

# NEWCREST



## Financial Results

Twelve months ending 30 June 2000

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Russell C Barwick  
Managing Director and  
Chief Executive Officer  
24 August 2000

### KEY POINTS

- Newcrest's improved financial strength has allowed for a 5¢ fully franked dividend to be declared.
- Material increases to Mineral Resources and Ore Reserves have been achieved.

### OVERVIEW

- Operating profit before income tax and abnormal items \$91.0M
- Net operating profit after income tax, abnormal items and outside equity interest \$3.4M
- Profit after tax and before the Telfer writedown and minority interest adjustments \$64.7M
- After tax loss from Telfer writedown (\$59.4M)
- Cashflow from operations \$202.5M
- Capital, feasibility, development and exploration expenditure \$174.2M
- Cashflow from financing activities \$37.4M
- Cash on hand \$92.3M

The fourth quarter report issued on 27 July 2000 discussed operational details and the hedge position as at 30 June 2000.

#### Mineral Resources and Ore Reserves

Ore Reserves have risen to 11.4 million ounces, an increase of 58%.

Ore Resources rose 30% to 31 million ounces.

#### Other Matters

The Board announced on 22 August 2000 the appointment of Dr Nora Scheinkestel as a Non-Executive Director.

The Annual General Meeting is to be held on 26 October 2000 at the Melbourne Exhibition Centre at 2.30 pm.



# FINANCIAL STATEMENTS

## Profit and Loss Statement

12 Months Ending	30 June 2000 \$M	30 June 1999 \$M
<b>Sales revenue</b>	697.5	457.6
Income from mining	291.9	172.6
Net interest expense	(21.8)	(11.6)
Depreciation and amortisation	(141.4)	(85.4)
Exploration expense	(37.7)	(43.9)
Net profit before income tax	91.0	31.7
Abnormal items before income tax	(92.8)	-
Income tax (expense)/benefit	7.1	(11.3)
Net profit after tax	5.3	20.4
Outside equity interest in controlled entity	(1.9)	1.2
Net profit after tax attributable to members of the Company	3.4	21.6

## Cashflow Statement

<b>Cashflow from operating activities</b>		
Sales receipts	655.1	432.1
Payments to suppliers and employees	(432.6)	(290.6)
Interest received	4.2	2.2
Borrowing costs paid	(24.4)	(12.2)
Other	0.2	1.0
	202.5	132.5
<b>Cashflow from investing activities</b>		
Proceeds from sale of investment	-	3.4
Exploration	(65.0)	(75.1)
Fixed assets, evaluation and development	(109.0)	(144.0)
Proceeds on sale of non-current assets	0.6	2.2
Other	(0.8)	1.0
	(174.2)	(212.5)
<b>Cashflow from financing activities</b>		
Net proceeds from borrowings	54.8	65.0
Lease payments including finance costs	(11.0)	(5.4)
Repayment of borrowings	(7.0)	(3.4)
Other	0.6	-
	37.4	56.2
<b>Net increase/(decrease) in cash</b>	65.7	(23.8)

## Balance Sheet

12 Months Ending	30 June 2000 \$M	30 June 1999 \$M
Cash	92.3	26.6
Accounts receivable	53.3	38.2
Investments	0.2	-
Inventories	49.7	55.4
Other	7.4	2.9
<b>Current assets</b>	<b>202.9</b>	<b>123.1</b>
Accounts receivable	19.2	6.8
Inventories	10.0	9.0
Fixed assets net of depreciation	500.0	511.5
Exploration, evaluation and development	304.6	335.5
Other	94.8	75.7
<b>Non-current assets</b>	<b>928.6</b>	<b>938.5</b>
Accounts payable	74.1	67.1
Borrowings	24.8	7.1
Provisions	35.8	8.5
Other	9.2	8.4
<b>Current liabilities</b>	<b>143.9</b>	<b>91.1</b>
Borrowings	475.0	438.3
Provisions	87.7	88.9
Other	12.3	24.4
<b>Non-current liabilities</b>	<b>575.0</b>	<b>551.6</b>
<b>Net Assets</b>	<b>412.6</b>	<b>418.9</b>
Share capital	360.3	359.7
Retained profits	46.5	55.3
Outside equity interest in controlled entity	5.8	3.9
<b>Shareholders' equity</b>	<b>412.6</b>	<b>418.9</b>

# FINANCIALS

## Profit After Tax

Operating profit before abnormal items and income tax was \$91.0 million, a nearly threefold increase over the previous year. The successful commissioning of the Gosowong mine in Indonesia and a full year contribution from Cadia in its second year of operation were the major reasons for the improvement.



Profit after tax and before writedowns resulting from the Telfer suspension was \$64.7 million. The after tax writedown for Telfer was \$59.4 million as indicated in the Quarterly Production Report of 27 July 2000.

The suspension of operations at Telfer resulted in an abnormal loss before income tax of \$92.8 million. This loss comprised writedowns to inventory, plant and equipment, mine development, deferred mining and provisions against closure costs.

The income tax credit for the year was \$7.1 million. This benefit comprised an expense of \$29.2 million relating to pre abnormal operating profit, a credit due to the Telfer suspension of \$33.4 million and a reduction to deferred tax of \$2.9 million.

The profit after tax and before abnormal items was \$61.8M for the year, an increase of \$48.2M over the previous year.

### Revenue

Revenue rose by \$240.1M to \$697.5M. Gold sales revenue and gold/copper concentrate revenue grew by \$136.6M and \$103.5M respectively. A gold price of \$616/oz was realised, over \$160/oz above the spot price. Gold sold in both doré and concentrate form totalled 993,446 ounces for the year, an increase of 43% over 1998/99.

### Net Mining Income

Income from mining before depreciation, exploration and interest was \$291.9 million (\$172.6 million in 1998/99), an increase of 69.1%. This increase resulted from the substantial rise in the quantity of gold sales at an expanded margin.

	<u>1999/00</u>	<u>1998/99</u>
Ounces sold	993,446	694,219
Gold price /oz	616	623
Total cash cost /oz	295	344
Total production cost /oz	441	471

### Depreciation and Amortisation

Depreciation and amortisation totalled \$141.4M equating to a rate of \$142/oz sold in the year. In the prior year this rate was \$123/oz. The increase amounting to \$56.0 million resulted mainly from the start up of Gosowong and a full year charge from Cadia.

### Interest

Borrowing costs expensed in the year amounted to \$25.5M, an increase of \$12.0M over last year. This was due to further debt drawdown, the debt being denominated in dollars for a significant portion of the year and less interest capitalised due to the relative status of projects between the two years.

### Exploration

Exploration expenditure charged against income totalled \$37.7 million in the year compared to \$43.9 million in the prior year. All exploration expenditure in the year was expensed except for costs relating to Mt Marion exploration at New Celebration, the Surface Extension and Isdell Series Reefs Projects at Telfer and Ridgeway exploration.

### Cashflow

Net cash provided by operating activities was \$202.5M, an increase of \$70.0M over 1998/99. Payments to suppliers and employees rose 49% due to the growth in production. Receipts from customers totalled \$655.1M, up 52%.

Cash used in investing activities amounted to \$174.2M, \$38.4M less than the preceding year. Major areas of expenditure were:

	<u>\$M</u>
Ridgeway	54.5
Gosowong	18.2
Telfer feasibility studies	19.1
New Celebration underground development	8.0
Mining fleet additions at Cadia	13.5
Generative and general mine resource exploration	38.2

### Dividends

The Company has declared a fully franked dividend of 5¢ per share. The dividend is payable to shareholders on the 20<sup>th</sup> October 2000. Shareholders registered as at the close of business on 29<sup>th</sup> September 2000 will be eligible for the dividend. A dividend reinvestment plan at market price will be offered to shareholders.

### Funding

Financing activities generated \$37.4M. The net increase comprised \$20.0M drawn down on the \$600M debt facility prior to it being restructured. This syndicated debt which had been drawn



down to \$443.4M was paid out and replaced by a 1.0 million ounce gold loan that extended payments out to 2011. Debt covenants have been significantly reduced in this new debt arrangement. The debt was immediately converted into Australian dollars and then was converted back to gold in two tranches. The conversions back to gold were made at higher spot gold prices thereby reducing the borrowed gold to 899,822 ounces. The gold lease rates have been locked in for the full term of the debt.

### Mineral Resources and Ore Reserves

The Company is pleased to announce that gold Mineral Resources have increased by 7.2 million ounces in situ to 31 million ounces and gold Ore Reserves in situ have increased 4.2 million ounces to 11.4 million ounces.

	Mineral Resources (all categories)		
	Moz to end 1999/2000	Moz to end 1998/1999	Net Increase Moz
Boddington (22.22%)	4.7	2.9	1.8
Cadia East	3.0	1.7	1.3
Cadia Hill	6.3	6.4	(0.1)
Cadia Quarry	0.52	0	0.5
Cracow (70%)	0.27	0	0.3
Gosowong (82.5%)	0.44	0.7	(0.3)
New Celebration	1.2	1.5	(0.3)
Ridgeway	4.2	3.6	0.6
Telfer	11	7.3	3.4
<b>Total</b>	<b>31</b>	<b>24</b>	<b>7.2</b>

	Ore Reserves (all categories)			Mined Ounces 1999/2000
	Moz to end 1999/2000	Moz to end 1998/1999	Net Increase Moz	
Boddington (22.22%)	2.5	0.6	1.9	51,077
Cadia Hill	4.8	4.4	0.4	326,035
Gosowong (82.5%)	0.4	0.6	(0.2)	274,943
New Celebration	0.23	0.3	(0.1)	70,506
Ridgeway	2.8	0	2.8	9,015
Telfer	0.74	1.3	(0.6)	267,039
<b>Total</b>	<b>11.4</b>	<b>7.2</b>	<b>4.2</b>	<b>998,615</b>

Details of individual operation and project Mineral Resources and Reserves are provided in the separate Mineral Resources and Ore Reserves Announcement released by the Company today.

### Hedging

At 30 June 2000 the Company had 7.0 million ounces of hedge cover, as detailed in the quarterly report issue on 27 July 2000. This hedge cover represents 61% of gold Ore Reserves and 22% of Mineral Resources.

## CORPORATE INFORMATION

### Directors

Ian Johnson	Non-executive Chairman
Russell Barwick	Managing Director and Chief Executive Officer
Bryan Davis	Non-executive Director
Ron Milne	Non-executive Director
Ian Renard	Non-executive Director
Nora Scheinkestel, Dr.	Non-executive Director

### Company Secretary

Bernard Lavery

### Registered & Principal Office

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### Stock Exchange Listings

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

### Web Site

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<http://www.registrars.aprl.com.au>

### Substantial Shareholders at 30 June 2000

Maple Brown Abbott	8.1%
BT Funds Management	8.0%
Deutsche Asset Management	5.6%
AMP Asset Management	4.8%
Capital Group	4.7%

### Issued Share Capital

At 30 June 2000, issued capital was 242,638,141 ordinary shares.

### Annual Share Price Activity

	High	Low	Last
June 2000	\$5.44	\$3.05	\$4.50