

ASX Full-year information

30 June 2008



NEWCREST MINING LIMITED

ABN: 20 005 683 625

Lodged with the ASX under Listing Rule 4.3A

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FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

This information should be read in conjunction with the additional financial information attached.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2008 \$'M	30 June 2007 \$'M	Percentage increase/ (decrease)
Revenue	2,363.1	2,126.5	11%
Net Profit/(loss) before hedge restructure and close out impacts after tax	493.9	191.2	158%
Hedge restructure and close out impacts after tax	(359.6)	(119.2)	202%
Profit/(loss) from continuing operations after tax	134.3	72.0	87%
Net profit/(loss) attributable to members	134.3	72.0	87%

Dividends

Interim dividend per share	Nil
Final dividend per share (unfranked)	10.0 cents
Record date for determining entitlement to dividend	26 September 2008
Date dividend payable	17 October 2008

Review of Results

Refer to the additional information attached.

Other information required by Listing Rule 4.3A

The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the attached additional information.

ADDITIONAL INFORMATION

Interest in Unincorporated Joint Venture Operation

The Consolidated Entity has an interest in an unincorporated joint venture operation being the Cracow Mining Joint Venture (70%). The principal activity of the joint venture is the production of gold and mineral exploration. The joint venture's contribution to the result for the financial year ended 30 June 2008 is not material.

Net Tangible Assets per Share (\$)

	<u>30 June 2008</u>	<u>30 June 2007</u>
Net tangible assets per share	\$7.17	\$2.81

Control gained over entities having material effect

There have been no material acquisitions of entities in the year ended 30 June 2008.

Loss of control of entities having material effect

There were no material losses of control over entities in the group during the year ended 30 June 2008.

Audit report

The audit report issued in relation to the 2008 full Financial Report is attached.



Bernard Lavery
Company Secretary
19 August 2008

MANAGEMENT DISCUSSION AND ANALYSIS¹

During the year Newcrest significantly restructured its balance sheet, raising \$2.042 billion in equity and subsequently removing all gold hedges and substantially paying down debt. Newcrest finished the year with gearing of 8%² (46% in 2007) and full commodity spot price exposure (55% percent gold hedged in 2007).

The decision to raise equity and close out the hedge position has, to date, been value accretive for the Company. Spot prices have risen during the year (A\$912 per ounce for 2008; A\$814 per ounce for 2007) combined with strong operational results to deliver pleasing increases in profit and operational cash flow. Newcrest is in a strong financial position with a good portfolio of operating assets contributing strong cash flow, significant resource and reserve upgrades and a growing portfolio of project opportunities located regionally.

The performance of Newcrest's operating assets was mixed. Cadia and Gosowong had outstanding years, Ridgeway delivered against plan but Telfer was disappointing. The focus at Telfer continues to be on reducing the cost base and minimising sustaining capital.

Newcrest's projects area and its associated capital expenditure has been within plan. Ridgeway Deeps continues on schedule and within budget and the project pipeline, particularly Kencana 2 and Cadia East are progressing very well to the execution and feasibility tollgates respectively.

Exploration activity has increased during the year with more capital spent on existing province potential and greenfield investigation. There are many promising results that will require continued focus in the year ahead. Exploration activity is in Australia, Fiji, Indonesia, PNG, Peru and Nevada (USA). Since the end of the financial year, Newcrest has also committed to explore the Croy Bloom prospect in British Columbia (Canada) with Serengeti Resources Inc.

Newcrest has demonstrated a strong operational and financial performance during 2008:

- Record annual gold production
- Underlying profit³ up 158% to \$493.9 million
- Operational cash flow up 163% to \$1,018 million

The company's resource and reserve inventory has also increased substantially over the last financial year to include as at 30 June 2008:

- Total mineral resources estimated at 70.6 million ounces of gold and 9.18 million tonnes of copper, an increase of 15.4 million ounces of gold (28%) and 3.53 million tonnes of copper (62%). Major increases were at Cadia Valley plus the inclusion of the acquisition of 50% equity in the Harmony PNG assets; and
- Total ore reserves estimated at 40.0 million ounces of gold and 4.15 million tonnes of copper, an increase of 6.8 million ounces of gold (20%) and 1.45 million tonnes of copper (54%). Again, the increases were driven by Cadia Valley plus the inclusion of the acquisition of 50% equity in the Harmony PNG assets.

¹ All figures in this report relate to businesses of the Newcrest Mining Limited Group ("Newcrest" or "the Company") for the 12 months ended 30 June 2008 ("2008") compared with the 12 months ended 30 June 2007 (the "prior year" or "2007"), except where otherwise stated. All reference to \$ is a reference to Australian dollars unless specifically marked otherwise.

² Gearing is calculated as net debt to net debt plus equity. In 2007, equity was adjusted by the balance of the Hedge reserve to remove the impact of the gold hedge book mark to market.

³ Refer to section 1.1 for definition of 'Underlying Profit'.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Finally, Newcrest also embarked on its first acquisition, purchasing a 50% stake in the PNG assets of Harmony Gold for US\$536 million. The assets include the Hidden Valley Gold Mine, Wafi Golpu development opportunity and large tracts of exploration acreage. The assets represent near term production with Hidden Valley Gold Mine (mid 2009 calendar year), the potential development of a large gold copper porphyry system at Wafi Golpu and excellent exploration upside. Financially this transaction did not impact the 2008 financial result or balance sheet, as the initial payments did not occur until post 30 June 2008.

1. Overview of Results

1.1 Underlying Profit - \$493.9 million up 158%⁴

For the year ended 30 June 2008 Newcrest reported Underlying Profit of \$493.9 million, an increase of 158% over the prior year of \$191.2 million.

The increased Underlying Profit has been driven by higher gold and copper prices received during the year and record gold production.

Including the impact of physical sales delivered into hedge contracts, achieved gold prices are 35% higher and copper prices are 32% higher than the prior corresponding period. In the prior year, 55% of physical gold sales were delivered into hedge contracts that were significantly lower than spot prices at that time. During 2008 165,599 ounces were delivered into gold hedge contracts in the first quarter before the removal of all hedges after October 2007, following the equity offering. The prior financial year was also impacted by a copper hedge position that matured in June 2007. During the 2007 financial year 40% of copper sales were delivered into hedge contracts that were below market prices.

Offsetting the price performance has been an increase in costs at operational sites. The higher costs were due to increased operational activity across the Group plus continued cost increase pressure on key inputs, particularly fuel, employee costs and maintenance and contract labour.

A more detailed description of operational performance at mine sites is included in the Summary of Operating Results section below.

⁴ Newcrest has changed the presentation of its Income Statement to clearly identify the results from underlying operational performance and separate the impacts of hedging, hedge restructures and close outs and other mark to market valuation impacts. As a result, in addition to profit after tax and minority interest ("Statutory Profit") Newcrest has also reported its profit after tax and minority interest before hedge restructures and close out impacts ("Underlying Profit").

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

1.2 Statutory Profit - \$134.3 million up 87%

Newcrest's Statutory Profit for the year ended 30 June 2008 of \$134.3 million was an increase of 87% over the prior year of \$72.0 million. This has been driven by the operational factors briefly described above and the hedge restructure and close out impacts described in further detail below. The accounting treatment for the hedge restructure are non-cash items. The gold hedges were paid out after the equity raising, however accounting rules require amortisation of the loss to follow the original hedge contract designation.

1.3 Earnings per Share – Up 121% on Underlying Profit

Earnings per share calculated from the Underlying Profit increased 121% to 114.1 cents on an expanded weighted average capital base of 432.9 million shares. This compares to 51.6 cents based on the same calculation on Underlying Profit for the prior year.

The share capital of the Company increased in the year following a renounceable rights offer, resulting in an equity raising of \$2,022.6 million (net of transaction costs) and the issuing of 117.4 million new shares (total shares at 30 June 2008 was 453.4 million). The proceeds of the equity raising were used to close out the company's existing gold hedge book, repay the gold loan, repay the USD bilateral loan facilities, purchase 2.25 million ounces of gold put options and contribute to closing out the Company's gold bullion forward sales contracts.

1.4 Cashflow from Operating Activities - \$1,018.1 million up 163%

Newcrest's operating cashflow increased strongly for the year ended 30 June 2008 to \$1,018.1 million, an increase of 163% over the prior year of \$387.4 million. The increase in cashflow has been driven by record gold production for the Group leading to higher gold sales volumes, increased exposure to spot prices after the close out of the gold hedge book and the expiration of copper forward sale hedge positions in the prior year.

1.5 Gearing – 8%, reduction from 46%

Newcrest's gearing ratio (net debt to net debt plus equity) as at 30 June 2008 was 8%, a significant reduction from 46% as at 30 June 2007. This was primarily due to the repayment of the USD bilateral facilities with the proceeds from the equity raising during the year and the increased operational cash flow. Newcrest has a financial objective to keep the gearing percentage between 15 and 20 percent.

1.6 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.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

2. Discussion and Analysis of Operating Results and the Income Statement

2.1 Profit Overview – Underlying Profit

Underlying profit has increased 158% to \$493.9 million (2007: \$191.2 million). The increase has been primarily driven by:

- Record gold production of 1.781 million ounces, an increase of 10% over 2007
- Higher realised gold price
 - Spot prices received higher from \$812 to \$917 per ounce
 - Reduced hedged ounces from 897koz to 166koz
 - Realised gold price of \$912 per ounce, an increase of 34%
- Higher realised copper prices
 - Spot prices declined from \$4.03 to \$3.90 per pound
 - Reduced hedged tonnes from 36,000 to zero
 - Realised copper price of \$3.88 per pound, an increase of 32% over 2007

Gold hedging was eliminated and debt reduced after raising \$2.042 billion in equity providing the benefit of higher operating cash flow. Offsetting higher production and prices were higher costs driven by the higher volumes plus increases in labour costs, fuel and power and inflation on other key physical cost inputs.

Increases in gold production (10.1%) over the prior year were driven by increases at Cadia Hill and Gosowong. Copper production was 1.7% lower with reductions at Telfer and Ridgeway.

Gold sales volumes did not increase as much as gold production (8.5%) due to a small build up in inventory during the year. Copper sales volume was 5.2% lower than the prior year with a similar small inventory buildup.

Increasing cost of sales reduced the profitability impact of the higher prices and sales volumes. Mine production costs increased due to the increased operational activity this year plus continued cost increase pressure on fuel, employee costs and maintenance and contract labour. In addition, Telfer incurred additional costs due to the loss of contract gas supply in June 2008 following the explosion at Apache Energy's Varanus Island gas plant. Deferred mining charged to costs also increased mostly due to higher grade ore mined from Cadia Hill.

Losses realised on delivered hedges of \$33.8 million was substantially lower than the previous period (\$436.5 million loss). The current year had no copper hedging and delivery into the gold hedge book ceased on 10 September 2007 following the hedge book close out. The previous period included 55% of gold sales hedged and 40% of copper sales hedged at prices well below spot.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The table below outlines the key differences between the current year and the corresponding period last year, described in more detail later in this report.

	\$M
Underlying profit before tax for the year ended 30 June 2007	273.7
Changes in revenues:	
Volume ⁵ :	
Gold	126.3
Copper	(39.5)
Price:	
Gold	170.4
Copper	(24.3)
Silver	3.7
Changes in mine costs:	
Mine cost of sales:	
Mine production cost	(137.4)
Deferred mining and inventory movement	(89.5)
Treatment, realisation and royalty	32.5
Other costs:	
Depreciation	(52.2)
Corporate administration	(11.0)
Exploration	0.8
Other income/(expense)	16.5
Losses on delivered hedges	402.7
Finance costs – ordinary activities	41.0
Underlying profit before tax for the year ended 30 June 2008	713.7

⁵ Volume variances have been calculated excluding Telfer pre-commissioning sales.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
2.2 Revenue

		12 months to		% change
		30 June 2008	30 June 2007	
Production volumes				
Gold	oz	1,781,182	1,617,251	10.1
Copper	t	87,458	88,940	(1.7)
Sales volumes				
Gold	oz	1,764,730	1,626,979	8.5
Copper	t	83,843	88,437	(5.2)
Spot prices				
Gold	A\$/oz	917	812	12.9
Copper	A\$/lb	3.90	4.03	(3.2)
Realised prices (including losses on delivered hedges)				
Gold	A\$/oz	912	683	33.5
Copper	A\$/lb	3.88	2.93	32.4
Average AUD:USD		0.8964	0.7857	14.1
Revenue				
Gold	\$m	1,617.9	1,321.2	22.4
Copper	\$m	721.2	785.0	(8.1)
Silver	\$m	24.0	20.3	18.2
Total Sales Revenue	\$m	2,363.1	2,126.5	11.1

Gold production and sales by site:

(oz)	12 months to 30 June 2008		12 months to 30 June 2007	
	Gold Production	Gold Sales	Gold Production	Gold Sales
Cadia	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	75,175	75,569	81,678	83,812
Telfer	590,217	587,834	627,077	628,316
Total	1,781,182	1,764,730	1,617,251	1,626,979

(Note – Telfer 2007 gold sales exclude pre-commissioning sales of 28,916 ounces)

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Copper production and sales by site:

(tonnes)	12 months to 30 June 2008		12 months to 30 June 2007	
	Copper Production	Copper Sales	Copper Production	Copper Sales
Cadia	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
Total	87,458	83,843	88,940	88,437

(Note – Telfer 2007 copper sales exclude pre-commissioning sales of 2,594 tonnes)

Total gold production increased 10.1% but, due to a small increase in inventory of 16,452 ounces, sales volumes were slightly lower at 1,764,730 ounces, an increase of 8.5% on the prior year sales of 1,626,979 ounces. The increase of 137,751 ounces included:

- a 68% increase of 165,678 ounces at Cadia Hill due to higher grade and recoveries;
- a 12% increase of 41,649 ounces at Gosowong due to better mill performance and higher grade ore;
- a 6% reduction of 40,482 ounces from Telfer due to lower than planned throughput caused by harder ore, maintenance issues impacting mobile fleet availability and the June gas disruption;
- a 7% reduction of 20,851 ounces from Ridgeway due to lower grade material as planned and an increase in inventories of 7,033 ounces; and
- a 10% reduction of 8,243 ounces from Cracow due to slightly lower grade ore.

Total gold revenue increased by 22.4 percent to \$1,617.9 million (2007: \$1,321.2 million) as a result of higher prices plus an increase in sales volumes. Spot prices received were A\$917 per ounce compared to A\$812 per ounce in the prior period. Including the impact of finalisation adjustments and physical deliveries into the hedge book, realised prices were A\$912 per ounce in 2008 (2007 - A\$683 per ounce).

Group copper production for the year was in line with plan and lower by 1.7% from the prior year. Cadia Valley performed strongly but Telfer and Ridgeway had slightly lower production than the prior year.

Copper revenue for the year ended 30 June 2008 reduced by 8.1% to \$721.2 million due to lower spot prices and lower sales volumes from Telfer and Ridgeway. Spot prices were A\$3.90 per pound compared to A\$4.03 per pound in the prior period. Including the impact of finalisation adjustments and hedging, realised prices were A\$3.88 per pound in 2008 (2007 - A\$2.93 per pound).

Silver revenue increased to \$24.0 million due to higher prices received.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
2.3 Costs
Mine cost of sales

Mine cost of sales \$M	12 months ended		% Change Total	due to volume	due to cost increases
	30 June 2008	30 June 2007			
Mine production costs	1,019.3	881.9	15.6%	7.4%	8.2%
• Employee Salaries	166.2	139.3	19.3%	12.9%	6.4%
• Maintenance incl Contract Labour	245.8	221.7	10.9%	4.4%	6.5%
• Mining Contracts	116.8	105.3	10.9%	9.3%	1.6%
• Fuel & Lubes	120.0	88.9	35.1%	14.8%	20.3%
• Utilities & Power	67.7	56.9	19.0%	6.5%	12.5%
• Other Input Costs	302.8	269.8	12.2%	4.0%	8.2%
Deferred mining costs	24.5	(100.5)			
Inventory movements	(28.7)	6.8			

Newcrest continues to face cost pressure at all operating sites. Mine production costs (before inventory movements and deferred mining amortisation) increased by \$137.4 million or 15.6% to \$1,019.3 million. This was due to:

- increased operational activity across the Group resulting in higher employee numbers and greater fuel usage;
- industry wide cost pressures on diesel fuel and maintenance costs (including contract labour);
- higher costs for other inputs due to continued inflationary pressure plus the higher usage of grinding media and drill consumables at Telfer due to the increasing hardness of the ore; and
- the impact on Telfer from the gas supply interruption in June 2008, including:
 - higher usage of diesel to fuel the power plant;
 - purchasing an interim gas supply at rates well above the contract rate; and
 - higher maintenance costs due to bringing forward a shutdown planned for the FY2009 year.

Deferred mining costs were \$24.5 million in 2008 compared to a credit of \$100.5 million in 2007. This was mostly due to Cadia's mining of higher grade ore from the open pit and associated release from the deferred mining account to costs. Telfer also contributed to the variance with reduced waste movements in the open pit and an increased level of production from the underground.

The higher inventory valuation movement in 2008 reflects the slight build up of inventory levels as at the end of the year.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Treatment, realisation and royalty costs

Concentrate treatment and realisation costs for the year of \$151.2 million was a reduction of \$41.3 million on the prior year, due to reductions in contracts containing price participation and lower treatment/refining rates partly offset by higher shipping rates.

Royalties of \$57.8 million for the year ended 30 June 2008 were \$8.8 million higher than the prior year 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.

Administration Costs

Corporate administration expenses of \$58.1 million was an increase of \$11.0 million from the prior year. The corporate expenses include corporate costs of \$47.2 million (2007: \$38.2 million), depreciation of \$5.4 million (2007: \$3.4 million) and the accounting impact of share based remuneration \$5.5 million (2007: \$5.5 million).

The corporate costs 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 on its business development and mergers and acquisitions activities, Newcrest has centralised its key technical and specialist resources to ensure greater efficiencies and effectiveness across the Group.

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. (Details of the nature and location of exploration expenditure is provided below in the cash flow section.)

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 hedges \$213.6 million and copper hedges \$222.9 million) in the prior year. These related to losses realised on gold hedge contracts that were settled by physical delivery prior to the hedge book close out. 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 at the time. All remaining copper hedging was closed out by June 2007.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
Other Revenue and Other Income/(Expense)

\$M	12 months ended	
	30 June 2008	30 June 2007
Net foreign exchange (loss)	(20.3)	(18.5)
Fair value gain on gold and 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)
Other revenue and income/(expense)	29.6	13.1

Other revenue and Other income/(expense) 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. The gain in the prior period was mostly due to copper price movements. Newcrest now locks in the copper price for shipments at the time of sale to minimise this impact. The gain in 2008 is mostly due to positive gold price movements during the quotation period.

Although the gold sale quotation period is much shorter than that for copper (generally one month for gold versus three or four months for copper), the profit impact has increased due to the increasing spot gold price and Newcrest's greater exposure to the spot gold price following the close out of the hedge book.

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.

These items were partly offset by net foreign exchange losses due to the impact on concentrate debtors of the appreciation of the A\$:US\$ exchange rate (\$20.3 million).

2.4 Borrowing Costs

As described above, Newcrest raised equity and reduced debt during the year. This resulted 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 (2006: \$12.3 million) was capitalised.

2.5 Income Tax Expense

The income tax expense in the current year on Underlying Profit was \$190.7 million, resulting in an effective tax rate of 26.7%. The effective tax rate benefited from research and development allowance claims relating to the current and prior year. The prior year tax expense on Underlying Profit was \$61.5 million with an effective tax rate of 22.5%. (Refer cash section for further comments).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

2.6 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

Whilst the close out of the gold hedge book realised the gold hedging losses and extinguished any future obligation with respect to the hedge contracts, accounting standards require the accumulated losses on these contracts closed out to remain deferred in the hedge reserve within equity. The losses in the hedge restructure will then be transferred to the Income Statement in future periods in line with the original sales to which they were designated. This resulted in a loss release profile as noted below. A pre-tax loss on restructured and closed out hedge contracts of \$314.1 million has been recognised in the full year accounts. This includes the losses on the current year closed out contracts and previous year's hedge restructures. As at 30 June 2008 no liabilities remain for the close out contents and the profit impacts on the current and future periods are non-cash.

	Current	To be released in future periods				
	2008 \$M	2009 \$M	2010 \$M	2011 \$M	2012 \$M	TOTAL \$M
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 options⁶;
- 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.

⁶ The gold forward sales contracts were fully closed out in FY2008 and will not impact future periods. Changes in the value of the gold put options will continue to be included in the Income Statement.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

3. Discussion and Analysis of the Cash Flow Statement

3.1 Cash Flow – Operating Activities

Strong operational performance, high gold and copper prices during the year and full spot price exposure after the equity raising, drove a 163% increase in operating cash flow 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. Lower interest paid in the current year is a result of the lower debt levels following the equity issue.

Higher tax instalments have been paid in Indonesia in respect of Gosowong during the current year due to increased profitability.

3.2 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. During the year Newcrest also committed to spend US\$536 million to acquire a 50% interest in Harmony's PNG assets. The settlement of the transaction was post the end of the financial year.

Capital expenditure

Major areas of capital expenditure during the period included:

- Sustaining capital in line with FY2008 guidance; and
- Major project expenditure includes Ridgeway Deeps and feasibility for the Cadia East project.
- Development expenditure includes underground development at Kencana and Telfer.

\$M	12 months ended 30 June	
	2008	2007
Sustaining	88.6	74.0
Development	43.5	38.0
Projects	188.1	105.0
Other	17.7	123.8
Total	337.9	340.8

Exploration expenditure

Newcrest's exploration group focused on greenfield exploration areas in Australia, USA, Chile and Peru. The brownfields exploration effort included \$6.7 million in the Gosowong area. Province development is focused on opportunities improving 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. Greenfields drilling is described in more detail in Newcrest's quarterly release and management presentation.

Province development included:

- Cadia East and Cadia Quarry drilling to define and delineate;
- Gosowong, reserve development for Kencana K2; and
- Telfer, encouraging results from O'Callaghans (tungsten/molybdenum deposit) and the Vertical Stockwork Corridor

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

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	6.7
- Namosi, Fiji	0.5
Total	76.8

Other

Included in cash flow from investing activities was the \$79.5 million purchase of long dated gold put options.

3.3 Cash Flow – Financing Activities

During the 2008 financial year Newcrest restructured its balance sheet, raising equity, paying down debt and eliminating all hedge contracts. At the end of the financial year gearing had reduced from 46% to 8%.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

4. Discussion and Analysis of the Balance Sheet

4.1 Net Assets and Total Equity

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 out of the money gold hedge book and repay the gold forward bullion forward sales contracts.

Property, plant and equipment and exploration, evaluation and development had a combined value on the balance sheet of \$2,875.2 million as at 30 June 2008, representing an increase of \$51.3 million on the prior year. Included in this total was carried forward exploration still under evaluation of \$77.5 million.

Total deferred mining expenditure on the balance sheet at year end was \$357.0 million with the majority relating to Cadia Hill open pit, which is expected to amortise over the next three years.

Newcrest also has carry forward tax losses of \$490.7 million recognised as an asset as at balance date. These all relate to the Australian tax consolidated group and are driven by the hedge losses realised with the close out of the hedge book and gold bullion forward sales contracts during the year.

4.2 Net Debt and Gearing

Net debt, comprising total borrowings less cash of \$291.1 million (June 2007: \$1,319.6 million) was 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% (June 2007: 46%). (Equity had been adjusted in the prior year by the balance of the Hedge Reserve to remove the impact of the gold hedge book mark to market).

\$M	As at 30 June	
	2008	2007
Total debt	368.6	1,353.9
Less cash and cash equivalents	(77.5)	(34.3)
Net debt	291.1	1,319.6
Equity	3,251.9	1,571.0
Net debt and equity	3,543.0	2,890.6
Gearing (net debt/net debt and equity)	8%	46%

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

4.3 Liquidity and Debt Facilities

As at 30 June 2008, Newcrest has undrawn bilateral debt facilities of US\$969 million with 14 banks. These facilities mature in 2010. In conjunction with operating cash flow, the bilateral debt will be used to meet the FY2009 commitments for the recently announced acquisition of 50% of Harmony Gold's assets in Papua New Guinea of approximately US\$536 million and other major FY2009 capital expenditure. Newcrest's expected future gearing level is in the range of 15% to 20%.

Newcrest also has US\$350 million of long term senior unsecured notes issued into the North American Private Placement market. The notes, comprising 5 tranches, have a repayment profile from May 2012 to May 2020.

**INCOME STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Consolidated	
		2008 \$M	2007 \$M
Operating sales revenue	3(a)	2,363.1	2,126.5
Cost of sales	3(b)	(1,497.3)	(1,250.7)
Gross profit		<u>865.8</u>	<u>875.8</u>
Exploration expenses		(46.4)	(47.2)
Corporate administration expenses	3(c)	(58.1)	(47.1)
Operating Profit		<u>761.3</u>	<u>781.5</u>
Other revenue	3(d)	20.4	6.0
Other income/(expenses)	3(e)	9.2	7.1
Losses on delivered hedges	3(f)	(33.8)	(436.5)
Finance costs – ordinary activities	3(i)	(43.4)	(84.4)
Profit before tax, restructure and close out impacts		<u>713.7</u>	<u>273.7</u>
Losses on restructured hedges and closed out hedge contracts	3(k)	(314.1)	(151.0)
Other close out related costs	3(l)	(217.7)	-
Finance costs – close out and restructure	3(m)	(20.9)	(23.9)
Foreign exchange gain on US Dollar borrowings hedges	3(n)	39.0	4.6
Profit/(loss) before income tax		<u>200.0</u>	<u>103.4</u>
Income tax (expense)/benefit		<u>(36.6)</u>	<u>(10.4)</u>
Profit/(loss) after income tax		<u>163.4</u>	<u>93.0</u>
Attributable to:			
Minority interest		29.1	21.0
Members of the parent entity		134.3	72.0
		<u>163.4</u>	<u>93.0</u>
Profit/(loss) after tax attributable to members of the parent entity comprises:			
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)	3(k)	219.9	105.7
Other close out related costs (after tax)	3(l)	152.4	-
Finance costs – close out and restructure (after tax)	3(m)	14.6	16.7
Foreign exchange gain on US Dollar borrowings hedges (after tax)	3(n)	(27.3)	(3.2)
Profit after tax before hedge restructure and close out impacts attributable to members of the parent entity (“Underlying Profit”)		<u>493.9</u>	<u>191.2</u>
Earnings per share (EPS) (cents per share)	4		
Basic earnings per share		31.0	19.4
Diluted earnings per share		30.9	19.3
Earnings per share on Underlying Profit:			
Basic earnings per share		114.1	51.6
Diluted earnings per share		113.8	51.4
Dividends per share (cents per share)	2	10.0	5.0

The Income Statement is to be read in conjunction with the Management Discussion and Analysis.

**BALANCE SHEET
 AT 30 JUNE 2008**

	Consolidated	
	2008	2007
	\$M	\$M
CURRENT ASSETS		
Cash and cash equivalents	77.5	34.3
Trade and other receivables	209.5	262.8
Inventories	219.6	163.4
Financial derivative assets	6.9	422.3
Tax receivable	8.7	4.1
Other	161.5	99.4
Total Current Assets	683.7	986.3
NON-CURRENT ASSETS		
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	-
Other	235.0	286.9
Total Non-Current Assets	3,640.2	3,636.3
TOTAL ASSETS	4,323.9	4,622.6
CURRENT LIABILITIES		
Trade and other payables	177.7	216.4
Interest-bearing loans and borrowings	2.6	35.0
Financial derivatives and other financial liabilities	6.1	500.8
Income tax payable	21.5	4.8
Provisions	43.3	32.3
Total Current Liabilities	251.2	789.3
NON CURRENT LIABILITIES		
Interest-bearing loans and borrowings	366.0	1,318.9
Financial derivatives and other financial liabilities	-	1,060.1
Deferred tax liabilities	385.4	396.7
Provisions	62.5	47.9
Other	6.9	68.9
Total Non-Current Liabilities	820.8	2,892.5
TOTAL LIABILITIES	1,072.0	3,681.8
NET ASSETS	3,251.9	940.8
EQUITY		
Issued capital	2,857.4	834.5
Retained earnings	829.0	711.5
Reserves	(461.2)	(626.7)
Parent entity interest	3,225.2	919.3
Minority interest	26.7	21.5
TOTAL EQUITY	3,251.9	940.8

The Balance Sheet is to be read in conjunction with the Management Discussion and Analysis.

STATEMENT OF CHANGES IN EQUITY

Consolidated	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						MINORITY INTEREST	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Retained Earnings	Total		
	\$M	\$M	\$M	\$M	\$M	\$M		
Balance at 1 July 2007	834.5	(10.6)	(630.2)	14.1	711.5	919.3	21.5	940.8
Foreign exchange gain/(loss) on USD debt cash flow hedge deferred in equity	-	-	78.5	-	-	78.5	-	78.5
Net fair value gains/(losses) on gold forward cash flow hedges deferred in equity	-	-	(205.7)	-	-	(205.7)	-	(205.7)
Net impact of prior period restructures transferred to equity	-	-	57.8	-	-	57.8	-	57.8
Losses on restructured hedge contracts transferred to the Income Statement (refer note 3(k))	-	-	314.0	-	-	314.0	-	314.0
Foreign exchange gains on US Dollar borrowings transferred to the Income Statement (refer note 3(n))	-	-	(39.0)	-	-	(39.0)	-	(39.0)
Net cash flow hedge losses transferred to the Income Statement (refer note 3(f))	-	-	33.8	-	-	33.8	-	33.8
Foreign currency translation	-	(13.5)	-	-	-	(13.5)	(2.9)	(16.4)
Deferred tax on items taken directly to/transferred from equity	-	4.1	(70.0)	-	-	(65.9)	0.9	(65.0)
Total income/(expense) recognised directly in equity	-	(9.4)	169.4	-	-	160.0	(2.0)	158.0
Net profit for the year	-	-	-	-	134.3	134.3	29.1	163.4
Total recognised income/(expense) for the year	-	(9.4)	169.4	-	134.3	294.3	27.1	321.4
Share-based payments	-	-	-	5.5	-	5.5	-	5.5
Exercise of options	4.9	-	-	-	-	4.9	-	4.9
Shares issued under the dividend reinvestment plan	2.0	-	-	-	-	2.0	-	2.0
Shares issued - Equity raising	2,022.6	-	-	-	-	2,022.6	-	2,022.6
Share buy-back	(6.6)	-	-	-	-	(6.6)	-	(6.6)
Dividends paid	-	-	-	-	(16.8)	(16.8)	(21.9)	(38.7)
Balance at 30 June 2008	2,857.4	(20.0)	(460.8)	19.6	829.0	3,225.2	26.7	3,251.9

The Statement of Changes in Equity should be read in conjunction with the Management Discussion and Analysis.

STATEMENT OF CHANGES IN EQUITY (Continued)

Consolidated	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						MINORITY INTEREST	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Retained Earnings	Total		
	\$M	\$M	\$M	\$M	\$M	\$M		
Balance at 1 July 2006	819.0	(2.0)	(1,334.0)	8.6	656.2	147.8	12.9	160.7
Foreign exchange gain/(loss) on USD debt cash flow hedge deferred in equity	-	-	182.0	-	-	182.0	-	182.0
Net fair value gains/(losses) on gold forward cash flow hedges deferred in equity	-	-	225.7	-	-	225.7	-	225.7
Losses on restructured hedge contracts transferred to the Income Statement (refer note 3(k))	-	-	158.0	-	-	158.0	-	158.0
Foreign exchange gains on US Dollar borrowings transferred to the Income Statement (refer note 3(n))	-	-	(4.6)	-	-	(4.6)	-	(4.6)
Net cash flow hedge losses transferred to the Income Statement (refer note 3(f))	-	-	436.5	-	-	436.5	-	436.5
Foreign currency translation	-	(12.3)	-	-	-	(12.3)	(2.4)	(14.7)
Deferred tax on items taken directly to/transferred from equity	-	3.7	(293.8)	-	-	(290.1)	0.7	(289.4)
Total income/(expense) recognised directly in equity	-	(8.6)	703.8	-	-	695.2	(1.7)	693.5
Net profit for the year	-	-	-	-	72.0	72.0	21.0	93.0
Total recognised income/(expense) for the year	-	(8.6)	703.8	-	72.0	767.2	19.3	786.5
Share-based payments	-	-	-	5.5	-	5.5	-	5.5
Exercise of options	12.7	-	-	-	-	12.7	-	12.7
Shares issued under the Dividend Reinvestment Plan	2.8	-	-	-	-	2.8	0.6	3.4
Dividends paid	-	-	-	-	(16.7)	(16.7)	(11.3)	(28.0)
Balance at 30 June 2007	834.5	(10.6)	(630.2)	14.1	711.5	919.3	21.5	940.8

The Statement of Changes in Equity should be read in conjunction with the Management Discussion and Analysis.

**STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2008**

	Consolidated	
	2008	2007
	\$M	\$M
CASH FLOWS FROM OPERATING ACTIVITIES		
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 taxes (paid)/refunded	(58.7)	(22.0)
Net cash provided by operating activities	1,018.1	387.4
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(111.2)	(116.7)
Proceeds from sale of non-current assets	0.3	0.7
Exploration and evaluation expenditure	(76.8)	(59.9)
Payments in respect of mine under construction and development	(174.9)	(154.9)
Feasibility expenditure	(49.6)	(56.9)
Interest capitalised to development projects	(2.2)	(12.3)
Purchase of gold put options	(79.5)	-
Net cash (used in) investing activities	(493.9)	(400.0)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings:		
o USD Bilateral debt	70.1	393.7
o Loan from minority interest	-	0.3
Repayment of borrowings:		
o USD loan	-	(41.6)
o Gold loan	(150.6)	(33.5)
o Loan from minority interest	-	(5.7)
o USD Bilateral debt	(825.4)	(402.0)
Repayment of finance lease principal	(1.1)	(4.5)
Proceeds from equity issue net of costs	2,014.4	-
Proceeds from other share issues	4.9	12.7
Share buy-back	(6.6)	-
Dividends paid	(36.7)	(24.6)
Purchase of gold to close out gold forward contracts	(1,549.3)	-
Net cash (used in)/provided by financing activities	(480.3)	(105.2)
Net increase/(decrease) in cash and cash equivalents	43.9	(117.8)
Cash and cash equivalents at the beginning of the financial year	34.3	153.0
Effects of exchange rates changes on cash held	(0.7)	(0.9)
Cash and cash equivalents at the end of the financial year	77.5	34.3

The Statement of Cash Flows is to be read in conjunction with the Management Discussion and Analysis.

NOTES TO THE ADDITIONAL FINANCIAL INFORMATION

NOTE 1 ACCOUNTING POLICIES

The Appendix 4E has been prepared in accordance with the ASX Listing Rules. Information included in the Appendix 4E has been extracted from the Consolidated Entity's full financial report, and is presented in Australian dollars.

A full description of the accounting policies adopted by the Consolidated Entity may be found in the Consolidated Entity's full Financial Report. These accounting policies have been consistently applied by each entity in the Consolidated Entity.

The full financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements of the Group also complies with International Financial Reporting Standards ('IFRSs') including interpretations adopted by the International Accounting Standards Board.

NOTE 2 DIVIDENDS PAID AND PROPOSED

	Cents per share	Total amount \$M	Franked/ unfranked	Date of payment
Dividends recognised in the current year by the Company are:				
2008 – Dividend paid during the year for the 30 June 2007 year				
Final – ordinary	5.0	<u>16.8</u>	Unfranked	27 Sep 2007
2007 – Dividend paid during the year for the 30 June 2006 year				
Final – ordinary	5.0	<u>16.7</u>	Unfranked	13 Oct 2006
Subsequent events				
Dividend proposed and not recognised as a liability:				
Since the end of the financial year, the Directors declared the following dividends:				
Final – ordinary	10.0	<u>45.3</u>	Unfranked	17 October 2008
Dividend franking account balance				
			Consolidated	
			2008	2007
			\$M	\$M
Franking credits at 30% available for the subsequent financial year			0.1	0.1

NOTE 3 REVENUE AND EXPENSES

	Consolidated	
	2008	2007
	\$M	\$M
Specific items		
Profit/(loss) before income tax expense includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Consolidated Entity:		
(a) Sales Revenue		
Gold	1,617.9	1,321.2
Copper	721.2	785.0
Silver	24.0	20.3
Total Operating Sales Revenue	2,363.1	2,126.5
(b) Cost of Sales		
Mine production costs	1,019.3	881.9
Royalty	57.8	49.0
Concentrate treatment and realisation	151.2	192.5
Depreciation	273.2	221.0
Deferred mining adjustment	24.5	(100.5)
Inventory movements	(28.7)	6.8
Total Cost of Sales	1,497.3	1,250.7
(c) Corporate Administration Expenses		
Corporate costs	47.2	38.2
Corporate depreciation	5.4	3.4
Equity settled share-based compensation payments	5.5	5.5
Total Corporate Administration Expenses	58.1	47.1
(d) Other Revenue		
Interest from other persons	18.9	4.5
Joint venture management fees	1.5	1.5
Total Other Revenue	20.4	6.0
(e) Other Income/(Expenses)		
Profit/(loss) on sale of non-current assets	(0.6)	0.3
Net foreign exchange gain/(loss)	(20.3)	(18.5)
Royalty refund ⁽¹⁾	6.4	12.3
Fair value gain on gold lease rate swaps	1.5	1.6
Fair value adjustment on gold and copper derivatives	17.1	14.1
Other	5.1	(2.7)
Total Other Income/(Expenses)	9.2	7.1
Sale of assets:		
Sale of assets have given rise to the following profits/(losses):		
Proceeds from sale of plant and equipment	0.3	0.7
Carrying value of plant and equipment sold	(0.9)	(0.4)
Profit/(loss) on sale of plant and equipment	(0.6)	0.3

⁽¹⁾ The royalty refund received during the current year related to a favourable judgement regarding the application of mineral royalty to part of the Consolidated Entity's operations. The refund received during the prior year related to royalties paid in previous years. The refund was due to a change in the calculation basis for royalty payments which now includes the impact of hedging.

NOTE 3 REVENUE AND EXPENSES (Continued)

	Consolidated	
	2008	2007
	\$M	\$M
(f) Losses on Delivered Hedges ⁽¹⁾		
Gold hedge losses	(33.8)	(213.6)
Copper hedge losses	-	(222.9)
Total Losses on Delivered Hedges	(33.8)	(436.5)
⁽¹⁾ These relate to losses realised on hedge contracts that were settled by physical delivery prior to the hedge book close out.		
(g) Depreciation and Amortisation		
Depreciation of:		
Property, plant and equipment	150.4	140.8
Amortisation of:		
Mine development	128.1	81.5
Add/(less) capitalised to inventory on hand	0.1	2.1
Total Depreciation and Amortisation Expense	278.6	224.4
Included in:		
Cost of Sales Depreciation	273.2	221.0
Corporate Depreciation	5.4	3.4
Total Depreciation and Amortisation Expense	278.6	224.4
(h) Employee Benefits Expense		
Defined benefit plans expense/(benefit)	0.5	(0.5)
Equity settled share-based compensation payments	5.5	5.5
Termination benefits expense	-	5.9
Defined contribution plan expense	20.9	15.4
Other employment benefits	199.6	138.8
Total Employee Benefits Expense	226.5	165.1
(i) Finance Costs – Ordinary Activities		
Interest Costs:		
Interest on loans	38.1	89.9
Finance leases	0.7	0.5
Other:		
Borrowing costs	2.7	2.7
Unwind of provision discount	4.1	3.6
	45.6	96.7
Less: capitalised borrowing costs	(2.2)	(12.3)
Total Finance Costs – Ordinary Activities	43.4	84.4
(j) Other Items:		
Operating lease rentals	6.8	4.7
Stores obsolescence	0.4	0.3
	7.2	5.0

NOTE 3 REVENUE AND EXPENSES (Continued)

	Consolidated	
	2008	2007
	\$M	\$M
(k) Losses on Restructured and Closed out Hedges		
Net impact on profit/(loss) from losses on restructured and closed out hedges:		
Losses relating to closed out hedges	146.0	-
Release of losses relating to restructured hedges	168.0	158.0
Total losses on hedges transferred from reserves	314.0	158.0
(Gains)/losses from prior period hedge contract restructures	0.1	(7.0)
Total Losses on Restructured and Closed Out Hedges	314.1	151.0
Applicable income tax (benefit)	(94.2)	(45.3)
Total Losses on Restructured and Closed Out Hedges (after tax)	219.9	105.7
(l) Other Close Out Related Costs		
Fair value loss on gold forward sales contracts	178.7	-
Fair value loss on gold put options	39.0	-
Total Other Close Out Related Costs	217.7	-
Applicable income tax (benefit)	(65.3)	-
Total Other Close Out Related Costs (after tax)	152.4	-
(m) Finance Costs – Close Out and Restructure		
Gold loan break costs	13.1	-
Discount unwind – hedge restructure liability ⁽¹⁾	7.8	23.9
Total Finance Costs – Close Out and Restructure	20.9	23.9
Applicable income tax (benefit)	(6.3)	(7.2)
Total Finance Costs – Close Out and Restructure (after tax)	14.6	16.7
(n) Foreign Exchange Gain on US Dollar Borrowings Hedges		
Foreign exchange gain on US Dollar borrowings hedges	39.0	4.6
Applicable income tax (benefit)	(11.7)	(1.4)
Total Foreign Exchange Gain on US Dollar Borrowings Hedges (after tax)	27.3	3.2

⁽¹⁾ This relates to the unwind of the discount on the hedge restructure liability, established as part of the November 2006 hedgebook restructure, from 1 July 2007 – 10 September 2007

NOTE 4 EARNINGS PER SHARE (EPS)

	Consolidated	
	2008	2007
EPS (cents per share)		
Basic EPS	31.0	19.4
Diluted EPS	30.9	19.3

Earnings per share on Underlying Profit:

Basic EPS	114.1	51.6
Diluted EPS	113.8	51.4

	Consolidated	
	2008	2007
	\$M	\$M
The following reflects the income used in the calculation of basic and diluted EPS:		
Profit after income tax attributable to ordinary equity holders of the parent	134.3	72.0
Earnings attributable to ordinary equity holders of the parent used in calculating basic and diluted EPS	134.3	72.0

The following reflects the income used in the calculation of basic and diluted EPS on Underlying Profit:

Profit after tax before hedge restructure and close out impacts	493.9	191.2
Earnings attributable to ordinary equity holders of the parent used in calculating underlying basic and diluted EPS	493.9	191.2

The following reflects the share data used in the calculation of basic and diluted EPS:

	No. of shares	No. of shares
Weighted average number of ordinary shares used in calculating basic EPS:	432,890,488	370,548,500
Effect of dilutive securities:		
Share options	1,099,277	1,779,902
Adjusted weighted average number of ordinary shares used in calculating diluted EPS	433,989,765	372,328,402

Restatement of comparatives

The EPS calculations for the 2007 financial year have been restated to include the impact of the equity raising undertaken in September 2007, in accordance with accounting standards.

NOTE 5 SEGMENT INFORMATION

The Consolidated Entity's primary segment reporting format is geographical segments as the Consolidated Entity's risk and rates of return are affected predominantly by the location of the mine sites. The operating businesses are organised and managed separately according to their location. All segments are located in Australia with the exception of Gosowong, which is located in Indonesia.

Geographical Segments (Primary Reporting Format based on location of mine sites)

2008	Cadia Valley Operations \$M	Gosowong \$M	Telfer ⁽ⁱⁱ⁾ \$M	Cracow \$M	Group & Unallocated ⁽ⁱⁱⁱ⁾ \$M	2008 Total \$M
External Sales revenue ⁽ⁱ⁾	1,166.9	376.8	749.6	69.8	-	2,363.1
Other revenue	2.9	4.4	-	-	13.1	20.4
Total segment revenue	1,169.8	381.2	749.6	69.8	13.1	2,383.5
Segment EBITDA	665.9	275.3	164.8	33.0	(596.1)	542.9
Depreciation and amortisation	(69.2)	(36.9)	(153.6)	(13.5)	(5.4)	(278.6)
Segment result ⁽ⁱ⁾	596.7	238.4	11.2	19.5	(601.5)	264.3
Finance costs					(64.3)	(64.3)
Income tax expense					(36.6)	(36.6)
Consolidated net profit						163.4
Segment assets	1,284.3	216.2	2,172.1	73.7	577.6	4,323.9
Segment liabilities	259.5	65.4	104.7	5.2	637.2	1,072.0
Other segment information						
Acquisition of segment assets	209.0	58.0	52.8	8.4	55.3	383.5

Geographical Segments (Primary Reporting Format based on location of mine sites)

2007	Cadia Valley Operations \$M	Gosowong \$M	Telfer ⁽ⁱⁱ⁾ \$M	Cracow \$M	Group & Unallocated ⁽ⁱⁱⁱ⁾ \$M	2007 Total \$M
External Sales revenue ⁽ⁱ⁾	1,010.6	295.4	751.5	69.0	-	2,126.5
Other revenue	-	-	-	-	6.0	6.0
Total segment revenue	1,010.6	295.4	751.5	69.0	6.0	2,132.5
Segment EBITDA	596.7	200.8	265.4	38.9	(665.7)	436.1
Depreciation and amortisation	(70.0)	(20.0)	(116.2)	(11.2)	(7.0)	(224.4)
Segment result ⁽ⁱ⁾	526.7	180.8	149.2	27.7	(672.7)	211.7
Finance costs					(108.3)	(108.3)
Income tax expense					(10.4)	(10.4)
Consolidated net profit						93.0
Segment assets	1,255.7	168.9	2,213.4	75.3	909.3	4,622.6
Segment liabilities	266.0	46.8	114.5	0.4	3,254.1	3,681.8
Other segment information						
Acquisition of segment assets	94.2	21.2	224.0	13.0	56.9	409.3

Notes:

- (i) Segment sales revenue and segment results by mine location includes gold and copper sales at unhedged prices. Mine results do not include allocation of hedging and interest costs.
- (ii) Telfer underground operations commenced in November 2006.
- (iii) Includes restructure and close out impacts.

NOTE 5 SEGMENT INFORMATION (Continued)
Geographical Segments (based on location of customers)

	Sales Revenue from External Customers	
	2008	2007
	\$M	\$M
Australia – Bullion	387.7	352.7
Other Asia – Bullion	376.8	295.3
Japan – Concentrate	984.1	923.2
Korea – Concentrate	431.4	262.6
Other Asia – Concentrate	148.7	259.9
Europe – Concentrate	34.4	32.8
Total Sales Revenue	2,363.1	2,126.5

Business Segments (Secondary Reporting Format)

The Consolidated Entity operates predominantly in one business segment being the gold mining industry and derives its revenue from the sale of gold and gold/copper concentrate.

NOTE 6 SUBSEQUENT EVENTS
Papua New Guinea Gold Joint Venture

Contributions of up to US\$536 million are required for a half share of the Papua New Guinea gold assets of Harmony Gold Mining Company Limited (“Harmony”) pursuant to an agreement entered into in April 2008. The commitment will be in two stages:

- (i) an initial US\$180 million payment to acquire a 30.01% interest, together with a reimbursement to Harmony of US\$50 million in project expenditure (total payment of US\$230 million); and
- (ii) a farm-in commitment for the remaining 19.99% of approximately US\$306 million, to fund project expenditure up to the commencement of mining operations at Hidden Valley, scheduled for mid 2009.

Subsequent to year end the payment referred to in (i) above was made on 7 August 2008.

On 19 August 2008, the directors of Newcrest Mining Limited declared a final unfranked dividend on ordinary shares in respect of the 2008 financial year. The total amount of the dividend is \$45.3 million, which represents an unfranked dividend of 10c per share. The dividend has not been provided for in the 30 June 2008 financial statements.

There are no other matters or circumstances which have arisen since 30 June 2008 that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

Independent auditor's report to the members of Newcrest Mining Limited

We have audited the accompanying financial report of Newcrest Mining Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2 (a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

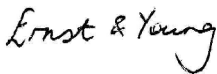
1. the financial report of Newcrest Mining Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of Newcrest Mining Limited and the consolidated entity at 30 June 2008 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Newcrest Mining Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



R C Piltz
Partner
Melbourne
19 August 2008