



Newcrest Mining Limited

Financing of Future Growth Opportunities

Goldman Sachs JB Were Resources Conference
6 August 2004

Jeff Smith, Executive General Manager Finance



STRATEGY & POSITIONING

- * Large long life assets
- * Low on cost curve


↓

- * Development assets in house remain plentiful

↓

- * M+A rarely provides excess returns

Returns focussed resources company that ensures returns to shareholders using exploration as the key business building platform



2

THE PLAN SO FAR


- * Development projects in place
- * Financial issues have been addressed
 - Funding sources in place
 - Hedge book restructured
 - Balance Sheet in good order
- * Longer term capital planning underway
- * Other service areas being strengthened
 - Human Resources
 - Information Technology
 - Group-wide services



3

HEDGE BOOK

- * Simplification completed
- * Necessary for next stage of corporate development
- * Key element is predictability of cash flows (NCM + Market)
- * Copper hedging assists certainty of outcome



4

CURRENT VALUE DRIVERS

- * \$900M sunk capital in the Cadia Valley
- * \$1200M capital in the Telfer field
- * \$100M capital in Gosowong field

First priority is to maximise and enhance the return on the capital in existing fields

- * Cracow) early stage fields that
- * Ashburton) offer similar opportunities

5



CONSIDERATIONS IN CAPITAL MANAGEMENT PLANNING

- * Medium term capital requirements
- * Returns to shareholders – dividend policy
- * Liquidity
- * Cost of capital – optimum gearing levels
- * Credit rating
- * Long term debt structure

6



PROJECT PIPELINE PRIORITIES

- * Cracow completion
- * Near term tangible projects
 - Kencana
 - Ridgeway Deeps
 - Boddington
 - Telfer Deeps North West High Grade Domain (NWHGD)
 - Cadia East
- * Longer terms prospects/identified mineralisation
 - Telfer West Dome Deeps
 - Telfer Trotmans Dome
 - Ridgeway Deeps 2 (just when you thought it was safe)

7



CURRENT DEBT FUNDING PROFILE

- * Current facilities
 - Syndicated Loan Note
 - Nippon Loan
 - Gold Loan
 - Standby Facilities
- * Interest cover around 10 times
- * Net debt free by 2007/08 on current profile

8



PROJECT FUNDING CAPACITY

- Near term projects financeable from cash flows
- Potential now exists for debt restructuring that affords greater flexibility
- Ability to access longer term US capital markets
- Moderately geared balanced sheet with strong cash flows = high level of capacity to fund further growth
- No need for equity raisings – long term

9



LONGER TERM DEBT OPPORTUNITIES

- Need to determine appropriate gearing levels
- Some longer term debt to better match debt to reserves
- Appropriate mix of currency, interest rate exposure
- Benefit from stronger credit rating

10



ISSUES & CONSTRAINTS

- Disciplined approach to dividends impacts on free cash
- Substantial development still required to achieve critical mass
- Need to maintain efficient Balance Sheet
- Need to maintain adequate liquidity levels

11



NEWCREST CHALLENGES

- Capture the value of low-entry-price projects for shareholders → Exploration best method
- Focus on returns to shareholders through sustainable dividends and earnings growth
- Maintain capital discipline

12



