



To: **Company Announcements Office**

From: **Francesca Lee**

Date: **22 August 2016**

Subject: **Presentation - AusIMM International Mine Management Conference**

Please find attached a presentation to be given at the AusIMM International Mine Management conference in Brisbane this morning.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Francesca Lee'.

Francesca Lee
Company Secretary



An Owner's Mindset

AusIMM International Mine Management 2016

Sandeep Biswas
Managing Director and Chief Executive Officer

22 August 2016

Our safety plan

Our safety vision

Everybody going home safe and healthy every day

Measure of success

Zero fatalities and life-changing injuries

1

Build a stronger safety culture through NewSafe

Everybody making safer choices in everything we do, every time, every day.



2

Critical controls for every high-risk task

Verifying that the most important life-saving controls are known, in place and working.



3

Robust process safety management

Systematically and comprehensively managing the integrity and containment of high-energy and toxic processes.



Supported by the right systems and tools that enable risk-based decision-making and empower people to 'stop the job' if it is not safe.

Overview – An Owner’s Mindset

3 - 7

Our context – why change was needed

8 - 9

Newcrest response – Owner’s Mindset

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Implementing an Owner’s Mindset

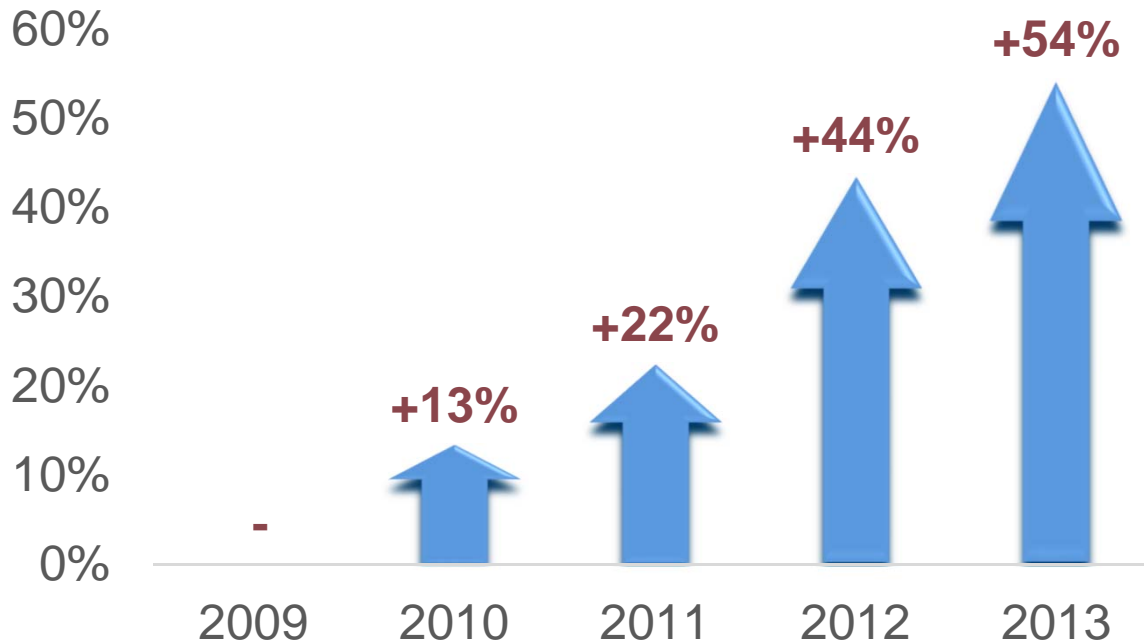
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Results



Mining boom 2009 to 2013 pressure rising

Gold Production Total Cash Cost Curve (US\$/ounce)



- As gold price increased, so did costs
- Driven by market demand factors
- Between 2009 and 2013, the 50% percentile of costs increased 54%
- Margins did not grow by the same rate as gold price

Gold price first to fall

Gold Price Performance (US\$/ounce)

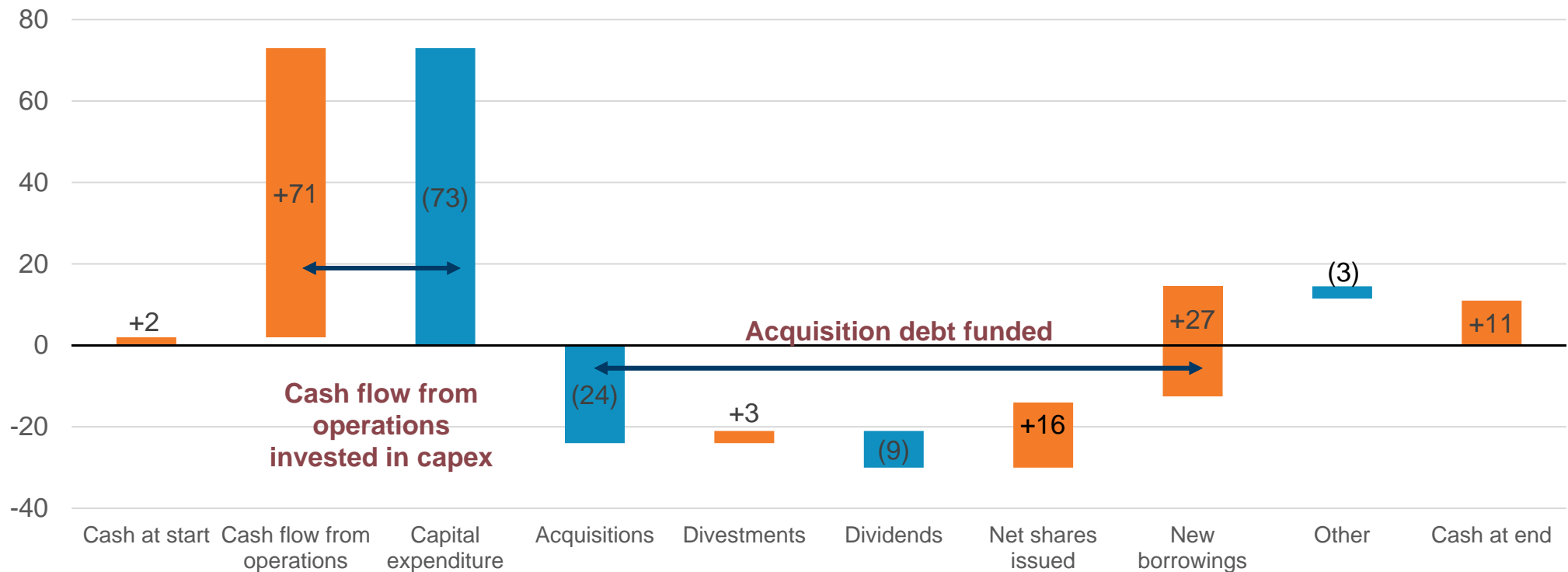


- 12 years of gold price increases
- Sharp correction followed
- Input costs did not follow as quickly

Gold industry squandered the boom

- Despite record prices, gold companies did not add significant value for shareholders
- US\$54 billion in impairments / write downs since 2013

Sources and uses of cash in gold industry (2003 – 2012) (US\$m)

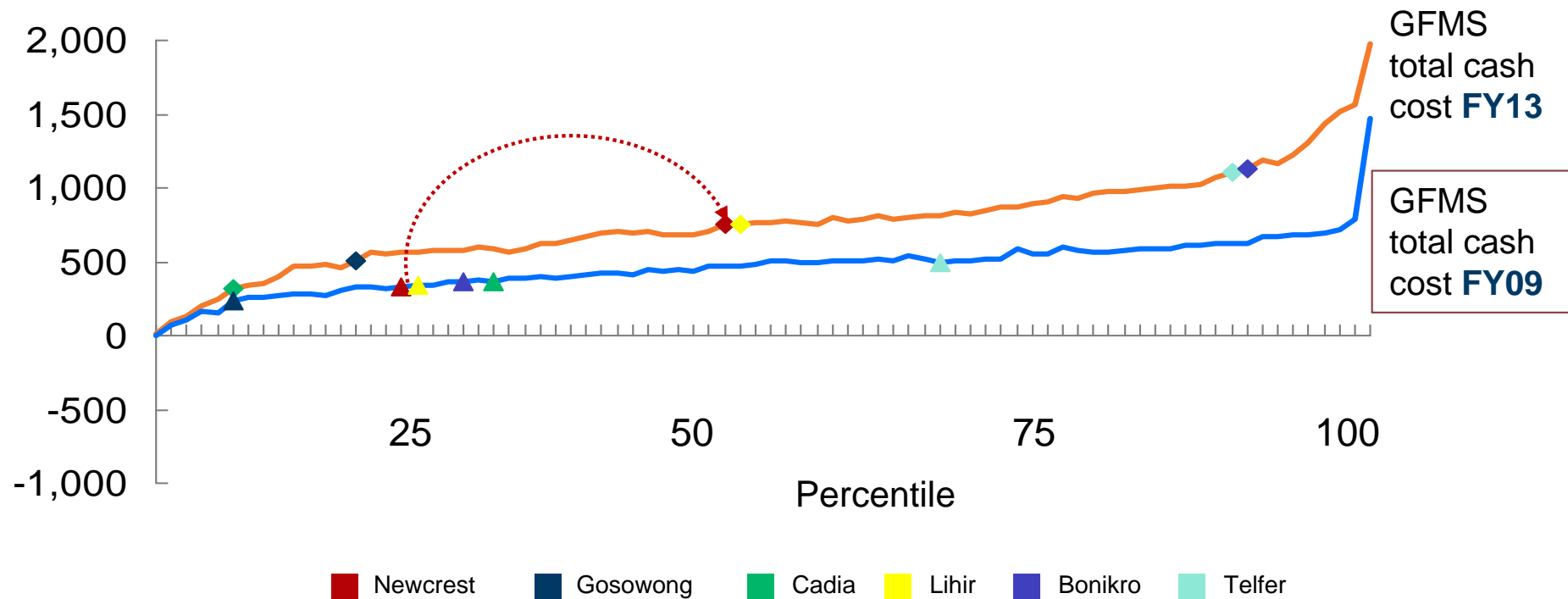


Newcrest from Q1 to Q3 cost position in 4 years



- Total cash cost per oz of production increased across the industry
- GFMS total cash cost increase was more pronounced at Newcrest compared to average industry increase

Total Cash Costs (US\$/oz)



Source: GFMS (a Thomson Reuters company)

Note: 1Q13 unit cost shown on FY12 GFMS Total Cash Cost curve

Newcrest share price underperformed peers



Stock price performance indexed to January 2011



Why does private equity consistently outperform “traditional business”?

1. They rapidly create a high performance culture

- ✓ The daily work of employees and managers is to increase the equity value of the business
- ✓ There are no acceptable obstacles to making the business more valuable

2. They apply key business principles with rigour, discipline and unwavering focus

- ✓ There is a focus on cash performance and management only measure metrics that drive value
- ✓ Capital is made to work hard
- ✓ Managers act like owners and have a strong bias to action
- ✓ There is a clear case for change (a 3-5 year investment and common vision)
- ✓ Senior management act like shareholders and drive performance accountability

Immediate refocus of company onto:

1

SAFETY



Caring
about people

2

OPERATIONAL DISCIPLINE



Operational
discipline

3

CASH GENERATION



4

PROFITABLE GROWTH

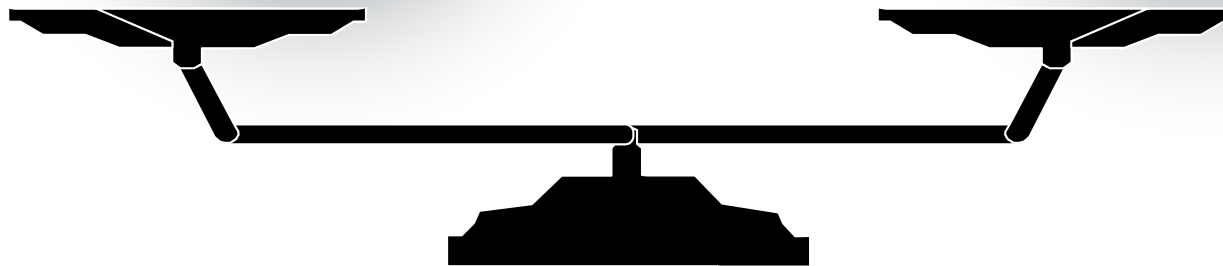


Two parts to transformation

High Performance



Healthy Culture



Employee involvement



Personal ownership



Bottom-up innovation



Operational discipline



Shared vision









Inspirational leaders



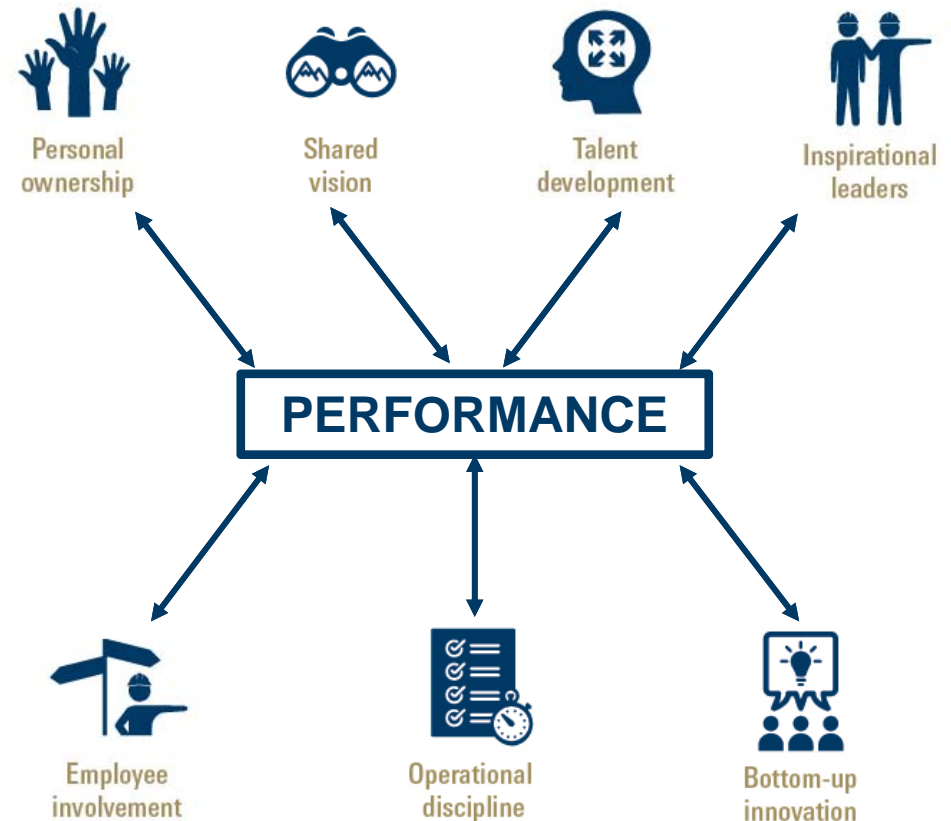
Talent development

Structured stage gate process

Stage gates for each initiative	Description	Approval to enter stage
	Initial opportunity with rough sense of magnitude	<ul style="list-style-type: none"> • Initiative owner
	Initiative with preliminary sizing	<ul style="list-style-type: none"> • Initiative owner • Stream sponsor
	Approval of business case	<ul style="list-style-type: none"> • Stream sponsor • Site lead
	Implementation plan with refined business case	<ul style="list-style-type: none"> • Site lead • Transformation Office
	All steps to realise value completed	<ul style="list-style-type: none"> • Site lead • Finance and Transformation Office
	Value realised in actual cash flows on a sustained basis	<ul style="list-style-type: none"> • Site lead and initiative owner • Transformation Office

A new language of performance

- **Cash on cash return** – Create value, do not just cut, spend for return, payback, free up capital
- **Bias to action** – Act immediately on opportunity, do not burn cash, resource to win
- **Personal ownership** – Act like owners. Create it, recognise it, reward it
- **Operating discipline** – Be specific and deliberate in our actions, keep commitments, measure what matters, react to opportunity loss
- **Organisational health** - Developing the right behaviours to support and sustain a high performance culture



Prioritise action and resource allocation on basis of cash impact

Engaging the Newcrest workforce

Our people vision

Talented people working together to their full potential

Measure of success

High performance no-nonsense culture with top quartile organisational health

1

Get the basics right

The right structure, systems and tools to effectively recruit, develop, reward and retain our global workforce

2

Develop our people and capability

The right people in the right roles with the right skills, working in high performing teams and building careers

3

Create a diverse and inclusive environment

Our different backgrounds and perspectives help us find better ways and make Newcrest a better place to work

Adopt high performance practices in everything we do



Employee involvement



Personal ownership



Bottom-up innovation



Operational discipline



Shared vision



Inspirational leaders



Talent development

Owner's mindset - Bottom-up innovation

Owner's mindset at Cadia

- Blockages in water pipe for High Pressure Rollers
- Next opportunity to fix 3 weeks away – impact \$5m
- Owners' mindset – cash burning
- Solution – buy 6 filters from local pool shop and install within a few days
- Delivered \$350,000 saving



Owner's mindset – Bottom up innovation



Owner's mindset at Telfer

- Team develops a world-first technique to clean out underground stopes
- Water cannon product redesigned to replace the time-intensive manual labour
- Reduced proximity of operator to open stope, improving safety
- Stope cleaning time reduced by 75%
- Payback time: 9 months

Owner's mindset - Cash generation

Owner's mindset at Cadia

- World's equal-largest Jameson Cell installed in Cadia's concentrator circuit
- Improved feed capacity + gold and copper recovery
- Payback time: 4 months

“When Edge started, we used the bottom-up innovation phase to generate a pipeline of improvement ideas. Edge gave us the mechanism to accelerate our idea and get things done quickly”

Joe Seppelt, Manager Ore Processing, Cadia



Owner's mindset – Personal ownership

Owner's mindset at Lihir

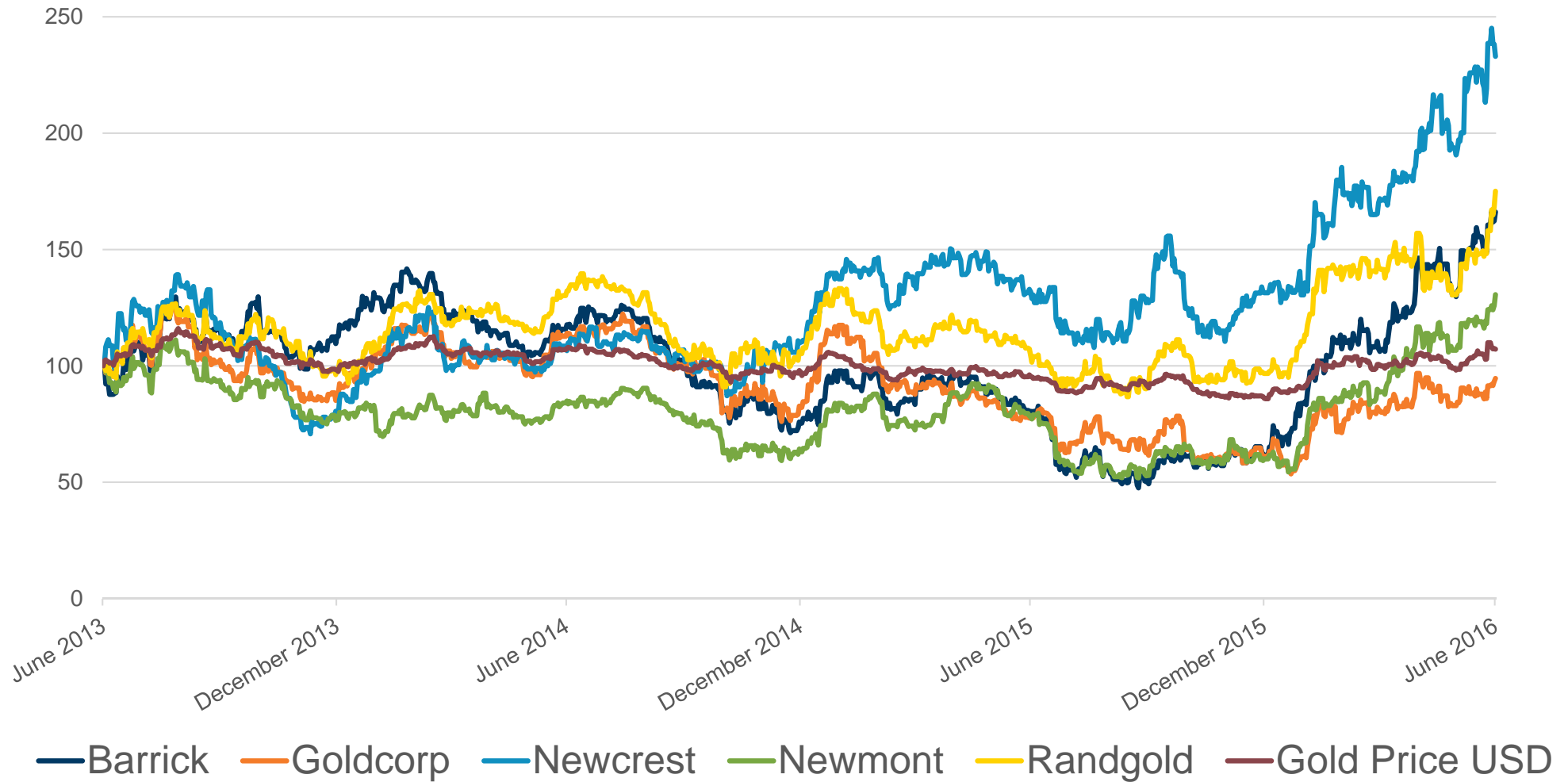
- Dredge pontoons at site are moored to shore
- Each year Lihir spent \$24k on replacing worn out mooring ropes
- Barge supervisor had an idea of using discarded poly pipes to protect the ropes from wear
- Zero cost
- Saved \$12k per year



Newcrest share price outperformed peers



Newcrest share price indexed to 30 June 2013



Forging a stronger Newcrest

Our mission

To deliver superior returns from finding, developing and operating gold/copper mines.

Our vision

To be the Miner of Choice™.
We will lead the way in safe, responsible, efficient and profitable mining.

Our Edge

A high performance, no-nonsense culture focused on:

- › Safety
- › Operational discipline
- › Cash
- › Profitable growth.

We deliver on our commitments.

We value...



Caring about people



Integrity and honesty



Working together



Innovation and problem solving



High-performance

We achieve superior results through...



Employee involvement



Personal ownership



Shared vision



Operational discipline



Bottom-up innovation



Inspirational leaders



Talent development

Board

Peter Hay	Non-Executive Chairman
Sandeep Biswas	Managing Director and CEO
Gerard Bond	Finance Director and CFO
Philip Aiken AM	Non-Executive Director
Roger J. Higgins	Non-Executive Director
Winifred Kamit	Non-Executive Director
Rick Lee AM	Non-Executive Director
Xiaoling Liu	Non-Executive Director
Vickki McFadden	Non-Executive Director (effective 1 Oct 2016)
John Spark	Non-Executive Director
Francesca Lee	Company Secretary

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New York ADR's (Ticker NCMGY)

Port Moresby Stock Exchange (Ticker NCM)

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