



# Market Release

## Newcrest Mining Limited

7 July 2006

### MARKET CLARIFICATION

Newcrest Mining Limited ("the Company") notes that Goldman Sachs JB Were ("GSJBW") yesterday suspended its investment coverage of the Company. The Company believes that suspension is a result of a misunderstanding between the Company and GSJBW and this release is intended to clarify the subject of that misunderstanding.

The Company advises that it recently met with GSJBW, at their request. GSJBW wished to discuss its revised profit projections for the Company for the year ended 30 June 2007. Discussions centred on the key differences between these revised projections and earlier GSJBW projections, including, in particular, the correct treatment of depreciation in the revised projections to accord with the Company's stated policy of depreciating some assets over a fixed period matched to their effective life rather than the longer overall mine life and to reflect the start-up of the Telfer underground.

In indicating at that meeting that the Company was comfortable with GSJBW's work it has given GSJBW an impression that the Company was endorsing the accuracy of their revised profit forecast which was not intended and implies a precision which the Company was not in a position to provide.

The Company wishes to provide the market with the following guidance:

- Work is well advanced on finalising the results for 2005/06 and the Company still expects net profit after tax for the 2005/06 year to be in the range of \$125 million to \$135 million (excluding the profit from the sale of the Company's interest in the Boddington joint venture of approximately \$215 million)
- Work is also progressing on the Company's internal projections and budgets for the year to 30 June 2007 but remains at this stage subject to review by the incoming Managing Director and subject to final Board consideration and approval
- Current indications are that gold production for 2006/07 will be higher than 2005/06 as a result of the ramp up of production at Telfer underground, however, that increase is expected to be largely offset as a result of lower production from Telfer open pit and lower grades at Cadia Hill and Ridgeway
- At this early stage, the Company anticipates that net profit after tax for 2006/07 will exceed that of 2005/06 (excluding the Boddington profit) but, at current commodity prices, will not approach double the 2005/06 anticipated outcome which some analysts are indicating. Firmer guidance will be provided once the new Managing Director completes his familiarisation and budgets and projections are confirmed for the year.

Newcrest is also pleased to advise that its new Managing Director, Ian Smith, is available to commence work with the Company earlier than previously announced, and will assume his role on 14 July 2006.

B Davis  
Managing Director

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