

NEWCREST



Financial Results

Twelve months ending 30 June 2001

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KEY POINTS

- Net profit after tax and minority interest was \$38.2 million (FY2000 \$3.4M).

OVERVIEW

- Earnings before interest, depreciation and tax \$182.3M
- Operating profit before income tax \$52.0M
- Net profit after tax and minority interest \$38.2M
- After tax loss from New Celebration sale (\$6.1M)
- Capital, feasibility, development and exploration expenditure \$188.2M

As reported on 15 August 2001, the profit after tax before the New Celebration loss was \$44.3M.

The fourth quarter report issued on 18 July 2001 discussed operational details as at 30 June 2001.

Since year end the Company has announced:

- A placement of 33.75 million shares at \$4.10, raising approximately \$138 million.
- A Share Purchase Plan (SPP), subject to shareholder approval at the forthcoming Annual General Meeting.
- A new long term gold/copper concentrate sales agreement and a US\$80 million loan from Nippon Mining and Metals Co Limited.

Other Matters

The Annual General Meeting is to be held on 31 October 2001 at the Grand Hyatt Hotel, Melbourne at 2.30 pm.

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Russell C Barwick
Managing Director and
Chief Executive Officer
29 August 2001



FINANCIAL STATEMENTS

Statement of Financial Performance

| 12 Months Ending | 30 June 2001 \$M | 30 June 2000 \$M |
|---|------------------------|------------------------|
| Sales revenue | 581.1 | 697.5 |
| Net Mining Income | 202.1 | 293.2 |
| Other Income | 11.8 | 4.3 |
| Exploration expense | (22.4) | (37.7) |
| Write down of Telfer operations | - | (92.8) |
| Loss on sale of New Celebration | (9.2) | - |
| EBITDA | 182.3 | 167.0 |
| Borrowing costs | (18.6) | (27.4) |
| Depreciation and amortisation | (111.7) | (141.4) |
| Net profit (loss) before income tax | 52.0 | (1.8) |
| Income tax (expense)/benefit | (12.1) | 7.1 |
| Net profit after tax | 39.9 | 5.3 |
| Outside equity interest in controlled entity | (1.7) | (1.9) |
| Net profit after tax attributable to members of the Company | 38.2 | 3.4 |

Cashflow Statement

| Cashflow from operating activities | | |
|---|---------------|-------------|
| Sales receipts | 569.9 | 655.1 |
| Payments to suppliers and employees | (419.3) | (432.6) |
| Interest received | 3.5 | 4.2 |
| Borrowing costs paid | (21.3) | (24.4) |
| Other | 3.2 | 0.2 |
| | 136.0 | 202.5 |
| Cashflow from investing activities | | |
| Exploration | (51.4) | (65.0) |
| Fixed assets, evaluation and development | (144.6) | (109.0) |
| Proceeds on sale of non-current assets | 8.6 | 0.6 |
| Other | (0.8) | (0.8) |
| | (188.2) | (174.2) |
| Cashflow from financing activities | | |
| Net proceeds from borrowings | 45.0 | 54.8 |
| Lease payments including finance costs | (12.6) | (11.0) |
| Repayment of borrowings | (22.0) | (7.0) |
| Dividend paid | (8.8) | - |
| Proceeds from share issues | 6.3 | 0.6 |
| | 7.9 | 37.4 |
| Net increase/(decrease) in cash | (44.3) | 65.7 |

Statement of Financial Position

| 12 Months Ending | 30 June 2001 \$M | 30 June 2000 \$M |
|--|------------------------|------------------------|
| Cash | 48.0 | 92.3 |
| Accounts receivable | 93.8 | 53.3 |
| Investments | 0.2 | 0.2 |
| Inventories | 28.0 | 49.7 |
| Other | 11.1 | 7.4 |
| Current assets | 181.1 | 202.9 |
| Accounts receivable | 26.4 | 19.2 |
| Inventories | 9.7 | 10.0 |
| Fixed assets net of depreciation | 446.1 | 500.0 |
| Exploration, evaluation and development | 442.3 | 304.6 |
| Other | 111.1 | 94.8 |
| Non-current assets | 1,035.6 | 928.6 |
| Accounts payable | 110.5 | 74.1 |
| Borrowings | 111.7 | 24.8 |
| Provisions | 22.7 | 35.8 |
| Other | 8.0 | 9.2 |
| Current liabilities | 252.9 | 143.9 |
| Borrowings | 409.7 | 475.0 |
| Deferred tax | 59.0 | 46.9 |
| Provisions | 42.8 | 40.8 |
| Other | 4.1 | 12.3 |
| Non-current liabilities | 515.6 | 575.0 |
| Net Assets | 448.2 | 412.6 |
| Share capital | 370.0 | 360.3 |
| Retained profits | 70.7 | 46.5 |
| Outside equity interest in controlled entity | 7.5 | 5.8 |
| Shareholders' equity | 448.2 | 412.6 |

FINANCIALS

Profit After Tax

Operating profit after tax of \$38.2M was a \$34.8M increase from the previous year. The current year result was achieved after the suspension of Telfer operations, sale of the New Celebration Mine and a corporate restructure.



Revenue

Revenue decreased by \$116.4M to \$581.1M. A gold price of \$623/oz was realised, over \$117/oz above the spot price. Gold sold in both doré and concentrate form totalled 792,382 ounces for the year.

Net Mining Income

Income from mining before depreciation, exploration and interest was \$202.1M (\$293.2M). This decrease resulted from the reduction in the quantity of gold sales due to the suspension of Telfer operations.

| | <u>2000/01</u> | <u>1999/00</u> |
|---------------------------|----------------|----------------|
| Gold sold (oz) | 792,382 | 993,446 |
| Gold price /oz | 623 | 616 |
| Total cash cost /oz | 290 | 295 |
| Total production cost /oz | 439 | 441 |

Depreciation and Amortisation

Depreciation and amortisation totalled \$111.7M equating to a rate of \$141/oz sold in the year which was consistent with the previous year.

Interest

Borrowing costs expensed in the year amounted to \$18.6M, a decrease of \$8.8M over last year. This was due to the full effect of the restructure of the gold loan. In 1999/00 the debt was denominated in dollars for a significant portion of the year. Interest cost capitalised for the year was \$5.9M (\$6.6M)

Exploration

Exploration expenditure charged against income totalled \$22.4M in the year compared to \$37.7M in the previous year. Exploration expenditure capitalised at year end was \$18.0M (\$23.6M) relating to Cadia East, Cadia Far East, Cadia Quarry, Cracow and Toguraci.

Sale of New Celebration

Revenue from the sale of the New Celebration mine was \$36.5M, comprising sale proceeds of \$11.8M and revenue of \$24.7M from the close out of surplus hedging contracts. The after tax loss from the sale amounted to \$6.1M.

Cashflow – Investing Activities

Cash used in investing activities amounted to \$188.2M. Major areas of expenditure were:

| | <u>\$M</u> |
|--|------------|
| Ridgeway | 89.2 |
| Telfer feasibility studies and exploration | 65.0 |
| Generative and general mine resource exploration | 22.8 |

Cashflow - Financing Activities

Financing activities generated \$7.9M. The Dividend Reinvestment Plan (DRP) reduced the net payout of the 2000 dividend of \$12.1M to \$8.8M.

Debt repayments in the year consisted of:

- \$14.6M repayment of the gold loan.
- \$7.4M repayment of the collateralised loan.
- \$12.6M repayment under finance leases.

During the year \$45M was drawn down by way of standby facilities from a number of banks.

Dividends

The Company has declared a fully franked dividend of 5¢ per share. The dividend is payable to shareholders on 19 October 2001. Shareholders registered as at the close of business on 28 September 2001 will be eligible for the dividend. A dividend reinvestment plan at market price will be offered to shareholders.

SUBSEQUENT EVENTS

On 16 August 2001 the Company placed 33.75 million shares at a price of \$4.10 raising approximately \$138M.

On 27 August 2001 the Company announced a new long term concentrate sales agreement and a new US\$80 million loan from Nippon Mining & Metals Co Limited. The loan principal is to be repaid in instalments of US\$16M per annum commencing in July 2003 and concluding in June 2008.

A share purchase plan was also announced, subject to shareholder approval at the forthcoming Annual General Meeting.

As a result of these two events the balance sheet has been substantially strengthened. Current liabilities over the next two years relate to repayment under the long term gold loan and finance lease payments. Borrowings under the



standby facilities of \$45M at 30 June 2001 have been repaid from the proceeds of the equity raising. The Nippon funds will be applied against the capital cost of the Ridgeway project.

The statement of financial position as at 30 June 2001 is restated as a proforma to reflect the new debt and equity raising and the repayment of short term debt.

**Unaudited Pro-Forma
Statement of Financial Position - 30 June 2001**

| | Actual \$M | Proforma \$M |
|----------------------------------|---------------|-----------------|
| Cash | 48.0 | 289.0 |
| Other current assets | 133.1 | 133.1 |
| Total current assets | 181.1 | 422.1 |
| Non current assets | 1,035.6 | 1,035.6 |
| Borrowings | 111.7 | 66.7 |
| Other current liabilities | 141.2 | 141.2 |
| Total current liabilities | 252.9 | 207.9 |
| Borrowings | 409.7 | 559.7 |
| Other non-current liabilities | 105.9 | 105.9 |
| | 515.6 | 665.6 |
| Net assets | 448.2 | 584.2 |
| Share capital | 370.0 | 506.0 |
| Retained earnings | 70.7 | 70.7 |
| Minority interest | 7.5 | 7.5 |
| | 448.2 | 584.2 |

HEDGING

Gold

A gold price of \$605/oz was achieved for the quarter, bringing the achieved price for the year to \$623/oz.

At 30 June 2001 the hedge position comprised 6.4 million ounces hedged into Australian dollar contracts at an average forecast price of \$646/oz. A further 0.3 million ounces are hedged into US dollar contracts at an average forecast price of US\$496/oz. In addition 0.3 million ounces of US

dollar knockout put options exist if gold is above US\$330/oz.

The future deliverable values of the hedge contracts have a weighted average lease rate allowance of approximately 1.8%.

The mark-to-market value of the net gold/FX position was negative \$608.8 million (after post balance date adjustment to close out New Celebration hedging). The rise in the Australian dollar gold price, gold lease rates and a lower interest rate increased the negative mark to market value in the quarter.

A summary of the hedge position at 30 June 2001 (after post balance date adjustment to close out New Celebration hedging) is as follows:

| | '000 oz | A\$ /oz* | '000 oz | US\$ /oz* |
|---------------------------|--------------|-------------|------------|--------------|
| Standard put options | 4,528 | 611 | 330 | 496 |
| Standard forward sales | 254 | 509 | | |
| Convertible put options | 750 | 717 | | |
| Convertible forward sales | 520 | 596 | | |
| Variable priced forwards | 340 | 1,134 | | |
| Total | 6,392 | 646 | 330 | 496 |

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

Copper

There is hedge cover over 149,220 tonnes of copper out to 2004/05.

At the end of the quarter the copper mark-to-market position was negative \$85.0 million.

For further information on hedging please refer to the Newcrest website.



CORPORATE INFORMATION

Directors

Ian Johnson Non- executive Chairman
 Russell BarwickManaging Director and
 Chief Executive Officer
 Bryan DavisNon-executive Director
 Ron Milne Non-executive Director
 Ian Renard Non-executive Director
 Nora Scheinkestel Non-executive Director

Company Secretary

Bernard Lavery

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Stock Exchange Listings

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

Web Site

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

Forward Shareholder Enquiries to

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

Substantial Shareholders at 30 June 2001

| | |
|---------------------------|------|
| Maple Brown Abbott | 9.2% |
| Perpetual Investments | 8.0% |
| Commonwealth Bank | 7.7% |
| Deutsche Asset Management | 5.6% |

* These figures have changed due to equity raising adjustments.

Issued Share Capital

At 30 June 2001, issued capital was 246,033,000 ordinary shares.

Annual Share Price Activity

| | High | Low | Last |
|-----------|--------|--------|--------|
| June 2001 | \$4.87 | \$3.25 | \$4.49 |