

BELL POTTER**NEWCREST MINING (NCM)**

FY16 result

RESULTS	FY15	FY16	CHANGE	CONSENSUS	BELL POTTER ESTIMATES	COMMENTS
Revenue (US\$m)	3604	3295	(9%)		3276.8	Gold production increased 1% to 2.4 million ounces for the year. Gold revenue down 3% to US\$2857m due to 5% decline in realised price copper production of 83kt, Copper revenue down 35% to \$403m due to 24% decline in realised price Silver revenue down 5% to \$35m
EBITDA (US\$m)	1385	1292	(7%)			
EBIT (US\$m)	811	594	(26.8%)		653.5	EBIT margin 18% as compared to 22.5% in FY15
Net profit (US\$m)	424	323	(24%)	313.5	372.5	
Dividend (US cents)	nil	7.5			11.0	Unfranked final div US7.5 cps. EX 21 Sep, Pay 18 Oct

- Underlying NPAT down \$101m on pcp primarily driven by lower realised gold and copper prices, the suspension of operations at Gosowong in February 2016, higher depreciation expense and lower copper sales volumes.
- Realised gold price down 5% to \$1166/oz, realised copper price down 24% to \$2.21/lb
- Group All-In Sustaining Cost per ounce decreased 2% to US\$762 per ounce for the year
- Net cash flow from operating activities down 3% to \$1241m

Outlook: FY17 Group production: gold 2.40 – 2.65 moz - copper 80-90 kt. FY17 Total Capex \$550-\$650m

Today's share price reaction: Down 2.8% to \$24.82 (10.59 am).

Recommendation: Buy rating likely to be maintained. Research report available tomorrow to Bell Potter clients.

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