



# Market Release

## Newcrest Mining Limited

2 February 2009

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## Newcrest Launches A\$500 million Institutional Placement

Newcrest Mining Limited ("Newcrest") today announced the launch of an institutional placement of shares to raise approximately A\$500 million, to be followed by a Share Purchase Plan ("SPP") for eligible shareholders.

The placement is being conducted at a fixed price of \$27.00 per share, which represents a 12.9% discount to Newcrest's closing price on 30 January 2009. The new shares will rank equally with existing shares. The placement has been fully underwritten.

Newcrest intends to use the funds raised to strengthen its balance sheet, enhance its financial flexibility and to take advantage of growth opportunities. Specifically, funds would be used to:

- Repay approximately A\$364 million<sup>1</sup> (US\$240 million) in debt; and
- Accelerate planned expansion and increase financial flexibility to pursue growth opportunities as they arise.

### **Repay approximately A\$364 million (US\$240 million) in debt**

Proceeds of the placement will be used to immediately pay down bilateral debt of approximately A\$364 million (US\$240 million). The US\$969 million bilateral debt facility was drawn to US\$240 million as at 2 February 2009. This facility matures between January 2010 and September 2010.

A proportion of the higher debt level has been driven by the depreciation of the Australian dollar. A sustained level of depreciation of the Australian dollar is expected to increase the capital cost of projects.

Following the pay down of A\$364 million (US\$240 million) of bilateral debt and given similar market conditions it is expected that the gearing level will be in the range of 5 – 10% as at 30 June 2009.

### **Accelerate planned expansion and enhance financial flexibility to pursue growth opportunities**

Newcrest intends to accelerate the planned expansions at Cadia East (New South Wales) and Gosowong (Indonesia), to deliver increased average annual gold production. Specifically:

- The acceleration of the Cadia East development combined with the increased processing rate will bring forward capital expenditure and deliver a sustainable increased production rate. Further optimisation of the project is expected to be identified during the feasibility study stage which will be completed by the end of this calendar year.
- The Gosowong Expansion project will increase annual production from 400,000 to 450,000 ounces arising from the extension of the Kencana underground, expansion of the processing infrastructure and increased throughput to 65tph (currently 50tph).

Newcrest has a number of additional organic growth options with the potential to deliver substantial value to shareholders. Furthermore, the current climate may deliver external opportunities and Newcrest wants to be in a strong position if they arise.

<sup>1</sup> Assuming AUD/USD exchange rate of 0.66

## Share Purchase Plan

Following the placement, Newcrest will also offer shareholders the opportunity to participate in a non-underwritten Share Purchase Plan (“SPP”). The SPP will provide eligible shareholders with the opportunity to subscribe for up to A\$5,000 worth of Newcrest shares, without incurring brokerage or other transaction costs. The SPP will be offered to eligible shareholders on the Newcrest share register at 7.00pm (Melbourne time) on 6 February 2009. The offer under the SPP will open on 16 February 2009 and is expected to close on 6 March 2009. Further details of the SPP will be provided to eligible Newcrest shareholders in due course.

Newcrest's ordinary shares are expected to remain in a trading halt until the opening of trading on 3 February 2009.

## Underlying profit for the six months to 31 December 2008

Newcrest also today announced that it expects Underlying Profit after Tax<sup>2</sup> for the six months to 31 December 2008 to be in the range of A\$235 million to A\$245 million. This compares to A\$207.9 million for the corresponding period last year. This guidance is preliminary in nature and still subject to finalisation by Newcrest and review by the company's external auditors. Accordingly, the actual results may differ from this preliminary result. Newcrest will release its actual results for the six months to 31 December 2008 on 13 February 2009.

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This press release includes “forward-looking statements” within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Newcrest, and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Newcrest assumes no obligation to update such information.

<sup>2</sup> Underlying profit is profit after tax before hedge restructure and close out impacts attributable to members of the parent entity