

NEWCREST



Market Release

5 July 2004

Hedgebook Simplification and Copper Hedging

Newcrest Mining Limited is pleased to advise that it has completed a comprehensive simplification of its gold and foreign currency hedging positions and put in place additional copper hedging for the next 2 years.

The restructure of the hedgebook includes elimination of the entire foreign currency book and all contingent products in the gold book.

The overall purpose of the restructure is to provide greater revenue certainty and to facilitate greater understanding of the company's total business. The restructure has been completed without any cash outflow.

The hedgebook following the restructure is detailed in Table 1 and consists simply of a series of Australian dollar forwards and a series of US dollar forwards. The gold loan remains in place. The restructure brings the hedgebook into compliance with the Board policy of using only vanilla hedging instruments and with International Accounting Standards which come into effect in 2005/06.

The quantity of ounces and the forward prices shown in the new hedge table are fixed. These are the definitive prices that will be delivered according to the schedule shown and subject only to movement in the floating lease rates.

The accounting treatment of the hedging restructure requires the original hedging products to be accounted for based on their original maturity dates. As a result an annual adjustment will be required to the profit and loss statement over the period of the original hedgebook. The adjustments are fixed and are of a one-off nature. The schedule of the estimated annual adjustments is shown in Table 2.

In addition to the hedge restructure Newcrest has also put in place new hedging for its copper by-products for the years ending 30 June 2005 and 2006.

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The new copper hedging, which covers 97,008 tonnes of 2005 production and 58,100 tonnes of 2006 production, was achieved at A\$1.72/lb for 2005 and A\$1.56/lb for 2006.

The hedgebook simplification and new copper hedging are important steps in the streamlining of Newcrest's business. They will provide improved clarity in determining future financial outcomes and enhance Newcrest's credentials as a sustainable cashflow business.

Newcrest's hedging policy continues to be one of risk mitigation whilst the company has debt on the balance sheet. These changes are in line with that policy.

*** ENDS ***

Table 1 – New Hedgebook

GOLD	04/05	05/06	06/07	07/08	08/09	09/10	10/11	TOTAL
A\$ Forwards (ozs)	1,040,002	1,111,998	1,062,002	789,980	615,001	495,001	260,001	5,373,985
A\$/oz	592	592	594	603	588	636	619	599
US\$ Forwards (ozs)	67,500	285,000	344,000	333,000	383,000	277,500	160,000	1,850,000
US\$/oz	333	330	350	341	355	379	413	355
Total Gold Hedging (ozs)	1,107,502	1,396,998	1,406,002	1,122,980	998,001	772,501	420,001	7,223,985
Gold Loan (ozs)	84,000	68,000	68,000	68,000	68,000	119,000	52,000	527,000
A\$/oz	488	488	488	488	488	488	488	488

Approximately 50% of the forwards from July 2006 are subject to floating gold lease rates with an allowance of 1% to Newcrest.

COPPER	04/05	05/06	06/07
A\$ Copper Forwards (tonnes)	97,008	94,100	36,000
A\$/t	3,792	3,138	2,646

Table 2 – Annual Accounting Hedgebook Adjustment to Net Profit ⁽ⁱ⁾

Year	2005 A\$M	2006 A\$M	2007 A\$M	2008 A\$M	2009 A\$M	2010 A\$M	2011 A\$M	2012 A\$M
Adjustment from hedgebook restructure ⁽ⁱ⁾	(11)	(22)	(12)	(1)	2	15	21	1
Adjustment from prior years restructures ⁽ⁱⁱ⁾	(6)	16	19	8	4	2	1	-
Net Accounting Adjustment	(17)	(6)	7	7	6	17	22	1

⁽ⁱ⁾ Estimate only. Amounts are unaudited and subject to finalisation. Final adjustment amounts will be released when available.

⁽ⁱⁱ⁾ Previously advised prior year's hedge restructures reported 30 June 2002.