

# Half Year Results FY18

15 February 2018



## Half Year Results & Update<sup>1</sup>

Newcrest has reported a half year Statutory profit<sup>2</sup> of \$98 million and an Underlying profit<sup>3</sup> of \$116 million, with gold production of 1.14 million ounces.

### Key Points for Half Year

- Gold production of 1.14 million ounces at a Group All-In Sustaining Cost<sup>3</sup> of \$860 per ounce
- Free Cash Flow<sup>3</sup> of \$134 million enabling a 4% reduction in net debt to \$1.4 billion
- Interim dividend of US 7.5 cents per share, fully franked
- Progressive ramp-up of Cadia Panel Cave 1 and Panel Cave 2 proceeded to plan post seismic event
- Continued portfolio optimisation with divestment of Bonikro

### Key Milestones for the Near Term

- Cadia East Mine Prefeasibility Study in August 2018
- Cadia Plant Expansion Prefeasibility Study in August 2018
- Cadia targeting 30mtpa annualised production rate by end June 2018<sup>4</sup>
- Golpu Feasibility Study Update by end March 2018
- Lihir targeting 15mtpa sustainable annualised mill throughput by end June 2019<sup>4</sup>
- Forging a stronger Newcrest - our aspirations by end of 2020:
  - Zero fatalities and industry leading TRIFR
  - First quartile Group AISC per ounce
  - Exposure to five tier 1 orebodies (operations, development projects or equity investments)
  - First quartile Organisational Health
  - Five breakthrough Technology & Innovation successes

Newcrest Managing Director and Chief Executive Officer, Sandeep Biswas, said: “The commitment of Newcrest’s people to safety and operational discipline has delivered solid results for the half year. We remain on track to achieve our annual guidance, with production expected to be stronger in the second half of the year and AISC spend potentially being below the guidance range. Cadia is targeting 30mtpa annualised production rate by June 2018 and Lihir is targeting 15mtpa sustainable annualised mill throughput by end of June 2019”.

All but one operation was cash flow positive in the period (Telfer was negative \$9 million), allowing us to reduce our net debt position to \$1.4 billion. The strong balance sheet and outlook for production, capital investment and cashflow generation has underpinned the determination of an interim dividend of US 7.5 cents per share.

Our near, medium and longer term growth options remain on track. We expect the Golpu Feasibility Study update to be completed by the end of March 2018. We are targeting the completion of the Cadia Mining and Cadia Plant Expansion Prefeasibility Studies by the end of this financial year with results released in August. At the same time, Cadia continues to progress the plant process enhancements to increase processing capacity to 30mtpa by the end of the current financial year. At Lihir we have set a target of 15mtpa sustainable annualised mill throughput by the end of June 2019 and expect to exceed the previous 14mtpa target early in the 2018 calendar year<sup>4</sup>.

Today we announce our updated Forging a Stronger Newcrest, which includes a new five pillar framework and aspirations we would like to achieve by the end of calendar year 2020. These comprise:

- Safety & Sustainability – with an aspiration being fatality-free and having an industry leading low TRIFR
- People – with an aspiration of having first quartile Organisational Health
- Operating Performance – safely operating our assets to their full potential, measured by having a first quartile Group AISC per ounce
- Technology & Innovation – delivering five breakthrough successes
- Profitable Growth – growing the value of our business, measured by having exposure to five tier 1 orebodies through operations, development projects or equity investments

We have also released our 2017 Sustainability Report today, detailing progress and achievements in applying sustainable practices across all aspects of our business. Specifically, the Sustainability Report details our commitments and outcomes in relation to the safety, health and diversity of our workforce, our efforts to minimise the impact on the environment, and our work with local communities and engagement with other stakeholders in our pursuit to be the Miner of Choice.

## Summarised Financial and Operating Results

	Endnote	Metric	For the 6 months ended 31 December			
			2017	2016	Change	Change %
Revenue		\$m	1,717	1,807	(90)	(5%)
Statutory profit	2	\$m	98	187	(89)	(48%)
Underlying profit	3	\$m	116	273	(157)	(58%)
EBITDA	3	\$m	624	783	(159)	(20%)
EBIT	3	\$m	230	463	(233)	(50%)
Cash flow from operating activities		\$m	453	601	(148)	(25%)
Free Cash Flow	3	\$m	134	258	(124)	(48%)
EBITDA margin	3	%	36.3	43.3	(7.0)	(16%)
EBIT margin	3	%	13.4	25.6	(12.2)	(48%)
Group production - gold		oz	1,135,613	1,230,213	(94,600)	(8%)
- copper		t	39,002	48,899	(9,897)	(20%)
All-In Sustaining Cost	3	\$/oz	860	770	90	12%
All-in Sustaining Cost Margin	3	\$/oz	435	507	(72)	(14%)
Realised gold price		\$/oz	1,295	1,277	18	1%
Realised copper price		\$/lb	3.01	2.30	0.71	31%
Average exchange rate		AUD:USD	0.7790	0.7543	0.0247	3%
Average exchange rate		PGK:USD	0.3131	0.3155	(0.0024)	(1%)
Closing exchange rate		AUD:USD	0.7800	0.7236	0.0564	8%

	Endnote	Metric	As at 31 Dec 2017	As at 30 June 2017	Change	Change %
Total equity		\$m	7,610	7,534	76	1%
Net debt		\$m	1,436	1,499	(63)	(4%)
Net debt to EBITDA	3	times	1.2	1.1	0.1	9%
Gearing		%	15.9	16.6	(0.7)	(4%)
Cash and cash equivalents	5	\$m	556	492	64	13%

Please refer to the Company's "ASX Appendix 4D and Financial Report" released on 15 February 2018, and the Management Discussion and Analysis in particular, for more detail on the Company's financial results.

## Half Year Financial Results

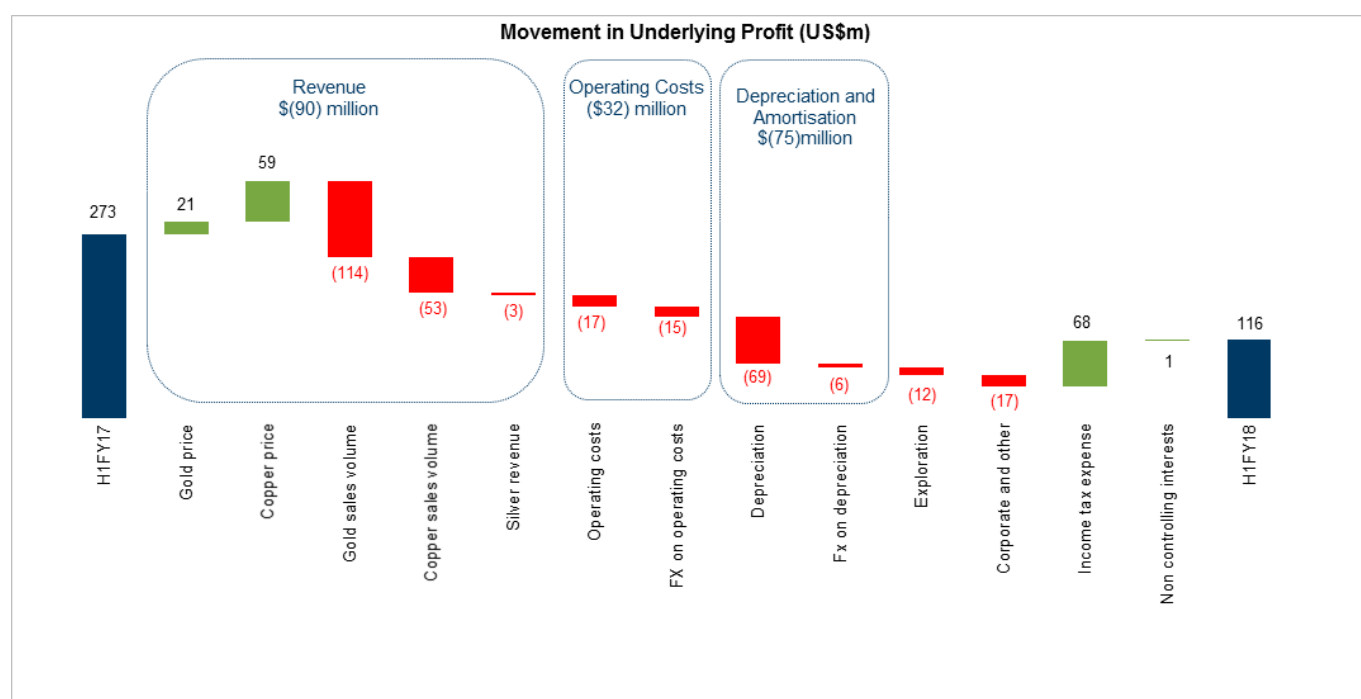
Statutory profit of \$98 million was \$89 million lower than the prior period. The current period Statutory profit includes significant items (after tax and non-controlling interests) with a net expense of \$18 million. The current period significant items comprise a write-down of non-current assets at Bonikro totalling \$12 million following the divestment announcement made in December 2017 and \$6 million attributable to the write-down of a tax asset at Gosowong following an adverse verdict in the Indonesian Tax Court with respect to a FY13 tax rate dispute. Both of these write-downs are non-cash items.

Underlying profit in the current period of \$116 million was \$157 million lower than the prior period, primarily driven by lower gold and copper sales volumes related to the effects of the Cadia seismic event, higher depreciation expense and the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar. This was partially offset by higher realised gold and copper prices and lower income tax expense.

### Underlying profit and loss

For the 6 months ended 31 December

\$m	2017	2016	Change	Change %
Gold revenue	1,459	1,552	(93)	(6%)
Copper revenue	249	243	6	2%
Silver revenue	9	12	(3)	(25%)
<b>Total revenue</b>	<b>1,717</b>	<b>1,807</b>	<b>(90)</b>	<b>(5%)</b>
Operating costs	(1,011)	(979)	(32)	(3%)
Depreciation and amortisation	(388)	(313)	(75)	(24%)
<b>Total cost of sales</b>	<b>(1,399)</b>	<b>(1,292)</b>	<b>(107)</b>	<b>(8%)</b>
Corporate administration expenses	(46)	(33)	(13)	(39%)
Exploration expenses	(33)	(21)	(12)	(57%)
Other income/(expense)	(9)	2	(11)	(550%)
Net finance costs	(59)	(66)	7	11%
Income tax expense	(50)	(118)	68	58%
Non-controlling interests	(5)	(6)	1	17%
<b>Underlying profit</b>	<b>116</b>	<b>273</b>	<b>(157)</b>	<b>(58%)</b>



The average realised gold price in the current period of \$1,295 per ounce was 1% higher than the prior period, with the average realised copper price of \$3.01 per pound being 31% higher than the prior period.

Gold production of 1.14 million ounces was 8% lower than the prior period. Gold production volumes were negatively impacted by the temporary suspension and subsequent progressive restart of mining activities at Cadia East in the current period, coupled with lower gold head grade at Lihir, Telfer and Gosowong. This was partially offset by an increase in mill throughput at Lihir, Telfer and Gosowong.

Copper production of 39.0 thousand tonnes was 20% lower than the prior period, primarily driven by lower mill throughput at Cadia related to the effects of the seismic event.

Newcrest's All-In Sustaining Cost of \$860 per ounce in the current period was \$90 per ounce or 12% higher than the prior period reflecting the lower volume contribution from Cadia due to the effects of the seismic event, higher production stripping costs at Lihir and Telfer and the unfavourable impact of a stronger Australian dollar on costs. The benefit of higher copper prices was largely offset by lower copper sales volumes. The current period All-In Sustaining Cost for the Group includes a normalisation adjustment (reduction) of \$43 per ounce related to the effects of the seismic event at Cadia (recognised in the September 2017 quarter only).

## Cash flow

For the 6 months ended 31 December

\$m	2017	2016	Change	Change %
EBITDA	624	783	(159)	(20%)
Add: Exploration expenditure written off	33	21	12	57%
Add: Other non-cash items or non-operating items	6	(5)	11	220%
<b>Sub-total</b>	<b>663</b>	<b>799</b>	<b>(136)</b>	<b>(17%)</b>
Inventories	11	17	(6)	(35%)
Receivables	12	(72)	84	117%
Payables and provisions	(101)	(81)	(20)	(25%)
Other assets and liabilities	(12)	15	(27)	(180%)
<b>Net working capital movements</b>	<b>(90)</b>	<b>(121)</b>	<b>31</b>	<b>26%</b>
Net interest paid	(53)	(59)	6	10%
Income taxes paid	(67)	(18)	(49)	(272%)
<b>Net cash inflow from operating activities (a)</b>	<b>453</b>	<b>601</b>	<b>(148)</b>	<b>(25%)</b>
Production stripping	(82)	(41)	(41)	(100%)
Sustaining capital	(126)	(126)	-	-
Major projects (non-sustaining) capital	(65)	(103)	38	37%
<b>Sub-total capital expenditure</b>	<b>(273)</b>	<b>(270)</b>	<b>(3)</b>	<b>(1%)</b>
Exploration and evaluation expenditure	(40)	(23)	(17)	(74%)
Proceeds from sale of property, plant and equipment	3	-	3	
Cash outflow on sale of subsidiary, net of cash held by subsidiary	-	(27)	27	100%
Payments for investments	(9)	(23)	14	61%
<b>Net cash flow from investing activities (b)</b>	<b>(319)</b>	<b>(343)</b>	<b>24</b>	<b>7%</b>
<b>Free Cash Flow = (a) + (b)</b>	<b>134</b>	<b>258</b>	<b>(124)</b>	<b>(48%)</b>
Net repayment of borrowings	-	(45)	45	100%
Other financing activities	(70)	(63)	(7)	(11%)
<b>Cash flow related to financing activities</b>	<b>(70)</b>	<b>(108)</b>	<b>38</b>	<b>35%</b>
<b>Net movement in cash</b>	<b>64</b>	<b>150</b>	<b>(86)</b>	<b>(57%)</b>
<b>Cash at the beginning of the period</b>	<b>492</b>	<b>53</b>	<b>439</b>	<b>828%</b>
<b>Cash at the end of the period</b>	<b>556</b>	<b>203</b>	<b>353</b>	<b>174%</b>

Free cash flow of \$134 million was \$124 million lower than the prior period reflecting lower gold and copper sales volumes primarily at Cadia, higher income tax payments and the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar. With the exception of Telfer (\$9 million negative), all operations were free cash flow positive before tax.

During the current period, Newcrest's cash and cash equivalents increased by \$64 million enabling a 4% reduction in net debt at the end of the current period. This delivered an improvement in Newcrest's gearing ratio which was 15.9% at the end of the current period, reduced from 16.6% as at 30 June 2017. Newcrest's net debt to EBITDA ratio increased to 1.2 times (compared to 1.1 times at 30 June 2017) due to a lower EBITDA compared to the prior period, with this lower EBITDA largely related to the impact of the Cadia seismic event.

## **Dividend**

Newcrest's dividend policy seeks to balance financial performance and capital commitments with a prudent leverage and gearing level for the Company. Newcrest looks to pay ordinary dividends that are sustainable over time having regard to its financial policy metrics, profitability, balance sheet strength and reinvestment options in the business. Newcrest is targeting a total dividend payout of at least 10-30% of free cash flow generated for that financial year, with the dividend being no less than US 15 cents per share on a full year basis.

The Newcrest Board has determined that, having regard to the Company's financial performance in the 2018 half year and target financial policy metrics at 31 December 2017, an interim fully franked dividend of US 7.5 cents per share will be paid on 2 May 2018. The record date for entitlement is 22 March 2018. The financial impact of the dividend amounting to \$58 million has not been recognised in the Consolidated Financial Statements for the half year. The Dividend Reinvestment Plan remains in place.

## Statement of Financial Position

\$m	As at 31 December 2017	As at 30 June 2017	Change	Change %
<b>Assets</b>				
Cash and cash equivalents	538 <sup>5</sup>	492	46	9%
Trade and other receivables	85	88	(3)	(3%)
Inventories	1,580	1,681	(101)	(6%)
Other financial assets	30	41	(11)	(27%)
Current tax asset	30	26	4	15%
Property, plant and equipment	8,767	8,852	(85)	(1%)
Other intangible assets	36	35	1	3%
Deferred tax assets	76	80	(4)	(5%)
Investment in associates	74	64	10	16%
Other assets	217	224	(7)	(3%)
Assets held for sale <sup>5</sup>	128	-	128	100%
<b>Total assets</b>	<b>11,561</b>	<b>11,583</b>	<b>(22)</b>	<b>(0%)</b>
<b>Liabilities</b>				
Trade and other payables	(351)	(455)	104	23%
Current tax liability	(21)	(58)	37	64%
Borrowings	(1,992)	(1,991)	(1)	(0%)
Other financial liabilities	(13)	(4)	(9)	(225%)
Provisions	(416)	(454)	38	8%
Deferred tax liabilities	(1,110)	(1,087)	(23)	(2%)
Liabilities held for sale	(48)	-	(48)	(100%)
<b>Total liabilities</b>	<b>(3,951)</b>	<b>(4,049)</b>	<b>98</b>	<b>2%</b>
<b>Net assets</b>	<b>7,610</b>	<b>7,534</b>	<b>76</b>	<b>1%</b>
<b>Equity</b>				
Equity attributable to owners of the parent	7,531	7,450	81	1%
Non-controlling interests	79	84	(5)	(6%)
<b>Total equity</b>	<b>7,610</b>	<b>7,534</b>	<b>76</b>	<b>1%</b>

Newcrest had net assets and total equity of \$7,610 million as at 31 December 2017.

Net debt (comprising total borrowings less cash and cash equivalents) of \$1,436 million at 31 December 2017 was \$63 million lower than at 30 June 2017. All of Newcrest's debt is US dollar denominated.

Newcrest has classified the assets and liabilities relating to Bonikro as "held for sale" for the purposes of the statement of financial position as at 31 December 2017.

## Summary of Half Year Results by Asset

For the 6 months ended 31 December 2017<sup>6</sup>

		Cadia <sup>6</sup>	Lihir	Telfer	Goso- wong (100%)	Bonikro (100%)	Other	Group
<b>Operating</b>								
<b>Production</b>								
Gold	koz	301	413	216	128	78	-	1,136
Copper	kt	30	-	9	-	-	-	39
Silver	koz	177	31	102	173	10	-	493
<b>Sales</b>								
Gold	koz	280	416	213	144	74	-	1,126
Copper	kt	29	-	9	-	-	-	38
Silver	koz	172	31	102	209	9	-	523
<b>Financial</b>								
Revenue	\$m	554	533	347	188	95	-	1,717
EBITDA	\$m	294	199	79	84	50	(82)	624
EBIT	\$m	226	75	(27)	29	15	(88)	230
Net assets	\$m	2,807	4,631	496	298	80	(702)	7,610
Operating cash flows	\$m	260	194	49	79	40	(169)	453
Investing cash flows	\$m	(44)	(133)	(58)	(19)	(9)	(56)	(319)
Free cash flow*	\$m	216	61	(9)	60	31	(225)	134
AISC	\$m	38	452	261	119	54	45	969
	\$/oz	135	1,086	1,227	825	735		860
AISC Margin	\$/oz	1,160	209	68	470	560		435

\* Free cash flow for 'Other' comprises net interest paid of \$53 million, income tax paid of \$67 million, other investing activities of \$6 million, corporate costs of \$40 million, capital expenditure of \$21 million, exploration expenditure of \$26 million and other working capital movements of \$12 million.

Please refer to the Company's "ASX Appendix 4D and Financial Report" released on 15 February 2018, and the Management Discussion and Analysis in particular, for more detail on the Company's financial results.



## Cadia

Cadia's operating and financial performance for the current period was impacted by the effects of the seismic event on 14 April 2017 which resulted in a temporary suspension of mining operations at Cadia East. The progressive ramp-up following this recommencement of operations after this suspension was the primary driver of the lower gold production in the current period. Rehabilitation work was completed in the December 2017 quarter with Cadia on track to meet its target of 30mtpa annualised rate by June 2018<sup>4</sup>. Gold production in the second half of the financial year is expected to be higher than the first half.

The Molybdenum Plant Prefeasibility Study (PFS) was approved to progress to a Feasibility Study. Molybdenum is considered a deleterious material in copper-gold concentrate and removing it increases the value of future copper-gold concentrate sales, as well as creating an additional revenue stream. The Feasibility Study will do further work to support molybdenum mineralogy understanding and predictability of molybdenum recovery and grade. The PFS<sup>7</sup> estimated first production of molybdenum to be possible in calendar year 2020 at a capital cost of less than \$100m, delivering an estimated Internal Rate of Return of greater than 20% and an average by-product credit of around \$30 per ounce for the remaining life of the mine.

Newcrest has been invited by the Australian Energy Market Operator (AEMO) and agreed to participate in the Reliability and Emergency Reserve Trader (RERT) program in NSW. As a major electricity consumer in NSW Newcrest's participation in this program will assist the market operator in minimising interruptions in electricity supply to residential consumers. Under the program, AEMO and Newcrest can agree to reduce electricity demand at Cadia for defined periods, for which Newcrest will be financially compensated.

## Lihir

Lihir achieved an annualised mill throughput rate of 13.0mtpa for the current period which was 4% higher than the prior period (12.5mtpa). This reflects the rate improvements achieved through Edge initiatives. Consistent with previous years, Lihir had more planned shutdown events in the first half of the financial year than is planned in the second half of the financial year.

The sustainable 14mtpa annualised mill throughput rate is now expected to be achieved early in the 2018 calendar year<sup>4</sup>. A new sustainable mill throughput rate target of 15mtpa by end June 2019 has been set. Gold production in the second half of the financial year is expected to be higher than the first half.

## Other Operating Assets

Telfer produced 216 thousand ounces of gold for the current period, broadly in line with the prior period as higher milled volumes substantially offset the impact of lower grade.

Gosowong's gold production was higher in the current period primarily due to higher mined and milled tonnes, partially offset by lower head grade. Negotiations with the Government of Indonesia are in progress regarding the existing Contract of Work for the Gosowong mine (CoW). The yearly Work and Budget plan (RKAB) was not approved by the Government of Indonesia by the due date of 31 December 2017. This is not unusual, but discussions with the Government of Indonesia have indicated that the existing CoW may need to be amended before the RKAB is approved. Negotiations are ongoing and extend to the fiscal regime that applies to Gosowong and increased Indonesian equity participation in Gosowong.

Newcrest announced on 13 December 2017 that it had agreed to divest Bonikro. The completion of the transaction remains subject to satisfaction of conditions precedent. The economic effective date for the transaction will be 1 October 2017. Production until transaction completion occurs will be included in Newcrest's production results, but the economic interest for the period after 1 October 2017 will be to the benefit of the acquirer.

## Greenfield Exploration

The search for new discoveries continued during the half with exploration activity undertaken in West Africa, Australia, PNG, Indonesia, United States of America, Argentina and Chile.

During the current period Newcrest;

- Undertook mapping and sampling at the Pedernales epithermal and porphyry project in northern Argentina as part of Newcrest's option and farm-in agreement with Rio de Oro;
- Signed an option and farm-in agreement with Mirasol Resources on the Altazor high-sulphidation epithermal gold prospect in Chile;
- Signed an option agreement to give Newcrest the right to acquire a 100% interest in privately held exploration claims located in Nevada, USA;
- Continued to assess and drill targets near the Antenna Prospect, located in the Seguela Project in Côte d'Ivoire;
- Was awarded title to two blocks of exploration tenements totalling 29,979 hectares in Ecuador located in the region of Solgold's Cascabel porphyry copper-gold discovery;
- Continued the search for significant porphyry discoveries in the Indonesian archipelago, Papua New Guinea and the Lachlan Fold Belt in Australia; and

Identified early stage intrusive related gold deposit style targets in Proterozoic and Palaeozoic terrains within Australia

## Mineral Resources and Ore Reserves<sup>8</sup>

Newcrest has announced its Group Ore Reserves and Group Mineral Resources as at 31 December 2017. Group Ore Reserves are estimated to contain 62 million ounces of gold, 10 million tonnes of copper and 37 million ounces of silver. Group Mineral Resources are estimated to contain 120 million ounces of gold, 19 million tonnes of copper and 94 million ounces of silver.

The Group Ore Reserves as at 31 December 2017 includes the following changes:

- Estimated mining depletion of approximately 3 million ounces of gold, 0.1 million tonnes of copper and 1 million ounces of silver, offset by minor additions at operating sites
- Removal, post mining depletion, of the Bonikro Ore Reserve by 0.3 million ounces of gold following Newcrest agreeing to divest its 89.89% interest (refer to market release "Newcrest agrees to divest Bonikro for \$81m" dated 13 December 2017)

The Group Mineral Resources as at 31 December 2017 includes changes at numerous deposits following updated notional constraining shells and/or resource models. These include:

- Estimated mining depletion of approximately 3 million ounces of gold, 0.1 million tonnes of copper and 1 million ounces of silver
- Decrease at Lihir, post mining depletion, of approximately 3 million ounces of gold from Inferred Mineral Resources following re-interpretation based on alteration signatures to define mineralogical domains, updated resource model and re-optimisation of the notional spatial constraining shell. The alteration domain model is based on in situ mineralogical variation predominantly determined by multi-element geochemistry (re-analysis acquired progressively since 2012) and hyperspectral scanning of drill core (obtained progressively since 2012). The alteration based domains improve the quality of the subsequent resource estimation and better define the limits of potentially economic mineralisation
- Decrease at Telfer, post mining depletion, of approximately 0.8 million ounces of gold and 0.07 million tonnes of copper following updated resource models and re-optimised notional constraining shells for the open pit and reductions underground of in situ and cave stocks in consideration of the maturity of the Sub Level Cave operation

- Removal, post mining depletion, of the Bonikro Mineral Resource by 1 million ounces of gold following Newcrest agreeing to divest its 89.89% interest (refer to market release “Newcrest agrees to divest Bonikro for \$81m” dated 13 December 2017)
- Addition of the maiden Mineral Resource for the Antenna Deposit within the Séguéla Project Côte d’Ivoire of approximately 0.4 million ounces of gold

Further detail on Group Ore Reserves and Group Mineral Resources can be found in the Company’s Market Release of 15 February 2018 titled “Annual Mineral Resources and Ore Reserves Statement – 31 December 2017”.

### Half Year Financial Results Call and Q&A Facility

We invite you to join our investor webcast from Melbourne at 9.00am (AEDT) on Friday 16 February 2018.

Please register prior to this broadcast on the Newcrest website

<http://www.newcrest.com.au/investors/reports/financial/>

Should you be unable to join us, the webcast will also be available for viewing following the live presentation.

To submit a question to be answered on the Half Year Financial Results webcast, please follow the below instructions:

1. Visit [www.sli.do](http://www.sli.do)
2. Enter NCMFEB18 as the event code and click “Join”
3. Click in the “type your question box”
4. A dialogue box should appear
5. Add your name and organisation
6. Click where it says “type your question” and hit send

Alternatively, go to your App store on your smart phone and download the sli.do app and ask questions from there. Just search for “sli.do”

### For further information please contact

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<sup>1</sup> All figures in this document relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Group') for the 6 months ended 31 December 2017 ('current period') compared with the 6 months ended 31 December 2016 ('prior period'), except where otherwise stated. All references to 'the Company' are to Newcrest Mining Limited.

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

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

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

<sup>2</sup> Statutory profit/(loss) is profit after tax attributable to owners of the Company.

<sup>3</sup> Newcrest's results are reported under International Financial Reporting Standards ('IFRS'). This report also includes certain non-IFRS financial information, including the following:

- 'Underlying profit (loss)' is profit or loss after tax before significant items attributable to owners of the Company.
- 'EBITDA' is 'Earnings before interest, tax, depreciation and amortisation, and significant items'. EBIT is 'Earnings before interest, tax and significant items'.
- 'EBITDA Margin' is EBITDA expressed as a percentage of revenue. 'EBIT Margin' is EBIT expressed as a percentage of revenue.
- 'AISC' is All-In Sustaining Cost and 'AIC' is All-In Cost as per World Gold Council Guidance Note on Non-GAAP Metrics released June 2013. AISC will vary from period to period as a result of various factors including production performance, timing of sales, and the level of sustaining capital and the relative contribution of each asset. AISC Margin reflects the average realised gold price less the AISC per ounce sold.
- Net debt to EBITDA is calculated as net debt divided by EBITDA for the preceding 12 months.
- 'Free Cash Flow' is calculated as cash flow from operating activities less cash flow related to investing activities. Free Cash Flow for each operating site is calculated as Free Cash Flow before interest and tax.
- Underlying profit, EBIT, EBITDA, EBITDA Margin, EBIT Margin, Free cash flow, All-In Sustaining Cost, All-In Sustaining Cost Margin, All-In Cost, Sustaining capital and Major projects (non-sustaining) capital are non-IFRS financial measures which Newcrest employs in managing the business. They are used by Management to assess the performance of the business and make decisions on the allocation of resources and have been included in this report to provide greater understanding of the underlying financial performance of Newcrest's operations. When reviewing business performance this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS.

These measures have not been subject to audit or review by Newcrest's external auditor. These measures do not have any standard definition under IFRS and may be calculated differently by other companies. Refer to section six of the Management Discussion & Analysis in the ASX Appendix 4D and Financial Report for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.

<sup>4</sup> Subject to market and operating conditions. This should not be construed as production guidance from the Company now or in the future. Potential production and throughput rates are subject to a range of contingencies which may affect performance

<sup>5</sup> Cash and cash equivalents at the end of the period of \$538 million excludes \$18 million of cash and cash equivalents which are classified as held for sale which relates to Bonikro. Cash and cash equivalents plus cash held for sale totals \$556 million.

<sup>6</sup> All data relating to operations is shown as 100%, apart from Hidden Valley which is shown at Newcrest's ownership percentage of 50% up to the economic effective disposal date of 31 August 2016. Newcrest owns 75% of Gosowong through its holding in PT Nusa Halmahera Minerals, an incorporated joint venture. Bonikro includes mining and near-mine exploration interests in Côte d'Ivoire which are held by the following entities: LGL Mines CI SA (of which Newcrest owns 89.89%) and Newcrest Hire CI SA (of which Newcrest owns 89.89%).

<sup>7</sup> Subject to all necessary permits, regulatory requirements and Board approval. Estimates were prepared to a Prefeasibility Study level with the objective of being subject to an accuracy range of  $\pm 25\%$ . Molybdenum is not disclosed in Newcrest's Reserve & Resource statement, and production average is indicative only and should not be construed as guidance.

<sup>8</sup> As an Australian company with securities listed on the Australian Securities Exchange (ASX), Newcrest is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") and that Newcrest's ore reserve and mineral resource estimates comply with the JORC Code. The information in this presentation that relates to Mineral Resources or Ore Reserves has been extracted from the release titled "Annual Mineral Resources and Ore Reserves Statement – 31 December 2017" dated 15 February 2018 (the original release). Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original release and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original release.