

# Half Year Financial Results

December 2008



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MD & CEO

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## Forward Looking Statements

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# Introduction

## ■ Financials

- Underlying profit increased 16% to \$241.6M
- Statutory profit increased from -\$8.1M to \$154M
- Strong operating cashflow up 56% to \$588.5M
- Increase in gearing level to 16%, post equity issue 2%

## ■ Growth

- Gosowong Expansion & Cadia East development projects progressing
- Strong pipeline of exploration and development opportunities

## ■ Equity Raising

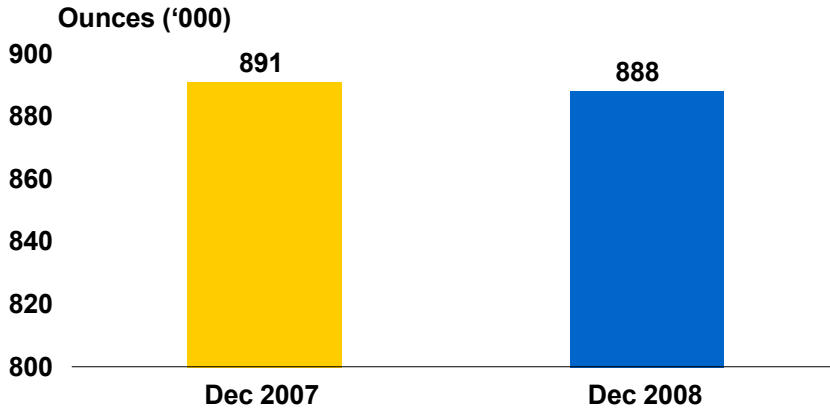
- Successful institutional placement raised A\$750 M
- Share Purchase Plan for retail shareholders up to A\$150M

# Financials

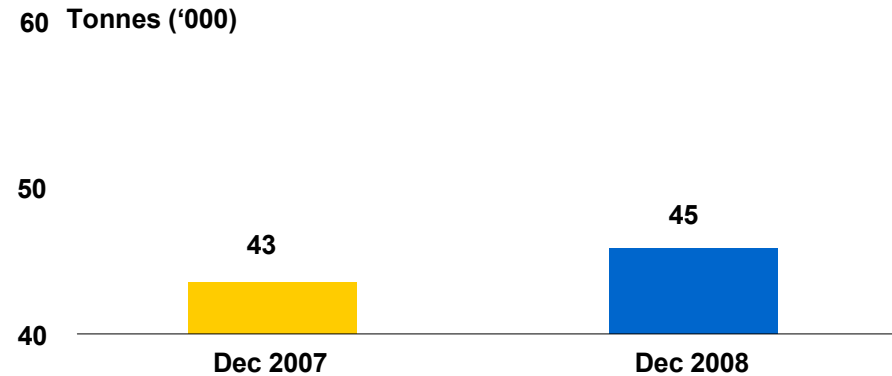


# Growth in Total Revenue of 15%

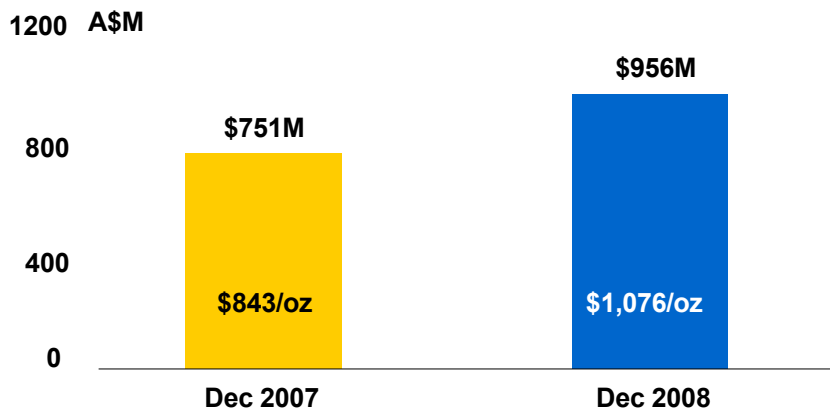
## Gold Sales -0.4%



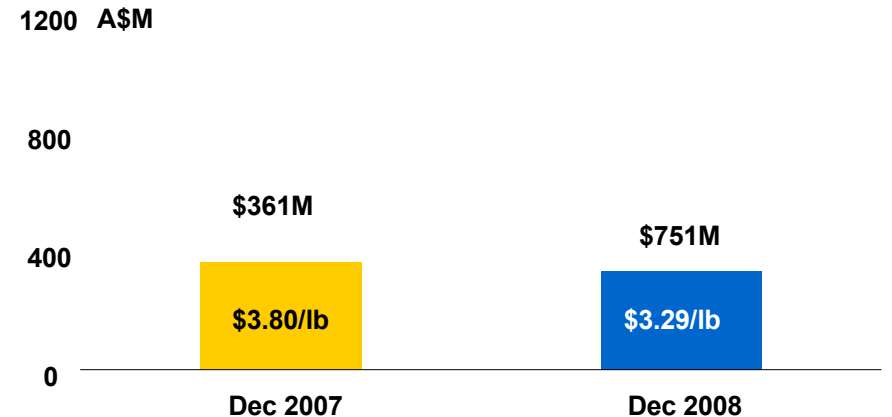
## Copper Sales +5%



## Gold Revenue +27%

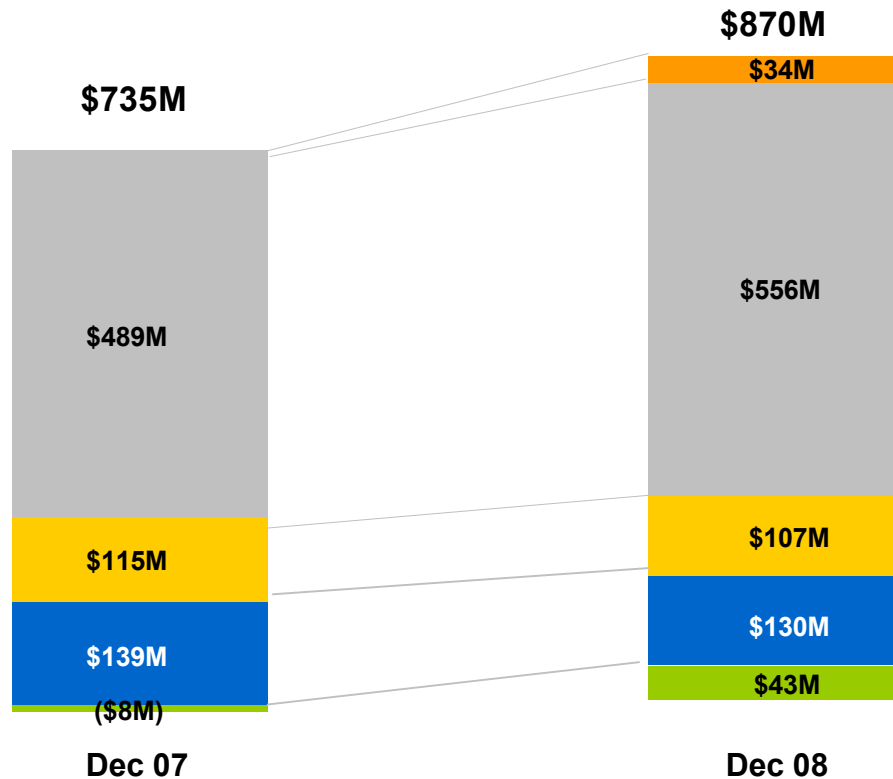


## Copper Revenue -9%



\* Total Revenue includes Silver Revenue of \$10M in Dec 08

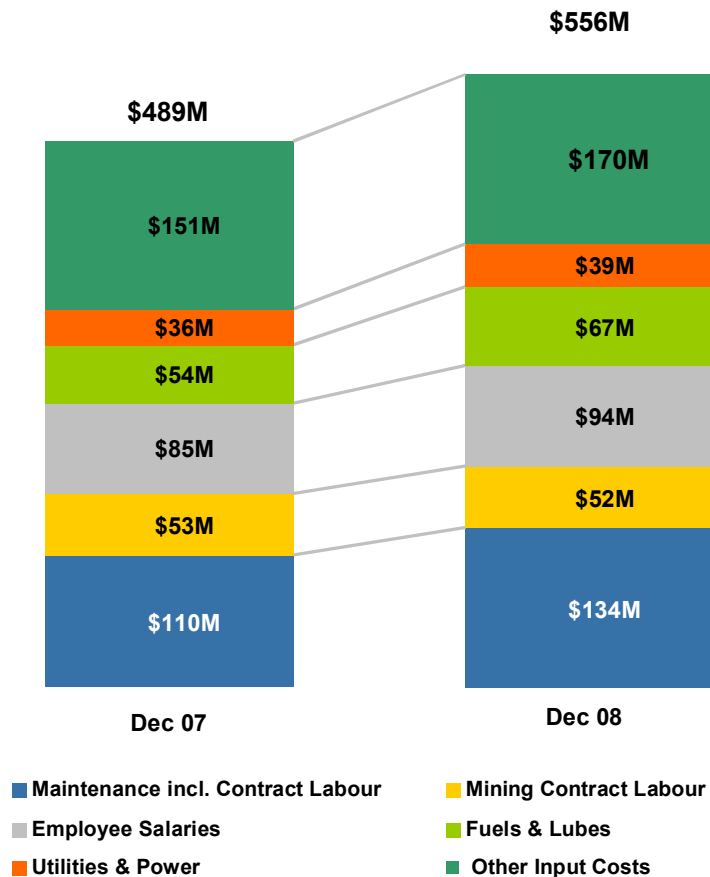
# Total Cost of Sales Increase



Cost of Sales	Dec 2007 to Dec 2008 % Change
Depreciation	-6%
Realisation & Royalty	-7%
Mine Production Costs	14%
Deferred Mining and Inventory Adjustments	\$51M ↑
Telfer Gas Costs	\$34M ↑

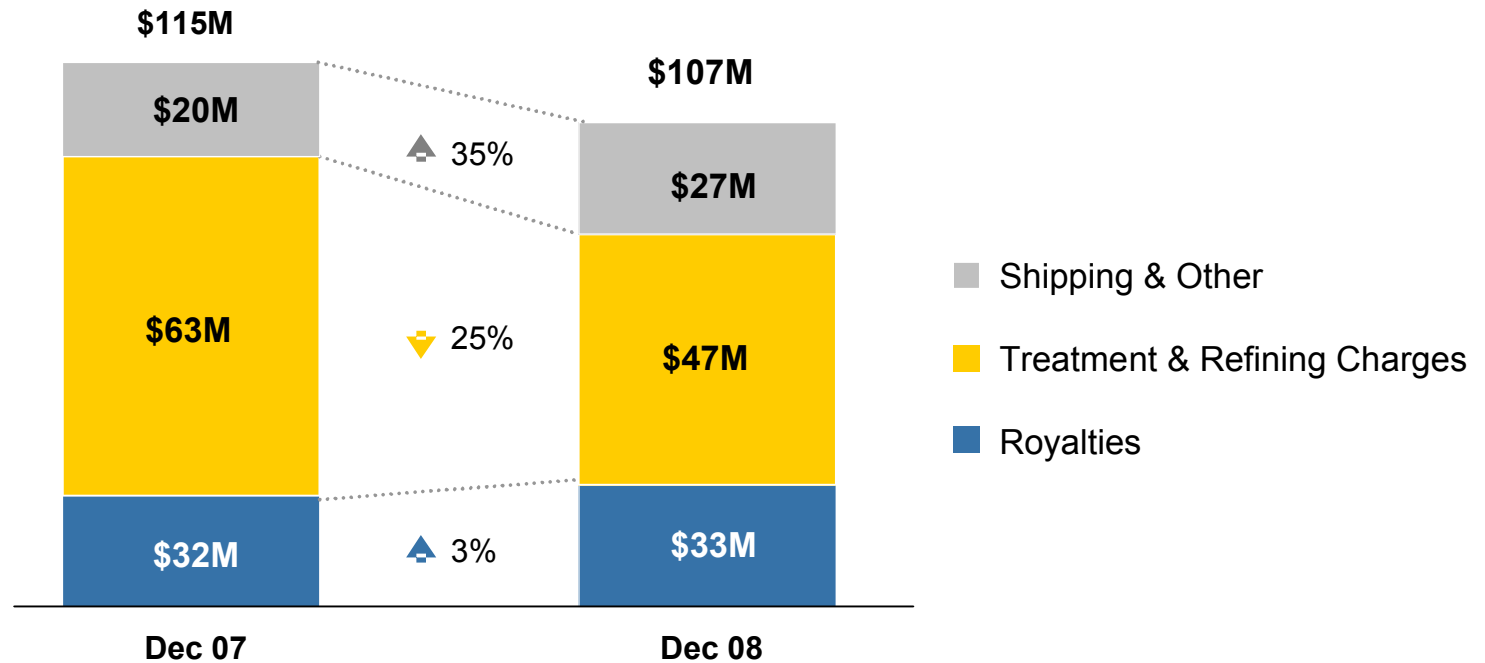
- Deferred Mining and Inventory Adjustments
- Mine Production Costs
- Realisation & Royalty
- Depreciation
- Telfer Gas Costs

# Mine Production Costs – Continuing Industry Cost Pressures

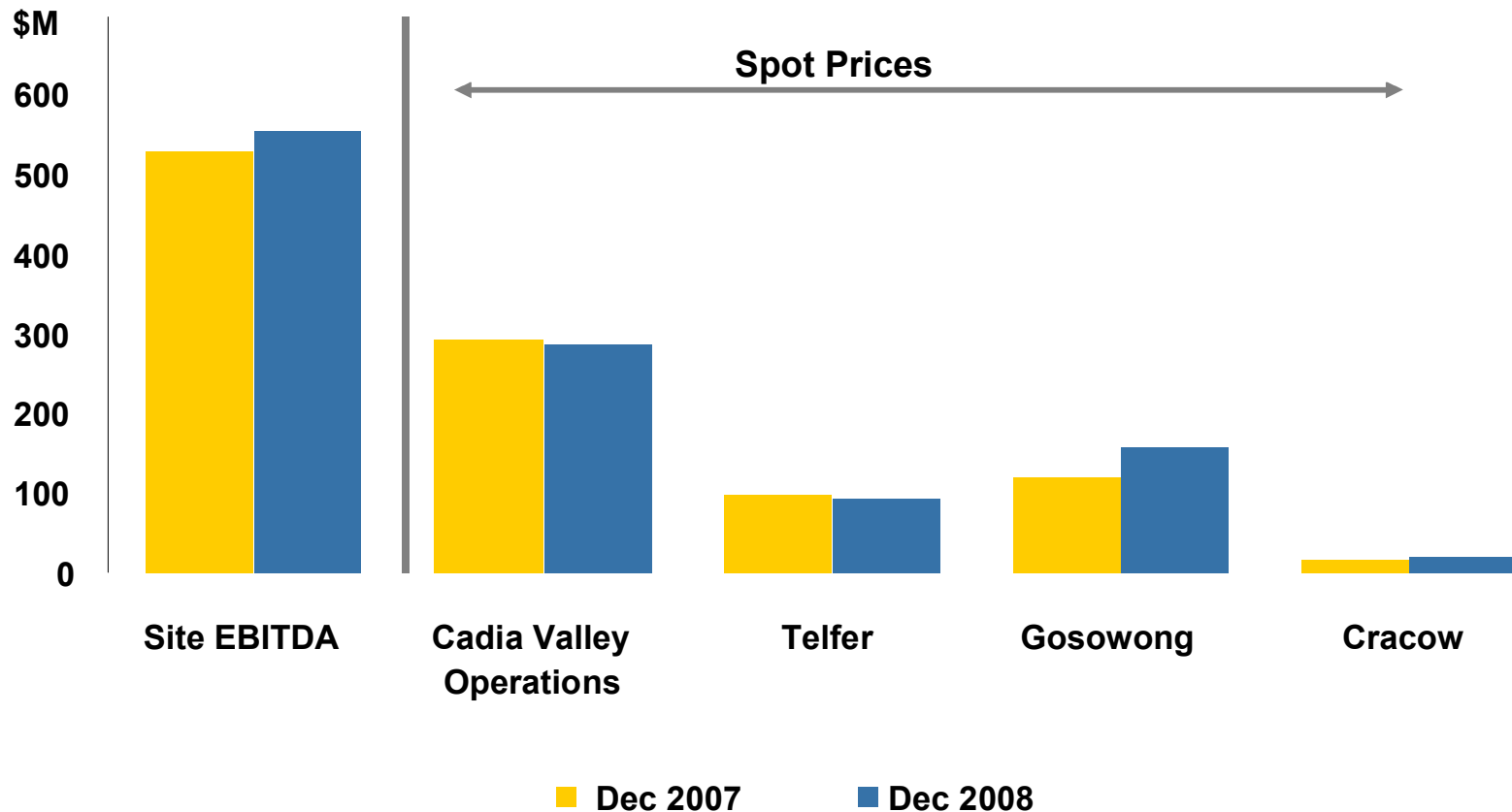


	Dec 2007 to Dec 2008 % Change Due to:	
	Volume %	Cost Inflation %
Other Input Costs	(1.2)	13.6
Utilities & Power	0.7	8.2
Fuels & Lubes	(8.5)	31.8
Labour	6.1	4.5
Contract Mining	(4.6)	2.7
Maintenance	15.3	6.3
<b>Total</b>	<b>2.7</b>	<b>10.9</b>

# Royalties & Realisation Costs Declined by 7%



# EBITDA by Operation



EBITDA for December 2007 includes a hedge loss of \$33.8M

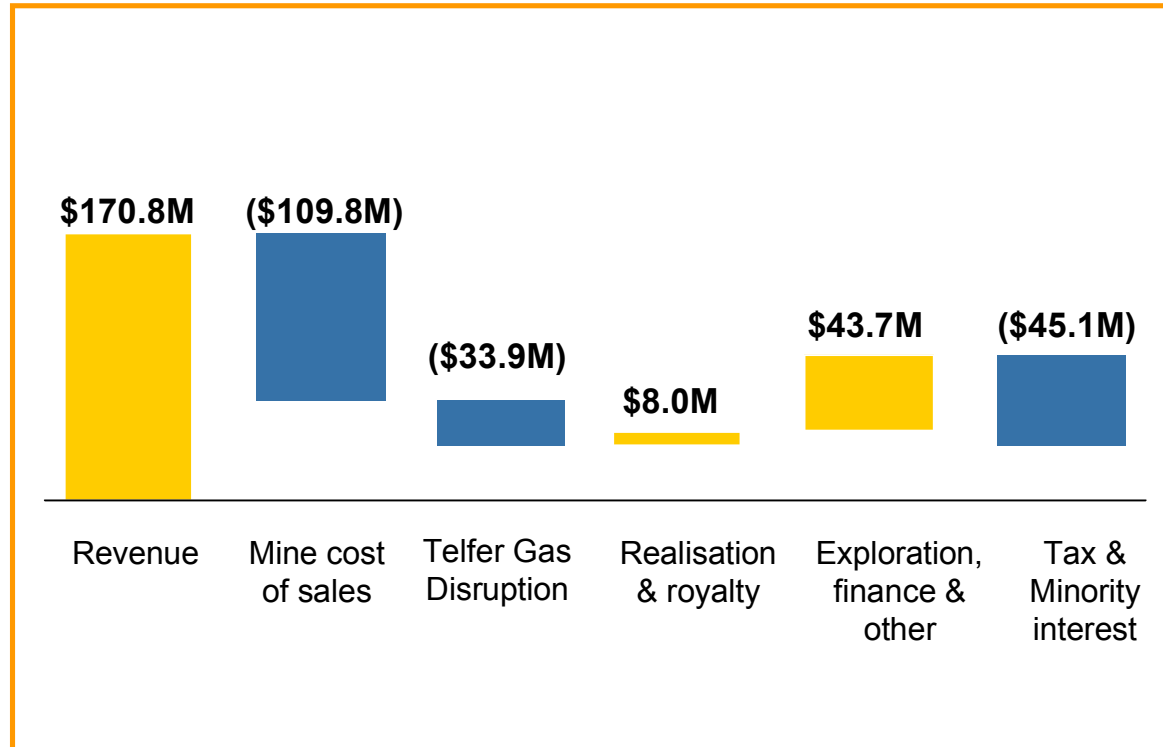
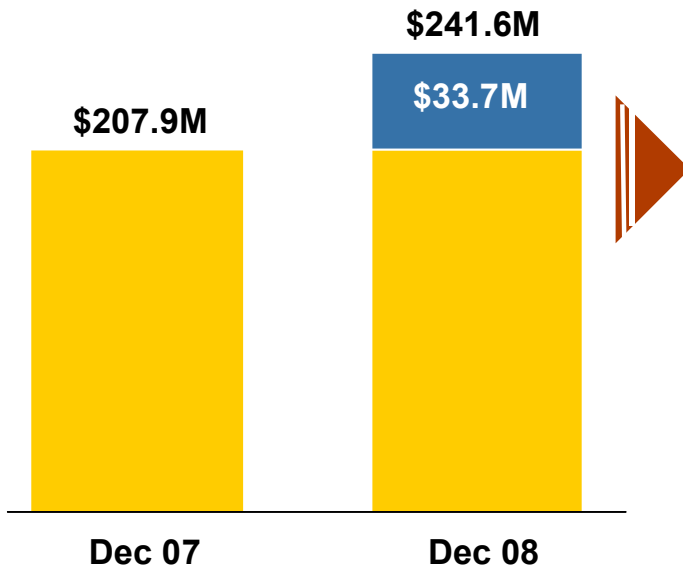
# Deferred Mining and Tax

- Group deferred mining asset at 31 December 2008 of \$307M
  - \$50M expense during current period
  - \$224M relating to Cadia Hill to be amortised to P/L over FY09 – FY12
  - No cashflow impact
- Tax
  - Period end tax losses of \$469M (Australian)
  - Effective tax rate of 28.9%
  - R&D benefit of \$12.4M, expect this to continue

# Other Items

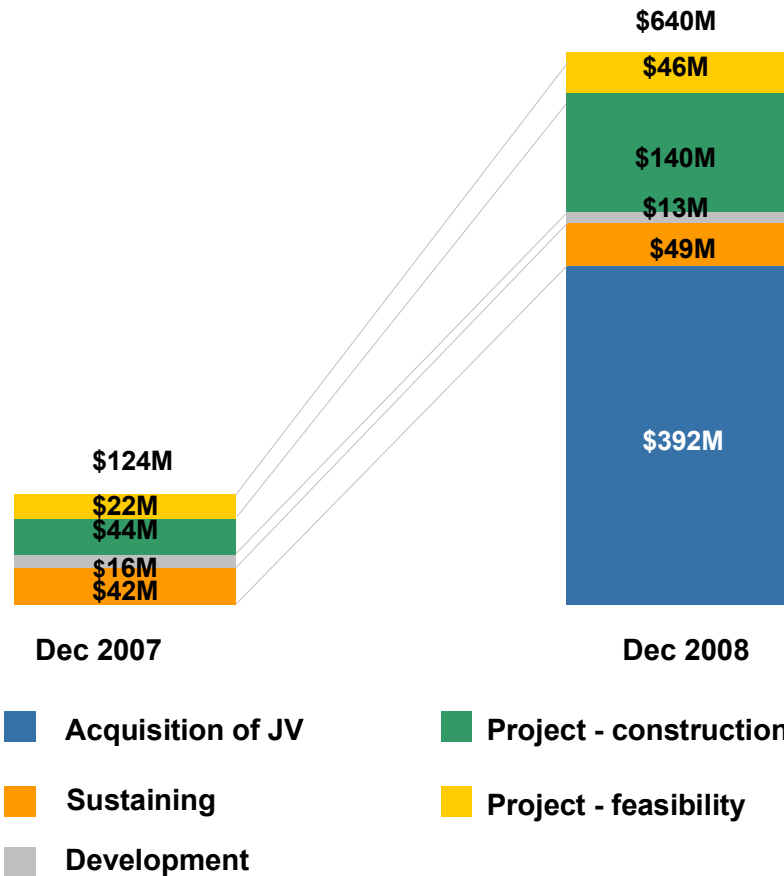
- Underlying profit
  - Additional Telfer gas costs \$33.9M
  - FX gain on USD denominated concentrate debtors \$16.8M
- Statutory profit
  - Hedge loss \$120.7M after tax
  - FX gain on borrowings designated as hedges \$16.2M after tax
  - Fair value gain on put options \$16.9M after tax

# Underlying Profit – Key Impacts

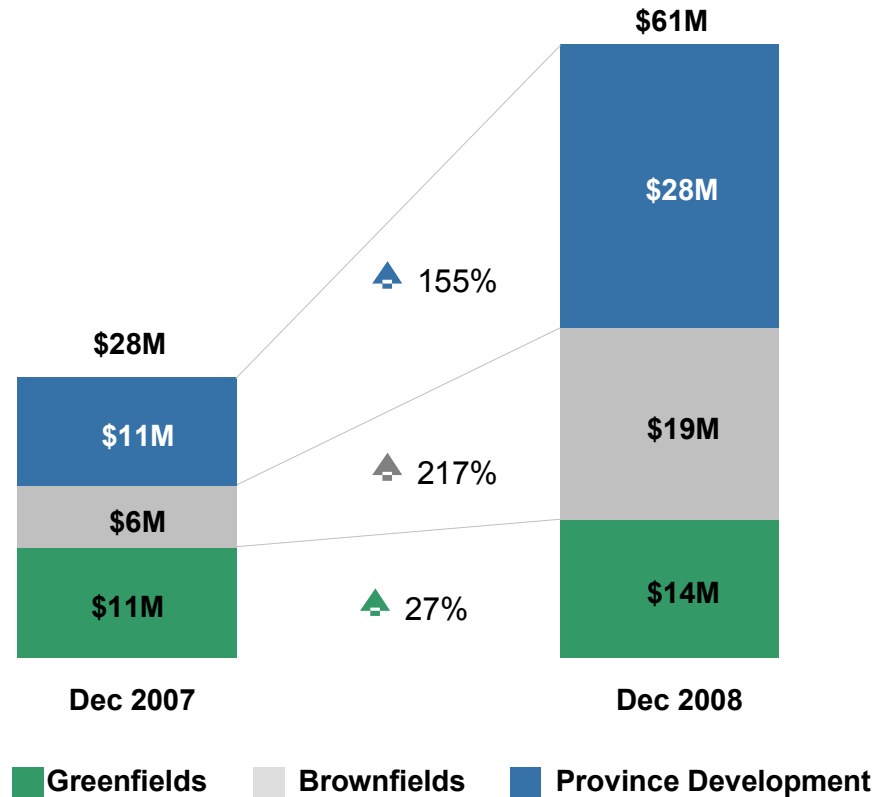


# Investment in Future Growth – Capital Expenditure & Exploration

## Capital Expenditure



## Exploration

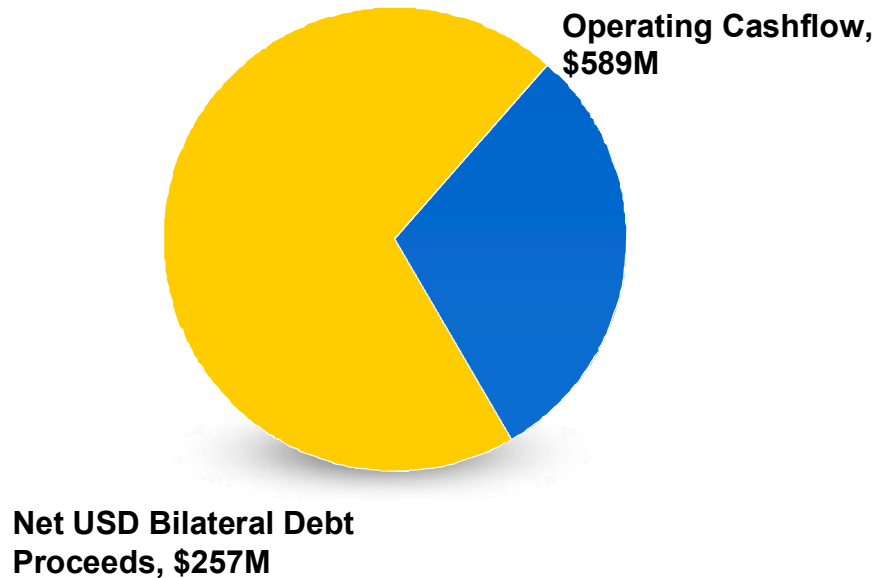


Capital Expenditure & Exploration in line FY09 guidance

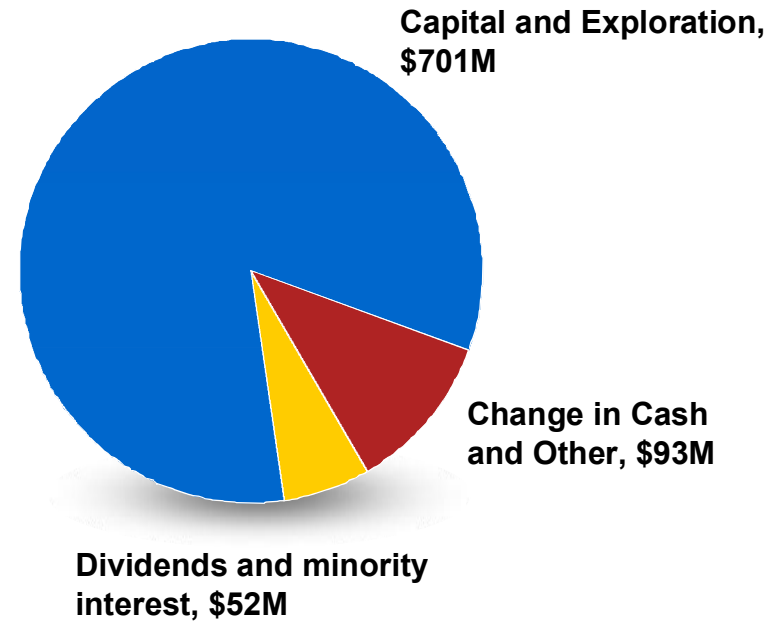
# Strong Growth in Operating Cashflow

As at 31 December 2008

## Sources of Cash

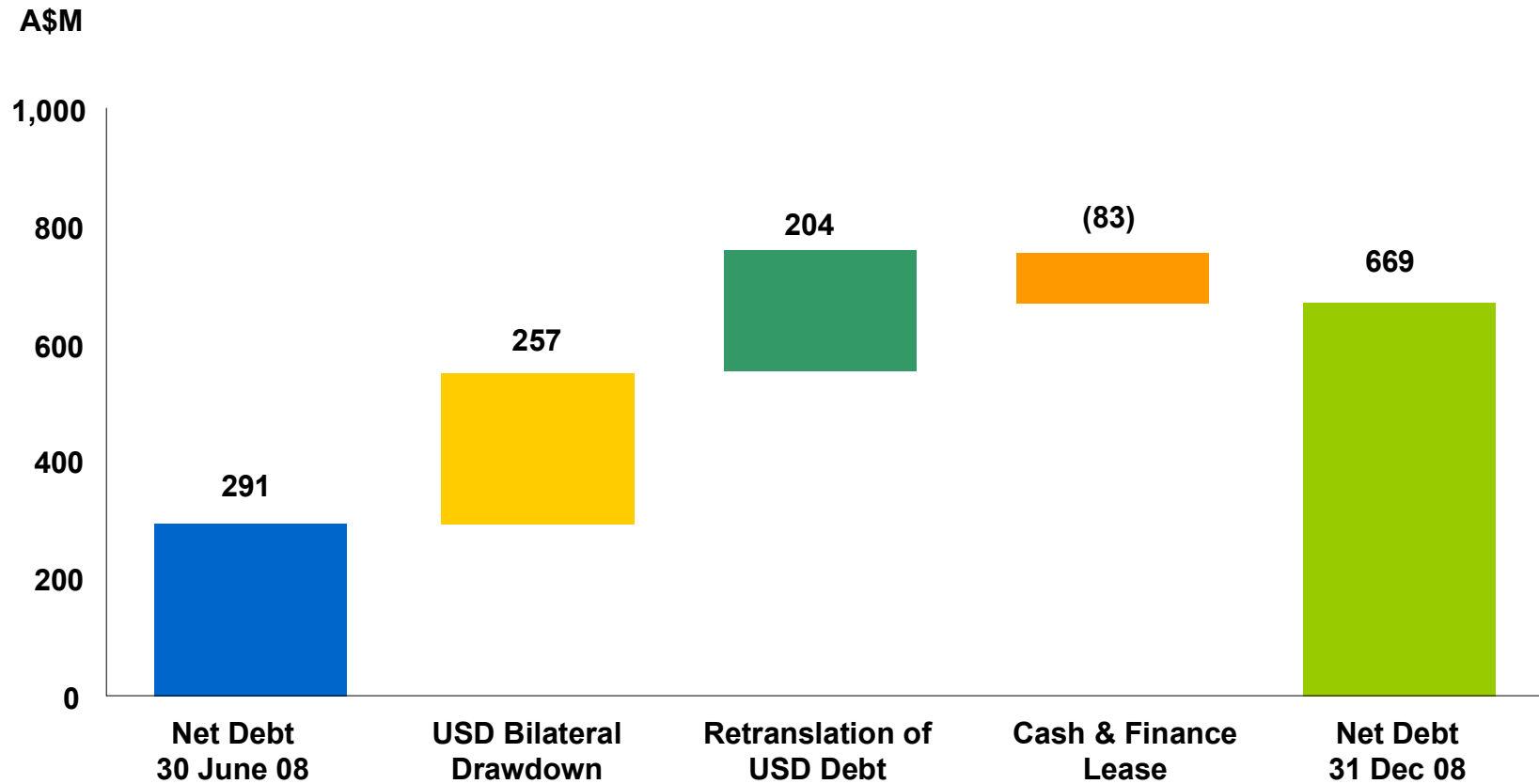


## Uses of Cash



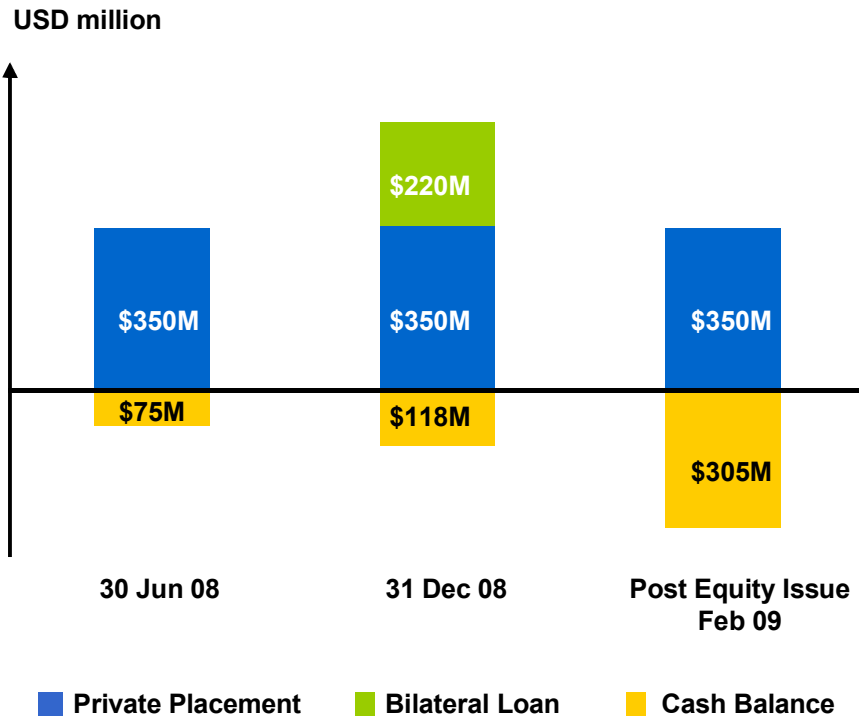
**Net Gearing 16%**

# Key Drivers of Net Debt Increase

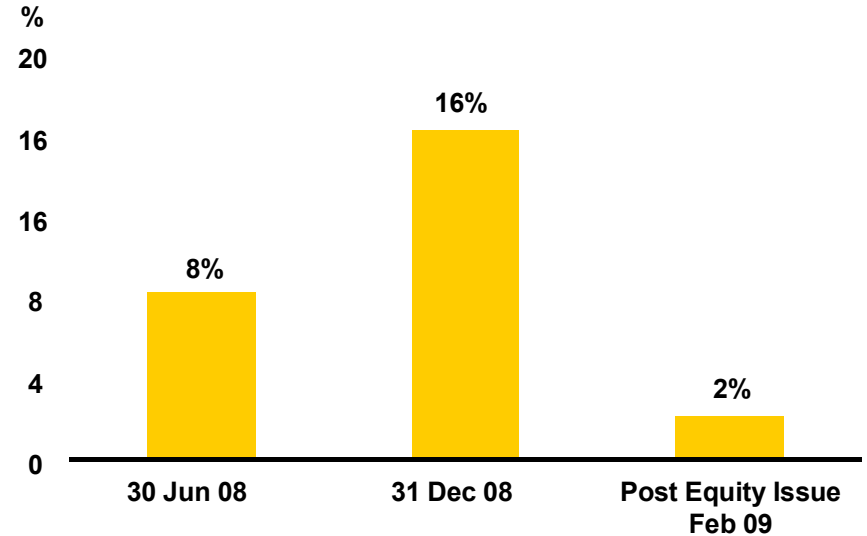


# Strong Balance Sheet

## Outstanding Debt Position



## Gearing



Gearing expected to be around 5% at 30 June 09

Cash balances converted at period end exchange rates

Post equity position excludes funds raised in SPP

# Capex Guidance

- FY09 guidance remains at A\$1.14 - A\$1.21 billion
- FY10 & FY11 increased to \$700 - \$800 million
  - accelerated Cadia East spend
  - increased Gosowong expansion spend
  - pressure from lower AUD:USD exchange rate

# Profit Sensitivities FY09

Movement in FX Negates Changes in Commodity Prices

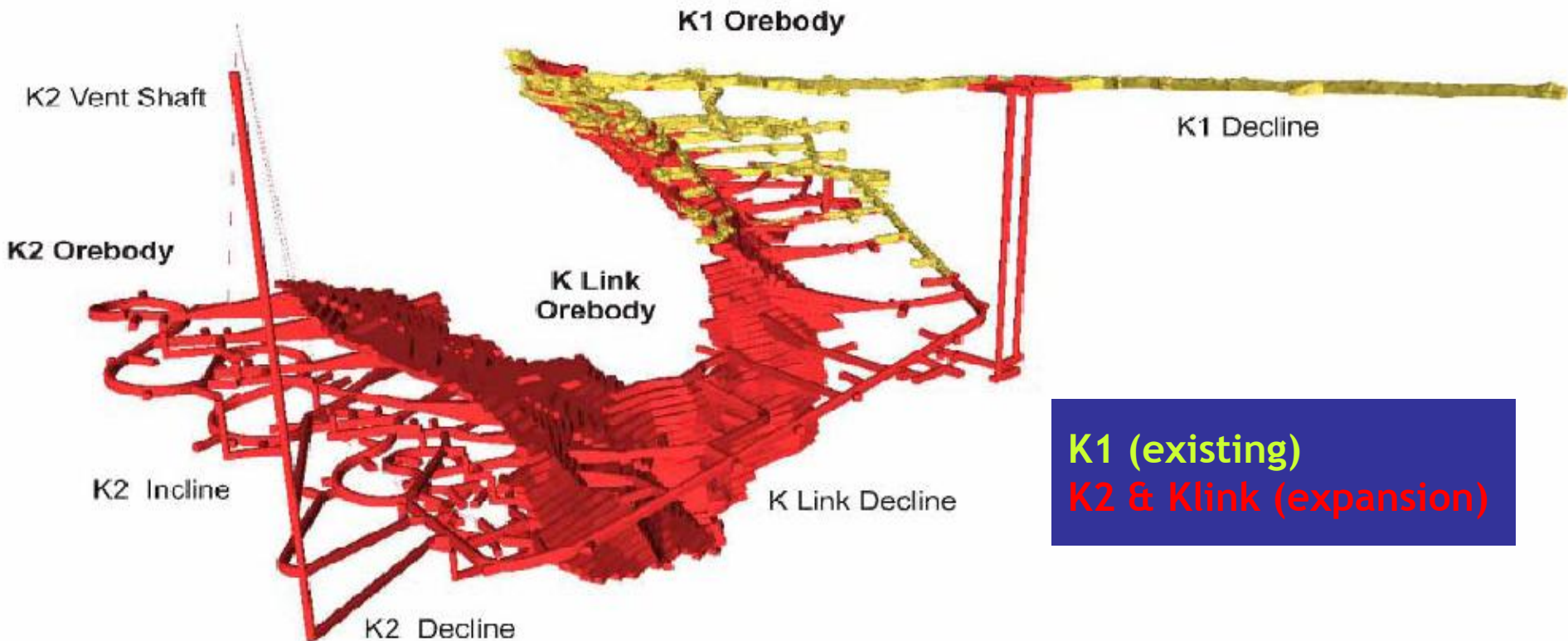
Parameter	Movement	EBIT Impact
Gold Price	US\$10/oz	A\$17M
Copper Price	US\$0.05c/lb	A\$9M
FX Rate	US\$0.01	A\$20M
Oil Price	US\$10/barrel	A\$6M

# Immediate Opportunities

## Installation of K2 Shaft Stage at Gosowong



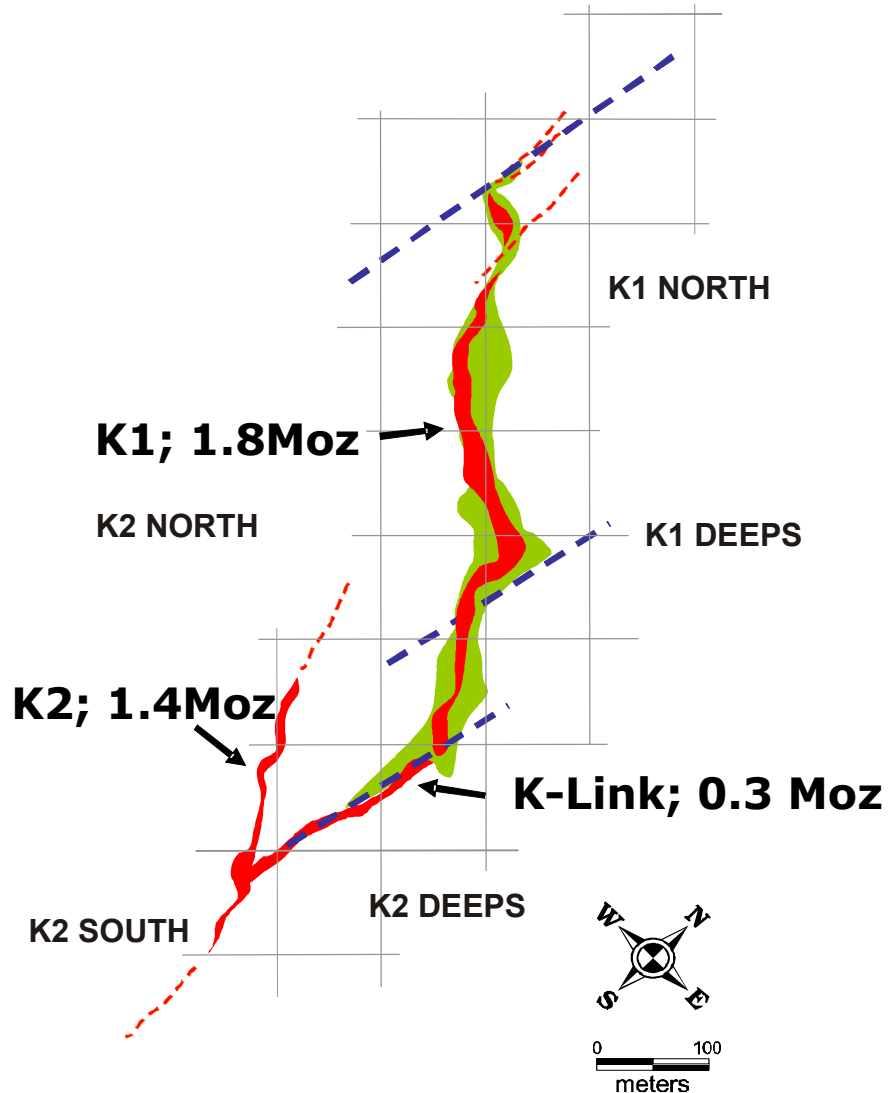
# Gosowong – 65tph Expansion Project



IRR > 50%  
(on current reserves)

- Increased gold production targeting 450,000oz per annum
- Throughput rates of 65tph from mid 2010
- Recovery percentages above 90% due to addition of 2 Vertimills
- Project timing and production better than previous 5 Year Plan
- Capital spend around US\$200M to completion

# Gosowong – A World Class Epithermal Goldfield



- 5 Moz discovered to date
- 10 drill rigs currently in operation from both surface and underground

1. **Kencana (3.6Mozs to date)**  
– targeting extensions to repetitions of known bonanza shoots
2. **Gosowong Toguraci (1.4Mozs to date)**  
– testing known fertile structures for new bonanza shoots
3. **Regional**  
– locating new fertile structures

# Cadia Valley Feasibility - 2 Options for 6 Months

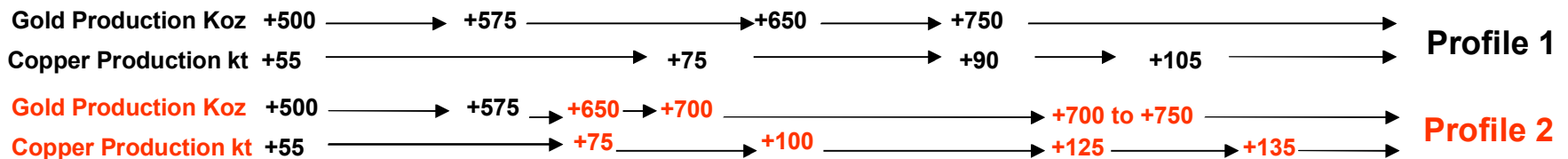
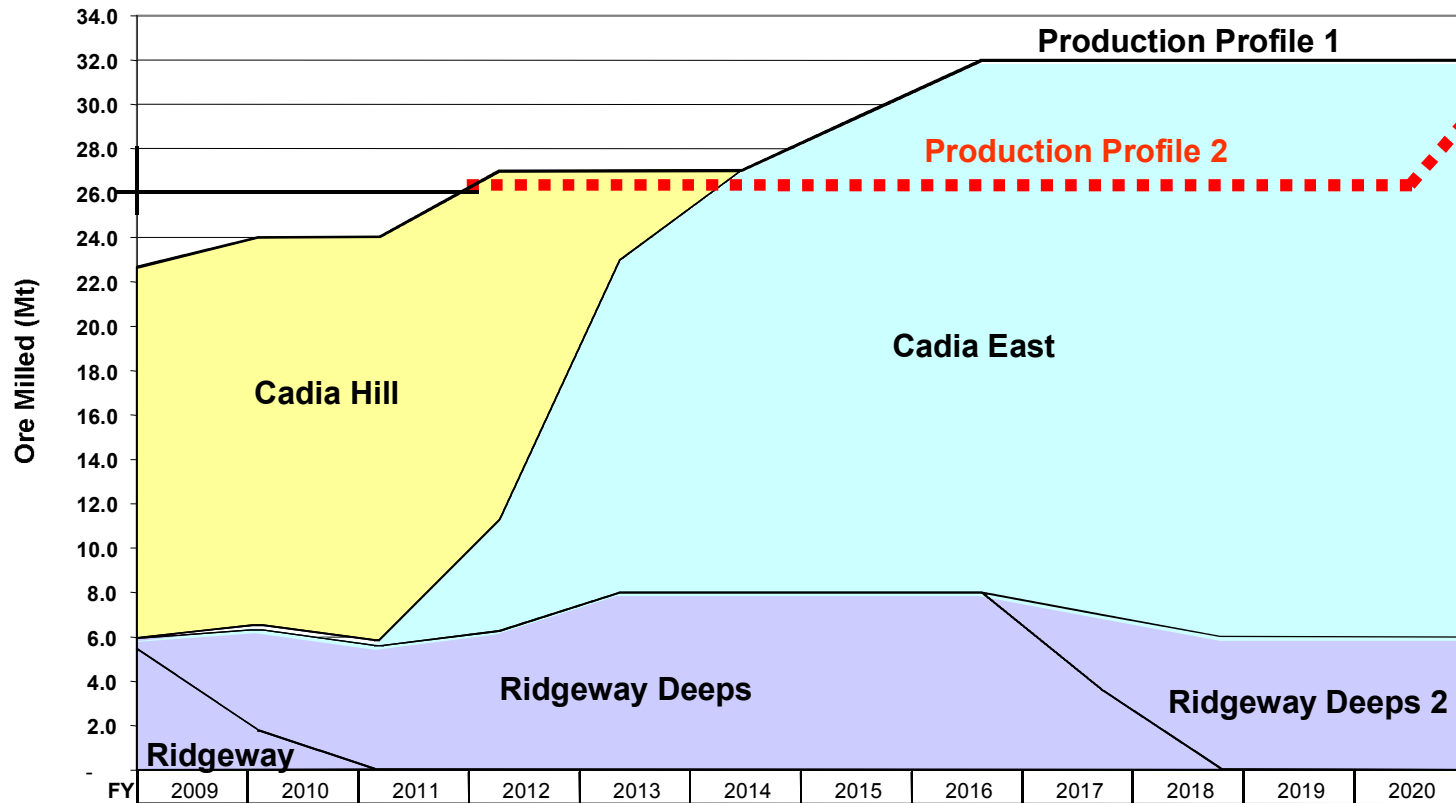
## Why Do We Have a Possible Optimisation?

1. Continued exploration success
2. Development rates continue to exceed schedule
3. Enhanced block caving expertise from Ridgeway Deeps development

## Common Outcomes from both Options

- Capital Expenditure to be less than A\$2Billion
- Production profile exceeds 30 years
- IRR of 15% or better

# Cadia Valley Feasibility Production Profiles



# Additional Opportunities



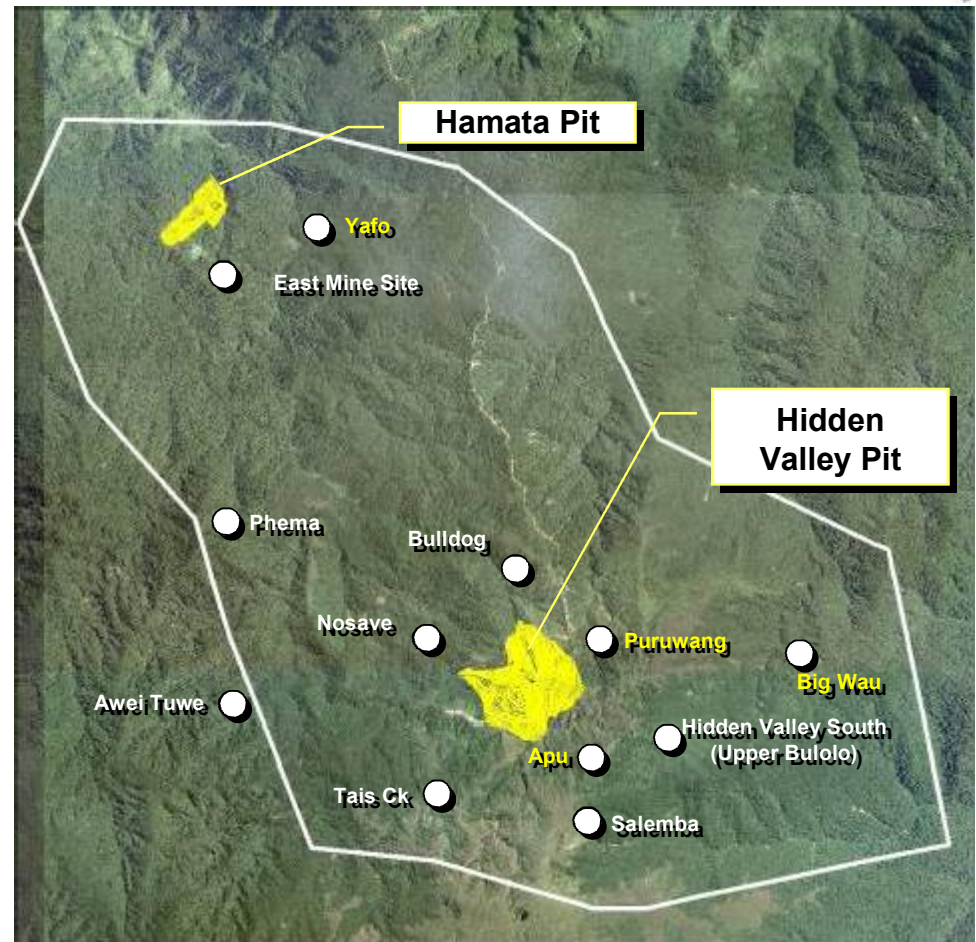
## Hidden Valley Construction



# Hidden Valley Production Profile



- Additional tailings sites identified which will allow an increase in the mining inventory
- Three diamond drills moved back into Hidden Valley area to convert exploration targets into additional Resource and Reserve
- Confident of expansion to over 300k ozs during 2010 and further increases to above 400k ozs per annum in 2012.



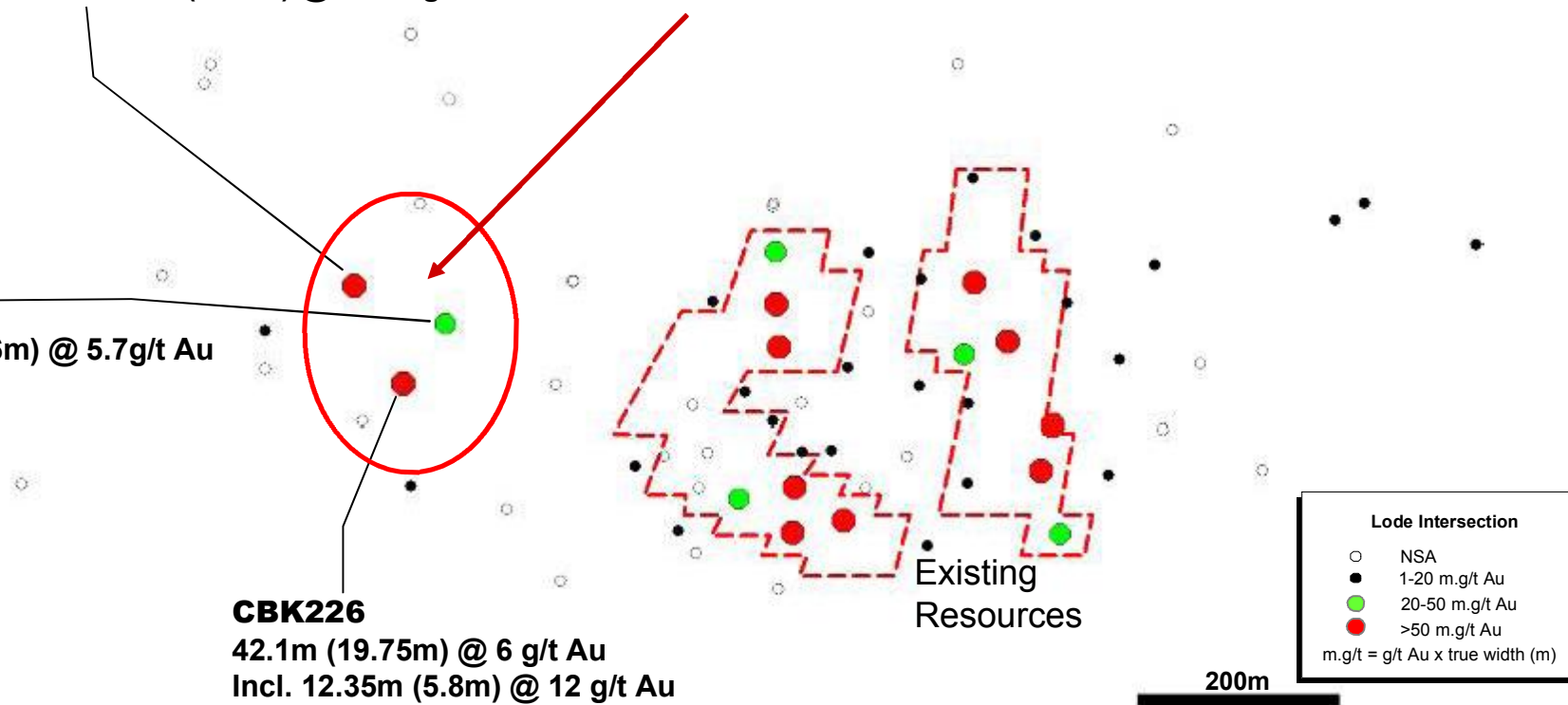


## New Kilkenny Ore Shoot Potential

**CBK252**  
12.95m (9.65m) @ 7.09 g/t Au  
Incl. 3.05m (2.04m) @ 21.76 g/t Au

**CBK240**  
7.95m (5.6m) @ 5.7g/t Au

**CBK226**  
42.1m (19.75m) @ 6 g/t Au  
Incl. 12.35m (5.8m) @ 12 g/t Au  
Incl. 0.7m (0.35m) @ 19 g/t Au



Lode Intersection	
○	NSA
●	1-20 m.g/t Au
●	20-50 m.g/t Au
●	>50 m.g/t Au
m.g/t = g/t Au x true width (m)	

**Kilkenny  
Longsection**