

# Overview & Strategy



**Ian Smith**  
MD & CEO

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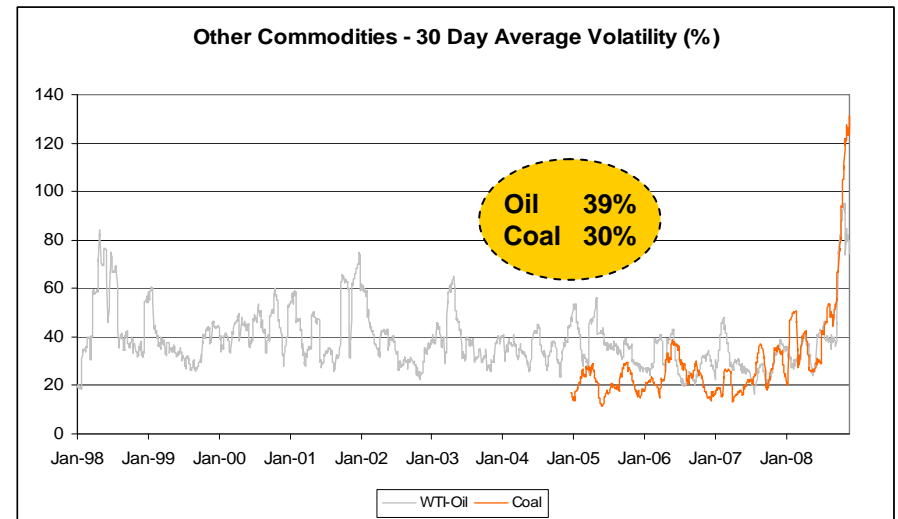
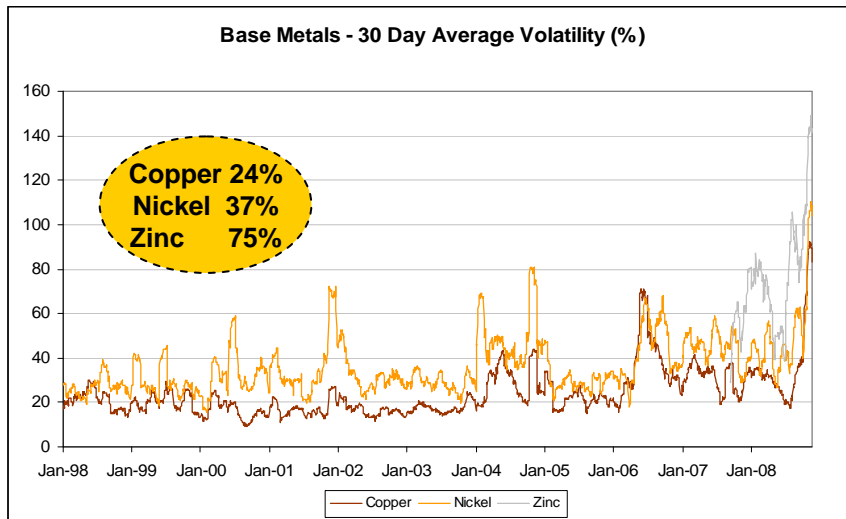
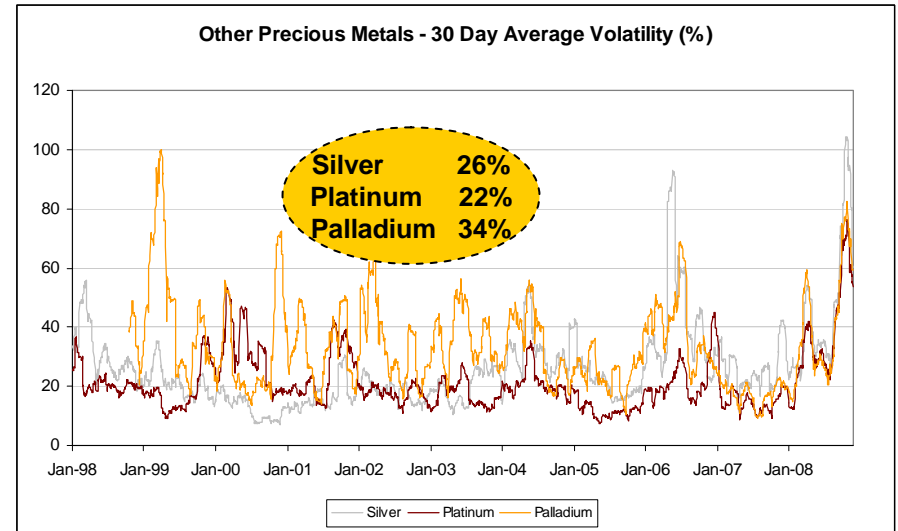
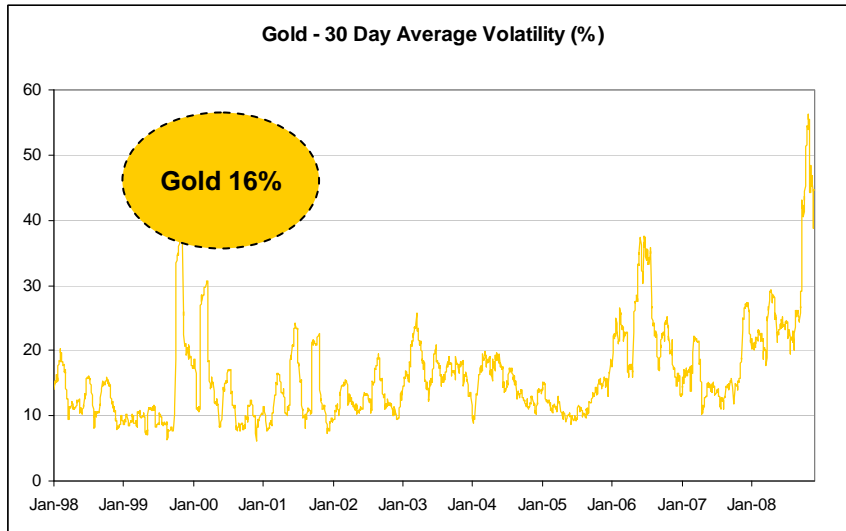
## 1. Gold in General

## 2. Newcrest Reformation

## 3. Outcomes So Far

## 4. Going Forward

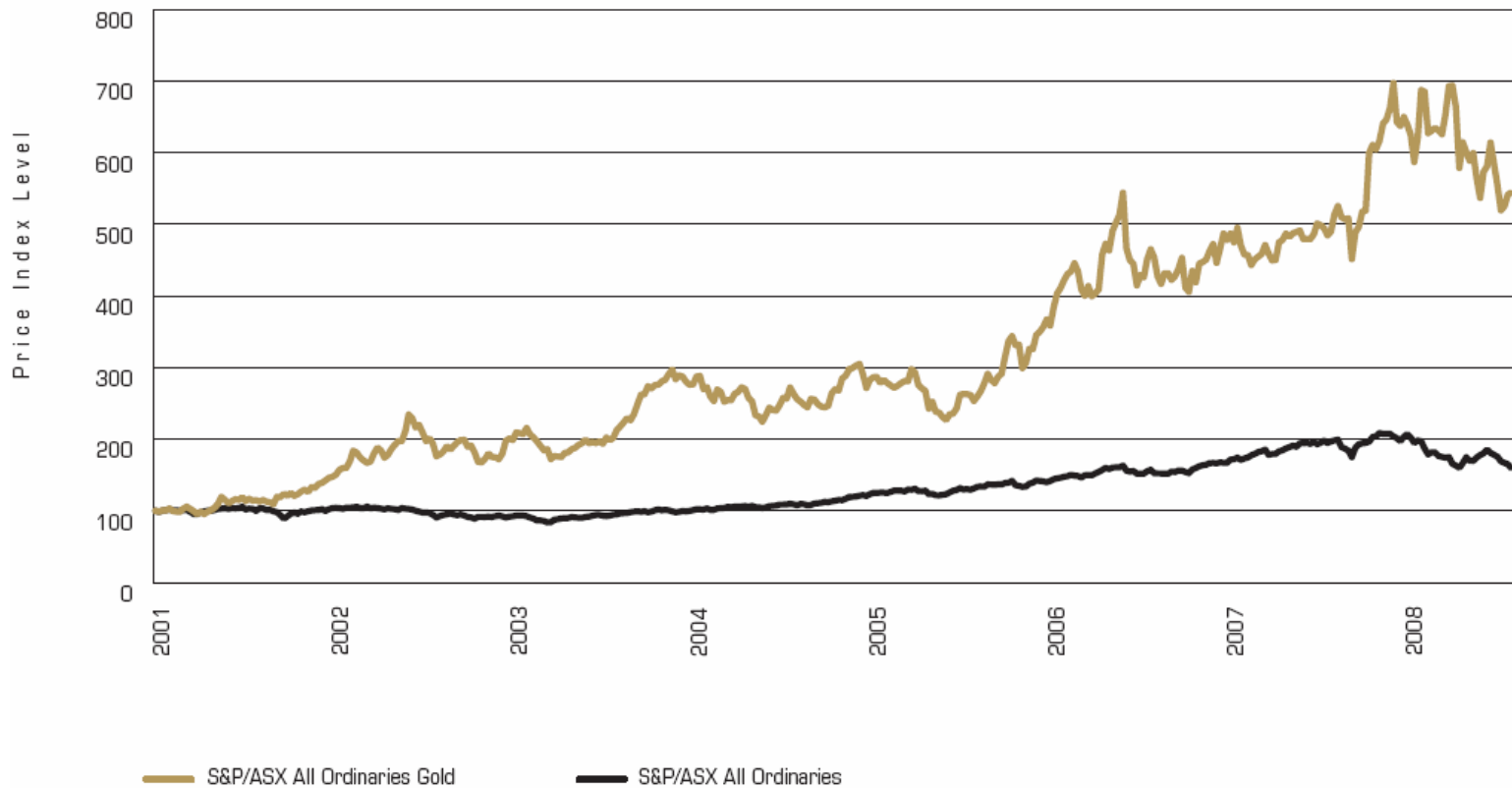
# Gold – Significantly Less Volatile



Source: Bloomberg, 24 Nov 2008

# Gold Equities vs Other Equities

S&P/ASX All Ordinaries Gold vs S&P/ASX All Ordinaries



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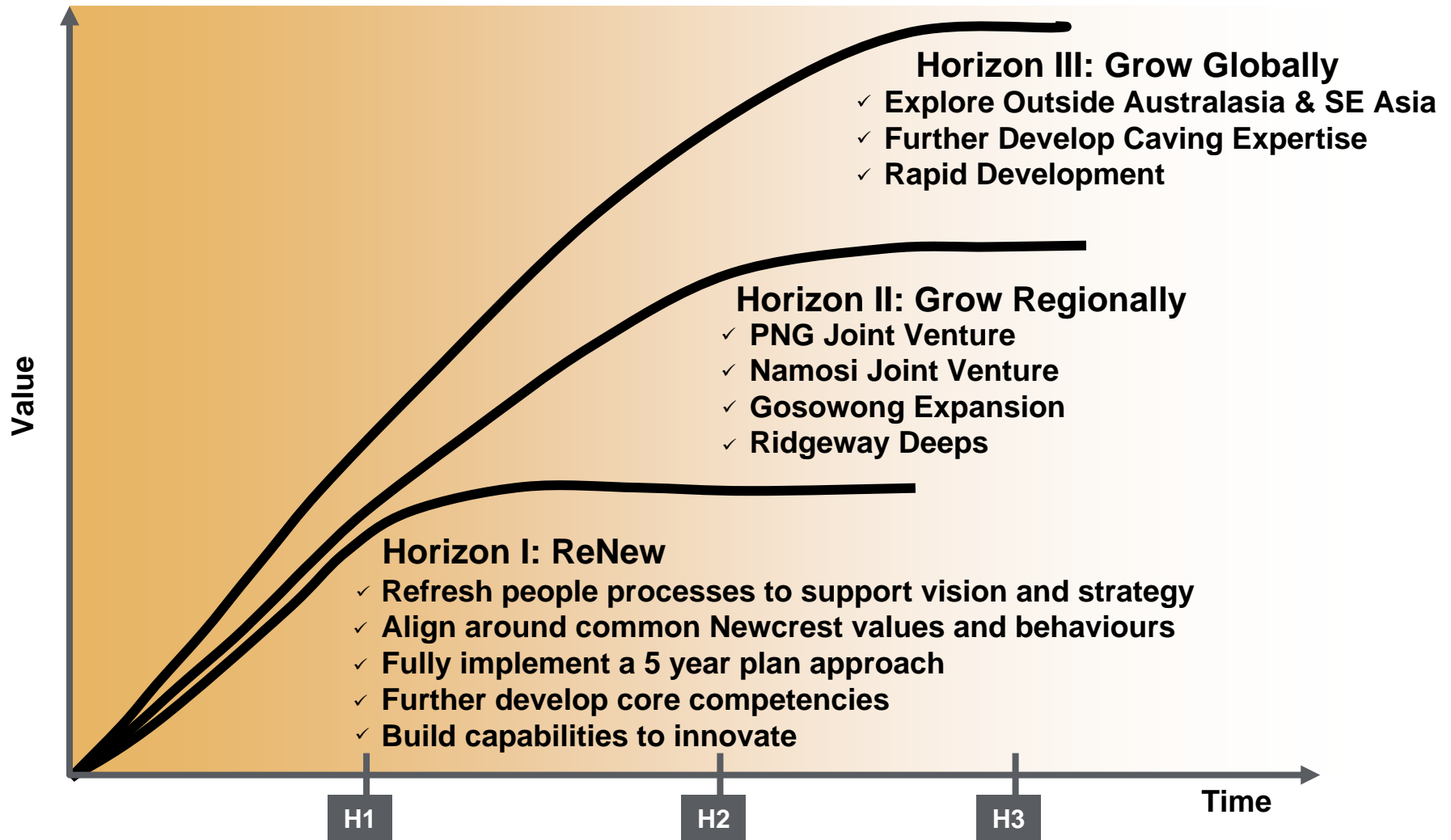
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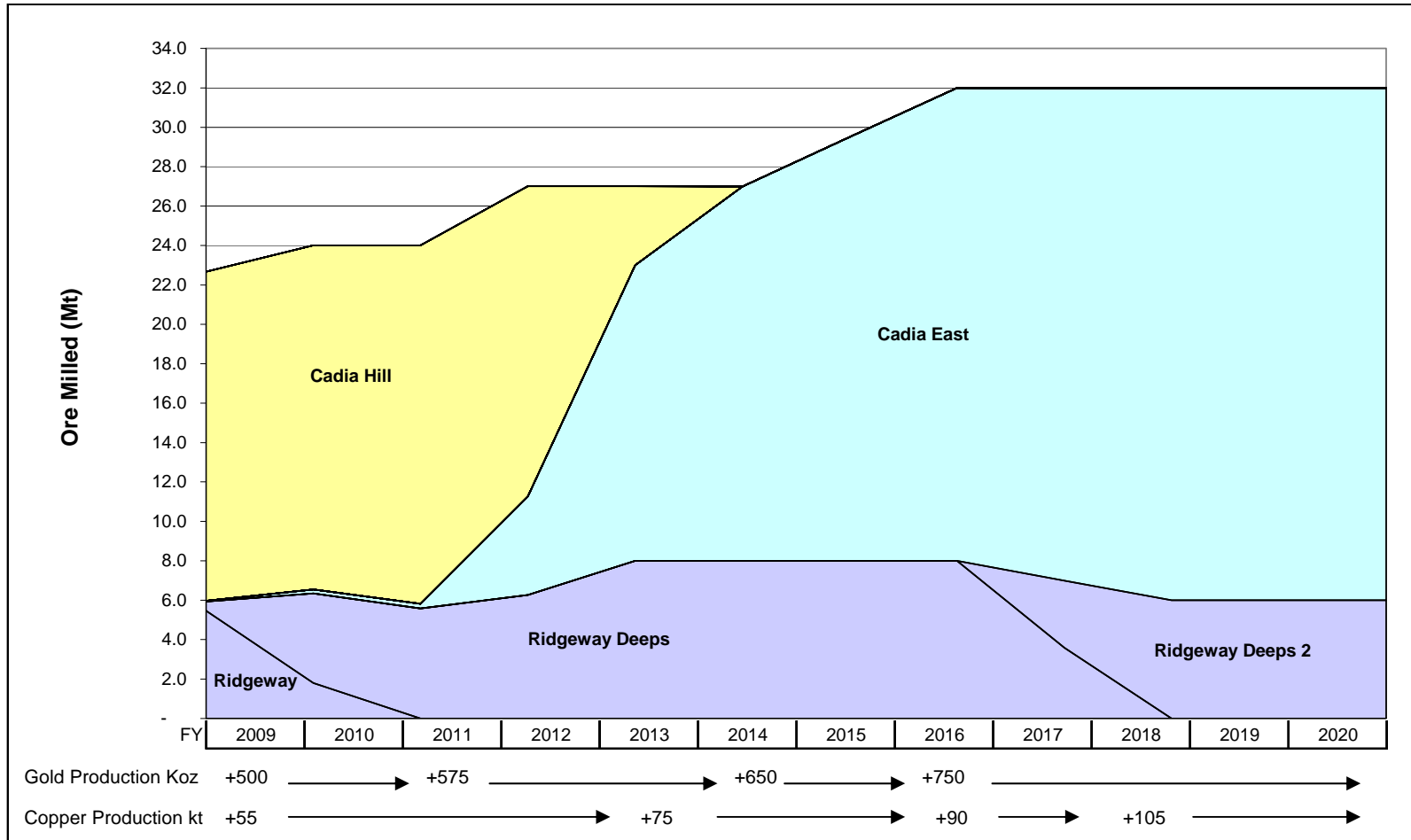
# Change

1. New Vision and Strategy
2. Restructured the executive management team
3. People capability being upgraded
  1. Creating our Future
  2. Performance focus
4. Implemented new processes and control for:
  1. Risk
  2. Five Year and Life of Mine Planning
5. Restructured approach to exploration through-out the company
  1. Focus on fewer, higher quality projects
  2. Strengthened the resource and reserve governance process
6. Reinvigorated organic growth opportunities
  1. Developed extensive bulk underground mining capability
  2. Applied technologies to enhance project economics and options
7. Introduced M & A capability
  1. Generative team to acquire exploration opportunities
  2. Small in house team to assess later stage opportunities

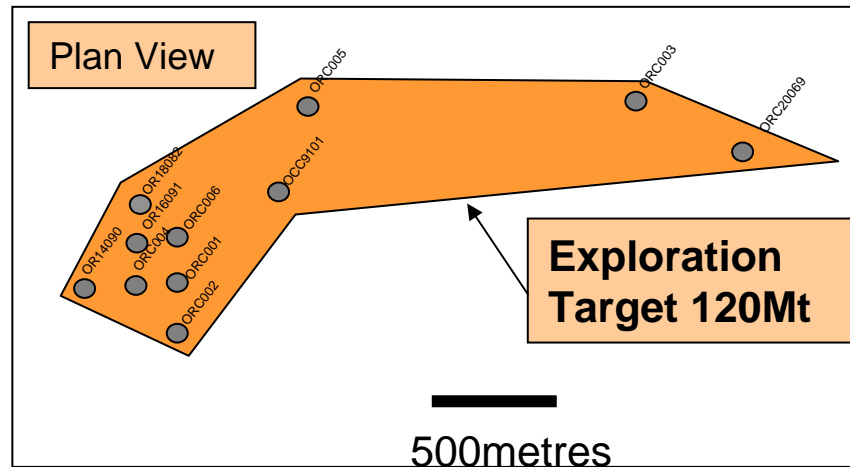
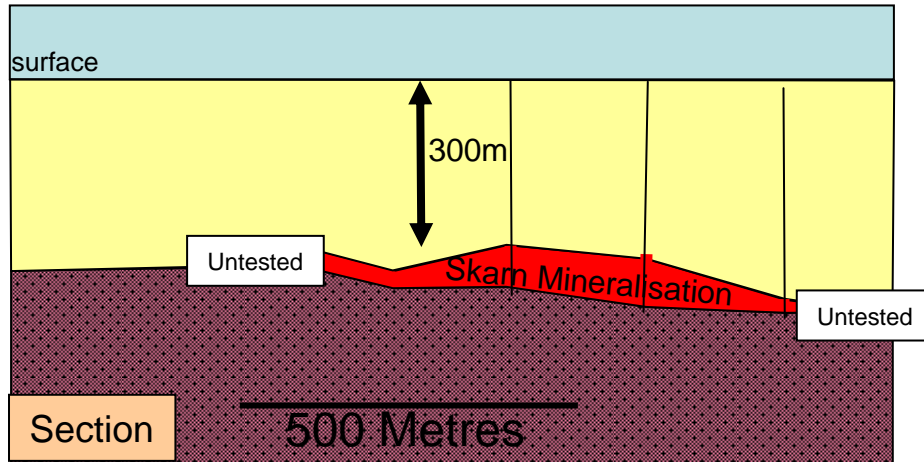
# Newcrest Strategy



# Enhanced Cadia Valley production profile – over 30 years of sustainable gold production



# Telfer - O'Callaghans Advanced Exploration Target

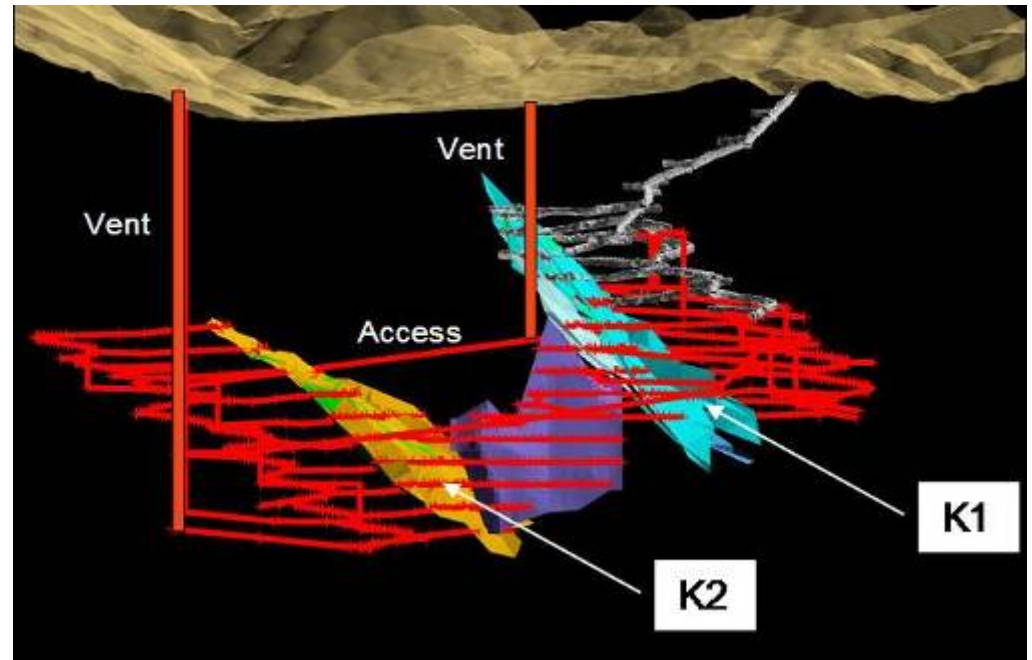


- Poly-metallic deposit
  - Tungsten
  - Molybdenum
  - Lead/Zinc
  - Copper
- Gold equivalent of 3 - 3.50g/t
- 2.5km strike length and open
- Depth 300m
- Initial resource in December 2008 quarter

Gold equivalent calculated on the following US\$ metal prices Pb \$0.60/lb, Zn \$0.75/lb, Mo \$13/lb, W \$12/lb, Cu \$1.70/lb, Au \$600/oz

# Gosowong – Kencana Expansion

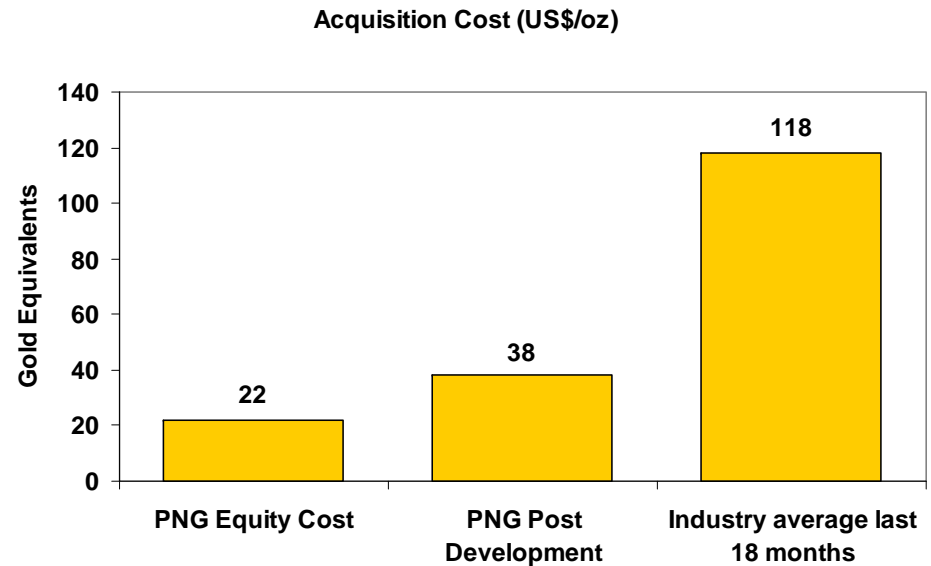
- Very high grade gold deposit
  - Reserve grade 29g/t
  - Resource grade 35g/t
- Full project approval in December 2008
- Production from K2 will commence by mid 2009
- Total production greater than 400,000oz p.a.
- Mine life over 6 years



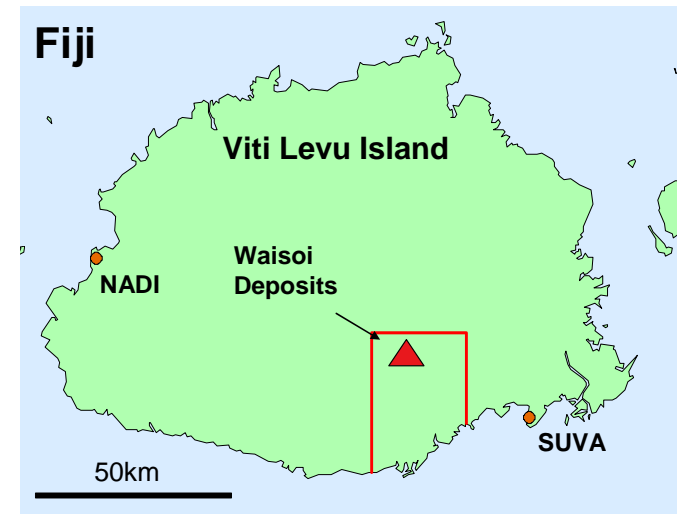
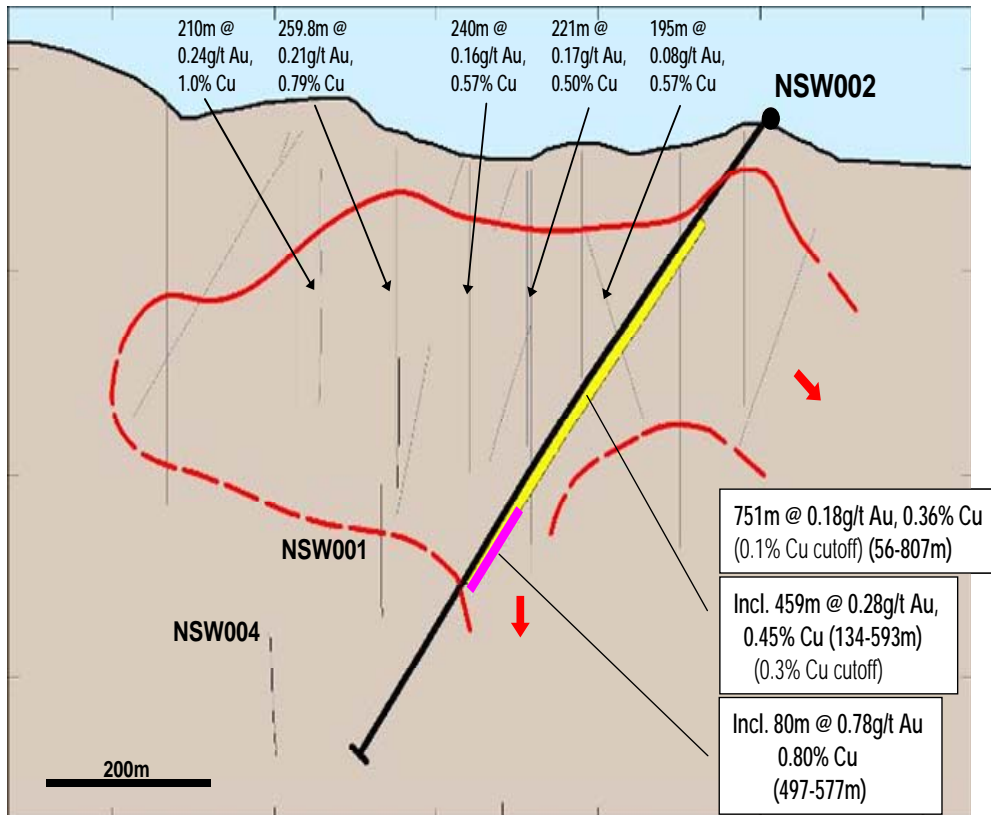
# PNG Joint Venture – Morobe Province

US\$525m for a 50% interest in Harmony's PNG assets:

- **3,400 + square kilometres**
  - **Hidden Valley operation**
  - **Wafi-Golpu projects**
  - **Morobe coast exploration**
- 
- Exceptional mineral province
  - Competitive price
  - Leverages regional capability



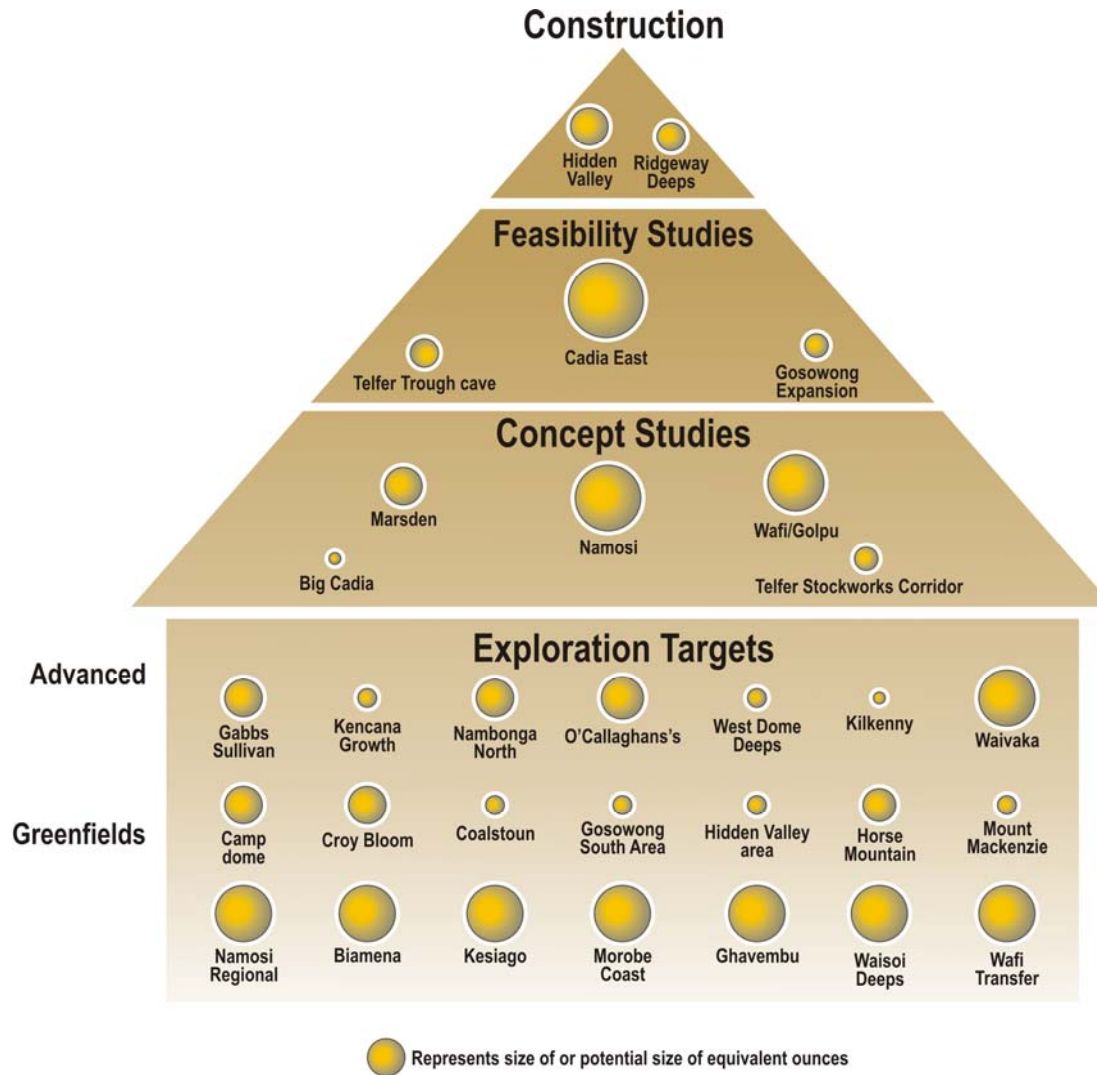
# Fiji - Namosi - Concept



- Newcrest acquiring 65% interest (at A\$21.5M spend)
- Lease area 725 sq km
- 14 other prospects within lease area
- Waisoi deposits contain a Mineral Resource<sup>1</sup> estimated by Placer in excess 900Mt at 0.43% copper & 0.14g/t gold
- Recent drilling extended mineralisation & identified higher grade zone
- Newcrest resource in December 2008

(1) Newcrest's current exploration is not yet sufficient to define a Mineral Resource.

# Extensive project portfolio developed



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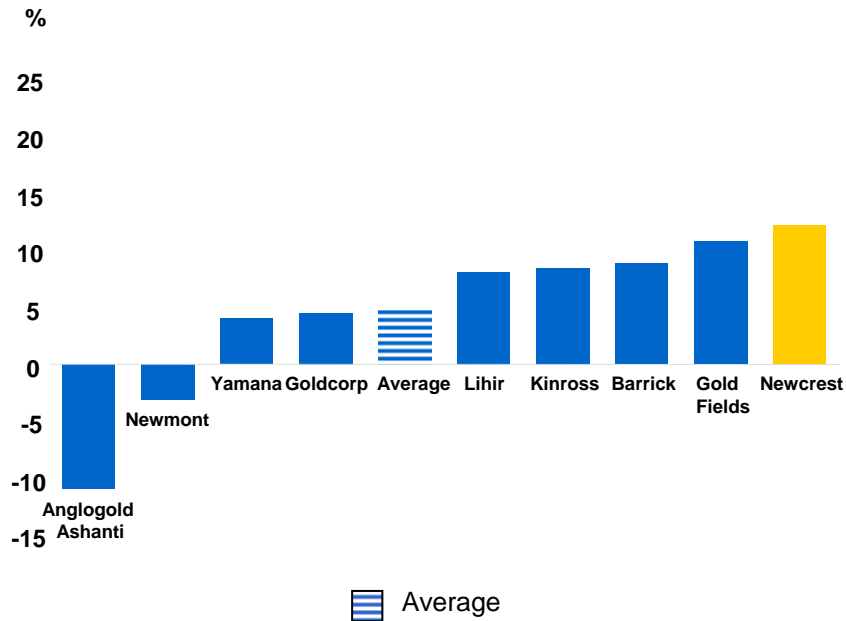
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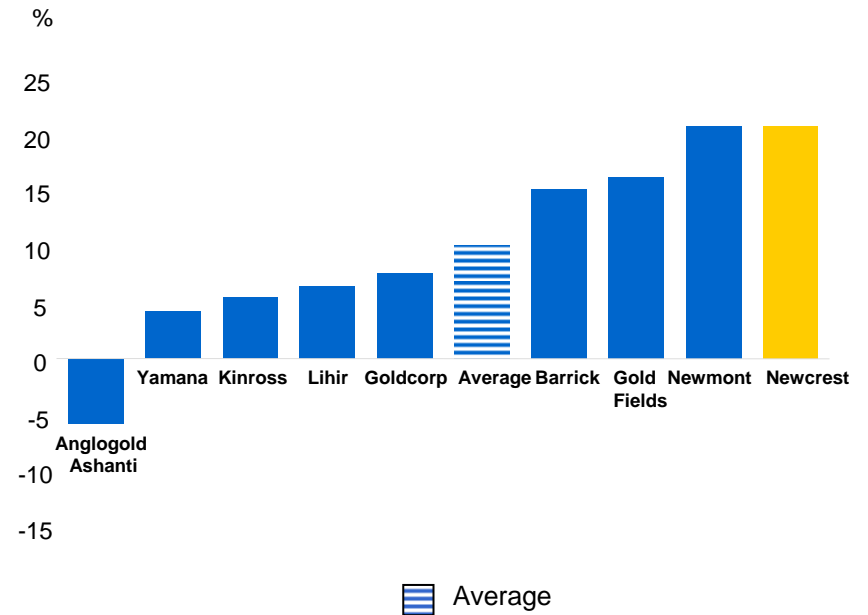
## 4. Going Forward

# Return on Capital Employed (ROCE)

2007 ROCE



2008 ROCE

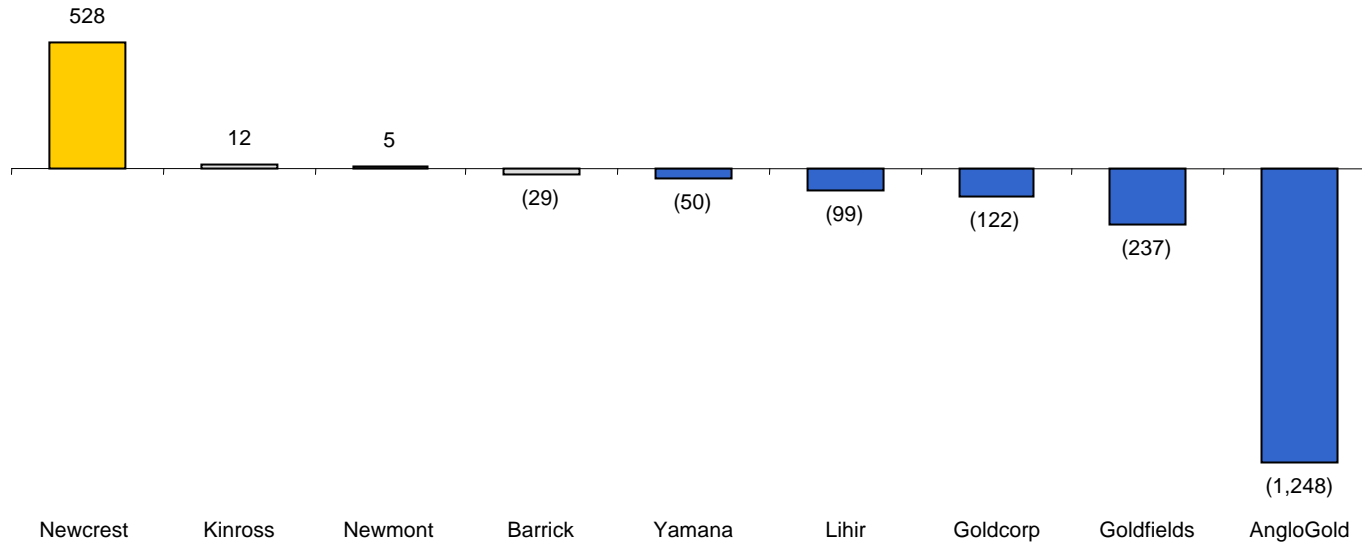


ROCE = EBIT / Shareholder's Equity (book value) + net debt

EBIT adjusted for impact of hedge restructuring losses and loss on repayment of gold loans

# Strong Cash Flow

## Free Cash Flow (US\$m)



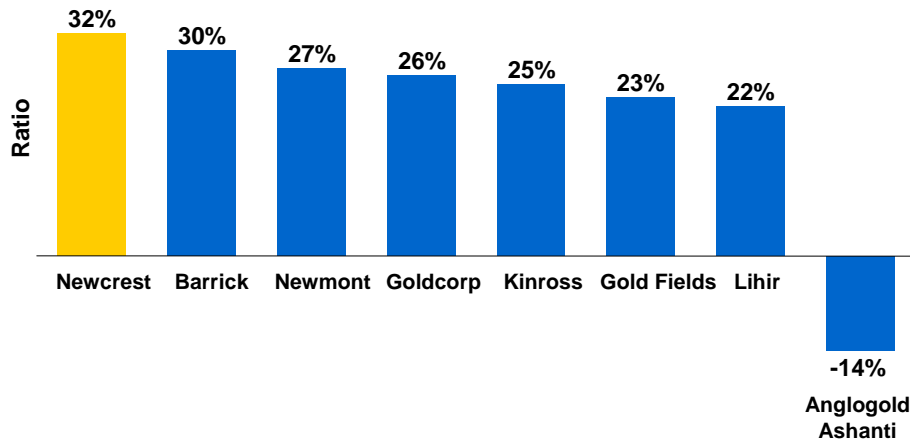
2007/2008 FY data  
Free Cash Flow = Operating cash flow minus capex

Source: Bloomberg

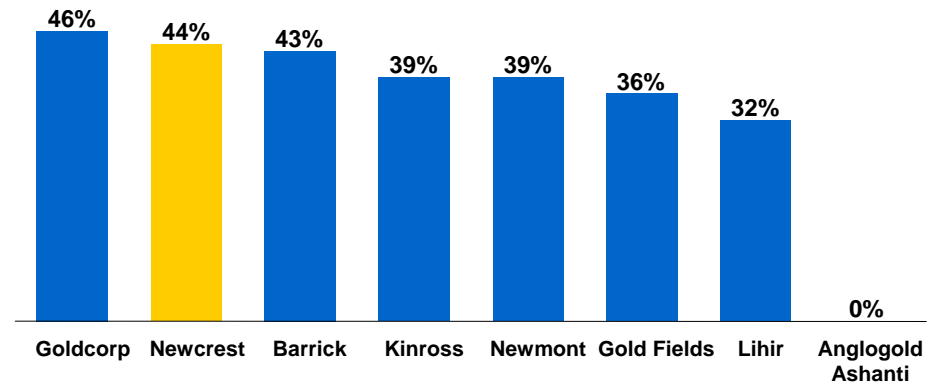


# EBIT and EBITDA margins

## EBIT as % of sales revenue



## EBITDA as % of sales revenue

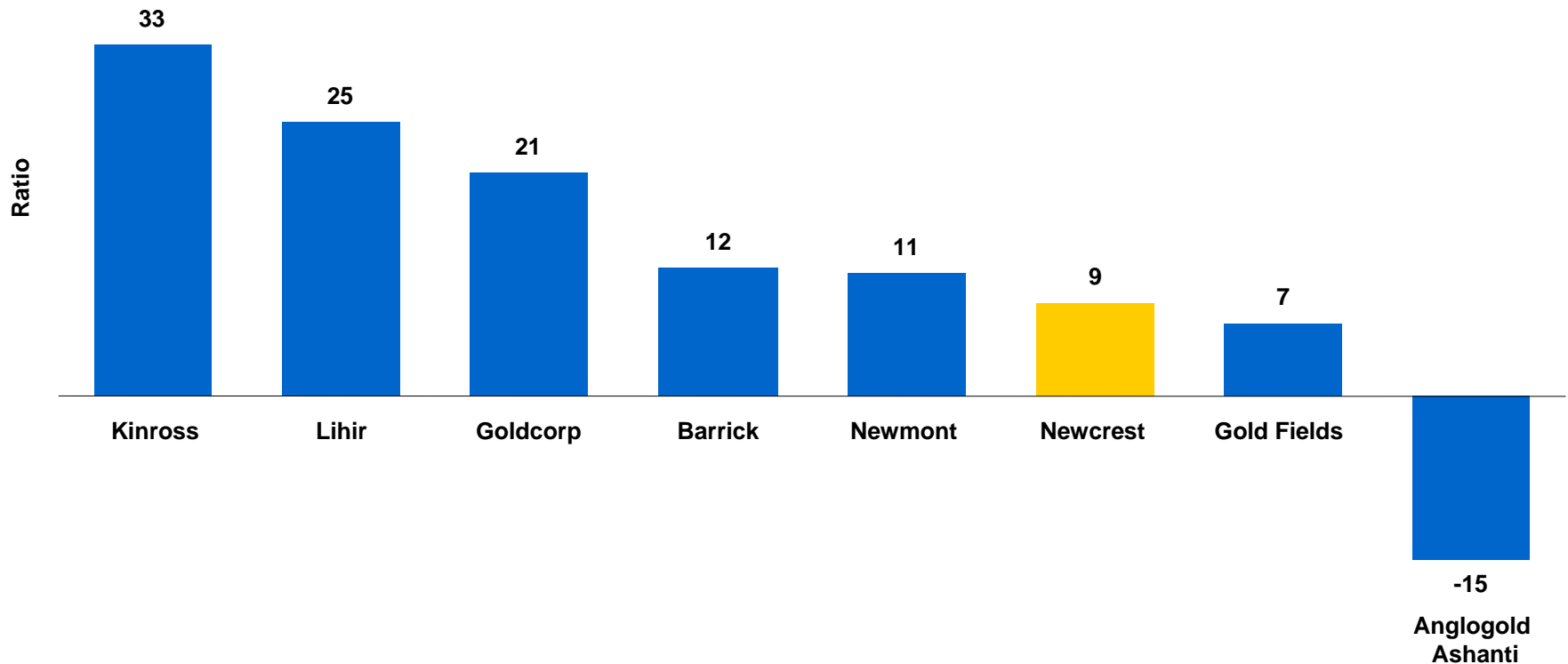


EBIT & EBITDA annualised for period 1 January – 30 June 2008

Source: Bloomberg

# Newcrest's Value and Cash Flow

## Enterprise value / cash flow from operations

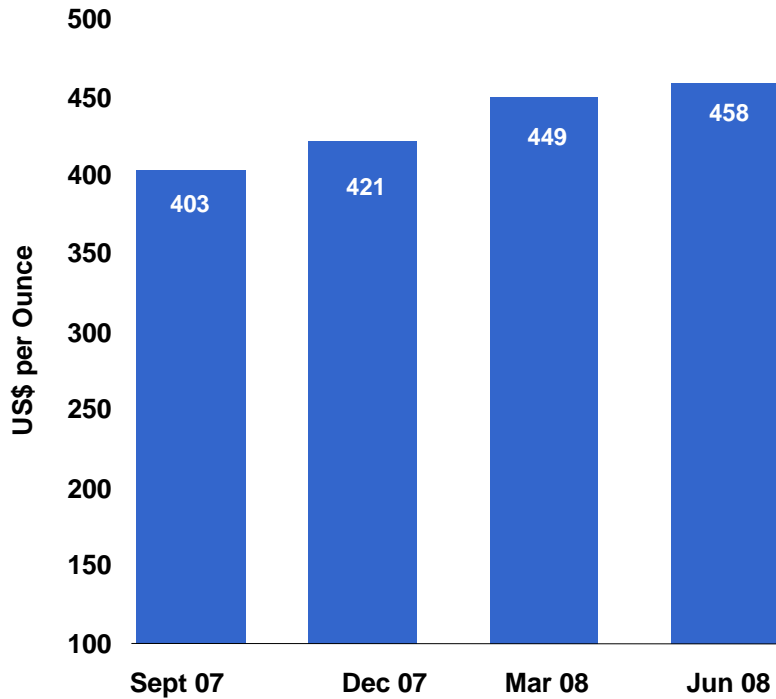


Enterprise Value as at 20/11/08 = Market Capitalisation plus Net Debt  
Cashflow from Operations for year ended June 30 2008

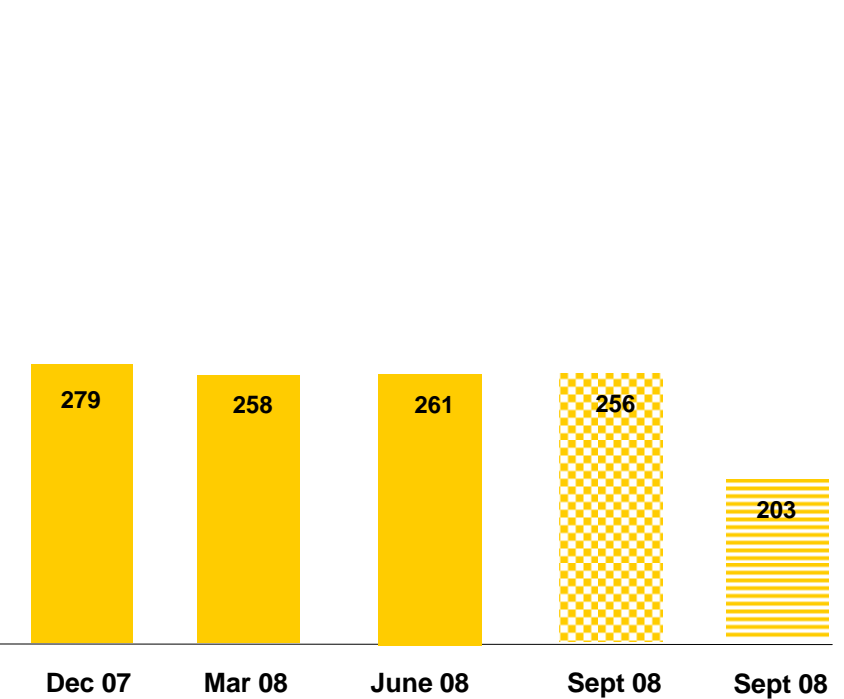
Source: Bloomberg

# Low Cost Producer

## Global Gold Industry



## Newcrest



Global Gold Industry per GFMS



At Quarter average exchange rates.



At exchange rate of 0.70



At exchange rate of 0.70 and excluding stripping adjustments



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# Themes

- Build people capability and refine the business model
- Drive operating and project costs down
  - Incremental improvement
  - Step change
- Minimise cost of capital, ensure balance sheet strength
  - Gearing, liquidity
  - Minimise sustaining capital
- Support exploration activity
- Improve the portfolio (intense review of potential targets)

# Challenges

- Telfer (continued improvement)
- Cost base reduction in line with economic cycle
- Growth (protecting value, quality)
- Project delivery
  - Cadia East, Ridgeway Deeps
  - Hidden Valley, Wafi Golpu
  - Namosi
  - Gosowong (K2)

# Investment case for Newcrest

- Unhedged gold producer
- Consistent operating performance and delivery of returns underpins value
- Long life, low cost operations
- Low gearing & strong balance sheet
- Multiple growth options and capacity to execute
  - Development project portfolio
  - Expansion of exploration opportunities
  - Appropriate business model
- Strong cashflow and profit margins