ASX Appendix 4D

Half Year Financial Report

31 December 2014

NEWCREST MINING LIMITED
AND CONTROLLED ENTITIES

ASX APPENDIX 4D AND FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2014

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Newcrest Mining Limited
Half-Year Ended 31 December 2014
ASX Code: NCM

	6 months 31-Dec-14 $M	6 months 31-Dec-13 $M	Percentage Increase/ (Decrease)
Sales Revenue	2,011	2,016	(0%)
Net profit attributable to members of the parent entity ('Statutory Profit')	200	40	400%

Dividends

The Directors have determined that there will be no interim dividend for the half-year ended 31 December 2014.

Review of Results

Please refer to the Management Discussion and Analysis. This interim financial report should be read in conjunction with the most recent annual financial report.

Net Tangible Assets per share

	31-Dec-14 $	31-Dec-13 $
Net tangible assets per share	10.81	12.68

Review Report

This interim financial report has been subject to review by the Company's external auditor.

The Directors present their report together with the consolidated financial statements of the Newcrest Mining Limited Group, comprising of the Company and its controlled entities, for the half-year ended 31 December 2014.

Directors

The Directors of Newcrest Mining Limited during the half-year ended 31 December 2014 and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire half-year and up to the date of this report, except as noted.

Peter Hay	Non-Executive Chairman
Sandeep Biswas	Managing Director and Chief Executive Officer (1)
Gerard Bond	Finance Director and Chief Financial Officer
Philip Aiken AM	Non-Executive Director
Vince Gauci	Non-Executive Director
Winifred Kamit	Non-Executive Director
Richard Knight	Non-Executive Director
Rick Lee	Non-Executive Director
Tim Poole	Non-Executive Director
John Spark	Non-Executive Director
Greg Robinson	Former Managing Director and Chief Executive Officer (2)

(1) Sandeep Biswas succeeded Greg Robinson as Managing Director and Chief Executive Officer on 4 July 2014.

(2) Retired from the Board on 4 July 2014.

Principal Activities

The principal activities of the Group during the period were exploration, mine development, mine operations and the sale of gold and gold/copper concentrate. There were no significant changes in those activities during the period.

Consolidated Result

The profit after tax attributable to Newcrest shareholders ('Statutory Profit') for the half-year ended 31 December 2014 was $200 million (31 December 2013: $40 million).

Review of Results

Refer to the Management Discussion and Analysis on page 5 for a review of the result and operations. The Management Discussion and Analysis forms part of this Directors Report.

Rounding Of Amounts

The Company is of the kind referred to in ASIC Class Order 98/0100 and, in accordance with that Class Order, amounts in the Directors' Report and the Financial Statements have been rounded to the nearest $1,000,000 except where otherwise indicated.

Auditor Independence Declaration

A copy of the Auditor's Independence Declaration as required under the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors

Peter Hay	**Sandeep Biswas**
Chairman	Managing Director and Chief Executive Officer

13 February 2015
Melbourne

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Auditor's Independence Declaration to the Directors of Newcrest Miming Limited

In relation to our review of the financial report of Newcrest Mining Limited for the half year ended 31 December 2014, to the best of our knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Tim Wallace
Partner

Michael Collins
Partner

Melbourne
13 February 2015

To assist readers to better understand the financial performance of the underlying operating businesses of Newcrest, the financial information in this Management Discussion and Analysis includes non-IFRS financial information. Explanations and reconciliations of non-IFRS information to the financial statements are set out in section six.

1 Summary of Results for the six months ended 31 December 2014[1]

Key points

- Statutory profit[2] and Underlying profit[3] of A$200 million
- EBITDA[3] of A$730 million and EBIT[3] of A$424 million
- Gold production of 1,139koz[4] was 6% lower than the corresponding period
- Copper production of 50.3 thousand tonnes was 19% higher than the corresponding period
- Free cash flow[3] of A$268 million, with all operations generating positive free cash flow
- A$257 million (US$220 million) of debt repaid in the current period
- All-In Sustaining Cost[3] of A$917 per ounce was 9% lower than the corresponding period
- All-In Sustaining Cost[3] of US$819[5] per ounce (at an A$:US$ exchange rate of $0.8927) was 11% lower than the corresponding period
- Board approval for Golpu stage one to progress to feasibility study[6]
- Upgraded full year guidance for gold and copper production and All-In Sustaining Cost expenditure
- No interim dividend

Half year results

Newcrest's focus over the six months to 31 December 2014 has been on intensifying efforts on reducing major hazards and significant potential incidents, improving operational discipline and maximising cash flow generation at every operation. Newcrest has a comprehensive, company-wide improvement program (called 'Edge') which is pursuing improvements across all areas of the business. Tragically, in the current period there was a fatality at the Hidden Valley joint venture operation on 6 December when an employee of the Hidden Valley joint venture was struck by a reversing loader in the milling area.

Profitable growth is being underpinned by the continued ramp up at Cadia East, which reached a major milestone during the period with the safe propagation of Panel Cave 1 through to the surface, and the further commitment to Golpu with the approval to progress stage one to feasibility study announced in December 2014.

Statutory profit of A$200 million was A$160 million higher than the corresponding period. The increase primarily relates to expenses in the corresponding period associated with a voluntary tax amendment and impairment of West African exploration assets.

Underlying profit of A$200 million was broadly in line with the corresponding period of A$207 million. Slightly lower gold sales in the current period were offset by higher copper sales and lower corporate costs.

Free cash flow of A$268 million was generated in the current period, A$497 million more than the corresponding period, reflecting a A$338 million improvement in operating cash flow and A$159 million lower investing cash flow. All operations were free cash flow positive. The free cash flow enabled A$257 million (US$220 million) of debt to be repaid in the current period.

Gold production of 1,139koz was 6% lower than the corresponding period, primarily due to lower grade at Lihir. Gold production from Cadia East ore increased in the current period, replacing the processing of lower grade, lower margin stockpiles that ceased during the corresponding period.

Copper production of 50.3kt was 19% higher than the corresponding period and primarily due to increased production from higher copper grade ore at Cadia East and improved copper recovery at Telfer.

All-In Sustaining Cost per ounce sold of A$917 per ounce was 9% lower than the corresponding period, reflecting lower levels of production stripping and sustaining capital expenditure, higher by-product revenue associated with higher copper sales, and lower corporate costs. This was partially offset by Lihir's higher operating unit costs[3] and lower gold sales volume due primarily to lower feed grades.

In December 2014, Newcrest's Board approved stage one of the development of the Golpu ore body to progress to feasibility study. This followed an update to the pre-feasibility study which identified an improved business case by splitting the project into two stages; with stage one targeting the upper, higher value portion of the ore body. The approval aligns with Newcrest's strategy of profitable growth through lower cost operations.

Capital structure

As at 31 December 2014 Newcrest had an equivalent of A$2,310[7] million of cash and bank facilities, comprising A$128 million in cash and A$2,182 million in undrawn bank facilities.

The gearing ratio (net debt to net debt and equity) as at 31 December 2014 was 33.9% compared to 33.8% as at 30 June 2014. The benefit to the gearing ratio of applying cash flow generated in the current period to repay US$220 million debt was offset by the impact of the deterioration of the AUD:USD exchange rate during the current period on the translation to Australian dollars of Newcrest's US dollar denominated debt.

Under current market and operating conditions, the Newcrest Board remains comfortable with gearing being at this level in the short to medium term given the near term cash flow growth outlook of the Group.

The Newcrest Board has determined there will be no interim dividend for the six months ended 30 December 2014.

Outlook[8]

Newcrest remains firmly focused on realising the full potential of each of the Company's assets, with an emphasis on the following:

- operational discipline (including safety);
- cash; and
- profitable growth

Revised guidance for the 2015 financial year was released on 30 January 2015. The performances of Cadia and Telfer resulted in gold and copper production guidance for the group being raised; improved operating efficiencies and cost reductions from the Edge program resulted in the All-In Sustaining Cost expenditure guidance range for the group being lowered. Revised guidance is as follows:

- Group gold production is expected to be in the range of 2.3 to 2.5 million ounces
- Group copper production is expected to be in the range of 90,000 to 100,000 tonnes
- Group silver production is expected to be in the range of 2.2 to 2.5 million ounces
- Group All-In Sustaining Cost expenditure is expected to be in the range of A$2,300 to A$2,500 million
- Total capital expenditure (inclusive of project and development capital, production stripping and sustaining capital) is expected to be in the range of A$620 to A$690 million, including approximately A$240 to A$280 million relating to the development of Cadia East Panel Cave 2
- Total exploration expenditure (inclusive of on-site exploration) is expected to be in the range of A$50 to A$60 million

2015 financial year guidance for the non-cash item of Depreciation and Amortisation (including the amortisation of capitalised production stripping) has been reviewed and is now expected to be in the range of A$720 to A$770 million (compared with A$600 to A$670 million previously). The increase is primarily due to stronger expected full year performance of the Australian operations (+A$30 million); the acceleration of Ridgeway Lift 1 reserve depletion (+A$50 million); the weaker AUD:USD exchange rate increasing the translated A$ value of depreciation of US$ denominated assets in PNG, Indonesia and West Africa (+A$40 million); and the reduction in reserve estimates at Bonikro and Telfer (+A$20 million).

As Newcrest has previously indicated, a lower cost base at Telfer was required to support future cutback investments. The strong performance at Telfer, with the All-In Sustaining Cost falling from A$1,103 per ounce in the first half of FY14 to A$867 per ounce in the first half of FY15, and current market prices, have increased the attractiveness of the investment options under review. The review has been broadened to include evaluation of hedging of fuel and A$ metal prices for any cutback, and alternative ownership options.

Summarised Financial and Operating Results

			For the six months ended 31 December			
	Footnote	Measure	2014	2013	Change	Change %
KEY FINANCIAL DATA						
Revenue		*A$ million*	**2,011**	2,016	(5)	0%
EBITDA		*A$ million*	**730**	731	(1)	0%
EBIT		*A$ million*	**424**	404	20	5%
Statutory profit		*A$ million*	**200**	40	160	400%
Underlying profit	3	*A$ million*	**200**	207	(7)	(3%)
Cash flow from operating activities		*A$ million*	**566**	228	338	148%
Cash flow from investing activities		*A$ million*	**(298)**	(457)	159	35%
Sustaining capital	3	*A$ million*	**(103)**	(135)	32	24%
Production stripping		*A$ million*	**(47)**	(120)	73	61%
Major project (non-sustaining)	9	*A$ million*	**(129)**	(166)	37	22%
Exploration expenditure		*A$ million*	**(19)**	(36)	17	47%
Free cash flow		*A$ million*	**268**	(229)	497	
Gearing		*%*	**33.9**	33.8#	0.1	0%
EBITDA margin	3	*%*	**36.3**	36.2	0.1	0%
EBIT margin	3	*%*	**21.1**	20.0	1.1	6%
KEY OPERATIONAL DATA						
Total ore mined		*tonnes 000's*	**27,671**	22,287	5,384	24%
Total waste mined		*tonnes 000's*	**12,389**	32,524	(20,135)	(62%)
Total material mined		*tonnes 000's*	**41,127**	55,083	(13,956)	(25%)
Total material milled		*tonnes 000's*	**29,467**	30,242	(775)	(3%)
Gold produced		*000's ounces*	**1,139**	1,208	(69)	(6%)
Gold sales		*000's ounces*	**1,167**	1,205	(38)	(3%)
Realised gold price		*A$ per ounce*	**1,398**	1,405	(7)	0%
Realised gold price		*US$ per ounce*	**1,248**	1,296	(48)	(4%)
Copper produced		*tonnes 000's*	**50.3**	42.2	8.1	19%
Copper sales		*tonnes 000's*	**51.3**	40.5	10.8	27%
Realised copper price		*A$/pound*	**3.48**	3.54	(0.06)	(2%)
All-In sustaining costs		*A$ million*	**1,054**	1,199	(145)	(12%)
All-In sustaining costs		*A$/ounce sold*	**917**	1,003	(86)	(9%)
All-In sustaining costs		*US$/ounce sold*	**819**	925	(106)	(11%)
Closing foreign exchange rate		*AUD/USD*	**0.8202**	0.8948	(0.0746)	(8%)
Average foreign exchange rate		*AUD/USD*	**0.8927**	0.9227	(0.0300)	(3%)
Average foreign exchange rate		*PGK/AUD*	**2.226**	2.165	0.061	3%
Average foreign exchange rate		*IDR/AUD*	**10,692**	10,270	422	4%

The comparative represents gearing as at 30 June 2014, as provided in detail in Section 5.2.

[1] All figures in this Report relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Company') for the six months ended 31 December 2014 ('current period') compared with the six months ended 31 December 2013 ('corresponding period'), except where otherwise stated. All references to $ are a reference to Australian dollars unless otherwise stated.

[2] Statutory profit/(loss) is profit after tax attributable to owners of the parent Company.

[3] Newcrest results are reported under International Financial Reporting Standards (IFRS). This report also includes certain non-IFRS financial information (detailed below) which is used internally by management to assess the performance of the business and make decisions on the allocation of resources, and are included in this report to provide greater understanding of the underlying financial performance of the Company's operations. When reviewing business performance, this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS. The non-IFRS information has not been subject to audit or review by Newcrest's external auditor. Reconciliations of non-IFRS measures to the most appropriate IFRS measure are provided in section 6 of the Management Discussion and Analysis.

Non-IFRS financial information:

- 'Underlying profit' is profit after tax before significant items attributable to owners of the parent company.
- 'EBITDA is 'Earnings before interest, tax, depreciation and amortisation, and significant items'. EBIT is 'Earnings before interest, tax and significant items'.
- 'EBITDA margin' is EBITDA expressed as a percentage of revenue. 'EBIT margin' is EBIT expressed as a percentage of revenue.
- 'Operating unit cost' is cost of sales less depreciation divided by gold sales.
- 'AISC' is All-In Sustaining Cost and 'AIC' is All-In Cost as per World Gold Council Guidance Note on Non-GAAP Metrics released June 2013. AISC will vary from period to period as a result of various factors including production performance, timing of sales, the level of sustaining capital and the relative contribution of each asset.
- 'Free Cash Flow' is calculated as cash flow from operating activities less cash flow related to investing activities.

[4] Production and sales for the six months ended 31 December 2014 includes 17,728 pre-commissioning and development gold ounces and 1,731 tonnes of copper for the Cadia East project. For the six months ended 31 December 2013 production includes 8,477 gold ounces and 845 tonnes of copper, and sales includes 8,559 gold ounces and 834 tonnes of copper, related to the pre-commissioning and development of the Cadia East project. Expenditure associated with this production and revenue from the sales are capitalised and not included in the operating profit calculations.

[5] All-In Sustaining Costs in USD terms are converted to USD at an average A$:US$ exchange rate for the six months ended 31 December 2014 of $0.8927.

[6] Refer to Market Release of 15 December 2014.

[7] Comprises undrawn bilateral loan facilities of US$1,740 million and an additional unutilised US$50 million loan facility at a closing foreign exchange rate of AUD:USD$0.8202 and cash and cash equivalents of A$128 million.

[8] Disclaimer: These materials include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

[9] Inclusive of interest capitalised for development projects and proceeds from sale of plant and equipment.

2 Discussions and Analysis of Operations and the Income Statement

2.1 Profit Overview

Statutory profit and Underlying profit was A$200 million in the current period. This represents a A$160 million improvement in Statutory profit and A$7 million reduction in Underlying profit compared with the corresponding period.

The difference of A$167 million between Statutory profit and Underlying profit in the corresponding period was due to two significant items: a voluntary tax amendment (A$120 million) and an impairment of West African exploration assets (A$47 million). There were no significant items included in Statutory profit in the current period.

In the current period, improved profitability at Cadia, Telfer and West Africa was offset by lower profit at Lihir due to Lihir's lower sales volumes and higher unit operating costs, compared with the corresponding period.

2.2 Underlying Profit

	For the six months ended 31 December			
A$ million	2014	2013	Change	Change%
Revenues:	**2,011**	**2,016**	**(5)**	**0%**
Gold	1,607	1,681	(74)	(4%)
Copper	380	309	71	23%
Silver	24	26	(2)	(8%)
Cost of sales:	**(1,547)**	**(1,541)**	**(6)**	**0%**
Operating costs	(1,256)	(1,228)	(28)	(2%)
Depreciation	(291)	(313)	22	7%
Other costs:				
Corporate administration	(45)	(58)	13	22%
Exploration	(10)	(12)	2	17%
Other income/expense	9	(9)	18	-
Finance costs	(90)	(88)	(2)	(2%)
Share of profit of associates	6	8	(2)	(25%)
Tax and non-controlling interest:				
Income tax expense	(127)	(100)	(27)	(27%)
Non-controlling interest	(7)	(9)	2	22%
Underlying profit	**200**	**207**	**(7)**	**(3%)**

EBIT from Operations and Underlying Profit	For the six months ended 31 December			
A$ million	2014	2013	Change	Change %
Cadia	298	251	47	19%
Telfer	143	102	41	40%
Lihir	(21)	92	(113)	
Gosowong	50	57	(7)	(12%)
Hidden Valley	(8)	(9)	1	11%
West Africa	2	(18)	20	
EBIT from Operations	**464**	**475**	**(11)**	**(2%)**
Other Costs	(130)	(159)	29	18%
Tax and non-controlling interest	(134)	(109)	(25)	(23%)
Underlying profit	**200**	**207**	**(7)**	**(3%)**

Summary of production and revenue drivers		For the six months ended 31 December			
	Measure	2014	2013	Change	Change %
Production volumes [11]					
Gold	*ounces*	**1,138,841**	1,207,697	(68,856)	(6%)
Copper	*tonnes*	**50,339**	42,235	8,104	19%
Silver	*ounces*	**1,142,668**	1,148,341	(5,673)	0%
Sales volumes [11]					
Gold	*ounces*	**1,167,164**	1,204,507	(37,343)	(3%)
Copper	*tonnes*	**51,325**	40,457	10,868	27%
Silver	*ounces*	**1,211,206**	1,134,902	76,304	7%
Realised prices					
Gold	*A$/ounce*	**1,398**	1,405	(7)	0%
Copper	*A$/pound*	**3.48**	3.54	(0.06)	(2%)
Silver	*A$/ounce*	**19.39**	23.35	(3.96)	(17%)
Realised prices					
Gold	*US$/ounce*	**1,248**	1,296	(48)	(4%)
Copper	*US$/pound*	**3.08**	3.24	(0.16)	(5%)
Silver	*US$/ounce*	**17.37**	21.47	(4.10)	(19%)
Closing foreign exchange rate	*AUD/USD*	**0.8202**	0.8948	(0.0746)	(8%)
Average foreign exchange rate	*AUD/USD*	**0.8927**	0.9227	(0.0300)	(3%)
Revenue					
Gold	*A$ million*	**1,607**	1,681	(74)	(4%)
Copper	*A$ million*	**380**	309	71	23%
Silver	*A$ million*	**24**	26	(2)	(8%)
Total sales revenue	*A$ million*	**2,011**	2,016	(5)	0%

Further information by operation can be found in section 4.

[11] Production and sales for the six months ended 31 December 2014 includes 17,728 pre-commissioning and development gold ounces and 1,731 tonnes of copper for the Cadia East project. For the six months ended 31 December 2013 production includes 8,477 gold ounces and 845 tonnes of copper, and sales includes 8,559 gold ounces and 834 tonnes of copper, related to the pre-commissioning and development of the Cadia East project. Expenditure associated with this production and revenue from the sales are capitalised and not included in the operating profit calculations.

2.3 Revenue

Total sales revenue of A$2,011 million was largely in line with the corresponding period.

A$ million		
Total sales revenue for the six months ended 31 December 2013		**2,016**
Changes in revenues:		
Gold	(66)	
Copper	78	
Silver	3	
Volume		**15**
Gold	(8)	
Copper	(7)	
Silver	(5)	
Price		**(20)**
Total sales revenue for the six months ended 31 December 2014		**2,011**

Gold revenue of A$1,607 million was 4% lower than the corresponding period mostly due to a 3% decrease in gold sales volume. The reduction in gold sales was primarily the result of lower production at Lihir which was mainly due to a 15% decline in ore feed grade when compared to the corresponding period.

The average realised gold price of A$1,398 per ounce was only marginally lower (less than 1%) than the corresponding period. This marginal movement in the realised Australian dollar price reflected a 4% lower US dollar gold price of US$1,248 per ounce in the current period offset by a 3% decline in the average AUD/USD exchange rate.

Copper revenue of A$380 million was 23% higher than the corresponding period, reflecting a 27% increase in copper sales volume, which more than offset a 2% decrease in the average realised Australian dollar copper price to A$3.48 per pound. The higher sales volume was primarily driven by higher production due to higher copper grade ore from Cadia East, improved copper recovery at Telfer, and favourable timing of shipments in the current period.

Silver revenue of A$24 million was 8% lower than the corresponding period, with 19% lower average realised silver prices partially offset by 7% higher sales volumes.

Newcrest's sales revenue continues to be predominantly attributable to gold, with gold revenue representing 80% of total sales revenue in the current period.

2.4 Cost of sales

	For the six months ended 31 December			
A$ million	2014	2013	Change	Change %
Site production costs	**1,067**	1,034	33	3%
Inventory movements	**32**	55	(23)	(42%)
Royalties	**57**	57	-	0%
Treatment and realisation	**100**	82	18	22%
Operating costs	**1,256**	1,228	28	2%
Depreciation	**291**	313	(22)	(7%)
Cost of sales	**1,547**	1,541	6	0%

2.4.1. Operating costs

Operating costs of A$1,256 million were 2% higher than the corresponding period.

An increase in site production costs, which mainly relates to a 24% increase in ore mined, was offset by a lower drawdown of ore inventory compared to the corresponding period.

Operating cost per gold ounce sold increased 6% compared to the corresponding period, primarily due to an increase in treatment and realisation costs and higher unit costs at Lihir.

The A$18 million or 22% increase in treatment and realisation costs was due to a 27% increase in copper sales volume. Higher unit costs at Lihir primarily relate to 15% lower feed grade.

Movement in exchange rates between the comparative periods had minimal impact (less than A$5 million) on site production costs with the effect of the weakening Australian dollar against the US dollar largely being offset by the strengthening of the Australian dollar against the PNG Kina and Indonesian Rupiah.

Further information by operation can be found in section 4.

2.4.2. Depreciation

Depreciation expense included in cost of sales of A$291 million was 7% lower than the corresponding period.

The decrease in depreciation expense primarily reflects the impact of the impairments to carrying values in the year ended 30 June 2014 and lower gold production and sales volume at Lihir in the current period. Depreciation reduced by A$19 million (19%) at Lihir and A$12 million (46%) at West Africa compared with the corresponding period. This was partially offset by higher depreciation at Cadia due to higher production from Cadia East Panel Cave 1 and the commencement of commercial production in Cadia East Panel Cave 2 on 1 October 2014, and the unfavourable impact of a weaker Australian dollar against the US dollar on depreciation at offshore operations (a US dollar expense).

2.5 Other costs

2.5.1. Corporate administration costs

Corporate administration costs of A$45 million were 22% or A$13 million lower than the corresponding period. Corporate legal costs net of recoveries were A$9 million lower than the corresponding period, with a further A$5 million reduction in corporate costs achieved through a review of corporate office and support function activities resulting in a reduction in headcount and other targeted cost reductions.

2.5.2. Exploration expense

Exploration expenditure of A$19 million was A$17 million lower than the corresponding period. A$10 million of exploration expenditure was expensed resulting in a capitalisation rate of 47%.

Further information on Exploration can be found in section 3.

2.5.3. Other income/expenses

	For the six months ended 31 December	
A$ million	**2014**	**2013**
Net foreign exchange gain/(loss)	**29**	7
Net fair value gain/(loss) on gold and copper derivatives	**(5)**	9
Net loss on disposal/write-down of non-current assets	**-**	(19)
Legacy community contractual settlements and negotiation costs	**(4)**	(4)
Other	**(11)**	(2)
Other income/(expense)	**9**	**(9)**

The fair value loss on gold and copper derivatives in the current period primarily relates to the movement in spot prices impacting the quotational period adjustments on sales. Newcrest seeks to lock in the gold and copper price for the quotational period for concentrate shipments at the time of sale using forward sales contracts to minimise this impact.

The foreign exchange gain in the current period primarily relates to the restatement of US dollar denominated concentrate debtors resulting from a weakening of the Australian dollar against the US dollar.

2.5.4. Finance cost

Net finance cost of A$90 million was in line with the corresponding period.

2.6 Income tax

Income tax expense on Underlying profit was A$127 million, resulting in an effective tax rate of 38%, higher than the Australian Company tax rate of 30%. This increase was primarily due to an adjustment to tax expense in the period of A$23 million which finalises the review of research and development allowances claimed in prior periods. After use of carry forward tax losses, the net tax payment in relation to this review was A$13 million and paid in January 2015. In the corresponding period, income tax expense on Underlying profit was A$100 million with an effective tax rate of 32%.

Income tax expense on Statutory profit was also A$127 million. In the corresponding period, income tax expense on Statutory profit was A$216 million with the main difference from income tax expense on Underlying profit being a A$120 million expense relating to Newcrest's voluntary amendment of prior period Australian research and development claims.

2.7 Non-controlling interests

Non-controlling interests on Underlying profit of A$7 million, being the profit after tax attributable to the minority shareholders of Newcrest's non-wholly owned subsidiaries, decreased from the corresponding period (A$9 million), primarily as a result of lower profits from Gosowong in the current period.

Non-controlling interests on Statutory profit was also A$7 million.

3 Discussion and Analysis of Cash Flow

	For the six months ended 31 December			
A$ millions	2014	2013	Change	Change %
Cash flow from operating activities	**566**	228	338	148%
Cash flow related to investing activities	**(298)**	(457)	159	35%
Free Cash Flow	**268**	(229)	497	
Cash flow related to financing activities	**(281)**	280	(561)	
Net movement in cash	**(13)**	51	(64)	
Cash at the beginning of the period	**141**	69	72	104%
Effects of exchange rate changes on cash held	**-**	1	(1)	(100%)
Cash at the end of the period	**128**	121	7	6%

Free cash flow of A$268 million was A$497 million higher than the corresponding period and enabled Newcrest to repay A$257 million (US$220 million) of debt in the current period. The improvement reflects higher cash flows from operating activities and lower investing cash flow.

3.1 Cash flow from operating activities

	For the six months ended 31 December			
A$ millions	2014	2013	Change	Change %
Cash flow from operating activities				
- Receipts from customers	**1,880**	1,921	(41)	(2%)
- Payments to suppliers and employees	**(1,229)**	(1,515)	286	19%
- Interest paid	**(81)**	(78)	(3)	(4%)
- Income taxes paid	**(6)**	(102)	96	94%
- Dividends received	**2**	2	-	0%
Net cash flow from operating activities	**566**	228	338	148%

Cash flow from operating activities of A$566 million was A$338 million higher than the corresponding period. This strong increase reflects Newcrest's focus on cash generation through the delivery of cost and operating efficiencies at all operations. The corresponding period was impacted by the unwinding of favourable creditor and debtor balances, as well as costs associated with the closure of the Brisbane office and redundancies across the business. This was partially offset by a higher debtors balance at the end of the current period due to large concentrate shipments (sales) from Telfer occurring in December 2014.

Tax payments were A$96 million lower in the current period and primarily relate to the A$70m voluntary research and development tax payment made in the corresponding period and tax receipts in the current period.

3.2 Cash flow from investing activities

3.2.1. Capital Expenditure

	For the six months ended 31 December			
A$ millions	2014	2013	Change	Change %
Capital Expenditure				
- Production stripping	**47**	120	(73)	(61%)
- Sustaining	**103**	135	(32)	(24%)
- Major projects (non-sustaining)	**126**	164	(38)	(23%)
Total Capital Expenditure	**276**	419	(143)	(34%)
Exploration	**19**	36	(17)	(47%)
Proceeds from sale of plant and equipment	**(1)**	-	(1)	
Interest capitalised	**4**	2	2	100%
Total Cash Outflow from Investing Activities	**298**	457	(159)	(35%)

Capital expenditure of A$276 million was 34% lower than the corresponding period with reduced spend in all categories (production stripping, sustaining and non-sustaining). The reduction was primarily the result of Newcrest's focus on cash retention and capital discipline as well as completion of projects in progress in the corresponding period.

3.2.2. Production stripping

	For the six months ended 31 December			
A$ millions	2014	2013	Change	Change %
Telfer	**-**	24	(24)	(100%)
Cadia	**-**	-	-	-
Lihir	**37**	78	(41)	(53%)
Gosowong	**-**	-	-	-
West Africa	**-**	9	(9)	(100%)
Hidden Valley	**10**	9	1	11%
Total production stripping	**47**	120	(73)	(61%)

Production stripping of A$47 million was A$73 million lower than the corresponding period.

The reduction was primarily due to lower production stripping at Lihir and completion of major stripping activities in the corresponding period at Telfer (Main Dome Stage 4 waste stripping) and West Africa (Stage 4 waste stripping).

3.2.3. Sustaining capital

	For the six months ended 31 December			
A$ millions	2014	2013	Change	Change %
Telfer	**22**	26	(4)	(15%)
Cadia	**33**	21	12	57%
Lihir	**20**	37	(17)	(46%)
Gosowong	**21**	37	(16)	(43%)
West Africa	**3**	2	1	50%
Hidden Valley	**3**	7	(4)	(57%)
Other	**1**	5	(4)	(80%)
Total sustaining capital	**103**	135	(32)	(24%)

Sustaining capital expenditure of A$103 million was 24% lower than the corresponding period, reflecting Newcrest's focus on cash retention and capital discipline and completion of projects in progress in the corresponding period.

At Lihir the reduction was primarily the result of completion of major reliability projects which commenced in prior periods. Lower sustaining capital spend at Gosowong was due to completion of the lift of the tailings storage facility and installation of the refrigeration plant at the Toguraci mine in the corresponding period.

Increased spend at Cadia was a result of investment in high-return productivity improvement projects, including increasing underground loader capacity and improving the gold room and gravity circuit operations.

3.2.4. Major projects (non-sustaining) capital

	For the six months ended 31 December			
A$ millions	2014	2013	Change	Change %
Cadia	**108**	141	(33)	(23%)
Lihir	**-**	6	(6)	(100%)
Gosowong	**-**	1	(1)	(100%)
West Africa	**5**	-	5	
Wafi-Golpu	**12**	14	(2)	(14%)
Other	**1**	2	(1)	(50%)
Total major projects (non-sustaining capital)	**126**	164	(38)	(23%)

Major project, or non-sustaining, capital expenditure of A$126 million was 23% lower than the corresponding period and primarily as a result of commencement of commercial production at Cadia East reducing development spend. Current period expenditure primarily related to:

- Development of Cadia East Panel Cave 2 continued with the ongoing expansion of the undercut and extraction levels on or ahead of plan. Mining for PC2 East Crusher and infrastructure is complete and civil construction is underway. Structural, mechanical and electrical works have all commenced and are on plan. A fluorine removal plant, incorporating a Jameson Cell, was successfully constructed and commissioned within the quarter;
- Updating the pre-feasibility study for the Wafi-Golpu project, which identified an improved business case for the project resulting in approval to progress stage one to feasibility as announced in December 2014; and
- Commencement of development of infrastructure to enable mining of oxide material at the Hiré open pits, near Bonikro, in West Africa.

3.2.5. Exploration

Exploration expenditure of A$19 million was A$17 million lower than the corresponding period. Exploration activity in the current period focused on Gosowong, Telfer and Cadia.

	For the six months ended 31 December			
A$ millions	2014	2013	Change	Change %
Expenditure by nature				
Greenfields	**5**	8	(3)	(38%)
Brownfields	**11**	14	(3)	(21%)
Resource definition	**3**	14	(11)	(79%)
	19	36	(17)	(47%)
Expenditure by region				
Australia	**8**	9	(1)	(11%)
Indonesia	**6**	10	(4)	(40%)
Papua New Guinea	**1**	11	(10)	(91%)
West Africa	**2**	3	(1)	(33%)
Fiji	**2**	3	(1)	(33%)
	19	36	(17)	(47%)

Exploration at Gosowong was focused on new discoveries and extending the present mine life.

At Telfer, drilling targeted resource definition in the Telfer underground and near surface anomalies in the surrounding district.

At Cadia, expenditure related to analysis and interpretation work of the Cadia East orebody and drilling programs in nearby tenements.

In the West Africa mine district, exploration drilling was completed at Hiré and regional expenditure focused on target generation.

In Fiji, the Namosi Joint Venture focussed on assessing the potential for resource expansion and Wailevu West commenced with site establishment and community engagement activities.

In Papua New Guinea the Morobe Exploration Joint Venture focused on target generation.

3.3 Cash flow from financing activities

Cash flow from financing activities for the six months ended 31 December 2014 was an outflow of A$281 million, compared with a cash inflow in the corresponding period of A$280 million.

	For the six months ended 31 December			
A$ million	2014	2013	Change	Change %
Cash flow from financing activities				
Proceeds from borrowing:	**335**	1,197	(862)	(72%)
- US dollar bilateral loan facilities	***335***	*1,197*	*(862)*	*(72%)*
Repayment of borrowings:	**(592)**	(910)	318	35%
Net payment of finance lease principal	**-**	(1)	1	100%
Payment for treasury shares	**-**	(6)	6	100%
Dividend Paid – to non-controlling interests	**(24)**	-	(24)	
Net cash from financing activities	**(281)**	280	(561)	

Key financing activities during the current period were:

- A net repayment of A$257 million (US$220 million) on US dollar bilateral bank loan facilities. Utilised bank facilities at 31 December 2014 were US$1,410 million (A$1,719 million) compared with US$1,940 million (A$2,168 million) at 31 December 2013 and US$1,630 million (A$1,730 million) at 30 June 2014; and
- Dividend payments of A$24 million to PT Antam (which holds a 25% non-controlling interest in PT Nusa Halmahera Minerals, the entity that owns the Gosowong asset).

4 Review of Operations

Summarised operating results

		For the six months ended 31 December 2014						
Measure		Cadia	Telfer	Lihir	Gosowong	Hidden Valley[12]	West Africa	Group
Operating								
Total material mined	*tonnes' 000*	11,437	16,074	4,651	387	4,427	4,151	**41,127**
Total material milled	*tonnes '000*	11,242	10,888	5,104	358	904	971	**29,467**
Gold head grade	*grams/tonne*	1.10	0.95	2.35	12.06	1.87	1.62	**1.43**
Gold recovery	*%*	80.3	81.2	81.7	96.2	88.0	95.5	**83.4**
Gold produced	*ounces*	317,887	274,966	314,629	134,140	48,832	48,387	**1,138,841**
Copper produced	*tonnes*	36,800	13,539	-	-	-	-	**50,339**
Silver produced	*ounces*	265,233	180,386	7,326	171,696	508,525	9,502	**1,142,668**
Gold sales	*ounces*	323,755	270,915	316,710	156,537	54,098	45,149	**1,167,164**
Copper sales	*tonnes*	37,619	13,706	-	-	-	-	**51,325**
Silver sales	*ounces*	273,261	180,386	7,326	208,254	536,481	5,498	**1,211,206**

		For the six months ended 31 December 2013						
Measure		Cadia	Telfer	Lihir	Gosowong	Hidden Valley[12]	West Africa	Group
Operating								
Total material mined	*tonnes' 000*	8,113	23,261	9,927	577	6,221	6,984	**55,083**
Total material milled	*tonnes '000*	11,424	11,228	5,194	406	1,009	981	**30,242**
Gold head grade	*grams/tonne*	1.03	0.91	2.76	11.83	1.76	1.41	**1.46**
Gold recovery	*%*	80.4	79.6	82.9	96.1	88.4	91.2	**83.4**
Gold produced	*ounces*	305,537	280,481	382,304	149,217	49,717	40,441	**1,207,697**
Copper produced	*tonnes*	30,398	11,837	-	-	-	-	**42,235**
Silver produced	*ounces*	252,166	144,939	13,373	203,136	525,706	9,021	**1,148,341**
Gold sales	*ounces*	297,877	263,523	398,568	153,280	48,813	42,446	**1,204,507**
Copper sales	*tonnes*	30,262	10,195	-	-	-	-	**40,457**
Silver sales	*ounces*	248,224	144,939	13,373	212,870	507,347	8,149	**1,134,902**

[12] Newcrest's 50% interest in Hidden Valley shown.

4.1 Cadia

Cadia		For the six months ended 31 December			
Measure		**2014**	**2013**	**Change**	**Change %**
Operating					
Total material mined	*tonnes' 000*	**11,437**	8,113	3,324	41%
Total material milled	*tonnes '000*	**11,242**	11,424	(182)	(2%)
Gold head grade	*grams/tonne*	**1.10**	1.03	0.07	7%
Gold recovery	*%*	**80.3**	80.4	(0.1)	0%
Gold produced	*ounces*	**317,887**	305,537	12,350	4%
Copper produced	*tonnes*	**36,800**	30,398	6,402	21%
Silver produced	*ounces*	**265,233**	252,166	13,067	5%
Gold sales	*ounces*	**323,755**	297,877	25,878	9%
Copper sales	*tonnes*	**37,619**	30,262	7,357	24%
Silver sales	*ounces*	**273,261**	248,224	25,037	10%
Financial					
Revenue	*A$ million*	**707**	643	64	10%
Depreciation	*A$ million*	**93**	90	3	3%
Cost of Sales	*A$ million*	**409**	392	17	4%
Operating EBIT	*A$ million*	**298**	251	47	19%
All-In Sustaining Cost	*A$ million*	**72**	87	(15)	(17%)
All-In Sustaining Cost	*A$/ounce sold*	**236**	302	(66)	(22%)

Cadia gold production and sales (including pre-commissioning and capitalised development volumes) increased by 12,350 ounces (4%) and 25,878 ounces (9%) respectively over the corresponding period.

The increased gold production was primarily the result of the continued ramp up in ore mined from Cadia East Panel Cave 1 and the commencement of commercial production from Panel Cave 2 on 1 October 2014. The cessation of processing lower grade, lower margin stockpiles in the corresponding period resulted in lower tonnes milled, notwithstanding increased ore feed from both Ridgeway and Cadia East. Higher average feed grades for both gold and copper was a result of this change in feed mix and increased grades at Cadia East, though Ridgeway grades declined as planned.

Revenue of A$707 million was 10% higher than the corresponding period, primarily driven by higher gold and copper sales volumes, consistent with higher production.

Cost of sales of A$409 million was 4% higher than the corresponding period, reflecting higher sales volumes compared with the corresponding period at a lower unit cost of sales. The lower unit costs resulted from increased ore production from Cadia East Panel Cave 1, cessation of processing low margin stockpiled ore, improvement and optimisation projects across all operational areas, and the increased average feed grade.

Depreciation expense of A$93 million was 3% higher than the corresponding period, primarily the result of the higher production from Cadia East Panel Cave 1 and the commencement of commercial production in Cadia East Panel Cave 2 on 1 October 2014.

All-In Sustaining Cost was A$236 per ounce (US$210 per ounce), 22% lower than the corresponding period.

The reduction was primarily due to the cessation of processing low grade stockpiled ore in the corresponding period, higher grades and lower cost of ore from Cadia East Panel Cave 1 in the current period, together with an increase in copper credits on a per ounce basis. This was partially offset by higher sustaining capital expenditure in the current period, primarily relating to improvement projects including increasing underground loader capacity and improving the gold room and gravity circuit operations.

4.2 Telfer

Telfer		For the six months ended 31 December			
Measure		**2014**	**2013**	**Change**	**Change %**
Operating					
Total material mined	*tonnes' 000*	**16,074**	23,261	(7,187)	(31%)
Total material milled	*tonnes '000*	**10,888**	11,228	(340)	(3%)
Gold head grade	*grams/tonne*	**0.95**	0.91	0.04	4%
Gold recovery	*%*	**81.2**	79.6	1.6	2%
Gold produced	*ounces*	**274,966**	280,481	(5,515)	(2%)
Copper produced	*tonnes*	**13,539**	11,837	1,702	14%
Silver produced	*ounces*	**180,386**	144,939	35,447	24%
Gold sales	*ounces*	**270,915**	263,523	7,392	3%
Copper sales	*tonnes*	**13,706**	10,195	3,511	34%
Silver sales	*ounces*	**180,386**	144,939	35,447	24%
Financial					
Revenue	*A$ million*	**489**	450	39	9%
Depreciation	*A$ million*	**29**	33	(4)	(12%)
Cost of Sales	*A$ million*	**346**	348	(2)	(1%)
Operating EBIT	*A$ million*	**143**	102	41	40%
All-In Sustaining Cost	*A$ million*	**235**	291	(56)	(19%)
All-In Sustaining Cost	*A$/ounce sold*	**867**	1,103	(236)	(21%)

Telfer gold production and sales were 5,515 ounces (2%) lower and 7,392 ounces (3%) higher respectively compared with the corresponding period.

Decreased gold production was primarily the result of a 3% reduction in total tonnes milled due to issues related to the concentrate filter which reduced milling throughput rates as well as recoveries earlier in the current period. Open pit grades were higher as a result of pit sequencing. Recoveries improved due to the higher feed grade and continuous improvement projects delivered in the current period, partially offset by the concentrate filter issue constraining plant throughput.

Copper production was 14% higher than the corresponding period, largely driven by improved recovery as a result of the abovementioned constrained plant throughputs which led to an increase in residence time in the flotation circuit. Copper feed grade also was higher.

Revenue of A$489 million was 9% higher than the corresponding period. Revenue from gold sales was 3% higher than the corresponding period due to the increase in sales volume. Revenue from copper sales was 34% higher than the corresponding period, mostly due to higher copper production in the current period and the timing of concentrate shipments in the corresponding period due to Cyclone Christine.

Cost of sales of A$346 million was 1% lower than the corresponding period, primarily due to cost reductions implemented in the current period and a lower depreciation charge, partially offset by higher sales volume. Depreciation expense of A$29 million was 12% lower than the corresponding period, mostly due to the impairment of Telfer assets at 30 June 2014.

All-In Sustaining Cost of A$867 per ounce (US$774 per ounce) was 21% lower than the corresponding period. The reduction was the result of lower sustaining capital expenditure (primarily reflecting the finalisation of Main Dome Stage 4 waste stripping), increased revenue from by-products, and lower unit adjusted operating costs.

4.3 Lihir

Lihir		For the six months ended 31 December			
Measure		**2014**	**2013**	**Change**	**Change %**
Operating					
Total material mined	*tonnes' 000*	**4,651**	9,927	(5,276)	(53%)
Total material milled	*tonnes '000*	**5,104**	5,194	(90)	(2%)
Gold head grade	*grams/tonne*	**2.35**	2.76	(0.41)	(15%)
Gold recovery	*%*	**81.7**	82.9	(1.2)	(1%)
Gold produced	*ounces*	**314,629**	382,304	(67,675)	(18%)
Silver produced	*ounces*	**7,326**	13,373	(6,047)	(45%)
Gold sales	*ounces*	**316,710**	398,568	(81,858)	(21%)
Silver sales	*ounces*	**7,326**	13,373	(6,047)	(45%)
Financial					
Revenue	*A$ million*	**444**	561	(117)	(21%)
Depreciation	*A$ million*	**81**	100	(19)	(19%)
Cost of Sales	*A$ million*	**465**	469	(4)	(1%)
Operating EBIT	*A$ million*	**(21)**	92	(113)	
All-In Sustaining Cost	*A$ million*	**443**	479	(36)	(8%)
All-In Sustaining Cost	*A$/ounce sold*	**1,400**	1,201	199	17%

Lihir gold production and sales decreased by 67,675 ounces (18%) and 81,858 ounces (21%) respectively, compared with the corresponding period.

Lower gold production was primarily driven by a 15% reduction in average feed grade due to planned reductions in ex-pit and stockpile feed grades. Mill throughput and gold recovery were both marginally lower than the corresponding period. Waste stripping of Minifie Phase 9 continues.

Revenue of A$444 million was 21% lower than the corresponding period, reflecting lower production and resulting in a 21% decrease in sales volume.

Cost of sales of A$465 million was 1% lower than the corresponding period. The reduction is primarily the result of lower sales volume and lower depreciation expense, partially offset by higher unit mining costs relating to the lower scale of operations, and higher energy costs. Movements in exchange rates had minimal impact on cost of sales.

Depreciation expense of A$81 million was A$19 million lower than the corresponding period, primarily the result of the A$2,801 million impairment and asset write-down at 30 June 2014, as well as the lower sales volume, partially offset by the impact of a weaker Australian dollar against the US dollar.

All-In Sustaining Cost of A$1,400 per ounce (US$1,250 per ounce) was 17% higher than the corresponding period. The increase was primarily driven by lower gold sales volume and higher operating costs, partially offset by a decrease in production stripping activity of Minifie Stage 9 and lower sustaining capital expenditure.

The lower sales volume and increased unit costs has resulted in an Operating EBIT loss of A$21 million for the current period. Reducing the cost base and debottlenecking the plant remain critical priorities. Cost improvement projects during the current period included the consolidation of contractors, renegotiation of supply terms, reduced oxygen plant usage and lower manning levels, and work continues in these areas and across the operation.

4.4 Gosowong

Gosowong		For the six months ended 31 December			
Measure		**2014**	**2013**	**Change**	**Change %**
Operating					
Total material mined	*tonnes' 000*	**387**	577	(190)	(33%)
Total material milled	*tonnes '000*	**358**	406	(48)	(12%)
Gold head grade	*grams/tonne*	**12.06**	11.83	0.23	2%
Gold recovery	*%*	**96.2**	96.1	0.1	0%
Gold produced	*ounces*	**134,140**	149,217	(15,077)	(10%)
Silver produced	*ounces*	**171,696**	203,136	(31,440)	(15%)
Gold sales	*ounces*	**156,537**	153,280	3,257	2%
Silver sales	*ounces*	**208,254**	212,870	(4,616)	(2%)
Financial					
Revenue	*A$ million*	**223**	221	2	1%
Depreciation	*A$ million*	**57**	48	9	19%
Cost of Sales	*A$ million*	**173**	164	9	5%
Operating EBIT	*A$ million*	**50**	57	(7)	(12%)
All-In Sustaining Cost	*A$ million*	**140**	152	(12)	(8%)
All-In Sustaining Cost	*A$/ounce sold*	**897**	990	(93)	(9%)

Gosowong gold production decreased by 15,077 ounces (10%) and sales increased by 3,257 ounces (2%) compared with the corresponding period.

The lower gold production was primarily the result of 12% lower tonnes milled due to the completion of open pit mining in the corresponding period, and a higher waste to ore ratio at Kencana, partially offset by higher production from Toguraci and by drawing on stockpiled ore sourced from the open pit.

The higher gold sales volume in the current period was due to a high level of finished goods inventory held at 30 June 2014 that were subsequently sold in the current period.

Revenue of A$223 million was 1% higher than the corresponding period, due to the 2% increase in gold sales volume.

Cost of sales of A$173 million was 5% higher than the corresponding period, mostly due to higher depreciation and higher sales volume partially offset by a lower unit cost of sales (excluding depreciation). The lower unit costs were driven by changes in mining activity related to higher production in Toguraci and completion of mining in the Gosowong pit and lower treatment costs. This reduction in unit costs matched the reduction in the realised gold price, maintaining the EBITDA margin.

Depreciation expense of A$57 million was 19% higher than the corresponding period, primarily driven by the weakening of the Australian dollar against the US dollar on conversion to AUD, combined with higher gold sales volumes.

All-In Sustaining Cost of A$897 per ounce (US$800 per ounce) was 9% lower than the corresponding period. This was primarily due to lower sustaining capital expenditure with the completion of the lift of the tailings storage facility and installation of the refrigeration plant at the Toguraci mine in the corresponding period.

4.5 Hidden Valley[13]

Hidden Valley		For the six months ended 31 December			
Measure		**2014**	**2013**	**Change**	**Change %**
Operating					
Total material mined	*tonnes' 000*	**4,427**	6,221	(1,794)	(29%)
Total material milled	*tonnes '000*	**904**	1,009	(105)	(10%)
Gold head grade	*grams/tonne*	**1.87**	1.76	0.11	6%
Gold recovery	*%*	**88.0**	88.4	(0.4)	0%
Gold produced	*ounces*	**48,832**	49,717	(885)	(2%)
Silver produced	*ounces*	**508,525**	525,706	(17,181)	(3%)
Gold sales	*ounces*	**54,098**	48,813	5,285	11%
Silver sales	*ounces*	**536,481**	507,347	29,134	6%
Financial					
Revenue	*A$ million*	**85**	82	3	4%
Depreciation	*A$ million*	**17**	16	1	6%
Cost of Sales	*A$ million*	**93**	91	2	2%
Operating EBIT	*A$ million*	**(8)**	(9)	1	11%
All-In Sustaining Cost	*A$ million*	**81**	79	2	3%
All-In Sustaining Cost	*A$/ounce sold*	**1,491**	1,627	(136)	(8%)

Hidden Valley gold production was 885 ounces (2%) lower and sales was 5,285 ounces (11%) higher than the corresponding period. Silver production was 17,181 ounces (3%) lower and sales was 29,134 ounces (6%) higher than the corresponding period.

Lower gold production was primarily the result of lower mill throughput partially offset by higher grade due to access to higher grade ore from Hidden Valley Stage 3. Lower silver production was the result of lower mill throughput and lower silver grade, partially offset by higher silver recoveries due to a full period of oxygen plant operation which was commissioned during the corresponding period.

Lower mill throughput primarily reflects a 17-day suspension of milling following a fatality which occurred in the processing plant on 6 December 2014. Clearing of the gold circuit during this time resulted in sales volume exceeding production volume for both gold and silver during the current period.

Revenue of A$85 million was 4% higher than the corresponding period. This was primarily due to the increase in gold and silver sales volumes.

Cost of sales of A$93 million was 2% higher than the corresponding period. The increase primarily reflects higher mobile fleet maintenance costs following a period of relatively low maintenance investment in the corresponding period. Additionally, cost of sales was adversely impacted by repairs to the overland conveyor ("OLC") which were completed during January 2015. Depreciation expense of A$17 million was A$1 million higher than the corresponding period. Access to Hidden Valley Stage 3 ore resulted in higher depreciation of the production stripping asset, partially offset by lower depreciation as a result of the impairment to the carrying value of Hidden Valley as at 30 June 2014.

The mill suspension and additional maintenance and OLC repair cost has resulted in a negative EBIT for the current period. Cost benefits from operational improvement initiatives, including rationalisation of contractor services and strategic sourcing projects, were outweighed by the impact of these items.

All-In Sustaining Cost of A$1,491 per ounce (US$1,331 per ounce) was 8% lower than the corresponding period, primarily reflecting lower sustaining capital expenditure.

[13] Newcrest's 50% interest in Hidden Valley shown.

4.6 West Africa

West Africa		For the six months ended 31 December			
Measure		**2014**	**2013**	**Change**	**Change %**
Operating					
Total material mined	*tonnes' 000*	**4,151**	6,984	(2,833)	(41%)
Total material milled	*tonnes '000*	**971**	981	(10)	(1%)
Gold head grade	*grams/tonne*	**1.62**	1.41	0.21	15%
Gold recovery	*%*	**95.5**	91.2	4.3	5%
Gold produced	*ounces*	**48,387**	40,441	7,946	20%
Silver produced	*ounces*	**9,502**	9,021	481	5%
Gold sales	*ounces*	**45,149**	42,446	2,703	6%
Silver sales	*ounces*	**5,498**	8,149	(2,651)	(33%)
Financial					
Revenue	*A$ million*	**63**	59	4	7%
Depreciation	*A$ million*	**14**	26	(12)	(46%)
Cost of Sales	*A$ million*	**61**	77	(16)	(21%)
Operating EBIT	*A$ million*	**2**	(18)	20	
All-In Sustaining Cost	*A$ million*	**51**	63	(12)	(19%)
All-In Sustaining Cost	*A$/ounce sold*	**1,132**	1,484	(352)	(24%)

West Africa gold production and sales was 7,946 ounces (20%) and 2,703 ounces (6%) higher than the corresponding period.

Increased production was primarily due to higher grade from the residual of Stage 2 of the open pit and higher recoveries compared with the corresponding period. The increase in sales was lower than production due to the timing of shipments.

Revenue of A$63 million was 7% higher than the corresponding period, primarily due to the 6% increase in gold sales volume.

Cost of sales of A$61 million was 21% lower than the corresponding period, resulting in lower unit costs and improved EBIT and EBIT margins. The reduction in cost of sales was primarily the result of a 46% reduction in depreciation and lower operating costs, partially offset by the production and sales volumes.

Depreciation expense of A$14 million was A$12 million lower than the corresponding period, primarily due to the A$198 million impairment at 30 June 2014.

All-In Sustaining Cost per ounce sold of A$1,132 per ounce (US$1,010 per ounce) was 24% lower than the corresponding period. Production stripping to remove waste from Stage 4 of the open pit was completed in June 2013 resulting in lower sustaining capital in the current period. Improvement was also the result of the increase in gold sales volume and lower operating unit costs.

5 Discussion and Analysis of the Balance Sheet

5.1 Net assets and total equity

Newcrest's net assets and total equity increased by A$666 million, or 9% during the year to A$8,373 million, primarily due to A$200 million profit in the current period and the retranslation of US dollar denominated net assets at the 31 December 2014 closing AUD:USD rate of $0.8202, compared to a 30 June 2014 closing AUD:USD rate of $0.9420.

As at	31 December	30 June		
A$ million	2014	2014	Change	Change %
Assets				
Cash & cash equivalent	**128**	141	(13)	(9%)
Receivables	**334**	169	165	98%
Inventories	**2,152**	1,958	194	10%
Other financial assets	**26**	24	2	8%
Current tax asset	**17**	65	(48)	(74%)
Property, plant & equipment	**5,034**	4,683	351	7%
Exploration, feasibility & development	**6,450**	5,879	571	10%
Other intangible assets	**86**	88	(2)	(2%)
Deferred tax assets	**212**	286	(74)	(26%)
Investments in associates	**166**	162	4	2%
Other assets	**163**	132	31	23%
Total assets	**14,768**	13,587	1,181	9%
Liabilities				
Payables	**(359)**	(319)	(40)	(13%)
Borrowings	**(4,419)**	(4,076)	(343)	(8%)
Other financial liabilities	**(80)**	(10)	(70)	(700%)
Provisions	**(614)**	(574)	(40)	(7%)
Tax liabilities	**(13)**	-	(13)	
Deferred tax liabilities	**(910)**	(901)	(9)	(1%)
Total liabilities	**(6,395)**	(5,880)	(515)	(9%)
Net assets	**8,373**	7,707	666	9%
Equity				
Equity - Newcrest interest	**(8,247)**	(7,581)	(666)	(9%)
Non-controlling interests	**(126)**	(126)	-	0%
Total equity	**(8,373)**	(7,707)	(666)	(9%)

5.2 Net debt and gearing

As at 31 December 2014, Newcrest had net debt, comprising total borrowings less cash, of A$4,291 million, A$356 million higher than the 30 June 2014 net debt position of A$3,935 million. The increase is primarily due to the retranslation of US dollar denominated debt resulting from a 31 December 2014 closing foreign exchange rate of $0.8202 compared to the 30 June 2014 closing foreign exchange rate of $0.9420 (13% lower). This was offset by A$257 million (US$220 million) of repayments on the bilateral loan facilities during the current period. Components of the movement in net debt are outlined in the table below.

A$ million	
Net debt at 30 Jun 2014	**3,935**
Net repayment of USD bilateral facility	(257)
Retranslation of USD denominated debt	597
Net decrease in cash balances	13
Other items	3
Net debt at 31 Dec 2014	**4,291**

The gearing ratio (net debt to net debt and equity) as at 31 December 2014 was 33.9% compared to 33.8% as at 30 June 2014. The application of cash flow generated in the current period to repay US$220 million of US$-denominated debt was largely offset by the retranslation impact of the deterioration of the AUD:USD exchange rate during the current period.

As at	31 December	30 June
A$ million	2014	2014
Total debt	**4,419**	4,076
Less cash and cash equivalents	**(128)**	(141)
Net debt	**4,291**	3,935
Equity	**8,373**	7,707
Net debt and equity	**12,664**	11,642
Gearing (net debt/net debt and equity)	**33.9%**	33.8%

5.3 Liquidity and debt facilities

Newcrest has a total amount under its bilateral loan facilities of US$3,150 million. Of the available amount, US$1,410 million was drawn as at 31 December 2014 which compares to US$1,940 million as at 31 December 2013. US$1,740 million remains undrawn as at 31 December 2014.

Subsequent to the reporting date, Newcrest extended the tenor of several of its existing bilateral loan facilities so that the first bilateral loan facility maturity now falls in September 2016 and the last maturity falls in January 2020. The extension provides a longer average maturity profile for Newcrest's bilateral loan facilities, with no material change to terms and conditions, no increase in the total level of debt facilities and no increase in interest cost.

Newcrest has issued outstanding USD Senior Unsecured Notes under Rule 144A and Regulations of the US Securities Act, comprising:

Notes Value	Due date	Coupon rate	Issue date
US$750 million	15 November 2021	4.45%	November 2011
US$250 million	15 November 2041	5.75%	November 2011
US$750 million	1 October 2022	4.20%	October 2012
US$250 million	15 November 2041	5.75%	October 2012

Newcrest also has US$230 million of long-term Senior Unsecured Notes issued into the United States Private Placement market, comprising:

Notes Value	Due date	Coupon rate	Issue date
US$105 million	11 May 2015	5.66%	May 2005
US$100 million	11 May 2017	5.71%	May 2005
US$25 million	11 May 2020	5.92%	May 2005

As at 31 December 2014, 61% of the facilities utilised were at fixed interest rates and 39% at floating rates. (30 June 2014: 58% fixed rates and 42% floating rates).

In January 2014, PT Nusa Halmahera Minerals entered into US$50 million loan facility with one bank. This is an unsecured revolving facility maturing in January 2015. As at 31 December 2014 this facility had not been utilised. Currently this facility is being renewed for a period of 12 months.

6 Non-IFRS Financial Information

Newcrest results are reported under International Financial Reporting Standards (IFRS). This report also includes certain non-IFRS financial information, including EBIT (earnings before interest and tax), EBITDA (earnings before interest, tax, depreciation and amortisation), Underlying profit (profit after tax before significant items attributable to owners of the parent company), All-In Sustaining Cost and All-In Cost (both determined in accordance with the World Gold Council Guidance Note on Non-GAAP Metrics released June 2013), Free cash flow (cash flow from operating activities less cash flow related to investing activities), Operating unit cost, Sustaining capital and Major projects.

These measures are used internally by management to assess the performance of the business and make decisions on the allocation of resources, and are included in this report to provide greater understanding of the underlying financial performance of the Company's operations. When reviewing business performance, this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS. The non-IFRS information has not been subject to audit or review by Newcrest's external auditor.

The non-IFRS measures do not have any standard definition under IFRS and may be calculated differently by other companies. The tables below reconcile these non-IFRS measures to the most appropriate IFRS measure, noting that:

- Sustaining and non-sustaining capital are reconciled to investing cash flow in section 3.2;
- Operating unit cost is calculated as operating cost (forming part of cost of sales per section 2.4) less depreciation divided gold sales ounces post capitalisation; and
- The reconciliation of free cash flow to the cash flow statement can be found in section 3.

Reconciliation of Statutory profit, Underlying profit, EBIT and EBITDA

Underlying profit, EBIT and EBITDA is reported by Newcrest to provide greater understanding of the underlying business performance of its operations. These measures exclude significant items of income or expense which are, either individually or in aggregate, material to Newcrest or to the relevant business segment and are either outside the ordinary course of business or are part of the ordinary activities of the business but unusual due to their size and nature. Examples include gains/losses and other costs incurred for acquisitions and disposals of mining interests and asset impairment and write-down charges. Underlying profit and Statutory profit both represent amounts attributable to Newcrest shareholders.

There were no differences between Statutory profit and Underlying profit in the current period.

The following table provides a reconciliation of Statutory profit to Underlying profit for the corresponding period:

	For the six months ended 31 December 2013			
A$ million	Before Tax	Tax	Non-controlling interest	After tax
Profit after tax attributable to Newcrest shareholders "Statutory profit"	**260**	**(216)**	**(4)**	**40**
Impairment loss on exploration assets in West Africa	56	(4)	(5)	47
Research and development tax claim amendment	-	120	-	120
Total of significant items	**56**	**116**	**(5)**	**167**
Underlying profit	**316**	**(100)**	**(9)**	**207**

The following table provides a reconciliation of Underlying profit to EBITDA:

	For the six months ended 31 December	
A$ million	2014	2013
Underlying profit	**200**	207
add non-controlling interest in controlled entities	**7**	9
add income tax expense	**127**	100
add net finance costs	**90**	88
EBIT	**424**	404
less depreciation and amortisation	**306**	327
EBITDA	**730**	731

Reconciliation of All-In Sustaining Cost and All-In Cost to cost of sales

"All-In Sustaining Cost" and "All-In Cost" are non-IFRS measure which Newcrest has adopted from 2013. These non-IFRS measure were developed in conjunction with other members of the World Gold Council and follows the guidance released by the World Gold Council on 27 June 2013. The "All-In Sustaining Cost" measure more fully defines the costs associated with producing gold from current operations.

	For the six months ended 31 December			
	2014		2013	
	$A million	A$ per oz sold	$A million	A$ per oz sold
Gold sales (koz)[14]	**1,149**		**1,196**	
Cost of sales	**1,547**	**1,346**	**1,541**	**1,289**
less Depreciation	(291)	(253)	(313)	(262)
plus By-product revenue	(404)	(351)	(335)	(280)
plus Corporate costs	30	26	44	37
plus Sustaining exploration	10	9	4	3
plus Capitalised stripping and underground mine development	50	43	122	102
plus Sustaining capital expenditure	103	90	135	113
plus other[15]	9	7	1	1
All-In Sustaining Costs	**1,054**	**917**	**1,199**	**1,003**
plus non-sustaining capital expenditure	126	110	164	137
plus non-sustaining exploration and other	9	8	32	27
All-In Cost	**1,189**	**1,035**	**1,395**	**1,167**

[14] Sales for the six months ended 31 December 2014 excludes 17,728 pre-commissioning and development gold ounces. For the six months ended 31 December 2013 sales includes 8,559 gold ounces related to the pre-commissioning and development of the Cadia East project. Expenditure associated with revenue from the sales are capitalised and not included.

[15] Other includes rehabilitation accretion and amortisation and other costs categorised as sustaining.

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CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31-Dec-14 $M	31-Dec-13 $M
Operating sales revenue	3(a)	2,011	2,016
Cost of sales	3(b)	(1,547)	(1,541)
Gross profit		**464**	**475**
Exploration expenses		(10)	(12)
Corporate administration expenses	3(c)	(45)	(58)
Other income/(expenses)	3(d)	9	(9)
Share of profit of associate		6	8
Impairment loss	4	-	(56)
Profit before interest and income tax		**424**	**348**
Finance costs	3(e)	(90)	(88)
Profit before income tax		**334**	**260**
Income tax expense	6	(127)	(216)
Profit after income tax		**207**	**44**
Profit after tax attributable to:			
Non-controlling interests		7	4
Owners of the parent		200	40
		207	**44**
Earnings per share (cents per share)			
Basic earnings per share		26.1	5.2
Diluted earnings per share		26.0	5.2

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31-Dec-14 $M	31-Dec-13 $M
Profit after income tax	**207**	**44**
Other comprehensive income		
Items that may be reclassified subsequently to the Income Statement		
Cashflow hedges		
Cashflow hedges deferred in equity	(58)	8
Income tax expense/(benefit)	17	(2)
	(41)	6
Investments		
Share of other comprehensive income of associate	-	2
	-	2
Foreign currency translation		
Foreign currency translation	520	216
	520	216
Other comprehensive income for the period, net of tax	**479**	**224**
Total comprehensive income for the period	**686**	**268**
Total comprehensive income attributable to:		
Non-controlling interests	24	9
Owners of the parent	662	259
	686	**268**

The above Statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31-Dec-14 $M	30-Jun-14 $M
Current assets			
Cash and cash equivalents		128	141
Trade and other receivables		334	169
Inventories		835	800
Other financial assets		14	14
Current tax asset		17	65
Other assets		60	78
Total current assets		**1,388**	**1,267**
Non-current assets			
Inventories		1,317	1,158
Other financial assets		12	10
Property, plant and equipment	7	5,034	4,683
Exploration, evaluation and development	8	6,450	5,879
Other intangible assets		86	88
Deferred tax assets		212	286
Investment in associate		166	162
Other assets		103	54
Total non-current assets		**13,380**	**12,320**
Total assets		**14,768**	**13,587**
Current liabilities			
Trade and other payables		359	319
Borrowings	9	402	112
Provisions		174	215
Current tax liability		13	-
Other financial liabilities		80	10
Total current liabilities		**1,028**	**656**
Non-current liabilities			
Borrowings	9	4,017	3,964
Provisions		440	359
Deferred tax liabilities		910	901
Total non-current liabilities		**5,367**	**5,224**
Total liabilities		**6,395**	**5,880**
Net assets		**8,373**	**7,707**
Equity			
Issued capital	10	13,593	13,593
Accumulated losses		(5,165)	(5,365)
Reserves		(181)	(647)
Equity attributable to owners of the parent		**8,247**	**7,581**
Non-controlling interests		126	126
Total equity		**8,373**	**7,707**

The above Statement should be read in conjunction with the accompanying notes.

	31-Dec-14 $M	31-Dec-13 $M
Cash flows from operating activities		
Receipts from customers	1,880	1,921
Payments to suppliers and employees	(1,229)	(1,515)
Interest paid	(81)	(78)
Income taxes paid	(6)	(102)
Dividends received	2	2
Net cash provided by operating activities	**566**	**228**
Cash flows from investing activities		
Payments for property, plant and equipment	(81)	(80)
Mine under construction, development and feasibility expenditure	(148)	(218)
Exploration and evaluation expenditure	(19)	(36)
Production stripping expenditure	(47)	(120)
Information systems development	-	(1)
Interest capitalised to development projects	(4)	(2)
Proceeds from sale of plant and equipment	1	-
Net cash used in investing activities	**(298)**	**(457)**
Cash flows from financing activities		
Proceeds from borrowings:		
• US dollar bilateral bank debt	335	1,197
Repayment of borrowings:		
• US dollar bilateral bank debt	(592)	(910)
Net repayment of finance lease principal	-	(1)
Payment for treasury shares	-	(6)
Dividends paid:		
• Non-controlling interests	(24)	-
Net cash (used in)/provided by financing activities	**(281)**	**280**
Net increase in cash and cash equivalents	**(13)**	**51**
Cash and cash equivalents at the beginning of the period	141	69
Effects of exchange rate changes on cash held	-	1
Cash and cash equivalents at the end of the period	**128**	**121**

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Attributable to Owners of the Parent							
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Accu-mulated Losses	Total	Non-controlling Interests	Total
	$M	$M	$M	$M	$M	$M	$M	$M
Balance at 1 July 2014	**13,593**	**(735)**	**17**	**71**	**(5,365)**	**7,581**	**126**	**7,707**
Profit for the period	-	-	-	-	200	200	7	207
Other comprehensive income for the period	-	503	(41)	-	-	462	17	479
Total comprehensive income for the period	**-**	**503**	**(41)**	**-**	**200**	**662**	**24**	**686**
Transactions with owners in their capacity as owners								
Share-based payments	-	-	-	4	-	4	-	4
Dividends paid	-	-	-	-	-	-	(24)	(24)
Balance at 31 December 2014	**13,593**	**(232)**	**(24)**	**75**	**(5,165)**	**8,247**	**126**	**8,373**

The above Statement should be read in conjunction with the accompanying notes.

	Attributable to Owners of the Parent								
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Fair Value Reserve	Accu-mulated Losses	Total	Non-controlling Interests	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Balance at 1 July 2013	**13,592**	**(657)**	**13**	**62**	**(3)**	**(3,144)**	**9,863**	**139**	**10,002**
Profit for the period	-	-	-	-	-	40	40	4	44
Other comprehensive income for the period	-	211	6	-	2	-	219	5	224
Total comprehensive income for the period	**-**	**211**	**6**	**-**	**2**	**40**	**259**	**9**	**268**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	4	-	-	4	-	4
Balance at 31 December 2013	**13,592**	**(446)**	**19**	**66**	**(1)**	**(3,104)**	**10,126**	**148**	**10,274**

The above Statement should be read in conjunction with the accompanying notes

1. Corporate Information

Newcrest Mining Limited is a for-profit company limited by shares, domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ('ASX') and the Port Moresby Stock Exchange ('PoMSOX'). The registered office of Newcrest Mining Limited is Level 9, 600 St Kilda Road, Melbourne, Victoria, 3004, Australia.

The nature of the operations and principal activities of Newcrest Mining Limited and its controlled entities ('the Group' or 'Consolidated Entity') are exploration, mine development, mine operations and the sale of gold and gold/copper concentrate.

The financial report of Newcrest Mining Limited for the half-year ended 31 December 2014 was authorised for issue in accordance with a resolution of the Directors on 13 February 2015.

2. Basis of Preparation and Accounting Policies

(a) Basis of Preparation

This interim condensed consolidated financial report for the half-year ended 31 December 2014 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This financial report also complies with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

The Half-Year Financial Report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The Half-Year Financial Report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014 and considered together with any public announcements made by Newcrest Mining Limited during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report has been presented in Australian dollars and all values are rounded to the nearest $1,000,000 unless otherwise stated.

(b) Significant Accounting Policies

The accounting policies, methods of computation and areas of critical accounting judgements, estimates and assumptions are the same as those adopted in the most recent annual financial statements for the year ended 30 June 2014, except as disclosed in Note 2(c).

(c) Changes in Accounting Policies

The Group has adopted the following new and revised accounting standards, amendments and interpretations as of 1 July 2014:

- AASB 132 – Financial Instruments Presentation
- AASB 136 – Impairment of Assets
- Interpretation 21 – Levies

The adoption of these new and revised standards did not have a material impact on the Group's financial statements.

3. Revenue and Expenses

	31-Dec-14 $M	31-Dec-13 $M
Specific items		
Profit before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
(a) Operating Sales Revenue		
Gold	1,607	1,681
Copper	380	309
Silver	24	26
Total operating sales revenue	**2,011**	**2,016**
Total revenue	**2,011**	**2,016**
(b) Cost of Sales		
Site production costs	1,067	1,034
Royalty	57	57
Concentrate treatment and realisation	100	82
Inventory movements	32	55
	1,256	1,228
Depreciation	291	313
Total cost of sales	**1,547**	**1,541**
(c) Corporate Administration Expenses		
Corporate costs	26	40
Corporate depreciation	15	14
Equity settled share-based payments	4	4
Total corporate administration expenses	**45**	**58**
(d) Other Income/(Expenses)		
Net foreign exchange gain	29	7
Net fair value (loss)/gain on gold and copper derivatives	(5)	9
Net loss on disposal/write-down of non-current assets	-	(19)
Legacy community contractual settlements and negotiation costs	(4)	(4)
Other	(11)	(2)
Total other income/(expenses)	**9**	**(9)**

3. Revenue and Expenses (continued)

		31-Dec-14 $M	31-Dec-13 $M
(e)	**Finance Costs**		
	Interest Costs:		
	Interest on loans	76	78
	Other:		
	Facility fees and other costs	12	7
	Discount unwind on provisions	6	5
		94	90
	Less: Capitalised borrowing costs	(4)	(2)
	Total finance costs	**90**	**88**

		31-Dec-14 $M	31-Dec-13 $M
(f)	**Depreciation and Amortisation**		
	Included in:		
	Cost of sales depreciation	291	313
	Corporate depreciation	15	14
	Total depreciation and amortisation expense	**306**	**327**

4. Significant Items

Period ended 31 December 2014

There are no significant items for the period ended 31 December 2014.

Period ended 31 December 2013	Gross $M	Tax $M	Net $M
Items by Nature			
Impairment loss [(1)]	56	(4)	52
Research and development claims [(2)]	-	120	120
	56	**116**	**172**

Attributable to:	
Non-controlling interest	5
Owners of the parent	167
	172

(1) The Group recognised an impairment in respect to exploration assets in West Africa as at 31 December 2013.

(2) As a result of a review of the Group's material Australian research and development claims, the Group voluntarily amended its research and development claims in respect to the 2009 to 2011 financial years. As a result of this voluntary amendment during the prior financial period, there was an increase to income tax expense of $120 million.

5. Segment Information

The Group's operating segments are based on the internal management reports that are reviewed and used by the Group's Executive Committee (the chief operating decision-makers) in assessing performance. The operating segments represent the Group's operating mines and projects which are organised and managed according to their location.

The Group's reportable operating segments are:

- Cadia Valley, Australia
- Telfer, Australia
- Gosowong, Indonesia
- Lihir, Papua New Guinea
- Hidden Valley JV (50% interest), Papua New Guinea
- West Africa (includes Bonikro operations and exploration and evaluation activities in Côte d'Ivoire)
- Exploration and Other

Exploration and Other mainly comprises projects in the exploration, evaluation and feasibility phase and includes Wafi-Golpu in PNG, Marsden and O'Callaghans in Australia and Namosi in Fiji.

(a) Segment Results, Segment Assets and Segment Liabilities

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes. The performance of each segment is measured based on their Revenues, Costs, EBITDA and EBIT (Segment Result).

Segment Revenues represent gold, copper and silver sales at unhedged prices.

EBITDA is earnings before interest, tax, depreciation, amortisation and significant items. EBIT is earnings before interest, tax and significant items. The reconciliation of EBIT to profit before tax is shown in Note 5(b).

Segment assets exclude intercompany receivables. Segment liabilities exclude intercompany payables.

5. Segment Information (continued)

	Cadia Valley $M	Telfer $M	Gosowong $M	Lihir $M	Hidden Valley $M	West Africa $M	Total Operations $M	Exploration & Other $M	Corporate[1] $M	Total Group $M
31-Dec-14										
External sales revenue	707	489	223	444	85	63	2,011	-	-	2,011
EBITDA	391	172	107	60	9	16	755	(10)	(15)	730
Depreciation and amortisation	(93)	(29)	(57)	(81)	(17)	(14)	(291)	-	(15)	(306)
EBIT (Segment result) [2]	**298**	**143**	**50**	**(21)**	**(8)**	**2**	**464**	**(10)**	**(30)**	**424**
31-Dec-13										
External sales revenue	643	450	221	561	82	59	2,016	-	-	2,016
EBITDA	341	135	105	192	7	8	788	(12)	(45)	731
Depreciation and amortisation	(90)	(33)	(48)	(100)	(16)	(26)	(313)	-	(14)	(327)
EBIT (Segment result) [2]	**251**	**102**	**57**	**92**	**(9)**	**(18)**	**475**	**(12)**	**(59)**	**404**
Capital Expenditure for the half-year ended:										
31 December 2014 [3]	174	38	21	66	15	10	324	32	5	361
31 December 2013 [3]	169	50	37	121	17	15	409	49	7	465

Notes:

(1) Includes investment in associate and eliminations.
(2) Refer to Note 5(b) for the reconciliation of segment result to profit before tax.
(3) Represents additions to property, plant and equipment, exploration, evaluation and development, and other intangible assets.

5. Segment Information (continued)

	Cadia Valley $M	Telfer $M	Gosowong $M	Lihir $M	Hidden Valley $M	West Africa $M	Total Operations $M	Exploration & Other $M	Corporate[1] $M	Total Group $M
31-Dec-14										
Segment assets	4,663	774	618	7,187	329	331	13,902	620	246	14,768
Segment liabilities	715	216	163	1,056	75	39	2,264	10	4,121	6,395
Carrying value	**3,948**	**558**	**455**	**6,131**	**254**	**292**	**11,638**	**610**	**(3,875)**	**8,373**
30-Jun-14										
Segment assets [2]	4,484	743	594	6,319	325	298	12,763	526	298	13,587
Segment liabilities	687	200	135	928	65	36	2,051	11	3,818	5,880
Carrying value	**3,797**	**543**	**459**	**5,391**	**260**	**262**	**10,712**	**515**	**(3,520)**	**7,707**

Notes:
(1) Includes investment in associates and eliminations.
(2) Segment assets are net of write-downs and impairments.

5. Segment Information (continued)

	Note	31-Dec-14 $M	31-Dec-13 $M
(b) Reconciliation of EBIT (Segment Result) to Profit Before Tax			
Segment Result		**424**	**404**
Finance costs		(90)	(88)
Significant items:			
Impairment loss	4	-	(56)
Profit Before Tax		**334**	**260**

6. Income Tax

	31-Dec-14 $M	31-Dec-13 $M
Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit before tax	**334**	**260**
Income tax expense calculated at 30% (2013: 30%)	100	78
Exploration allowance	-	(2)
Under provided in prior periods [(1)]	21	3
Other	6	4
	27	5
Adjustments on Significant items:		
Impairment loss	-	13
Research and development allowance voluntary amendment	-	120
	-	133
Income tax expense per the Income Statement	**127**	**216**

(1) This includes an adjustment of $23 million which finalises the review of Australian Research and Development claims made during the 2005 to 2011 period (as disclosed in Note 34 ‘Contingent Liabilities’ in the 30 June 2014 financial report). After use of carry forward losses, a net tax payment of $13 million was made in January 2015.

7. Property, Plant & Equipment

	6 months ended 31-Dec-14 $M	12 months ended 30-Jun-14 $M
Cost	10,078	9,291
Accumulated depreciation and impairment	(5,044)	(4,608)
	5,034	**4,683**
Opening balance	4,683	5,544
Expenditure during the period	81	205
Depreciation for the period	(165)	(388)
Disposals and write-down of assets	(1)	(83)
Foreign currency translation	406	(54)
Reclassifications/transfers (1)	30	343
Impairment losses	-	(884)
Closing balance	**5,034**	**4,683**

(1) Represents reclassification/transfer from Exploration, Evaluation and Development upon utilisation of the asset.

8. Capitalised Exploration, Evaluation & Development Expenditures

	6 months ended 31-Dec-14 $M	12 months ended 30-Jun-14 $M
Cost	12,509	11,548
Accumulated depreciation and impairment	(6,059)	(5,669)
	6,450	**5,879**
Opening balance	5,879	7,863
Expenditure during the period	280	720
Expenditure written-off during the period	(10)	(36)
Depreciation for the period	(141)	(339)
Disposals and write-down of assets	-	(100)
Foreign currency translation	477	(81)
Reclassifications/transfers (1)	(35)	(333)
Impairment losses	-	(1,815)
Closing balance	**6,450**	**5,879**

(1) Represents reclassifications/transfers to Property, Plant and Equipment or Other Intangible Assets upon utilisation of the asset.

9. Borrowings

		31-Dec-14 $M	30-Jun-14 $M
Current			
US dollar bilateral bank debt – unsecured [(1)]	(a)	274	-
US dollar private placement notes - unsecured	(c)	128	112
Total current borrowings		**402**	**112**
Non-Current			
US dollar bilateral bank debt – unsecured [(1)]	(a)	1,442	1,725
US dollar corporate bonds – unsecured [(1)]	(b)	2,423	2,107
US dollar private placement notes – unsecured	(c)	152	132
Total non-current borrowings		**4,017**	**3,964**

[(1)] Transaction costs incurred in the establishment of these facilities have been deducted from the face value of the facility.

(a) US dollar bilateral bank debt

The Group has bilateral bank debt facilities of US $3,150 million (30 June 2014: US $3,150 million) with 13 banks. These are committed unsecured revolving facilities, individually negotiated and documented with each bank but with similar terms and conditions.

These facilities are on normal terms and conditions and include certain financial covenants. Interest is based on LIBOR plus a margin which varies amongst the lenders. The facility maturity dates profiles are shown in the table below:

Facility Maturity	31-Dec-14 US $M	30-Jun-14 US $M	31-Dec-14 A $M	30-Jun-14 A $M
September 2015 [(1)]	225	225	274	239
September 2016	875	875	1,067	929
October 2016 [(1)]	125	125	152	133
January 2017	200	200	244	212
September 2017 [(1)]	725	725	884	769
September 2018	500	500	610	531
October 2018 [(1)]	125	125	152	133
March 2019	250	250	305	265
September 2019	125	125	152	133
	3,150	**3,150**	**3,840**	**3,344**

[(1)] Subsequent to the reporting date, on 7 January 2015, the Group extended the maturity dates of certain bilateral debt facilities that were due between September 2015 and October 2018 to September 2017 and January 2020 respectively.

(b) US dollar corporate bonds

In each of November 2011 and October 2012, Newcrest issued US $1,000 million in US dollar corporate bonds (notes). The notes were sold in accordance with Rule 144A and Regulation S of the Securities Act of the United States. The notes consist of:

Maturity	Coupon Rate	31-Dec-14 US $M	30-Jun-14 US $M	31-Dec-14 A $M	30-Jun-14 A $M
November 2021	4.45%	750	750	914	796
October 2022	4.20%	750	750	914	796
November 2041	5.75%	500	500	611	531
		2,000	**2,000**	**2,439**	**2,123**

9. Borrowings (continued)

(c) US dollar private placement notes

In May 2005, the Group issued US$350 million of long term senior unsecured notes into the North American private placement market. The tranches remaining are shown in the table below:

Maturity	Term	31-Dec-14 US $M	30-Jun-14 US $M	31-Dec-14 A $M	30-Jun-14 A $M
May 2015	Fixed 10 years	105	105	128	112
May 2017	Fixed 12 years	100	100	122	106
May 2020	Fixed 15 years	25	25	30	26
		230	**230**	**280**	**244**

These notes are on normal terms and conditions and include certain financial covenants. Interest on the notes is payable semi-annually at an average of 5.7% (30 June 2014: 5.7%). These notes were fully drawn as at 31 December 2014.

(d) US dollar facility agreement

During the year ended 30 June 2014, PT Nusa Halmahera Minerals entered into a US $50 million loan facility with one bank. This is an unsecured revolving facility maturing in January 2015. The facility is on normal terms and conditions and includes certain financial covenants. Interest is based on LIBOR plus a margin.

As at 31 December 2014 this facility had not been utilised.

(e) Financial arrangements

The Group has access to the following unsecured financing arrangements at the reporting date.

	31-Dec-14 US $M	30-Jun-14 US $M	31-Dec-14 A $M	30-Jun-14 A $M
Facilities utilised at reporting date [(1)]				
USD Bilateral bank debt facilities	1,410	1,630	1,719	1,730
USD Corporate bonds	2,000	2,000	2,439	2,123
USD Private placement notes	230	230	280	244
	3,640	**3,860**	**4,438**	**4,097**
Facilities unutilised				
USD Bilateral bank debt facilities	1,740	1,520	2,121	1,614
USD Facility agreement	50	50	61	53
	1,790	**1,570**	**2,182**	**1,667**
Total facilities				
USD Bilateral bank debt facilities	3,150	3,150	3,840	3,344
USD Corporate bonds	2,000	2,000	2,439	2,123
USD Private placement notes	230	230	280	244
USD Facility agreement	50	50	61	53
	5,430	**5,430**	**6,620**	**5,764**

(1) As at 31 December 2014, 61% of the facilities utilised were at fixed interest rates and 39% at floating rates. (30 June 2014: 58% fixed rates and 42% floating rates).

10. Issued Capital

	31-Dec-14 $M	30-Jun-14 $M
(a) Movements in Issued Capital		
Opening balance	13,593	13,592
Shares issued during the year:		
• Share plans [(1)]	-	1
Total issued capital	**13,593**	**13,593**

	Number of Ordinary Shares Half-year ended 31-Dec-14	Year ended 30-Jun-14
(b) Number of Issued Ordinary Shares		
Comprises:		
• Shares held by the public	766,394,353	766,165,794
• Treasury shares	116,618	345,177
Total issued capital	**766,510,971**	**766,510,971**
Movement in Issued Ordinary Shares		
Opening number of shares	766,165,794	765,607,049
Shares issued under:		
• Share plans [(1)]	228,559	558,745
Closing number of shares	**766,394,353**	**766,165,794**
Movement in Treasury Shares		
Opening number of shares	345,177	903,922
• Issues pursuant to share plans	(228,559)	(558,745)
Closing number of shares	**116,618**	**345,177**

(1) Represents rights exercised under the Company's share-based payments plans and executive service agreements.

11. Contingent Liabilities

a) Hidden Valley

Legal proceedings were commenced in December 2010 against the Hidden Valley mine unincorporated joint venture (in which Newcrest holds a 50% interest) in Papua New Guinea over alleged damage to the Watut River (which runs adjacent to the Hidden Valley gold mine) alleged to have been caused by waste rock and overburden run-off from the mine. The damages sought by the plaintiffs are not specified. The defendants intend to defend the claims. No active steps have been taken by the plaintiffs in this proceeding since late 2012. It is not practicable to make any reasonable assessment of the prospects of the plaintiffs succeeding if they proceed with these claims, nor the potential liability of the defendants if the plaintiffs were to succeed. Accordingly, no provision has been recognised in the financial statements for this matter.

b) Cadia Valley

A private exploration company, Gold & Copper Resources Pty Ltd ('GCR'), has brought seven separate legal actions and two appeals against Newcrest, each relating directly or indirectly to Newcrest's exploration and mining interests and activities in the Cadia Valley. The NSW Minister responsible for mining (the 'Minister') is also a defendant in five of the proceedings.

In September 2014, Newcrest sought to dismiss the most recent seventh legal action, brought by GCR in the NSW Land and Environment Court ('LEC'), seeking to challenge the renewal in January 2014 of Newcrest's exploration licence 3856. The Court dismissed GCR's grounds of claim but ordered the Minister to provide reasons for the renewal of EL3856. The Minister is appealing the decision which is to be heard in March 2015.

Of the seven legal actions commenced by GCR, four have been determined by the Court with no material impact on Newcrest, judgment is pending in one legal action and a further related legal action has been suspended until judgment in the related legal action is handed down. One of the determined proceedings also remains the subject of appeal by GCR, to be heard in February 2015. Newcrest will continue to vigorously defend each of the undetermined proceedings. No provision has been recognised in the financial statements for the undetermined GCR legal claims.

c) Newcrest Mining Limited

On 21 July 2014, Slater & Gordon Lawyers commenced a shareholder class action in the Federal Court of Australia against Newcrest in relation to Newcrest's market disclosure prior to its 7 June 2013 market release. The proceeding is brought on behalf of persons who acquired Newcrest shares between 13 August 2012 and 6 June 2013. Newcrest has announced that it intends to vigorously defend the proceeding.

The Court documents do not quantify the damages that the claimants will seek in the proceeding for all or any part of the claim period. Newcrest does not consider that there is a reasonable basis on which to assess or estimate any potential liability, and, therefore, no provision has been recognised in the financial statements.

11. Contingent Liabilities (continued)

d) *Income Tax Matters – Indonesia*

During the current period the Indonesian Tax Office ('ITO') completed tax audits of PT Nusa Halmahera Minerals ('PT NHM') for the 30 June 2011 and 30 June 2013 financial years. PT NHM is 75% owned by Newcrest. The principal issue raised was the income tax rate applicable under the Gosowong Contract of Work ('COW').

The assessment issued by the ITO to PT NHM applied a higher tax rate in accordance with the ITO interpretation. This resulted in an additional tax assessment of US$ 30 million in relation to 30 June 2011 and US$ 8 million in relation to 30 June 2013. PT NHM disagrees with these assessments but paid the tax payable under the assessment to mitigate future penalties. PT NHM has objected to these assessments and is seeking recovery of this US$ 38 million payment.

The ITO is also conducting tax audits of the 30 June 2012 and 30 June 2014 financial years. PT NHM has applied its interpretation of the income tax rate applicable under the COW. If, following the audit, the ITO issues an assessment maintaining its alternative interpretation of the applicable tax rate, the additional tax assessed is estimated to be approximately US$ 33 million (inclusive of interest) for 30 June 2012 and US$ 7 million in relation to 30 June 2014 on a 100% basis.

The Group considers that PT NHM has made adequate provision for its taxation liabilities and is taking appropriate steps to address issues raised by the ITO. If PT NHM is ultimately unsuccessful in obtaining recovery of the paid amounts ($US 46 million to date), income tax expense would be adversely impacted by any shortfall in recovery of the tax paid together with the remeasurement of deferred tax liabilities.

e) *Other Matters*

In addition to the above matters, companies in the Group are recipients of, or defendants in, certain claims, proceedings and/or complaints made, commenced or threatened. In the opinion of the Directors, all such matters are of such a kind, or involve such amounts, that they are not anticipated to have a material effect on the financial position of the Group if disposed of unfavourably, or are at a stage which does not support a reasonable evaluation of the likely outcome of the matter.

f) *Bank Guarantees*

The Group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is $180 million (30 June 2014: $183 million).

12. Capital Management

Newcrest's objectives when managing capital are to maintain a strong capital base capable of withstanding significant cash flow variability. Newcrest aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns. Newcrest has a Capital Management Plan which is reviewed, updated and approved by the Board on an annual basis.

The capital structure of Newcrest consists of debt, which includes borrowings as disclosed in Note 9, cash, cash equivalents and equity.

Newcrest balances its overall capital structure through the issue of new shares, share buy-backs, capital returns, the payment of dividends as well as the issue of new debt or redemption of existing debt.

The Group is not subject to any externally imposed capital requirements.

Gearing Ratio
Newcrest seeks to maintain a debt level at an acceptable level so as to be able to withstand extreme price volatility and be able to complete approved major capital projects through such price volatility.

The gearing ratio has increased by 0.1% to 33.9% as at 31 December 2014. The benefit to the gearing ratio of applying cashflow generated in the current period to repay US $220 million of debt was offset by the impact of the depreciation of the AUD:USD exchange rate during the current period on the re-translation to Australian dollars of Newcrest's US dollar denominated debt.

Under current market and operating conditions, the Board remains comfortable with gearing at this level in the short to medium term given the near term cash flow growth outlook for the Group.

The gearing ratio at the reporting date was as follows:

	31-Dec-14 $M	30-Jun-14 $M
Total debt	4,419	4,076
Less: Cash and cash equivalents	(128)	(141)
Net debt	4,291	3,935
Equity	8,373	7,707
Total capital (Net debt and equity)	**12,664**	**11,642**
Gearing ratio	**33.9%**	**33.8%**

13. Financial Instruments

(a) Financial Assets and Financial Liabilities

The following table discloses the carrying amounts of each class of financial assets and financial liabilities at balance date.

Category	31-Dec-14 $M	30-Jun-14 $M
Financial Assets		
Cash and cash equivalents (1)	128	141
Loans and receivables (1)	334	169
Derivatives at fair value through profit or loss (2)	26	20
Derivatives in designated hedge accounting relationship (2)	-	4
	488	**334**
Financial Liabilities		
Trade and other payables (1)	359	319
Borrowings (1)	4,419	4,076
Derivatives at fair value through profit or loss (2)	23	10
Derivatives in designated hedge accounting relationship (2)	57	-
	4,858	**4,405**

(1) Recognised at amortised cost.
(2) Recognised at fair value.

(b) Fair Value of Financial Instruments carried at Amortised Cost

Except as detailed in the following table, the carrying amounts of financial assets and financial liabilities which are recognised at amortised cost in the financial statements, approximates fair value.

Financial Assets/(Liabilities)	Carrying amount 31-Dec-14 $M	Carrying amount 30-Jun-14 $M	Fair value 31-Dec-14 $M	Fair value 30-Jun-14 $M
Borrowings:				
Fixed rate debt: (1)				
- Private placement	(280)	(244)	(286)	(254)
- Corporate bonds	(2,423)	(2,107)	(2,181)	(1,970)
	(2,703)	**(2,351)**	**(2,467)**	**(2,224)**

(1) Amount recorded at amortised cost. The movements in the fair valuation are not recorded on the Statement of Financial Position.

13. Financial Instruments (continued)

(c) Fair Value Measurements recognised in the Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Valuation inputs include forward curves, discount curves and underlying spot and futures prices.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial Assets/(Liabilities)	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
31-Dec-14				
Financial Assets				
Copper forward sales contracts	-	14	-	14
Other financial assets	-	-	12	12
Financial Liabilities				
Quotational period derivatives	-	(23)	-	(23)
Diesel/fuel forward contracts	-	(57)	-	(57)
	-	**(66)**	**12**	**(54)**
30-Jun-14				
Financial Assets				
Quotational period derivatives	-	10	-	10
Diesel/fuel forward contracts	-	4	-	4
Other financial assets	-	-	10	10
Financial Liabilities				
Copper forward sales contracts	-	(7)	-	(7)
Gold forward sales contracts	-	(3)	-	(3)
	-	**4**	**10**	**14**

14. Impairment of Goodwill and Non-Current Assets

In accordance with the Group's accounting policies and processes, the Group evaluated each CGU at 31 December 2014, to determine whether there were any indications of impairment or impairment reversal. Where an indicator of impairment or impairment reversal exists, a formal estimate of the recoverable amount is performed.

After consideration of the potential indicators which could impact the valuation of the CGUs at 31 December 2014, the Group concluded there were no indicators of impairment or impairment reversal for any CGU's at 31 December 2014.

The Group reviewed a number of factors when considering the indicators of impairment or impairment reversal, including:

(i) Commodity price, exchange rate, discount rate and gold multiple assumptions

No change has been made to the Group's short or long term assumptions for these factors from those used at 30 June 2014, as summarised in the table below:

	30-Jun-14	
Assumptions	**2015 – 2020**	**Long term (2021+)**
Gold (US$ per ounce)	$1,300	$1,300
Copper (US$ per pound)	$3.00	$3.00
AUD:USD exchange rate	$0.93 declining to $0.85	$0.85
Discount rate (%)	USD Assets 5.25 to 5.75% AUD Assets 5.5%	
Gold multiple (times)	1.0	

Gold and copper prices, oil prices and the AUD:USD exchange rate have been particularly volatile towards and subsequent to 31 December 2014. The Group considers the above assumptions remain reasonable in a period of such volatility, though any sustained change in market prices and rates that is materially different from the above assumptions could result in a different set of valuation assumptions applied to future valuations.

(ii) Reserves and resources

At 31 December 2014, the Group updated its Ore Reserve and Mineral Resources estimates, resulting in a net decrease in gold reserves of approximately 5% and gold resources of approximately 5% compared to the estimates as at 31 December 2013. In addition to depletion, the updated estimates include reserve reductions at Telfer and West Africa. Based on sensitivity analysis conducted on the impact of the reserve reductions, it has been concluded that they do not represent an indicator of impairment as at 31 December 2014.

(iii) Production activity and operating and capital costs

CGUs have been reviewed for changes to long term life of mine plan assumptions, relating to operating costs, capital costs and production activity. The Group has conducted sensitivity analysis on these changes and concluded that they do not represent an indicator of impairment or an indicator of impairment reversal.

CGUs current period operating and cost performances have been compared to plan, to assess the appropriateness of key assumptions. Drivers of the variations to plan will be considered in the mine planning process to be completed in the second half of the financial year. In the case of Hidden Valley, a current period underperformance compared to plan was attributable to circumstances that the Group believe are isolated and should not materially impact the long term asset valuation.

14. Impairment of Goodwill and Non-Current Assets (continued)

It should be noted that significant judgements and assumptions are required in making estimates of an asset's recoverable amount. This is particularly so in the assessment of long life assets. The projected cash flows used in recoverable amount valuations are subject to variability in key assumptions including, but not limited to, the forward profile and long-term level of gold, copper and metal prices; currency exchange rates; discount rates; gold multiples; production profiles; and operating and capital costs. A change in one or more of the assumptions used in these estimates could result in a change in an asset's recoverable amount.

15. Events Subsequent to Reporting Date

There are no other matters or circumstances, other than those disclosed within the financial statements, which have arisen since 31 December 2014 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

In accordance with a resolution of the Directors of Newcrest Mining Limited, we state that:

In the Directors' opinion:

(a) The half-year financial statements and notes are in accordance with the Corporations Act 2001, including:

   (i) Giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2014 and of its performance for the half-year ended on that date; and

   (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Peter Hay

Peter Hay
Chairman

Sandeep Biswas
Managing Director and
Chief Executive Officer

13 February 2015
Melbourne

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To the members of Newcrest Mining Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Newcrest Mining Limited, which comprises the statement of financial position as at 31 December 2014, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Newcrest Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Newcrest Mining Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Tim Wallace
Partner

Michael Collins
Partner

Melbourne
13 February 2015