

Finance



Greg Robinson
Director Finance

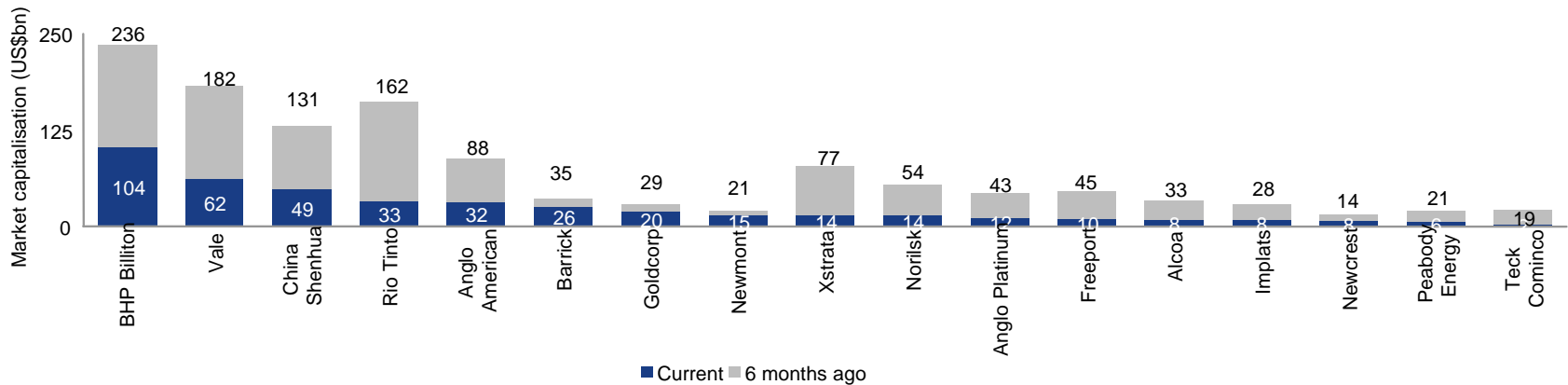
Strategic focus



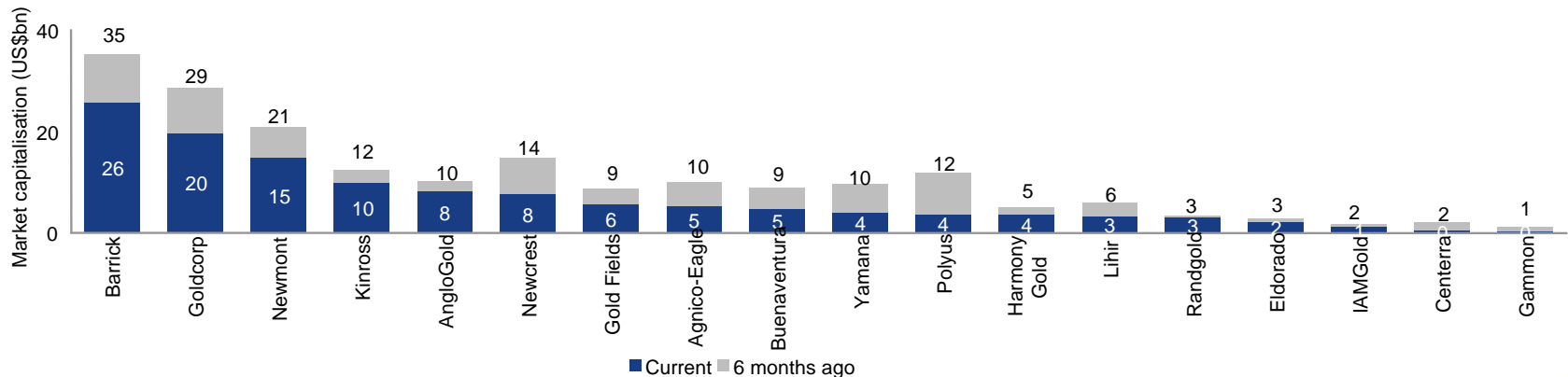
Market Perspective

Redefined Metals and Mining landscape

Global Metals and Mining Landscape—May 2008 vs. today



Global Gold Landscape—May 2008 vs. today



2008 Market snapshot

DOW falls 37% since May



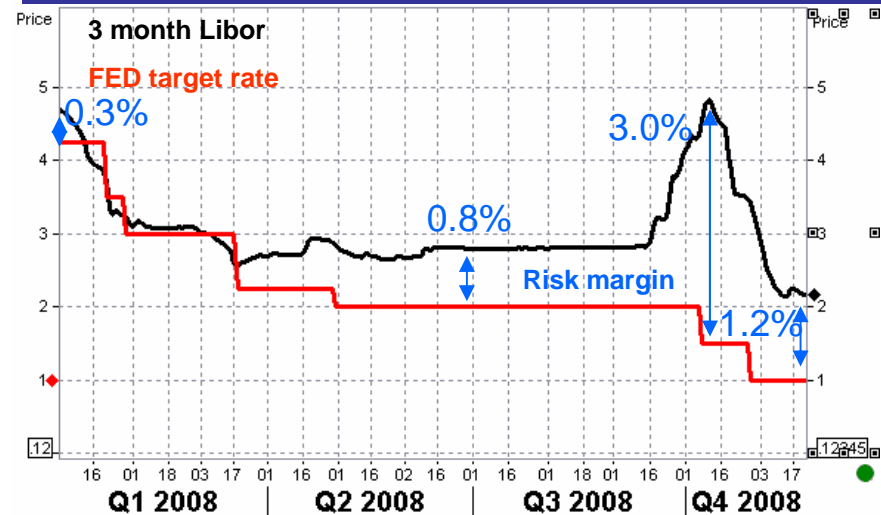
ASX 200 falls 42% since May, 46% since Jan



Volatility increases to all time high



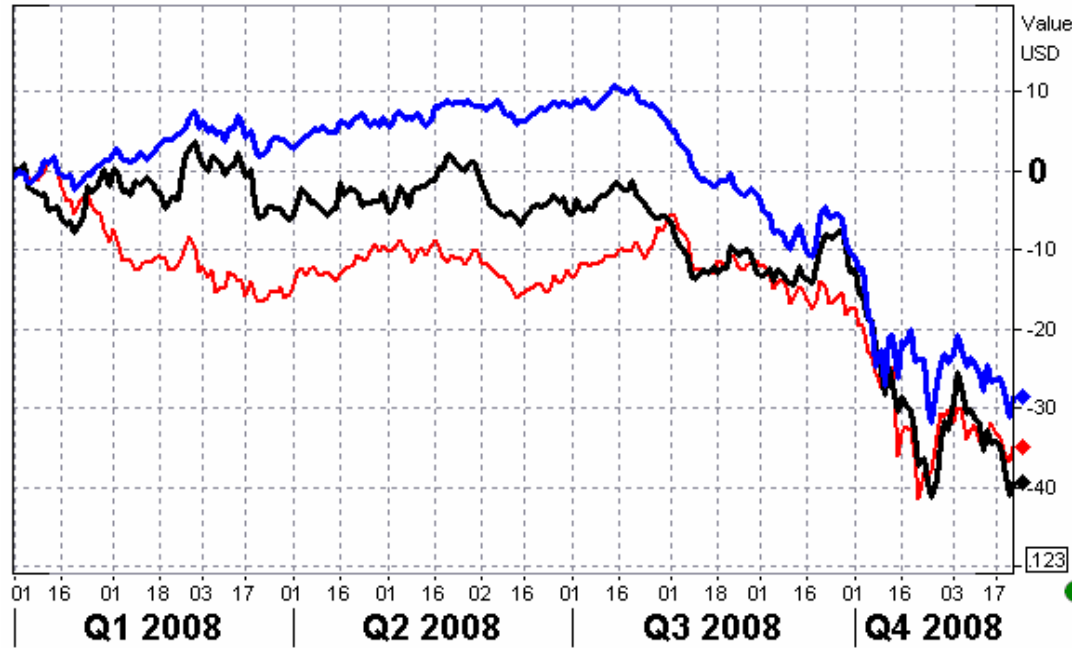
Credit spreads spike to 3%, then recover to 1.2%



2008 Currency snapshot

A\$, C\$ and Rand all fall dramatically against the US\$

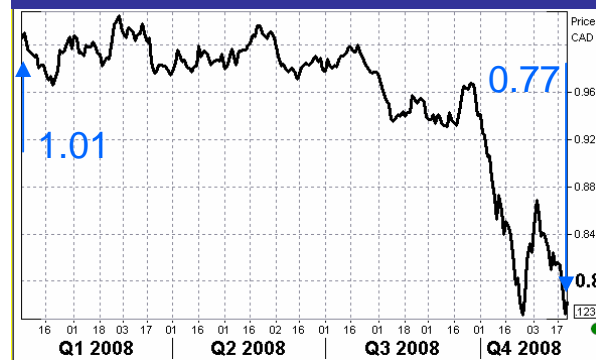
Australian Dollar
Canadian Dollar
South African Rand



Aussie \$ down 28%



Canadian \$ down 23%



South African Rand down 39%



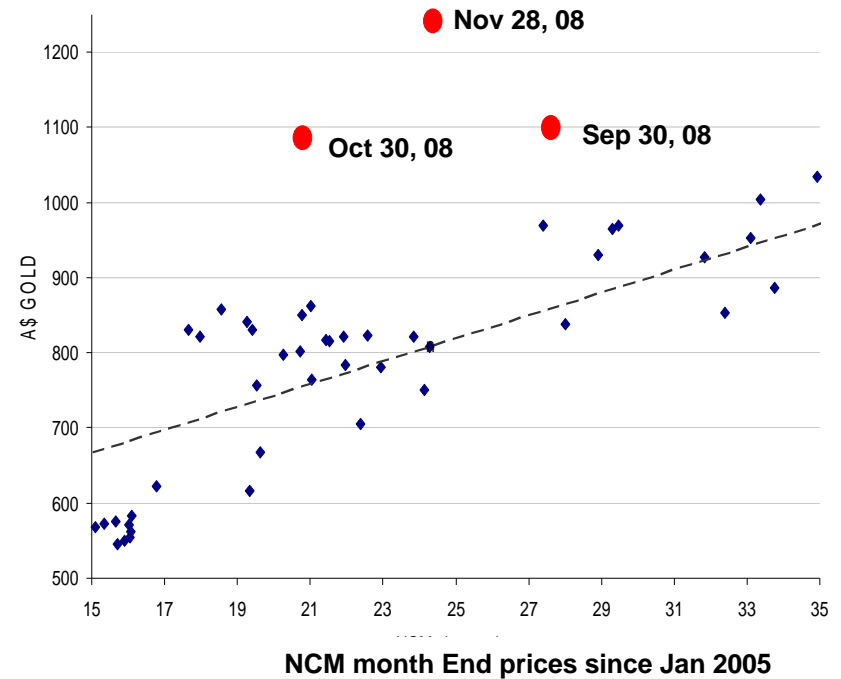
NCM correlation to A\$ Gold Price

Since July, NCM price falls as A\$ Gold rises.

Relationship between A\$ Gold and NCM price erodes

Daily QXAU=, QNCM.AX

01/01/2008 - 28/11/2008 (GMT)



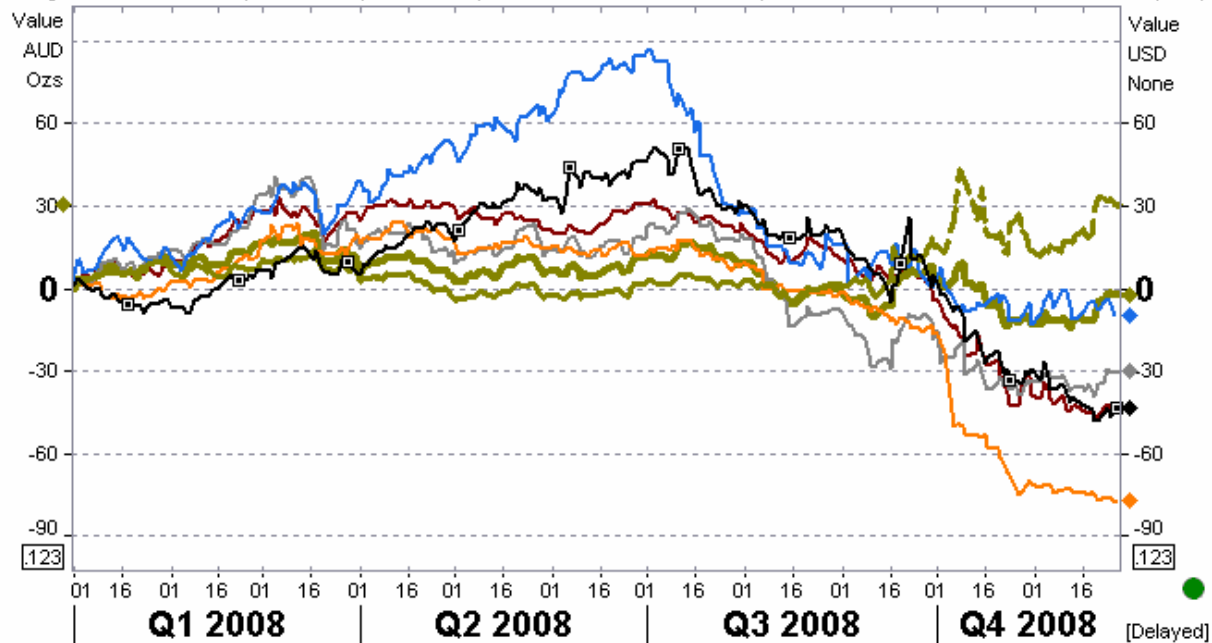
	/	Jan 1 2008	2008 High	Nov 28 2008	% vs Jan 1	% vs High
Gold ...	A\$/oz	950	1400	1243	30%	-12%
NCM	A\$/share	33.10	40.25	25.17	-24%	-37%



Commodity Performance

Commodities rise then fall, Gold Outperforms since July...

Daily QCU-UNION, QXAU=, QXAG=, QAL-CADURAL-FR, QNG-W-HI 01/01/2008 - 28/11/2008 (GMT)



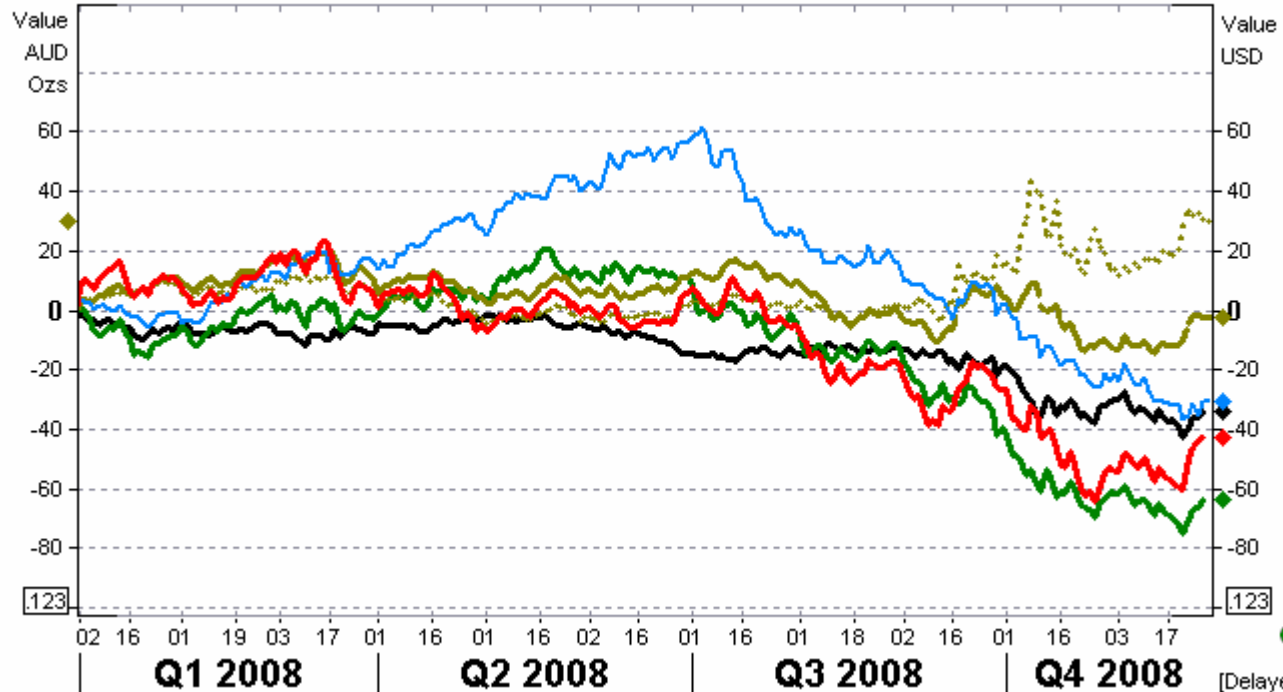
	/	Jan 1 2008	2008 High	Nov 28 2008	% vs Jan 1	% vs High
Gold ...	A\$/oz	950	1400	1243	30%	-12%
Gold	US\$/oz	833	1002	815	-2%	-18%
Silver	US\$/oz	14.77	20.75	10.31	-28%	-49%
Nat Gas	US\$/btu	7.11	13.28	6.43	-10%	-52%
Copper	US\$/lb	3.15	4.08	1.74	-45%	-58%
Oil	US\$/bbl	94	143	54.0	-43%	-62%
Aluminium	US\$/t	2,050	2550	470	-78%	-82%

Metals versus Companies

Gold metal outperforming, Gold equities starting to react....

Daily Q.DJI, QGDGX, Q.GSPMTM, QXAU=, Q.DJAIGENSP

02/01/2008 - 28/11/2008 (NYC)



		2008 High	% vs Jan 1	% vs High
Gold ...	A\$/oz	1400	30%	-12%
Gold ____	US\$/oz	1002	-2%	-18%
Gold eq. index ____	GDGX	+22%	-42%	-53%
Dow Industrials	DJI	+0%	-35%	-35%
AIG Energy eq. Index	AIGENSP	+60%	-30%	-56%
Base Metals eq. Index	GSPM	+20%	-64%	-70%



World Gold Council - Gold market comments

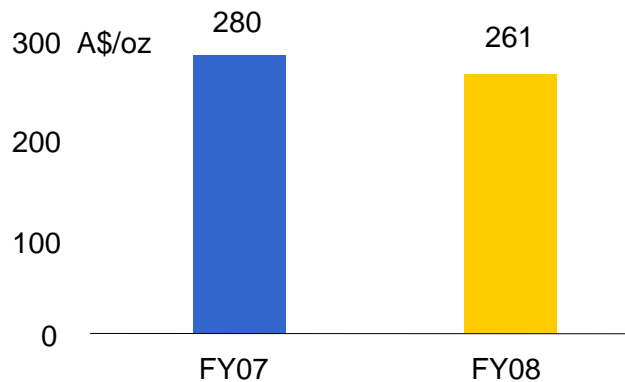
- **Demand in the 3rd quarter increases 18% to 1,133 tonnes**
 - Investment increased 56% to 382 tonnes
 - Jewellery increased 8% to 648 tonnes
 - Industrial down 11% to 104 tonnes

- **Supply falls**
 - CBGA sales (9 months 189 tonnes versus last year 404 tonnes)
 - CBGA sales last 3 months 23 tonnes, last year 178 tonnes
 - Mine supply for 3 months flat at 655 tonnes

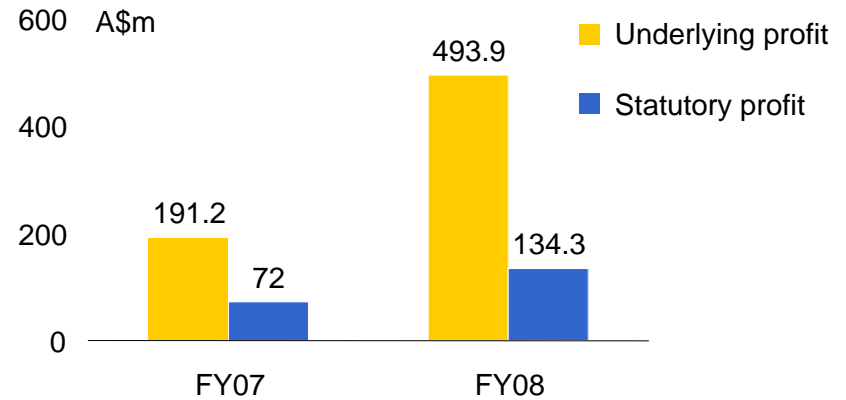
Last year snap shot

Financial Results Summary FY 08

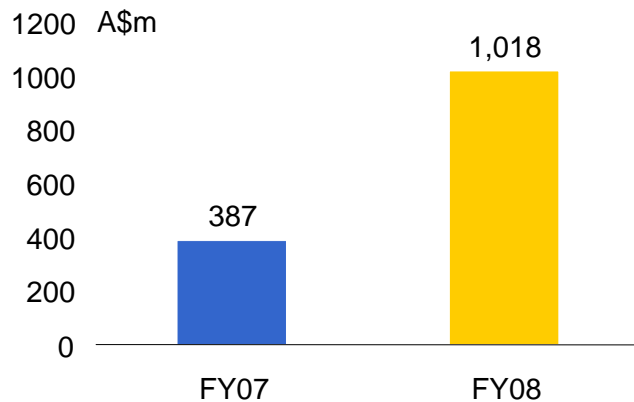
Cash Cost (after by product credits) down 7%



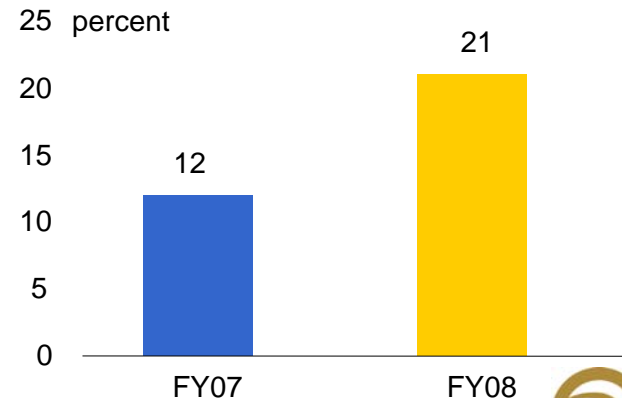
Strong Underlying Profit up 158%



Record Cash Flow from Operations up 163%

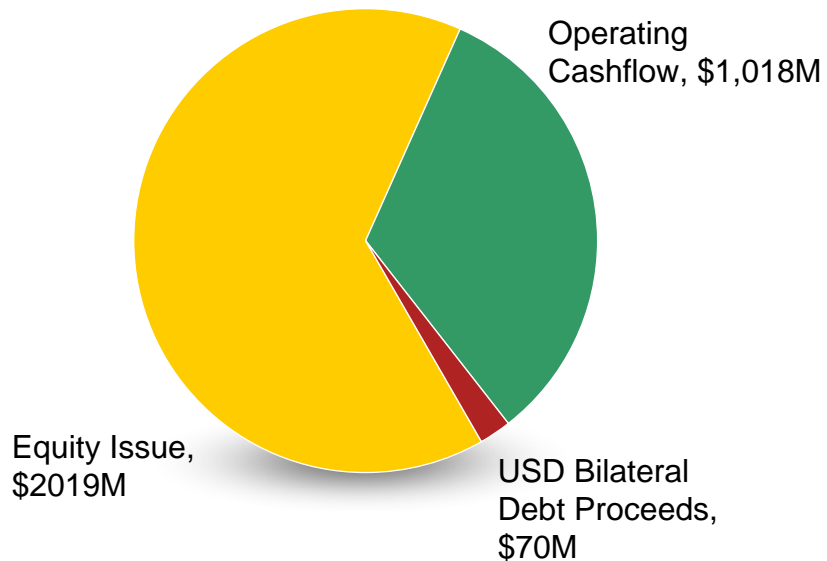


Return on Capital Employed up 75%

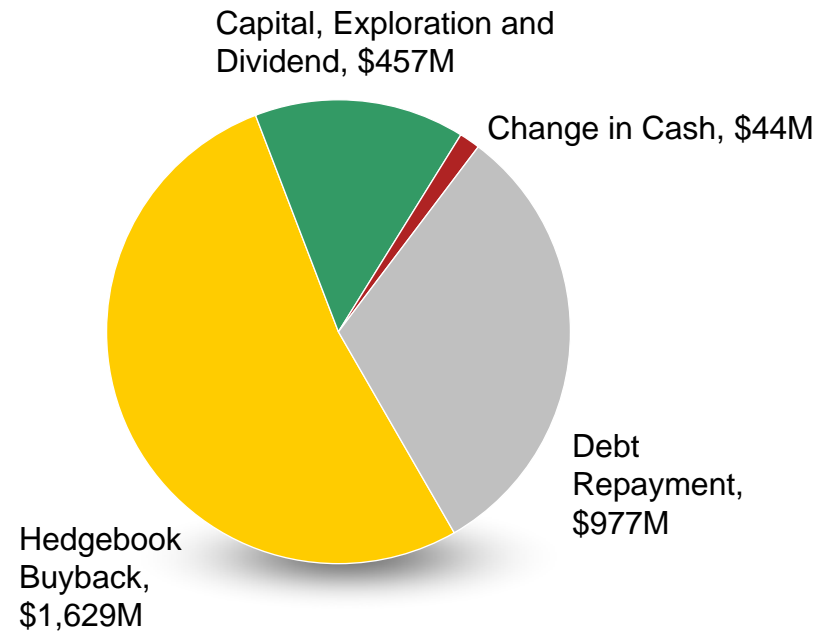


Operating Cashflow in FY 2007/2008

Sources of Cash



Uses of Cash

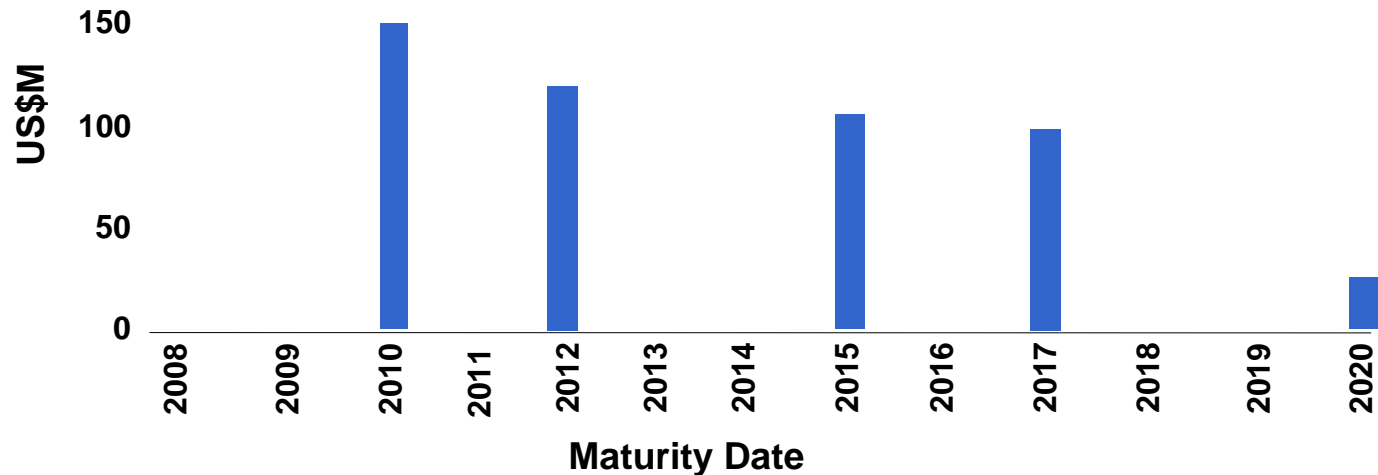


Gearing 8%

Secure Debt Position and Low Gearing

- Gearing around 15% in June 09
 - Ridgeway Deeps and Hidden Valley
 - Future gearing levels not expected to exceed 15 – 20%
- Credit objective of investment grade equivalent (BBB+)

Drawn Debt Maturity (Profile approximates 15% gearing level)



Approximately US\$150M drawn on bilaterals (maturing 2010)
US\$350 million US private placement maturing post 2010

Sensitivities

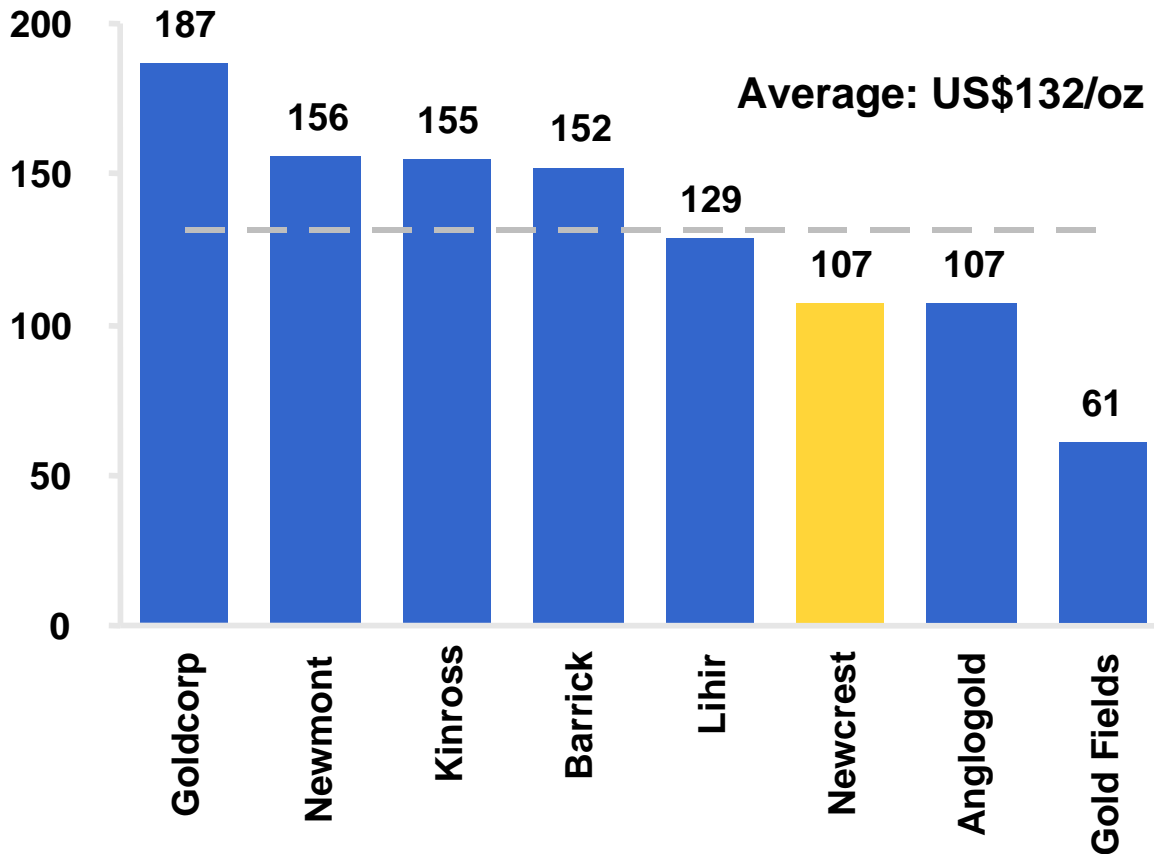
FY 09 Profit Sensitivity

Parameter		Movement		EBIT Impact
Gold price	↑	US\$10/oz	↑	A\$17M
Copper Price	↓	US\$0.05c/lb	↓	A\$9M
FX Rate	↓	US\$0.01	↑	A\$20M
Oil Price	↓	US\$10/barrel	↑	A\$6M

\$100million debt increase equals around 2% gearing increase

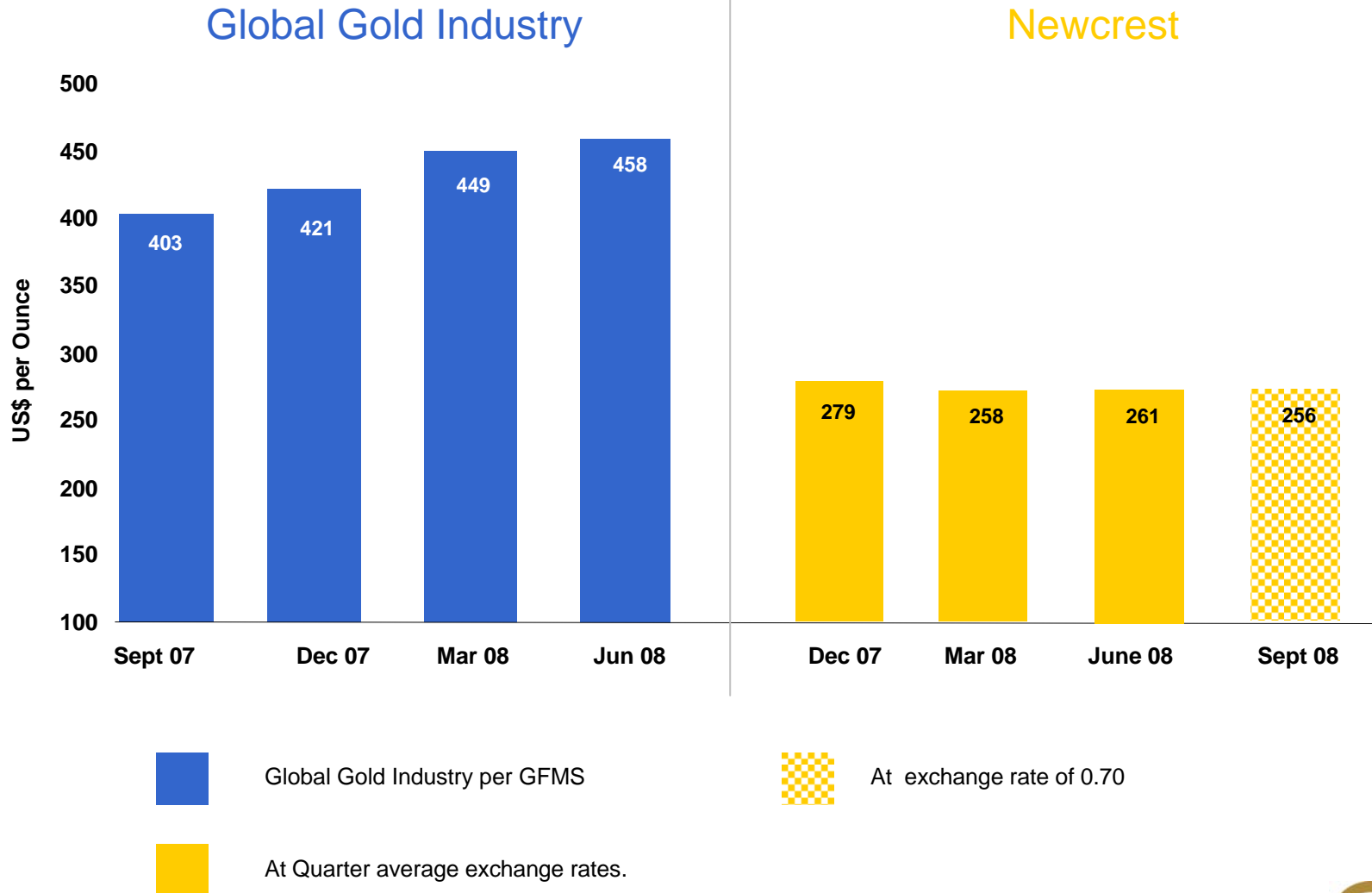
Reserve Ratios

EV/Equivalent Reserves US\$/oz



1. Based on 5th November 2008 share prices
2. Enterprise Value is market capitalisation plus net debt
3. Equivalent ounces calculated on US\$600/oz for gold and US\$1.70/lb for copper

Quarterly Cash Cost Comparison (US\$/oz)



Strategy & Finance

Strategic objectives, medium term

- Revenue unhedged
- Gold - non gold revenue <35%
- Resource Base (90M Au oz)
- Annual production of 2.5 - 3.5M ozs (growth pathway)
- Production in 5 to 6 regions (new time zones)
- Low cost quartile (margin, return on capital, NPV)
- Exploration expenditure maintained
- Multiple growth options (4 to 6)
- Solid, well managed balance sheet

Enhance value with appropriate capital structure

- Investment grade credit profile
- Gearing around 15 to 20%
- Liquidity > \$500m
- ROCE +12%
- Debt duration 5 years+
- Debt US\$, multiple sources
- Strong internal credit process
- Balance growth and dividends

Investment Grade Credit Profile

- **Maintain credit quality investment grade (Baa1/BBB+ approx)**
- **Credit quality overall judged by :**

Positives

- Low gearing
- Low cost
- Moderate political risk
- Strong management model
- Strong cash flow
- Multiple operations

Negatives

- Low commodity diversification
- Medium sized company
- Revenue volatility
- Capital expenditure

Economic drivers and valuation

Avoid creating unknown mis-matches (timing, currency, ratios)

Understand and plan for:

- **Relationships between revenue and cost**
 - Impacts of provisional pricing
 - Fixed vs floating commitments
 - Currency implications
 - Market drivers for cost inputs

- **Balance sheet**
 - Asset carrying values
 - Debt revaluation (gearing and coverage ratios)
 - Tax optimisation

Managing with volatility

- **Revenue**
 - US\$ 100%
 - Gold 70%, Copper/Silver 30%

- **Cost observations (approximate)**
 - 35% US\$ linked
 - 40% labour related, predominately A\$
 - 15% energy costs (50% A\$ (CPI), 50% US\$ (market))
 - Majority of costs vary with the economic cycle (12 month perspective)
 - Tax (US\$ Indonesia, A\$ Australia, Kina PNG)
 - Interest US\$

- **Balance sheet**
 - Debt US\$ based, Equity A\$ based
 - PPE, Project, Exploration, Feasibility (Indonesia/PNG, US\$)
 - Tax losses A\$

Comments on Guidance

- No change to physical or cost guidance
- Final profit dependent on prices, FX (sensitivities as reported)
- Reinforce capital guidance:
 - Gearing forecast to be 15 to 20%
 - 2009 capital peaks at around \$1.2 billion
 - 2010/2011 capital expenditure reduces 50%
 - 2010/2013 capital expenditure below cash flow forecast
 - Expectation of excess cash to be available over the 5 Year Plan
- No debt refunding in 2009
- Bilateral debt refinanced in 2010

M&A Mechanics

- Up to A\$500m, on balance sheet could be accommodated
- Equity funding considered above this level
- Assets need to match strategic direction
 - Potential reserve base 3+million ounces
 - Potential Production +250,000ozs
 - First or second quartile cash cost/production cost base
- Larger company targets
 - Obvious trophy
 - Opportunistic, need to see real value
- Geographic
 - Business model comfortable with local (SE Asia)
 - Capability would need to be strong to migrate

M&A Philosophy

- Avoid the “deal treadmill” to satisfy growth
- Key tasks
 - Growth tool set
 - Portfolio optimisation
- Linked to strategy, exploration, projects (where and what)
- “How to” more than “what to”

Investment Case for Newcrest

- Unhedged gold producer
- Low gearing & strong balance sheet
- Strong operating cashflow
- Cashflow & profit margin expansion
- Long life, low cost operations
- Growth options
 - Development project portfolio
 - Expansion of exploration opportunities