

NEWCREST



Financial Results

Twelve months ending 30 June 2002

Index	
Financial Statements	2
Financials	3
Other Issues	4
Hedging	5
Corporate Information	5

OVERVIEW

	2002 \$M	2001 \$M
Operating earnings before interest, depreciation, significant items and tax	145.2	193.5
Provision for surplus foreign currency and gold contracts	(80.6)	-
Provision for hedging contract restructures	(25.0)	(2.0)
Operating loss before income tax	(72.6)	52.0
Net loss after tax and minority interest	(53.0)	38.2
Profit after tax and minority interest but before provision for surplus foreign exchange and gold contracts and hedging restructures (prior year before sale of New Celebration)	20.9	45.6

The profit after tax but before the A\$80.6M surplus foreign currency and gold contracts provision and \$25.0M provision for hedging restructures was \$20.9M (\$45.6M). The 2002 year was impacted by the following operational items:

- (i) Lower gold hedging revenue.
- (ii) Lower gold sales due to the New Celebration sale and the cessation of operations at Telfer and Boddington.
- (iii) Adverse impact of delivered foreign exchange contracts
- (iv) Lower "other income" (2001 income related to sale of fixed assets and net currency gains).

Other Key Points

- Cash costs for the year were \$253/oz (\$290/oz) and total production costs were \$414/oz (\$439/oz). This reflects the strong maiden Ridgeway performance.
- Capital, feasibility, development and exploration expenditure for the year was \$305.9M.
- Cashflow proceeds in 2002 from debt and equity raisings was \$315.5M.
- During the period repayments of borrowings were \$119.9M.
- Dividend maintained at 5 cents per share.

Other Matters

The Annual General Meeting is to be held on 30 October 2002 at the Intercontinental Hotel in Sydney at 2.30 pm.

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: (61-3) 9522 5339
Facsimile: (61-3) 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
28 August 2002



FINANCIAL STATEMENTS

Statement of Financial Performance

12 Months Ending	30 June 2002 \$M	30 June 2001 \$M
Spot gold sales	354.3	400.1
Gold hedging	76.8	159.4
Currency hedging	(69.8)	(64.4)
By-Product sales	126.2	110.8
Copper hedging	(7.8)	(22.8)
Total Sales Revenue	479.7	583.1
Mine costs	(293.8)	(357.2)
Exploration expense	(21.5)	(22.4)
Administration costs	(15.3)	(21.8)
Other expenses	(6.5)	-
Other income	2.6	11.8
Operating EBITDA	145.2	193.5
Depreciation and amortisation	(101.5)	(111.7)
Borrowing costs	(10.7)	(18.6)
Provision for surplus foreign currency and gold contracts	(80.6)	-
Provision for hedging contract restructures	(25.0)	(2.0)
Loss on sale of New Celebration	-	(9.2)
Net profit/(loss) before income tax	(72.6)	52.0
Income tax (expense)/benefit	21.4	(12.1)
Net profit/(loss) after tax	(51.2)	39.9
Outside equity interest in controlled entity	(1.8)	(1.7)
Net profit after tax attributable to members of the Company	(53.0)	38.2
Cashflow Statement		
Cashflow from operating activities		
Sales receipts	461.6	569.9
Payments to suppliers and employees	(354.7)	(419.3)
Interest received	1.6	3.5
Borrowing costs paid	(12.0)	(19.3)
Income taxes paid	(3.4)	-
Other	(2.8)	3.2
	90.3	138.0
Cashflow from investing activities		
Exploration	(44.8)	(51.4)
Fixed assets, evaluation and development	(275.0)	(150.5)
Proceeds on sale of non-current assets	14.4	8.6
Other	(0.5)	(0.8)
	(305.9)	(194.1)

Cashflow from financing activities		
Proceeds from borrowings	158.9	45.0
Repayment of finance lease principal	(8.8)	(8.7)
Repayment of borrowings	(111.1)	(22.0)
Dividend paid	(13.6)	(8.8)
Proceeds from capital raising and share issues	156.6	6.3
	182.0	11.8
Net increase/(decrease) in cash	(33.6)	(44.3)

Statement of Financial Position

	30 June 2002 \$M	30 June 2001 \$M
Cash	14.4	48.0
Accounts receivable	99.1	93.8
Investments	0.2	0.2
Inventories	25.4	28.0
Other	22.9	11.1
Current assets	162.0	181.1
Accounts receivable	20.0	26.4
Inventories	8.4	9.7
Fixed assets net of depreciation	603.7	446.1
Exploration, evaluation and development	439.8	442.3
Other	142.1	111.1
Non-current assets	1,214.0	1,035.6
Accounts payable	57.6	110.5
Borrowings	66.7	111.7
Tax liabilities	12.9	-
Provisions	74.8	22.7
Other	21.9	8.0
Current liabilities	233.9	252.9
Borrowings	484.1	409.7
Deferred tax	20.6	59.0
Provisions	72.8	42.8
Other	25.0	4.1
Non-current liabilities	602.5	515.6
Net Assets	539.6	448.2
Share capital	528.3	370.0
Retained profits	3.3	70.7
Outside equity interest in controlled entity	8.0	7.5
Shareholders' equity	539.6	448.2



FINANCIALS

Profit/(Loss) After Tax

Net loss after tax was \$53.0M which includes \$80.6M provision for surplus foreign currency and gold contracts and \$25.0M provision for restructure of hedge contracts.

Revenue

	<u>2001/02</u>	<u>2000/01</u>
Gold sold (oz)	646,418	792,382
Gold price \$/oz	559	623

Revenue decreased to \$474.7M (\$581.1M). A gold price of \$559/oz (\$623/oz) was realised, \$11/oz above the average spot price for the year. The achieved gold price is calculated before the \$80.6M provision for surplus foreign currency and gold contracts and the \$25.0M provision for hedging contract restructures.

Lower gold sales resulted from the suspension of Telfer and Boddington operations and the sale of New Celebration.

The reduction in the achieved gold price was due to:

- The gold hedge book delivering a lower outcome of \$667/oz (\$707/oz). The decrease was primarily due to the impact from contingent gold call options.
- The delivery of US\$119.6M of foreign exchange contracts at an average rate of 74¢ resulting in a foreign exchange loss of \$69.8M or \$108/oz (\$66.4M, \$84/oz).

By-product contribution from copper and silver improved due to the volume of copper tonnes. Copper production for the year was 40,055t (34,002t) and the achieved copper price for the period was \$1.27/lb (\$1.22/lb).

Mine Costs

Gross mine costs before copper credits decreased by \$63.4M to \$293.8M due to the lower production volume but are consistent with the previous year on a unit ounce basis. The \$293.8M is before by-product credits which is shown separately above as revenue. The reported costs per ounce including by-product credits were as follows:

	<u>2001/02</u>	<u>2000/01</u>
Total cash cost \$/oz	253	290
Total production cost \$/oz	414	439

Exploration

Exploration expenditure which was expensed during the year totalled \$21.5M (\$22.4M). Exploration expenditure capitalised at year end was \$27.8M (\$18.0M) relating to Cadia Valley, Cracow and Toguraci.

Administration Costs

Corporate administration expenditure reduced substantially from the previous year (32%) due to the benefits of restructuring the organisation in the 2001 year.

Other Expenses

Other expenses comprised net exchange losses from foreign currency concentrate sales transactions, translation of Gosowong results, additional provision for the non-recovery of Indonesian VAT refund and Boddington care and maintenance costs.

Other Income

Other income mainly comprises interest revenue and profit from asset sales. Other income in prior years included a significant profit on the sale of fixed assets at Telfer and net exchange gains from foreign currency transactions.

Depreciation and Amortisation

Depreciation and amortisation totalled \$101.5M equating to a rate of \$157/oz sold (\$141/oz).

Borrowing Costs

Borrowing costs expensed were lower at \$10.7M (\$18.6M). The decrease was due to principal repayments on the gold loan and finance leases and an increase in the amount of debt associated with major capital projects. Interest capitalised for the year in relation to these projects was \$10.7M (\$5.9M).



Provision for Surplus FX and Gold Contracts

As reported on 11 June 2002 the Company has made a provision for surplus* US\$ foreign currency contracts in the 2003 and 2004 financial years. Based on the exchange rate at 30 June 2002 this resulted in a provision before tax of \$79.1M.** In addition a \$1.5M provision was made for surplus gold contracts.

* Newcrest has determined that approximately US\$111 million in 2002/03 and approximately US\$61 million in 2003/04 of US dollar currency contracts are surplus.

** Outstanding contracts will be revalued at subsequent reporting dates and the provision will be reversed in the years to which they relate. The final outcome will be dependent upon the spot exchange rate at the maturity of the contracts.

Provision for Restructure of Hedge Contracts

A series of hedging restructures involving gold, copper and lease rate contracts were undertaken during the year resulting in a total provision of \$25.0M.

This provision of \$25.0M represents the non-cash funding brought to account on a mark to market basis or mark to spot basis to comply with hedge accounting requirements. This amount will be brought to account as income in the future years when the restructured contracts mature.

Cashflow – Investing Activities

Cash used in investing activities amounted to a net \$305.9M.

Major areas of expenditure were:

	<u>\$M</u>
Ridgeway	193.5
Telfer feasibility studies	58.1
Exploration	44.8

A breakdown of exploration expenditure was:

	<u>\$M</u>
- Greenfields	14.2
- Brownfields	12.0
- Project resource definition	8.7
- Telfer resource definition	9.9
	<u>44.8</u>

Major asset sales proceeds received in the year related to receipts from the sale of New Celebration.

Cashflow - Financing Activities

Details of the major financing activities are as follows.

Capital Raising

	<u>\$M</u>
Equity placement in August 2001	136.3
Share purchase plan	15.8
Exercise of options	4.5
	<u>156.6</u>

Long Term Borrowings

A US\$80 million (A\$158.9M) loan from Nippon Mining & Metals Co Limited was drawn down in October 2001. The loan principal is to be repaid in instalments of US\$16M per annum via deductions from concentrate revenue commencing in July 2003 and concluding in June 2008.

Major debt repayments in the period consisted of:

	<u>\$M</u>
Short term debt	45.0
Gold loan	58.1
Collateral loan	8.0
Finance leases	8.8
	<u>119.9</u>

Dividend Payment

The Dividend Reinvestment Plan (DRP) reduced the net payout of the 2001 dividend of \$14.0M to \$12.3M. \$1.3M was also paid by partly owned subsidiaries to outside equity interests.

Dividends

The Company has declared a fully franked dividend of 5¢ per share. The dividend is payable to shareholders on 18 October 2002. Shareholders registered as at the close of business on 27 September 2002 will be eligible for the dividend. A DRP at market price will be offered to shareholders.

OTHER ISSUES

Impact of Revised AASB 1012

Revised Accounting Standard AASB 1012 "Foreign Currency Translation" came into effect from 1 July 2002. The application of this standard will result in recognition on the balance sheet of all foreign currency hedge



contracts, marked to the spot exchange rate at balance date.

The impact in the Company's accounts on 1 July 2002 would be to increase assets and liabilities of Newcrest by approximately A\$210M. This represents the deferred loss on the existing foreign currency hedge contracts.

This amount would be deferred and would be brought to account in the Statement of Financial Performance in the period in which the hedged transaction occurs. Foreign currency hedge contracts will be retranslated at the spot exchange rate at each subsequent reporting period.

HEDGING

The achieved gold price for the year was \$559/oz*, which is \$11/oz above the average spot price for the year.

The achieved gold price is calculated before the \$80.6M provision for surplus foreign currency and gold contracts and the \$25.0M provision for hedging contract restructures.

At 30 June 2002 the gold hedge position comprised 6.0Moz hedged into Australian dollar contracts at an average forecast price of \$642/oz.

The future deliverable values of the gold hedge contracts have a weighted average lease rate allowance of approximately 1.6% subject to variations in the spot price of gold.

The mark to market position at year end totalled approximately negative \$782.1M. Commodity and currency contracts comprised negative \$394.0M for gold, \$302.1M for currency and \$86.0M for copper.

\$105.6M of this mark to market value (\$80.6M of surplus foreign currency and gold contracts and \$25.0M of gold, copper and lease rate hedging restructures) has been provided for and recorded on balance sheet.

A summary of the gold hedge position at 30 June 2002 is as follows.

	'000 oz	A\$ /oz	US\$ /oz
Standard put options (AUD)	4,175	615	-
Standard put options (USD)	230	-	499
Standard forward sales	212	518	-
Convertible put options	1,250	684	-
Variable priced forwards	280	1,103	-
Purchased forwards	(210)	567	-
Total	5,937	652	499

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

CORPORATE INFORMATION

Directors

Ian Johnson Non- executive Chairman
 Tony Palmer Managing Director & CEO
 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>

Forward Shareholder Enquiries to

ASX Perpetual Registrars Limited
 Level 4, 333 Collins Street
 Melbourne, Victoria, 3000
 Telephone 1300 554 474
 +61 3 9315 9947
 Facsimile +61 3 9615 9900
 Email: registrars@asxperpetual.com.au
 Website: www.asxperpetual.com.au

Substantial Shareholders at 30 June 2002

Maple-Brown Abbott 7.9%
 Fidelity Group 5.2%

Issued Share Capital

At 30 June 2002, issued capital was 286,618,526 ordinary shares.

Annual Share Price Activity

	High	Low	Last
June 2002	\$8.41	\$3.26	\$7.58