

# NEWCREST



## Financial Results

Twelve months ending 30 June 2004

### Index

Financial Statements	2
Financials	3
Hedging	4
Corporate Information	6

### OVERVIEW

	2004 \$M	2003 \$M
Operating profit before interest, depreciation, significant items and tax	292.9	195.9
Operating profit before significant items and tax	169.9	83.3
Significant items	5.2	37.0
Operating profit/(loss) before income tax	175.1	120.3
Net profit/(loss) after tax and minority interest	122.9	92.2
Profit after tax but before significant items	119.3	66.3

Newcrest's net profit after tax was \$122.9M (\$92.2M) with profit after tax but before significant items \$119.3M (\$66.3M), an increase of \$53.0M. The increase in operating earnings was based on:

- Group gold production of 761,780oz (714,377oz) and sales of 754,745oz (724,584 oz)
- Copper sales of 84,231t (68,604t) resulting in by-product revenue increasing to \$270.3M (\$192.8M)

### Other Key Points

- Sales revenue increased to \$711.4M (\$607.2M)
- Achieved gold price for year A\$579/oz (A\$567/oz)
- Cash flow from operations improved to \$266.8M (\$199.1M)
- Capital, feasibility, development and exploration expenditure totalled \$753.4M (\$265.4M) relating mainly to the Telfer project
- Dividend maintained at 5 cents per share fully franked
- The hedge book was comprehensively simplified subsequent to year end with all the FX book and contingent products eliminated

### Other Matters

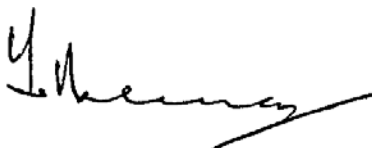
Given the impending start up of the Telfer project in Western Australia the Annual General Meeting will be held at the Hyatt Regency Hotel, Perth, Australia on 27 October 2004 at 9.30 am.

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

For further information,  
please contact:

Peter Reeve  
General Manager  
Corporate Affairs  
Newcrest Mining Limited  
(ABN 20 005 683 625)  
Level 9, 600 St Kilda Road,  
Melbourne VIC 3004  
AUSTRALIA  
Telephone: +61 (0)3 9522 5339  
Facsimile: +61 (0)3 9510 3416  
Email: reevep@newcrest.com.au

This information is available on  
our web site at  
<http://www.newcrest.com.au>



A J Palmer  
Managing Director & CEO  
26 August 2004



## FINANCIAL STATEMENTS

### Statement of Financial Performance

12 Months Ending	30 June 2004 \$M	30 June 2003 \$M
Spot gold sales	412.0	409.7
Gold hedging	27.4	29.0
Currency hedging	(2.1)	(27.4)
By-Product sales	270.3	192.8
Copper hedging	3.8	3.1
Total Sales Revenue	711.4	607.2
Mine costs	(364.3)	(354.7)
Exploration expense	(32.0)	(26.8)
Administration costs	(19.5)	(19.0)
Other expenses	(8.7)	(16.7)
Other income	6.0	5.9
Operating EBITDA	292.9	195.9
Depreciation and amortisation	(110.9)	(97.6)
Borrowing costs	(12.1)	(15.0)
Operating profit before tax and significant items	169.9	83.3
Provision for surplus foreign currency and gold contracts	10.3	24.0
Provision for hedging contract restructures	(9.8)	(11.7)
FX gain on Nippon US\$ borrowing	4.7	24.7
Net profit/(loss) before income tax	175.1	120.3
Income tax (expense)/benefit	(51.1)	(29.2)
Net profit/(loss) after tax	124.0	91.1
Outside equity interest in controlled entity	(1.1)	1.1
Net profit after tax attributable to members of the Company	122.9	92.2
<b>Cashflow Statement</b>		
<b>Cashflow from operating activities</b>		
Sales receipts	697.7	608.3
Payments to suppliers and employees	(419.6)	(380.8)
Interest received	2.4	4.9
Borrowing costs paid	(12.1)	(15.0)
Income taxes paid	(1.6)	(18.3)
	266.8	199.1
<b>Cashflow from investing activities</b>		
Exploration	(45.4)	(33.4)
Fixed assets, evaluation and development	(709.9)	(231.7)
Proceeds on sale of non-current assets	1.9	0.4
Other	-	(0.7)
	(753.4)	(265.4)

<b>Cashflow from financing activities</b>		
Proceeds from borrowings	639.9	-
Repayment of borrowings	(71.9)	(76.6)
Repayment of finance lease principal	(15.4)	(10.4)
Dividend paid	(13.4)	(13.8)
Proceeds from capital raising and share issues	4.2	253.8
	543.4	153.0
Effects of exchange rates to cash	(0.9)	-
<b>Net increase/(decrease) in cash</b>	<b>55.9</b>	<b>86.7</b>

### Statement of Financial Position

	30 June 2004 \$M	30 June 2003 \$M
Cash	157.0	101.1
Accounts receivable	109.9	69.0
Investments	0.3	0.1
Inventories	40.2	16.8
Deferred foreign exchange loss	10.8	24.5
Other	20.5	26.4
<b>Current assets</b>	<b>338.7</b>	<b>237.9</b>
Accounts receivable	34.6	39.9
Inventories	7.9	8.9
Fixed assets net of depreciation	537.9	562.0
Exploration, evaluation and development	1,365.0	761.6
Deferred foreign exchange loss	30.8	65.1
Other	250.7	163.6
<b>Non-current assets</b>	<b>2,226.9</b>	<b>1,601.1</b>
Accounts payable	159.7	181.2
Borrowings	86.2	83.7
Tax liabilities	-	-
Provisions	8.1	7.8
Foreign exchange liabilities	10.8	35.5
Other	3.3	7.1
<b>Current liabilities</b>	<b>268.1</b>	<b>315.3</b>
Borrowings	1,027.6	401.4
Deferred tax	100.7	50.8
Provisions	57.3	49.8
Foreign exchange liabilities	30.8	65.1
Other	81.3	71.6
<b>Non-current liabilities</b>	<b>1,297.7</b>	<b>638.7</b>
<b>Net Assets</b>	<b>999.8</b>	<b>885.0</b>



Share capital	791.5	784.3
Retained profits	200.3	93.8
Outside equity interest in controlled entity	8.0	6.9
Shareholders' equity	999.8	885.0

## FINANCIALS

### Profit After Tax

Net profit after tax was \$122.9M (\$92.2M) with profit after tax but before significant items \$119.3M (\$66.3M), an increase of \$53.0M.

The profit before tax included the following significant items:

- \$10.3M write-back of provision for surplus foreign currency contracts.
- (\$9.8M) provision for restructure of hedge contracts.
- \$4.7M foreign exchange gain on US\$ Nippon borrowing.

### Revenue

Sales revenue increased to \$711.4M (\$607.2M) primarily due to the increase in copper by-product revenue.

The components of the gold price were:

	2003/04 \$/oz	2002/03 \$/oz
Gold hedge book	582	605
FX book	(3)	(38)
Total	579	567

The achieved gold price reflects an improved outcome from the now eliminated FX hedge book.

	2003/04 oz	2002/03 oz
Opening inventory	4,812	15,019
Gold production	761,780	714,377
Gold sold	754,745	724,584
Closing inventory	11,847	4,812

By-product contribution improved to \$270.3M (\$192.8M) reflecting increased copper sales from Ridgeway and Cadia Hill of 84,231 tonnes (68,604 tonnes) and increase in the copper price. The achieved copper price for the year was A\$1.44/lb (A\$1.28/lb).

### Mine Costs

Gross mine costs (before copper by-product revenue) increased to \$364.3M (\$354.7M) due to the higher sales volume however per unit cash costs were lower compared to the previous year.

### Exploration

Exploration expenditure for the year totalled \$45.4M. \$32.0M of this expenditure was expensed and exploration expenditure capitalised at year end of \$34.9M related to Cadia Valley, Ridgeway Deeps and Kencana.

### Other Expenses

Other expenses comprised \$8.7M for care and maintenance costs relating to Gosowong and Boddington.

### Other Income

Other income was largely interest revenue and proceeds from minor asset sales.

### Depreciation and Amortisation

Depreciation and amortisation totalled \$110.9M (\$97.6M) equating to a rate of \$147/oz (\$135/oz) of gold sales. This unit rate was higher due to lower grade and gold recovered at Cadia Hill.

### Borrowing Costs

Borrowing costs expensed were \$12.1M (\$15.0M). Net borrowing costs capitalised for the year were \$35.5M (\$2.9M) and related only to the Telfer project. These costs include all interest costs, commitment fees and foreign exchange gains/losses on Telfer related US\$ borrowings.

### Provision for Surplus Foreign Currency

US\$61M of surplus foreign currency exchange contracts expired in the year resulting in a realised gain of \$10.3M compared with the 30 June 2003 FX loss provision. This item is now finalised as there are no remaining surplus FX contracts.



## FX Gain – US\$ Loan

The Nippon Loan is accounted for as a natural hedge of concentrate sales at US\$/A\$0.69.

Included in the result is a \$4.7M realised FX gain which has been released to profit to match loan repayments.

## Hedge Contracts Restructure Provision

Ongoing treatment of previous year's hedging restructures resulted in a charge to the Statement of Financial Performance of \$9.8M. \$0.5M was released to operating revenue resulting in a net increase to the provision of \$9.3M.

## Cash Flow – Operating Activities

Cash flow from operating activities of \$266.8M (\$199.1M) improved due to increased gold sales receipts and increased by-product revenue.

## Cash Flow – Investing Activities

Cash used in investing activities amounted to a net \$753.4M (\$265.4M).

Major areas of expenditure were:

	<b>\$M</b>
Telfer Project (including Telfer Deeps, pre-operating mine costs and capitalised borrowing costs)	666.7
Cadia, Ridgeway, Cadia East	17.7
Exploration	45.4
Cracow mine development	17.0
Other	6.6
	<u>753.4</u>

A breakdown of exploration expenditure was:

	<b>\$M</b>
- Greenfields	19.3
- Brownfields	10.9
- Project resource definition	
• Cracow	2.2
• Indonesia	6.5
• Cadia Valley	6.1
• Other	0.4
	<u>45.4</u>

## Cash Flow – Financing Activities

### Borrowings

Proceeds from the drawdown of borrowings relating to Telfer debt were:

	<b>A\$M</b>
Syndicated A\$ Telfer Debt	375.0
Syndicated US\$ Telfer Debt	179.9
Unsecured loan	85.0
	<u>639.9</u>

Major debt repayments consisted of:

	<b>\$M</b>
Gold loan	49.1
US\$ borrowing	22.8
Finance leases	15.4
	<u>87.3</u>

### Dividend Payment

The Dividend Reinvestment Plan (DRP) reduced the net payout of the 2003 dividend of \$16.4M to \$13.4M.

## Dividends

The Company has declared a fully franked dividend of 5¢ per share. The dividend is payable to shareholders on 15 October 2004. Shareholders registered as at the close of business on 24 September 2004 will be eligible for the dividend. The Dividend Reinvestment Plan remains in place and will be offered to shareholders at market price.

## HEDGING

On 5 July 2004 Newcrest Mining Limited announced that it had completed a comprehensive simplification of its gold and foreign currency hedging positions. In the restructure the foreign currency hedge book and all contingent style products were eliminated. The overall purpose of the restructure is to provide greater revenue certainty and to facilitate greater understanding of the company's total business. The assessed mark to market value inherent in the existing hedgebook has been embedded into the price of the new forwards and gold lease rate transactions resulting in the restructure being completed without any cash outflow, except for a minor credit fee.



In addition to the hedge restructure, Newcrest also announced that it had put in place new hedging for its copper by-products for the years ending 30 June 2005 and 2006.

The mark to market position at 30 June 2004 was:

	30 June 2004	30 June 2003
	\$M	\$M
Gold	(358)	182
Currency	(51)	(91)
Copper	(43)	(7)
<b>Total</b>	<b>(452)</b>	<b>84</b>

The mark to market of the gold loan swap contracts are as follows:

	30 June 2004	30 June 2003
	\$M	\$M
Gold Loan Swap Contracts	(27)	(46)

A summary of the hedge position at 5 July 2004 is as follows:

## Hedge Book

<b>GOLD</b>	<b>04/05</b>	<b>05/06</b>	<b>06/07</b>	<b>07/08</b>	<b>08/09</b>	<b>09/10</b>	<b>10/11</b>	<b>TOTAL</b>
A\$ Forwards (ozs)	1,040,002	1,111,998	1,062,002	789,980	615,001	495,001	260,001	5,373,985
A\$/oz	592	592	594	603	588	636	619	599
US\$ Forwards (ozs)	67,500	285,000	344,000	333,000	383,000	277,500	160,000	1,850,000
US\$/oz	333	330	350	341	355	379	413	355
Total Gold Hedging (ozs)	1,107,502	1,396,998	1,406,002	1,122,980	998,001	772,501	420,001	7,223,985
Gold Loan (ozs)	84,000	68,000	68,000	68,000	68,000	119,000	52,000	527,000
A\$/oz	488	488	488	488	488	488	488	488

Approximately 50% of the forwards from July 2006 are subject to floating gold lease rates with an allowance of 1% to Newcrest.

<b>COPPER</b>	<b>04/05</b>	<b>05/06</b>	<b>06/07</b>
A\$ Copper Forwards (tonnes)	97,008	94,100	36,000
A\$/t	3,792	3,138	2,646

The accounting treatment of the hedging restructure requires the original hedging products to be accounted for based on their original maturity dates. As a result an annual adjustment will be required to the statement of financial performance over the period of the original hedgebook. The adjustments are fixed and are of a one-off nature. The schedule of the annual adjustments is shown below.

<b>Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>A\$M</b>	<b>A\$M</b>	<b>A\$M</b>	<b>A\$M</b>	<b>A\$M</b>	<b>A\$M</b>	<b>A\$M</b>	<b>A\$M</b>
Adjustment from hedgebook restructure	(11)	(22)	(12)	(1)	2	15	21	1
Adjustment from prior years restructures	(6)	11	18	1	16	3	1	-
Net Accounting Adjustment	(17)	(11)	6	-	18	18	22	1



## 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

### Registered & Principal Office

Level 9, 600 St Kilda Road  
 Melbourne, Victoria, Australia 3004  
 Telephone: +61 3 9522 5333  
 Facsimile: +61 3 9525 2996  
 Email: [corporateaffairs@newcrest.com.au](mailto:corporateaffairs@newcrest.com.au)  
 Website: [www.newcrest.com.au](http://www.newcrest.com.au)

### Stock Exchange Listings

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

### Forward Shareholder Enquiries to

ASX Perpetual Registrars Limited  
 Level 4, 333 Collins Street  
 Melbourne, Victoria, 3000  
 Telephone 1300 554 474/+61 3 9615 9947  
 Facsimile +61 3 9615 9900  
 Email: [registrars@asxperpetual.com.au](mailto:registrars@asxperpetual.com.au)  
 Website: [www.asxperpetual.com.au](http://www.asxperpetual.com.au)

### Substantial Shareholder(s) at 30 June 2004

Merrill Lynch Investment Managers 6.5%

### Issued Share Capital

At 30 June 2004 issued capital was 328,559,191 ordinary shares.

### Annual Share Price Activity

	High	Low	Last
June 2004	\$14.41	\$7.72	\$13.78