NEWCREST MINING LIMITED

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To: **Company Announcements Office**

From: **Scott Langford**

Date: 12 August 2013

Subject: **Preliminary Final Report**

Please find attached the following items for immediate release to the market.

1. Newcrest's Preliminary Final Report (Appendix 4E); and
2. Market Release – Financial Results.

Yours sincerely

Scott Langford
Company Secretary

ASX Appendix 4E

Full Year Financial Results



NEWCREST MINING LIMITED
AND CONTROLLED ENTITIES

ASX APPENDIX 4E
FOR THE YEAR ENDED 30 JUNE 2013

ABN: 20 005 683 625
ASX CODE: NCM

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NEWCREST MINING LIMITED

Results for Announcement to the Market

FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 $M	30 June 2012 $M	Percentage decrease
Sales Revenue	3,775	4,416	(14.5%)
(Loss) / Profit from continuing operations after tax attributable to members of the parent entity	(5,778)	1,117	(617.3%)
Net (loss) / profit attributable to members of the parent entity ("Statutory (Loss) / Profit")	(5,778)	1,117	(617.3%)
Underlying profit attributable to members of the parent entity[1]	451	1,084	(58.4%)

[1] Underlying profit is profit/(loss) after tax before significant items attributable to owners of the parent. Underlying profit is non-IFRS financial information. Refer to section 6 of the Operating and Financial Review for the reconciliation to statutory profit/(loss).

Dividends	**Amount per Security**	**Amount Franked**	**Amount Unfranked**
Interim dividend per share	12.0	Nil	12.0
Final dividend per share	Nil	Nil	Nil
Total	**12.0**		

Record date for determining entitlement to final dividend	N/A
Date final dividend payable	N/A

The Directors of Newcrest Mining Limited have determined that there will be no final dividend for the year ended 30 June 2013.

Review of Results

Refer to the Operating and Financial Review.

Other Information Required by Listing Rule 4.3A

The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the attached additional information.

ADDITIONAL INFORMATION

Interest in Unincorporated Joint Venture Assets

The Group has interests in the following significant unincorporated joint ventures:

- Hidden Valley Joint Venture (50%). The principal activity of the joint venture is the production of gold and mineral exploration in Papua New Guinea.
- Wafi-Golpu Joint Venture (50%). The principal activity of the joint venture is mineral exploration in Papua New Guinea.
- Morobe Exploration Joint Venture (50%). The principal activity of the joint venture is mineral exploration in Papua New Guinea.
- Namosi Joint Venture (69.94%). The principal activity of the joint venture is mineral exploration in Fiji.

The contribution of Hidden Valley is presented in Note 17. The contribution of the other joint ventures to the consolidated result for the financial year ended 30 June 2013 is not material.

Net Tangible Assets per Share ($)

	30 June 2013	30 June 2012
Net tangible assets per share	$12.45	$14.70

Audit Report

The ASX Appendix 4E has not been subject to audit. The financial information in the ASX Appendix 4E has been extracted from the Group's full financial report which has been subject to audit.

Scott Langford
Company Secretary

12 August 2013

OPERATING AND FINANCIAL REVIEW

1 Overview

Newcrest is a gold, copper and silver producer that has operations and exploration projects in Australia, the Pacific region, Asia and West Africa.

Newcrest's strategy is to generate shareholder value through the discovery and development of gold deposits and production of gold (and associated by-product minerals). Newcrest maintains floating commodity price exposure and accordingly endeavours to maintain a conservative capital structure consistent with having this commodity price risk. The Company aligns its decisions and actions to this strategy by focusing on three key value drivers: growth in gold reserves, operating at the lowest possible cost, and to maximise return on capital employed.

2013 was significant for Newcrest with the delivery of major expansion projects at Cadia Valley and Lihir. These projects established a platform for production growth at the Company's two largest and long life assets. The Cadia East Project achieved commercial production in January 2013 following the development of Panel Cave 1 and completion of the plant expansion and materials handling systems, and the Lihir plant expansion was commissioned in February 2013.

After a period of price weakness the gold price suffered a large fall in mid April 2013, which has been sustained and accompanied since with increased volatility. On 7 June 2013, Newcrest confirmed its focus on maximising free cash flow in a lower gold price environment by removing higher cost ounces from the production profile and accelerating reductions in operating costs, corporate costs and capital expenditure. The objective is for each operation to be free cash flow neutral or positive in the 2014 financial year at a gold price equivalent to A$1,450 per ounce.

The full year review of Newcrest's asset carrying values in the context of the continuing lower gold price environment, combined with a compression of valuations in the gold industry and other factors, has resulted in the impairment of the carrying value of some assets, contributed to the write-down in the book value of some assets and the recognition of future costs associated with business restructuring. As a result, Newcrest has reported a Statutory loss of A$5,778 million for 2013, after significant items totalling A$6,229 million after tax (comprising asset impairments of A$5,556 million after tax, asset write-downs of A$349 million after tax, a write-down of its investment in Evolution Mining Limited of A$273 million after tax and a charge for restructure costs of A$51 million after tax). The Statutory profit for the prior year was A$1,117 million.

Underlying profit[1] for 2013 was A$451 million. This was lower than the prior year of A$1,084 million, reflecting the expected transitions of an operating nature occurring at certain assets in the 2013 financial year, lower than planned production at Lihir and Gosowong, and the decline in commodity prices.

Sales revenue for the current period of A$3,775 million was A$641 million or 15% lower than the prior period of A$4,416 million, primarily as a result of a 12% reduction in the total gold sales volume to 2,054,923 ounces and a 4% decline in the average realised gold price to A$1,550 per ounce. Copper sales volume of 78,887 tonnes for the current year was in line with the prior year. The average realised copper price for the current period of A$3.38 per pound was 6% lower than the prior year. Reduced gold sales reflect lower production during the year and an increase in inventory at year end due to the timing of shipments in June 2013.

[1] Underlying profit is profit/(loss) after tax before significant items attributable to owners of the parent. Refer to section 6 for the reconciliation to Statutory profit/(loss). Underlying profit is non-IFRS financial information and has not been subject to audit by the Company's external auditor.

OPERATING AND FINANCIAL REVIEW

Gold production for the 2013 financial year of 2,109,784 ounces was 8% below the lower end of original (August 2012) production guidance (2.3 million ounces). Of the four major producing assets, Cadia Valley and Telfer achieved the original production guidance while production was lower than planned at Lihir (primarily due to plant reliability issues and major project delivery approximately one month later than planned) and at Gosowong (primarily due to restricted access to high grade stopes). Production at Hidden Valley and Bonikro was also lower than planned. Group copper production was in line with original guidance.

Total cost of sales (inclusive of depreciation) for the 2013 financial year was A$2,753 million[2], compared to A$2,607 million in the prior year. Total cash costs pre by-product credits of A$2,201 million were in line with guidance. A planned increase in ore processing volumes in the current year and an elevated level of mobile fleet and plant maintenance activity were the key drivers of the A$146 million or 6% increase in the cost of sales. Mill throughput across the Group was higher in the current year, with significant increases at Lihir (15%) and Cadia (22%) following the completion of processing plant expansions at both assets. This resulted in increased expenditure in the current year on energy, labour and consumables. Depreciation of A$589 million was A$47 million higher than the prior year following the commencement of commercial production at Cadia East and the completion of the Lihir plant expansion during the current year.

Operating cash flow was A$707 million for the 2013 financial year and reflects a substantially different operating environment to the prior year, which generated an operating cash flow of A$1,726 million. The reduction in operating cash flow in the current year was primarily attributable to:

- Lower relative production from the historically higher margin operations of Gosowong and Cadia Valley;
- Lower net receipts due to lower gold sales and lower gold and copper prices;
- Increased investment in waste stripping at Telfer, Bonikro and Lihir to expose ore for future gold production; and
- Higher treatment costs mainly due to higher volumes of ore treated, higher levels of plant maintenance activity and higher power costs.

The above factors were partially offset by lower expenditure on ore mining activity.

Capital expenditure for the 2013 financial year was A$1,946 million, within the original guidance range of A$1.8 to A$2.0 billion and 24% lower than the prior year of A$2,556 million. The reduction reflects delivery of the Company's two major expansion projects during the current year at Cadia East and Lihir.

[2] Cost of sales excludes a write down of inventory of A$177 million (pre-tax).

OPERATING AND FINANCIAL REVIEW

During the current year, Newcrest completed the sale of a 7.5% interest in PT Nusa Halmahera Minerals, the incorporated joint venture company that owns the Gosowong operation, to its joint venture partner, PT Aneka Tambang. Consideration of up to US$160 million consisted of US$130 million in cash and a further US$30 million subject to an additional one million ounces of gold resource being defined by December 2017. The accounting impact of this sale is reflected directly in equity.

Newcrest increased its bilateral bank loan facilities to US$2.5 billion when it renewed these facilities in September 2012 for terms of three and five years. In October 2012 Newcrest also issued US$1,000 million of corporate bonds in the United States; US$750 million of these bonds are due for repayment in 2022 and have a coupon of 4.20% per annum, with the remaining US$250 million due for repayment in 2041 at a coupon of 5.75% per annum. The proceeds of this bond issue were used to repay existing unsecured short term indebtedness and for general corporate purposes.

At 30 June 2013, Newcrest's gearing level was 29.1% and the Company had A$958 million in cash and undrawn, committed bank facilities, assisted by year end working capital balances. Newcrest remains committed to maintaining a conservative balance sheet. The Company is managing its business activity with the objective of being free cash flow neutral or positive in the current market environment. The Company expects to be free cash flow neutral or positive at a gold price of A$1,450 per ounce in the 2014 financial year, with all capital expenditure, exploration programs and corporate overheads funded from operating cash flow.

The Newcrest Board has determined there will be no final dividend in relation to the financial year due to the reduced level of profitability in the 2013 financial year, the increase in the level of gearing at 30 June 2013, and the planned application of operating cash flow to progression of the Cadia East Panel Cave 2 in the coming 2014 financial year. This is consistent with the Company's dividend policy, with dividend levels set having regard to profitability and balance sheet strength, and reinvestment options in our business.

NEWCREST MINING LIMITED

OPERATING AND FINANCIAL REVIEW

2 Financial and Operating Highlights[3]

			For the years ended 30 June			
	Footnote	Measure	2013	2012	$ Change	% Change
KEY FINANCIAL DATA						
Revenue		*A$ million*	3,775	4,416	(641)	(15%)
EBITDA	4,5	*A$ million*	1,367	2,151	(784)	(36%)
EBIT	4,5	*A$ million*	756	1,590	(834)	(52%)
Statutory profit/(loss)	6	*A$ million*	(5,778)	1,117	(6,895)	
Underlying profit	5,7	*A$ million*	451	1,084	(633)	(58%)
Operating cash flow		*A$ million*	707	1,726	(1,019)	(59%)
Capital expenditure		*A$ million*	1,946	2,556	(610)	(24%)
Exploration expenditure		*A$ million*	152	158	(6)	(4%)
Gearing	8	*%*	29.1%	12.5%	17%	133%
ROCE	9	*%*	4.8	10.1	(5.3)	(52%)
KEY OPERATIONAL DATA						
Total material mined		*t 000's*	172,301	179,235	(6,934)	(4%)
Total material milled		*t 000's*	58,571	54,034	4,537	8%
Gold produced		*000's ounces*	2,110	2,286	(176)	(8%)
Gold sales		*000's ounces*	2,055	2,333	(278)	(12%)
Realised gold price		*A$/ounce*	1,550	1,609	(59)	(4%)
Copper produced		*t 000's*	80	76	4	6%
Copper sales		*t 000's*	79	79	0	0%
Realised copper price		*A$/lb*	3.38	3.58	(0.20)	(6%)
Cash costs	5,10	*A$ million*	2,201	2,031	170	8%
AUD:USD		*A$*	1.027	1.032	(0.005)	(0%)

[3] All figures in this Report relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Company') for the 12 months ended 30 June 2013 ('current year' or '2013') compared with the 12 months ended 30 June 2012 (the 'prior year' or '2012'), except where otherwise stated. All reference to $ is a reference to Australian dollars unless specifically marked otherwise.

[4] EBITDA is 'Earnings before interest, tax, depreciation and amortisation and significant items'. EBIT is 'Earnings before interest, tax and significant items'. Both EBITDA and EBIT are used to measure segment performance and have been extracted from the 'Segment information' note to the financial statements.

[5] EBITDA, EBIT, Underlying profit and Cash costs are non-IFRS financial information and have not been subject to audit by the Company's external auditor.

[6] Statutory profit is profit after tax attributable to owners of the parent.

[7] Underlying profit is profit after tax before significant items attributable to owners of the parent. Refer to section 6.

[8] Gearing is calculated as net debt to net debt and equity. Refer to section 5.2 for further details.

[9] ROCE is 'Return On Capital Employed' and is calculated as EBIT divided by average capital employed.

[10] Cash costs represent cost of sales minus finished goods inventory movements and depreciation. Refer to section 3.3 for breakdown on cash cost.

3 Discussion and Analysis of Operations and the Income Statement

3.1 Profit Overview

For the 12 months ended 30 June 2013, Newcrest reported a Statutory loss of A$5,778 million. This included significant charges of A$6,229 million relating to impairments, write-downs and restructuring costs. In the corresponding prior year Newcrest reported a Statutory profit of A$1,117 million.

Underlying profit for the 2013 financial year of A$451 million was 58% lower than the prior year of A$1,084 million.

The differences between Statutory loss/profit and Underlying profit are detailed in Section 6. The adjustments in the 2013 financial year comprise:

- Impairments of assets of A$5,556 million after tax, comprising:
  - Lihir A$3,492 million;
  - Telfer A$1,172 million;
  - Hidden Valley A$406 million; and
  - West Africa A$486 million (net of non-controlling interest of A$27 million).
- Write-downs of non-current assets, inventories and de-recognition of deferred tax assets of A$349 million after tax at:
  - Lihir A$136 million;
  - Telfer A$88 million;
  - West Africa A$20 million (net of non-controlling interest of A$2 million); and
  - Corporate A$105 million.
- Write-down in the investment in Evolution of A$273 million after tax.
- Restructure costs of A$51 million after tax.

NEWCREST MINING LIMITED

OPERATING AND FINANCIAL REVIEW

The differences between Underlying profit of A$451 million in the current year and Underlying profit of A$1,084 million in the prior year are quantified in the table below.

	For the year ended 30 June 2013	
A$ million		
Underlying profit for the year ended 30 June 2012		**1,084**
Changes in revenues:		
Volume - production		
Gold	(307)	
Copper	26	
Silver	(1)	**(282)**
Volume - timing of sales		
Gold	(164)	
Copper	(31)	
Silver	0	**(195)**
Price		
Gold	(120)	
Copper	(35)	
Silver	(9)	**(164)**
Changes in mine costs:		
Mine production cost	(207)	
Deferred mining and inventory movement	85	
Treatment, realisation and royalty	23	
Depreciation	(47)	**(146)**
Other costs:		
Corporate administration	8	
Exploration	16	
Other income/expense	(68)	
Net finance costs	(68)	
Share of profit of associates	(3)	**(115)**
Tax and non-controlling interest:		
Income tax benefit	242	
Non-controlling interest	27	**269**
Underlying profit for the year ended 30 June 2013		**451**

OPERATING AND FINANCIAL REVIEW

3.2 Production and Revenue

			For the years ended 30 June		
	Footnote		2013	2012	% Change
Production Volumes	11,12				
Gold		oz	2,109,784	2,285,917	(8%)
Copper		t	80,366	76,015	6%
Silver		oz	1,931,816	1,997,247	(3%)
Sales Volumes	11,12				
Gold		oz	2,054,923	2,333,214	(12%)
Copper		t	78,887	78,513	0%
Silver		oz	1,943,032	1,997,294	(3%)
Realised Prices					
Gold		A$/oz	1,550	1,609	(4%)
Copper		A$/lb	3.38	3.58	(6%)
Silver		A$/oz	27.13	31.55	(14%)
Realised Prices					
Gold		USD$/oz	1,585	1,655	(4%)
Copper		USD$/lb	3.44	3.69	(7%)
Silver		USD$/oz	27.89	32.55	(14%)
Average AUD:USD			1.0270	1.0320	(0%)
Closing AUD:USD			0.9275	1.0191	(9%)
Revenue					
Gold		A$m	3,149	3,740	(16%)
Copper		A$m	573	613	(7%)
Silver		A$m	53	63	(16%)
Total Sales Revenue		A$m	**3,775**	**4,416**	**(15%)**

[11] The twelve months production and sales ended 30 June 2013 includes 22,695 pre-commissioning gold ounces and 1,879 copper tonnes for the Cadia East project. The twelve months production and sales ended 30 June 2012 includes 8,451 pre-commissioning gold ounces and 801 copper tonnes for the Cadia East project. These ounces have been capitalised and excluded from the unit cost calculations and profit and loss reporting.

[12] Production and sales from Cracow and Mt Rawdon in the twelve months ended June 2012 contains four months of production only, up to the date of divestment of 2 November 2011.

OPERATING AND FINANCIAL REVIEW

		For the years ended 30 June			
		2013		2012	
Gold production and sales (ounces)	Footnote	Production	Sales	Production	Sales
Cadia Hill		119,372	140,944	241,430	262,458
Ridgeway		262,228	244,225	223,314	225,149
Cadia East		65,279	65,279	8,451	8,451
Telfer		525,500	508,976	540,114	569,640
Gosowong		312,711	303,122	439,384	439,446
Hidden Valley		85,004	84,272	88,801	89,290
Lihir		649,340	621,885	604,336	595,184
Bonikro		90,350	86,220	92,102	91,654
Continuing operations		**2,109,784**	**2,054,923**	**2,237,932**	**2,281,272**
Cracow		0	0	23,787	24,686
Mt Rawdon		0	0	24,198	27,256
Total	13,14	**2,109,784**	**2,054,923**	**2,285,917**	**2,333,214**

		For the years ended 30 June			
		2013		2012	
Copper production and sales (tonnes)	Footnote	Production	Sales	Production	Sales
Cadia Hill		13,095	15,620	14,076	15,060
Ridgeway		35,995	33,117	29,901	30,050
Cadia East		4,823	4,823	801	801
Telfer		26,453	25,327	31,237	32,602
Total		**80,366**	**78,887**	**76,015**	**78,513**

[13] Production and sales from Cracow and Mt Rawdon in the twelve months ended June 2012 contains four months of production only, up to the date of divestment of 2 November 2011.

[14] Production and sales from Cracow and Mt Rawdon in the twelve months ended June 2012 contains four months of production only, up to the date of divestment of 2 November 2011.

OPERATING AND FINANCIAL REVIEW

		For the years ended 30 June			
		2013		2012	
Silver production and sales (ounces)	Footnote	Production	Sales	Production	Sales
Cadia Hill		187,452	187, 452	196,108	198,806
Cadia East		-	-	-	-
Ridgeway		224,028	224,028	224,816	224,816
Telfer		283,026	283,026	366,945	366,945
Gosowong		342,835	342,835	271,342	275,837
Hidden Valley		856,328	870,046	857,540	830,705
Lihir		19,770	19,770	10,558	10,558
Bonikro		18,377	15,875	13,187	9,654
Continuing operations		**1,931,816**	**1,943,032**	**1,940,496**	**1,917,321**
Cracow		-	-	16,843	16,517
Mt Rawdon		-	-	39,908	63,456
Total	15,16	**1,931,816**	**1,943,032**	**1,997,247**	**1,997,294**

Total sales revenue of A$3,775 million was 15% lower than the prior year, primarily as a result of reduced gold sales volumes and lower realised metal prices.

Gold revenue in the 2013 financial year of A$3,149 million was 16% lower than the prior year of A$3,740 million, primarily as a result of a 12% reduction in gold sales volumes to 2,054,923 ounces. Reduced gold sales reflect lower production during the year and an increase in inventory at year end due to the timing of gold shipments in the June 2013 quarter. The realised gold price for the 2013 financial year of A$1,550 per ounce was 4% lower than the prior year gold price of A$1,609 per ounce.

Copper revenue in the 2013 financial year of A$573 million was 7% lower than the prior year reflecting a 6% decrease in the realised copper price to A$3.38 per pound. Copper sales volumes were similar to the prior year.

Silver revenue of A$53 million decreased by 16% from A$63 million in the prior year due to lower silver production and prices.

Newcrest's sales revenue continues to be predominantly attributable to gold, with gold revenue accounting for 83% of total sales revenue for the 2013 financial year (85% in prior year).

[15] Production and sales from Cracow and Mt Rawdon in the twelve months ended June 2012 contains four months of production only, up to the date of divestment of 2 November 2011.

[16] All figures are 100% other than Cracow sales and production shown at 70% and Hidden Valley sales and production shown at 50%.

OPERATING AND FINANCIAL REVIEW

Gold production of 2,109,784 ounces was 176,133 ounces or 8% lower than the prior year, (or 6% lower excluding contributions from assets divested in the prior year) with the key drivers of this difference period-on-period being:

- Cadia Hill production for the 2013 financial year was 122,058 ounces or 51% lower than the prior year, and reflects the planned transition to Cadia East sourced ore. In the prior year, ore feed was sourced from the Cadia Hill open pit mine which suspended operations on 30 June 2012, with some of the remaining lower grade stockpiled ore processed in the current year. Whilst mill throughput was higher in the current year, the lower grade and recovery of the stockpile material reduced metal production volume.
- Ridgeway production increased 38,914 ounces or 17%, associated with the continued ramp up in mining rates as the block cave matures. Ridgeway achieved record ore production of 7.7Mt for the 2013 financial year.
- Cadia East production increased by 56,828 ounces with the project declaring commercial production from January 2013 whilst continuing the expansion of the cave footprint. The primary crusher was commissioned in March 2013, enabling increased conveying of ore to the surface.
- Telfer production decreased 14,614 ounces or 3% primarily due to the planned mining and processing of material from West Dome containing higher sulphur content ore, leading to lower gold recoveries.
- Gosowong production decreased by 126,673 ounces or 29% due to lower grade ore being processed during the year. Poor ground conditions restricted access to high grade areas of the Kencana underground mine, resulting in the processing of lower grade ore sourced from Toguraci and the Gosowong open pit. Mining from the Gosowong pit was completed in July 2013.
- Lihir production increased 45,004 ounces or 7% due to increased processing capacity from completion of the plant expansion in February 2013. The new capacity expansion increased tonnes milled in the second half of the 2013 financial year by 52% over the first half. Grade treated was lower due to the processing of more stockpiled ore during the second half of the year. Plant reliability, although improved, did not meet expectations during the 2013 financial year.
- Hidden Valley results during the year remain unacceptable. Production decreased by 3,797 ounces or 4% in the current year primarily due to lower volume and grade of ore processed. Volumes were impacted by poor plant availability and impaired access to higher grade ore. Focus remains on improving the material movement performance (to be assisted by the June 2013 commissioning of the overland conveyor) and reducing costs. Hidden Valley's physical performance improved in the June 2013 quarter.
- Bonikro production decreased 1,752 ounces or 2% during the 2013 financial year, reflecting lower gold grade ore and a rebuild of the main crushing system.
- Cracow and Mt Rawdon production in 2012 was 47,985 ounces of gold. Both assets were sold on 2 November 2011 and consequently did not contribute to production in the 2013 financial year.

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3.3 Total cash costs[17]

	For the year ended 30 June			
A$ million	2013	2012	Change	Change %
Cadia	559	560	(1)	(0%)
Telfer	740	678	62	9%
Lihir	448	339	109	32%
Gosowong	203	186	17	9%
Bonikro	89	83	6	7%
Hidden Valley	162	140	22	16%
Continuing operations	**2,201**	**1,986**	**215**	**11%**
Mt Rawdon	-	25	(25)	(100%)
Cracow	-	20	(20)	(100%)
Total cash costs	**2,201**	**2,031**	**170**	**8%**

Total cash costs were A$170 million or 8% higher in the 2013 financial year compared with the prior year. Excluding assets divested in the prior year, cash costs were A$215 million or 11% higher than the prior year.

Cash costs at Cadia Valley were in line with the prior year. Ridgeway production was at a lower cost than the prior year and the Cadia Valley operation continues to be the lowest cost producer across the Group. Open pit mining costs ceased with suspension of the Cadia Hill pit in June 2012, but were partly replaced by the inventory charge and reclaim costs attached to the stockpiles processed in the current year. The commencement of commercial production from January 2013 at Cadia East and the expansion of the processing facilities increased costs.

Telfer cash costs were A$62 million or 9% higher in the 2013 financial year, driven by an increase in ore sourced from higher strip ratio sources. The introduction of the carbon tax regime increased fuel costs in the mine as well as the cost of on-site gas generated power by A$9 million. Treatment costs also increased due to the commissioning of new equipment to deal with the higher sulphur ore sources.

Lihir cash costs increased by A$109 million or 32%, driven primarily by a 15% increase in mill throughput and a higher level of plant maintenance during the current year. These activities contributed to delivery of a 35% increase in gold production in the second half of the 2013 financial year. The commissioning of the expanded processing plant in February 2013 and subsequent increase in ore treated through the plant, resulted in higher consumption of power and ore processing consumables. Energy costs increased by A$36 million with the incremental power consumption generated from heavy fuel oil. Operating consumable costs were A$30 million higher in the current year associated with increased freight and consumption of reagents, explosives and tyres, and higher explosives prices. A maintenance program aimed at improving the reliability of the original process plant resulted in an A$8 million increase in maintenance costs while expenditure on local community programs and camp accommodation also contributed to higher cash costs. A stronger US dollar and PNG Kina against the Australian dollar during the current year increased costs by A$7 million.

[17] Total cash costs represent cost of sales minus finished goods inventory movements and depreciation.

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Gosowong cash costs increased by A$17 million or 9%, reflecting the higher operating cost of sourcing ore from the Gosowong open pit, increased ore production from the Toguraci underground mine, costs associated with addressing Kencana ground stability in high grade stope areas and a 23% increase in mill throughput. A weaker Indonesian Rupiah against the Australian dollar reduced costs by A$5 million.

Bonikro cash costs increased by A$6 million or 7% compared with the prior year, driven primarily by costs associated with the hiring of temporary crushing facilities to maintain throughput rates while the primary crushing facility was refurbished.

Hidden Valley cash costs increased by A$22 million, reflecting increased investment in maintenance activity to improve equipment availability, increased total material moved and mill throughput but also increasing costs in those areas. The high cost of the Hidden Valley operation continues to be unacceptable, and the improvement program to reduce costs remains a priority.

No cash costs were reported for Cracow and Mt Rawdon in the current year, due to their divestment to Evolution Mining Limited ("Evolution") on 2 November 2011.

3.4 Cost of sales

	For the year ended 30 June		% Change Increase/ (Decrease)	% Change attributable to price	% Change attributable to activity
A$ million	2013	2012 [18]			
Employee costs	396	355	12%	5%	7%
Maintenance incl. contract labour	513	473	8%	(4%)	12%
Mining contracts	336	326	3%	(0%)	3%
Fuel & lubes	170	161	6%	1%	5%
Utilities & power	274	209	31%	6%	25%
Liners & grinding media	120	119	0%	(3%)	3%
Operating consumables	307	276	11%	5%	6%
Other input costs	312	302	3%	1%	2%
Mine production costs	**2,428**	**2,221**	**9%**		
Deferred mining costs	(346)	(178)	94%		
Ore inventory movements	(128)	(282)	(55%)		
Royalties	106	130	(18%)		
Treatment and realisation	141	140	0%		
Total cash costs	**2,201**	**2,031**	**8%**		
Finished goods	(37)	34			
Depreciation	589	542	9%		
Cost of sales[19, 20]	**2,753**	**2,607**	**6%**		

[18] The prior year comparatives have been restated in line with any cost classification adjustments made for the twelve months ended 30 June 2013.

[19] Costs of Cracow and Mt Rawdon included to the date of divestment on 2 November 2011.

[20] Cost of sales excludes write-down of inventory of A$177 million (pre-tax). Refer to section 6.

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Total cost of sales for the 2013 financial year of A$2,753 million increased by 6% or A$146 million compared to the prior year reflecting a 9% increase in mine production costs and higher depreciation charges, partly offset by an increase in finished goods inventory associated with the timing of shipments in the June 2013 quarter and lower royalties due to reduced sales revenue.

Mine production costs of A$2,428 million were A$207 million higher than the prior year reflecting elevated mobile fleet and plant maintenance activity and a 13% increase in ore processed across the Group. Lower gold grade and associated recoveries resulted in reduced gold production in the 2013 financial year, compared to the prior year, as the Company transitioned to new ore sources at Cadia Valley, Lihir and Gosowong. Material movements increased at Telfer and Bonikro associated with a significant investment in waste stripping to expose future ore sources.

Employee costs were A$41 million or 12% higher than the prior year, reflecting both increased headcount and labour inflation. Commissioning activities at the Cadia East and Lihir plant expansion projects resulted in an increase in employees, particularly related to expanded operating and maintenance activity. Actions taken to address production and reliability issues at Hidden Valley, which include the in-sourcing of previously contracted maintenance work, has also resulted in an increase in employee costs for the current year.

The average wage increase across the Group during the period was 5%, with regional variation reflecting local market pressures: the average increase in Indonesia was 9%, PNG 5%, West Africa 3% and Australia 4%.

Maintenance costs (parts, contractor costs) were A$40 million or 8% higher than the prior year as the result of higher levels of activity. Addressing fleet and plant performance at Hidden Valley, Gosowong and Lihir, and costs associated with the refurbishment of the primary crusher at Bonikro, has elevated maintenance expenditure in the current year. Costs were further increased by higher overall mill throughput, and maintenance associated with Cadia East and the new Telfer regrind mills, both commissioned in the current year. These were partially offset by the divestment of Cracow and Mt Rawdon and the suspension of Cadia Hill open pit mining.

Mining contract costs were A$10 million or 3% higher than the prior year as a result of higher levels of activity. The increase is mostly due to Telfer's contract waste mining at Main Dome Stage 4, which was completed ahead of schedule in June 2013, and increased use of contract mining at Lihir with local landowner companies. Increased drill metres at Toguraci following commercialisation in the current year further increased mining contractor costs.

Fuel and lubes costs were A$9 million or 6% higher than the prior year largely as a result of increased activity. The introduction of a carbon tax in Australia on 1 July 2012 resulted in a reduced diesel fuel rebate which increased costs by A$6 million at Telfer and Cadia. The tax impact was partially offset by a lower underlying diesel price. Total fuel and lubes consumed was marginally higher than the prior year with higher fuel consumption at Telfer attributable to an increase in waste stripping, partially offset by a reduction in haulage from the cessation of the Cadia open pit mine.

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Utilities and power costs were A$65 million or 31% higher than the prior year. The increase was attributable to increased power consumption, the introduction of the carbon tax in Australia and higher energy market prices.

- A 25% increase in power consumed across the group was mainly driven by a 13% increase in ore treated, from 57.9 million tonnes to 65.4 million tonnes::
  - Power consumption at Lihir was 32% higher than the prior year and reflects a 15% increase in ore treated and commissioning of the plant upgrade, in particular the new oxygen plant; and
  - Power consumption at Cadia was 20% higher than the prior year due to a 22% increase in mill throughput from higher Ridgeway production, drawdown of open pit stockpiles and higher Cadia East production.
- Price was 6% higher in the period, with regulatory and market price impacts resulting in a A$15 million increase in power costs:
  - The introduction of a carbon tax in Australia, effective from 1 July 2012, resulted in an additional A$9.5m of costs associated with the natural gas consumed in on-site power generation at Telfer; and
  - At Cadia, an 8.5% unit price increase of power from the NSW grid compared to the prior year reflects the pass-on of higher network costs, environmental levies and grid prices, and resulted in a further A$5 million in power costs.

Operating consumable costs were A$31 million or 11% higher than the prior year, primarily due to the aforementioned increase in ore processing volume at Lihir and Cadia, as well as at Gosowong. Increased dump leach processing at Telfer increased the consumption of cyanide. Increased open pit mining activity during the current period at Telfer resulted in higher consumption of explosives while increased tyre costs were associated with the transition to a new tyre type expected to result in an increased tyre lifespan.

Other input costs, including mine site overheads, were A$10 million or 3% higher than the prior year. The increase was mainly at Lihir and driven by an increase in FIFO (fly-in/fly-out) and village accommodation costs and higher expenditure associated with landowners and community relations.

General inflationary cost pressure in the mining industry is moderating relative to recent periods. Newcrest's transition to recently negotiated contract rates and prices benefited contract mining, maintenance and grinding media costs during the current year. Prices for energy, cyanide and explosives remain elevated.

The relative weakening of the Australian Dollar against the PNG Kina and US Dollar during the current year had a A$4 million unfavourable translation impact when reporting costs in Australian Dollars.

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Deferred mining and ore inventory

The net cost associated with waste stripping capitalised as deferred mining during the current year was A$346 million, which is A$168 million higher than the amount capitalised in the prior year. The major components of this deferred mining were:

- Telfer A$188 million (an increase of A$61 million over the prior period) related to the waste stripping of Stages 4 and 6 of the Main Dome open pit. Contractor waste stripping in Main Dome Stage 4 was completed in June 2013; and
- Lihir A$110 million (an increase of A$106 million over the prior period) – related primarily to waste stripping of Stage 11 and Stage 12 of the Minifie pit.

The total increase in inventory movement of A$165 million for the 2013 financial year (excluding A$177 million inventory write-down) comprises an increase in ore inventory of A$128 million and an increase in finished goods inventory of A$37 million.

The net increase in ore inventory of A$128 million in the 2013 financial year was due to:

- Additions to ore inventory at Lihir of A$117 million – resulting from ore mined (13.7Mt) exceeding ore milled (6.9Mt) by 6.8Mt. At 30 June 2013, Lihir had 106Mt of ore inventory containing 6.16Moz of recoverable gold, at an average carrying value of A$220/oz;
- Additions to ore inventory at Bonikro of A$18 million – as 3.5Mt of ore mined exceeded the 1.9Mt of ore milled in the period, at an average carrying value of A$445/oz;
- Additions to ore inventory at Gosowong of A$19 million reflecting an increase in contained gold ounces from 28kt to 32kt, at an average carrying value of A$761/oz;
- Additions to ore inventory at Telfer of A$11 – reflecting an additional 3.8Mt of open pit ore mined compared with the prior year, whilst mill throughput remained broadly unchanged; and
- Drawdown of ore inventory at Cadia Valley of A$37 million – as ore stockpiles became the primary feed to the mill following the suspension of Cadia Hill open pit mining on 30 June 2012.

An increase in finished goods inventory reduced cost of sales by A$37 million in the 2013 financial year, and was primarily driven by the timing of gold shipments from Telfer and Lihir in the June 2013 quarter. This compares to a A$34 million draw down in inventory in the prior year, due to a difference in the timing of the shipping of finished goods.

Treatment, realisation and royalty costs

Treatment and realisation costs of A$141 million were in line with the prior year cost of A$140 million.

Royalty expense was A$24 million or 18% lower in the current year, consistent with lower revenue.

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Depreciation

Depreciation expense of A$589 million included in cost of sales was A$47 million or 9% higher than the prior year. Key drivers for this increase were:

- The commencement of commercial production from the Cadia East underground mine in January 2013;
- Higher levels of production sourced from the Ridgeway underground mine at Cadia Valley;
- Increased capital base at Gosowong following commercialisation of Toguraci assets; and
- Completion and commencing of depreciation of the expanded Lihir plant in February 2013.

Total depreciation costs of A$290 per ounce sold increased from the A$233 per ounce in the prior year.

3.5 Corporate Administration Costs

Corporate administration costs of A$132 million were A$8 million or 6% lower in the current year, primarily driven by a reduction in labour costs. This comprises A$102 million in corporate cash costs, A$22 million in corporate depreciation and A$8 million in equity settled remuneration.

3.6 Exploration

Exploration expenditure decreased by 4% to A$152 million in the 2013 financial year.

The exploration focussed on drill testing a number of near mine targets, advancing major projects such as Golpu, testing our portfolio of greenfield prospects and converting existing Mineral Resources into Ore Reserves.

Resource definition drilling completed during the year has demonstrated the continuity of higher grade mineralisation within the upper levels of the Golpu deposit and has extended it to the north of the known resource. This drilling has also supported an improved understanding of the structural framework of the Wafi-Golpu porphyry copper-gold system. Exploration drilling within the project area during the year confirmed the potential for additional high grade epithermal precious metal mineralisation.

The near mine exploration programs have been successful in defining a new zone of mineralisation at Lihir, at Kapit North East. At Gosowong discovery drilling is ongoing while at Telfer, drilling is targeting the West Dome Deeps prospect and the prospective gap located below the Telfer Deeps Sub-Level Cave mine and the top of the Vertical Stockwork Corridor deposit. Near mine drilling at Bonikro in Côte d'Ivoire has targeted resources extensions within the mine district.

Away from operational sites, drilling recommenced at Namosi targeting higher grade mineralisation within the Waivaka Corridor. The search for new discoveries focussed on greenfield projects including the Morobe Exploration Joint Venture tenements, Manus Island and Mt Andewa (all in PNG), Côte d'Ivoire regional tenement package and the early stage joint venture at Tandai (Indonesia). Consistent with strategy, exploration projects have been turned over relatively quickly with the decisions made to exit the Tandai Joint Venture (Sumatra) and the Mt Andewa Project.

Of the A$152 million spent in the current year, A$64 million was expensed and A$88 million capitalised.

3.7 Other income/expenses

	For the years ended 30 June	
A$ million	2013	2012
Net foreign exchange gain/(loss)	9	(14)
Fair value gain/(loss) on gold & copper derivatives	(45)	16
Legacy community contractual settlements and negotiation costs	(37)	-
Other	(9)	(16)
Other income/(expense)	**(82)**	**(14)**

Other income/(expense) was a net expense of A$82 million in the current period.

The fair value loss on gold and copper derivatives relates to the movement in spot prices impacting the quotational period adjustments on sales. Newcrest locks in the copper price for concentrate shipments at the time of sale to minimise this impact. Gold prices are not locked in at the time of shipment due to the shorter quotational period for gold, usually one month for gold versus three or four months for copper. The gold price fall during the current period, particularly in the final quarter, contributed to a net loss of A$45 million.

Expenditure of A$37 million was incurred in the current year for various community project purposes in the context of long term arrangements with Lihir landowners. Newcrest has progressed plans for negotiation with landowners of the commercial and community development agreements, known as the Lihir Sustainable Development Plan.

3.8 Finance costs

Net finance costs of A$109 million in the 2013 financial year were A$68 million higher than the prior year.
Gross finance costs for the 2013 financial year of A$145 million increased by A$62 million over the prior year due to a higher level of average debt in the period.

Interest of A$35 million was capitalised for the current year in relation to the Cadia East development project and the Lihir plant expansion project, and was A$5 million lower than that capitalised in the prior year.

3.9 Income tax expense

Income tax expense on Underlying profit for the 2013 financial year was A$165 million resulting in an effective tax rate of 26%. This is lower than the Australian company tax rate of 30%, primarily due to research and development allowances across the group and tax concessions in relation to the deduction of exploration expenditure in the Group's Papua New Guinea operations. In the prior year income tax expense on Underlying profit was A$407 million, or A$242 million higher than the current period, due to the higher level of profit before tax in that period. The effective tax rate in the prior year was also 26%.

Income tax on Statutory profit in the current period was a benefit of A$412 million, which included a tax benefit of A$577 million relating to asset impairments, restructure provisions and asset and inventory write-downs. Income tax expense on Statutory profit in the prior period was A$402 million.

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3.10 Asset impairments, asset write downs and restructure costs

The full year review of Newcrest's asset carrying values in the context of the continuing lower gold price environment, combined with a compression of valuations in the gold industry and other factors, has resulted in the impairment of the carrying value of some assets. Newcrest has identified significant items totalling A$6,229 million after tax, comprising:

- Asset impairments of A$5,556 million after tax;
- Asset write-downs of A$349 million after tax;
- A write-down of its investment in Evolution Mining Limited of A$273 million after tax; and
- A charge for restructure costs of A$51 million after tax.

					For the years ended 2013	
A$ million	Impairments[21]	Write-down of non-current assets	Write-down of inventory	Subtotal - impairment and write-downs	Restruc-ture	Total
Lihir	3,492	146	50	**3,688**	5	**3,693**
Telfer	1,674	19	106	**1,799**	17	**1,816**
West Africa	575	1	21	**597**	1	**598**
Hidden Valley	406	-	-	**406**	-	**406**
Corporate[21]	273	-	-	**273**	49	**322**
Total items by segment	**6,420**	**166**	**177**	**6,763**	**72**	**6,835**
Tax	(564)	55	(47)	**(556)**	(21)	**(577)**
Total impairment and restructure costs	**5,856**	**221**	**130**	**6,207**	**51**	**6,258**
Non-controlling interest	(27)	-	**(2)**	**(29)**	**-**	**(29)**
Total after non-controlling interest	**5,829**	**221**	**128**	**6,178**	**51**	**6,229**

3.11 Hedge restructure and other significant items

	For the year ended 30 June	
A$ million	2013	2012
Losses on restructured and closed-out hedge contracts	-	(7)
Business acquisition and integration costs	-	(11)
Gain on business divestment	-	46
Hedge restructure and other significant items (pre-tax)	**-**	**28**
Income tax benefit/(expense)	-	5
Hedge restructure and other significant items (post-tax)	**-**	**33**

Hedge restructure and other significant items had no impact in 2013.

[21] Corporate impairment related to the Company's investment in Evolution of A$273 million, comprising A$122 million share of the associate's impairment and a further impairment of A$151 million to recognise the investment at fair value at 30 June 2013. All amounts have no tax effect.

4 Discussion and Analysis of Cashflow

4.1 Cashflow overview

	For the year ended 30 June			
A$ million	2013	2012	Change	Change %
Cash flow from operations	**707**	**1,726**	**(1,019)**	**(59%)**
Cash flow related to investing activities	**(2,124)**	**(2,755)**	**631**	**(23%)**
Cash flow related to financing activities	**1,236**	**1,090**	**146**	**13%**
Net movement in cash	(181)	61	(242)	-
Cash at the beginning of the period	242	185	57	31%
Effects of exchange rate changes on cash held	8	(4)	12	-
Cash at the end of the period	**69**	**242**	**(173)**	**(71%)**

4.2 Cash flow from operations

Operating cash flow for the 2013 financial year was A$707 million, A$1,019 million lower than the prior year cash flow of A$1,726 million. The reduction was mainly driven by:

- A$641 million lower revenue primarily due to 12% lower gold sales volume, a 4% lower realised gold price and a 6% lower realised copper price;
- A$168 million unfavourable timing of debtor receipts compared with the prior year; and
- A$189 million increase in cash outflows associated with mining and treatment activity mainly attributable to:
    - Increased waste stripping activity of A$168 million, principally at Telfer, Lihir and Bonikro, to expose ore for future gold production;
    - Higher treatment costs of A$123 million attributable to a 13% increase in ore treated, commissioning of the expansion projects at Lihir and Cadia and reliability maintenance at Hidden Valley. In addition, the A$15 million increase in power costs related to the introduction of a carbon tax and a higher unit price from the NSW grid increased treatment costs;
    - Unfavourable A$71 million increase in finished goods due to the timing of gold shipments;
    - Partially offset by the value of the stockpile build in the period being A$154 million lower than the prior year. The reduction was mainly attributable to lower operating expenditure on ore mining activities at Cadia, Lihir and Telfer, consistent with a 23% (or 17.7 million tonnes) reduction in ore mined; and
    - Further offset by A$24 million lower royalties expense, consistent with lower sales volumes.

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4.3 Cash flows related to investing activities

	For the years ended 30 June			
A$ million	2013	2012	Change	Change %
Capital expenditure				
- sustaining	396	445	(49)	(11%)
- development	380	138	242	176%
- Projects - construction & studies	1,170	1,973	(803)	(41%)
Total Capital Expenditure	**1,946**	**2,556**	**(610)**	**(24%)**
Exploration	152	158	(6)	(4%)
Payment / (proceed) for investments	(9)	3	(12)	(400%)
Interest capitalised to development projects	35	40	(5)	(13%)
Other	0	(2)	2	(100%)
Total cash outflow from investing activities	**2,124**	**2,755**	**(631)**	**(23%)**

Net cash used in investing activities decreased by A$631 million, or 23%, to A$2,124 million. The reduction reflects the delivery of the Company's two major expansion projects, Cadia East and the Lihir plant expansion, in the middle of the 2013 financial year.

Sustaining capital

Total sustaining capital expenditure of A$396 million, was A$49 million lower than the prior year. Lihir expenditure of A$221 million, in line with the prior year, remains elevated, while expenditure at Telfer of A$60 million was A$36 million lower than the prior year. Sustaining capital was generally lower across the other sites.

Activity at Lihir was predominantly associated with the program to improve the reliability of the original plant. Lower expenditure at Telfer reflects a significant reduction in the number of sustaining capital projects undertaken during the 2013 financial year. Sustaining capital at Cadia Valley (A$47 million) and Hidden Valley (A$25 million) was consistent with the prior period. Lower expenditure at Gosowong reflects the completion of a major fleet replacement in the prior period.

Development capital and Projects - construction and studies capital

Total capital expenditure on development and major projects and studies of A$1,550 million decreased by A$561 million during the current year and was primarily associated with the following:

- The Cadia East project (A$525 million): commenced commercial production in January 2013. Development has continued though with less spend than the previous year. Expenditure in the 2013 financial year (establishment and expansionary) was primarily related to panel cave one undercut development, panel cave one drawbell development and decline development to panel cave two;
- The Lihir plant expansion project (US$253 million): commissioned in January 2013 and handed over to operations in February 2013 with all major systems in full operation. The major components (new crushing and grinding circuit; 450 tonne-per-hour autoclave; 70 tonne-per-hour oxygen plant) have performed well and have operated at full design capability;
- The Lihir flotation expansion (US$89 million) and replacement works in the NCA circuit (US$79 million) were completed in the June 2013 quarter and are currently commissioning;

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- The Wafi Golpu project (US$79 million 50% share): the technical pre-feasibility study on the Golpu ore body was completed in August 2012 and the project has entered an optimisation phase. Capital expenditure in this phase is restricted to road access, camp construction, drilling and studies on capital reduction; and
- Hidden Valley crusher (US$21 million 50% share): The crusher at the front end of the overland conveyor was completed late in the June quarter and is now commissioning. The new crushing system is expected to provide better utilisation of the overland conveyor to reduce ore haulage costs and overall operating costs.

Exploration

	For the year ended 30 June			
A$ million	2013	2012	Change	Change %
Expenditure by nature				
Greenfields	37	44	(7)	(16%)
Brownfields	33	42	(9)	(21%)
Reserve definition				
Telfer	22	17	5	29%
Gosowong	8	5	3	60%
Hidden Valley & Wafi-Golpu	26	25	1	4%
Lihir	9	14	(5)	(36%)
Cote d'Ivoire	8	10	(2)	(20%)
Other	9	1	8	800%
	152	**158**	**(6)**	**(4%)**
Expenditure by Region				
Australia	39	41	(2)	(5%)
Indonesia	28	32	(4)	(13%)
Papua New Guinea	58	57	1	2%
Bonikro	22	21	1	5%
Fiji	5	7	(2)	(29%)
	152	**158**	**(6)**	**(4%)**

Exploration activities focused on near province and greenfields opportunities, increasing existing Mineral Resource positions and converting these Mineral Resources to Ore Reserves. Refer to earlier comments on exploration activity.

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4.4 Cash flow related to financing activities

Cash flows relating to financing activities were an inflow of A$1,236 million, compared with an inflow of A$1,090 million in the prior year. Key financing activities during the 2013 financial year were:

- Net proceeds from the October 2012 issue of US senior unsecured notes of an A$ equivalent value of A$948 million;
- Net drawdown of A$431 million on the US bilateral bank facilities;
- Dividend payments of A$256 million; and
- A$117m net proceeds from the sale of a 7.5% interest in Gosowong.

5 Discussion and capital analysis of the Balance Sheet

5.1 Net asset and total equity

	As at 30 June			
A$ million	2013	2012	Change	Change %
Assets				
Cash & cash equivalent	69	242	(173)	(71%)
Receivables	178	251	(73)	(29%)
Inventories	2,194	1,843	351	19%
Other financial assets	28	19	9	47%
Current tax asset	58	-	58	
Property, plant & equipment	5,544	4,364	1,180	27%
Exploration, feasibility & development	7,566	8,795	(1,229)	(14%)
Intangibles	550	3,852	(3,302)	(86%)
Deferred tax assets	326	259	67	26%
Investments in associates	132	395	(263)	(67%)
Other assets	540	489	51	10%
Total assets	**17,185**	**20,509**	**(3,324)**	**(16%)**
Liabilities				
Payables	(620)	(482)	(138)	29%
Borrowings	(4,211)	(2,408)	(1,803)	75%
Other financial liabilities	(71)	(18)	(53)	294%
Provisions	(594)	(508)	(86)	17%
Current tax liability	-	(92)	(92)	
Deferred tax liabilities	(1,604)	(1,907)	303	(16%)
Total liabilities	**(7,100)**	**(5,415)**	**(1,685)**	**31%**
Net assets	**10,085**	**15,094**	**(5,009)**	**(33%)**
Equity				
Equity - Newcrest interest	(9,945)	(14,975)	5,030	(34%)
Non-controlling interests	(140)	(119)	(21)	18%
Total equity	**(10,085)**	**(15,094)**	**5,009**	**(33%)**

Newcrest's net assets and total equity decreased by A$5,009 million during the year to A$10,085 million, primarily due to the asset impairments and writedowns detailed earlier in this report.

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5.2 Net debt and gearing

As at 30 June 2013 Newcrest had net debt, comprising total borrowings less cash, of A$4,142 million, A$1,976 million higher than the 30 June 2012 net debt position of A$2,166 million. The changes in the net debt position are outlined in the table below.

	As at 30 June
	A$ million
Net debt at 30 June 2012	**2,166**
Issue of USD senior unsecured notes	948
Net drawdown on USD bilateral bank facilities	431
Retranslation of USD denominated debt	427
Movement in cash balances	173
Net movement in finance leases	(3)
Net movement in 2013	**1,976**
Net debt at June 30 2013	**4,142**

The gearing ratio (net debt to net debt plus equity) as at 30 June 2013 was 29.1%, an increase from 12.5% as at 30 June 2012. In addition to the issue of senior unsecured notes and drawdown on the bilateral bank facilities during the year, the gearing ratio increased due to higher A$ debt levels resulting from the translation of the USD debt instruments at lower AUD:USD exchange rates at 30 June 2013, plus a reduction in Newcrest's equity base resulting from the loss of A$6,207 million associated with asset impairments and write-downs in the current period.

Newcrest seeks to maintain gearing at a low level so as to be able to withstand extreme price volatility and be able to complete approved major capital projects through such price volatility. In the 2013 financial year, Newcrest experienced a severe fall in the price of gold which in turn adversely impacted earnings, the carrying value of its assets and resulting gearing levels.

Newcrest believes that a low level of gearing is appropriate for an unhedged gold producer and will be focussed on progressively reducing gearing to the target level of around 15%, and returning to paying dividends.

Following the large price shock in the 2013 financial year, delivery of its two major capital project milestones in 2013, and having focussed the business on maximising free cashflow, the Board is comfortable with gearing being at higher than target levels in the short to medium term, but will remain focussed on effecting progressive reduction in gearing over time.

	As at 30 June	
A$ million	2013	2012
Total debt	4,211	2,408
Less cash and cash equivalents	(69)	(242)
Net debt	**4,142**	**2,166**
Equity	10,085	15,094
Net debt and equity	14,227	17,260
Gearing (net debt/net debt and equity)	**29.1%**	**12.5%**

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Liquidity and debt facilities

In October 2012, Newcrest issued US$1,000 million in USD senior unsecured notes. The notes were sold in accordance with Rule 144A and Regulation S of the Securities Act of the United States. The notes consist of:

- US$750 million senior unsecured notes due 1 October 2022 with a coupon of 4.20%
- US$250 million senior unsecured notes due 15 November 2041 with a coupon of 5.75%

These notes are additional to the issue of US$1,000 million in notes in November 2011 comprising:

- US$750 million senior unsecured notes due 15 November 2021 with a coupon of 4.45%
- US$250 million senior unsecured notes due 15 November 2041 with a coupon of 5.75%

Newcrest has US dollar bilateral bank facilities of US$2,500 million, with US$1,675 million drawn down as at 30 June 2013. These are committed unsecured revolving three and five year facilities with maturities in September 2015 and September 2017. Interest is based on LIBOR plus a margin which varies amongst the lenders.

Newcrest also has US$230 million of long-term senior unsecured notes issued into the United States Private Placement market. The notes comprise three tranches at an average fixed interest rate of 5.7% per annum. The notes have a repayment profile from May 2015 to May 2020, and have been classified as non-current borrowings.

6 Non-IFRS Financial Information

Underlying profit, EBIT, EBITDA, and All-in Sustaining Costs are non-IFRS financial measures which Newcrest employs in managing the business. They have been included in the Operating and Financial Review to provide additional insight and understanding of business performance for users of this financial information. When reviewing business performance this information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS.

These measures do not have any standard definition under IFRS and may be calculated differently by other companies. The tables below reconcile these non-IFRS measures to the most appropriate IFRS measure.

Reconciliation of Statutory Profit to Underlying Profit

Underlying profit is reported by Newcrest to provide greater understanding of the underlying business performance of its operations. Underlying profit excludes significant items of income or expense which are, either individually or in aggregate, material to Newcrest or to the relevant business segment and are either outside the ordinary course of business or are part of the ordinary activities of the business but unusual due to their size and nature. Examples include gains/losses and other costs incurred for acquisitions and disposals of mining interests, asset impairment and write-down charges and gains/losses on the close out and/or restructuring of hedge contracts. Underlying profit and Statutory profit both represent amounts attributable to Newcrest shareholders.

The following table provides a reconciliation of Statutory profit to Underlying profit in the 2013 financial year:

A$ million	For the year ended 30 June 2013			
	Before tax	Tax	Non-controlling interest	After tax
Profit after tax attributable to Newcrest shareholders "Statutory profit/(loss)"	**(6,188)**	**412**	**(2)**	**(5,778)**
Asset impairments	6,147	(564)	(27)	5 ,556
Asset write-downs	166	(50)	-	116
Inventory write-downs	177	(47)	(2)	128
De-recognition of deferred tax assets	-	105	-	105
Investment in Evolution Mining - share of associate's impairment	122	-	-	122
Investment in Evolution Mining - investment impairment	151	-	-	151
Restructure costs	72	(21)	-	51
Total of significant items	**6,835**	**(577)**	**(29)**	**6,229**
Underlying profit	**647**	**(165)**	**(31)**	**451**

NEWCREST MINING LIMITED

OPERATING AND FINANCIAL REVIEW

The following table provides a reconciliation of Statutory profit to Underlying profit in the 2012 financial year:

A$ million	For the year ended 30 June 2012			
	Before tax	Tax	Non-controlling interest	After tax
Profit after tax attributable to Newcrest shareholders "Statutory profit/(loss)"	1,577	(402)	(58)	1,117
Losses on restructured and closed out hedge contracts	7	(2)	-	5
Business acquisition and integration costs	11	(3)	-	8
Gain on business divestment	(46)	-	-	(46)
Total of significant items	**(28)**	**(5)**	**-**	**(33)**
Underlying profit	**1,549**	**(407)**	**(58)**	**1,084**

Reconciliation of Underlying profit to EBITDA

A$ million	For the years ended 30 June	
	2013	2012
Underlying Profit	**451**	**1,084**
Non-controlling interest in controlled entities	31	58
Income tax expense	165	407
Net finance costs	109	41
EBIT	**756**	**1,590**
Depreciation and amortisation	611	561
EBITDA	**1,367**	**2,151**

Reconciliation of All-in sustaining cost to Cost of sales

"All-in Sustaining Cost" is a new non-IFRS measure which Newcrest has adopted from 2013. This non-IFRS measure was developed in conjunction with other members of the World Gold Council. We believe the "All-in Sustaining Cost" measure more fully defines the costs associated with producing gold from current operations.

A$ million	For the years ended 30 June 2013	
	$A million	$/oz sold
Cost of sales (refer section 3.4)	**2,753**	**1,355**
less Depreciation	(589)	(290)
plus By-products	(626)	(308)
plus Corporate costs	110	54
plus On-site exploration	32	16
plus Capitalised stripping and underground mine development	346	170
plus Sustaining capital expenditure	572	281
plus other [22]	9	5
All-in sustaining costs	**2,607**	**1,283**
Gold sales (excluding capitalised ounces sold)	**2,032,228**	

[22] Other includes Rehabilitation - accretion and amortisation, and non-cash finished goods stock valuation adjustments.

7 Outlook and Risks

7.1 Outlook

The 2014 budget was developed in the context of a volatile market climate, including a sharp deterioration in the gold price. Key outcomes of the planning for the 2014 financial year confirmed actions to maximise free cashflow, optimise and reduce activity, and remove high cost gold ounces from the production profile.

Newcrest's key priorities in the 2014 financial year continue to be optimisation of the Lihir process plant, the ramp up of Cadia East, positioning Wafi Golpu as a future production asset, achieving consistent production, and reducing costs and capital across the Company. Newcrest has long reserve and resource life positions and has many growth options that can be progressed depending on market conditions.

For the 2014 financial year, Newcrest provides the following operational and financial outlook:

- Gold production is expected to be 2.0 to 2.3 million ounces.
- Copper production is expected to be 75 to 85 thousand tonnes.
- Capital expenditure is expected to be around A$1 billion and exploration expenditure around A$85 million.
- The first quarter gold production for the 2014 financial year is expected to be lower than the June 2013 quarter, with production expected to progressively increase over the course of the financial year.

Production and costs will continue to be actively managed to target a free cash flow neutral or positive outcome for the Company in the current market environment. At a gold price of A$1,450 per ounce all operations are projected to be free cashflow neutral or positive in the 2014 financial year.

The Company reiterates the position set out in its previous recent releases, including that of 7 June 2013, regarding the Company's approach to focus on maximising free cash flow in the context of the current market environment and outlook. Operating in this manner will be a key determinant of future production levels and the timing of future expansions. With the volatility in the current market climate, Newcrest is not providing any general quantitative commentary on its production profile beyond financial year 2014. Newcrest has taken and will continue to progress a range of actions to maximise free cashflow over the next three years. These include:

- Cutting discretionary spend on projects and studies;
- A significant reduction in exploration activities;
- A continuous "cost out" program across all operations;
- Increasing stockpile utilisation at Lihir and reducing open pit material movements generally; and
- Removing higher cost ounces from the production profile.

OPERATING AND FINANCIAL REVIEW

7.2 Risks

Newcrest prepares forward estimates of production and financial performance based on a business planning system and a range of assumptions and expectations. There is a level of uncertainty in each of these assumptions and expectations, and risk that variation from them could result in actual performance being different from expected outcomes. These uncertainties and exposures arise from a range of factors including Newcrest's international operating scope, the nature of the mining industry, and external economic factors.

Set out below are those matters which the Company has assessed as having the potential to have a material adverse effect on the operating and financial performance of the Company as at 30 June 2013.

The risks described below are not the only risks that Newcrest faces. Additional risks and uncertainties not presently known to management or that management currently believes to be immaterial may adversely affect Newcrest's business.

Commodity prices

Newcrest's performance is dependent on the market prices of gold and, to a lesser extent, copper and silver, which are volatile, subject to sharp, short-term changes, and are affected by numerous factors beyond Newcrest's control.

Depending on the market prices of the relevant metal, Newcrest may determine that it is not economically feasible to continue commercial production, or to continue commercial production at the current levels, at some or all of its operations or to proceed with some or all of its development projects, which could have an adverse impact on Newcrest's financial performance and results of operations. In such circumstances, Newcrest may also curtail exploration activities, with the result that depleted reserves may not be replaced, and the market value of Newcrest's gold or copper inventory may be reduced and existing reserves may be reduced to the extent that ore cannot be mined and processed economically at the prevailing prices.

Foreign exchange

Gold and copper are each sold globally based principally on the US dollar price, and most of Newcrest's revenues are realised in, or linked to US dollars. As most of Newcrest's operating costs are denominated in local currencies, in the absence of other changes, if the various local currencies strengthen (particularly the Australian dollar) in value relative to the US dollar, Newcrest's financial results are likely to be adversely affected.

Increased costs and production inputs

Production costs are frequently subject to variations from one year to the next due to a number of factors, including changing ore grade and metallurgy, revisions to mine plans in response to the physical shape and location of an ore body, and/or changes to meet external economic conditions. In addition, operating costs and capital expenditure are, to a significant extent, driven by the cost of commodity inputs consumed in mining (including fuel, chemical reagents, explosives, tyres, electricity and steel), labour costs and also by credits from by-products such as copper and silver, each of which may be subject to volatile price movements. Increases in costs may have a material adverse effect upon the profitability of existing mining operations, Newcrest's ability to lower its cost profile and meet projected operating cost targets at its mines and returns anticipated from new mining projects and could make certain mines or projects uneconomic.

OPERATING AND FINANCIAL REVIEW

Project development

The profitability of mining companies depends partly on the actual performance of developing and operating mines, which may differ significantly from estimates determined at the time the relevant project was approved following completion of its feasibility study. Newcrest's current or future development activities may not result in expansion or replacement of current production, or one or more new productions sites or facilities may be less profitable than anticipated or may not be profitable at all. A failure to develop and operate mining projects in accordance with, or in excess of, Newcrest's expectations could negatively impact its results of operations, as well as its financial condition and prospects.

Operating risks and hazards

Newcrest is susceptible to events that may adversely impact upon its ability to produce gold and other metals to meet production targets, including (without limitation) unanticipated ground conditions, industrial incidents, infrastructure and equipment under-performance or failure, shortage of principal supplies, transportation and aviation issues, environmental incidents, safety-related incidents, interruptions and delays due to community issues, and natural events such as seismic activity and severe weather conditions (including floods and drought).

A key operational risk for Newcrest is the availability of power and water to support mining and mineral processing activities, particularly at Newcrest's remotely located assets. Even a temporary interruption of power or water supply could adversely affect an operation.

Newcrest's operations in Indonesia and Papua New Guinea are in areas known to be seismically active and are subject to the risks of earthquakes and related risks of tidal surge and tsunami, which are difficult to predict. Some of Newcrest's operations may also experience other specific operating challenges, such as the underground risks at Gosowong relating to temperature and ground conditions.

Political, economic, social and security risks

Newcrest has production, development and exploration operations in developing countries that are subject to political, economic and other risks and uncertainties. The formulation and implementation of government policies in these countries may be unpredictable. Risks associated with governments in developing countries include (without limitation) the potential for nationalisation of private assets without adequate compensation, authorities seeking to review or re-open decisions, including approvals, licences and the grant of tenements, or material changes to the legal, ownership, fiscal (including taxes, royalties and duties), exchange control, environmental and social laws and regimes that currently apply, each of which could have a material adverse effect on Newcrest's operating results and financial condition.

For example, mineral ownership under the Papua New Guinea Mining Act remains a high profile social and political issue in Papua New Guinea. In the context of the Ramu Nickel mine project and the PNG LNG gas project (which are projects unrelated to Newcrest), certain landowner clans sought, through proceedings in the Papua New Guinea National Court, to question the constitutional validity of the State of Papua New Guinea's assertion of property rights in petroleum and minerals, such as the State's right to grant petroleum and mining tenements over specified customary land under petroleum and mining legislation. These proceedings, while dismissed, highlight the risk of landowners in Papua New Guinea taking action which could have a material adverse impact on mining developments and operations.

OPERATING AND FINANCIAL REVIEW

There can be no certainty as to what changes, if any, will be made to the Papua New Guinea Mining Act under the New Government. Changes to the Papua New Guinea Mining Act may have a material adverse impact on Newcrest's ability to own or operate its respective properties and to conduct its business in Papua New Guinea.

Law and regulation

Newcrest's current and future mining, development and exploration activities are subject to various national and local laws, policies and regulations governing the development and mining of mineral deposits, taxation and royalties, import and export duties and restrictions, exchange controls, foreign investment approvals, employee and community relations, and environmental and other matters. No guarantee can be given that all necessary permits, authorisations, agreements or licences will be issued to Newcrest or, if they are issued, renewed, or that Newcrest will be in a position to comply with all conditions that are imposed.

Any changes to legislation, regulations or government policies in any of the jurisdictions in which Newcrest operates may have an adverse impact on Newcrest's results, operations or financial position.

In particular, Newcrest is subject to extensive laws and regulation in relation to the environment and health and safety.

Mining operations and development activities have inherent risks and liabilities associated with harm to the environment and the disposal of waste products. A key consideration in Newcrest's production operations is the management of tailings from the processing of ore. Environmental laws and regulations require significant expenditures for environmental protection equipment, compliance and land rehabilitation. Newcrest is required to close its operations and rehabilitate the lands that it mines in accordance with applicable environmental laws and regulations. Estimates of closure and rehabilitation liabilities are based principally on current legal and regulatory requirements and actual costs may vary materially. In addition, adverse or deteriorating external economic conditions may bring forward mine closure and associated closure and rehabilitation costs.

Certain NGOs, including increasingly international NGO and ethical investment advisory bodies and other similar institutions, are vocal critics of the mining industry and its practices, including in relation to the use of cyanide (which is used by Newcrest in gold processing at some of Newcrest's operating sites), and other hazardous substances in processing activities, and the use of deep sea tailings placement (which is used by Newcrest at the Lihir operation).

Environmental laws and regulations are continually changing and are generally becoming more onerous. If Newcrest's environmental compliance obligations were to change as a result of changes in the laws and regulations, or if unanticipated environmental conditions or incidents were to arise at any of Newcrest's operations, its expenses and provisions may increase, and its production may decrease, to reflect those changes.

Further, failure to comply with environmental laws and regulations could result in enforcement action which, if successfully prosecuted, could result in monetary penalties or suspension or closure of Newcrest operations, in addition to reputational harm.

Newcrest's production, development and exploration operations are also subject to extensive generic and mining-specific health and safety laws and regulations. Changes to these laws may result in material additional expenditure or interruption to Newcrest's activities in order to comply with changing requirements. Failure to comply with health and safety laws could result in enforcement action which, if successfully prosecuted, could result in monetary penalties or suspension or closure of Newcrest operations, in addition to reputational harm.

OPERATING AND FINANCIAL REVIEW

Community relations

A failure to adequately manage community and social expectations within the communities in which Newcrest operates – and/or elevated levels of community expectations - may lead to local dissatisfaction, which, in turn, may lead to interruptions to Newcrest's production, development and explorations operations.

The compensation agreements in place with customary landowners in relation to Newcrest's Papua New Guinea operations are subject to periodic review, with the compensation agreement for the Lihir operation currently under review. There can be no assurance that disputes will not arise with the customary landowners in connection with these negotiations, which, if prolonged, could lead to disruptions to Newcrest's projects and operations while Newcrest is negotiating these arrangements.

In addition, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on the communities located near such activities. Adverse publicity generated by non-government-organisation criticism or others relating to extractive industries generally, or Newcrest specifically, could have an adverse impact on Newcrest's reputation or financial condition and may impact on Newcrest's relationships with the communities in which it operates. No assurance can be given that incidents will not arise that generate community concerns associated with Newcrest's operations and potentially cause disruptions until resolved.

Recovery of resources and reserves

The estimation of mineral resources and ore reserves are necessarily imprecise and involve subjective judgements regarding, among other things, grade distribution or mineralisation, the ability to economically extract and process mineralisation, and future commodity prices and operating costs. Such estimates involve statistical analysis which may subsequently prove to be unreliable or flawed. Newcrest undertakes annual updates of its mineral reserves and ore reserves based upon a number of factors, including (without limitation) actual exploration drilling and production results, economic assumptions (including, for example, commodity prices and exchange rates) and operating and other costs. These factors may result in reductions in Newcrest's mineral resources and ore reserves estimates, which could adversely affect the life-of-mine plans and, consequently, the total value of Newcrest's asset base.

Reliance on contractors

Some aspects of Newcrest's production, development and exploration operations are conducted by contractors. As a result, Newcrest's results from production and financial conditions are impacted upon by the performance of contractors and the associated risks, some of which are outside of Newcrest full control.

Future operating and capital cost requirements

Newcrest's operating cash flows may not be sufficient to fund its operations and capital expenditure, and Newcrest may from time to time be required to draw down under its available debt facilities. To the extent that Newcrest's operating cash flows and debt facilities are insufficient to meet its requirements for ongoing operations and capital expenditure, Newcrest may need to seek additional funding through asset divestitures, further equity or debt issue, or additional bank debt, or Newcrest may need to defer capital expenditure. Newcrest's ability to raise and service further additional funding will be a function of a number of factors, including (without limitation) macroeconomic conditions, future gold and copper prices, Newcrest's credit rating and operational cash flow and production performance. If Newcrest is unable to obtain additional funding on acceptable terms in these circumstances, its financial condition and ability to continue operating may be adversely affected.

OPERATING AND FINANCIAL REVIEW

Maintaining good title

Newcrest's production, development and exploration operations are subject to Newcrest maintaining good title to the authorisations, permits and licences (together, 'Authorities') which support those operations. There may be challenges to Newcrest's Authorities which, if successful, could impact Newcrest's exploration, development and/or mining operations.

New acquisitions

Newcrest's ability to make successful acquisitions and any difficulties or time delays in achieving successful integration of any such acquisitions could have a material adverse effect on its business, operating results and financial condition. Business combinations and acquisitions entail a number of risks including the effective integration of acquisitions to realise synergies, significant one-time write-offs or restructuring charges, and unanticipated costs and liabilities, including unforseen plant and equipment reliability issues. Newcrest may also be liable for the acts or omissions of predecessors or otherwise exposed to liabilities it has assumed that were unforseen or greater than anticipated. .

Human resources and industrial relations

Newcrest competes with mining and other companies to attract and retain key employees and third party contractors with appropriate technical skills and managerial experience necessary to continue to operate its business. There can be no assurance that Newcrest will be able to attract and retain skilled and experienced personnel and, should Newcrest lose any of its key personnel or fail to attract personnel, its business may be harmed and its results of operations and financial condition could be adversely affected.

Newcrest may be impacted by industrial relations issues in connection with its employees and the employees of Newcrest's contractors and suppliers. Any such activity could cause production delays, increased labour costs and adversely impact Newcrest's ability to meet its production forecasts.

Exploration, feasibility studies and other project evaluation activities

Newcrest's ability to sustain or increase its current level of production in the longer term is in part dependent on the success of its exploration activities in replacing gold and copper reserves depleted by production, the development of new projects and the expansion of existing operations.

Exploration activities are speculative in nature and often require substantial expenditure on exploration drilling to establish the presence, extent and grade (metal content) of mineralized material. Newcrest undertakes feasibility studies to assess the technical and economic viability of mining projects and to determine appropriate mining methods and metallurgical recovery processes.

Once mineralization is discovered it may take several years to determine whether adequate Ore Reserves exist, during which time the economic viability of the project may change due to fluctuations in factors that affect both revenue and costs, including commodity prices, currency exchange rates, the required return on capital and future cost of development and mining operations.

Feasibility studies also include estimates of anticipated grade and metallurgical characteristics of the ore body, metal recovery rates, and capital expenditure and operating costs.

These estimates depend on assumptions based on available data which is usually limited. Further exploration and feasibility studies can result in new data becoming available that may change previous estimates which will impact the technical and economic viability of development and mining operations. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may impact upon depreciation and amortization rates, asset-carrying values, provisions for close-down, restoration and environmental clean-up costs. In addition, Newcrest may need to acquire expertise in areas of extraction that it currently does not have, which may be costly and take time to acquire.

OPERATING AND FINANCIAL REVIEW

Newcrest competes with other mining companies for projects to replace reserves

The increased demand for gold and other commodities, combined with a declining rate of discovery of new gold deposits has, in recent years, resulted in accelerated depletion of existing mineral reserves across the global gold sector. Newcrest therefore faces intense competition for the acquisition of attractive exploration and mining properties to replace its reserves. From time to time, Newcrest evaluates the acquisition of mineral deposits, exploration or development properties and operating mines, either as stand-alone assets or as parts of companies. Newcrest's decision to acquire these properties has been, and will be, based on a variety of factors, including historical operating results, estimates and assumptions regarding the extent of mineralization and mineral reserves, cash and other operating costs, gold prices, projected economic returns and evaluations of existing or potential liabilities associated with the relevant assets and how these factors may change in future. Other than historical operating results, these factors are uncertain and could have an impact on revenue, cash and other operating costs, as well as the process used to estimate mineral reserves. As a result of this competition, exploration and acquisitions by Newcrest may not result in it being able to maintain or increase its mineral reserves, which could negatively impact its results of operations, as well as its financial condition and prospects.

Geotechnical, geothermal and hydrological challenges

Newcrest faces continued geotechnical challenges, in particular due to the trend toward mining deeper pits, more complex deposits and the use of underground block and panel caving methods. This leads to higher pit walls, more complex underground environments and increased exposure to geotechnical instability and hydrological impacts. As Newcrest's operations are maturing, the open pits at its sites are getting deeper and Newcrest is pursuing mining of significant underground deposits and may experience geotechnical failures at some of its mines.

There are a number of risks and uncertainties associated with the block caving and panel caving mining methods, including that a deposit may not cave as anticipated, the wide spans needed give rise to a risk of unplanned ground movement due to changes in stresses in the surrounding rock and the risk of unplanned release of material and/or water through drawbells and ventilation shafts. Block caving is used to mine Ridgeway Deeps and Newcrest is using the panel caving mining method at Cadia East.

In addition, the success of Newcrest at some of its operations, including the Lihir operation, depends, in part, upon the implementation of Newcrest's engineering solutions to particular hydrological and geothermal conditions. Significant removal of both groundwater and sea water inflow and geothermal control is required before and during mining. A failure to resolve any unexpected problems relating to these conditions at a commercially reasonable cost could adversely affect the economics, safety or feasibility of Newcrest's operations.

No assurances can be given that unanticipated adverse geotechnical and hydrological conditions will not occur in the future or that such events will be detected in advance. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, injury or death of employees or third parties, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of Newcrest's projects or operations to be less profitable than currently anticipated and could result in a material adverse effect on its results of operations and financial position.

OPERATING AND FINANCIAL REVIEW

Joint venture arrangements

Newcrest has the following material joint venture interests through its subsidiaries:

- A 50% interest in the Morobe Mining Joint Ventures, comprising the Hidden Valley mine unincorporated joint venture, which holds the Hidden Valley operation in Papua New Guinea, the Wafi-Golpu unincorporated joint venture, which holds the Wafi-Golpu exploration project and related exploration tenements in Papua New Guinea, and the Morobe exploration unincorporated joint venture, which holds a portfolio of exploration tenements in the Morobe Province in Papua New Guinea. The other 50% interest in each of the Morobe Mining Joint Ventures is held by subsidiaries of Harmony Gold Mining Company Limited;
- An 75% interest in PTNHM, which is an incorporated joint venture company that operates the Gosowong project in Indonesia. PT Aneka Tambang holds the remaining 25% interest;
- An 89.89% interest in LGL Mines CI SA, which is an incorporated joint venture company that owns and operates the Bonikro gold mine. The government of Côte d'Ivoire has a 10% interest and the remaining interest is held by a minority shareholder; and
- A 69.94% interest in the Namosi unincorporated joint venture, which is a project to explore for porphyry copper-gold and epithermal style gold mineralization in the Namosi region of Fiji. The remaining interests are held by a subsidiary of Mitsubishi Materials Corporation and Nittetsu Mining Co. Ltd.

The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on Newcrest's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on Newcrest's future cash flows, earnings, results of operations, financial condition and prospects: (i) disagreement with joint venture partners on how to develop and operate the mines or projects efficiently; (ii) inability of joint venture partners to meet their obligations, including funding for capital expenditure, to the joint venture or third parties; (iii) litigation between joint venture partners regarding joint venture matters; and (iv) the particular risks associated with joint ventures where a sovereign State holds an interest, including the extent to which the State intends to engage in project decision making and the ability of the State to fund its proportionate share of project costs.

The occurrence of events for which Newcrest is not insured or for which its insurance is inadequate may adversely affect its cash flows and overall profitability

Newcrest maintains a comprehensive insurance program, including policies for property damage and business interruption designed to protect it against events which could have a significant adverse effect on its operations and profitability. Newcrest's insurances do not cover all potential risks associated with its business. Newcrest may elect not to insure, or to self-insure against certain risks, where the premiums associated with insuring against those risks are considered to be excessive or for various other reasons, including an assessment that the risks are remote. Further, Newcrest's insurance policies carry deductibles and limits which apply in the event of a claim which may lead to Newcrest not recovering the full monetary impact of an insured event. The occurrence of events for which Newcrest is not insured may adversely affect Newcrest's cash flows and overall profitability.

NEWCREST MINING LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $M	2012 $M
Operating sales revenue	4(a)	3,775	4,416
Cost of sales	4(b)	(2,930)	(2,607)
Gross profit		**845**	**1,809**
Exploration expenses		(64)	(80)
Corporate administration expenses	4(c)	(132)	(140)
Other income/(expenses)	4(d)	(82)	(14)
Share of (loss)/profit of associate	12	(110)	15
Losses on restructured and closed-out hedge contracts	4(i)	-	(7)
Business acquisition and integration costs	4(j)	-	(11)
Gain on business divestment	4(k)	-	46
Restructure costs	5(a)	(72)	-
Write-down of non-current assets	5(b)	(166)	-
Impairment losses	5(c)	(6,147)	-
Impairment of associate	5(d)	(151)	-
(Loss)/profit before interest and income tax		**(6,079)**	**1,618**
Finance income		1	2
Finance costs	4(e)	(110)	(43)
(Loss)/profit before income tax		**(6,188)**	**1,577**
Income tax benefit/(expense)	6	412	(402)
(Loss)/profit after income tax		**(5,776)**	**1,175**
(Loss)/profit after tax attributable to:			
Non-controlling interests		2	58
Owners of the parent		(5,778)	1,117
		(5,776)	**1,175**
Earnings per share (cents per share)			
Basic (loss)/earnings per share		(754.5)	146.0
Diluted (loss)/earnings per share		(754.5)	145.8

The above Statement should be read in conjunction with the notes.

NEWCREST MINING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $M	2012 $M
(Loss)/profit after income tax		**(5,776)**	**1,175**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the Income Statement			
Cashflow hedges			
Losses on restructured hedge contracts transferred to the Income Statement	4(i)	-	7
Foreign exchange gains on US dollar borrowings transferred to the Income Statement		-	(10)
Other cash flow hedges deferred in equity		(2)	(1)
Income tax expense/(benefit)		-	2
		(2)	(2)
Investments			
Net loss on available-for-sale financial assets transferred to the Income Statement		1	-
Net loss on available-for-sale financial assets deferred in equity		-	(2)
Share of other comprehensive income/(loss) of associate	12	(2)	-
		(1)	(2)
Foreign currency translation			
Foreign currency translation		896	488
		896	488
Other comprehensive income/(loss) for the year, net of tax		**893**	**484**
Total comprehensive income/(loss) for the year		**(4,883)**	**1,659**
Total comprehensive income/(loss) attributable to:			
Non-controlling interests		17	63
Owners of the parent		(4,900)	1,596
		(4,883)	**1,659**

The above Statement should be read in conjunction with the notes

NEWCREST MINING LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $M	2012 $M
Current assets			
Cash and cash equivalents		69	242
Trade and other receivables		178	251
Inventories	7	946	748
Other financial assets		18	11
Current tax asset		58	-
Other assets	8	156	212
Total current assets		1,425	1,464
Non-current assets			
Inventories	7	1,248	1,095
Other financial assets		10	8
Property, plant and equipment	9	5,544	4,364
Exploration, evaluation and development	9	7,566	8,795
Goodwill	10	436	3,759
Other intangible assets		114	93
Deferred tax assets		326	259
Investment in associate	12	132	395
Other assets	8	384	277
Total non-current assets		15,760	19,045
Total assets		17,185	20,509
Current liabilities			
Trade and other payables		620	482
Borrowings	13	1	1,200
Provisions		241	200
Current tax liability		-	92
Other financial liabilities		71	18
Total current liabilities		933	1,992
Non-current liabilities			
Borrowings	13	4,210	1,208
Provisions		353	308
Deferred tax liabilities		1,604	1,907
Total non-current liabilities		**6,167**	**3,423**
Total liabilities		**7,100**	**5,415**
Net assets		**10,085**	**15,094**
Equity			
Issued capital	14	13,592	13,561
Retained earnings/(accumulated losses)		(3,064)	2,890
Reserves		(583)	(1,476)
Equity attributable to owners of the parent		**9,945**	**14,975**
Non-controlling interests		140	119
Total equity		**10,085**	**15,094**

The above Statement should be read in conjunction with the notes.

NEWCREST MINING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $M	2012 $M
Cash flows from operating activities			
Receipts from customers		3,815	4,624
Payments to suppliers and employees		(2,849)	(2,648)
Interest received		1	2
Interest paid		(98)	(33)
Income taxes paid		(162)	(219)
Net cash provided by operating activities		**707**	**1,726**
Cash flows from investing activities			
Payments for property, plant and equipment		(466)	(436)
Mine under construction, development and feasibility expenditure		(1,440)	(2,075)
Exploration and evaluation expenditure		(152)	(158)
Information systems development		(40)	(45)
Proceeds from non-participation in rights issue		-	10
Payments for business divestment transaction costs		-	(8)
Payment for investments		-	(3)
Proceeds from sale of investments		9	-
Interest capitalised to development projects		(35)	(40)
Net cash used in investing activities		**(2,124)**	**(2,755)**
Cash flows from financing activities			
Proceeds from borrowings:			
• US dollar bilateral debt		2,054	1,785
• US dollar corporate bonds		948	963
Repayment of borrowings:			
• US dollar bilateral debt		(1,623)	(1,086)
• US dollar private placement		-	(119)
Net repayment of finance lease principal		(3)	(4)
Share buy-back		-	(35)
Payment for treasury shares		(1)	(9)
Proceeds from partial sale of shares in subsidiary to non-controlling interests, net of withholding tax		117	-
Dividends paid:			
• Members of the parent entity		(230)	(362)
• Non-controlling interests		(26)	(43)
Net cash provided by financing activities		**1,236**	**1,090**
Net (decrease)/increase in cash and cash equivalents		**(181)**	**61**
Cash and cash equivalents at the beginning of the year		242	185
Effects of exchange rate changes on cash held		8	(4)
Cash and cash equivalents at the end of the year		**69**	**242**

The above Statement should be read in conjunction with the notes.

NEWCREST MINING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

2013	Attributable to Owners of the Parent							Non-controlling Interests	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Fair Value Reserve	Retained Earnings	Total		
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Balance at 1 July 2012	**13,561**	**(1,543)**	**15**	**54**	**(2)**	**2,890**	**14,975**	**119**	**15,094**
Profit/(loss) for the year	-	-	-	-	-	(5,778)	(5,778)	2	(5,776)
Other comprehensive income/(loss) for the year	-	881	(2)	-	(1)	-	878	15	893
Total comprehensive income/(loss) for the year	**-**	**881**	**(2)**	**-**	**(1)**	**(5,778)**	**(4,900)**	**17**	**(4,883)**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	8	-	-	8	-	8
Shares issued - Dividend reinvestment plan	38	-	-	-	-	-	38	-	38
Treasury shares	(7)	-	-	-	-	-	(7)	-	(7)
Changes in equity interests held by the parent (Note 15)	-	7	-	-	-	92	99	30	129
Dividends paid	-	-	-	-	-	(268)	(268)	(26)	(294)
Balance at 30 June 2013	**13,592**	**(655)**	**13**	**62**	**(3)**	**(3,064)**	**9,945**	**140**	**10,085**

The above Statement should be read in conjunction with the notes.

NEWCREST MINING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

2012	Attributable to Owners of the Parent							Non-Controlling Interest	Total
	Issued Capital $M	FX Translation Reserve $M	Hedge Reserve $M	Equity Settlements Reserve $M	Fair Value Reserve $M	Retained Earnings $M	Total $M	$M	$M
Balance at 1 July 2011	**13,569**	**(2,026)**	**17**	**45**	**-**	**2,171**	**13,776**	**99**	**13,875**
Profit for the year	-	-	-	-	-	1,117	1,117	58	1,175
Other comprehensive income for the year	-	483	(2)	-	(2)	-	479	5	484
Total comprehensive income for the year	**-**	**483**	**(2)**	**-**	**(2)**	**1,117**	**1,596**	**63**	**1,659**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	9	-	-	9	-	9
Shares issued - Dividend reinvestment plan	36	-	-	-	-	-	36	-	36
Share buy-back	(35)	-	-	-	-	-	(35)	-	(35)
Treasury shares	(9)	-	-	-	-	-	(9)	-	(9)
Dividends paid	-	-	-	-	-	(398)	(398)	(43)	(441)
Balance at 30 June 2012	**13,561**	**(1,543)**	**15**	**54**	**(2)**	**2,890**	**14,975**	**119**	**15,094**

The above Statement should be read in conjunction with the notes.

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

1. Corporate Information

The ASX Appendix 4E has been prepared in accordance with the ASX Listing Rules. Information included in the ASX Appendix 4E has been extracted from the Group's full financial report, and is presented in Australian dollars.

A full description of the accounting policies adopted by the Group can be found in the Group's full financial report. These accounting policies have been consistently applied by each entity in the Group.

The full financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The full financial report of the Group also complies with International Financial Reporting Standards (IFRS) including interpretations as issued by the International Accounting Standards Board.

2. Critical Accounting Judgements, Estimates and Assumptions

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Mine Rehabilitation Provision

The Group assesses its mine rehabilitation provision annually. Significant judgement is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include future disturbances caused by further development, changes in technology, changes in regulations, price increases and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

(b) Unit-of-Production Method of Depreciation/Amortisation

The Group uses the unit-of-production basis when depreciating/amortising specific assets which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions.

2. Critical Accounting Judgements, Estimates and Assumptions (continued)

(c) Impairment of Assets

The Group assesses each Cash-Generating Unit (CGU), including CGUs with Goodwill as listed in Note 10, at least annually, to determine whether there is any indication of impairment or reversal. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, gold multiple values, future operating development and sustaining capital requirements and future operating performance (including the magnitude and timing of related cash flows).

(d) Deferred Mining Expenditure

The Group defers mining costs incurred during the production stage of its operations. Changes in an individual mine's design will generally result in changes to the life of mine waste to contained gold ounce (life of mine (pit/stage)) ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of mine (pit/stage) ratio even if they do not affect the mine's design. Changes to deferred mining resulting from a change in life of mine (pit/stage) ratios are accounted for prospectively.

(e) Capitalisation of Exploration and Evaluation Costs

The application of this policy for exploration and evaluation expenditure requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

(f) Recovery of Deferred Tax Assets

Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will comply with the relevant tax legislation and will generate sufficient taxable earnings in future periods in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as exchange rates, commodity prices and operating performance over the life of the asset. To the extent that cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets reported at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

2. Critical Accounting Judgements, Estimates and Assumptions (continued)

(g) Ore Reserve Estimates

The Group estimates its ore reserves and mineral resources annually in December each year, and reports the following February, based on information compiled by Competent Persons as defined in accordance with the Australasian code for reporting Exploration Results, Mineral Resources and Ore Resources of December 2004 (JORC code). The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long-term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserves estimates can impact the carrying value of property, plant and equipment, provision for rehabilitation obligations, the recognition of deferred tax assets, as well as the amount of depreciation and amortisation charged to the Income Statement.

(h) Investment in Associates

Included in the carrying value of the investment in Evolution Mining Limited (Evolution) is the Group's share of results of the associate for the year ended 30 June 2013. As at the date of this report, Evolution has not released its full financial statements for the year ended 30 June 2013. The Group's share of results of the associate has been estimated based on publically available information, including the associate's half-year accounts for the period ended 31 December 2012, quarterly production reports to 30 June 2013 and the market announcement on 29 July 2013 relating to the expected impairment to be recognised by Evolution in respect of 30 June 2013. This estimate may change when full financial statements become available and this may impact the carrying value of the investment.

Judgment is required in assessing whether there is objective evidence that the investment in Evolution is impaired or if an impairment should be reversed. At the reporting date, the Group impaired its investment in Evolution to the market value at 30 June 2013. Refer Note 12.

(i) Share-Based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using an option pricing model.

NEWCREST MINING LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

3. Dividends

	Cents per share	Total amount $M	Date of payment
(a) Dividend determined and paid			
The following dividends on ordinary shares were determined and paid:			
2013 Financial Year			
Final - In respect to the year ended 30 June 2012 (15% franked)	23.0	176	19 Oct 2012
Interim - In respect to the year ended 30 June 2013 (unfranked)	12.0	92	16 Apr 2013
	35.0	**268**	
2012 Financial Year			
Final - In respect to the year ended 30 June 2011 (unfranked)	20.0	153	21 Oct 2011
Special – In respect to the year ended 30 June 2011 (unfranked)	20.0	153	16 Dec 2011
Interim - In respect to the year ended 30 June 2012 (unfranked)	12.0	92	17 Apr 2012
	52.0	**398**	

Participation in the Dividend Reinvestment Plan reduced the cash amount paid to owners of the parent to $230 million (2012: $362 million).

(b) Dividend franking account balance

Franking credits at 30% as at 30 June 2013 available for the subsequent financial year is $1 million (2012: $20 million).

NEWCREST MINING LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

4. Revenue and Expenses

		2013 $M	2012 $M
	Specific items		
	Profit/(loss) before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
(a)	**Operating Sales Revenue**		
	Gold	3,149	3,740
	Copper	573	613
	Silver	53	63
	Total operating sales revenue	3,775	4,416
	Total revenue	**3,775**	**4,416**
(b)	**Cost of Sales**		
	Mine production costs	2,428	2,221
	Royalty	106	130
	Concentrate treatment and realisation	141	140
	Deferred mining adjustment	(346)	(178)
	Inventory movements	(165)	(248)
		2,164	2,065
	Write-down of inventory	177	-
	Depreciation	589	542
	Total cost of sales	**2,930**	**2,607**
(c)	**Corporate Administration Expenses**		
	Corporate costs	102	112
	Corporate depreciation	22	19
	Equity settled share-based payments	8	9
	Total corporate administration expenses	**132**	**140**
(d)	**Other income/(expenses)**		
	Net foreign exchange gain/(loss)	9	(14)
	Net fair value gain/(loss) on gold and copper derivatives	(45)	16
	Legacy community contractual settlements and negotiation costs	(37)	-
	Other	(9)	(16)
	Total other income/(expenses)	**(82)**	**(14)**

NEWCREST MINING LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

4. Revenue and Expenses (continued)

		2013 $M	2012 $M
(e)	**Finance Costs**		
	Interest Costs:		
	Interest on loans	120	58
	Other:		
	Facility fees and other costs	15	17
	Discount unwind on provisions	10	8
		145	83
	Less: Capitalised borrowing costs	(35)	(40)
	Total finance costs	110	43
(f)	**Depreciation and Amortisation**		
	Property, plant and equipment	344	316
	Mine development	345	291
	Intangible assets	19	19
		708	626
	Less: Capitalised to inventory on hand or assets under construction	(97)	(65)
	Total depreciation and amortisation expense	611	561
	Included in:		
	Cost of sales depreciation	589	542
	Corporate depreciation	22	19
	Total depreciation and amortisation expense	611	561
(g)	**Employee Benefits Expense**		
	Defined contribution plan expense	41	37
	Equity settled share-based payments	8	9
	Redundancy expense	50	-
	Other employment benefits	511	458
	Total employee benefits expense	610	504
(h)	**Other Items**		
	Operating lease rentals	6	8

NEWCREST MINING LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

4. Revenue and Expenses (continued)

	2013 $M	2012 $M
(i) Losses on Restructured and Closed-Out Hedge Contracts		
Losses on restructured and closed-out hedge contracts transferred from reserves	-	7
Applicable income tax/(benefit)	-	(2)
Total losses on restructured and closed-out hedges (after tax)	-	5
(j) Business Acquisition and Integration Costs		
Integration costs [1]	-	11
Applicable income tax expense/(benefit)	-	(3)
Total business acquisition and integration costs (after tax)	-	8

[1] Represents costs associated with the acquisition of Lihir Gold Limited on 30 August 2010.

(k) Gain on Business Divestment		
Consideration received	-	390
Written down value of net assets sold	-	(336)
Disposal costs	-	(8)
Applicable income tax expense/(benefit)	-	-
Gain on business divestment [1]	-	46

[1] Represents gain on the divestment of Cracow and Mt Rawdon operations on 2 November 2011.

NEWCREST MINING LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

5. Impairment and Restructure Costs

	Items by Nature	2013 Gross $M	2013 Tax $M	2013 Net $M
(a)	**Restructure costs** [1]			
	Redundancy costs	50	(15)	35
	Office closure and other costs	22	(6)	16
	Total Restructure costs	**72**	**(21)**	**51**
(b)	**Write-down of non-current assets** [3]			
	Property, plant and equipment	87	(26)	61
	Exploration, evaluation and mine development	79	(24)	55
	Total Operational asset write-downs	166	(50)	116
	De-recognition of deferred tax assets	-	105	105
	Total write-down of assets	**166**	**55**	**221**
(c)	**Impairment losses** [2]			
	Deferred Mining	341	(90)	251
	Property, plant and equipment	979	(236)	743
	Exploration, evaluation and mine development	1,132	(238)	894
	Goodwill [2]	3,695	-	3,695
	Total impairment losses	**6,147**	**(564)**	**5,583**
(d)	**Impairment of associate** [4]			
	Investment in associate	151	-	151
	Total impairment of associate	**151**	**-**	**151**

(e) Items by segment

	Impairments [5] $M	Write-down of assets $M	Subtotal – Impairment and Write-downs $M	Restructure $M	Total $M
Lihir	3,492	146	3,638	5	3,643
Telfer	1,674	19	1,693	17	1,710
West Africa [6]	575	1	576	1	577
Hidden Valley	406	-	406	-	406
Corporate [1] [4]	151	-	151	49	200
Total items by segment	**6,298**	**166**	**6,464**	**72**	**6,536**
Tax	(564)	55	(509)	(21)	(530)
Total items by segment (after tax)	**5,734**	**221**	**5,955**	**51**	**6,006**

Attributable to:	
Non-controlling interests	29
Owners of the parent	5,977
	6,006

5. Impairment and Restructure Costs (continued)

(1) Represents rationalisation of corporate and support functions and the closure of the Brisbane office.

(2) The Group has recognised impairments of goodwill and other assets as a result of its annual impairment testing. These impairments have been recognised as a result of lower gold prices, the compression of earnings multiples in the gold industry and other market factors. Refer to Note 11 for further details.

(3) As a result of the completion of a review of its business plan and 2014 financial year budget, the Group confirmed its focus to maximise free cash flow, including a reduction in open pit material movement, an increase in the utilisation of existing stockpiles and the removal of high cost gold ounces from the production profile. This approach has contributed to write-downs across various asset categories.

The write-down of these non-current assets is in addition to the write-down of inventory, which has been recognised in Cost of Sales ($177 million pre-tax, $130 million post tax) as disclosed in Note 4(b).

(4) As a result of the Group's impairment review, the investment in Evolution Mining Ltd has been impaired. This impairment is in addition to an impairment of $122 million included in the share of loss of associate. Refer to Note 12 for further details.

(5) Includes goodwill impairment of $3,492 million in respect of Lihir, and $203 million in respect of West Africa. Refer to note 10 for further details.

(6) A total of $29 million is attributable to non-controlling interest.

There were nil impairment and restructure costs in respect of the financial year ended 30 June 2012.

NEWCREST MINING LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

6. Income Tax

	2013 $M	2012 $M
Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit/(loss) before tax	**(6,188)**	**1,577**
Income tax expense/(benefit) calculated at 30% (2012: 30%)	(1,856)	473
Research, development and other allowances – current year	(14)	(4)
Research, development and other allowances – prior year	(14)	(27)
Recognition of tax losses	-	(35)
(Over) provided in prior years	(3)	(9)
Gain on business divestment	-	(14)
Other	2	18
	(29)	(71)
Adjustments on impairment and restructure costs:		
Impairment - Goodwill	1,108	-
Impairment – Investment in associates	82	-
Write-down and impairment – Other assets	178	-
De-recognition of deferred tax assets	105	-
	1,473	-
Income tax (benefit)/expense per the Income Statement	**(412)**	**402**

7. Inventories

	2013 $M	2012 $M
Current		
Ore	269	240
Gold in circuit	52	32
Concentrate	129	94
Materials and supplies	496	382
Total current inventories	**946**	**748**
Non-Current		
Ore	1,248	1,095
Total non-current inventories	**1,248**	**1,095**

$57 million of inventory is held at net realisable value (2012: $129 million).

NEWCREST MINING LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

8. Other Assets

	2013 $M	2012 $M
Current		
Prepayments	107	91
Deferred mining	49	121
Total current other assets	**156**	**212**
Non-Current		
Prepayments	11	5
Deferred mining	373	272
Total non-current other assets	**384**	**277**

9. Property, Plant and Equipment & Exploration, Evaluation and Development

	Property, Plant and Equipment 2013 $M	**Exploration, Evaluation and Development 2013 $M**	**Total 2013** $M
At 30 June 2013			
Cost	9,087	10,625	19,712
Accumulated depreciation and impairment	(3,543)	(3,059)	(6,602)
	5,544	**7,566**	**13,110**
Year ended 30 June 2013			
Carrying amount at 1 July 2012	4,364	8,795	13,159
Expenditure during the year	466	1,667	2,133
Expenditure written off during the year	-	(64)	(64)
Depreciation for the year	(344)	(345)	(689)
Disposals and write-down of assets	(94)	(79)	(173)
Foreign currency translation	384	471	855
Reclassifications/transfers	1,747	(1,747)	-
	6,523	8,698	15,221
Impairment losses for the year (Note 5)	(979)	(1,132)	(2,111)
Carrying amount at 30 June 2013	**5,544**	**7,566**	**13,110**

10. Goodwill

	2013 $M	2012 $M
Opening balance	3,759	3,621
Divestments	-	(53)
Foreign currency translation	372	191
Impairment loss for the year [1]	(3,695)	-
Closing balance	**436**	**3,759**

[1] Impairment losses of $3,695 million (2012: nil) have been recognised in respect of Lihir: $3,492 million and West Africa $203 million. Refer to Note 5.

(a) Allocation of Goodwill to Cash Generating Units

Goodwill arose through the acquisition of Lihir Gold Limited on 30 August 2010 and was allocated to the following cash generating units (CGUs):

West Africa	-	184
Lihir	436	3,575
	436	**3,759**

11. Impairment of Goodwill and Non-Current Assets

In accordance with the Group's accounting policies and processes, the Group performs its impairment testing annually at 30 June. Goodwill and non-financial assets are reviewed at each reporting period to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made.

The significant and sustained decline in gold price and resulting fall in market value of gold company share prices, reflected in the market capitalisation of Newcrest, in the latter part of the 2013 financial year represented indicators of impairment. As a result, the Group assessed the recoverable amounts of each of its cash-generating units ("CGUs"), including goodwill where applicable.

Unless otherwise identified, the following discussion of (a) Impairment testing and (b) Sensitivity analysis, is applicable to the assessment of the Fair Value of all of the Group's CGUs, inclusive of those CGU's in which Goodwill is recognised.

a) Impairments testing

i) Methodology

Impairment is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount of each CGU has been determined on its fair value less costs to sell ("Fair Value"). The costs to sell have been estimated by management based on prevailing market conditions.

11. Impairment of Goodwill and Non-Current Assets (continued)

Fair Value is estimated based on discounted cash flows using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on CGU life of mine ("LOM") plans. When LOM plans do not fully utilise the existing mineral resource for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of unmined resources, in addition to an estimate of value of exploration potential, is included in the determination of Fair Value. The Group consider this valuation approach to be consistent with the approach taken by market participants.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from our planning process documents, including LOM plans, 5 year plans and one-year budgets. The 2014 budget and 5 year plan were developed in the context of the current market environment and outlook, including a sharp deterioration in the gold price and as previously announced the Group's focus on maximising free cash flow. As a result, the Group's latest plans reflect reduced and deferred capital expenditures and operating cost reduction initiatives.

In previous Fair Value assessments, the Group applied a gold multiple to the discounted cash flow valuation, as gold companies typically traded at a market capitalisation that was based on a multiple of their underlying discounted cash flow valuation. In determining the appropriate gold multiples for CGUs, the Group took into consideration the gold price assumption, the mine life, reserve/resource addition potential, average annual production level and operating cost profile. In the current year, a gold multiple of 1.0 has been applied to all CGUs, resulting in no impact on the determination of Fair Value.

Significant judgements and assumptions are required in making estimates of Fair Value. This is particularly so in the assessment of long life assets (for example Lihir which has a LOM plan of approximately 50 years). It should be noted that the CGU valuations are subject to variability in key assumptions including, but not limited to, long-term gold prices, currency exchange rates, discount rates, CGU specific gold multiples, production and operating costs. An adverse change in one or more of the assumptions used to estimate Fair Value could result in a reduction in a CGU's Fair Value.

ii) Key Assumptions

The table below summarises the key assumptions used in the 2013 end of year carrying value assessments, and for illustration also provides the equivalent assumptions used in 2012:

	2013		**2012**	
	2014 – 2019	**Long term (2020+)**	**2013 – 2018**	**Long term (2019+)**
Gold (US$ per ounce)	$1,300	$1,300	$1,615 declining to $1,211	$1,100
Copper (US$ per pound)	$3.00	$3.00	$3.78 declining to $2.88	$2.70
AUD:USD exchange rate	$0.91 declining to $0.81	$0.80	$1.00 declining to $0.85	$0.80
Discount rate (%)	USD Assets 5.25 to 5.75% AUD Assets 5.5%		USD Assets 5.5 to 6.0% AUD Assets 6.0%	
Gold multiple (times)	1.0		1.1 – 1.4	

11. Impairment of Goodwill and Non-Current Assets (continued)

Commodity prices and exchange rates

Commodity price and foreign exchange rates are estimated with reference to external market forecasts and updated at least annually. The rates applied for the first 2 to 3 years of the valuation having regard to observable market data including spot and forward values, thereafter the estimate is interpolated to the long term assumption, which is made having regard to market analysis including equity analyst estimates.

Discount rate

In determining the Fair Value of CGUs, the future cash flows were discounted using rates based on the Group's estimated real after tax weighted average cost of capital, pursuant to the Capital Asset Pricing Model, for each functional currency used in the Group, with an additional premium applied having regard to the geographic location of the CGU. The discount rates applied to individual CGUs that recognised impairments were as follows:

CGU	Functional Currency	2013	2012
Lihir	USD	5.25%	5.5%
Hidden Valley	USD	5.25%	5.5%
West Africa	USD	5.75%	6.0%
Telfer	AUD	5.5%	6.0%

Gold multiple

Historically, in valuing gold producers, the gold multiple has been widely used as a proxy for, inter alia, higher gold price optionality, reserve and resource conversion and exploration success and a market premium paid for gold companies. In the 2013 impairment review, largely due to the significant decline in gold company share prices in the latter part of the financial year and the absence of an observable premium, a gold multiple of 1.0 was applied to all CGUs in the estimation of Fair Value. In 2012, the following multiples were applied to the CGU net present value of discounted cash flows to determine Fair Value: Cadia Valley 1.4; Lihir 1.4; Gosowong 1.3; Telfer 1.2; Hidden Valley 1.1; West Africa 1.1.

Operating and capital costs

Life of mine operating and capital cost assumptions are based on the Group's latest budget, five year plan and longer term province plans. The projections include expected cost improvements reflecting the Group's objectives to maximise free cash flow, optimise and reduce activity, apply technology, improve capital and labour productivity and remove high cost gold ounces from the production profile. Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

11. Impairment of Goodwill and Non-Current Assets (continued)

Unmined resources and exploration values

Unmined resources may not be included in a CGU's particular life of mine plan for a number of reasons, including the need to constantly re-assess the economic returns on and timing of specific production options in the current economic environment. The Group has estimated unmined resources values on a dollar margin per gold equivalent ounce basis individually for each CGU, taking into account a range of factors including the physical specifications of the ore, probability of conversion, estimated capital and operating costs, and length of mine life.

Exploration values have been estimated by the Group based on estimates of total mineral endowments by CGU. A per unit valuation of expected resource growth is applied on a CGU specific basis, determined by the expected realisable value of the estimated additional inventory.

The value of unmined resources and exploration as a % of the assessed Fair Value in the current period for each CGU subject to impairment is as follows:

	Lihir	Telfer	Hidden Valley	West Africa
Unmined resource	1%	18%	8%	6%
Exploration	6%	9%	8%	25%

iii) Impacts

After reflecting the write down of certain assets arising from the Group's revised operating plans, the Group has conducted our carrying value analysis and recognised goodwill and non-current assets impairments of A$5,583 million after tax, as summarised in the table below:

CGU	**Impairment-Goodwill A$M**	**Impairment-Other Assets A$M**	**Total A$M**
Lihir	3,492	-	3,492
Telfer	-	1,674	1,674
West Africa	203	372	575
Hidden Valley	-	406	406
Total items by CGU	**3,695**	**2,452**	**6,147**
Tax			(564)
Total items by CGU (after tax)			**5,583**

The Fair Value of the Group's other CGUs – Cadia Valley and Gosowong – were assessed by the Group to significantly exceed their carrying values.

The Fair Value of the Telfer, West Africa and Hidden Valley CGUs have been most impacted by the sharp decline in short to medium term commodity price assumptions and changes to mine plans focussed on maximising free cash flow in a lower gold price environment. The elimination of the use of gold multiples in the determination of Fair Value also had a negative impact on the valuation of these CGUs.

The Lihir CGU was most impacted by the elimination of the use of a gold multiple in the determination of Fair Value, in addition to the sharp decline in short to medium term commodity price assumptions.

11. Impairment of Goodwill and Non-Current Assets (continued)

b) Sensitivity Analysis

After effecting the impairments for the Lihir, Telfer, West Africa and Hidden Valley CGUs, the Fair Value of these assets is assessed as being equal to their carrying amount as at 30 June 2013.

Any variation in the key assumptions used to determine Fair Value would result in a change of the assessed Fair Value. If the variation in assumption had a negative impact on Fair Value it could indicate a requirement for additional impairment to non-current assets.

It is estimated that changes in the key assumptions would have the following approximate impact on the Fair Value of each CGU in its functional currency that has been subject to impairment in the 2013 statutory accounts:

$ million in functional currency	**Lihir** **USD**	**Telfer** **AUD**	**Hidden Valley** **USD**	**West Africa** **USD**
US$100 per ounce change in gold price	1,285	425	115	80
0.25% increase/decrease in discount rate	285	25	5	5
$0.05 increase/decrease in AUD:USD rate	n/a	410	n/a	n/a
5% increase/decrease in operating costs from that assumed	400	260	65	30

It must be noted that each of the sensitivities above assumes that the specific assumption moves in isolation, whilst all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions is usually accompanied with a change in another assumption which may have an offsetting impact (for example, the recent decline in the US$ gold price has been accompanied with a decline in the A$ compared to the US$). Action is also usually taken to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

In addition to the impairment testing performed at 30 June 2013, the Group also undertook a sensitivity analysis on the Cadia Valley and Gosowong CGUs. Both of these CGUs have a Fair Value that significantly exceeds their carrying value. None of the sensitivities in the table above, applied either in isolation or in aggregate (as improbable as this scenario may be) to the Cadia Valley and Gosowong CGUs, would cause an impairment in either CGU as at 30 June 2013. The gold price assumptions required in order for the estimated Fair Values to equal the carrying amounts for these two CGUs are:

- Cadia Valley - less than approximately US$625 per ounce; and
- Gosowong - less than approximately US$875 per ounce.

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12. Investment in Associate

	2013 $M	2012 $M
Investment in Evolution Mining Ltd [1]		
Carrying amount at 1 July	395	-
Acquisitions	-	390
Non-participation in rights issue	-	(10)
Share of comprehensive loss	(2)	-
Share of results of associate:		
- Share of associate's operational profit	12	15
- Share of associate's impairment [2]	(122)	-
	(110)	15
Additional impairment loss recognised	(151)	-
Carrying amount at 30 June [3]	**132**	**395**

(1) The Group holds 231,082,631 shares (2012: 231,082,631) in Evolution Mining Limited (Evolution), representing a 32.63% (2012: 32.68%) interest. Evolution is an Australian gold mining company listed on the Australian Securities Exchange (ASX).

(2) On 29 July 2013, Evolution announced an expected impairment. The Group's expected share of this impairment is $122 million and is based on the mid-point of the range announced by the associate.

(3) As a result of the Group's impairment review, the investment has been impaired to the market value as at 30 June 2013. The market value of $132 million is based on the closing market bid price of $0.570 on the ASX on 28 June 2013. The carrying value will be reviewed at each balance date with reference to the closing share price on the ASX. As at 9 August 2013 the share price was $0.775.

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13. Borrowings

		2013 $M	2012 $M
Current			
Finance lease liabilities – secured	(i)	1	3
US dollar bilateral bank debt - unsecured	(ii)	-	1,197
Total current borrowings		**1**	**1,200**
Non-Current			
Finance lease liabilities - secured	(i)	-	1
US dollar bilateral bank debt - unsecured	(ii)	1,806	-
US dollar private placement notes – unsecured	(iii)	248	226
US dollar corporate bonds - unsecured	(iv)	2,156	981
Total non-current borrowings		**4,210**	**1,208**

(i) Finance lease facility

The Group's lease liabilities are secured by the assets leased. In the event of default, the assets revert to the lessor.

(ii) US dollar bilateral bank debt

The Group has bilateral bank debt facilities of US $2,500 million (2012: US $2,000 million) with 10 banks. These are committed unsecured revolving facilities with maturities of September 2015 and September 2017 (2012: maturities ranging between December 2012 and February 2013), individually negotiated and documented with each bank but with similar terms and conditions. These facilities are on normal terms and conditions and include certain financial covenants. Interest is based on LIBOR plus a margin which varies amongst the lenders.

(iii) US dollar private placement notes

During the year ended 30 June 2005, the Group issued US$350 million of long term senior unsecured notes into the North American private placement market. The proceeds of the placement were received on 11 May 2005. The tranches remaining are shown in the table below:

	Maturity	2013 US $M	2012 US $M	2013 A $M	2012 A $M
Fixed 10 years	11 May 2015	105	105	113	103
Fixed 12 years	11 May 2017	100	100	108	98
Fixed 15 years	11 May 2020	25	25	27	25
		230	**230**	**248**	**226**

These notes are on normal terms and conditions and include certain financial covenants.

Interest on the notes is payable semi-annually at an average of 5.7% (2012: 5.7%).

These notes were fully drawn as at 30 June 2013 and have been restated to Australian dollars, using the spot exchange rate at the reporting date.

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

13. Borrowings continued

(iv) US dollar corporate bonds

In each of November 2011 and October 2012, Newcrest issued US $1,000 million in US dollar corporate bonds (notes). The notes were sold in accordance with Rule 144A and Regulation S of the Securities Act of the United States. The notes consist of:

- US $750 million Senior Unsecured Notes due 15 November 2021 with a coupon of 4.45%.
- US $750 million Senior Unsecured Notes due 1 October 2022 with a coupon of 4.20%.
- US $500 million Senior Unsecured Notes due 15 November 2041 with a coupon of 5.75%.

(v) Financial arrangements

The Group has access to the following unsecured financing arrangements.

	2013 US $M	2012 US $M	**2013 A $M**	2012 A $M
Facilities utilised at reporting date:				
USD Bilateral bank debt facilities	1,675	1,220	1,806	1,197
USD Private placement notes	230	230	248	226
USD Corporate bonds	2,000	1,000	2,156	981
	3,905	**2,450**	**4,210**	**2,404**
Facilities unutilised				
USD Bilateral bank debt facilities	825	780	889	765
	825	**780**	**889**	**765**
Total facilities				
USD Bilateral bank debt facilities	2,500	2,000	2,695	1,962
USD Private placement notes	230	230	248	226
USD Corporate bonds	2,000	1,000	2,156	981
	4,730	**3,230**	**5,099**	**3,169**

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14. Issued Capital

(a) Movements in Issued Capital

		2013 $M	2012 $M
Opening balance		13,561	13,569
Shares issued during the year:			
• Dividend reinvestment plan	(i)	38	36
• Share buy-back		-	(35)
• Shares repurchased and held in treasury	(ii)	(7)	(9)
Total issued capital		**13,592**	**13,561**

(b) Number of Issued Ordinary Shares

	2013 No.	2012 No.
Comprises:		
• Shares held by the public	765,607,049	764,561,477
• Treasury shares	903,922	438,523
Total issued capital	**766,510,971**	**765,000,000**

(i) The Dividend reinvestment plan provides shareholders with an opportunity to reinvest all or part of their dividend entitlements at the market price at the time of issue.

(ii) During the year, shares were purchased by the Newcrest Employee Share Trust on behalf of Newcrest Mining Limited to satisfy future share rights and awards as they vest.

15. Change in Equity Interest in Subsidiary

On 20 December 2012, Newcrest completed the sale of a 7.5% interest in PT Nusa Halmahera Minerals (PT NHM) which holds the Contract of Work for the Gosowong Gold Mine in Indonesia.

Consideration for the sale comprised of:

- Cash consideration of US $130 million (A $124 million). This was received on the completion date of 20 December 2012.
- Contingent consideration of US $30 million, subject to a further one million ounces of additional gold resource being defined by December 2017.

Newcrest now holds a 75% interest in PT NHM (previously 82.5%) with PT Antam holding the remaining 25% (previously 17.5%).

The impact of the sale on equity attributable to the owners of Newcrest was as follows:

	2013 $M
Cash consideration (net of withholding tax)	117
Fair value of contingent consideration	10
Total consideration	127
Carrying value of subsidiary at 7.5%	(28)
Increase in equity attributable to Newcrest	**99**

NOTES TO THE FINANCIAL INFORMATION
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16. Contingent Liabilities

a) Legal proceedings were commenced in December 2010 against the Hidden Valley mine unincorporated joint venture (in which Newcrest holds a 50% interest) in Papua New Guinea over alleged damage to the Watut River (which runs adjacent to the Hidden Valley gold mine) alleged to have been caused by waste rock and overburden from the mine. The damages sought by the plaintiffs are not specified. It continues to be not practicable to make any reasonable assessment of the prospects of the plaintiffs succeeding in their claim, nor the potential liability of the Hidden Valley mine unincorporated joint venture parties were the plaintiffs to succeed. The defendants are defending the claims. Accordingly, no provision has been recognised in the financial statements for this matter.

b) A private exploration company called Gold and Copper Resources Pty Ltd (GCR) has brought five legal actions against Newcrest, each relating in some way to Newcrest's exploration/mining tenure or related permitting at or near its Cadia Valley operations. The NSW Minister for Resources and Energy is a co-respondent with Newcrest in three of these proceedings. Newcrest is and will be vigorously defending its position in relation to each of the court actions, two of which have now been determined (though one is subject to appeal by GCR). Newcrest does not expect any of the claims to have a material adverse impact on exploration or mining activities at Cadia Valley.

c) In media releases dated 12 June and 19 July 2013, Maurice Blackburn Lawyers and Slater & Gordon Lawyers, respectively, have indicated that they are investigating or preparing potential shareholder class actions against Newcrest in relation to certain matters arising from or in connection with Newcrest's 7 June 2013 market release. Newcrest has not been contacted by either of the plaintiff law firms and is not aware of any proceedings having been commenced. Newcrest is also aware that the Australian Securities and Investments Commission is investigating certain matters relating to, or events leading up to, Newcrest's 7 June 2013 market release.

d) In addition to the above matters, companies in the Group are recipients of or defendants in certain claims, suits and complaints made, filed or threatened. In the opinion of the Directors, all matters are of such a kind, or involve such amounts, that they will not have a material effect on the financial position of the Group if disposed of unfavourably, or are at a stage which does not permit a reasonable evaluation of the likely outcome of the matter.

e) The Indonesian Tax Office (ITO) is conducting tax audits of PT Nusa Halmahera Minerals (PT NHM), which is owned 75% by the Group covering the 2008, 2010 and 2011 financial years. It has recently completed audits for the 2005 and 2007 financial years. The Group considers that PTNHM has made adequate provision for its taxation liabilities and is taking appropriate steps to address the issues raised by the ITO. There would be a tax impact if any of the ITO audits result in an adjustment that ultimately increases PT NHM taxation liabilities.

f) Newcrest Mining Limited is currently subject to review by the Australian Taxation Office and Innovation Australia of research and development claims made in Australia during the 2005 to 2011 financial years. The review process is ongoing and no adverse findings have been made. Newcrest considers that the claims have merit and are providing additional information as required. If an adverse assessment was made in relation to any of the claims, it could result in an adjustment that increases Newcrest's taxation liabilities.

g) The Group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is $176 million (2012: $163 million).

NOTES TO THE FINANCIAL INFORMATION
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17. Segment Information

The Group's operating segments are based on the internal management reports that are reviewed and used by the Group's Executive Committee (the chief operating decision-makers) in assessing performance. The operating segments represent the Group's operating mines and projects which are organised and managed according to their location.

The Group's reportable operating segments are:

- Cadia Valley, Australia
- Telfer, Australia
- Gosowong, Indonesia
- Lihir, Papua New Guinea
- Hidden Valley JV (50% interest), Papua New Guinea
- West Africa (includes Bonikro operations and exploration and evaluation activities in Côte d'Ivoire)
- Exploration and Other

Exploration and Other mainly comprises projects in the exploration, evaluation and feasibility phase and includes Namosi in Fiji, Wafi-Golpu in PNG, and Marsden and O'Callaghans in Australia.

(a) Segment Results, Segment Assets and Segment Liabilities

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes. The performance of each segment is measured based on their Revenues, Costs, EBITDA and EBIT (Segment Result).

Segment Revenues represent gold, copper and silver sales at unhedged prices.

EBITDA is earnings before interest, tax, depreciation, amortisation, impairments, hedge restructure and other significant items. EBIT is earnings before interest, tax, impairment, hedge restructure and other significant items. The reconciliation of EBITDA and EBIT to profit before tax is shown in the following table.

Segment assets exclude tax losses and intercompany receivables.
Segment liabilities exclude intercompany payables.

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17. Segment Information (continued)

2013	Cadia Valley $M	Telfer $M	Gosowong $M	Lihir $M	Hidden Valley $M	West Africa $M	Total Operations $M	Exploration & Other $M	Corporate[1] $M	Total Group $M
External sales revenue	1,058	983	483	961	155	135	3,775	-	-	3,775
EBITDA	492	261	278	540	(6)	46	1,611	(64)	(180)	1,367
Depreciation and amortisation	(134)	(200)	(70)	(126)	(40)	(19)	(589)	-	(22)	(611)
EBIT (Segment result) [3]	**358**	**61**	**208**	**414**	**(46)**	**27**	**1,022**	**(64)**	**(202)**	**756**
Other Information										
Segment assets [4]	4,354	999	603	9,379	399	546	16,280	463	442	17,185
Segment liabilities	635	284	157	1,790	83	80	3,029	29	4,042	7,100
Carrying value	3,719	715	446	7,589	316	466	13,251	434	(3,600)	10,085
Capital expenditure[2]	668	214	103	736	57	57	1,835	224	114	2,173

Notes:
[1] Includes investment in associates and eliminations.
[2] Represents additions to Property, plant and equipment, exploration, evaluation and development, and other intangible assets.
[3] Refer to Note 17(b) for the reconciliation of segment result to profit before tax.
[4] Segment assets are net of write-downs and impairments. Refer Note 5.

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NOTES TO THE FINANCIAL INFORMATION
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17. Segment Information (continued)

2012	Cadia Valley $M	Telfer $M	Cracow & Mt Rawdon[2] $M	Gosowong $M	Lihir $M	Hidden Valley $M	West Africa $M	Total Operations $M	Exploration & Other $M	Corporate[1] $M	Total Group $M
External sales revenue	1,141	1,192	89	711	964	172	147	4,416	-	-	4,416
EBITDA	568	473	37	527	651	32	63	2,351	(80)	(120)	2,151
Depreciation and amortisation	(111)	(187)	(11)	(67)	(97)	(36)	(33)	(542)	-	(19)	(561)
EBIT [4] (Segment result)	**457**	**286**	**26**	**460**	**554**	**(4)**	**30**	**1,809**	**(80)**	**(139)**	**1,590**
Other Information											
Segment assets	3,835	2,241	-	523	10,669	679	960	18,907	638	964	20,509
Segment liabilities	535	233	-	86	1,553	68	120	2,595	22	2,798	5,415
Carrying value	3,300	2,008	-	437	9,116	611	840	16,312	616	(1,834)	15,094
Capital expenditure[3]	1,278	279	8	88	773	38	17	2,481	231	121	2,833

Notes:
(1) Includes investment in associates and eliminations
(2) Segment Result attributable to Mt Rawdon and Cracow is for the period 1 July to 2 November 2011
(3) Represents additions to Property, plant and equipment, exploration, evaluation and development and other intangible assets.
(4) Refer to Note 17(b) for the reconciliation of segment result to profit before tax.

17. Segment Information (continued)

	Note	2013 $M	2012 $M
(b) Reconciliation of EBIT (Segment Result) to Profit Before Tax			
Segment Result	17(a)	**756**	**1,590**
Finance income		1	2
Finance costs		(110)	(43)
Net finance costs		(109)	(41)
Losses on restructured and closed-out hedge contracts	4(i)	-	(7)
Business acquisition and integration	4(j)	-	(11)
Gain on business divestment	4(k)	-	46
Restructure costs	5(a)	(72)	-
Write-down of non-current assets	5(b)	(166)	-
Impairment losses	5(c)	(6,147)	-
Impairment of associate	5(d)	(151)	-
Share of associate's impairment	12	(122)	-
Write-down of inventory	4(b)	(177)	
Other items		(6,835)	28
Profit Before Tax		**(6,188)**	**1,577**

18. Events Subsequent to Reporting Date

There are no matters or circumstances which have arisen since 30 June 2013 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.