



Market Release

Newcrest Mining Limited

8 August 2013

Expected asset impairment amount and writedowns for the 2013 financial year

In its announcement of 7 June 2013, Newcrest indicated that, based on its estimate of carrying values and the Company's internal indicative valuations, an impairment of the carrying value of assets in the range of A\$5 to A\$6 billion was likely in the 2013 financial year statutory accounts.

The Newcrest Board has further assessed the carrying values of its assets for the purpose of preparing the 2013 financial year statutory accounts and compared these to the actual year end balances, and announces the following expected accounting impairment outcomes by asset in their respective functional currencies¹:

- Lihir: US\$3,240 million (comprising US\$3,240 million of the US\$3,643 million of goodwill)
- Hidden Valley: US\$380 million
- West Africa² : US\$480 million (including all of the goodwill of US\$188 million)
- Telfer : A\$1,175 million

Applying the exchange rate prevailing at 30 June 2013 of \$A1.00 = US\$0.9275, the total impairment charge for the four assets will be approximately A\$5,595 million (of which approximately A\$3,695 million is goodwill). The A\$:US\$ exchange rate assumed for the purpose of the 7 June announcement was higher, at approximately A\$1.00 = US\$0.96.

The abovementioned total impairment charge is after tax and is a non-cash item with no adverse impact on cashflow.

In addition to the above impairment, the Board has considered the value at which it will carry its investment in Evolution Mining Limited (Evolution). Applying the share price of Evolution at 30 June 2013 of A\$0.57 per share, Newcrest's 32.63% shareholding had a value of A\$132 million compared with the carrying value of A\$405 million. The difference of A\$273 million will be written down. This write-down has no tax benefit recognised for accounting purposes³, and is a non-cash item. The current share price of Evolution is significantly above the price at 30 June 2013.

Other assets across the Group are expected to be written down at year end by a total amount of approximately A\$360 million after tax. This comprises writedowns of fixed assets, inventory, exploration and the de-recognition of previous tax losses.

The total estimated amount of asset impairments (A\$5,595 million), Evolution writedown (A\$273 million) and the writedown of other assets (A\$360 million) aggregates to approximately A\$6.2 billion after tax.

All amounts are approximate and remain subject to audit. The ASX Appendix 4E full year financial results of Newcrest remain expected to be released to the market on Monday 12 August 2013.

1. Functional currency refers to the currency of the asset's financial statements.
2. West Africa comprises Bonikro and Cote d'Ivoire exploration.
3. Not recognised for accounting purposes, as it is an unrealised capital loss with no certainty of the tax benefit being able to be realised in the absence of capital gains.

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