

NEWCREST



Financial Results

Six months ending 31 December 2004

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OVERVIEW

	31 Dec 2004 \$M	31 Dec 2003 \$M
Operating profit before interest, depreciation, significant items and tax	150.5	107.1
Operating profit before significant items and tax	92.4	46.4
Significant items	(7.9)	8.2
Operating profit/(loss) before income tax	84.5	54.6
Net profit/(loss) after tax and minority interest	53.8	38.4
Profit after tax but before significant items	59.3	32.7

Newcrest's net profit after tax was \$53.8M (\$38.4M). Profit after tax but before significant items increased 81% to \$59.3M (\$32.7M). The increase in operating earnings was based on:

- Increased sales volume of 432,010 ozs (351,922 ozs) with production from Toguraci.
- Cash cost per oz produced of \$121/oz (\$172/oz) after by-product credits.
- A higher achieved copper price of A\$1.79/lb (A\$1.22/lb).

Other Key Points

- Sales revenue increased to \$387.1M (\$315.0M)
- Achieved gold price A\$578/oz (A\$576/oz)
- Cash flow from operations increased 103% to \$169.4M (\$83.4M)
- Capital expenditure of \$450.1M relating mainly to the Telfer Project resulting in an increase in net debt of \$239M to \$1.195M
- Improved debt structure with Telfer Project debt refinanced with new bilateral facilities.
- The second half financials will incorporate Telfer's contribution commencing February 1st 2005 following completion of the project's pre-commissioning phase.

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A J Palmer
Managing Director & CEO
24 February 2005

(Numbers in brackets reflect the comparable figures for the 2003 financial results, unless negative values).



FINANCIAL STATEMENTS

Statement of Financial Performance

6 Months Ending	31 Dec 2004 \$M	31 Dec 2003 \$M
Spot gold sales	248.6	193.1
Gold hedging	1.1	12.1
Currency hedging	-	(2.3)
By-Product sales	144.9	110.1
Copper hedging	(7.5)	2.0
Total Sales Revenue	387.1	315.0
Mine costs	(203.4)	(173.0)
Exploration expense	(20.8)	(15.4)
Administration costs	(14.1)	(8.9)
Other expenses	(11.6)	(14.5)
Other income	13.3	3.9
Operating EBITDA	150.5	107.1
Depreciation and amortisation	(52.6)	(54.5)
Borrowing costs	(5.5)	(6.2)
Operating profit before tax and significant items	92.4	46.4
Provision for surplus foreign currency contracts	-	9.2
Provision for hedging contract restructures	(8.6)	(4.9)
FX gain on US\$ borrowing	0.7	3.9
Net profit/(loss) before income tax	84.5	54.6
Income tax (expense)/benefit	(27.1)	(17.3)
Net profit/(loss) after tax	57.4	37.3
Outside equity interest in controlled entity	(3.6)	1.1
Net profit after tax attributable to members of the Company	53.8	38.4
Cashflow Statement		
Cashflow from operating activities		
Sales receipts	400.8	314.1
Payments to suppliers and employees	(225.6)	(219.1)
Interest received	1.9	1.0
Borrowing costs paid	(5.6)	(6.2)
Income taxes paid	(0.1)	(0.6)
Other	(2.0)	(5.8)
	169.4	83.4
Cashflow from investing activities		
Exploration	(23.9)	(22.7)
Fixed assets, evaluation and mine development expenditure	(426.4)	(344.8)
Proceeds on sale of non-current assets	0.2	1.5
	(450.1)	(366.0)

Cashflow from financing activities

Proceeds from borrowings	271.2	274.4
Repayment of finance lease principal	(8.6)	(8.6)
Repayment of borrowings	(34.3)	(35.9)
Dividend paid	(15.6)	(13.4)
Proceeds from capital raising and share issues	6.3	3.5
	219.0	220.0
Effects of exchange rate changes to cash	3.3	(1.5)
Net increase/(decrease) in cash	(58.4)	64.1

Statement of Financial Position

	31 Dec 2004 \$M	30 June 2004 \$M
Cash	98.6	157.0
Accounts receivable	87.6	109.9
Investments	0.4	0.3
Inventories	87.7	40.2
Deferred foreign exchange loss	-	10.8
Other	25.4	20.5
Current assets	299.7	338.7
Accounts receivable	13.1	34.6
Inventories	5.3	7.9
Fixed assets net of depreciation	1,141.7	537.9
Exploration, evaluation and development	1,026.4	1,365.0
Deferred foreign exchange loss	-	30.8
Other	282.4	250.7
Non-current assets	2,468.9	2,226.9
Accounts payable	143.7	159.7
Borrowings	415.5	86.2
Provisions	16.3	8.1
Foreign exchange liabilities	-	10.8
Other	23.8	3.3
Current liabilities	599.3	268.1
Borrowings	878.7	1,027.6
Deferred tax	122.1	100.7
Provisions	56.7	57.3
Foreign exchange liabilities	-	30.8
Other	63.9	81.3
Non-current liabilities	1,121.4	1,297.7
Net Assets	1,047.9	999.8
Share capital	800.3	791.5
Retained profits	236.0	200.3
Outside equity interest in controlled entity	11.6	8.0
Shareholders' equity	1,047.9	999.8



FINANCIAL COMMENTARY

Profit After Tax

Net profit after tax increased 40% to \$53.8M (\$38.4M). The improved result was due mainly to this being the first full period of operations at Toguraci, continued strong copper prices and lower unit operating costs at the mines.

Profit after tax but before significant items \$59.3M (\$32.7M) included the following items:

- (\$8.6M) provision for restructure of hedge contracts.
- \$0.7M foreign exchange gain on US\$ Nippon borrowing.

Revenue

Sales revenue increased to \$387.1M (\$315.0M) due to increased gold sales volume arising from commencement of operations at Toguraci and an increase in the achieved copper price to A\$1.79/lb (A\$1.22/lb).

The components of the gold price were:

Half Year Ending	Dec 2004	Dec 2003
	\$/oz	\$/oz
Gold hedge book	578	583
FX Book	-	(7)
Total	578	576

The achieved gold price compares to the average spot price received for the period of \$576/oz and is after the hedgebook simplification.

Half Year Ending	Dec 2004	Dec 2003
	oz	oz
Opening inventory	12,010	4,974
Gold production	466,697	360,658
Gold sold	432,010	351,922
Closing inventory	46,697	13,710

Revenue was adversely impacted by the timing of concentrate shipments resulting in an increase in closing inventory. Approximately \$18.5 million of pre-tax profit was contained in closing inventory.

Mine Costs

Gross mine costs (before copper by-product revenue) increased to \$203.4M (\$173.0M) due

to the higher sales volume, however unit cash costs were lower compared to the previous period.

Exploration

Exploration expenditure totalled \$23.9M (\$22.7M) of this expenditure \$20.8M (\$15.4M) was expensed. Capitalised exploration at period end of \$37.5M related to Cadia Valley, Ridgeway Deeps and Kencana.

Other Expenses

Other expenditure includes a net FX loss of \$10.4M due to Australian dollar exchange rate movements adversely impacting concentrate receipts.

Other Income

Other income includes \$9.4M relating to favourable final pricing and grade adjustments on prior year concentrate sales and \$3.3M interest received.

Borrowing Costs

Interest costs were \$30.3M with \$5.5M (\$6.2M) expensed. The decrease in the expensed component reflects a higher proportion of capitalised borrowings on the Telfer project.

FX Gain – US\$ Loan

The \$US56M loan with Nippon Mining and Metals Co. is accounted for as a natural hedge and designated against anticipated \$US concentrate sales. A realised gain of \$0.7M on repayments during the period was released to match against hedged sales.

Hedge Contracts Restructure Provision

An \$8.6M expense for the period includes ongoing accounting treatment of the hedge restructures.

Cash Flow – Operating Activities

Cashflow from operating activities improved by \$86.0M to \$169.4M due mainly to higher sales receipts from increased sales volumes and lower mine cash operating costs.



Cash Flow – Investing Activities

Major areas of expenditure were:

	\$M
Telfer Project (including pre commissioning operating costs and capitalised borrowing costs)	390.0
Cadia, Ridgeway, Cadia East	12.2
Cracow	18.2
Toguraci	3.4
Exploration	23.9
Other	2.4
	<u>450.1</u>

A breakdown of exploration expenditure was:

	\$M
- Greenfields	10.9
- Brownfields	8.3
- Project resource definition	
- Cadia Valley	0.6
- Kencana	1.5
- Cracow	2.3
- Other	0.3
	<u>23.9</u>

Cash Flow – Financing Activities

Borrowings

Proceeds of A\$271.2M were drawn down from 364 day USD standby facilities.

Major debt repayments consisted of:

	A\$M
Gold loan	23.4
Nippon US\$ borrowing	10.9
Finance leases	8.6
	<u>42.9</u>

Debt

Subsequent to 31 December 2004, Newcrest Mining Limited has signed a number of new revolving bi-lateral debt facilities with Australian and Overseas banks. These debt facilities are repayable in five years and will reduce the Group's cost of borrowing. The company is in the process of using these facilities to initially repay the A\$575 million Telfer multi-currency syndicated loan note facility. Negotiations are at an advanced stage to sign further bi-lateral facilities which will be used to replace the US Dollar 364 day short-term borrowings and other existing borrowings.

Gearing

The gearing ratio of net debt to net debt plus equity increased to 53% from 49% as at 30 June 2004. The increase resulted from additional funding for the Telfer project.

Dividends

A final dividend payment of 5 cents per share amounting to \$16.4 million was paid to shareholders on 15 October 2004 in respect of the 30 June 2004 financial year. The DRP reduced the cash paid to \$14.0M. Also a \$1.6M dividend was paid to outside equity interests.

No interim dividend was declared for the period ended 31 December 2004.

Telfer Operations

On February 14th 2005, Newcrest Mining Limited announced that commissioning of the second processing train commenced on 1st February and that nameplate capacity for this train has now been achieved. Whilst commissioning activities continue in minor areas the start-up of the second processing unit marks the commencement of Telfer as an operating project for Newcrest and results from Telfer will now be included in the Group's operating results. Prior to the 1st February 2005, revenue and costs relating to the pre-commissioning phase have been included in the capital cost of the Telfer Project.

HEDGING

The total gold hedge position at 31 December 2004 was 6.7Moz and copper hedging was 179kt.

Hedge commitments including the gold loan represent 26% of reserves and 11% of resources.

Deliveries into the hedge book consisted of a series of Australian Dollar and US dollar gold forwards. The achieved gold price for the period was \$578/oz.



The mark-to-market position at 31 December 2004 is as follows:

For further information on hedging please refer to the Newcrest website.

	31 Dec 2004	30 Jun 2004
	\$M	\$M
Gold	(497)	(385)
Currency	-	(51)
Copper	(92)	(43)
Total	(589)	(479)

* Includes negative \$65M (\$27M) of gold loan swap contracts

CORPORATE INFORMATION

Board Members

Ian Johnson Non- executive Chairman
 Tony Palmer Managing Director & CEO
 Bryan Davis Non-executive Director
 Ron Milne Non-executive Director
 Mick O'Leary Non-executive Director
 Ian Renard Non-executive Director
 Nora Scheinkestel Non-executive Director
 Bernard Lavery.....Company Secretary

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Substantial Shareholders at 31 December 2004

Merrill Lynch Investment Manager Group 7.15%
 Commonwealth Bank of Australia 5.09%

Stock Exchange Listings

Australian Stock Exchange (Ticker NCM)
 New York ADR's (Ticker NWCNY)

Issued Share Capital

At 31 December 2004 issued capital was 330,141,578 ordinary shares.

Half Year Share Price Activity

	High	Low	Last
July to Dec 2004	\$ 18.35	\$13.72	\$17.45