



# Financial Results

## Newcrest Mining Limited

Twelve months ending 30 June 2008

Record underlying profit<sup>(1)</sup> of \$493.9 million up 158% on the result for the year ending 30 June 2007.

Statutory profit<sup>(2)</sup> was \$134.3 million, up 87%.

Cashflow from operations was a record \$1,018.1 million, up 163%. Gearing of 8% was a significant reduction from 46% at 30 June 2007. Net debt was \$291.1 million (\$1,319.6 million).

Strong operational and financial performance during the year enhanced Newcrest's ability to implement its regional growth strategy, including the acquisition of a 50% stake in the PNG assets of Harmony Gold Company. Newcrest is well positioned for future growth with a strong balance sheet combined with a portfolio of high quality operating and project assets, low operating costs, a world class resource and reserve base and a solid pipeline of exploration opportunities.

### Financial Highlights

- \$2.0 billion Equity Offering and close-out of the 4.0 million ounce gold hedgebook.
- Substantial reduction in debt with loan repayments of \$907 million.
- Final dividend doubled to 10 cents per share, unfranked.
- Record profit and operating cashflow driven by record annual gold production and higher received gold and copper prices.

### Operational Highlights

- Full year gold production was 1,781,182oz up by 10%.
- Cadia Valley, NSW and Gosowong, Indonesia performed strongly both achieving record gold production.
- Group cash costs declined 7% from \$280 per ounce in the prior year to \$261 per ounce<sup>(4)</sup>. Newcrest remains firmly in the lowest cost quartile within the global gold industry.
- Increase in site costs due to higher production levels and price increases in key inputs, group annual site costs were 3% above guidance.
- Annual gold production guidance was achieved at all sites except for Telfer, WA.
- The Ridgeway Deeps underground development remains on schedule
- Increased planned production profile at Cadia East with development of a larger underground panel cave.
- Commencement of PNG Harmony joint venture with acquisition of initial 30.01% interest on 7 August 2008.
- Group Mineral Resources up by 28% to 70.6 million ounces gold <sup>(3)</sup> and 62% to 9.18 million tonnes copper.
- Group Ore reserves up by 20% to 40 million ounces gold <sup>(3)</sup> and 54% to 4.15 million tonnes copper.

Financial Highlights	30 June 2008 \$M	30 June 2007 \$M	Change %
Operating EBITDA	1,035.7	582.5	78%
Operating EBIT	757.1	358.1	111%
Underlying profit <sup>(1)</sup>	493.9	191.2	158%
Statutory profit <sup>(2)</sup>	134.3	72.0	87%
Cash flows from operations	1,018.1	387.4	163%
EPS on underlying profit (cents per share)	114.1	51.6	121%
Dividends (cents per share)	10	5	100%

<sup>(1)</sup> Profit after tax and minority interest before hedge restructures and close-out impacts.

<sup>(2)</sup> Profit after tax and minority interest after hedge restructures and close-out impacts.

<sup>(3)</sup> Includes a 50% share of PNG Harmony gold joint venture Mineral Resource and Ore Reserves. This transaction did not impact the 2008 financial result or balance sheet as the initial payments did not occur until 7 August 2008.

<sup>(4)</sup> Cash costs prior to Telfer gas adjustment are \$261/oz for full year and \$255/oz after adjusting for Telfer gas issue.

# Financial Statements

## Income Statement <sup>(1)</sup>

12 Months Ending	30 June 2008 \$M	30 June 2007 \$M	Change %
Gold sales	1,617.9	1,321.2	
Copper sales	721.2	785.0	
Silver sales	24.0	20.3	
<b>Gross Operating Sales Revenue</b>	<b>2,363.1</b>	<b>2,126.5</b>	<b>11%</b>
Treatment, realisation & royalty	(209.0)	(241.5)	
Mine cost of sales	(1,015.1)	(788.2)	
Mine cost of sales - Depreciation	(273.2)	(221.0)	
<b>Gross Operating Margin</b>	<b>865.8</b>	<b>875.8</b>	<b>4%</b>
Exploration expenses	(46.4)	(47.2)	
Administration expenses	(58.1)	(47.1)	
Other income (expenses)	29.6	13.1	
Losses on delivered hedges	(33.8)	(436.5)	
Finance costs – ordinary activities	(43.4)	(84.4)	
<b>Profit before tax and hedge restructure / close-out impacts</b>	<b>713.7</b>	<b>273.7</b>	<b>164%</b>
Losses on restructured and closed out hedge contracts	(314.1)	(151.0)	
Other close-out related costs	(217.7)	-	
Finance costs – close-out and restructure	(20.9)	(23.9)	
Foreign exchange gain on hedge of US Dollar borrowings hedges	39.0	4.6	
<b>Profit / (loss) before tax</b>	<b>200.0</b>	<b>103.4</b>	<b>103%</b>
Tax benefit / (expense)	(36.6)	(10.4)	
<b>Profit after tax</b>	<b>163.4</b>	<b>93.0</b>	<b>83%</b>
Minority interest in controlled entity	(29.1)	(21.0)	
<b>Statutory Profit</b>	<b>134.3</b>	<b>72.0</b>	<b>87%</b>

12 Months Ending	30 June 2008 \$M	30 June 2007 \$M	Change %
Profit/(loss) after tax attributable to members of the parent entity	134.3	72.0	
Losses on restructured and closed out hedge contracts (after tax)	219.9	105.7	
Other close-out related costs (after tax)	152.4	-	
Finance costs – close-out and restructure (after tax)	14.6	16.7	
Foreign exchange gain on US Dollar borrowings hedges (after tax)	(27.3)	(3.2)	
<b>Underlying Profit</b>	<b>493.9</b>	<b>191.2</b>	<b>158%</b>

<sup>(1)</sup> Newcrest has changed the presentation of its income statement to clearly show the operational performance separate from the impacts of hedge restructuring and close-out and other mark to market valuation impacts. Underlying profit is profit after tax and minority interest before hedge restructures and close-out impacts.

12 Months Ending	30 June 2008 \$M	30 June 2007 \$M	Change %
Profit before tax and hedge restructure / close-out impacts	713.7	273.7	
Finance costs – ordinary activities	43.4	84.4	
<b>Operating EBIT</b>	<b>757.1</b>	<b>358.1</b>	<b>111%</b>
Depreciation and Amortisation	278.6	224.4	
<b>Operating EBITDA</b>	<b>1,035.7</b>	<b>582.5</b>	<b>78%</b>

## Statement of Cash Flows

	30 June 2008 \$M	30 June 2007 \$M
Receipts from customers	2,456.8	2,113.5
Payments to suppliers and employees	(1,295.6)	(1,223.8)
Losses on delivered hedges	(52.5)	(403.6)
Interest received	18.9	4.5
Interest paid	(50.8)	(81.2)
Income tax paid	(58.7)	(22.0)
<b>Net operating cash flows</b>	<b>1,018.1</b>	<b>387.4</b>
<b>Investing activities</b>		
Exploration	(76.8)	(59.9)
Fixed assets, evaluation and mine development expenditure	(337.9)	(340.8)
Proceeds on sales of non-current assets	0.3	0.7
Purchase of gold put options	(79.5)	-
<b>Net investing cash flows</b>	<b>(493.9)</b>	<b>(400.0)</b>
<b>Financing activities</b>		
Proceeds from borrowings	70.1	394.0
Repayment of finance lease principal	(1.1)	(4.5)
Repayment of borrowings	(976.0)	(482.8)
Dividend paid	(36.7)	(24.6)
Proceeds from equity raising net of costs	2,014.4	-
Proceeds from other share issues	4.9	12.7
Share buy-back	(6.6)	-
Purchase of gold to close-out gold forward contracts	(1,549.3)	-
<b>Net financing cash flows</b>	<b>(480.3)</b>	<b>(105.2)</b>
<b>Net increase / (decrease) in cash</b>	<b>43.9</b>	<b>(117.8)</b>

## Balance Sheet

	30 June 2008 \$M	30 June 2007 \$M
Cash	77.5	34.3
Trade and other accounts receivables	209.5	262.8
Inventories	219.6	163.4
Financial derivative assets	6.9	422.3
Deferred mining	122.0	94.5
Other	48.2	9.0
<b>Current assets</b>	<b>683.7</b>	<b>986.3</b>
Other receivables	0.3	9.1
Inventories	1.4	1.6
Property, plant and equipment	1,405.0	1,472.0
Exploration, evaluation and development	1,470.2	1,351.9
Deferred tax asset	490.7	514.8
Financial derivative assets	37.6	-
Deferred mining	235.0	286.9
<b>Non-current assets</b>	<b>3,640.2</b>	<b>3,636.3</b>
<b>Total Assets</b>	<b>4,323.9</b>	<b>4,622.6</b>
Trade and other payables	177.7	216.4
Borrowings	2.6	35.0
Provisions	43.3	32.3
Financial derivative and other financial liabilities	6.1	500.8
Income tax payable	21.5	4.8
<b>Current liabilities</b>	<b>251.2</b>	<b>789.3</b>
Borrowings	366.0	1,318.9
Deferred tax liabilities	385.4	396.7
Provisions	62.5	47.9
Financial derivative and other financial liabilities	-	1,060.1
Other	6.9	68.9
<b>Non-current liabilities</b>	<b>820.8</b>	<b>2,892.5</b>
<b>Total Liabilities</b>	<b>1,072.0</b>	<b>3,681.8</b>
<b>Net Assets</b>	<b>3,251.9</b>	<b>940.8</b>
Share capital	2,857.4	834.5
Retained earnings	829.0	711.5
Reserves	(461.2)	(626.7)
Minority interest in controlled entity	26.7	21.5
<b>Total equity</b>	<b>3,251.9</b>	<b>940.8</b>
<b>Gearing (Net Debt / Net Debt +Equity) <sup>(1)</sup></b>	<b>8%</b>	<b>46%</b>

<sup>(1)</sup> Net debt is borrowings less cash. Equity at 30 June 2007 is adjusted to remove the impact under AIFRS of the recognition of financial derivatives and other financial liabilities; at 30 June 2008 equity is no longer adjusted due to equity raising proceeds being used to close-out the group's hedge book.

# Financial Commentary

## Profit Overview

Underlying profit increased 158% to \$493.9 million (2007: \$191.2 million). The increase was primarily driven by higher gold and copper prices received during the year and record group gold production. During the prior year physical gold and copper sales were delivered into hedge contracts that were significantly below spot prices at that time. The current year had minimal gold hedging with the gold hedge book close-out in September 2007 and no copper hedging.

The impact of the hedge close-out represented an accounting loss of \$359.6 million after tax in the current year versus a \$119.2 million accounting loss in the previous year. This resulted in a statutory profit of \$134.3 million for the year ended 30 June 2008 (2007: profit of \$72.0 million).

The table below outlines the key differences between the 2008 financial year and the 2007 financial year.

	\$M
<b>Underlying profit before tax for the year ended 30 June 2007</b>	<b>273.7</b>
<b>Changes in revenues:</b>	
Volume <sup>(1)</sup>	
- gold	126.3
- copper	(39.5)
Price:	
- gold	170.4
- copper	(24.3)
Silver	3.7
<b>Changes in mine costs:</b>	
Mine cost of sales	
- Mine production costs	(137.4)
- Deferred mining and inventory movements	(89.5)
Treatment, realisation and royalty	32.5
<b>Other costs:</b>	
Depreciation	(52.2)
Corporate administration	(11.0)
Exploration	0.8
Other income/(expense)	16.5
Losses on delivered hedges	402.7
Borrowing costs	41.0
<b>Underlying profit before tax for the year ended 30 June 2008</b>	<b>713.7</b>

<sup>(1)</sup> Volume variances have been calculated excluding Telfer pre-commissioning sales

## Revenue

The key drivers for an 11% increase in sales revenue were 9% higher gold sales and 13% increase in spot gold prices. This was partially offset by a 5% decline in copper sales and lower spot copper prices. Gold and copper sales volumes did not increase as much as the respective

production increases due to a small increase in inventory levels.

Record gold sales volumes were due to significant production increases from Cadia Hill and the Kencana underground mine at Gosowong. This was partially offset by lower production from Telfer and Ridgeway.

Realised gold prices increased 34% due mainly to a 13% increase in spot gold prices and a significant reduction in gold sales delivered into hedge contracts. In 2007, 55% of gold sales were hedged compared to 9% in 2008.

Copper sales volumes declined in line with plan due to lower copper production at Telfer and Ridgeway more than offsetting the increase at Cadia Hill. (refer copper production and sales table below)

Realised copper prices increased 32% due to Newcrest's copper hedge positions maturing in June 2007. During the 2007 financial year 40% of copper sales were delivered into hedge contracts that were below market prices. (refer table below)

Silver revenue increased to \$24.0 million (2007: \$20.3 million) due to higher received prices.

		2008	2007	Change %
<b>Production volumes</b>				
Gold	oz	1,781,182	1,617,251	10
Copper	t	87,458	88,940	(2)
<b>Sales Volumes</b>				
Gold	oz	1,764,730	1,626,979	9
Copper	t	83,843	88,437	(5)
<b>Spot Prices</b>				
Gold	A\$/oz	917	812	13
Copper	A\$/lb	3.90	4.03	(3)
<b>Realised Prices<sup>(1)</sup></b>				
Gold	A\$/oz	912	683	34
Copper	A\$/lb	3.88	2.93	32
<b>Average AUD:USD</b>		0.8964	0.7857	14
<b>Revenue</b>				
Gold	\$m	1,617.9	1,321.2	22
Copper	\$m	721.2	785.0	(8)
Silver	\$m	24.0	20.3	18
<b>Total Sales Revenue</b>	<b>\$m</b>	<b>2,363.1</b>	<b>2,126.5</b>	<b>11</b>

<sup>(1)</sup> Realised prices include losses on sales delivered into the hedgebook.

## Gold production and sales by site:

Ounces	2008		2007	
	Production	Sales	Production	Sales
Cadia Hill	414,171	409,316	246,661	243,638
Ridgeway	301,417	294,384	314,028	315,235
Gosowong	400,202	397,627	347,807	355,978
Cracow (70%)	75,175	75,569	81,678	83,812
Telfer	590,217	587,834	627,077	628,316
<b>Total</b>	<b>1,781,182</b>	<b>1,764,730</b>	<b>1,617,251</b>	<b>1,626,979</b>

## Copper production and sales by site:

Tonnes	2008		2007	
	Production	Sales	Production	Sales
Cadia Hill	26,352	25,731	23,181	22,872
Ridgeway	34,335	33,323	37,939	38,080
Telfer	26,771	24,789	27,820	27,485
<b>Total</b>	<b>87,458</b>	<b>83,843</b>	<b>88,940</b>	<b>88,437</b>

## Mine Cost of Sales

\$ Million	2008	2007	Change %
Employee salary, contract labour & maintenance	528.8	466.3	13
Fuel, Lubes, Utilities & Power	187.7	145.8	29
Other input costs	302.8	269.8	12
<b>Total Mine Production Costs</b>	<b>1,019.3</b>	<b>881.9</b>	<b>16</b>
Deferred Mining	24.5	(100.5)	124
Inventory Movements	(28.7)	6.8	522
<b>Total Mine Cost of Sales</b>	<b>1,015.1</b>	<b>788.2</b>	<b>29</b>

Newcrest continues to face cost pressure at all operating sites but particularly Telfer. Mine production costs increased by \$137.4 million or 16% to \$1019.3 million. This was due to increased volumes and continued cost pressures on key production inputs across the operations. An analysis of the cost increase identified that:

- 47% of the increase was due to volume mainly resulting from higher production levels at Cadia and Gosowong;
- 53% of the increase was due to cost increases particularly for diesel fuel, utilities and power and labour;
- Telfer's costs were impacted by the Apache gas supply disruption in June 2008 which increased maintenance and energy costs by \$9.3m.

Deferred mining costs were \$24.5 million in 2008 compared to a deferral of costs of \$100.5 million in 2007. This was

due to a release of deferred mining costs at Cadia Hill, with the mining of higher grade ore from the open pit. In addition Telfer reduced its deferrals in the current year with lower waste movements from the open pit and an increased level of production from underground.

The higher inventory valuation credit in 2008 includes the impact of the slight build up of inventory levels at year end.

## Administration Costs

Corporate expenses of \$58.1 million (2007: \$47.1 million) were higher in the current year due to increased salary costs (including increased workforce numbers and retention bonus provisions), increased IT costs and greater focus on evaluating and actioning growth opportunities. In addition to increasing resources in its business development and mergers and acquisitions activities, Newcrest has centralised its key technical and specialist resources to deliver greater efficiencies and effectiveness across the group.

## Treatment, Realisation and Royalty Costs

Concentrate treatment and realisation costs of \$151.2 million declined \$41.3 million due to reductions in contracts containing price participation and lower treatment/refining rates partly offset by higher shipping rates.

Royalties of \$57.8 million were \$8.8 million higher driven by the higher gold revenues.

## Depreciation

Depreciation expense, included in cost of sales, increased by \$52.2 million to \$273.2 million. The unit rate of depreciation increased from \$136 per ounce to \$154 per ounce due mostly to the full year of production from newly commissioned underground mines at Telfer and Gosowong.

## Exploration

Total exploration expenditure for the period was \$76.8 million (2007: \$60.7 million) with \$46.4 million charged against income compared to \$47.2 million in the previous year. (Further details of exploration expenditure are provided below in Cash Flow - Investing Activities section.)

## Other Income / (Expenses)

Other income was \$29.6 million (2007: \$13.1 million).

The fair value gain on gold and copper derivatives relates to the movements in spot prices impacting the quotation period adjustments in sales. A majority of the gain in the prior period was due to copper price movements. Newcrest now locks in the copper price for each shipment at the time of sale to minimise this impact. The gain in 2008 is largely due to positive gold price movements during the quotation period. Although the gold sale quotation period is much shorter than for copper (generally one month for gold

versus 3-4 months for copper), the profit impact has increased due to the increasing spot gold price and greater exposure to spot prices following the close-out of the hedge book.

The net foreign exchange loss continues to be driven by the impact of the appreciating A\$:US\$ exchange rate on USD denominated concentrate debtors.

The increased interest received reflects the increase in cash on hand subsequent to the equity raising and interest received on favourable decisions on legal issues.

	2008 \$M	2007 \$M
Net foreign exchange (loss)	(20.3)	(18.5)
Fair value gain on gold & copper derivatives	17.1	14.1
Fair value gain on gold lease rate swaps	1.5	1.6
CVO royalty refund	6.4	12.3
Interest received	18.9	4.5
Other income	6.0	(0.9)
<b>Other income/(expense)</b>	<b>29.6</b>	<b>13.1</b>

## Losses on delivered hedges

During the current period, losses on delivered gold hedges were \$33.8 million compared with losses of \$436.5 million (gold \$213.6 million and copper \$222.9 million) in the prior year. These losses relate to gold hedge contracts that were settled in relation to physical production. The substantial reduction in the current period was due to Newcrest closing out its gold hedge book following the equity raising in September 2007. The prior year losses were due to 55% of gold sales and 40% of copper sales being hedged at levels substantially below prevailing spot prices.

## Borrowing Costs

As described above, Newcrest raised equity and reduced debt during the year resulting in lower gross borrowing costs of \$45.6 million (2007: \$96.7 million). Interest of \$43.4 million (2007: \$84.4 million) was expensed and \$2.2 million (2007: \$12.3 million) was capitalised.

## Tax Expense

The income tax expense on Underlying Profit was \$190.7 million, resulting in an effective tax rate of 26.7% (2007: \$61.5 million and 22.5%). The effective tax rate benefited from research and development allowance claims relating to the current and prior years.

## Hedge Restructure and Close-out Impacts

During the current period, Newcrest used the proceeds of the September 2007 equity issue to close-out the gold hedge book, repay the gold loan and USD bilateral

facilities, purchase 2.25 million ounces of gold put options and in conjunction with operating cash flows, close-out its gold bullion forward sales contracts. These activities have resulted in a number of impacts on the Income Statement.

### Losses on Restructured and Closed out Hedges

Close-out of the gold hedge book realised the gold hedging losses and paid out any future obligation with respect to the hedge contracts. However accounting standards require the accumulated losses on these contracts to remain deferred in the hedge reserve within equity and to be transferred to the Income Statement in future periods in line with the original sales to which they were designated. This resulted in the loss release profile detailed below. A pre-tax loss on restructured and closed out hedge contracts of \$314.1 million has been recognised in the current year accounts which includes losses from the current year close-out and previous year's hedge restructures.

	Current	To be released in future periods				
	2008	2009	2010	2011	2012	Total
Total hedge losses	314.1	352.0	294.9	152.8	7.2	806.9
Tax effect	(94.2)	(105.6)	(88.5)	(45.8)	(2.2)	(242.1)
After tax hedge losses	219.9	246.4	206.4	107.0	5.0	564.8

### Other Close-out Related Costs

The other close-out related impacts include:

- Fair value losses of \$217.7 million on gold forward sales contracts and gold put options;
- Finance costs of \$20.9 million on break costs incurred on the gold loan repayment and the discount unwind on Newcrest's hedge restructure liability; and
- A foreign exchange gain of \$39.0 million on US dollar borrowings designated as cash flow hedges.

## Cash Flow – Operating Activities

Strong operational performance, higher achieved gold and copper prices and full spot price exposure after the equity issue, increased operating cash flow by 163% from \$387.4 million to \$1,018.1 million. The higher cost environment mitigated this result with increased payments to suppliers and employees due to the higher volumes and cost increases primarily for labour, maintenance and fuel.

Higher Indonesian tax instalments have been paid during the current year due to increased profitability at Gosowong.

## Cash Flow – Investing Activities

Net cash used in investing activities for the year ended 30 June 2008 of \$493.9 million was an increase of \$93.9 million on the prior year. Investing cashflow comprises capital expenditure, exploration and \$79.5 million used to purchase long dated gold put options in the current year.

### Capital expenditure

Major areas of capital expenditure during the period included:

- Project expenditure of \$116.0 million for Ridgeway Deeps mine construction and \$51.5 million for pre-feasibility for the Cadia East project; and
- Development expenditure of \$43.5 million for underground development at Kencana and Telfer.

Major areas of expenditure were:

\$M	2008	2007
Sustaining	88.6	74.0
Projects	188.1	105.0
Development	43.5	38.0
Other	17.7	123.8
<b>Total</b>	<b>337.9</b>	<b>340.8</b>

### Exploration

Newcrest's exploration activities focused on greenfield exploration in Australia, USA, Chile and Peru. The brownfields exploration effort continued to focus on the Gosowong and Cadia area. Province development is focused on increasing existing operational resource positions and converting these resources to reserves. During the year Cadia resources and reserves were materially increased. There were also promising results at Telfer and Gosowong.

A breakdown of exploration expenditure was:

12 months ended 30 June 2008	\$M
Greenfields	39.6
Brownfields	14.3
Province Development	
– Cadia	10.0
– Telfer	5.7
– Gosowong – K2	6.7
– Namosi, Fiji	0.5
<b>Total</b>	<b>76.8</b>

### Cash Flow – Financing Activities

During the 2008 financial year Newcrest restructured its balance sheet, raising equity, paying down debt and eliminating all hedge contracts.

Net cash flows from financing activities was an outflow of \$480.3 million (2007: outflow \$105.2 million) with major movements including:

- \$2,014.4 million net proceeds from the issue of 117.4 million new ordinary shares;
- \$1,549.3 million payment to purchase gold to close-out the gold forward contracts;
- \$755.3 million net repayment on USD Bi-lateral debt facilities; and
- \$150.6 million repayment of the gold loan.

### Balance Sheet

Newcrest's Net Assets and Total Equity increased during the current year by \$2,311.1 million to \$3,251.9 million. This was mostly due to the receipt of \$2,022.6 million from

the equity issue which enabled the Company to repay debt, close-out the gold hedge book and repay gold forward bullion sales contracts.

### Debt and Gearing

Net debt, comprising total borrowings less cash of \$291.1 million (2007: \$1,319.6 million) reduced by \$1,028.5 million during the current year due to net repayments of borrowings of \$907.0 million and a higher cash balance. The gearing ratio of net debt to net debt plus equity decreased to 8% (2007: 46%). Equity has been adjusted to remove the impact of the hedge reserve in the gearing calculation.

Movements in net debt during the period:

	\$M
<b>Net debt at 30 June 2007 (Gearing 46%)</b>	1,319.6
Net repayment of debt	(907.0)
Foreign exchange (gain)	(78.3)
Increase in cash balances	(43.2)
<b>Net debt at 30 June 2008 (Gearing 8%)</b>	<b>291.1</b>

At 30 June 2008, outstanding debt comprised US\$350 million of long term senior unsecured notes issued into the North American Private Placement market. In addition, US\$969 million of undrawn debt facilities were available. Newcrest's expected future gearing level is in the range of 15% to 20%.

### Dividends

The Company has declared a final unfranked dividend of 10 cents per share for the year ended 30 June 2008. For non resident shareholders the dividend will be paid from conduit foreign income and is exempt from withholding tax. The dividend is payable to shareholders on 17 October 2008. Shareholders registered as at the close of business on 26 September 2008 will be eligible for the dividend. The DRP remains in place and will be offered to shareholders at market price.

### Summary

Strong operational performance combined with the successful equity raising and hedgebook close-out have delivered a record underlying profit and cashflow from operations. A significant restructure of the balance sheet has reduced gearing to 8%.

Group gold production increased 10% while cash costs declined 7%. General mining industry cost inflation pressures remain with increases being more acutely experienced at the Telfer operation. Minimising these increases at all sites is a key focus.

Newcrest's cash costs continue to be in the lowest cost quartile for global gold producers. Newcrest cash costs for the year were US\$229\* per ounce (\$A255 per ounce)

compared with the recent global average of US\$453\*\* per ounce (\$A500 per ounce).

The project and exploration pipeline evolved during the year with the addition of several exploration opportunities and the progress of development projects and studies in accordance with schedule and on budget. Significant resource and reserve growth was experienced during the year.

Newcrest is in a strong position from a financial, exploration and project perspective to continue to grow the business and capitalise on future growth opportunities.

I Smith  
Managing Director and  
Chief Executive Officer

\* Newcrest costs adjusted for impact of Telfer gas issue.

\*\*Source: GFMS Limited Precious Metals Cost Service

