

NEWCREST



Financial Results

Six months ended 31 December 2002

Index	
Financial Statements	2
Financials	2
Telfer Funding Package	4
Hedging	4
Corporate Information	5

OVERVIEW

	2002 \$M	2001 \$M
Operating earnings before interest, depreciation, significant items and tax	73.9	77.5
Operating profit before income tax	21.7	28.4
Net profit after tax and minority interest	15.9	18.0

Key Points

- Cash costs for the period were \$245/oz (\$261/oz) and total production costs were \$381/oz (\$412/oz).
- Capital, feasibility, development and exploration expenditure for the period was \$84.9M (\$175.0M).
- Cashflow proceeds in 2002 from equity raisings were \$230.9M.
- During the period repayments of borrowings were \$53.5M.
- Profit excludes approximately \$5.5M after tax contribution from a concentrate shipment which was sold on 2 January 2003, which will be recorded in the second half of FY 2002/03.
- Newcrest's debt funding tender for the Telfer project has closed oversubscribed providing a strong endorsement for the project.

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 www.newcrest.com.au

A J Palmer
 Managing Director & CEO
 27 February 2003



FINANCIAL STATEMENTS

Statement of Financial Performance

Six Months Ending	31 Dec 2002 \$M	31 Dec 2001 \$M
Spot gold sales	160.6	165.3
Gold hedging	20.5	51.1
Currency hedging	(15.1)	(37.3)
By-Product sales	90.8	44.4
Copper hedging	1.2	(4.3)
Total Sales Revenue	258.0	219.2
Mine costs	(164.6)	(124.7)
Exploration expense	(12.6)	(10.4)
Administration costs	(9.3)	(7.5)
Other expenses	(2.2)	(0.7)
Other income	4.6	1.6
Operating EBITDA	73.9	77.5
Depreciation and amortisation	(37.6)	(44.7)
Borrowing costs	(8.5)	(4.4)
Provision for surplus foreign currency and gold contracts	(0.8)	-
Provision for hedging contract restructures	(5.3)	-
Net profit/(loss) before income tax	21.7	28.4
Income tax (expense)/benefit	(6.1)	(8.8)
Net profit/(loss) after tax	15.6	19.6
Outside equity interest in controlled entity	0.3	(1.6)
Net profit after tax attributable to members of the Company	15.9	18.0
Cashflow Statement		
Cashflow from operating activities		
Sales receipts	291.4	235.4
Payments to suppliers and employees	(211.5)	(193.6)
Interest received	2.3	1.0
Borrowing costs paid	(9.0)	(5.7)
Income taxes paid	(15.7)	(0.9)
Other	(2.9)	0.6
	54.6	36.8
Cashflow from investing activities		
Exploration	(17.1)	(26.0)
Fixed assets, evaluation and development	(67.8)	(162.2)
Proceeds on sale of non-current assets	0.2	13.2
Other	(0.2)	-
	(84.9)	(175.0)
Cashflow from financing activities		
Proceeds from borrowings	-	159.5
Repayment of finance lease principal	(6.0)	(4.5)
Repayment of borrowings	(47.5)	(78.0)
Dividend paid	(13.8)	(12.3)
Proceeds from capital raising and share issues	230.9	152.6
	163.6	217.3
Net increase/(decrease) in cash	133.3	79.1

Statement of Financial Position

	31 Dec 2002 \$M	30 June 2002 \$M
Cash	147.7	14.4
Accounts receivable	49.9	99.1
Investments	0.2	0.2
Inventories	49.6	25.4
Deferred foreign exchange loss	27.8	-
Other	35.0	22.9
Current assets	310.2	162.0
Accounts receivable	31.1	20.0
Inventories	7.3	8.4
Fixed assets net of depreciation	583.9	603.7
Exploration, evaluation and development	495.6	439.8
Deferred foreign exchange loss	173.0	-
Other	150.2	142.1
Non-current assets	1,441.1	1,214.0
Accounts payable	64.9	57.6
Borrowings	75.7	66.7
Tax liabilities	-	12.9
Provisions	9.6	24.8
Foreign exchange contracts liability	65.1	50.0
Other	16.8	21.9
Current liabilities	232.1	233.9
Borrowings	439.8	484.1
Deferred tax	26.7	20.6
Provisions	46.7	45.0
Foreign exchange contracts liability	186.6	27.8
Other	49.5	25.0
Non-current liabilities	749.3	602.5
Net Assets	769.9	539.6
Share capital	744.6	528.3
Retained profits	17.6	3.3
Outside equity interest in controlled entity	7.7	8.0
Shareholders' equity	769.9	539.6

FINANCIALS

Profit After Tax

Net profit after tax was \$15.9M (\$18.0M) and was lower due to the timing of concentrate shipments. A shipment containing 34,000oz of gold was sold on 2 January 2003 and the after tax contribution of this shipment was approximately \$5.5M.



Revenue

	<u>Dec 2002</u>	<u>Dec 2001</u>
Opening inventory (oz)	15,019	16,807
Gold production (oz)	320,465	325,253
Gold sold (oz)	276,804	307,885
Closing inventory (oz)	58,680	34,175
Gold price \$/oz	600	582

Lower gold sales resulted from the timing of concentrate shipments which is reflected in the \$24.2M increase in inventory.

The components of the gold price were:

	<u>Dec 2002</u>	<u>Dec 2001</u>
	<u>\$/oz</u>	<u>\$/oz</u>
Gold hedge book	655	703
FX book	(55)	(121)
Total	600	582

The gold price for the period benefited from the provision for surplus FX hedging contracts raised at 30 June 2002. Excluding this provision, the FX loss would have resulted in an adjusted gold price of \$505/oz.

The prior period result for December 2001 benefited from an \$8.9M unrealised gain recorded in sales revenue. This related to the valuation of surplus gold contracts which were settled in the second half of FY 2001/02.

By-product contribution from copper and silver increased due to the volume of copper tonnes reflecting a period of increased production from Ridgeway. Copper production for the period was 30,547t (13,691t) and the achieved copper price for the period was \$1.33/lb (\$1.23/lb).

Mine Costs

Gross mine costs increased due to additional tonnes mined and treated reflecting a period of increased production from Ridgeway. However, after by-product credits (reported separately in the revenue) the total cash cost reduced by \$16/oz to \$245/oz. This improvement was due to the low cost of production from Ridgeway and additional by-product contributions from increased copper production.

The reported costs per ounce after by-product credits were as follows:

	<u>Dec 2002</u>	<u>Dec 2001</u>
	<u>\$/oz</u>	<u>\$/oz</u>
Total cash cost	245	261
Total production cost	381	412

Exploration

Exploration expenditure expensed totalled \$12.6M (\$10.4M). Exploration expenditure capitalised at period end was \$29.2M (\$27.8M) relating to Cadia Valley, Cracow and Toguraci.

Depreciation and Amortisation

Depreciation and amortisation totalled \$37.6M equating to a rate of \$136/oz sold (\$145/oz). The decrease in depreciation is a result of a favourable revision to the Cadia Life of Mine Plan and Gosowong assets being fully written off.

Borrowing Costs

Borrowing costs expensed were \$8.5M (\$4.4M). The increase was due to the completion of the Ridgeway project and borrowing costs related to this project previously capitalised are now being expensed. As a result total borrowing costs capitalised for the period only related to the Telfer project which was \$1.5M (\$7.2M).

Provision for Surplus Foreign Currency

Surplus foreign currency (FX) exchange contracts that matured in the quarter resulted in an additional expense of \$0.8M over the 30 June FX provision.

Provision for Restructure of Hedge Contracts

In prior years a series of hedging restructures involving gold, copper and lease rate contracts were undertaken. These restructures will result in provisions being raised in each of the financial years upon which the restructures have an impact. This amount will then be released and brought to account as income in subsequent financial years when the restructured contracts mature. The provision is based on the non-cash cost embedded in the new contract terms on a mark-to-market or mark-to-spot basis.

\$25M was provided in the financial year ended 30 June 2002. As at 31 December 2002 the increase in the provision for these hedge restructures relating to the current period has resulted in a charge to the Statement of Financial Performance of \$5.3M. \$0.8M has been released to income in the period relating to those contracts that matured, resulting in a net increase to the provision of \$4.5M.



Cash Flow – Operating Activities

Cash flow from operating activities improved in the period due to increased sales receipts arising from the reduction in debtors relating to the timing of concentrate sales. This was partly offset by increased payments to suppliers reflecting the increase in inventory and the payment of \$15.7M income tax for the Indonesian operations primarily for the year ended 30 June 2002.

Cash Flow – Investing Activities

Cash used in investing activities amounted to a net \$84.9M.

Major areas of expenditure were:

	<u>\$M</u>
Telfer Project	55.4
Cadia and Ridgeway	10.2
Exploration	17.1
Cracow mine development	0.8
Other	1.4
	<u>84.9</u>

A breakdown of exploration expenditure was:

	<u>\$M</u>
- Greenfields	8.1
- Brownfields	5.5
- Project resource definition – Cracow	0.7
- Project resource definition – Other	2.8
	<u>17.1</u>

Cash Flow - Financing Activities

Details of the major financing activities are as follows.

Capital Raising

	<u>\$M</u>
Equity placement in September 2002	212.9
Share purchase plan	16.7
Exercise of options	1.3
	<u>230.9</u>

Borrowings

Major debt repayments in the period consisted of:

	<u>\$M</u>
Gold loan	29.1
Collateral loan (fully repaid)	4.2
Finance leases	6.0
FX contracts hedging Nippon loan	14.2
	<u>53.5</u>

TELFER FUNDING PACKAGE

During the period Newcrest negotiated a series of linked multi-currency bilateral debt facilities to fund the development of the Telfer project.

The tender for this facility has closed oversubscribed and is now proceeding to final documentation.

The lending group includes key Australian and offshore lending banks and their involvement is a strong endorsement of the Telfer project.

This funding will allow Stage 1 development to proceed for completion by October 2004.

Stage 1 Telfer capital of \$976M will be funded from the following approximate sources:

	<u>\$M</u>
Equity	250
Finance Leases	150
Debt	600

Newcrest has also received offers relating to the \$150M finance leases to complete the funding requirements.

HEDGING

All gold production from the period was delivered into the hedge book reducing the total ounces hedged to 5.5M ounces and total ounces committed to 4.9Moz (excluding the gold loan).

The quantity of gold hedged represents 20% of reserves and 11% of resources.

The mark to market position (excluding gold loan) at period end totalled approximately negative \$939M which comprised negative \$633M for gold, \$247M for currency and \$59M for copper.

A summary of the hedge position (excluding the gold loan of 691Koz) at 31 December 2002 is as follows.



	'000 oz	A\$ /oz*	US\$ /oz*
Standard put options (AUD)	3,843	615	-
Standard put options (USD)	180	-	500
Standard forward sales	384	592	-
Convertible put options	1,025	693	-
Variable priced forwards	250	1,074	-
Purchased forwards	(152)	572	-
Total	5,530	651	500

Granted call options	3,392	558	-
----------------------	-------	-----	---

* Estimated average deliverable price, which is subject to gold lease rate exposure. These values include on average a lease rate allowance of approximately 1.5%.

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

CORPORATE INFORMATION

Directors

Ian Johnson Non-executive Chairman
 Tony Palmer Managing Director and 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 (0)3 9522 5333
 Facsimile: +61 (0)3 9525 2996
 Email: corporateaffairs@newcrest.com.au
 Website: 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 (0)3 9615 9947
 Facsimile: +61 (0)3 9615 9900
 Email: registrars@asxperpetual.com.au
 Website: www.asxperpetual.com.au

Substantial Shareholders at 31 December 2002

Maple-Brown Abbott	6.1%
ING Group	5.3%
Westpac Banking Corporation	5.2%

Issued Share Capital

At 30 January 2003 issued capital was 326,205,611 ordinary shares.

Half Year Share Price Activity

	High	Low	Last
June to Dec 2002	\$7.55	\$5.50	\$7.20