2010 PHYSICALS AND FINANCIALS
Based on Previous Guidance and December Quarter Production Report Disclosure

Group Physicals and Financials

Sales Volumes (k tonnes)	2010 Full Year Actuals	Comments
Zircon	478kt	Higher than full year production of 413kt, reflecting draw down of inventory in 1st half of 2010 1st half sales 216kt; 2nd half sales 262kt
Rutile	240kt	1st half sales 101kt; 2nd half sales 139kt
Synthetic rutile	362kt	Based on 2 kiln operation in 2010; one of these kilns (SR 3) idled early 2011 and undergoing maintenance. 1st half sales 166kt; 2nd half sales 196kt As advised previously, 2011 SR production likely to be ~200kt
Ilmenite saleable	373kt	1st half sales 187kt; 2nd half sales 186kt
$ million		**Comments**
2010 Mineral sands revenue (after hedging) (excluding hedging)	897.8 874.5	As released in December Quarter Production Report; excludes Mining Area C iron ore royalty.
2010 Cash costs of production	(544.2)	Guidance provided at half year of $560 million at the half due to extended operation of SR3; higher SR2 throughputs, earlier restart of full operations in the United States. Excludes other non production cash costs
Inventory movement		$10.5 million increase at the half, reduction in 2nd half expected with low finished goods inventory & higher work in progress associated with new operations. Finished inventories at year end for major products represent normal operating levels
Restructure and idle capacity cash charges		$(9.3) million at the half year; full year total of ~$(13) million. Additional rehabilitation and other costs for closed sites likely to offset lower than guidance cash costs of production
Government royalties		$(6.9) million at the 1st half; higher in 2nd half on increased volumes and prices
Marketing and selling costs		$(9.0) million at the half - linked to sales volumes
Asset sales and other income		$1.6 million at the half. Minimal expected in 2nd half
Product and technical development		$(2.1) million at half; higher level in 2nd half as initiatives in this area have been progressed
Exploration (expensed)		$(5.6) million in 1st half. Higher in 2nd half due to timing of exploration programmes, typical (historical) full year expense ~$16 million, based on ~$20 million gross expenditure

First Half Financials and Full Year Guidance Statements

$ million	1st Half 2010	Full Year Guidance (if provided)	Comments
Mineral Sands EBITDA	**95.3**		
Depreciation and amortisation	(101.5)	~$220m full year	2nd half weighted after commissioning of new operations in 1st half
Mineral sands EBIT	**(6.2)**		
Mining Area C	35.5		1st half includes capacity payments of $7 million, none payable in 2nd half
Currency hedging and foreign exchange	(1.4)		Dependent on currency, all remaining hedges delivered in 2nd half
Corporate and other	(14.0)		
Group EBIT	**13.9**		
Net interest costs[1]	(18.0)		Lower in 2nd half due to lower net debt and interest margins
Rehabilitation unwind and other finance costs[2]	(7.6)		2nd half expected to be comparable to 1st half
Loss before tax	**(11.7)**		
Tax benefit /expense	5.1		Loss at the half year – hence tax benefit
Profit/(Loss) for the half	**(6.6)**		
Operating Cash Flow	**42.6**		Expected to be stronger 2nd based on higher zircon prices
Net cash flow	**(47.3)**		Expected to be positive in 2nd half and for year, lower 2nd half capex following completion of Jacinth-Ambrosia and Murray Basin Stage 2
Net Debt	**(439.0)**		Expected to be materially lower at year end

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[1] Net interest costs comprise fixed rate USD payments on the US Private Placement Notes, floating US rate payments on USD denominated drawings under the Syndicated Facility, floating AUD rates on drawing under the Syndicated facility, floating AUD rates on cash deposits held once the Syndicated Facility is undrawn and facility fees.

[2] This charge represents the unwind of the discount on rehabilitation provisions which are recognised as a liability at net present value.

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