NEWCREST MINING LIMITED ANNUAL REPORT 2013

Contents

Newcrest has responded rapidly and decisively to changing external conditions and delivered major capital investments in the face of operational challenges. Newcrest is well-positioned for the current market cycle.

2012/2013 highlights

Delivery of major investments

> Cadia East plant expansion and Panel Cave 1

> Lihir plant expansion

> Telfer contract stripping

Operational challenges

> Running two major brownfields projects in parallel with operations

> Lihir plant reliability

> Gosowong ground conditions

> Hidden Valley conveyor

Decisive action in response to market environment

> Operate for free cash flow neutral or positive outcomes at every asset

> Remove high-cost production: optimising plants, deferring capital, utilising stockpiles

> Reduce operating cost: lower activity, contract renegotiations, labour reductions

Company Snapshot

Miner of choice™

Newcrest is the largest gold producer listed on the Australian Securities Exchange and one of the world's largest gold mining companies by gold reserves and market capitalisation. Newcrest's vision is to be the Miner of choice™ for all stakeholders.

Being the Miner of choice™ for all stakeholders means our people, the communities in which we operate and our shareholders. Social responsibility, safety and sustainability are fundamental guideposts to this vision.

Newcrest is an unhedged gold producer that owns and operates a portfolio of predominantly low-cost, long-life mines in Australia, the Pacific region, Asia and Africa, and maintains a strong pipeline of brownfields and greenfields exploration projects. Our reserve and resource base is strong, with gold reserves representing more than 25 years of production at current rates.

Newcrest has strong technical capabilities in deep underground block caving, shallow targeted underground mines, large open pits and a variety of metallurgical processing skills.

Our mines are located in Australia, Papua New Guinea (PNG), Indonesia, and Côte d'Ivoire in West Africa.

Current operations include:

– Cadia Valley Operations (near Orange, New South Wales);
– Telfer (Pilbara Region, Western Australia);
– Gosowong (Halmahera Island, Indonesia);
– Lihir (New Ireland Province, PNG);
– Hidden Valley (Morobe Province, PNG); and
– Bonikro (Côte d'Ivoire, West Africa).

Discovery of new ore bodies is an important element in Newcrest's strategy and the Company has a strong and successful exploration track record. A key objective of Newcrest's exploration activities is to secure large mineral districts, or provinces, in order to establish long-term mining operations, while enhancing the potential for further discoveries.

Headquartered in Melbourne, Australia, Newcrest is among the top 50 companies listed on the Australian Securities Exchange. It is also listed on the Port Moresby Stock Exchange.

Asset Locations and Ownership Percentage


DT06
DT06
793C
793C

Results at a Glance

Operational performance

- > Gold production 2,110koz; copper production 80kt
- > Unit cash cost A$750/oz; cash margins of A$800/oz (on gold price of A$1,550/oz)
- > All-in sustaining cost of A$1,283/oz

Major projects achieved key milestones

- > Cadia East commenced commercial production January 2013
- > Lihir plant expansion completed February 2013

Supporting projects completed

- > Flotation expansion and NCA tank refurbishment at Lihir
- > Contract stripping at Telfer

Profit/(loss) and cash flow

- > Statutory loss of A$5,778 million (after impairment, write-down and restructure costs of A$6,229 million)
- > Underlying profit of A$451 million
- > Cash flow from operations of A$707 million
- > EBITDA margin of 36%; EBIT margin of 20%

Balance sheet

- > Gearing of 29.1%
- > Cash and undrawn committed debt facilities at 30 June 2013 of over A$950 million

		12 months to 30 June 2013	12 months to 30 June 2012	% Change
Gold produced	(ounces)	**2,109,784**	2,285,917	(8)
Copper produced	(tonnes)	**80,366**	76,015	6
Gold price realised	(A$ per ounce)	**1,550**	1,609	(4)
Sales revenue	(A$ million)	**3,775**	4,416	(15)
EBITDA[(1)(2)]	(A$ million)	**1,367**	2,151	(36)
EBIT[(1)(2)]	(A$ million)	**756**	1,590	(52)
Statutory profit/(loss)[(3)]	(A$ million)	**(5,778)**	1,117	(617)
Underlying profit[(2)(4)]	(A$ million)	**451**	1,084	(58)
Operating cash flow	(A$ million)	**707**	1,726	(59)
Capital expenditure (cash flow basis including exploration)	(A$ million)	**2,098**	2,714	(23)
Return on capital employed (ROCE)[(5)]	(percent)	**4.8**	10.1	(52)
Gearing (Net debt/Net equity and equity)[(6)]	(percent)	**29.1**	12.5	133
EPS on Statutory profit/(loss)	(A$ cents per share)	**(754.5)**	146.0	(617)
Interim and Final dividend	(A$ cents per share)	**12.0**	35.0	(66)

(1) EBITDA is 'Earnings before interest, tax, depreciation, amortisation and significant items'. EBIT is 'Earnings before interest, tax and significant items'. EBITDA and EBIT are used to measure segment performance and have been extracted from Note 37 'Segment Information' on page 118.

(2) EBIT, EBITDA and Underlying profit are non-IFRS financial information and have not been subject to audit by the Company's external auditor.

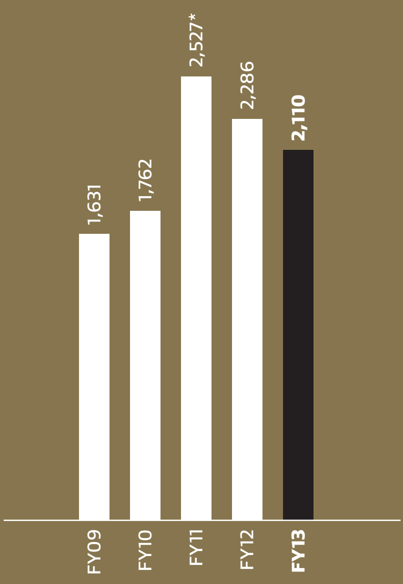
(3) Statutory profit/(loss) is profit/(loss) after tax attributable to owners of the parent.

(4) Underlying profit is profit after tax before significant items attributable to owners of the parent. Refer to page 51 for further details.

(5) Return on Capital Employed is calculated as EBIT divided by average capital employed.

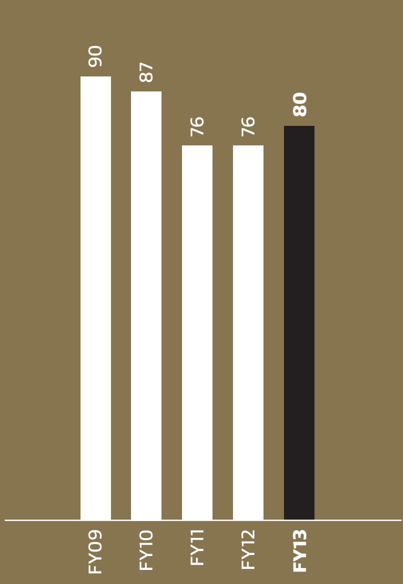
(6) Gearing is calculated as net debt to net debt and equity. Refer to page 50.

Group Gold Production
(thousand ounces)

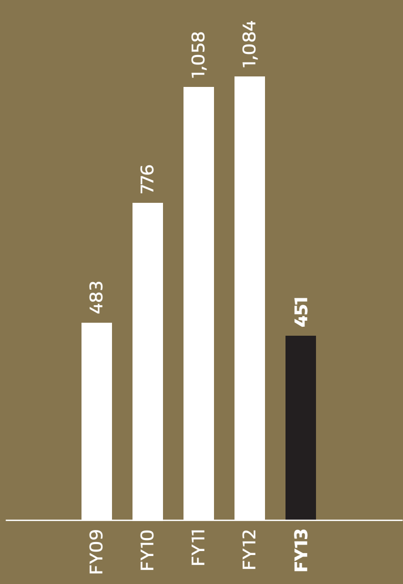


* Production from the former LGL operations included from the acquisition date of 30 August 2010

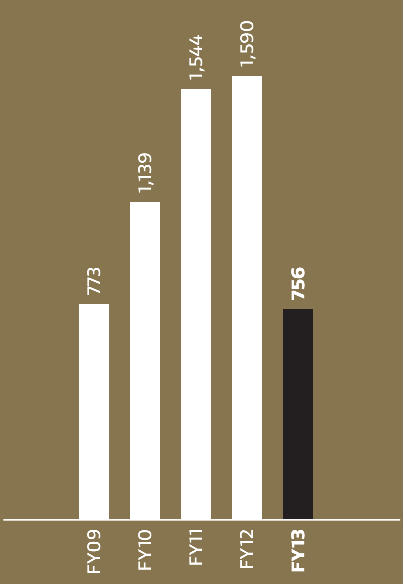
Group Copper Production
(thousand tonnes)



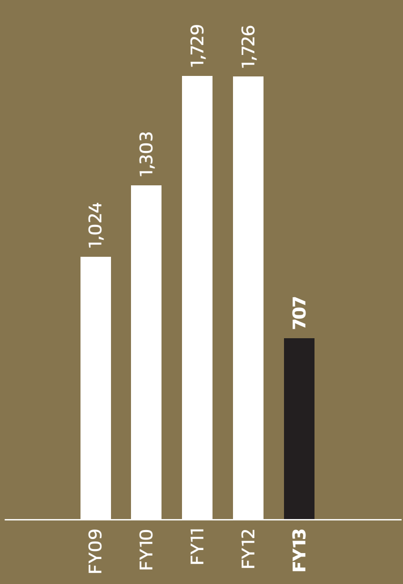
Underlying Profit
($ million)



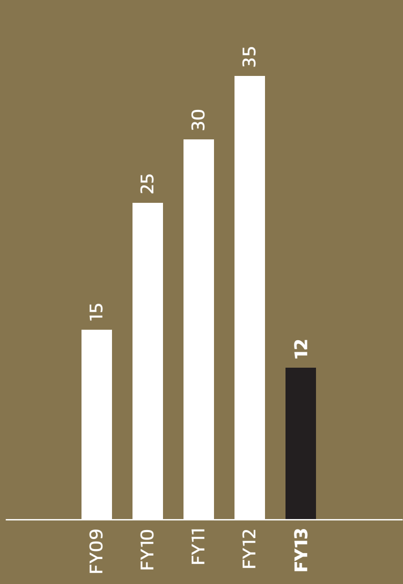
EBIT
($ million)



Cash Flow from Operations
($ million)



Ordinary Dividends
(cents)



Chairman's Report

After a decade of sustained increases, the gold price fell during the year, with a significant and rapid price decline occurring early in the final quarter of financial year 2013. The decline triggered major adjustments to business and operating plans by gold producers around the world. This, along with lower than expected production, made 2013 a very challenging year for Newcrest. The Company's performance was impacted, disappointing your Board, management and shareholders alike.

The Company responded decisively to the weakness in the gold price, culminating in the 7 June announcement of a range of key actions as we moved to manage for the best cash outcome rather than maximum production. These actions included a reduction in capital expenditure for 2014, the elimination of higher cost ounces from the production profile, the acceleration of significant cost reduction programs across the business and the decision not to pay a final dividend for the 2013 financial year.

Growth options have been preserved and can be reactivated should conditions improve.

Like many other gold mining companies, Newcrest reviewed the carrying value of its assets in response to the rapid decline in the gold price. This resulted in significant non-cash accounting charges of A$6.2 billion after tax, relating to asset impairments, the write-down of higher cost assets and inventory, a write-down of the investment in Evolution Mining Limited and business restructuring costs.

A large part of the write-downs related to 'goodwill' recognised on the acquisition of former Lihir Gold Limited assets. 'Goodwill' for a mining asset has always to be written off eventually. The Lihir orebody, in terms of size and grade, is one of the great orebodies of the world. We are very positive about Lihir and the improved contribution it is now making to Newcrest. Newcrest has the longest reserve life of its global peer group.

For other parts of the business, such as Telfer and Hidden Valley, the write-downs reflect the materially lower gold price, reduction in valuation multiples and the resulting fall in the market value of these assets.

Newcrest remains well placed financially, with a sound balance sheet and investment grade credit ratings. Gearing has increased to 29.1 percent, mainly due to the investment in projects at Cadia East and Lihir, as well as the recent impairments. This level is acceptable in the present circumstances. Our longer-term objective is to keep gearing under 15 percent. This provides a buffer for the Company to weather significant adverse events such as the plunge in metal prices, which occurred in 2013. From a liquidity point of view, as at 30 June 2013, Newcrest had around A$950 million in cash and undrawn bilateral bank facilities.

During the year, the investments in the Cadia East underground mine and Lihir plant expansion were largely completed. Cadia and Lihir are large, long-life, lower-cost assets which underpin future production and shareholder returns. They are big drivers of our value and we are very confident that the benefits are beginning to flow. These investments are in shareholders' long-term interests, but we acknowledge that some shareholders would have welcomed a larger share of the substantial operating cashflows that the Company enjoyed during the peak price period.

You may be aware of various claims about Newcrest 'selectively briefing' market analysts during the lead up to the 7 June announcement of its business review. Newcrest took this accusation very seriously. It is a Company with strong values that attaches great importance to its compliance and governance obligations in every country in which it operates. Former Australian Securities Exchange Chairman, Dr Maurice Newman, was engaged by the Board to conduct an independent review of the Company's disclosure and investor relations practices and to make recommendations in relation to any improvements or changes that might be required to address any issues identified by him. Dr Newman's report was released to the market on 5 September. The Australian Securities and Investments Commission initiated its own investigation into these matters and we are cooperating fully with them.

During the year, two new Non-Executive Directors joined the Board. Mr Philip Aiken has extensive experience in the resources sector, both within Australia and internationally. Mr Peter Hay brings experience in the business, corporate law and investment banking sectors. These two additional directors add to the capability of the Board.

We continue to believe that the outlook for gold is positive. Asian demand for gold is very strong. However, predicting the gold price is a personal judgement. Experienced gold investors view gold shares as a fundamental part of their portfolio, as a hedge against external uncertainty.

Finally, I make a point about our people. Right across the Company, action was taken with speed and good sense to position the Company for a lower price environment. An extraordinary effort was demanded of a great many of our employees to undertake this work. Regrettably many employees lost their jobs as a result of the ensuing changes. Executives and our people in management roles will receive nil to very low incentive rewards this year. I take this opportunity to thank our employees for their efforts in the face of these exceptional circumstances and note that they too share with shareholders a financial disappointment.

We continue to place a high priority on employee safety, community relationships and environmental management. The Sustainability Report is a record of our activities in this regard and can be viewed at www.newcrest.com.au/sustainability/current-sustainability-report.

Newcrest has the flexibility to make more changes should the gold price decline further. On the other hand, should conditions improve, we retain a range of options for growth and better margins having reset the Company's cost base.

Don Mercer
Chairman

Managing Director's Review

The 2013 financial year was a period of transition, where both Cadia East and the Lihir plant expansion moved to commercial production, concluding three years of construction and investment of A$2.05 billion at Cadia East and US$1.37 billion at Lihir.

The Cadia East Project achieved commercial production in January 2013 following the development of Panel Cave 1 and completion of the plant expansion and materials handling systems. The new process plant at Lihir was handed over to operations in February 2013. Both projects were completed on time and within 8 percent of their budget and both projects performed to expectation and will underpin the Company's long-term gold and copper production.

The year was also characterised by a very volatile gold market and some technical operating challenges which, in combination, resulted in outcomes for the year falling short of our expectations. Gold production was 8 percent below expectation, principally due to maintenance issues in the older plant at Lihir and highly variable ground conditions at Gosowong. Copper production, capital expenditure and total operating costs were within guidance levels for the 2013 financial year.

During the year, the Safety ReNew program focussed on mobile plant and equipment safety initiatives and the roll-out of the Behavioural Based Safety program across the Company. Overall safety performance improved with the number of Serious Potential Incidents reduced by more than half compared with the previous year. Our safety performance was, however, marred by the unfortunate death of a labourer at Lihir who died in January 2013 following an accident involving a truck.

The gold price declined throughout much of the 2013 financial year, falling by approximately one third from a high of almost US$1,800 per ounce in early October 2012 to a low of US$1,200 per ounce in late June 2013. In response to commodity prices materially lower than earlier expectations, a detailed business review of capital, costs and production was conducted with the objective of maximising free cash flow.

The lower, more volatile gold price and the compression in gold valuation multiples in financial markets combined with the continuing higher cost environment for some assets resulted in the decision by the Board to impair or write-down the carrying value of some assets by a combined A$6.2 billion. Cash flow was not impacted by these accounting write-downs. The majority of this impairment was associated with the A$3.49 billion write-down of Lihir's accounting goodwill which arose from the scrip merger with Lihir Gold Limited in 2010. Since this merger, the Lihir gold mine has contributed 1.89 million ounces of gold to Newcrest's production profile and added a further 15.7 million ounces of gold in Mineral Resources. The Lihir deposit, in terms of size and grade, is significant by world standards and the Lihir mine is expected to play an important role in Newcrest's future production and earnings.

Higher cost assets, including Telfer and Hidden Valley, were also impaired in the lower price, higher cost environment.

As a result, Newcrest reported a statutory loss of A$5,778 million for the 12 months ending 30 June 2013 after significant items totalling A$6,229 million after tax. Underlying profit for the period was lower than the previous year at A$451 million, primarily reflecting lower than planned production at Lihir and Gosowong and a decline in commodity prices. Operating cash flow was A$707 million.

Over the last four years, Newcrest has paid A$992 million in dividends and invested A$5.9 billion in development and capital projects and A$537 million in exploration related activities. These investments, and the loss for the year, have resulted in gearing increasing from an expected 20 percent to 29 percent as at 30 June 2013. Newcrest retains a sound balance sheet with significant financial liquidity and has no debt facilities to be refinanced in the 2014 financial year.

Newcrest's focus on cash flow maximisation resulted in a revision to mine plans to focus on lower cost, higher margin ounces, reducing exploration, studies and projects expenditure and rationalising corporate costs. The focus on maximising cash flow has resulted in lower production at some assets where higher cost ounces have been postponed but remain available for future production. Lower gold prices and higher gearing also led to the decision not to pay a final dividend this year. Newcrest will maintain its focus on reducing gearing.

Importantly, our growth options have been maintained and our strategy of focussing on predominantly long-life, low-cost gold assets, primarily in Australia, Asia and the Pacific Region, remains unchanged. Compared with the 2013 financial year, capital expenditure is expected to decline from A$1.9 billion to A$0.8 billion, excluding production stripping, and exploration expenditure from A$152 million to A$85 million for the 2014 financial year. Critical exploration programs at Wafi-Golpu, Telfer and Gosowong will be the focus of exploration activity during the 2014 financial year. Project activity and expenditure is focussed on the continued underground expansion of Cadia East and optimisation of the pre-feasibility at Wafi-Golpu.

At an executive management level, Geoff Day was appointed as EGM Sustainability & External Affairs, succeeding Stephen Creese who retired from his role of EGM Corporate Affairs, and Craig Jones assumed the role of EGM of Australia and Indonesia Operations following the departure of Peter Smith due to the Brisbane office closure. We thank Stephen and Peter for their positive contributions and hard work for Newcrest.

This has been a difficult year for Newcrest, our shareholders and the broader gold sector. I would like to acknowledge the drive and commitment of our employees during this period of significant challenge. I remain confident in the delivery of shareholder value from our portfolio of operations, development options and exploration activity. I also look forward to the year ahead where we begin to reap the full benefits from the last several years of Newcrest's major project development program.

Greg Robinson
Managing Director and Chief Executive Officer

The Board

Don Mercer
NON-EXECUTIVE CHAIRMAN

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

Mr Mercer was appointed as Non-Executive Chairman of Newcrest in October 2006. He is also non-executive Chairman of Air Liquide Australia Limited.

Mr Mercer has extensive business experience obtained as a senior executive of major international organisations.

He is a former Managing Director and Chief Executive Officer of ANZ Banking Group Limited and is a former Chairman of the Australian Institute of Company Directors Limited, Orchestra Victoria, Australia Pacific Airports Corporation Limited and Orica Limited. Mr Mercer was also Chancellor of RMIT University.

Greg Robinson
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Bachelor of Science (Hons) Geology and MBA from Columbia University

Mr Robinson was appointed to the Board in November 2006.

Mr Robinson was appointed Managing Director and Chief Executive Officer of Newcrest in July 2011 after serving as Director Finance of Newcrest from 2006 to 2011. Prior to joining Newcrest, Mr Robinson was with the BHP Billiton Group from 2001 to 2006 in various executive roles, including Chief Finance and Chief Development Officer, Energy, and Chief Financial Officer, Petroleum. Mr Robinson was also a member of the Group Executive Committee. Before joining BHP Billiton, he was a Director of Investment Banking at Merrill Lynch & Co. Mr Robinson is a Director of the Minerals Council of Australia, the World Gold Council and St Vincent's Institute, and a member of the Australian Institute of Company Directors.

Gerard Bond
FINANCE DIRECTOR AND CHIEF FINANCIAL OFFICER

Bachelor of Commerce, Chartered Accountant and Graduate Diploma of Applied Finance and Investment

Mr Bond was appointed to the Board as an Executive Director in February 2012, after joining Newcrest as Finance Director and Chief Financial Officer in January 2012.

Mr Bond has many years' experience in the global financial and resources industry with BHP Billiton, Coopers & Lybrand and Price Waterhouse. Prior to joining Newcrest, he was with BHP Billiton for over 14 years, where he held a number of senior executive roles, including Deputy CFO of the Aluminium business, CFO and then Acting President of the Nickel business, and most recently was BHP Billiton's Head of Group Human Resources.

He is a Fellow of the Financial Services Institute of Australia and an Alternate Director of the World Gold Council.

Philip Aiken AM
NON-EXECUTIVE DIRECTOR

Bachelor of Engineering (Chemical) and Advanced Management Program (HBS)

Member of the Human Resources and Remuneration Committee and Safety, Health and Environment Committee

Mr Aiken was appointed to the Board in April 2013.

Mr Aiken has extensive Australian and international business experience, principally in the engineering and resources sectors. He is non-executive Chairman of Aveva plc (from 2012), Senior Independent Director of Essar Energy plc (from 2010) and a non-executive Director of its listed subsidiary Essar Oil Limited (from 2012), and a non-executive Director of National Grid plc (from 2008).

Mr Aiken is a former Group President Energy BHP Billiton, President BHP Petroleum, Managing Director BOC/CIG, Chief Executive of BTR Nylex, Chairman of Robert Walters plc (2007–2012), Director of Miclyn Express Offshore Ltd (2010–2012), Senior Advisor Macquarie Bank (Europe) and Senior Independent Director of Kazakhmys plc (2008–2013).

Vince Gauci
NON-EXECUTIVE DIRECTOR

Bachelor of Engineering (Mining)

Member of the Safety, Health and Environment Committee and the Human Resources and Remuneration Committee

Mr Gauci was appointed to the Board in December 2008.

Mr Gauci is the non-executive Chairman of the Broken Hill Community Foundation, a former Chairman of Runge Limited (2008–2011), a former Director of Liontown Resources Limited (2007–2011) and Coates Hire Limited. He has over 40 years' experience in the global mining industry and was formerly the Managing Director of MIM Holdings Limited.

Peter Hay
NON-EXECUTIVE DIRECTOR

Bachelor of Laws

Mr Hay was appointed to the Board in August 2013.

Mr Hay has a strong background and breadth of experience in business, corporate law, finance and investment banking advisory work. He is the non-executive honorary chairman of the Advisory Board of Lazard Australia. He is a non-executive Director of the ANZ Banking Group Limited (from 2008), Myer Holdings Limited (from 2010), Alumina Limited (from 2002) and GUD Holdings Limited (from 2009). He is a non-executive member of the Board of Management of Epworth HealthCare (from 2008) and a non-executive Director of Landcare Australia Limited (from 2008).

Mr Hay's former directorships include NBN Co. Limited, Pacifica Group Limited, Lazard Pty Ltd and he was a partner of the legal firm Freehills until 2005, where he served as Chief Executive Officer from 2000. He has been a Member of the Australian Government Takeovers Panel since May 2009.

Lady Winifred Kamit
NON-EXECUTIVE DIRECTOR

Bachelor of Arts and Bachelor of Laws

Member of the Human Resources and Remuneration Committee and the Safety, Health and Environment Committee

Lady Kamit was appointed to the Board in February 2011.

Lady Kamit has extensive business experience and broad community knowledge of Papua New Guinea. She is currently a consultant at Gadens Lawyers in Port Moresby and was formerly a Senior Partner of that firm.

Lady Kamit was a Director of Lihir Gold Limited (LGL) from October 2004 until completion of Newcrest's acquisition of LGL in September 2010. She is a Director of Nautilus Minerals Niugini Limited, ANZ Banking Group (PNG) Limited (from 2012) and Steamships Trading Company Limited (from 2005). Lady Kamit is a Councillor of the Papua New Guinea Institute of National Affairs and Chairperson of Coalition for Change PNG, an initiative against violence against women and children. She is a former Director of Post Courier Limited (2004–2012).

Richard Knight
NON-EXECUTIVE DIRECTOR

Bachelor of Science (Mining Engineering), Master of Science (Mine Production Management) and Chartered Engineer

Chairman of the Safety, Health and Environment Committee and a member of the Audit and Risk Committee

Mr Knight was appointed to the Board in February 2008.

Mr Knight is non-executive Chairman of the Mining Engineering Advisory Board, Monash University and a Director of Mining Education Australia. He is a former Executive Director of North Limited, and was Chairman and Chief Executive Officer of the Iron Ore Company of Canada and Chief Executive Officer of Energy Resources of Australia Limited. He is a former Director of OZ Minerals Limited, Zinifex Limited, St Barbara Limited, Portman Limited, Northern Orion Resources Inc. and Asia Pacific Resources.

Mr Knight has extensive experience in the international mining industry.

Rick Lee
NON-EXECUTIVE DIRECTOR

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

Chairman of the Human Resources and Remuneration Committee and a member of the Audit and Risk Committee

Mr Lee was appointed to the Board in August 2007.

Mr Lee has extensive resources, finance and international commercial experience. He is the non-executive Chairman of Oil Search Limited (Director from 2012, Chairman from 2013), and Lead Independent Director of Salmat Limited (from 2012).

Mr Lee is a former Chairman of the Australian Institute of Company Directors and C. Czarnikow Limited (2001–2011), the former Deputy Chairman of Ridley Corporation Limited (2001–2013), a former Director of CSR Limited (2005–2011) and the Australian Rugby Union Limited. He was Chief Executive Officer of NM Rothschild Australia Group, prior to which he spent 16 years in the CSR sugar division.

Tim Poole
NON-EXECUTIVE DIRECTOR

Bachelor of Commerce and Chartered Accountant

Member of the Audit and Risk Committee and the Human Resources and Remuneration Committee

Mr Poole was appointed to the Board in August 2007.

Mr Poole contributes wide-ranging financial, investment and governance knowledge and experience. He is non-executive Chairman of the unlisted management company, Westbourne Credit Management Limited, Lifestyle Communities Limited (from 2007), Continuity Capital Partners Pty Limited and the LEK Consulting Advisory Board. Mr Poole is also a non-executive Director of Victoria Racing Club Limited and AustralianSuper Pty Ltd and Chairman of its investment committee. He is a former Managing Director of Hastings Funds Management and was Chairman of Asciano Limited (2007–2009).

John Spark
NON-EXECUTIVE DIRECTOR

Bachelor of Commerce and Fellow of the Institute of Chartered Accountants

Chairman of the Audit and Risk Committee and a member of the Safety, Health and Environment Committee

Mr Spark was appointed to the Board in September 2007.

Mr Spark is the non-executive Chairman of Ridley Corporation Limited (Director from 2008, Chairman from 2010). He is a former Director of ANL Limited, Baxter Group Limited and Macarthur Coal Limited (until 2011). Mr Spark is a registered company auditor and former Managing Partner of Ferrier Hodgson, Melbourne. He has an extensive background in company reconstruction, accounting, profit improvement and financial analysis.

Local, regional, global

In response to the recent decline in the gold price, Newcrest has adjusted its mine plans such that each operation is expected to be free cash flow neutral or positive in the 2014 financial year at a gold price of A$1,450. Increasing production from our lower cost assets remains a key focus for the Company.

Cadia Valley

The Cadia East underground mine is expected to increase Cadia Valley production to 700,000–800,000 ounces of gold per year. This large, low-cost operation will continue to underpin Newcrest's asset base.

Cadia Valley
Australia

2013 Statistics

Mining Method		Underground
Resources† – Gold	47.7	million ounces
– Copper	8.99	million tonnes
Reserves† – Gold	27.5	million ounces
– Copper	4.78	million tonnes
Total Mine Production	11,344	thousand tonnes
Total Ore Treated	25,478	thousand tonnes
Production – Gold	446,879	ounces
– Copper	53,913	tonnes
Cash Cost	378	A$ per ounce of gold produced
Total Cost	691	A$ per ounce of gold produced
EBIT Margin	47	percent

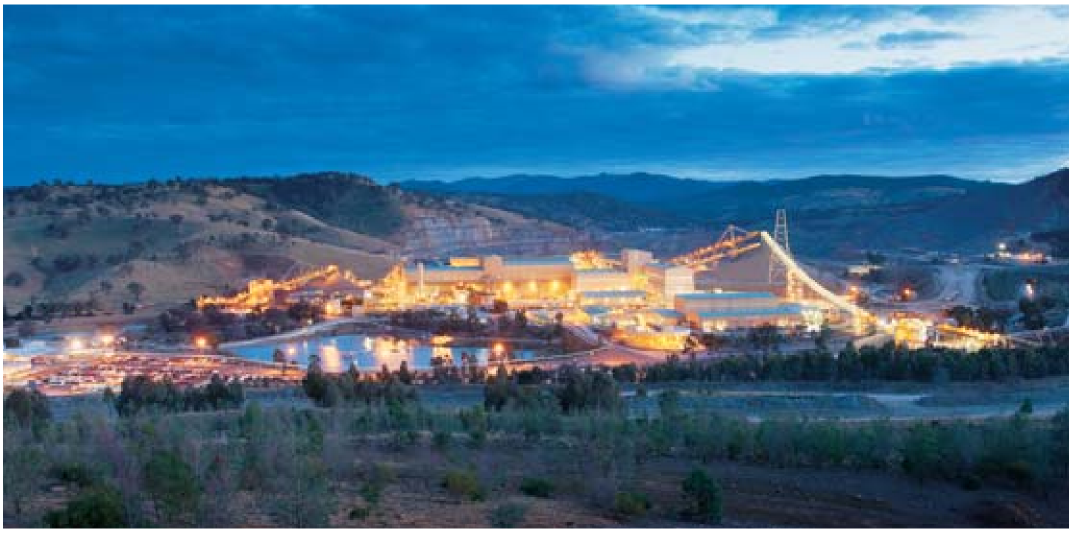
† Resources and Reserves are stated as at 31 December 2012

The Cadia Valley operations are located in central western New South Wales, Australia, 25 kilometres south-west of the city of Orange and 250 kilometres west of Sydney. The Cadia Valley mines are 100 percent owned by Newcrest. Production for the year ended June 2013 was 446,879 ounces of gold and 53,913 tonnes of copper at a cash cost of A$378 per ounce. As at 31 December 2012, the Cadia Valley Mineral Resource estimated to contain 47.7 million ounces of gold and 8.99 million tonnes of copper, including an Ore Reserve estimated to contain 27.5 million ounces of gold and 4.78 million tonnes of copper.

The Cadia Hill gold-copper porphyry deposit was discovered by Newcrest in 1992. Gold was first produced in 1998, and after 14 years of operation the Cadia Hill open pit mine was placed in care and maintenance at the end of June 2012. Stockpiled open pit material is available for milling and technical studies of future mining options for the remaining Cadia Hill Ore Reserve will continue. The Ridgeway gold-copper mine, discovered in 1996, is located three kilometres from the Cadia Hill open pit. Production commenced from the underground sub-level cave in April 2002, and in 2010 Ridgeway transitioned to a block cave operation beneath the original sub-level cave.

The Cadia East deposit is a porphyry zone of gold-copper mineralisation adjacent to the eastern edge of the Cadia Hill orebody. It was discovered before Ridgeway and is one of the world's largest gold deposits. The Cadia Valley Mineral Resource includes a Cadia East Mineral Resource estimated to contain 37.6 million ounces of gold and 7.53 million tonnes of copper, which includes an Ore Reserve estimated to contain 23.5 million ounces of gold and 4.22 million tonnes of copper.

The Cadia East underground panel cave mine will be Australia's largest underground mine with a mine life of more than 30 years. The Cadia East project commenced construction in April 2010 and comprised the development of the Cadia East underground panel cave mine and the expansion of the existing Cadia Valley processing plant capacity to 26 million tonnes per year. Commercial production levels were achieved in January 2013, and annual production from Cadia Valley operations is expected to increase to around 700,000–800,000 ounces of gold and 90,000 tonnes of copper in the coming years.




MAIN STEAM

Lihir

Lihir is one of the world's largest gold deposits. A major expansion of the Lihir plant was completed in early 2013, enabling increased ore processing and operating flexibility.

2013 Statistics

Mining Method		Open pit
Resources† – Gold	64.2	million ounces
Reserves† – Gold	32.7	million ounces
Total Mine Production	29,605	thousand tonnes
Total Ore Treated	6,941	thousand tonnes
Production – Gold	649,340	ounces
Cash Cost	689	A$ per ounce of gold produced
Total Cost	895	A$ per ounce of gold produced
EBIT Margin	56	percent

† Resources and Reserves are stated as at 31 December 2012

The Lihir operation is located on the island of Niolam, 900 kilometres north-east of Port Moresby in the New Ireland Province of Papua New Guinea (PNG). Lihir is located within the Luise Volcano Caldera on the east coast of Niolam Island. The Luise Caldera is an extinct volcanic crater that is geothermally active.

Lihir is one of the world's largest gold deposits, with an operational life projected to exceed more than 30 years. The Lihir operation is 100 percent owned by Newcrest, following the acquisition of Lihir Gold Limited (LGL) in August 2010.

Production for the year ended June 2013 was 649,340 ounces of gold at a cash cost of A$689 per ounce. As at 31 December 2012, Lihir had a Mineral Resource estimated to contain 64.2 million ounces of gold, including an Ore Reserve estimated to contain 32.7 million ounces of gold.

The Lihir deposit was discovered in 1982 and extensively drilled prior to mine construction in 1995 and the commencement of gold production in May 1997. The operation employs a conventional open pit mining method comprising drill, blast, load and haul, and comprises a single orebody with three linked open pits: Minifie, Lienetz and Kapit. Ore is predominantly refractory sulphide ore, which is treated using autoclaves and a pressure oxidisation process before the gold can be recovered by a conventional leach process.

A major expansion of the Lihir process plant was completed in the 2013 financial year, which substantially replicated the existing process stream, including installation of an additional autoclave and milling equipment, oxygen production capacity, leaching capacity and flotation. This will enable increased throughput and greater operational flexibility in treating the different ores and stockpiles within the Lihir system.

A program to refurbish the original plant at Lihir has resulted in improved performance in the final quarter of the 2013 financial year, and this program is expected to be completed during the 2014 financial year, bringing the plant to a standard consistent with its world class orebody.

Telfer

Newcrest is adapting Telfer to leverage its large resource base and established infrastructure in the current gold price environment.

Telfer
Australia

The Telfer gold-copper mines are located in the Great Sandy Desert in The Pilbara, Western Australia, approximately 400 kilometres south-east of Port Hedland. The Telfer mines are 100 percent owned by Newcrest. Production for the year ended June 2013 was 525,500 ounces of gold and 26,453 tonnes of copper at a cash cost of A$1,022 per ounce. As at 31 December 2012, the Telfer Province Mineral Resource was estimated to contain 20.2 million ounces of gold and 1.18 million tonnes of copper, including an Ore Reserve estimated to contain 11.6 million ounces of gold and 0.66 million tonnes of copper.

The original Telfer mine reached full production in 1977. Ongoing exploration identified a large, low-grade oxide Mineral Resource in Main Dome and to the north-west in West Dome, resulting in a mill expansion in 1986 and a dump leach operation from 1988. Additional reefs on the eastern flank of Main Dome were identified in the 1990s and mined using narrow vein underground techniques. This operation was suspended in October 2000 due to escalating costs and a gold price around A$300 per ounce.

Construction of the current operation commenced in early 2003, following a comprehensive feasibility study. Telfer now comprises two mines: Telfer Open Pit, including Main Dome and West Dome pits and Telfer Underground, a sub-level cave mine beneath the Main Dome open pit with a 6 million tonne per year shaft hoisting system. Ore is combined in a large, twin train, flotation treatment plant with a capacity to process around 22 million tonnes per year, which produces gold doré and a copper-gold concentrate.

2013 Statistics

Mining Method		Open Pit and Underground
Resources† – Gold	20.2	million ounces
– Copper	1.18	million tonnes
Reserves† – Gold	11.6	million ounces
– Copper	0.66	million tonnes
Total Mine Production	91,288	thousand tonnes
Total Ore Treated	21,543	thousand tonnes
Production – Gold	525,500	ounces
– Copper	26,453	tonnes
Cash Cost	1,022	A$ per ounce of gold produced
Total Cost	1,411	A$ per ounce of gold produced
EBIT Margin	27	percent

† Resources and Reserves are stated as at 31 December 2012

Gosowong

The Gosowong operation is one of Newcrest's highest margin mines with an exploration program seeking to extend the current five-year mine life.

Gosowong
Indonesia

The Gosowong operations are located on Halmahera Island, Indonesia, and is operated by PT Nusa Halmahera Minerals, which is owned by Newcrest (75 percent interest) and PT Aneka Tambang (25 percent interest), a company listed on the Indonesian Stock Exchange and the ASX. PT Aneka Tambang increased its stake from 17.5 percent to the current 25 percent in December 2012.

Production for the year ended June 2013 was 312,711 ounces of gold and 342,835 ounces of silver at a cash cost of A$621 per ounce. As at 31 December 2012, the Gosowong Mineral Resource was estimated to contain 2.0 million ounces of gold and 3.1 million ounces of silver, including an Ore Reserve estimated to contain 1.6 million ounces of gold and 2.2 million ounces of silver.

Gold mineralisation at Gosowong was discovered by Newcrest geologists in 1993 and comprises multiple high-grade epithermal deposits. Mining operations commenced in 1999, initially from the Gosowong open pit and subsequently from the Toguraci open pit. Decline development at the high-grade Kencana underground mine commenced in July 2005, with ore production commencing in March 2006 and continuing to the present day. A further cutback of the Gosowong open pit commenced in October 2010 and was completed in the June 2013 quarter. The Toguraci underground mine is the second underground project developed at Gosowong, with first ore production in September 2011. The processing plant at Gosowong has a capacity in excess of 800,000 tonnes per year.

The Gosowong Province remains highly prospective, and exploration activity to identify further epithermal vein structures and link zones is ongoing.

2013 Statistics*

Mining Method		Underground
Resources† – Gold	2.0	million ounces
Reserves† – Gold	1.6	million ounces
Total Mine Production	6,793	thousand tonnes
Total Ore Treated	869	thousand tonnes
Production – Gold	312,711	ounces
Cash Cost	621	A$ per ounce of gold produced
Total Cost	852	A$ per ounce of gold produced
EBIT Margin	58	percent

† Resources and Reserves are stated as at 31 December 2012
* 100 percent share

Hidden Valley

The goldfields district of Morobe Province covers a portion of the Papuan Orogenic belt, which hosts a number of world-class gold and copper-gold deposits.

Hidden Valley
Papua New Guinea

2013 Statistics*

Mining Method		Open pit
Resources† – Gold	3.3	million ounces
Reserves† – Gold	1.8	million ounces
Total Mine Production	10,869	thousand tonnes
Total Ore Treated	1,844	thousand tonnes
Production – Gold	85,004	ounces
Cash Cost	1,613	A$ per ounce of gold produced
Total Cost	2,081	A$ per ounce of gold produced
EBIT Margin	(4)	percent

† Resources and Reserves are stated as at 31 December 2012
* 50 percent share

Hidden Valley is a gold and silver mine located approximately 90 kilometres south-west of Lae in the Morobe Province of PNG. Regionally, the goldfields district of the Morobe Province covers a portion of the Papuan Orogenic belt, which hosts a number of world-class gold and copper-gold deposits, including Porgera and Ok Tedi. Hidden Valley is owned by the Hidden Valley unincorporated joint venture, one of three joint ventures between subsidiaries of Newcrest and Harmony Gold Mining Company Limited, collectively known as the Morobe Mining Joint Ventures.

Newcrest's 50 percent share of production for the year ended June 2013 was 85,004 ounces of gold and 856,328 ounces of silver at a cash cost of A$1,613 per ounce. As at 31 December 2012, the Hidden Valley Mineral Resource estimated to contain 6.6 million ounces of gold and 115 million ounces of silver (100 percent), including an Ore Reserve estimated to contain 3.6 million ounces of gold and 64.2 million ounces of silver (100 percent). The Hidden Valley Mine consists of the Hidden Valley Kaveroi and Hamata open pits located approximately 6 kilometres apart, and an ore processing facility situated in steep, heavily forested, mountainous terrain. Both pits employ conventional load and haul mining techniques. The ore treatment plant was commissioned in August 2009. In May 2010, construction and commissioning of the Hidden Valley operation was completed and the production ramp-up commenced.

At full capacity, the mine is expected to produce over 250,000 ounces of gold and 3.6 million ounces of silver per year (100 percent terms) over a projected 14-year mine life.

Bonikro

Newcrest's tenements in Côte d'Ivoire cover approximately 17,000 square kilometres within the Birimian Greenstone belt, known to host a large number of significant gold deposits in the West African region.

Bonikro
Côte d'Ivoire

2013 Statistics*

Mining Method		Open pit
Resources† – Gold	2.7	million ounces
Reserves† – Gold	1.4	million ounces
Total Mine Production	22,402	thousand tonnes
Total Ore Treated	1,896	thousand tonnes
Production – Gold	90,350	thousand ounces
Cash Cost	984	A$ per ounce of gold produced
Total Cost	1,222	A$ per ounce of gold produced
EBIT Margin	34	percent

† Resources and Reserves are stated as at 31 December 2012
* 100 percent share

The Bonikro operation is located in the central-southern portion of the West African nation of Côte d'Ivoire, approximately 250 kilometres north-west of the commercial capital of Abidjan. The Bonikro operation is owned and operated by LGL Mines CI SA, an Ivoirean company in which Newcrest holds 89.89%, following the acquisition of LGL in August 2010.

Production for the year ended June 2013 was 90,350 ounces of gold at a cash cost of A$984 per ounce. As at 31 December 2012, the Bonikro Mineral Resource estimated to contain 2.7 million ounces of gold, including an Ore Reserve estimated to contain 1.4 million ounces of gold.

Construction of the Bonikro mine began in May 2007, with gold production commencing in October 2008. The operation employs a conventional open pit mining method comprising drill, blast, load and haul. The predominant method of gold recovery is via carbon in leach technology, with some gold recovered via a gravity circuit. A growth option to expand the plant at Bonikro remains viable but has not been approved at this point.

Newcrest is currently exploring numerous prospects within 30 kilometres of the Bonikro mine that have the potential for additional ore supply. In addition, Newcrest holds rights to a very large regional package of exploration tenements in Côte d'Ivoire acquired through the acquisition of LGL in August 2010.

Projects

Growth opportunities

In the current market environment, Newcest will focus on production from its high-quality core assets and has deferred longer-dated studies and major capital expenditure. However, a number of growth options have been retained for potential future development as market conditions improve.

Wafi-Golpu (50 percent)

Newcrest's most significant undeveloped growth option is Wafi-Golpu, located in the Morobe province of PNG, with a large Mineral Resource estimated to contain 28.5 million ounces of gold and 9.06 million tonnes of copper (100 percent) as at 31 December 2012. Wafi-Golpu is owned by the Wafi-Golpu unincorporated joint venture, one of three joint ventures with Harmony Gold Mining Company Limited, collectively known as Morobe Mining Joint Ventures (MMJV). A project evaluation is ongoing with a focus in the coming year on reducing start-up capital, improving orebody knowledge and exploration drilling, stakeholder engagement and design work.

Namosi (69.94 percent)

Namosi is one of the largest porphyry copper systems in the Pacific Islands, located 30 kilometres west of Fiji's capital city, Suva. It has a Mineral Resource estimated to contain 7.9 million ounces of gold and 7.86 million tonnes of copper (100 percent) as at 31 December 2012. Newcrest's Namosi Joint Venture partners include Nittetsu Mining Co. Ltd and Mitsubishi Materials Corporation. A pre-feasibility study to evaluate development alternatives for the Namosi project is currently focussed on low capital start-up options, community engagement and regional exploration.

O'Callaghans

O'Callaghans is a tungsten and base metal deposit, located within 10 kilometres of the Telfer process plant within Newcrest's existing tenure. It has a Mineral Resource estimated to contain 0.26 million tonnes of tungsten trioxide, 0.39 million tonnes of zinc and 0.19 million tonnes of lead as at 31 December 2012. This project has the potential to reduce cash costs in the Telfer province through by-product credits.

Lihir Kapit Pit

The Kapit pit is a high-grade deposit north of Lienetz pit at Lihir. The deposit is close to the coast and requires a seawall to be built prior to mining the orebody. It is an important part of the long-term production profile at Lihir; however, this project has been deferred as Newcrest seeks to maximise free cash flow through the processing of stockpiles that would otherwise have had to be relocated. The development of the Kapit pit can be brought forward should market conditions improve.

Other Expansions

Potential brownfields expansions at Telfer, Bonikro and Hidden Valley are in the concept study stage. These are on hold but remain options should market conditions improve.

Wafi-Golpu

Wafi-Golpu is a world-class deposit in a highly prospective mineralised belt. Study work continues with a focus on lower capital start-up options.

2013 Statistics*

Mining Method		Potential Open Pit and Underground
Resources† – Gold	14.3	million ounces
Reserves† – Gold	6.2	million ounces

† Resources and Reserves are stated as at 31 December 2012
* 50 percent share

Wafi-Golpu, located in the Morobe Province of PNG, approximately 65 kilometres south-west of the town of Lae, is an advanced exploration project that forms part of the MMJV (Newcrest 50 percent).

As at 31 December 2012, the Wafi-Golpu Mineral Resource was estimated to contain 28.5 million ounces of gold and 9.06 million tonnes of copper (100 percent), including an Ore Reserve estimated to contain 12.4 million ounces of gold and 5.44 million tonnes of copper (100 percent).

Wafi-Golpu comprises an extensive body of gold-only epithermal style mineralisation (Wafi) and deeper porphyry related copper-gold mineralisation (Golpu and Nambonga). Spatially, the Golpu and Wafi deposits are located in close proximity to each other. The Golpu deposit is located immediately north of and below the Wafi deposit. The Nambonga porphyry mineralisation is located to the west of the Wafi-Golpu diatreme.

The presence of a new gold zone, referred to as the 'Northern Zone', was confirmed west of Golpu during the 2012 financial year. Mineralisation has been identified over 200 metres of strike and remains open. The emergence of the Northern Zone demonstrates the potential of the Wafi-Golpu complex for new gold discoveries.

A technical pre-feasibility study completed in August 2012 confirmed Golpu as a world-class deposit, with cash costs expected to be at the bottom of the industry curve. Study work continues, with a focus on reducing start-up capital, improving orebody knowledge, and engaging with all stakeholders. The Golpu development option has the potential to underpin production growth at Newcrest in the next decade.

Focus on discovery

Three of Newcrest's six operations and two of its growth provinces were the direct result of Newcrest exploration activities, either through discovery or early-stage entry and resource drilling.

The Newcrest Minerals Group seeks to grow the Newcrest Mineral Resources base and Ore Reserves through exploration, innovation and collaboration. The inexpensive capture of gold resources, bringing new provinces into the portfolio, organic growth in existing provinces, and efficient conversion of resources to reserves are the primary goals of the exploration program.

Over the past five years, Newcrest has invested approximately A$650 million in exploration and resource definition activities across its portfolio of assets. As a result of these exploration programs, Newcrest has added 38 million ounces of gold and 12 million tonnes of copper to Mineral Resources, and 17 million ounces of gold and 8 million tonnes of copper to Ore Reserves. During this period, the Company achieved its exploration objective of increasing gold resources at a cost less than A$20 per ounce.

During the 2013 financial year, Newcrest exploration focussed on drill testing a number of near mine targets, advancing drilling at major projects such as Golpu and Namosi, testing the Newcrest portfolio of greenfields prospects and converting existing Mineral Resources into Ore Reserves.

Resource definition drilling demonstrated the continuity of higher grade mineralisation within the upper levels of the Golpu deposit and improved Newcrest's understanding of the structural framework of the Wafi-Golpu porphyry copper-gold system. Exploration drilling within the project area during the year confirmed the potential for additional higher-grade epithermal gold mineralisation.

The near mine exploration programs have defined a new zone of mineralisation at Lihir at Kapit North East. At Gosowong discovery drilling was focussed on extending the mine life, while at Telfer drilling targeted the West Dome Deeps prospect and the prospective gap located below the Telfer Deeps Sub-Level Cave mine and above the Vertical Stockwork Corridor. Near mine drilling at Bonikro in Côte d'Ivoire targeted resource extensions within the mine district.

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

Namosi

Namosi is one of the largest porphyry copper systems in the Pacific Islands, with a resource estimated to contain 7.9 million ounces of gold and 7.86 million tonnes of copper.

2013 Statistics*

Mining Method		Potential Open Pit
Resources† – Gold	5.5	million ounces
Reserves† – Gold	3.6	million ounces

† Resources and Reserves are stated as at 31 December 2012
* 69.94 percent share

The Namosi project, which is located approximately 30 kilometres west of Fiji's capital city, Suva, is centred on a district that has been periodically explored over the past 40 years and is highly prospective for copper-gold porphyry systems. Namosi is one of the largest porphyry copper systems in the Pacific Islands.

In late 2007, Newcrest signed a definitive joint venture agreement with Nittetsu Mining Co. Ltd and Mitsubishi Materials Corporation to establish the Namosi Joint Venture to explore for porphyry copper-gold and epithermal style gold mineralisation in the Namosi region of Fiji. Newcrest has a 69.94 percent interest in the Namosi Joint Venture and is the manager of the exploration activities.

As at 31 December 2012, the Namosi Mineral Resource was estimated to contain 7.9 million ounces of gold and 7.86 million tonnes of copper (100 percent), along with an Ore Reserve estimated to contain 5.2 million ounces of gold and 4.95 million tonnes of copper (100 percent).

A pre-feasibility study to evaluate development alternatives for the Namosi project is currently focussed on low-capital start-up options, community engagement and regional exploration.

Long-term commitment

Newcrest is committed to supporting positive economic and social outcomes as well as minimising environmental impacts in the regions where we operate. We work closely with governments, communities, civil society organisations and other local stakeholders to ensure that Newcrest's sustainability objectives and programs are aligned with local priorities and expectations. We know that sharing the benefits of mining with our host communities and managing the impacts from our mines is the right thing to do and this philosophy underpins Newcrest's vision to be the Miner of choice™.

Newcrest made significant progress during the financial year on our key sustainability objectives, particularly in the areas of governance, policies and partnerships. We also continued to implement a wide range of sustainability and community programs focussing on economic and social development, health and safety and environmental management.

While the Newcrest Board has long had ultimate accountability for our sustainability agenda, during the reporting period our Executive Committee was strengthened to include a dedicated position with a specific mandate and responsibility for developing and implementing Newcrest's sustainability program. This enhancement to our sustainability governance arrangements will ensure that sustainability priorities at Newcrest continue to be developed and implemented in line with shareholder, government, community and employee expectations.

A number of decisions were made during the period that strengthen our sustainability policy framework through our support for two key initiatives aimed at increasing transparency and supporting human rights principles, particularly in developing countries. Newcrest resolved to formally apply for membership to the Extractive Industries Transparency Initiative (EITI) and the Voluntary Principles on Security and Human Rights (VPSHR). Newcrest continues to publish an annual Sustainability Report using the Global Reporting Initiative framework.

While still to be fully imbedded, the eight community standards within the Company's Communities Policy are currently being referenced across all sites.

The health and safety of our employees and local communities remain Newcrest's number one priority. In recognition of the impact that malaria can have on the health and wellbeing and life expectancy of our employees and local communities near some of our operations, along with business productivity, Newcrest developed a comprehensive malaria management framework that includes standards and guidelines for each site. At our offshore sites malaria control teams minimise mosquito breeding sites and we maintain medical clinics for rapid diagnosis and treatment. We also continued our five year partnership with the Medicines for Malaria Venture (MMV) which invests in antimalarial drug research and undertakes key initiatives to continually improve malaria programs. On-site malaria assessments and prevention training were conducted with MMV at Lihir, Gosowong and Bonikro during the period while a separate feasibility study aimed at eliminating malaria from the Lihir group of islands commenced in conjunction with ISGlobal.

Community agreements remain an important mechanism to ensure that Newcrest is supporting community programs that are sustainable and aligned to the priorities and expectations of our regional and local stakeholders. During the year, formal reviews of our existing community agreements at our Lihir, Hidden Valley and Telfer operations were progressed and implementation of ongoing community programs at Cadia, Gosowong and Bonikro continued with a wide range of successful outcomes and milestones achieved.

Community programs, particularly in developing countries, have focussed on ventures that will provide economic wellbeing that will endure independently of the mine. For example, at Gosowong the Corporate Social Responsibility (CSR) program has a focus on sustainable economic development, including the diversification and development of local agriculture, farming and aquaculture industries. The creation of cassava, corn and sago plantations and associated marketing and sales arrangements are the three main agriculture projects currently supported by Gosowong's CSR program. During the reporting period the first cassava harvest took place, producing 20,000 kilograms of cassavas, which are further processed to produce tapioca flour. These CSR agriculture projects are estimated to increase the current average income of the families involved by almost 40 percent. This extra money can be used to support other business development activities and improve living standards.

Further information about sustainability at Newcrest, including our 2012 Sustainability Report, can be found on our website www.newcrest.com.au/sustainability.

LIHIR TUBERCULOSIS CONTROL STRATEGY

Tuberculosis (TB) is second only to HIV/AIDS as the greatest killer worldwide due to a single infectious agent. In collaboration with the New Ireland Province Kavieng District Health Office and the Disease Control division of the National Department of Health, in PNG, Newcrest is implementing a TB control strategy at Lihir that is targeting early diagnosis and effective management to stop transmission of this prevalent disease in Lihir island communities.

COMMUNITY INVESTMENT AT BONIKRO

Newcrest is partnering with the United Nations in Côte d'Ivoire to develop a regional development framework where community development funds provided by our Bonikro mine are allocated to agreed projects within the mine impact area. In April 2013, a series of agriculture projects initiated under the partnership were formally transferred to community stakeholders.

Mineral Resources and Ore Reserves

Newcrest Mining Limited updated its Mineral Resource and Ore Reserve estimates for the twelve month period ended 31 December 2012. Mineral Resource and Ore Reserve estimates were previously updated for the year ended 31 December 2011.

Principal changes include updated commodity prices applied when estimating resources and reserves, normal production depletion from operating mines, and other adjustments during the period from January 2012 to December 2012.

Group Mineral Resources, after mining depletion, are estimated at 161.2 million ounces of gold and 20.98 million tonnes of copper. This represents a net increase of 11.5 million ounces of gold (7.7 percent) and 0.94 million tonnes of copper (4.7 percent). Silver Mineral Resources are estimated at 142.2 million ounces, which represents a net increase 25.4 million ounces of silver (21.8 percent).

The increase in Minerals Resources at 31 December 2012 was driven by additions at Lihir (7.6 million ounces of gold), Cadia East Underground (4.4 million ounces of gold, 0.95 million tonnes of copper and 16.8 million ounces of silver) and Wafi-Golpu (1.0 million ounces of gold and 7.8 million tonnes of silver)[1]. These increases largely reflect exploration success and the impact of increased metal prices on pit shells and cut-off grades respectively.

Group Ore Reserves, after mining depletion, are estimated at 87.3 million ounces of gold and 12.10 million tonnes of copper. This represents a net increase of 8.1 million ounces of gold (10.3 percent) and 3.64 million tonnes of copper (43.0 percent). Silver Ore Reserves are estimated at 77.2 million ounces, which represents a net increase 17.8 million ounces of silver (30.0 percent). This result is inclusive of the August 2012 Golpu Ore Reserve announcement.

The increase in Ore Reserves as at 31 December 2012 was driven by additions at Wafi-Golpu (5.5 million ounces of gold, 2.32 million tonnes of copper and 9.9 million ounces of silver)[1], Cadia East (1.3 million ounces of gold, 0.55 million tonnes of copper and 11.1 million ounces of silver), Lihir (1.2 million ounces of gold) and Namosi (0.8 million ounces of gold and 0.78 million tonnes of copper)[2]. These increases are largely driven by the completion of the Golpu Technical Prefeasibility Study and the impact of increased metal price assumptions.

Mineral Resources are quoted inclusive of Ore Reserves. Metal price assumptions used for all Newcrest Mineral Resources as at 31 December 2012 were US$1,350/oz for gold, US$3.10/lb for copper and US$23/oz for silver. Price assumptions for Ore Reserves are US$1,250/oz for gold, US$2.70/lb for copper and US$20.00/oz for silver. In the case of Gosowong, a gold price of US$1,400/oz was used to estimate Mineral Resources and Ore Reserves, acknowledging the shorter life of the currently known deposits. Where appropriate, resources were also constrained spatially by a notional pit shell based on US$1,400/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 remove non-contiguous mineralisation. Cost assumptions are based on the latest approved study for each deposit.

Mineral Resources and Ore Reserves for the Morobe Mining Joint Ventures are based on Competent Persons statements provided by the Morobe Mining Joint Ventures and Harmony Gold Mining Company Limited, and are quoted as Newcrest's 50 percent interest.

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.

CADIA VALLEY (NSW)

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. Minor molybdenum and silver mineralisation is also present. Ore is sourced by bulk mining methods from open pit and underground operations. Exploration is ongoing within the Cadia Province, targeting large-scale alteration systems located within the regional tenement package.

Cadia Hill Open Pit

Cadia Hill is porphyry related sheeted vein deposit. The Cadia Hill Mineral Resource and Ore Reserve remain unchanged since December 2012. Cadia Hill stockpiles have decreased by 0.09 million ounces and 8.5 kilotonnes of copper.

Open pit mining at Cadia Hill was suspended in June 2012 following completion of pit stage 3.

Cadia Extended

The Cadia Extended underground resource is located to the north-west of Cadia Hill beneath the backfilled Cadia Extended pit. The Cadia Extended Mineral Resource is unchanged since December 2012. No Ore Reserve has been estimated for Cadia Extended.

Ridgeway Underground

Ridgeway Underground is a large-scale underground mine using sub-level cave extraction and block caving (Ridgeway Deeps) below the sub-level cave. Since December 2012, the Mineral Resource has been depleted by 0.18 million ounces of gold and 23.0 kilotonnes of copper and the Ore Reserve has been depleted by 0.18 million ounces of gold and 21.5 kilotonnes of copper.

Big Cadia

Big Cadia is centred on an area of shallow historic workings located north of the Cadia Hill open pit and east of the Ridgeway Mine cave zone. The mineralisation is skarn style and has been evaluated as a gold and copper bearing Mineral Resource for future development by open pit mining. The Big Cadia Mineral Resource and Ore Reserve are unchanged since December 2012.

Cadia East Underground

Cadia East is a low-grade, porphyry related gold and copper deposit located immediately east of Cadia Hill, with mining based on bulk underground extraction by panel caving methods. Development has been completed for the undercut and extraction levels associated with the initial Panel Cave (PC1), and commercial production commenced in January 2013.

Since December 2012, the Mineral Resource has been depleted by 0.07 million ounces of gold and 4.8 kilotonnes of copper, and the Ore Reserve has been depleted by 0.07 million ounces of gold and 4.7 kilotonnes of copper.

[1] Newcrest's 50 percent share.

[2] Newcrest's 69.94 percent share.

TELFER (WA)

Gold and copper mineralisation in the Telfer Province is largely structurally controlled reefs, veins and stockwork hosted by sedimentary rocks.

The Telfer operation is comprised of Telfer Open Pit (Main Dome and West Dome) and Telfer Underground. Open pit mining is a conventional truck and hydraulic excavator operation. Selective mining techniques are used for excavation of the high-grade reefs, while stockwork ore and waste are mined using bulk methods. The limited quantities of near-surface oxidised stockwork are also bulk mined.

Since December 2012, exploration has continued in the Telfer region. Exploration is focussed on:

– Discovering additional higher grade underground resources at West Dome and Main Dome; and

– Generation of new targets within regional tenements.

Telfer is currently the subject of various technical studies, ranging from evaluating optimal mining solutions for individual deposits through to province-scale evaluations.

Main Dome Open Pit

The Main Dome deposit is the largest in the Telfer area and comprises a series of stacked stratabound reefs and discordant stockwork within a folded dome structure. Since December 2012, the Mineral Resource has been depleted by 0.20 million ounces of gold and 9.6 kilotonnes of copper. The Ore Reserve has been depleted by 0.20 million ounces of gold and 8.9 kilotonnes of copper.

Since December 2012, the contained metal in open pit stockpiles (including Main Dome and West Dome) has increased by 0.05 million ounces of gold and 2.1 kilotonnes of copper.

West Dome Open Pit

The West Dome deposit is located 2 kilometres north-west of the Main Dome deposit and is a continuation of the folded sedimentary sequence in a second sub-parallel structure. Since December 2012, the Mineral Resource has been depleted by 0.10 million ounces of gold and 3.4 kilotonnes of copper and the Ore Reserve has been depleted by 0.10 million ounces of gold and 3.2 kilotonnes of copper.

Telfer Deeps Underground

The Telfer Deeps Underground comprises the operating sub-level cave (SLC) mine and selective high-grade reef mining external to the SLC. Mineralisation includes stratabound reefs, cross cutting veins and stockwork zones around the reefs. Since December 2012, the Mineral Resource has been depleted by 0.11 million ounces of gold and 7.8 kilotonnes of copper and the Ore Reserve has been depleted by 0.11 million ounces of gold and 7.8 kilotonnes of copper.

Vertical Stockwork Corridor (VSC)

The VSC deposit lies directly below the existing Telfer Deeps Underground SLC. The VSC Mineral Resource and Ore Reserve are unchanged since December 2012.

O'Callaghans

The O'Callaghans poly-metallic deposit is located approximately 10 kilometres south of the Telfer Gold Mine. The mineralisation contains tungsten, copper, zinc and lead as a sub-horizontal layer of poly-metallic skarn (altered limestone). The O'Callaghans Mineral Resource and Ore Reserve are unchanged since December 2012.

Telfer Satellite Deposits

The Telfer Satellite deposits lie within a zone located approximately 30 kilometres from the Telfer Gold Mine. The 'Satellites' are a group of structurally controlled gold deposits, including Backdoor West, Dolphy, Big Tree and Camp Dome. The Telfer Satellite Mineral Resource is unchanged since December 2012, and no Ore Reserve has been estimated for Telfer Satellite deposits.

LIHIR (PNG)

The Lihir Gold Mine is located on Niolam Island, 900 kilometres north-east of Port Moresby in the New Ireland Province of Papua New Guinea (PNG). Lihir is a volcanic sea mount that rises steeply from sea level to approximately 600 metres above sea level. The Luise Caldera, in which all of the known ore deposits are located, is on the east coast of the island.

The Lihir Gold Mine consists of three linked open pits, Minifie, Lienetz and Kapit, that will be mined over the life of the project. Mining is by conventional open pit methods.

Since December 2012, the insitu pit Mineral Resource has been depleted by 0.61 million ounces of gold and the insitu Ore Reserve has been depleted by 0.61 million ounces of gold. The contained metal in Lihir stockpiles has increased by 0.09 million ounces of gold.

At Lihir, the optimal extraction of mineralisation (both inside and outside current resources) are the subject of various technical studies.

GOSOWONG (INDONESIA)

Gosowong is located on Halmahera island in North Maluku Province in the eastern part of the Republic of Indonesia. Gosowong is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (75 percent) and PT Aneka Tambang (25 percent). For the purpose of reporting Mineral Resources and Ore Reserves, Newcrest reports 100 percent of the assets. Economic mineralisation in the Gosowong province is low sulphidation, gold-silver epithermal veining.

The Gosowong operation includes the Kencana, Toguraci underground mines and the Gosowong open pit. Newcrest has an active exploration program in place at Gosowong, which is focussed on:

1. Defining additional resources within the vicinity of the current operations at Toguraci and Kencana; and
2. Discovering a major new (+1 million ounces) deposit within the broader Contract of Work area.

Kencana

The Kencana mineralised system is a complex intersecting network of structures consisting of well-developed epithermal veins and link structures. Since December 2012, the Mineral Resource has been depleted by 0.12 million ounces of gold and the Ore Reserve has been depleted by 0.12 million ounces of gold.

Toguraci

Toguraci is a group of low sulphidation epithermal deposits located 2 kilometres south-west of the Gosowong mine. Since December 2012, the Mineral Resource has been depleted by 0.03 million ounces of gold and the Ore Reserve has been depleted by 0.03 million ounces of gold.

GOSOWONG (INDONESIA) (continued)

Gosowong Pit Cut-Back

The Gosowong Pit Mineral Resource is located in the walls and floor of the existing Gosowong open pit. Since December 2012, the Mineral Resource has been depleted by 0.02 million ounces of gold and the Ore Reserve has been depleted by 0.02 million ounces of gold.

Gosowong Tailings Storage Facilities and Stockpiles

The Gosowong Tailings Mineral Resource and Ore Reserve comprise reclaimed tailings deposited during the earlier processing of high-grade ore from the Kencana deposit. Since December 2012, minor amounts of the Gosowong Tailings have been regularly processed.

Since December 2012, the Gosowong 'operational' stockpiles (including Kencana, Toguraci and Gosowong Pit) did not have a material change.

MOROBE MINING JOINT VENTURES (PNG)

The Morobe Mining Joint Ventures are three 50:50 unincorporated joint ventures between subsidiaries of Newcrest and Harmony Gold Mining Company. The joint venture interests are located in the Morobe Province of PNG and include the Hidden Valley and Wafi-Golpu deposits.

Hidden Valley

The Hidden Valley Mine is located 90 kilometres south-west of Lae in the Morobe Province of PNG. Mineralisation is structurally controlled epithermal gold – silver stockwork veining hosted in granite and metasedimentary rocks.

The Hidden Valley Mine consists of the Hidden Valley Kaveroi and Hamata open pits located approximately 6 kilometres apart. Since December 2012, the Mineral Resource has decreased through combined resource update and depletion by 0.35 million ounces of gold and the Ore Reserve has been depleted by 0.05 million ounces of gold (50 percent terms). Operational stockpiles decreased by 0.01 million ounces of gold.

Wafi-Golpu

Wafi-Golpu comprises the Golpu porphyry deposit, the Wafi high sulphidation epithermal deposit and the Nambonga porphyry deposit. The deposits are situated 60 kilometres west-south-west of Lae, on the western flanks of the Timini Range, Morobe Province in PNG.

The Wafi and Golpu Mineral Resource and Ore Reserve are unchanged since December 2012.

The Nambonga Mineral Resource is unchanged since December 2012.

NAMOSI JOINT VENTURE (FIJI)

The Namosi tenement is located about 30 kilometres west of Fiji's capital city, Suva. The Namosi project is a joint venture between Newcrest, Nittetsu and Mitsubishi Materials. Newcrest holds a 69.94 percent interest in the joint venture and is manager of project activities.

Waisoi

The Waisoi deposit is characterised by copper-gold-molybdenum mineralisation hosted in and adjacent to porphyry intrusions. The deposit includes two broad overlapping mineralised zones: Waisoi East and Waisoi West. The Waisoi Mineral Resource and Ore Reserve are unchanged since December 2012.

Further growth opportunities exist for Waisoi in the next five years. The deposit is the subject of a pre-feasibility study. The Waisoi deposit is to be extracted via bulk open cut mining methods.

Wainaulo

The Wainaulo deposit lies in the Waivaka Corridor, which is a 5 kilometres long, east-north-east trending zone of porphyry-related mineralisation. The Wainaulo Mineral Resource is unchanged since December 2012, and no Ore Reserve has been estimated for the Wainaulo deposit.

OTHER REGIONS

Marsden (NSW)

The Marsden copper-gold porphyry deposit is located between the NSW towns of Forbes and West Wyalong, approximately 150 kilometres south-west of the Cadia Valley Operations. The Marsden Mineral Resource and Ore Reserve are unchanged since December 2012.

Côte d'Ivoire (West Africa)

The Côte d'Ivoire operations and projects (CI) include Bonikro, Hiré and Dougbafla-East deposits, as well as various exploration tenements. Gold mineralisation occurs primarily in two modes: as structurally controlled shear zones and as stockwork veining.

The Bonikro open pit mine and the Dougbafla deposit are located within the Oumé Project area, central to southern Côte d'Ivoire. The Hiré deposit is located approximately 10 kilometres south-east of Bonikro. Hiré is the focus of a feasibility study to evaluate its potential as an open pit mine (with processing at the nearby Bonikro processing facility).

Since December 2012, the Bonikro Mineral Resource has been depleted by 0.10 million ounces of gold and the Ore Reserve has been depleted by 0.08 million ounces of gold. Since December 2012, contained metal in Bonikro stockpiles has increased by 0.02 million ounces of gold. The Hiré and Dougbafla-East Mineral Resources are unchanged since December 2012. No Ore Reserves have been estimated for the Hiré and Dougbafla-East deposits.

Newcrest has an active exploration program in place within Côte d'Ivoire, which is focussed on:

1. Defining extensions to the current resources; and
2. Greenfields exploration outside the mine and project areas.

2013 Mineral Resources

As at 31 December 2012

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 Insitu Gold (million ounces)	Contained Metal Insitu Copper (million tonnes)	Com–petent Person
Cadia East Underground	–	–	–	2,500	0.42	0.28	360	0.34	0.19	2,800	0.41	0.26	37.6	7.53	1
Ridgeway Underground#	0.11	1.2	0.51	130	0.68	0.34	43	0.37	0.39	180	0.60	0.35	3.4	0.61	1
Other#	170	0.44	0.13	170	0.36	0.23	260	0.30	0.10	590	0.36	0.14	6.8	0.85	1
Total Cadia Province – Gold and Copper													**47.7**	**8.99**	
Main Dome Open Pit#	28	0.43	0.07	380	0.65	0.08	50	0.57	0.07	460	0.63	0.08	9.2	0.36	2
West Dome Open Pit	–	–	–	390	0.53	0.06	27	0.54	0.07	410	0.53	0.06	7.1	0.24	2
Telfer Underground	–	–	–	78	1.3	0.32	21	0.76	0.25	98	1.20	0.31	3.7	0.30	2
Other	–	–	–	0.57	4.2	0.03	16	0.28	0.34	16	0.42	0.33	0.2	0.05	2
O'Callaghans	–	–	–	69	–	0.29	9.0	–	0.24	78	–	0.29	–	0.22	2
Total Telfer Province – Gold and Copper													**20.2**	**1.18**	
Lihir#	100	2.3	–	770	1.9	–	150	1.9	–	1,000	2.0	–	64.2	–	3
Gosowong#*	–	–	–	4.4	14	–	0.31	9.6	–	4.7	14	–	2.0	–	4
Bonikro#	4.0	0.83	–	47	1.4	–	14	1.1	–	65	1.3	–	2.7	–	5
Namosi JV (69.94%)	–	–	–	1,300	0.11	0.33	260	0.10	0.38	1,600	0.11	0.34	5.5	5.50	6
Marsden	–	–	–	200	0.19	0.37	35	0.08	0.17	230	0.17	0.34	1.3	0.78	1
MMJV – Hidden Valley Operations (50%)#	0.8	1.2	–	72	1.3	–	5.4	1.1	–	78	1.3	–	3.3	–	7
MMJV – Wafi/Golpu/ Nambonga (50%)	–	–	–	460	0.77	0.81	130	0.7	0.64	590	0.76	0.77	14.3	4.53	8
Total Other Provinces – Gold and Copper													**93.2**	**10.8**	
Total Gold and Copper													**161.2**	**21.0**	

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 Insitu Silver (million ounces)	Com–petent Person
Cadia Valley Operations#	0.11	1.4	2,600	0.61	410	0.40	3,000	0.58	56.3	1
Gosowong#*	–	–	4.4	21	0.31	20	4.7	21	3.1	4
MMJV – Hidden Valley/ Hamata/Kaveroi (50%)#	0.8	20	69	24	5.0	21	75	24	57.5	7
MMJV – Wafi/Golpu/ Nambonga (50%)	–	–	460	1.4	110	1.2	570	1.4	25.3	8
Total Silver									**142.2**	

Polymetallic Resources (# = includes stockpiles)	Tonnes Dry Tonnes (million)	Grade Tungsten Trioxide Grade (% WO_3)	Grade Zinc Grade (% Zn)	Grade Lead Grade (% Pb)	Contained Metal Insitu Tungsten Trioxide (million tonnes)	Contained Metal Insitu Zinc (million tonnes)	Contained Metal Insitu Lead (million tonnes)	Com–petent Person
Measured	–	–	–	–	–	–	–	
Indicated	69	0.34	0.55	0.27	0.24	0.38	0.18	2
Inferred	9.0	0.25	0.15	0.07	0.02	0.01	0.01	
Total Polymetallic	**78**	**0.33**	**0.50**	**0.25**	**0.26**	**0.39**	**0.19**	

Note: Rounding may cause some computational discrepencies in totals.

* The figures shown represent 100 percent of the Mineral Resource. Gosowong/Toguraci is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (75 percent) and PT Aneka Tambang (25 percent).

Newcrest and Harmony Gold Mining Company Limited have 50–50 ownership in each of the Morobe Mining Joint Ventures. Newcrest has a 69.94 percent share of the Namosi Joint Venture.

Competent Person

1. Ann Winchester, 2. James Biggam, 3. Geoff Smart, 4. Colin McMillan, 5. Craig Irvine, 6. Vik Singh, 7. Greg Job (Harmony), 8. Paul Dunham (MMJV).

2013 Ore Reserves

As at 31 December 2012

Gold and Copper Reserves (# = includes stockpiles)	Proved Reserve Dry Tonnes (million)	Proved Reserve Gold Grade (g/t Au)	Proved Reserve Copper Grade (% Cu)	Probable Reserve Dry Tonnes (million)	Probable Reserve Gold Grade (g/t Au)	Probable Reserve Copper Grade (% Cu)	Total Reserve Dry Tonnes (million)	Total Reserve Gold Grade (g/t Au)	Total Reserve Copper Grade (% Cu)	Contained Metal Insitu Gold (million ounces)	Contained Metal Insitu Copper (million tonnes)	Com-petent Person
Cadia East Underground	–	–	–	1,500	0.50	0.29	1,500	0.50	0.29	23.5	4.22	1
Ridgeway Underground#	–	–	–	100	0.68	0.32	100	0.68	0.32	2.2	0.32	1
Other#	75	0.55	0.14	35	0.39	0.36	110	0.50	0.21	1.8	0.23	2
Total Cadia Province – Gold and Copper										**27.5**	**4.78**	
Main Dome Open Pit#	28	0.43	0.07	240	0.76	0.09	270	0.73	0.09	6.4	0.25	3
West Dome Open Pit	–	–	–	180	0.61	0.06	180	0.61	0.06	3.6	0.11	3
Telfer Underground	–	–	–	45	1.1	0.30	45	1.1	0.30	1.6	0.14	4
O'Callaghans	–	–	–	59	–	0.29	59	–	0.29	–	0.17	5
Total Telfer Province – Gold and Copper										**11.6**	**0.66**	
Lihir#	100	2.3	–	380	2.1	–	480	2.1	–	32.7	–	6
Gosowong#*	–	–	–	4.6	10	–	4.6	10	–	1.6	–	5
Bonikro#	4.0	0.83	–	31	1.3	–	35	1.2	–	1.4	–	6
Namosi JV (69.94%)	–	–	–	940	0.12	0.37	940	0.12	0.37	3.6	3.46	6
Marsden	–	–	–	100	0.28	0.47	100	0.28	0.47	0.9	0.47	2
MMJV – Hidden Valley Operations (50%)#	0.8	1.2	–	37	1.5	–	37	1.5	–	1.8	–	6
MMJV – Wafi/Golpu/ Nambonga (50%)	–	–	–	230	0.86	1.2	230	0.86	1.2	6.2	2.72	7
Total Other Provinces – Gold and Copper										**48.2**	**6.65**	
Total Gold and Copper										**87.3**	**12.10**	

Silver Reserves (# = includes stockpiles)	Proved Reserve Dry Tonnes (million)	Proved Reserve Silver Grade (g/t Ag)	Probable Reserve Dry Tonnes (million)	Probable Reserve Silver Grade (g/t Ag)	Total Reserve Dry Tonnes (million)	Total Reserve Silver Grade (g/t Ag)	Contained Metal Insitu Silver (million ounces)	Com-petent Person
Cadia Valley Operations#	–	–	1,600	0.66	1,600	0.66	33.1	1,2
Gosowong#*	–	–	4.6	15	4.6	15	2.2	5
MMJV – Hidden Valley/ Hamata/Kaveroi (50%)#	0.8	20	34	29	35	28	32.1	6
MMJV – Wafi/Golpu/ Nambonga (50%)	–	–	230	1.4	230	1.4	9.9	7
Total Silver							**77.2**	

Polymetallic Reserves (# = includes stockpiles)	Tonnes: Dry Tonnes (million)	Grade: Tungsten Trioxide Grade (% WO_3)	Grade: Zinc Grade (% Zn)	Grade: Lead Grade (% Pb)	Contained Metal: Insitu Tungsten Trioxide (million tonnes)	Contained Metal: Insitu Zinc (million tonnes)	Contained Metal: Insitu Lead (million tonnes)	Com-petent Person
Proved	–	–	–	–	–	–	–	5
Probable	59	0.28	0.62	0.30	0.16	0.36	0.18	
Total Polymetallic	**59**	**0.28**	**0.62**	**0.30**	**0.16**	**0.36**	**0.18**	

Note: Rounding may cause some computational discrepencies in totals.

* The figures shown represent 100 percent of the Ore Reserve. Gosowong/Toguraci is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (75 percent) and PT Aneka Tambang (25 percent).

Newcrest and Harmony Gold Mining Company Limited have 50–50 ownership in each of the Morobe Mining Joint Ventures. Newcrest has a 69.94 percent share of the Namosi Joint Venture.

Competent Person

1. Lino Manca, 2. Steven Butt, 3. Justin Clout, 4. Nigel Clark, 5. Darryl Dyason, 6. Anton Kruger, 7. German Flores.

Corporate Governance

The Board believes that adherence by the Company and its people to the highest standard of corporate governance is critical in order to achieve its vision.

The Company's corporate governance practices during the year to 30 June 2013 are outlined below. This includes information required under the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (2nd edition) (the ASX Principles).

1. BOARD OF DIRECTORS

Role and Responsibilities

The Board sets the Company's strategic goals and objectives, and oversees the management and performance of the Company's business. The Board is ultimately accountable to Newcrest's shareholders for the performance of the business. The role of the Board is described in the Board Charter, which is available on the Company's website: www.newcrest.com.au.

Responsibility for the day-to-day management of the business is delegated to the Managing Director and Chief Executive Officer (CEO), and the Executive Committee. The Board has approved a formal Statement of Management Authorities and Responsibilities. The Statement is supported by a comprehensive financial control framework of delegated authorities, including authorities delegated to individual Executives.

Board Composition

Newcrest's Board currently comprises 11 Directors: two Executive Directors (the Managing Director and CEO – Greg Robinson, and the Finance Director and Chief Financial Officer (CFO) – Gerard Bond) and nine Non-Executive Directors.

The Chairman is an independent Non-Executive Director and is not a former executive of the Company. The roles of the Chairman, and the Managing Director and CEO are not exercised by the same individual.

The names, skills and experience of each Director, and date of appointment are set out on pages 8 and 9 of this report. Details of changes to the Board during 2012–13 and the current year to date are set out in the Directors' Report on page 39.

The Board has determined that as a general rule, a Non-Executive Director will not serve on the Board for more than 10 years. Non-Executive Directors are required to submit themselves for re-election every three years, and at least one Director must stand for election each year.

Selection and Appointment of Directors

Directors regularly review the Board's structure, size and composition to ensure that it has the range of skills, expertise and experience demanded by the Company's operations.

The Company seeks to maintain a Board with a broad range of skills focussed on resource, operational and mining-related expertise, broad commercial and financial understanding, and business experience and strength in other key areas such as health, safety and environment, in each case appropriate to meet the needs of a business of Newcrest's size and complexity.

Nominations to the Board are considered by the full Board. The Directors consider that this is the most efficient way to deal with the selection and appointment practices of the Company. Further, ultimate responsibility for decision-making in this area rests with the Board. For these reasons, the Board does not have a separate nomination committee.

When considering new appointments to the Board, suitable candidates are identified, using external professional advisers if necessary. The Board considers the range of skills, experience and diversity in considering candidates for appointment.

Appointment of the Managing Director and CEO is made by the Board, with professional advice as required.

Board Committees

There are three standing committees of the Board, which assist the Board by providing detailed analysis of key issues. The Board also operates a Board Executive Committee on an ad hoc basis. Each Director receives all committee papers and minutes, and is invited to attend all committee meetings. In practice, all Directors attend each committee meeting other than in exceptional circumstances. Each committee reports its deliberations to the next Board meeting.

Each committee has its own charter. The charters can be viewed in the Corporate Governance section on the Company's website: www.newcrest.com.au.

Details of the number of Board and committee meetings held during the financial year, and each Committee member's attendance at the meetings are set out on page 40 of this report.

Audit and Risk Committee

Members: John Spark (Chairman), Richard Knight, Richard Lee and Tim Poole.

Function: This Committee assists the Board to fulfil its responsibilities including with respect to the integrity of the Company's financial statements, compliance with all accounting and financial reporting obligations and applicable legal and regulatory requirements, risk management and internal control processes and effectiveness, insurance, and internal and external audit. The Committee oversees, reviews and makes recommendations to the Board with respect to the above matters.

The Audit and Risk Committee holds at least four formal scheduled meetings each year, and meets as otherwise required on an informal basis throughout the year. Full details of meeting attendance are included in the Directors' Report.

The Committee is chaired by, and comprised of, independent Non-Executive Directors.

Human Resources and Remuneration Committee
Members: Richard Lee (Chairman), Phil Aiken AM, Vince Gauci, Winifred Kamit and Tim Poole.

Function: This Committee assists the Board to fulfil its responsibilities with respect to the remuneration framework for all employees; remuneration levels for Executive Managers and Directors; human resources and remuneration strategies; implementation and administration of major components of the Company's remuneration strategies, policies and practices; the behavioural and cultural framework and practices; oversight of organisational design and human capability; performance management practices and outcomes; appointment of remuneration consultants; and oversight of industrial relations policies, practices and strategies. The Committee also considers the Company's practices in relation to diversity, including gender diversity. The Committee's role is to review and advise the Board, and it holds no delegated authority from the Board.

All members of the Committee are independent Non-Executive Directors.

Safety, Health and Environment Committee
Members: Richard Knight (Chairman), Phil Aiken AM, Vince Gauci, Winifred Kamit and John Spark.

Function: This Committee assists the Board in its role of monitoring and reviewing the Company's practices in the areas of safety, health and environmental management, and monitors and reviews the Company's performance and approach to compliance with its policies and legal requirements in these areas. It reviews the Company's response on issues of concern or material non-compliance, recommendations from management in relation to industry trends and world standards, and reports and makes recommendations to the Board based on the Committee's work and findings. The Committee's role is to review and advise the Board, and it holds no delegated authority from the Board.

All members of the Committee are independent Non-Executive Directors.

Board Executive Committee
Members: The Chairman, Managing Director and CEO (or in his absence the Finance Director and CFO) and one other Non-Executive Director. In practice, all Directors are invited to attend meetings of the Committee.

Function: This Committee acts as a delegate of the Board to facilitate Board processes and decisions between scheduled Board meetings, and at short notice. The Committee holds the full delegated authority of the Board in relation to matters referred to it by the Board.

Company Secretary
All Directors have access to the services and advice of the Company Secretary. The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.

Stephen Creese was appointed as Company Secretary in November 2009. He stepped down as Company Secretary on 10 August 2012 when Scott Langford was appointed as Company Secretary. Details of the qualifications and experience of the Company Secretary are set out on page 40 of this report. Scott Langford is supported by Peter Larsen, an experienced lawyer, who is Deputy Company Secretary.

Board Independence
Directors are considered independent if they are independent of management and free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

All Non-Executive Directors satisfy the Company's criteria for independence, which align with the guidance provided by the ASX Corporate Governance Council recommendations.

All Directors are required to disclose their relevant interests, and to give notice of any potential conflict of interest. Each Director is required to disclose any business or other relationship that he or she has directly, or as a partner, shareholder or officer of a company or other entity that has an interest in the Company or a related entity. The Board continues to monitor the independence of each Director, and periodically reviews its approach to assessing Director independence.

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 policy which ensures that Directors also have access to independent legal, accounting or other professional advice as necessary to discharge their responsibilities, at the Company's expense.

2. BOARD AND EXECUTIVE PERFORMANCE

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. Periodically, an external consultant is retained to assist in the process. The outcomes of the evaluation are reviewed and considered by the Board, and changes effected where required.

In 2012, the Board engaged an independent consultant to undertake its annual review, which was finalised in October of that year. The performance review process in 2012 included interviews with Directors and Senior Executives. The review was wide-ranging, and its outputs and conclusions, which were positive, were analysed and presented to the Board.

The review concluded that the Board and its committees were functioning effectively. Consideration to improve the functionality and performance of the Board and its committees occurs at regular intervals. The practice of having all Directors present at all committees is strongly supported.

Executive Performance Evaluation

The Company has in place a performance appraisal system for Executives, which is designed to help measure and optimise performance. Details regarding the Company's performance management system for the period 2012–13 are set out in the Remuneration Report on pages 56 to 69.

The Board annually reviews the performance of the CEO against agreed performance measures and other relevant factors.

The CEO undertakes a similar exercise in relation to each of the Senior Executives. The outcomes of the CEO's annual performance review of the Senior Executives are then approved by the Board.

Each of the Company's Senior Executives (including the Managing Director and CEO, and the Finance Director and CFO) has undergone performance evaluation during the 2012–13 reporting period, in accordance with the Company's Work Performance System.

3. DIRECTORS' FEES AND EXECUTIVE REMUNERATION

Directors' Fees

Remuneration of Non-Executive Directors is fixed rather than variable, so that Board membership of a high standard is maintained and market remuneration trends reflected. Remuneration levels and trends are customarily assessed every two years, with the assistance of independent remuneration consultants as required, and adjusted where necessary to align with Board remuneration levels in comparable Australian-listed companies.

The total annual remuneration paid to all Non-Executive Directors may not exceed the maximum amount authorised by the shareholders in general meeting. The total 'fee pool' is currently $2,700,000 and was approved by shareholders in 2010. The Board has determined not to seek shareholder authorisation for an increase in the fee pool in 2013 as Non-Executive Director fees remain at the level set in December 2010.

Statutory superannuation contributions and fees that a Non-Executive Director agrees to salary sacrifice (pre-tax), are included in the calculation of the total amount of Directors' fees payable.

Executive Remuneration

The Company's Remuneration Policy recognises the different levels of contribution within management to the short-term and long-term success of the Company. A significant proportion of each Senior Executive's remuneration is placed 'at risk', and is dependent upon both personal and Company performance formally appraised each year.

The Board has established with the Managing Director and CEO specific personal and corporate performance objectives for the short- and long-term. The performance of the Managing Director and CEO is formally assessed against these objectives annually. The assessment helps determine the level of 'at risk' remuneration paid to the Managing Director and CEO. The Human Resources and Remuneration Committee must approve contracts with remuneration consultants. Remuneration recommendations made by remuneration consultants in relation to Key Management Personnel must be made to the Non-Executive Directors on the Committee.

Details of the Company's policies and practices in relation to both Non-Executive Directors' and Senior Executives' remuneration, and how they relate to Company performance, are set out in the Remuneration Report on pages 56 to 69.

4. RESPONSIBLE AND ETHICAL BEHAVIOUR

Code of Conduct and Values

The Code of Conduct reflects the Company's values, and provides a framework within which its entire workforce functions, including in its interaction with stakeholders. This helps to ensure the appropriate degree of integrity in the Company's dealings. Company employees have been trained in the values and expected behaviour under the Code to ensure compliance 'in action'. The Code of Conduct can be viewed in the Corporate Governance section on the Company's website: www.newcrest.com.au.

The Company also has a comprehensive range of corporate policies which detail the framework for acceptable corporate behaviour, and these are subject to periodical review. A number of the policies referred to in the Code of Conduct may be found on the Company's website, including Safety and Health Policy, Diversity Policy, High Performance Policy, International Employees Policy, Communities Policy and Environmental Policy.

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

Securities Dealing Policy

The Company has a Securities Dealing Policy, which was last revised in August 2012.

It provides for 'prohibited periods' (or 'blackout periods') when staff must not deal in the Company's securities. The blackout periods around the half year and full year results commence immediately following the close of the half and full year result period. A blackout period also applies from the date two weeks prior to the Annual General Meeting (AGM). These blackout periods end immediately after the announcement of the Company's quarterly, half year and full year results, and the AGM results at the conclusion of the AGM.

The policy prohibits the use by employees of derivatives such as caps, collars, warrants or similar products in relation to Company securities, including shares acquired under the Company's equity incentive schemes, whether or not they are vested. The policy also prohibits the entry into transactions in associated products which operate to limit the economic risk of their security or interest holdings in the Company. 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 seek approval from the Company Secretary if they intend to enter into such transactions.

The policy can be found in the Corporate Governance section on the Company's website: www.newcrest.com.au.

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 stakeholder communication in a timely, balanced and transparent manner.

The Company's Continuous Disclosure Policy establishes a system and procedures to ensure that Company information considered to be material is announced immediately to the market through the ASX.

The Company also has a policy and procedures on public announcements, investor relations and external communications, which establishes a procedure and controls around:

a) the internal approval process for the approval and issuing of public releases and documents by the Company, including media releases;
b) the way in which the Company communicates with the investment community and shareholders through Investor Relations;
c) external communications generally by sites; and
d) the appointment of designated people authorised to speak on behalf of the Company.

All releases made to the ASX are placed immediately on the Company's website. Other key communications are also placed immediately on the website. General and historical information about the Company and its operations is also available on the website.

The Board's policy is to seek to achieve effective communication with its shareholders through compliance with ASX Listing Rules and *Corporations Act 2001* reporting requirements, webcasting the AGM, the half year and full year financial results presentations, and the production results at the end of each quarter. The Company provides advance notice to analysts in respect of briefings, and posts the relevant corporate dates for the year on its website: www.newcrest.com.au.

The Company maintains a record of meetings with analysts, including the date, location and persons attending.

Shareholders may receive electronic versions of the notice of meeting, annual report and dividend notices, and can request to receive key investor communications by email.

The Company holds an accessible and informative AGM and the full text of the notice of meeting is placed on the website along with links to the webcast. Shareholder questions at the AGM are encouraged by the Chairman. Any shareholders unable to attend may submit written questions to the Chairman prior to the meeting. Shareholders also have the opportunity to meet informally with Directors and Senior Executives following the meeting.

The Company's auditors attend the AGM and are available to answer questions relating to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in the preparation of its financial statements, and the independence of the auditor in relation to the conduct of the audit.

6. DIVERSITY

Newcrest places a high value on diversity. A full report on diversity and the Company's practices, initiatives and performance against its stated objectives can be found on pages 34 to 37 of this report.

7. AUDIT AND RISK MANAGEMENT

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. The Company 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 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.

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. The aim is to provide an overarching, uniform and consistent framework for identifying, assessing, monitoring and managing material business risks. These risks include strategic, corporate and commercial, major hazard (including operational, health and safety, and environmental), and project management risks. The Company also regularly reviews and tests crisis management and emergency management systems. Risk profiles, including identification and assessment of related controls, are reviewed and updated by management, and reported to the Audit and Risk Committee at each committee meeting.

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 include:

– An integrated, robust planning and budgeting process delivering a five-year strategic plan and linked detailed budget annually. The Board reviews the plan, and approves the budget. 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 technical and commercial review.
– A system of delegated authorities: This cascades authority levels for expenditure and commitments from the Board, the delegation to the Managing Director and CEO, and the further cascading of authorities from the Managing Director and CEO to the rest of the Company.
– 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, the Company's Treasury Department has detailed policies for the management of debt, commodities and currency exposures, investment of surplus cash, and interest rate risk management.
– A system of financial control processes to ensure the integrity of financial reporting.
– Each half year, the completion by management of a detailed internal control questionnaire covering financial stewardship, and legal and risk issues.

External Audit

The Audit and Risk Committee is responsible for the selection, evaluation, compensation and, where appropriate, replacement of the external auditor, subject to shareholder approval where required. The current external auditor is Ernst & Young.

The Audit and Risk Committee ensures that the lead external audit partner and quality review partner must rotate off that role every five years or, if they have acted in that capacity for five out of the last seven successive financial years, will be subject to a two year 'cooling off' period following rotation. The Audit and Risk Committee and the Board may resolve to extend the five year period by not more than two successive years, subject to compliance with the *Corporations Act 2001*.

The Audit and Risk Committee meets with the external auditor throughout the year to review the adequacy of the existing external audit arrangements, with particular emphasis on the effectiveness, performance and independence of the audit.

The Audit and Risk Committee receives assurances from the external auditor that they meet all applicable independence requirements in accordance with the *Corporations Act 2001*, and the rules of the professional accounting bodies. This independence declaration forms part of the Directors' Report.

The external auditor attends the AGM and is available to answer shareholder questions regarding aspects of the external audit and their report.

Details of the services provided by Ernst & Young to the Company, and the fees paid or due and payable for those services are referred to the Directors' Report and set out in Note 38 of the Financial Report.

Internal Audit

The Company has an internal audit function which is managed by the Manager Internal Audit reporting through to the Finance Director and CFO, and supported by internal resources and external consultants. The function undertakes audits of critical finance, business and operational processes, and tests key internal controls. The annual internal audit plan is structured to cover all material operating sites and processes on a rolling program. It is also based on an evaluation of all the risks to Newcrest. Findings are regularly 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 internal audit function and the Audit and Risk Committee have direct access to each other, and have the necessary access to management to seek information and explanations. The Chairman of the Audit and Risk Committee has direct access to the Manager Internal Audit.

Management Assurance

At the Board meetings to approve Newcrest's half yearly and annual financial statements for the financial year ended 30 June 2013, the Board received and considered written statements from the Managing Director and CEO, and Finance Director and CFO in relation to Newcrest's system of risk oversight and management, and 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 management assurance stated that the financial statements had 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 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.

The Directors made comprehensive enquiries of management, the Audit and Risk Committee, and other relevant parties as to the content of the proposed financial statements, and applied their knowledge of the affairs of the Company in reading and approving the accounts.

8. SUSTAINABILITY

Sustainability is an important part of the Company's vision to develop successful mining operations through balancing economic prosperity, environmental quality and social responsibility. The Company is a signatory to the Australian Minerals Industry Sustainability Code 'Enduring Value', and integrates environmental and social management into all facets of the business. A Sustainability Report detailing the Company's environmental and social performance is prepared each year. This can be found on the Company's website: www.newcrest.com.au, in the Sustainability section.

Diversity

Diversity at Newcrest Mining incorporates differences that relate to gender, age, ethnicity and cultural background.

It also extends to differences in background and life experience, communication styles, interpersonal skills, education, functional expertise, and problem-solving styles. The Company approach recognises that individuals are important and that each person has a unique contribution to make. The benefits of diversity are maximised when individuals feel included and able to participate fully.

Diversity and inclusion at Newcrest are business imperatives, and the Company approach is based on four key drivers:

– a vision to be the 'Miner of choice'™;
– a high-performance culture which embraces diversity;
– a desire to attract, recruit, engage and retain diverse talent; and
– a belief that our workforce should reflect the communities in which Newcrest operates.

Diversity at Newcrest is led by the Board and the Executive Committee (ExCo) together with the ExCo Diversity Subcommittee, and is driven by recognition that an inclusive culture and diverse workforce supports high performance. The Diversity Subcommittee is the primary governance body for overseeing the execution of the diversity and inclusion agenda. The Subcommittee is chaired by the Executive General Manager People and Communications, and has other senior business representatives as members including the Executive General Manager Minerals and the Executive General Manager Lihir.

Underpinned by Newcrest's values, the Diversity Policy outlines how Newcrest aims to support a diverse workforce, including treating employees fairly, setting measurable targets, ensuring legislative compliance and supporting diversity in its communities. Newcrest's Diversity Policy actively promotes a culture that values difference. The Diversity Policy is published on the Newcrest website at www.newcrest.com.au/about-us/company-policies, and is able to be accessed by all employees via the internal portal. The policy is also displayed at all sites. Newcrest's standards and procedures are reviewed and updated annually, ensuring that they support the objectives set.

MEASURES

The Board has set clear objectives to support greater diversity across the Company. Progress is monitored quarterly and assessed annually, via the Diversity Subcommittee and the Board's Human Resources and Remuneration Committee, which has its diversity responsibilities reflected in its Charter. A number of these objectives, relate to gender and achieving gender diversity. Three measures identified to improve gender diversity in Newcrest were approved by the Board in 2010. These included establishing a Diversity Subcommittee to provide oversight and report bi-annually to ExCo and the Board on Newcrest's diversity initiatives and programs.

The Diversity Subcommittee was established in 2011 and meets quarterly. Now in its third year, the Diversity Subcommittee has provided support and feedback on activities and approaches to address barriers identified, as well as providing an increased focus and profile for diversity. The Diversity Dashboard prepared for the Diversity Subcommittee provides key data, and assists the Subcommittee to track Newcrest's progress against the approved objectives. In addition, diversity data is included in the monthly report to Executive Committee and on a quarterly basis to the Board's Human Resources and Remuneration Committee. With the Diversity Subcommittee in place, a new measure for the 2013 financial year was adopted by the Board, to support Newcrest's commitment to increasing participation of women in manager roles and to build a pipeline of female people leaders. The new measure is to *increase the proportion of women in management levels 2–4 by 15 percent by 31 December 2013*. Level 2 to level 4 roles refer to management roles classified from Supervisor through to General Manager.

These reportable measures (see Gender Diversity section, page 36) reflect Newcrest's commitment to three main focus areas for increasing the representation of women in Newcrest's workforce: attraction, retention and promotion.

Newcrest has in place additional measures, together with an action plan which sets out the specific actions that will be taken, to further increase diversity including age, ethnicity and cultural diversity. The Diversity Action Plan includes specific initiatives to support the attraction and retention of a diverse workforce. A key measure is the training and development of employees who are from the local communities. Participation of locals and nationals in the Superintendent Program has significantly increased this year with 23 percent of those selected for the program being locals or nationals. Approximately half of the participants in each program have been from Lihir in Papua New Guinea (PNG).

PROVIDING PATHWAYS TO EMPLOYMENT AND CAREERS

Newcrest recognises that people are its most important asset, and that diversity is critical in contributing to the local communities in which it operates by creating and providing employment opportunities within these communities. The overwhelming majority of employees at Newcrest's operations in Indonesia, PNG, West Africa and Fiji are nationals and locals. Newcrest is committed to developing its people across the Group, and to building a workforce – including the leadership team – that reflects the communities in which it operates.

Newcrest has in place a number of programs to support both men and women from culturally diverse backgrounds to develop skills required to expand career opportunities. These include programs for members of the community seeking employment opportunities and those employed by the Company.

The Frontline Manager Program and the Superintendent Program are designed to enhance leadership skill and to provide participants with the knowledge required to undertake leadership and manager roles. Access to these programs has been identified as an important enabler, providing national employees with the opportunity to gain the skills and knowledge required to meet the inherent requirements for leadership and management positions. They are also contributing to providing the Company with a diverse pool of candidates for these critical roles.

On Lihir Island, Newcrest conducts a business administration program on-site. This course aims to bring 10 young Lihirian women into a workplace each year from the surrounding villages. This program is a pathway for women into a range of job roles on the mine site. Initiated by the Company's senior Lihirian women, this program includes the opportunity for participants to develop English language skills – identified as critical to improving their ability to be promoted. This year, eight local women have participated in the program.

The Trainee Business Administration Program is Newcrest's key education program for young Lihirian woman. Modules within this program include workplace harassment, bullying and HIV awareness.

A growing issue in PNG is violence against women. The United Nations (UN) has stated that it is at pandemic levels. It is also an issue that is rarely spoken about. The Company has provided access to a number of education and awareness raising opportunities for employees, providing information and support to Newcrest staff. This may also assist in getting the messages back to families and villages, and contribute to breaking the taboo of silence around this subject. The Walking in Her Shoes Workshop (developed in sub Saharan Africa) takes participants through a case study that explores the experience of a victim of violence, and formed part of the Graduate Conference attended by 47 graduates. Newcrest also conducted a 'national house cry' on-site in May 2013, on the issue of violence against women, which was well attended by Newcrest employees.

Graduate, Traineeship and Apprenticeship programs at Lihir currently provide access to formal training and employment for more than 320 people from the local and broader community.

Newcrest, in partnership with the Western Australian Department of Sport and Recreation, have conducted the Desert Sport Development Program (DSDP) for the Martu people of the Western Desert for the past 10 years. This program involves the continuing development of sport, including Australian Rules football, softball and children's sports including Little Athletics, and the management of regular multi-community sports carnivals.

In 2010 the Western Desert Sports Council or Ngurra Kujungka Inc. was established to oversee the DSDP operations, including the Western Desert Football and Softball Leagues, the tri-annual Sports Festivals, the organisation of sport and people development, fundraising and management of funds. Ngurra Kujungka and its programs are an excellent example of community development, of people and communities growing and being empowered to take responsibility for their own development.

The Telfer Aboriginal Training and Employment Strategy (TATES) at Telfer in Western Australia has been in place since 2002. TATES has provided a range of training and employment opportunities to the local indigenous community. Over the life of the strategy, more than 400 indigenous people, primarily members of the local Martu community, have participated in training and employment programs delivered through TATES. While some participants have been employed by Newcrest, others have accessed employment with other organisations as a result of the skills and knowledge they have gained through TATES.

Currently, TATES supports more than 30 indigenous people working under various employment arrangements, including full-time and part-time employment for Newcrest or contractors Pilbara Logistics, ESS Remote and Birra Personnel Resources, a part Martu owned business. Critical to the success achieved has been the support provided to Aboriginal and Torres Strait Islander people, including by the Telfer Aboriginal mentors who are part of the Newcrest Community Relations team. This approach has contributed to improved workforce participation for the Martu and the wider Aboriginal and Torres Strait Islander community at Telfer over the life of the program.

At Cadia in Orange, New South Wales, a mentoring program is providing valuable support and opportunities for Apprentices, including both men and women, some of whom are older workers. The program provides new Apprentices with access to a mentor through a formal program established in 2012, providing valuable support to a number of women and older workers with no previous training or mining experience.

Established in November 2012, the Cadia Women's Network provides participants with access to a network and information about issues specific to women in mining. The Network meets monthly over lunch, and the sessions have included presentations by senior women about their own careers, the opportunities they have had and the challenges they have experienced. Other topics explored have included work–life balance, professional behaviour, dealing with work colleagues, and strategies for overcoming barriers to career progression and participation for women.

Diversity

GENDER DIVERSITY

The proportion of women employees across the Company, and women in senior roles are shown below:

Women at Newcrest – as at 30 June 2013

	Number of Women	Representation (%) 30 June 2011	Representation (%) 30 June 2012	**Representation (%) 30 June 2013**
Board	1	12.5%	12.5%	**10%**
Senior Executives	1	12.5%	10%	**8%**
Other employee groups	1,047	13%	13%	**13%**

The following table summarises Newcrest's diversity measures and the performance against each of these measurable objectives as at 30 June 2013.

Diversity Measure	31 Dec 2013 Target	30 June 2011	30 June 2012	30 June 2013	Comments
To increase the proportion of women selected for the graduate program from 25% as of 31 December 2010 to 33.3% as at 31 December 2013.	**33.3%**	26.0%	29.5%	**24.3%**	We expect to achieve the 33.3% target by 31 December 2013. As at the date of this report, the proportion is 29.5%.
That 33.3% of succession plans for all level 2 to level 5 roles will have at least one female included by 31 December 2013.	**33.3%**	25.0%	27.2%	**38.0%**	Succession plans for 2013 were finalised in April and will continue to be undertaken annually – 38% of level 2–4 roles have at least one woman included.
Increase the proportion of women in management levels 2–4 by 15% by 31 December 2013.*	**15.0%**		8.7%	**21.3%**	The participation of women in Newcrest workforce at management levels 2–4 has increased over the reporting year, and has exceeded the target.

*Measure adopted in 2012.

Newcrest's commitment to diversity and inclusion is focussed both internally and externally. Company participation in groups such as Women in Resources Victoria (WiRV), Women in Mining New South Wales (WIMIN), and the Australian Mining and Minerals hosted Australian Women in Resources Alliance has provided an opportunity to support the work undertaken by these groups to provide opportunities and a voice to women in the mining and resources sector, and also for the Company to promote further the benefits of diversity. Through sponsorship opportunities, Newcrest is able to support the work undertaken by the communities in which we operate and also within the broader mining sector. Internally, diversity and inclusion has been promoted and awareness raised through a range of programs, projects and activities.

EMPLOYEE FEEDBACK

Employee consultation, communication and feedback are important factors in identifying and addressing issues, and contribute to maintaining a positive relationship with all employees at Newcrest. As part of a review of parental leave, interviews have been conducted with employees who have accessed parental leave in the past two years, providing valuable information about the employees' experiences. This has assisted in illuminating areas of the process requiring additional focus, resulting in changes that are anticipated to improve the experience of employees accessing parental leave and returning to work from parental leave, and may also contribute to improved employee retention and satisfaction.

EMBEDDING FLEXIBILITY

Newcrest's flexibility agenda continues to evolve and supports the retention of diverse talent. While most people working with Newcrest are looking for a full-time role, increasingly people are looking for flexibility. This is an important enabler for some employees, particularly those with caring and other domestic responsibilities. A small number of employees have formal arrangements in place in relation to flexible work, which includes altered start and finish times, and working from home for part of the week. Many others choose to access flexible work arrangements on an informal basis. Additionally, as part of creating a flexible working culture, many employees use technology to enable them to work remotely.

Flexible work at Newcrest also includes part-time work arrangements and job share. These options are not limited to corporate offices. At the Company's mine site at Telfer in Western Australia, all employees work on a fly-in fly-out (FIFO) roster. FIFO is a method of employing people in remote areas and is common in large mining states across Australia. The employees are flown to the worksite where they work for a number of days, and are then flown back to their point of hire for a number of days of rest. At Telfer, the Company has six employees sharing three roles. One of these employees is a woman. This arrangement has supported each of these employees to meet either caring responsibilities or other domestic responsibilities.

The opportunity to purchase up to four weeks of additional leave has been an important inclusion in the suite of employee benefits, and has enabled employees to access leave to meet individual needs. The opportunity has been taken up by both men and women.

Internal communication has played an important role in continuing to raise awareness of the availability of flexible work arrangements. Articles focussed on employees who are accessing flexible work arrangements have been effective in delivering important messages about the Company's commitment to diversity and flexibility.

PROMOTING INCLUSION AND BUILDING CAPABILITY

Newcrest recognises that every person is unique and has a different journey. This philosophy inspired the Company to share its diversity and inclusion story via individual digital stories, created and told by Newcrest employees. It was intended that the stories would be used both internally and externally to:

- raise awareness of and promote diversity within Newcrest;
- provide information about different roles within Newcrest, and how people came to be in those roles;
- promote Newcrest as an employer with a raft of opportunities for all, including those who may have experienced some disadvantage in the employment market as result of their diversity;
- promote traditionally male-dominated job roles to women; and
- build our profile as Miner of choice™.

The aim was to develop individual stories that reflected the level of diversity within the Company, as well as showcasing the employee's own experience using the theme of 'my diversity' as a starting point. A 'hands off' approach was adopted as a core element in the project, which allowed participants to tell the story they wanted to tell. Among others, the stories have given a voice to women working in mining in a variety of roles, and have provided an insight into the pathways that have led to their rewarding and challenging careers.

While the stories have provided an opportunity to promote internally diversity and inclusion, equally rewarding has been the opportunity to raise the profile and awareness of mining and the jobs that people do in the industry, particularly among young people through a number of different opportunities such as the work undertaken with the Careers Education Association Victoria (CEAV). Sharing Newcrest's stories with the CEAV and Career Educators working with young people has led to an opportunity to contribute to the content of resources produced by the CEAV for use in schools. A link to the Newcrest diversity digital stories is a further resource for students, accessible via the CEAV website and part of the resources available to support career educators working with students.

The stories have had a broad appeal and there has been the opportunity to share the stories with a wide range of people. One example is that of 'Telfer Western Australia, Truck Driver'. The employee is an Aboriginal woman who is passionate about improving participation of Aboriginal and Torres Strait Islander people. To support her goal, Newcrest has provided copies of her story to organisations and individuals working with Aboriginal and Torres Strait Islander people, to help them prepare for and/or secure employment. This has included sharing the story with students in remote regions of Western Australia.

The Company recognises the benefits of bringing together talented people of different thinking styles, gender, age, ethnicity and cultural backgrounds. In particular, this helps create an environment where innovative ideas are fostered, to help Newcrest to realise its potential and meet corporate goals in a global market. It also enables Newcrest to foster stronger problem-solving capability, enhanced community connections, and increased morale, motivation and engagement.

The benefits of a diverse workforce are realised and maximised when individuals feel included and able to contribute fully. Newcrest is therefore committed to strengthening the capability of Newcrest leaders to manage in a more inclusive way, which will also contribute to the high performance culture. Internal leadership development modules that specifically focus on diversity and inclusion have been developed and incorporated into programs such as the Leader Induction, the Frontline Manager Program and the Superintendent Program. The material covers inclusive leadership, the benefits of diverse teams, and Newcrest's commitment to diversity and inclusion. In addition, to reduce the possibility that ideas and decisions are constrained by biases and perceptions, Newcrest has also incorporated modules on unconscious bias into all leadership training.

Raising unconscious interpretations into conscious awareness is an important step in creating an inclusive culture. It is anticipated that access to these modules will support program participants to develop the capability, knowledge and skills required to be effective inclusive leaders and to more effectively manage diverse teams, and that this will also contribute to improved outcomes in key activities that impact on diversity, including performance reviews and development discussions, recruitment and selection, and talent identification.

Diversity has had an increased profile at significant internal events, including the Graduate Conference, the Managing Director's Conference (held semi-annually for all General Managers and Executive General Managers), and the Human Resources Community of Practice Workshop, contributing further to ensuring diversity and inclusion remains on the agenda.

Financial Report

For the year ended 30 June 2013

Directors' Report

The Directors present their report together with the consolidated financial report of the Newcrest Mining Limited Group, comprising the Company and its controlled entities, for the year ended 30 June 2013 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
Greg Robinson	Managing Director and Chief Executive Officer
Gerard Bond	Finance Director and Chief Financial Officer
Philip Aiken	Non-Executive Director (appointed 12 April 2013)
Vince Gauci	Non-Executive Director
Peter Hay	Non-Executive Director (appointed 8 August 2013)
Winifred Kamit	Non-Executive Director
Richard Knight	Non-Executive Director
Rick Lee	Non-Executive Director
Tim Poole	Non-Executive Director
John Spark	Non-Executive Director

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

PRINCIPAL ACTIVITIES

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

CONSOLIDATED RESULT

The loss after tax attributable to Newcrest shareholders ('Statutory (Loss)/Profit') for the year ended 30 June 2013 was a net loss of $5,778 million (2012: profit of $1,117 million).

Refer to the Operating and Financial Review for further details.

DIVIDENDS

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

- Final (15% franked) dividend for the year ended 30 June 2012 of 23 cents per share, amounting to $176 million, was paid on 19 October 2012.
- Interim unfranked dividend for the year ended 30 June 2013 of 12 cents per share, amounting to $92 million, was paid on 16 April 2013.

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Refer to the Operating and Financial Review for the significant changes in the state of affairs of the Group.

FUTURE DEVELOPMENTS

Refer to the Operating and Financial Review on likely developments and future prospects of the Group.

SUBSEQUENT EVENTS

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

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 attached. During the year, other assurance related services and advisory services were provided by Ernst & Young (auditor to the Company) – refer Note 38 to the financial statements. The Directors are satisfied that the provision of these services did not impair the Auditor's Independence.

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 $1,000,000 except where otherwise indicated.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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.

The operations of the Group are subject to environmental regulation under the jurisdiction of the countries in which those operations are conducted, including Australia, Indonesia, Papua New Guinea (PNG), Côte d'Ivoire 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 codes of practice 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: 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. The Category IV (major) environmental incident (based upon assessment of volume spilled, not impact) recorded during the year involved a spill of oil on a wharf lay-down area in Lae, Papua New Guinea, which was subsequently cleaned up and remediated.

Category	II	III	IV	V
2013 – Number of incidents	46	3	1	–
2012 – Number of incidents	97	23	2	–

SHARE RIGHTS

During the year, an aggregate of 118,130 rights were exercised, resulting in the issue of 118,130 ordinary shares of the Company for nil consideration. At the date of this report there were 1,596,241 unissued shares under rights (1,596,241 at 30 June 2013).

In order to minimise dilution of its share capital through the exercise of rights under the Company's share-based payments plans and the Dividend Reinvestment Plan, the Company intends to buy back the corresponding number of shares on market as and when required. There were no shares bought back and cancelled during the year to 30 June 2013.

Directors' Report

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.

INFORMATION ON DIRECTORS

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

INFORMATION ON COMPANY SECRETARY

Scott Langford
General Counsel and Company Secretary

Bachelor of Laws (Hons) and Bachelor of Science.
Mr Langford joined Newcrest in July 2012 as General Counsel, with responsibility for the Group's legal and company secretarial function. He was formally appointed as Company Secretary in August 2012.

Prior to joining Newcrest, Mr Langford was a Partner at Allens, a leading commercial law firm. He joined Allens in 1987, and became a partner there in 1995. At Allens, he was a key legal adviser to major international mining and resource companies, including Rio Tinto and Newcrest, and was co-head of the firm's Energy and Resources Practice Group.

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 & Risk Committee Meetings		Human Resources & Remuneration Committee Meetings		Safety, Health & Environment Committee Meetings	
	A	B	A	C	A	C	A	C
Don Mercer	7	7	–	–	–	–	–	–
Greg Robinson	7	7	–	–	–	–	–	–
Gerard Bond	7	7	–	–	–	–	–	–
Philip Aiken	1	1	–	–	1	1	1	1
Vince Gauci	7	7	–	–	4	4	4	4
Winifred Kamit	6	7	–	–	4	4	4	4
Richard Knight	7	7	4	4	–	–	4	4
Rick Lee	7	7	4	4	4	4	–	–
Tim Poole	7	7	4	4	4	4	–	–
John Spark	7	7	4	4	–	–	4	4

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.

Details of the functions and memberships of the Committees of the Board are presented in Newcrest's Corporate Governance Statement.

DIRECTORS' INTERESTS

As at the date of this report, the interest of each Director in the shares and rights of Newcrest Mining Limited were:

Director	Number of Ordinary Shares	Nature of Interest	Number of Rights Over Ordinary Shares	Nature of Interest
Don Mercer	25,000	Indirect	–	N/A
Greg Robinson	60,490	Direct and Indirect	243,428	Direct
Gerard Bond	28,488	Direct	60,377	Direct
Philip Aiken	7,769	Indirect	–	N/A
Vince Gauci	18,400	Indirect	–	N/A
Peter Hay	–	N/A	–	N/A
Winifred Kamit	326	Indirect	–	N/A
Richard Knight	40,000	Indirect	–	N/A
Rick Lee	28,447	Indirect	–	N/A
Tim Poole	4,235	Indirect	–	N/A
John Spark	32,105	Direct and Indirect	–	N/A

Directors' Report

OPERATING AND FINANCIAL REVIEW

1. OVERVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Directors' Report

OPERATING AND FINANCIAL REVIEW

1. OVERVIEW (continued)

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

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

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

2. FINANCIAL AND OPERATING HIGHLIGHTS[1]

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

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

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

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

[4] Statutory profit/(loss) is profit/(loss) after tax attributable to owners of the parent.

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

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

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

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

3. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT

3.1 Profit Overview

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

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

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

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

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

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

3.2 Production and Revenue

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

(1) The 12 months production and sales ended 30 June 2013 includes 22,695 pre-commissioning gold ounces and 1,879 copper tonnes for the Cadia East project. The 12 months production and sales ended 30 June 2012 includes 8,451 pre-commissioning gold ounces and 801 copper tonnes for the Cadia East project. These ounces have been capitalised and excluded from the unit cost calculations and profit and loss reporting.

(2) Production and sales from Cracow and Mt Rawdon in the 12 months ended June 2012 contain four months of production only, up to the date of divestment of 2 November 2011.

Gold production and sales (ounces)	For the year ended 30 June 2013 Production	Sales	2012 Production	Sales
Cadia Hill	**119,372**	**140,944**	241,430	262,458
Ridgeway	**262,228**	**244,225**	223,314	225,149
Cadia East	**65,279**	**65,279**	8,451	8,451
Telfer	**525,500**	**508,976**	540,114	569,640
Gosowong	**312,711**	**303,122**	439,384	439,446
Hidden Valley	**85,004**	**84,272**	88,801	89,290
Lihir	**649,340**	**621,885**	604,336	595,184
Bonikro	**90,350**	**86,220**	92,102	91,654
Continuing operations	**2,109,784**	**2,054,923**	2,237,932	2,281,272
Cracow	**–**	**–**	23,787	24,686
Mt Rawdon	**–**	**–**	24,198	27,256
Total[(1)]	**2,109,784**	**2,054,923**	2,285,917	2,333,214

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

3. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT (continued)

3.2 Production and Revenue (continued)

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

Silver production and sales (ounces)	For the year ended 30 June 2013 Production	2013 Sales	2012 Production	2012 Sales
Cadia Hill	187,452	187, 452	196,108	198,806
Cadia East	–	–	–	–
Ridgeway	224,028	224,028	224,816	224,816
Telfer	283,026	283,026	366,945	366,945
Gosowong	342,835	342,835	271,342	275,837
Hidden Valley	856,328	870,046	857,540	830,705
Lihir	19,770	19,770	10,558	10,558
Bonikro	18,377	15,875	13,187	9,654
Continuing operations	1,931,816	1,943,032	1,940,496	1,917,321
Cracow	–	–	16,843	16,517
Mt Rawdon	–	–	39,908	63,456
Total[(1)(2)]	1,931,816	1,943,032	1,997,247	1,997,294

(1) Production and sales from Cracow and Mt Rawdon in the 12 months ended June 2012 contain four months of production only, up to the date of divestment of 2 November 2011.
(2) All figures are 100% other than Cracow sales and production shown at 70% and Hidden Valley sales and production shown at 50%.

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

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

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

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

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

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

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

3.3 Total Cash Costs[1]

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

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

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

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

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

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

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

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

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

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

3.4 Cost of Sales

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

[1] The prior year comparatives have been restated in line with any cost classification adjustments made for the 12 months ended 30 June 2013.
[2] Costs of Cracow and Mt Rawdon included to the date of divestment on 2 November 2011.
[3] Cost of sales excludes write-down of inventory of A$177 million (pre-tax). Refer to section 6.

3. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT (continued)

3.4 Cost of Sales (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Deferred mining and ore inventory

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

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

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

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

- Additions to ore inventory at Lihir of A$117 million – resulting from ore mined (13.7 million tonnes) exceeding ore milled (6.9 million tonnes) by 6.8 million tonnes. At 30 June 2013, Lihir had 106 million tonnes of ore inventory containing 6.16 million ounces of recoverable gold, at an average carrying value of A$220 per ounce;
- Additions to ore inventory at Bonikro of A$18 million – as 3.5 million tonnes of ore mined exceeded the 1.9 million tonnes of ore milled in the period, at an average carrying value of A$445 per ounce;
- Additions to ore inventory at Gosowong of A$19 million – reflecting an increase in contained gold ounces from 28 thousand tonne to 32 thousand tonne, at an average carrying value of A$761 per ounce;

– Additions to ore inventory at Telfer of A$11 million – reflecting an additional 3.8 million tonnes of open pit ore mined compared with the prior year, while mill throughput remained broadly unchanged; and
– Drawdown of ore inventory at Cadia Valley of A$37 million – as ore stockpiles became the primary feed to the mill following the suspension of Cadia Hill open pit mining on 30 June 2012.

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

Treatment, realisation and royalty costs

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

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

Depreciation

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

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

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

3.5 Corporate Administration Costs

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

3.6 Exploration

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

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

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

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

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

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

3.7 Other Income/Expenses

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

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

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

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

3.8 Finance Costs

Net finance costs of A$109 million in the 2013 financial year were A$68 million higher than the prior year.

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

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

3.9 Income Tax Expense

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

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

3. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT (continued)

3.10 Asset Impairments, Asset Write-Downs and Restructure Costs

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

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

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

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

3.11 Hedge Restructure and Other Significant Items

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

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

4. DISCUSSION AND ANALYSIS OF CASH FLOW

4.1 Cash Flow Overview

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

4.2 Cash Flow from Operations

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

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

4.3 Cash Flows Related to Investing Activities

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

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

Sustaining capital

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

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

Development capital and projects – construction and studies capital

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

- The Cadia East project (A$525 million): commenced commercial production in January 2013. Development has continued though with less spend than the previous year. Expenditure in the 2013 financial year (establishment and expansionary) was primarily related to Panel Cave 1 undercut development, Panel Cave 1 drawbell development and decline development to Panel Cave 2;
- The Lihir plant expansion project (US$253 million): commissioned in January 2013 and handed over to operations in February 2013 with all major systems in full operation. The major components (new crushing and grinding circuit; 450 tonne-per-hour autoclave; 70 tonne-per-hour oxygen plant) have performed well and have operated at full design capability;
- The Lihir flotation expansion (US$89 million) and replacement works in the NCA circuit (US$79 million) were completed in the June 2013 quarter and are currently commissioning;
- The Wafi-Golpu project (US$79 million 50% share): the technical pre-feasibility study on the Golpu ore body was completed in August 2012 and the project has entered an optimisation phase. Capital expenditure in this phase is restricted to road access, camp construction, drilling and studies on capital reduction; and
- Hidden Valley crusher (US$21 million 50% share): The crusher at the front end of the overland conveyor was completed late in the June quarter and is now commissioning. The new crushing system is expected to provide better utilisation of the overland conveyor to reduce ore haulage costs and overall operating costs.

Exploration

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

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

4.4 Cash Flow Related to Financing Activities

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

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

5. DISCUSSION AND CAPITAL ANALYSIS OF THE BALANCE SHEET

5.1 Net Asset and Total Equity

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

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

5.2 Net Debt and Gearing

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

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

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

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

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

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

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

Liquidity and debt facilities

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

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

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

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

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

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

6. NON-IFRS FINANCIAL INFORMATION

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

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

6.1 Reconciliation of Statutory Profit to Underlying Profit

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

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

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

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

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

6.2 Reconciliation of Underlying Profit to EBITDA

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

6.3 Reconciliation of All-in Sustaining Cost to Cost of Sales

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

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

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

7. OUTLOOK AND RISKS

7.1 Outlook

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

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

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

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

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

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

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

7.2 Risks

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

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

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

Commodity prices

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

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

Foreign exchange

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

Increased costs and production inputs

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

Project development

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

Operating risks and hazards

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

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

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

Political, economic, social and security risks

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

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

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

Law and regulation

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

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

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

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

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

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

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

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

7. OUTLOOK AND RISKS (continued)

7.2 Risks (continued)

Community relations

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

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

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

Recovery of resources and reserves

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

Reliance on contractors

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

Future operating and capital cost requirements

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

Maintaining good title

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

New acquisitions

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

Human resources and industrial relations

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

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

Exploration, feasibility studies and other project evaluation activities

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

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

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

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

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

Newcrest competes with other mining companies for projects to replace reserves

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

Geotechnical, geothermal and hydrological challenges

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

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

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

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

Joint venture arrangements

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

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

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

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

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

Directors' Report

REMUNERATION REPORT

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 the Company and the Group for the period 1 July 2012 – 30 June 2013 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*, this Remuneration Report discloses prescribed remuneration details for the Group's Key Management Personnel.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and the Group, directly or indirectly, being the Company's Non-Executive Directors whose names appear in Table 8, and the Executive Directors and Executive Managers whose names appear in Table 7.

In this Report, the term Executive Directors refers to the Managing Director and the Finance Director, and the term Executive Managers refers to Key Management Personnel who are not Directors.

1.2 Overview of Contents

Section	Contents
1.	Introduction
2.	Newcrest Remuneration Framework 2012–13
3.	Human Resources and Remuneration Committee
4.	Non-Executive Directors' Remuneration
5.	Executive Director and Executive Manager Remuneration
6.	Relationship of Incentives to Newcrest's Financial Performance
7.	Executive Service Agreements
8.	Remuneration Details
9.	Rights held by Executive Directors and Executive Managers

1.3 Executive Summary

Remuneration Strategy

In 2012–13, the Board continued to oversee implementation of its remuneration strategy, supported by the Human Resources and Remuneration Committee. The key elements of the remuneration strategy are:

- market-competitive levels of remuneration to employees having regard both to the level of work and to the impact those employees could potentially have on the Company's performance;
- appropriate levels of at-risk performance pay to encourage, recognise and reward high performance;
- group performance measures which align performance incentives with the interests of shareholders;
- attraction and retention of talented, high performing employees; and
- a remuneration structure that provides the appropriate balance in risk and reward sharing between each participant and the Company.

Remuneration Outcomes for 2012–13

Remuneration outcomes for 2012–13 reflected the Company's financial performance during the same period. The year was characterised by a volatile external environment, including the steepest fall in the gold price for 30 years and a strong Australian dollar, a challenging operating environment and its impact on the Company's balance sheet. A combination of application of the Short Term Incentive measures and the exercise by the Board of its discretion, resulted in a zero Short Term Incentive outcome for the Managing Director and significantly reduced awards for the Finance Director and Executive Managers, below 8% of the maximum STI award in each case. Details of actual awards under the 2013 Short Term Incentive are set out in Tables 9 and 14. The Board also determined that Executive Directors and Executive Managers would receive a zero salary increase in the Company's annual pay review in October 2013.

2. NEWCREST REMUNERATION FRAMEWORK 2012–13

2.1 Remuneration Policy

The Board's remuneration policy continues to provide market-competitive levels of remuneration for all employees, and for Non-Executive Directors, Executive Directors and Executive Managers, having regard to both the size and complexity of the Company, and 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 ensuring an appropriate level of at-risk performance pay across the Company, linking incentives and performance measures to both Company and individual performance.

Performance linked compensation includes both short- and long-term incentives, and is designed to reward employees for increasing shareholder value by meeting or exceeding their Company and, where applicable, individual objectives.

2.2 Non-Executive Directors

Non-Executive Director fees are set based upon the need to appropriately attract and retain individuals of suitable calibre, reflecting the demands of the role and fairness in relation to prevailing market conditions.

Non-Executive Directors' fees are reviewed every two years and were last adjusted in December 2010 (with effect from 1 January 2011). In 2012, the Board resolved that the two yearly review of Non-Executive Directors' fees should be postponed until the following year. In June 2013, the Board again deferred review of Non-Executive Directors' fees. These remain at the level set in December 2010 following benchmarking and review by an independent remuneration consultant. Details of current Non-Executive Directors' fees are set out in section 4.

2.3 Executive Directors and Executive Managers

Executive Director and Executive Manager remuneration comprises both fixed and variable components. Fixed remuneration is set with reference to fixed remuneration paid by a comparator group of companies for comparable roles.

Variable equity and cash remuneration in 2012–13 were offered respectively under the Long Term Incentive Plan and the Short Term Incentive Plan.

Details of the above incentive schemes are set out in sections 5.5 and 5.6.

3. HUMAN RESOURCES AND REMUNERATION COMMITTEE

3.1 Role of the Human Resources and Remuneration Committee

The role of the Human Resources and Remuneration Committee 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 and administration of major components of the Company's Board approved remuneration strategy. Further details of the Human Resources and Remuneration Committee, its membership, functions and operation, are set out in the Corporate Governance section of the Annual Report. The Human Resources and Remuneration Committee Charter is available on the Company's website: www.newcrest.com.au.

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 attract and retain Non-Executive Directors of suitable 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 the Annual General Meeting. The last determination made was at the Annual General Meeting held on 28 October 2010, at which shareholders approved an aggregate amount of $2,700,000 per annum. The Board considered this aggregate amount during 2012, determined that no change to it was required, and deferred any further review until June 2013. In June 2013, the Board resolved that the aggregate amount of Non-Executive Directors' fees should remain at the level approved by shareholders in December 2010.

Fixed fees paid to Non-Executive Directors in 2012–13 are set out in Table 8.

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 additional services were paid to Non-Executive Directors in 2012–13.

4.4 Committee Fees

Details of all Board Committee fees paid during 2012–13 are included under the heading 'Committee Fees' in Table 8. No other fees were paid to Non-Executive Directors during 2012–13.

4.5 Review of Non-Executive Director Fees

The Company's practice is to review Non-Executive Director remuneration every two years. A review by an independent specialist remuneration consultant was undertaken in November 2010, including a process of benchmarking against independent Non-Executive Director fees paid to other ASX Top 20, Top 25 and Top 30 companies respectively. The review concluded and recommended that Board and Committee fees should be adjusted to be positioned around the median for ASX Top 30 companies and that recommendation was adopted. As noted in section 2.2, the Board resolved to postpone review of the Non-Executive Director fees in 2012 and further deferred that review in 2013. As a result, Non-Executive Director fees remain at the level set in December 2010.

Current Non-Executive Director remuneration, comprises:

– base fees payable to the Board Chairman of $600,000 and to each Non-Executive Director of $200,000 per annum respectively;
– fees payable to Audit and Risk Committee Chair and Committee members of $50,000 and $25,000 respectively;
– fees payable to the Safety, Health and Environment Committee Chair and Committee members of $40,000 and $20,000 respectively; and
– fees payable to the Human Resources and Remuneration Committee Chair and Committee members of $40,000 and $20,000 respectively.

4.6 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.

4.7 Retirement Benefits

Non-Executive Directors are not entitled to receive a retirement benefit.

5. EXECUTIVE DIRECTOR AND EXECUTIVE MANAGER 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.

5.2 Board Policy and Strategy on Executive Remuneration

In 2012–13 the Board retained the remuneration elements outlined above for Executive Directors and Executive Managers. The structure of remuneration arrangements for Executive Directors and Executive Managers is, in broad terms, no different from that for other members of management across the Company. The main differences relate to the weighting for different components of their remuneration, with the proportion of at-risk remuneration increasing with seniority.

Newcrest's policy is to offer a competitive total remuneration package for Executive Directors and Executive Managers, benchmarked against comparable companies in Australia and global mining companies.

5.3 Remuneration Consultants

The Company engages the services of independent and specialist remuneration consultants from time to time and as required in formulating recommendations on fixed remuneration for Executive Directors and Executive Managers. Under the *Corporations Act 2001*, remuneration consultants must be engaged by the Non-Executive Directors and reporting of any remuneration recommendations must be made directly to the Remuneration Committee.

With respect to 2012–13, the Board on the recommendation of the Human Resources and Remuneration Committee resolved to appoint Pricewaterhouse Coopers (PwC) as the Company's remuneration consultants for the 2012–13 reporting period. Neither the Board nor the Human Resources and Remuneration Committee has sought or received remuneration recommendations from PwC or any other remuneration consultant during the 2012–13 reporting period.

5.4 Determining Fixed Remuneration

The Board annually reviews and determines fixed remuneration for the Managing Director. The Managing Director does the same with respect to his direct reports, the Executive Management group, subject to the Board's oversight. The Executive Management group reviews and recommends fixed remuneration for other senior management, for the Managing Director's approval. Fixed remuneration for Executive Directors and Executive Managers as at 30 June 2013 is set out in Table 7.

5. EXECUTIVE DIRECTOR AND EXECUTIVE MANAGER REMUNERATION (continued)

5.5 Determining Variable Cash Remuneration

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

To ensure the remuneration policy fully supports the Company's commitment to high performance and to continue to attract high calibre talent, remuneration levels must be competitive, but oriented towards variable, performance-based incentives. These involve meeting robust performance hurdles to increase shareholder value and deliver variable rewards depending on the achievement of those hurdles.

The STI Plan is a short-term incentive program, based on both Company and individual employee performance-related measures. Incentive payments in relation to performance over the 1 July 2012 to 30 June 2013 performance period are to be made in October 2013.

The LTI Plan complements the STI Plan with measures that help further drive long-term performance within Newcrest.

5.5.1 Short Term Incentive (STI) Plan

The STI Plan is designed to help drive performance within the Company by providing a vehicle for rewarding senior management and executives. The performance measures are a combination of Group and individual measures, chosen to directly align the individual's reward to the Company's strategy, performance and resultant shareholder value.

The amount of the entitlement is based on a percentage range of each participant's fixed remuneration. The total potential STI available is set at a level so as to provide sufficient incentive to individuals to achieve and exceed operational targets and group objectives.

In 2012–13, the Board determined that, consistent with the Group's practice in recent years, any STI offered for the 1 July 2012 to 30 June 2013 performance period would be 'cash only'. Equity continues to be offered to senior management and Executive Managers through the LTI Plan.

The Board also resolved to award the 2012–13 STI without a deferred component, consistent with changes made to the STI Plan in 2010–11. At that time, the Board reviewed the purpose and effectiveness of deferral under the STI and concluded that it created a temporal disconnect for participating Executive Directors and Executive Managers between satisfaction of performance measures and receiving the award, and also because the nature of the performance measures for the STI are such that the Board is able to measure the performance accurately, shortly following the end of the relevant performance period.

Payment of the STI is not accelerated on cessation of employment, but instead is paid in the normal STI cycle. Pro-rata treatment extends to all STI participants other than those who resign or are dismissed for cause. This is to ensure that STI is only paid where performance over the period meets, or exceeds, the agreed performance measures.

In respect of the 2012–13 STI, at target performance for Executive Directors and Executive Managers was set at 60% of fixed remuneration with a maximum possible award of up to 120% of fixed remuneration. Around 44% of the outcome depends on Group performance and around 56% on personal performance. Personal performance is measured against a set of Key Performance Indicators established by the Board for the Managing Director and by the Managing Director in consultation with the Board for the Finance Director and Executive Managers. The Group performance measures and outcomes for 2012–13 are set out in Table 6.

Table 1 contains a summary of key features of the STI Plan.

Table 1: 2013 Short Term Incentive Plan

Summary of the 2013 Short Term Incentive Plan

What is the 2013 Short Term Incentive Plan?	An incentive plan under which eligible employees are (subject to satisfaction of specified performance measures) granted a cash amount, which is based on a percentage range of each participant's fixed remuneration (determined according to seniority and ability to influence the performance of the Group). Performance is assessed against a combination of Group and individual measures, with a weighting towards individual performance.
When is the 2013 STI grant paid to eligible employees?	The STI amount will be paid to each participant who satisfies applicable performance measures in October 2013, following assessment of performance against the applicable measures during the 2012–13 performance period.
Who participates in the 2013 STI?	The Executive Directors, Executive Managers, management and supervisory employees participate in the 2013 STI. In 2012–13, the Board again determined to extend the STI to supervisor level employees to encourage and reward high performance.
Why does the Board consider the 2013 STI an appropriate incentive?	An STI is a globally recognised form of reward for management, aimed at ensuring focus and alignment with Group goals and strategy. Based on both Group and individual measures, and in conjunction with other factors, the Board believes that it helps encourage and reward high performance.
In what circumstances are 2013 STI entitlements forfeited?	Where, prior to conclusion of the relevant performance period, a participant is dismissed for cause, or resigns from employment, prior to conclusion of the performance period, the STI amount will be forfeited upon cessation of employment. Where a participant ceases to be employed by the Group prior to the end of the performance period, other than due to those reasons, payment of the STI is pro-rated for the portion of the performance period completed prior to cessation.
What happens to 2013 STI entitlements upon a change of control in the Group?	Upon a change of control event (as described in the plan rules), the Board must determine the extent, if any, to which early vesting on a full or a pro-rated basis is the appropriate outcome in all the circumstances.

Table 1: 2013 Short Term Incentive Plan (continued)

Summary of the 2013 Short Term Incentive Plan	
What are the performance conditions under the 2013 STI?	The performance conditions under the 2013 STI comprise Group performance measures and personal performance measures. Group performance measures relate to: – safety; – earnings; – costs; and – one further discretionary Group performance measure determined annually. The 'Safety' measure is based 50% on Total Recordable Injury Frequency Rate (TRIFR) and 50% on actioning of the safety risk list. The measures quantify how much of the primary and secondary safety risk lists must be actioned to achieve the measures. The safety measure is seen as critical to the successful operation of the Group's business. 'Earnings' relates to targets for net profit after tax and minority interests before significant items. The earnings target is a direct financial measurement of the Company's performance. The results are adjusted for the effect of commodity prices, foreign exchange rates, significant items and other items determined by the Board. 'Costs' relates to unit production costs before credits, being total production costs before by-product revenue credits divided by total gold production. The cost measurement is intended to improve the profitability of the business. The results are adjusted for the effect of commodity prices, foreign exchange rates, significant items and other items determined by the Board. Personal performance measures relate to: – three objectives in key areas of the executive's broader area of responsibility; and – a fourth discretionary objective. The key area objectives aim to encourage exceptional performance in the areas that will help drive the Company's longer-term strategy. The discretionary component is based on achievement of personal goals and overall work performance. Each performance measure (other than the discretionary measure) has an upper limit that caps the performance measure and a minimum threshold below which the measured performance is zero. The personal performance measures for the Executive Directors and Executive Managers in 2012–13 included role specific elements relating to matters such as delivery of key corporate objectives, delivery of capital projects, development of processes and building capacity, productivity, cost measures and positioning future growth opportunities.
What is the relationship between Group performance and allocation of STI?	Performance against Group objectives is measured in the range of 0% to 125% and a minimum performance threshold must be exceeded to achieve a positive outcome. Overall Group performance is measured as the simple average of achieved performance against the four Group objectives. Performance against each personal performance objective is measured on a scale of 0% to 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 Group performance multiplied by personal performance. The actual award of STI is calculated by multiplying the overall performance rating by a participating employee's target STI.
What is the period over which Group performance is assessed?	The assessment period is the financial year preceding the payment date of the STI (i.e. 1 July to 30 June).

5.6 Equity-Based Remuneration

The Board reviews and adjusts on an annual basis the content and balance of equity-based remuneration to ensure the effectiveness of equity incentives and to recognise the potential impact on the Company of the Executive Directors and Executive Managers.

The amount of equity remuneration ultimately awarded is performance-dependent and will vary according to the extent to which the related Group performance measures are met.

All equity-based remuneration is 'at risk' and will lapse or be forfeited if the prescribed performance conditions are not met by the Group.

The Company's Securities Dealing Policy, in compliance with the requirements of the Corporations Act and the ASX, 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 policy also prohibits the entry into transactions in associated products that operate to limit the economic risk of their security or interest holdings in the Company. 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 seek approval from the Company Secretary if they intend to enter into such transactions. The Securities Dealing Policy forms part of each employee's terms of employment. The Securities Dealing Policy is available on the Company's website.

Table 2: Equity-based Remuneration as a percentage of Fixed Remuneration for Executive Directors and Executive Managers in 2012–13

	Managing Director	Finance Director	Executive Managers
Total equity-based remuneration (maximum award)	100%	100%	60%

5. EXECUTIVE DIRECTOR AND EXECUTIVE MANAGER REMUNERATION (continued)

5.6 Equity-Based Remuneration (continued)

5.6.1 Long Term Incentive (LTI)

An LTI grant was made in September 2012 with a performance period ending on 30 June 2015. This will vest, subject to satisfaction of applicable performance conditions, on 23 September 2015. Rights granted in the financial years 2009–13 are set out in Table 13.

The Group performance measures, assessed over a three-year performance period, are three equally weighted performance measures, being:

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

Each LTI measure was chosen by the Board as it is a key driver of Group 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.

Following completion of Newcrest's acquisition by Scheme of Arrangement of Lihir Gold Limited in September 2010, the Board undertook a full review of the suitability of these measures going forward, given Newcrest's increased size and changed financial and production profile. The Board concluded that the Comparative Cost Position and ROCE measures remained appropriate in their present form, but that the Reserves Growth measure should:

– be based on an absolute increase in reserves after depletions as opposed to the previous measure of a percentage increase in reserves; and
– allow a proportion of the reserves growth to be contributed by copper reserve growth (in gold equivalent ounces).

The Board is currently reviewing the LTI performance measures for future grants to ensure they continue to deliver outcomes which align reward with Group performance.

Table 3: Long Term Incentive Plan (LTI)

Summary of Long Term Incentive Plan	
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). Vesting and exercise of the Performance Rights is contingent on the Group achieving certain performance hurdles over a set performance period.
Who participates in the LTI?	The Executive Directors, Executive Managers and management participate in the LTI.
Why does the Board consider the LTI an appropriate incentive?	The LTI is designed to reward participants for Group performance and to align the long-term interests of shareholders, participating Executive Directors, Executive Managers and management and the Group, by linking a significant proportion of at-risk remuneration to the Group's future performance, currently assessed over a three-year period from the date of grant of the Performance Rights.
What are the key features of the LTI?	– Performance Rights issued under the LTI are conditional rights for the holder to subscribe for fully paid ordinary shares in the Company. – No amount is payable by a 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. Performance Rights do not vest (and are not exercisable) if the minimum performance conditions are not met.
In what circumstances are LTI entitlements forfeited?	The LTI amount will be forfeited upon cessation of employment prior to conclusion of the performance period in circumstances where a participant is either dismissed for cause, resigns from employment, or is guilty of fraud.
What are the performance conditions under the LTI?	Performance Rights issued under the LTI Plan are subject to three performance measures based on: – Comparative Cost Position; – Reserves Growth; and – Return on Capital Employed (ROCE). Performance against each of these measures over the three-year vesting period accounts for one third of any grant made to participants. Comparative Cost Position is a relative measure of the Group'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 three-year vesting period. The comparison is made by ranking the Group's performance against all other producers included in the GFMS Precious Metals Cost Service in accordance with their cash costs of production. Reserves Growth is an absolute performance measure that 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 the Company's reserves figures. Broadly, the increase in reserves will determine the number of rights granted. See below for further information on the Reserves Growth measure. Return on Capital Employed (ROCE) is an absolute measure, defined as underlying earnings before interest and tax (EBIT), divided by average capital employed, being shareholders' equity plus net debt. ROCE for each of the three years of the performance period is averaged to determine the number of Performance Rights that may be exercised in relation to this performance measure. All outcomes of the three LTI performance measures are independently reviewed and verified. The methods for assessing satisfaction of these performance measures were selected because they provide an accurate tool by which to assess performance against the relevant measure.

Table 3: Long Term Incentive Plan (LTI) (continued)

Summary of Long Term Incentive Plan

What is the relationship between Group performance and allocation of Performance Rights?	**Comparative Cost Position** Performance against this measure accounts for one third of a participant's Performance Rights which may vest in any grant of LTI entitlements: – at or above the 50th percentile leads to a zero award of these Performance Rights; – less than the 50th percentile but at or above the 25th percentile leads to a 50% award of these Performance Rights; – below the 25th percentile but at or above the 10th percentile leads to an 80% award of these Performance Rights; – below the 10th percentile leads to a 100% award of these Performance Rights; and – straight line vesting occurs between each of these thresholds. **Reserves Growth** Performance against this measure accounts for one third of Performance Rights, which may vest in any grant of LTI entitlements. The performance measure for Reserves Growth applicable for the 2009 LTI was: – Less than 10% growth leads to a zero award of these Performance Rights. – 10% growth leads to a 50% award of these Performance Rights. – Greater than 10% growth up to 30% growth. Award of these Performance 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. The performance measure for Reserves Growth applicable for the 2010 and subsequent LTI grants allows a proportion of the Reserves Growth to be contributed by growth in copper reserves after depletion (in gold equivalent ounces). The contribution from copper reserves growth is capped at 30% of the applicable total Reserves Growth performance target of 15 million ounces (or 4.5 million ounces). The performance measure is based on absolute growth in reserves (as opposed to a percentage increase). – Zero Reserves Growth after depletion leads to a zero award of these Rights. – Reserves Growth after depletions at or above 15 million ounces leads to a 100% vesting of these Performance Rights. – Straight line vesting occurs between these thresholds. **Return on Capital employed (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 Performance Rights. – ROCE from 7% and below 17% leads to an award of 10% of these Performance Rights per percentage point above 7%. – ROCE at or above 17% leads to 100% of these Performance Rights vesting.
When do the Performance Rights vest?	Performance Rights vest (i.e. may be exercised) three years after the date of grant, provided performance conditions are met. Under the 2012 LTI grant, Performance Rights will be exercised automatically upon vesting.
What is the period over which Group performance is assessed?	The assessment period is the three financial years commencing on 1 July in the year the grant is issued.
How are shares provided to participants under the LTI?	Once Performance Rights have vested and are exercised, shares are either issued by the Company to eligible LTI participants as new capital, or transferred from the Company's share plan trust, having previously been bought on market by the trustee.
Why did the Board choose the above performance hurdles?	The Board considers that these performance measures are key factors which impact on the Company's share price and which drive the value of the Group 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 performance period and will increase if the share price rises over the performance period.
Are the performance conditions re-tested?	No, the performance conditions are only tested once at the end of the three-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 4: LTI Performance Hurdles

The following is a summary of Performance Hurdles that relate to Share Plan awards that are yet to vest. Table 13 provides detail of all Share Plan awards, including those that have vested, but have not yet been exercised.

Calendar Year	Grant Date	Performance Hurdle
2012 (LTI)	23 Sep 2012	The performance hurdles are based on Reserves Growth, Comparative Cost Position and ROCE. (Refer to Table 3 for details).
2011 (LTI)	23 Sep 2011	The performance hurdles are based on Reserves Growth, Comparative Cost Position and ROCE. (Refer to Table 3 for details).
2010 (LTI)	10 Nov 2010	The performance hurdles are based on Reserves Growth, Comparative Cost Position and ROCE. (Refer to Table 3 for details).

5. EXECUTIVE DIRECTOR AND EXECUTIVE MANAGER REMUNERATION (continued)

5.7 Medium Term Incentive (MTI)

The MTI scheme offered participants restricted rights to receive ordinary fully paid shares in the Company after a three-year vesting period – based on the Company's Total Shareholder Return performance against a comparator group of companies in the financial year immediately prior to the date of grant of those rights. The MTI has not been offered to Executive Directors and Executive Management since 2007 and has been discontinued as an incentive scheme. All Restricted Rights issued to Executive Directors and Executive Managers under the MTI in prior periods have now vested. The exercise period for these Restricted Rights expired on 9 November 2012.

6. RELATIONSHIP OF INCENTIVES TO NEWCREST'S FINANCIAL PERFORMANCE

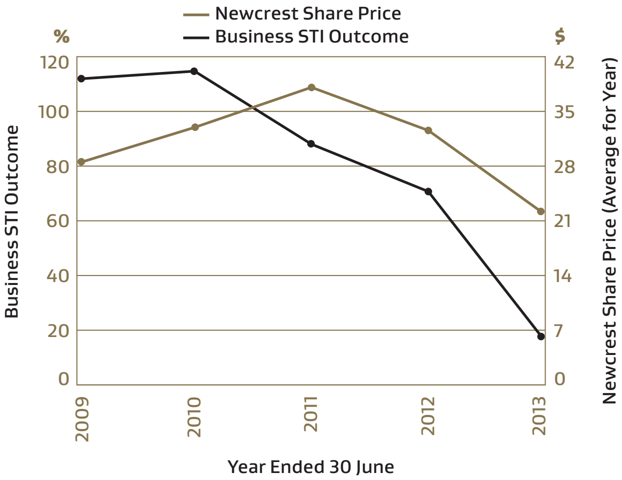
Significant external challenges during 2012–13, including the steepest fall in the gold price for 30 years; the strong Australian dollar over an extended period and further increases in labour, energy and other commodity costs, compression of values in the gold industry and a challenging operating environment, impacted on the Company's performance, balance sheet and share price.

For 2012–13, STI outcomes were negatively impacted, as were general remuneration outcomes. The Board also determined a zero salary increase for Executive Directors and Executive Managers in the October 2013 annual remuneration review.

STI outcomes (based on safety, earnings, costs and a discretionary measure based on other overall company performance) were significantly lower, with a Group performance outcome of 15.6% in 2012–13 compared with 71.5% in 2011–12 and 89.0% for 2010–11. For 2012–13 the Board determined a zero discretionary measure score for the Company, compared with a target of 100%.

In relation to the STI awarded for 2012–13, the performance against the Group performance objectives for Executive Directors and Executive Managers is set out in Table 6. It shows that overall, the Group performance was at 15.6% of the target, reflecting an above-target performance for one of the two safety measures; below target for earnings, costs and the remaining safety measure; and a zero discretionary score. 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 Executive Managers has been determined by the overall personal performance multiplied by the Group's overall performance and is set out in Table 14.

The following chart shows the relationship between STI Business outcomes and the Newcrest average annual share price since 2009.



LTI performance measures since November 2008 have been based on a combination of the Group's Reserves Growth, Comparative Cost Position and Return on Capital Employed (ROCE) over a three-year performance period.

The LTI performance measures are based on key business drivers intended to result in superior financial performance over the long term. Each measure was selected after an extensive consultation process with shareholders, which produced strong general agreement on which measures should create long-term shareholder value.

The 2009 LTI vesting outcome in November 2012 was 78% against the applicable performance measures compared with vesting of 93.5% in the prior year. This measured performance against the applicable performance measures over the period 1 July 2009 to 30 June 2012. The share price increased strongly from 2008 to 2011, but faced significant downward pressures in 2012 and 2013. Table 5 illustrates the financial performance of the Company for the period 30 June 2009 to 30 June 2013.

The 2012–13 Group performance will impact unvested and future LTI outcomes. This is because the LTI performance measures, and thus the proportion of LTI awarded, incorporates performance of the Group in three consecutive years including the current year.

Table 5: Newcrest's Financial Performance

Year Ended 30 June	2013	2012	2011	2010	2009
Basic Earnings/(Loss) Per Share (EPS)[1] (cents)	(754.5)	146.0	126.4	115.2	53.0
Dividends (cents)[2]	12.0	35.0	30.0	25.0	15.0
Special Dividends (cents)	–	–	20.0	–	–
Share Price at 30 June ($)	9.87	22.61	37.71	35.10	30.51
Share Price Increase/(decrease) ($)[3]	(12.74)	(15.10)	2.61	4.59	1.21

[1] Basic EPS is calculated as net profit after tax and non-controlling interests (statutory profit) divided by the weighted average number of ordinary shares.

[2] Dividends exclude special dividends.

[3] Share price movement during the financial year.

Table 6: Performance objective for year ended 30 June 2013 (Executive Directors and Executive Managers)

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)	<3.0	3.6	0% (50% weighting)
Safety Risk List (% action)[1]	90% Risk Reduction Actions On Time	100%	125% (50% weighting)
Earnings (Adjusted Net Profit/(Loss) after Tax and Significant Items)[2]	A$1,062 million	A$695 million	0%
Costs (Total Production Costs per ounce before by-product revenue credits divided by total gold production)[3]	A$1,174/oz	A$1,303/oz	0%
Discretionary Component[4]		0%	
Overall Group Performance[5] (including discretionary component)		15.6%	

[1] The Safety Risk List comprises risk reduction actions that have been developed as part of the risk assessment process conducted on the major safety hazards across the Group.

[2] Actual earnings are adjusted for the effect of commodity prices, foreign exchange rates, significant items and other items as determined by the Board.

[3] Actual costs are adjusted for the effect of commodity prices, foreign exchange rates, significant items and other items as determined by the Board.

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

[5] The overall Group performance, including discretionary component, for 2013 STI participants below Executive Manager level was 40.0%.

7. EXECUTIVE SERVICE AGREEMENTS

7.1 Overview and Summary

Remuneration and other key terms of employment for the Executive Directors and Executive Managers are formalised in the Executive Service Agreements. These may be terminated by each Executive Manager by three months' notice and by the Company by twelve months' notice or payment in lieu of notice.

Subject to compliance with other conditions as set out in the *Corporations Act 2001*, the maximum termination payment for Executive Directors and Executive Managers is calculated as being the employee's average fixed annual remuneration over the previous three years.

Fixed annual remuneration, inclusive of the required superannuation contribution amount, is reviewed annually by the Board following the end of the financial year.

Table 7 lists each of the executives who was party to an Executive Service Agreement during 2012-13 and each position held.

Table 7: Executive Service Agreements

Name	Positions held during 2012–13	Date Appointed to Position	Date Ceased Holding Position	Fixed Annual Remuneration $ (30 June 2013)
Greg Robinson	Managing Director and Chief Executive Officer	July 2011	Not applicable	2,000,000
Gerard Bond	Finance Director and Chief Financial Officer	January 2012	Not applicable	918,000
Lawrie Conway	Executive General Manager Commercial and West Africa	July 2011	Not applicable	728,280
Stephen Creese[1]	Executive General Manager Corporate Affairs	November 2009	1 July 2013	836,400
Geoff Day	Executive General Manager Sustainability and External Affairs	April 2013	Not applicable	728,280
Brett Fletcher[2]	Executive General Manager Lihir Operations	March 2011	Not applicable	811,512
Craig Jones[3]	Executive General Manager Projects and Asset Management	July 2012	Not applicable	728,280
Scott Langford	General Counsel and Company Secretary	July 2012	Not applicable	728,280
Andrew Logan[4]	Executive General Manager Technology	July 2011	Not applicable	728,280
Colin Moorhead	Executive General Manager Minerals	January 2008	Not applicable	801,108
Peter Smith[2][5]	Executive General Manager Australian and Indonesian Operations	August 2010	2 August 2013	811,512
Debra Stirling	Executive General Manager People and Communication	January 2008	Not applicable	780,300

Former Executive Managers				Fixed Annual Remuneration $ (As at cessation date)
Ron Douglas	Executive General Manager Projects	May 2007	13 July 2012	795,600
Greg Jackson[6]	Chief Operating Officer	January 2010	28 March 2013	936,360

[1] Stephen Creese retired from the Company on 1 July 2013.

[2] In February 2013, Brett Fletcher's title changed from EGM PNG and Indonesian Operations to EGM Lihir, following the transfer of accountability for the Indonesian operation to Peter Smith. As a result, Peter Smith's title changed from EGM Australian Operations to EGM Australian and Indonesian Operations.

[3] In March 2013, Craig Jones assumed accountability for Asset Management and his title changed from EGM Projects to EGM Projects and Asset Management.

[4] In July 2013, Andrew Logan's title changed from EGM Strategy, Innovation and Technology to EGM Technology.

[5] Peter Smith, who was based in Brisbane, left the Company on 2 August 2013 as a result of redundancy. He will receive payment in lieu of notice in accordance with his contract. He will not be eligible for an STI award or a grant under the LTI for 2013–14. His non-vested LTI share rights will vest pro-rata subject to satisfaction by the Group of applicable performance measures in accordance with the LTI Plan Rules.

[6] Greg Jackson is on secondment as Acting CEO of Morobe Mining Joint Venture (50% owned by Newcrest Mining Limited).

7. EXECUTIVE SERVICE AGREEMENTS (continued)

7.2 Executive Service Agreements entered into in 2012–13

7.2.1 Geoff Day

Geoff Day commenced in the role of Executive General Manager Sustainability and External Affairs on 9 April 2013.

The appointment is for an indefinite duration. Geoff Day may resign at any time by first giving three months written notice, and the Company may terminate his employment on giving twelve months written notice, or payment in lieu of notice.

The Agreement sets out Geoff Day's duties and responsibilities.

The terms of remuneration payable to Geoff Day include:

- Base salary – refer Table 7.
- STI of 60% at target with a maximum of up to 120% of base salary dependent upon meeting specified personal and Group performance targets, where 120% is achievable only for 'outstanding' performance.
- LTI in accordance with the Company's LTI plan, equal to 60% of base salary.

Compensation for statutory entitlements of accrued annual and long service leave and any superannuation benefits, are payable upon termination of employment.

7.2.2 Craig Jones

Craig Jones commenced in the role of Executive General Manager Projects and Studies on 17 July 2012, having previously been employed with the Company in a number of roles including General Manger – Cadia Valley Operations.

The appointment is for an indefinite duration. Craig Jones may resign at any time giving three months written notice, and the Company may terminate his employment on giving twelve months written notice, or payment in lieu of notice.

The Agreement sets out Craig Jones' duties and responsibilities.

The terms of remuneration payable to Craig Jones include:

- Base salary – refer Table 7.
- STI of 60% at target with a maximum of up to 120% of base salary dependent upon meeting specified personal and Group performance targets, where 120% is achievable only for 'outstanding' performance.
- LTI in accordance with the Company's LTI plan, equal to 60% of base salary.

Compensation for statutory entitlements of accrued annual and long service leave and any superannuation benefits, are payable upon termination of employment.

Craig Jones has subsequently been appointed to the role of Executive General Manager Australia and Indonesia Operations, based in Melbourne, effective 25 July 2013.

7.2.3 Scott Langford

Scott Langford commenced in the role of General Counsel and Company Secretary on 1 July 2012.

The appointment is for an indefinite duration. Scott Langford may resign at any time by first giving three months written notice, and the Company may terminate his employment on giving twelve months written notice, or payment in lieu of notice.

The Agreement sets out Scott Langford's duties and responsibilities.

The terms of remuneration payable to Scott Langford include:

- Base salary – refer Table 7.
- STI of 60% at target with a maximum of up to 120% of base salary dependent upon meeting specified personal and Group performance targets, where 120% is achievable only for 'outstanding' performance.
- LTI in accordance with the Company's LTI plan, equal to 60% of base salary.

Compensation for statutory entitlements of accrued annual and long service leave and any superannuation benefits, are payable upon termination of employment.

7.3 Executive Retention Arrangements

In 2010–11, following the acquisition of Lihir Gold Limited, the growth of the Company and the departure of Ian Smith meant the Board was concerned with retaining a number of key executives. At that time, Stephen Creese, Ron Douglas, Colin Moorhead and Debra Stirling were each offered a retention payment in three parts comprising $75,000 paid in June 2011; $100,000 paid in June 2012; and $125,000 payable in June 2013. The entitlement to receive each tranche of the retention payment was conditional on each executive maintaining at least a 'satisfactory' rating in his or her performance reviews, throughout the relevant periods, as well as continuing to be employed at least at their current level by the Company at the relevant payment date.

7.4 Executive Director Service Agreements

7.4.1 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.

Effective 1 July 2011, Greg Robinson was appointed Managing Director and Chief Executive Officer. The terms of the Service Agreement under which Greg Robinson is employed in that capacity are summarised below.

The appointment is for an indefinite duration. Greg Robinson may resign at any time giving three months written notice, and the Company may terminate his employment on giving twelve months written notice, or payment in lieu of notice.

The Service Agreement sets out Greg Robinson's duties and responsibilities.

The terms of remuneration payable to Greg Robinson include:

- Base salary – refer Table 7.
- STI of 60% at target with a maximum of up to 120% of base salary dependent upon meeting specified personal and Group performance targets, where 120% is achievable only for 'outstanding' performance.
- LTI in accordance with the Company's LTI plan, equal to 100% of base salary.

Compensation for statutory entitlements of accrued annual and long service leave and any superannuation benefits, are payable upon termination of employment.

7.4.2 Gerard Bond

Gerard Bond commenced employment with the Company as Finance Director and Chief Financial Officer on 1 January 2012 and was appointed to the Board on 8 February 2012.

The appointment is for an indefinite duration. Gerard Bond may resign at any time giving three months written notice, and the Company may terminate his employment on giving twelve months written notice, or payment in lieu of notice.

The Agreement sets out Gerard Bond's duties and responsibilities.

The terms of remuneration payable to Gerard Bond include:

– Base salary – refer Table 7.
– STI of 60% at target with a maximum of up to 120% of base salary dependent upon meeting specified personal and Group performance targets, where 120% is achievable only for 'outstanding' performance.
– LTI in accordance with the Company's LTI plan, equal to 100% of base salary.
– Two equity grants of $750,000 (market value) in Newcrest ordinary shares, to be provided as compensation for equity foregone upon Gerard Bond resigning from his previous employment to take up his role as Finance Director and Chief Financial Officer with Newcrest. The first of these grants was made in October 2012 and the second is due in October 2013, subject to Gerard Bond's ongoing satisfactory performance and continuing employment at the relevant grant dates.

Compensation for statutory entitlements of accrued annual and long service leave and any superannuation benefits, are payable upon termination of employment.

8. REMUNERATION DETAILS

8.1 Non-Executive Directors

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

Table 8: Non-Executive Directors Remuneration

	Short Term		Post-Employment	
Non-Executive Directors[(1)]	Salary & Fees (A) $'000	Committee Fees (B) $'000	Superannuation (F) $'000	Total $'000
FY2013				
Don Mercer	600	–	–	600
Philip Aiken[(2)]	52	–	4	56
Vince Gauci	200	40	–	240
Winifred Kamit	184	40	16	240
Richard Knight	200	65	–	265
Rick Lee	184	65	16	265
Tim Poole	184	45	16	245
John Spark	184	70	16	270
	1,788	325	68	2,181
FY2012				
Don Mercer	600	–	–	**600**
Vince Gauci	184	40	16	**240**
Winifred Kamit	184	40	16	**240**
Richard Knight	200	65	–	**265**
Rick Lee	184	65	16	**265**
Tim Poole	184	45	16	**245**
John Spark	184	70	16	**270**
	1,720	**325**	**80**	**2,125**

(1) Peter Hay was appointed as a Non-Executive Director on 8 August 2013.
(2) Philip Aiken was appointed as a Non-Executive Director on 12 April 2013.

8. REMUNERATION DETAILS (continued)

8.2 Executive Directors and Executive Managers

Details of the nature and amount of each major element of remuneration for the Executive Directors and Executive Managers are as follows:

Table 9: Executive Directors and Executive Manager's Remuneration

	Short Term				Post-Employment	Share-Based Payments			
Executive Directors and Executive Managers	Salary & Fees (A) $'000	Salary at Risk (C) $'000	Other Cash Benefits (D) $'000	Other Benefits/ Services (E) $'000	Super-annuation (F) $'000	Value of Rights (G) $'000	Total $'000	Equity Compensation Value (H) %	Performance Related Remuneration (I) %
FY2013									
Executive Directors									
Greg Robinson	1,984	–	–	10	16	721	2,731	26.4	26.4
Gerard Bond	897	78	–	11	16	729	1,731	42.1	14.1
Executive Managers									
Lawrie Conway	708	46	–	8	16	113	891	12.7	17.8
Stephen Creese	816	78	125	9	16	209	1,253	16.7	22.9
Geoff Day	162	–	–	2	4	–	168	–	–
Brett Fletcher	791	33	–	10	16	170	1,020	16.7	19.9
Craig Jones	695	48	–	9	16	79	847	9.3	15.0
Scott Langford	708	51	–	6	16	45	826	5.4	11.6
Andrew Logan	708	43	–	10	16	125	902	13.9	18.6
Colin Moorhead	781	52	125	10	16	205	1,189	17.2	21.6
Peter Smith	791	56	–	13	16	168	1,044	16.1	21.5
Debra Stirling	760	59	125	5	16	198	1,163	17.0	22.1
Former Executive Managers									
Ron Douglas[1]	372	–	–	3	5	(428)	(48)	n/a	n/a
Greg Jackson	677	–	–	10	12	180	879	20.5	20.5
	10,850	544	375	116	197	2,514	14,596		
FY2012									
Executive Directors									
Greg Robinson	1,984	686	65	8	16	936	3,695	25.3	43.9
Gerard Bond	442	221	–	4	8	966	1,641	58.9	20.9
Executive Managers									
Lawrie Conway	695	306	6	8	16	125	1,156	10.8	37.3
Stephen Creese	812	387	114	7	16	250	1,586	15.8	40.2
Ron Douglas	776	273	130	8	16	294	1,497	19.6	37.9
Brett Fletcher	776	273	–	8	16	167	1,240	13.5	35.5
Greg Jackson	898	315	7	8	16	276	1,520	18.2	38.9
Andrew Logan	695	306	9	8	16	149	1,183	12.6	38.5
Colin Moorhead	766	317	131	8	16	292	1,530	19.1	39.8
Peter Smith	776	273	–	8	16	168	1,241	13.5	35.5
Debra Stirling	745	328	131	8	16	278	1,506	18.5	40.2
	9,365	3,685	593	83	168	3,901	17,795		

[1] The remuneration for 2012–13 for Ron Douglas includes the notice period as detailed in Table 7. The share based payments credit for 2012–13 represents forfeited of the non-vested rights for the 2009, 2010 and 2011 LTI plans.

Notes to Tables 8 and 9:

(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 Key Management Personnel are disclosed under 'Post Employment'.

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

(C) 'Salary at risk' refers to awards under the Short Term Incentive.

(D) Comprises:

– Amounts paid to Executive Managers as retention payments, as outlined in section 7.3.

– Interest in respect to the deferred component of the 2008–09 and 2009–10 STI plans.

(E) Represents non-monetary benefits such as parking, insurance and applicable fringe benefits tax payable on benefits.

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

(G) The fair value of rights, comprising rights over unissued shares, granted under the LTI plan has been valued using a Black-Scholes option pricing model. The following factors and assumptions were used in determining the fair value of rights on the grant date:

Table 10: Fair Value of Rights

	LTI Sep 2012	LTI Sep 2011	LTI Nov 2010	LTI Nov 2009	LTI Nov 2008
Fair Value[1]	$27.85	$31.83	$41.66	$34.63	$22.00
Exercise price	–	–	–	–	–
Estimated volatility	35%	30%	30%	40%	40%
Risk-free interest rate	2.81%	3.16%	5.09%	5.04%	3.97%
Dividend yield	1.50%	1.50%	0.50%	0.50%	0.20%
Expected life of award/option	3 years	3 years	3 years	3 years	3 years

[1] Fair Value has been calculated by an independent third party.

The Fair Value of Rights for Gerard Bond also includes a pro-rata of the equity grants as outlined in section 7.4.2.

(H) Represents the value of rights included in remuneration as a percentage of total remuneration.

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

9. RIGHTS HELD BY EXECUTIVE DIRECTORS AND EXECUTIVE MANAGERS

All conditional entitlements refer to Restricted Rights and Performance Rights over fully paid ordinary shares of the Company, which are exercisable on a one-for-one basis. As noted in section 5, no payment is required by a participant on the grant or exercise of any such conditional entitlement.

The movements in the reporting period in the number of Rights over ordinary shares in the Company held by each Executive Director and Executive Manager, as part of their remuneration, are as follows:

Table 11: Movement in Rights for Executive Directors and Executive Managers 2012–13

				Movements During the Year					As at 30 June 2013	
Executive Directors and Executive Managers[1]	Grant Date	Type	Share Price at Grant Date	Balance at 1 July 2012	Rights Granted	Rights Exercised	Rights Lapsed	Balance at 30 June 2013	Vested and Exercisable[2]	Non-vested[3]
G. Robinson	9-Nov-07	MTI	$35.85	4,915	–	(4,915)	–	–	–	–
	9-Nov-07	LTI	$35.85	8,508	–	(8,508)	–	–	–	–
	11-Nov-08	LTI	$22.13	46,772	–	–	–	46,772	46,772	–
	10-Nov-09	LTI	$35.15	31,988	–	–	(7,037)	24,951	24,951	–
	10-Nov-10	LTI	$42.29	33,793	–	–	–	33,793	–	33,793
	23-Sep-11	LTI	$33.18	58,406	–	–	–	58,406	–	58,406
	23-Sep-12	LTI	$29.12	–	79,506	–	–	79,506	–	79,506
				184,382	**79,506**	**(13,423)**	**(7,037)**	**243,428**	**71,723**	**171,705**
G. Bond	23-Sep-11	LTI	$33.18	23,884	–	–	–	23,884	–	23,884
	23-Sep-12	LTI	$29.12	–	36,493	–	–	36,493	–	36,493
				23,884	**36,493**	**–**	**–**	**60,377**	**–**	**60,377**
L. Conway	11-Nov-08	LTI	$22.13	4,076	–	(4,076)	–	–	–	–
	10-Nov-09	LTI	$35.15	2,787	–	(2,174)	(613)	–	–	–
	10-Nov-10	LTI	$42.29	2,662	–	–	–	2,662	–	2,662
	23-Sep-11	LTI	$33.18	12,510	–	–	–	12,510	–	12,510
	23-Sep-12	LTI	$29.12	–	17,371	–	–	17,371	–	17,371
				22,035	**17,371**	**(6,250)**	**(613)**	**32,543**	**–**	**32,543**
S. Creese	10-Nov-09	LTI	$35.15	11,864	–	–	(2,610)	9,254	9,254	–
	10-Nov-10	LTI	$42.29	10,814	–	–	–	10,814	–	10,814
	23-Sep-11	LTI	$33.18	14,368	–	–	–	14,368	–	14,368
	23-Sep-12	LTI	$29.12	–	19,950	–	–	19,950	–	19,950
				37,046	**19,950**	**–**	**(2,610)**	**54,386**	**9,254**	**45,132**
R. Douglas[4]	10-Nov-09	LTI	$35.15	11,864	–	–	(11,864)	–	–	–
	10-Nov-10	LTI	$42.29	10,964	–	–	(10,964)	–	–	–
	23-Sep-11	LTI	$33.18	13,940	–	–	(13,940)	–	–	–
				36,768	**–**	**–**	**(36,768)**	**–**	**–**	**–**
B. Fletcher	10-Nov-10	LTI	$42.29	9,845	–	–	–	9,845	–	9,845
	23-Sep-11	LTI	$33.18	13,940	–	–	–	13,940	–	13,940
	23-Sep-12	LTI	$29.12	–	19,356	–	–	19,356	–	19,356
				23,785	**19,356**	**–**	**–**	**43,141**	**–**	**43,141**
G. Jackson[5]	10-Nov-09	LTI	$35.15	11,864	–	(9,254)	(2,610)	–	–	–
	10-Nov-10	LTI	$42.29	12,766	–	–	–	12,766	–	12,766
	23-Sep-11	LTI	$33.18	16,085	–	–	–	16,085	–	16,085
	23-Sep-12	LTI	$29.12	–	22,334	–	–	22,334	–	22,334
				40,715	**22,334**	**(9,254)**	**(2,610)**	**51,185**	**–**	**51,185**

9. RIGHTS HELD BY EXECUTIVE DIRECTORS AND EXECUTIVE MANAGERS (continued)

Table 11: Movement in Rights for Executive Directors and Executive Managers 2012–13 (continued)

				Movements During the Year					As at 30 June 2013	
Executive Directors and Executive Managers[1]	Grant Date	Type	Share Price at Grant Date	Balance at 1 July 2012	Rights Granted	Rights Exercised	Rights Lapsed	Balance at 30 June 2013	Vested and Exercisable[2]	Non-vested[3]
C. Jones	10-Nov-10	LTI	$42.29	2,647	–	–	–	2,647	–	2,647
	23-Sep-11	LTI	$33.18	3,667	–	–	–	3,667	–	3,667
	23-Sep-12	LTI	$29.12	–	17,371	–	–	17,371	–	17,371
				6,314	**17,371**	**–**	**–**	**23,685**	**–**	**23,685**
S. Langford	23-Sep-12	LTI	$29.12	–	17,371	–	–	17,371	–	17,371
				–	**17,371**	**–**	**–**	**17,371**	**–**	**17,371**
A. Logan	9-Nov-07	MTI	$35.85	1,937	–	(1,937)	–	–	–	–
	9-Nov-07	LTI	$35.85	958	–	(958)	–	–	–	–
	11-Nov-08	LTI	$22.13	5,732	–	–	–	5,732	5,732	–
	10-Nov-09	LTI	$35.15	3,920	–	–	(862)	3,058	3,058	–
	10-Nov-10	LTI	$42.29	3,642	–	–	–	3,642	–	3,642
	23-Sep-11	LTI	$33.18	12,510	–	–	–	12,510	–	12,510
	23-Sep-12	LTI	$29.12	–	17,371	–	–	17,371	–	17,371
				28,699	**17,371**	**(2,895)**	**(862)**	**42,313**	**8,790**	**33,523**
C. Moorhead	11-Nov-08	LTI	$22.13	17,348	–	–	–	17,348	17,348	–
	10-Nov-09	LTI	$35.15	11,864	–	–	(2,610)	9,254	9,254	–
	10-Nov-10	LTI	$42.29	10,814	–	–	–	10,814	–	10,814
	23-Sep-11	LTI	$33.18	13,762	–	–	–	13,762	–	13,762
	23-Sep-12	LTI	$29.12	–	19,108	–	–	19,108	–	19,108
				53,788	**19,108**	**–**	**(2,610)**	**70,286**	**26,602**	**43,684**
P. Smith	10-Nov-10	LTI	$42.29	10,964	–	–	–	10,964	–	10,964
	23-Sep-11	LTI	$33.18	13,940	–	–	–	13,940	–	13,940
	23-Sep-12	LTI	$29.12	–	19,356	–	–	19,356	–	19,356
				24,904	**19,356**	**–**	**–**	**44,260**	**–**	**44,260**
D. Stirling	9-Nov-07	MTI	$35.85	3,097	–	(3,097)	–	–	–	–
	9-Nov-07	LTI	$35.85	5,360	–	(5,360)	–	–	–	–
	11-Nov-08	LTI	$22.13	16,073	–	–	–	16,073	16,073	–
	10-Nov-09	LTI	$35.15	10,992	–	–	(2,418)	8,574	8,574	–
	10-Nov-10	LTI	$42.29	10,513	–	–	–	10,513	–	10,513
	23-Sep-11	LTI	$33.18	13,404	–	–	–	13,404	–	13,404
	23-Sep-12	LTI	$29.12	–	18,612	–	–	18,612	–	18,612
				59,439	**18,612**	**(8,457)**	**(2,418)**	**67,176**	**24,647**	**42,529**

(1) G. Day was appointed on 9 April 2013 and was not entitled to the 2013 financial year LTI Plan.

(2) During the year, the November 2009 LTI Plan vested. Refer to Table 13 for details.

(3) 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.

(4) R. Douglas forfeited the non-vested share rights at 30 June 2012 upon his resignation on 13 July 2012.

(5) G. Jackson's closing balance represents his holdings at 28 March 2013.

9.1 Performance Conditions for Rights

Table 12: Value of Rights

Key Management Personnel	Value at Grant Date $'000 (A)	Value at Exercise Date $'000 (B)	Value at Lapse Date $'000 (C)
G. Robinson	2,213	351	186
G. Bond	1,016	–	–
L. Conway	483	157	16
S. Creese	555	–	69
R. Douglas	–	–	778
B. Fletcher	539	–	–
G. Jackson	622	91	69
C. Jones	483	–	–
S. Langford	483	–	–
A. Logan	483	79	23
C. Moorhead	532	–	69
P. Smith	539	–	–
D. Stirling	518	205	64

Table 12 shows the total value of any Rights granted, exercised and lapsed in 2012–13 in relation to Executive Directors and Executive Managers based on the following assumptions:

(A) The value of Rights at grant date reflects the fair value of a right multiplied by the number of Rights granted during 2012–13. (Refer footnote G to Tables 8 & 9).

(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 exercise price multiplied by the number of rights exercised during 2012–13.

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

Table 13: Executive Directors and Executive Managers – Rights Granted between 2008–09 and 2012–13

Grant Date[1]	Expiry Date	Comparator Group	Vesting Date	Performance Achieved	Percentage Vested[2]
23 Sep 2012 (LTI)	23 Sep 2015	Performance conditions referred to in the Plan Rules	23 Sep 2015	To be determined	N/A
23 Sep 2011 (LTI)	23 Sep 2014	Performance conditions referred to in the Plan Rules	23 Sep 2014	To be determined	N/A
10 Nov 2010 (LTI)	10 Nov 2015	Performance conditions referred to in the Plan Rules	10 Nov 2013	To be determined	N/A
10 Nov 2009 (LTI)	10 Nov 2014	Performance conditions referred to in the Plan Rules	10 Nov 2012	Cost: 73.6% Reserves Growth: 100% ROCE: 60.4%	78.0%
11 Nov 2008 (LTI)	11 Nov 2013	Performance conditions referred to in the Plan Rules	11 Nov 2011	Cost: 85% Reserves Growth: 100% ROCE: 96%	93.5%

[1] The strike price for all plans for all years is nil.
[2] The percentage vested is the same for all Executive Directors and Executive Managers.

Refer to Table 4 for a summary of the applicable Performance Hurdles.

Table 14: 2012–13 Short Term Incentive Grant

	STI (A)	
	As a percentage of maximum STI	
Executive Directors and Executive Managers	Percentage Awarded	Percentage Forfeited
G. Robinson	0.0%	100.0%
G. Bond	7.1%	92.9%
L. Conway	5.3%	94.7%
S. Creese	7.8%	92.2%
G. Day[1]	n/a	n/a
B. Fletcher	3.4%	96.6%
G. Jackson	0.0%	100.0%
C. Jones	5.7%	94.3%
S. Langford	5.9%	94.1%
A. Logan	4.9%	95.1%
C. Moorhead	5.4%	94.6%
P. Smith	5.8%	94.2%
D. Stirling	6.3%	93.7%

[1] G. Day was appointed on 9 April 2013 and was therefore not entitled to participate in the 2013 financial year STI.

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

Table 15: Allocation of the September 2012 LTI Equity Grant

	LTI (A)			
	Estimates of the maximum remuneration amounts which could be received under the 2012 performance rights grants in future years			
Executive Directors and Executive Managers	2013–14 $'000	2014–15 $'000	2015–16 $'000	Maximum Total $'000
G. Robinson	738	738	185	1,661
G. Bond	339	339	85	763
L. Conway	161	161	40	362
S. Creese	185	185	46	416
B. Fletcher	180	180	45	405
G. Jackson	207	207	52	466
C. Jones	161	161	40	362
S. Langford	161	161	40	362
A. Logan	161	161	40	362
C. Moorhead	177	177	44	398
P. Smith	180	180	45	405
D. Stirling	173	173	43	389

(A) The maximum value in future years has been determined in relation to the grant of performance rights in September 2012, 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. This grant is exercisable in September 2015.

Directors' Report

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

Don Mercer
Chairman

12 August 2013
Melbourne

Greg Robinson
Managing Director and
Chief Executive Officer

Auditor's Independence Declaration

Ernst & Young
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Auditor's Independence Declaration to the Directors Newcrest Mining Limited

In relation to our audit of the financial report of Newcrest Mining Limited for the financial year ended 30 June 2013, 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

Tim Wallace
Partner
12 August 2013

Consolidated Income Statement

For the year ended 30 June 2013

	Note	2013 $M	2012 $M
Operating sales revenue	4(a)	**3,775**	4,416
Cost of sales	4(b)	**(2,930)**	(2,607)
Gross profit		**845**	1,809
Exploration expenses	14	**(64)**	(80)
Corporate administration expenses	4(c)	**(132)**	(140)
Other income/(expenses)	4(d)	**(82)**	(14)
Share of (loss)/profit of associate	18	**(110)**	15
Losses on restructured and closed-out hedge contracts	4(i)	**–**	(7)
Business acquisition and integration costs	4(j)	**–**	(11)
Gain on business divestment	4(k)	**–**	46
Restructure costs	5(a)	**(72)**	–
Write-down of non-current assets	5(b)	**(166)**	–
Impairment losses	5(c)	**(6,147)**	–
Impairment of associate	5(d)	**(151)**	–
(Loss)/profit before interest and income tax		**(6,079)**	1,618
Finance income		**1**	2
Finance costs	4(e)	**(110)**	(43)
(Loss)/profit before income tax		**(6,188)**	1,577
Income tax benefit/(expense)	6(a)	**412**	(402)
(Loss)/profit after income tax		**(5,776)**	1,175
(Loss)/profit after tax attributable to:			
Non-controlling interests		**2**	58
Owners of the parent		**(5,778)**	1,117
		(5,776)	1,175
Earnings per share (cents per share)			
Basic (loss)/earnings per share	26	**(754.5)**	146.0
Diluted (loss)/earnings per share	26	**(754.5)**	145.8

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

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013 $M	2012 $M
(Loss)/profit after income tax		**(5,776)**	1,175
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the Income Statement			
Cash flow hedges			
Losses on restructured hedge contracts transferred to the Income Statement	4(i)	–	7
Foreign exchange gains on US dollar borrowings transferred to the Income Statement	25(c)	–	(10)
Other cash flow hedges deferred in equity		(2)	(1)
Income tax expense/(benefit)		–	2
		(2)	(2)
Investments			
Net loss on available-for-sale financial assets transferred to the Income Statement		1	–
Net loss on available-for-sale financial assets deferred in equity		–	(2)
Share of other comprehensive income/(loss) of associate		(2)	–
		(1)	(2)
Foreign currency translation			
Foreign currency translation		896	488
		896	488
Other comprehensive income/(loss) for the year, net of tax		**893**	484
Total comprehensive income/(loss) for the year		**(4,883)**	1,659
Total comprehensive income/(loss) attributable to:			
Non-controlling interests		17	63
Owners of the parent		(4,900)	1,596
		(4,883)	1,659

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

Consolidated Statement of Financial Position

As at 30 June 2013

	Note	2013 $M	2012 $M
Current assets			
Cash and cash equivalents	8(a)	69	242
Trade and other receivables	9	178	251
Inventories	10	946	748
Other financial assets	11	18	11
Current tax asset		58	–
Other assets	12	156	212
Total current assets		1,425	1,464
Non-current assets			
Inventories	10	1,248	1,095
Other financial assets	11	10	8
Property, plant and equipment	13	5,544	4,364
Exploration, evaluation and development	14	7,566	8,795
Goodwill	15	436	3,759
Other intangible assets	17	114	93
Deferred tax assets	6	326	259
Investment in associate	18	132	395
Other assets	12	384	277
Total non-current assets		15,760	19,045
Total assets		17,185	20,509
Current liabilities			
Trade and other payables	19	620	482
Borrowings	20	1	1,200
Provisions	21	241	200
Current tax liability		–	92
Other financial liabilities	22	71	18
Total current liabilities		933	1,992
Non-current liabilities			
Borrowings	20	4,210	1,208
Provisions	21	353	308
Deferred tax liabilities	6	1,604	1,907
Total non-current liabilities		6,167	3,423
Total liabilities		7,100	5,415
Net assets		10,085	15,094
Equity			
Issued capital	23	13,592	13,561
Retained earnings/(accumulated losses)	24	(3,064)	2,890
Reserves	25	(583)	(1,476)
Equity attributable to owners of the parent		9,945	14,975
Non-controlling interests		140	119
Total equity		10,085	15,094

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2013

	Note	2013 $M	2012 $M
Cash flows from operating activities			
Receipts from customers		3,815	4,624
Payments to suppliers and employees		(2,849)	(2,648)
Interest received		1	2
Interest paid		(98)	(33)
Income taxes paid		(162)	(219)
Net cash provided by operating activities	8(b)	707	1,726
Cash flows from investing activities			
Payments for property, plant and equipment		(466)	(436)
Mine under construction, development and feasibility expenditure		(1,440)	(2,075)
Exploration and evaluation expenditure		(152)	(158)
Information systems development		(40)	(45)
Proceeds from non-participation in rights issue	35	–	10
Payments for business divestment transaction costs	35	–	(8)
Payment for investments		–	(3)
Proceeds from sale of investments		9	–
Interest capitalised to development projects		(35)	(40)
Net cash used in investing activities		(2,124)	(2,755)
Cash flows from financing activities			
Proceeds from borrowings:			
– US dollar bilateral debt		2,054	1,785
– US dollar corporate bonds		948	963
Repayment of borrowings:			
– US dollar bilateral debt		(1,623)	(1,086)
– US dollar private placement		–	(119)
Net repayment of finance lease principal		(3)	(4)
Share buy-back	23	–	(35)
Payment for treasury shares		(1)	(9)
Proceeds from partial sale of shares in subsidiary to non-controlling interests, net of withholding tax	36	117	–
Dividends paid:			
– Members of the parent entity		(230)	(362)
– Non-controlling interests		(26)	(43)
Net cash provided by financing activities		1,236	1,090
Net (decrease)/increase in cash and cash equivalents		(181)	61
Cash and cash equivalents at the beginning of the year		242	185
Effects of exchange rate changes on cash held		8	(4)
Cash and cash equivalents at the end of the year	8(a)	69	242

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

2013	Attributable to Owners of the Parent								
	Issued Capital $M	FX Translation Reserve* $M	Hedge Reserve* $M	Equity Settlements Reserve* $M	Fair Value Reserve* $M	Retained Earnings $M	Total $M	**Non-controlling Interests $M**	**Total $M**
Balance at 1 July 2012	**13,561**	**(1,543)**	**15**	**54**	**(2)**	**2,890**	**14,975**	**119**	**15,094**
Profit/(loss) for the year	–	–	–	–	–	(5,778)	(5,778)	2	(5,776)
Other comprehensive income/(loss) for the year	–	881	(2)	–	(1)	–	878	15	893
Total comprehensive income/(loss) for the year	**–**	**881**	**(2)**	**–**	**(1)**	**(5,778)**	**(4,900)**	**17**	**(4,883)**
Transactions with owners in their capacity as owners									
Share-based payments	–	–	–	8	–	–	8	–	8
Shares issued – Dividend reinvestment plan	38	–	–	–	–	–	38	–	38
Treasury shares	(7)	–	–	–	–	–	(7)	–	(7)
Changes in equity interests held by the parent (Note 36)	–	7	–	–	–	92	99	30	129
Dividends paid	–	–	–	–	–	(268)	(268)	(26)	(294)
Balance at 30 June 2013	**13,592**	**(655)**	**13**	**62**	**(3)**	**(3,064)**	**9,945**	**140**	**10,085**

* Refer Note 25 for description of reserves.

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

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

* Refer Note 25 for description of reserves.

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

Notes to the Financial Statements

For the year ended 30 June 2013

1. CORPORATE INFORMATION

Newcrest Mining Limited is a company limited by shares, domiciled and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX), the Port Moresby Stock Exchange (PoMSOX) and the Toronto Stock Exchange (TSX). 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, mine development, mine operations and the sale of gold and gold/copper concentrate.

The financial report of Newcrest Mining Limited for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 12 August 2013.

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, prepared by a for-profit entity, in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report has been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale assets 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 $1,000,000 unless otherwise stated.

The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior year.

(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 significant controlled entities is presented in Note 31.

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.

Non-controlling interest in the results and equity of the entities that are controlled by the Group is shown separately in the Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity respectively.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(c) Interest in Jointly Controlled Assets

Where the Group's activities are conducted through unincorporated joint ventures that are jointly controlled assets, its 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 34.

(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 ($). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Group's foreign operations is US dollars (US$).

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 reporting 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 either cash flow hedges of future US dollar denominated sales or hedges of a net investment in a foreign operation. These are taken directly to a reserve in equity until the forecast sales used to repay the debt occur (for cash flow hedges) or the foreign operation is disposed (for net investment hedges), 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 the reporting 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(w)). 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 Statement of Financial Position comprise cash at bank and in hand, and short-term deposits.

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

Notes to the Financial Statements

For the year ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

(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 uncollectible 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 allowance 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 an allowance 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.

Ore stockpiles which are not scheduled to be processed in the 12 months after the reporting date are classified as 'Non-current Inventory'. The Group believes the processing of these stockpiles will have a future economic benefit to the Group, and accordingly values these stockpiles at the lower of cost and net realisable value.

(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 (or pit/stage) waste to ore ratio ('life-of-mine (pit/stage)') 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 (pit/stage) ratio. The life-of-mine (pit/stage) ratio is based on economically recoverable reserves of the operation.

The life-of-mine (pit/stage) 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'. 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(o). 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 to determine whether there is any indication of impairment (refer Note 2(o)).

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 and 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 annually 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.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

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.

(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, and active and significant operations in, or in relation to, the area of interest 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 and capitalised as incurred.

At the commencement of production, all past exploration, evaluation and feasibility expenditure in respect of an area of interest that has been capitalised is transferred to mine development where it is amortised over the life of the area of interest to which it relates 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.

Depreciation and Amortisation

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(o)).

(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.

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) Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed. If this consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Goodwill (continued)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash-Generating Units (CGU), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment determined in accordance with AASB 8.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs), to which the goodwill relates. The recoverable amount is the higher of the CGUs:

- 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 a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

The Group performs impairment testing on goodwill annually as at 30 June each year.

When the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a CGU (group of CGUs) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(n) Other 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 three to seven years.

(o) Impairment of Non-Financial Assets

The carrying amounts of all non-financial assets (including goodwill) 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.

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 (CGUs). Generally, this results in the Group evaluating its mine properties on a geographical basis.

Non-current assets other than goodwill that have recognised impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have been reversed.

(p) Available-for-Sale Financial Assets

The Group's investment in listed equity securities are designated as available-for-sale financial assets. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Income Statement.

The fair values of listed equity securities are determined by reference to quoted market price.

(q) Investment in Associate

The Group's investment in an associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried on the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Income Statement reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit of an associate is included in the Income Statement. This is the profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the Income Statement.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(r) Non-Current Assets and Disposal Groups held for Sale

Non-current assets and disposal groups are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset or disposal group to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

(s) 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.

(t) Borrowings and Borrowing Costs

Borrowings are initially recognised at fair value and subsequently at amortised cost.

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.

(u) 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 12 months are discounted using the rates attaching to national government securities at the reporting 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.

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 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 using an option pricing model, further details of which are given in Note 27.

The fair value of the rights 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 rights that are expected to become exercisable. At each reporting date the Group revises its estimate of the number of rights 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 rights, the balance of the equity settlements reserve relating to those rights 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.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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 a discount rate that reflects current market assessments. 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)

(w) 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, diesel forward contracts and foreign currency forward 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, diesel forward contracts and foreign currency forward contracts are calculated by reference to current forward commodity prices.

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; or
– 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 are 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.

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 in the Foreign Currency Translation Reserve, 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.

(x) Issued Capital

Issued ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Group. 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.

Treasury Shares

The Group’s own equity instruments, which are reacquired on market for later use in employee share-based payment arrangements (treasury shares), are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

(y) 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;
– 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.

(z) 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 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.

(aa) Government Royalties

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

(bb) 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 reporting date.

Deferred Income Tax

Deferred income tax is provided on all temporary differences (except as noted below) at the reporting 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 reporting 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 reporting 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.

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 reporting date.

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

(cc) 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 Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows 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.

(dd) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the:

- assets transferred by the Group;
- liabilities incurred by the acquirer to former owners of the acquiree;
- equity issued by the Group;

and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured.

(ee) New Accounting Standards, Amendments and Interpretations

Adoption of New Standards and Interpretations

The Group did not adopt any new and/or revised standards, amendments and interpretations from 1 July 2012 which had a material effect on the financial position or performance of the Group.

Notes to the Financial Statements

For the year ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ee) New Accounting Standards, Amendments and Interpretations (continued)

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 2013, but have not been applied in preparing this financial report.

Reference & Title	Details of New Standard/Amendment/Interpretation	Impact on Group	Application Date for the Group
AASB 9 Financial Instruments AASB 2010-7 and AASB 2012-6 Amendments to AAS's arising from AASB 9	The revised standard introduces a number of changes to the accounting for financial assets, the most significant of which includes: – two categories for financial assets being amortised cost or fair value; – removal of the requirement to separate embedded derivatives in financial assets; – reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes; and – changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income.	(ii)	1 July 2015
AASB 10 Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. The new control model broadens the situations when an entity is considered to be controlled by another entity.	(i)	1 July 2013
AASB 11 Joint Arrangements	AASB 11 replaces AASB 1031. The standard uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change.	(i)	1 July 2013
AASB 12 Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about these entities.	(iii)	1 July 2013
AASB 13 Fair Value Measurement	AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. It includes guidance on how to determine fair value under AASB, and expands the disclosure requirements for all assets or liabilities carried at fair value.	(iii)	1 July 2013
AASB 1053 Application of Tiers of Australian Accounting Standards	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	(i)	1 July 2013
AASB 119 Employee Benefits	This revised standard amends the: – definition of short-term benefits, meaning some annual entitlements may become long-term in nature with a revised measurement – timing for recognising a provision for termination benefits, such that provisions can only be recognised when the offer cannot be withdrawn.	(i)	1 July 2013
Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs (also known as deferred mining costs) are to be capitalised as part of an asset if: – an entity can demonstrate that is it probable future economic benefits will be realised; – the costs can be reliably measured; and – the entity can identify the component of an ore body for which access has been improved. The stripping activity asset shall be amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.	(iv)	1 July 2013

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

(ii) The Group has not yet determined the extent of the impact, if any.

(iii) This new standard will result in additional disclosures in the financial statements.

(iv) This interpretation will have an impact on the Group's financial statements. The recognition and measurement of this asset under the interpretation differs from the Group's current accounting policy.

IFRIC 20 specifies the accounting for post-production stripping costs. The Group currently defers stripping costs incurred during the production stage of its operations, for those operations where this is the most appropriate basis for matching the costs against the related economic benefits and the effect is material. At 1 July 2012, which will be the earliest period presented in the Group's 2014 financial statements, the net book value carried forward in 'Other Assets' was $331 million (pre-tax). Under the interpretation, this balance can only be carried forward if it can be identified with a remaining component of the orebody. The Group is currently finalising its analysis but expects that between $80 and $100 million (pre-tax) of that balance will be written off to retained earnings at 1 July 2012.

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.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

(a) Mine Rehabilitation Provision

The Group assesses its mine rehabilitation provision annually in accordance with the accounting policy Note 2(v). Significant judgement is required in determining the provision for mine rehabilitation, as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include future disturbances caused by further development, changes in technology, changes in regulations, price increases and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

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

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

(c) Impairment of Assets

The Group assesses each Cash-Generating Unit (CGU), including CGUs with Goodwill as listed in Note 15, at least annually, to determine whether there is any indication of impairment or reversal. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy Note 2(o). These assessments require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, gold multiple values, future operating development and sustaining capital requirements and operating performance (including the magnitude and timing of related cash flows).

(d) Deferred Mining Expenditure

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

(e) Capitalisation of Exploration and Evaluation Costs

The 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.

(f) Recovery of Deferred Tax Assets

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

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

(g) Ore Reserve Estimates

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

(h) Investment in Associates

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

Judgment is required in assessing whether there is objective evidence that the investment in Evolution is impaired or that a prior period impairment should be reversed. At the reporting date, the Group impaired its investment in Evolution to the market value at 30 June 2013. Refer Note 18.

(i) Share-Based Payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using an option pricing model, using the assumptions detailed in Note 27.

Notes to the Financial Statements

For the year ended 30 June 2013

4. REVENUE AND EXPENSES

	2013 $M	2012 $M
Specific items		
Profit/(loss) before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
(a) Operating Sales Revenue		
Gold	3,149	3,740
Copper	573	613
Silver	53	63
Total operating sales revenue	3,775	4,416
Total revenue	3,775	4,416
(b) Cost of Sales		
Mine production costs	2,428	2,221
Royalty	106	130
Concentrate treatment and realisation	141	140
Deferred mining adjustment	(346)	(178)
Inventory movements	(165)	(248)
	2,164	2,065
Write-down of inventory	177	–
Depreciation	589	542
Total cost of sales	2,930	2,607
(c) Corporate Administration Expenses		
Corporate costs	102	112
Corporate depreciation	22	19
Equity-settled share-based payments	8	9
Total corporate administration expenses	132	140
(d) Other Income/(Expenses)		
Net foreign exchange gain/(loss)	9	(14)
Net fair value gain/(loss) on gold and copper derivatives	(45)	16
Legacy community contractual settlements and negotiation costs	(37)	–
Other	(9)	(16)
Total other income/(expenses)	(82)	(14)
(e) Finance Costs		
Interest Costs:		
Interest on loans	120	58
Other:		
Facility fees and other costs	15	17
Discount unwind on provisions	10	8
	145	83
Less: Capitalised borrowing costs	(35)	(40)
Total finance costs	110	43
(f) Depreciation and Amortisation		
Property, plant and equipment	344	316
Mine development	345	291
Intangible assets	19	19
	708	626
Less: Capitalised to inventory on hand or assets under construction	(97)	(65)
Total depreciation and amortisation expense	611	561
Included in:		
Cost of sales depreciation	589	542
Corporate depreciation	22	19
Total depreciation and amortisation expense	611	561

4. REVENUE AND EXPENSES (continued)

	2013 $M	2012 $M
(g) Employee Benefits Expense		
Defined contribution plan expense	41	37
Equity-settled share-based payments	8	9
Redundancy expense	50	–
Other employment benefits	511	458
Total employee benefits expense	610	504
(h) Other Items		
Operating lease rentals	6	8
(i) Losses on Restructured and Closed-Out Hedge Contracts		
Losses on restructured and closed-out hedge contracts transferred from reserves	–	7
Applicable income tax/(benefit)	–	(2)
Total losses on restructured and closed-out hedges (after tax)	–	5
(j) Business Acquisition and Integration Costs		
Integration costs[1]	–	11
Applicable income tax expense/(benefit)	–	(3)
Total business acquisition and integration costs (after tax)	–	8

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

	2013 $M	2012 $M
(k) Gain on Business Divestment		
Consideration received	–	390
Written down value of net assets sold	–	(336)
Disposal costs	–	(8)
Applicable income tax expense/(benefit)	–	–
Gain on business divestment[1]	–	46

[1] Represents gain on the divestment of Cracow and Mt Rawdon operations on 2 November 2011. Refer Note 35.

5. IMPAIRMENT AND RESTRUCTURE COSTS

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

	Impairments[5] $M	Write-down of Assets $M	Subtotal – Impairment and Write-downs $M	Restructure $M	Total $M
(e) Items by Segment					
Lihir	3,492	146	3,638	5	3,643
Telfer	1,674	19	1,693	17	1,710
West Africa[6]	575	1	576	1	577
Hidden Valley	406	–	406	–	406
Corporate[1][4]	151	–	151	49	200
Total items by segment	**6,298**	**166**	**6,464**	**72**	**6,536**
Tax	(564)	55	(509)	(21)	(530)
Total items by segment (after tax)	**5,734**	**221**	**5,955**	**51**	**6,006**
Attributable to:					
Non-controlling interests					29
Owners of the parent					5,977
					6,006

[1] Represents rationalisation of corporate and support functions, and the closure of the Brisbane office.

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

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

[3] The Group has recognised impairments of goodwill and other assets as a result of its annual impairment testing. These impairments have been recognised as a result of lower gold prices, the compression of earnings multiples in the gold industry and other market factors. Refer to Note 16 for further details.

[4] As a result of the Group's impairment review, the investment in Evolution Mining Limited has been impaired. This impairment is in addition to an impairment of $122 million included in the share of loss of associate. Refer to Note 18 for further details.

[5] Includes goodwill impairment of $3,492 million in respect of Lihir, and $203 million in respect of West Africa. Refer to Note 16 for further details.

[6] A total of $29 million is attributable to non-controlling interests.

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

6. INCOME TAX

	2013 $M	2012 $M
(a) Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit/(loss) before tax	(6,188)	1,577
Income tax expense/(benefit) calculated at 30% (2012: 30%)	(1,856)	473
Research, development and other allowances – current year	(14)	(4)
Research, development and other allowances – prior year	(14)	(27)
Recognition of tax losses	–	(35)
(Over) provided in prior years	(3)	(9)
Gain on business divestment	–	(14)
Other	2	18
	(29)	(71)
Adjustments on impairment and restructure costs:		
Impairment – Goodwill	1,108	–
Impairment – Associates	82	–
Write-downs and impairments – Other assets	178	–
De-recognition of deferred tax assets	105	–
	1,473	–
Income tax (benefit)/expense per the Income Statement	(412)	402
(b) Income Tax Expense Comprises:		
Current income tax		
Current income tax expense	(8)	278
(Over) provision in respect of prior years	(27)	(94)
	(35)	184
Deferred tax		
Relating to origination and reversal of temporary differences	(387)	195
Under provision in respect of prior years	10	23
	(377)	218
Income tax (benefit)/expense per the Income Statement	(412)	402

6. INCOME TAX (continued)

	Balance at 1 July $M	Acquisitions & Divestments $M	(Charged)/ Credited to Income $M	(Charged)/ Credited to Equity $M	Translation $M	Balance at 30 June $M
(c) Movement in Deferred Taxes						
2013						
Deferred tax assets						
Carry forward revenue losses recognised:						
– Australian entities	229	–	97	–	–	326
– Overseas entities	30	–	(34)	–	4	–
	259	–	63	–	4	326
Deferred tax liabilities						
Temporary differences:						
– Fixed assets[1]	(1,715)	–	292	–	(136)	(1,559)
– Deferred mining	(154)	–	75	–	(4)	(83)
– Financial instruments	3	–	(56)	69	–	16
– Provisions	63	–	7	–	1	71
– Other	(104)	–	59	–	(4)	(49)
	(1,907)	–	377	69	(143)	(1,604)
Net deferred taxes	**(1,648)**	**–**	**440**	**69**	**(139)**	**(1,278)**
2012						
Deferred tax assets						
Carry forward revenue losses recognised:						
– Australian entities	205	–	24	–	–	229
– Overseas entities	25	–	4	–	1	30
	230	–	28	–	1	259
Deferred tax liabilities						
Temporary differences:						
– Fixed assets[1]	(1,595)	34	(88)	–	(66)	(1,715)
– Deferred mining	(70)	17	(99)	–	(2)	(154)
– Financial instruments	(3)	–	4	2	–	3
– Provisions	56	(1)	7	–	1	63
– Other	(62)	1	(42)	–	(1)	(104)
	(1,674)	51	(218)	2	(68)	(1,907)
Net deferred taxes	**(1,444)**	**51**	**(190)**	**2**	**(67)**	**(1,648)**

[1] Comprises property, plant and equipment; exploration, evaluation and development; and other intangible assets.

(d) Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of:

– capital losses of $83 million tax effected (2012: $86 million tax effected); and

– revenue losses and temporary differences of $105 million tax effected (2012: nil);

because it is not probable that the Group will have sufficient future assessable income and/or capital gains available against which the deferred tax asset could be utilised.

7. DIVIDENDS

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

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

(b) Dividend Franking Account Balance

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

8. CASH AND CASH EQUIVALENTS

	2013 $M	2012 $M
(a) Components of Cash and Cash Equivalents		
Cash at bank	35	100
Short-term deposits	34	142
Total cash and cash equivalents	69	242
(b) Reconciliation of Net Profit/(Loss) after Income Tax to Net Cash Flow from Operating Activities		
Profit/(loss) after income tax	(5,776)	1,175
Non-cash items:		
Depreciation and amortisation	611	561
Impairment and write-down of assets	6,464	–
Write-down of inventory	177	–
Hedge restructure and close-out expense	–	7
Share-based payments	8	9
Discount unwind on provisions	10	8
Share of profit/(loss) of associate	110	(15)
Non-cash component of gain on business divestment	–	(54)
Foreign exchange and other non-cash items	142	(11)
Items presented as investing or financing activities:		
Exploration expenditure written off	64	80
Changes in assets and liabilities, net of effects from business acquisitions and divestments:		
(Increase)/decrease in:		
Trade and other receivables	73	190
Inventories	(528)	(452)
Prepayments	(22)	(35)
Current tax asset	(58)	–
Deferred tax assets	(67)	(29)
Other financial assets	1	4
Deferred mining	(370)	(177)
(Decrease)/increase in:		
Trade and other payables	138	50
Provisions	72	120
Current tax liabilities	(92)	–
Deferred tax liabilities	(303)	284
Other financial liabilities	53	11
Net cash from operating activities	707	1,726
(c) Non-Cash Financing and Investing Activities		
Dividends paid by the issue of shares under the Dividend Reinvestment Plan	38	36

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9. TRADE AND OTHER RECEIVABLES

	2013 $M	2012 $M
Current		
Bullion awaiting settlement[1]	12	46
Metal in concentrate receivables[2]	77	100
GST receivable[3]	57	61
Other receivables[3]	32	44
Total current receivables	178	251

[1] Are non-interest bearing and are generally expected to settle within seven days, refer Note 2(f).
[2] Are non-interest bearing and are generally expected to settle within one to six months, refer Note 2(f).
[3] Recorded at amortised cost, are non-interest bearing and are generally expected to settle within one to two months.

10. INVENTORIES

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

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

11. OTHER FINANCIAL ASSETS

	2013 $M	2012 $M
Current		
Copper forward sales contracts	16	10
Other financial derivatives	2	1
Total current other financial assets	18	11
Non-Current		
Available-for-sale financial assets[1]	–	8
Other financial asset[2]	10	–
Total non-current other financial assets	10	8

[1] Represents investments in listed companies.
[2] Represents the contingent consideration receivable on the partial sale of a subsidiary. Refer Note 36.

12. OTHER ASSETS

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

13. PROPERTY, PLANT AND EQUIPMENT

	2013 $M	2012 $M
At 30 June		
Cost	9,087	6,516
Accumulated depreciation and impairment	(3,543)	(2,152)
	5,544	4,364
Year ended 30 June		
Carrying amount at 1 July	4,364	3,310
Business divestment (Note 35)	–	(52)
Expenditure during the year	466	436
Depreciation for the year	(344)	(316)
Disposals and write-down of assets	(94)	–
Foreign currency translation	384	31
Reclassifications/transfers(1)	1,747	955
	6,523	4,364
Impairment losses for the year (Note 5)	(979)	–
Carrying amount at 30 June(2)	5,544	4,364

(1) Represents reclassification/transfer from Exploration, Evaluation and Development upon utilisation of the asset.

(2) Included in property, plant and equipment, are leased assets with a carrying amount of $10 million (2012: $12 million).

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14. CAPITALISED EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURES

	Exploration & Evaluation Expenditure $M	Deferred Feasibility Expenditure $M	Mines Under Construction $M	Mine Development[1] $M	Total $M
At 30 June 2013					
Cost	885	323	218	9,199	**10,625**
Accumulated depreciation and impairment	(212)	–	–	(2,847)	**(3,059)**
	673	**323**	**218**	**6,352**	**7,566**
Year ended 30 June 2013					
Carrying amount at 1 July 2012	797	174	1,731	6,093	**8,795**
Expenditure during the year[2]	152	132	947	436	**1,667**
Expenditure written off during the year	(64)	–	–	–	**(64)**
Depreciation for the year	–	–	–	(345)	**(345)**
Disposals and write-down of assets	–	(8)	–	(71)	**(79)**
Foreign currency translation	77	23	28	343	**471**
Reclassifications/transfers[3]	(77)	2	(2,488)	816	**(1,747)**
	885	323	218	7,272	**8,698**
Impairment losses for the year (Note 5)	(212)	–	–	(920)	**(1,132)**
Carrying amount at 30 June 2013	**673**	**323**	**218**	**6,352**	**7,566**
At 30 June 2012					
Cost	797	174	1,731	7,532	10,234
Accumulated depreciation	–	–	–	(1,439)	(1,439)
	797	**174**	**1,731**	**6,093**	**8,795**
Year ended 30 June 2012					
Carrying amount at 1 July 2011	775	74	1,376	5,450	7,675
Business divestment (Note 35)	(16)	–	–	(213)	(229)
Expenditure during the year[2]	158	130	1,815	249	2,352
Expenditure written off during the year	(80)	–	–	–	(80)
Depreciation for the year	–	–	–	(291)	(291)
Foreign currency translation	36	2	56	235	329
Reclassifications/transfers[3]	(76)	(32)	(1,516)	663	(961)
Carrying amount at 30 June 2012	**797**	**174**	**1,731**	**6,093**	**8,795**

[1] Includes acquired Mineral Rights.

[2] Borrowing costs were capitalised on qualifying assets at a weighted average interest rate of 3% (2012: 3%).

[3] Expenditure included in mines under construction has been reclassified from/to mine development or property, plant and equipment upon utilisation of the asset.

	2013 $M	2012 $M
Areas of interest in the exploration phase at cost:		
Cadia Valley, NSW	**5**	6
Telfer, WA	**92**	69
Marsden, NSW	**5**	5
Gosowong, Indonesia	**18**	28
Namosi, Fiji	**22**	20
Hidden Valley, PNG	**–**	5
Wafi-Golpu, PNG	**184**	143
Morobe Province, PNG	**7**	6
Lihir, PNG	**228**	227
West Africa	**112**	288
	673	797

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.

15. GOODWILL

	2013 $M	2012 $M
Opening balance	3,759	3,621
Divestments (Note 35)	–	(53)
Foreign currency translation	372	191
Impairment loss for the year[1]	(3,695)	–
Closing balance	436	3,759

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

(a) Allocation of Goodwill to Cash Generating Units

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

	2013 $M	2012 $M
West Africa	–	184
Lihir	436	3,575
	436	3,759

16. IMPAIRMENT OF GOODWILL AND NON-CURRENT ASSETS

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

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

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

a) Impairments Testing

i) Methodology

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

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

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

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

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

16. IMPAIRMENT OF GOODWILL AND NON-CURRENT ASSETS (continued)

a) Impairments Testing (continued)

ii) Key Assumptions

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

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

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

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

CGU	Functional Currency	2013	2012
Lihir	US$	5.25%	5.5%
Hidden Valley	US$	5.25%	5.5%
West Africa	US$	5.75%	6.0%
Telfer	A$	5.5%	6.0%

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

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

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

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

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

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

16. IMPAIRMENT OF GOODWILL AND NON-CURRENT ASSETS (continued)

iii) Impacts

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

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

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

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

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

b) Sensitivity Analysis

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

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

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

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

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

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

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

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17. OTHER INTANGIBLE ASSETS

Information Systems Development	2013 $M	2012 $M
At 30 June		
Cost	193	154
Accumulated amortisation	(79)	(61)
	114	93
Year ended 30 June		
Carrying amount at 1 July	93	61
Expenditure during the year	40	45
Amortisation for the year	(19)	(19)
Transfers and other	–	6
Carrying amount at 30 June	114	93

18. INVESTMENT IN ASSOCIATE

	2013 $M	2012 $M
Investment in Evolution Mining Ltd[1]		
Carrying amount at 1 July	395	–
Acquisitions (Note 35)	–	390
Non-participation in rights issue	–	(10)
Share of comprehensive loss	(2)	–
Share of results of associate:		
– Share of associate's operational profit	12	15
– Share of associate's impairment[2]	(122)	–
	(110)	15
Additional impairment loss recognised	(151)	–
Carrying amount at 30 June[3]	132	395

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

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

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

The following table discloses summarised financial information of the Group's investment in Evolution:

	2013 $M	2012 $M
Share of the associate's statement of financial position:		
Total assets	219	445
Total liabilities	(87)	(50)
Net assets	132	395
Share of the associate's revenue:		
Revenue	208	126

19. TRADE AND OTHER PAYABLES

	2013 $M	2012 $M
Trade payables[1]	136	120
Other payables and accruals[1]	484	362
Total trade and other payables	620	482

[1] All payables are unsecured, non-interest-bearing and are normally settled on 30-60 day terms.

20. BORROWINGS

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

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

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

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

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

These notes are on normal terms and conditions and include certain financial covenants. Interest on the notes is payable semi-annually at an average of 5.7% (2012: 5.7%). These notes were fully drawn as at 30 June 2013, and have been restated to Australian dollars using the spot exchange rate at the reporting date.

(iv) US dollar corporate bonds
In each of November 2011 and October 2012, Newcrest issued US$1,000 million in US dollar corporate bonds (notes). The notes were sold in accordance with Rule 144A and Regulation S of the *Securities Act of the United States*. The notes consist of:
– US$750 million senior unsecured notes due 15 November 2021 with a coupon of 4.45%;
– US$750 million senior unsecured notes due 1 October 2022 with a coupon of 4.20%; and
– US$500 million senior unsecured notes due 15 November 2041 with a coupon of 5.75%.

(v) 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 with a US dollar functional currency. Refer Note 28(d) for further details.

(vi) Financial arrangements
The Group has access to the following unsecured financing arrangements.

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

Notes to the Financial Statements

For the year ended 30 June 2013

21. PROVISIONS

		2013 $M	2012 $M
Current			
Employee benefits	(i)	119	134
Mine rehabilitation and restoration	(ii)	15	6
Restructure	(iii)	46	–
Other	(iv)	61	60
Total current provisions		241	200
Non-Current			
Employee benefits	(i)	43	29
Mine rehabilitation and restoration	(ii)	302	279
Restructure	(iii)	8	–
Total non-current provisions		353	308

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

(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.

(iii) Restructure
Represents the costs associated with the restructuring activities within the Group. Refer to Note 5.

(iv) Other provisions
Comprises of onerous contracts, community obligations and other miscellaneous items.

Movements in Provisions
Movements in provisions (excluding employee benefits) during the year were as follows:

	Mine Rehabilitation & Restoration $M	Restructure $M	Other Provisions $M
At 1 July 2012	285	–	60
Recognised during the year	14	64	26
Movements in discount rates	–	–	–
Paid/utilised during the year	(5)	(10)	(30)
Unwinding of discount	10	–	–
Foreign currency translation	13	–	5
At 30 June 2013	317	54	61
Split between:			
Current	15	46	61
Non-current	302	8	–
	317	54	61

22. OTHER FINANCIAL LIABILITIES

	2013 $M	2012 $M
Current		
Quotational period derivatives[1]	68	18
Other financial derivatives	3	–
Total current financial derivative liabilities	71	18

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

23. ISSUED CAPITAL

		2013 $M	2012 $M
(a) Movements in Issued Capital			
Opening balance		13,561	13,569
Shares issued during the year:			
– Dividend reinvestment plan	(ii)	38	36
– Share buy-back	(iv)	–	(35)
– Shares repurchased and held in treasury	(v)	(7)	(9)
Total issued capital		13,592	13,561

		2013 No.	2012 No.
(b) Number of Issued Ordinary Shares			
Comprises:			
– Shares held by the public		765,607,049	764,561,477
– Treasury shares		903,922	438,523
Total issued capital		766,510,971	765,000,000
Movement in issued ordinary shares for the year			
Opening number of shares		764,561,477	764,412,847
Shares issued under:			
– Share plans	(i)	118,130	379,568
– Executive service agreements	(i)	28,488	–
– Dividend reinvestment plan	(ii)	1,510,971	1,062,040
– Employee share acquisition plan	(iii)	64,038	39,062
– Share buy-back	(iv)	–	(1,062,040)
– Purchases by the Newcrest Employee Share Trust	(v)	(676,055)	(270,000)
Closing number of shares		765,607,049	764,561,477
Movement in treasury shares for the year			
Opening number of shares		438,523	587,153
Purchases		676,055	270,000
Issued pursuant to share plans		(210,656)	(418,630)
Closing number of shares		903,922	438,523

(i) Represents rights exercised under the Company's share-based payments plans and Executive service agreements. Refer Note 27 for share-based payments.

(ii) 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.

(iii) 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.

(iv) In order to minimise 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 intends to buy-back 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 rights, or operation of the DRP. The share buy-back plan will only be used to purchase shares that are issued under the above mentioned plans.

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

24. RETAINED EARNINGS/(ACCUMULATED LOSSES)

	2013 $M	2012 $M
Opening balance	**2,890**	2,171
Profit/(loss) after tax (attributable to owners of the parent)	**(5,778)**	1,117
Dividends paid	**(268)**	(398)
Changes in equity interests held by the parent	**92**	–
Closing balance	**(3,064)**	2,890

25. RESERVES

	Note	2013 $M	2012 $M
Equity settlements reserve	(a)	**62**	54
Foreign currency translation reserve	(b)	**(655)**	(1,543)
Hedge reserve	(c)	**13**	15
Fair value reserve	(d)	**(3)**	(2)
Total reserves		**(583)**	(1,476)

(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. The reserve is also used to record gains and losses on hedges of the net investment in foreign operations (refer Note 2(w)).

During the year, the Group issued US$1,000 million in US denominated corporate bonds. This debt has been designated as a hedge of the net investment in a foreign operation (Lihir Gold Limited). The exchange gains or losses upon subsequent revaluation of this US dollar denominated debt, in an effective hedge relationship, from the historical drawdown rate to the period-end spot exchange rate are deferred in equity in the foreign currency translation reserve. These cumulative gains or losses will remain deferred in equity and will only be transferred to the Income Statement in the event of the disposal of the foreign operation.

(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(w)).
The components of the hedge reserve at year end were as follows:

Component	2013 $M	2012 $M
FX gains on US dollar denominated borrowings(i)	**20**	20
Other cash flow hedges	**(1)**	1
	19	21
Tax effect	**(6)**	(6)
Total Hedge Reserve	**13**	15

(i) FX gains on US dollar private placement notes
The foreign currency component of this US dollar denominated debt was designated as a cash flow hedge of future US dollar denominated commodity sales. During the 2010 year, this hedge was de-designated. As a result of this de-designation, foreign exchange differences on the retranslation of this debt, from the date of de-designation are recorded in the Income Statement.

At the date of de-designation, the balance of this cash flow hedge deferred in equity was $21 million (net of tax). This balance will continue to remain deferred in equity and will be released to the Income Statement, in the same period as the anticipated hedged US dollar denominated commodity sales.

During the year, $nil was transferred to the Income Statement (2012: $10 million pre-tax).

(d) Fair Value Reserve
The Fair Value Reserve records movements in the fair value of available-for-sale financial assets. Where a revalued financial asset is sold or is determined to be impaired, the cumulative gain or loss included in the reserve is recognised in profit or loss.

26. EARNINGS PER SHARE (EPS)

	2013 ¢	2012 ¢
EPS (cents per share)		
Basic EPS	**(754.5)**	146.0
Diluted EPS[2]	**(754.5)**	145.8

	2013 $M	2012 $M
Earnings used in calculating EPS		
Earnings used in the calculation of basic and diluted EPS:		
Profit/(loss) after income tax attributable to owners of the parent	**(5,778)**	1,117

	2013 No. of shares	2012 No. of shares
Weighted average number of shares		
Share data used in the calculation of basic and diluted EPS:		
Weighted average number of ordinary shares used in calculating basic EPS	**765,828,885**	765,048,302
Effect of dilutive securities: share rights[1][2]	**1,596,241**	1,108,181
Adjusted weighted average number of ordinary shares used in calculating diluted EPS	**767,425,126**	766,156,483

[1] Rights granted to employees (including Key Management Personnel), as described in Note 27, are considered to be potential ordinary shares, and have been included in the determination of diluted earnings per share to the extent they are dilutive. These rights have not been included in the determination of basic earnings per share.

[2] In accordance with AASB 133 Earnings per Share, the effects of anti-dilutive potential have not been included when calculating diluted loss per share for the year ended 30 June 2013.

27. SHARE-BASED PAYMENTS

(a) Newcrest Employee Share Acquisition Plan and Share Match 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 one 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 is measured at the weighted average market price of the shares on the ASX over a period of a week prior to the grant date. The fair value of shares issued under the plan during the year was $1.6 million (2012: $1.4 million).

Members of the plan receive all the rights of ordinary shareholders. Unrestricted possession of these shares occurs at the earliest of, three years from the date of issue or the date employment ceases. During 2013, 1,642 employees participated in the plan (2012: 1,396 employees).

The Share Match Plan commenced during the 2013 financial year. Employees may contribute up to $4,950 to acquire shares in the plan year. On the the third anniversary of the start of the plan year, the Company will match the number of acquired shares held by the employee at that time with matched shares.

(b) Executive Performance Share Plan (LTI Plan)

The Executive Performance Share Plan (also referred to as the Long Term Incentive (LTI) plan) entitles participants to receive rights to ordinary fully paid shares in the Company (Performance Rights). The Executive Directors, Executive General Managers and Managers participate in this plan.

The performance measures for the Performance Rights granted in the 2012 and 2013 financial years 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 group 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 three-year vesting period accounts for one-third of any grant made to participants. There is no ability to re-test performance under the plan after the performance period.

The assessed fair value at grant date of the share rights granted under the plan during the year was $27.85 (2012: $31.83) per right.

27. SHARE-BASED PAYMENTS (continued)

(b) Executive Performance Share Plan (LTI Plan) (continued)

The fair value is independently determined using a Black-Scholes option pricing model. The model inputs for share rights granted included:

- Exercise price: Nil (2012: Nil)
- Risk-free interest rate: 2.81% (2012: 3.16%)
- Expected life of right (years): 3 years (2012: 3 years)
- Share price at grant date: $29.12 (2012: $33.18)
- Expected dividend yield: 1.5% (2012: 1.5%)

(c) Restricted Share Plan (MTI Plan)

The Restricted Share Plan (also referred to as the Medium Term Incentive (MTI) plan) was an annual incentive plan, under which eligible employees were granted rights to receive ordinary fully paid shares in the Company (Restricted Rights).

The MTI plan was last awarded to eligible employees in 2009.

Outstanding Restricted Rights at the end of 2013 have an expiry date of 11 November 2013.

(d) Movements in the Number of Rights

Detailed information of share rights over unissued ordinary shares is set out below:

			Movement in Number of Rights During the Year					
Grant date	Exercise Date on or after	Expiry Date	Number at Beginning of Year	Granted	Exercised	Forfeited	Number at End of Year	Number Exerciseable at End of Year
2013								
9 Nov 07	9 Nov 10	9 Nov 12	53,280	–	(53,280)	–	–	–
11 Nov 08	11 Nov 10	11 Nov 12	42,242	–	(11,067)	–	31,175	31,175
11 Nov 08	11 Nov 11	11 Nov 13	133,569	–	(22,602)	–	110,967	110,967
10 Nov 09	10 Nov 12	10 Nov 14	170,553	–	(31,181)	(49,088)	90,284	90,284
10 Nov 10	10 Nov 13	10 Nov 15	193,098	–	–	(14,508)	178,590	–
23 Sep 11	23 Sep 14	23 Sep 14	515,439	–	–	(34,855)	480,584	–
17 Sep 12	17 Sep 15	17 Sep 15	–	743,360	–	(38,719)	704,641	–
Total			**1,108,181**	**743,360**	**(118,130)**	**(137,170)**	**1,596,241**	**232,426**
2012								
3 Nov 06	3 Nov 09	3 Nov 11	103,429	–	(102,787)	(642)	–	–
9 Nov 07	9 Nov 10	9 Nov 12	124,902	–	(70,989)	(633)	53,280	53,280
11 Nov 08	11 Nov 10	11 Nov 12	81,339	–	(34,240)	(4,857)	42,242	42,242
11 Nov 08	11 Nov 11	11 Nov 13	352,129	–	(171,552)	(47,008)	133,569	133,569
10 Nov 09	10 Nov 12	10 Nov 14	253,809	–	–	(83,256)	170,553	–
10 Nov 10	10 Nov 13	10 Nov 15	261,355	–	–	(68,257)	193,098	–
23 Sep 11	23 Sep 14	23 Sep 14	–	517,564	–	(2,125)	515,439	–
Total			**1,176,963**	**517,564**	**(379,568)**	**(206,778)**	**1,108,181**	**229,091**

All share rights have a nil exercise price.

28. 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

– Maintain the equivalent of an investment grade credit rating.

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 and available-for-sale assets, 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 assets and financial liabilities at year end.

Category	2013 $M	2012 $M
Financial Assets		
Cash and cash equivalents	69	242
Loans and receivables	178	251
Derivatives at fair value through profit or loss	26	10
Derivatives in designated hedge accounting relationship	2	1
Available-for-sale financial assets	–	8
Financial Liabilities		
Trade and other payables	620	482
Borrowings	4,211	2,408
Derivatives at fair value through profit or loss	68	18
Derivatives in designated hedge accounting relationship	3	–

28. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(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 a letter of credit) 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 $22 million (2012: $14 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 2013 or 30 June 2012.

The majority of the Group's receivables are due from concentrate customers in Japan, China, Europe and Korea. There have been no credit defaults with these customers in recent history. Newcrest's Treasury department evaluates credit risk on a continual basis. At the reporting 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.

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

		Past due but not impaired		
Trade and other receivables	Not Past Due $M	Less than 30 days $M	Greater than 30 days $M	Total $M
2013				
Bullion awaiting settlement	12	–	–	**12**
Metal in concentrate receivables	77	–	–	**77**
GST receivable	57	–	–	**57**
Other receivables	26	3	3	**32**
	172	**3**	**3**	**178**
2012				
Bullion awaiting settlement	46	–	–	46
Metal in concentrate receivables	100	–	–	100
GST receivable	61	–	–	61
Other receivables	29	9	6	44
	236	**9**	**6**	**251**

(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 detail for the next 12 months and longer term to five years.

The Group maintains a balance between continuity of funding and flexibility through the use of loans and committed available credit lines. Included in Note 20 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.

Consolidated	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
2013						
Payables	620	–	–	–	–	620
Borrowings	56	74	261	2,250	3,194	5,835
Derivatives	70	1	–	–	–	71
	746	**75**	**261**	**2,250**	**3,194**	**6,526**
2012						
Payables	482	–	–	–	–	482
Borrowings	319	936	60	369	1,503	3,187
Derivatives	18	–	–	–	–	18
	819	**936**	**60**	**369**	**1,503**	**3,687**

28. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(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 Statement of Financial Position can be affected significantly by movements in the AUD:USD exchange rate. The Group also has exposure to other foreign currencies such as the Indonesian rupiah, Papua New Guinea kina, Central African franc and Fiji dollar; however, these exposures are less significant.

Newcrest hedges certain non-functional, currency capital commitment exposures, to provide some budget certainty in the functional currency.

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

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:

US Dollar Denominated Balances	2013 A$M	2012 A$M
Financial Assets		
Cash and cash equivalents	1	49
Trade and other receivables	77	100
Related party receivables	1,719	947
Derivatives	15	11
	1,812	1,107
Financial Liabilities		
Payables	29	10
Borrowings	4,210	2,404
Derivatives	72	18
	4,311	2,432
Net Exposure	(2,499)	(1,325)

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 draw down 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 draw down 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 if the foreign operation is sold. As at 30 June 2013, US dollar borrowings of A$2,647 million were designated as a net investment in foreign operations (2012: A$1,472 million).

Forward Foreign Exchange Contracts

The following table details the forward foreign currency contracts outstanding as at reporting date:

	Average Exchange Rate		Contract Value A$M		Fair Value A$M	
Outstanding contracts	2013	2012	2013	2012	2013	2012
Buy USD/Sell AUD	1.02	–	27	–	3	–
Buy AUD/Sell USD	0.99	–	10	–	(1)	–
Other currency contracts			6	1	–	–
			43	1	2	–

The above contracts are for periods less than 12 months.

Notes to the Financial Statements

For the year ended 30 June 2013

28. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(d) Foreign Currency Risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity arising in respect of financial assets and financial liabilities to a 15% movement (2012: 15%) (i.e. increase and decrease) in the Australian dollar against the US dollar at the reporting date, with all other variables held constant. The 15% sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five-year period.

	Impact on Profit After Tax Higher/(Lower)		Impact on Equity Higher/(Lower)	
	2013 $M	2012 $M	**2013 $M**	2012 $M
AUD/USD +15%	(14)	(13)	242	134
AUD/USD -15%	19	18	(327)	(182)

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

– Reasonably possible movements in foreign exchange rates.

– The reasonably possible movement of 15% (2012: 15%) was calculated by taking the US$ spot rate as at the reporting date, moving this spot rate by 15% (2012:15%) and then re-converting the US$ into A$ 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 A$ has not been included in the sensitivity analysis as part of the equity movement.

– The net exposure at the reporting date is representative of what the Group was and is expecting to be exposed to in the next 12 months from the reporting date.

(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 diesel forward contracts to manage its exposure to movements in commodity prices. The carrying amount of the Group's derivative financial instruments as at the reporting date are disclosed in Notes 11 and 22.

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:

	2013			2012		
Copper Forward Sale Contracts	**Tonnes ('000s)**	**Weighted Average Price US$**	**Fair Value A$M**	Tonnes ('000s)	Weighted Average Price US$	Fair Value A$M
Maturing:						
Less than 6 months	**30**	**7,284**	**16**	22	8,053	10

Diesel/Fuel Forward Contracts

The Group undertakes short-term diesel/fuel hedging in line with budget to fix certain diesel and heavy fuel oil costs.

	2013			2012		
Maturing in Less than 12 Months	**Quantity**	**Weighted Average Price US$**	**Fair Value A$M**	Quantity	Weighted Average Price US$	Fair Value A$M
Diesel contracts (barrels)	**1,024**	**117**	**(1)**	539	111	–
Heavy fuel oil contracts (tonnes)	**186**	**601**	**(2)**	52	579	1

Quotational Period Derivatives

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).

Gold ounces subject to quotational period adjustment is 151 thousand (2012: 106 thousand). Copper tonnes subject to quotational period adjustment is 30 thousand (2012: 22 thousand).

The quotational period is usually one month for gold, and three to four months for copper.

28. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Sensitivity Analysis

The following table summarises the sensitivity of financial assets and financial liabilities held at the reporting date to movement in gold and copper commodity prices, with all other variables held constant. The 20% (2012: 15%) movement for gold, and 15% (2012: 15%) movement for copper are based on reasonably possible changes, over a financial year, using an observed range of actual historical rates for the preceding five-year period.

	Impact on Profit[1] Higher/(Lower)		Impact on Equity[3] Higher/(Lower)	
Post-tax Gain/(Loss)	2013 $M	2012 $M	2013 $M	2012 $M
Gold[2]				
Gold +20%	34	23	34	23
Gold -20%	(34)	(23)	(34)	(23)
Copper				
Copper +15%	2	1	2	1
Copper -15%	(2)	(1)	(2)	(1)

[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 embedded derivative relating to quotational period movements on gold sales (refer Note 2(z)).

[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.

(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 risk profile. Details of the Group's types and levels of debt are included in Note 20.

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 the reporting date, is summarised as follows:

	2013			2012		
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	69	–	0.3	242	–	0.3
	69	–		242	–	
Financial Liabilities						
Lease liabilities – floating	1	–	3.4	3	–	3.1
Lease liabilities – fixed	–	–	–	–	1	5.0
Bilateral debt	1,806	–	1.8	1,197	–	2.1
Corporate bonds	–	2,156	4.7	–	981	4.8
Private placement – fixed	–	248	5.7	–	226	5.7
	1,807	2,404		1,200	1,208	
	(1,738)	(2,404)		(958)	(1,208)	

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

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.

	Impact on Profit Higher/(Lower)		Impact on Equity Higher/(Lower)	
Post-tax gain/(loss)	2013 $M	2012 $M	2013 $M	2012 $M
+1% (100 basis points)	(12)	(7)	(12)	(7)
- 1% (100 basis points)	12	7	12	7

The Group's sensitivity to interest rates has increased during the current year due to the increase in borrowings.

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28. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(g) Fair Value

Fair value of financial instruments carried at amortised cost

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

	Carrying Amount		Fair Value	
Financial Assets/(Liabilities)	2013 $M	2012 $M	2013 $M	2012 $M
Borrowings				
Fixed rate debt:[1]				
– Private placement	(248)	(226)	(253)	(249)
– Corporate bonds	(2,156)	(981)	(1,770)	(1,008)
	(2,404)	(1,207)	(2,023)	(1,257)

[1] Amount recorded at amortised cost and the movements in the fair valuation are not recorded on the Statement of Financial Position.

Fair value measurements recognised in the Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability, that are not based on observable market data (unobservable inputs).

Financial assets/(liabilities)	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
2013				
Financial Assets				
Copper forward sales contracts	–	16	–	16
Other financial derivatives	–	2	10	12
Financial Liabilities				
Quotational period derivatives	–	(68)	–	(68)
Other financial derivatives	–	(3)	–	(3)
2012				
Financial Assets				
Copper forward sales contracts	–	10	–	10
Other financial derivatives	–	1	–	1
Available-for-sale financial assets	8	–	–	8
Financial Liabilities				
Quotational period derivatives	–	(18)	–	(18)

(h) Capital Management

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

The capital structure of Newcrest consists of debt, which includes borrowings as disclosed in Note 20, cash, cash equivalents and equity.

Newcrest balances its overall capital structure through the issue of new shares, share buy-backs, capital returns, the payment of dividends, as well as the issue of new debt or redemption of existing debt.

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

28. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Gearing Ratio

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

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

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

The gearing ratio at year end was as follows:

	2013 $M	2012 $M
Total debt	4,211	2,408
Less: Cash and cash equivalents	(69)	(242)
Net debt	4,142	2,166
Equity	10,085	15,094
Total capital (Net debt and equity)	14,227	17,260
Gearing ratio	29.1%	12.5%

29. COMMITMENTS

	2013 $M	2012 $M
(a) Finance Lease Commitments		
Within 1 year	1	3
Later than 1 year but not later than 5 years	–	1
Total minimum lease payments	1	4
Less future finance charges	–	–
Present value of minimum lease payments	1	4
Included in the financial statements as borrowings (Note 20):		
Current	1	3
Non-current	–	1
	1	4

Finance leases were entered into as a means of financing the acquisition of mining equipment.
No lease arrangements create restrictions on other financing transactions.

	2013 $M	2012 $M
(b) Operating Lease Commitments		
Future minimum rentals payable on non-cancellable operating leases due:		
Within 1 year	4	6
Later than 1 year but not later than 5 years	2	17
Later than 5 years	–	8
Total	6	31

The Group leases assets for operations including plant and office premises.
The leases have an average life ranging from 1 to 10 years.
There are no restrictions placed upon the lessee by entering into these leases.

	2013 $M	2012 $M
(c) Capital Expenditure Commitments		
Capital expenditure commitments	105	446

This represents contracted mining development expenditure.

30. CONTINGENT LIABILITIES

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

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

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

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

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

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

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

31. CONTROLLED ENTITIES

The Group comprises the following significant entities:

Entity	Notes	Country of Incorporation	Percentage Holding 2013 %	Percentage Holding 2012 %
Parent Entity				
Newcrest Mining Limited		Australia		
Subsidiaries				
Newcrest Operations Ltd	(a)	Australia	100	100
Cadia Holdings Pty Ltd	(a)	Australia	100	100
Contango Agricultural Co. Pty Ltd		Australia	100	100
Newcrest Exploration Holdings Pty Ltd	(a)	Australia	100	100
Newcrest Finance Pty Ltd	(a)	Australia	100	100
Newcrest International Pty Ltd	(a)	Australia	100	100
Newgen Pty Ltd		Australia	100	100
Sulawesi Investments Pty Ltd	(a)	Australia	100	100
LGL Services Australia Pty Ltd		Australia	100	100
LGL Mount Rawdon Operations Pty Ltd		Australia	100	100
Newcrest Holdings (Investments) Pty Ltd		Australia	100	100
Newcrest Singapore Holdings Pte Ltd	(c)	Singapore	100	100
Newcrest Insurance Pte Ltd	(b)	Singapore	100	100
Newcrest Singapore (Tandai) Pte Ltd	(c)	Singapore	100	100
PT Nusa Halmahera Minerals	(b)	Indonesia	75	82.5
PT Puncakbaru Jayatama	(b)	Indonesia	100	100
PT Bengkulu Utara Gold	(c)	Indonesia	70	70
Newcrest (Fiji) Ltd	(b)	Fiji	100	100
Newcrest Exploration (Fiji) Ltd	(b)	Fiji	100	100
Newcrest PNG 1 Ltd	(b)	Papua New Guinea	100	100
Newcrest PNG 2 Ltd	(b)	Papua New Guinea	100	100
Newcrest PNG 3 Ltd	(b)	Papua New Guinea	100	100

31. CONTROLLED ENTITIES (continued)

Entity	Notes	Country of Incorporation	Percentage Holding 2013 %	Percentage Holding 2012 %
Subsidiaries (continued)				
Newcrest PNG Exploration Ltd	(b)	Papua New Guinea	100	100
Newcrest PNG Andewa Ltd	(b)	Papua New Guinea	100	100
Lihir Gold Ltd	(b)	Papua New Guinea	100	100
Newcrest Resources Inc		USA	100	100
Newroyal Resources Inc		USA	100	100
LGL Holdings CI SA	(b)	Côte d'Ivoire	100	100
LGL Mines CI SA	(b)	Côte d'Ivoire	89.89	89.89
LGL Resources CI SA	(b)	Côte d'Ivoire	99.89	99.89

(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 & Investments Commission. (Refer Note 33 for further information.)

(b) Audited by affiliates of the parent entity auditors.

(c) Audited by auditors other than parent entity auditors.

32. PARENT ENTITY INFORMATION

The summarised Income Statement and Statement of Financial Position in respect to the parent entity (Company) is set out below.

	Company 2013 $M	Company 2012 $M
a) Income Statement		
Profit/(loss) after income tax	(4,171)	486
Total comprehensive income/(loss) for the year	(4,171)	486
b) Statement of Financial Position		
Current assets	348	277
Non-current assets	9,253	13,811
Total assets	9,601	14,088
Current liabilities	198	165
Non-current liabilities	91	211
Total liabilities	289	376
Net assets	9,312	13,712
Issued capital	13,592	13,561
Equity settlements reserve	62	54
Retained earnings/(accumulated losses):		
Opening balance	97	9
Profit/(loss) after tax	(4,171)	486
Dividends paid	(268)	(398)
Closing balance	(4,342)	97
Total equity	9,312	13,712
c) Commitments		
Capital expenditure commitments	12	24

This represents contracted mining development expenditure.

d) Guarantees and Contingent Liabilities

The Company and certain Australian controlled entities have entered into a Deed of Cross Guarantee (the Deed). 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*. Further details are included in Note 33. At the reporting date, no amounts have been recognised in the financial information of the Company in respect of this Deed on the basis that the possibility of default is remote.

33. 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 31 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 Statement of Financial Position, 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, is set out below.

	Consolidated	
Income Statement	**2013 $M**	2012 $M
Operating sales revenue	**2,041**	2,375
Cost of sales	**(1,727)**	(1,618)
Gross profit	**314**	757
Exploration costs	**(27)**	(32)
Corporate administration costs	**(129)**	(137)
Other revenue	**268**	188
Other income/(expenses)	**(303)**	23
Losses on restructured and closed-out hedge contracts	**–**	(7)
Business acquisition and integration costs	**–**	(11)
Gain on business divestment	**–**	46
Restructure costs	**(66)**	–
Write-down of non-current assets	**(19)**	–
Impairment losses	**(5,714)**	–
Profit/(loss) before interest and income tax	**(5,676)**	827
Finance income	**53**	34
Finance costs	**(128)**	(36)
Profit/(loss) before income tax	**(5,751)**	825
Income tax (expense)/benefit	**543**	(106)
Profit/(loss) after income tax	**(5,208)**	719

33. DEED OF CROSS GUARANTEE (continued)

Statement of Financial Position	Consolidated 2013 $M	2012 $M
Current assets		
Cash and cash equivalents	8	64
Trade and other receivables	287	144
Inventories	263	288
Other financial assets	18	10
Other assets	58	91
Total current assets	634	597
Non-current assets		
Other receivables	2,222	2,135
Inventories	12	83
Investment in subsidiaries	6,882	10,096
Property, plant and equipment	1,943	2,250
Exploration, evaluation and development	2,715	3,221
Other intangible assets	70	88
Deferred tax assets	326	229
Other financial assets	–	1
Other assets	133	208
Total non-current assets	14,303	18,311
Total assets	14,937	18,908
Current liabilities		
Trade and other payables	292	280
Borrowings	–	1,197
Provisions	113	90
Other financial liabilities	71	18
Income tax payable	–	20
Total current liabilities	476	1,605
Non-current liabilities		
Borrowings	4,210	1,207
Provisions	191	173
Deferred tax liabilities	66	503
Total non-current liabilities	4,467	1,883
Total liabilities	4,943	3,488
Net assets	9,994	15,420
Equity		
Issued capital	13,592	13,561
Retained earnings/(accumulated losses)	(3,554)	1,922
Reserves	(44)	(63)
Total equity	9,994	15,420

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34. INTERESTS IN UNINCORPORATED JOINT VENTURE ASSETS

(a) Interests

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

Name	Country	Principal Activity	Ownership Interest 2013	Ownership Interest 2012
Namosi JV	Fiji	Mineral exploration	69.94%	69.94%
Hidden Valley JV	Papua New Guinea	Gold production & mineral exploration	50.0%	50.0%
Wafi-Golpu JV[i]	Papua New Guinea	Mineral exploration	50.0%	50.0%
Morobe Exploration JV	Papua New Guinea	Mineral exploration	50.0%	50.0%

[i] Consistent with the current administrative practice, the PNG National Government has reserved the right to take up an equity interest of up to 30% in a mine developed from Wafi-Golpu. The right is recorded as a condition in exploration licences and is exercisable by the PNG National Government once at any time prior to the grant of a mining lease or special mining lease. If the PNG National Government exercises this right, the exercise price is a pro rata share of the historical exploration costs. Once the right is exercised, the PNG National Government becomes responsible for its proportionate share of ongoing exploration and project development costs. The PNG National Government has indicated its intention to exercise its option, nominating government-owned company Petromin PNG Holdings Ltd to take up the interest, although the option has not yet been exercised. In the event the option is exercised in full, Newcrest's interest in the Wafi-Golpu joint venture would be reduced to 35%.

(b) Assets Employed in Joint Ventures

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).

Joint Ventures	2013 $M	2012 $M
Current assets		
Cash assets	16	23
Receivables	4	9
Inventories	85	58
Other assets	31	42
	136	132
Non-current assets		
Property, plant and equipment	336	394
Exploration, evaluation and development	166	224
	502	618
Total assets	638	**750**

For operating and capital expenditure commitments and contingent liability disclosures relating to the joint ventures, refer to Note 29 and Note 30 respectively.

35. BUSINESS DIVESTMENT

On 2 November 2011, the Group sold its 70% interest in the Cracow gold mine and exploration joint ventures, and its 100% interest in the Mt Rawdon gold mine (the Assets). The Assets were sold to Evolution Mining Limited (Evolution), which was a company formed through the merger of Catalpa Resources Limited and Conquest Mining Limited.

Newcrest received 231,082,631 shares in Evolution as consideration for the Assets, resulting in an initial 38.95% interest in Evolution. This interest was subsequently diluted to 32.68%, following a 3 for 17 accelerated renounceable entitlement offer (rights issue) undertaken by Evolution, in which Newcrest had agreed not to take up its entitlement. Newcrest received $10 million from its non-participation in the rights issue.

Gain on Divestment

The gain on the divestment of the Assets was as follows:

	Note	2012 $M
Consideration received	(i)	390
Written down value of net assets sold	(ii)	(336)
Disposal costs		(8)
Applicable income tax	(iii)	–
		46

(i) Represents 231,082,631 shares in Evolution at $1.6893 per share, based on the quoted price of Evolution shares at the divestment date (2 November 2011).

(ii) Represents the carrying values of the net assets disposed, as detailed below:

Book Value on Divestment	2012 $M
Assets	
Inventories	10
Deferred mining	57
Property, plant and equipment	52
Exploration, evaluation and development	229
Goodwill	53
Total assets	401
Liabilities	
Provisions	14
Deferred tax liabilities	51
Total liabilities	65
Net assets divested	**336**

(iii) The Group has utilised previously unrecognised capital losses to offset the taxable capital gain.

36. CHANGE IN EQUITY INTEREST IN SUBSIDIARY

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

Consideration for the sale comprised of:

– Cash consideration of US$130 million (A$124 million). This was received on the completion date of 20 December 2012.

– Contingent consideration of US$30 million, subject to a further one million ounces of additional gold resource being defined by December 2017.

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

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

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

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37. SEGMENT INFORMATION

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

The Group's reportable operating segments are:

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

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

(a) Segment Results, Segment Assets and Segment Liabilities

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

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

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

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

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

[1] Includes investment in associates and eliminations.
[2] Refer to Note 37(b) for the reconciliation of segment result to profit before tax.
[3] Segment assets are net of write-downs and impairments. Refer Note 5.
[4] Represents additions to property, plant and equipment; exploration, evaluation and development; and other intangible assets.

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

[1] Segment result attributable to Mt Rawdon and Cracow is for the period 1 July – 2 November 2011. Refer Note 35.
[2] Includes investment in associates and eliminations.
[3] Refer to Note 37(b) for the reconciliation of segment result to profit before tax.
[4] Represents additions to property, plant and equipment; exploration, evaluation and development; and other intangible assets.

37. SEGMENT INFORMATION (continued)

(b) Reconciliation of EBIT (Segment Result) to Profit Before Tax

	Note	2013 $M	2012 $M
Segment Result	37(a)	756	1,590
Finance income		1	2
Finance costs		(110)	(43)
Net finance costs		(109)	(41)
Losses on restructured and closed-out hedge contracts	4(i)	–	(7)
Business acquisition and integration	4(j)	–	(11)
Gain on business divestment	4(k)	–	46
Restructure costs	5(a)	(72)	–
Write-down of non-current assets	5(b)	(166)	–
Impairment losses	5(c)	(6,147)	–
Impairment of associate	5(d)	(151)	–
Share of associate's impairment	18	(122)	–
Write-down of inventory	4(b)	(177)	
Other items		(6,835)	28
Profit Before Tax		(6,188)	1,577

(c) Geographical Segments

Sales Revenue from External Customers[1]	2013 $M	2012 $M
Bullion		
Australia	2,062	2,366
Other Asia	–	2
Concentrate		
Japan	996	730
Korea	166	159
China (including Hong Kong)	85	95
Europe[2]	418	762
USA[2]	48	302
Total sales revenue	3,775	4,416

Non-Current Assets[3]	2013 $M	2012 $M
Australia	5,004	6,253
Indonesia	372	283
Papua New Guinea	9,516	11,324
West Africa	451	864
Other	91	62
Total non-current assets	15,434	18,786

[1] Revenue is attributable to geographic location based on the location of customers.
[2] The majority of concentrate sales to customers in Europe and the USA are shipped to smelters in Japan, Korea and China.
[3] Non-current assets for this purpose excludes deferred tax assets.

(d) Major Customer Information

Major customers to which the Group provides goods that are more than 10% of external revenue are as follows:

	Revenue		% of External Revenue	
	2013 $M	2012 $M	2013 %	2012 %
Customer A[1]	1,956	2,226	52	50
Customer B	765	598	20	14
Customer C	102	481	3	11

[1] Represents sales of bullion.

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38. AUDITOR'S REMUNERATION

	2013 $'000	2012 $'000
(a) Amounts Received or Due and Receivable by Ernst & Young (Australia) for:		
Audit or review of financial reports of the company and subsidiaries	1,916	1,834
Other services:		
– Assurance services in respect of divestments	–	40
– Accounting advice and other assurance-related services	14	128
– Assurance services in relation to USD corporate bonds issue	195	319
– Services in relation to business management processes	928	413
	3,053	2,734
(b) Amounts Received or Due and Receivable by Related Practices of Ernst & Young (Australia) for:		
Audit or review of financial reports of subsidiaries	213	193
(c) Amounts Received or Due and Receivable by Other Auditors for:		
Audit or review of the financial report of subsidiaries	109	41
Other non-audit services	–	–
	109	41

39. KEY MANAGEMENT PERSONNEL

(a) Details of Directors and Key Management Personnel

Key Management Personnel (KMP) comprises the Company Directors (including Executive Directors) and Executive Managers. The Managing Director, Finance Director and the Executive General Managers (EGM) are members of the Group's Executive Committee (ExCo). The members of the ExCo exercise the greatest control over the management and strategic direction of the Group, and are also the highest paid individuals in the Group.

Name	Position
Directors[1]	
Greg Robinson	Managing Director and Chief Executive Officer
Gerard Bond	Finance Director and Chief Financial Officer
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
Lady Winifred Kamit	Non-Executive Director
Philip Aiken	Non-Executive Director (commenced 12 April 2013)
Executive Managers as at 30 June 2013	
Colin Moorhead	EGM – Minerals
Debra Stirling	EGM – People & Communications
Stephen Creese	EGM – Corporate Affairs (retired 1 July 2013)
Peter Smith	EGM – Australian and Indonesian Operations
Brett Fletcher	EGM – Lihir
Lawrie Conway	EGM – Commercial and West Africa
Andrew Logan	EGM – Technology
Scott Langford	EGM – General Counsel & Company Secretary (commenced 1 July 2012)
Craig Jones	EGM – Projects & Asset Management (commenced 17 July 2012)
Geoff Day	EGM – Sustainability & Corporate Affairs (commenced 9 April 2013)
Former Executive Managers	
Ron Douglas	EGM – Projects (resigned 13 July 2012)
Greg Jackson[2]	Chief Operating Officer (ceased 28 March 2013)

[1] Subsequent to year end, on 8 August 2013 Peter Hay was appointed as a Non-Executive Director.
[2] Greg Jackson transitioned accountabilities on 28 March 2013, and accepted a role as Acting CEO Morobe Mining Joint Venture.

(b) Remuneration of Key Management Personnel

	2013 $'000	2012 $'000
Short-term	13,998	15,771
Post-employment	265	248
Share-based payments	2,514	3,901
	16,777	19,920

39. KEY MANAGEMENT PERSONNEL (continued)

(c) Shareholdings of Key Management Personnel

Shares held in Newcrest Mining Limited:

Key Management Personnel	Balance at 1 July 2012	Acquired on Exercise of Rights	Net Other Changes	Balance at 30 June 2013
Directors				
G. Robinson	20,487	13,423	26,580	60,490
G. Bond	–	–	28,488	28,488
D. Mercer	15,546	–	9,454	25,000
J. Spark	18,105	–	14,000	32,105
R. Lee	22,447	–	6,000	28,447
T. Poole	4,235	–	–	4,235
R. Knight	20,000	–	20,000	40,000
V. Gauci	3,400	–	15,000	18,400
W. Kamit	326	–	–	326
P. Aiken(1)	2,769	–	5,000	7,769
Executive Managers				
C. Moorhead	17,317	–	–	17,317
R. Douglas(2)	26,073	–	–	26,073
D. Stirling	5,603	8,457	–	14,060
S. Creese	–	–	–	–
G. Jackson(3)	–	9,254	–	9,254
P. Smith	20,964	–	–	20,964
B. Fletcher	–	–	–	–
L. Conway	24,687	6,250	–	30,937
A. Logan	3,719	2,895	–	6,614
S. Langford	462	–	–	462
G. Day	–	–	–	–
C. Jones	–	–	–	–

(1) P Aiken's opening balance represents his holding at his appointment as a Director on 12 April 2013.
(2) R Douglas's closing balance represents his holdings at the date he ceased to be a KMP on 13 July 2012.
(3) G Jackson's closing balance represents his holdings at the date he ceased to be a KMP on 28 March 2013.

Key Management Personnel	Balance at 1 July 2011	Acquired on Exercise of Rights	Net Other Changes	Balance at 30 June 2012
Directors				
G. Robinson	4,235	16,252	–	20,487
G. Bond	–	–	–	–
D. Mercer	15,546	–	–	15,546
J. Spark	18,105	–	–	18,105
R. Lee	22,447	–	–	22,447
T. Poole	4,235	–	–	4,235
R. Knight	20,000	–	–	20,000
V. Gauci	3,400	–	–	3,400
W. Kamit	326	–	–	326
Executive Managers				
C. Moorhead	32,317	8,568	(23,568)	17,317
R. Douglas	8,725	17,348	–	26,073
D. Stirling	5,603	–	–	5,603
S. Creese	–	–	–	–
G. Jackson	–	–	–	–
P. Smith	20,964	–	–	20,964
B. Fletcher	–	–	–	–
L. Conway	34,829	2,358	(12,500)	24,687
A. Logan	–	3,719	–	3,719

Notes to the Financial Statements

For the year ended 30 June 2013

39. KEY MANAGEMENT PERSONNEL (continued)

(d) Rights Held by 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 Share Plan. The movements in the year in the number of rights over ordinary share in Newcrest, held directly, indirectly or beneficially by each KMP, including their personally-related entities, is shown in the following table.

	Movements During 2013					As at 30 June 2013	
Key Management Personnel	Balance at 1/07/12	Rights granted	Rights exercised	Rights lapsed	Balance at 30/06/13	Vested and Exercisable	Non-Vested[1]
G. Robinson	184,382	79,506	(13,423)	(7,037)	243,428	71,723	171,705
G. Bond	23,884	36,493	–	–	60,377	–	60,377
C. Moorhead	53,788	19,108	–	(2,610)	70,286	26,602	43,684
R. Douglas[2]	36,768	–	–	(36,768)	–	–	–
D. Stirling	59,439	18,612	(8,457)	(2,418)	67,176	24,647	42,529
S. Creese	37,046	19,950	–	(2,610)	54,386	9,254	45,132
G. Jackson[3]	40,715	22,334	(9,254)	(2,610)	51,185	–	51,185
P. Smith	24,904	19,356	–	–	44,260	–	44,260
B. Fletcher	23,785	19,356	–	–	43,141	–	43,141
L. Conway	22,035	17,371	(6,250)	(613)	32,543	–	32,543
A. Logan	28,699	17,371	(2,895)	(862)	42,313	8,790	33,523
S. Langford	–	17,371	–	–	17,371	–	17,371
G. Day	–	–	–	–	–	–	–
C. Jones[4]	6,314	17,371	–	–	23,685	–	23,685
Total	**541,759**	**304,199**	**(40,279)**	**(55,528)**	**750,151**	**141,016**	**609,135**

	Movements During 2012					As at 30 June 2012	
Key Management Personnel	Balance at 1/07/11	Rights granted	Rights exercised	Rights lapsed	Balance at 30/06/12	Vested and Exercisable	Non-Vested[1]
G. Robinson	145,480	58,406	(16,252)	(3,252)	184,382	60,195	124,187
G. Bond	–	23,884	–	–	23,884	–	23,884
C. Moorhead	49,800	13,762	(8,568)	(1,206)	53,788	17,348	36,440
R. Douglas	41,382	13,940	(17,348)	(1,206)	36,768	–	36,768
D. Stirling	47,152	13,404	–	(1,117)	59,439	24,530	34,909
S. Creese	22,678	14,368	–	–	37,046	–	37,046
G. Jackson	24,630	16,085	–	–	40,715	–	40,715
P. Smith	10,964	13,940	–	–	24,904	–	24,904
B. Fletcher	9,845	13,940	–	–	23,785	–	23,785
L. Conway	12,166	12,510	(2,358)	(283)	22,035	4,076	17,959
A. Logan	20,306	12,510	(3,719)	(398)	28,699	8,627	20,072
Total	**384,403**	**206,749**	**(48,245)**	**(7,462)**	**535,445**	**114,776**	**420,669**

[1] 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 Group or individual employees, as applicable.

[2] Ron Douglas resigned on 13 July 2012 and forfeited all non-vested shares at that date.

[3] Greg Jackson's closing balance represents his holdings at the date he ceased to be a KMP.

[4] Craig Jones' opening balance at 1 July 2012 represents his holdings acquired prior to being appointed a KMP.

(e) Loans to Key Management Personnel

There are no loans made to Key Management Personnel, or their related entities, by the Group.

(f) Other Transactions with Key Management Personnel

Transactions are conducted by entities within the Group with Key Management Personnel 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.

40. EVENTS SUBSEQUENT TO REPORTING DATE

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

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 Group is in accordance with the *Corporations Act 2001*, including:
      (i) Giving a true and fair view of the Group's financial position as at 30 June 2013 and of its 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.
   (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
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 2013.
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 33 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

Greg Robinson
Managing Director and
Chief Executive Officer

12 August 2013
Melbourne, Victoria

Independent Auditor's Report

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

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
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 consolidated statement of financial position as at 30 June 2013 and 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for each of the years then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 years.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the auditor's 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, the auditor considers 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 complied with 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.

Opinion

In our opinion:

a. 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 consolidated entity's financial position as at 30 June 2013 and 30 June 2012 and of its performance for each of the years ended on those dates; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2013. 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.

Opinion

In our opinion, the Remuneration Report of Newcrest Mining Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Tim Wallace
Partner

Melbourne
12 August 2013

Shareholder Information

CAPITAL (ON 31 AUGUST 2013)

Share Capital	766,510,971
Ordinary shareholders	86,994
Shareholdings with less than a marketable parcel of $500 worth of ordinary shares	7,197
Market price	$13.26

NEWCREST TOP 20 INVESTORS AT 31 AUGUST 2013

	Name	Current Balance	Issued Capital %
1	HSBC Custody Nominees (Australia) Limited	296,348,746	38.66
2	National Nominees Limited	157,089,179	20.49
3	J P Morgan Nominees Australia Limited	94,866,533	12.38
4	Citicorp Nominees Pty Limited	42,877,607	5.59
5	J P Morgan Nominees Australia Limited	21,567,405	2.81
6	BNP Paribas Noms Pty Ltd	11,265,661	1.47
7	HSBC Custody Nominees (Australia) Limited	4,318,799	0.56
8	AMP Life Limited	3,924,747	0.51
9	Citicorp Nominees Pty Limited	3,701,291	0.48
10	Merrill Lynch (Australia) Nominees Pty Limited	3,658,495	0.48
11	Share Direct Nominees Pty Ltd	3,245,440	0.42
12	HSBC Custody Nominees (Australia) Limited-GSCO ECA	3,231,979	0.42
13	QIC Limited	1,788,399	0.23
14	BNP Paribas Nominees Pty Ltd	1,329,507	0.17
15	CS Third Nominees Pty Ltd	1,174,726	0.15
16	CS Fourth Nominees Pty Ltd	1,165,836	0.15
17	Merrill Lynch (Australia) Nominees Pty Limited	1,123,697	0.15
18	Argo Investments Limited	1,077,750	0.14
19	Pacific Custodians Pty Limited	884,173	0.12
20	UBS Wealth Management Australia Nominees Pty Ltd	879,035	0.11
Total		**655,519,005**	**85.49**

SUBSTANTIAL SHAREHOLDERS AT 31 AUGUST 2013

	%
Blackrock	10.42
Commonwealth Bank of Australia	8.96
First Eagle Investment Management	8.53

INVESTOR CATEGORIES AT 31 AUGUST 2013

Ranges	Investors	Securities	Issued Capital %
1 – 1,000	65,072	22,131,538	2.89
1,001 – 5,000	19,128	40,846,099	5.33
5,001 – 10,000	1,847	13,264,861	1.73
10,001 – 100,000	869	18,566,578	2.42
100,001 and Over	78	671,701,895	87.63
Total	**86,994**	**766,510,971**	**100.0**

VOTING RIGHTS

Each ordinary shareholder present at a general meeting (whether in person, by proxy or by representative) is entitled to one vote on a show of hands or, on a poll, one vote for each fully paid ordinary 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 Dividend Reinvestment Plan (DRP) remains in place and will be offered to shareholders according to the terms of the DRP. A copy of the DRP is on the Company's website at www.newcrest.com.au.

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: The Bank of New York 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 7,248,294, and at year end a net 6,999,778 ADRs were outstanding.

INVESTORS

The Company's website at www.newcrest.com.au/investors has a section where investors have access to market releases, reports, presentations, dividend history, shareholder information, key dates and other information.

SHARE REGISTRY INFORMATION

You can do so much more online

Did you know that you can access – and update information about your shareholdings in Newcrest via the internet?

Visit Newcrest's Share Registry, Link Market Services at www.linkmarketservices.com.au, to access a wide variety of your holding information:

- check your current holding and balances;
- update your electronic communication instructions;
- update your address and 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;
- download a variety of instruction forms;
- add or update DRP instructions;
- lodge your proxy online for the Annual General Meeting (AGM); and
- subscribe to email announcements.

You can access this information via a secure login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), which you will find on your holding record. You will also need the postcode recorded on your holding record.

Annual Report

Did you know that you can access a full copy of the Annual Report online at www.newcrest.com.au. Log into your shareholding or contact the share registry if you wish to update your shareholder communication instructions.

Why not have us bank your dividend payments for you

Your dividend payments can be credited directly into any nominated bank, building society or credit union account in Australia.

Dividends paid by direct credit appear in your account as cleared funds, thus allowing you to access them immediately on the payment date.

Don't miss out on your dividends

Dividend cheques that are not banked must be handed over to the State Trustee under the Unclaimed Monies Act after the statutory time period elapses. Please bank cheques immediately.

CONTACT INFORMATION

You can contact the Newcrest Share Registry by calling 1300 554 474, or from outside Australia +61 1300 554 474. Share Registry contact details are contained in the Corporate Directory section of this report, inside the back cover.

Five Year Summary

For the 12 months ended 30 June	2013	2012	2011	2010	2009
Gold Production – Newcrest Share[(1)(2)] (ounces)					
Cadia Hill	**119,372**	241,430	364,196	325,712	297,889
Ridgeway	**262,228**	223,314	147,904	171,974	234,298
Cadia East	**65,279***	8,451*	3,320*	–	–
Telfer	**525,500**	540,114	621,291	688,909	629,108
Gosowong	**312,711**	439,384	463,218	442,525	400,220
Hidden Valley	**85,004**	88,801	100,232	61,148*	225*
Lihir[(1)]	**649,340**	604,336	639,256	–	–
Bonikro[(1)]	**90,350**	92,102	41,235	–	–
Cracow[(2)]	**–**	23,787	71,206	71,932	69,443
Mt Rawdon[(1)(2)]	**–**	24,198	75,494	–	–
Total	**2,109,784**	2,285,917	2,527,352	1,762,200	1,631,183
Copper Production (tonnes)	**80,366**	76,015	75,631	86,816	89,877
Costs per ounce (after by-product credits)					
Cash costs (A$ per ounce)	**750**	603	493	347	468
Total costs[(3)] (A$ per ounce)	**1,040**	839	692	523	632
Cash Flow (A$M)					
Cash flow from operations	**707**	1,726	1,729	1,303	1,024
Exploration expenditure	**152**	158	126	101	109
Capital expenditure	**1,946**	2,556	1,890	786	1,270
Profit and Loss (A$M)					
Sales revenue	**3,775**	4,416	4,102	2,802	2,531
Depreciation and amortisation	**(611)**	(561)	(515)	(309)	(267)
Income tax benefit/(expense)	**412**	(402)	(334)	(209)	(128)
Net profit after tax:					
– Statutory profit/(loss)[(4)]	**(5,778)**	1,117	908	557	248
– Underlying profit[(5)]	**451**	1,084	1,058	776	483
Earnings per share (EPS):					
– Basic EPS on statutory profit/(loss)(cents per share)	**(754.5)**	146.0	126.4	115.2	53.0
– Basic EPS on underlying profit (cents per share)	**58.9**	141.7	147.3	160.5	103.2
Dividends (cents per share)[(6)]	**12.0**	35.0	50.0	25.0	15.0
Financial Position (A$M)					
Total assets	**17,185**	20,509	17,282	6,334	5,616
Total liabilities	**7,100**	5,415	3,407	1,324	1,258
Shareholders' equity	**10,085**	15,094	13,875	5,010	4,358
Ratios (percent)					
Gearing[(7)] (percent)	**29.1**	12.5	4.2	(4.5)	1.9
Return on Capital Employed[(8)] (percent)	**4.8**	10.1	12.4	24.9	20.1
Issued Capital (million shares) at year end	**767**	765	765	484	483
Gold Inventory (million ounces)[(9)]					
Reserves	**87.3**	79	80	47	43
Resources	**161.2**	150	148	84	80

* Includes pre-commissioning production.
(1) Production from the former LGL operations included from the acquisition date of 30 August 2010.
(2) Production from Cracow and Mt Rawdon in 2012 includes four months of production, up to the date of divestment of 2 November 2011.
(3) Comprises cash costs plus depreciation and amortisation.
(4) Statutory profit/(loss) is profit/(loss) after tax attributable to owners of the parent.
(5) Underlying profit is profit after tax before significant items attributable to owners of the parent.
(6) Dividends in 2011 included a special dividend of 20 cents per share.
(7) Calculated as Net Debt to Capital (Capital comprises Equity plus Net Debt).
(8) Calculated as EBIT to Average Capital Employed (Shareholders Equity plus Net Debt).
(9) Reserves and Resources are as at 31 December 2011 for 2012 and 31 December 2012 for 2013. For 2009 to 2011 Reserves and Resources are at 30 June.

Corporate Directory

INVESTOR INFORMATION

Registered and Principal Office
Newcrest Mining Limited
Level 9
600 St Kilda Road
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Australia
T: +61 (0)3 9522 5333
F: +61 (0)3 9525 2996
E: investor.relations@newcrest.com.au
www.newcrest.com.au

Company Secretary
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T: +61 (0)3 9522 5333
F: +61 (0)3 9521 3564
E: scott.langford@newcrest.com.au

Investor Relations
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Head of Investor Relations
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600 St Kilda Road
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T: +61 (0)3 9522 5493
E: steve.warner@newcrest.com.au

STOCK EXCHANGE LISTINGS

Australian Securities Exchange
(Ticker NCM)
Port Moresby Stock Exchange
(Ticker NCM)
New York ADRs
(Ticker NCMGY)

Share Registry
Link Market Services Limited
Level 1
333 Collins Street
Melbourne, Victoria 3000
Australia
Locked Bag A14
Sydney South, New South Wales 1235
Australia
T: 1300 554 474
+61 1300 554 474
F: +61 (0)2 9287 0303
+61 (0)2 9287 0309*
*For faxing of Proxy Forms only.
E: registrars@linkmarketservices.com.au
www.linkmarketservices.com.au

PNG Registries Limited
Level 2, AON Haus McGregor Street
Port Moresby
PO Box 1265
Papua New Guinea
T: +675 321 6377
F: +675 321 6379

American Depositary Receipts (ADRs)
The Bank of New York Mellon
Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
USA
T: Toll free for US domestic callers:
+1 888 269 2377
International callers: +1 201 680 6825
E: shrrelations@bnymellon.com
www.bnymellon.com\shareowner

OTHER OFFICES

Perth and Telfer Office
193 Great Eastern Highway
Belmont, Western Australia 6104
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T: +61 (0)8 9270 7070
F: +61 (0)8 9277 7127

Port Moresby Office
Level 4, Port Tower Building
Hunter Street
Port Moresby
Papua New Guinea
T: + 675 321 7711
F: + 675 321 4705

COMPANY EVENTS

Annual General Meeting
24 October 2013 at 10.30am
Grand Ballroom
Pullman Melbourne Albert Park Hotel
65 Queens Road
Melbourne, Victoria 3004

Visit our website at www.newcrest.com.au to view our key dates; current share price, market releases, annual, quarterly and financial reports; operations, project and exploration information; and corporate, shareholder, employment and sustainability information.

NEWCREST
MINING LIMITED