



Financial Results

Newcrest Mining Limited

Six months ending 31 December 2007

Profit after tax (before hedge restructure and close out impacts) for the six months ended 31 December 2007 was \$207.9 million, up 184% on the corresponding period. Operating EBITDA was \$450.4 million, up 80% on the corresponding period.

The reported loss after tax and minority interest was \$8.1 million.

Net operating cash flow was \$377.5 million, up 103%. Gearing was 3%, down from 46% as at 30 June. Net debt was \$99.9 million.

The \$2.0 billion Entitlement Offer was successfully completed and all gold hedging and gold loan contracts were closed out in early October 2007. Since September 2007, 3.4 million ounces of gold have been purchased at an average price of \$845 per ounce to close out gold hedges, gold bullion forward sales and gold loan positions. As at 15 February, 622,302 ounces of USD gold bullion forward sale contracts remain to be closed out.

Financial Highlights

- Equity Offering completed, raising \$2,042 million
- \$905.9 million debt paid down, liquidity maintained with available debt facilities of US\$969 million (undrawn)
- 3.4 million ounces of hedging removed, 622,302 ounces remaining at 15 February 2008

Operational Highlights

- Full year production guidance maintained
- Gold production up by 18%
- Cadia Hill open pit gold production guidance for FY08 up while Telfer open pit gold production guidance revised down
- Continued pressure on key input costs, including diesel and materials, particularly at Telfer
- Ridgeway Deeps underground mine remains on schedule and budget – all major equipment ordered
- Drilling commenced at Namosi, in Fiji; second drill rig arrived on site

Financial Highlights	31 Dec 2007 \$M	31 Dec 2006 \$M	Change %
Operating EBITDA	450.4	250.4	80%
Operating EBIT	309.3	152.3	103%
Profit after tax and minority interest before hedge restructure / close out impacts *	207.9	73.1	184%
Profit/(loss) after tax and minority interest	(8.1)	37.0	(122%)
Net operating cash flows	377.5	186.0	103%

* Excludes non-cash hedge accounting adjustments and other costs associated with the close out of gold forward sales contracts and the gold loan.

(Numbers in brackets reflect comparable data for the six months ended 31 December 2006, unless negative values. A\$ unless stated otherwise).

Financial Statements

Income Statement

6 Months Ending	31 Dec 2007 \$M	31 Dec 2006 \$M	Change %
Gold sales	751.2	642.6	
Copper sales	361.4	411.8	
Silver sales	10.8	10.8	
Gross Operating Sales Revenue	1,123.4	1,065.2	5.5%
Treatment, realisation & royalty	(115.3)	(122.9)	
Net Sales Revenue	1,008.1	942.3	7.0%
Mine cost of sales	(480.9)	(365.1)	
Gross Operating Margin	527.2	577.2	(8.7%)
Exploration expenses	(18.6)	(19.7)	
Administration expenses	(24.6)	(19.8)	
Other income (expenses)	0.2	(38.5)	
Losses on delivered hedges	(33.8)	(248.8)	
Operating EBITDA	450.4	250.4	80%
Depreciation and amortisation	(141.1)	(98.1)	
Operating EBIT	309.3	152.3	103%
Finance costs – ordinary activities	(26.4)	(41.0)	
Profit before tax and hedge restructure / close out impacts	282.9	111.3	154%
Losses on restructured and closed out hedge contracts	(131.5)	(47.6)	
Other close out related costs	(174.4)	-	
Finance costs – close out and restructure	(20.9)	(4.7)	
Foreign exchange gain on hedge of US Dollar borrowings hedges	18.2	0.8	
Profit/(loss) before tax	(25.7)	59.8	(143%)
Tax benefit/(expense)	29.6	(12.4)	
Profit after tax	3.9	47.4	(92%)
Minority interest in controlled entity	(12.0)	(10.4)	
Profit/(loss) after tax attributable to members of the Company	(8.1)	37.0	(122%)

6 Months Ending	31 Dec 2007 \$M	31 Dec 2006 \$M	Change %
Profit/(loss) after tax attributable to members of the parent entity	(8.1)	37.0	
Losses on restructured and closed out hedge contracts (after tax)	92.0	33.3	
Other close out related costs (after tax)	122.1	-	
Finance costs – close out and restructure (after tax)	14.6	3.3	
Foreign exchange gain on US Dollar borrowings hedges	(12.7)	(0.5)	
Profit after tax before hedge restructure and close out impacts	207.9	73.1	184%

Balance Sheet

	31 Dec 2007 \$M	30 June 2007 \$M
Cash	304.7	34.3
Trade and other receivables	243.0	262.8
Inventories	180.7	163.4
Financial derivative assets	68.9	422.3
Deferred mining	100.3	94.5
Other	12.2	9.0
Current assets	909.8	986.3
Other receivables	9.1	9.1
Inventories	1.6	1.6
Property, plant and equipment	1,424.1	1,472.0
Exploration, evaluation and development	1,399.1	1,351.9
Deferred tax asset	562.6	514.8
Deferred mining	285.6	286.9
Non-current assets	3,682.1	3,636.3
Total Assets	4,591.9	4,622.6
Trade and other payables	169.0	216.4
Borrowings	2.9	35.0
Provisions	40.6	32.3
Financial derivative and other financial liabilities	557.9	500.8
Income tax payable	11.5	4.8
Current liabilities	781.9	789.3
Borrowings	401.7	1,318.9
Deferred tax liabilities	360.4	396.7
Provisions	47.1	47.9
Financial derivative and other financial liabilities	-	1,060.1
Other	66.7	68.9
Non-current liabilities	875.9	2,892.5
Total Liabilities	1,657.8	3,681.8
Net Assets	2,934.1	940.8
Share capital	2,863.0	834.5
Retained earnings	686.6	711.5
Reserves	(636.9)	(626.7)
Minority interest in controlled entity	21.4	21.5
Total equity	2,934.1	940.8
Gearing (Net Debt / Net Debt + Equity) ⁽¹⁾	3%	46%

⁽¹⁾ Net debt is borrowings less cash. Equity at 30 June 2007 is adjusted to remove the impact under AIFRS of the recognition of financial derivatives and other financial liabilities, at 31 December 2007 equity is no longer adjusted due to equity raising proceeds being used to close out the group's hedge book.

Earnings before hedge restructure/close out impacts

	31 Dec 07 \$M	31 Dec 06 \$M	Change %
EBITDA	450.4	250.4	80%
EBIT	309.3	152.3	103%
NPAT	219.9	83.5	163%
NPAT and Minority Interest	207.9	73.1	184%

Statement of Cash Flows

	31 Dec 2007 \$M	31 Dec 2006 \$M
Operating activities		
Receipts from customers	1,164.0	1,049.5
Payments to suppliers and employees	(664.4)	(533.0)
Losses on delivered hedges	(37.3)	(282.9)
Interest received	6.0	2.5
Interest paid	(48.0)	(40.0)
Income tax paid	(40.3)	(9.7)
Other	(2.5)	(0.4)
Net operating cash flows	377.5	186.0

Investing activities		
Exploration	(27.6)	(28.7)
Fixed assets, evaluation and mine development expenditure	(123.8)	(140.9)
Capitalised pre-commissioning and borrowing costs	(2.2)	(72.3)
Proceeds on sales of non-current assets	0.1	0.5
Purchase of gold put options	(79.5)	-
Net investing cash flows	(233.0)	(241.4)

Financing activities		
Proceeds from borrowings	70.1	96.9
Repayment of finance lease principal	(0.5)	(3.1)
Repayment of borrowings	(976.0)	(130.4)
Dividend paid	(25.8)	(14.6)
Proceeds from equity raising net of costs	2,015.2	-
Proceeds from other share issues	3.3	7.5
Purchase of gold to close out gold forward contracts	(960.4)	-
Net financing cash flows	125.9	(43.7)

Net increase / (decrease) in cash	270.4	(99.1)
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Financial Commentary

Profit Overview

Newcrest has changed the presentation of its income statement to clearly show the operational performance separate from the impacts of hedge restructuring and close out and other mark to market valuation impacts.

The profit before tax, restructure and close out impacts has increased 154% to \$282.9 million (2006: \$111.3 million). The increase has been primarily driven by higher gold and copper prices received during the half. In the prior corresponding period, physical sales were delivered into hedge contracts that were significantly lower than spot prices at that time. During the period ending 31 December 2007, copper hedging contracts had all matured and gold hedges had been restructured then subsequently closed out after the equity offering.

The hedge restructuring and close out impacts represent a loss of \$216.0 million after tax in the current period versus a loss of \$36.1 million in the corresponding period. This resulted in a loss after tax and minority interests of \$8.1 million for the half-year ended 31 December 2007 (2006: profit of \$37.0 million).

The profit after tax before hedge restructure and close out adjustments was \$207.9 million (2006: \$73.1 million).

The table below outlines the key differences between the current half year and the corresponding period last year.

	\$M
Operating EBIT for the half year ended 31 Dec 2006	152.3
Changes in revenues:	
Volume ⁽¹⁾	
- gold	86.6
- copper	(10.1)
Price:	
- gold	22.0
- copper	(40.3)
Changes in mine costs:	
Mine cost of sales	
- Mine production costs	(88.6)
- Deferred mining and inventory movements	(27.2)
Treatment, realisation and royalty	7.6
Other costs:	
Exploration	1.1
Corporate administration	(4.8)
Depreciation	(43.0)
Other income/(expense)	38.7
Losses on delivered hedges	215.0
Operating EBIT for the half year ended 31 Dec 2007	309.3

⁽¹⁾ Volume variances have been calculated excluding Telfer pre-commissioning sales

Volume

The impact of an 13% increase in gold sales volume was partially offset by an 3% decrease in copper sales. The net effect was a 50% increase in operating EBIT to \$76.5 million.

Gold volumes were higher due to a full six months of production at Kencana and increasing production from Telfer underground. Gold volumes increased significantly at Cadia Hill due to the higher gold grade of ore mined from the lower benches of cut back 2 in the open pit.

Copper volumes decreased due to lower copper grades at Telfer and Ridgeway.

Prices

Sales revenue benefited from higher spot gold prices offset by lower spot copper prices. These price movements together had the net effect of decreasing operating EBIT by \$18.3 million.

The average gold spot price during the half year was 3% higher at \$843 per ounce (2006: \$815 per ounce).

The average copper spot price was 9.9% lower at \$3.80 per pound compared to \$4.22 per pound for the previous period.

Silver revenue was constant at \$10.8 million.

Production, Sales & Inventory

The production, sales and inventory balances:

6 months 31 Dec	2007		2006	
	Gold (oz)	Copper (t)	Gold (oz)	Copper (t)
Opening Inventory	48,342	1,284	86,989	3,375
Production ⁽¹⁾	904,721	44,021	763,986	45,124
Sales ⁽¹⁾	891,484	43,112	817,601	46,907
Closing Inventory	61,579	2,193	33,374	1,592

⁽¹⁾ 2006 includes Telfer pre-commissioning sales of 28,916oz of gold and 2,594t of copper that have been capitalised with project costs.

Sales volumes by site:

	6 months to 31 Dec 2007		6 months to 31 Dec 2006	
	Gold (oz)	Copper (t)	Gold (oz)	Copper (t)
Cadia	201,964	13,731	82,355	9,919
Ridgeway	142,946	16,119	156,594	18,822
Gosowong	190,828	-	182,332	-
Cracow	38,988	-	38,723	-
Telfer				
Open Pit	205,889	6,113	293,488	13,995
Underground ⁽¹⁾	95,323	7,149	49,740	4,171
Dump Leach	15,546	-	14,369	-
Total	891,484	43,112	817,601	46,907

⁽¹⁾ 2006 includes pre-commissioning sales of 28,916oz of gold and 2,594t of copper

Costs

The pressure of industry wide cost increases for labour, explosives, fuel and maintenance were also felt across all operations.

The mine cost of sales increased by \$115.8 million to \$480.9 million (2006: \$365.1 million). This was principally due to:

- Higher deferred mining charges, principally due to increased gold production from the Cadia Hill open pit
- Higher mining costs at Telfer which were volume related, reflecting a full six months of underground operations and increased open pit material movements
- Higher maintenance and consumable costs at Telfer as a result of harder and more abrasive ore

Administration Costs (excluding corporate depreciation)

Corporate expenses of \$24.6 million (2006: \$19.8 million) were higher due to increased salary costs, (including increased workforce numbers and retention bonus provisions) and litigation expenses relating to the recovery of power plant costs at Telfer and increased costs associated with growth and business development.

Depreciation

Depreciation expense increased by \$43.0 million to \$141.1 million. The unit rate of depreciation increased from \$126 per ounce to \$157 per ounce due mostly to the commissioning of underground mines at Telfer and Gosowong.

Exploration

Total exploration expenditure for the period was \$27.6 million (2006: \$28.7 million) with \$18.6 million charged against income compared to \$19.7 million in the previous year.

Losses on delivered hedges

During the current period, losses on delivered gold hedges were \$33.8 million compared with losses of \$248.8 million (gold hedges \$130.2 million and copper hedges \$118.6 million) in the previous period. These losses relate to gold hedge contracts that were settled in relation to physical production. The substantial reduction in the current period was due to Newcrest closing out its gold hedge book following the equity raising in September 2007. The previous period losses were due to 64% of gold sales and 38% of copper sales being hedged at levels substantially below prevailing spot prices at the time. All remaining copper hedging was closed out in June 2007.

Other Income/(Expense)

Other income was \$0.2 million (2006: \$38.5 million loss). The previous period loss was due to large movements in the copper price impacting the quotation period adjustments on copper sales. Newcrest now locks in the copper price for each shipment at the time of sale. As a result, these adjustments are no longer a material variable.

Lower net foreign exchange losses are due to the reduced impact of movements in the A\$:US\$ exchange rate on concentrate debtors.

Increased interest received reflects the increase in cash on hand subsequent to the equity raising.

	2007 \$M	2006 \$M
Fair value (loss)/gain on gold lease rate swaps	(1.5)	2.9
Fair value gain/(loss) on gold and copper derivatives	0.8	(48.0)
Net foreign exchange (loss)	(5.7)	(10.0)
Prior year CVO royalty refund	-	12.3
Interest received	6.0	2.5
Other income	0.6	1.8
Other income/(expense)	0.2	(38.5)

Borrowing Costs

Gross borrowing costs were lower at \$28.6 million (2006: \$51.6 million). The significantly lower interest costs resulted from the repayment of debt following the equity issue in September 2007. Interest of \$26.4 million (2006: \$41.0 million) was expensed and \$2.2 million (2006: \$10.6 million) was capitalised.

Tax Expense

The income tax benefit in the current half year of \$29.6 million (2006: expense of \$12.4 million) included a \$23.6 million benefit relating to higher research and development allowance claims for the prior year that have now been finalised. Excluding the restructure and close out impacts, the effective tax rate was 22.3% (2006: 25.1%).

Hedge Restructure and Close Out Impacts

During the current period, Newcrest used the proceeds of the September 2007 equity issue to close out the gold hedge book, repay the gold loan and bilateral debt facilities, purchase 2.25 million ounces of gold put options and partially close out its gold bullion forward sale contracts. These activities have resulted in a number of impacts on the Income Statement.

During the period 23 October 2007 through to 15 February 2008, 527,542 ounces of gold were purchased at an average price of \$927 per ounce. As at 15 February, the remaining sales contracts comprise 622,302 ounces of USD gold bullion forward sale contracts for the year FY13.

Losses on Restructured and Closed Out Hedges

The close out of the gold hedge book realised the gold hedging losses and extinguished any future obligation with respect to the hedge contracts. Accounting standards require the accumulated losses on these contracts closed out to remain deferred in the hedge reserve within equity to be transferred to the Income Statement in future periods (in line with the original sales to which they were designated). This resulted in a loss release profile as noted below. A pre-tax loss on restructured and closed out hedge contracts of \$131.5 million has been recorded in the half-year accounts which includes the losses on the current year closed out contracts and previous years hedge restructures. The amortisation schedule going forward is presented in the following table.

	To be released in future periods					
	H1 2008 ASM	H2 2008 ASM	2009 ASM	2010 ASM	2011 ASM	2012 ASM
Total hedge losses	131.5	182.2	352.2	294.9	152.8	7.2
Tax effect	(39.5)	(54.6)	(105.7)	(88.5)	(45.8)	(2.2)
After tax hedge losses	92.0	127.6	246.5	206.4	107.0	5.0

Other Close Out Related Costs

The other close out related costs include:

- Fair value losses of \$174.4 million on gold forward sales contracts and gold put options, finance costs of \$20.9 million on repayment of the gold loan and the discount unwind on Newcrest's hedge restructure liability; and

- A foreign exchange gain of \$18.2 million on USD borrowings hedges. There is an \$91.7 million foreign exchange gain from the repayment of the current USD bilateral debt facilities. This gain will be amortised over the original repayment profile. The profile may change if Newcrest redraws the USD Bilateral facilities.

Cash Flow – Operating Activities

Cash flow from operating activities was \$377.5 million (2006: \$186.0 million). The increase in operating cash flow is due mainly to higher sales volumes and increased exposure to spot prices after the close out of the gold hedge book. Payments to suppliers increased due to higher volumes, a full 6 months of operation from Telfer underground and continued cost pressures. Labour costs were higher.

Higher interest paid includes one-off payments resulting from the close out of the gold loan \$13.1 million. Higher tax instalments have also been paid in Indonesia in respect of Gosowong during the current half year due to increased profitability.

Cash Flow – Investing Activities

Capital Expenditure

Cash flow from investing activities is \$233.0 million (December 2006: \$241.4 million) with major areas of capital expenditure during the period:

- Mine under construction expenditure of \$44.5 million related to Ridgeway Deeps and mine development expenditure of \$15.7 million mainly relating to Kencana and Telfer Underground
- Feasibility expenditure of \$21.6 million relating to Cadia East

Major areas of capital expenditure were:

6 months ended	31 Dec 2007 (\$M)	31 Dec 2006 (\$M)
Sustaining	42.0	39.1
Project Studies	21.6	58.4
Project Development	60.2	43.4
Total	123.8	140.9

Expenditure on sustaining capital was in line with guidance.

Exploration

The principal focus of exploration activities during the period was Gosowong and projects in New South Wales and Western Australia. A breakdown of exploration expenditure was:

6 months ended 31 Dec 2007	\$M
Greenfields	10.9
Brownfields	6.1
Province Development	
- Cadia	4.6
- Telfer	1.7
- Gosowong	4.3
Total	27.6

The timing of drilling programs is expected to result in a higher level of exploration expenditure in the second half of the year.

Included in cash flow from investing activities was the \$79.5 million purchase of long dated gold put options.

Cash Flow – Financing Activities

Major movements in cash flow from financing activities included:

- \$2,042 million proceeds from the issue of 117.4 million new shares (net proceeds \$2,023 million)
- \$960.4 million payment to purchase gold to close out gold forward contracts
- \$755.3 million net repayment of bi-lateral debt facilities
- \$105.6 million repayment of the gold loan

Balance Sheet

The consolidated entities Net Assets and Total Equity increased during the current year by \$1,993.3 million to 2,934.1 million. This was mostly due to the receipt of \$2,023.2 million from the equity issue which enabled the consolidated entity to repay debt, close out the out-of-the-money gold hedge book and partly close out the gold bullion forward sales contracts.

The gearing ratio (net debt to net debt plus equity) decreased to 3% (June 2007: 46%). Equity has been adjusted to remove the impact of the hedge reserve.

Movements in net debt during the period:

	\$M
Net debt at 30 June 2007 (Gearing 46%)	1,319.6
Net repayment of debt	(906.4)
Foreign exchange (gain)	(42.9)
Increase in cash balances	(270.4)
Net debt at 31 Dec 2007 (Gearing 3%)	99.9

Hedging

The mark-to-market of the hedge book (including gold loan) as at 31 December 2007 was as follows:

	31 Dec 2007 \$M	31 Dec 2006 \$M
Gold	536	1,401
Copper	-	95
Total	536	1,496

For further information on hedging please refer to the Newcrest website.

On Market Share Buy Back

In order to prevent dilution of its share capital through the issue of shares under its employee share plans (Employee Share Acquisition Plan) - ESAP, equity remuneration schemes (Executive Option Plan, Executive Performance Share Plan and Restricted Share Plan), and under its Dividend Reinvestment Plan (DRP) Newcrest has determined that it will buy and cancel the corresponding number of shares on market as and when required.

It is anticipated that on market buy-backs will be undertaken periodically and in most instances not more than monthly, in response to exercise of options or rights, or operation of the ESAP and DRP. Shares will not be purchased and held in advance of options or rights being exercised or operation of the ESAP and DRP.

The share buy back plan will only be used to purchase shares that are issued under the above mentioned schemes and plans.

Board

On 13 February, Newcrest announced the appointment of Mr Richard (Dick) Knight as a Non-Executive Director of the Company. Mr Knight was formerly an Executive Director of North Limited, has held a number of Non-Executive Board positions in the resources sector in Australia and Canada and is currently a Non-Executive Director of Zinifex Limited.

Summary

Underlying profit performance and an 18% increase in gold production was pleasing, while the successful entitlement offer and hedge book restructure mean Newcrest is now well positioned for further growth. Cadia Valley Operations are performing well, with both the Ridgeway Deeps development and the Cadia East open pit and underground studies progressing satisfactorily, demonstrating the long-life nature of this asset.

The resource and reserve position at Telfer has been resolved. Costs are higher across the board, reflecting general industry pressures. The increase at Telfer, partly due to the recently identified issue of the harder and more abrasive ore, is disappointing. Reducing these costs is a key focus.

Despite these additional costs, Newcrest's total cash costs for the half were A\$250 per ounce (US\$217 per ounce), compared with a recent global average of US\$380 and an Australian average of US\$392*.

I K Smith
Managing Director and
Chief Executive Officer

* GFMS Gold Survey 2007, Update 1

Corporate Information

Board Members

Don Mercer	Non-Executive Chairman
Ian Smith	Managing Director and CEO
Greg Robinson	Finance Director
Bryan Davis	Non-Executive Director
Dick Knight	Non-Executive Director
Rick Lee	Non-Executive Director
Mick O'Leary	Non-Executive Director
Tim Poole	Non-Executive Director
John Spark	Non-Executive Director

Bernard Lavery Company Secretary

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Substantial Shareholder(s) at 31 December 2007

Capital Group	13.00%
Commonwealth Bank of Australia	10.62%
Merrill Lynch & Co Inc	8.50%
Fidelity	6.08%

Issued Share Capital

At 31 December 2007 issued capital was 453,351,929 ordinary shares.

Quarterly Share Price Activity

	High	Low	Last
	\$	\$	\$
Oct – Dec 2007	35.85	27.71	33.10

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