

NEWCREST MINING LTD (NCM)

22 August 2018

RESULTS	Full Year 2018	Full Year 2017	CHANGE
Net Profit After Tax (NPAT) (\$m)	202	308	-34%
Underlying Profit (\$m)	459	394	+16%
Revenue (\$m)	3,562	3,477	+2%
Revenue (\$m) Consensus	3,559		
Earnings Before Interest & Tax (EBIT) (\$m)	774	719	+8%
EBITDA (\$m)	1,565	1,408	+11%
Final Dividend (\$)	0.11	0.094	+17%

Newcrest Mining Ltd (NCM) one off events dominate the last 12 months

- Newcrest Mining (NCM) has reported a statutory profit of \$202 million, a decline of \$106 million compared to the previous corresponding period (pcp). The result included significant items totalling \$257 million, including a \$188 million asset impairment at Telfer - reflecting several outcomes including the latest life of mine plan, which revealed lower levels of ore mined and higher levels of waste, lower gold recoveries, higher estimated closure costs and higher operating costs compared to previous forecasts. A \$72 million write-down of property, plant at the Namosi joint venture project in Fiji.
- In removing the impact of one off events, underlying profit rose by \$65 million to \$459 million, helped by higher realised gold and copper prices. Detracting from the higher prices was the lower levels of gold and copper sales. The reduced sales reflected the suspension of mining and milling activities at the Cadia operations as a result of a large seismic event on 14 April 2017. The seismic event was followed by an embankment slump at the Northern Tailings Storage Facility on 9 March 2018, the result reduced milling rates for approximately two months. Disruptions meant that gold production fell 1% from 2.38 million ounces to 2.346 million ounces, while copper production was 7% lower at 78 thousand tonnes.
- NCM's sales revenue is predominantly attributable to gold, being 85% of total sales revenue. Total sales revenue rose 2% or \$85 million to \$3,562 million. Gold sales totalled \$3,019 million, an increase of 1% on the pcp. The average realised gold price for the year was \$1,308 per ounce, an increase of 4%. Copper revenue rose 15% to \$526 million from \$456 million, driven by the average realised copper price being 27% higher at \$3.09 per pound. Silver revenue was down 15% to \$17 million.
- NCM's All-In Sustaining Cost of \$835 per ounce was \$48 per ounce higher than the pcp reflecting the events at Cadia and other factors, including lower grades at some sites, higher production and energy costs and the impact of a stronger average Australian dollar. The benefit of higher copper prices was partially offset by lower copper sales volumes.
- NCM provided guidance for FY19 which includes expected gold production of between 2.35 and 2.60 million ounces at an All-In Sustaining Cost, in million, of between \$1,870 and \$1,970 million. NCM declared a fully franked final dividend of 11 cents per ordinary share, comprising a final ordinary dividend of 7.5 cents and a final special dividend of 3.5 cents. The ex-dividend date will be 29 August 2018 and payment will be made to eligible shareholders on 27 September 2018.

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