



NEWCREST  
MINING  
LIMITED

ACN 005 683 625

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**to:** Company Announcements Office  
**from:** **Stephen Creese**  
**date:** 16 August 2010  
**subject:** **2009/10 Full Year Financial Results - Presentation**

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Please find attached a presentation that will be given at the Company's Full Year Financial Results briefing today.

Yours sincerely

A handwritten signature in cursive script that reads "Stephen Creese".

Stephen Creese  
Company Secretary

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# Full Year Financial Results June 2010



**Ian Smith**  
**CEO & Managing Director**

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**Greg Robinson**  
**Finance Director**

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# Disclaimer

## Competent Persons Statement

The information in this presentation that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by C. Moorhead, EGM Minerals for Newcrest Mining Limited who is a Member of The Australasian Institute of Mining and Metallurgy, and a full-time employee of Newcrest Mining Limited. Mr Moorhead has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Moorhead consents to the inclusion in this presentation of the matters based on this information in the form and context in which it appears. For details of Exploration Results, Mineral Resources and Ore Reserves refer to the Newcrest website.

## Forward Looking Statement

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the company does not in providing this information undertake any obligation to publicly update or revise any of the forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

## Ore Reserves and Mineral Resources Reporting Requirements

As an Australian company with securities listed on the Australian Securities Exchange ("ASX"), Newcrest is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of Ore Reserves and Mineral Resources in Australia comply with the JORC Code and that Newcrest's Ore Reserve and Mineral Resource estimates comply with the JORC Code.

## Exploration Target

The potential quantity and grade related to Exploration Targets in this report is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource. Refer to Newcrest's detailed exploration summary on our website at [www.newcrest.com.au](http://www.newcrest.com.au)

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# Introduction

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## ■ Financials

- Record underlying profit up 58% to A\$764M
- Statutory profit increased 124% to A\$557M
- Cashflow from operations up 27% to A\$1,303M
- Profit margins expanded (increased revenue, lower costs)
- Strong balance sheet (net cash)
- Increase in final dividend to 20 cents per share (25 cents for full year)

## ■ Guidance

- Increased gold production in FY11 with contained cash costs
- Gold production on track to achieve 2.3Mozs in 2014
- Cash costs to remain well within first quartile over next 5 years

# Introduction

## ■ Reserves and Resources (before LGL)

- Strong Resource to Reserve conversion
  - Gold Reserves increased from 42.8Mozs to 47.3Mozs, UP 11%
  - Copper Reserves increased from 4.67Mt to 7.88Mt, UP 69%
- Mineral Resource growth
  - Gold Resources increased from 80.0Mozs to 83.6Mozs, UP 5%
  - Copper Resources increased from 14.36Mt to 17.25Mt, UP 20%

## ■ Growth pipeline

- Ridgeway Deeps and Hidden Valley commissioned
- Gosowong Expansion near completion, Cadia East commenced
- Gosowong second mining front progressing well
- Wafi – Golpu and O’Callaghans studies underway

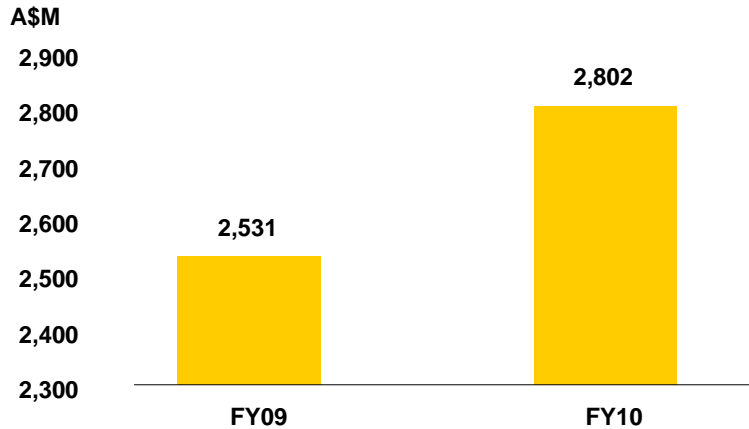
# Financials

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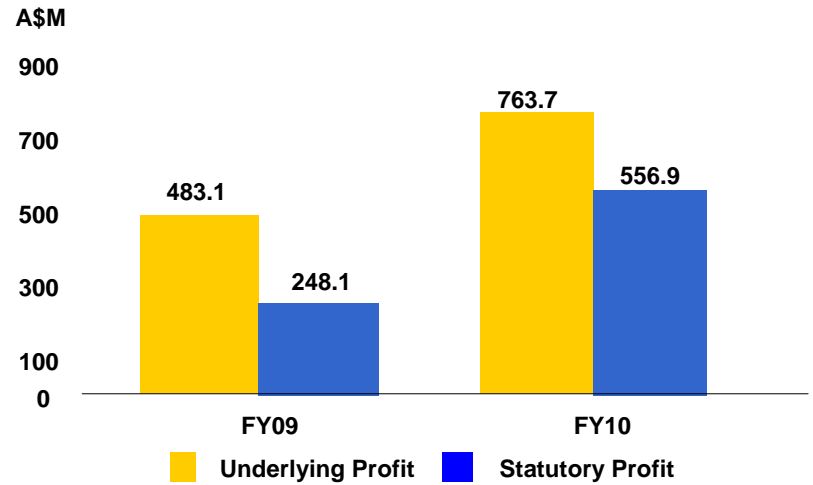


# Financial Results Summary

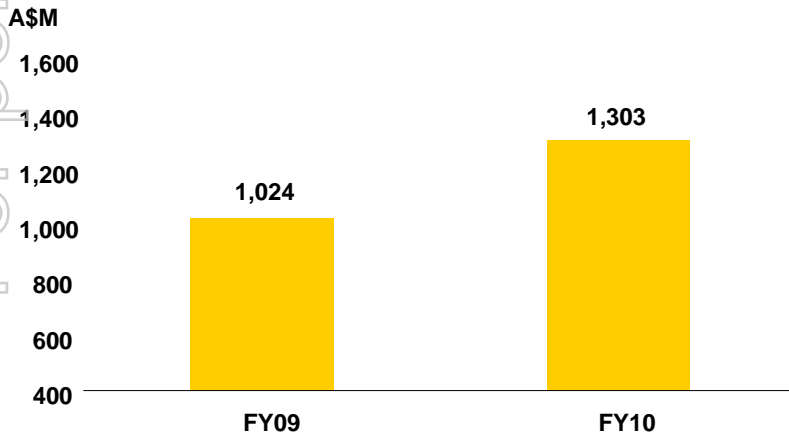
## Sales Revenue Growth + 11%



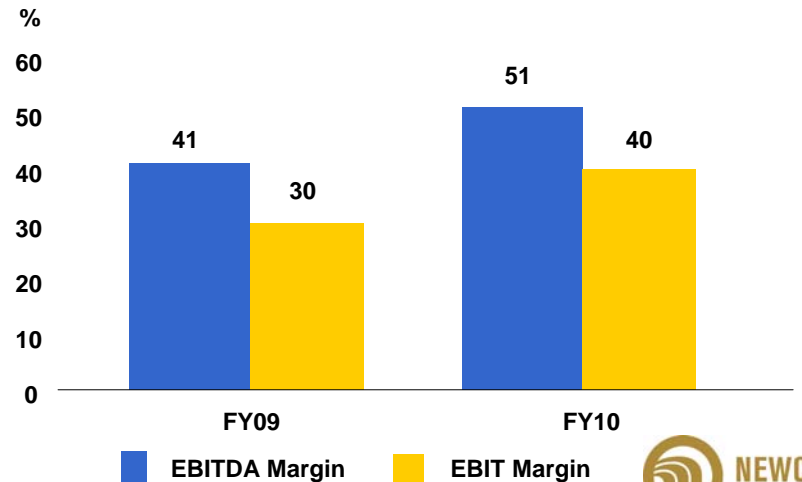
## Record Profit



## Cash Flow from Operations + 27%



## Expanded Profit Margins

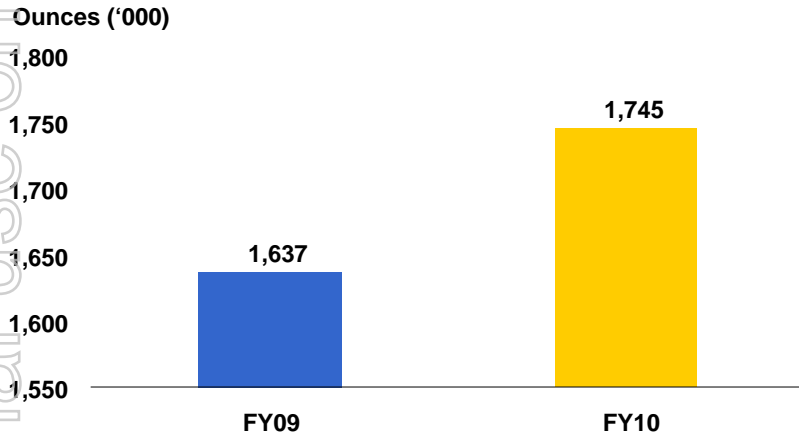


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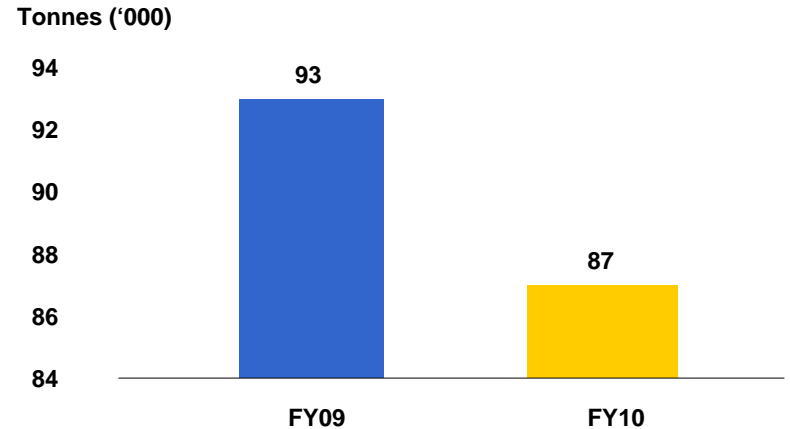


# Revenue Growth of 11%

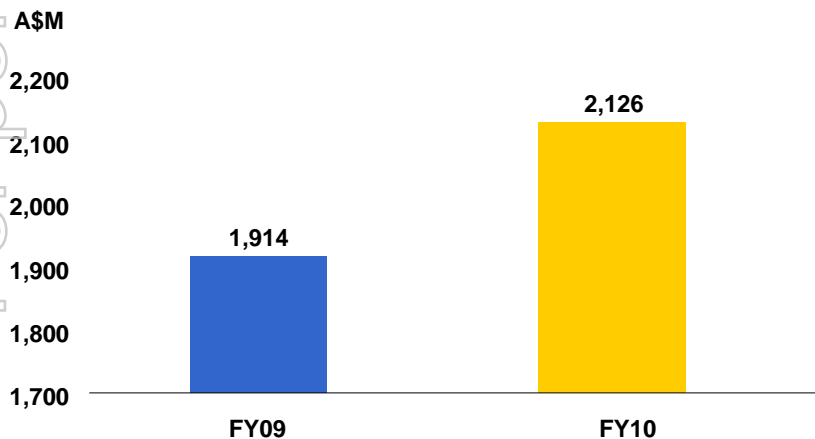
## Gold Sales + 7%



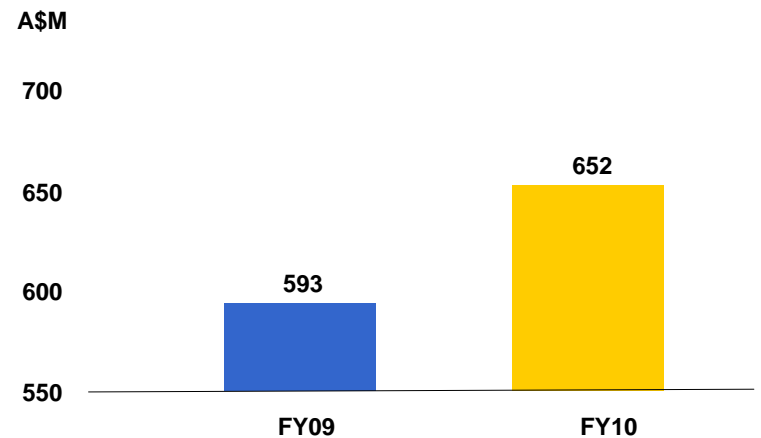
## Copper Sales - 7%



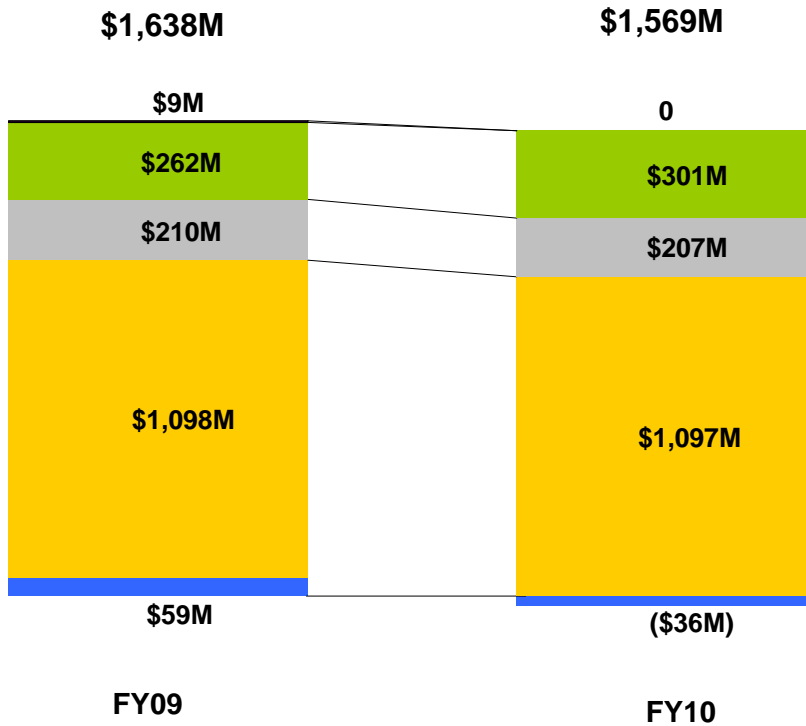
## Gold Revenue + 11%



## Copper Revenue + 10%



# Total Cost of Sales Reduced



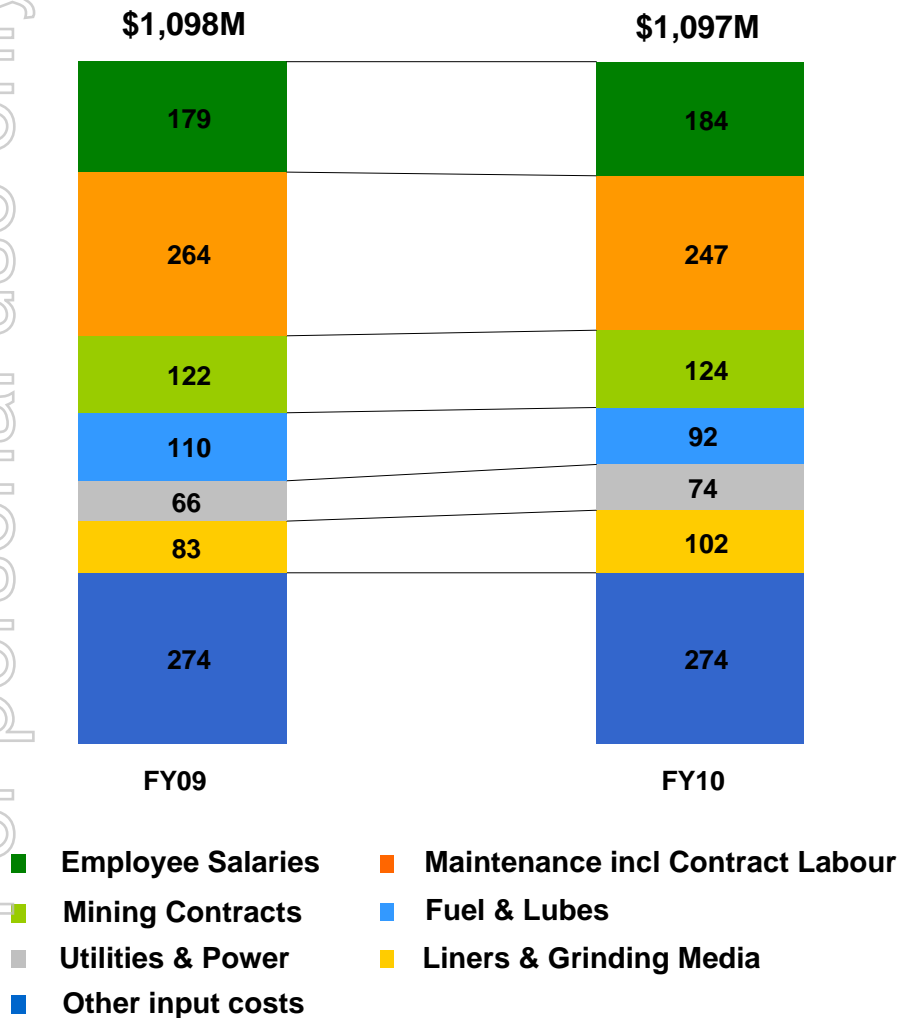
- Telfer Gas Costs
- Realisation & Royalty
- Deferred Mining & Inventory Adjustments
- Depreciation
- Mine Production Costs

Cost of Sales	2009 to 2010 Change
Telfer Gas Costs <sup>(1)</sup>	▼ \$8.6M
Depreciation	▲ 15%
Realisation & Royalty	▼ 1%
Mine Production Costs	0%
Deferred Mining & Inventory Adjustments	▼ \$95M

<sup>(1)</sup> Net of insurance proceeds

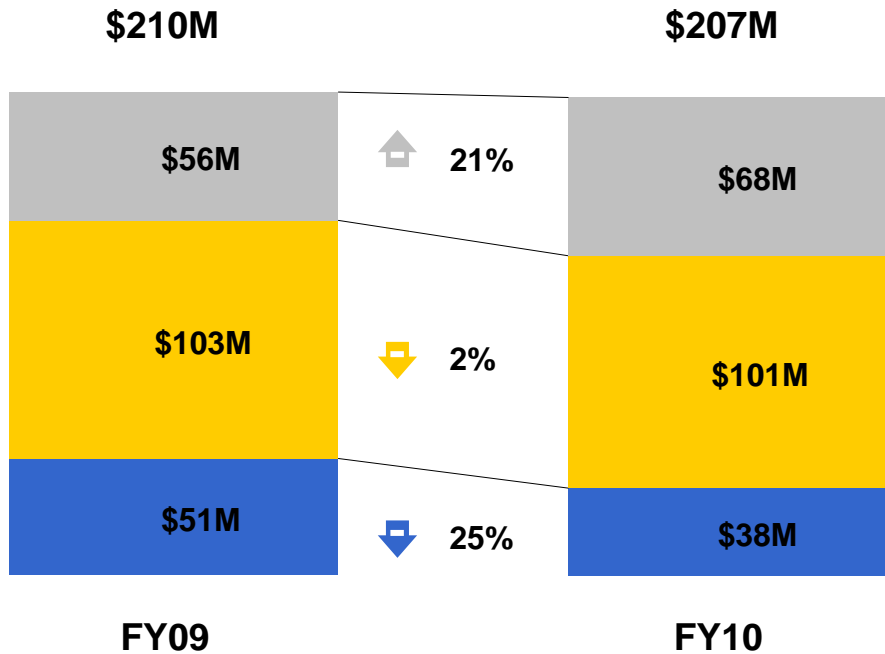
# Mine Production Costs Contained

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	% Change FY10 v FY09		
	Volume	Price	Total
Employee Salaries	▲ 1.4	▲ 1.2	▲ 2.6
Maintenance incl. Contract Labour	▲ 5.0	▼ 11.2	▼ 6.2
Mining Contracts	▲ 6.8	▼ 5.7	▲ 1.1
Fuel & Lubes	▲ 5.2	▼ 21.4	▼ 16.2
Utilities & Power	▲ 7.6	▲ 3.7	▲ 11.3
Liners & Grinding Media	▲ 19.5	▲ 3.7	▲ 23.2
Other Input Costs	▲ 3.6	▼ 3.4	▲ 0.2
<b>Total</b>	<b>▲ 7.9</b>	<b>▼ 8.0</b>	<b>▼ 0.1</b>

# Royalties & Realisation Costs

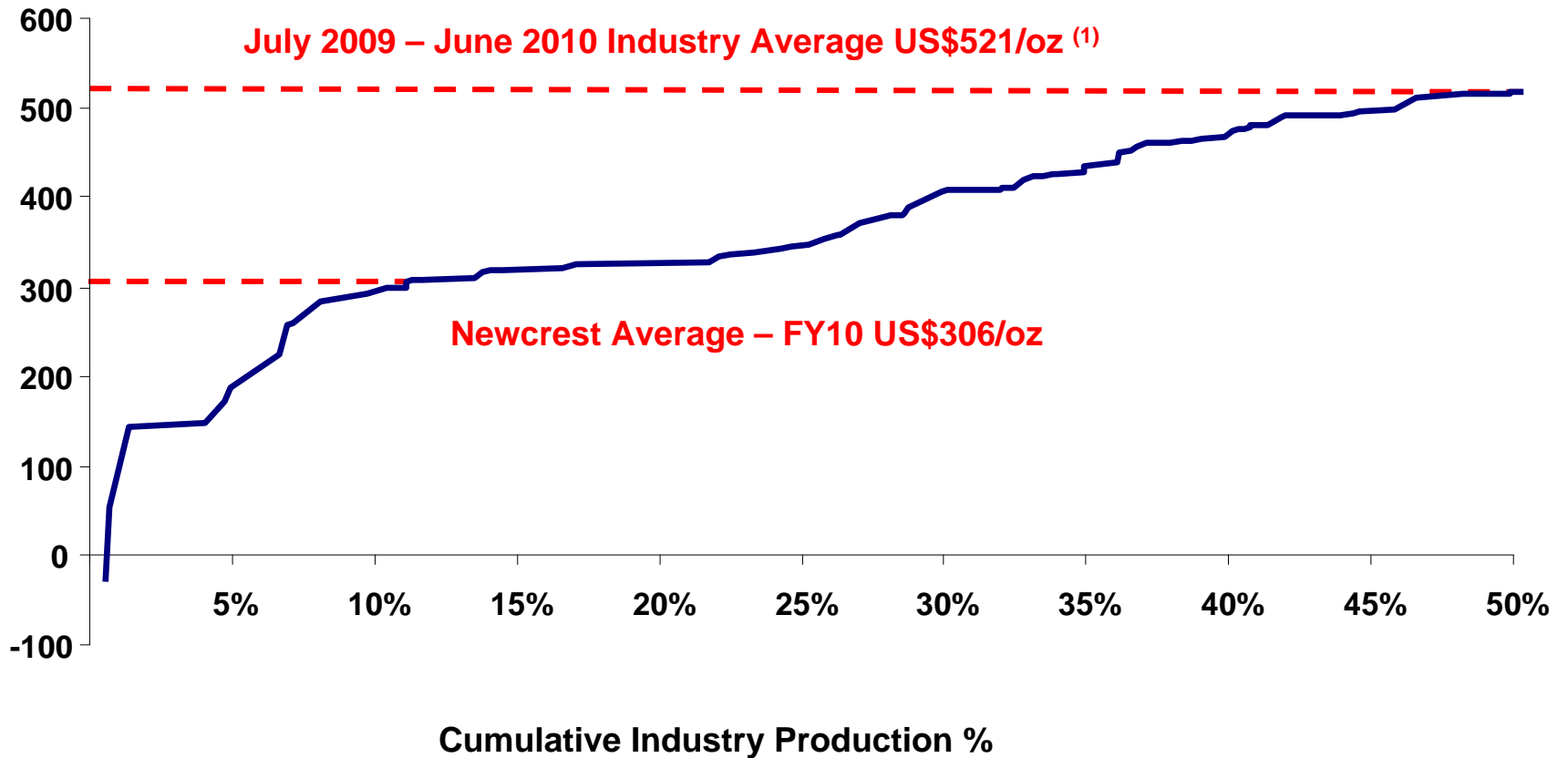


- Higher royalties reflect increased sales at higher prices
- 75 – 80% copper concentrate sold under long term contracts

- Royalties
- Treatment & Refining Charges
- Shipping & Other

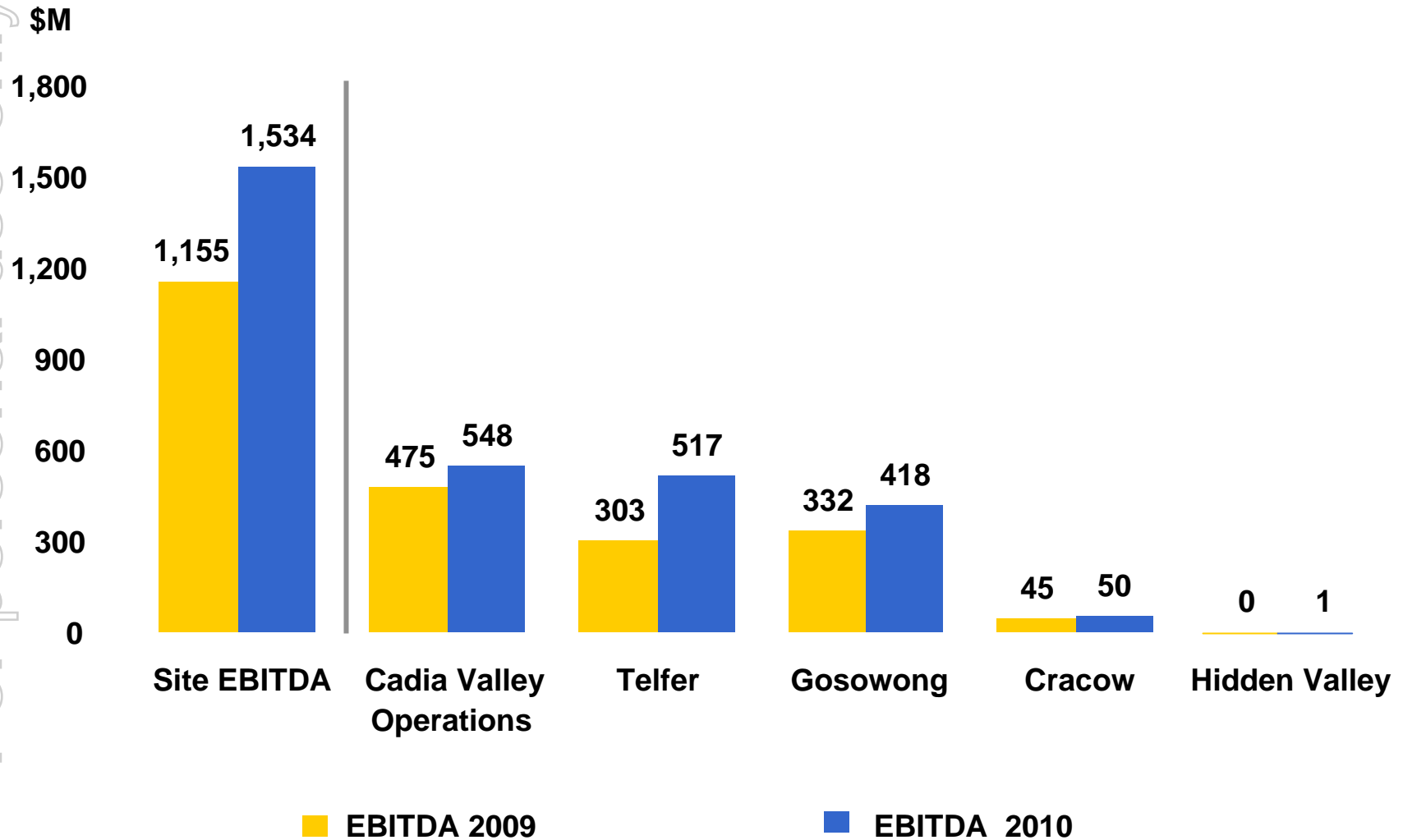
# Cash Costs after By-Products

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(1) Source: GFMS Estimate (confirmed final number at the end of August 2010)

# EBITDA by Operation



# Deferred Mining and Inventory Movements

- Group deferred mining asset A\$228M at 30 June 2010
  - A\$79M expensed during FY10
  - A\$161M relating to Cadia Hill, ~75% to be amortised FY11
  - No cashflow impact
- Increase in Inventories during FY10
  - Finished goods A\$10M
  - Ore stockpiles A\$108M

# Other Items

## Underlying profit

- Fair value gain on quotation period price movements A\$44.1M (A\$34.0M gain)
- FX loss on USD denominated concentrate debtors A\$14.7M (A\$32.6M loss)
- Adjustment to prior period R&D tax allowance A\$42.4M
- Costs to date associated with proposal to acquire LGL A\$12.2M
- Cadia Valley royalty dispute provision A\$10.9M booked in FY10

## Statutory profit

- Hedge loss A\$207M after tax (A\$235M)
- Accounting for hedge loss will essentially be completed in FY11

Figures in brackets represent impact for the year ended 30 June 2009

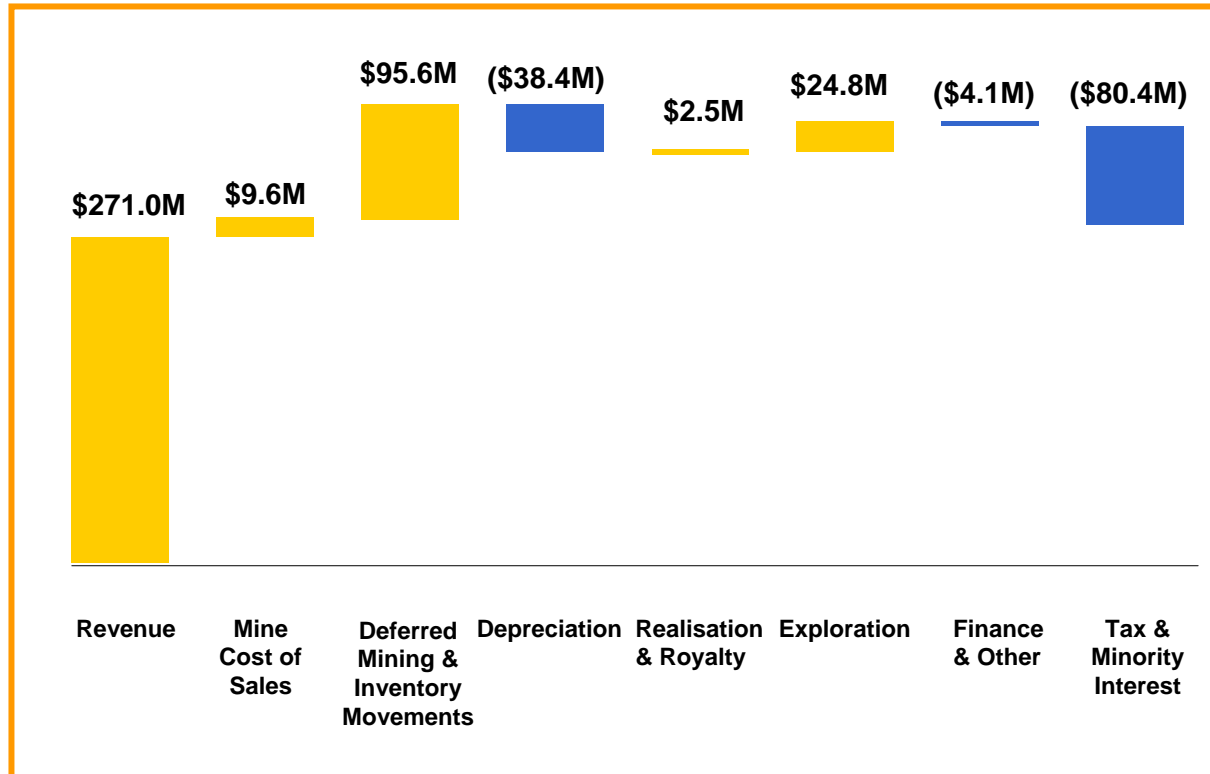
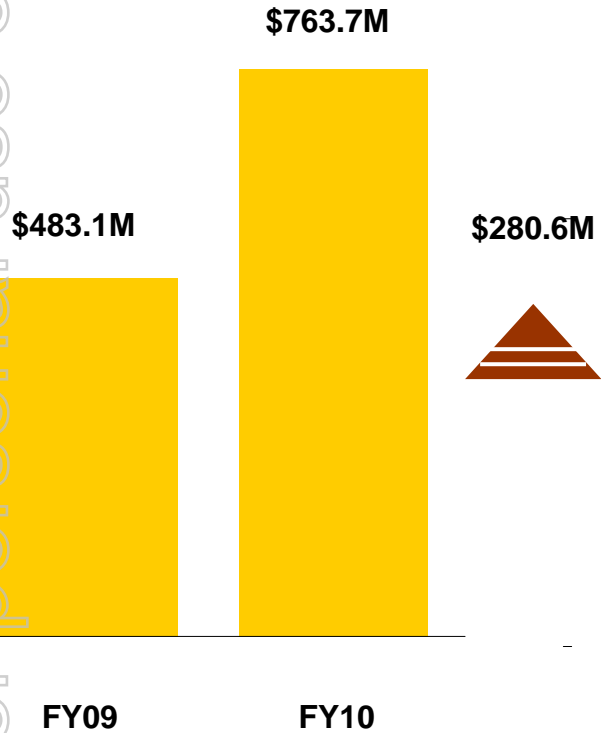


# Depreciation and Tax

- Depreciation
  - Site depreciation A\$301M (A\$263M in FY09)
  - Increase reflects production from recently completed mines at Ridgeway Deeps & Hidden Valley and the Gosowong Expansion project
  - Higher depreciation expected in FY11 as mines reach full production
- Tax
  - Tax losses of A\$272M at 30 June 2010 (A\$404M at 30 June 2009)
  - Lower effective tax rate of 26.9% reflects prior period R&D adjustment

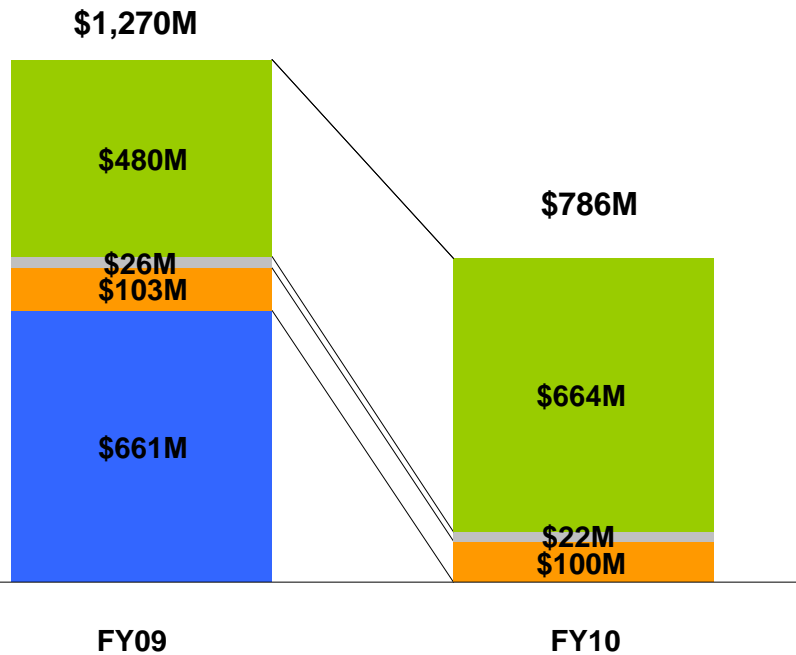
# Underlying Profit – Key Impacts

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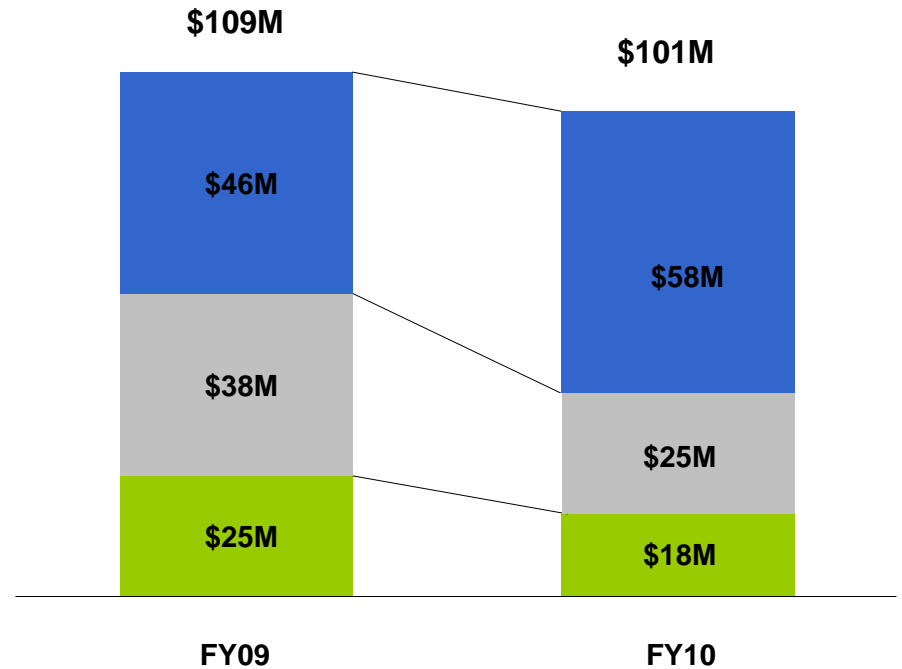
# Investment in Future Growth

## Capital Expenditure



- Projects
- Sustaining
- Development
- Acquisition of JV

## Exploration



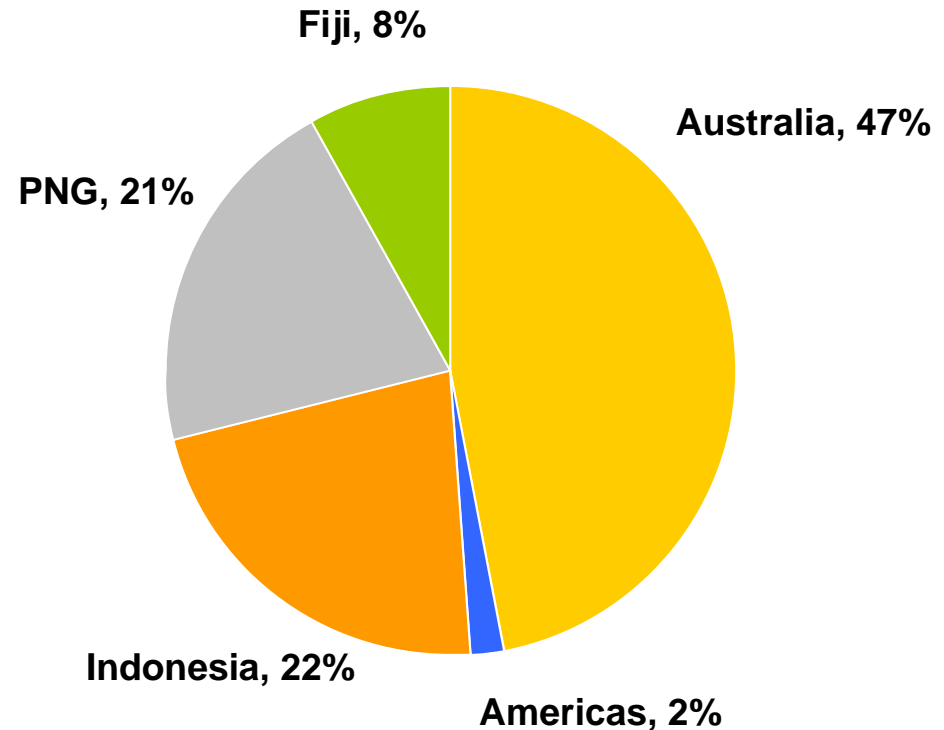
- Province Development
- Brownfields
- Greenfields

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# FY10 Exploration Expenditure by Region

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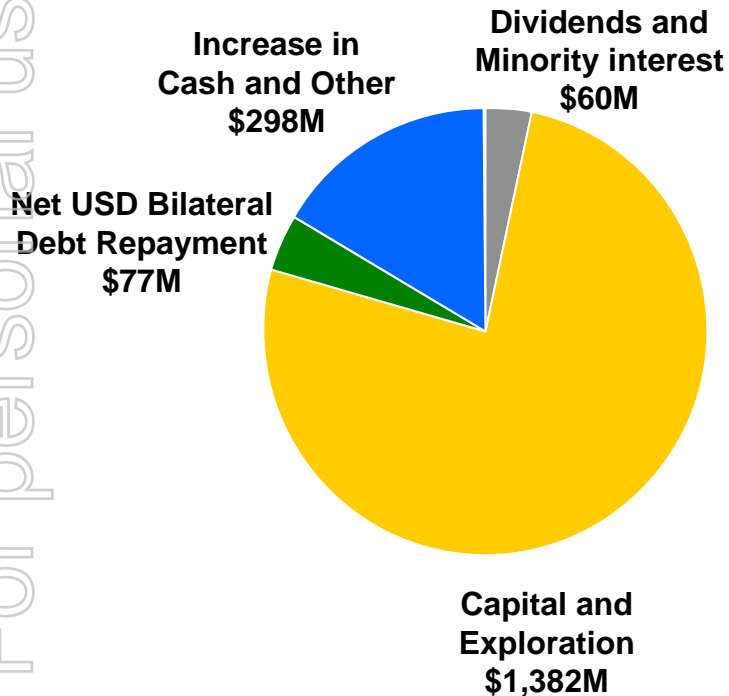
- FY10 Spend A\$101M
  - expensed A\$33M
  - Increased spend in PNG & Indonesia
- Strong Resource to Reserve conversion
- Resource additions at A\$4.80/ Au eq oz<sup>1</sup>



# Strong Growth in Operating Cashflow (A\$)

30 June 2009

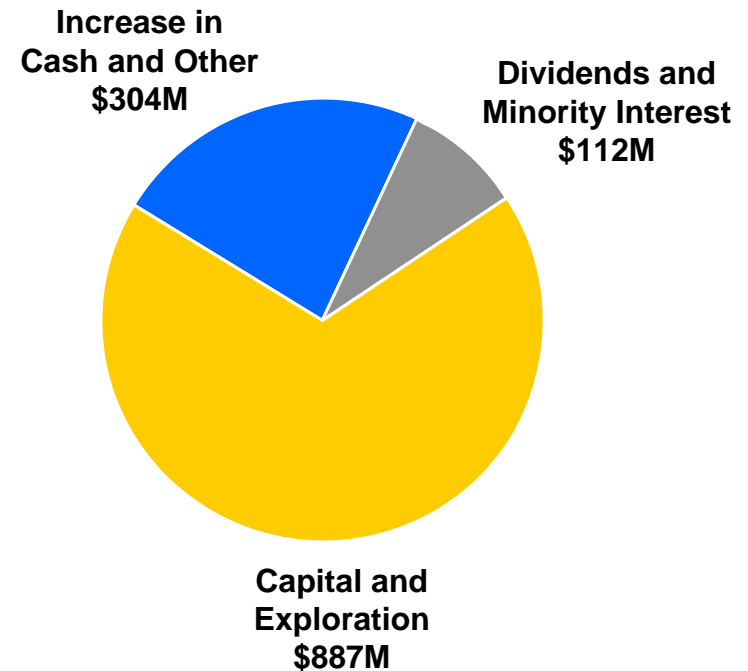
Uses of Cash (Cashflow \$1,024M)



N.B. Equity issue of \$793M in FY09

30 June 2010

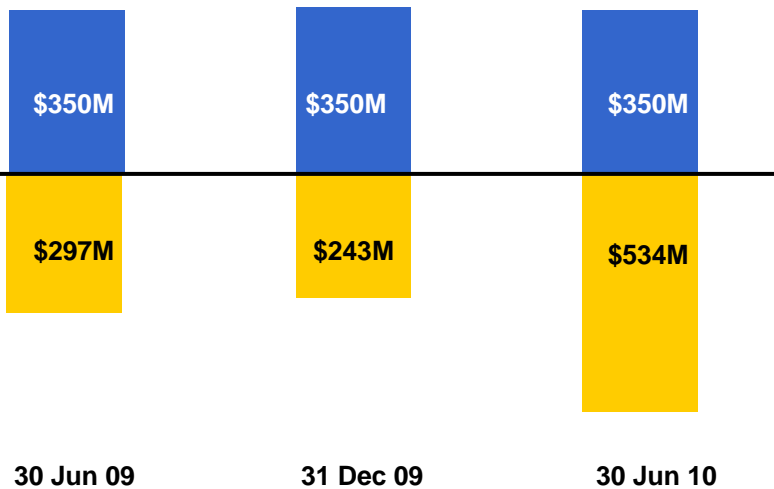
Uses of Cash (Cashflow \$1,303M)



# Strong Balance Sheet

## Outstanding Debt Position

USD million



■ Private Placement ■ Cash Balance

## Gearing

15 %

10

5

0

-5

-10

2%

3%

30 Jun 09

31 Dec 09

Net Cash

30 Jun 10

**US\$1.1B Bilateral loan facility remains undrawn**

Cash balances converted at period end exchange rates  
Outstanding Debt Position excludes finance leases.

# Strong Balance Sheet post LGL integration

- Both Newcrest & LGL independently in strong financial position
  - No gearing
  - Undrawn debt facilities of US\$1,100M
- Balance Sheet would remain strong post integration
  - Book value of ~ A\$15Bn
  - Scheme consideration cash payment A\$500M – A\$1,000M
  - Gearing between 1% - 5%
- Excellent financial platform to pursue internal growth opportunities

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# Guidance

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# Guidance FY11 – Cadia Valley

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	FY10 Actual	FY11 Guidance
<b>Gold Production</b>	<b>koz</b>	<b>koz</b>
Open Cut	326	380 – 390
Underground	172	200 – 210
<b>Total Gold Production</b>	<b>498</b>	<b>580 – 600</b>
<b>Copper Production</b>	<b>kt</b>	<b>kt</b>
Open Cut	29	25 – 26
Underground	23	24 – 26
<b>Total Copper Production</b>	<b>52</b>	<b>49 – 52</b>
<b>Cash Costs</b>	<b>A\$M</b>	<b>A\$M</b>
Total site cash costs	358	310 – 335
Stripping & ore inventory	6	60 – 70
Third party smelting, refining & transporting	69	62 – 72
Royalty	28	31 – 39
<b>Depreciation</b>	<b>\$132/oz</b>	<b>\$168 – 179/oz</b>

# Guidance FY11 – Telfer

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	FY10 Actual	FY11 Guidance
<b>Gold Production</b>	<b>koz</b>	<b>koz</b>
Open Cut	386	365 – 380
Underground	303	305 – 320
<b>Total Gold Production</b>	<b>689</b>	<b>670 – 700</b>
<b>Copper Production</b>	<b>kt</b>	<b>kt</b>
Open Cut	14	11 – 12
Underground	21	20 – 22
<b>Total Copper Production</b>	<b>35</b>	<b>31 – 34</b>
<b>Cash Costs</b>	<b>A\$M</b>	<b>A\$M</b>
Total site cash costs	552	605 – 625
Stripping & ore inventory	(35)	0 – 5
Third party smelting, refining & transporting	67	65 – 70
Royalty	34	33 – 38
<b>Depreciation</b>	<b>\$251/oz</b>	<b>\$240 – 250/oz</b>

# Guidance FY11 – Gosowong (100%)

	FY10 Actual	FY11 Guidance
<b>Production</b>	<b>koz</b>	<b>koz</b>
Gold	443	435 – 455
<b>Cash Costs</b>	<b>A\$M</b>	<b>A\$M</b>
Total site cash costs	131	135 – 145
Stripping & ore inventory	1	(12) – (17)
Third party smelting, refining & transporting	3	3 – 5
Royalty	4	15 – 20
<b>Depreciation</b>	<b>\$92/oz</b>	<b>\$165 – 175/oz</b>

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# Guidance FY11 – Hidden Valley (50%)

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	FY10 (July – April in commissioning)	FY11 Guidance
<b>Production</b>	<b>koz</b>	<b>koz</b>
Gold	-	100 – 120
Silver	-	1,000 – 1,200
<b>Cash Costs</b>	<b>A\$M</b>	<b>A\$M</b>
Total site cash costs	-	100 – 110
Stripping & ore inventory	-	(4) – (8)
Third party smelting, refining & transporting	-	2 – 4
Royalty	-	3 – 5
<b>Depreciation</b>	-	\$330 – 360/oz

# Guidance FY11 – Cracow (70%)

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	FY10 Actual	FY11 Guidance
<b>Production</b>	<b>koz</b>	<b>koz</b>
Gold	72	65 – 75
<b>Cash Costs</b>	<b>A\$M</b>	<b>A\$M</b>
Total site cash costs	37	35 – 40
Stripping & ore inventory	0	0 – 1
Third party smelting, refining & transporting	0	0 – 2
Royalty	2	2 – 4
<b>Depreciation</b>	<b>\$246/oz</b>	<b>\$245 – 250/oz</b>

# Profit Sensitivities FY11

Parameter	Movement	EBIT Impact
Gold Price	↑ US\$10/oz	↑ A\$22.2M
Copper Price	↓ US\$0.05c/lb	↓ A\$9.7M
FX Rate	↓ US\$0.01	↑ A\$31.3M
Oil Price	↓ US\$10/barrel	↑ A\$1.0M

**Movement in FX Negates Changes in Commodity Prices**

# Resources, Reserves, Exploration and Summary

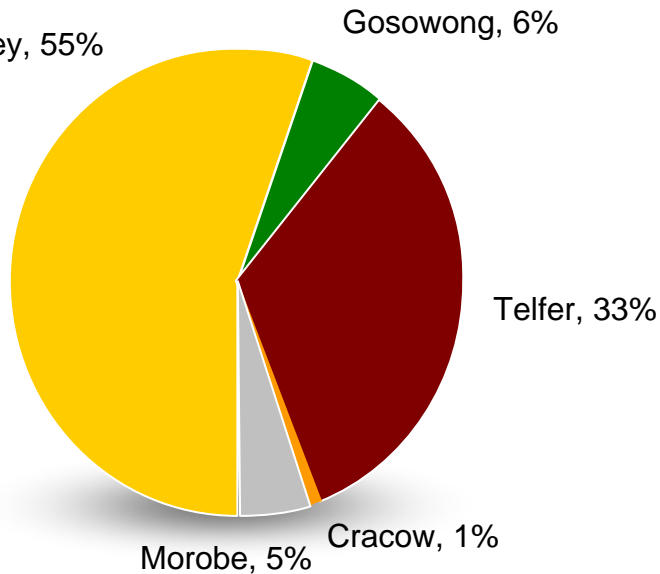
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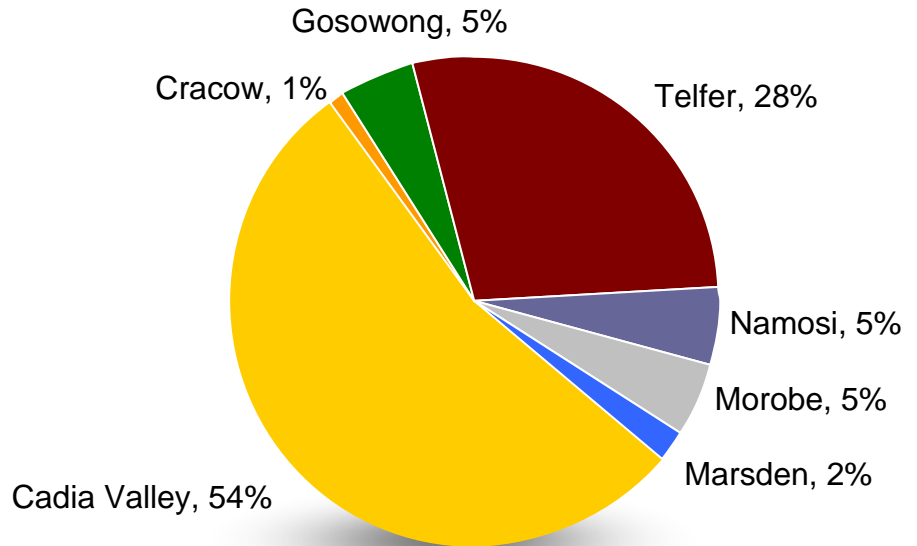
# Gold Reserves – Up 11%

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**2009**  
**42.8 MILLION OUNCES**



**2010**  
**47.3 MILLION OUNCES**



**Based on US\$750/oz (global peers US\$825/oz)**

Reserve estimates are based on Newcrest's production interest. For details refer to the Newcrest Annual Statement of Mineral Resources and Ore Reserves

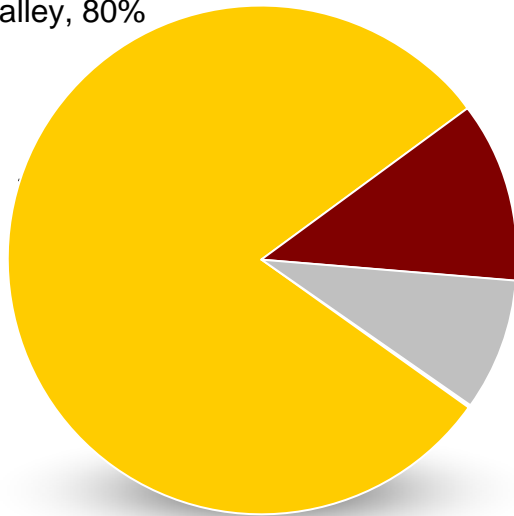


# Copper Reserves – Up 69%

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**2009**  
**4.67 MILLION TONNES**

Cadia Valley, 80%



Telfer, 11%

Morobe, 9%

**2010**  
**7.88 MILLION TONNES**

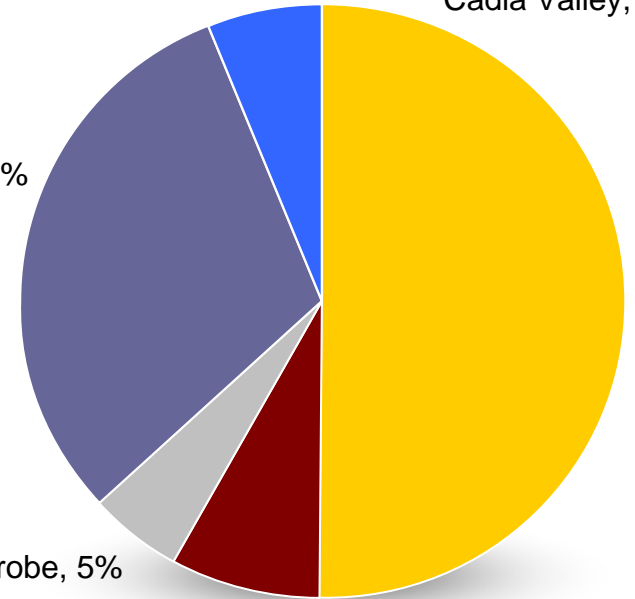
Marsden, 6%

Cadia Valley, 50%

Namosi, 31%

Morobe, 5%

Telfer, 8%



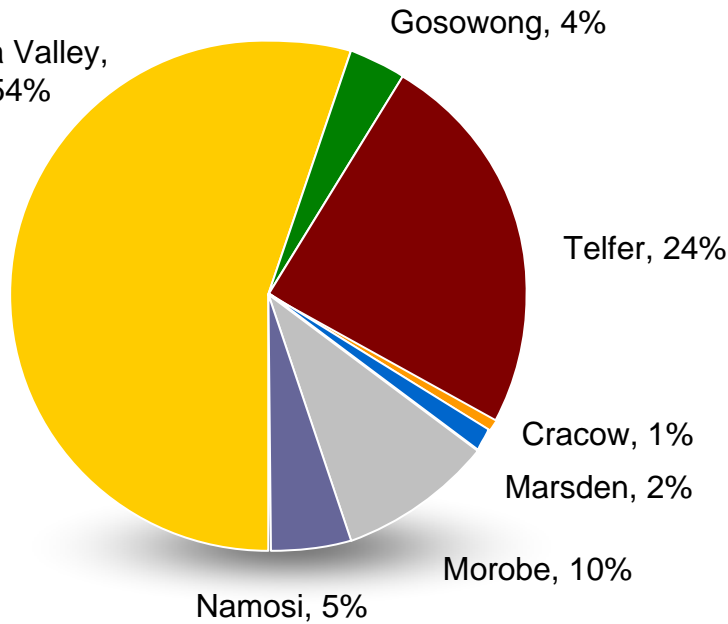
**Based on US\$2.00/lb**

Reserve estimates are based on Newcrest's production interest. For details refer to the Newcrest Annual Statement of Mineral Resources and Ore Reserves

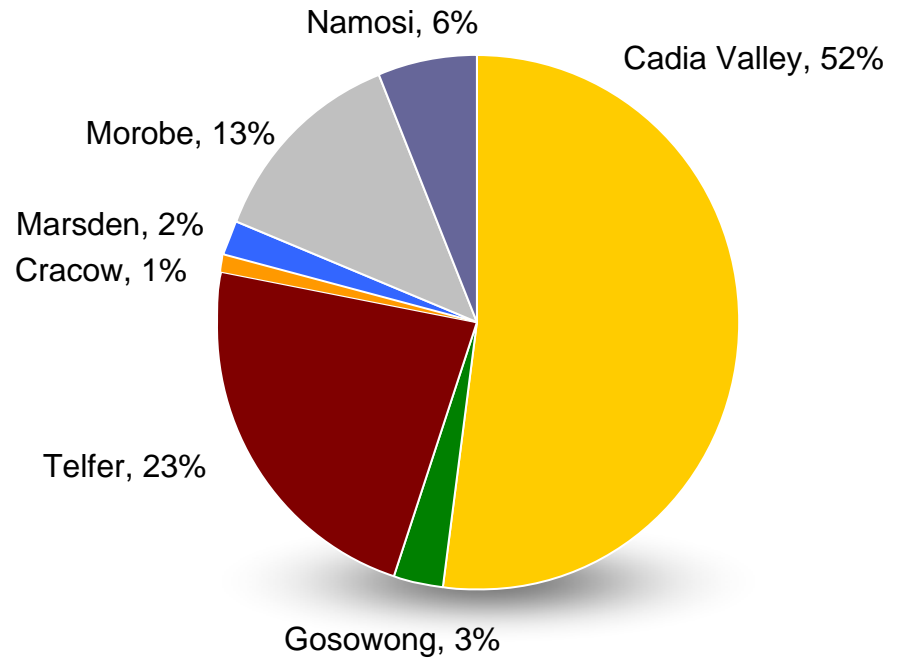
# Gold Resources – Up 5%

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**2009**  
**80.0 MILLION OUNCES**



**2010**  
**83.6 MILLION OUNCES**



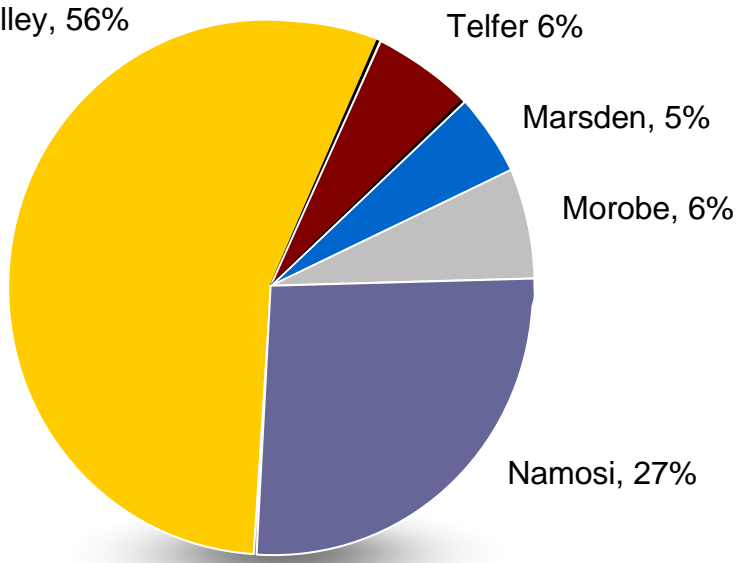
**Based on US\$800/oz**

Resource estimates are based on Newcrest's production interest. For details refer to the Newcrest Annual Statement of Mineral Resources and Ore Reserves

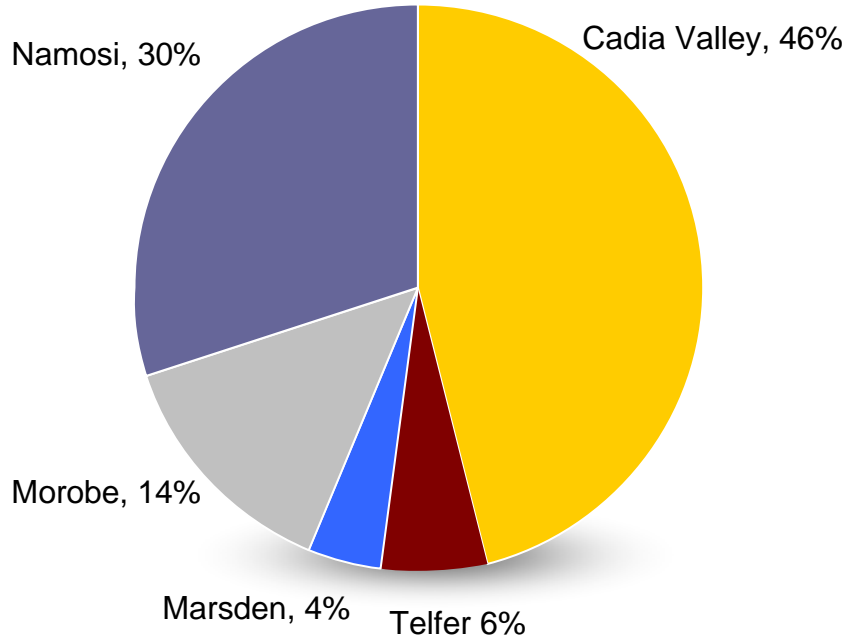
# Copper Resources – Up 20%

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**2009**  
**14.36 MILLION TONNES**



**2010**  
**17.25 MILLION TONNES**

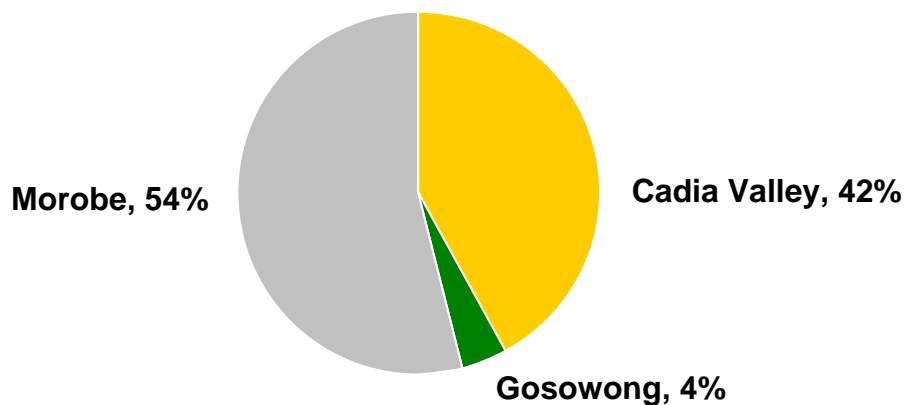


**Based on US\$2.20/lb**

Resource estimates are based on Newcrest's production interest. For details refer to the Newcrest Annual Statement of Mineral Resources and Ore Reserves

# Additional Resources

**Silver 2010 – 94.9 Million Ounces  
(based on US\$13/oz)**



O'Callaghans Mineral Resources								
Tonnes	Grade				Contained Metal (Mt)			
Dry Tonnes (millions)	Tungsten Trioxide (% W03)	Copper (% Cu)	Zinc (% Zn)	Lead (% Pb)	Tungsten Trioxide	Copper	Zinc	Lead
78	0.33	0.29	0.50	0.25	0.26	0.22	0.39	0.19

Resource estimates are based on Newcrest's production interest. For details refer to the Newcrest Annual Statement of Mineral Resources and Ore Reserves

# Exploration Achievements & Targets

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## Financial Year 2010

- Targeted 15% more metres at 15% lower cost per metre
- Delivered 15% more metres at 21% lower cost per metre
- Increased Mineral Resources by 21M Au eq oz<sup>1</sup> at a cost of A\$4.80 per Au eq oz
- 55% of exploration expenditure incurred “in the ground”<sup>2</sup>

## Financial Year 2011

- Target 8% more metres at 10% lower cost per metre
- Target >55% of exploration expenditure “in the ground”<sup>2</sup>

<sup>1</sup> Gold equivalent ounces based on US\$800/oz Au, US\$2.20/lb Cu; excludes O’Callaghans Resource

<sup>2</sup> In the ground expenditure consists of direct drilling, assay and geophysical survey costs

# Production Guidance Summary - FY11

	FY10 Actual	FY11 Guidance
<b>Gold Production</b>	<b>koz</b>	<b>koz</b>
Cadia Valley	498	580 – 600
Telfer	689	670 – 700
Gosowong	443	435 – 455
Hidden Valley	61	100 – 120
Cracow	72	65 – 75
<b>Total Gold Production</b>	<b>1,762</b>	<b>1,850 – 1,950</b>
<b>Copper Production</b>	<b>kt</b>	<b>kt</b>
Cadia Valley	52	49 – 52
Telfer	35	31 – 34
<b>Total Copper Production</b>	<b>87</b>	<b>80 – 86</b>
<b>Silver Production</b>	<b>1,370koz</b>	<b>1,700 – 2,100koz</b>

Production Profile FY11 <sup>1</sup>	Q1- Q3	Q4	H1	H2
Gold	24%	28%	48%	52%
Copper & Silver	Consistent quarterly production			

<sup>1</sup> indicative profile which varies on a site by site basis

# Capital Expenditure & Exploration Guidance

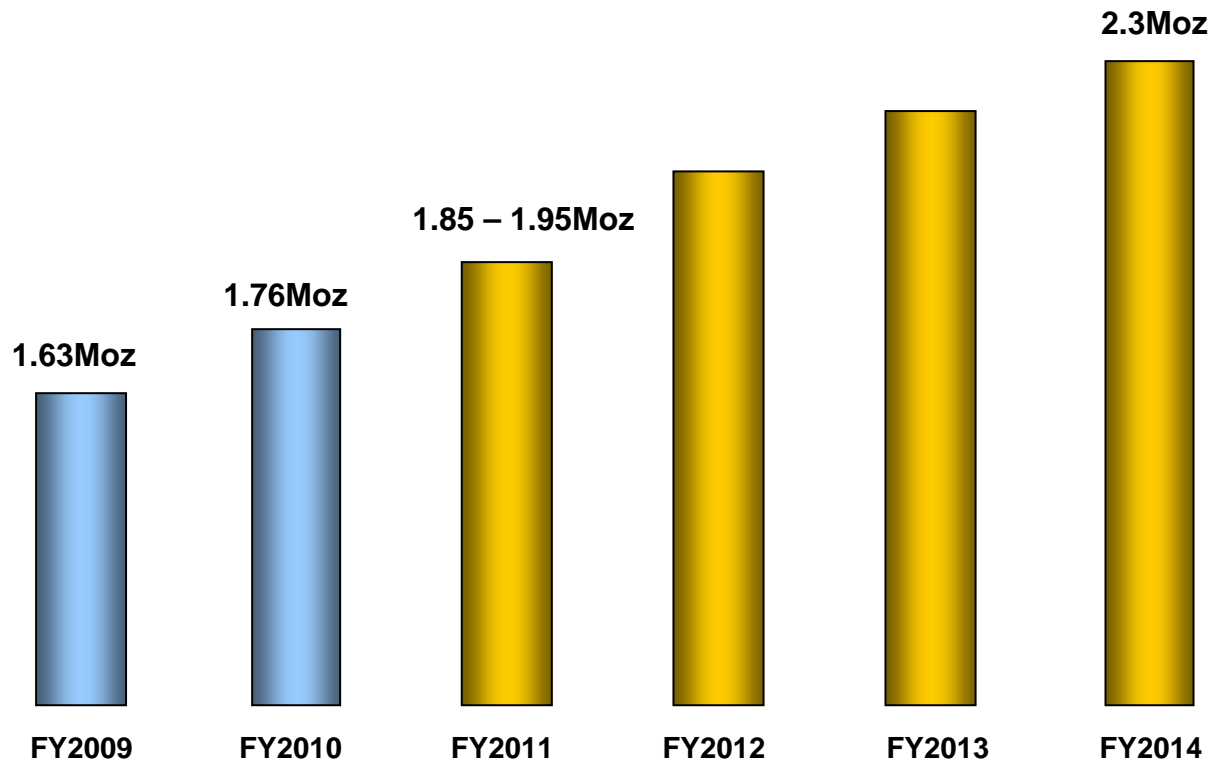
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	FY10 Actual	FY11 Guidance
<b>Capital Expenditure</b>	<b>A\$M</b>	<b>A\$M</b>
Project Studies & Construction	664	1,100 – 1,200
Development	22	75 – 85
Sustaining	100	100 – 110
<b>Total</b>	<b>786</b>	<b>1,275 – 1,395</b>
<b>Exploration, Discovery &amp; Resource Definition Expenditure<sup>1</sup></b>	<b>101</b>	<b>95 – 105</b>

<sup>1</sup> The proportion of exploration expenditure capitalised over the last 2 years was 50% - 68%

# Gold Production Growth

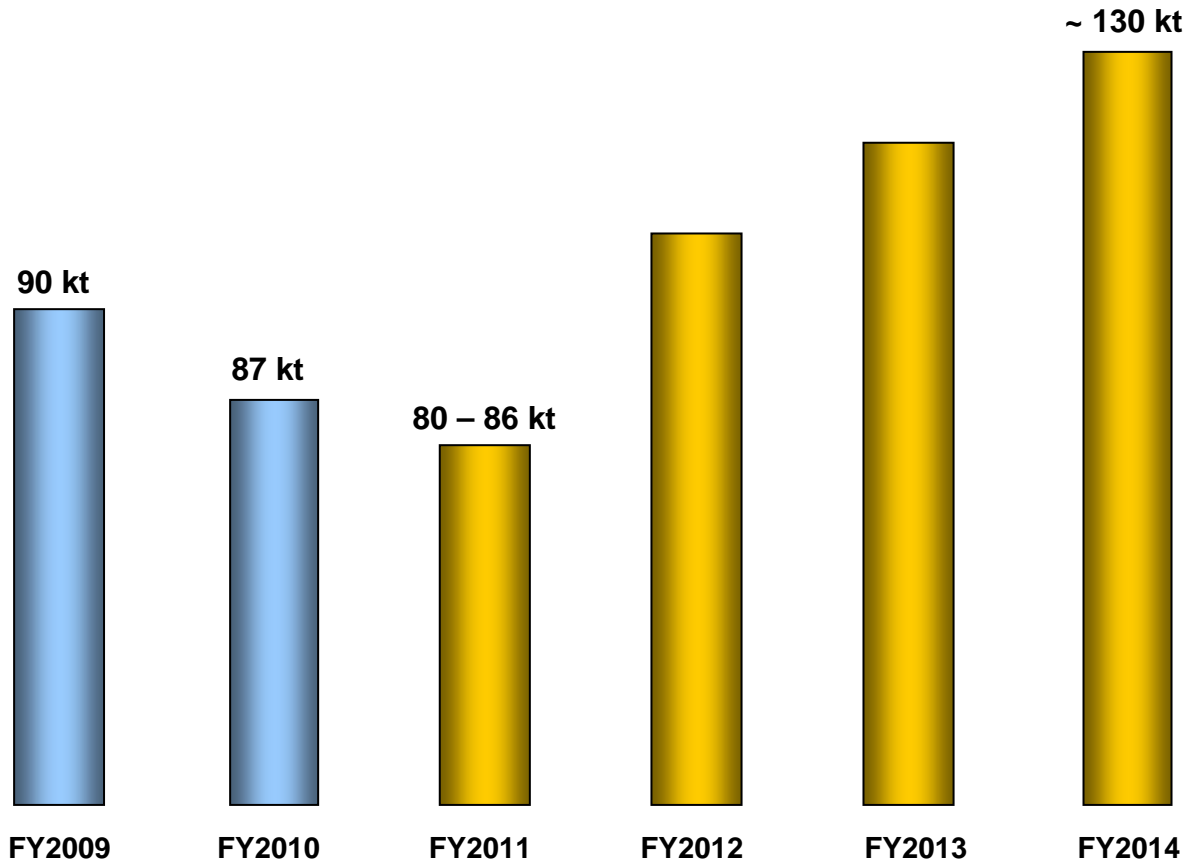
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# Copper Production Growth

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# LGL Transaction

## ■ Indicative timetable to complete transaction

- Meeting for approval of the Scheme by LGL Shareholders 23 Aug 2010
- Court hearing for Scheme approval by the PNG Court 27 Aug 2010
- Scheme becomes effective (PNG Court specified date) 30 Aug 2010
- Scheme consideration transferred to LGL participants 13 Sep 2010

## ■ Post integration results and guidance

- Production results for September quarter for all sites in October 2010
- Production results for December quarter for all sites in January 2011
- Integrated guidance for 2<sup>nd</sup> half FY2011 in February 2011
- Full year production for all sites in July 2011
- FY2011 results, FY2012 budget and 5 year guidance in August 2011