

# NEWCREST



## Financial Statement

Six months ending 31 December 2000

### Index

Financial Statements	2
Financials	2
Gold Hedging	3
Corporate Information	4

## OVERVIEW

### Summary

- Earnings before interest, depreciation and tax \$105.4M
- Operating profit before income tax \$40.9M
- Net operating profit after income tax and outside equity interest \$29.0M
- Achieved gold price \$651/oz
- Capital, feasibility, development and exploration expenditure \$87.3M
- Cash on hand at 31 December 2000 \$68.2M

The financial report for the half-year ended 31 December 2000 is subject to independent review.

The second quarter report issued on 31 January 2001 discussed gold production, exploration, corporate matters and details of the hedge position as at 31 December 2000.



Russell C Barwick  
 Managing Director and Chief Executive Officer  
 28 February 2001

For further information,  
 please contact:

Gary Scanlan  
 Executive General Manager  
 Finance  
 Newcrest Mining Limited  
 (ABN 20 005 683 625)  
 Level 9, 600 St Kilda Road,  
 Melbourne VIC 3004  
 AUSTRALIA  
 Telephone: (61-3) 9522 5339  
 Facsimile: (61-3) 9510 3416  
 Email:  
 InvRelations@newcrest.com.au

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



# FINANCIAL STATEMENTS

## Profit and Loss Statement

6 Months Ending	31 Dec 2000 \$M	31 Dec 1999 \$M
<b>Sales revenue</b>	314.2	331.2
Income from mining	118.2	150.2
Exploration expense	(12.8)	(17.2)
EBITDA	105.4	133.0
Net borrowing costs	(8.7)	(10.8)
Depreciation and amortisation	(55.8)	(66.0)
Net profit before income tax	40.9	56.2
Income tax expense	(11.6)	(18.7)
Net profit after tax	29.3	37.5
Outside equity interest in controlled entity	(0.3)	(0.9)
Net profit after tax attributable to members of the Company	29.0	36.6
<b>Cashflow Statement</b>		
<b>6 Months Ending</b>		
<b>Cashflow from operating activities</b>		
Sales receipts	291.9	308.7
Payments to suppliers and employees	(225.6)	(215.2)
Interest received	2.5	1.7
Borrowing costs paid	(10.3)	(9.3)
Other	2.1	0.2
	60.6	86.1
<b>Cashflow from investing activities</b>		
Exploration	(20.6)	(21.0)
Fixed assets, evaluation and development	(66.7)	(58.2)
Fixed assets under finance lease	-	(6.7)
Proceeds on sale of non-current assets	7.4	0.6
	(79.9)	(85.3)
<b>Cashflow from financing activities</b>		
Dividend paid	(8.8)	-
Net proceeds from borrowings	-	54.8
Repayment of borrowings	(3.6)	(3.4)
Proceeds under finance lease	-	6.7
Finance lease payments and finance costs	(6.9)	(5.0)
Proceeds from shares issued	3.6	0.5
	(15.7)	53.6
<b>Net increase/(decrease) in cash</b>	<b>(35.0)</b>	<b>54.4</b>

## Balance Sheet

6 Months Ending	31 Dec 2000 \$M	30 June 2000 \$M
Cash and Bullion	68.2	103.2
Accounts receivable	61.3	42.5
Investments	0.1	0.1
Inventories	35.7	49.7
Other	10.4	7.4
Assets	175.7	202.9
Accounts receivable	22.2	19.2
Inventories	10.0	10.0
Fixed assets net of depreciation	466.5	499.9
Exploration, evaluation and development	359.2	304.6
Other	121.2	94.9
Non-current assets	979.1	928.6
Accounts payable	83.2	74.1
Borrowings	57.2	24.8
Provisions	8.2	35.8
Other	7.9	9.2
Current liabilities	156.5	143.9
Borrowings	437.8	475.1
Provisions	103.3	87.7
Other	8.3	12.2
Non-current liabilities	549.4	575.0
Net Assets	448.9	412.6
Share capital	367.3	360.3
Retained profits	75.5	46.5
Outside equity interest in controlled entity	6.1	5.8
Shareholders' equity	448.9	412.6

## FINANCIALS

### Profit After Tax

The operating profit after income tax and outside equity interest for the half-year was \$29.0 million (compared to a profit of \$36.6 million in the previous corresponding period).

### Net Mining Income

Gold sales of 405,627oz were down 16.6% due to lower grade at Gosowong and the suspension of mining at Telfer, partly offset by the commencement of production from Ridgeway.



A gold price of \$651/oz was achieved in the half-year (\$604/oz), exceeding the average spot gold price by \$158/oz during the period.

Income from mining before depreciation, exploration and interest was \$118.2 million for the six months to December 2000 (\$150.2M), which was a decrease of 21.3% on the previous corresponding period.

This decline in mining income was due to lower grade at Gosowong, a lower achieved copper price and higher operating and administration costs. This was partly offset by an initial contribution from the Ridgeway Mine.

### Depreciation and Amortisation

The total charge for the half-year was \$55.8 million (\$66.0M). The rate of depreciation per ounce was in line with that of the corresponding period.

### Interest

Net interest expense was \$8.7 million for the half-year (\$10.8M). The cost of borrowings charged to earnings decreased due to a restructure of the debt facility back into gold.

### Exploration

Exploration expenditure charged against income totalled \$12.8 million in the half-year (\$17.2M). All exploration expenditure in the half-year was expensed except for costs relating to resource definition drilling at Cadia and the Surface Extension and I Series Reefs Projects at Telfer.

### Cashflow

Cashflow from operating activities generated \$60.6 million for the half-year (\$86.1M). Sales receipts fell by 5.4%, whereas payments to suppliers and employees rose by 4.8%.

Capital expenditure in the half-year totalled \$66.7 million. The major components of this expenditure were Ridgeway construction (\$41.6M) and feasibility expenditure at Telfer (\$17.3M).

Exploration expenditure in the half-year totalled \$20.6 million. Of this total, \$10.5 million was incurred on grassroots exploration, including activities around the mines. Resource and reserve definition comprised the balance including specific project drilling at Cadia, Telfer and New Celebration.

### Financing Activities

A dividend of 5 cents per share was declared and paid in the period amounting to \$12.1 million. Shares taken up under the Dividend Reinvestment Plan reduced the net payout to \$8.8 million. Debt repayments under the collateralised loan totalled \$3.6 million and payouts under finance leases relating to mining equipment totalled \$6.9 million. Repayment of the long term debt commences in the second half of this financial year.

On 20 February 2001, the Company announced that it had undertaken a corporate reorganisation to optimise the management of its existing operations and the development of its significant pipeline of future projects.

As part of the corporate reorganisation, the two dedicated divisions of Project Development and Operations have been formed. This has replaced the previous divisional operations/project structure of East and West. The Sydney office of Newcrest will be closed.

The corporate reorganisation unfortunately required a number of redundancies. The total cost of this reorganisation is estimated to amount to \$3.0M resulting in ongoing annual savings of approximately \$3.5M.

In order to concentrate on the Cadia mineral field and Telfer projects, the decision has been taken to sell New Celebration as a going concern if an acceptable price can be achieved. Expressions of interest are being sought and a data room has been assembled.

## GOLD HEDGING

At 31 January 2001 the hedge book totalled 7.0Moz (extending to year 2011) comprising:

	'000 oz	A\$ /oz*	'000 oz	US\$ /oz*
Standard put options	4,230	594	370	489
Standard forward sales	257	510	2	406
Convertible put options	1,250	717	-	-
Convertible forward sales	670	622	10	508
Variable priced forwards	215	1,122	-	-
<b>Total</b>	<b>6,622</b>	<b>634</b>	<b>382</b>	<b>489</b>

\* Estimated average deliverable price, which is subject to gold lease rate exposure. These values include a lease rate allowance of approximately 1.8%.



The mark to market value of the hedge book at 31 January 2001 (unaudited), based on a gold price of US\$265/oz and an exchange rate of 55¢ to the US dollar, was negative \$48.3M for gold and currency and negative \$95.4M for copper.

The achieved gold price for the first half of the year was \$651/oz. Details of hedging were provided in the December Quarterly Report released on 31 January 2001. The Company continues to forecast a gold price for the 2000/01 fiscal year at the lower end of the \$600 – 650/oz range.

The achieved gold price for January 2001 was \$581/oz. The achieved gold price for the second half of the year will be dependent upon the level of production, the spot Australian dollar gold price and the exchange rate. The most significant factor is the exchange rate and if the Australian dollar remains at the current level the realised gold price in the second half of the year will approximate the price achieved in January.

For further information on hedging please refer to the Newcrest web site.

## CORPORATE INFORMATION

### Directors

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

### Company Secretary

Bernard Lavery

### Registered & Principal Office

Level 9, 600 St Kilda Road  
 Melbourne, Victoria, Australia 3004  
 Telephone: +61 3 9522 5333  
 Facsimile: +61 3 9525 2996

### Stock Exchange Listings

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

### Web Site

<http://www.newcrest.com.au>

### Shareholder Enquiries

ASX Perpetual Registrars Limited  
 Level 4, 333 Collins Street  
 Melbourne, Victoria, 3000  
 Telephone +61 3 9615 9999  
 (Toll free or from outside Melbourne) 1800 331 721  
 Facsimile +61 3 9615 9900  
 Email: [registrars@aprl.com.au](mailto:registrars@aprl.com.au)  
<http://www.registrars.aprl.com.au>

### Substantial Shareholders at 31 December 2000

Maple Brown Abbott	8.1%
BT Funds Management	7.9%
Commonwealth Bank	6.5%
AMP Henderson Global Investors	5.2%

### Issued Share Capital

At 31 December 2000, issued capital was 245,129,692 ordinary shares.

### 6 Month Share Price Activity

	High	Low	Last	Avg.
December 2000	\$4.65	\$3.56	\$4.37	\$4.11