NEWCREST
MINING
LIMITED

ACN 005 683 625

to: Company Announcements Office

from: **Bernard Lavery**

date: 29 September 2009

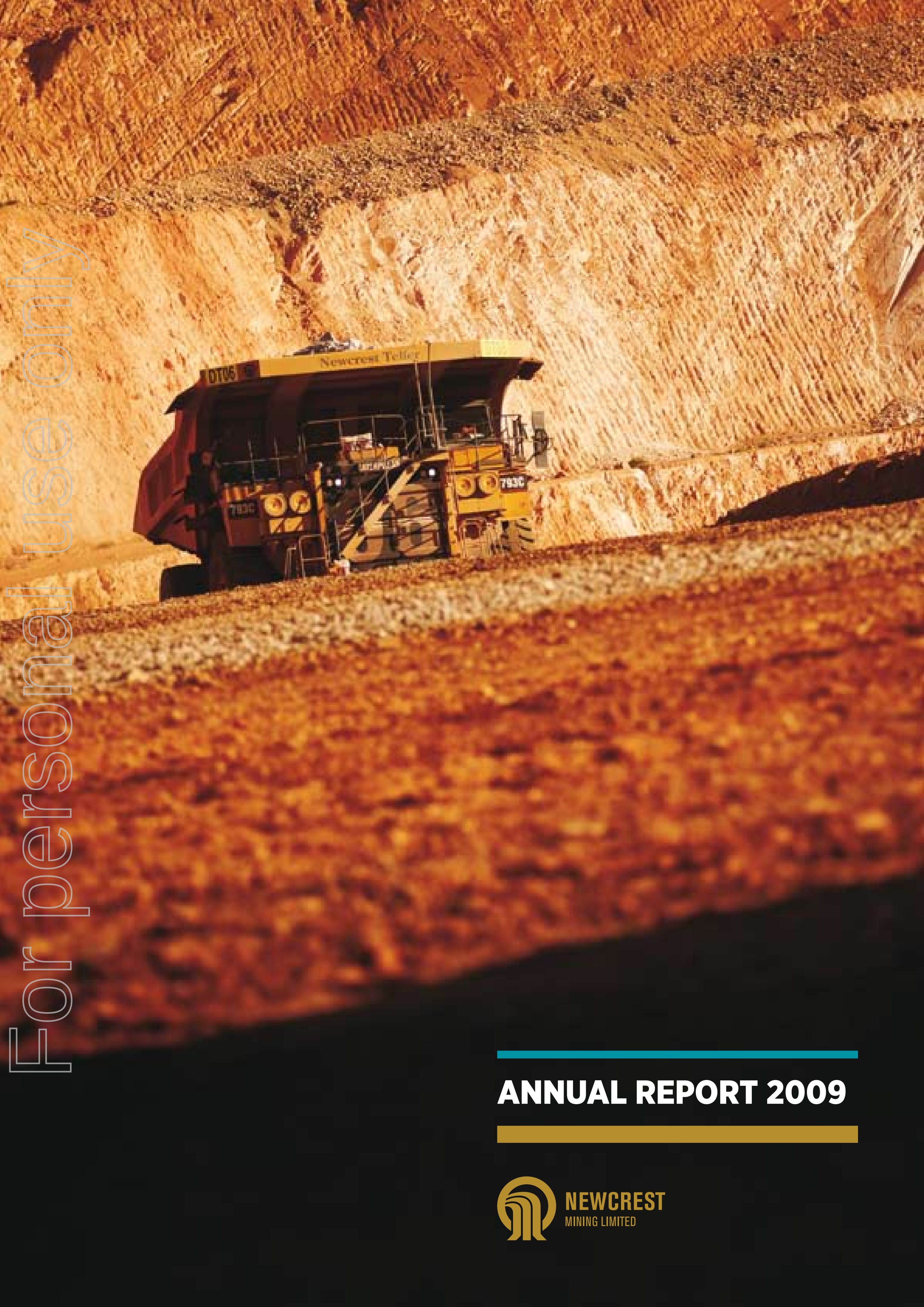
subject: **2009 Annual Report**

In accordance with ASX Listing Rule 3.17, I advise that the 2009 Annual Report for Newcrest Mining Limited is being mailed to all shareholders, excluding those who elected not to receive it, today.

A copy of the Annual Report is attached.

Yours sincerely

Bernard Lavery
Company Secretary



ANNUAL REPORT 2009

NEWCREST
MINING LIMITED

Annual General Meeting

The 29th Annual General Meeting of Newcrest Mining Limited will be held at the Grand Waldorf Ballroom, The Sebel Albert Park, 65 Queens Road, Melbourne, Victoria, on Thursday, 29 October at 10.30am

Newcrest is Australia's largest gold producer and one of the world's top 10 gold mining companies by production, reserves and market capitalisation.

COMPANY SNAPSHOT

Newcrest provides investors with exposure to a portfolio of low-cost, long-life operating mines, a strong pipeline of growth projects and highly prospective brownfields and greenfields exploration projects. The Company has a substantial reserve and resource base, with reserves representing more than 20 years production. Newcrest has the financial strength coupled with extensive technical skills to deliver both organic growth and external opportunities. Key components of the value chain are:

- Exploration – the team is acknowledged as one of the best and lowest cost gold discoverers in the world today.
- Projects – the current portfolio of development projects and advanced exploration opportunities represent greater than 50 percent of the Group's Mineral Resource.
- Operations – comprise a portfolio of seven mines, five mines in Australia, one in Indonesia and one in Papua New Guinea.

This page
Crushed Ore Stockpiles, Cadia Valley

STRATEGY

Newcrest pursues a strategy of delivering competitive shareholder returns by:

— building a portfolio of low-cost, long-life gold assets, primarily through exploration and a focus on early entry merger and acquisition prospects in known gold regions;

— optimising performance at each phase of the gold mining value chain; and

— harnessing its technical expertise across a wide range of mining formats.

VISION

Our vision is to be the 'Miner of Choice' for all stakeholders, including our employees and contractors, the communities in which we operate and our shareholders.

CORPORATE RESPONSIBILITY

Newcrest is focussed on maintaining a safe environment for its employees, operating and developing mines in line with good environmental practices and embracing a strong sense of commitment to the local communities around its operations.

Building and maintaining sound relationships with the communities surrounding Newcrest's operations is a key component of being the 'Miner of Choice'.

Contents

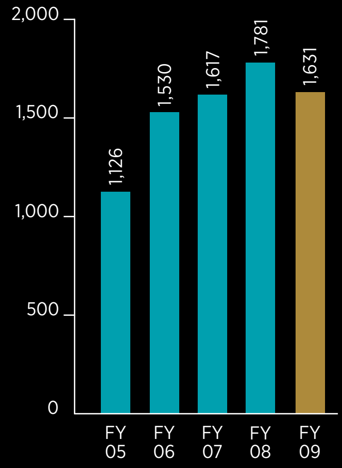
RESULTS AT A GLANCE

— Newcrest's cash costs continue to be in the lowest cost quartile for global gold producers
— The successful $792.7 million equity raising has strengthened Newcrest's financial position. Proceeds were used to repay debt and fund project development activities
— Completed acquisition of 50% interest in the Morobe Mining Joint Venture in Papua New Guinea and earn-in of 69.94% interest in Namosi Joint Venture in Fiji
— Group Mineral Resources up 13% to 80 million ounces of gold and 56% to 14.36 million tonnes of copper
— Group Ore Reserves up by 7% to 42.8 million ounces of gold and 13% to 4.67 million tonnes of copper
— Record statutory profit up 85% to $248.1 million
— Cash flow from operations exceeded $1 billion for the second consecutive year
— Gearing at 30 June 2009 reduced to 2%
— Final dividend increased 50% to 15 cents per share, unfranked

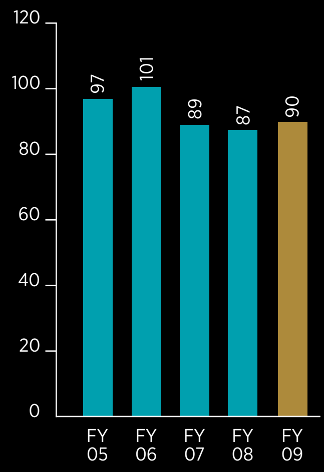
		12 months to 30 June 2008	12 months to June 2009	% change
Gold produced	(ounces)	1,781,182	**1,631,183**	(8)
Copper produced	(tonnes)	87,458	**89,877**	3
Gold price realised	($ per ounce)	917	**1,169**	27
Sales revenue	($ million)	2,363.1	**2,530.8**	7
Operating EBIT	($ million)	738.2	**772.6**	5
Underlying profit	($ million)	493.9	**483.1**	(2)
Statutory profit	($ million)	134.3	**248.1**	85
Cash flow from operations	($ million)	1,018.1	**1,024.1**	1
Capital expenditure (cash flow basis including exploration)	($ million)	414.7	**1,381.6**	233
EPS on underlying profit	(cents)	113.2	**103.2**	(9)
Return on capital employed (ROCE)	(percent)	21	**17**	(19)
Gearing (Net Debt/Net Debt and Equity)	(percent)	8	**2**	(6)

(All $ are Australian denominated unless stated otherwise.)

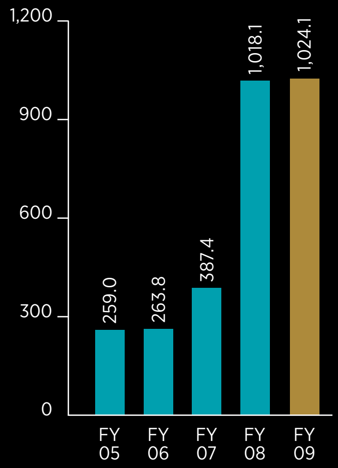
Group Gold Production
(thousand ounces)



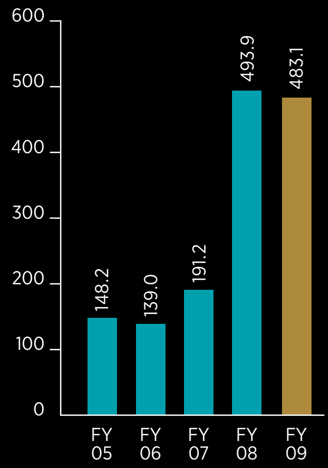
Group Copper Production
(thousand tonnes)



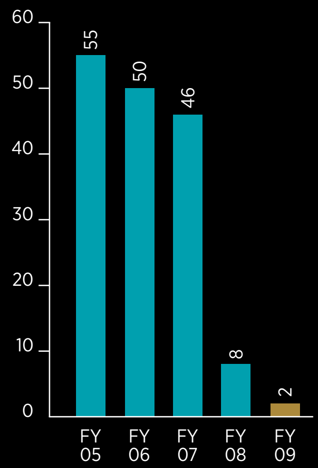
Cash Flow from Operations
($ million)



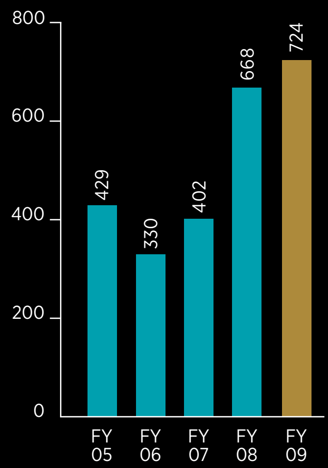
Underlying Profit
($ million)



Gearing (Net Debt/ Net Debt & Equity) (%)



Gross Cash Margin
($ per ounce)



* FY05 – FY07 is Achieved and FY08 – FY09 is Spot Price.

This page
Ore Haulage Truck

The past year, 2008–09, was a successful and important one for Newcrest as it consolidated its position following the significant changes of the preceding two years.

CHAIRMAN'S REPORT

The past year, 2008–09, was a successful and important one for Newcrest as it consolidated its position following the significant changes of the preceding two years. The further strengthening of the balance sheet combined with sustained high gold and copper production and prices have provided the Company with a robust operational and financial platform from which it will be able to deliver sustained returns for investors and pursue future growth.

The strong performance during the year of our mines, from which all gold and copper was sold at spot prices following the decision in 2007 to de-hedge, resulted in a record statutory profit, improved operating margins and more than A$1 billion of operational cash flow. This has enabled us to accelerate major opportunities, especially at Cadia Valley and Telfer, and give extra impetus to the Company's five year growth outlook.

In February 2009, Newcrest successfully undertook an institutional share placement and share purchase plan, which together raised a further $800 million in equity. The proceeds were used to fund its 50 percent share of the development and construction costs of the Hidden Valley mine in PNG and further reduce its already modest level of gearing.

The Company has the financial capacity to aggressively pursue its growth strategy. There is an even greater commitment to exploration around existing mine areas and in new regions. Good value acquisitions with further potential are also of interest. We saw this at Hidden Valley where by year-end construction was nearing completion and first gold had been produced. Looking ahead, that mine and its surrounding exploration opportunities are expected to contribute not only additional gold production, but also further growth options.

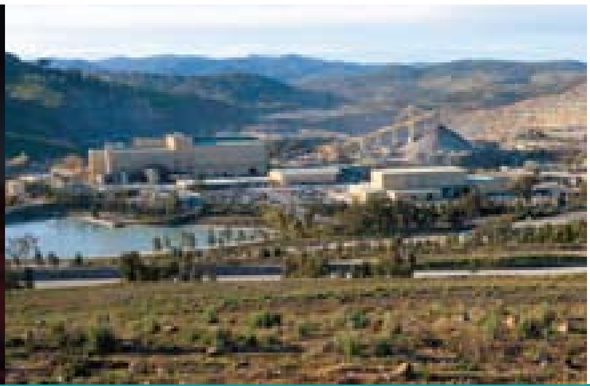
The continued uplift in Newcrest's gold and copper resources, the advancement of the very large Cadia East development, and the emergence of the Namosi copper deposit in Fiji and the O'Callaghans tungsten deposit at Telfer as deposits of future significance, were also key achievements for the period. In time, those opportunities are expected to deliver important enhancements to the Company's portfolio of existing mines and provide an even more extensive platform for future growth.

Newcrest remains committed to the use of leading technologies in the identification, development and efficient operation of its mines. As an emerging world leader in underground bulk mining methods, this commitment is expected to drive further improvements in its safety performance and overall cost competitiveness.

As a result of the Company's strong cash flow, the full year dividend has been increased by 50 percent from 10 to 15 cents unfranked.

At a corporate level, the two longest serving Directors on the Board, Bryan Davis and Mick O'Leary, both retired during the year. They each served with distinction over many years and made significant contributions to the Company's development. Following their retirement, Vince Gauci joined the Board, thereby completing the process of Board renewal that began in 2006.

During the year in review, the outlook for gold remained positive and in Australian dollar terms reached a record high of A$1,545 per ounce in February 2009. While demand for jewellery and gold products has been relatively flat, world gold production has decreased. The uncertainties of the global financial crisis have reinforced gold's value as a store of wealth, and in relative terms Newcrest's share price performed well during the upheaval of the global financial markets.



Left
Telfer Processing Facility

Right
Cadia Valley Processing Facility

The achievements of the past year have only been possible through the dedication and hard work of all of the people who work at Newcrest. The Company's human resources are key to its future success, and it will continue to nurture and invest in them. On behalf of shareholders, the Board acknowledges and thanks them for their contribution.

With the uncertainty of the economic and financial outlook ahead, Newcrest's strategy of positioning itself as a large-scale, low-cost producer with a strong track record of organic growth through exploration and a significant pipeline of new major projects remains sound.

Your Board is confident that the Company is strongly based and well positioned to continue to provide competitive returns for shareholders into the future.

Donald P. Mercer
Non-Executive Chairman

During the year, strong progress continued on many fronts towards delivering Newcrest's vision of being 'The Miner of Choice'.

MANAGING DIRECTOR'S REVIEW

During the year, strong progress continued on many fronts towards delivering Newcrest's vision of being the 'Miner of Choice'.

Particularly pleasing were the advances made at the Company's mining operations at Cadia Valley, Telfer, Gosowong and Cracow, which continued to deliver against their production and cost targets. Full year gold production of 1.63 million ounces was in line with guidance and copper production of 89.9 thousand tonnes exceeded guidance, while site costs were at the lower end of guidance.

Underpinned by the Lean and Six Sigma processes, business improvement initiatives across the Group continued to deliver significant cost savings and performance improvements. At Telfer, important improvements in mill utilisation rates and metallurgical recoveries were achieved.

Group financial performance was also a highlight, with an 85 percent increase in statutory profit to a record $248.1 million and record cash flow from operations of $1,024.1 million. Newcrest's balance sheet was further strengthened during the year by an institutional and retail capital raising. The proceeds were used to reduce gearing from approximately 16 percent to 2 percent and fund the acceleration of capital projects.

Against the backdrop of those achievements, the Company's drive towards near-term and long-term growth continued to accelerate.

In August 2008, the Morobe Mining Joint Venture was established with the acquisition of an initial 30.01 percent interest in Harmony Gold Mining Company's exploration and mining assets in the Morobe province of Papua New Guinea. By year's end, Newcrest had completed its 50 percent earn-in for US$532 million and the Hidden Valley mine had achieved a key project milestone of the first gold pour on schedule in June. An active drilling program has been conducted at both Wafi Golpu and around Hidden Valley, where several near mine targets have been identified.

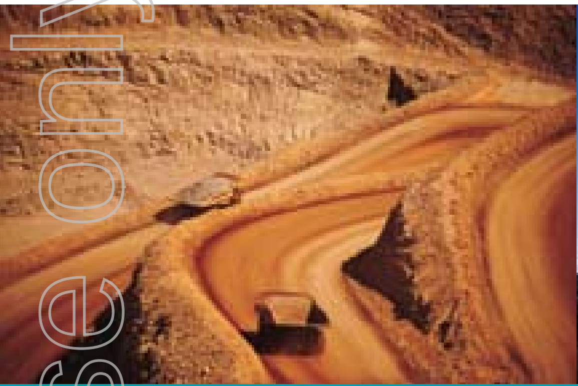
The Gosowong Expansion Project was approved to proceed to development. This involves extension of the existing Kencana underground mine into the K Link and K2 orebodies and increasing process plant throughput. One of the two grinding vertimills planned for the expansion was successfully commissioned, with initial results materially exceeding expectations in terms of both higher gold recovery and increased mill throughput.

Newcrest completed its initial $21.5 million of expenditure in the Namosi Joint Venture (Fiji) earning a 65 percent interest. An additional 4.94 percent interest in the Joint Venture was also accepted from Nittetsu, bringing Newcrest's interest in the Joint Venture to 69.94 percent. Throughout the year studies continued to assess the technical and economic feasibility of mining the Waisoi West and Waisoi East deposits, while drilling continued in both the Waisoi and Waivaka areas.

In Australia, development of the Ridgeway Deeps block cave mine continued on schedule with the first ore introduced to the crusher in June. Production from Ridgeway Deeps will progressively increase to reach full capacity in the March quarter 2010 as production transitions from the Ridgeway sublevel cave mine to the Ridgeway Deeps mine. Ridgeway Deeps is expected to exceed feasibility study capacity during the second half of financial year 2010.

The Cadia East pre-feasibility study was completed and the project proceeded to the feasibility phase. An additional development option, with the potential to improve economic outcomes and reduce the project's development risk profile, was identified. This option leverages the rapid mine development rates being achieved to access the higher-grade ore at the base of the known resource. A formal commitment to proceed, with an anticipated capital expenditure of almost $2 billion is expected during the March quarter 2010.

Newcrest's exploration strategy of growing the quality and quantity of resources and reserves around existing provinces and systematic evaluation and target testing in emerging provinces remained the key exploration focus.




Left
Ore haulage from Telfer Open Pit

Right
Telfer headframe

Growth in Mineral Resources and Ore Reserves was maintained during the year with gold and copper reserves up 7 percent to 42.8 million ounces and 13 percent to 4.67 million tonnes respectively. Significant new resources were added for the Vertical Stockwork Corridor and at the polymetallic O'Callaghans deposit at Telfer and at Waisoi in Fiji.

The strong focus on safety continued with a program to refresh key aspects of the 'Target Zero, No Accidents Today' initiative. The Company recorded a significant reduction in Lost Time Injury Frequency Rate (LTIFR – the rate of lost time injuries per million hours of exposure) of 0.8, down from 1.3 in the previous year and a Total Recordable Injury Frequency Rate of 7.0 for the year, down from 8.3 in the previous year.

A comprehensive review of safety and health systems was conducted, updating standards and procedures where appropriate to ensure that they are aligned with industry best practice. In the risk area, a detailed assessment of all major health and safety hazards was completed and controls to effectively manage these hazards were enhanced.

The Company further improved its environmental performance during the year with no major environmental incidents reported. The environmental incident frequency rate (the rate of environmental incidents per million hours of exposure) declined by almost 50 percent to 2.2 from 4.3 the previous year.

Newcrest has registered with the Federal Department of Climate Change under the National Greenhouse and Energy Reporting Act 2007 and will now be submitting energy and greenhouse data as required by the Act. We continue to actively evaluate energy efficiency and greenhouse gas reduction opportunities while at the same time protecting the Company's international competitiveness.

Newcrest also continued to support a wide variety of community initiatives through its community partnership programs and funding for local infrastructure projects.

At Telfer, we are building on our existing benefits agreements with the Martu people and have commenced discussions with the Martu people on an Indigenous Land Use Agreement. At Cracow, work has progressed with the local government and the community to establish a permanent reticulated water supply for the town.

The Corporate Social Responsibility program at Gosowong continues to be successfully implemented with a key objective of delivering at least 80 percent of the projects under this program, based on sustainable development principles, by 2012.

A detailed report on Newcrest's approach to sustainability, and all elements of its performance, are contained in its separate Sustainability Report, which is available on the Company's website.

As foreshadowed last year, significant progress has been made rolling out the 'Creating our Future' workshops across all of Newcrest. This is an important initiative designed to equip all employees with the competence and confidence to build Newcrest's future together as a team. The planned roll-out program is scheduled to be completed by December 2009.

Over recent years, Newcrest has undergone significant transition in all key areas of the business. I am pleased to report that Newcrest is now in a robust position, well placed for future growth, with a strong pipeline of exploration and development assets underpinned by the business systems and commitment of our people to deliver the Newcrest vision to be the 'Miner of Choice'.

Ian K. Smith
Managing Director and
Chief Executive Officer

THE BOARD

Don Mercer

NON-EXECUTIVE CHAIRMAN

Bachelor of Science (Hons) and Master of Arts (Econ)

Appointed to the Board on 26 October 2006

Don is a former Chairman of the Australian Institute of Company Directors Limited, and a former Managing Director and Chief Executive Officer of ANZ Banking Group. He was appointed Non-Executive Chairman of Newcrest Mining Limited in October 2006 and is Chairman of the Human Resources and Remuneration Committee.

Other Directorships:
Don is Chairman of Orica Limited, Air Liquide Australia Limited and Orchestra Victoria and a former Chairman of Australia Pacific Airports Corporation Limited.

Ian Smith

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Bachelor of Engineering (Hons), University of New South Wales, Bachelor of Financial Administration, University of New England

Appointed to the Board on 19 July 2006

Ian was formerly the Global Head of Operational and Technical Excellence of Rio Tinto plc, based in London, and prior to that was the Managing Director – Aluminium Smelting within the Rio Tinto Group. He commenced as CEO of Newcrest Mining Limited on 14 July 2006 and was appointed Managing Director on 19 July 2006. Ian is Chairman of the Minerals Council of Australia, Vice President of the Australian Mines and Metals Association and a member of the Australian Institute of Company Directors.

Greg Robinson

DIRECTOR FINANCE

Bachelor of Science (Hons) Geology, Monash University and MBA, Columbia University

Appointed to the Board on 23 November 2006

Greg is responsible for the Group's Finance function and leads Newcrest's strategy, planning and business development activities. Prior to joining Newcrest Mining Limited he was with the BHP Billiton Group for the period 2001–2006 where he held the positions of Project Director of the Corporation Alignment Project, Chief Finance and Chief Development Officer, Energy and Chief Financial Officer, Petroleum. He was also a member of the Energy Executive Committee and Group Executive Committee. Before joining BHP Billiton, he was Director of Investment Banking at Merrill Lynch & Co and headed the Asia Pacific Metals and Mining Group.

John Spark

NON-EXECUTIVE DIRECTOR

Bachelor of Commerce and Fellow of the Institute of Chartered Accountants

Appointed to the Board on 26 September 2007

John is a registered company auditor and former Managing Partner of Ferrier Hodgson, Melbourne. He is Chairman of the Audit and Risk Committee and a member of the Safety, Health and Environment Committee.

Other Directorships:
John is a Director of Ridley Corporation Limited and a former Director of ANL Limited and Baxter Group Limited.

Rick Lee

NON-EXECUTIVE DIRECTOR

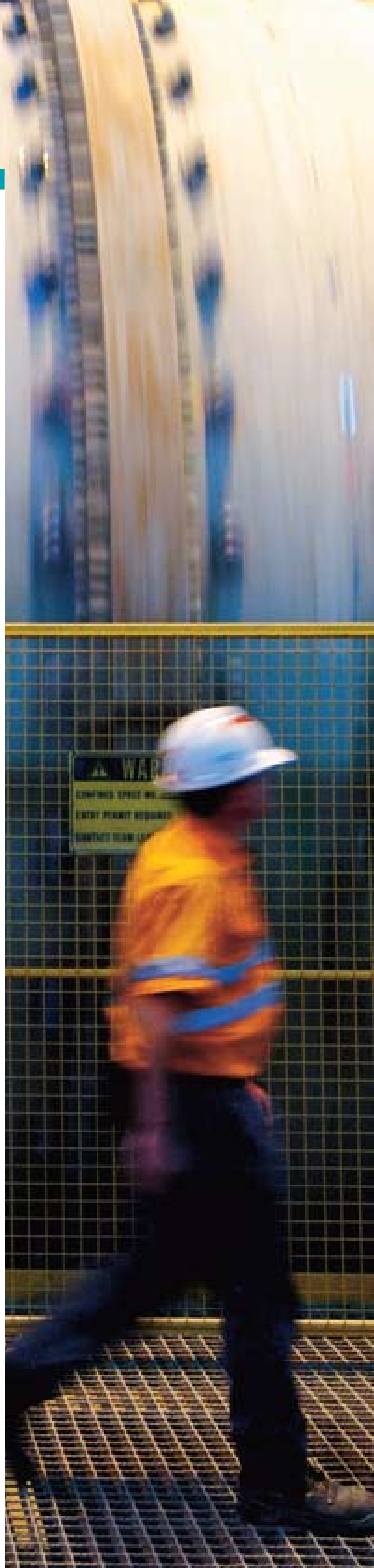
Bachelor of Chemical Engineering (Hons), University of Sydney and Master of Arts (Econ) as a Rhodes Scholar, Oxford University

Appointed to the Board on 14 August 2007

Rick is a former Chief Executive of NM Rothschild Australia Group. He is a member of the Audit and Risk Committee and a member of the Human Resources and Remuneration Committee.

Other Directorships:
Rick is Chairman of Salmat Limited and C. Czarnikow Limited and Deputy Chairman of Ridley Corporation Limited. He is a Director of CSR Limited, Wesfarmers Insurance Division, Australian Rugby Union Limited and Australian Institute of Company Directors and a former Director of Cash Services Australia Pty Ltd.

Right
SAG Mill, Cadia Valley Operations



Tim Poole

NON-EXECUTIVE DIRECTOR

Bachelor of Commerce, University of Melbourne and a Chartered Accountant

Appointed to the Board on 14 August 2007

Tim is a former Managing Director of Hastings Fund Management. He is a member of the Audit and Risk Committee and a member of the Human Resources and Remuneration Committee.

Other Directorships:
Tim is Chairman of Asciano Group and Director of Lifestyle Communities Limited and Victoria Racing Club. Tim is also a member of the Investment Committee of the industry superannuation fund AustralianSuper and a member of the LEK Consulting Advisory Board.

Richard Knight

NON-EXECUTIVE DIRECTOR

Bachelor of Science (Engineering), Master of Science (Engineering) and Chartered Engineer

Appointed to the Board on 13 February 2008

Richard has extensive experience in the international mining industry. He is a former Executive Director of North Limited and was President and CEO of the Iron Ore Company of Canada. He is Chairman of the Safety, Health and Environment Committee and a member of the Audit and Risk Committee.

Other Directorships:
Richard is a former Director of OZ Minerals Limited, Zinifex Limited, St Barbara Limited, Portman Limited, Northern Orion Resources Inc and Asia Pacific Resources.

Vince Gauci

NON-EXECUTIVE DIRECTOR

Bachelor of Engineering (Mining)

Appointed to the Board on 10 December 2008

Vince has over 40 years experience in the global mining industry and was formerly Managing Director of MIM Holdings Limited. He is a member of the Safety, Health and Environment Committee and the Human Resources and Remuneration Committee.

Other Directorships:
Vince is currently the Chairman of Runge Ltd, a Director of Liontown Resources Ltd and Chairman of the Broken Hill Community Foundation.

Total Mineral Resources for the Group, after mining depletion, increased by 9.4 million ounces of gold to 80.0 million ounces of gold and by 5.18 million tonnes of copper to 14.36 million tonnes of copper. Total Ore Reserves, after mining depletion, increased by 2.8 million ounces of gold to 42.8 million ounces of gold and by 0.52 million tonnes of copper to 4.67 million tonnes of copper.

MINERAL RESOURCES AND ORE RESERVES

Total Mineral Resources for the Group, after mining depletion, are estimated at 80.0 million ounces of gold and 14.36 million tonnes of copper. This represents a year-on-year increase of 9.4 million ounces of gold (13 percent) and an increase of 5.18 million tonnes of copper (56 percent). This result was driven by additions to the Cadia East deposit (5.2 million ounces of gold and 1.02 million tonnes of copper) and an initial resource estimate at Waisoi in Fiji (4.0 million ounces of gold and 3.83 million tonnes of copper attributable). Additionally, new resources were estimated at Telfer in the Vertical Stockwork Corridor (0.6 million ounces of gold and 0.07 million tonnes of copper) and at Nambonga in the Morobe Mining Joint Venture (MMJV) in Papua New Guinea (0.5 million ounces of gold and 0.04 millions tonnes of copper attributable). An initial resource has been estimated at the O'Callaghans polymetallic skarn deposit south of Telfer (0.17 million tonnes of tungsten trioxide, 0.16 million tonnes of copper, 0.46 million tonnes of zinc and 0.23 million tonnes of lead). Elsewhere, changes were relatively minor and related to metal price increases and mining depletion.

Total Ore Reserves, after mining depletion, are estimated at 42.8 million ounces of gold and 4.67 million tonnes of copper. This represents a year-on-year increase of 2.8 million ounces of gold (7 percent) and 0.52 million tonnes of copper (13 percent). This result was driven by additions at Cadia East (2.9 million ounces of gold and 0.48 million tonnes of copper) and inclusion of a second block cave lift at Ridgeway (0.68 million ounces of gold and 0.1 million tonnes of copper). Elsewhere, changes were relatively minor and related to metal price increases and mining depletion.

Metal price assumptions for all Newcrest Mineral Resources are US$700/oz for gold US$2.00/lb for copper and US$13/oz for silver. Price assumptions for Ore Reserves are US$650/oz for gold, US$1.70/lb for copper and US$11/oz for silver. Where appropriate, resources are also constrained spatially by a notional pit shell based on US$1,000/oz for gold and US$4.00/lb for copper or for underground mining by a shape based on the marginal cut-off grade used as a conservative measure to exclude non-contiguous mineralisation. Resources and reserves are sensitive to metal prices at Cadia Valley, Marsden, Namosi and Telfer due to the disseminated nature of the mineralisation and the presence of both gold and copper as significant value drivers. High-grade discrete veins mined at Gosowong and Cracow are relatively insensitive to metal prices. Cost assumptions are based on the latest approved study for each deposit and are generally in Australian dollars except at Gosowong (Indonesia) where a US dollar cost base is used. An exchange rate of US$:AU$ of 0.75 has been used for both resources and reserves.

MMJV Mineral Resources and Ore Reserves are based on a Competent Persons statement provided by Harmony Gold Mining Company Limited on behalf of the Joint Venture and are quoted at 50 percent interest. These include gold and silver resources and reserves at Hidden Valley and gold, copper and molybdenum resources and reserves at Wafi-Golpu and resources at Nambonga. Metal prices assumptions used by Harmony to convert resources to reserves are unchanged from last year at US$750/oz for gold, US$2.40/lb for copper and US$20/lb molybdenum. Details are available on www.harmony.co.za.

Left
Drilling at O'Callaghans

Right
Core samples

Bottom left
Production drilling
at Ridgeway Deeps

Bottom centre
Grinding media used
in SAG & Bore Mills

Bottom right
Chris Murfet,
Production Co-ordinator, Telfer

The accompanying statement of Mineral Resources and Ore Reserves conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2004 Edition. Ore Reserves quoted are a subset of Mineral Resources. Independent external and internal reviews are conducted on all estimates.

Explanatory notes containing more detailed information on the methods and parameters used to estimate Mineral Resources and Ore Reserves are presented on the Company's website at www.newcrest.com.au.

CADIA PROVINCE

Mineralisation recognised to date in the Cadia Province is porphyry-related gold and copper hosted in rocks of Ordovician age. Ore bodies are typically large tonnage low-grade gold with strong copper by-product and minor base metal associations. Ore is sourced by bulk mining methods from open pit and underground sources. Products include gold in doré recovered via gravity methods and a gold rich copper concentrate, which is exported to customers via Port Kembla. Established processing capacity is in excess of 22 million tonnes per annum. Notable increases relate to a second consecutive increase in the resource and reserve estimates for Cadia East, the addition of reserves in a second deeper caving block at Ridgeway Deeps and an increase in the Cadia Extended resource resulting from new drilling at depth.

Cadia Hill Open Pit

The Cadia Hill Open Pit Mineral Resource decreased by 0.36 million ounces of gold and 0.02 million tonnes of copper, including stockpiles. Mining, including stockpile movements, accounted for depletion of 0.42 million ounces of gold and 0.04 million tonnes of copper. This was offset by increases of 0.10 million ounces of gold and 0.03 million tonnes of copper due to revised cut-off grade and metal prices. The Ore Reserve, including stockpiles, decreased by 0.23 million ounces of gold and 0.02 million tonnes of copper. Mining depletion accounted for 0.33 million ounces of gold and 0.03 million tonnes of copper from the reserves, partially offset by the impact of higher metal prices and a minor change in the design of ultimate pit.

Cadia Extended

Cadia Extended is a bulk underground resource located to the northwest of Cadia Hill beneath the backfilled Cadia Extended pit. The material change to the Mineral Resource compared with 2008 resulted from the re-evaluation of this resource using updated metal prices and additions at depth from drilling. This resulted in a net resource increase of 0.15 million ounces of gold and 0.03 million tonnes of copper. Reserves have not been estimated for Cadia Extended underground.

Ridgeway Underground

Ridgeway Underground consists of the sublevel cave operation and the Ridgeway Deeps block cave development project. The Mineral Resource decreased by 0.33 million ounces of gold and 0.02 million tonnes of copper as a result of refinements to the interpretation of the mineralisation and mining depletion during the year. The Ore Reserve increased by 0.41 million ounces of gold and 0.07 million tonnes of copper, net of depletion. Mining depleted the Ore Reserve by 0.29 million ounces of gold and 0.04 million tonnes of copper offset by increases due to the addition of a second planned block cave lift at depth at Ridgeway.

Big Cadia

The Big Cadia deposit is a near-surface skarn type mineralisation located to the northeast of the Ridgeway mine. The Big Cadia resource increased by 0.02 million ounces of gold and 0.01 million tonnes of copper due to metal price revisions. Reserves have not been estimated for Big Cadia.

Cadia East Underground

The Cadia East underground project is evaluating the potential for a large scale panel caving operation. Drilling and data analysis continued in 2009 as part of the Cadia East Feasibility Study. The Cadia East Mineral Resource has increased by 5.2 million ounces of gold and 1.02 million tonnes of copper. The Cadia East Ore Reserve has increased by 2.9 million ounces of gold and 0.48 million tonnes of copper. Exploration success resulted in an increase of 2.4 million ounces of gold and 0.40 million tonnes of copper in the Mineral Resource. Revised metal prices added 1.65 million ounces of gold and 0.43 million tonnes of copper to the Mineral Resource.

Exploration

Exploration drilling activity at Cadia has been reduced based on current resource inventories and the maturity of the tenements. Data compilation is ongoing to identify additional opportunities for future activity.

TELFER PROVINCE

Gold and copper mineralisation identified to date in the Telfer Province comprises largely of structurally controlled reefs, veins and stockworks hosted by sedimentary rocks of Proterozoic age. Deep weathering depleted the copper in the upper parts of the Main Dome and West Dome orebodies, allowing much of the historical gold production to be processed using gravity and cyanide leaching processes. Ore processing facilities established during the redevelopment of Telfer allow the processing of the large gold and copper sulphide reserves to produce doré from a gravity concentrate and a gold rich copper concentrate from flotation. Concentrate is exported to customers via Port Hedland. This year, an Inferred Resource for the O'Callaghans polymetallic skarn deposit was added.

Main Dome Open Pit

The Telfer Main Dome open pit Mineral Resource, including stockpiles, decreased by 0.4 million ounces of gold with copper unchanged. Mining depletion accounted for 0.6 million ounces of gold and 0.02 million tonnes of copper. This was offset by increases due to revised recoveries and metal prices, resulting in the addition of 0.2 million ounces of gold and 0.02 million tonnes of copper. The Main Dome Ore Reserve decreased by 0.2 million ounces of gold with copper unchanged. Mining depletion of reserves accounted for 0.5 million ounces of gold and 0.02 million tonnes of copper.

Telfer Deeps Underground

The Telfer Deeps Underground consists of the current operating sublevel cave (SLC) and designs for selective mining of reef resources. The Telfer Deeps Underground Mineral Resource decreased by 0.4 million ounces of gold and 0.03 million tonnes of copper largely from SLC mining depletion and the impact of mining cost changes on the cut-off. The Telfer Deeps Ore Reserve decreased by 0.2 million ounces of gold and 0.02 million tonnes of copper due mainly to SLC depletion and redesign of the sublevel cave. In addition, a new resource has been estimated for the Vertical Stockwork Corridor below the current SLC containing 0.6 million ounces of gold and 0.07 million tonnes of copper.

West Dome Open Pit

No mining activity occurred at West Dome during the period. Revised metal prices and recovery estimates (based on Main Dome performance) resulted in an increase in the resource estimate of 0.15 million ounces of gold and 0.01 million tonnes of copper. The Ore Reserve estimate for West Dome increased by 0.05 million ounces of gold due to redesign of the pit based on revised recoveries and metal prices.

O'Callaghans

O'Callaghans is a polymetallic skarn deposit occurring around 300 metres below surface and located 15 kilometres to the south of Telfer. O'Callaghans has been drilled broadly to enable an initial Inferred Resource estimate. The resource estimate contains 0.16 million tonnes of copper, 0.17 million tonnes of tungsten trioxide, 0.46 million tonnes of zinc and 0.23 million tonnes of lead. Investigation of this resource is ongoing.

Exploration

Several known gold and base metal exploration targets exist at Telfer. These include the Camp Dome area and a number of satellite deposits in the Telfer Province. Drilling is planned to systematically test these targets.

OTHER PROVINCES

Gosowong (Indonesia)
Gosowong is located on the island of Halmahera, located in North Maluku Province in the eastern part of the Republic of Indonesia and is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (82.5 percent) and PT Aneka Tambang (17.5 percent). For the purpose of reporting Mineral Resources and Ore Reserves, Newcrest is reporting 100 percent of the assets. Gosowong is emerging as a world-class epithermal province with past production and resources exceeding 5.0 million ounces of gold. The gold grade is high and is associated with similar levels of silver. Ore is processed at the on-site plant to produce gold doré using a cyanide leaching process. Gold recoveries in excess of 90 percent are typical.

Kencana
The Kencana Mineral Resources increased by 0.03 million ounces of gold. Similarly, the Ore Reserves increased by 0.04 million ounces of gold. Mining depleted the reserve by 0.43 million ounces of gold. Additions included extensions of the K1 deposit at depth and to the north and minor changes in K2 and K Link following additional drilling and production experience. All Kencana deposits are now in production. Mine design is based on either underhand cut-and-fill or sublevel open stoping mining methods, depending on geometry and ground conditions.

Gosowong Pit Cutback
A mining concept study to assess the viability of a cutback in the existing Gosowong open pit resulted in an upgrade of an earlier resources estimate to an Indicated Resource of 0.12 million ounces of gold.

Gosowong Tailings Storage Facilities
An Inferred Resource of 0.07 million ounces was estimated at the Gosowong Tailings Storage Facility. This represents material processed during a recent period of lower recoveries which has potential for retreatment through the upgraded grinding circuit at Gosowong.

Exploration
Significant potential exists to grow the Kencana system and to discover further high-grade shoots by exploring along known fertile structures in the Gosowong region. Advanced target testing is progressing north of the Toguraci pit and elsewhere within the Contract of Work.

Cracow Joint Venture (QLD)
Cracow is a joint venture between Newcrest Mining Limited (70 percent) and Lion Selection Limited (30 percent). Newcrest reports 70 percent of the Mineral Resources and Ore Reserves at Cracow. The gold shoots are structurally controlled within steeply dipping epithermal veins. Ongoing exploration is targeting auriferous structures within the the highly prospective western side of the Cracow Goldfield.

Mineral Resources increased by 0.09 million ounces of gold (19 percent increase) while the Ore Reserves increased by 0.04 million ounces of gold (31 percent increase). Mining depletion of reserves totalled 0.1 million ounces of gold. Additions arose from shoot extensions following discovery drilling.

Marsden (NSW)
Marsden is located on Exploration Licence 5524 (Newcrest 100 percent) between Forbes and West Wyalong in Central Western NSW, Australia. Marsden is a body of porphyry-style copper-gold mineralisation hosted in intrusive rocks. The resource estimate for Marsden has been updated to include additional drilling completed during the year to improve resource confidence. This resulted in a resource increase of 0.08 million ounces of gold (7 percent increase) and 0.07 million tonnes of copper (11 percent increase).

Namosi JV (Fiji)
The Namosi project is a joint venture between Newcrest, Nittetsu and Mitsubishi Materials, with Newcrest having a 69.94 percent interest in the joint venture. The Namosi tenement, which is located about 30 kilometres west of Fiji's capital city, Suva, has been periodically explored over the past 40 years. The potential for gold and base metals was established in the 1960s and exploration led to the discovery of the Waisoi deposits. Between 1991 and 1995, Placer Pacific defined the large, low-grade, porphyry copper-gold deposit at Waisoi as an open pit copper-gold resource. Newcrest has validated historical data, undertaken additional infill and exploration drilling and completed a Mineral Resource estimate on behalf of the Joint Venture. This Mineral Resource estimate satisfies all criteria for Public Reporting under the JORC Code. Newcrest's share of the Mineral Resource contains 4.0 million ounces of gold and 3.83 million tonnes of copper (69.94 percent). Exploration drilling is ongoing in the Joint Venture tenement.

Morobe Mining JV (PNG)
The Morobe Mining Joint Venture is a 50:50 joint venture between Newcrest and Harmony Gold Mining Company. Joint venture interests include the Hidden Valley and Wafi-Golpu tenements, as well as significant exploration tenements on the Morobe coast. Resources have increased by 0.5 million ounces of gold and 0.04 million tonnes of copper through the addition of the Nambonga deposit. Reserves have decreased by 0.04 million ounces of gold, with no change in copper resulting from revisions to the pit design and the impact of mining depletion at Hidden Valley and Hamata.

2009 MINERAL RESOURCES

Gold and Copper Resources (# includes stockpiles)	Measured Resource Dry Tonnes (million)	Measured Resource Gold Grade (g/t Au)	Measured Resource Copper Grade (% Cu)	Indicated Resource Dry Tonnes (million)	Indicated Resource Gold Grade (g/t Au)	Indicated Resource Copper Grade (% Cu)	Inferred Resource Dry Tonnes (million)	Inferred Resource Gold Grade (g/t Au)	Inferred Resource Copper Grade (% Cu)	Total Resource Dry Tonnes (million)	Total Resource Gold Grade (g/t Au)	Total Resource Copper Grade (% Cu)	Contained Metal Gold (million ounces)	Contained Metal Copper (million tonnes)	Competent Person
Cadia Hill Open Pit #	221	0.51	0.13	37	0.40	0.13	170	0.34	0.10	427	0.43	0.12	5.9	0.51	1
Cadia Extended				53	0.39	0.22				53	0.39	0.22	0.7	0.12	1
Ridgeway Underground #	19	1.1	0.48	109	0.78	0.36	24	0.46	0.46	152	0.77	0.39	3.8	0.59	1
Big Cadia							37	0.38	0.47	37	0.34	0.47	0.4	0.17	1
Cadia East Underground				2,246	0.44	0.29	102	0.35	0.18	2,347	0.44	0.28	33.2	6.59	1
Total Cadia Province – Gold and Copper													**44.0**	**7.98**	
Main Dome Open Pit #	15	0.53	0.11	288	1.0	0.11	41	0.78	0.11	344	1.0	0.11	10.8	0.37	2
West Dome Open Pit				166	0.74	0.06	47	0.68	0.05	213	0.73	0.06	5.0	0.13	2
Telfer Underground				57	1.5	0.32	3.3	1.7	0.27	60	1.5	0.32	2.9	0.19	2
VSC							14	1.4	0.49	14	1.4	0.49	0.6	0.07	2
O'Callaghans							59		0.27	59		0.27	N/A	0.16	2
Telfer Satellite Deposits				0.57	4.2	0.03	1.7	2.6	0.08	2.3	4.1	0.07	0.3	0.00	2
Total Telfer Province – Gold and Copper													**19.6**	**0.92**	
Gosowong #*				3.0	28		0.67	3.4		3.7	24		2.8	N/A	3
Cracow #**	0.59	9.5		0.29	6.7		1.3	7.9		2.2	8.2		0.6	N/A	4
MMJV – Hidden Valley/ Kaveroi #****	2.8	2.2		23	1.9		15	1.5		41	1.8		2.3	N/A	5
MMJV – Hamata #****	0.17	2.2		3.9	2.3		0.61	2.6		4.6	2.4		0.4	N/A	5
MMJV – Nambonga ***							20	0.79	0.22	20	0.79	0.22	0.5	0.04	6
MMJV – Wafi ***				32	2.0		20	1.7		52	1.9		3.1	N/A	6
MMJV – Golpu ***				44	0.63	1.4	38	0.49	0.72	82	0.57	1.1	1.5	0.88	6
Namosi JV ****				354	0.16	0.47	556	0.12	0.39	910	0.14	0.42	4.0	3.83	7
Marsden				178	0.19	0.37	39	0.07	0.16	216	0.17	0.33	1.2	0.71	1
Total Other Provinces – Gold and Copper													**16.4**	**5.46**	
Total Gold and Copper													**80.0**	**14.36**	

Silver Resources (# includes stockpiles)	Measured Resource Dry Tonnes (million)	Measured Resource Silver Grade (g/t Ag)	Indicated Resource Dry Tonnes (million)	Indicated Resource Silver Grade (g/t Ag)	Inferred Resource Dry Tonnes (million)	Inferred Resource Silver Grade (g/t Ag)	Total Resource Dry Tonnes (million)	Total Resource Silver Grade (g/t Ag)	Contained Metal Silver (million ounces)	Competent Person
Gosowong #*			3.0	21	0.67	5.5	3.7	18	2.2	3
Cracow #**	0.59	6.9	0.29	4.2	1.3	6.0	2.2	6.0	0.4	4
MMJV – Hidden Valley/ Kaveroi #****	2.8	41	23	34	15	27	41	32	42.0	5
Total Silver									**44.6**	

2009 Polymetallic Mineral Resources	Inferred Resources Dry Tonnes (millions)	Inferred Resources Tungsten Trioxide Grade (% WO3)	Inferred Resources Copper Grade (% Cu)	Inferred Resources Zinc Grade (% Zn)	Inferred Resources Lead Grade (% Pb)	Contained Metal Tungsten Trioxide (million tonnes)	Contained Metal Copper† (million tonnes)	Contained Metal Zinc (million tonnes)	Contained Metal Lead (million tonnes)	Competent Person
O'Callaghans	59	0.29	0.27	0.77	0.39	0.17	0.16	0.46	0.23	2

1. Geoff Smart, 2. Paul Dunham, 3. Dadan Wardiman, 4. Craig Irvine, 5. Michael Smith (Harmony Gold Ltd), 6. Greg Job (Harmony Gold Ltd), 7. Vik Singh

* The figures shown represent 100% of Mineral Resource. Kencana is owned and operated by PT. Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (82.5%) and Pt Aneka Tambang (17.5%).

** The figures shown represent 70% of the Mineral Resource. Cracow is an unincorporated joint venture between Newcrest (70%) and Lion Selection Limited (30%).

*** The figures shown represent 50% of the Mineral Resource. Newcrest and Harmony Gold have a 50-50 ownership of the Morobe Mining JV.

**** The figures shown represent 69.94% of the Mineral Resource.

† Copper contribution included in main Mineral Resource table.

2009 ORE RESERVES

Gold and Copper Reserves (# includes stockpiles)	Proved Reserve			Probable Reserve			Total Reserve			Contained Metal		
	Dry Tonnes (million)	Gold Grade (g/t Au)	Copper Grade (% Cu)	Dry Tonnes (million)	Gold Grade (g/t Au)	Copper Grade (% Cu)	Dry Tonnes (million)	Gold Grade (g/t Au)	Copper Grade (% Cu)	Gold (million ounces)	Copper (million tonnes)	Competent Person
Cadia Hill Open Pit #	131	0.62	0.15	3.4	0.37	0.13	134	0.61	0.15	2.6	0.20	1
Ridgeway Underground #	7.2	1.3	0.51	91	0.81	0.38	98	0.84	0.39	2.7	0.38	2
Cadia East Underground				961	0.61	0.33	961	0.61	0.33	18.7	3.16	3
Total Cadia Province – Gold and Copper										**24.0**	**3.74**	
Main Dome Open Pit #	15	0.53	0.11	277	1.0	0.10	292	0.94	0.10	8.8	0.30	4
West Dome Open Pit				146	0.66	0.06	146	0.66	0.06	3.1	0.09	4
Telfer Underground	0.21	12	1.5	42	1.6	0.34	42	1.6	0.35	2.2	0.14	5
Total Telfer Province – Gold and Copper										**14.1**	**0.53**	
Gosowong #*				3.1	24		3.1	24		2.4	NA	6, 2
Cracow #**	0.54	7.7		0.16	5.5		0.70	7.2		0.2	NA	7
MMJV – Hidden Valley/Kaveroi #***	1.4	2.3		18	2.0		19	2.0		1.2	NA	8
MMJV – Hamata #***	0.10	2.1		1.9	2.7		2.0	2.7		0.2	NA	8
MMJV – Golpu ***				35	0.61	1.1	35	0.61	1.1	0.7	0.40	9
Total Other Provinces – Gold										**4.7**	**0.40**	
Total Gold and Copper										**42.8**	**4.67**	

Silver Reserves (# includes stockpiles)	Proved Reserve		Probable Reserve		Total Reserve		Contained Metal	
	Dry Tonnes (million)	Silver Grade (g/t Ag)	Dry Tonnes (million)	Silver Grade (g/t Ag)	Dry Tonnes (million)	Silver Grade (g/t Ag)	(million ounces)	Competent Person
Gosowong #*			3.1	16	3.1	16	1.6	6,2
Cracow #**	0.54	5.3	0.16	5.5	0.70	5.3	0.1	7
MMJV – Hidden Valley/Kaveroi #***	1.4	39	18	37	19.0	37	22.6	8
Total Silver							**24.3**	

1. Ellie Burdett, 2. Geoff Dunstan, 3. German Flores, 4. Anton Kruger, 5. Murray Smith, 6. Robbie Whitworth, 7. Justin Woodward, 8. Julian Poniewierski (Harmony Gold Ltd), 9. Greg Job (Harmony Gold Ltd)

* The figures shown represent 100% of the Ore Reserve. Kencana is owned and operated by PT. Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (82.5%) and Pt Aneka Tambang (17.5%).

** The figures shown represent 70% of the Ore Reserve. Cracow is an unincorporated joint venture between Newcrest (70%) and Lion Selection Limited (30%).

*** The figures shown represent 50% of the Ore Reserve. Newcrest and Harmony Gold have a 50-50 ownership of the Morobe Mining JV.

Information in this report that relates to Mineral Resources and Ore Reserves is based on and accurately reflects reports prepared by the Competent Person named beside the information. All these persons, except Greg Job, Michael Smith and Julian Poniewierski, are full-time employees of Newcrest Mining Limited or the relevant subsidiary, who consent to the inclusion of material in the format and context in which it appears. All the Competent Persons named are Members of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and posses relevant experience in relation to the mineralisation being reported on by them to qualify as Competent Persons as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 Edition).

Newcrest's vision is to be the 'Miner of Choice' – to maintain its position as a leading producer of gold, creating shareholder wealth in a manner which also benefits its employees and the communities and environment in which it operates. The Newcrest Board believes that adherence by the Company and its people to the highest standards of corporate governance is critical in order to achieve its vision.

CORPORATE GOVERNANCE

1. GOVERNANCE AT NEWCREST MINING LIMITED

Newcrest's vision is to be the 'Miner of Choice' – to maintain its position as a leading producer of gold, creating shareholder wealth in a manner which also benefits its employees and the communities and environment in which it operates. The Newcrest Board believes that adherence by the Company and its people to the highest standards of corporate governance is critical in order to achieve its vision.

The corporate governance practices in place at Newcrest during the year to 30 June 2009 are described below. This report includes information required under the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (August 2007).

2. BOARD OF DIRECTORS

2.1 Role and Responsibilities

On behalf of the shareholders, the Board:

- sets the Company's strategic goals and objectives
- oversees the management and performance of the Company's business.

These and other functions of the Board, have been formalised through the adoption of a formal Board Charter. The Board Charter can be found at www.newcrest.com.au/corporate.asp.

The Board Charter defines the Board's role and responsibilities in relation to strategic, financial, operational and governance matters. It makes it clear that the role of the Board is not to manage the Company but to set, on behalf of the shareholders, the strategic direction of the Company and to review, oversee and monitor the management and performance of the business by the Company's senior executive team.

In the context of the Board Charter, the Company's senior executive team is charged with responsibility and authority for the day-to-day management of the Company and its operations. Its remit is formally set out, and agreed with the Board, in a Statement of Management Authorities and Responsibilities which is supported by a comprehensive framework of approval and authority limits.

2.2 Board Composition

Newcrest's Board currently comprises eight Directors – the Managing Director, Ian Smith, the Director Finance, Greg Robinson and six Non-Executive Directors, being Don Mercer (Chairman) and Tim Poole, Rick Lee, John Spark, Richard Knight and Vince Gauci. Details of each Director's skills, experience and relevant qualifications and expertise, as well as the term of office held by that Director as at the date of this Report, are set out on pages 8–9. The Board has determined that as a general rule a Non-Executive Director will not serve on the Board for more than 10 years.

2.3 Selection and Appointment of Directors

The Board regularly reviews its membership to ensure that it offers the range of business skills and expertise demanded by the Company's operations.

When a Board position becomes vacant or additional Directors are required, candidates are identified, using external professional advisers if necessary. Candidates are considered and appointed by the full Board. Appointment of the Managing Director is made by the full Board, with professional advice taken if necessary. All Board appointments are subject to shareholder approval.

2.4 Board Committees

To facilitate the execution of its responsibilities, the Board operates three standing Committees. The operation of the Committees provides a forum for more detailed analysis of key issues. In addition, the Board operates an ad hoc Executive Committee which is convened as required. All Directors receive all Committee papers and minutes and are welcome to attend any Committee meeting. Each Committee reports its deliberations to the next Board meeting.

The Board does not have a nominations committee as that role is dealt with by the Board itself. The Board took this step having determined that it was best placed to undertake the work of that committee having regard to the size of the Company, and that all decision making authorities in relation to the work of a nominations committee rest with the Board itself. The Board has structured its annual program of business to ensure that nomination matters are fully dealt with by it.

In February 2009 the role of the Remuneration Committee, which was undertaken by all non-executive members of the Board, was expanded to cover not only remuneration but also broader human resources issues. It was renamed the Human Resources and Remuneration Committee and four non-executive Board members were appointed to take on its expanded role and workload. Executive Directors are invited to attend as appropriate.

The current Committees of the Newcrest Board, their membership and functions are as follows. Each of the Audit and Risk Committee, Human Resources and Remuneration Committee and Safety, Health and Environment Committee has its own charter.

2.4.1 Audit and Risk Committee
Members: John Spark (Chairman), Rick Lee, Tim Poole and Richard Knight.

Function: ensures compliance with all accounting and financial reporting obligations of the Group and reviews internal financial controls and the role of the internal and external auditors, including the independence of the external auditors, and the Company's risk management activities.

2.4.2 Human Resources and Remuneration Committee
Members: Don Mercer (Chairman), Rick Lee, Tim Poole and Vince Gauci (Executive Directors, Ian Smith and Greg Robinson may attend by invitation).

Function: deals with all matters relating to the Company's Human Resources Policy, including executive and employee remuneration levels and remuneration matters generally.

2.4.3 Safety, Health and Environment Committee
Members: Richard Knight (Chairman), Vince Gauci and John Spark.

Function: monitors the Company's safety, health and environmental management practices and ensures that the Company has appropriate policies in place to provide a framework for compliance with all relevant laws, regulations and standards, and oversees safety, health and environment risk management.

2.4.4 Board Executive Committee
Members: Don Mercer (Chairman), Ian Smith (Managing Director) and at least one Non-Executive Director.

Function: acts as a delegate for the Board to make decisions where it is not practical or reasonable to convene the Board.

The Charter for each Board Committee can be found at www.newcrest.com.au/corporate.asp. Details of the number of meetings of the Board and of each Committee held during the financial year, and of each Director's attendance at those meetings (as relevant), are set out on page 23.

2.5 Board Independence
The Board has determined that all Non-Executive Directors are independent and free of any relationship which might conflict with the interests of the Company. All Directors are required to disclose their relevant interests and to give notice of any potential conflict of interest. The Board has in place processes for dealing with a conflict of interest or loss of independence by a Director, should that situation arise. The Board will continue to monitor the independence of each Director and will periodically review its approach to assessing Director independence to ensure that it remains appropriate.

2.6 Access to Independent Advice and Information
All Directors have direct access to all relevant Company information and to the Company's senior executives. The Board has adopted a formal policy which ensures that Directors also have access to independent legal, accounting, or other professional advice, when necessary, at the Company's expense.

3. RESPONSIBLE AND ETHICAL BEHAVIOUR

3.1 Code of Conduct and Values
The Company has a formal Code of Conduct, which all Newcrest Directors, employees and contractors are required to observe. The Code of Conduct sets out standards for appropriate ethical and professional behaviour for Directors and employees of the Company, and confirms the values that underpin all of Newcrest's relationships with its stakeholders.

The Company also has a comprehensive range of corporate policies which detail the framework for acceptable corporate behaviour. These set out the procedures which personnel are required to follow in a range of areas including share trading, employment practices and compliance. The Company policies are reviewed periodically.

Newcrest has formulated and adopted five key values to guide its Directors and employees in the conduct of the Company's activities.

- We act with integrity and honesty.
- We seek high performance in ourselves and others.
- We work together.
- We value innovation and problem solving.
- We care about people.

An extensive training program has been developed to educate employees in the Newcrest values and to encourage them to conduct themselves in all of these dealings in accordance with these values.

3.2 Speak-Out Service
Newcrest has in place a Speak-Out Policy which encourages employees and contractors to raise concerns or to report instances of misconduct or suspected misconduct if necessary, on an anonymous basis. Complaints are referred to an independent third-party service provider for initial consideration. Issues identified are then reported to Newcrest management so that concerns can be addressed and, where appropriate, investigated further.

3.3 Securities Dealing Policy
Directors' and employees' shareholdings and share trading are subject to the Company's *Securities Dealing Policy*, which restricts the times when a Director or employee can purchase or sell Company securities, and prohibits short-term trading.

A copy of the *Securities Dealing Policy*, as well as the Company's Code of Conduct and other policies, can be found online at www.newcrest.com.au/corporate.asp.

4. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises that risk management and internal controls are fundamental to sound management, and that oversight of such matters is a key responsibility of the Board. Newcrest has a detailed risk management and internal control framework incorporating policies and procedures, which set out the roles, responsibilities and guidelines for identifying and managing material business risks.

The Board is responsible for satisfying itself that management has developed a sound system of risk management and internal controls. The Board reviews the effectiveness of management's implementation of risk management and of the internal control systems at least annually. The Audit and Risk Committee assists the Board with respect to oversight of risk management policy and of effective internal controls and risk management processes.

The design and implementation of the risk management and internal control systems in relation to material business risks are the responsibility of management.

4.1 Management of Risk

Newcrest's Risk Management Framework is used to identify and evaluate risk events, establish robust controls and mitigation strategies, and to provide an assurance process in relation to effectiveness and implementation of these controls and mitigants. The aim is to provide an overarching, uniform and consistent framework for identifying, assessing, monitoring and managing material business risks.

The framework covers the entire business by developing risk profiles for:

- strategic risk;
- corporate and commercial risk;
- major hazard risks (including operational, safety and environmental); and
- project management risk.

The risk profiles, including identification and assessment of related controls, are reviewed and updated by management and reported to the Audit and Risk Committee at least annually.

4.2 Internal Control Framework

Newcrest has controls in place that are designed to support the risk management framework, safeguard the Company's interests and ensure the integrity of its financial reporting. Key controls in place include:

- An integrated, robust planning and budgeting process delivering a 5 year strategic plan and linked detailed budget annually (both subject to the approval of the Board). Progress against performance targets is reported against monthly and supplemented regularly with forecast updates.
- A comprehensive capital approval process controlling the authorisation of capital expenditure and investments. Key capital decisions are subject to independent technical and commercial review.
- A system of delegated authorities that cascades authority levels for expenditure and commitments from the Board, the delegation to the CEO and the further cascading of authorities from the CEO to the rest of the organisation.
- Appropriate due diligence procedures for acquisitions and divestments.
- The annual preparation of a capital strategy document setting out the key capital structure, liquidity and cash flow at risk objectives of the company. In addition, Treasury has detailed policies for the management of debt and currency, investment of surplus cash and interest rate risk management.
- A system of financial control processes to ensure the integrity of financial reporting.
- The completion half-yearly by management of a detailed internal control questionnaire covering financial stewardship, legal and risk issues.
- Regularly reviewed and tested crisis management and emergency management systems.

4.3 Internal Audit

The Company has an independent internal audit function, currently resourced by KPMG and reporting to the Director Finance, which undertakes audits of critical finance and business processes and tests key internal controls. The annual audit plan, which is approved by the Audit and Risk Committee, is structured to cover all material operating sites and processes on a rolling program. Findings are reported to senior management and the Audit and Risk Committee and corrective actions are monitored, reviewed and reported. Material findings are reported to the Board. The Audit and Risk Committee meets with the internal auditors on a regular basis without management being present.

4.4 Management Assurance

At the Board meeting to approve Newcrest's annual and half-yearly results in 2008–09, the Board received and considered statements in writing from the Managing Director and Chief Executive Officer and Director Finance in relation to Newcrest's system of risk oversight and management and internal compliance with internal controls. These assurance statements were supported by an internal process of compliance confirmations by Executive General Managers and General Managers responsible for operations and key functions.

The certificate of assurance stated that the financial statements have been prepared in conformity with generally accepted accounting principles and that they gave a true and fair view of the state of affairs of the Company.

The certificate of assurance also stated that the risk management and internal compliance and control systems were operating effectively in all material respects in relation to the reporting of financial risks.

5. SHAREHOLDER COMMUNICATION, CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS

The Board recognises the importance of keeping the market fully informed of the Company's activities and of communicating openly and clearly with all stakeholders. The Company has a formal Continuous Disclosure Policy in place to ensure that this occurs, a copy of which is available at www.newcrest.com.au/corporate.asp. Pursuant to the Policy, Company information considered to be material is announced immediately through the ASX and key presentations given by Company personnel to investors and institutions are also lodged with the ASX. The Company Secretary has primary responsibility for coordinating disclosure in accordance with the Policy.

All key communications are placed immediately on the Company website and, when necessary, provided directly to all shareholders. General and historical information about the Company and its operations is also available on the website.

It is the Board's policy that the Company implements effective communication with its shareholders. Under the guidance of Newcrest's Company Secretary and its EGM People, Communication and Environment, this is achieved through:

- complying with ASX listing rules and Corporations Act reporting requirements;
- webcasting half-year and full-year financial results presentations;
- ensuring continuous disclosure compliance;
- holding an accessible and informative Annual General Meeting; and
- posting on the Company's website all other ASX announcements including briefings to investors and analysts and presentations by the Company to public forums.

Shareholders have the option to receive the annual report and other key shareholder communications, including notices of meeting, electronically.

At its Annual General Meeting the Company's auditors are available to answer questions relating to the audit of the Company's financial statements and the accounting policies adopted by the Company in the preparation of its financial statements. Newcrest's Chairman encourages shareholder questions at the Company's Annual General Meeting and shareholders unable to attend are given the opportunity to submit questions to the Chairman prior to the meeting.

6. BOARD AND EXECUTIVE PERFORMANCE

6.1 Board Performance Evaluation

The Board undertakes an annual review of its own performance effectiveness and that of its Committees and individual Directors. This process is led by the Chairman based on a formal questionnaire and evaluation provided to each Board member. The outcomes of the evaluation are reviewed and considered by the Board and changes effected where required.

The Board completed its most recent review, which it undertook with the assistance of external specialist advisers, in December 2008. As a result, the size of the Board was increased, the Board Committee structure was reviewed and a number of Board internal processes refined.

6.2 Executive Performance Evaluation

The Company has in place a performance appraisal system for executives that is designed to encourage performance. Details regarding the Newcrest performance management system for the period 2008–09 are set out in the Remuneration Report on pages 32–51.

Each of the Company's senior executives (including the Managing Director and Chief Executive Officer and the Director Finance) have undergone performance evaluation during the 2008–09 reporting period in accordance with the Company's Work Performance System.

7. DIRECTORS' FEES AND EXECUTIVE REMUNERATION

7.1 Directors' Fees

The Company's Human Resources and Remuneration Committee deals with all matters relating to the Company's remuneration policy, executive and employee remuneration levels and remuneration matters generally. A copy of the Human Resources and Remuneration Committee Charter is available on the website at www.newcrest.com.au/corporate.asp.

Remuneration of the Non-Executive Directors is fixed rather than variable. It is determined so that Board membership of an appropriate calibre is maintained and is in accordance with remuneration trends in the marketplace. Remuneration levels and trends are assessed every 2 years with the assistance of professional independent remuneration consultants and adjusted where necessary to align with Board remuneration levels in comparable Australian listed companies.

Total annual remuneration paid to all Non-Executive Directors may not exceed the maximum amount authorised by the shareholders in a general meeting (currently $1,800,000).

7.2 Executive Remuneration

The Board has a formal Remuneration Policy in place which defines and directs the Company's remuneration practices.

The Remuneration Policy recognises the different levels of contribution within management to the short-term and long-term success of the Company. A key element of the Remuneration Policy is the principle of reward for performance, with a significant proportion of each senior manager's remuneration placed 'at risk' – that is, dependent upon both personal and Company performance. Every employee undergoes a formal performance appraisal each year which is used, in part, to determine that employee's remuneration in the year ahead.

The Board has established with the Managing Director and Chief Executive Officer appropriate and specific personal and corporate performance objectives for the short and long-term. The performance of the Managing Director is formally assessed against these objectives annually. The assessment is used to determine, in part, the level of 'at risk' remuneration paid to the Managing Director.

Details of the Company's policies and practices in relation to both Director and employee remuneration, and how they relate to Company performance, are set out in the Remuneration Report on pages 32–51.

8. SUSTAINABILITY

Sustainability is an important part of Newcrest's vision to develop successful mining operations through balancing economic prosperity, environmental quality and social responsibility. Newcrest is a signatory to the AMI Code for Environmental Management (2000). A Sustainability Report detailing the Company's environmental and social performance is prepared each year. A copy of the report can be found on the website at www.newcrest.com.au/sus_report.asp.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2009

DIRECTORS' REPORT

The Directors present their report together with the financial report of Newcrest Mining Limited ('the Company') and of the Group, being the Company and its controlled entities, for the year ended 30 June 2009 and the Auditor's Report thereon.

DIRECTORS

The Directors of the Company at any time during the financial year were, and until the date of this report are:

Don Mercer
Non-Executive Chairman

Ian Smith
Managing Director and Chief Executive Officer

Greg Robinson
Director Finance

John Spark
Non-Executive Director

Rick Lee
Non-Executive Director

Tim Poole
Non-Executive Director

Richard Knight
Non-Executive Director

Vince Gauci
Non-Executive Director
(appointed 10 December 2008)

Bryan Davis
Non-Executive Director
(resigned 30 October 2008)

Mick O'Leary
Non-Executive Director
(resigned 30 October 2008)

All Directors held their position as a Director throughout the entire year and up to the date of this Report except as indicated above.

COMPANY SECRETARY

Bernard Lavery
Bachelor of Laws and Bachelor of Jurisprudence.

Bernard has been the Company Secretary of Newcrest Mining Limited since 1995.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were exploration, development, mining and the sale of gold and gold/copper concentrate. There were no significant changes in those activities during the year.

CONSOLIDATED RESULT

The profit of the Group for the year ended 30 June 2009 after income tax and minority interest amounted to $248.1 million (2008: $134.3 million). The net profit for 2009 includes a negative $235.0 million impact due to losses on restructured hedges and closed out hedge contracts (2008: $359.6 million).

The Underlying Profit [1] of the Group attributable to members of the parent entity amounted to $483.1 million (2008: $493.9 million).

DIVIDENDS

The following dividends of the Group have been paid, declared or recommended since the end of the preceding year:

- Final unfranked dividend for the year ended 30 June 2008 of 10 cents per share, amounting to $45.3 million was paid on 17 October 2008.
- Dividend of $19.9 million (2008: $21.9 million) was paid to the minority interest.
- Final unfranked dividend for the year ended 30 June 2009 of 15 cents per share, amounting to $72.5 million has been declared and will be paid on 16 October 2009 to shareholders registered by close of business on 25 September 2009.

OPERATING AND FINANCIAL REVIEW AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Refer to the Management Discussion and Analysis for the operating and financial review and for the significant changes in the state of affairs of the Group.

FUTURE DEVELOPMENTS

Refer to the Management Discussion and Analysis for information on likely developments and future prospects of the Group. Any further information of this nature has been omitted as it would unreasonably prejudice the interests of the Group.

SUBSEQUENT EVENTS

On 17 August 2009, the Directors of Newcrest Mining Limited declared a final unfranked dividend on ordinary shares in respect of the 2009 financial year. The total amount of the dividend is $72.5 million, which represents an unfranked dividend of 15 cents per share. The dividend has not been provided for in the 30 June 2009 financial statements.

In the 2008 financial year, the NSW Supreme Court found in favour of Newcrest as plaintiff with respect to the obligation to pay mineral royalties on production from the Cadia Valley operations. The Supreme Court ordered the State of NSW to refund Newcrest $10.9 million in royalty and interest payments relating to the 2008 and prior financial years. The decision was appealed by the State of NSW and the matter went to the NSW Court of Appeal ('the Court'). Subsequent to year end, the Court upheld the State of NSW's appeal. Newcrest has sought leave to appeal this matter in the High Court of Australia. The financial impact of the Court's decision is considered to be a 2010 financial year transaction and has not been provided for in the 30 June 2009 financial statements, but instead has been disclosed as a contingent liability.

There are no other matters or circumstances which have arisen since 30 June 2009 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.

[1] Underlying Profit excludes the after tax impact of losses on restructured hedges and hedge close out costs.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the Auditor's Independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 53. During the year, additional accounting advice and other assurance related services were provided by Ernst & Young (auditor to the Company) – refer Note 33 to the financial statements. The Directors are satisfied that the provision of these services did not impair the auditor's independence.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Newcrest maintains a Directors' and Officers' insurance policy that, subject to some exceptions, provides insurance cover to past, present or future Directors, Secretaries or Executive Officers of the Group and its subsidiaries. The Company has paid an insurance premium for the policy. The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Group in Australia are subject to environmental regulation under the laws of the Commonwealth and the States in which those operations are conducted. It is the policy of the Group to comply with all relevant environmental regulations in all countries in which it operates including Indonesia, Papua New Guinea and Fiji. The Group releases an annual Sustainability Report.

Each mining operation is subject to particular environmental regulation specific to the activities undertaken at that site as part of the licence or approval for that operation. There are also a broad range of industry specific environmental laws which apply to all mining operations and other operations of the Group. The environmental laws and regulations generally address the potential impact of the Group's activities in relation to water and air quality, noise, surface disturbance and the impact upon flora and fauna.

The Group has a uniform internal reporting system across all sites. All environmental events, including breaches of any regulation or law, are ranked according to their actual or potential environmental consequence. Five levels of incidents are recognised (based on Australian Standard AS4360): I (insignificant), II (minor), III (moderate), IV (major) and V (catastrophic). Data on Category I incidents are only collected at a site level and are not reported in aggregate for the Group.

The number of events reported in each category during the year is shown in the accompanying table. In all cases environmental authorities were notified of those events where required and remedial action undertaken. No major environmental incidents were recorded during the year and there was a small decrease in the number of environmental incidents across the Group compared with the previous year.

Category	II	III	IV	V
2008 – No. of incidents	45	4	1	0
2009 – No. of incidents	43	2	0	0

The Managing Director reports monthly to the Board on all environmental and health and safety incidents. The Board also has a Safety, Health and Environment Committee which reviews the environmental and safety performance of the Group. The Directors are not aware of any environmental matters which would have a materially adverse impact on the overall business of the Group.

Newcrest will be required to report on its greenhouse gas emissions, energy consumption and energy production for the 2009 financial year under the *National Greenhouse and Energy Reporting Act 2007* (Cth). Newcrest has registered pursuant to the Act and will be required to submit its first report by 31 October 2009.

Newcrest is closely following the developments of the Federal Government's proposed Carbon Pollution Reduction Scheme. Proposed legislation was introduced into Federal Parliament in May 2009 and is proposed to come into operation in July 2011 if the legislation is passed in its current form.

SHARE RIGHTS AND OPTIONS

During the year an aggregate of 638,308 rights and options were exercised, resulting in the issue of 638,308 ordinary shares of the Company at an aggregate consideration of $6.3 million. At the date of this report there were 1,161,323 unissued shares under rights and options (1,167,735 at 30 June 2009).

In order to prevent dilution of its share capital through the exercise of rights and options the Company has determined that it will buy the corresponding number of shares on market as and when required.

ROUNDING OF AMOUNTS

Newcrest Mining Limited is a company of the kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order amounts in the Directors' Report and the Financial Report are rounded to the nearest $100,000, except where otherwise indicated.

INFORMATION ON DIRECTORS

Details of the Directors' qualifications, experience and special responsibilities are set out on pages 8–9.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

	Directors' Meetings		Audit and Risk Committee Meetings		Human Resources and Remuneration Committee Meetings		Safety, Health and Environment Committee Meetings	
Director	**A**	**B**	**A**	**C**	**A**	**C**	**A**	**C**
Don Mercer	10	10	–	–	4	4	–	–
Ian Smith	9	10	–	–	–	–	–	–
Greg Robinson	10	10	–	–	–	–	–	–
John Spark	10	10	4	4	2	2	3	3
Rick Lee	10	10	4	4	4	4	–	–
Tim Poole	10	10	4	4	4	4	–	–
Richard Knight	10	10	3	3	1	2	4	4
Vince Gauci	7	7	–	–	2	2	3	3
Bryan Davis (Resigned 30 October 2008)	2	3	–	–	2	2	1	1
Mick O'Leary (Resigned 30 October 2008)	3	3	–	–	2	2	1	1

Column A Indicates the number of meetings attended.
Column B Indicates the number of meetings held whilst a Director.
Column C Indicates the number of meetings held whilst a member.

The details of the functions and memberships of the Committees of the Board are presented in the Statement of Corporate Governance.

DIRECTORS' INTERESTS

The relevant interest of each Director in the shares and rights of the Company, as at the date of this Report, is as follows:

Director	Chief Entity or Related Body Corporate	Number of Ordinary Shares	Nature of Interest	Number of Rights Over Ordinary Shares
Don Mercer	Newcrest Mining Limited	15,546	Direct and Indirect	–
Ian Smith	Newcrest Mining Limited	4,235	Direct	359,593
Greg Robinson	Newcrest Mining Limited	4,235	Direct	80,053
John Spark	Newcrest Mining Limited	18,105	Direct and Indirect	–
Rick Lee	Newcrest Mining Limited	16,185	Indirect	–
Tim Poole	Newcrest Mining Limited	4,235	Indirect	–
Richard Knight	Newcrest Mining Limited	10,185	Indirect	–
Vince Gauci	Newcrest Mining Limited	–	–	–

MANAGEMENT DISCUSSION AND ANALYSIS [2]

1. OVERVIEW

The 2009 financial year has been an eventful time with the global economic contraction and subsequent financial market destabilisation leading to extreme commodity price and currency fluctuations. During this period Newcrest remained unhedged to all major economic value drivers, namely gold, copper and oil prices and the AUD:USD exchange rate. Over the 2009 financial year Newcrest delivered a strong operational performance, completed the purchase of a 50% share of Papua New Guinea (PNG) assets from Harmony, issued $792.7 million in new equity and continued on schedule with all project construction. Newcrest finished the year with strong Underlying Profit [3] of $483.1 million and operating cash flow [4] of $1,024.1 million.

The record Statutory Profit [5] for the year of $248.1 million was an increase of $113.8 million on the prior year.

The production performance was robust and, overall, in line with expectations for gold, producing 1.631 million ounces, and higher for copper, producing 89,877 tonnes. The price for gold increased in both USD and AUD terms but copper prices were lower. Operating costs increased due in part to a falling AUD:USD exchange rate and input cost prices remaining at higher levels for most of the year. Although commodity prices and exchange rates adjusted quickly to the economic turmoil, most input costs adjust over a longer time period due to contract terms and lower market liquidity.

During February and March 2009, Newcrest raised $792.7 million of equity. The equity placement was conducted at a fixed price of $27.00 per share, which represented a 12.9% discount to Newcrest's closing price on 30 January 2009. The funds raised were used to reduce gearing. At the end of the financial year gearing reduced to 2%. Newcrest is now in a position to increase project expenditure and has some added capacity to consider growth opportunities.

During the year, Newcrest acquired a 50% interest in the Morobe Mining Joint Venture in PNG for total consideration of US$532.1 million (A$677.3 million). Combined with project spend, principally on Ridgeway Deeps, the full year investing cash flows were $1,381.6 million. Both Ridgeway Deeps and Hidden Valley (PNG) are expected to be in production in the first quarter of the next financial year. The major projects in pre-feasibility also progressed well. The development of the second underground deposit at Gosowong (Kencana 2) was approved for execution and Cadia East has been advanced to feasibility. Prefeasibility and concept work for Namosi (Fiji) and Wafi-Golpu (PNG) respectively, continued with very positive results.

Exploration activity has increased during the year with more expenditure on existing province potential and greenfield investigation. There are many promising results that will require continued focus in the year ahead. Exploration activity is in Australia, Fiji, Indonesia, PNG, Peru, Canada and Nevada (USA).

2. DISCUSSION AND ANALYSIS OF OPERATING RESULTS AND THE INCOME STATEMENT

2.1 Profit Overview

For the year ended 30 June 2009 Newcrest reported Underlying Profit of $483.1 million, a decrease of 2% over the corresponding year result of $493.9 million.

Statutory Profit for the year of $248.1 million was a record for Newcrest and an increase of 85% on the corresponding year's result of $134.3 million. The Statutory Profit includes hedge restructure and close-out impacts resulting from Newcrest's September 2007 equity raising and subsequent hedge book close-out and debt repayment. These are non-cash items that accounting rules require to be amortised over the original hedge designation period.

Profit before tax, restructure and close-out impacts of $745.4 million was marginally higher than the prior year ($713.7 million), however a higher effective tax rate in the current period resulted in the reduction in Underlying Profit after tax.

Revenue increased by 7% for the year to $2,530.8 million, driven principally by higher gold prices. Gold revenue was 18% higher with higher gold prices compensating for lower production and sales. The average gold price for the current period of A$1,169 per ounce was 28% higher than the same period last year. Copper revenue decreased by 18% to $593.2 million. Overall copper sales were 11% higher than the previous year but prices were substantially lower. The average copper price for the year of A$2.89 per pound was 26% lower than the corresponding period. The movement in USD prices for gold and copper were mixed in the current year. The average spot USD gold price was US$934 per ounce (2008: US$821 per ounce) while copper dropped to US$2.36 per pound (2008: US$3.53 per pound).

In the prior period, Newcrest incurred losses on delivered gold hedges of $33.8 million. Newcrest closed out all of its remaining gold hedge contracts in the 2008 financial year and consequently there were no gold hedge impacts in Underlying Profit for the current year.

Mine production costs were higher mainly due to increased input costs and USD exchange effects. Many input costs did not immediately react to the global financial crisis due to contract terms and longer term pricing mechanisms. Diesel price fell immediately but the falling AUD reduced this benefit substantially. Other cost inputs increased with the dramatic slide in the AUD against the USD but are now starting to reduce as contract terms require repricing. The Varanus Island gas incident interrupted Telfer's contract gas supply resulting in an additional cost impact in the current period of $8.6 million net of insurance proceeds.

Exploration expenditure charged to profit increased during the current period in line with Newcrest's greater exploration activity. During the period Newcrest increased the focus on PNG, Fiji, Cadia, Telfer and Gosowong.

[2] 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 2009 ('2009') compared with the 12 months ended 30 June 2008 (the 'prior year' or '2008'), except where otherwise stated. All reference to $ is a reference to Australian dollars unless specifically marked otherwise.

[3] Underlying Profit is profit after tax before hedge restructure and close-out impacts attributable to members of the parent entity.

[4] Represents net cash provided from operating activities as disclosed in the Cash Flow Statement.

[5] Statutory Profit is profit after tax attributable to members of the parent entity. Record profit relates to continuing operations.

The table below outlines the key differences between the current year and the corresponding period last year, described in more detail later in this report.

	$M	$M
Underlying Profit for the year ended 30 June 2008		**493.9**
Changes in revenues:		
Volume:		
Gold	(116.8)	
Copper	79.5	
Price:		
Gold	413.3	
Copper	(207.5)	
Silver	(0.8)	167.7
Changes in mine costs:		
Mine cost of sales:		
Mine production cost	(78.4)	
Deferred mining and inventory movement	(63.7)	
Treatment, realisation and royalty	(0.7)	
Telfer gas disruption costs	(8.6)	
Depreciation	10.7	(140.7)
Other costs:		
Corporate administration	(11.7)	
Exploration	(11.4)	
Other revenue and Other income/(expense)	(14.5)	
Losses on delivered hedges	33.8	
Finance costs – ordinary activities	8.5	4.7
Tax and minority interest:		
Income tax expense	(37.6)	
Minority interest	(4.9)	(42.5)
Underlying Profit for the year ended 30 June 2009		**483.1**

2.2 Revenue

		12 months to		
		30 June 2009	30 June 2008	% Change
Production volumes				
Gold*	oz	1,631,183	1,781,182	(8.4)
Copper	t	89,877	87,458	2.8
Sales volumes				
Gold	oz	1,637,385	1,764,730	(7.2)
Copper	t	93,077	83,843	11.0
Realised prices				
Gold	A$/oz	1,169	912	28.2
Copper	A$/lb	2.89	3.88	(25.9)
Average AUD:USD		0.7487	0.8964	(16.5)
Revenue				
Gold	$m	1,914.4	1,617.9	18.3
Copper	$m	593.2	721.2	(17.7)
Silver	$m	23.2	24.0	(3.3)
Total Sales Revenue	**$m**	**2,530.8**	**2,363.1**	**7.1**

* Includes pre-production ounces from Morobe Mining JV (225ozs).

The USD gold price increases, coupled with a lower AUD:USD exchange rate, resulted in a significant increase in AUD gold revenue. USD copper prices were significantly lower, and while partly mitigated by the lower AUD:USD exchange rate still resulted in a decline in AUD copper revenue. Gold revenue represents 75.6% of Newcrest's overall sales revenue (2008: 68.5%).

Gold production and sales by site:

Ounces	12 months to 30 June 2009 Gold Production	12 months to 30 June 2009 Gold Sales	12 months to 30 June 2008 Gold Production	12 months to 30 June 2008 Gold Sales
Cadia	297,889	301,539	414,171	409,316
Ridgeway	234,298	239,355	301,417	294,384
Gosowong	400,220	401,160	400,202	397,627
Cracow	69,443	67,326	75,175	75,569
Telfer	629,108	628,005	590,217	587,834
Morobe Mining JV	225	–	–	–
Total	**1,631,183**	**1,637,385**	**1,781,182**	**1,764,730**

Copper production and sales by site:

Tonnes	12 months to 30 June 2009 Copper Production	12 months to 30 June 2009 Copper Sales	12 months to 30 June 2008 Copper Production	12 months to 30 June 2008 Copper Sales
Cadia	28,083	28,643	26,352	25,731
Ridgeway	28,889	29,662	34,335	33,323
Telfer	32,905	34,772	26,771	24,789
Total	**89,877**	**93,077**	**87,458**	**83,843**

Total gold production decreased 8.4% to 1.631 million ounces, with a subsequent reduction of 7.2% in sales volumes to 1.637 million ounces. The overall production decrease of 149,999 ounces was in line with guidance and mine plan expectations. Movements by operation were:

- a 28.1% decrease of 116,282 ounces at Cadia Hill due to lower grades and lower recoveries, consistent with the mine plan. Cadia Hill open pit is expected to finish production in 2012;
- a 22.3% decrease of 67,119 ounces at Ridgeway due to lower grade and recoveries. As anticipated, grade has continued to decline with mine depth. The sublevel cave is now almost exhausted and the ramp-up of Ridgeway Deeps has commenced;
- a 6.6% increase of 38,391 ounces from Telfer due to higher mill throughput and improved recoveries, especially in the second half of the year. Successful implementation of the shutdown optimisation project, debottlenecking components of the processing circuit and improved power station reliability resulted in higher mill utilisation and mill throughput;
- consistent production at Gosowong, with higher mill throughput due to improved mill utilisation and ongoing grinding circuit optimisation, offsetting lower grades and recovery. Significant recovery improvements were experienced in June, following the commissioning of the vertimill; and
- a 7.6% decrease of 5,732 ounces from Cracow due to lower-grade ore, offset by improved recoveries.

Total gold revenue increased by 18.3% to $1,914.4 million (2008: $1,617.9 million) as a result of higher prices, partly offset by the lower sales volumes. The average gold price of A$1,169 per ounce was 28.2% higher than the prior year (A$912 per ounce).

Group copper production for the year was higher by 2.8% on the prior period. Telfer performed strongly due to improved recoveries, however Cadia Valley had slightly lower production due to lower copper grades and associated recoveries.

Copper revenue reduced by 17.7% to $593.2 million due to lower spot prices, partially offset by higher sales volumes from Telfer. The average copper price of A$2.89 per pound was 25.9% lower than the A$3.88 per pound in the prior year.

Silver revenue decreased by $0.8 million.

2.3 Costs

Mine Production Costs – 2008/09

$M	Financial Year 2008/2009 Half-Year Comparison 31 Dec 2008 (H1)	30 Jun 2009 (H2)	Full Year 2008/2009 30 June 2009	% Change FY08 v FY09	% Change FY09 H1 v H2
Mine production costs	**555.6**	**542.1**	**1,097.7**	**7.7**	**(2.4)**
– Employee Salaries	93.6	85.4	179.0	7.7	(8.8)
– Maintenance incl Contract Labour	134.4	129.2	263.6	7.2	(3.9)
– Mining Contracts	52.1	70.1	122.2	4.7	34.5
– Fuel & Lubes	66.6	43.2	109.8	(8.5)	(35.1)
– Utilities & Power	39.1	27.2	66.3	(2.1)	(30.4)
– Liners & Grinding Media	34.8	48.3	83.1	31.7	38.8
– Other Input Costs	135.0	138.7	273.7	14.1	2.7
Deferred mining costs	50.4	10.1	60.5		
Inventory movements	(6.8)	5.8	(1.0)		
Telfer gas disruption costs*	3.9	4.7	8.6		

* Net of insurance proceeds.

Mine production costs increased 7.7% to $1,097.7 million. Within the financial year there were two distinct periods; the first half year reflected an increasing cost environment whilst the second half showed the start of lower costs (overall 2.4% lower H2 v H1). In addition, the benefits of cost reduction initiatives implemented are evident in the second half.

Newcrest's cash costs continue to be in the lowest cost quartile for global gold producers. Newcrest's cash costs for the year were US$350 per ounce ($A468 per ounce) compared with the recent global average of US$489 [6] per ounce ($A653 per ounce).

The first half's costs reflected the previous financial year's agreed labour rate increases, cost increases for key inputs including diesel, power and maintenance coupled with the dramatic depreciation of the AUD. The second half of the financial year started to show a fall in most commodity cost inputs, with the exception of steel parts, liners and grinding media. The supplier agreements in place for these inputs generally take longer than six months to reflect current market price conditions.

Labour costs in the second half were 8.8% lower reflecting the discipline of managing workforce and contractor numbers. Partly offsetting these were increases in contract mining costs at Gosowong, Telfer and Ridgeway primarily due to increased mining and crushing activity.

Telfer's first-half costs were impacted by increased maintenance in the process plant associated with the shutdown optimisation project. An additional shutdown in December 2008 allowed Telfer to adopt a new quarterly shutdown sequence which significantly improved mill utilisation in the second half.

A significant contributor to the full-year cost increase was the depreciation of the AUD against the USD. Gosowong's costs are predominantly USD based and around 25% of the Australian operations costs before realisation charges are USD based (FY08 average AUD:USD 0.90 versus FY09 average AUD:USD 0.75). The impact for the Group in FY09 is approximately $50 million, including approximately $20 million relating to Gosowong's costs.

The second half declining cost input trend is expected to continue for the remainder of 2009 calendar year as supplier agreements are progressively renewed to reflect current market prices.

Costs drawn from the deferred mining account were $60.5 million in 2009 compared to $24.5 million in 2008. This was the result of lower waste movements at Telfer from the open pit and an increased level of production from underground.

The inventory valuation credit of $1.0 million was the combined impact of higher ore stockpiled from Telfer open pit offsetting the drawdown of concentrate inventory at year end.

The Varanus Island gas incident interrupted Telfer's contract gas supply resulting in an additional $38.6 million cost for replacement gas and diesel in financial year 2009. The total cost of the incident which occurred on 3 June 2008 was $44.9 million. The net impact after insurance proceeds is $8.6 million for the current financial year. Newcrest is working with its insurers to pursue recovery of the remaining costs associated with the incident.

Treatment, realisation and royalty costs

Realisation costs for the year of $153.6 million was an increase of $2.4 million due to increased volumes of concentrate shipped and the depreciation of the AUD versus the USD. Realisation costs include shipping, TC/RCs, off the top metal deductions and price participation. All these costs are priced in USD and declined during the financial year. In AUD terms costs marginally increased.

Royalties of $56.1 million for the year were $1.7 million lower due mostly to the lower revenues at Cadia Valley offsetting the impact of the higher gold price.

Depreciation

Depreciation expense, included in cost of sales, decreased by $10.7 million to $262.5 million, as the useful lives of assets at Cadia Valley and Gosowong were reviewed and increased in line with reserve increases. On a unit rate basis depreciation expense increased due to the lower production levels.

[6] Source: GFMS Limited Precious Metals Cost Service.

Corporate administration costs

Corporate expenses of $69.8 million (2008: $58.1 million) were higher in the current year due to increased salary costs and implementation costs associated with two key company wide initiatives. The first initiative is a training program to lift the capability and competence of all employees. The second is the restructure and streamlining of the organisation's IT systems.

Exploration

Total exploration expenditure for the year was $109.3 million (2008: $76.8 million) with $57.8 million charged against income compared to $46.4 million in the prior year. (Details of the nature and location of exploration expenditure is provided below in the cash flow section.)

Losses on delivered hedges

Due to Newcrest closing out its gold hedge book following the equity raising in September 2007, there were no losses incurred on delivered hedges in the current year. In the prior year, there was a loss of $33.8 million relating to the period July 2007 to September 2007.

2.4 Other Revenue and Other Income/(Expense)

Other Revenue and Other Income/(Expense) was $15.1 million (2008: $29.6 million).

	12 months ended		6 months ended
$M	30 June 09	30 June 08	31 Dec 08
Other Income/(Expense)			
Profit/(loss) on sale of non-current assets	0.9	(0.6)	1.3
Net foreign exchange gain/(loss)	(32.6)	(20.3)	16.8
Fair value gain/(loss) on gold and copper derivatives	34.0	17.1	(4.1)
Fair value loss on gold lease rate swaps	–	1.5	–
Royalty refund	–	6.4	–
Other income/(expenses)	4.5	5.1	4.3
	6.8	**9.2**	**18.3**
Other Revenue	8.3	20.4	3.2
Other Revenue and Other Income/(Expense)	**15.1**	**29.6**	**21.5**

The foreign exchange loss of $32.6 million is due to the effect of the AUD:USD exchange rate on USD denominated concentrate debtors. Newcrest recorded a foreign exchange gain of $16.8 million for the first half of the financial year as the AUD depreciated against the USD. However, as the AUD strengthened in the second half a loss of $49.4 million was incurred.

The fair value gain on gold and copper derivatives relates to the movements in spot prices impacting the quotational period adjustments in sales. Newcrest locks in the copper price for certain 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).

Other Revenue mainly comprises of interest revenue. The decrease was due to falling interest rates and a reduced amount of cash compared to the corresponding period.

2.5 Finance Costs

As a result of the Equity Raisings in February and March 2009, Newcrest reduced its debt levels resulting in lower gross borrowing costs of $39.5 million (2008: $45.6 million). Interest of $34.9 million (2008: $43.4 million) was expensed and $4.6 million (2008: $2.2 million) was capitalised. The interest capitalised in the current year relates to the Hidden Valley development project.

2.6 Income Tax Expense

The income tax expense in the current year on Underlying Profit was $228.3 million, resulting in an effective tax rate of 30.6%. The prior year tax expense on Underlying Profit was $190.7 million with an effective tax rate of 26.7%. The effective tax rate in the prior year benefited from a higher research and development allowance.

2.7 Hedge Restructure and Close-Out Impacts

Losses on Restructured and Closed-Out Hedges

During the 2008 financial year, Newcrest closed out its gold hedge book and realised the gold hedging losses and extinguished any future obligation with respect to the hedge contracts.

Accounting standards require the accumulated losses on the contracts closed out to remain deferred in the Hedge Reserve within equity. The losses in the Hedge Reserve will then be transferred to the Income Statement in future periods in line with the original sales to which they were designated. This resulted in a loss release profile as noted below. A pre-tax loss on restructured and closed out hedge contracts of $352.0 million has been recognised in the year (2008: $314.1 million).

There are no liabilities remaining for the closed-out contracts and the profit impacts on the current and future periods are all non-cash.

	Current	To be released in future periods			
$M	2009	2010	2011	2012	Total
Total hedge losses	352.0	294.9	152.8	7.2	454.9
Tax effect	(105.6)	(88.5)	(45.8)	(2.2)	(136.5)
After tax hedge losses	246.4	206.4	107.0	5.0	318.4

Other close-out related gains/(losses)

The other close-out related impacts include:

- fair value loss of $25.1 million on gold put options (2008: $39.0 million). Newcrest purchased the gold put options following the close out of the gold hedge book in September 2007 in order to manage its exposure to commodity price risk;
- in the prior year, there was a loss on gold forward sales contracts of $178.7 million. These contracts were all closed out in 2008 and had no impact in the current year and will have no impact in future years; and
- a foreign exchange gain of $41.4 million (2008: $39.0 million) on US Dollar denominated borrowings designated as cash flow hedges. This relates to the gain crystallised on the repayment of US Dollar denominated borrowings using proceeds from the equity raising undertaken in September 2007. The total gain (some of which was released in prior years) is being released to the Income Statement over the original designated repayment profile, as shown below:

	Current	To be released in future periods	
$M	2009	2010	Total
FX gains on US dollar borrowings	41.4	12.0	12.0
Tax effect	(12.4)	(3.6)	(3.6)
After tax deferred FX gains	29.0	8.4	8.4

3. DISCUSSION AND ANALYSIS OF THE CASH FLOW STATEMENT

3.1 Cash Flow – Operating Activities

The Group generated operating cash flows in excess of $1 billion for the second consecutive year. Strong operational performance and high gold prices drove the operating cash flow of $1,024.1 million, which was slightly higher than the prior year ($1,018.1 million). The falling copper price and higher cost environment partly mitigated this result.

Higher tax instalments have been paid in Indonesia during the year reflecting increased profitability from Gosowong.

3.2 Cash Flow – Investing Activities

Net cash used in investing activities for the year of $1,381.6 million was an increase of $887.7 million on the prior year. The increased expenditure was associated with the acquisition of 50% of the Morobe Joint Venture from Harmony for $677.3 million (US$532.1 million), and construction in Cadia Valley of $250.0 million. Both Hidden Valley and Ridgeway Deeps will be completed during the first half of the 2010 financial year. Gosowong's Kencana 2 project is now in construction and Cadia Underground is heading towards final feasibility approval. The investing cash flows during the year were:

12 months ended 30 June 2009	$M
Capital Expenditure:	
Sustaining	103.1
Development	25.5
Projects – Constructions (i)	344.0
Projects – Studies (ii)	136.4
	609.0
Morobe Mining JV: (iii)	
Acquisition payments	470.6
Construction	190.7
	661.3
Exploration	109.3
Other investing activities	2.0
Total	**1,381.6**

(i) Includes $250.0 million for Ridgeway Deeps development and $59.7 million on underground development at Kencana.

(ii) Includes pre-feasibility and feasibility for the Cadia East project of $115.1 million.

(iii) Total payments of $661.3 million (US$520.8 million) represent Newcrest's investment in the Morobe Mining Joint Venture and for the Group's share of construction expenditure at Hidden Valley. The Group share of exploration expenditure of $16.0 million (US$11.3 million) is included in Exploration.

Exploration expenditure

In line with guidance provided by Newcrest for FY2009, exploration expenditure has increased over the prior period. Greenfield exploration has focused on areas in USA, Australia, Fiji and PNG. The brownfields exploration effort included $13.4 million in the Gosowong area and $4.7 million in the Morobe province in PNG.

Reserve definition expenditure is focused on opportunities to improve existing resource positions and converting these resources to reserves. During the year this included:

- Cadia – Exploration drilling to extend the Cadia East mineralisation and drilling of the Ridgeways Deeps Lift 2 to confirm the mineralisation below the current block cave;
- Telfer – Underground drilling on the Vertical Stockwork Corridor and further drilling of the O'Callaghans deposit (tungsten/molybdenum); and
- Gosowong – Continued drilling at Kencana to extend mineralisation below the existing mine and north of the K1 deposit.

A breakdown of exploration expenditure by nature was:

12 months ended 30 June 2009	$M
Greenfields	25.4
Brownfields	37.5
Reserve Definition	
– Cadia	11.4
– Cracow	2.2
– Telfer	8.9
– Gosowong	8.6
– Marsden	1.2
– Namosi, Fiji	7.7
– Morobe, PNG	6.4
Total	**109.3**

A breakdown of exploration expenditure by region was:

12 months ended 30 June 2009	$M
Australia	51.8
Indonesia	22.1
Papua New Guinea	16.0
Fiji	9.9
Americas	9.5
Total	**109.3**

3.3 Cash Flow – Financing Activities

Cash flows from financing activities were $634.2 million inflow (2008: $480.3 million outflow) with major movements in cash flows including:

- $792.7 million net proceeds from the equity raising in February and March 2009; and
- $40.1 million dividend payment to members of Newcrest and $19.9 million dividend payment to the minority interest.

4. DISCUSSION AND ANALYSIS OF THE BALANCE SHEET

4.1 Net Assets and Total Equity

Newcrest's Net Assets and Total Equity increased during the period by $1,106.5 million to $4,358.4 million. This was mostly due to the proceeds from the equity raising and the net profit for the year.

Property, plant and equipment and exploration, evaluation and development had a combined value on the balance sheet of $3,911.2 million as at 30 June 2009 representing an increase of $1,036.0 million on the prior year. This was mostly due to the assets acquired as part of the Morobe Mining Joint Venture and expenditure on construction of the Ridgeway Deeps mine.

Total deferred mining expenditure on the balance sheet at 30 June 2009 was $302.8 million with the majority relating to the Cadia Hill open pit, which is expected to amortise over the next 3 years.

Newcrest also has carry forward tax losses of $403.5 million recognised as an asset as at balance date. This is a reduction of $87.2 million from last year. These relate to the Australian tax-consolidated group and include the hedge losses realised with the close-out of the hedge book and gold bullion forward sales contracts in the 2008 financial year. At the current level of profitability, we expect operating tax losses to be fully utilised in the next 3 to 4 years.

4.2 Net Debt and Gearing

Net debt, comprising total borrowings less cash, of $84.1 million (30 June 2008: $291.1 million) decreased by $207.0 million as shown below:

	$M
Net debt at 30 June 2008	**291.1**
Retranslation of USD debt	68.4
Increase in cash balances	(288.9)
Net movement in finance leases	13.5
Net debt at 30 June 2009	**84.1**

The increase in cash balances was as a result of the Equity Raising in February and March 2009. A portion of these funds was used to repay the drawdown on the USD Bilateral Loan which was used to fund the acquisition of the Morobe Mining Joint Venture.

The gearing ratio of net debt to net debt plus equity decreased to 2% (30 June 2008: 8%) as shown below:

$M	30 June 2009	30 June 2008
Total debt	450.5	368.6
Less cash and cash equivalents	(366.4)	(77.5)
Net debt	84.1	291.1
Equity	4,358.4	3,251.9
Net debt and equity	4,442.5	3,543.0
Gearing (net debt/net debt and equity)	2%	8%

4.3 Liquidity and Debt Facilities

As at 30 June 2009, Newcrest has undrawn bilateral debt facilities of US$969.0 million (30 June 2008: US$969.0 million) with 14 banks. These facilities mature in the second half of the 2010 financial year. Refinancing these loans will commence during the first half of the 2010 financial year. The facility and number of banks will be reduced due to an assessment of required liquidity, the conservative balance sheet structure and the cost of undrawn facilities. Newcrest aims to effectively ‘roll over’ these debt facilities (subject to market pricing) maintaining them as bilateral facilities, predominantly with existing bilateral banks.

Newcrest has US$350 million of long-term senior unsecured notes issued into the North American Private Placement market. The notes, comprising 5 tranches, have a repayment profile from May 2012 to May 2020. The current plan is for this facility to continue until maturity.

CONTENTS

1. INTRODUCTION

1.1 About this Report

This Remuneration Report forms part of the Directors' Report. It outlines the overall remuneration strategy, framework and practices adopted by Newcrest Mining Limited (the Company) for the period 1 July 2008 – 30 June 2009 and has been prepared in accordance with Section 300A of the *Corporations Act 2001* and its regulations. This entire Remuneration Report is designated as audited.

In accordance with the *Corporations Act 2001*, remuneration details are disclosed for the Group's Key Management Personnel which includes the five most highly remunerated executives of the Company and the Group.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, being the Company's Directors, whose names appear in Table 10, and the Executive General Managers whose names appear in Table 11.

In sections of this report where remuneration arrangements are dealt with separately for Directors and for Executive General Managers, the term Directors is used to refer to all directors, Executive Directors refers to the Managing Director and Director Finance and the term Key Management Personnel refers to Executive General Managers only.

1.2 Executive Summary

In 2008–09, the Company's remuneration policy was:

- to provide market competitive levels of remuneration to employees;
- to encourage, recognise and reward high performance;
- to adopt Company and personal performance measures which align performance incentives with the interests of shareholders; and
- to adopt a remuneration structure that provides the appropriate balance in risk and reward sharing, between each participating employee and the Company.

Key developments during the year in the implementation and administration of the remuneration policy were:

1.2.1 The Board reviewed the membership and expanded the role of the Human Resources and Remuneration Committee (previously referred to as the Remuneration Committee) in recognition of the increasing importance of these matters to achievement of the Company's goals.

1.2.2 The fixed component of remuneration, as a proportion of overall remuneration for Executive Directors, Key Management Personnel and senior management, was reduced, and at-risk remuneration related to incentives – both short and long term – as a proportion of overall remuneration were increased, in accordance with the principles outlined above.

1.2.3 Key changes were introduced to the Company's employee incentive programs. The Medium Term Incentive and Salary at Risk programs previously offered to employees by the Company were terminated – in effect replaced by the new Short Term Incentive Deferral Plan, designed to provide a combination of up-front and deferred cash and equity remuneration to participants, based on both Company and personal performance-related measures.

1.2.4 The Long Term Incentive employee share plan was again offered, as in previous years, but (in view of the deferred equity component available under the Short Term Incentive Deferral Plan), participation was limited to a smaller number of senior executive employees, with newly adopted performance measures related to Company performance in the areas of reserves growth, comparative costs and return on capital employed.

2. REMUNERATION OVERVIEW 2008–09

2.1 Key Changes in 2008–09

In 2008–09, the Board introduced changes to the structure, role and responsibilities of the Company's Remuneration Committee, and to the Company's cash and equity incentive remuneration schemes.

Changes to the Remuneration Committee have been introduced to ensure that the Company through the Board continues to consider and determine remuneration issues in accordance with the Company's remuneration policy and strategy, with an appropriate balance of Board and Board Committee involvement. Details of the role and composition of the newly formed Human Resources and Remuneration Committee are set out in section 3 of this Remuneration Report.

Changes to cash and equity incentive remuneration have been introduced to ensure that the Company continues to implement its remuneration policy and strategy, outlined below in section 2.2 of this Remuneration Report. Details of changes to the Company's cash and equity incentive schemes are set out in section 5.4.

2.2 Remuneration Policy and Strategy

The Company's remuneration policy and strategy is to provide market-competitive levels of remuneration for all employees, including Executive Directors and Key Management Personnel, having regard to both the level of work and the impact that those employees can potentially have on Company performance. The policy also seeks to align the interests of employees and shareholders by linking incentives and performance measures to both Company and individual performance, to encourage retention of capable employees and to achieve an appropriate balance of risk and reward.

2.3 Non-Executive Directors

Non-Executive Directors' fees are set based upon the need to attract and retain individuals of appropriate calibre, reflecting the demands of the role and prevailing market conditions.

Non-Executive Directors' fees, which are reviewed every 2 years, were reviewed by the Board in December 2008 and adjusted with effect from 1 January 2009. Details of these changes are set out in section 4 of this Report.

In order to maintain independence and impartiality, Non-Executive Directors do not receive any performance-related remuneration.

2.4 Executive Directors and Key Management Personnel

Executive Directors' and Key Management Personnel remuneration comprises both a fixed and variable component. Fixed remuneration is set with reference to fixed remuneration paid by a comparator group of companies for comparable roles.

Equity remuneration in 2008–09 was awarded under the Long Term Incentive employee share plan which was offered as in previous years, but with newly adopted performance measures representing a significant change to the basis on which the incentive is performance-measured and awarded.

The Short Term Incentive Deferral Plan which is designed to provide a combination of up-front and deferred cash and equity remuneration to participants, was offered for the first time.

The Company's Medium Term Incentive and the Salary at Risk cash incentives were discontinued for Executive Directors and Executive General Managers in 2008–09.

Details of the above incentive schemes and key changes are set out in section 5.4 of this Report.

3. HUMAN RESOURCES AND REMUNERATION COMMITTEE

3.1 Role of the Human Resources and Remuneration Committee

In 2008–09 the Board reviewed and revised the role and composition of its Remuneration Committee, now called the Human Resources and Remuneration Committee, and adopted a new Charter setting out the Committee's duties and responsibilities.

Prior to the Board implementing the above changes, the former Remuneration Committee comprised all Non-Executive Directors and was chaired by the Chairman of the Board. In this form, the Committee made all key decisions on behalf of the Board with delegated authority within the terms of its Charter.

The newly formed Human Resources and Remuneration Committee has a smaller number of members and does not hold the Board's delegated authority in relation to remuneration and other matters. Its current role is to review, advise and formulate recommendations to the Board in relation to matters within its Charter, to refer these to the Board for determination, and to oversee implementation by management of the Board's decisions on remuneration and related matters.

The Human Resources and Remuneration Committee continues to have responsibility for approving and overseeing the implementation of the Company's human resources and remuneration policies and practices. However, its role has been expanded to cover wider employee and human resource issues including recruitment, retention, the Company's behavioural and cultural framework and performance management practices.

3.2 Duties and Responsibilities

Duties and Responsibilities are set out in the Committee Charter (Charter). The Charter is available on the Company's website www.newcrest.com.au.

The key duties and responsibilities of the Committee are to assist the Board in the discharge of its responsibilities for oversight and approval of the human resources policies and practices of the Company through considering and making recommendations to the Board in relation to:

- the oversight of organisational design and human capability at Newcrest commensurate and consistent with its strategic goals including:
  a. its recruitment strategies and practices;
  b. the identification of talent including training and development;
  c. retention and succession; and
  d. diversity;
- the behavioural and cultural framework and practices of the Company;
- the human resources and remuneration strategies, policies and practices of the Company;
- the remuneration framework for all employees including, in particular, Key Management Personnel, Executive Directors and Non-Executive Directors;
- the remuneration levels for Directors and Key Management Personnel and contract terms, incentive arrangements, retirement and termination entitlements for all Key Management Personnel;
- the implementation and administration of major components of the Company's remuneration strategy such as superannuation, share plans, incentive and bonus payments; and
- performance management practices and outcomes.

3.3 Composition

The Human Resources and Remuneration Committee is appointed by the Board. It comprises four Non-Executive Directors: the Chairman of the Board, Don Mercer, who acts as the Committee Chairman; Vince Gauci; Rick Lee and Tim Poole. The Executive Directors, the Executive General Manager People, Communication and Environment and specialist external consultants (as required) attend by invitation.

Non-Executive Directors are permitted to consider remuneration arrangements applicable to themselves pursuant to an ASIC relief order. However, they do not participate in any discussions or decisions taken by the Committee relating to their personal remuneration arrangements.

A minimum of two Committee members is required for a quorum.

3.4 Meetings

The Committee meets as required but must meet at least three times a year to review the structure and implementation of the Company's remuneration strategy including:

- fixed remuneration;
- at risk remuneration including:
  - short-term incentive (STI) plans; and
  - equity-based remuneration.

Each of these components of remuneration is described later in this Remuneration Report.

4. NON-EXECUTIVE DIRECTORS' REMUNERATION

4.1 Policy – Independence and Impartiality

In order to maintain impartiality and independence, Non-Executive Directors do not receive any performance-related remuneration and are not entitled to participate in the Company's employee cash and equity remuneration schemes.

4.2 Fixed Fees

Non-Executive Directors, including the Chairman, are paid fixed fees for their services to the Company. Those fees are inclusive of any contribution to superannuation that a Non-Executive Director wishes to make or which the Company is required by law to make on behalf of a Non-Executive Director. The level and structure of fees is based upon:

- the need for the Company to be able to attract and retain Non-Executive Directors of an appropriate calibre;
- the demands of the role; and
- prevailing market conditions.

The aggregate amount of fees paid is within the overall amount approved by shareholders in general meeting. The last determination made was at the Annual General Meeting held on 1 November 2007, at which shareholders approved an aggregate amount of $1,800,000 per annum.

Fixed Fees paid to Non-Executive Directors in 2008–09 are set out in Table 10.

4.3 Additional Services

Under the Company's Constitution, Non-Executive Directors may be remunerated for additional services, for example, if they undertake specialist or consulting work on behalf of the Company outside the scope of their normal Director's duties.

No fees for such services were paid to Non-Executive Directors during 2008–09, other than Committee membership fees which are discussed below. Rule 59 of the Company's Constitution expressly states that committee work undertaken by a Director constitutes additional services.

In addition to fixed fees, Non-Executive Directors are paid for participation on Board Committees. Details of Board Committee fees paid during 2008–09 are included under the heading 'Committee Fees' in Table 10.

4.4 Review of Non-Executive Director Fees

In line with the Company's practice of reviewing Non-Executive Director remuneration every 2 years, the Company undertook a review of its Non-Executive Directors' fees in December 2008 and determined to adjust those fees based on benchmarking against independent Non-Executive Director fees paid by other ASX Top 40 Companies.

As a result of this review, the following adjustments were made to Non-Executive Director remuneration, effective from 1 January, 2009:

- the base fees payable to the Board Chairman and each Non-Executive Director were increased to $480,000 (from $450,000) and $160,000 (from $150,000) per annum respectively;
- fees payable to Audit and Risk Committee members were increased to $35,000 (from $30,000) and $17,500 (from $15,000) for the Committee chair and Committee members respectively;
- fees payable to the Safety Health and Environment Committee Chair and Committee members remained unchanged at $30,000 and $15,000 respectively; and
- following the expansion of the role of the Human Resources and Remuneration Committee, members are paid at the same level as for the Safety Health and Environment Committee, namely $30,000 for the Chair and $15,000 for each member. In line with the Company's practice, the Board Chairman will not receive any additional remuneration for work undertaken as Chair of the Human Resources and Remuneration Committee.

4.5 Requirement for Directors to Hold Shares

All Directors are required to hold shares in the Company. The number of shares to be held and the timeframe in which they are to be acquired are determined by the Board. Acquisition must comply with the Company's Securities Dealing Policy.

4.6 Retirement Benefits

During 2003, the Board made a decision to discontinue the practice of paying Non-Executive Directors a retirement benefit with effect from 31 December 2003. Each of the Non-Executive Directors in office at that time, agreed to have those benefits, consisting of a cash payment and the amount of each individual's Company-funded superannuation, frozen at 31 December 2003. In 2008–09, the last frozen benefits were paid to Bryan Davis ($221,289) upon his retirement from the Board. No other Non-Executive Directors are eligible to receive a retirement benefit.

5. EXECUTIVE DIRECTORS' AND KEY MANAGEMENT PERSONNEL REMUNERATION

5.1 Executive Reward Structure

The Company's executive reward structure consists of the following three elements:

- fixed remuneration;
- at-risk cash remuneration; and
- at-risk equity-based remuneration.

In 2008–09, the Company retained the remuneration elements outlined above for Executive Directors and Key Management Personnel. However, significant changes were made to how they were delivered, compared with recent years.

5.1.1 Salary at Risk (SaR)

SaR was an annual cash incentive plan, under which a cash amount calculated as a percentage of each participant's fixed remuneration was payable, dependent on Company and personal performance measures in the preceding financial year (1 July–30 June). It was offered to Executive Directors, Key Management Personnel and senior managers for the last time in relation to the 2007–08 performance period and has been discontinued as an incentive scheme. A summary of key elements of the SaR is set out in Table 1 of this Report.

5.1.2 Medium Term Incentive (MTI)

The MTI equity incentive scheme, which offered participants conditional rights to receive ordinary fully paid shares in the Company after a 3 year vesting period – based on the Company's Total Shareholder Return (TSR) performance against a comparator group of companies in the financial year immediately prior to the date of grant of those rights – was not offered to Executive Directors and Executive General Managers in 2008–09. It has now been discontinued as an incentive scheme. Restricted rights issued to Executive Directors and Key Management Personnel under the MTI in prior periods are unaffected by this decision.

Table 3 contains a summary of the MTI's key features.

5.1.3 Long Term Incentive (LTI)

The LTI equity incentive scheme was offered to Executive Directors and Key Management Personnel in 2008–09. However, the Company performance measures in 2008–09 changed from the Company's comparative Total Shareholder Return (TSR) over a 3 year vesting period, to three equally weighted performance measures, being:

- Reserves Growth;
- Comparative Cost Position; and
- Return on Capital Employed (ROCE).

Each LTI measure was chosen by the Board as it is a key driver of Company performance. Reserves Growth and Comparative Cost Position being drivers of shareholder value in a gold mining company, and ROCE being a direct measure of capital efficiency. These changes only apply to any new grants made under the LTI. The previous TSR-based performance measures continue to apply to rights issued under the LTI plans in prior years.

Table 4 contains a summary of the LTI's key features.

5.1.4 Short Term Incentive (STI) Deferral Plan

The STI Deferral Plan is a new incentive plan, introduced by the Board following an independent review of the Company's reward strategy in 2008 and is applicable from the 2008–09 year. The aim of the STI Deferral Plan is to help drive performance within the Company by providing a vehicle for short-term management and executive reward and through the deferred component, retention and continuing performance. The STI Deferral Plan combines elements of each of the Salary at Risk and the Medium Term Incentive plans.

Under the Plan, eligible employees are granted an up-front entitlement (two thirds) and deferred entitlement (one-third), the amount of which is based on a percentage range of each participant's fixed remuneration, and is performance-tested against a combination of personal and Company performance measures. The up-front component is awarded to participants without any restriction. The deferred component is subject to restrictions for a period of 2 years after it is conferred.

The Plan provides that the up-front component and deferred component may be taken at each participant's election as either cash or shares or as a combination of cash and shares. The Board has determined, however, that entitlements under the Plan offered for the 2008–09 year will be restricted to cash entitlements, and that no shares and no entitlement to elect to take shares rather than cash will be offered due to continuing uncertainty with respect to future treatment and in particular deferral of tax, on options and rights to shares under employee incentive schemes, following the Federal Government's Budget announcement on 12 May 2009.

In respect of the 2008–09 year, STI at-target performance for Key Management Personnel, was set at sixty percent of fixed remuneration. Fifty percent of the target depended on Company performance and fifty percent on personal performance against a set of Key Performance Indicators established with the Managing Director for Key Management Personnel. The Company performance measures and outcomes for 2008–09 are set out in Table 8.

Table 5 contains a summary of key features of the STI Deferral Plan.

5.2 Board Policy and Strategy on Executive Remuneration

The Board has adopted a policy and strategy on remuneration which apply to Key Management Personnel and the Executive Directors. The structure of remuneration arrangements for these Company employees is, in broad terms, no different from those for other senior management in the Company. The main differences relate to the weighting and trigger points for the receipt of different components of their remuneration.

The key principles of the Executive reward strategy during 2008–09 were:

- to provide market competitive levels of remuneration to employees having regard both to the level of work and to the impact those employees can potentially have on the Company's performance;
- to reward and recognise the personal performance of employees;
- to adopt performance measures which align performance incentives of employees with the interests of shareholders;
- to retain capable employees; and
- to adopt a remuneration structure that provides the appropriate balance in risk and reward sharing, between each participating employee and the Company.

5.3 Determining Fixed Remuneration

The Board annually reviews and determines fixed remuneration for the Executive Directors. The Managing Director does the same with respect to Key Management Personnel, who in turn review and recommend fixed remuneration for other senior management, to the Managing Director.

The Company drew on the services of independent and specialist remuneration consultants in formulating recommendations on fixed remuneration for Executive Directors and Key Management Personnel.

Newcrest's policy is to encourage employees to strive for high performance by aligning personal reward with performance. In 2008–09, the Board's remuneration policy was to position Newcrest as highly competitive in the market for fixed remuneration, and to use variable remuneration as the key differentiator – both to attract and retain high performers.

5.4 Determining Variable Remuneration

The Board takes the view that employee incentive schemes are important elements of remuneration which provide tangible incentives to employees to improve the Company's performance in both the short term and the longer term, for the benefit of shareholders.

To ensure that Newcrest's remuneration policy fully supports the Company's commitment to high performance, and that high-calibre talent continues to be attracted, remuneration levels must be competitive – but oriented more towards variable, performance-based incentives.

Accordingly, the proportion of total remuneration related to incentives – both short and long term – was increased in 2008–09. At the same time, the proportion of fixed remuneration fell. Newcrest's policy is to remain competitive with fixed remuneration levels against comparative companies – major listed companies in Australia and global mining companies – but to differentiate the company via its performance-related incentives. We thus expect to attract more people – particularly senior executives – who seek to deliver high performance, recognising the higher levels of risk and reward that this entails.

5. EXECUTIVE DIRECTORS' AND KEY MANAGEMENT PERSONNEL REMUNERATION (continued)

The MTI and SaR programs were terminated, and replaced by the new STI Deferral plan (see 5.1.4 above).

The STI Deferral Plan is a short-term incentive program, based on both company and performance related measures (similar to those contained in the previous SaR), and incorporating a deferral element: one-third of the awarded STI each year will be deferred for 2 years, held either as cash or shares.

The STI Deferral Plan will apply in respect of both individual and Company performance for the 2008–09 financial year, with incentive payments (on the two-thirds upfront entitlement) expected to be made in October 2009.

The new LTI (see 5.1.3 above) complements the STI Deferral Plan with measures that help further drive performance within Newcrest.

5.4.1 Salary at Risk (SaR)

Table 1 summarises key features of SaR offered in 2007–08. As noted elsewhere in this Report, SaR has been discontinued as an incentive and has been succeeded by the STI Deferral Plan.

Table 1: Salary at Risk

Summary of SaR	
What is SaR?	An annual cash incentive plan linked to both personal performance and Company performance measures.
Who participates in the SaR?	Employees in permanent full-time management positions, Senior Management, Executive General Managers, the Director Finance and the Managing Director.
Why does the Board consider the SaR an appropriate incentive?	Company and individual performance criteria were chosen so that each SaR participant has an incentive to achieve high personal performance and to contribute to high Company performance.
What are the key features of the SaR?	Award of cash incentives dependent on achievement (1) Company performance measures and (2) personal performance measures in each case known as SMART (Specific, Measurable, Achievable, Relevant and Time-bounded) objectives. Actual award of SaR results directly from the actual measured performance achieved at year's end, and is paid in November each year in relation to the prior year's financial performance.
What are the Performance Conditions?	Company performance measures relate to: – safety: – earnings; and – costs; plus – one further discretionary Company performance measure determined annually. Personal performance measures relate to: – three SMART objectives in key areas not being part of an employee's day to day job; and – a fourth discretionary SMART objective developed by each participant's manager. These four objectives are agreed annually between participant and manager under the Company's Work Performance System (WPS) and/or documented on a SaR Calculation Worksheet held in a secure environment on the Newcrest HR Portal. Each performance measure (other than the discretionary measure) has an upper limit that caps the performance measure and a threshold below which the measured performance is zero.
Is SaR awarded when Company performance falls below the minimum threshold performance level?	An award may be made in these circumstances if a participating employee has satisfied the one discretionary Company performance measure and achieved a positive outcome in their personal performance measures.
What percentage of base salary may be awarded as SaR?	The Executive Directors, and Key Management Personnel may receive between 0% and 120% of Fixed Remuneration depending on performance. Senior management and other participating employees receive varying percentages set according to the strategic value and seniority of their roles.
What is the performance measurement testing period?	1 (financial) year.
How is a participant's entitlement to SaR calculated?	Performance against Company SMART objectives is measured in the range of 0% to 125% and a minimum performance threshold must be exceeded to achieve a positive outcome. Overall Company performance is measured as the simple average of achieved performance against the four Company SMART objectives. Performance against each personal performance objective is measured on a scale of 0%–160% and the overall personal performance is measured as the simple average of the outcomes on the above four personal measures. Overall performance is calculated as Company performance multiplied by personal performance. The actual award of SaR is calculated by multiplying the overall performance rating by a participating employee's target SaR.

5.4.2 Equity-Based Remuneration

The Board reviews and adjusts on an annual basis the content and balance of equity-based remuneration to sharpen the effectiveness of equity incentives and to recognise the potential impact on the Company of very senior employees.

All equity-based remuneration is 'at risk' and will lapse or be forfeited, in the event that minimum prescribed performance conditions are not met by the Company or individual employees, as applicable.

The amount of equity remuneration received by employees is performance dependent and will vary according to the extent to which applicable Company and individual performance measures are met.

The Board has directed that all shares forming part of the Company's equity remuneration are to be bought on-market by the Company (rather than being issued by the Company as new capital) to avoid any dilution of shareholder value.

Newcrest's Securities Dealing Policy prohibits the use by employees of derivatives such as caps, collars, warrants or similar products in relation to Newcrest securities, including shares acquired under the Company's equity incentive schemes, whether or not they are vested.

The Directors and the Company Secretary are not permitted to enter into margin loans in relation to Newcrest securities at any time and other designated employees must notify the Company if they intend to enter into such transactions. The Securities Dealing Policy forms part of each employee's terms of employment and is binding upon each employee. Compliance by Executive Directors and Key Management Personnel is monitored through the Company's Compliance Assurance Questionnaires and certification process each year.

Table 2 shows the composition of equity-based remuneration for 2008–09.

Table 2: Equity-based Remuneration as a percentage of Fixed Remuneration for Executive Directors and Key Management Personnel

	Managing Director	Director Finance	Key Management Personnel
Total Equity-based Remuneration (maximum award)	100%	100%	60%

Table 3: Medium Term Incentive (MTI)

Summary of MTI	
What is the MTI?	An annual incentive plan under which eligible employees are granted rights to receive ordinary fully paid shares in the Company (Restricted Rights). The award of Restricted Rights is determined by the Company's performance in the financial year immediately prior to the date the award is granted. Once awarded, the Restricted Rights vest at the end of 3 years provided the employee is employed by the Company throughout the vesting period (subject to limited exceptions outlined below) and achieves minimum acceptable personal performance.
Who participates in the MTI?	The Executive Directors, Key Management Personnel, senior management and other selected high-performance personnel.
Why does the Board consider the MTI an appropriate incentive?	The MTI is designed to link Company performance, individual performance and retention by putting a significant proportion of participating employees' remuneration at risk.
What are the key features of the MTI?	– Restricted Rights under the MTI are conditional entitlements for the holder to subscribe for fully paid ordinary shares in the Company. – No amount is payable by the participant upon grant of the Restricted Rights (unless the Board determines otherwise), or upon exercise of the Restricted Rights once vested. – Each Restricted Right entitles the holder to subscribe for one ordinary share. – Unvested Restricted Rights are forfeited upon cessation of employment, except in limited circumstances including death, incapacity, redundancy or retirement in which case participants (or in case of death, their representatives) are entitled to exercise those Restricted Rights on a pro-rata basis according to the amount of the vesting period which has elapsed.
What are the Performance Conditions under the MTI?	– Performance is measured according to the Company's Total Shareholder Returns (TSR) measured against the TSR of a comparator group of companies over the previous financial year. – The award of the MTI in 2007 was based on the comparator group listed below in this table. – For participants to receive any grant of Restricted Rights, the Company's TSR performance must be at or above the median performance of the TSR of the comparator group. – The TSR results are obtained by an independent third party, from data provided by Standard & Poor's.

table continued over page

Table 3: Medium Term Incentive (MTI) (continued)

Summary of MTI	
What is the relationship between Company performance and allocation of Restricted Rights?	In terms of the relationship between Company performance and the allocation of Restricted Rights: – 0% allocation occurs if the Company TSR performance is below the threshold 50th percentile of the TSR for the comparator group; – 30% allocation occurs if the Company TSR performance is at the 50th percentile of the TSR for the comparator group; – 100% allocation occurs where the 75th percentile (or greater) is achieved; and – Straight line allocation between the 50th and 75th percentile occurs.
What is the period over which Company performance is assessed?	The financial year immediately prior to the date of grant of Restricted Rights.
Are MTIs awarded where performance falls below a minimum threshold?	No, MTI is awarded if (1) Newcrest's performance based on TSR in the relevant period falls below the 50th percentile of the TSR for the comparator group; and/or (2) a participant's performance is ranked below 'Meets Most Requirements' in the Company's Work Performance System (WPS).
How are shares provided to participants under the MTI?	Once Restricted Rights have vested, shares are either bought on market or transferred to eligible MTI participants.
Why did the Board select a TSR performance hurdle?	TSR was chosen as a performance hurdle for the MTI because it incorporates capital returns as well as dividends notionally reinvested and was therefore considered as the most appropriate means of measuring Company performance.
Is the benefit of participation in the MTI affected by changes in the share price?	Yes, participants in the MTI will be affected in the same way as all other shareholders by changes in the Company's share price. The value participants receive through participation in the MTI will be reduced if the share price falls during the vesting period and will increase if the share price rises over the period.
Are the performance conditions retested?	No, the performance conditions are only tested once, at the end of the 1-year performance period.
What is the maximum number of Restricted Rights that may be granted to an MTI participant?	The maximum number of Restricted Rights that may be granted is determined by the level of Equity-based Remuneration applicable to each participant. This component is determined as a percentage of base salary commencing at 15%, 30% for senior management, and 50% for Key Management Personnel including the Director Finance and 75% for the Managing Director.
Which companies are in the TSR Comparator Group?	The TSR comparator group is comprised of a select group of companies in the FTSE Gold Mine Index at the time of any award of MTI. In the case of the MTI award made in November 2007 this group comprised Barrick Gold, Newmont, AngloGold Ashanti, Gold Fields, Gold Corp, Polyus Gold, Harmony, Zijin Mining Group H, Kinross Gold, Buenaventura ADR, Meridian Gold, Lihir Gold, Centerra Gold, IAMGOLD, DRD Gold and Randgold.

Table 4: Long Term Incentive (LTI)

Summary of LTI	
What is the LTI?	An incentive plan under which eligible employees are granted rights to receive ordinary fully paid shares in the Company (Performance Rights). The entitlement is contingent on the Company achieving a performance hurdle over a set performance period.
Who participates in the LTI?	The Executive Directors, Key Management Personnel and Senior Management participate in the LTI.
Why does the Board consider the LTI an appropriate incentive?	The LTI is designed to reward participants for Company performance and to align the long-term interests of shareholders, senior and executive management and the Company, by linking a significant proportion of participating employees' remuneration at risk, to the Company's future performance, currently over a 3-year period from the date of grant of Performance Rights.
What are the key features of the LTI?	– Performance Rights issued under the LTI are conditional entitlements for the holder to subscribe for fully paid ordinary shares in the Company. – No amount is payable by the participant upon grant of the Performance Rights (unless the Board determines otherwise), or upon the exercise of the Performance Rights once vested. – Each Performance Right entitles the holder to subscribe for one ordinary share. – Unvested Performance Rights are forfeited upon cessation of employment with the Company, except in limited circumstances including death, incapacity, redundancy or retirement in which case participants (or in the case of death, their representatives) are entitled to exercise those Rights pro-rated according to the amount of the performance period which has elapsed and the extent to which the performance hurdle has been met.
What are the performance conditions under the LTI?	Rights issued under the Plan are subject to three performance measures based on: – Reserves Growth; – Comparative Costs; and – Return on Capital Employed. Performance against each of these measures over the 3 year vesting period accounts for one-third of any grant made to participants. Reserves Growth refers to the growth in total in situ ore reserves at the end of each performance period, net of mining depletion. Reserves growth is an absolute and objective measure, based on independently reviewed reserves figures which are reported in the Company's annual accounts. Broadly, the percentage increase in reserves will determine the number of rights granted. Comparative Costs are the Company's cash cost of production after any by-product credits, compared to other global producers. The GFMS Precious Metals Cost Service is an independent web-based service, updated quarterly, which offers access to industry cost and production data. The gold section of the GFMS Service captures cost and production data for around 200 operating mines controlled by 90 companies, accounting for 1,400 tonnes of annual gold mine production (approximately two-thirds of global gold production annually). GFMS data is used for performance measurement over the LTI's 3-year vesting period. The comparison is made by ranking the Company's performance against all other producers included in the GFMS Precious Metals Cost Service in accordance with their cash costs of production. All measurements are verified by an independent third party. Return on Capital Employed (ROCE) is defined as underlying earnings before interest and tax (EBIT), divided by Capital Employed, being shareholders' equity plus net debt. One-third of LTI rights vest to the extent to which the ROCE performance condition is satisfied each year of the performance period. As this is an internal Newcrest performance measure all results are verified by an independent third party.

table continued over page

Table 4: Long Term Incentive (LTI) (continued)

Summary of LTI	
What is the relationship between Company performance and allocation of Performance Rights?	**Reserves Growth** Performance against this measure accounts for one-third of Rights which may vest in any grant of LTI entitlements. – Less than 10% growth leads to a zero award of these Rights. – 10% growth leads to a 50% award of these Rights. – Greater than 10% growth up to 30% growth. Award of these rights is calculated pro-rata with an additional 2.5% of Rights vesting for each percentage point above 10% growth. – 30% growth or more leads to a 100% award of these Rights. **Comparative Cost Position** Performance against this measure accounts for one third of Rights which may vest in any grant of LTI entitlements. – Comparative costs at or above the 50th percentile leads to a zero award of these Rights. – Comparative costs below the 50th percentile and at or above the 25th percentile leads to a 50% award of Rights plus an additional 2.5% of these Rights vesting for each percentage point below the 50th percentile down to the 25th percentile. – Below the 25th percentile and at or above the 10th percentile leads to an 80% award of these Rights plus an additional 1.33% of Rights vesting for each percentage point below the 25th percentile down to the 10th percentile. – Below the 10th percentile leads to a 100% award of these Rights. **ROCE** Performance against this measure accounts for one-third of Rights which may vest in any grant of LTI entitlements. – ROCE below 7% leads to a zero award of these Rights. – ROCE from 7% and below 17% leads to an award of 10% of these Rights per percentage point. – ROCE at or above 17% leads to 100% of these Rights vesting.
What is the vesting period for the LTI?	Performance Rights vest in participants (i.e. may be exercised) 3 years after the date of grant, provided performance conditions are met.
What is the period over which Company performance is assessed?	The assessment period is 3 years following the date of grant of Performance Rights.
How are shares provided to participants under the LTI?	Once Performance Rights have vested, shares are either bought on market or transferred to eligible LTI participants.
Why did the Board choose the above performance hurdles?	The Board considers that these performance measures are key factors which impact on the share price and which drive the value of the Company over the long term.
Is the benefit of participation in the LTI affected by changes in the share price?	Yes, participants in the LTI will be affected in the same way as all other shareholders by changes in the Company's share price. The value participants receive through participation in the LTI will be reduced if the share price falls during the vesting period and will increase if the share price rises over the period.
Are the performance conditions retested?	No, the performance conditions are only tested once at the end of the 3-year performance period.
What is the maximum number of Performance Rights that may be granted to an LTI participant?	The maximum number of Performance Rights that may be granted is determined by the level of equity-based remuneration applicable to each participant. See Table 2.

Table 5: Short Term Incentive Deferral Plan

Summary of Short Term Incentive Deferral Plan	
What is the Short Term Incentive Deferral Plan?	An incentive plan under which eligible employees are granted an *Upfront Component* (two-thirds) and a *Deferred Component* (one-third) the amount of which is based on a percentage range of each participant's fixed remuneration. Both the upfront component and deferred component may be taken at each participant's election as either cash or shares or as a combination of cash and shares. Note as outlined in Section 5.1.4 of this Report that cash only and no shares are being offered to STI Deferral Plan participants in relation to the 2008–09 year.
How is the Upfront Component treated?	– The upfront component if cash is elected will be paid to each participant at or near the time of grant and will not be subject to any further restrictions. – If a participant elects to take the upfront component as shares, these will be transferred into that participant's name and will vest in each participant upon grant, but will be subject to a 'lock' on disposal or other dealings for 2 years from the grant date. These are known as *Voluntary Deferred Shares*. These shares will attract a right to dividends, to vote at AGMs and to participate in rights issues where eligible.
How is the Deferred Component treated?	– If a participant elects to take the deferred component as shares, these will be transferred into that participant's name upon grant, but will be subject to a 'lock' on disposal or other dealings and will not vest in the participant for 2 years from the grant date. These are known as *Compulsory Deferred Shares*. These shares will attract a right to dividends, to vote at AGMs and to participate in rights issues where eligible. – If a participant elects to take the deferred component as cash, that cash will not vest/be paid to each participant for 2 years from the grant date. This component is known as *Compulsory Deferred Cash*. Interest will accrue on that cash at a notional rate determined by the Board.
Who participates in the STI?	The Executive Directors, Key Management Personnel and Senior Management participate in the STI.
Why does the Board consider the STI an appropriate incentive?	A STI is a globally recognised form of reward for management, aimed at ensuring focus and alignment with company goals and strategy. Based on both group and individual measures – and in conjunction with other factors – it helps encourage and reward high performance.
What consideration is payable to the Company by STI participants?	No amount is payable by participants to the Company with respect to the STI Upfront Component or the Deferred Component upon grant, vesting or disposal or other dealings by a participant.
In what circumstances are STI entitlements forfeited?	– Compulsory Deferred Cash and Compulsory Deferred Shares are forfeited upon cessation of employment with the Company during the 2-year deferral period, except in limited circumstances including death, incapacity, redundancy or retirement in which case participants (or in case of death, their representatives) are entitled to Compulsory Deferred Cash and Compulsory Deferred Shares pro-rated according to the amount of the deferral period which has elapsed. – Voluntary Deferred Shares will not be forfeited upon cessation of employment with the Company, having vested at grant, and will be transferred in full to participants upon the above events occurring. – Voluntary and Compulsory Deferred entitlements will be forfeited by a participant guilty of fraud.
What happens to STI Deferred Entitlements upon a change of control in the Company?	– Under the new STI, unlike the former MTI and the LTI pre 2008, where pro-rated vesting was triggered by change of control, the vesting of Compulsory Deferred Entitlements upon change of control is not automatic under the 2009 STI. Newcrest's Board must determine at the relevant time whether this is the appropriate outcome in all the circumstances. – Voluntary Deferred Components will be paid out in full upon change of control.
What are the performance conditions under the STI?	– Performance metrics are as for the 2007–08 SaR (see Table 1) measured in the financial year immediately preceding the date of grant of the relevant STI entitlements. – In addition, participants must meet a minimum prescribed performance in the 2 years from the grant date to vesting in relation to the Compulsory Deferred Component. (This does not apply to the Voluntary Deferred Component.)
What is the relationship between Company performance and allocation of STI?	– As for the 2007–08 SaR. (See Table 1.)
What is the period over which Company performance is assessed?	The assessment period is the financial year preceding the grant date of the Upfront Component and the Deferred Component.
How are shares provided to participants under the STI?	Shares are bought on market.
Are the performance conditions retested?	No, the performance conditions are only tested once at the end of the 1-year performance period.

Table 6: Executive Share/Option Plan Performance Hurdles 2003–2008

The following is a summary of Performance Hurdles that relate to Option and Share Plan awards for the period 2003 to 2008.
Note: 2009 awards are scheduled to be made in November 2009.

Year	Grant Date	Performance Hurdle
2008 (LTI)	11 Nov 2008	The performance hurdles are based on Reserves Growth, Comparative Cost Position and ROCE. (Refer to Table 4 for details).
2007 (MTI) **2006 (MTI)** **2005 (MTI)**	9 Nov 2007 3 Nov 2006 8 Nov 2005	The performance hurdle is based on the TSR ranking of the Company. If at a Grant Date the TSR Ranking of the Company is: (a) less than the 50th percentile of the TSR for the comparator group, the number of rights which is granted is zero; (b) equal to the 50th percentile of the TSR for the comparator group, the number of rights which is granted is 30% (except for the 2005 MTI plan which is 50%) of the rights comprised in the grant; (c) equal to or greater than the 75th percentile of the TSR for the comparator group, the number of rights which is granted is 100% of the Rights comprised in the grant; (d) greater than the 50th percentile and less than the 75th percentile, then in addition to the rights exercisable under paragraph (b) above, further Rights are granted, the number being calculated on a straight-line basis.
2007 (LTI) **2006 (LTI)**	9 Nov 2007 3 Nov 2006	The performance hurdle is based on the TSR Ranking of the Company over a 3-year period. If at a Performance Measurement Date the TSR Ranking of the Company is: (a) less than the 50th percentile of the TSR for the comparator group, the number of rights which is granted is zero; (b) equal to the 50th percentile of the TSR for the comparator group, the number of rights which is granted is 50% of the rights comprised in the grant; (c) equal to or greater than the 75th percentile of the TSR for the comparator group, the number of rights which is granted is 100% of the rights comprised in the grant; (d) greater than the 50th percentile and less than the 75th percentile, then in addition to the rights exercisable under paragraph (b) above, further rights are granted with the number being calculated on a straight-line basis.
2006 (MD & CEO)	14 July 2006	The performance hurdle is the achievement of initial performance objectives by Ian Smith during the first 180 days in his role as Managing Director and Chief Executive Officer and was agreed with Ian Smith upon his employment with the Company. In February 2007 the Board reviewed Ian Smith's performance against his initial performance objectives and determined that the performance hurdle had been met. As a result the Rights have vested, in accordance with their terms and became convertible to ordinary shares in the Company on the third anniversary of his appointment.
2003 (Options)	2 Dec 2003	The performance hurdle is based on the TSR ranking of the Company. If at a Performance Date the TSR Ranking of the Company is: (a) less than the 50th percentile of the TSR for the comparator group, the number of options comprised in the relevant tranche which may be exercised is zero; (b) equal to the 50th percentile of the TSR for the comparator group, the number of options which may be exercised is 50% of the total number of options comprised in the relevant tranche; (c) equal or greater than the 75th percentile of the TSR for the comparator group, the number of options which may be exercised is 100% of the total number of options comprised in the relevant tranche; (d) greater than the 50th percentile and less than the 75th percentile, the number of options which may be exercised is calculated on a pro-rata, straight-line basis between 50% to 100% of the total number of options comprised in the relevant tranche.

6. RELATIONSHIP OF INCENTIVES TO NEWCREST'S FINANCIAL PERFORMANCE

Prior to 2008, LTI performance was measured against Total Shareholder Returns (TSR) ranking of the Company against a comparator group of companies. Performance measures for the November 2008 LTI are based on a combination of the Company's Reserves Growth, Comparative Cost Position and Return on Capital Employed over a 3-year performance period.

Table 7 sets out the Company's performance in TSR for the period 30 June 2005 to 30 June 2009. LTI and MTI outcomes (for allocations prior to 2008) have been aligned to, and reflect, TSR performance.

Table 7: Newcrest's Financial Performance

Year Ended 30 June	2005	2006	2007	2008	2009
Basic Earnings Per Share (EPS) [1] (cents)	39.4	39.6	19.4	30.8	53.0
Dividends (cents)	5.0	5.0	5.0	10.0	15.0
Share Price at 30 June ($)	17.38	21.08	22.85	29.30	30.51
Share Price Increase [2] ($)	3.60	3.70	1.77	6.45	1.21
Total Shareholder Returns [3] (%)	32.8	38.4	2.0	57.0	(4.4)

[1] Basic EPS is calculated as net profit after tax and minority interests divided by the weighted average number of ordinary shares.

[2] Share Price movement during the financial year.

[3] Defined as the growth in the share price over the financial year ending 30 June plus dividends notionally reinvested. The share price is measured as the volume weighted average share price for the six months ending 30 June compared with the same period a year earlier.

In relation to STI awarded for 2008–09, the Company's performance against the Company performance objectives for Executive Directors and Key Management Personnel is set out in Table 8. It shows that overall, the Company's performance was at 113% of the target, reflecting above-target performance for earnings and safety and below-target performance in relation to costs. Performance above or below target results in a percentage of target outcome based on a scale of pro-rating pre-determined by the Board. The outcome for each of the Executive Directors and Key Management Personnel for 2008–09 has been determined by the overall personal performance multiplied by the Company's overall performance.

Table 8: Performance Objective for year ending 30 June 2009 (Executive Directors and Key Management Personnel)

Performance Objective	Target	Outcome	Percentage of target achieved
Safety			
Total Recordable Injuries and Frequency Rate (TRIFR) for Newcrest as a whole (Total recordable injuries per million work hours)	<8.0	7.0	113% (50% weighting)
Safety Risk List (% Action) [1]	100% Primary	100% Primary & 1/3rd Secondary	125% (50% weighting)
Earnings			
(Adjusted Net Profit after Tax and Minority Interest) [2]	A$391.0 million	A$452.0 million	125%
Costs (Total Production Costs per ounce before by-product revenue credits divided by total gold production)	A$961/oz	A$975/oz	96%
Discretionary Component [3]			110%
Overall Company Performance (including discretionary component)			113%

[1] The Safety List comprises a number of identified safety initiatives where an improvement in Newcrest's risk profile can be achieved by undertaking certain actions. Primary Actions are risk reduction actions identified as having a direct impact on the risk profile. Secondary Actions are risk reduction actions identified as having an indirect impact on the risk profile.

[2] Actual earnings are adjusted to remove 70% of the revenue differential between actual and budget commodity prices and exchange rates when compared to Target Earnings. In addition, an adjustment has been made in respect to the hedgebook restructure and close-out impacts.

[3] The discretionary component is a discretionary assessment by the Board of the overall performance of the Company in areas other than safety, earnings and costs.

7. EXECUTIVE SERVICE AGREEMENTS

7.1 Overview and Summary

Remuneration and other key terms of employment for the Executive Directors and Key Management Personnel are formalised in service agreements. The terms of the service agreements for current Executive Directors and Key Management Personnel are summarised in the following table.

Table 9: Executive Service Agreements

Name	Term of Agreement	Fixed Annual Remuneration[1] $	Notice Period by Executive	Notice Period by Newcrest	Termination Payment[2]
Ian Smith Managing Director and Chief Executive Officer	Open	2,200,000	3 months	12 months	1.0 times total annual remuneration
Greg Robinson Director Finance	Open	1,100,000	3 months	12 months	1.0 times total annual remuneration
Bernard Lavery Executive General Manager Corporate Services	Open	605,000	3 months	24 months	2.0 times total annual remuneration
Ron Douglas Executive General Manager Development and Projects	Open	680,000	3 months	12 months	1.0 times total annual remuneration
Geoff Day Executive General Manager Operations (Commenced 10 November 2008)	Open	680,000	3 months	12 months	1.0 times total annual remuneration
Colin Moorhead Executive General Manager Minerals	Open	680,000	3 months	12 months	1.0 times total annual remuneration
Debra Stirling Executive General Manager People, Communication and Environment	Open	630,000	3 months	12 months	1.0 times total annual remuneration

(1) Fixed salary, inclusive of the required superannuation contribution amount, is reviewed annually by the Board following the end of the financial year. The amounts set out above are the Executive's fixed annual remuneration as at 30 June 2009.

(2) Termination payment if Newcrest terminates the Executive's employment other than for cause. Annual remuneration includes all elements of remuneration including cash and equity incentives.

7.2 Executive Service Agreements entered into in 2008–09

Geoff Day

Geoff commenced employment with the Company on 10 November 2008, pursuant to a letter of appointment and has entered into a Service Agreement the terms of which are summarised below.

- The appointment is for an indefinite duration. Geoff Day may resign at any time on giving three (3) months written notice, and the Company may terminate his employment on giving twelve (12) months written notice, or payment in lieu of notice.
- The Agreement sets out Geoff Day's duties and responsibilities.
- Base salary of $680,000 per annum to be reviewed annually.
- STI of up to 120% of base salary dependent upon Geoff Day meeting specified personal and Company performance targets, where 120% is only achievable for 'outstanding' performance.
- Geoff Day will also be offered an annual award in accordance with the Company's Remuneration Policy in relation to the LTI equal to 60% of base salary.
- Statutory entitlements apply upon termination of employment of accrued annual and long service leave together with any superannuation benefits.

7.3 Executive Director Service Agreements

Ian Smith

Ian Smith commenced employment with the Company as Chief Executive Officer on 14 July 2006 and was appointed to the Board as Managing Director on 19 July 2006, pursuant to a letter of appointment and has entered into a Service Agreement the terms of which are summarised below.

- The appointment is for an indefinite duration. Ian Smith may resign at any time on giving three (3) months written notice, and the Company may terminate his employment on giving twelve (12) months written notice, or payment in lieu of notice.
- The Agreement sets out Ian Smith's duties and responsibilities.
- Base salary of $2,200,000 per annum to be reviewed annually.
- STI of up to 120% of base salary dependent upon Ian Smith meeting specified personal and Company performance targets, where 120% is only achievable for 'outstanding' performance.
- He was offered a sign-on award of 165,000 Performance Rights under the Company's 2004 Executive Performance Share Plan, as an incentive to join the Company. The performance hurdle for those Rights was the achievement of initial performance objectives determined in advance by the Board. The performance hurdle was measured as part of an interim review of his performance undertaken by the Board in February 2007. The initial performance objectives were determined by the Board to have been achieved and the Performance Rights vested and became convertible to Newcrest ordinary shares on the third anniversary of his appointment. The deferred vesting of Performance Rights provided alignment between his interests and those of shareholders during the 3-year period. The award of the initial Performance Rights was approved by shareholders at the 2006 Annual General Meeting.
- Ian Smith will also be offered an annual award in accordance with the Company's Remuneration Policy in relation to LTI equal to 100% of base salary.
- Statutory entitlements apply upon termination of employment of accrued annual and long service leave together with any superannuation benefits.

Greg Robinson

Greg Robinson commenced employment with the Company as Executive General Manager Finance and Chief Financial Officer on 3 November 2006 and was appointed to the Board as Director Finance on 23 November 2006, pursuant to a letter of appointment and has been provided with a Service Agreement the terms of which are summarised below.

- The appointment is for an indefinite duration. Greg Robinson may resign at any time on giving three (3) months written notice, and the Company may terminate his employment on giving twelve (12) months written notice, or payment in lieu of notice.
- The Agreement sets out Greg Robinson's duties and responsibilities.
- Base salary of $1,100,000 per annum to be reviewed annually.
- STI of up to 120% of base salary dependent upon him meeting specified personal and Company performance targets, where 120% is only achievable for 'outstanding' performance.
- Greg Robinson will also be offered an annual award in accordance with the Company's Remuneration Policy in relation to LTI equal to 100% of base salary.
- Statutory entitlements apply upon termination of employment of accrued annual and long service leave together with any superannuation benefits.

8. REMUNERATION DETAILS

8.1 Directors

Details of the nature and amount of each major element of the remuneration of each Director of the Company are as follows:

Table 10: Directors' Remuneration

	Short Term				Post-Employment	Share-Based Payments			
Directors	Salary & Fees (A) $'000	Committee Fees (B) $'000	Salary at Risk (C) $'000	Other Benefits/ Services (D) $'000	Super-annuation (E) $'000	Value of Rights (G) $'000	Total $'000	Equity Compensation Value (I) %	Performance-Related Remuneration (J) %
2008–09									
Executive Directors									
Ian Smith Managing Director and Chief Executive Officer	2,136	–	1,835	6	14	2,196	6,187	35.5	65.2
Greg Robinson Director Finance	1,061	–	932	6	14	448	2,461	18.2	56.1
Non-Executive Directors									
Don Mercer Chairman	451	–	–	–	14	–	465	–	–
John Spark	141	41	–	–	14	–	196	–	–
Rick Lee	141	24	–	2	14	–	181	–	–
Tim Poole	141	24	–	–	14	–	179	–	–
Richard Knight	141	33	–	–	14	–	188	–	–
Vince Gauci Appointed 10 Dec 2008	82	16	–	–	7	–	105	–	–
Bryan Davis Resigned 30 Oct 2008	45	5	–	2	4	–	56	–	–
Mick O'Leary Resigned 30 Oct 2008	45	10	–	5	5	–	65	–	–
	4,384	**153**	**2,767**	**21**	**114**	**2,644**	**10,083**		
2007–08									
Executive Directors									
Ian Smith Managing Director and Chief Executive Officer	1,912	–	2,068	6	13	1,638	5,637	29.1	65.7
Greg Robinson Director Finance	949	–	983	6	13	181	2,132	8.5	54.6
Non-Executive Directors									
Don Mercer Chairman	437	–	–	–	13	–	450	–	–
Ron Milne Resigned 1 Nov 2007	42	46	–	3	9	–	100	–	–
Bryan Davis	137	20	–	1	13	–	171	–	–
Mick O'Leary	137	30	–	–	13	–	180	–	–
Nora Scheinkestel Resigned 31 Aug 2007	23	3	–	–	2	–	28	–	–
Rick Lee Appointed 14 Aug 2007	121	10	–	2	11	–	144	–	–
Tim Poole Appointed 14 Aug 2007	121	12	–	–	12	–	145	–	–
John Spark Appointed 26 Sep 2007	107	20	–	–	8	–	135	–	–
Richard Knight Appointed 13 Feb 2008	57	6	–	–	–	–	63	–	–
	4,043	**147**	**3,051**	**18**	**107**	**1,819**	**9,185**		

See Table 11 for explanation of notes (A)–(J)

8.2 Key Management Personnel

Details of the nature and amount of each major element of remuneration for the Company's Key Management Personnel are as follows:

Table 11: Key Management Personnel Remuneration

	Short Term			Post-Employment	Share-Based Payments					
Key Management Personnel	Salary & Fees (A) $'000	Salary at Risk (C) $'000	Other Benefits/ Services (D) $'000	Super-annuation (E) $'000	Value of Options (F) $'000	Value of Rights (G) $'000	Termination Benefits (H) $'000	Total $'000	Equity Compensation Value (I) %	Performance-Related Remuneration (J) %
2008–09										
Executives										
Bernard Lavery EGM Corporate Services	581	492	6	14	33	220	–	1,346	18.8	55.3
Ron Douglas EGM Development & Projects	659	507	4	14	–	162	–	1,346	12.0	49.7
Colin Moorhead EGM Minerals	630	507	6	14	7	162	–	1,326	12.7	51.0
Debra Stirling EGM People, Communication and Environment	616	534	6	14	–	154	–	1,324	11.6	52.0
Geoff Day EGM Operations Commenced 10 Nov 2008	430	280	4	9	–	79	–	802	9.9	44.8
Former Executives										
Dan Wood Exploration Executive Retired 30 Sep 2008	175	–	–	3	33	47	476	734	10.9	10.9
Tim Lehany EGM Operations Resigned 31 Oct 2008	228	–	2	5	17	43	1,170	1,465	4.1	4.1
	3,319	**2,320**	**28**	**73**	**90**	**867**	**1,646**	**8,343**		
2007–08										
Executives										
Bernard Lavery EGM Corporate Services	542	402	6	13	120	147	–	1,230	21.7	54.4
Ron Douglas EGM Development & Projects	625	403	5	13	–	48	–	1,094	4.4	41.2
Tim Lehany EGM Operations	602	303	3	13	70	100	–	1,091	15.6	43.4
Colin Moorhead EGM Minerals	396	367	6	13	24	62	–	868	9.9	52.2
Debra Stirling EGM People and Communication	287	154	3	8	–	47	–	499	9.4	40.3
Dan Wood Exploration Executive	625	523	5	13	120	169	–	1,455	19.9	55.8
	3,077	**2,152**	**28**	**73**	**334**	**573**	**–**	**6,237**		

Notes to Tables 10 and 11:

(A) Salary & Fees comprise cash salary and available salary package options grossed-up by related fringe benefits tax, where applicable. The Company's minimum required superannuation contributions made on behalf of Directors and Key Management Personnel are disclosed separately.

(B) Represents fees paid to Non-Executive Directors for participation in Board Committees and other Committees.

(C) Short Term Incentive relates to the Executive Directors and Key Management Personnel performance in the 2008–09 year (of which one third is deferred for 2 years) and for comparatives, Salary at Risk (SaR). The SaR in 2007–08 includes the actual payment in respect of 2007–08 plus the difference between the actual payment and the estimated payment (as disclosed in the 2006–07 Remuneration Report) for the SaR in respect of 2006–07.

(D) Represents non-monetary benefits to Directors and Key Management Personnel such as non-business travel, parking and applicable fringe benefits tax payable on benefits.

(E) Represents Company contributions to superannuation under the Superannuation Guarantee legislation (SGC).

(F)(G) The total value of options and rights included in remuneration for the year is calculated as follows:

- The fair value of options is calculated at the grant date using an option pricing model which combines both Black-Scholes and binomial methodologies. To determine the amount disclosed as remuneration, the fair value is allocated evenly over the period from the grant date to the vesting date.
- The fair value of rights, comprising rights over unissued shares, granted under the Restricted Share Plan and Executive Performance Share Plan has been valued using an option pricing model.
- The following factors and assumptions were used in determining the fair value of options and rights on the grant date:

	Rights LTI Nov 2008	Rights LTI Nov 2007	Rights MTI Nov 2007	Rights LTI Nov 2006	Rights MTI Nov 2006	Rights MD & CEO Jul 2006	Rights MTI Nov 2005	Options – Dec 2003
Fair Value*	$22.00	$23.38	$35.64	$18.19	$23.81	$19.52	$18.78	$4.11
Exercise Price	–	–	–	–	–	–	–	$12.29
Estimated Volatility	40%	36%	36%	36%	36%	36%	34%	37%
Risk-free Interest Rate	3.97%	6.69%	6.69%	5.99%	5.99%	5.99%	5.42%	6.33%
Dividend Yield	0.20%	0.20%	0.20%	0.40%	0.40%	0.40%	0.40%	0.39%
Expected life of Award/Option	3 years	3 years	3 years	3 years	3 years	3 years	3 years	5 years

* Fair Value has been calculated by an independent third party.

(H) Termination benefits include payments in lieu of notice, applicable STI and LTI, and payments for statutory and accrued annual leave and long service leave entitlements.

(I) Represents the value of options and rights included in remuneration as a percentage of total remuneration.

(J) Represents performance related remuneration as a percentage of total remuneration.

9. OPTIONS AND RIGHTS HELD BY EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

9.1 Options

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the Executive Share Option Plan. There were no new options granted during the 2008–09 year.

The movements during the year in the number of options over ordinary shares in the Company held by each Executive Director and each of the Key Management Personnel, as part of their remuneration, are as follows:

Table 12: Movement in options for Executive Directors and Key Management Personnel 2008–09

Refer to Table 15 for details of the percentage of Options which vested or lapsed.

					Movement During the Year						
Key Management Personnel	Grant Date	Expiry Date	Exercise Price	Balance at 1 July 2008	Option Exercised	Amount paid to Exercise Options	Options Lapsed	Balance at 30 June 2009	Options Vested During the Year	Vested and Exercisable at 30 June 2009	Non-Vested
Dan Wood	2 Dec 2003	2 Dec 2008	$10.42	94,000	(94,000)	$979,480	–	–	25,000	–	–
Bernard Lavery	2 Dec 2003	2 Dec 2008	$10.42	94,000	(94,000)	$979,480	–	–	25,000	–	–
Tim Lehany	2 Dec 2003	2 Dec 2008	$10.42	17,500	(17,500)	$182,350	–	–	17,500	–	–
Colin Moorhead	2 Dec 2003	2 Dec 2008	$10.42	18,800	(18,800)	$195,896	–	–	5,000	–	–

9.2 Rights

All conditional entitlements refer to Restricted Rights and Performance Rights over ordinary shares of the Company, which are exercisable on a one-for-one basis.

The movements in the year in the number of Rights over ordinary shares in the Company held by each Executive Director and Key Management Personnel, as part of their remuneration, are as follows:

Table 13: Movement in Restricted Rights and Performance Rights for Executive Directors and Key Management Personnel 2008–09

Executive Directors and Key Management Personnel	Grant Date	Type	Share Price at Grant Date	Balance at 1 July 2008	Rights Granted	Rights Exercised	Rights Lapsed	Balance at 30 June 2009	Vested & Exercisable at 30 June 2009	Non-Vested*
Ian Smith	14 Jul 2006	LTI	$19.52	165,000	–	–	–	165,000	–	165,000
	3 Nov 2006	MTI	$24.10	8,845	–	–	–	8,845	–	8,845
	3 Nov 2006	LTI	$24.10	42,881	–	–	–	42,881	–	42,881
	9 Nov 2007	MTI	$35.85	7,373	–	–	–	7,373	–	7,373
	9 Nov 2007	LTI	$35.85	35,446	–	–	–	35,446	–	35,446
	11 Nov 2008	LTI	$22.13	–	100,048	–	–	100,048		100,048
Greg Robinson	3 Nov 2006	MTI	$24.10	4,245	–	–	–	4,245	–	4,245
	3 Nov 2006	LTI	$24.10	12,007	–	–	–	12,007	–	12,007
	9 Nov 2007	MTI	$35.85	4,915	–	–	–	4,915	–	4,915
	9 Nov 2007	LTI	$35.85	8,862	–	–	–	8,862	–	8,862
	11 Nov 2008	LTI	$22.13	–	50,024	–	–	50,024	–	50,024
Dan Wood	8 Nov 2005	MTI	$18.98	4,890	–	(4,720)	(170)	–	–	–
	3 Nov 2006	MTI	$24.10	4,013	–	(2,554)	(1,459)	–	–	–
	3 Nov 2006	LTI	$24.10	7,294	–	–	(2,651)	4,643	–	4,643
	9 Nov 2007	MTI	$35.85	3,195	–	(951)	(2,244)	–	–	–
	9 Nov 2007	LTI	$35.85	5,760	–	–	(4,045)	1,715	–	1,715
Bernard Lavery	8 Nov 2005	MTI	$18.98	4,251	–	–	–	4,251	4,251	–
	3 Nov 2006	MTI	$24.10	3,489	–	–	–	3,489	–	3,489
	3 Nov 2006	LTI	$24.10	6,340	–	–	–	6,340	–	6,340
	9 Nov 2007	MTI	$35.85	2,777	–	–	–	2,777	–	2,777
	9 Nov 2007	LTI	$35.85	5,007	–	–	–	5,007	–	5,007
	11 Nov 2008	LTI	$22.13	–	16,508	–	–	16,508		16,508
Tim Lehany	8 Nov 2005	MTI	$18.98	2,047	–	(2,034)	(13)	–	–	–
	3 Nov 2006	MTI	$24.10	2,650	–	(1,762)	(888)	–	–	–
	3 Nov 2006	LTI	$24.10	1,375	–	–	(461)	914	–	914
	9 Nov 2007	MTI	$35.85	3,342	–	(1,090)	(2,252)	–	–	–
	9 Nov 2007	LTI	$35.85	6,026	–	–	(4,061)	1,965	–	1,965
Colin Moorhead	8 Nov 2005	MTI	$18.98	582	–	(582)	–	–	–	–
	3 Nov 2006	MTI	$24.10	1,932	–	–	–	1,932	–	1,932
	3 Nov 2006	LTI	$24.10	1,005	–	–	–	1,005	–	1,005
	9 Nov 2007	MTI	$35.85	3,768	–	–	–	3,768	–	3,768
	9 Nov 2007	LTI	$35.85	1,941	–	–	–	1,941	–	1,941
	11 Nov 2008	LTI	$22.13	–	18,554	–	–	18,554	–	18,554
Ron Douglas	9 Nov 2007	MTI	$35.85	3,195	–	–	–	3,195	–	3,195
	9 Nov 2007	LTI	$35.85	5,760	–	–	–	5,760	–	5,760
	11 Nov 2008	LTI	$22.13	–	18,554	–	–	18,554	–	18,554
Debra Stirling	9 Nov 2007	MTI	$35.85	3,097	–	–	–	3,097	–	3,097
	9 Nov 2007	LTI	$35.85	5,583	–	–	–	5,583	–	5,583
	11 Nov 2008	LTI	$22.13	–	17,190	–	–	17,190	–	17,190
Geoff Day	11 Nov 2008	LTI	$22.13	–	18,554	–	–	18,554	–	18,554

* All equity-based remuneration is 'at risk' and will lapse or be forfeited, in the event that minimum prescribed performance conditions are not met by the Company or individual employees, as applicable.

9.3 Performance Conditions for Options and Rights

Table 14: Value of Options, Restricted Rights and Performance Rights

Executive Directors and Key Management Personnel	Value At Grant Date (A) $'000	Value at Exercise Date (B) $'000	Value at Lapsed Date (C) $'000
Ian Smith	2,201	–	–
Greg Robinson	1,101	–	–
Bernard Lavery	363	1,300	–
Ron Douglas	408	–	–
Colin Moorhead	408	307	–
Debra Stirling	378	–	–
Geoff Day	408	–	–
Dan Wood	–	1,668	(292)
Tim Lehany	–	368	(160)

Table 14 above shows the total value of any Restricted Rights, Performance Rights or Options granted, exercised and lapsed in 2008–09 in relation to Executive Directors and Key Management Personnel based on the following assumptions:

(A) The value of Performance Rights at grant date reflects the fair value of a right multiplied by the number of performance or restricted rights granted during 2008–09. (Refer footnotes F&G to Tables 10 and 11.)

(B) The value at exercise date has been determined by the Company's share price at the close of business on the exercise date less the option or right exercise price multiplied by the number of options or rights exercised during 2008–09.

(C) The value at lapse date has been determined by the share price at the close of business on the date the Restricted Right, Performance Right or Option lapsed, less the exercise price multiplied by the number of performance or restricted rights or options that lapsed during the year.

Performance conditions for Restricted Rights, Performance Rights and Options are set out in Table 15 below.

Table 15: Executive Directors and Key Management Personnel – Options Granted on 2 December 2003 and Rights Granted between the 2004–05 and 2008–09 years

Note: Refer Table 6 for a summary of the applicable Performance Hurdles.

Grant Date	Expiry Date	Comparator Group	Strike Price	Performance Date (for Options and LTI) or Vesting Date (for MTI)	Performance Achieved	Percentage Vested
11 Nov 2008 (LTI)	11 Nov 2013	Performance Conditions referred to in the Plan Rules	Nil	11 Nov 2011	To be determined	N/A
9 Nov 2007 (LTI)	9 Nov 2012	Newcrest's TSR ranking against FTSE Gold Index	Nil	9 Nov 2010	To be determined	N/A
9 Nov 2007 (MTI)	9 Nov 2012	Select Group referred to in the Performance Condition (TSR ranking on sliding scale)	Nil	9 Nov 2010	69th percentile resulting in 83.2% of the maximum award of Rights	100%
3 Nov 2006 (LTI)	3 Nov 2011	Newcrest's TSR ranking against FTSE Gold Index	Nil	3 Nov 2009	To be determined	N/A
3 Nov 2006 (MTI)	3 Nov 2011	Select Group referred to in the Performance Condition (TSR ranking on sliding scale)	Nil	3 Nov 2009	69th percentile resulting in 82.5% of the maximum award of Rights	100%
14 Jul 2006 (MD & CEO)	14 Jul 2009	Performance objectives agreed with Board	Nil	14 Jan 2007	Fully achieved became convertible to ordinary shares on 14 Jul 2009	100% on 14 Jul 2009
8 Nov 2005 (MTI)	8 Nov 2010	Select Group referred to in the Performance Condition (TSR ranking on sliding scale)	Nil	8 Nov 2008	53rd percentile resulting in 38.2% of the maximum award of Rights	100% on 8 Nov 2008
2 Dec 2003	2 Dec 2008	S&P/ASX 100 Index (TSR ranking on sliding scale)	$10.42 Adj [1] ($12.29 Orig)	2 Dec 2005 2 Dec 2006 2 Dec 2007 4 Sep 2008	71st percentile 70th percentile 72nd percentile >75th percentile	92% 90% 94% 100%

[1] In accordance with the Rules of the Newcrest Executive Option Plan, outstanding options in the December 2003 tranches had their exercise price recalculated as a result of the Equity Raising undertaken in September 2007.

Table 16: Short Term Incentive and Allocation of the November 2008 Equity Grant

	Short Term Incentive (A)		Long Term Incentive (B)			
	As a percentage of maximum STI		Estimates of the maximum remuneration amounts which could be received under the Nov 2008 performance rights grants in future years			
Executive Directors and Key Management Personnel	Percentage Awarded	Percentage Forfeited	2009–10 $'000	2010–11 $'000	2011–12 $'000	Maximum Total $'000
Ian Smith	69.5	30.5	734	734	306	1,174
Greg Robinson	70.6	29.4	367	367	153	887
Bernard Lavery	67.8	32.2	121	121	50	292
Ron Douglas	62.2	37.8	136	136	57	329
Colin Moorhead	62.2	37.8	136	136	57	329
Debra Stirling	70.6	29.4	126	126	53	305
Geoff Day	53.7	46.3	136	136	57	329

(A) To be awarded a STI of 120% an Executive has to have met outstanding personal performance and Company performance must be at or above the maximum level pre-determined by the Board. Personal performance and Company performance each at target will result in an award of 50% of the maximum STI.

(B) The maximum value in future years has been determined in relation to the grant of performance rights in November 2008, based on the valuation performed at grant date and amortised in accordance with applicable accounting standard requirements. The minimum value of the grant is $nil if the performance conditions are not met.

DIRECTORS' REPORT

This Report is signed in accordance with a resolution of the Directors.

Don Mercer
Chairman

17 August 2009
Melbourne

Ian Smith
Managing Director and
Chief Executive Officer

17 August 2009
Melbourne

AUDITOR'S INDEPENDENCE DECLARATION

ERNST & YOUNG

Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
www.ey.com/au

Auditor's Independence Declaration to the Directors of Newcrest Mining Limited

In relation to our audit of the financial report of Newcrest Mining Limited for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

R C Piltz

Rodney Piltz
Partner
17 August 2009

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
Operating sales revenue	3(a)	**2,530.8**	2,363.1	**689.8**	524.7
Cost of sales	3(b)	**(1,638.0)**	(1,497.3)	**(585.8)**	(511.7)
Gross profit		**892.8**	865.8	**104.0**	13.0
Exploration expenses	13	**(57.8)**	(46.4)	**(3.8)**	(6.0)
Corporate administration expenses	3(c)	**(69.8)**	(58.1)	**(70.1)**	(57.2)
Operating profit		**765.2**	761.3	**30.1**	(50.2)
Other revenue	3(d)	**8.3**	20.4	**82.1**	1.9
Other income/(expenses)	3(e)	**6.8**	9.2	**(4.7)**	(1.3)
Losses on delivered hedges	3(f)	**–**	(33.8)	**–**	–
Finance costs – ordinary activities	3(g)	**(34.9)**	(43.4)	**(2.3)**	(2.7)
Profit before tax, restructure and close-out impacts		**745.4**	713.7	**105.2**	(52.3)
Losses on restructured and closed-out hedge contracts	3(k)	**(352.0)**	(314.1)	**–**	–
Other close out related costs	3(l)	**(25.1)**	(217.7)	**–**	–
Finance costs – close-out and restructure	3(m)	**–**	(20.9)	**–**	–
Foreign exchange gain on US dollar borrowings	3(n)	**41.4**	39.0	**–**	–
Profit/(loss) before income tax		**409.7**	200.0	**105.2**	(52.3)
Income tax (expense)/benefit	4(b)	**(127.6)**	(36.6)	**17.0**	33.7
Profit/(loss) after income tax		**282.1**	163.4	**122.2**	(18.6)
Attributable to:					
Minority interest	21	**34.0**	29.1	**–**	–
Members of the parent entity		**248.1**	134.3	**122.2**	(18.6)
		282.1	163.4	**122.2**	(18.6)
Profit/(loss) after tax attributable to members of the parent entity comprises:					
Profit/(loss) after tax attributable to members of the parent entity		**248.1**	134.3	**122.2**	(18.6)
Losses on restructured and closed-out hedge contracts (after tax)	3(k)	**246.4**	219.9	**–**	–
Other close-out related costs (after tax)	3(l)	**17.6**	152.4	**–**	–
Finance costs – close-out and restructure (after tax)	3(m)	**–**	14.6	**–**	–
Foreign exchange gain on USD borrowings (after tax)	3(n)	**(29.0)**	(27.3)	**–**	–
Profit after tax before hedge restructure and close out impacts attributable to members of the parent entity ('Underlying Profit')		**483.1**	493.9	**122.2**	(18.6)
Earnings per share (EPS) (cents per share)	6				
Basic earnings per share		**53.0**	30.8		
Diluted earnings per share		**52.9**	30.7		
Earnings per share on Underlying Profit:					
Basic earnings per share		**103.2**	113.2		
Diluted earnings per share		**103.0**	112.9		
Dividends per share (cents per share)	5	**15.0**	10.0		

The Income Statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

AS AT 30 JUNE 2009

		Consolidated		Parent	
	Note	**2009 $M**	2008 $M	**2009 $M**	2008 $M
Current assets					
Cash and cash equivalents	7(a)	**366.4**	77.5	**0.3**	3.1
Trade and other receivables	8	**272.6**	218.2	**692.5**	1,021.4
Inventories	9	**272.8**	219.6	**117.6**	95.3
Financial derivative assets	24(e)	**13.5**	6.9	**1.6**	–
Other	10	**156.0**	161.5	**33.8**	84.5
Total current assets		**1,081.3**	683.7	**845.8**	1,204.3
Non-current assets					
Other receivables	8	**9.1**	0.3	**1,081.5**	–
Inventories	9	**-**	1.4	**-**	–
Other financial assets	11	**-**	–	**541.0**	288.8
Property, plant and equipment	12	**1,470.0**	1,405.0	**606.3**	623.2
Exploration, evaluation and development	13	**2,441.2**	1,470.2	**562.3**	610.3
Intangible assets	14	**32.5**	–	**32.0**	–
Deferred tax assets	4	**403.5**	490.7	**403.5**	490.7
Financial derivative assets	24(e)	**14.8**	37.6	**-**	–
Other	10	**163.6**	235.0	**12.7**	–
Total non-current assets		**4,534.7**	3,640.2	**3,239.3**	2,013.0
Total assets		**5,616.0**	4,323.9	**4,085.1**	3,217.3
Current liabilities					
Trade and other payables	15	**212.6**	177.7	**48.6**	63.5
Borrowings	16	**5.0**	2.6	**-**	–
Financial derivative liabilities	24(e)	**6.8**	6.1	**-**	2.4
Income tax payable		**1.1**	21.5	**-**	–
Provisions	17	**93.9**	43.3	**63.5**	36.0
Other		**1.1**	–	**-**	–
Total current liabilities		**320.5**	251.2	**112.1**	101.9
Non-current liabilities					
Borrowings	16	**445.5**	366.0	**-**	–
Deferred tax liabilities	4	**414.5**	385.4	**98.7**	111.6
Provisions	17	**76.6**	62.5	**28.4**	27.0
Other	18	**0.5**	6.9	**-**	–
Total non-current liabilities		**937.1**	820.8	**127.1**	138.6
Total liabilities		**1,257.6**	1,072.0	**239.2**	240.5
Net assets		**4,358.4**	3,251.9	**3,845.9**	2,976.8
Equity					
Issued capital	19	**3,641.6**	2,857.4	**3,641.6**	2,857.4
Retained earnings		**1,031.8**	829.0	**176.7**	99.8
Reserves	20	**(357.4)**	(461.2)	**27.6**	19.6
Parent entity interest		**4,316.0**	3,225.2	**3,845.9**	2,976.8
Minority interest	21	**42.4**	26.7	**-**	–
Total equity		**4,358.4**	3,251.9	**3,845.9**	2,976.8

The Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

Consolidated	Issued Capital $M	FX Translation Reserve* $M	Hedge Reserve* $M	Equity Settlements Reserve* $M	Retained Earnings $M	Total $M	Minority Interest $M	Total $M
	Attributable to Equity Holders of the Parent							
Balance at 1 July 2008	**2,857.4**	**(20.0)**	**(460.8)**	**19.6**	**829.0**	**3,225.2**	**26.7**	**3,251.9**
Foreign exchange gain/(loss) on US dollar debt cash flow hedge deferred in equity	–	–	(68.4)	–	–	(68.4)	–	(68.4)
Foreign exchange gain/(loss) on foreign currency contract cash flow hedge deferred in equity	–	–	(0.3)	–	–	(0.3)	–	(0.3)
Losses on restructured hedge contracts transferred to the Income Statement (refer Note 3(k))	–	–	352.0	–	–	352.0	–	352.0
Foreign exchange gains on US dollar borrowings transferred to the Income Statement (refer Note 3(n))	–	–	(41.4)	–	–	(41.4)	–	(41.4)
Foreign currency translation	–	(4.4)	–	–	–	(4.4)	1.6	(2.8)
Net gain/(loss) on hedge of net investment	–	(76.9)	–	–	–	(76.9)	–	(76.9)
Deferred tax on items taken directly to/ transferred from equity	–	7.7	(72.5)	–	–	(64.8)	–	(64.8)
Total income/(expense) recognised directly in equity	**–**	**(73.6)**	**169.4**	**–**	**–**	**95.8**	**1.6**	**97.4**
Net profit for the year	–	–	–	–	248.1	248.1	34.0	282.1
Total recognised income/(expense) for the year	**–**	**(73.6)**	**169.4**	**–**	**248.1**	**343.9**	**35.6**	**379.5**
Share-based payments	–	–	–	8.0	–	8.0	–	8.0
Exercise of options	6.3	–	–	–	–	6.3	–	6.3
Shares issued – Dividend Reinvestment Plan	5.2	–	–	–	–	5.2	–	5.2
Shares issued – Equity Raising	797.8	–	–	–	–	797.8	–	797.8
Share buy-back	(25.1)	–	–	–	–	(25.1)	–	(25.1)
Dividends paid	–	–	–	–	(45.3)	(45.3)	(19.9)	(65.2)
Balance at 30 June 2009	**3,641.6**	**(93.6)**	**(291.4)**	**27.6**	**1,031.8**	**4,316.0**	**42.4**	**4,358.4**

* Refer Note 20 for description of reserves.

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Attributable to Equity Holders of the Parent						Minority Interest	
Consolidated	Issued Capital $M	FX Translation Reserve* $M	Hedge Reserve* $M	Equity Settlements Reserve* $M	Retained Earnings $M	Total $M	$M	Total $M
Balance at 1 July 2007	**834.5**	**(10.6)**	**(630.2)**	**14.1**	**711.5**	**919.3**	**21.5**	**940.8**
Foreign exchange gain/(loss) on US dollar debt cash flow hedge deferred in equity	–	–	78.5	–	–	78.5	–	78.5
Net fair value gains/(losses) on gold forward cash flow hedges deferred in equity	–	–	(205.7)	–	–	(205.7)	–	(205.7)
Net impact of prior period restructures transferred to equity	–	–	57.8	–	–	57.8	–	57.8
Losses on restructured hedge contracts transferred to the Income Statement (refer Note 3(k))	–	–	314.0	–	–	314.0	–	314.0
Foreign exchange gains on US dollar borrowings transferred to the Income Statement (refer Note 3(n))	–	–	(39.0)	–	–	(39.0)	–	(39.0)
Net cash flow hedge losses transferred to the Income Statement (refer Note 3(f))	–	–	33.8	–	–	33.8	–	33.8
Foreign currency translation	–	(13.5)	–	–	–	(13.5)	(2.9)	(16.4)
Deferred tax on items taken directly to/ transferred from equity	–	4.1	(70.0)	–	–	(65.9)	0.9	(65.0)
Total income/(expense) recognised directly in equity	**–**	**(9.4)**	**169.4**	**–**	**–**	**160.0**	**(2.0)**	**158.0**
Net profit for the year	–	–	–	–	134.3	134.3	29.1	163.4
Total recognised income/(expense) for the year	**–**	**(9.4)**	**169.4**	**–**	**134.3**	**294.3**	**27.1**	**321.4**
Share-based payments	–	–	–	5.5	–	5.5	–	5.5
Exercise of options	4.9	–	–	–	–	4.9	–	4.9
Shares issued – Dividend Reinvestment Plan	2.0	–	–	–	–	2.0	–	2.0
Shares issued – Equity Raising	2,022.6	–	–	–	–	2,022.6	–	2,022.6
Share buy-back	(6.6)	–	–	–	–	(6.6)	–	(6.6)
Dividends paid	–	–	–	–	(16.8)	(16.8)	(21.9)	(38.7)
Balance at 30 June 2008	**2,857.4**	**(20.0)**	**(460.8)**	**19.6**	**829.0**	**3,225.2**	**26.7**	**3,251.9**

* Refer Note 20 for description of reserves.

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

Parent

	Issued Capital $M	Equity Settlements Reserve* $M	Retained Earnings $M	Total $M
Balance at 1 July 2008	**2,857.4**	**19.6**	**99.8**	**2,976.8**
Net profit for the year	–	–	122.2	122.2
Total recognised income/(expense) for the year	**–**	**–**	**122.2**	**122.2**
Share-based payments	–	8.0	–	8.0
Exercise of options	6.3	–	–	6.3
Shares issued – Dividend Reinvestment Plan	5.2	–	–	5.2
Shares issued – Equity Raising	797.8	–	–	797.8
Share buy-back	(25.1)	–	–	(25.1)
Dividends paid	–	–	(45.3)	(45.3)
Balance at 30 June 2009	**3,641.6**	**27.6**	**176.7**	**3,845.9**
Balance at 1 July 2007	**834.5**	**14.1**	**135.2**	**983.8**
Net profit/(loss) for the year	–	–	(18.6)	(18.6)
Total recognised income/(expense) for the year	**–**	**–**	**(18.6)**	**(18.6)**
Share-based payments	–	5.5	–	5.5
Exercise of options	4.9	–	–	4.9
Shares issued – Dividend Reinvestment Plan	2.0	–	–	2.0
Shares issued – Equity Raising	2,022.6	–	–	2,022.6
Share buy-back	(6.6)	–	–	(6.6)
Dividends paid	–	–	(16.8)	(16.8)
Balance at 30 June 2008	**2,857.4**	**19.6**	**99.8**	**2,976.8**

* Refer Note 20 for description of reserves.

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For personal use only

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
Cash flows from operating activities					
Receipts from customers		**2,517.0**	2,456.8	**638.0**	585.3
Payments to suppliers and employees		**(1,368.2)**	(1,295.6)	**(531.1)**	(551.6)
Losses on delivered hedges		**–**	(52.5)	**–**	–
Interest received		**7.7**	18.9	**–**	0.1
Interest paid		**(29.9)**	(50.8)	**(0.5)**	(2.7)
Dividends received		**–**	–	**80.0**	–
Income taxes paid		**(102.5)**	(58.7)	**–**	–
Net cash provided by operating activities	7(b)	**1,024.1**	1,018.1	**186.4**	31.1
Cash flows from investing activities					
Payments for property, plant and equipment		**(114.3)**	(111.2)	**(40.1)**	(25.4)
Mine under construction and development expenditure		**(533.3)**	(174.9)	**(4.5)**	(7.6)
Feasibility expenditure		**(123.8)**	(49.6)	**(5.4)**	–
Exploration and evaluation expenditure		**(109.3)**	(76.8)	**(9.6)**	(5.8)
Software expenditure		**(28.3)**	–	**(28.2)**	–
Acquisition of interest in joint venture	29(b)	**(470.6)**	–	**–**	–
Interest capitalised to development projects		**(4.6)**	(2.2)	**–**	–
Proceeds from sale of non-current assets		**2.6**	0.3	**0.1**	0.1
Purchase of gold put options		**–**	(79.5)	**–**	–
Net cash (used in) investing activities		**(1,381.6)**	(493.9)	**(87.7)**	(38.7)
Cash flows from financing activities					
Proceeds from borrowings:					
– US dollar bilateral debt		**570.1**	70.1	**–**	–
Repayment of borrowings:					
– Gold loan		**–**	(150.6)	**–**	–
– US dollar bilateral debt		**(647.0)**	(825.4)	**–**	–
Loans from/(to) controlled entities		**–**	–	**(835.3)**	(1,987.2)
Repayment of finance lease principal		**(2.8)**	(1.1)	**–**	–
Proceeds from equity issue net of costs	19(c)	**792.7**	2,014.4	**792.7**	2,014.4
Proceeds from other share issues		**6.3**	4.9	**6.3**	4.9
Share buy-back	19(e)	**(25.1)**	(6.6)	**(25.1)**	(6.6)
Dividends paid:					
– Members of the parent entity		**(40.1)**	(14.9)	**(40.1)**	(14.9)
– Minority interests		**(19.9)**	(21.8)	**–**	–
Purchase of gold to close out gold forward contracts		**–**	(1,549.3)	**–**	–
Net cash (used in)/provided by financing activities		**634.2**	(480.3)	**(101.5)**	10.6
Net increase/(decrease) in cash and cash equivalents		**276.7**	43.9	**(2.8)**	3.0
Cash and cash equivalents at the beginning of the financial year		**77.5**	34.3	**3.1**	0.1
Effects of exchange rate changes on cash held		**12.2**	(0.7)	**–**	–
Cash and cash equivalents at the end of the financial year	7(a)	**366.4**	77.5	**0.3**	3.1

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1. CORPORATE INFORMATION

The financial report of Newcrest Mining Limited for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the Directors on 17 August 2009.

Newcrest Mining Limited is a company limited by shares, domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The registered office of Newcrest Mining Limited is Level 9, 600 St Kilda Road, Melbourne, Victoria 3004, Australia.

The nature of operations and principal activities of Newcrest Mining Limited and its controlled entities are exploration, development, mining and the sale of gold and gold/copper concentrate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this financial report are:

(a) Basis of Preparation and Statement of Compliance

The 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 financial report has been prepared on a historical cost basis, except for derivative financial instruments which have been measured at fair value.

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

The financial report has been presented in Australian dollars and all values are rounded to the nearest $100,000 unless otherwise stated.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the parent entity, Newcrest Mining Limited, and its controlled entities (referred to as 'the Consolidated Entity' or 'the Group' in these financial statements). A list of controlled entities is presented in Note 27.

Controlled entities are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Controlled entities are consolidated from the date on which control commences until the date that control ceases. All intercompany balances and transactions, including unrealised gains and losses arising from intra-group transactions, have been eliminated in preparing the consolidated financial statements.

Minority interest in the results and equity of the entity that is controlled by the Group are shown separately in the consolidated Income Statement and Balance Sheet respectively.

Investments in controlled entities are recorded in the financial statements of the Company at the lower of cost and recoverable amount.

(c) Interest in Jointly Controlled Assets

Where the Group's activities are conducted through unincorporated Joint Ventures that are jointly controlled assets, its proportionate share of the assets, liabilities, gold production and related operating costs are included in the financial statements. Details of the Group's interests in jointly controlled assets are shown in Note 29.

(d) Foreign Currency

Functional and Presentation Currency

Both the functional and presentation currency of Newcrest Mining Limited and its Australian controlled entities is Australian dollars ($). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the majority of the Group's foreign operations is US dollars (US$).

Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

All exchange differences in the consolidated financial report are taken to the Income Statement with the exception of differences on certain US dollar denominated borrowings where the foreign currency components are designated as cash flow hedges of future US dollar denominated sales. These are taken directly to the hedge reserve in equity until the forecast sales used to repay the debt occur, at which time they are recognised in the Income Statement.

Translation of Foreign Operations

The assets and liabilities of controlled entities incorporated overseas with functional currencies other than Australian dollars are translated into the presentation currency of Newcrest Mining Limited (Australian dollars) at the rates of exchange ruling at balance sheet date and the income statements are translated at the weighted average exchange rates for the period. Exchange differences arising on translation are taken directly to the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of net investments in foreign operations and of the borrowings designated as hedges of the net investment are taken to the foreign currency translation reserve (refer Note 2(s)). If the foreign operation were sold, the proportionate share of exchange differences would be transferred out of equity and recognised in the Income Statement.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(f) Trade and Other Receivables

Trade receivables comprising Metal in Concentrate receivables and Bullion Awaiting Settlement are initially recorded at the fair value of contracted sale proceeds expected to be received only when there has been a passing of significant risks and rewards of ownership to the customer. Collectability of debtors is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off and an allowance for doubtful debts is raised where objective evidence exists that the debt will not be collected.

Other receivables are initially measured at fair value then subsequently at amortised cost, less an allowance for impairment.

(g) Inventories

Gold in solution form, ore and work in progress is physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods.

By-products inventory on hand obtained as a result of the production process to extract gold are valued at the lower of cost and net realisable value.

Materials and supplies are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified. A regular and ongoing review is undertaken to establish the extent of surplus items and a provision is made for any potential loss on their disposal.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(h) Deferred Mining Expenditure

The Group defers mining costs incurred during the production stage of its operations, as part of determining the cost of inventories. This is generally the case where there are fluctuations in deferred mining costs over the life of the mine, and the effect is material. The amount of mining costs deferred is based on the ratio obtained by dividing the amount of waste tonnes mined by the quantity of gold ounces contained in the ore. Mining costs incurred in the year are deferred to the extent that the current year waste to contained gold ounce ratio exceeds the life of mine waste to ore ratio ('life of mine') ratio. Deferred mining costs are then charged against reported profits to the extent that, in subsequent years, the current year ratio falls below the life of mine ratio. The life of mine ratio is based on economically recoverable reserves of the operation.

The life of mine ratio is a function of an individual mine's design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life-of-mine ratio even if they do not affect the mine's design. Changes to the life of mine ratio are accounted for prospectively.

In the production stage of some operations, further developments of the mine require a phase of unusually high overburden removal activity that is similar in nature to pre-production mine development. The costs of such unusually high overburden removal activity are deferred and charged against reported profits in subsequent years on a unit-of-production basis. This accounting treatment is consistent with that for overburden removal costs incurred during the development phase of a mine, before production commences.

In some operations underground mining occurs progressively on a level-by-level basis. In these operations an estimate is made of the life-of-level average underground mining cost per tonne of ore mined to expense underground mining costs in the Income Statement. Underground mining costs incurred during the year are deferred to the extent that the actual cost per tonne of ore mined on a level in the year, exceeds the life-of-level average. Previously deferred underground mining costs are released to the income statement to the extent that the actual cost per tonne of the ore mined in the year is less than the life-of-level average.

Deferred mining costs that relate to the production phase of the operation are included in 'Other Assets' (refer Note 10). These costs form part of the total investment in the relevant cash-generating unit to which they relate, which is reviewed for impairment in accordance with the accounting policy described in Note 2(n). The release of deferred mining costs is included in site operating costs.

(i) Property, Plant and Equipment

Cost

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses. Financial costs incurred directly in relation to major capital works are capitalised up to the time of commissioning the asset. Freehold land is held for extractive industry operations and its value is wholly dependent upon those operations. The net carrying values of property, plant and equipment are reviewed at a cash-generating unit level half-yearly by Directors to determine whether there is any indication of impairment (refer Note 2(n)).

Depreciation and Amortisation

Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives.

The Group uses the unit-of-production basis when depreciating mine 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 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.

For the remainder of assets the straight line method is used, resulting in estimated useful lives between 3–20 years, the duration of which reflects the useful life depending on the nature of the asset. Estimates of remaining useful lives and depreciation methods are reviewed half-yearly for all major items of plant and equipment.

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate. Assets are depreciated or amortised from the date they are installed and are ready for use, or in respect of internally constructed assets, from the time the asset is completed and deemed ready for use.

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Leased Plant and Equipment

Leases of plant and equipment under which the Group assumes substantially all the risks and benefits incidental to ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised, with a lease asset and a lease liability equal to the fair value of the leased asset or, if lower, at the present value of the minimum lease payments determined at the inception of the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability. The finance charge component within the lease payments is expensed. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Payments made under operating leases are expensed on a straight-line basis over the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Exploration, Evaluation and Feasibility Expenditure

Exploration and Evaluation

Exploration and evaluation expenditure related to areas of interest is capitalised and carried forward to the extent that:

(i) Rights to tenure of the area of interest are current; and

(ii) (a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or

(b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in, or in relation to, the area are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct net exploration and evaluation costs incurred by or on behalf of the Group, together with an appropriate portion of directly related overhead expenditure.

Deferred Feasibility

Feasibility expenditure represents costs related to the preparation and completion of a feasibility study to enable a development decision to be made in relation to an area of interest.

At the commencement of production, all past exploration, evaluation and feasibility expenditure in respect of an area of interest is transferred to mine development where it is amortised over the life of the area of interest to which they relate on a unit-of-production basis.

When an area of interest is abandoned or the Directors decide it is not commercial, any accumulated costs in respect of that area are written off in the year the decision is made. Each area of interest is reviewed at the end of each reporting period and accumulated costs written off to the extent they are not expected to be recoverable in the future.

(k) Mine Construction and Development

Mines Under Construction

Expenditure incurred in constructing a mine by or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable reserves have been identified. This expenditure includes net direct costs of construction, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads. Once a development decision has been taken, all aggregated costs of construction are transferred to non-current assets as either mine development or buildings, plant and equipment as appropriate.

Mine Development

Mine development represents expenditure in respect of exploration, evaluation, feasibility and development incurred by or on behalf of the Group, including overburden removal and construction costs, previously accumulated and carried forward in relation to areas of interest in which mining has now commenced. Such expenditure comprises net direct costs and an appropriate allocation of directly related overhead expenditure.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured.

When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

Amortisation of costs is provided using the unit-of-production method. The net carrying values of mine development expenditure carried forward are reviewed half-yearly by Directors to determine whether there is any indication of impairment (refer Note 2(n)).

(l) Mineral Rights

Mineral rights comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination or a joint venture acquisition and are recognised at fair value at date of acquisition. Mineral rights are attributable to specific areas of interest and are classified within exploration, evaluation and development assets.

Mineral rights attributable to each area of interest are amortised when commercial production commences on a unit-of-production basis over the estimated economic reserve of the mine to which the rights relate.

(m) Intangible Assets

Costs incurred in developing information technology systems and acquiring software are capitalised as intangible assets. Costs capitalised include external costs of materials and services and the cost of employee benefits. Amortisation is calculated on a straight- line basis over the useful life, ranging from 3 to 7 years.

(n) Impairment of Non-Financial Assets

The carrying amounts of all non-financial assets are reviewed half-yearly to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.

If the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written-down to its recoverable amount and an impairment loss is recognised in the Income Statement. Individual assets are grouped for impairment purposes at the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units 'CGUs'). Generally, this results in the Group evaluating its mine properties on a geographical basis.

(o) Trade and Other Payables

Liabilities for trade and other payables are initially recorded at the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group, and then subsequently at amortised cost.

(p) Borrowings

Bank loans are initially recognised at fair value and subsequently at amortised cost.

(q) Employee Benefits

Wages, Salaries, Salary at Risk, Annual Leave and Sick Leave

Liabilities arising in respect of wages and salaries, salary at risk, annual leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liabilities are settled. These amounts are recognised in 'Trade and other payables' (for amounts other than annual leave and salary at risk) and 'Current provisions' (for annual leave and salary at risk) in respect of employees' services up to the reporting date. Costs incurred in relation to non-accumulating sick leave are recognised when leave is taken and are measured at the rates paid or payable.

Long Service Leave and Retention Initiative Payments

The liabilities for long service leave and retention initiative payments are measured at the present value of the estimated future cash outflows to be made by the Group resulting from employees' services provided up to the reporting date.

Liabilities for long service leave benefits and retention initiative payments not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities. In determining the liability for these long-term employee benefits, consideration has been given to expected future increases in wage and salary rates, the Group's experience with staff departures and periods of service. Related on-costs have also been included in the liability.

Defined Contribution Superannuation Plan

Contributions to defined contribution superannuation plans are expensed when incurred.

Defined Benefit Superannuation Plan

For defined benefit superannuation plans, the cost of providing benefits is determined using the Projected Unit Credit Actuarial Valuation Method, with actuarial valuations being carried out annually. Actuarial gains and losses are recognised in the Income Statement. During the year, the Group's defined benefit superannuation plan was closed.

Share-Based Payments

The Group provides benefits to employees (including Executive Directors) in the form of share-based compensation, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

Currently the Group operates the Executive Performance Share Plan, the Restricted Share Plan and the Employee Share Acquisition Plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using an option pricing model, further details of which are given in Note 23.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of non-market vesting conditions, such as performance conditions. Non-market conditions are included in the assumptions about the number of options that are expected to become exercisable. At each reporting date the Group revises its estimate of the number of options that are expected to become exercisable. The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Income Statement charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting period').

Upon the exercise of the options, the balance of the equity settlements reserve relating to those options remains in the Equity Settlements Reserve and the proceeds received, net of any directly attributable transaction costs, are credited to Share Capital.

Under the Newcrest Employee Share Acquisition Plan, shares are issued to employees for no cash consideration and vest immediately on grant date. On this date, the market value of the shares issued is recognised as an employee benefits expense.

(r) Provision for Rehabilitation

The Group records the present value of the estimated cost of legal and constructive obligations (such as those under the Group's Environmental Policy) to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

Typically the obligation arises when the asset is installed or the ground/environment is disturbed at the production location. When the liability is initially recorded, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwinding of the effect of discounting the provision is recorded as a finance cost in the Income Statement. The carrying amount capitalised as a part of mining equipment is depreciated/amortised over the life of the related asset.

Costs incurred that relate to an existing condition caused by past operations, but do not have a future economic benefit are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Derivative Financial Instruments and Hedging

The Group uses derivative financial instruments to manage its risk to commodity prices. The instruments used by the Group include forward sale contracts, gold put options and foreign currency contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the Income Statement immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of recognition in the Income Statement depends on the nature of the hedge relationship.

The fair value of forward sale contracts is calculated by reference to current forward commodity prices. The fair value of gold put options is calculated by reference to an option pricing model.

At the inception of the transaction, the Group formally designates and documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges, when they hedge the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges, when they hedge exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction;
- hedges of a net investment in a foreign operation.

Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised directly in equity in the Hedge Reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement. Amounts accumulated in equity are transferred to the Income Statement in the periods when the hedged item affects the Income Statement, for instance when the forecast sale that is hedged takes place.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains deferred in equity until the original forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the Income Statement.

If a hedging instrument being used to hedge a commitment for the purchase or sale of gold or copper is redesignated as a hedge of another specific commitment and the original transaction is still expected to occur, the gains and losses that arise on the hedging instrument prior to its redesignation are deferred and included in the measurement of the original purchase or sale when it takes place. If the hedging instrument is redesignated as a hedge of another commitment because the original purchase or sale transaction is no longer expected to occur, the gains and losses that arise on the hedge prior to its redesignation are recognised in the Income Statement at the date of the redesignation.

Copper Forward Sales Contracts

Copper forward sales contracts have been entered into by the Group to provide certainty of cash flows from certain copper concentrate sales. These derivative instruments are not designated into hedge relationships and as such changes in fair value are immediately recognised as 'Other income/expenses' in the Income Statement.

Gold Put Options

The Group entered into gold put options for a portion of its future gold production in order to manage its exposure to downward price risk. These options allow the Group to maintain full exposure to any upward movements in the gold price, by providing it with the right, but not the obligation, to deliver gold at the stated strike price (minimum price). These options comprise an extrinsic and intrinsic value. The total premium paid for these options represents the 'extrinsic value'. The 'intrinsic value' is calculated as the strike price less the forward price and where the forward price is greater than the strike price, the intrinsic value is zero.

Unlike other hedging instruments, the hedging provisions of AASB 139 Financial Instruments: Recognition and Measurement permits the intrinsic value and extrinsic value of an option to be separated. Only the intrinsic value of the option is designated into the cash flow hedge relationship. Therefore, the only instance where hedge accounting impacts the financial statements is if the gold forward price falls below the strike price, giving the options an intrinsic value due to them coming 'into the money'.

The premium paid on the purchase of put options (i.e. its extrinsic value) is initially recognised as a financial asset and is not designated into a hedge relationship. It is remeasured to fair value, using an option pricing model, at each subsequent reporting date, with fair value changes recognised immediately in the Income Statement. Fair value changes in the intrinsic value of the put options which have been designated into a hedge relationship, are recognised directly in the hedge reserve in equity to the extent that the hedge is effective. These fair value movements are then transferred to the Income Statement as the forecast sales to which they are designated, occur. Fair value changes relating to changes in the intrinsic value of the option to the extent that the hedge is ineffective, are recognised immediately in the Income Statement.

Hedges of a Net Investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity while any gains or losses relating to the ineffective portion are recognised in the Income Statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to the Income Statement.

(t) Issued Capital

Issued ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares and the associated tax are recognised directly in equity as a reduction of the share proceeds received.

(u) Earnings Per Share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Revenue Recognition

Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer and no further processing is required by the Group, the quality and quantity of the goods has been determined with reasonable accuracy, the price is fixed or determinable, and collectability is probable. The point at which risk and title passes for the majority of the Group's commodity sales is upon receipt of the bill of lading when the commodity is delivered for shipment. Revenue is measured at the fair value of the consideration received or receivable.

Gold and Silver Bullion Sales

Revenue from gold and silver bullion sales, is brought to account when the significant risks and rewards of ownership have transferred to the buyer and selling prices are known or can be reasonably estimated.

Gold, Copper and Silver in Concentrate Sales

Contract terms for the Group's sale of gold, copper and silver in concentrate ('metal in concentrate') allow for a price adjustment based on final assay results of the metal in concentrate by the customer to determine content. Recognition of sales revenue for these commodities is based on the most recently determined estimate of metal price in concentrate (which is considered to be the spot price) with a subsequent adjustment made upon final determination and presented as part of 'Other income'.

The terms of metal in concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer ('quotation period'). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement The period between provisional invoicing and final settlement is typically between one and six months.

The provisionally priced sales of metal in concentrate contain an embedded derivative that is required to be separated from the host contract for accounting purposes. Accordingly the embedded derivative, which does not qualify for hedge accounting, is recognised at fair value, with subsequent changes in fair value recognised in the Income Statement each period until final settlement, and presented as 'Other income'. Changes in fair value over the quotation period and up until final settlement are estimated by reference to forward market prices.

Interest Revenue

Interest revenue is recognised as it accrues using the effective interest method.

Dividend Revenue

Dividend revenue is recognised when the right to receive the payment is established.

(w) Government Royalties

Royalties under existing regimes are payable on sales and are therefore recognised as the sale occurs.

(x) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year used to develop the qualifying asset.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

(y) Income Taxes

Current Income Tax

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred Income Tax

Deferred income tax is provided on all temporary differences (except as noted below) at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them:

- Arise from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- Are associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Income Taxes (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation Legislation

The Company and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2003. The head entity, Newcrest Mining Limited and the controlled entities in the tax-consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the 'group allocation' approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax-consolidated group.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax-consolidated group.

Assets or liabilities arising under tax funding arrangements with the tax-consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details of the tax funding arrangement are disclosed in Note 4.

(z) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

– where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
– receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(aa) 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.

i. Mine Rehabilitation Provision

The Group assesses its mine rehabilitation provision half-yearly in accordance with the accounting policy Note 2(r). 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.

ii. Unit-of-Production Method of Depreciation/Amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine 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.

iii. Impairment of Assets

The Group assesses each cash-generating unit half-yearly, to determine whether there is any indication of impairment. Where an indicator of impairment 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 calculated in accordance with accounting policy Note 2(n). These assessments require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, future operating development and sustaining capital requirements and operating performance (including the magnitude and timing of related cash flows).

iv. 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, using the assumptions detailed in Note 23.

v. Deferred Mining Expenditure

The Group defers mining costs incurred during the production stage of its operations which are calculated in accordance with accounting policy Note 2(h). 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') ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of mine ratio even if they do not affect the mine's design. Changes to the life of mine are accounted for prospectively.

vi. Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

vii. Ore Reserve Estimates

The Group estimates its ore reserves and mineral resources 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.

viii. Capitalisation of Exploration and Evaluation Costs

The Group's accounting policy for exploration and evaluation expenditure is set out in Note 2(j). The application of this policy 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.

(ab) New Accounting Standards and Interpretations

Adoption of New Accounting Standards and Interpretations

Since 1 July 2008 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 January 2008. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Company or the Group.

- AASB 2008-10 – Amendments to Australian Accounting Standards – Reclassification of Financial Assets
- Interpretation 12 – Service Concession Arrangements
- Interpretation 14 – AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

New Accounting Standards and Interpretations Not Yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ab) New Accounting Standards and Interpretations (continued)

Reference	Title	Details of New Standard/Amendment/Interpretation	Impact on Group	Application Date for the Group
AASB 123 (Revised), AASB 2007-6	Borrowing Costs	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	(i)	1 July 2009
AASB 3 (Revised), AASB 2008-3	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, one of the most significant of which includes the requirement to expense transaction costs.	(ii)	1 July 2009
AASB Int. 16	Hedges of a Net Investment in a Foreign Operation	This interpretation requires that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arising between the functional currency of the net investment and the functional currency of any parent entity.	(ii)	1 July 2009
AASB 8, AASB 2007-3	Operating Segments	New standard replacing AASB 114 Segment Reporting, which adopts a management reporting approach to segment reporting.	(iii)	1 July 2009
AASB 101 (Revised), AASB 2007-8, AASB 2008-10	Presentation of Financial Statements	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	(iii)	1 July 2009
AASB 1039 (Revised)	Concise Reporting	AASB 1039 was revised to achieve consistency with AASB 8 Operating Segments. The revisions include changes to terminology and descriptions to ensure consistency with the revised AASB 101 Presentation of Financial Statements.	(iii)	1 July 2009
AASB 2009-2	Improving Disclosures about Financial Instruments	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using a three-level hierarchy. It also introduces new liquidity disclosures.	(iii)	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary.	(ii)	1 July 2009
AASB 2008-7	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments are those made to AASB 127 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary rather than its fair value.	(ii)	1 July 2009
AASB 2008-1	Share-based Payment: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribes the accounting treatment of an award that is effectively cancelled because a non-vesting condition was not satisfied.	(iii)	1 July 2009
Amendments to IFRS	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions.	(ii)	1 July 2009

(i) The Group's current accounting policy complies with the requirements of the amendment.

(ii) The adoption of this new standard, amendment or interpretation will not have a material impact on the Group's financial statements.

(iii) This standard, amendment or interpretation will change the disclosures currently made in the Group's financial report but will have no impact of the amounts recognised in the financial statements.

Apart from the above, other accounting standards, amendments and interpretations that will be applicable in future periods have been considered however, their impact is considered insignificant to the Group.

For personal use only

3. REVENUE AND EXPENSES

	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $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) Sales revenue				
Gold	**1,914.4**	1,617.9	**528.3**	371.0
Copper	**593.2**	721.2	**156.0**	149.4
Silver	**23.2**	24.0	**5.5**	4.3
Total operating sales revenue	**2,530.8**	2,363.1	**689.8**	524.7
(b) Cost of sales				
Mine production costs	**1,097.7**	1,019.3	**388.6**	375.3
Royalty	**56.1**	57.8	**17.6**	15.8
Concentrate treatment and realisation	**153.6**	151.2	**53.3**	45.5
Depreciation	**262.5**	273.2	**108.0**	102.3
Deferred mining adjustment	**60.5**	24.5	**19.2**	(10.5)
Inventory movements	**(1.0)**	(28.7)	**(6.9)**	(16.7)
Gas disruption costs [1]	**8.6**	–	**6.0**	–
Total cost of sales	**1,638.0**	1,497.3	**585.8**	511.7
(c) Corporate administration expenses				
Corporate costs	**57.5**	47.2	**58.4**	47.9
Corporate depreciation	**4.3**	5.4	**3.7**	3.8
Equity settled share-based payments	**8.0**	5.5	**8.0**	5.5
Total corporate administration expenses	**69.8**	58.1	**70.1**	57.2
(d) Other revenue				
Interest from other persons	**7.7**	18.9	**0.1**	0.1
Joint venture management fees	**0.6**	1.5	**2.0**	1.8
Dividends	**–**	–	**80.0**	–
Total other revenue	**8.3**	20.4	**82.1**	1.9
(e) Other income/(expenses)				
Profit/(loss) on sale of non-current assets	**0.9**	(0.6)	**–**	(0.2)
Net foreign exchange gain/(loss)	**(32.6)**	(20.3)	**(10.2)**	(0.8)
Royalty refund	**–**	6.4	**–**	–
Fair value gain on gold lease rate swaps	**–**	1.5	**–**	–
Fair value gain on gold and copper derivatives	**34.0**	17.1	**7.5**	5.7
Other	**4.5**	5.1	**(2.0)**	(6.0)
Total other income/(expenses)	**6.8**	9.2	**(4.7)**	(1.3)

[1] Represents the additional costs, net of insurance proceeds, associated with securing alternative sources of gas for Telfer as a result of the Varanus Island gas plant explosion in June 2008.

3. REVENUE AND EXPENSES (continued)

	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
(f) Losses on delivered hedges [(1)]				
Gold hedge losses	**–**	(33.8)	**–**	–
Total losses on delivered hedges	**–**	(33.8)	**–**	–

(1) These relate to losses realised on hedge contracts that were settled by physical delivery prior to the hedge book close out in September 2007.

	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
(g) Finance costs – ordinary activities				
Interest costs:				
Interest on loans	**31.8**	38.1	**–**	0.5
Finance leases	**0.2**	0.7	**–**	–
Other:				
Facility fees and other costs	**3.7**	2.7	**0.6**	0.2
Discount unwind on provisions	**3.8**	4.1	**1.7**	2.0
	39.5	45.6	**2.3**	2.7
Less: Capitalised borrowing costs	**(4.6)**	(2.2)	**–**	–
Total finance costs – ordinary activities	**34.9**	43.4	**2.3**	2.7
(h) Depreciation and amortisation				
Property, plant and equipment	**151.0**	150.4	**57.8**	57.1
Mine development	**130.5**	128.1	**57.1**	48.3
Intangible assets	**0.9**	–	**0.8**	–
	282.4	278.5	**115.7**	105.4
Add/(Less):				
Capitalised to inventory on hand or mines under construction	**(15.6)**	0.1	**(4.0)**	0.7
Total depreciation and amortisation expense	**266.8**	278.6	**111.7**	106.1
Included in:				
Cost of sales depreciation	**262.5**	273.2	**108.0**	102.3
Corporate depreciation	**4.3**	5.4	**3.7**	3.8
Total depreciation and amortisation expense	**266.8**	278.6	**111.7**	106.1
(i) Employee benefits expense				
Defined benefit plan expense (Note 22)	**0.8**	0.5	**0.8**	0.5
Equity settled share-based payments	**8.0**	5.5	**8.0**	5.5
Termination benefits expense	**1.6**	–	**1.6**	–
Defined contribution plan expense	**18.3**	20.9	**9.2**	8.9
Other employment benefits	**219.7**	199.6	**108.6**	87.2
Total employee benefits expense	**248.4**	226.5	**128.2**	102.1
(j) Other items:				
Operating lease rentals	**5.4**	6.8	**4.1**	4.9
Stores obsolescence	**0.6**	0.4	**0.4**	–
	6.0	7.2	**4.5**	4.9

3. REVENUE AND EXPENSES (continued)

	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
(k) Losses on restructured and closed-out hedge contracts				
Losses on restructured and closed-out hedge contracts transferred from reserves (Note 20)	**352.0**	314.1	**–**	–
Applicable income tax (benefit)	**(105.6)**	(94.2)	**–**	–
Total Losses on restructured and closed-out hedges (after tax)	**246.4**	219.9	**–**	–
(l) Other close-out related costs				
Fair value loss on gold forward sales contracts	**–**	178.7	**–**	–
Fair value loss on gold put options (Note 24(e)(ii))	**25.1**	39.0	**–**	–
Total other close-out related costs	**25.1**	217.7	**–**	–
Applicable income tax (benefit)	**(7.5)**	(65.3)	**–**	–
Total other close-out related costs (after tax)	**17.6**	152.4	**–**	–
(m) finance costs – close-out and restructure				
Gold loan break costs	**–**	13.1	**–**	–
Discount unwind – hedge restructure liability [1]	**–**	7.8	**–**	–
Total finance costs – close-out and restructure	**–**	20.9	**–**	–
Applicable income tax (benefit)	**–**	(6.3)	**–**	–
Total finance costs – close-out and restructure (after tax)	**–**	14.6	**–**	–

[1] This relates to the unwind of the discount on the hedge restructure liability, established as part of the November 2006 hedgebook restructure, from 1 July 2007 to 10 September 2007.

	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
(n) Foreign exchange gain on US dollar borrowings				
Foreign exchange gain/(loss) on US dollar borrowings transferred from reserves (Note 20)	**41.4**	39.0	**–**	–
Applicable income tax (expense)	**(12.4)**	(11.7)	**–**	–
Total foreign exchange gain on US dollar borrowings (after tax)	**29.0**	27.3	**–**	–

4. INCOME TAX

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
(a) Income tax expense comprises:				
Income Statement				
Current income tax				
Current income tax expense/(benefit)	**188.9**	(229.6)	**9.6**	(10.2)
Under/(over) provision in respect of prior years	**(24.5)**	(29.1)	**(18.8)**	(14.8)
	164.4	(258.7)	**(9.2)**	(25.0)
Deferred tax				
Relating to origination and reversal of temporary differences	**(53.4)**	292.7	**(1.8)**	(9.2)
Under/(over) provision in respect of prior years	**16.6**	2.6	**(6.0)**	0.5
	(36.8)	295.3	**(7.8)**	(8.7)
Income tax expense/(benefit) per the Income Statement	**127.6**	36.6	**(17.0)**	(33.7)
(b) Reconciliation of prima facie income tax expense/(benefit) to income tax expense/(benefit) per the Income Statement				
Accounting profit/(loss) before tax	**409.7**	200.0	**105.2**	(52.3)
Income tax expense calculated at 30% (2008: 30%)	**122.9**	60.0	**31.6**	(15.7)
– Research and development allowance	**(3.8)**	(10.5)	**(2.1)**	(5.7)
– Non-deductible share-based payment expense	**2.0**	1.7	**2.0**	1.7
– Effect of higher tax rates in foreign jurisdictions	**12.0**	10.2	**–**	–
– Foreign tax losses not brought to account	**1.4**	1.3	**–**	–
– Other non-deductible expenses	**1.0**	0.4	**0.3**	0.3
– Dividend from controlled entity	**–**	–	**(24.0)**	–
– (Over) provided in prior years [1]	**(7.9)**	(26.5)	**(24.8)**	(14.3)
Income tax expense/(benefit) per the Income Statement	**127.6**	36.6	**(17.0)**	(33.7)

[1] The over provision for the Group predominantly relates to higher actual research and development allowance claimed for prior years.

4. INCOME TAX (continued)

	Consolidated				Parent				
	Balance at 1 July $M	Charged/ (Credited) to Income $M	Charged/ (Credited) to Equity $M	Balance at 30 June $M	Balance at 1 July $M	Charged/ (Credited) to Income $M	Charged/ (Credited) to Equity $M	Other* $M	Balance at 30 June $M
(c) Movement in deferred taxes									
2009									
Deferred tax assets									
Carry forward revenue losses recognised	490.7	(87.2)	–	403.5	490.7	9.2	–	(96.4)	403.5
Deferred tax liabilities									
Temporary differences:									
– Property, plant and equipment and deferred mining	(360.9)	(17.7)	–	(378.6)	(129.4)	24.5	–	–	(104.9)
– Financial instruments	(12.2)	72.4	(64.8)	(4.6)	–	–	–	–	–
– Provisions	16.2	7.8	–	24.0	12.4	4.6	–	–	17.0
– Other	(28.5)	(25.7)	(1.1)	(55.3)	5.4	(21.3)	5.1	–	(10.8)
	(385.4)	36.8	(65.9)	(414.5)	(111.6)	7.8	5.1	–	(98.7)
Net deferred taxes	**105.3**	**(50.4)**	**(65.9)**	**(11.0)**	**379.1**	**17.0**	**5.1**	**(96.4)**	**304.8**
2008									
Deferred tax assets									
Carry forward revenue losses recognised	158.2	332.5	–	490.7	158.2	25.0	–	307.5	490.7
Deferred tax liabilities									
Temporary differences:									
– Property, plant and equipment and deferred mining	(381.1)	20.2	–	(360.9)	(136.9)	7.5	–	–	(129.4)
– Financial instruments	319.8	(262.0)	(70.0)	(12.2)	–	–	–	–	–
– Provisions	40.6	(24.4)	–	16.2	13.4	(1.0)	–	–	12.4
– Other	(19.4)	(29.1)	20.0	(28.5)	(5.0)	2.2	8.2	–	5.4
	(40.1)	(295.3)	(50.0)	(385.4)	(128.5)	8.7	8.2	–	(111.6)
Net deferred taxes	**118.1**	**37.2**	**(50.0)**	**105.3**	**29.7**	**33.7**	**8.2**	**307.5**	**379.1**

* Represents the assumption of tax losses attributable to controlled entities in the tax-consolidated group by the Head Entity.

(d) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of carry forward capital losses of $295.7 million (2008: $292.8 million) because it is not probable that the Group will have future capital gains available against which carry forward capital losses could be utilised as the Group has no current intention to dispose of capital assets.

(e) Tax consolidation

Effective 1 July 2003, for the purposes of income taxation, Newcrest Mining Limited and its wholly-owned Australian resident controlled entities formed a tax-consolidated group. Newcrest Mining Limited is the head entity of the tax-consolidated group.

Entities within the tax-consolidated group have entered into a tax funding arrangement with the head entity. Under the tax funding arrangement, each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

Entities within the tax-consolidated group have entered into a tax sharing agreement which sets out the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations and treatment of entities leaving the tax-consolidated group. At the balance date, no amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

5. DIVIDENDS

	Cents per Share	Total Amount $M	Franked/ Unfranked	Date of Payment
Dividends recognised in the current year by the Company are:				
2009 – Dividend paid during the year for the 30 June 2008 year				
Final – ordinary	10.0	45.3	Unfranked	17 Oct 2008
2008 – Dividend paid during the year for the 30 June 2007 year				
Final – ordinary	5.0	16.8	Unfranked	27 Sep 2007
Subsequent events				
Dividend proposed and not recognised as a liability:				
Since the end of the financial year, the Directors declared the following dividends:				
Final – ordinary	15.0	72.5	Unfranked	16 Oct 2009

	Parent and Consolidated	
	2009 $M	2008 $M
Dividend franking account balance		
Franking credits at 30% available for the subsequent financial year	**0.0**	0.1

6. EARNINGS PER SHARE (EPS)

	Consolidated	
	2009	2008
EPS (cents per share)		
Basic EPS	**53.0**	30.8
Diluted EPS	**52.9**	30.7
Earnings per share on Underlying Profit:		
Basic EPS	**103.2**	113.2
Diluted EPS	**103.0**	112.9

	Consolidated	
	2009 $M	2008 $M
The following reflects the income used in the calculation of basic and diluted EPS:		
Profit after income tax attributable to ordinary equity holders of the Parent	**248.1**	134.3
Earnings attributable to ordinary equity holders of the parent used in calculating basic and diluted EPS	**248.1**	134.3
The following reflects the income used in the calculation of basic and diluted EPS on Underlying Profit:		
Profit after tax before hedge restructure and close out impacts	**483.1**	493.9
Earnings attributable to ordinary equity holders of the parent used in calculating underlying basic and diluted EPS	**483.1**	493.9

	No. of Shares	No. of Shares
The following reflects the share data used in the calculation of basic and diluted EPS:		
Weighted average number of ordinary shares used in calculating basic EPS	**467,951,049**	436,396,091
Effect of dilutive securities:		
Share options	**1,167,735**	1,108,181
Adjusted weighted average number of ordinary shares used in calculating diluted EPS	**469,118,784**	437,505,082

Restatement of comparatives

The EPS calculations for the 2008 financial year have been restated to include the impact of the Equity Raising undertaken in February 2009, in accordance with accounting standards.

7. CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
(a) Components of cash and cash equivalents				
Cash at bank	**46.4**	77.5	**0.3**	3.1
Short-term deposits	**320.0**	–	**–**	–
Total cash and cash equivalents	**366.4**	77.5	**0.3**	3.1
(b) Reconciliation of net profit/(loss) after income tax to net cash flow from operating activities				
Profit/(loss) after income tax	**282.1**	163.4	**122.2**	(18.6)
Non-cash items:				
Depreciation and amortisation	**266.8**	278.6	**111.7**	106.1
Hedge restructure and close out expense	**310.6**	517.3	**–**	–
Net fair value change on derivatives	**(8.2)**	9.1	**(1.6)**	2.4
Share-based payments	**8.0**	5.5	**8.0**	5.5
Other non-cash items	**(7.0)**	(6.2)	**1.7**	(0.2)
Items presented as investing or financing activities:				
(Profit)/loss on disposal of non-current assets	**(0.9)**	0.6	**–**	0.2
Exploration expenditure written off	**57.8**	46.4	**3.8**	6.0
Changes in assets and liabilities:				
(Increase)/decrease in:				
Trade and other receivables	**(62.6)**	57.5	**(162.8)**	18.5
Inventories	**(50.2)**	(56.0)	**(22.3)**	(23.7)
Deferred mining	**54.2**	24.4	**18.7**	(21.8)
Prepayments current	**30.2**	(34.6)	**24.0**	(26.3)
Prepayments non-current	**(7.5)**	–	**(5.3)**	–
Deferred tax assets	**87.2**	24.1	**87.2**	(332.5)
(Decrease)/increase in:				
Trade and other payables	**(2.9)**	(38.7)	**(14.9)**	313.6
Provisions current	**49.7**	11.0	**27.5**	11.7
Provisions non-current	**13.4**	14.6	**1.4**	7.1
Current tax liabilities	**(20.4)**	16.7	**–**	–
Deferred tax liabilities	**29.1**	(11.3)	**(12.9)**	(16.9)
Deferred income	**(5.3)**	(4.3)	**–**	–
Net cash from operating activities	**1,024.1**	1,018.1	**186.4**	31.1
(c) Non-cash financing and investing activities				
Dividends paid by the issue of shares under the Dividend Reinvestment Plan	**5.2**	2.0	**5.2**	2.0

8. TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
Current				
Metal in concentrate receivables(i)	**170.4**	132.2	**68.1**	27.1
Bullion awaiting settlement(ii)	**18.9**	31.3	**4.0**	–
GST receivable(iii)	**27.0**	8.7	**4.2**	–
Other receivables(iii)	**56.3**	46.0	**25.1**	9.6
Amounts due from controlled entities(iv)	**–**	–	**591.1**	984.7
Total current receivables	**272.6**	218.2	**692.5**	1,021.4
Non-current				
Amounts due from controlled entities(iv)	**–**	–	**1,072.8**	–
Other receivables(v)	**9.1**	0.3	**8.7**	–
Total non-current receivables	**9.1**	0.3	**1,081.5**	–

(i) Are non-interest bearing and are generally expected to settle within 1 to 6 months, refer Note 2(f).
(ii) Are non-interest bearing and are generally expected to settle within 7 days, refer Note 2(f).
(iii) Recorded at amortised cost, are non-interest bearing and are generally expected to settle within 1 to 2 months.
(iv) For terms and conditions relating to related party receivables, refer Note 31.
(v) Comprises of security deposits and are carried at amortised cost.

9. INVENTORIES

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
Current				
Gold in circuit	**26.4**	22.1	**10.4**	9.8
Concentrate	**16.8**	39.0	**6.4**	17.3
Ore	**98.5**	56.6	**55.5**	32.1
Materials and supplies	**132.9**	103.1	**45.7**	36.1
Provision for obsolescence of materials and supplies	**(1.8)**	(1.2)	**(0.4)**	–
Total current inventories	**272.8**	219.6	**117.6**	95.3
Non-current				
Ore	**–**	1.4	**–**	–
Total non-current inventories	**–**	1.4	**–**	–

10. OTHER ASSETS

	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
Current				
Prepayments	**9.3**	39.5	**3.3**	27.3
Deferred mining expenditure	**146.7**	122.0	**30.5**	57.2
Total current other	**156.0**	161.5	**33.8**	84.5
Non-current				
Prepayments	**7.5**	–	**5.3**	–
Deferred mining expenditure	**156.1**	235.0	**7.4**	–
Total non-current other	**163.6**	235.0	**12.7**	–

11. OTHER FINANCIAL ASSETS

	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
Shares in controlled entities at cost	**–**	–	**845.6**	593.4
Provision for diminution	**–**	–	**(304.6)**	(304.6)
Total other financial assets	**–**	–	**541.0**	288.8

Entity	Principal Activity	Place of Incorporation	Percentage Holding 2009 %	Percentage Holding 2008 %	Carrying Value 2009 $M	Carrying Value 2008 $M
Australmin Holdings Ltd	Dormant	Australia	**100**	100	**–**	–
Cadia Holdings Pty Ltd	Mining	Australia	**100**	100	**40.0**	40.0
Cadia Mines Pty Ltd	Dormant	Australia	**100**	100	**–**	–
Cracow Holdings Pty Ltd	Dormant	Australia	**100**	100	**–**	–
Horskar Pty Ltd	Dormant	Australia	**100**	100	**–**	–
Newcrest Finance Pty Ltd	Treasury	Australia	**100**	100	**10.0**	10.0
Newcrest Insurance Pte Ltd	Captive insurance entity	Singapore	**100**	100	**0.6**	0.6
Newcrest International Pty Ltd	Holding company	Australia	**100**	100	**298.1**	45.9
Newcrest Operations Ltd	Mining	Australia	**100**	100	**192.3**	192.3
Newgen Pty Ltd	Mining	Australia	**100**	100	**–**	–
					541.0	288.8

12. PROPERTY, PLANT AND EQUIPMENT

	Consolidated			
	Freehold Land $M	Buildings, Plant and Equipment $M	Leased Plant and Equipment $M	Total $M
At 30 June 2009				
Cost	32.7	2,510.2	29.8	2,572.7
Accumulated depreciation	–	(1,095.0)	(7.7)	(1,102.7)
	32.7	1,415.2	22.1	1,470.0
Year ended 30 June 2009				
Carrying amount at 1 July 2008	26.3	1,375.2	3.5	1,405.0
Additions	6.4	134.6	–	141.0
Acquisition of joint venture (Note 29(b))	–	25.8	19.9	45.7
Disposals at written-down value	–	(2.6)	–	(2.6)
Depreciation charge for the year	–	(150.6)	(0.4)	(151.0)
FX translation	–	4.0	–	4.0
Reclassifications/transfers	–	28.8	(0.9)	27.9
Carrying amount at 30 June 2009	32.7	1,415.2	22.1	1,470.0
At 30 June 2008				
Cost	26.3	2,327.4	14.5	2,368.2
Accumulated depreciation	–	(952.2)	(11.0)	(963.2)
	26.3	1,375.2	3.5	1,405.0
Year ended 30 June 2008				
Carrying amount at 1 July 2007	25.5	1,441.7	4.8	1,472.0
Additions	0.8	85.8	–	86.6
Disposals at written-down value	–	(0.9)	–	(0.9)
Depreciation charge for the year	–	(149.1)	(1.3)	(150.4)
FX translation	–	(2.6)	–	(2.6)
Reclassifications/transfers	–	0.3	–	0.3
Carrying amount at 30 June 2008	26.3	1,375.2	3.5	1,405.0

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Parent Buildings, Plant and Equipment $M	Parent Total $M
At 30 June 2009		
Cost	936.1	936.1
Accumulated depreciation	(329.8)	(329.8)
	606.3	606.3
Year ended 30 June 2009		
Carrying amount at 1 July 2008	623.2	623.2
Additions	40.0	40.0
Disposals at written-down value	–	–
Depreciation charge for the year	(57.8)	(57.8)
Reclassifications/transfers	0.9	0.9
Carrying amount at 30 June 2009	606.3	606.3
At 30 June 2008		
Cost	910.3	910.3
Accumulated depreciation	(287.1)	(287.1)
	623.2	623.2
Year ended 30 June 2008		
Carrying amount at 1 July 2007	664.5	664.5
Additions	15.8	15.8
Disposals at written-down value	(0.3)	(0.3)
Depreciation charge for the year	(57.1)	(57.1)
Reclassifications/transfers	0.3	0.3
Carrying amount at 30 June 2008	623.2	623.2

Reclassifications/transfers:
– Expenditure included in mine development has been reclassified upon initial utilisation of the assets to buildings, plant and equipment.

13. CAPITALISED EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURES

	Consolidated				
	Exploration and Evaluation Expenditure $M	Deferred Feasibility Expenditure $M	Mines Under Construction $M	Mine Development $M	Total $M
At 30 June 2009					
Cost	233.7	227.4	911.5	1,739.3	3,111.9
Accumulated depreciation	–	–	–	(670.7)	(670.7)
	233.7	227.4	911.5	1,068.6	2,441.2
Year ended 30 June 2009					
Carrying amount at 1 July 2008	77.5	164.6	137.8	1,090.3	1,470.2
Expenditure during the year	109.3	123.8	434.0	96.2	763.3
Capitalised borrowing costs [(1)]	–	–	–	4.6	4.6
Acquisition of joint venture (Note 29(b))	126.0	–	315.3	–	441.3
Expenditure written off during the year	(54.1)	(3.7)	–	–	(57.8)
Depreciation charge for the year	–	–	–	(130.5)	(130.5)
FX translation	(6.4)	0.3	(13.4)	4.1	(15.4)
Reclassifications/transfers	(18.6)	(57.6)	37.8	3.9	(34.5)
Carrying amount at 30 June 2009	233.7	227.4	911.5	1,068.6	2,441.2
At 30 June 2008					
Cost	77.5	164.6	137.8	1,673.5	2,053.4
Accumulated depreciation	–	–	–	(583.2)	(583.2)
	77.5	164.6	137.8	1,090.3	1,470.2
Year ended 30 June 2008					
Carrying amount at 1 July 2007	53.0	143.3	–	1,155.6	1,351.9
Expenditure during the year	76.8	47.8	117.3	56.2	298.1
Capitalised borrowing costs [(1)]	–	1.1	1.1	–	2.2
Expenditure written off during the year	(46.4)	–	–	–	(46.4)
Depreciation charge for the year	–	–	–	(128.1)	(128.1)
FX translation	0.3	–	–	(7.5)	(7.2)
Reclassifications/transfers	(6.2)	(27.6)	19.4	14.1	(0.3)
Carrying amount at 30 June 2008	77.5	164.6	137.8	1,090.3	1,470.2

Reclassifications/transfers:
– Expenditure included in mines under construction has been reclassified from/to mine development or buildings plant and equipment, as appropriate, upon initial utilisation of the assets.

[(1)] Borrowing costs were capitalised on qualifying assets at a weighted average rate of 3.0% (2008: 6.2%).

For personal use only

13. CAPITALISED EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURES (continued)

	Parent				
	Exploration and Evaluation Expenditure $M	Deferred Feasibility Expenditure $M	Mines Under Construction $M	Mine Development $M	Total $M
At 30 June 2009					
Cost	9.8	3.5	–	764.1	777.4
Accumulated depreciation	–	–	–	(215.1)	(215.1)
	9.8	3.5	–	549.0	562.3
Year ended 30 June 2009					
Carrying amount at 1 July 2008	2.1	–	–	608.2	610.3
Expenditure during the year	9.6	5.4	–	4.5	19.5
Expenditure written off during the year	(1.4)	(2.4)	–	–	(3.8)
Depreciation charge for the year	–	–	–	(57.1)	(57.1)
Reclassifications/transfers	(0.5)	0.5	–	(6.6)	(6.6)
Carrying amount at 30 June 2009	9.8	3.5	–	549.0	562.3
At 30 June 2008					
Cost	2.1	–	–	767.5	769.6
Accumulated depreciation	–	–	–	(159.3)	(159.3)
	2.1	–	–	608.2	610.3
Year ended 30 June 2008					
Carrying amount at 1 July 2007	–	–	–	653.5	653.5
Expenditure during the year	8.1	–	–	3.3	11.4
Expenditure written off during the year	(6.0)	–	–	–	(6.0)
Depreciation charge for the year	–	–	–	(48.3)	(48.3)
Reclassifications/transfers	–	–	–	(0.3)	(0.3)
Carrying amount at 30 June 2008	2.1	–	–	608.2	610.3

Areas of interest in the exploration phase at cost:

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
Cadia Valley, NSW	**63.6**	52.8	**–**	–
Telfer, WA	**12.9**	1.3	**9.0**	0.9
Cracow, QLD	**4.7**	3.5	**–**	–
Gosowong, Indonesia	**0.9**	8.7	**–**	–
Marsden, NSW	**4.7**	3.7	**–**	–
Fiji	**16.3**	7.5	**0.8**	1.2
Morobe Province, PNG	**130.6**	–	**–**	–
	233.7	77.5	**9.8**	2.1

Recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and continuing commercial exploitation, or alternatively, sale of the respective area of interest.

14. INTANGIBLE ASSETS

	Information Systems Development Consolidated $M	Information Systems Development Parent $M
At 30 June 2009		
Cost	**49.0**	**44.8**
Accumulated amortisation	**(16.5)**	**(12.8)**
	32.5	**32.0**
Year ended 30 June 2009		
Carrying amount at 1 July 2008	**–**	**–**
Reclassifications	**4.9**	**4.4**
Expenditure during the year	**28.5**	**28.4**
Disposals at written-down value	**–**	**–**
Amortisation charge for the year	**(0.9)**	**(0.8)**
Carrying amount at 30 June 2009	**32.5**	**32.0**

Reclassifications:
Information systems development previously classified as property, plant and equipment has been reclassified as intangible assets.
The written-down values as at 30 June 2008 for the:
– Group of $4.9 million comprised cost of $20.5 million and accumulated amortisation of $15.6 million.
– Parent of $4.4 million comprised cost of $16.4 million and accumulated amortisation of $12.0 million.

15. TRADE AND OTHER PAYABLES

	Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
Unsecured:				
Trade payables[(i)]	**42.5**	66.7	**12.8**	19.3
Other payables and accruals[(i)]	**170.1**	111.0	**35.8**	44.2
Total trade and other payables	**212.6**	177.7	**48.6**	63.5

(i) All payables are non-interest bearing and are normally settled on 30–60 day terms.

16. BORROWINGS

		Consolidated 2009 $M	Consolidated 2008 $M	Parent 2009 $M	Parent 2008 $M
Current					
Secured:					
Finance lease liabilities	(i)	**5.0**	2.6	**–**	–
Unsecured:					
US dollar bilateral debt	(ii)	**–**	–	**–**	–
Total current borrowings		**5.0**	2.6	**–**	–
Non-current					
Secured:					
Finance lease liabilities	(i)	**13.3**	2.2	**–**	–
Unsecured:					
US dollar private placement notes	(iii)	**432.2**	363.8	**–**	–
Total non-current borrowings		**445.5**	366.0	**–**	–

16. BORROWINGS (continued)

(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 Debt

During the year ended 30 June 2009, the US dollar bilateral debt facilities were drawn down to acquire the interest in the Morobe Mining Joint Venture. The debt was subsequently repaid using the proceeds from the equity raising in February 2009.

The Group still has available bilateral debt facilities of US$969.0 million with 14 banks. These are unsecured 5-year revolving facilities, individually negotiated and documented with each bank but with similar terms and conditions. Interest is based on LIBOR plus a margin which varies among the lenders.

(iii) US Dollar Private Placement Notes

During the year ended 30 June 2005, the Group issued US$350.0 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 and comprised five tranches:

	USD $M
Fixed 7 years (11/5/2012)	95.0
Fixed 10 years (11/5/2015)	105.0
Fixed 12 years (11/5/2017)	100.0
Fixed 15 years (11/5/2020)	25.0
Floating 7 years (11/5/2012)	25.0
	350.0

Interest on the fixed-rate notes is payable semi-annually at an average of 5.62%. Floating rate interest is based on LIBOR plus a margin and is payable quarterly at an average of 1.74% (2008: 5.13%).

These notes were fully drawn as at 30 June 2009 and have been restated to the spot exchange rate at balance sheet date.

(iv) Hedging: US Dollar Denominated Debt

Where considered appropriate the foreign currency component of US dollar denominated debt is designated either as a cash flow hedge of future US dollar denominated commodity sales or a net investment in foreign operations. Refer Note 24(d) for further details.

(v) Financial Arrangements

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
The Group has access to the following financing arrangements:				
Unsecured bank overdrafts (payable at call)	**1.5**	1.5	**–**	–
Unsecured USD bilateral facilities (US$969M)	**1,196.4**	1,007.2	**–**	–
Unsecured USD private placement notes (US$350M)	**432.2**	363.8	**–**	–
	1,630.1	1,372.5	**–**	–
Facilities utilised at reporting date:				
Unsecured bank overdrafts (payable at call)	**–**	–	**–**	–
Unsecured USD bilateral facilities	**–**	–	**–**	–
Unsecured USD private placement notes (US$350M)	**432.2**	363.8	**–**	–
	432.2	363.8	**–**	–
Facilities not utilised at reporting date:				
Unsecured bank overdrafts (payable at call)	**1.5**	1.5	**–**	–
Unsecured USD bilateral facilities (US$969M)	**1,196.4**	1,007.2	**–**	–
Unsecured USD private placement notes	**–**	–	**–**	–
	1,197.9	1,008.7	**–**	–

17. PROVISIONS

		Consolidated		Parent	
		2009 $M	2008 $M	**2009 $M**	2008 $M
Current					
Employee benefits	(i)	**88.0**	40.2	**62.5**	35.9
Mine rehabilitation and restoration	(ii)	**2.0**	–	**1.0**	–
Other		**3.9**	3.1	**–**	0.1
Total current provisions		**93.9**	43.3	**63.5**	36.0
Non-current					
Employee benefits	(i)	**5.4**	15.6	**5.2**	8.6
Mine rehabilitation and restoration	(ii)	**71.2**	46.8	**23.2**	18.4
Other		**–**	0.1	**–**	–
Total current provisions		**76.6**	62.5	**28.4**	27.0

(i) Employee benefits
Represents annual leave, long service leave, salary at risk and other retention incentive payments (refer Note 2 (q)).

(ii) Mine rehabilitation and restoration
The Group recognises that it has an obligation to restore its mine sites to their original condition at the end of the life of mine. Mine rehabilitation costs are provided for at the present value of future expected expenditure when the liability is incurred. Although the ultimate cost to be incurred is uncertain, the Group has estimated its costs based on feasibility and engineering studies using current restoration standards and techniques. When this liability is recognised a corresponding asset is also recognised as part of the development costs of the mine and is amortised across the same useful life.

	Consolidated $M	Parent $M
Movements in mine rehabilitation and restoration provision		
At 1 July 2008	46.8	18.4
Increase/(decrease) in provision	23.4	5.5
Paid during the year	(1.6)	(1.1)
Acquisition of interest in joint venture	0.7	–
Unwinding of discount	3.5	1.4
FX translation	0.4	–
At 30 June 2009	73.2	24.2
Split between:		
Current	2.0	1.0
Non-current	71.2	23.2
	73.2	24.2

18. OTHER LIABILITIES

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
Current				
Deferred income	**1.1**	–	**–**	–
	1.1	–	**–**	–
Non-current				
Deferred income	**0.5**	6.9	**–**	–
	0.5	6.9	**–**	–

19. ISSUED CAPITAL

		Consolidated		Parent	
		2009 $M	2008 $M	**2009 $M**	2008 $M
Opening balance		**2,857.4**	834.5	**2,857.4**	834.5
Shares issued under:					
– Share option and rights plans	(a)	**6.3**	4.9	**6.3**	4.9
– Dividend Reinvestment Plan	(b)	**5.2**	2.0	**5.2**	2.0
– New shares – Equity Raising	(c)	**809.8**	2,042.0	**809.8**	2,042.0
Less: Transaction Costs	(c)	**(17.1)**	(27.6)	**(17.1)**	(27.6)
Add: Tax effect of transaction costs		**5.1**	8.2	**5.1**	8.2
– Share buy-back	(e)	**(25.1)**	(6.6)	**(25.1)**	(6.6)
Total issued capital		**3,641.6**	2,857.4	**3,641.6**	2,857.4

		Number of Ordinary Shares			
		2009	2008	**2009**	2008
Movement in issued ordinary shares for the year					
Opening number of shares		**453,365,629**	335,276,614	**453,365,629**	335,276,614
Shares issued under:					
– Share option and rights plans	(a)	**638,308**	798,556	**638,308**	798,556
– Dividend Reinvestment Plan	(b)	**200,328**	79,340	**200,328**	79,340
– New shares – Equity Raising	(c)	**29,991,655**	117,358,390	**29,991,655**	117,358,390
– Employee share acquisition plan	(d)	**43,632**	28,536	**43,632**	28,536
– Share buy-back	(e)	**(894,908)**	(175,807)	**(894,908)**	(175,807)
Closing number of shares		**483,344,644**	453,365,629	**483,344,644**	453,365,629

(a) Represents options and rights exercised under the Company's share-based payments plans. Refer Note 23.

(b) 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.

(c) On 2 February 2009, Newcrest announced an Equity Raising at an issue price of $27.00 per share which represented a 12.9% discount to Newcrest's closing price on 30 January 2009. The Equity Raising resulted in 29,991,655 new ordinary shares being issued, resulting in cash proceeds of $809.8 million. Transaction costs associated with the Equity Raising were $17.1 million, resulting in net cash proceeds of $792.7 million.

On 10 September 2007, Newcrest announced a 7 for 20 accelerated renounceable entitlement offer to shareholders at an issue price of $17.40 per share. As a result, 117,358,390 new ordinary shares were issued, resulting in cash proceeds of $2,042.0 million. Transaction costs associated with the Equity Raising were $27.6 million, resulting in net cash proceeds of $2,014.4 million.

(d) The Employee Share Acquisition Plan is a broad based employee share plan. During the year, the Plan offered eligible employees fully paid shares for $Nil consideration.

(e) Comprises of the following on-market buy-backs:

	Shares Bought Back and Cancelled			
Date	No	Average Price	Low	High
28 August 2008	13,700	$26.45	$26.44	$26.45
7 October 2008	212,683	$24.68	$24.25	$24.96
8 October 2008	212,682	$24.50	$23.20	$25.43
16 June 2009	209,112	$31.46	$31.00	$31.86
17 June 2009	246,731	$30.94	$30.42	$31.24
	894,908			

The total cost of $25.1 million has been deducted from issued capital.

In order to prevent dilution of its share capital through the issue of shares under the Company's share-based payments plans and the Dividend Reinvestment Plan (DRP), the Company has determined that it will buy the corresponding number of shares on market as and when required. It is anticipated that on market buy-backs will be undertaken periodically in response to exercise of options or rights, or operation of the DRP. The share buy-back plan will only be used to purchase shares that are issued under the abovementioned plans.

20. RESERVES

		Consolidated		Parent	
		2009 $M	2008 $M	**2009 $M**	2008 $M
Equity Settlements Reserve	(a)	**27.6**	19.6	**27.6**	19.6
Foreign Currency Translation Reserve	(b)	**(93.6)**	(20.0)	**–**	–
Hedge Reserve	(c)	**(291.4)**	(460.8)	**–**	–
Total reserves		**(357.4)**	(461.2)	**27.6**	19.6

(a) Equity Settlements Reserve

The Equity Settlements Reserve is used to recognise the fair value of rights and options issued to employees, including Key Management Personnel in relation to equity-settled share based payments.

(b) Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record gains and losses on hedges of the net investment in foreign operations (refer Note 2(s)).

During the year, the Group drew down on its USD Bilateral debt facility. The loan proceeds were used to fund the acquisition of the Morobe Mining Joint Venture. This loan was designated as a hedge against the net assets of the foreign subsidiaries which hold the joint venture assets. The exchange gains or losses upon subsequent revaluation of the effective portion of this US dollar denominated debt from the historical drawdown rate to the period end spot exchange rate were deferred in equity in the foreign currency translation reserve, up until the bilateral debt facility was repaid. These cumulative gains or losses will remain deferred in equity until the disposal of the foreign operation, at which point they will be transferred to the Income Statement.

(c) Hedge Reserve

The hedge reserve is used to record the effective portion of changes in the fair value of cash flow hedges (refer Note 2(s)).

The components of the hedge reserve at year end were as follows:

	30 June 2009			30 June 2008		
	Gross Gains/ (Losses) $M	Tax Impact $M	Net Gains/ (Losses) $M	Gross Gains/ (Losses) $M	Tax Impact $M	Net Gains/ (Losses) $M
FX gains on US dollar denominated borrowings:						
– USD Bilateral debt [ii]	**12.0**	**(3.6)**	**8.4**	53.4	(16.0)	37.4
– USD Private placement notes	**26.8**	**(8.0)**	**18.8**	95.2	(28.6)	66.6
	38.8	**(11.6)**	**27.2**	148.6	(44.6)	104.0
Losses on hedge contracts [i]	**(454.9)**	**136.5**	**(318.4)**	(806.9)	242.1	(564.8)
Other cash flow hedges	**(0.3)**	**0.1**	**(0.2)**	–	–	–
	(416.4)	**125.0**	**(291.4)**	(658.3)	197.5	(460.8)

(i) Losses on hedge contracts

Losses on hedge contracts incurred in previous years (which were restructured/closed out in previous years) will be released to the Income Statement in line with the original sales to which they were designated. This has resulted in the following release profile:

	Current Year	To be Released in Future Years			
	2009 $M	2010 $M	2011 $M	2012 $M	Total $M
Hedge losses deferred in Equity	**352.0**	294.9	152.8	7.2	454.9
Tax effect	**(105.6)**	(88.5)	(45.8)	(2.2)	(136.5)
After tax hedge losses	**246.4**	206.4	107.0	5.0	318.4

For personal use only

20. RESERVES (continued)

(ii) FX gains on USD bilateral debt

Part of the proceeds from the September 2007 Equity Raising were used to repay US dollar denominated bilateral debt in full in 2008. This crystallised a cumulative foreign exchange gain on these borrowings, which had been designated as cash flow hedges of future US dollar denominated commodity sales. The foreign currency gains will be released to the Income Statement in line with the following release profile:

	Current Year	To be Released in Future Years	
	2009 $M	2010 $M	Total $M
FX gains on US dollar borrowings	**41.4**	12.0	12.0
Tax effect	**(12.4)**	(3.6)	(3.6)
After tax deferred FX gains	**29.0**	8.4	8.4

21. MINORITY INTEREST

	Consolidated	
	2009 $M	2008 $M
Minority interest in PT Nusa Halmahera Minerals comprises:		
Interest in share capital	**5.8**	5.8
Interest in Foreign Currency Translation Reserve	**(2.5)**	(4.1)
Interest in retained earnings	**39.1**	25.0
Total minority interest	**42.4**	26.7
Movement in interest in retained earnings		
Balance at the beginning of the year	**25.0**	17.8
Add: Interest in profit after income tax	**34.0**	29.1
Less: Interest in dividends paid	**(19.9)**	(21.9)
Balance at the end of the financial year	**39.1**	25.0

22. EMPLOYEE BENEFITS

Defined Benefit Superannuation Plan

The Group contributed to a defined benefit plan which was closed to new members. The defined benefit plan provided lump sum benefits based on years of service and final average salary. During the year the remaining employees of the plan retired or left the Group and the plan was subsequently closed.

The net benefit expense recognised in the Company and consolidated Income Statement during the year was $0.8m (2008: $0.5m).

23. SHARE-BASED PAYMENTS

(a) Newcrest Employee Share Acquisition Plan

Under the Newcrest Employee Share Acquisition Plan (ESAP or the plan), eligible employees are granted shares in Newcrest Mining Limited (the Company) for no cash consideration. All Australian resident permanent employees who have been continuously employed by the Group for a period of at least 1 year are eligible to participate in the plan. Employees may elect not to participate in the plan.

Under the plan, eligible employees may be granted up to $1,000 worth of fully paid ordinary shares in the Company for no consideration. The market value of shares issued under the plan, measured at the weighted average market price of the shares on the Australian Stock Exchange over a period of a week prior to the acquisition date, is recognised in the equity section of the Balance Sheet and as part of employee benefit costs, as equity settled share-based payments, in the Income Statement in the period the shares are granted.

Members of the plan receive all the rights of ordinary shareholders. Unrestricted possession of these shares occurs at the earliest of, 3 years from the date of issue or the date employment ceases. During 2009, 1,212 employees participated in the plan (2008: 951 employees).

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
Shares issued under the plan	**1.2**	1.0	**1.2**	1.0

23. SHARE-BASED PAYMENTS (continued)

(b) Restricted Share Plan and Executive Performance Share Plan

(i) Restricted Share Plan (MTI Plan)

The Restricted Share Plan (also referred to as the Medium Term Incentive (MTI) plan) is an annual incentive plan under which eligible employees are granted rights to receive ordinary fully paid shares in the Company (restricted rights). The amount of the award is determined by the Company's performance in the financial year immediately prior to the date the award is granted. Once awarded, the restricted rights vest at the end of 2 years (2008: 3 years), provided that the participating employee has been employed throughout the vesting period and achieves minimal acceptable personal performance. Each restricted right granted, initially entitles the holder to subscribe for one ordinary share. Company performance in relation to the award is measured according to the Company's Total Shareholder Returns (TSR) measured against a comparator group of companies over the previous financial year, taken from the FTSE Gold Mine Index.

In 2008 and 2009, managers and other selected High Performance Personnel participated in the MTI plan. In 2008, Executive Directors, executive general managers (being Key Management Personnel) and Senior Executives also participated in this plan. Due to changes in the Executive Performance Share Plan in 2009 (discussed below), the MTI plan was not offered to Executive Directors, executive general managers and senior executives in 2009.

(ii) Executive Performance Share Plan (LTI Plan)

The Executive Performance Share Plan (also referred to as the Long Term Incentive (LTI) plan) also entitles participants to receive rights to ordinary fully paid shares in the Company (performance rights). The Executive Directors, executive general managers and senior executives participate in this plan. The performance measures under the LTI plan changed during the year.

In the 2008 and prior financial years, the entitlement to receive performance rights was contingent on the Company achieving a performance hurdle over a 3 year forward period commencing on the date on which the performance rights were granted. As for the MTI Plan, Company performance is measured against the TSR of the same comparator group of companies. If TSR performance of the Company is below the threshold 50th percentile of TSR for the comparator group, then no award will be made. If the Company's TSR performance is at the 75th percentile of the comparator group, a 100% allocation will be made with a straight-line allocation occurring between the 50th and 75th percentile.

In the 2009 financial year, the performance measures for the performance rights granted in the 2009 financial year comprised of three equally weighted measures, being:

- Reserves growth;
- Comparative cost position; and
- Return on Capital Employed ('ROCE').

Each LTI measure was chosen by the Board as it is a key driver of company performance. Reserves growth and comparative cost Position being key drivers of shareholder return in a gold mining company, and ROCE being a direct measure of returns per unit of capital. Performance against each of these measures over the 3 year vesting period accounts for one third of any grant made to participants.

There is no ability to re-test performance under either Plan after the performance period.

(iii) Fair Value of Share Rights Granted

The assessed fair value at grant date of the share rights granted during the year ended 30 June 2009 was:

- $22.04 per share right for the MTI plan issue (2008: $35.64) and
- $22.00 per share right for the LTI plan issue (2008: $23.38).

The fair value is independently determined using a Black-Scholes option pricing model (2008: Monte Carlo simulation option pricing model). The model inputs for share rights granted during the year ended 30 June 2009 included:

- Exercise price: Nil (2008: Nil)
- Expected volatility: 40% (2008: 36%)
- Risk-free interest rate: 3.64% for MTI and 3.97% for LTI (2008: 6.69%)
- Expected life of right (years): 2 years for MTI and 3 years for LTI (2008: 3 years)
- Share price at grant date: $22.13 (2008: $35.85)
- Expected dividend yield: 0.2% (2008: 0.2%)

The expected volatility is based on historical volatility and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

(c) Executive Share Option Plan

The Newcrest Executive Share Option Plan provided for the allocation of 5 year options with performance hurdles and exercised conditions. This plan was replaced by the Restricted Share Plan and Executive Performance Share Plan during the 2004 financial year. No options were granted in the 2009 financial year (2008: Nil) under this plan. All remaining options granted under this plan vested during the year and were exercised.

23. SHARE-BASED PAYMENTS (continued)

(d) Movements in the Number of Rights and Options

Detailed information of share rights and employee options over unissued ordinary shares, proceeds received and the fair value of options exercised is set out below:

				Movement in Number of Options/Rights During the Year					
Grant Date	Exercise Date On or After	Expiry Date	Exercise Price $ [1]	Number at Beginning of Year	Granted	Forfeited	Exercised	Number at End of Year	Number Exercisable at End of Year
2009 – Consolidated and Company									
Options									
2 Dec 2003	2 Dec 2005	2 Dec 2008	$10.42	593,900	–	–	(593,900)	–	–
Shares Rights									
8 Nov 2005	8 Nov 2008	8 Nov 2010	–	62,008	–	(3,371)	(35,754)	22,883	22,883
14 Jul 2006	14 Jul 2009	14 Jul 2011	–	165,000	–	–	–	165,000	–
3 Nov 2006	3 Nov 2009	3 Nov 2011	–	251,919	–	(28,731)	(6,016)	217,172	2,265
8 Nov 2007	8 Nov 2010	8 Nov 2012	–	265,684	–	(34,657)	(2,638)	228,389	1,011
11 Nov 2008	11 Nov 2010	11 Nov 2012	–	–	162,931	(8,995)	–	153,936	–
11 Nov 2008	11 Nov 2011	11 Nov 2013	–	–	385,730	(5,375)	–	380,355	–
TOTAL				**1,338,511**	**548,661**	**(81,129)**	**(638,308)**	**1,167,735**	**26,159**
Weighted average exercise price				$5.45	$0.00	$0.00	$9.70	$0.00	$0.00
2008 – Consolidated and Company									
Options									
6 Feb 2003	6 Feb 2005	6 Feb 2008	$4.75	620,000	–	(37,500)	(582,500)	–	–
2 Dec 2003	2 Dec 2005	2 Dec 2008	$10.42	890,350	–	(87,250)	(209,200)	593,900	311,400
Share Rights									
5 Nov 2004	5 Nov 2007	5 Nov 2009	–	176,119	–	(176,119)	–	–	–
8 Nov 2005	8 Nov 2008	8 Nov 2010	–	79,695	–	(13,502)	(4,185)	62,008	–
14 Jul 2006	14 Jul 2009	14 Jul 2011	–	165,000	–	–	–	165,000	–
3 Nov 2006	3 Nov 2009	3 Nov 2011	–	274,557	4,732	(24,959)	(2,411)	251,919	–
8 Nov 2007	8 Nov 2010	8 Nov 2012	–	–	275,881	(9,948)	(249)	265,684	–
TOTAL				**2,205,721**	**280,613**	**(349,278)**	**(798,545)**	**1,338,511**	**311,400**
Weighted average exercise price				$6.82	$0.00	$3.78	$8.05	$5.45	$12.29

[1] In accordance with the Rules of the Newcrest Executive Option Plan, outstanding options in the February 2003 and December 2003 tranches had their exercise price recalculated as a result of the Equity Raising undertaken in September 2007.

24. FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Financial Risk Management Objectives and Policies

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to:

– Withstand significant changes in cash flow at risk scenarios and still meet all financial commitments as and when they fall due;
– Maintain the capacity to fund its forecasted project developments and exploration and acquisition strategies; and
– Maintain the equivalent of an investment grade credit rating of BBB to BBB+.

The Group continually monitors and tests its forecast financial position against these criteria. The Group has a detailed planning process that forms the basis of all cash flow forecasting and updates these plans through a monthly estimation process. The cash flow forecast is then used to stress test financial risk and forms the basis for the Capital Management Plan.

Credit, liquidity and market risk (including foreign exchange risk, commodity price risk and interest rate risk) arise in the normal course of the Group's business. These are managed under Board approved directives which underpin Group Treasury policies and processes. The Group's principal financial instruments, other than derivatives, comprise interest-bearing debt, finance leases, cash and short-term deposits. Other financial instruments include trade receivables and trade payables which arise directly from operations.

The Group's forecast financial risk position with respect to key financial objectives and compliance with treasury policy are regularly reported to the Board.

The following table discloses the carrying amounts of each class of financial asset and financial liabilities at year end.

	Consolidated		Parent	
Category	2009 $M	2008 $M	2009 $M	2008 $M
Financial assets				
Cash and cash equivalents	**366.4**	77.5	**0.3**	3.1
Loans and receivables	**281.7**	218.5	**1,774.0**	1,021.4
Derivatives at fair value through profit or loss	**28.3**	44.5	**1.6**	–
Financial liabilities				
Trade and other payables	**212.6**	177.7	**48.6**	63.5
Borrowings	**450.5**	368.6	**–**	–
Derivatives at fair value through profit or loss	**6.8**	6.1	**–**	2.4

(b) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative financial instruments. The Group's exposure to credit risk arises from the potential default of the counter party with a maximum exposure equal to the carrying amount of these financial assets as recorded in the financial statements.

It is the Group's policy that all customers who wish to trade on credit terms and providers of capital or financial counter parties are subject to a credit risk analysis including assessment of credit rating, short term liquidity and financial position. The Group obtains sufficient collateral (such as letter of credits) where appropriate from customers, as a means of mitigating the risk of financial loss from defaults. At the reporting date the value of collateral held was $34.8 million (2008: $3.6 million).

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There were no material impairments of receivables as at 30 June 2009 or 30 June 2008.

The majority of the Group's receivables are due from concentrate customers in Japan, China, Europe and Korea however as a result of the Group's credit policy, this credit risk is believed to be minimal. At balance date there were no other significant concentrations of credit risk.

The Group limits its counterparty credit risk on liquid funds and derivative financial instruments by dealing only with banks or financial institutions with credit ratings of at least A equivalent.

24. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

The ageing of trade and other receivables at the reporting date was as follows:

	Not Past Due $M	Past Due but Not Impaired Less than 30 Days $M	Past Due but Not Impaired Between 30 & 90 Days $M	Total $M
Consolidated				
2009				
Metal in concentrate receivables	170.4	–	–	170.4
Bullion awaiting settlement	18.9	–	–	18.9
GST receivable	27.0	–	–	27.0
Other receivables	65.1	0.3	–	65.4
	281.4	**0.3**	**–**	**281.7**
2008				
Metal in concentrate receivables	132.2	–	–	132.2
Bullion awaiting settlement	31.3	–	–	31.3
GST receivable	8.7	–	–	8.7
Other receivables	44.6	1.3	0.4	46.3
	216.8	**1.3**	**0.4**	**218.5**
Parent				
2009				
Metal in concentrate receivables	68.1	–	–	68.1
Bullion awaiting settlement	4.0	–	–	4.0
GST receivable	4.2	–	–	4.2
Other receivables	33.8	–	–	33.8
Amounts due from controlled entities	1,663.9	–	–	1,663.9
	1,774.0	**–**	**–**	**1,774.0**
2008				
Metal in concentrate receivables	27.1	–	–	27.1
Other receivables	9.6	–	–	9.6
Amounts due from controlled entities	984.7	–	–	984.7
	1,021.4	**–**	**–**	**1,021.4**

24. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(c) Liquidity Risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost-effective manner. The Group undertakes stress testing of operational cash flows which are matched with capital commitments to assess liquidity requirements. The Capital Management Plan is the formal record of the analysis and actions required in the next 12 months.

The Group maintains a balance between continuity of funding and flexibility through the use of loans and committed available credit lines. Included in Note 16 is a list of undrawn facilities that the Group has at its disposal to manage liquidity risk.

The following table reflects all contractually fixed repayments and interest resulting from recognised financial liabilities, including derivative financial instruments. For derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming financial years are presented.

	Less than 6 Months $M	Between 6–12 Months $M	Between 1–2 Years $M	Between 2–5 Years $M	Greater than 5 Years $M	Total $M
Consolidated						
2009						
Payables	212.3	0.3	–	–	–	212.6
Borrowings	11.6	14.5	28.9	342.0	193.8	590.8
Derivatives	6.8	–	–	–	–	6.8
	230.7	**14.8**	**28.9**	**342.0**	**193.8**	**810.2**
2008						
Payables	174.5	3.2	–	–	–	177.7
Borrowings	13.3	11.1	22.8	184.3	282.5	514.0
Derivatives	6.1	–	–	–	–	6.1
	193.9	**14.3**	**22.8**	**184.3**	**282.5**	**697.8**
Parent						
2009						
Payables	46.4	2.2	–	–	–	48.6
	46.4	**2.2**	**–**	**–**	**–**	**48.6**
2008						
Payables	63.5	–	–	–	–	63.5
	63.5	**–**	**–**	**–**	**–**	**63.5**

(d) Foreign Currency Risk

The Group undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The majority of the Group's revenue is denominated in US dollars whereas the majority of costs (including capital expenditure) are in Australian dollars. The Group's Balance Sheet can be affected significantly by movements in the USD:AUD exchange rate. The Group also has exposure to other foreign currencies such as the Indonesian Rupiah, Papua New Guinea Kina and Fiji Dollar. However, these exposures are not significant.

Measuring the exposure to foreign exchange risk is achieved by regularly monitoring and performing sensitivity analysis on the Group's financial position.

24. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

The carrying amounts of the Group's US dollar denominated financial assets and liabilities in entities which do not have a US Dollar functional currency at the reporting date are as follows:

	Consolidated		Parent	
US denominated balances	**2009 A$M**	2008 A$M	**2009 A$M**	2008 A$M
Financial assets				
Cash and cash equivalents	**48.4**	18.2	**–**	–
Trade and other receivables	**150.3**	132.2	**68.1**	21.8
Derivatives	**12.9**	–	**–**	–
	211.6	150.4	**68.1**	21.8
Financial liabilities				
Payables	**2.6**	3.2	**–**	–
Borrowings	**432.2**	363.8	**–**	–
Derivatives	**6.8**	6.1	**–**	2.4
	441.6	373.1	**–**	2.4
Net exposure	**(230.0)**	(222.7)	**68.1**	19.4

The Group seeks to mitigate the effect of its foreign currency exposure by borrowing in US dollars. Where considered appropriate the foreign currency component of the US dollar denominated debt is designated either as a:

- Cash flow hedge of future US dollar denominated commodity sales. Exchange gains or losses upon subsequent revaluation of US Dollar denominated borrowings from the historical drawdown rate to the period end spot exchange rate are deferred in equity in the Hedge Reserve and will be released to the Income Statement as the anticipated hedged US dollar denominated commodity sales to which the deferred gains/(losses) are designated, occur.
- Net investment in foreign operations. Exchange gains or losses upon subsequent revaluation of US dollar denominated borrowings from the historical drawdown rate to the period end spot exchange rate are deferred in equity in the Foreign Currency Translation Reserve and will be released to the Income Statement when the foreign operation is disposed.

Sensitivity Analysis

The following table details the Group's sensitivity to a 5% movement (i.e. increase and decrease) in the Australian dollar against the US dollar at the reporting date, with all other variables held constant.

	Impact on Profit After Tax Higher/(Lower)		Impact on Equity Higher/(Lower)	
	2009 $M	2008 $M	**2009 $M**	2008 $M
Consolidated				
AUD/USD +5%	**(6.3)**	(4.7)	**8.1**	7.4
AUD/USD –5%	**7.0**	5.2	**(9.0)**	(8.2)
Parent				
AUD/USD +5%	**(2.2)**	(0.6)	**(2.2)**	(0.6)
AUD/USD –5%	**2.4**	0.7	**2.4**	0.7

Significant assumptions used in the foreign currency exposure sensitivity analysis above include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of the last 5 years historical movements.
- The reasonably possible movement of 5% was calculated by taking the USD spot rate as at balance date, moving this spot rate by 5% and then reconverting the USD into AUD with the 'new spot-rate'. This methodology reflects the translation methodology undertaken by the Group.
- The translation of the net assets in subsidiaries with a functional currency other than AUD has not been included in the sensitivity analysis as part of the equity movement.
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next 12 months from balance date.
- The sensitivity analysis includes only the impact on the balance of financial assets and financial liabilities at balance date.

24. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(e) Commodity Price Risk

The Group's revenue is exposed to commodity price fluctuations, in particular to gold and copper prices. The Group has entered into copper forward sales contracts and gold put options to manage its exposure to movements in commodity prices. The carrying amount of the Group's derivative financial instruments as at the reporting date is as follows:

		Consolidated		Parent	
Financial Derivative Instruments	Note	**2009 $M**	2008 $M	**2009 $M**	2008 $M
Financial derivative assets					
Gold put options	(ii)	**15.4**	40.5	**–**	–
Quotational period derivatives[1]		**12.9**	4.0	**1.6**	–
		28.3	44.5	**1.6**	–
Disclosed as:					
Current		**13.5**	6.9	**1.6**	–
Non-current		**14.8**	37.6	**–**	–
		28.3	44.5	**1.6**	–
Financial derivative liabilities					
Foreign exchange contracts		**0.3**	–	**–**	–
Copper forward sales contracts	(i)	**6.5**	6.1	**–**	2.4
		6.8	6.1	**–**	2.4
Disclosed as:					
Current		**6.8**	6.1	**–**	2.4
Non-current		**–**	–	**–**	–
		6.8	6.1	**–**	2.4

[1] Represents the embedded derivatives relating to quotational period movements on commodity sales. Refer Note 2(v).

(i) Copper Forward Sales Contracts

The Group enters into copper forward sales contracts to effectively fix the US dollar cash flows receivable on the sale of certain copper concentrate. Copper forward sales contracts are not designated into hedge relationships and therefore fair value adjustments on these contracts are recognised in the Income Statement as 'Other income/expense'.

The following table details the copper forward sale contracts outstanding as at the reporting date for the Group and the Parent:

	2009			2008		
Copper forward sale contracts	Tonnes	Weighted Average Price US$	Fair Value A$M	Tonnes	Weighted Average Price US$	Fair Value A$M
Consolidated						
Maturing:						
Less than 3 months	**17,276**	**4,664**	**(6.5)**	28,814	8,272	(6.1)
Parent						
Maturing:						
Less than 3 months	**–**	**–**	**–**	8,200	8,205	(2.4)

24. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(ii) Gold Put Options

In September 2007, the Group entered into put options for a portion of its gold production in order to manage its exposure to commodity price risk. The put options allow the Group to maintain full exposure to any upwards movement in the gold price, providing it the right, but not the obligation, to deliver gold at the stated strike price.

The following table details the A$ gold put options outstanding as at the reporting date for the Group:

	2009			2008		
Consolidated	Ounces	Strike Price A$	Fair Value A$M	Ounces	Strike Price A$	Fair Value A$M
Maturing:						
Less than 1 year	**500,000**	**800**	**0.7**	500,000	800	2.9
Between 1–2 years	**500,000**	**800**	**5.1**	500,000	800	9.4
Between 2–3 years	**500,000**	**800**	**9.6**	500,000	800	13.2
Between 3–4 years	**–**	**–**	**–**	500,000	800	15.0
	1,500,000		**15.4**	2,000,000		40.5

The total premium paid for these options was $79.5 million which represented the fair value at the date entered. The fair value of these options is estimated using an option pricing model. The movement in fair value has been recognised in the Income Statement. Refer Note 3(l).

Sensitivity Analysis

The following table summarises the sensitivity of financial assets and financial liabilities held at balance date to movement in gold and copper commodity prices, with all other variables held constant. The 10% movement for gold and 10% movement for copper are based on reasonably possible changes, over a financial year, using an observed range of actual historical rates for the preceding 5-year period.

	Impact on profit (1) Higher/(Lower)				Impact on Equity (3) Higher/(Lower)			
	Consolidated		Parent		Consolidated		Parent	
Post-tax gain/(loss)	2009 $M	2008 $M	2009 $M	2008 $M	2009 $M	2008 $M	2009 $M	2008 $M
Gold (2)								
Gold +10%	**6.7**	(6.3)	**3.6**	2.4	**6.7**	(6.3)	**3.6**	2.4
Gold –10%	**(6.7)**	13.0	**(3.6)**	(2.4)	**(6.7)**	13.0	**(3.6)**	(2.4)
Copper								
Copper +10%	**0.7**	(1.7)	**0.4**	(1.2)	**0.7**	(1.7)	**0.4**	(1.2)
Copper –10%	**(0.7)**	1.7	**(0.4)**	1.2	**(0.7)**	1.7	**(0.4)**	1.2

(1) Represents the impact of the movement in commodity prices on the balance of the financial assets and financial liabilities at year end.

(2) The impact on profit predominantly relates to the change in value of the gold put options and the embedded derivative relating to quotational period movements on gold sales (refer Note 2(v)).

(3) As the majority of these derivatives are not in hedging relationships, all fair value movements are recognised in the Income Statement and therefore the impact on equity only represents retained earnings impacts.

24. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(f) Interest Rate Risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings which is evaluated regularly to align with interest rate views and defined risk appetite. Details of the Group's types and levels of debt are included in Note 16.

Interest rate exposure

The Group's interest rate exposure together with the effective interest rate for each class of financial assets and financial liabilities at balance date is summarised as follows:

	2009			**2008**		
Consolidated	Floating Interest $M	Fixed Interest $M	Effective Interest Rate %	Floating Interest $M	Fixed Interest $M	Effective Interest Rate %
Financial assets						
Cash and cash equivalents	**366.4**	**–**	**2.57**	77.5	–	5.24
	366.4	**–**		77.5	–	
Financial liabilities						
Lease liabilities – floating	**16.2**	**–**	**1.97**	–	–	–
Lease liabilities – fixed	**–**	**2.1**	**6.85**	–	4.8	6.85
Private placement – floating	**30.9**	**–**	**1.74**	26.0	–	5.13
Private placement – fixed	**–**	**401.3**	**5.62**	–	337.8	5.62
	47.1	**403.4**		26.0	342.6	
	319.3	**(403.4)**		51.5	(342.6)	

The other financial instruments of the Group not included in the above tables are non-interest bearing and not subject to interest rate risk.

The Parent does not have any material exposure to interest rate risk as the Group's bank bills and borrowings are held by subsidiaries.

Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates over a financial year using an observed range of actual historical rates for the preceding 3-year period.

	Impact on Profit Higher/(Lower)		**Impact on Equity Higher/(Lower)**	
Consolidated	**2009 $M**	2008 $M	**2009 $M**	2008 $M
Post-tax gain/(loss)				
+1% (100 basis points)	**2.2**	0.4	**2.2**	0.4
– 1% (100 basis points)	**(2.2)**	(0.4)	**(2.2)**	(0.4)

The Group's sensitivity to interest rates has increased during the current year due to higher cash balances resulting from the Equity Raising in February 2009.

There is no material impact on the Parent's net profit or other equity reserves from a 100 basis point increase or decrease in interest rates.

24. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(g) Fair Value

Except as detailed in the following table, the carrying amounts of financial assets and financial liabilities approximate their fair value.

Consolidated	Carrying Amount 2009 $M	Carrying Amount 2008 $M	Fair Value 2009 $M	Fair Value 2008 $M
Financial liabilities				
Borrowings:				
Fixed rate debt [1]	**(401.3)**	(337.8)	**(366.5)**	(320.8)

[1] Amount recorded at amortised cost and the movements in the fair valuation are not recorded on the Balance Sheet.

(h) Capital Management

The Group's objectives when managing capital are to maintain a strong capital base capable of withstanding significant cash flow variability, while providing the flexibility to pursue its growth aspirations. The Group aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns. The Group has a Capital Management Plan which is reviewed, updated and approved by the Board on an annual basis

The capital structure of the Group consists of debt, which includes borrowings as disclosed in Note 16, cash and cash equivalents and equity.

The Group will balance its overall capital structure through the issue of new shares, share buy-backs, capital returns and the payment of dividends, as well as the issue of new debt or redemption of existing debt.

During 2009, the Group undertook an Equity Raising to reduce debt. Refer Note 19 for further details.

The Group is not subject to any externally imposed capital requirements.

Gearing Ratio

The Group's gearing ratio is monitored and maintained at a level that is appropriate for its growth plans and in line with industry peers. The Group's strategy is to maintain gearing in a range below 20% and maintain the equivalent of an investment grade credit rating of BBB to BBB+. In the current financial and economic environment, the Group will look to hold gearing below 10%.

The Group's gearing has decreased from the prior year as a result of the Equity Raising and debt redemption in February 2009. The gearing ratio at year end was as follows:

	2009 $M	2008 $M
Total debt	**450.5**	368.6
Less: Cash and cash equivalents	**(366.4)**	(77.5)
Net debt	**84.1**	291.1
Equity	**4,358.4**	3,251.9
Total capital (net debt and equity)	**4,442.5**	3,543.0
Gearing ratio	**2%**	8%

25. COMMITMENTS

(a) Finance Lease Commitments

Finance leases were entered into as a means of financing the acquisition of mining equipment. Rental payments are fixed and no leases have escalation clauses. No lease arrangements create restrictions on other financing transactions. Lease payments under finance leases are as follows:

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
Within 1 year	**5.3**	2.8	**–**	–
Later than 1 year but not later than 5 years	**13.4**	2.6	**–**	–
Later than 5 years	**–**	–	**–**	–
Total minimum lease payments	**18.7**	5.4	**–**	–
Less future finance charges	**(0.4)**	(0.6)	**–**	–
Present value of minimum lease payments	**18.3**	4.8	**–**	–
Included in the financial statements as borrowings (Note 16):				
Current	**5.0**	2.6	**–**	–
Non-current	**13.3**	2.2	**–**	–
	18.3	4.8	**–**	–

(b) Capital Expenditure Commitments

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
Capital expenditure contracted but not provided for, all of which is payable as follows:				
Within 1 year	**102.6**	98.0	**13.2**	2.4
Total	**102.6**	98.0	**13.2**	2.4

This represents contracted mining development expenditure.

(c) Operating Lease Commitments

	Consolidated		Parent	
	2009 $M	2008 $M	**2009 $M**	2008 $M
Future minimum rentals payable on non-cancellable operating leases due:				
Within 1 year	**12.3**	9.2	**3.3**	5.1
Later than 1 year but not later than 5 years	**9.3**	3.9	**5.3**	3.7
Later than 5 years	**0.8**	1.6	**0.8**	1.5
Total	**22.4**	14.7	**9.4**	10.3

The Group leases assets for operations including forklifts, light vehicles and office equipment. These leases have an average life of 6 years with no renewal options included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

(d) Mineral and Exploration Leases

Expenditure of $5.0 million (2008: $8.4 million) is required in the next financial year to satisfy mineral leases and exploration licences conditions. These amounts are subject to negotiation depending on exploration results and are cancellable at any time by the Group at no cost.

(e) Other Commitments

The Group has contractual obligations for various expenditures such as royalties, exploration and the cost of goods and services supplied to the Group. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business.

26. CONTINGENT LIABILITIES

Following a tax audit of PT Nusa Halmahera Minerals, an 82.5% owned Indonesian subsidiary, the Indonesian tax office denied the tax deductibility of a number of items relating to the fiscal years 1997–2002. The majority of the claim related to the rejection by the tax office of the deductibility of pre-Contract of Work expenditure. The Company defended this claim, and was successful in October 2007 at the Tax Court. Taxes and interest on underpaid tax of US$12.5 million plus interest income on overpaid tax of US$4.8 million were refunded/paid by the tax office to PT Nusa Halmahera Minerals. The tax office has appealed this decision to the Supreme Court (final court of appeal), and a decision by the Supreme Court may possibly occur during the year to 30 June 2010. Based on independent advice, the Company believes it will be successful in defending this claim.

PT Nusa Halmahera Minerals has been named as a defendant in proceedings in a local Indonesian court regarding customary ownership of land situated within the Gosowong Contract of Work. The proceedings have been initiated by five local residents seeking compensation. PT Nusa Halmahera Minerals has received independent legal advice and believe the claim is without merit.

In the 2008 financial year, the NSW Supreme Court found in favour of Newcrest as plaintiff with respect to the obligation to pay mineral royalties on production from the Cadia Valley operations. The Supreme Court ordered the State of NSW to refund Newcrest $10.9 million in royalty and interest payments relating to the 2008 and prior financial years. The decision was appealed by the State of NSW and the matter went to the NSW Court of Appeal ('the Court'). Subsequent to year end, the Court upheld the State of NSW's appeal. Newcrest has sought leave to appeal this matter in the High Court of Australia. The financial impact of the Court's decision is considered to be a 2010 financial year transaction and has not been provided for in the 30 June 2009 financial statements.

In addition to the above matters, companies in the Group are recipients of or defendants in certain claims, suits and complaints made, filed or pending. In the opinion of the Directors all matters are of such a kind, or involve such amounts, that they would 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.

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 balance date is $117.4 million (2008: $80.5 million).

During the year ended 30 June 1998 the Group granted put options over land to a number of land holders in the Orange area in New South Wales, which have various expiry dates. If exercised the Group would be required to purchase land subject to the put option agreements. No account has been taken of these options as at 30 June 2009 as there is no certainty of their exercise. The total value of unexpired land options at 30 June 2009 is $3.0 million (2008: $3.0 million).

Under the terms of a Deed of Cross Guarantee, described in Note 28, the Company and controlled entities party to the deed have guaranteed any deficiency which might arise in relation to the Company or any of the controlled entities party to the deed on winding-up of that entity.

27. CONTROLLED ENTITIES

Entity	Notes	Place of Incorporation	Percentage Holding 2009 %	Percentage Holding 2008 %
Newcrest Mining Limited		Australia (Vic)		
Newcrest Operations Limited	(a)	Australia (WA)	**100**	100
Cadia Mines Pty Ltd	(b)	Australia (Vic)	**100**	100
Cadia Holdings Pty Ltd	(a)	Australia (NSW)	**100**	100
Contango Agricultural Co. Pty Ltd	(b)	Australia (NSW)	**100**	100
Newcrest Finance Pty Ltd	(a)	Australia (Vic)	**100**	100
Horskar Pty Limited	(b)	Australia (Vic)	**100**	100
Australmin Holdings Limited	(e)	Australia (ACT)	**100**	100
Cracow Holdings Pty Ltd	(b)	Australia (Vic)	**100**	100
Newgen Pty Ltd	(b)	Australia (Vic)	**100**	100
Newcrest International Pty Ltd	(a)	Australia (Vic)	**100**	100
Newcrest Exploration Holdings Pty Ltd	(a)	Australia (Vic)	**100**	100
Sulawesi Investments Pty Ltd	(a)	Australia (Vic)	**100**	100
Newcrest Resources Inc	(b)	USA	**100**	100
Newroyal Resources Inc	(b)	USA	**100**	100
600 Holdings Inc	(b)	USA	**100**	100
Newmont Pty Ltd	(b)	USA	**100**	100
Newcrest Singapore Holdings Pte Limited	(d)	Singapore	**100**	100
Newcrest Insurance Pte Ltd	(c)	Singapore	**100**	100
PT Nusa Halmahera Minerals	(c)	Indonesia	**82.5**	82.5
PT Puncakbaru Jayatama	(c)	Indonesia	**100**	100
Newcrest Chile Holdings 1	(b)	Bermuda	**100**	100
Newcrest Chile Holdings 2	(b)	Bermuda	**100**	100
Newcrest Peru Holdings 1	(b)	Bermuda	**100**	100
Newcrest Peru Holdings 2	(b)	Bermuda	**100**	100
Minera Newcrest Chile SRL	(b)	Chile	**100**	100
Minera Newcrest Peru SAC	(b)	Peru	**100**	100
Newcrest (Fiji) Ltd	(b)	Fiji	**100**	100
Newcrest PNG 1 Ltd	(d)	Papua New Guinea	**100**	100
Newcrest PNG 2 Ltd	(d)	Papua New Guinea	**100**	100
Newcrest PNG 3 Ltd	(d)	Papua New Guinea	**100**	100

(a) These controlled entities have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. (Refer Note 28 for further information.)
(b) Not required to prepare audited accounts.
(c) Audited by affiliates of the Parent entity auditors.
(d) Audited by auditors other than Parent entity auditors.
(e) Audited by Parent entity auditors.

For personal use only

28. DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned controlled entities detailed in Note 27 are relieved from the *Corporations Act 2001* requirements for preparation, audit, and lodgement of financial reports, and Directors' Report.

It is a condition of the Class Order that the Company and each of the controlled entities enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The controlled entities have also given similar guarantees in the event that the Company is wound up.

A consolidated Income Statement and consolidated Balance Sheet, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2009 are set out below.

	Consolidated	
Income Statement	**2009 $M**	2008 $M
Operating sales revenue	**2,057.2**	1,986.3
Cost of sales	**(1,460.2)**	(1,359.0)
Gross profit	**597.0**	627.3
Exploration costs	**(30.0)**	(29.4)
Corporate administration costs	**(66.4)**	(57.2)
Operating profit	**500.6**	540.7
Other revenue	**230.6**	13.7
Other income/(expenses)	**3.1**	18.0
Losses on delivered hedges	**–**	(33.8)
Finance costs	**(39.5)**	(43.3)
Profit before tax, restructure and close-out impacts	**694.8**	495.3
Losses on restructured and closed-out hedge contracts	**(352.0)**	(314.1)
Other close-out related costs	**(25.1)**	(217.7)
Finance costs – close-out and restructure	**–**	(20.9)
Foreign exchange gain on US dollar borrowings	**41.4**	39.0
Profit/(loss) before income tax	**359.1**	(18.4)
Income tax (expense)/benefit	**(38.7)**	45.6
Profit/(loss) after income tax	**320.4**	27.2

28. DEED OF CROSS GUARANTEE (continued)

Balance Sheet	Consolidated 2009 $M	Consolidated 2008 $M
Current assets		
Cash and cash equivalents	**285.8**	25.6
Trade and other receivables	**590.3**	70.7
Inventories	**219.5**	190.5
Financial derivative assets	**13.5**	38.3
Other	**153.3**	77.3
Total current assets	**1,262.4**	402.4
Non-current assets		
Other receivables	**8.7**	–
Inventories	**–**	1.4
Other financial assets	**356.0**	37.1
Property, plant and equipment	**1,338.9**	1,382.7
Exploration, evaluation and development expenditure	**1,679.8**	1,401.1
Intangible assets	**32.5**	–
Deferred tax assets	**403.5**	490.7
Financial derivative assets	**14.7**	–
Other	**157.5**	316.7
Total non-current assets	**3,991.6**	3,629.7
Total assets	**5,254.0**	4,032.1
Current liabilities		
Trade and other payables	**145.2**	152.9
Borrowings	**0.7**	2.6
Financial derivative liabilities	**6.8**	–
Provisions	**77.1**	40.6
Other	**1.1**	–
Total current liabilities	**230.9**	196.1
Non-current liabilities		
Borrowings	**433.6**	366.0
Deferred tax liabilities	**387.4**	371.1
Provisions	**58.0**	54.3
Other	**0.5**	6.9
Total non-current liabilities	**879.5**	798.3
Total liabilities	**1,110.4**	994.4
Net assets	**4,143.6**	3,037.7
Equity		
Issued capital	**3,641.6**	2,857.4
Retained earnings	**884.9**	631.7
Reserves	**(382.9)**	(451.4)
Total equity	**4,143.6**	3,037.7

29. INTERESTS IN UNINCORPORATED JOINT VENTURE ASSETS

(a) Interests

The Group has an interest the following unincorporated joint ventures:

Name	Country	Principal Activity	Ownership Interest 2009	2008
Cracow JV	Australia	Gold production and mineral exploration	**70.0%**	70.0%
Morobe Mining JV	Papua New Guinea	Gold production and mineral exploration	**50.0%**	–
Namosi JV	Fiji	Mineral exploration	**65.0%** (i)	–

(i) During the year, Newcrest completed its initial $21.5 million of expenditure and earned a 65.0% interest in the Namosi Joint Venture. On 15 May 2009, Newcrest accepted the transfer of an additional 4.94% interest in the Joint Venture. This transfer is subject to Fiji government approval.

For operating and capital expenditure commitments and contingent liability disclosures relating to the joint ventures refer to Note 25 and Note 26 respectively.

Included in the assets of the Group are the following items which represent the Group's material interest in the assets employed in the joint ventures, recorded in accordance with the accounting policy described in Note 2(c).

	Consolidated		Parent	
Joint Ventures	**2009 $M**	2008 $M	**2009 $M**	2008 $M
Current assets				
Cash assets	**12.1**	0.5	**–**	–
Receivables	**0.5**	–	**–**	–
Inventories	**23.1**	2.3	**–**	–
Other assets	**4.0**	4.9	**–**	–
	39.7	7.7	**–**	–
Non-current assets				
Property, plant and equipment	**86.9**	20.4	**–**	–
Exploration, evaluation and development	**666.5**	38.3	**–**	–
Other assets	**8.4**	–	**–**	–
	761.8	58.7	**–**	–
	801.5	66.4		

(b) Acquisition of Interest in the Morobe Mining Joint Venture

During the year Newcrest acquired a 50% interest in the Papua New Guinea (PNG) gold assets of Harmony Gold Mining Ltd (Harmony) via unincorporated joint venture structures. The joint venture assets comprise:

- The Hidden Valley mining operation, a gold and silver project, expected to produce over 250,000 ounces of gold and 4 million ounces of silver per annum over a 14-year mine life;
- The highly prospective Wafi-Golpu gold-copper deposit and its surrounding exploration tenements; and
- Extensive exploration tenements in the Morobe province of PNG.

The acquisition of the interest in the joint ventures comprised two stages:

- In the first stage, which was completed on 7 August 2008, Newcrest acquired an initial 30.01% interest for cash consideration of US$228.0 million (A$249.4 million) consisting of an initial payment of US$180.0 million together with a reimbursement to Harmony of US$48.0 million in project expenditure incurred between 1 January 2008 and 7 August 2008.
- The second stage represented a farm-in commitment for the remaining 19.99% interest. In this stage, Newcrest solely funded all project expenditure up to 30 June 2009 which totalled US$297.7 million (A$420.8 million).

29. INTERESTS IN UNINCORPORATED JOINT VENTURE ASSETS (continued)

Newcrest's 50% interest in the net assets of the Morobe Mining JV at 7 August 2008 is detailed below.

	7 Aug 2008 $M
Current assets	
Trade and other receivables	0.6
Inventory	1.6
Non-current assets	
Exploration, evaluation and development assets	441.3
Property, plant and equipment	45.7
Current liabilities	
Borrowings	3.3
Provisions	0.9
Non-current liabilities	
Borrowings	13.7
Provisions	0.7
Net assets	**470.6**

Cash outflow from the acquisition of and subsequent expenditure on the Morobe Mining JV is reconciled to the Cash Flow Statement as follows:

	30 Jun 2009 $M
Cash outflow	
Stage 1 Payments	(249.4)
Stage 2 Payments	(420.8)
Stamp duty and acquisition costs	(7.1)
Total cash outflow	**(677.3)**
Included in the Cash flow Statement as follows:	
Acquisition of interest in joint venture	(470.6)
Payments for mines under construction and development	(190.7)
Exploration and evaluation expenditure	(16.0)
	(677.3)

30. SEGMENT INFORMATION

The Group's primary segment reporting format is geographical segments as the Group's risk and rates of return are affected predominantly by the location of the mine sites. The operating businesses are organised and managed separately according to their location. Cadia Valley Operations, Telfer and Cracow are located in Australia. Gosowong is located in Indonesia and Morobe is located in Papua New Guinea.

Geographical Segments (Primary Reporting Format based on location of mine sites)

	Cadia Valley Operations $M	Gosowong $M	Telfer [iii] $M	Cracow $M	Morobe $M	Group and Unallocated [i] $M	Total $M
2009							
External sales revenue [ii]	991.5	473.6	985.4	80.3	–	–	2,530.8
Other revenue	–	–	–	–	–	8.3	8.3
Total segment revenue	991.5	473.6	985.4	80.3	–	8.3	2,539.1
Segment EBITDA	474.5	332.3	302.8	44.9	–	(443.1)	711.4
Depreciation and amortisation	(53.0)	(40.8)	(162.4)	(13.8)	–	3.2	(266.8)
Segment result [ii]	**421.5**	**291.5**	**140.4**	**31.1**	**–**	**(439.9)**	**444.6**
Finance costs						(34.9)	(34.9)
Income tax expense						(127.6)	(127.6)
Consolidated net profit							**282.1**
Segment assets	1,571.4	314.0	2,135.2	75.9	749.6	769.9	5,616.0
Segment liabilities	102.0	71.1	100.9	6.8	65.7	911.1	1,257.6
Other segment information							
Acquisition of segment assets	388.6	131.4	82.4	35.4	740.4	46.1	1,424.3

[i] Includes eliminations, hedging, interest, income tax, financing, restructure and close-out impacts.
[ii] Segment sales revenue and segment results by mine location includes gold and copper sales at unhedged prices. Mine results do not include allocation of hedging and interest costs. These are included in Group and Unallocated.
[iii] Includes gas disruption costs of $8.6 million.

	Cadia Valley Operations $M	Gosowong $M	Telfer [iii] $M	Cracow $M	Morobe $M	Group and Unallocated [i] $M	Total $M
2008							
External Sales revenue [ii]	1,166.9	376.8	749.6	69.8	–	–	2,363.1
Other revenue	2.9	4.4	–	–	–	13.1	20.4
Total segment revenue	1,169.8	381.2	749.6	69.8	–	13.1	2,383.5
Segment EBITDA	665.9	275.3	164.8	33.0	–	(596.1)	542.9
Depreciation and amortisation	(69.2)	(36.9)	(153.6)	(13.5)	–	(5.4)	(278.6)
Segment result [ii]	**596.7**	**238.4**	**11.2**	**19.5**	**–**	**(601.5)**	**264.3**
Finance costs						(64.3)	(64.3)
Income tax expense						(36.6)	(36.6)
Consolidated net profit							**163.4**
Segment assets	1,284.3	216.2	2,172.1	73.7	–	577.6	4,323.9
Segment liabilities	259.5	65.4	104.7	5.2	–	637.2	1,072.0
Other segment information							
Acquisition of segment assets	209.0	58.0	52.8	8.4	–	55.3	383.5

[i] Includes eliminations, hedging, interest, income tax, financing, restructure and close-out impacts.
[ii] Segment sales revenue and segment results by mine location includes gold and copper sales at unhedged prices. Mine results do not include allocation of hedging and interest costs. These are included in Group and Unallocated.

30. SEGMENT INFORMATION (continued)

Geographical Segments (based on location of customers)

	Sales Revenue from External Customers 2009 $M	2008 $M
Bullion		
Australia	**858.2**	752.3
Other Asia	**1.8**	12.2
Concentrate		
Japan	**989.7**	919.1
Korea	**134.6**	95.2
China	**103.8**	18.3
Europe [1]	**364.2**	360.2
USA [1]	**78.5**	205.8
Total sales revenue	**2,530.8**	2,363.1

[1] The majority of concentrate sales to customers in Europe and the USA are shipped to smelters in Japan, Korea and China.

Business Segments (Secondary Reporting Format)

The Group operates predominantly in one business segment being the gold mining industry and derives its revenue from the sale of gold and gold/copper concentrate.

31. RELATED PARTIES

Transactions with controlled entities

The Company is the ultimate parent entity of all entities detailed in Note 27, undertaking transactions with those controlled entities, the effects of which are eliminated in the consolidated financial statements. Details of amounts due from controlled entities are disclosed in Note 8. These amounts are unsecured and interest-free, and settlement occurs in cash.

Transactions with joint venture

The Group advanced $49.2 million (2008: $43.6 million) to the Cracow Mining Joint Venture of which it has an interest of 70%. The Group then received its 70% share of the gold bullion output which was 67,326oz (2008: 75,569oz) which is then sold and received $80.3 million (2008: $69.8 million) in sales revenue.

32. KEY MANAGEMENT PERSONNEL

(a) Details of Directors and Key Management Personnel

Key Management Personnel as defined in AASB 124 *Related Party Disclosures*, comprise the Company Directors and executive general managers. Herein Directors are referred to as Directors and the term Key Management Personnel refers to the executive general managers who are members of the Company's Executive Committee along with the Director Finance and the Managing Director. The members of this Executive Committee exercise the greatest control over the management and strategic direction of the Group and are also the highest-paid individuals in both the Parent entity and Group.

Name	Position
Directors	
Ian Smith	Managing Director and Chief Executive Officer
Greg Robinson	Director Finance
Don Mercer	Non-Executive Chairman
John Spark	Non-Executive Director
Rick Lee	Non-Executive Director
Tim Poole	Non-Executive Director
Richard Knight	Non-Executive Director
Vince Gauci	Non-Executive Director (Appointed 10 December 2008)
Bryan Davis	Non-Executive Director (Resigned 30 October 2008)
Mick O'Leary	Non-Executive Director (Resigned 30 October 2008)
Executives	
Bernard Lavery	Executive General Manager Corporate Services and Company Secretary
Ron Douglas	Executive General Manager Development and Projects
Colin Moorhead	Executive General Manager Minerals
Debra Stirling	Executive General Manager People, Communication and Environment
Geoff Day	Executive General Manager Operations (Appointed 10 November 2008)
Tim Lehany	Executive General Manager Operations (Resigned 31 October 2008)
Dan Wood	Exploration Executive (Resigned 30 September 2008)

(b) Remuneration of Directors and Key Management Personnel

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Short-term	**12,992**	11,827	**12,992**	11,827
Post-employment	**187**	170	**187**	170
Termination benefits	**1,646**	–	**1,646**	–
Share-based payments	**3,601**	2,626	**3,601**	2,626
	18,426	14,623	**18,426**	14,623

(c) Loans to Directors and Key Management Personnel

There are no loans made to Directors and Key Management Personnel, or their related entities, by the Company or its controlled entities.

(d) Options Held by Directors and Key Management Personnel

All options refer to options over ordinary shares of Newcrest, which are exercisable on a one-for-one basis under the Executive Share Option Plan. (refer Note 23(c).) At year end, all options granted under this plan had vested and were exercised. No new options were granted.

The movements during the year in the number of options over ordinary shares in Newcrest, held directly, indirectly or beneficially, by each Key Management Personnel, including their personally related entities are shown in the following table.

					Movement During the Year				
Key Management Personnel	Grant Date	Expiry Date	Exercise Price	Balance at 1 July 2008	Options Exercised	Amount Paid to Exercise Options	Options Lapsed	Balance at 30 June 2009	Options Vested During the year
Dan Wood	2 Dec 2003	2 Dec 2008	$10.42	94,000	(94,000)	$979,480	–	–	25,000
Bernard Lavery	2 Dec 2003	2 Dec 2008	$10.42	94,000	(94,000)	$979,480	–	–	25,000
Tim Lehany	2 Dec 2003	2 Dec 2008	$10.42	17,500	(17,500)	$182,350	–	–	17,500
Colin Moorhead	2 Dec 2003	2 Dec 2008	$10.42	18,800	(18,800)	$195,896	–	–	5,000

32. KEY MANAGEMENT PERSONNEL (continued)

(e) Rights Held by Directors and Key Management Personnel

All conditional entitlements refer to rights over ordinary shares of Newcrest, which are exercisable on a one-for-one basis under the Executive Performance Plans (including the Restricted Share Plan and the Executive Performance Share Plan). The movements in the year in the number of rights over ordinary share in Newcrest, held directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally related entities is shown in the following table.

					Movements During The Year					
Directors and Key Management Personnel	Grant Date	Type	Share Price at Grant Date	Balance at 1/07/08	Rights Granted	Rights Exercised	Rights Lapsed	Balance at 30/06/09	Vested & Exercisable 30/06/09	Non-Vested
Ian Smith	14 Jul 2006	LTI	$19.52	165,000	–	–	–	165,000	–	165,000
	3 Nov 2006	MTI	$24.10	8,845	–	–	–	8,845	–	8,845
	3 Nov 2006	LTI	$24.10	42,881	–	–	–	42,881	–	42,881
	9 Nov 2007	MTI	$35.85	7,373	–	–	–	7,373	–	7,373
	9 Nov 2007	LTI	$35.85	35,446	–	–	–	35,446	–	35,446
	11 Nov 2008	LTI	$22.13	–	100,048	–	–	100,048		100,048
Greg Robinson	3 Nov 2006	MTI	$24.10	4,245	–	–	–	4,245	–	4,245
	3 Nov 2006	LTI	$24.10	12,007	–	–	–	12,007	–	12,007
	9 Nov 2007	MTI	$35.85	4,915	–	–	–	4,915	–	4,915
	9 Nov 2007	LTI	$35.85	8,862	–	–	–	8,862	–	8,862
	11 Nov 2008	LTI	$22.13	–	50,024	–	–	50,024	–	50,024
Bernard Lavery	8 Nov 2005	MTI	$18.98	4,251	–	–	–	4,251	4,251	–
	3 Nov 2006	MTI	$24.10	3,489	–	–	–	3,489	–	3,489
	3 Nov 2006	LTI	$24.10	6,340	–	–	–	6,340	–	6,340
	9 Nov 2007	MTI	$35.85	2,777	–	–	–	2,777	–	2,777
	9 Nov 2007	LTI	$35.85	5,007	–	–	–	5,007	–	5,007
	11 Nov 2008	LTI	$22.13	–	16,508	–	–	16,508		16,508
Colin Moorhead	8 Nov 2005	MTI	$18.98	582	–	(582)	–	–	–	–
	3 Nov 2006	MTI	$24.10	1,932	–	–	–	1,932	–	1,932
	3 Nov 2006	LTI	$24.10	1,005	–	–	–	1,005	–	1,005
	9 Nov 2007	MTI	$35.85	3,768	–	–	–	3,768	–	3,768
	9 Nov 2007	LTI	$35.85	1,941	–	–	–	1,941	–	1,941
	11 Nov 2008	LTI	$22.13	–	18,554	–	–	18,554	–	18,554
Ron Douglas	9 Nov 2007	MTI	$35.85	3,195	–	–	–	3,195	–	3,195
	9 Nov 2007	LTI	$35.85	5,760	–	–	–	5,760	–	5,760
	11 Nov 2008	LTI	$22.13	–	18,554	–	–	18,554	–	18,554
Debra Stirling	9 Nov 2007	MTI	$35.85	3,097	–	–	–	3,097	–	3,097
	9 Nov 2007	LTI	$35.85	5,583	–	–	–	5,583	–	5,583
	11 Nov 2008	LTI	$22.13	–	17,190	–	–	17,190	–	17,190
Geoff Day	11 Nov 2008	LTI	$22.13	–	18,554	–	–	18,554	–	18,554
Former KMP										
Dan Wood	8 Nov 2005	MTI	$18.98	4,890	–	(4,720)	(170)	–	–	–
	3 Nov 2006	MTI	$24.10	4,013	–	(2,554)	(1,459)	–	–	–
	3 Nov 2006	LTI	$24.10	7,294	–	–	(2,651)	4,643	–	4,643
	9 Nov 2007	MTI	$35.85	3,195	–	(951)	(2,244)	–	–	–
	9 Nov 2007	LTI	$35.85	5,760	–	–	(4,045)	1,715	–	1,715
Tim Lehany	8 Nov 2005	MTI	$18.98	2,047	–	(2,034)	(13)	–	–	–
	3 Nov 2006	MTI	$24.10	2,650	–	(1,762)	(888)	–	–	–
	3 Nov 2006	LTI	$24.10	1,375	–	–	(461)	914	–	914
	9 Nov 2007	MTI	$35.85	3,342	–	(1,090)	(2,252)	–	–	–
	9 Nov 2007	LTI	$35.85	6,026	–	–	(4,061)	1,965	–	1,965

32. KEY MANAGEMENT PERSONNEL (continued)

(f) Shareholdings of Directors and Key Management Personnel

Shares held in Newcrest Mining Limited

Directors and Key Management Personnel	Balance at 1 July 2008	Received as Remuneration	Acquired on Exercise Rights of & Options	Net Other Changes	Balance at 30 June 2009
Directors					
Ian Smith	4,050	–	–	185	4,235
Greg Robinson	4,050	–	–	185	4,235
Don Mercer	15,176	–	–	370	15,546
John Spark	17,550	–	–	555	18,105
Rick Lee	11,000	–	–	5,185	16,185
Tim Poole	4,050	–	–	185	4,235
Richard Knight	10,000	–	–	185	10,185
Bryan Davis	22,629	–	–	(22,629)	–
Mick O'Leary	19,636	–	–	(19,636)	–
Executive General Managers					
Bernard Lavery	100,000	–	94,000	(183,815)	10,185
Ron Douglas	–	–	–	–	–
Colin Moorhead	32,750	–	19,382	(19,815)	32,317
Debra Stirling	5,603	–	–	–	5,603
Geoff Day	–	–	–	–	–
Dan Wood	250,325	–	102,225	(352,550)	–
Tim Lehany	3,330	–	22,386	(25,716)	–

(g) Other Transactions of Directors and Key Management Personnel

Transactions are conducted by entities within the Group with Directors and KMP that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with an unrelated person.

33. REMUNERATION OF AUDITORS

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
(a) Amounts received, or due and receivable, for the audit and review of the financial reports of the entity by:				
– Ernst & Young (Australia)	**650,158**	711,665	**618,612**	670,460
– Related practices of Ernst & Young (Australia)	**107,729**	44,309	**–**	–
Total audit fees	**757,887**	755,974	**618,612**	670,460
(b) Amounts receivable, or due and receivable for other services in relation to the entity: (i)				
– Ernst & Young (Australia)	**375,113**	1,314,147	**375,113**	1,314,147
– Other firms	**–**	–	**–**	–
Total other service fees	**375,113**	1,314,147	**375,113**	1,314,147
Total remuneration of auditors	**1,133,000**	2,070,121	**993,725**	1,984,607

(i) Other services comprised:
- Advice and assurance services in relation to information technology systems development, $295,802 (2008: $912,608);
- Assurance services in relation to the Equity Raising, $20,000 (2008: $401,539); and
- Assurance services in respect of acquisitions, $59,311 (2008: Nil).

34. EVENTS SUBSEQUENT TO REPORTING DATE

In the 2008 financial year, the NSW Supreme Court found in favour of Newcrest as plaintiff with respect to the obligation to pay mineral royalties on production from the Cadia Valley operations. The Supreme Court ordered the State of NSW to refund Newcrest $10.9 million in royalty and interest payments relating to the 2008 and prior financial years. The decision was appealed by the State of NSW and the matter went to the NSW Court of Appeal ('the Court'). Subsequent to year end, the Court upheld the State of NSW's appeal. Newcrest has sought leave to appeal this matter in the High Court of Australia. The financial impact of the Court's decision is considered to be a 2010 financial year transaction and has not been provided for in the 30 June 2009 financial statements, but instead has been disclosed as a contingent liability.

On 17 August 2009, the Directors of Newcrest Mining Limited declared a final unfranked dividend on ordinary shares in respect of the 2009 financial year. The total amount of the dividend is $72.5 million, which represents an unfranked dividend of 15c per share. The dividend has not been provided for in the 30 June 2009 financial statements.

There are no other matters or circumstances which have arisen since 30 June 2009 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.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Newcrest Mining Limited, we state that:

1. In the opinion of the Directors:
   (a) The financial statements, notes and additional disclosures included in the Directors' Report designated as audited, of the Company and of the Group are in accordance with the *Corporations Act 2001,* including:
      (i) Giving a true and fair view of the Company's and Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
      (ii) Complying with Australian Accounting Standards and Corporations Regulations 2001.
   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2009.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 28 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board

Don Mercer
Chairman

17 August 2009
Melbourne, Victoria

Ian Smith
Managing Director and
Chief Executive Officer

17 August 2009
Melbourne, Victoria

Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
www.ey.com/au

Independent auditor's report to the members of Newcrest Mining Limited

Report on the Financial Report

We have audited the accompanying financial report of Newcrest Mining Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Newcrest Mining Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of Newcrest Mining Limited and the consolidated entity at 30 June 2009 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Newcrest Mining Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Rodney Piltz
Partner
Melbourne
17 August 2009

SHAREHOLDER INFORMATION

SHARE CAPITAL AT 31 AUGUST 2009	483,351,056
Ordinary shareholders	36,593
Shareholdings with less than a marketable parcel of $500 worth of ordinary shares	788
Market price	$30.01

SHAREHOLDER BREAKDOWN AT 31 AUGUST 2009	%
International Institutions	69
Domestic Institutions	16
Retail & Other	15

NEWCREST TOP 20 INVESTORS AT 31 AUGUST 2009

	Name	Current Balance	Issued Capital %
1	HSBC Custody Nominees (Australia) Limited	161,780,390	33.47
2	National Nominees Limited	115,098,410	23.81
3	J P Morgan Nominees Australia Limited	61,695,153	12.76
4	Citicorp Nominees Pty Limited	38,994,025	8.07
5	ANZ Nominees Limited	25,902,050	5.36
6	Cogent Nominees Pty Limited	4,425,974	0.92
7	Queensland Investment Corporation	4,171,050	0.86
8	AMP Life Limited	4,069,712	0.84
9	UBS Nominees Pty Ltd	2,818,008	0.58
10	HSBC Custody Nominees (Australia) Limited – A/C 2	2,219,133	0.46
11	Cogent Nominees Pty Limited	1,305,347	0.27
12	HSBC Custody Nominees (Australia) Limited – A/C 3	1,115,733	0.23
13	ANZ Nominees Limited	986,340	0.20
14	Citicorp Nominees Pty Limited	863,495	0.18
15	Citicorp Nominees Pty Limited	861,629	0.18
16	UBS Wealth Management Australia Nominees Pty Ltd	682,239	0.14
17	Citicorp Nominees Pty Limited	610,342	0.13
18	Citicorp Nominees Pty Limited	598,667	0.12
19	Mr Damon Wells	588,695	0.12
20	Suncorp Custodian Services Pty Limited	558,746	0.12
Total		**429,345,138**	**88.83**

SUBSTANTIAL SHAREHOLDERS AT 31 AUGUST 2009

Blackrock	50,428,140	10.47
Commonwealth Bank of Australia	45,676,675	9.45
Fidelity	44,047,889	9.10
The Bank of New York Mellon Corporation	23,757,042	5.24

INVESTOR CATEGORIES

Ranges	Investors	Securities	Issued Capital %
1 – 1,000	25,785	9,643,006	2.00
1,001 – 5,000	9,548	20,021,624	4.14
5,001 – 10,000	789	5,522,392	1.14
10,001 – 100,000	411	9,768,382	2.02
100,001 and Over	60	438,395,652	90.70
Total	**36,593**	**483,351,056**	**100.00**

SHAREHOLDER INFORMATION

VOTING RIGHTS

Each ordinary shareholder is entitled to one vote for each share held.

The Company encourages shareholders to express their views on the conduct of business by speaking at shareholder meetings or by writing to the Chairman of the Board of Directors.

DIVIDENDS

The Company has declared an unfranked dividend of 15 cents per share. The dividend is payable to shareholders on 16 October 2009. Shareholders registered as at the close of business on 25 September 2009 will be eligible for the dividend. The Dividend Reinvestment Plan remains in place and will be offered to shareholders at market price.

US INVESTOR INFORMATION

Newcrest may also be traded in the form of American Depositary Receipts (ADRs). Each ADR represents one Newcrest ordinary share. The program is administered on behalf of the Company by The Bank of New York and enquiries should be directed in writing to: BNY–Mellon Shareowner Services, PO Box 358516 Pittsburgh, PA 15252-8516.

ADR holders are not members of the Company, but may instruct The Bank of New York as to the exercise of voting rights pertaining to the underlying shareholding.

During the year the net movement for ADRs was negative 238,227 and at year end a net 9,115,117 ADRs were outstanding.

REPORTING TO SHAREHOLDERS

Newcrest is committed to clear reporting and disclosure of the Company's activities to our shareholders.

SHARE REGISTRY INFORMATION

You can do so much more online

Did you know that you can access – and even update – information about your holdings in Newcrest Mining Limited via the internet?

Visit Link Market Services' website www.linkmarketservices.com.au and access a wide variety of holding information, make some changes online or download forms. You can:

- Check your current and previous holding balances
- Elect to receive financial reports electronically
- Update your address details
- Update your bank details
- Confirm whether you have lodged your Tax File Number (TFN), Australian Business Number (ABN) or exemption
- Check transaction and dividend history
- Enter your email address
- Check the share prices and graphs
- Download a variety of instructions forms.

You can access this information via a security login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (must be the postcode recorded on your holding record).

Don't miss out on your dividends

Dividend cheques that are not banked are required to be handed over to the State Trustee under the Unclaimed Monies Act. You are reminded to bank cheques immediately.

Better still, why not have us bank your dividend payments for you

How would you like to have immediate access to your dividend payment? Your dividend payments can be credited directly into nominated bank, building society or credit union accounts in Australia.

Not only can we do your banking for you, but dividends paid by direct credit hit your account as cleared funds, thus allowing you to access them on payment date.

Contact information

You can also contact the Newcrest Mining Limited share registry by calling 1300 554 474 or from outside Australia +61 (0)2 8280 7111. Share registry contact details are contained in the Corporate Directory of this Report on the inner back cover.

FIVE YEAR SUMMARY

For the 12 months ended 30 June	2005	2006	2007	2008	2009
Gold Production (ounces)	1,157,520*	1,529,866*	1,617,251*	1,781,182	**1,631,183***
Cash costs ($ per ounce)	150	245	280	261	**468**
Total costs [(1)] ($ per ounce)	275	365	419	416	**632**
Net profit after tax from continuing operations: [(2)]					
– Statutory profit ($M)	130	131	72	134	**248**
– Underlying profit [(3)] ($M)	148	139	191	494	**483**
Cash flow from operations ($M)	259	264	387	1,018	**1,024**
Gold Production – Newcrest Share (ounces)					
Cadia Hill	308,516	248,312	246,661	414,171	**297,889**
Ridgeway	382,034	366,520	314,028	301,417	**234,298**
Cracow	26,128*	77,702	81,678	75,175	**69,443**
Telfer	217,740*	650,016*	627,077*	590,217	**629,108**
Gosowong	223,102	187,316	347,807	400,202	**400,220**
Morobe	–	–	–	–	**225***
Total	1,157,520	1,529,866	1,617,251	1,781,182	**1,631,183**
Copper Production (tonnes)	96,785	100,521	88,940	87,458	**89,877**
Costs per ounce (after by-product credits)					
Cash costs ($ per ounce)	150	245	280	261	**468**
Total costs [(1)] ($ per ounce)	275	365	419	416	**632**
Cash Flow ($M)					
Cash flow from operations	259	264	387	1,018	**1,024**
Exploration expenditure	46	57	60	77	**109**
Capital expenditure	641	488	341	338	**1,270**
Profit and Loss ($M)					
Sales revenue	972	1,393	2,127	2,363	**2,531**
Depreciation and amortisation	(134)	(187)	(224)	(279)	**(267)**
Income tax expense from continuing operations	(61)	(47)	(10)	(37)	**(128)**
Net profit after tax from continuing operations: [(2)]					
– Statutory profit	130	131	72	134	**248**
– Underlying profit [(3)] ($M)	148	139	191	494	**483**
Earnings per share (EPS) on continuing operations:					
– Basic EPS on statutory profit (cents per share)	39.4	39.6	19.4	30.8	**53.0**
– Basic EPS on underlying profit (cents per share)	44.9	42.0	51.6	113.2	**103.2**
Dividend (cents per share)	5.0	5.0	5.0	10.0	**15.0**
Financial Position ($M)					
Total assets	3,104	4,257	4,623	4,324	**5,616**
Total liabilities	1,973	4,096	3,682	1,072	**1,258**
Shareholders' equity	1,131	161	941	3,252	**4,358**
Ratios (percent)					
Gearing [(4)] (percent)	55	50	46	8	**2**
Return on Capital Employed [(5)] (percent)	8	9	12	21	**17**
Issued Capital (million shares) at year end	330.6	333.1	335.3	453.4	**483.3**
Gold Inventory (million ounces)					
Reserves	33	33	33	40	**43**
Resources	61	59	55	71	**80**

* Includes commissioning production.
(1) Comprises cash costs plus depreciation and amortisation.
(2) Excludes gain on disposal of discontinued operations (Boddington) in 2006.
(3) Represents statutory profit before hedge restructure and close-out impacts.
(4) Calculated as Net Debt to Capital (Capital comprises equity plus net debt). In 2006 and 2007, equity was adjusted by the balance of the Hedge Reserve to remove the impact of the gold hedge book mark to market.
(5) Calculated as Underlying EBIT to Capital.

CORPORATE DIRECTORY

Investor Information

Registered and Principal Office
Newcrest Mining Limited
Level 9, 600 St Kilda Road
Melbourne, Victoria 3004 Australia
Telephone: +61 (0)3 9522 5333
Facsimile: +61 (0)3 9525 2996
corporateaffairs@newcrest.com.au
www.newcrest.com.au

Company Secretary
Bernard Lavery
Newcrest Mining Limited
Level 9, 600 St Kilda Road
Melbourne, Victoria 3004 Australia
Telephone: +61 (0)3 9522 5333
Facsimile: +61 (0)3 9521 3564
bernard.lavery@newcrest.com.au

Head of Investor Relations
Karen McRae
Level 9, 600 St Kilda Road
Melbourne, Victoria 3004 Australia
Telephone: + 61 (0)3 9522 5316
Facsimile: + 61 (0)3 9522 5505

Stock Exchange Listings
Australian Stock Exchange
(Ticker NCM)
New York ADRs
(Ticker NCMGY)

Share Registry
Link Market Services Limited
Level 1, 333 Collins Street
Melbourne, Victoria 3000 Australia

Postal Address
Locked Bag A14
Sydney South,
New South Wales 1235 Australia
Telephone: 1300 554 474
+61 (0)2 8280 7111
Facsimile: +61 (0)2 9287 0303
+61 (0)2 9287 0309*
*For faxing of Proxy Forms only.
registrars@linkmarketservices.com.au
www.linkmarketservices.com.au

ADR Depositary
BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
Telephone:
Toll free for domestic callers:
1-888-BNY-ADRS or 1-888-269-2377
International Callers: +1 201-680-6825
shrrelations@bnymellon.com
www.bnymellon.com\shareowner

Other Offices

Brisbane Office
Newcrest Mining Limited
20 Hudson Road
Albion, Queensland 4010 Australia
Telephone: +61 (0)7 3624 6100
Facsimile: +61 (0)7 3262 7200

Perth Office
Newcrest Mining Limited
Hyatt Business Centre
Level 2, 30 Terrace Road
East Perth, Western Australia 6004
Australia
Telephone: +61 (0)8 9270 7070
Facsimile: +61 (0)8 9221 7346

Annual General Meeting
29 October 2009 at 10.30am
Grand Waldorf Ballroom
The Sebel Albert Park
65 Queens Road
Melbourne, Victoria 3004

Visit our website at www.newcrest.com.au to view our key dates and features; current share price, market releases, annual, quarterly and financial reports; operations, project and exploration information; corporate, shareholder, hedging, employment and sustainability information.

This page
Sunny Tan (Plant Metallurgist) and Steve Baker (Plant Metallurgist) inspecting material movement on the pebble crusher feed conveyor at Telfer