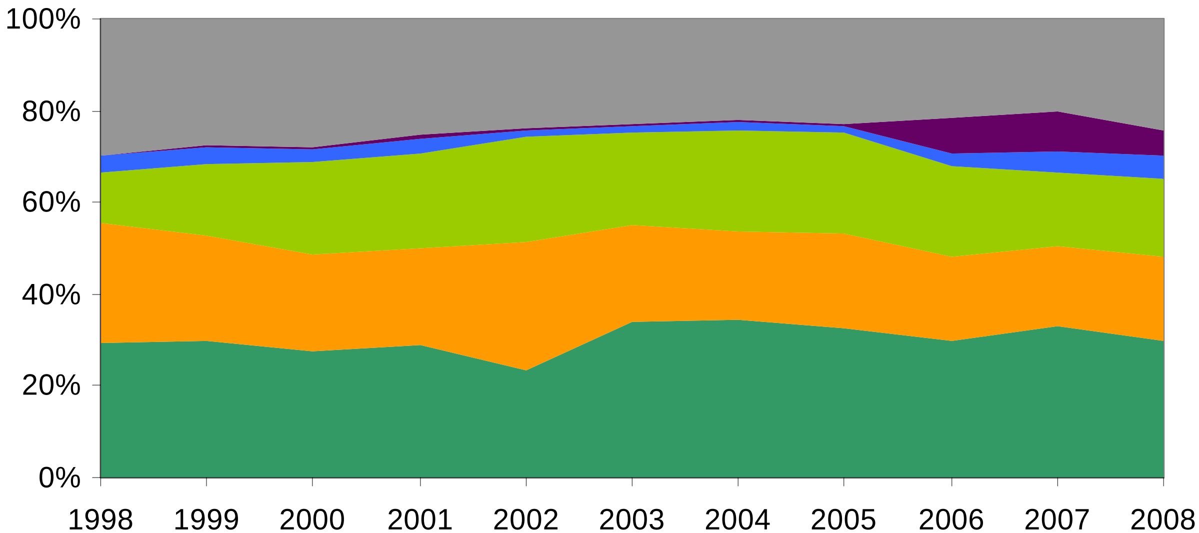


Historical Zircon Projects

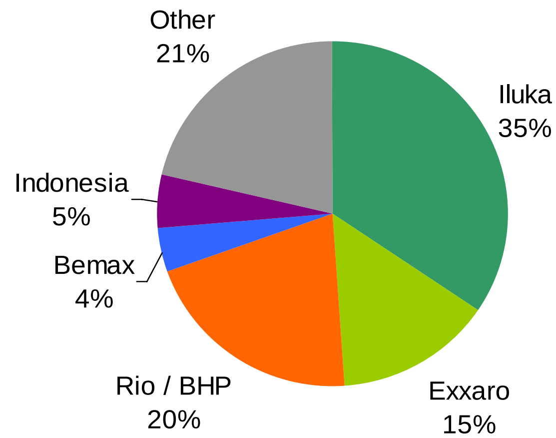
- Exxaro's Namakwa late 1990s
- Iluka's Adamson/South Tails 2003-04
- Kalimantan, Indonesia 2006 - 07
- Murray Basin (Iluka and Bemax) 2007

Major New Global Sources of Production

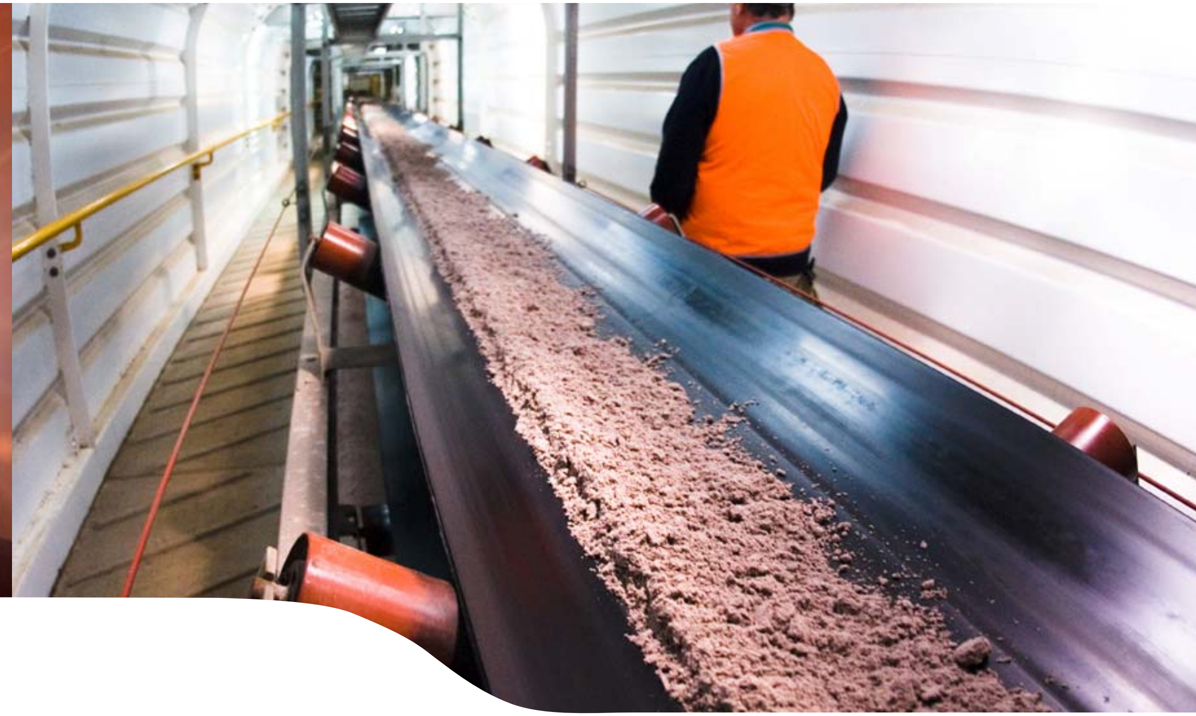
- Jacinth-Ambrosia 2010
- RBM tails (zircon) retreatment



2008 Total Production = 1,290 kt



Note: RBM and Tiwest included where relevant on 100% basis, Iluka ex CRL



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