

NEWCREST



Financial Results

Twelve months ending 30 June 2003

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OVERVIEW

	2003 \$M	2002 \$M
Operating profit before interest, depreciation, significant items and tax	196.0	145.2
Operating profit before significant items and tax	83.3	33.0
Significant items		
- Provision for surplus foreign currency (FX) and gold contracts	24.0	(80.6)
- Provision for hedging contract restructures	(11.7)	(25.0)
- Unrealised FX gain on Nippon US\$ borrowing	24.7	-
Operating profit/(loss) before income tax	120.3	(72.6)
Net profit/(loss) after tax and minority interest	92.2	(53.0)
Profit after tax but before significant items	66.3	20.9

Net profit after tax was \$92.2M (2002: loss \$53.0M) with profit after tax but before significant items \$66.3M, an increase of \$45.4M. The significant items related to treatment of surplus FX, hedging restructures and restatement of the US\$ Nippon loan. The increase in operating earnings was due to:

- Ridgeway's strong maiden year with production of 377,538oz (127,666oz).
- Better copper production of 67,738t resulting in by-product revenue increasing to \$192.8M (\$126.2M).
- Cash costs for the year of \$217/oz (\$253/oz) and total production costs of \$356/oz (\$414/oz).

Other Key Points

- Cashflow from operations increased to \$199.1M (\$90.3M).
- Increase in sales revenue to \$607.2M (\$479.7M).
- Cash position strong at \$101.1M.
- Telfer debt raising successfully completed.
- Capital, feasibility, development and exploration expenditure was \$265.4M (\$305.9M).
- Cashflow proceeds from equity raisings was \$253.8M.
- Repayments of borrowings totalled \$87.0M.
- Dividend maintained at 5 cents per share fully franked.

Other Matters

The Annual General Meeting is to be held on 29 October 2003 at the Melbourne Exhibition Centre, Level 2 Auditorium at 10.00 am.

(Numbers in brackets reflect the comparable figures for the 2002 financial results, unless negative values).

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A J Palmer
Managing Director & CEO
29 August 2003



FINANCIAL STATEMENTS

Statement of Financial Performance

12 Months Ending	30 June 2003 \$M	30 June 2002 \$M
Spot gold sales	409.7	354.3
Gold hedging	29.0	76.8
Currency hedging	(27.4)	(69.8)
By-Product sales	192.8	126.2
Copper hedging	3.1	(7.8)
Total Sales Revenue	607.2	479.7
Mine costs	(354.7)	(293.8)
Exploration expense	(26.8)	(21.5)
Administration costs	(19.0)	(15.3)
Other expenses	(16.7)	(6.5)
Other income	5.9	2.6
Operating EBITDA	195.9	145.2
Depreciation and amortisation	(97.6)	(101.5)
Borrowing costs	(15.0)	(10.7)
Operating profit before tax and significant items	83.3	33.0
Provision for surplus foreign currency and gold contracts	24.0	(80.6)
Provision for hedging contract restructures	(11.7)	(25.0)
Unrealised FX gain on Nippon US\$ borrowing	24.7	-
Net profit/(loss) before income tax	120.3	(72.6)
Income tax (expense)/benefit	(29.2)	21.4
Net profit/(loss) after tax	91.1	(51.2)
Outside equity interest in controlled entity	1.1	(1.8)
Net profit after tax attributable to members of the Company	92.2	(53.0)
Cashflow Statement		
Cashflow from operating activities		
Sales receipts	608.3	458.8
Payments to suppliers and employees	(380.8)	(354.7)
Interest received	4.9	1.6
Borrowing costs paid	(15.0)	(12.0)
Income taxes paid	(18.3)	(3.4)
	199.1	90.3
Cashflow from investing activities		
Exploration	(33.4)	(44.8)
Fixed assets, evaluation and development	(231.7)	(275.0)
Proceeds on sale of non-current assets	0.4	14.4
Other	(0.7)	(0.5)
	(265.4)	(305.9)

Cashflow from financing activities

Proceeds from borrowings	-	158.9
Repayment of finance lease principal	(10.4)	(8.8)
Repayment of borrowings	(76.6)	(111.1)
Dividend paid	(13.8)	(13.6)
Proceeds from capital raising and share issues	253.8	156.6
	153.0	182.0
Net increase/(decrease) in cash	86.7	(33.6)

Statement of Financial Position

	30 June 2003 \$M	30 June 2002 \$M
Cash	101.1	14.4
Accounts receivable	69.0	99.1
Investments	0.1	0.2
Inventories	16.8	25.4
Deferred foreign exchange loss	24.5	-
Other	26.4	22.9
Current assets	237.9	162.0
Accounts receivable	39.9	20.0
Inventories	8.9	8.4
Fixed assets net of depreciation	562.0	603.7
Exploration, evaluation and development	761.6	439.8
Deferred foreign exchange loss	65.1	-
Other	163.6	142.1
Non-current assets	1,601.1	1,214.0
Accounts payable	181.2	57.6
Borrowings	83.7	66.7
Tax liabilities	-	12.9
Provisions	9.1	24.8
Foreign exchange liabilities	35.5	48.5
Other	7.1	23.1
Current liabilities	316.6	233.6
Borrowings	401.4	484.1
Deferred tax	50.8	20.6
Provisions	48.5	44.9
Foreign exchange liabilities	65.1	27.8
Other	71.6	25.4
Non-current liabilities	637.4	602.8
Net Assets	885.0	539.6



Share capital	784.3	528.3
Retained profits	93.8	3.3
Outside equity interest in controlled entity	6.9	8.0
Shareholders' equity	885.0	539.6

FINANCIALS

Profit After Tax

Net profit after tax was \$92.2M (negative \$53.0M) with profit after tax but before significant items \$66.3M, an increase of \$45.4M.

The profit before tax included the following significant items:

- \$24.0M write-back of provision for surplus foreign currency contracts.
- (\$11.7M) provision for restructure of hedge contracts.
- \$24.7M unrealised gain on US\$ Nippon borrowing.

Revenue

Sales revenue increased to \$607.2M (\$479.7M) reflecting a full year of gold and copper production from Ridgeway and the improved achieved gold price of \$567/oz (\$559/oz).

The components of the gold price were:

	2002/03 \$/oz	2001/02 \$/oz
Gold hedge book	605	667
FX book	(38)	(108)
Total	567	559

The improved achieved gold price reflects the better outcome from the FX hedgebook resulting from the stronger Australian/US dollar rate.

	2002/03 oz	2001/02 oz
Opening inventory	15,019	16,811
Gold production	714,377	644,626
Gold sold	724,584	646,418
Closing inventory	4,812	15,019

By-product contribution improved to \$192.8M (\$126.2M) reflecting increased copper production from Ridgeway. The achieved copper price was \$1.28/lb (\$1.27/lb).

Mine Costs

Gross mine costs before copper credits increased to \$354.7M (\$293.8M) due to the higher production volume however unit costs were lower compared to the previous year. The \$354.7M is before by-product credits of \$192.8M. The reported costs per ounce including by-product credits were as follows:

	2002/03	2001/02
Total cash cost \$/oz	217	253
Total production cost \$/oz	356	414

Exploration

Exploration expenditure for the year totalled \$33.4M. \$26.8M (\$21.5M) of this expenditure was expensed and exploration expenditure capitalised at year end increased to \$34.4M relating to Cadia Valley, Ridgeway Deeps, Cracow, Toguraci and Kencana.

Administration Costs

Corporate administration expenditure increased from the previous year largely due to the cost of resignation payments.

Other Expenses

Other expenses comprised \$13.0M net FX loss mainly from concentrate receipts due to Australian dollar movements. Other expenses included provisions for the potential non-recovery of the Indonesian VAT refund and also care and maintenance costs for Boddington and Gosowong.

Other Income

Other income was largely interest revenue and proceeds from minor asset sales.

Depreciation and Amortisation

Depreciation and amortisation totalled \$97.6M equating to a rate of \$135/oz (\$157/oz) of gold sales.

Borrowing Costs

Borrowing costs expensed were \$15.0M (\$10.7M). This increase reflects full expensing of ongoing borrowing costs for the Ridgeway



project. Interest capitalised for the year of \$2.9M (\$10.7M) related only to the Telfer project.

Provision for Realised Surplus Foreign Currency

US\$111M of surplus foreign currency exchange contracts matured in the year resulting in a realised gain of \$7.2M compared with the 30 June 2002 FX loss provision of \$48.5M.

Provision for Unrealised Surplus FX Contracts

US\$61M of residual 2003/04 surplus FX contracts resulted in a \$16.8M unrealised gain compared to the 30 June 2002 FX provision of \$27.8M.

Unrealised FX Gain – US\$ Loan

Restatement of the US\$80M Nippon loan at the year end US\$/A\$ exchange rate of 0.6661 resulted in a \$24.0M unrealised FX gain.

Hedge Contracts Restructure Provision

Ongoing treatment of the prior year hedging restructures resulted in a charge to the Statement of Financial Performance of \$11.7M. \$1.1M was released to operating revenue resulting in a net increase to the provision of \$10.6M.

Cash Flow – Operating Activities

Cash flow from operating activities of \$199.1M (\$90.3M) improved due to:

- Increased gold sales receipts,
- Increased by-product credits, and
- Sales from inventories.

This was offset primarily by the payment of \$18.3M income tax for the Indonesian operations for the year ended 30 June 2002.

Cash Flow – Investing Activities

Cash used in investing activities amounted to a net \$265.4M.

Major areas of expenditure were:

	<u>\$M</u>
Telfer Project	199.6
Cadia, Ridgeway, Cadia East	29.1
Exploration	33.4
Cracow mine development	2.9
Other	0.4
	<u>265.4</u>

A breakdown of exploration expenditure was:

	<u>\$M</u>
- Greenfields	17.0
- Brownfields	14.8
- Project resource definition – Cracow	0.8
- Project resource definition – Other	0.8
	<u>33.4</u>

Cash Flow – Financing Activities

Details of the major financing activities were as follows.

Capital Raising

	<u>\$M</u>
Equity placement in September 2002	212.9
Share purchase plan	37.3
Exercise of options	3.6
	<u>253.8</u>

Borrowings

Major debt repayments consisted of:

	<u>\$M</u>
Gold loan	58.2
Collateral loan (fully repaid)	4.2
Finance leases	10.4
FX contracts hedging US\$ loan	14.2
	<u>87.0</u>

Dividend Payment

The Dividend Reinvestment Plan (DRP) reduced the net payout of the 2002 dividend of \$15.9M to \$13.8M.

Dividends

The Company has declared a fully franked dividend of 5¢ per share. The dividend is payable to shareholders on 17 October 2003. Shareholders registered as at the close of business on 26 September 2003 will be eligible for the dividend. The Dividend Reinvestment Plan remains in place and will be offered to shareholders at market price.



HEDGING

The outcome for the hedgebook prices over the full year is as follows:

\$/oz	Q1	Q2	Q3	Q4	FY
Gold Book ¹	647	661	564	586	605
FX	(47)	(61)	(26)	(29)	(38)
Reported Gold Price	600	600	538	557	567
Gold Price for Cashflow purposes	524	484	495	533	510

¹ Includes gold sales at spot.

The mark to market position (excluding gold loan swap contracts) at 30 June 2003 was:

	30 June 2003 \$M	30 June 2002 \$M
Gold	182	(394)
Currency	(91)	(302)
Copper	(7)	(86)
Total	84	(782)

A summary of the hedge position (excluding the gold loan of 632Koz and spot deferreds of 568Koz) at 30 June 2003 is as follows:

Hedging Product	A\$ Hedges '000 oz	US\$ Hedges '000 oz	A\$ /oz*	US\$ /oz*
Standard put options (AUD)	3,886		609	
Standard put options (USD)		130		502
Standard forward sales (AUD)	1,290		635	
Standard forward sales (USD)		1,413		344
Convertible put options	875		693	
Variable priced forwards	250		542-	1200
Purchased forwards	(396)		589	
Total	5,905	1,543	628	358
Granted call options		3,088	561	

* Estimated average deliverable price, which is subject to gold lease rate exposure. These values include a lease rate allowance of approximately 1.6%.

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

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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>

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Website: www.asxperpetual.com.au

Substantial Shareholder(s) at 30 June 2003

Maple-Brown Abbott 6.5%

Issued Share Capital

At 30 June 2003 issued capital was 326,911,171 ordinary shares.

Annual Share Price Activity

	High	Low	Last
June 2003	\$8.11	\$5.50	\$7.65