ILUKA

2004 Full Year Results

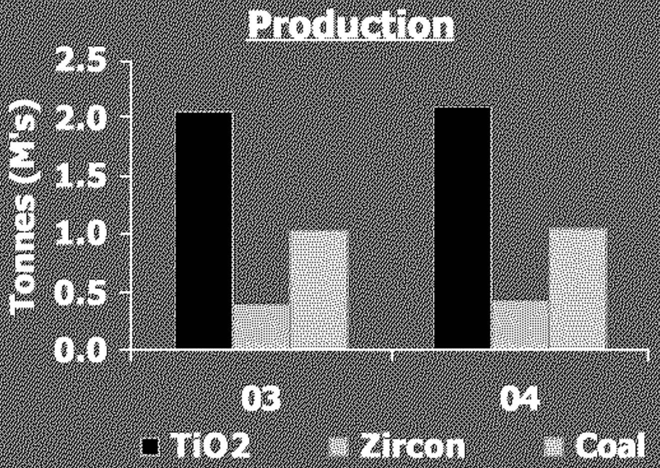
Investor Presentation

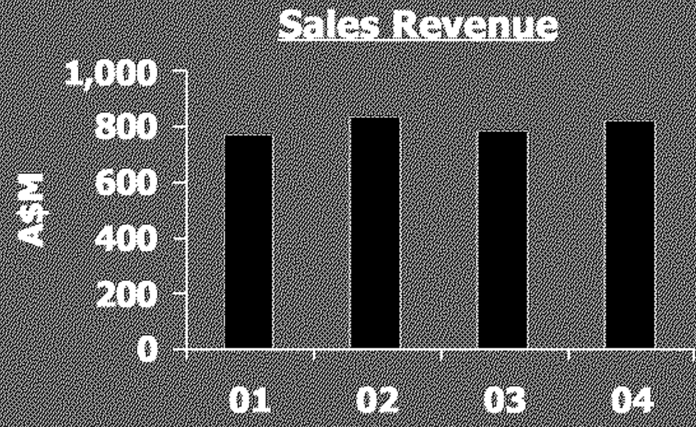
February 2005

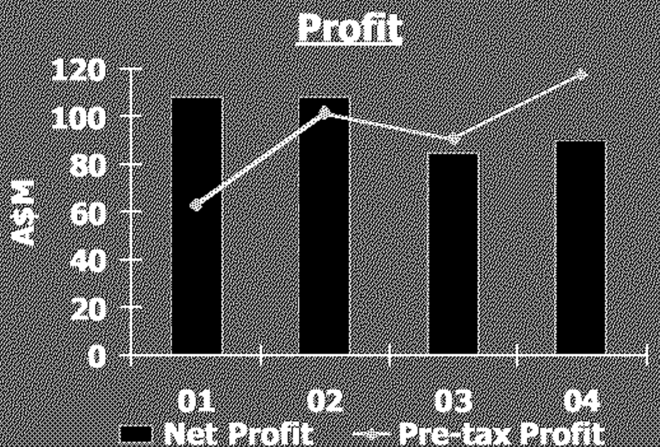
2004 Full Year Highlights

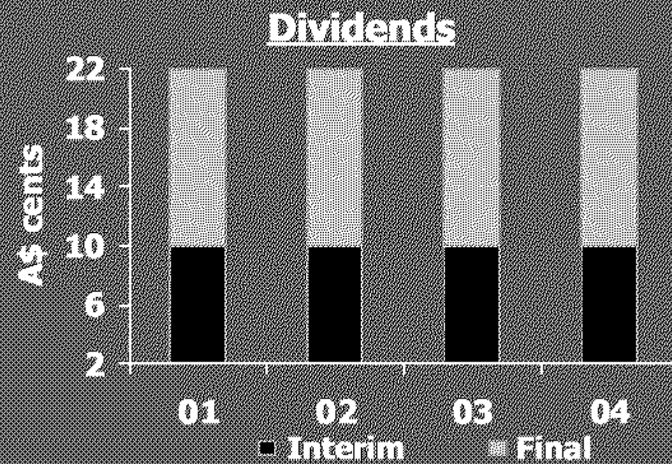
- Further significant improvements in EHS performance
- Record Group production of zircon and synthetic rutile
- Significant improvement in USA production and profitability
- New projects completed to plan (timing and cost)
- First material contribution from Mining Area C royalty
- A$270m Douglas project 1/3 complete at year-end
- Increases achieved in both HM reserves and resources

Performance Overview - 2004 Full Year









2004 Financials

Consolidated	2004	2003
Sales Revenue (A$m)	820	786
Cashflow		
operating cashflow (A$m)	232	178
cashflow per share (A$)	0.99	0.77
Profitability		
EBITDA (A$m)	263.0	214.7
EBITDA/Sales (%)	32.1	27.3
EBIT (A$m)	150.2	99.1
NPAT (A$m)	89.3	85.2
EPS (cents)	38.3	36.6
ROE (%)	9.7	9.6

2004 Financials cont'd

Consolidated	2004	2003
Gearing and interest cover		
gearing (%)	29.0	28.7
interest cover (times)	11.0	9.8
Dividend		
final dividend (cents)	12	12
total dividend (cents)	22	22
payout ratio (%)	57	60
franking (%)	67	42

2004 P&L Summary

A$m	2004	2003	Change
Segment Result	168.7	127.8	40.9
Unallocated Rev & Exp*	(18.5)	(28.7)	10.2
Earnings before Borrowing Costs	150.2	99.1	51.1
Revaluation of 2003 private placement notes	(9.1)	14.1	(23.2)
Interest and other borrowing costs	(23.1)	(22.4)	(0.7)
PBT	118.0	90.8	27.2
Tax Expense	(17.0)	(3.5)	(13.5)
OEI	(11.7)	(2.1)	(9.6)
NPAT	89.3	85.2	4.1

* Excludes interest income of A$0.5m

Pre-tax Profit - Excluding Revaluation of 2003 US Notes

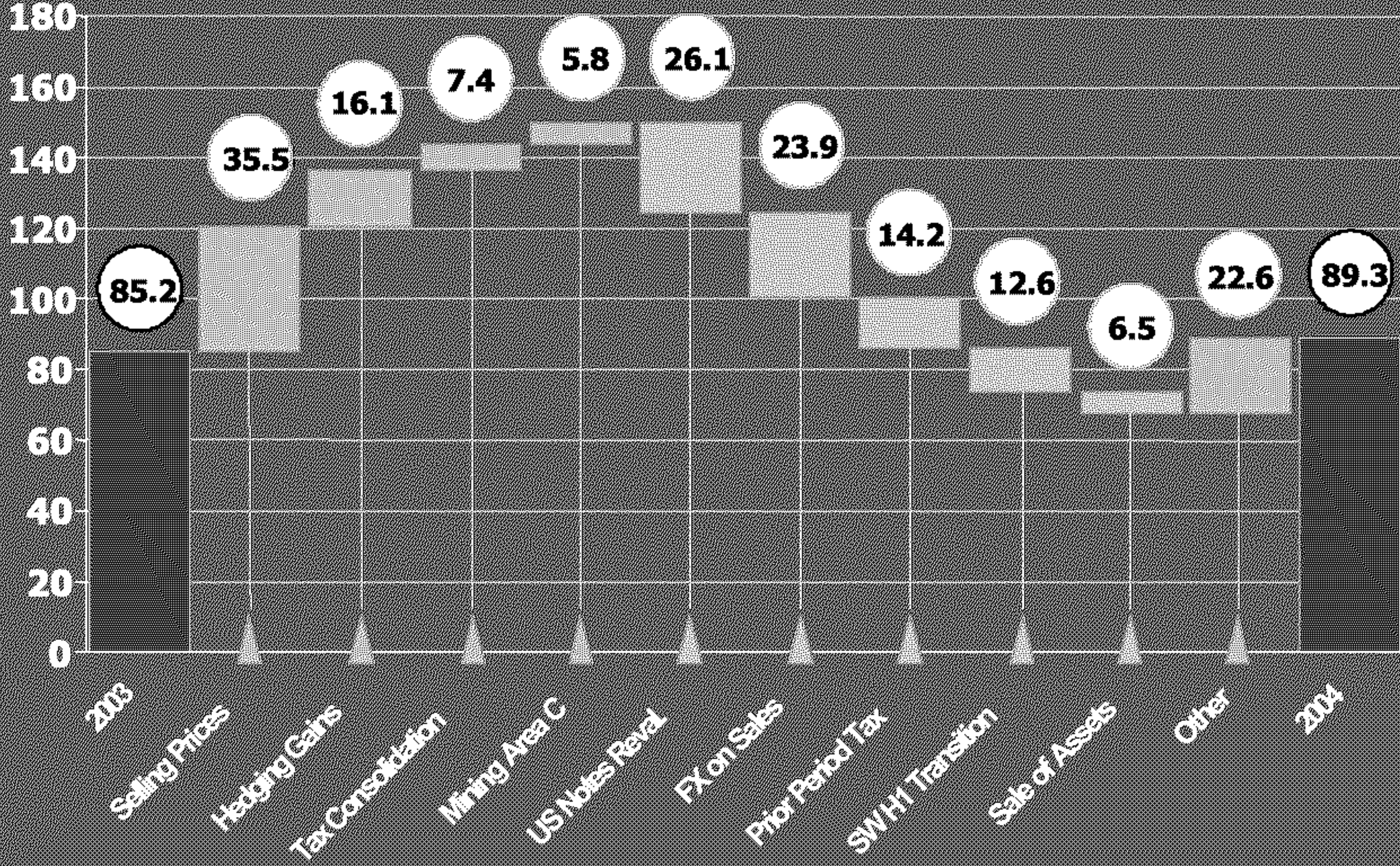
A$m	2004	2003	Change $m	Change %
Pre-tax profit	90.8	118.0	27.2	Up 30%
2003 US Private placement notes revaluation	(14.1)	9.1	23.2	
Adjusted pre-tax profit	76.7	127.1	50.4	Up 66%

2003 US Private Placement Notes Revaluation

A$m	2004	2003	Change
Revaluation gain (loss)	(9.1)	16.5	(25.6)
Collar gain (loss)	-	(2.4)	2.4
	(9.1)	14.1*	(23.2)
Tax credits (expenses)	(2.2)	0.7	(2.9)
NPAT	(11.3)	14.8	26.1

* 2003 Notes $14.1m plus 1996 Notes $1.2m = $15.3m per Note 4 disclosure

2004 versus 2003 Net Profit after Tax & OEI (A$M)



2004 Segment Breakdown

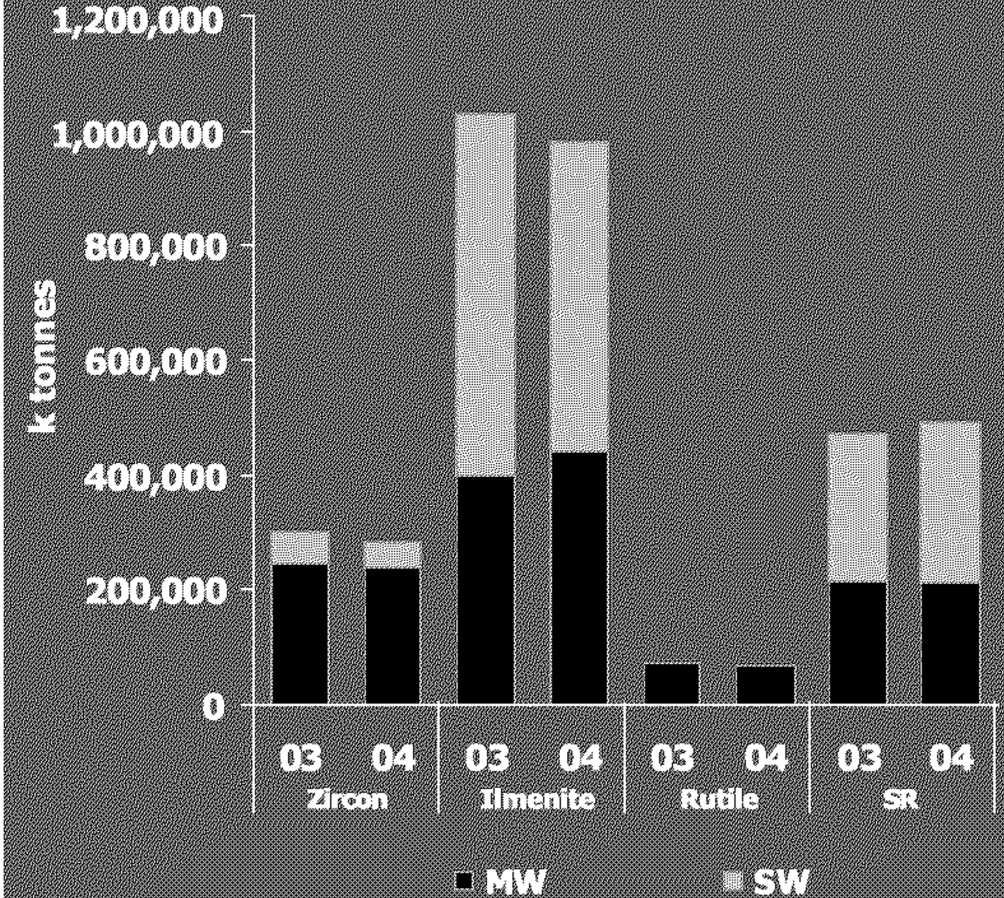
A$m	Sales Revenue	EBIT	Total Assets	D&A	PP&E
Mineral Sands					
▪ WA pre-hedge	535.4	81.4	1,003.0	84.6	642.1
▪ WA hedging	39.0	39.0	-	-	-
▪ MB	-	-	322.5	-	321.1
▪ USA	130.1	10.9	247.7	14.4	187.3
▪ CRL pre-hedge	69.2	(1.7)	196.7	10.2	138.4
▪ CRL hedging	11.7	11.7	-	-	-
Total Mineral Sands	785.4	141.3	1,769.9	109.2	1,288.9
Coal	34.2	17.0	38.1	3.2	28.3
Mining Area C	-	8.7	13.3	0.4	-
Unrecovered Corporate*	-	(16.8)	9.0	-	-
Total	819.6	150.2	1,830.3	112.8	1,317.2

* Excludes interest income of A$0.5m

Hedge Position as at 1/1/2005

	2005	2006	2007	2008
Iluka Hedged US$	100.0	67.0	71.0	-
Average cash rate	0.5917	0.5779	0.5804	-
CRL Hedged US$	35.5	22.0	6.5	6.5
Average cash rate	0.6095	0.6695	0.6494	0.6494
Total Hedged Group	135.5	89.0	77.5	6.5
Group Average cash rate	0.5963	0.5981	0.5856	0.6494

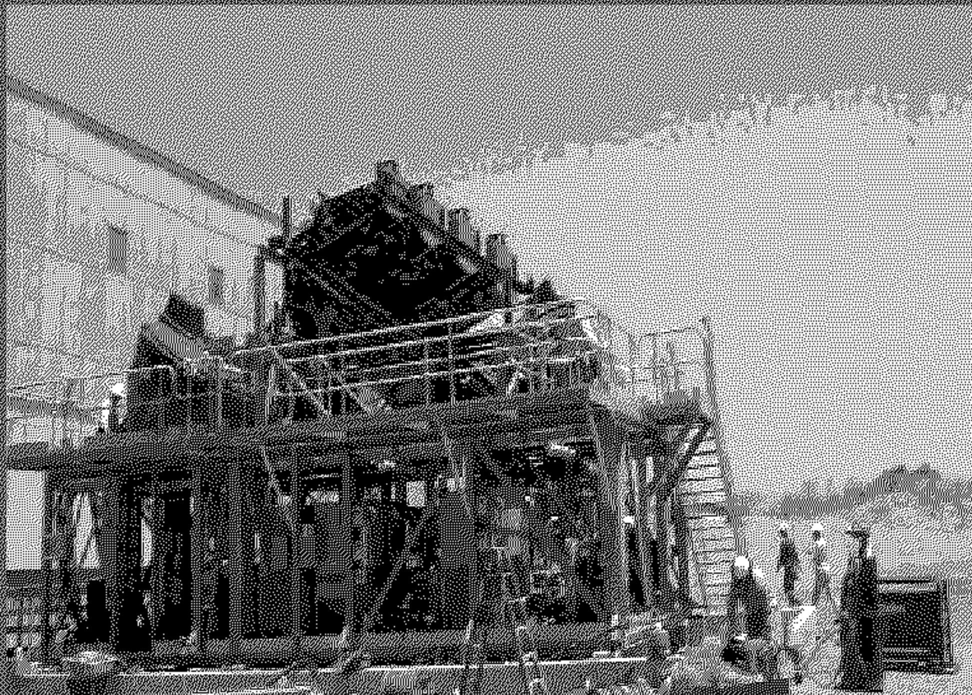
WA 2004 Operations Review



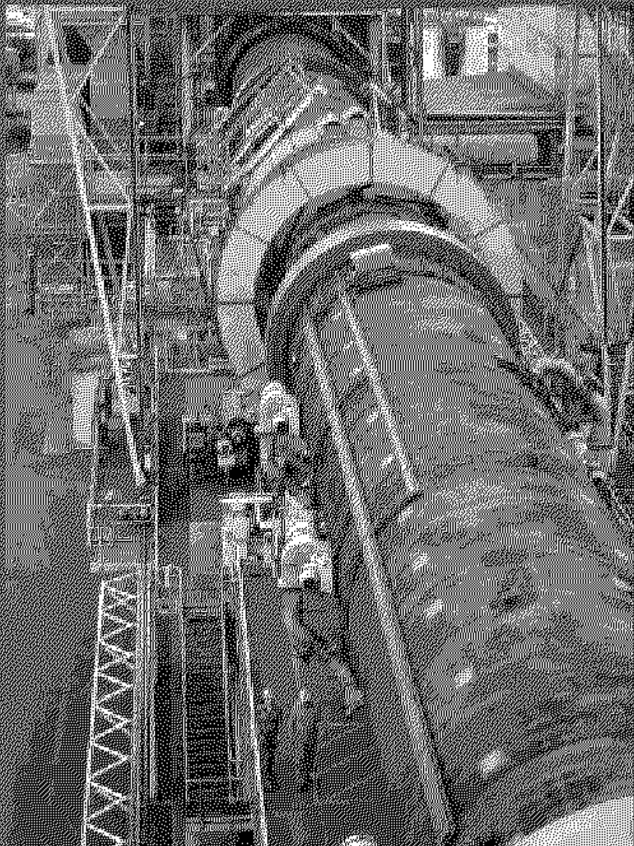
- Record SR due to
  - higher throughput
  - higher kiln utilisation
- Slightly lower rutile and zircon due to grade issues at both sites
- Lower ilmenite due to H1 grades at Capel
- Full impact of low H1 Capel grades and lower Eneabba grades offset by
  - dry mining efficiency gains
  - improved dry plant recoveries
  - improved grades at Capel in H2

WA 2005 Outlook - Eneabba/Narngulu

- Grade and recovery issues
  - less R & Z in HMC
  - zircon/kyanite ratio decreasing
- Partially offset by
  - new mining operation at Gingin
  - processing of stockpile material
  - mining of the Adamson deposit
- Production outlook vrs 2004 actual
  - zircon - lower
  - Ilmenite - similar
  - SR - higher
  - Rutile - lower

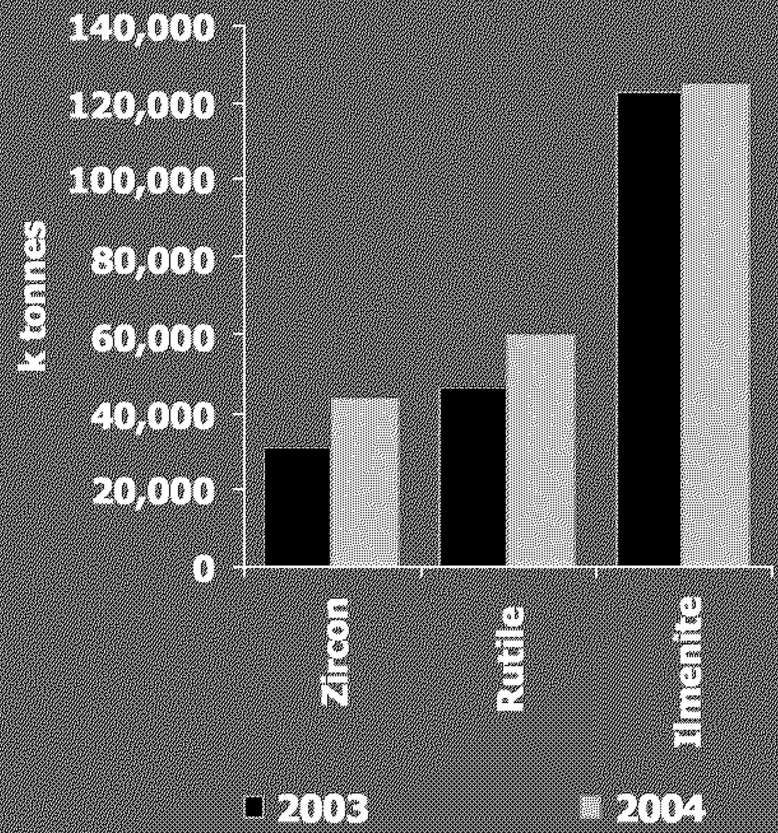


WA 2005 Outlook - Capel



- Improved grade and recovery outlook compared with 2004
- Underpinned by
  - higher grades at existing mining operations
  - new mining operation at Wagerup
- Potential zircon upside - processing of LCC stockpile material at Capel
- SR production benefits from kiln efficiency/throughput gains
- Production outlook vrs 2004 actual
  - zircon - higher
  - Ilmenite - higher
  - SR - higher

CRL 2004 Operations Review



- Combined R&Z 35% higher, ilmenite slightly higher
- 2004 improvements due to
  - dry mining at both deposits
  - Yarraman dredge performance
- Improved performance more than offset impacts from
  - 6 week shutdown of the Enterprise dredge for upgrades
  - lower grades in transition to Enterprise
  - 4 week shutdown of Yarraman for repairs to dredge cutter head

CRL 2005 Outlook

- Higher rutile, zircon and ilmenite production in 2005
- Improved production outlook underpinned by
  - supplementary dry mining of higher-grade material adjacent to both dredge paths
  - higher-grades at Enterprise in H2, post-transition phase
  - continued performance of the Yarraman dredge

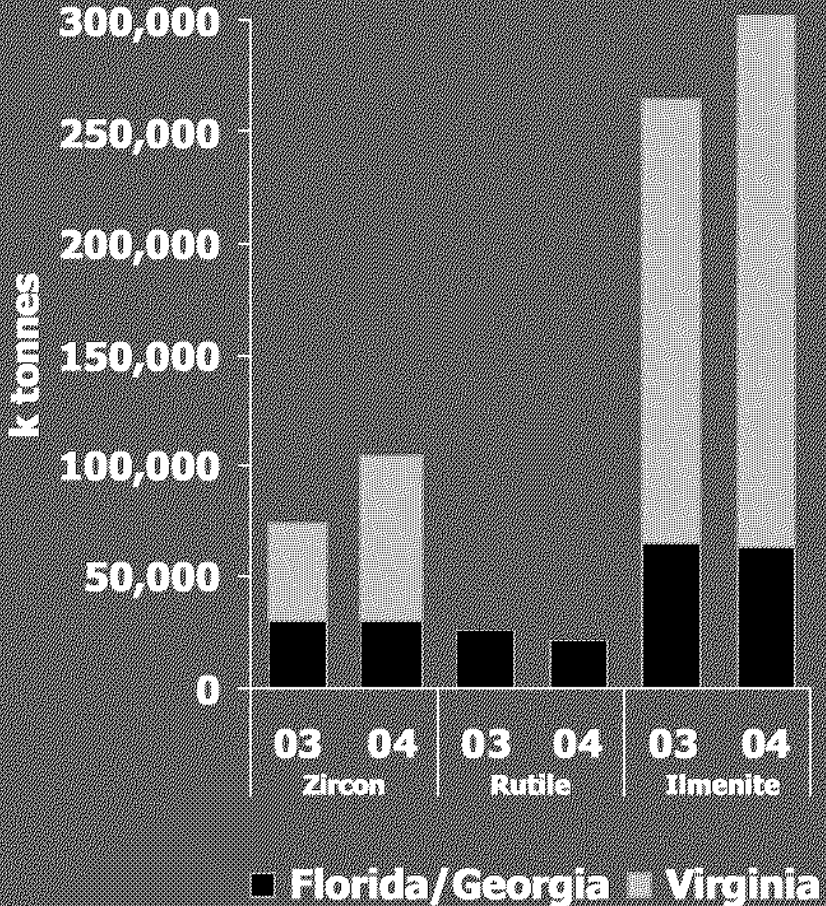
Douglas Project Progress

- Despite challenges, overall Douglas project approximately 1/3 complete by end 2004
- Pre-stripping commenced in December and is complete
- Mining and road transport contracts awarded in December
  - mining commenced in early February
- Water pipeline commissioned and water piped to mine site
- Mine & MSP access roads completed
- Construction camps established at Balmoral and Hamilton
- Engineering for all 3 plants complete

Douglas Project Outlook - 2005

- Wet concentrator plant
  - start of commissioning Q1
  - practical completion Q2
- Mining unit plant
  - start of commissioning Q1
  - practical completion Q2
- Mineral separation plant
  - utilities completed Q2
  - start of commissioning Q3
  - practical completion early Q4
- Finished R & Z product Q4
- Completion of new port facilities Q4

USA 2004 Operations Review



- Record USA ilmenite and zircon production
- Slightly lower rutile production
- 2004 performance due to
  - improved performance of Virginia operations
  - Contribution from Georgia (Lulaton) post startup
  - Expanded GCS dry mining
- Improved performance more than offset impact from
  - GCS dredge closure
  - 4 hurricanes & excessively wet weather in Q3

USA 2005 Outlook

- Production outlook compared with 2004 actual
  - rutile - higher
  - Ilmenite - higher
  - Zircon - slightly higher
- Improved performance underpinned by
  - Virginia's ongoing performance
  - Full 12 months from
    - MC2 at Lulaton
    - upgraded MC1 at GCS

Iluka Marketing Strategy

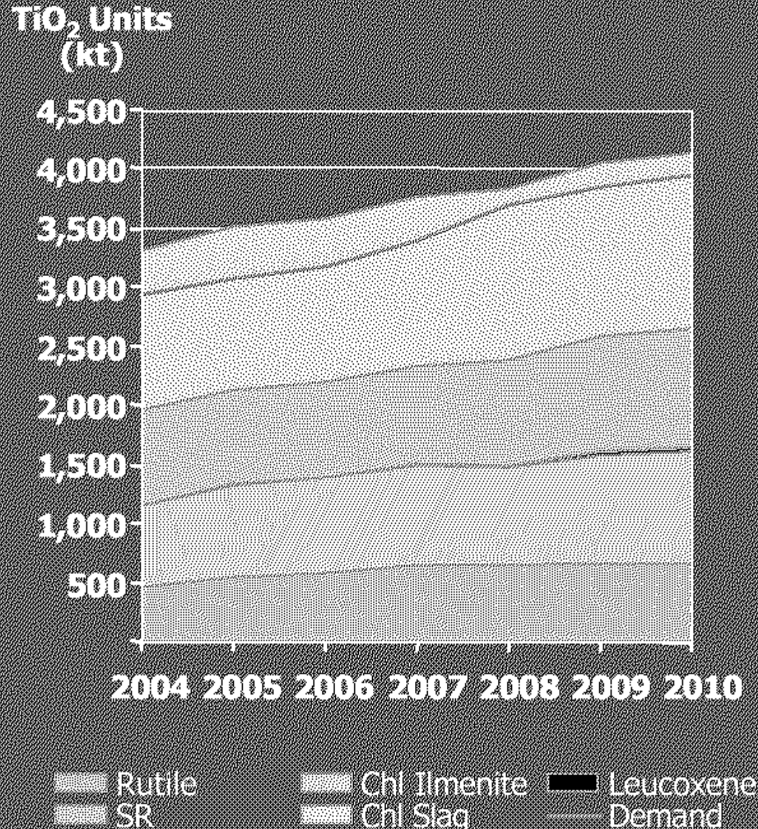
- Strategy is to differentiate by supplying customer preferred high quality products with excellent customer service
- For titanium minerals, profitable growth focus is based on very high grade (90%+ TiO_2) chloride feedstocks (SR & Rutile) with chloride ilmenite also a key product
  - sales opportunities have been identified
  - requires expansion of very high TiO_2 production e.g. MB
- For zircon, profitable growth focus is based on premium grade products for high margin markets
  - zircon will continue to be critical to Iluka's future and is accounting for an increasing % of total revenue
  - timely development of new production sources is vital to keep the supply pipeline filled in a tight market

Titanium Minerals Outlook

- TiO_2 pigment demand strengthened in 2004 (~6% growth)
- TiO_2 pigment prices remain competitive but announced price increases are filtering through to the market
- Rutile supply/demand tightened also due to strong welding and metal sectors
- Despite a competitive and oversupplied market with reported falling slag prices:
  - Iluka was fully sold in 2004
  - US$ price increases achieved with significant REV re-alignment for rutile and SR in 2004/2005
- Outlook for high-TiO_2 feedstocks in 2005 looks positive
- Iluka fully sold in 2005
- Sales opportunities - could sell more rutile and SR subject to additional production

TiO$_2$ Feedstock Supply/Demand

Chloride TiO$_2$ Supply/Demand

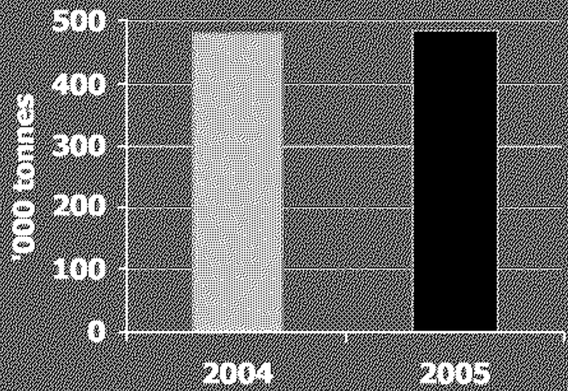


2005 Price Outlook

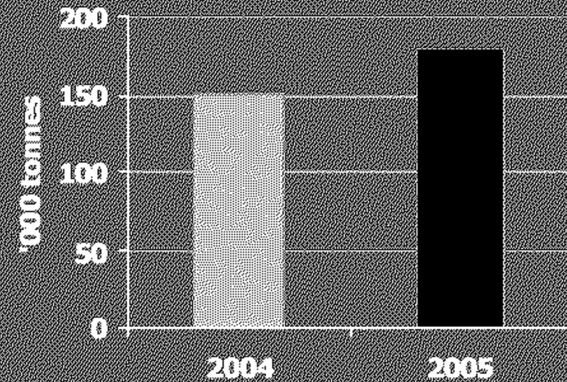
- Demand for Iluka's products very positive
- Synthetic Rutile
  - prices increasing in US$
- Rutile
  - prices increasing in US$
- Chloride ilmenite
  - US$ price moving under long-term contracts
- Sulphate ilmenite
  - US$ prices firming/increasing due to China demand

2005 TiO_2 Sales Outlook

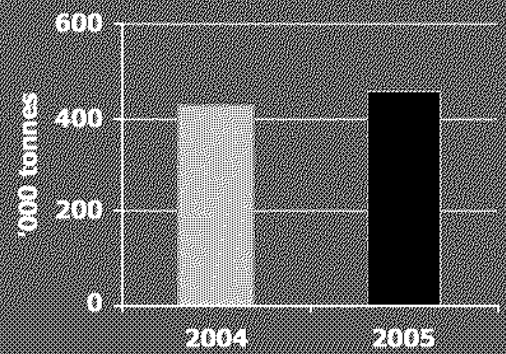
Synthetic Rutile
2005 at maximum contractual requirements



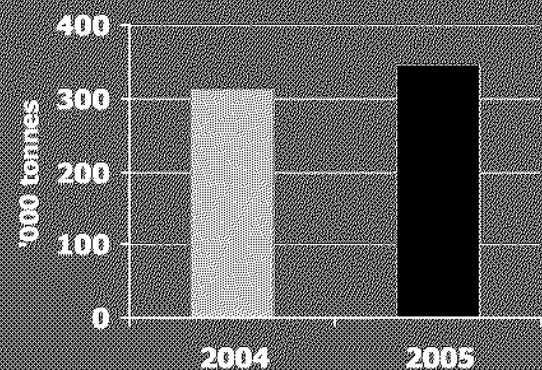
Rutile
Sales higher due to CRL and Murray Basin



Chloride Ilmenite
Slight improvement due to increased USA production



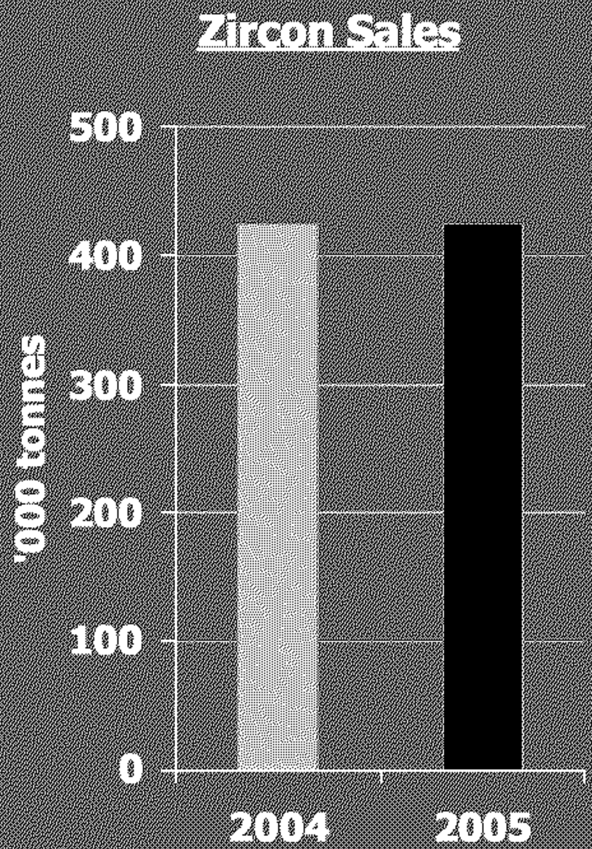
Sulphate Ilmenite
Sales higher due to China demand



Zircon Market Outlook

- Market in under supply in 2004 by approximately 60 - 80,000 tonnes
- Continuing tight market as demand (3% pa) outstrips supply
- Significant US$ price increases achieved
  - approx US$100/tonne in 2004
  - slightly higher than US$100/tonne in 2005
- Substitution a threat, but much more due to lack of product availability rather than pricing at this stage

2005 Zircon Sales Outlook



- Iluka fully sold in 2005
- Able to sell more zircon if production allows
- Additional zircon production dependent on
  - performance of existing operations
  - new technology
  - Murray Basin start-up and ramp up of capacity

2004 - Maximising the Value of the Existing Business

Planned Performance	Results
maximise production/sales opportunities	record Z & SR production, record Z sales. Fully sold in both 04 & 05
secure 2005 zircon price increases	approx US$100+ per tonne increases achieved in both 04 & 05
cost and efficiency improvements	A$31m in net improvements achieved
USA profit turnaround	EBIT turnaround of A$14m
deliver development projects	achieved as planned
- Lulaton	- Lulaton commissioning end Q3
- Enterprise stage-1	- stage-1 completed mid-year

2004 - Growing the Mineral Sands Business

Planned Performance	Results
Develop the Murray Basin	**Proceeding as planned**
- FID for 1st stage mid-2004	- achieved mid-2004
- stage-1 on schedule by end 2004	- Douglas 1/3 complete by year-end
- progress both stage -2 options	- evaluation of KWR and Euston underway, exploration success
Fill zircon mkt opportunity gap	**Excellent progress**
- new technology	- mobile processing tech ready
- pursue Eucla Basin exploration potential	- large tenement position, 2 significant discoveries to date
Pursue new SR technology options	**Progressing**
	- test work done, site evaluation continuing

Murray Basin Stage-2 Exploration

- Region remains highly prospective
- 2004 exploration success has delivered
  - 2.9mt of initial HM Reserves for KWR and Euston based on conventional dry mining technology
  - a 2mt increase in HM Resources

Initial KWR and Euston HM Reserves

	Ore Reserve Category	Ore (MT)	In-Situ HM (MT)	HM Grade (%)	Ilmenite (%)	Zircon (%)	Rutile (%)
KWR*	Prob	4.6	1.2	26.4	51.6	9.0	16.4
Euston**	Prob	11.1	1.7	15.3	45.6	13.7	18.9

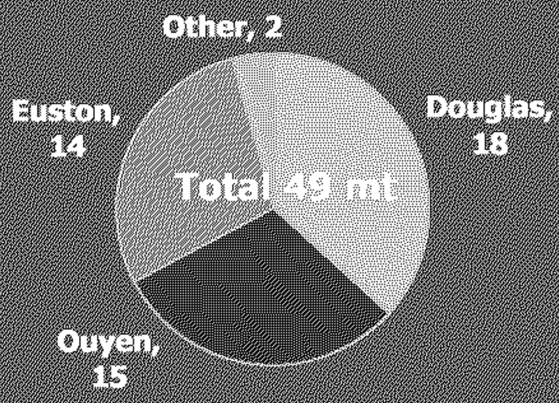
* Based on the Woornack deposit. ** Based on Castaway and Kerribee deposits

Murray Basin Stage-2 Exploration cont'd

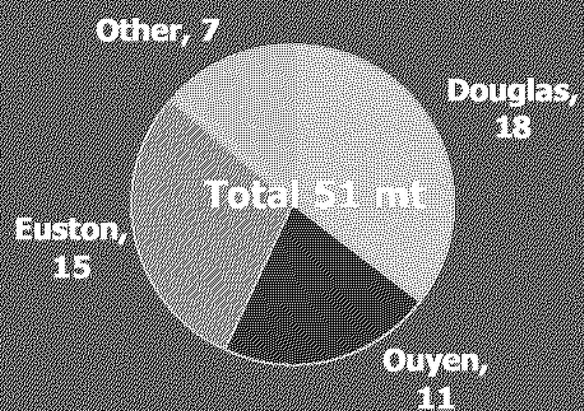
Updated 2004 KWR and Euston Resource Position

	Ore (MT)	In-Situ HM (MT)	HM Grade (%)	Ilmenite (%)	Zircon (%)	Rutile (%)
KWR	77.0	11.2	14.5	49.3	9.7	16.3
Euston	89.8	15.3	17.0	53.2	11.4	16.1

In-situ HM Resource by 2003



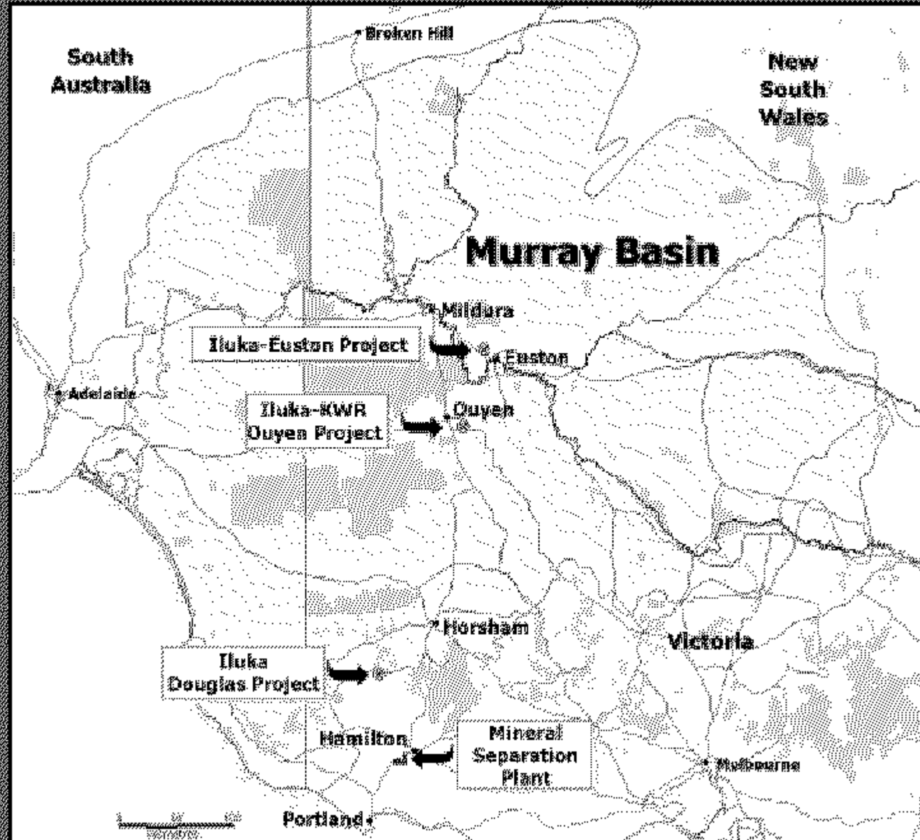
In-situ HM Resource 2004



Note - Other consists of Sea Lake (which includes Barbary/Dunkirk deposits moved from KWR) and Iluka's Pooncarrie Resources

Murray Basin Stage-2 Development

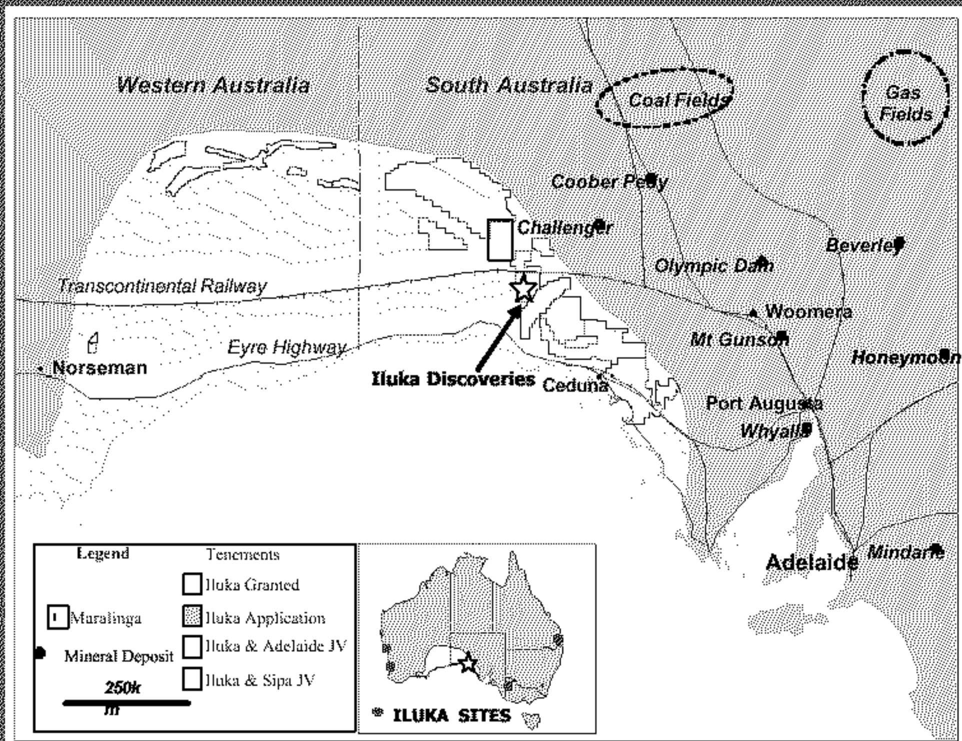
- KWR and Euston projects provide upside due to
  - resource size, grades and assemblage
  - relatively low clay levels
- Challenges
  - de-watering of KWR and to a lesser extent, Euston
  - statutory approval process nominally around 18 mths - end Q2 2006 target
  - relatively high mine advance rates (long and narrow deposits) at Euston
  - saline water – can be used for processing



Murray Basin Stage-2 Development cont'd

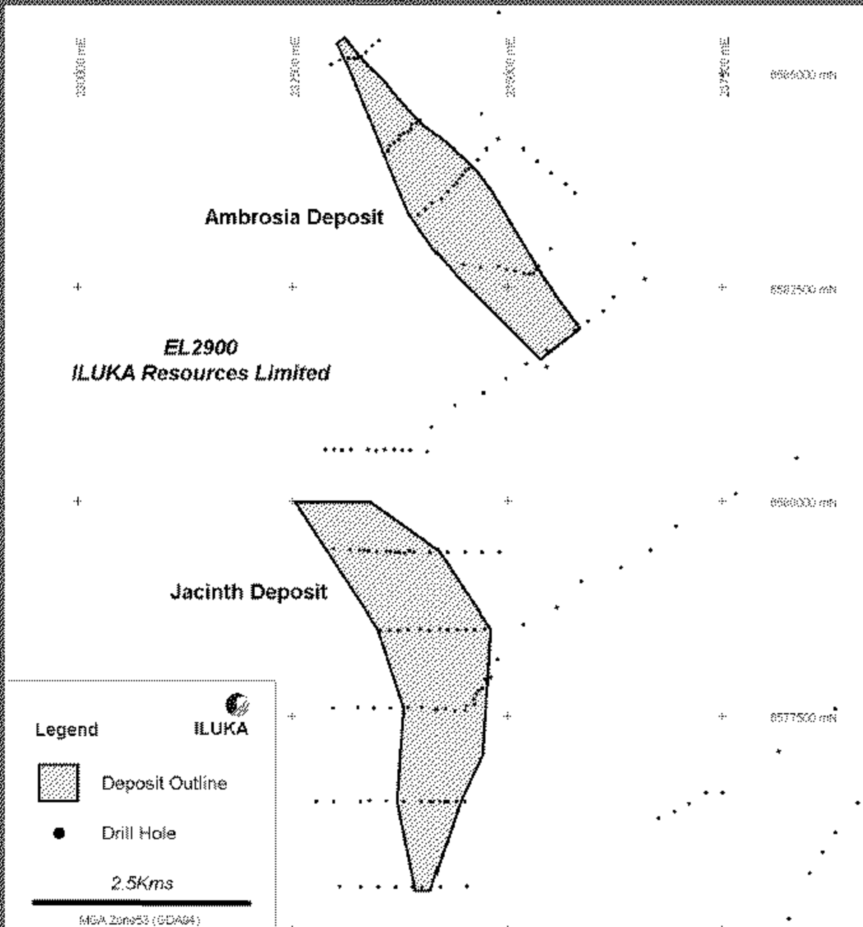
- **Euston Project**
  - 60% of deposits can be mined before any significant de-watering
  - scoping study completed, EIS completion by Q3 2006
- **KWR Project**
  - 70% of deposits require de-watering prior to mining, test pit completion Q3 2005 a key milestone
  - approvals process more advanced than Euston
- **Summary**
  - both projects could come on stream in H2 2007
  - final order and timing of projects yet to be determined
  - potential exists for an earlier Euston timeframe subject to accelerating approvals/development process

Eucla Basin Exploration



- 60,000 sq km of granted tenements and tenement applications
- 28,818 metres drilled in 2004
- 2 discoveries in EL2900 (100% Iluka) in Q4 2004
- Anomalous mineralisation intersected in EL2840/ EL2841 (Adelaide Resources JV)

Eucla Basin Exploration cont'd



Jacinth

- Inferred Resource of 6.5 mt
  - 54.7% zircon
  - 7.2% rutile
  - 21.6% ilmenite

Ambrosia

- Inferred Resource of 1.7 mt
  - 55% zircon
  - 7% rutile
  - 14% ilmenite

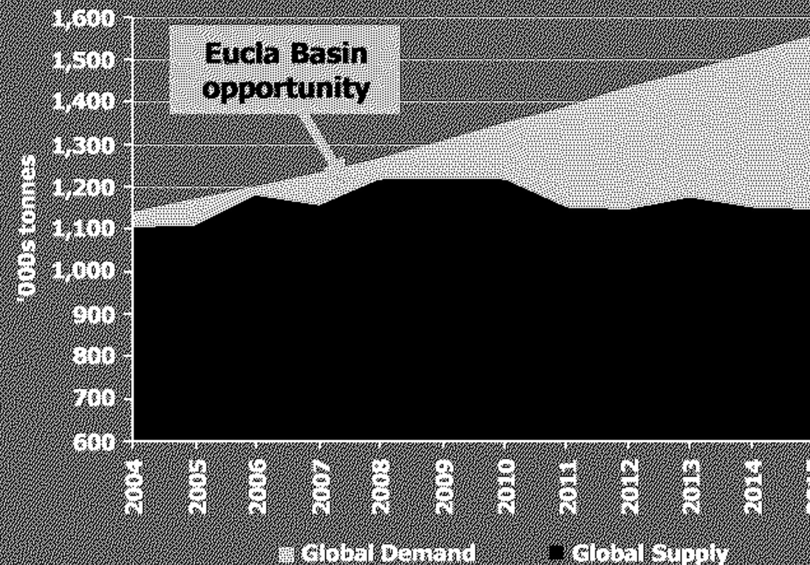
Eucla Basin Exploration Focus in 2005

- South Australian activity
  - 55,000 metres of drilling planned in 2005
  - 2 rigs starting in late Q1
- Development drilling on Jacinth and Ambrosia
  - aiming for an Indicated Resource by yr-end
- Regional exploration
  - regional reconnaissance drilling
  - progressing Colona JV farm-in requirements

Eucla Basin Development Focus

- **Project team established**
- **Scoping study initiated, due for completion in Q2 2005**
- **Jacinth's zircon/TiO_2 ratio is 2.5 compared with a global average of 0.22**
- **Eucla Basin zircon has the potential to support a large scale operation to:**
  - **meet customer requirements in the medium-term**
  - **provide customer supply certainty in the long-term and reduce the threat of substitution**

Zircon Market Opportunity



- **Demand growth of 2.9% p.a. assumed from 2004 - 2015**
- **Global supply includes existing global operations, Murray Basin stage 1 & 2 and other advanced zircon projects in Australia and overseas**

Concluding Comments - Sales and Production

- Sales outlook positive for all products
  - fully sold in 2005
  - overall slightly higher sales compared with 2004, some sales upside if production allows
  - higher US$ product prices compared with 2004
- Production outlook
  - overall slightly higher compared with 2004, despite expected Eneabba grade decline
  - higher production dependent on
    - existing USA, CRL and WA operations plus
    - new technology and new mining operations in WA and Murray Basin

Concluding Comments - Financial Outlook

- Considerable progress made in improving performance and quality of earnings
- Majority of Australian product sales are denominated in US$ and therefore remain exposed to FX movements
- Extent to which improvements are reflected in 2005 results will be partially determined by FX movements during the year
- Some impact from adverse FX movements and Eneabba grade decline will be mitigated by
  - higher royalty payments from Mining Area C, and
  - currency hedging in place

Concluding Comments - Investment Outlook

- Iluka remains committed to the minerals sands industry, its customer base and to improving shareholder returns
- These commitments will be underpinned by substantial new investment over at least the next 2-3 years to
  - complete Douglas and 2 new mining operations in WA, and
  - progress new mining operations in the USA and development options in the Murray and Eucla Basins
- The investment in 2005 is the order of A$375 million
  - > 70% - completion of the Douglas, Gingin and Wagerup projects
  - balance - Murray Basin stage-2, USA and other

Appendices

2003 Segment Breakdown

A$m	Sales Revenue	EBIT	Total Assets	D&A	PP&E
Mineral Sands					
- WA pre-hedge	564.9	97.0	1,040.9	87.1	640.0
- WA hedging	19.4	19.4	-	-	-
- MB	-	-	226.4	-	225.7
- USA	106.4	(2.8)	233.1	15.9	184.2
- CRL pre-hedge	57.1	(0.7)	176.6	9.8	121.1
- CRL hedging	5.1	5.1	-	-	-
Total Mineral sands	752.9	118.0	1,677.0	112.8	1,171.0
Coal	33.1	9.4	30.7	2.7	27.8
Mining Area C	-	0.4	10.2	0.1	-
Unrecovered Corporate*	-	(28.7)	23.1	-	-
Total	786.0	99.1	1,741.0	115.6	1,198.8

* Excludes interest income of A$0.7m

Group Production & Sales 2004 v 2003

Product – k tonnes	2004	2003
Rutile production	149	142
Rutile sales	151	168
SR production	496	472
SR sales	481	467
Ilmenite production	1,451	1,451
Ilmenite sales	741	740
Zircon production	428	406
Zircon sales	424	409
Leucoxene/Hyti production	12	14
Leucoxene/Hyti sales	63	51
Coal production	1,046	1,037
Coal sales	1,055	1,030

Background Information on New WA Mines

- Gingin - production processed at the Narngulu dry plant
  - investment of A$43 million (inclusive of approximately A$12 million of pre-strip earthworks)
  - expected to produce approximately
    - 600,000 tonnes of ilmenite for use as SR feedstock,
    - 310,000 tonnes of chloride grade ilmenite for sale
    - 75,000 tonnes of rutile and 65,000 tonnes of zircon
  - Three and a half year mine life, start-up planned by mid-2005

- Wagerup - production processed at the north-Capel dry plant
  - investment of A$20 million
  - expected to produce approximately
    - 750,000 tonnes of sulphate ilmenite
    - 55,000 tonnes of zircon and hyti products
  - Two and a half year mine life, start-up planned by mid-2005