



## **FY17 Results**

**Sandeep Biswas, Managing Director & CEO**  
**Gerard Bond, Finance Director & CFO**

14 August 2017

# Disclaimer

## Forward Looking Statements

This presentation includes forward looking statements. Forward looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, “outlook” and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. The Company continues to distinguish between outlook and guidance. Guidance statements relate to the current financial year. Outlook statements relate to years subsequent to the current financial year.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from statements in this presentation. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company’s good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of the Company. Readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Except as required by applicable laws or regulations, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in assumptions on which any such statement is based.

## Competent Person’s Statement

The information in this presentation that relates to Newcrest’s 31 December 2016 Mineral Resources or Ore Reserves has been extracted from the release titled “Annual Mineral Resources and Ore Reserves Statement – 31 December 2016” dated 13 February 2017 (the original release). Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original release and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent person’s findings are presented have not been materially modified from the original release.

## Non-IFRS Financial Information

Newcrest results are reported under International Financial Reporting Standards (IFRS) including EBIT and EBITDA. This presentation also includes non-IFRS information including Underlying profit (profit after tax before significant items attributable to owners of the parent company), All-In Sustaining Cost (determined in accordance with the World Gold Council Guidance Note on Non-GAAP Metrics released June 2013), AISC Margin (realised gold price less AISC per ounce sold (where expressed as USD), or realised gold price less AISC per ounce sold divided by realised gold price (where expressed as a %)), Interest Coverage Ratio (EBITDA/Interest payable for the relevant period), Free cash flow (cash flow from operating activities less cash flow related to investing activities), EBITDA margin (EBITDA expressed as a percentage of revenue) and EBIT margin (EBIT expressed as a percentage of revenue). These measures are used internally by Management to assess the performance of the business and make decisions on the allocation of resources and are included in this presentation to provide greater understanding of the underlying performance of Newcrest’s operations. The non-IFRS information has not been subject to audit or review by Newcrest’s external auditor and should be used in addition to IFRS information.

## Reliance on Third Party Information

The views expressed in this presentation contain information that has been derived from sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by Newcrest.

# Overview

---

3 – 7

FY17 Results

8 – 15

Forging a Stronger Newcrest

16 – 17

Increasing Shareholder Returns

18 – 21

Pivoting to Growth

22

Summary

23

Q&A



# FY17 key achievements

---

## Improved Safety

- Zero fatalities
- TRIFR<sup>1</sup> of 3.3, 10% lower than FY16

## Achieved Group Guidance

- Produced 2.38moz gold and 84kt copper, including record Lihir production
- Four years in a row of meeting or exceeding Group production guidance
- Within or below Group AISC costs, total capital and exploration guidance

## Generated Cash

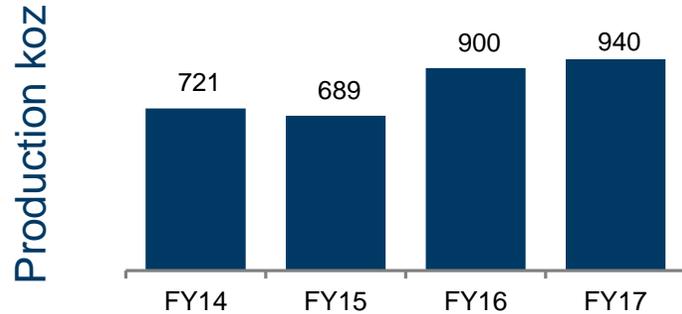
- Generated free cash flow of \$739m
- Reduced net debt to \$1.5bn, leverage ratio to 1.1x and gearing to 16.6%

## Growth & Portfolio Optimisation

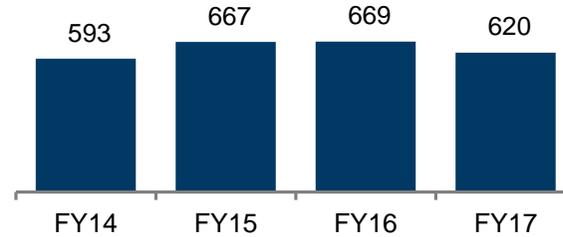
- Milling rate improvements at Lihir and Cadia
- Exited Hidden Valley and commenced Bonikro Strategic Review
- Entered into a further 7 early stage entry arrangements

# FY17 summary by asset

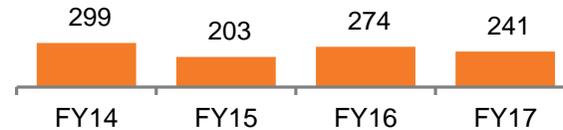
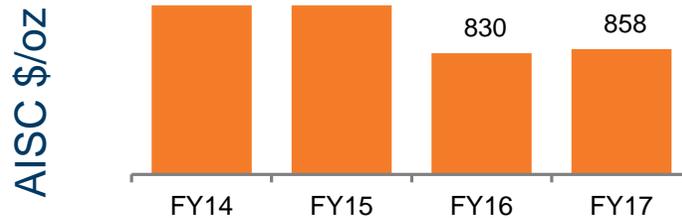
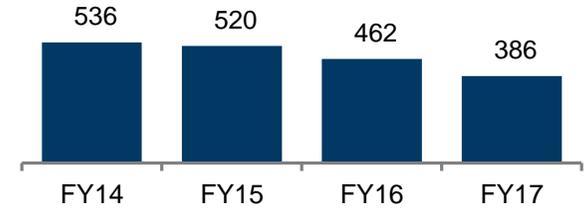
## Lihir



## Cadia



## Telfer



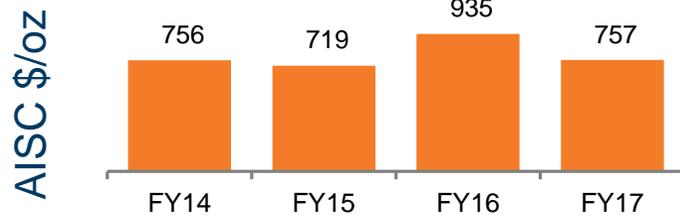
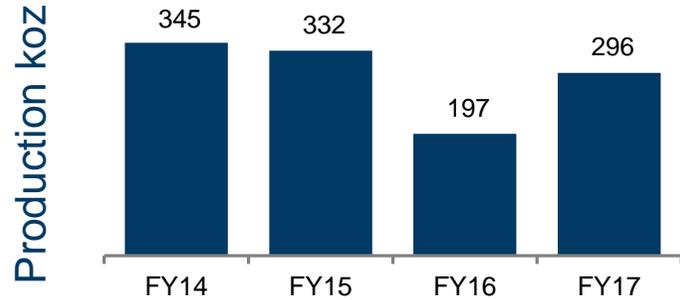
- Achieved 13mtpa throughput rate target December 2016
- Record mill throughput and annual gold production, and 5% increase in recovery year-on-year
- \$353 million in free cash flow before tax

- Impacted by seismic event 14 April 2017
- Panel Cave 2 footprint established
- \$502 million in free cash flow before tax

- Impacted by unusually high rainfall in Q3
- \$70 million in free cash flow before tax

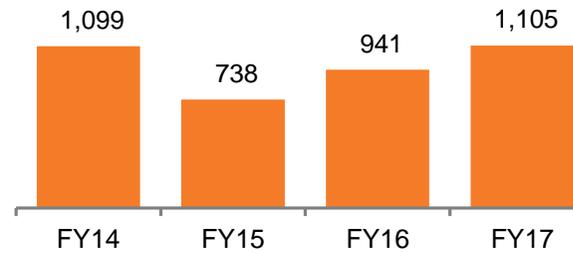
# FY17 summary by asset

## Gosowong



- Exceeded gold production guidance
- \$142 million in free cash flow before tax

## Bonikro



- \$38 million in free cash flow before tax
- Asset under Strategic Review



# Cadia recovering from seismic event<sup>1</sup>

## What happened

- 14 April 2017 seismic event impacted Cadia
- All personnel safely transferred to surface – no physical injuries
- Mining suspended at Cadia East; above ground infrastructure not impacted

## Activities to date

- Production from PC2 has recommenced after successful 'test and response' phase of operation
- PC1 crusher chamber ground support installation is progressing well and infrastructure has been tested as fully operational
- PC1 extraction level ground support is progressing well with planned sequencing to allow a progressive restart
- Low grade stockpiles and Ridgeway SLC ore utilised during mine suspension

## Forward plan

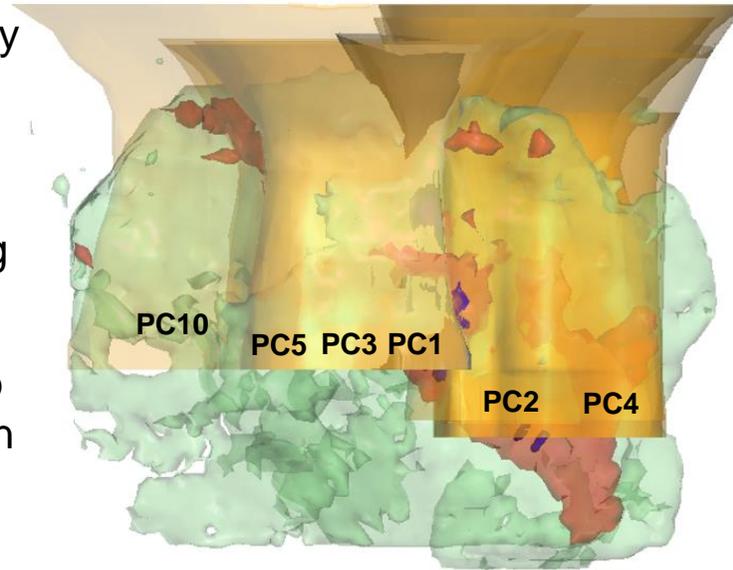
- Ore production expected to recommence in PC1 September 2017 quarter<sup>2</sup>
- PC1 and PC2 production rates expected to have fully recovered by Q3 FY18
- Lower than normal ore production levels expected in Q1 and Q2 FY18
- Guidance for FY18 gold production is 680-780koz<sup>2</sup>

<sup>1</sup> See market release dated 19 July 2017 for further information

<sup>2</sup> Subject to market and operating conditions and the lifting of the Prohibition Notice

# Cadia – Low cost expansion to 30mtpa<sup>1,2</sup>

- Targeting new processing baseline of 30mtpa by end of June 2018
- Low capital expenditure approximately \$10m
- Applying learnings from seismic event to Mining Prefeasibility Study
- Gating of Expansion PFS to Feasibility Study to align with Mining Prefeasibility Study completion due end of June 2018



Schematic for illustrative purposes only

Timing (Years)	Total material movement	Plant Feed (Mt)	Average Gold grade g/t	Average Copper grade %
FY18 – 20	~85	~85	~1.16	~0.37
FY21 – 23	~90	~90	~0.71	~0.35
FY24 – 26	~90	~90	~0.56	~0.34
FY27 – 37	~330	~330	~0.47	~0.29
FY38+	Remaining Reserves			

1 Subject to market and operating conditions and will require additional block caves. Any mine development and associated capital expenditure beyond 2018 is subject to Board approval. See slides 57 and 58 of the FY17 Results (Briefing Book) for details as to the ore reserves at Cadia East that underpin the indicative mine plan subject to depletions for the period from 1 January 2017 to 30 June 2017

2 Indicative only and should not be construed as guidance

# Forging a stronger Newcrest

## Our mission

To deliver superior returns from finding, developing and operating gold/copper mines.

## Our vision

To be the Miner of Choice.  
We will lead the way in safe, responsible, efficient and profitable mining.

## Our Edge

A high performance, no-nonsense culture focused on:

- Safety
- Operational discipline
- Cash
- Profitable growth.

We deliver on our commitments.

## We value...



Caring about people



Integrity and honesty



Working together



Innovation and problem solving



High-performance

## We achieve superior results through...



Employee involvement



Personal ownership



Bottom-up innovation



Operational discipline



Shared vision



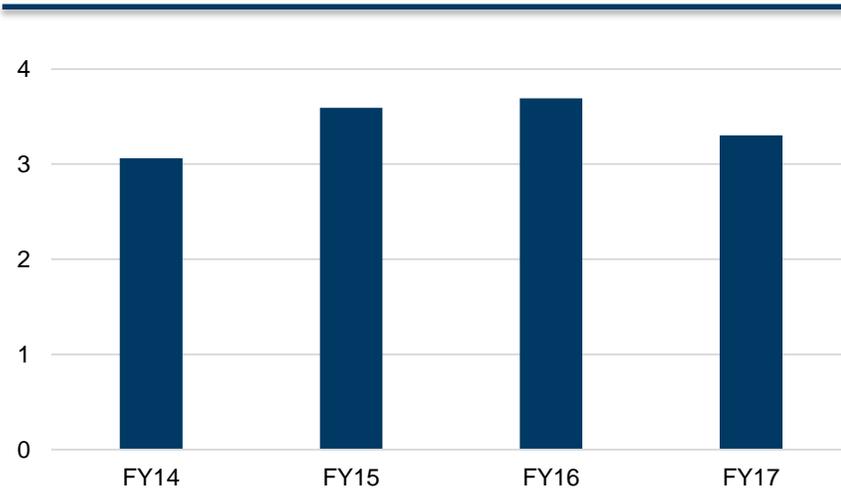
Inspirational leaders



Talent development

# Safety update

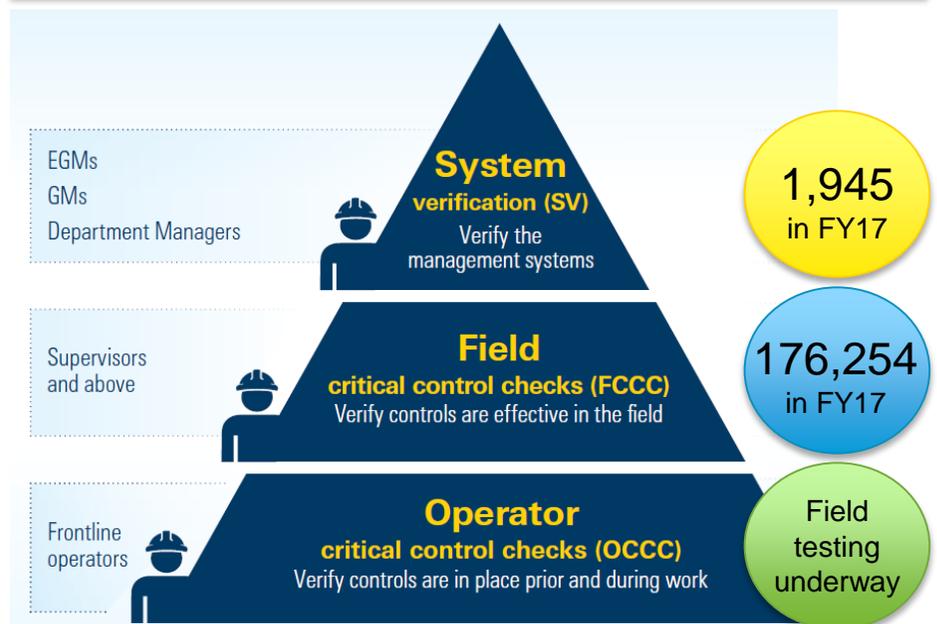
## FY14-FY17 TRIFR (per million man hours)<sup>1</sup>



## Safety System Highlights

- Safety Transformation remains the focus
- HSE Management System and Standards updated, audits conducted
- Revamped crisis management system deployed
- 200 people trained in advanced investigation techniques

## Critical Control Management Verifications



## Process Safety

- Re-HAZOPs 80% complete at Lihir
- Over 150 people trained in Process Safety
- Process Safety methodology being applied to the controls of material risks

<sup>1</sup> TRIFR = Total Recordable Injury Frequency Rate (per million man hours)

# Lihir's increased throughput lowers AISC per oz

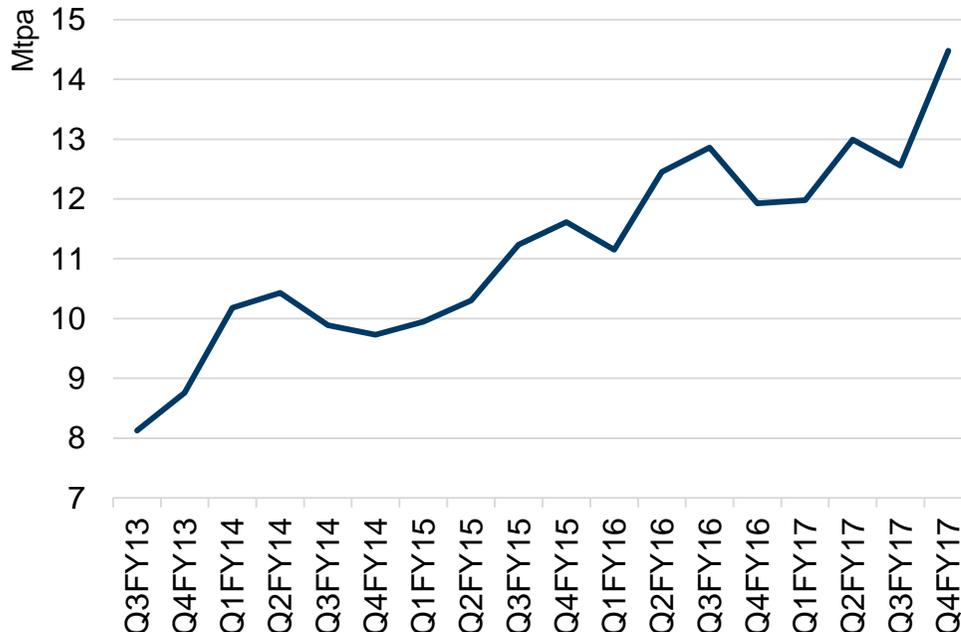


✓ Achieved with 12.4mtpa in December 2015 quarter

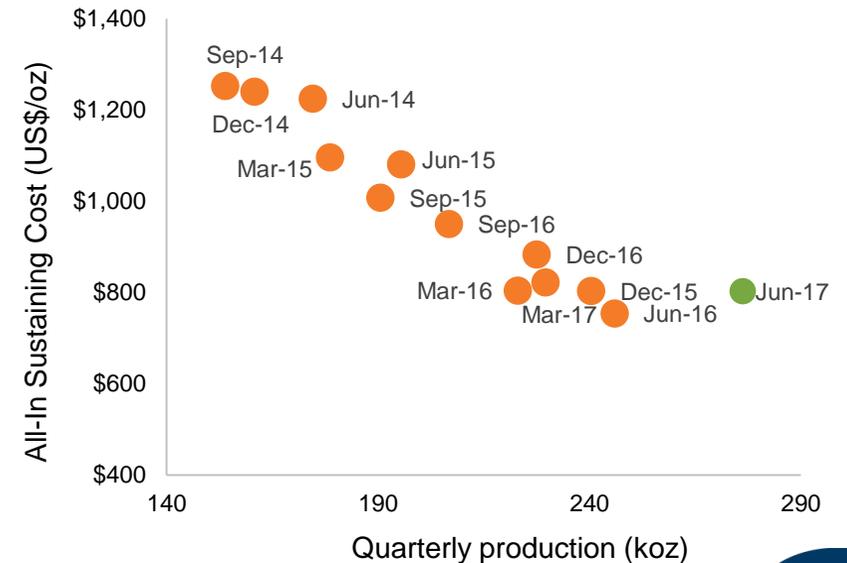
✓ Achieved with 13mtpa in December 2016 quarter

• Current target

**Lihir mill throughput (quarterly data annualised)**



**AISC falls in line with increased production**

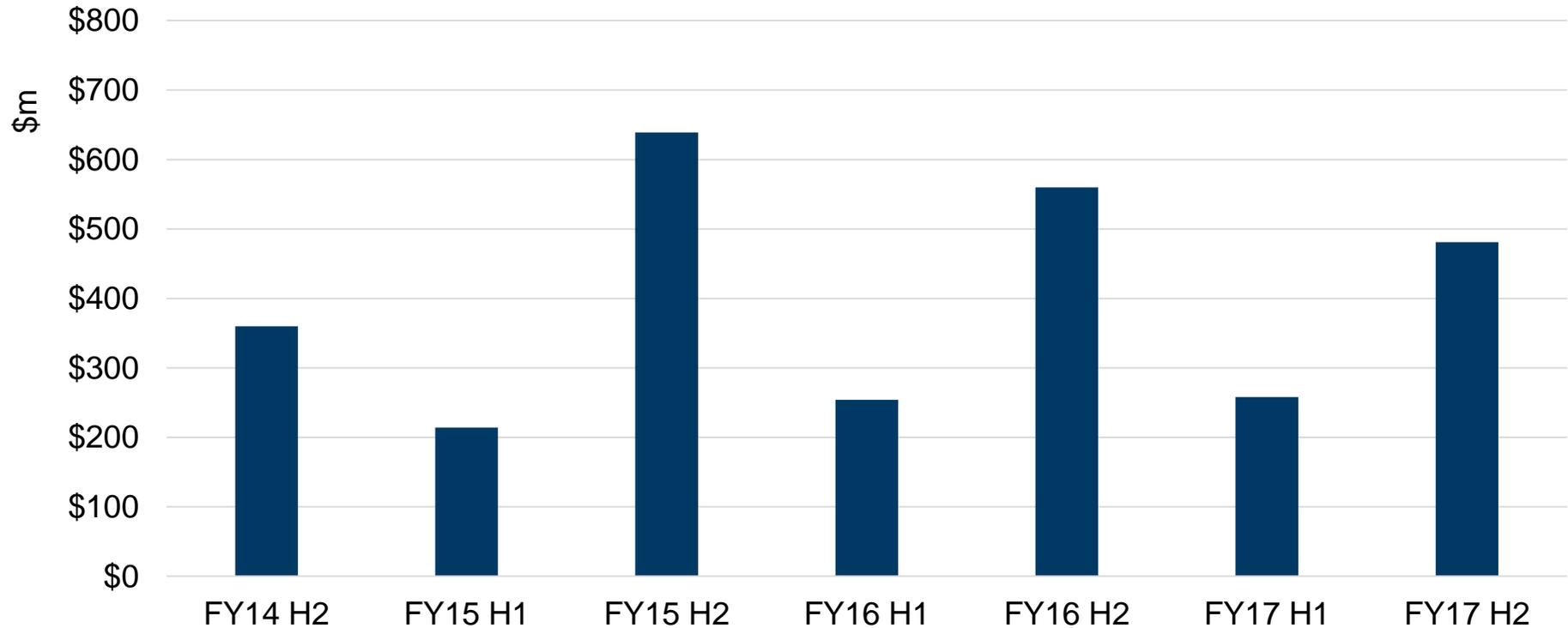


<sup>1</sup> Subject to market and operating conditions. This should not be construed as production guidance from the Company now or in the future. Potential production and throughput rates are subject to a range of contingencies which may affect performance

- › Safety
- › Operational discipline
- › **Cash**
- › Profitable growth.

# Delivering on Edge focus on cash generation

## Seven consecutive halves of positive free cash flow



# Profitable growth from Cadia and Lihir drives improved AISC

## Our Edge

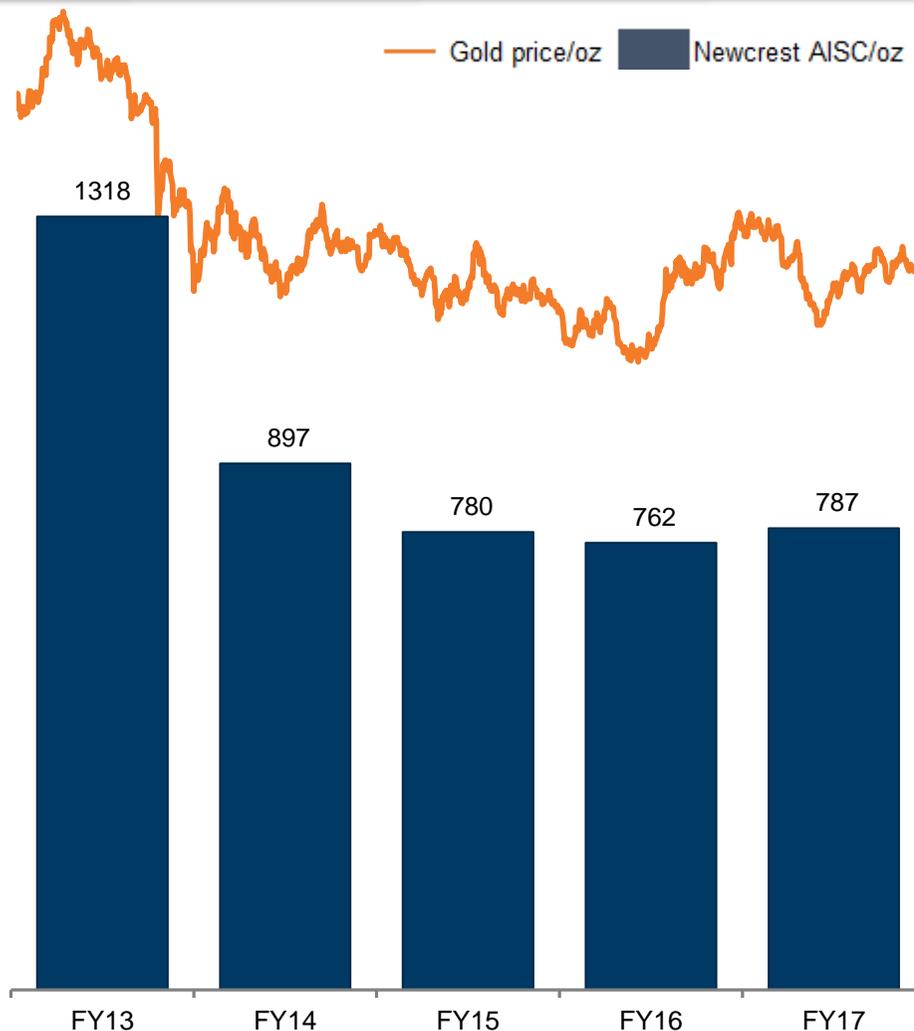
A high performance, no-nonsense culture focused on:

- Safety
- Operational discipline
- Cash

▸ **Profitable growth.**

We deliver on our commitments.

## Gold Price and Newcrest AISC (\$/oz)<sup>1</sup>



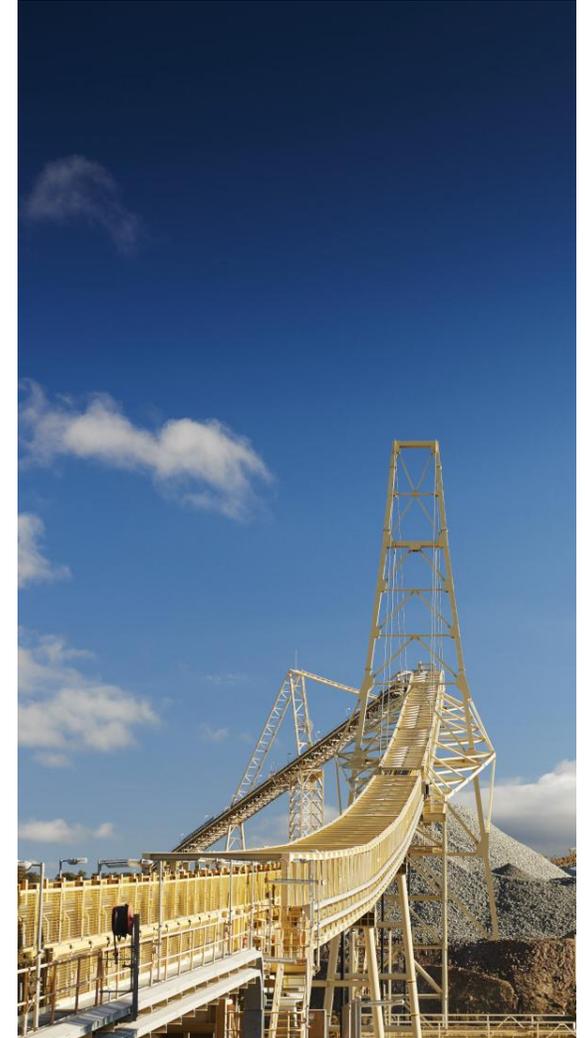
- Reflects focus on operational discipline and cash generation
- Newcrest has moved down the cost curve
- Three years of AISC below \$800/oz
- Strong cash margins

<sup>1</sup> Based on reported AISC post normalisations

- › Safety
- › Operational discipline
- › Cash
- › Profitable growth.

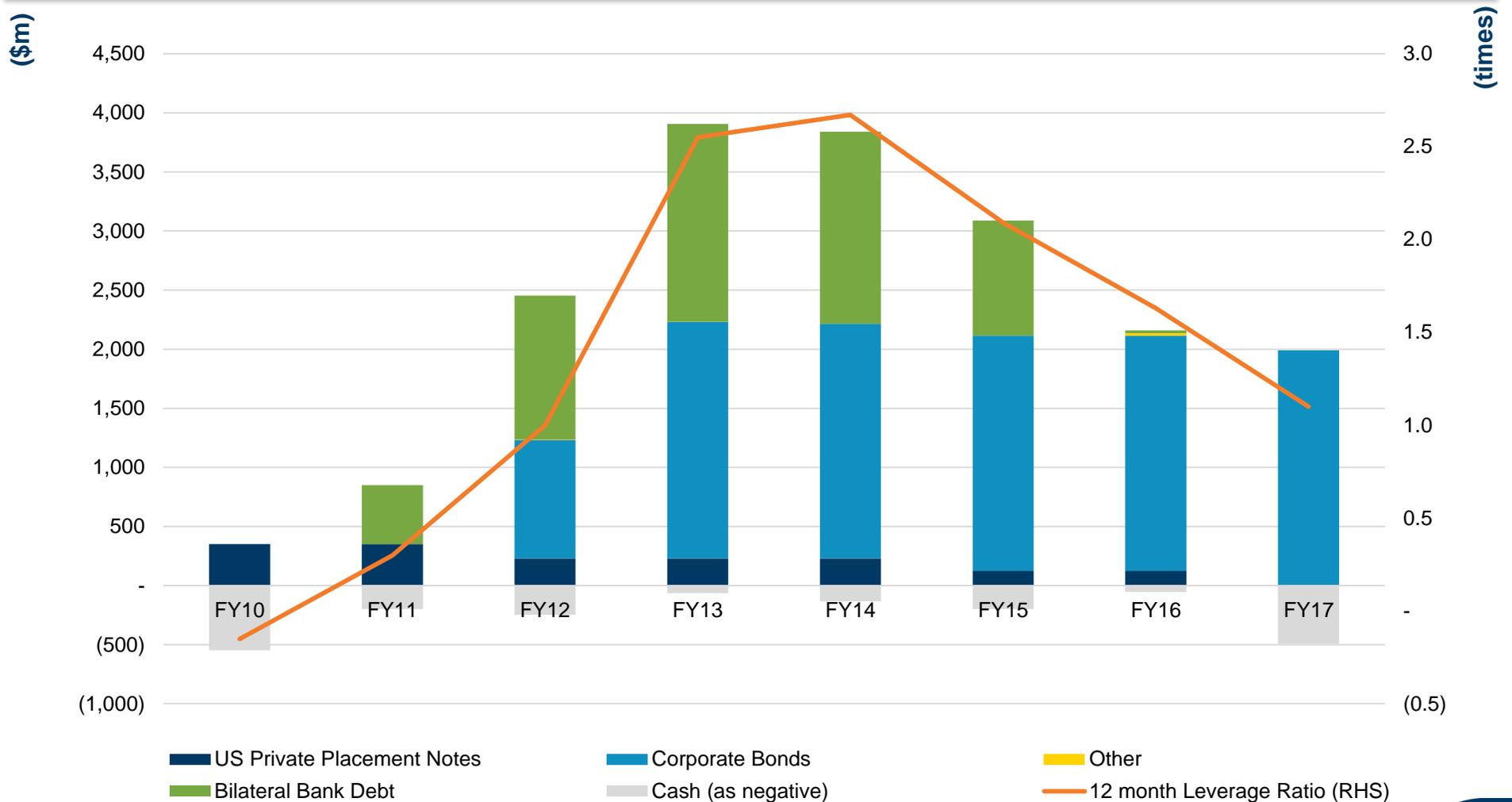
# Deliver on commitments

- ✓ Improved safety record – FY17 fatality free
- ✓ Four years in a row of meeting or exceeding Group production guidance
- ✓ Achieved Lihir mill throughput targets
  - ✓ 12mtpa December 2015
  - ✓ 13mtpa December 2016
- ✓ Recommenced dividend payments August 2016
- ✓ Lowered Group AISC from \$1,318/oz (FY13) to \$787/oz (FY17)
- ✓ Achieved target financial policy metrics in FY16
- ✓ Reduced net debt by \$2.3bn from FY13 to FY17



# Improved balance sheet strength

## Debt, Cash and Leverage<sup>1,2</sup>

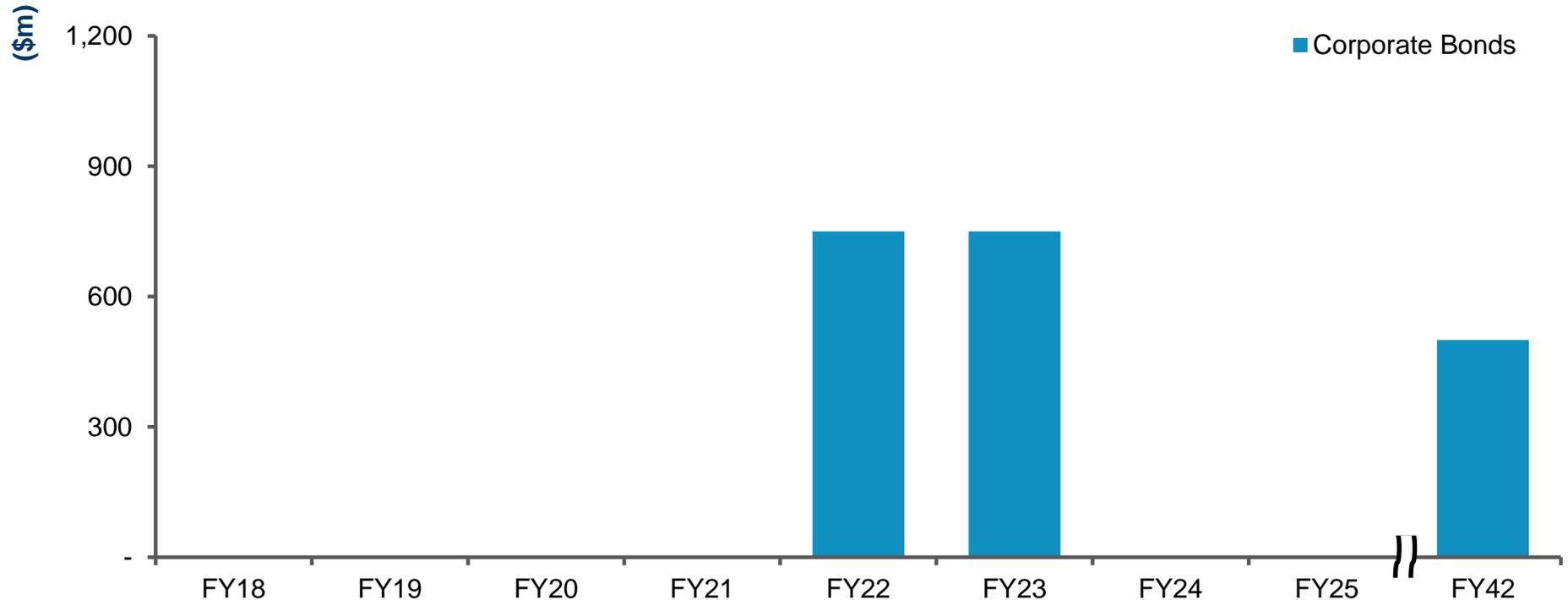


1 Data is at end of the financial year shown (i.e. 30 June). Where necessary, data converted to US\$ at end of period exchange rate. Only drawn debt is shown

2 Leverage ratio is Net Debt to trailing 12 month EBITDA

# ... good debt structure and clean balance sheet

## Maturity profile as at 30 June 2017<sup>1</sup>



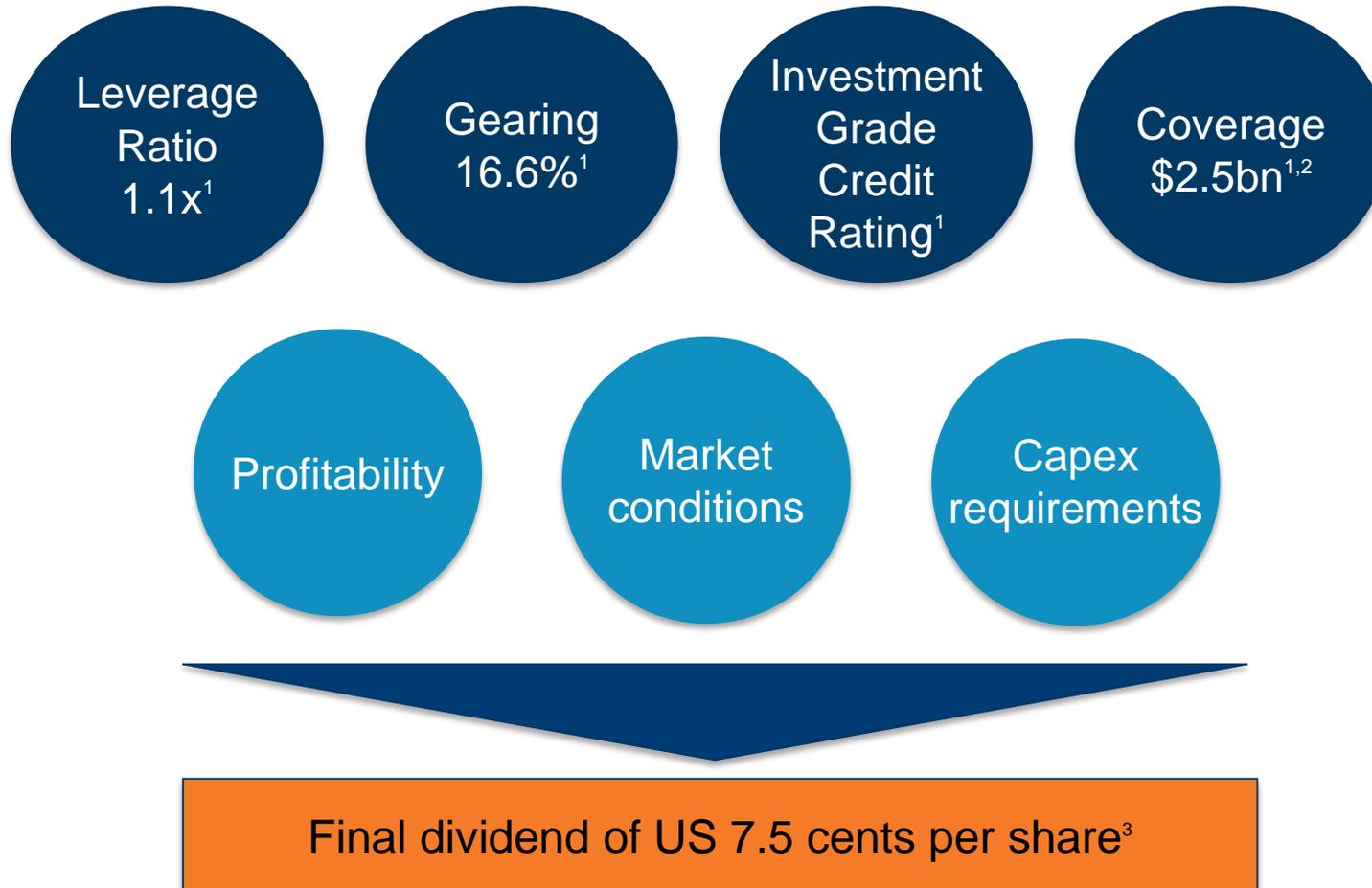
- FY17 – Fully repaid US Private Placement debt and drawn bank facilities
- No goodwill remaining on the balance sheet
- Relatively low level of future mine rehabilitation costs<sup>2</sup>

<sup>1</sup> All Newcrest's debt is denominated in USD

<sup>2</sup> Relative to other major gold peers. Provision (discounted) of \$272m at 30 June 2017, reflecting an estimate of ~\$313m (undiscounted)

# ... which has enabled the ability to pay dividends

---



1 Leverage ratio based on Net Debt as of 30 June 2017 and EBITDA for the 12 months to 30 June 2017. Gearing, investment grade credit rating and coverage are as at 30 June 2017  
2 Coverage comprises \$2bn in undrawn bank facilities and cash and cash equivalents of \$492m at 30 June 2017  
3 Record date of 21 September 2017 and payment date of 27 October 2017

# Focused on returns to shareholders

---

## Dividend Policy<sup>1</sup>

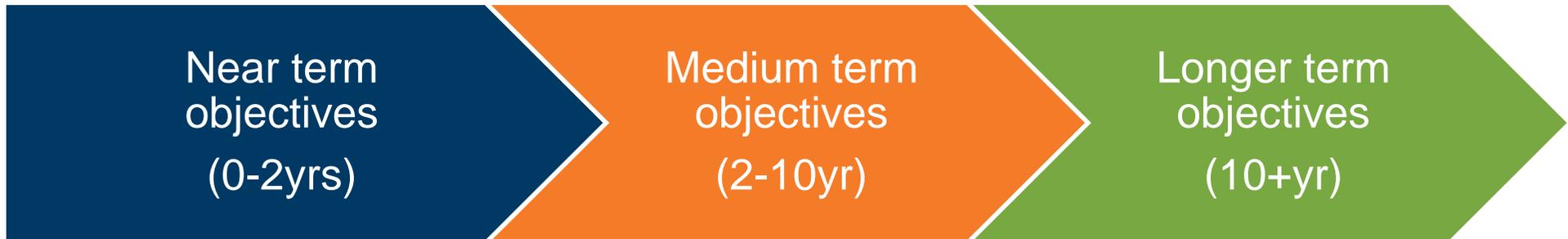
Newcrest's dividend policy continues to balance financial performance and capital commitments with a prudent leverage and gearing level for the Company.

Newcrest looks to pay ordinary dividends that are sustainable over time having regard to its financial policy, profitability, balance sheet strength and reinvestment options in the business.

Going forward Newcrest is targeting a total annual dividend payment of at least 10-30% of free cash flow generated for that financial year, with the dividend being no less than US15 cents per share on a full year basis.

<sup>1</sup> Declaration of any dividend remains subject to Board discretion and approval

# Pivoting more to profitable growth

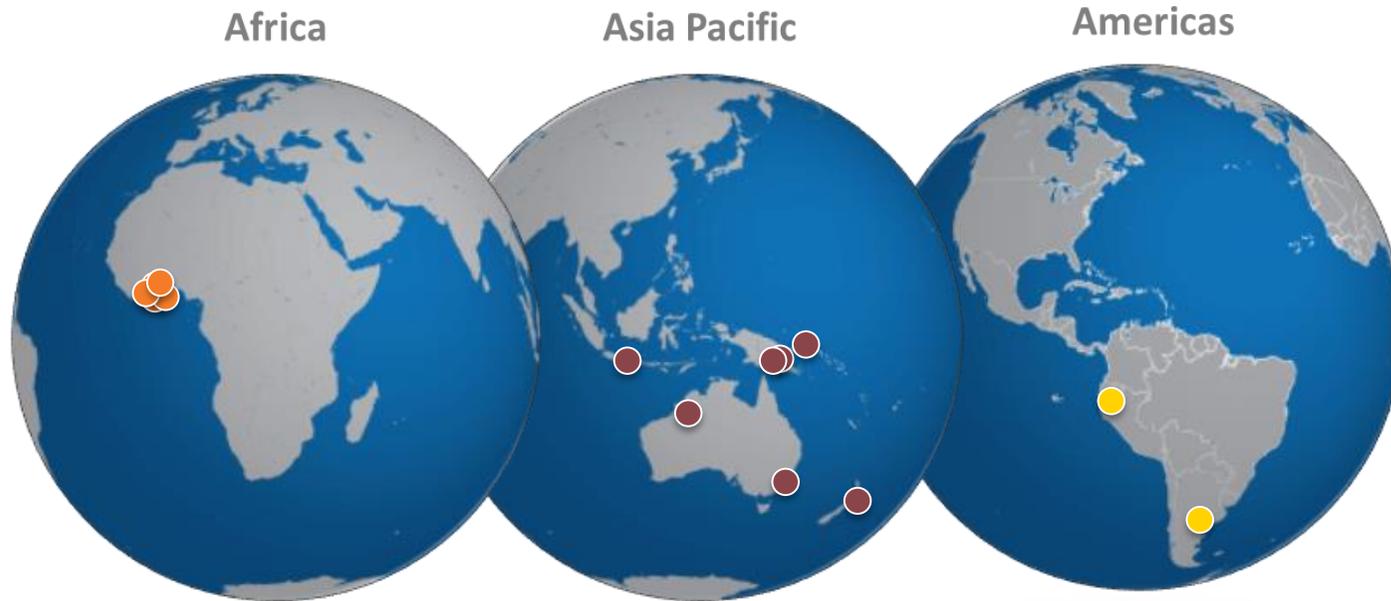


- Lihir 14mtpa mill throughput rate target<sup>1</sup>
- Cadia 30mtpa mill throughput rate target<sup>1</sup>
- Lihir beyond 14mtpa mill throughput rate target<sup>1</sup>
- Cadia plant expansion
- Golpu development
- Telfer drilling for new areas
- Near surface West African deposits & Indonesian epithermal targets
- Early stage entry pipeline
- Porphyry exploration targets
- Application of caving expertise to new areas
- Technology step-change advancements

Disciplined approach to shareholder value creation

<sup>1</sup> This should not be construed as production guidance from the Company now or in the future. Potential production and throughput rates are subject to a range of contingencies which may affect performance

# Targeting orebodies which fit our skills



Africa

Asia Pacific

Americas

## Cote d'Ivoire

- Seguela Project (100%)
- OSEAD Project (FI)
- Kodal Minerals – Dabakala (FI)
- Cape Lambert Dabakala (100%)
- Randgold JV (50%)

## Australia

- Mendooran project (O & FI)
- Second Junction Reefs project (JV)
- Encounter project generation alliance

## Indonesia

- Antam Alliance

## Papua New Guinea

- Tatua / Big Tabar Island (O & FI)
- Morobe Exploration JV (50%)
- Wamum 100%

## New Zealand

- Rahu project (FI)

## Ecuador

- SolGold Investment (EI)

## Argentina

- Pedernales epithermal/porphyry project (FI)

### Key:

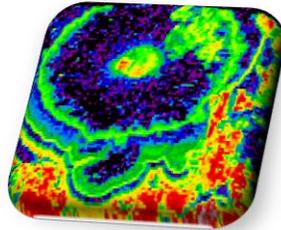
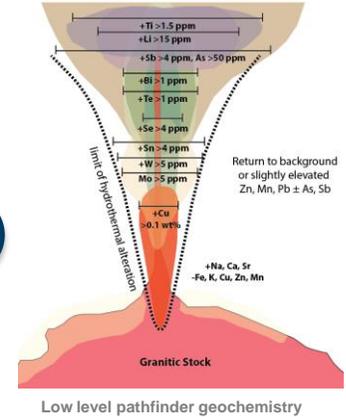
FI – Farm-in  
 JV – Joint Venture  
 100% - 100% Newcrest Tenement  
 EI – Equity Investment in Company  
 O – Option

# Deep exploration capability key for next discovery



**1** Better than average ground selection

Advanced exploration models **2**



**3** Targeted use of technology

Micro-scale gold mapping in pyrite



**4** Smarter and rapid interpretation of data

Drill early and often **5**



**6** Creative people

# Disciplined approach to growth

---

- Continued focus on exploration
- Pursue attractive early stage entry opportunities
- Actively explore partnerships to manage risk and access opportunities
- Small, dedicated team that reviews and evaluates M&A opportunities

## Potential Value Adding Pathways

### Technical Capability

e.g. Caving capability results in superior economic value

### Exploration / Province

e.g. Identify exploration potential that could create a new gold province

### Portfolio Enhancement

e.g. Assets that complement and improve the Newcrest portfolio

# Forging a Stronger Newcrest

## 1 HAVE A LOT OF GOLD

**~27 years<sup>1</sup>**  
reserve life



## 2 LOW COST PRODUCER

**\$787**  
FY17 AISC per ounce



## 3 DO WHAT WE SAY

**4 years**  
of maintaining or exceeding  
Group guidance



## 4 ORGANIC GROWTH

**Lihir, Cadia  
and Golpu**



## 5 EXPLORATION & TECHNICAL CAPABILITY

Exploration capability  
Mine and process all  
types of gold orebodies



## 6 FINANCIALLY ROBUST

**1.1x**  
Net Debt / EBITDA leverage  
ratio<sup>2</sup> at 30 June 2017



<sup>1</sup> Reserve life is indicative and calculated as proven and probable gold reserves (contained metal) as at 31 December 2016 divided by gold production for the 12 months ended 30 June 2017 excluding the production from the divested Hidden Valley. The reserve life calculation does not take into account future gold production rates and therefore estimate of reserve life does not necessarily equate to operating mine life

<sup>2</sup> Based on Net Debt as of 30 June 2017 and EBITDA for the 12 months to 30 June 2017



**Q&A**