Iluka Resources Limited ABN 34 008 675 018
ASX Half-year information - 30 June 2006

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction with the
31 December 2005 Annual Report

Contents

Iluka Resources Limited
For the half-year ended 30 June 2006
(Previous corresponding period: Half-year ended 30 June 2005)

Results for announcement to the market

				$M
Revenue *(Appendix 4D item 2.1)*	up	**4.5 %**	to	**485.4**
Profit after tax attributable to members *(Appendix 4D item 2.2)*	down	**59.4 %**	to	**32.2**
Profit for the period attributable to members *(Appendix 4D item 2.3)*	down	**59.4 %**	to	**32.2**

Dividends / distributions *(Appendix 4D item 2.4)*	Amount per security (cents)	Franked amount per security (cents)
Interim dividend *(Prior year)*	10.0	5.0
Interim dividend **(Current year)**	**10.0**	**10.0**

Key Ratios	**2006**	2005
	June	June
Basic and diluted earnings per share (cents)	**13.8**	34.1
Operating cash flow/interest paid (times)*	**5.1**	9.6
Operating cash flow per share (cents)	**32.5**	52.4
Return on equity (%) (annualised)	**9.3**	17.7

Key Ratios	**2006**	2005
	June	December
Gearing (%)**	**44.7**	42.3
Net tangible assets per share ($)	**3.2**	3.2

* Operating cash flow excluding net interest paid/net interest paid

** Gearing = net debt / (net debt + equity)

4D Financial Commentary

All currencies shown in this report are Australian dollars unless otherwise indicated.

Section I - Group Profit & Loss

Overview

Iluka recorded a net profit after tax and minority interests (NPAT) for the six months ended 30 June 2006 of $32.2 million, compared with a 2005 first half NPAT of $79.3 million. NPAT for the first half of 2006 excluding the discontinuing Florida/Georgia operations was $49.5 million, which is at the upper end of the guidance range of $40.0 million to $50.0 million as advised by the company at its Annual General Meeting on 11 May 2006.

NPAT of $49.5 million (excluding Florida Georgia) is $38.6 million lower than the comparable 2005 first half NPAT of $88.1 million. Notwithstanding the benefit of increased prices and lower exchange rates, the first half of 2006 did not enjoy a number of favourable factors which influenced the 2005 first half result, including higher grades and assemblages, higher hedging gains, a higher Mining Area C iron ore contribution and greater proceeds from asset sales.

A key feature of the 2006 first half result was the absence of an earnings contribution from the Murray Basin, due to construction delays by the Engineering, Procurement and Construction (EPC) contractor. The strategic imperative for the development of the Murray Basin development was largely determined by the grade and assemblage declines inherent in the mature mining provinces of Western Australia. The construction delays of over a year from the original contracted completion date of October 2005, have denied Iluka the earnings stream that was intended to supplement Western Australian earnings from 2006.

The NPAT loss attributable to the discontinuing Florida/Georgia operations of A$17.3 million was based on earnings before interest and tax (EBIT) of negative US$15.8 million, which was lower than the estimated US$17.0 million loss previously advised by the company for the first half of 2006. The loss was higher than that for the first half of 2005 due to lower production associated with the staged closure and higher input costs for energy, mining services and labour.

Earnings per share (eps) for the first half of 2006 was 13.8 cents. This compares with first half 2005 eps of 34.1 cents. EPS excluding the discontinuing Florida/Georgia operations was 21.3 cents. The comparable 2005 eps was 37.8 cents.

Cash flow from operations of $75.7 million was 37.9% lower than 2005 first half cash flow from operations of $121.9 million, primarily reflecting lower operating EBIT. EBITDA was $120.0 million for the first half of 2006, compared with $187.6 million in the first half of 2005. Operating cash flow expressed as a multiple of interest paid (operating cash flow excluding net interest paid/net interest paid) was 5.1 times at 30 June 2006 compared with 9.6 times at 30 June 2005.

The Directors have declared a fully franked interim dividend of 10 cents per share. Iluka's 2005 interim dividend was 10 cents (franked to 5 cents or 50%). The final 2005 dividend was 12 cents (franked to 9.6 cents or 80%).

Operating Results

The composition of the company's 2006 half year operating results are summarised in Table 1, with a brief narrative accompanying each line item provided below.

Table 1: Group Profit and Loss Summary – $m

	1st Half 2006	1st Half 2005	Variance $m
Sales Revenue	**473.9**	**446.6**	**27.3**
EBIT			
- Mineral Sands; excluding Florida/Georgia	66.3	84.3	(18.0)
- Mineral Sands; Florida/Georgia	(21.2)	(11.1)	(10.1)
- Hedging	12.4	30.4	(18.0)
- Narama Coal	7.1	7.9	(0.8)
- Mining Area C	10.2	16.0	(5.8)
- Asset Sales	0.3	5.8	(5.5)
- Other Earnings	0.6	5.6	(5.0)
- Unrecovered Corporate	(12.3)	(11.9)	(0.4)
Total EBIT	**63.4**	**127.0**	**(63.6)**
Net Interest Costs	(19.5)	(14.6)	(4.9)
Interest Capitalisation	7.3	4.6	2.7
Other Financing Costs	(7.1)	(7.0)	(0.1)
Profit Before Tax and Minority Interests	**44.1**	**110.0**	**(65.9)**
Tax Expense	(7.8)	(24.8)	17.0
Minority Interests	(4.1)	(5.9)	1.8
Net Profit After Tax and Minority Interests (including Florida/Georgia)	**32.2**	**79.3**	**(47.1)**
Net Profit After Tax and Minority Interests (continuing business)	**49.5**	**88.1**	**(38.6)**

Sales Revenue

Sales revenue increased by 6.1% to $473.9 million.

The increased sales revenue related mainly to higher zircon prices and moderately higher prices for high-grade titanium dioxide products.

Sales volumes for mineral sands products declined by 6.9% half year-on-half year. A strong production performance in the Mid West operations in Western Australia was largely offset by lower production and sales volumes across other operations.

The gain from currency hedging ($12.4 million), which is included in sales revenue, was $18.0 million lower than the corresponding half in 2005 due to a lower volume of hedge contracts.

Mineral Sands Earnings – Excluding Florida/Georgia

The half year-on-half year phasing of Iluka's mineral sands earnings, typically, has been highly variable according to sales timing, changes in selling prices, exchange rate fluctuations and movements in grade and assemblage. This is illustrated in table 2 below which shows mineral sands earnings by half year for periods since 2003.

Table 2 Mineral Sands Earnings by Half Year 2003 – 2006

A$M	2003		2004		2005		2006
	H1	H2	H1	H2	H1	H2	H1
Mineral Sands Earnings (excluding Florida / Georgia)	48.7	36.7	47.2	75.0	84.3	54.9	66.3

Notwithstanding the favourable impact of increased selling prices and a lower average exchange rate, first half 2006 Mineral Sands earnings (excluding Florida/Georgia, hedging and asset sales), of $66.3 million were $18.0 million lower than the first half of 2005. This variance is primarily attributable to the Western Australian operations, which in the first half of 2006 did not enjoy the favourable mineralisation which assisted first half 2005 earnings. During the first half of 2005, the Western Australian operations benefited from favourable short term grade and assemblage characteristics associated with the ore bodies being mined at Depot Hill and Yoganup West. The negative half year-on-half year earnings impact associated with grade and assemblage differentials was compounded by increased costs during 2006, associated with clay handling issues and longer truck haulage distances from new, more remote mine sites at Gingin and Wagerup, to processing facilities. In addition, all operations were adversely affected by the higher energy, labour and mining services costs being experienced across the broader resources sector.

Mineral Sands Earnings – Florida/Georgia

In December 2005 Iluka announced the staged closure of the Florida/Georgia operations. Milestones in this closure progress have included the cessation of Florida mining/concentrating in February 2006 and the cessation of Georgia mining/concentrating in June 2006. The lower throughputs and other costs associated with the staged closure increased the EBIT loss from A$11.1 million for the first half of 2005 to A$21.2 million for the first half of 2006.

Narama Coal

Narama Coal EBIT of $7.1 million represents Iluka's 50% share of the Narama Coal Joint Venture in the Hunter Valley, New South Wales, operated by Xstrata. 2006 first half EBIT was $7.1 million compared with $7.9 million for the first half of 2005. The decrease was due to the timing of maintenance and accelerated production and sales deliveries in previous periods.

Mining Area C

Iluka holds a royalty interest in BHP Billiton's Mining Area C Iron Ore operations located in the Pilbara region of North West, Western Australia. Iluka's royalty interest comprises a 1.25% royalty on F.O.B sales and a $1 million "once only" capacity payment for every million tonne production threshold achieved in excess of five million tonnes. First half 2006 EBIT was $10.2 million compared with $16.0 million for the first half of 2005. The lower EBIT contribution in 2006 relates mainly to lower capacity payments relative to the corresponding period.

Currency Hedging

The EBIT contribution from currency hedging arrangements was $12.4 million in the first half of 2006, which was $18.0 million lower than the 2005 half. The lower hedging gains reflect reduced currency hedging cover carried into 2006, the higher average hedge contract rates and lower prevailing A$:US$ spot rate (0.7435 in the first half of 2006 compared with 0.7728 in the first half of 2005).

Asset Sales

In the first half of 2006 there were no significant asset sales. In comparison, asset sales in the first half of 2005 generated an EBIT contribution of $5.8 million.

Other Earnings

There was no significant contribution from Other Earnings during the 2006 first half compared with the first half of 2005. EBIT in 2005 of $5.6 million related to coal compensation receipts, royalty income from the Nardell coal leasehold and proceeds from previously deferred settlement amounts in relation to the 2002 PT Koba Tin sale.

Unrecovered Corporate

Unrecovered corporate costs remained broadly in line with the first half of 2005, at $12.3 million.

Net Interest Costs

Interest costs (net of interest income) for the first half of 2006 were $19.5 million, a $4.9 million increase from the first half of 2005. This increase was due to the increase in net debt from $492.5 million at 30 June 2005 to $610.5 million at 30 June 2006, due primarily to capital expenditure associated with the Douglas Murray Basin development.

Interest Capitalisation

Interest capitalisation primarily refers to financing for the Murray Basin project. Interest is capitalised to the extent that it represents a necessary cost of bringing the assets to a ready-for-use stage. The increase in the amount capitalised ($7.3 million in the first half of 2006 compared with $4.6 million in the first half of 2005) mainly reflects the increase in Murray Basin capital investment over 2005 and 2006 as construction of the mine site, mining unit plant, wet concentrator plant and mineral separation plant progressed.

Other Financing Costs

Australian equivalents to International Financial Reporting Standards require the present value of the ultimate restoration and closure costs in respect of an asset to be brought to account as a balance sheet provision. The discounting underlying the present value calculation is then "unwound" through the income statement as a financing charge over time. This represented an amount of $6.9 million at 30 June 2006 compared with $6.7 million at 30 June 2005. The balance of other financing costs represents amortisation of deferred borrowing costs.

Income Tax Expense

Income tax expense for the first half of 2006 was $7.8 million which represents an effective tax rate of 18%. This effective tax rate is lower than the prevailing corporate tax rate (30%) primarily due to the concessional tax treatment of eligible research and development expenditure and also due to the recognition of previously unbooked tax losses.

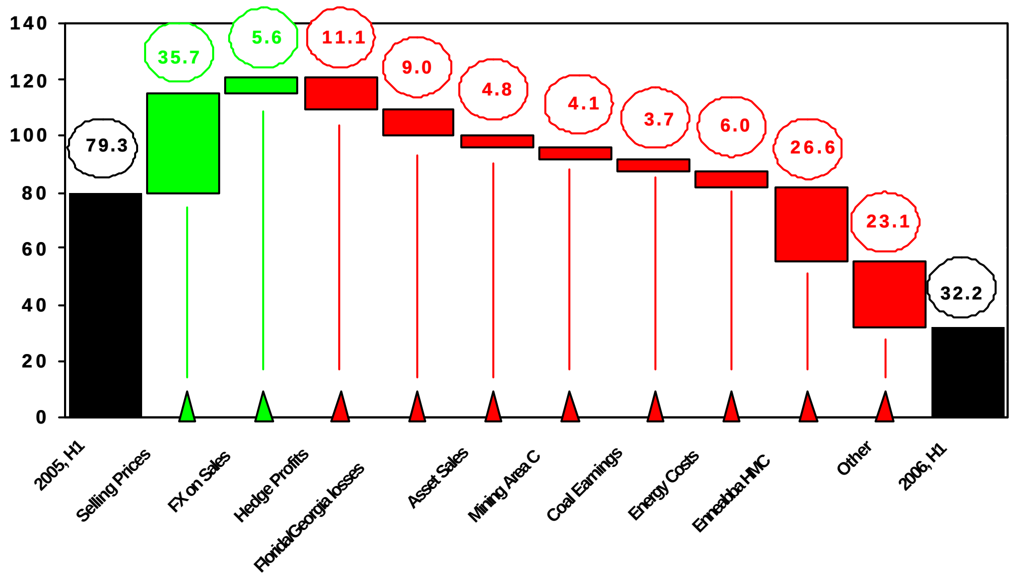
Minority Interests

Minority interests totalled $4.1 million in the first half of 2006, compared with $5.9 million in the first half of 2005. These amounts primarily reflect the third party holdings (totalling 48.96%) in Consolidated Rutile Limited (Iluka holding: 51.04%). The decrease in the minority interest charge predominantly relates to the decrease in the NPAT of Consolidated Rutile Ltd (CRL) in the first half of 2006 compared with in the first half of 2005.

Section II – Half Year-on-Half Year Net Profit Variances

The significant half year-on-half year movements in NPAT and Minority Interests are summarised in Chart 1 below in conjunction with Explanatory Notes 1-10.

Chart 1: 1st Half 2006 Net Profit after Tax and Minority Interests – Significant Half Year-on-Half Year Variances



1. Selling Prices (+ve $35.7 million)

2006 first half NPAT reflected significant pricing increases compared with the first half of 2005, attributable primarily to zircon and to a lesser extent, high quality titanium doxide products (primarily rutile). Zircon price increases resulted from market undersupply conditions, which have characterised the zircon market in recent years.

2. Foreign Exchange on Australian Revenue (+ve $5.6 million)

The sales weighted average A$:US$ exchange rate applying to Iluka's Australian based US$ revenues for the first half of 2006 was 0.7435 compared with 0.7728 for the first half of 2005. The weaker Australian dollar increased the translated value of Australian sourced, US denominated sales by $8.9 million on a pre-hedge basis. This equates to a positive half year-on-half year impact of $5.6 million after tax and minority interests.

3. Currency Hedging (-ve $11.1 million)

The EBIT contribution from currency hedging in the first half of 2006 was $12.4 million compared with $30.4 million in the first half of 2005. This EBIT differential of $18.0 million equates to $11.1 million after tax and minority interests. The lower hedging profit resulted from the combined effect of reduced volume of hedge cover carried into 2006 compared with 2005 and the lower average exchange rate that prevailed during the first half of 2006 (A$:US$0.7435 for the first half of 2006 compared with A$:US$0.7728 for the first half of 2005).

4. Florida/Georgia Operating Losses (-ve $9.0 million)

The Florida/Georgia operations generated an EBIT loss of A$21.2 million (US$15.8 million) for the first half of 2006 compared with A$11.1 million (US$8.6 million) for the first half of 2005. This increased loss of A$10.1 million equates to a loss of A$11.2 million (A$9.0 million after tax), with the exclusion of pricing and energy costs (disclosed as a separate item in the above half year-on-half year variance chart). This increase was associated with the phased cessation of mining and processing operations which resulted in lower production volumes and higher unit costs compared with the corresponding first half of 2005. After allowing for US tax credits generated by the EBIT loss, the NPAT difference between first half 2005 and first half 2006 was A$9.0 million.

5. Asset Sales (-ve $4.8 million)

Minor asset sales in the first half of 2006 contributed EBIT of $0.3 million, compared with $5.8 million in the first half of 2005. During the first half of 2005 disposals included the Whitby property in the South West of Western Australia and the Snapper deposit in the Murray Basin, Victoria, which contributed total EBIT of $5.8 million. The gross EBIT variance of $5.5 million resulted in an after tax difference of $4.8 million after allowing for taxation shelter from carried forward CGT losses.

6. Mining Area C (-ve $4.1 million)

In the first half of 2006, Mining Area C contributed $10.2 million to EBIT, comprising $3.0 million in capacity payments and $7.4 million in sales royalty, less $0.2 million in cost base amortisation. This compares to an EBIT contribution of $16.0 million in the first half of 2005, which comprised $10.0 million in capacity payments and $6.2 million in sales royalty, less $0.2 million in amortisation. The $5.8 million half on half EBIT differential equates to $4.1 million after tax.

7. Coal Earnings (-ve $3.7 million)

In the first half of 2006 coal EBIT totalled $7.1 million representing Iluka's 50% share of the Narama Joint venture. This compares with first half of 2005 coal earnings of $12.8 million, comprised of $8.0 million from Narama, $3.8 million from coal compensation receipts and $1.0 million in royalties from the Nardell underground coal interest. The absence of coal compensation income in the first half of 2006 reflects Iluka's approach of only recognising the coal compensation income upon advice of additional entitlements from the New South Wales Coal Compensation Board. No additional entitlements were advised during the six months to June 2006. The absence of the Nardell royalty income in the first half of 2006 reflects the disposal of Iluka's Nardell interest in October 2005. The half year-on-half year EBIT differential of $5.7 million equates to $3.7 million after tax and minority interests.

8. Energy Costs (-ve $6.0 million)

The first half of 2006 experienced significantly higher energy costs compared with the first half of 2005, particularly in relation to crude oil and natural gas based inputs such as petroleum, diesel and electricity. Energy costs are incurred directly as well as indirectly through various contract mining and transport arrangements. The increase in energy costs in the first half of 2006 compared with the first half of 2005 was approximately $8.7 million at the EBIT line and with a corresponding NPAT impact of approximately $6.0 million.

9. Eneabba Heavy Mineral Concentrate Costs (-ve $26.6 million)

In late 2004 and early 2005, the production of heavy mineral concentrate (HMC) in the Mid West benefited very substantially from the high grade dunal sand mining in the Depot Hill area of Eneabba. In contrast, in the first half of 2006, HMC production was characterised by lower grades and increased induration. The combined impact of these factors gave rise to a unit cost differential of approximately $70/t of HMC half year-on-half year. This resulted in an EBIT impact of $38 million, or $26.6 million on an after tax basis.

10. Other (-ve $23.1 million)

The aggregate of all other residual half year-on-half year variances represents a negative NPAT impact of $23.1 million. The key elements are as follows:

- clay handling issues at the newly established Gingin mine during the first half of 2006 adversely affected concentrate production and unit costs;
- feed quality challenges resulting from declining mineralogy in the mature South West operations generated additional costs associated with the mining and blending of multiple feed sources and an increased reliance on purchased ilmenite;
- in the first half of 2005, the South West benefited from lower unit costs associated with mining from the high grade Yoganup West ore body. These high grade areas were exhausted during 2005;
- equipment outages in the South West synthetic rutile plant in the second quarter of 2006 generated increased costs associated with both down time and repairs;
- the maturity of the Western Australian basin as a mining province has resulted in the necessity to develop mines which are progressively more remote from processing facilities. This had a greater cost impact during the first half of 2006 compared with the first half of 2005, particularly in relation to the Gingin and Wagerup mines;
- unseasonable wet weather in Western Australia in late 2005 increased the unit cost of closing inventory and was manifest as higher cost of goods sold upon sale of final products in the first half of 2006;
- a rise in general mining service costs in the first half of 2006 associated with the overall cost trend within the resources sector;
- an increase in labour costs and turnover in an environment of high demand for scarce technical skills;
- exploration costs expensed to the income statement (that is, excluding capitalised amounts) were $6.0 million in the first half of 2006, which was a $3.1 million increase, compared with the amount for the first half of 2005. After tax, this difference equates to an NPAT impact of $2.2 million; and
- interest costs of $19.3 million in the first half of 2006, a $2.3 million increase compared with the first half of 2005. After tax, this difference equates to an NPAT impact of $1.6 million.

Section III – Balance Sheet, Cash Flow and Debt

Table 3: Balance Sheet by Operation as at 30 June 2006

$Am	Western Australia	Murray Basin	Virginia	CRL	Narama	Group
Receivables	108.3	0.6	20.3	20.6	2.4	**152.2**
Inventories	163.0	15.4	26.1	23.8	0.1	**228.4**
Deferred overburden	2.8	17.2	1.9	0.6	-	**22.5**
Trade payables and accruals	(92.0)	(4.6)	(6.9)	(8.4)	(0.8)	**(112.7)**
Employee benefits and other provisions	(22.0)	(0.9)	(0.4)	(4.7)	-	**(28.0)**
Rehabilitation & restoration provisions	(193.6)	(8.6)	(9.3)	(24.3)	(6.2)	**(242.0)**
Land & Buildings	48.4	7.5	0.3	6.3	1.6	**64.1**
Plant, Machinery & Equipment	398.7	147.2	69.8	84.3	16.7	**716.7**
Mine Reserves & Development	130.7	129.5	3.8	52.7	12.9	**329.6**
Project development	-	150.5	-	-	-	**150.5**
Capitalised Exploration	11.1	42.8	-	-	-	**53.9**
Intangibles	8.7	-	-	-	-	**8.7**
Operational Funds Employed	**564.1**	**496.6**	**105.6**	**150.9**	**26.7**	**1,343.9**
Capitalised Eucla Expenditure						**16.0**
Mining Area C						**16.7**
Corporate and Other Unallocated Funds Employed						**(0.1)**
Discontinuing (Florida/Georgia) Funds Employed net of Closure Provisions						**11.9**
Mark-to-Market Hedge book						**42.6**
Tax Balances						**(65.1)**
Net Investment						**1,365.9**
Funded by:						
Net Debt						**610.5**
Shareholders Funds						**755.4**
Net Funding						**1,365.9**

At 30 June 2006, Iluka had funds employed totalling $1,365.9 million, funded by shareholders' equity of $755.4 million and net debt of $610.5 million. The net debt amount represents an increase of $118.0 million compared with the corresponding balance of $492.5 million at 30 June 2005.

Gearing (net debt/net debt + equity) was 44.7% at 30 June 2006, compared with 33.9% at 30 June 2005. This increase in gearing reflects both the higher debt levels as well as the reduction in balance sheet equity resulting from the one-off charges as at December 2005.

Operating cash flow expressed as a multiple of interest paid (operating cash flow excluding net interest paid / net interest paid) was 5.1 times at 30 June 2006 versus 9.6 times at 30 June 2005. The first half 2006 increase in net debt is reconciled in Table 4.

Table 4: Increase in Net Debt – $m

	Increase in Net Debt		
	1st Half 2006	**1st Half 2005**	**2nd Half 2005**
Opening Net Debt	**(554.2)**	**(404.4)**	**(492.5)**
Operating Cash Flow	75.7	121.9	105.1
Payments for Property, Plant & Equipment	(98.3)	(172.8)	(169.1)
Proceeds from Disposals	0.5	2.9	39.0
Dividends Paid	(34.3)	(30.6)	(27.5)
Exchange Revaluation of Foreign Denominated Borrowings	0.3	(3.6)	(9.1)
Other	(0.2)	(5.9)	(0.1)
Increase in Net Debt	**(56.3)**	**(88.1)**	**(61.7)**
Closing Net Debt	**(610.5)**	**(492.5)**	**(554.2)**

Operating Cash Flow

Iluka generated a reduced operating cash flow for the first half 2006 of $75.7 million compared with $121.9 million in the first half of 2005 due primarily to the lower EBIT level.

Capital Expenditure

Capital expenditure for the first half of 2006 was $98.3 million, compared with $172.8 million for the first half of 2005. The lower capital expenditure is attributed mainly to significantly lower capital spend associated with the Douglas project in the Murray Basin.

Dividends Paid

Dividend payments for the first half of 2006 totalled $34.3 million compared with $30.6 million in the first half of 2005, reflecting increased payments to minority shareholders of CRL and Ashton Coal. Dividend payments to Iluka shareholders were unchanged at $27.9 million.

Section IV - Operational Overview

Western Australian Operations

Financial Summary:

		1st Half 2006	1st Half 2005	% change
Total Sales Volumes				
- Rutile	kt	33.8	36.2	(6.6)
- Ilmenite	kt	134.2	166.7	(19.5)
- Synthetic Rutile	kt	239.1	240.5	(0.6)
- Zircon	kt	147.8	135.0	9.5
- Other[1]	kt	10.0	16.6	(39.8)
Sales Revenue (pre-hedging)	$m	310.3	275.7	12.6
Cost of Production	$m	274.8	249.1	(10.3)
Stock Movements	$m	(3.0)	(32.4)	90.7
Cost of Goods Sold	$m	271.8	216.7	(25.4)
EBIT (pre-hedging & asset Sales)	$m	38.5	59.0	(34.7)
Hedging	$m	10.7	24.3	(56.0)
Asset Sales	$m	0.3	2.8	(89.3)
Total EBIT	$m	49.5	86.1	(42.5)
Depreciation & Amortisation (included in EBIT)	$m	38.5	45.9	16.1
EBITDA	$m	88.0	132.0	(33.3)
Capital Expenditure	$m	48.4	48.1	(0.6)

[1] Includes Hyti 91 and Hyti 70

Key Points:

- higher sales revenue was associated with higher prices for zircon and high grade titanium dioxide products, as well as higher zircon sales. Partially off-setting these factors were lower ilmenite and rutile sales, largely reflecting the timing of shipments, moving from the first half into the second half;
- the Mid West operations undertook a successful 13 week major maintenance outage associated with the upgrading of one of the region's two synthetic rutile kilns. Despite the planned interruption to synthetic rutile production, customer sales were not impacted as sufficient product was stockpiled to meet sales requirements. The refurbished kiln has recommenced operations;
- in the first half of 2006 the hedging benefit for the Western Australian operations was $10.7 million compared with $24.3 million in the first half of 2005 due to lower volumes of hedge contracts; and
- EBIT (pre-hedging and asset sales) declined by 34.7% to $38.5 million. The major factors affecting the half year earnings included higher unit costs associated with mining lower grade and increased induration ore at Eneabba, relative to the unit cost of ore mined in late 2004 and 2005. Other factors adversely affecting the Western Australian earnings include higher transportation costs associated with mining ore bodies located further from

processing facilities. Higher input costs, such as energy, labour and mining services, which have been a feature of the broader resources sector, also adversely affected earnings. Refer to Section II – 8, 9 & 10 above for additional information.

CRL
(Note: figures below are on a 100% basis. Iluka has a 51.04% interest in CRL).

Financial Summary:

		1st Half 2006	1st Half 2005	% change
Total Sales Volumes				
- Rutile	kt	33.3	37.8	(11.9)
- Ilmenite	kt	79.2	84.5	(6.3)
- Zircon	kt	24.8	25.5	(2.7)
Sales Revenue (pre-hedging)	$m	55.4	50.5	9.7
Cost of Production	$m	46.6	40.0	(16.5)
Stock Movements	$m	(2.1)	0.2	n/a
Cost of Goods Sold	$m	44.5	40.2	(10.7)
EBIT (pre-hedging and asset sales)	$m	10.9	10.3	5.8
Hedging	$m	1.7	6.1	(72.1)
Asset Sales	$m	-	-	-
Total EBIT	$m	12.6	16.4	(23.2)
Depreciation & Amortisation	$m	7.2	5.4	(33.3)
EBITDA	$m	19.8	21.8	(9.2)
Capital Expenditure	$m	6.4	5.2	(23.1)

Key Points:

- sales revenue was positively influenced by higher zircon and rutile prices. Offsetting these factors were lower sales of rutile and zircon associated with lower mill production of these products as a result of the commencement of planned modifications to the dry mill circuit involving the installation of new equipment to improve throughput. While ilmenite production increased 5.9% on a year-to-date basis, lower sales reflects the timing of shipments;
- in the first half of 2006 CRL recorded a gain on foreign currency hedging of $1.7 million, compared with $6.1 million in the first half of 2005; and
- EBIT (pre-hedging and asset sales) increased by 5.8% to $10.9 million reflecting increased prices, offset by lower sales and higher unit cash costs associated with higher labour, energy and consumable inputs.

Virginia - USA

Financial Summary:

		1st Half 2006	1st Half 2005	% change
Total Sales Volumes - Ilmenite - Zircon	 kt kt	 132.7 32.6	 137.8 31.8	 (3.7) 2.5
Sales Revenue	A$m	54.6	44.3	23.3
Cost of Production	A$m	44.5	32.7	(36.1)
Stock Movements	A$m	(6.8)	(3.4)	100.0
Cost of Goods Sold	A$m	37.7	29.3	(28.7)
EBIT	A$m	16.9	15.0	12.7
Depreciation & Amortisation	A$m	7.1	4.2	(69.0)
EBITDA	A$m	24.0	19.2	25.0
Capital Expenditure	A$m	1.8	2.6	30.8

Key Points:

- Virginia sales revenue increased by 23.3% relative to the first half of 2005 as a result of higher zircon prices, as well as higher ilmenite prices associated with higher product quality and
- the EBIT increase of 12.7% reflected higher sales volume, offset in part by costs associated with bringing forward of field services work, including the construction of berms, as well as higher energy and other input costs.

Florida/Georgia – USA

Financial Summary:

		1st Half 2006	1st Half 2005	% change
Total Sales - Rutile - Ilmenite - Zircon - Leucoxene	 kt kt kt kt	 8.0 12.6 9.9 14.2	 15.1 19.2 15.9 17.3	 (47.0) (34.4) (37.7) (17.9)
Sales Revenue	A$m	19.7	27.0	(27.0)
Cost of Production	A$m	41.6	36.9	(12.7)
Stock Movements	A$m	(0.7)	1.2	158.3
Cost of Goods Sold	A$m	40.9	38.1	(7.3)
EBIT	A$m	(21.2)	(11.1)	(91.0)
Depreciation & Amortisation	A$m	0.8	3.0	73.3
EBITDA	A$m	(20.4)	(8.1)	(151.8)
Capital Expenditure	A$m	-	5.7	n/a

Key Points:

- the Florida/Georgia operations were in a staged closure during the first half of 2006, with mining and dry mill treatment of concentrate ceasing in the first half;
- processing of zircon tails will occur in the second half when operations are scheduled to cease; and

- lower sales volumes and revenues and the increased EBIT loss reflect the staged closure activities and costs associated with ceasing operations.

Section V – Outlook

The company has previously advised that it expects a stronger second half earnings associated with higher zircon production and sales and higher second half zircon prices.

Iluka confirms its full year earnings guidance for its continuing business (excluding Florida/Georgia) of $115.0 million to $125.0 million NPAT. This advice is based on an average spot rate of 0.76 cents prevailing over the remainder of 2006, with a minimal, if any, financial contribution from the Murray Basin in this financial year.

The full year operational loss for Florida/Georgia is not expected to exceed US$20.0 million. Dependent on the finalisation of the sale of the Brunswick land holding, which is expected in the second half, the loss should be partially offset by the profit on the sale of this land.

Section VI – Other Matters

Matters Subsequent to the End of the Financial Period

The Directors have not become aware of any other matter or circumstance that has or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

Iluka Resources Limited
Interim Report - 30 June 2006

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2005 and any public announcements made by Iluka Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Directors' Report

The Directors present their report on the consolidated entity consisting of Iluka Resources Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2006.

Directors

The following individuals were Directors of Iluka Resources Limited during the whole of the half-year and up to the date of this report:

Ian Colin Robert Mackenzie (Chairman)

Grahame David Campbell

Valerie Anne Davies

Robert Lindsay Every

Keith Michael Folwell

Donald Marshall Morley

John Pizzey

Gavin John Rezos was appointed a Director on 20 June 2006 and continues in office at the date of this report.

William Henry John Barr was a Director until his resignation on 11 May 2006.

Richard August Tastula was a Director until his resignation on 11 May 2006.

Review of operations

Revenue for the half-year ended 30 June 2006 was $485.4 million (2005: $464.3 million).

Profit before income tax expense for the half-year ended 30 June 2006 was $44.1 million (2005: $110.0 million).

Profit attributable to members of Iluka Resources Limited for the consolidated entity for the half-year ended 30 June 2006 was $32.2 million (2005: $79.3 million).

Dividends - Iluka Resources Limited

A fully franked interim dividend of 10.0 cents per share (2005: 10 cents, partly franked to 5.0 cents) has been declared by the Directors. The interim dividend will be paid on 6 October 2006, with a record date being 22 September 2006.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 18.

Matters subsequent to balance date

The Directors have not become aware of any other matter or circumstance which may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

Rounding amounts to the nearest hundred thousand dollars

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest hundred thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.

Ian Colin Robert Mackenzie
Chairman

Donald Marshall Morley
Director

Sydney
24 August 2006

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Auditor's Independence Declaration

As lead auditor for the review of Iluka Resources Limited for the half year ended 30 June 2006,
I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Iluka Resources Limited and the entities it controlled during the period.

David J Smith
Partner
PricewaterhouseCoopers

Perth
24 August 2006

Iluka Resources Limited
Consolidated Income Statement
For the half-year ended 30 June 2006

	Notes	Half-year **2006** **$M**	2005 $M
Revenue	3	**485.4**	464.3
Other income	4	**1.9**	12.0
Expenses, excluding borrowing costs expense	5	**(423.2)**	(348.9)
Interest and finance charges		**(13.1)**	(10.7)
Rehabilitation, restoration and other borrowing cost unwind		**(6.9)**	(6.7)
Total borrowing costs	5	**(20.0)**	(17.4)
Profit before income tax		**44.1**	110.0
Income tax expense	6	**(7.8)**	(24.8)
Profit for the half-year		**36.3**	85.2
Profit attributable to minority interest		**(4.1)**	(5.9)
Profit attributable to members of Iluka Resources Limited		**32.2**	79.3
		Cents	Cents
Basic earnings per share	11	**13.8**	34.1
Diluted earnings per share	11	**13.8**	34.1

The above consolidated income statement should be read in conjunction with the accompanying notes.

Iluka Resources Limited
Consolidated Balance Sheet
As at 30 June 2006

	Notes	**30 June 2006 $M**	31 December 2005 $M
ASSETS			
Current assets			
Cash and cash equivalents		**19.4**	18.2
Receivables		**160.3**	192.6
Inventories		**228.9**	199.9
Derivative financial instruments		**34.4**	25.8
Other		**22.7**	16.5
		465.7	453.0
Non-current assets classified as held for sale		**6.5**	-
Total current assets		**472.2**	453.0
Non-current assets			
Receivables		**4.7**	5.4
Inventories		**5.4**	5.3
Other financial assets		**0.7**	0.6
Property, plant and equipment		**1,366.1**	1,334.9
Derivative financial instruments		**8.2**	24.2
Deferred tax assets		**24.3**	22.6
Intangible assets		**17.6**	18.5
Total non-current assets		**1,427.0**	1,411.5
Total assets		**1,899.2**	1,864.5
LIABILITIES			
Current liabilities			
Payables		**133.3**	148.2
Interest bearing liabilities		**173.4**	145.9
Current tax liabilities		**7.0**	15.3
Provisions		**61.3**	58.1
Derivative financial instruments		**-**	0.4
Total current liabilities		**375.0**	367.9
Non-current liabilities			
Interest bearing liabilities		**456.5**	426.5
Deferred tax liabilities		**82.4**	81.1
Provisions		**229.8**	231.6
Other		**0.1**	0.1
Derivative financial instruments		**-**	0.2
Total non-current liabilities		**768.8**	739.5
Total liabilities		**1,143.8**	1,107.4
Net assets		**755.4**	757.1
EQUITY			
Contributed equity	7	**611.0**	611.0
Reserves		**53.3**	57.2
Retained profits		**24.9**	20.6
Parent entity interest		**689.2**	688.8
Minority interest		**66.2**	68.3
Total equity		**755.4**	757.1

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

	Half-year	
	2006	2005
	$M	$M
Exchange differences on translation of foreign entities	**-**	0.3
Cash flow hedges, net of tax	**(4.6)**	(26.2)
Net expense recognised directly in equity	**(4.6)**	(25.9)
Profit for the half-year	**36.3**	85.2
Total recognised income and expense for the half-year	**31.7**	59.3
Total recognised income and expense for the half-year is attributable to:		
Members of Iluka Resources Limited	**27.5**	49.1
Minority interest	**4.2**	10.2
	31.7	59.3

The above consolidated statement of recognised income and expense should be read in conjunction with the accompanying notes.

	Notes	Half-year 2006 $M	2005 $M
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**511.8**	446.8
Payments to suppliers and employees (inclusive of goods and services tax)		**(426.1)**	(339.0)
		85.7	107.8
Interest received		**0.5**	0.4
Borrowing costs		**(19.0)**	(14.6)
Income taxes paid (net)		**(14.9)**	(2.6)
Goods and services tax received		**23.8**	29.0
Payments for exploration expenditure		**(9.6)**	(9.2)
Coal compensation receipts		**1.5**	3.8
Royalty income		**6.6**	4.9
Receipts from other operating activities		**1.1**	2.4
Net cash inflow from operating activities	10	**75.7**	121.9
Cash flows from investing activities			
Payments for property, plant and equipment		**(98.3)**	(172.8)
Proceeds from sale of property, plant and equipment		**0.5**	2.9
Net cash (outflow) from investing activities		**(97.8)**	(169.9)
Cash flows from financing activities			
Proceeds from borrowings		**67.1**	118.1
Repayment of borrowings		**(9.5)**	(23.5)
Dividends paid	8	**(27.9)**	(27.9)
Dividends paid to minority interests in controlled entities		**(6.4)**	(2.7)
Net cash inflow from financing activities		**23.3**	64.0
Net increase in cash and cash equivalents		**1.2**	16.0
Cash and cash equivalents at the beginning of the half-year		**18.2**	13.6
Effects of exchange rate changes on cash and cash equivalents		**-**	0.1
Cash and cash equivalents at the end of the half-year		**19.4**	29.7

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 30 June 2006 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2005 and any public announcements made by Iluka Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 Segment information

Primary reporting format - business segments

Half-year 2006	Titanium Minerals & Zircon $M	Coal $M	Iron Ore Royalty $M	Unallocated $M	Total $M
Sales to external customers	**452.3**	**21.6**	**-**	**-**	**473.9**
Other revenue/income	**1.7**	**-**	**10.4**	**1.3**	**13.4**
Total segment revenue	**454.0**	**21.6**	**10.4**	**1.3**	**487.3**
Segment result	**57.8**	**7.1**	**10.2**	**-**	**75.1**
Rehabilitation, restoration and other borrowing cost unwind					**(6.9)**
Interest and finance costs					**(13.1)**
Corporate administration and finance					**(12.3)**
Unallocated revenue					**1.3**
Profit before income tax					**44.1**

Half-year 2005	Titanium Minerals & Zircon $M	Coal $M	Iron Ore Royalty $M	Unallocated $M	Total $M
Sales to external customers	428.0	18.6	-	-	446.6
Other revenue/income	7.5	4.9	16.2	1.1	29.7
Total segment revenue/income	435.5	23.5	16.2	1.1	476.3
Segment result	109.6	12.6	16.0	-	138.2
Rehabilitation, restoration and other borrowing cost unwind					(6.7)
Interest and finance costs					(10.7)
Corporate administration and finance					(11.9)
Unallocated revenue					1.1
Profit before income tax					110.0

3 Revenue

	Half-year 2006 $M	Half-year 2005 $M
Sales revenue		
Sale of goods	**473.9**	446.6
Other revenue		
Royalty income	**10.4**	17.1
Interest income	**0.7**	0.4
Dividends	**0.1**	-
Rental income	**0.3**	0.2
	11.5	17.7
Revenue	**485.4**	464.3

4 Other income

	Half-year 2006 $M	Half-year 2005 $M
Profit on sale of property, plant and equipment	**0.3**	2.8
Deferred settlement income	**-**	0.8
Coal compensation receipts	**-**	3.8
Sundry income	**0.8**	0.2
Foreign exchange gains (net)	**0.8**	1.4
Profit on sale of exploration tenements	**-**	3.0
Other income	**1.9**	12.0

5 Expenses

	Half-year	
	2006	2005
	$M	$M
Cost of production	**322.8**	253.5
Depreciation	**45.0**	42.1
Amortisation	**17.4**	18.5
Cost of sales of goods	**385.2**	314.1
Corporate administration and finance	**12.3**	11.9
Marketing and selling including royalties	**16.4**	16.9
Research and development	**3.5**	3.3
Exploration and evaluation	**5.8**	2.7
Expenses, excluding borrowing costs expense	**423.2**	348.9
Borrowing costs		
Interest and finance charges paid/payable	**20.2**	15.0
Rehabilitation, restoration and other borrowing cost unwind	**6.9**	6.7
Amortisation of deferred borrowing costs	**0.2**	0.3
Interest capitalised	**(7.3)**	(4.6)
Borrowing costs expense	**20.0**	17.4

6 Income tax

	Half-year 2006 $M	Half-year 2005 $M
(a) Income tax expense		
Current tax	**9.0**	6.7
Deferred tax	**4.1**	21.7
Over provided in prior years	**(2.2)**	(3.6)
Deferred tax asset not previously brought to account	**(3.1)**	-
	7.8	24.8

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Half-year 2006 $M	Half-year 2005 $M
Profit before income tax expense	**44.1**	110.0
Tax at the Australian tax rate of 30% (2005: 30%)	**13.2**	33.0
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Unfranked dividends received	**0.5**	-
Tax base of foreign exchange hedge contracts	**(0.3)**	(1.0)
Capital gains shielded by capital losses	**-**	(0.9)
Research and development	**(2.0)**	(3.2)
Other non-deductible items	**0.8**	0.6
	12.2	28.5
Difference in overseas tax rates	**0.9**	(0.1)
Over provision in prior years	**(2.2)**	(3.6)
Deferred tax assets not previously brought to account	**(3.1)**	-
Income tax expense	**7.8**	24.8

7 Contributed equity

	30 June 2006 Number of shares	31 December 2005 Number of shares	**30 June 2006 Paid up value $M**	31 December 2005 Paid up value $M
Ordinary securities at beginning and end of period	**232,914,349**	232,914,349	**611.0**	611.0

8 Dividends

	Half-year 2006 $M	Half-year 2005 $M
Ordinary shares		
Dividends provided for or paid during the half-year	**27.9**	27.9

Dividends not recognised at the end of the half-year

	2006 $M	2005 $M
In addition to the above dividends, since the end of the half-year the Directors have recommended the payment of an interim dividend of 10.0 cents fully franked (2005: 10.0 cents partly franked to 5.0 cents) per fully paid ordinary share. The aggregate amount of the proposed dividend expected to be paid on 6 October 2006 out of retained profits at 30 June 2006, but not recognised as a liability at the end of the half-year, is	**23.3**	23.3

9 Contingent liabilities and assets

	30 June 2006 $M	31 December 2005 $M
Contingent liabilities		
Performance and financial guarantees	**71.4**	70.3

(a) The consolidated entity has negotiated a number of bank guarantees in favour of various government authorities and service providers to meet its obligations under exploration and mining tenements.

(b) There is some risk that native title, as established by the High Court of Australia's decision in the Mabo case, exists over some of the land over which the consolidated entity holds tenements or over land required for access purposes. It is impossible at this stage to quantify the impact (if any) which these developments may have on the operations of the consolidated entity.

(c) In the course of its normal business, the consolidated entity occasionally receives claims arising from its operating activities. In the opinion of the Directors, all such matters are covered by insurance, or, if not covered, are without merit or are of such a kind or involve such amounts that would not have a material adverse effect on the operating results or financial position of the consolidated entity if settled unfavourably.

(d) In December 2005, the consolidated entity announced that it received notices of dispute from Roche Mining Pty Ltd, a subsidiary of Downer EDI Limited, under the contract for the design and construction of the Iluka Douglas Mineral Sands Project in Victoria. The total amount of the claim is for $105.3 million. The claims were assessed in detail and rejected. The claims the subject of the notices of dispute are being dealt with under the dispute resolution provisions of the contract.

9 Contingent liabilities and assets (continued)

Contingent assets

In the 1980's the consolidated entity held certain coal leases and associated royalties in New South Wales ("NSW") that were compulsorily acquired by the NSW Government pursuant to the Coal Acquisition Act 1981 (the "1981 Act"). Under the 1981 Act the NSW Government is required to provide compensation to the prior owners for the loss of historical and future royalty earnings. Early in 2005, the NSW Government passed the Coal Compensation Amendment Act which modifies the royalty calculation used in determining compensation from ad valorem (i.e. % of coal sales price) to a fixed amount per tonne for all claims not yet finalised.

The amount of compensation is to be determined and agreed by the Coal Compensation Board and is dependent upon mine plans submitted from current or proposed operators. The amount thereby determined is then subject to the consolidated entity's right of appeal.

The consolidated entity is unable to estimate with any accuracy the quantum and/or timing of any future compensation payments until the determination process is complete. For the half-year to 30 June 2006, no coal compensation income was recognised in the income statement (30 June 2005: $3.8 million).

10 Reconciliation of profit after income tax to net cash inflow from operating activities

	Half-year	
	2006	2005
	$M	$M
Profit after income tax	**36.3**	85.2
Depreciation and amortisation	**62.6**	60.9
Previously capitalised exploration expenditure written off	**0.4**	0.3
Current year exploration expenditure capitalised	**(4.0)**	(6.7)
Interest capitalised	**(7.3)**	(4.6)
Net gain on disposal of property, plant and equipment	**(0.3)**	(5.8)
Net exchange differences	**0.9**	(0.1)
CRL Enterprise mine transition costs	**-**	(2.4)
Rehabilitation, restoration and other borrowing cost unwind	**6.9**	6.7
Non-cash employee benefits expense - share-based payments	**0.7**	0.4
Change in operating assets and liabilities		
Decrease (increase) in receivables	**28.2**	(9.3)
Decrease (increase) in inventories	**(29.4)**	(33.1)
Decrease (increase) in deferred tax assets	**(1.9)**	5.6
Decrease (increase) in other operating assets	**(0.8)**	(5.9)
Increase (decrease) in payables	**(4.0)**	0.8
Increase (decrease) in other operating liabilities	**(2.2)**	17.3
Increase (decrease) in provision for income taxes payables	**(8.3)**	3.7
Increase (decrease) in provision for deferred tax liabilities	**3.1**	12.9
Increase (decrease) in other provisions	**(5.2)**	(4.0)
Net cash inflow from operating activities	**75.7**	121.9

11 Earnings per share

	Half-year	
	2006 **Cents**	2005 Cents
Basic earnings per share	**13.8**	34.1
Diluted earnings per share	**13.8**	34.1

Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share was 232,914,349 (2005: 232,914,349).

Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share was 232,914,349 (2005: 232,914,349).

In the Directors' opinion:

(a) the financial statements and notes set out on pages 19 to 29 are in accordance with the *Corporations Act 2001,* including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2006 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Iluka Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Ian Colin Robert Mackenzie
Chairman

Donald Marshall Morley
Director

Sydney
24 August 2006

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Independent review report to the members of Iluka Resources Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Iluka Resources Limited:

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of the Iluka Resources Limited Group (defined below) as at 30 June 2006 and of its performance for the half-year ended on that date, and
- is not presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for the Iluka Resources Limited Group (the consolidated entity), for the half-year ended 30 June 2006. The consolidated entity comprises both Iluka Resources Limited (the company) and the entities it controlled during that half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. For further explanation of a review, visit our website http://www.pwc.com/au/financialstatementaudit.

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We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations, changes in equity and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of company personnel/the responsible entity's personnel, and
- analytical procedures applied to financial data.

Our procedures include reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

David J Smith

David J Smith
Partner

Perth
24 August 2006

Additional dividend/distributions information *(Appendix 4D item 5)*

Details of dividends/distributions declared or paid during or subsequent to the half-year ended 30 June 2006 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security
6 April 2006	20 April 2006	Final	12.0 cents	$27,949,722	9.6 cents
22 September 2006	6 October 2006	Interim	10.0 cents	$23,291,435	10.0 cents