ASX Appendix 4D & Financial Report

For the half year ended 31 December 2017

NEWCREST
MINING LIMITED

ASX Appendix 4D and Financial Report

Newcrest Mining Limited and Controlled Entities

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Newcrest Mining Limited
ASX Code: NCM

Reporting period: **Half Year ended 31 December 2017**
Corresponding period: Half Year ended 31 December 2016

	6 months 31 Dec 17 US$ millions	6 months 31 Dec 16 US$ millions	Percentage increase/ (decrease)
Sales Revenue	1,717	1,807	(5%)
Net profit attributable to members of the parent entity ('Statutory Profit')	98	187	(48%)

	6 months ended 31 Dec 17	
Dividend Information	Amount per share US cents	Amount franked per share US cents
Interim dividend	7.5	7.5

Record date for determining entitlement to interim dividend	22 March 2018
Date interim dividend payable	2 May 2018

The Directors have determined to pay an interim dividend for the half year ended 31 December 2017 of US 7.5 cents per share, which will be fully franked.

The Dividend Reinvestment Plan ('DRP') remains in place and will be offered to shareholders at a price determined by the volume weighted average price of shares traded on the ASX over the period 26 March to 3 April 2018. No discount applies to the DRP. Shareholders have until 5pm AEST on 23 March 2018 to change their DRP election for the interim dividend.

Net Tangible Assets	31 Dec 17 US$	31 Dec 16 US$
Net tangible assets per share	9.87	9.46

Review of Results

Please refer to the Management Discussion and Analysis on page 5 for the review of the results. This Half Year Financial Report should be read in conjunction with the most recent annual financial report.

Business Divestments

In December 2017, Newcrest signed an agreement to sell its interest in the Bonikro operation. Refer to Note 14 to the Financial Statements for further details.

Review Report

This Half Year 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 Newcrest Mining Limited ('the Company') and its controlled entities ('Newcrest' or 'the Group'), for the half year ended 31 December 2017.

Directors

The Directors of Newcrest Mining Limited during the half year ended 31 December 2017 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 unless otherwise stated.

Peter Hay	Non-Executive Director and Non-Executive Chairman
Sandeep Biswas	Managing Director and Chief Executive Officer
Gerard Bond	Finance Director and Chief Financial Officer
Philip Aiken AM	Non-Executive Director
Roger Higgins	Non-Executive Director
Winifred Kamit	Non-Executive Director (resigned on 14 November 2017)
Rick Lee AM	Non-Executive Director
Xiaoling Liu	Non-Executive Director
Vickki McFadden	Non-Executive Director
John Spark	Non-Executive Director (resigned on 14 November 2017)

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 2017 was US$98 million (31 December 2016: US$187 million).

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. The financial information in the Management Discussion and Analysis includes non-IFRS financial information. Explanations and reconciliations of non-IFRS financial information to the financial statements are included in Section 6 of the Management Discussion and Analysis.

Dividends

During the half year, the Company paid a final dividend for the year ended 30 June 2017 of US 7.5 cents per share, which was 70% franked. The dividend was paid on 27 October 2017. The total amount of the dividend was US$58 million.

Subsequent to the reporting date, the Directors have determined to pay an interim dividend for the half year ended 31 December 2017 of US 7.5 cents per share, which will be fully franked. The dividend will be paid on 2 May 2018. The total amount of the dividend is US$58 million. This dividend has not been provided for in the 31 December 2017 financial statements.

Rounding of Amounts

Newcrest Mining Limited is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the Directors' Report and the Financial Report are rounded to the nearest million dollars except where otherwise indicated.

Auditor's 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

15 February 2018
Melbourne

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

As lead auditor for the review of Newcrest Mining Limited for the half year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review*;* and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Newcrest Mining Limited and the entities it controlled during the financial period.

Ernst & Young

Trent van Veen
Partner
15 February 2018

To assist readers to better understand the financial performance of the underlying operating assets 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 6.

All financial data presented in this Management Discussion and Analysis is quoted in US$ unless otherwise stated.

1. SUMMARY OF RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017[1]

Key points

- Statutory profit[2] of $98 million and Underlying profit[3] of $116 million
- All-In Sustaining Cost[3] of $860 per ounce
- EBITDA margin[3] of 36.3%
- All-In Sustaining Cost margin of $435 per ounce
- Free cash flow[3] of $134 million
- Gold production of 1.14 million ounces
- Copper production of 39.0 thousand tonnes
- Net debt of $1.4 billion reduced by $63 million (or 4%) since 30 June 2017
- Net debt to EBITDA of 1.2 times
- Interim dividend of US 7.5 cents per share, fully franked

			For the 6 months ended 31 December			
			2017	2016	Change	Change %
Revenue		US$m	1,717	1,807	(90)	(5%)
Statutory profit	2	US$m	98	187	(89)	(48%)
Underlying profit	3	US$m	116	273	(157)	(58%)
EBITDA	3	US$m	624	783	(159)	(20%)
EBIT	3	US$m	230	463	(233)	(50%)
Cash flow from operating activities		US$m	453	601	(148)	(25%)
Free cash flow	3	US$m	134	258	(124)	(48%)
EBITDA margin	3	%	36.3	43.3	(7.0)	(16%)
EBIT margin	3	%	13.4	25.6	(12.2)	(48%)
Group production - gold		oz	1,135,613	1,230,213	(94,600)	(8%)
- copper		t	39,002	48,899	(9,897)	(20%)
All-In Sustaining Cost	3	US$/oz	860	770	90	12%
All-In Sustaining Cost Margin	3	US$/oz	435	507	(72)	(14%)
Realised gold price		US$/oz	1,295	1,277	18	1%
Realised copper price		US$/lb	3.01	2.30	0.71	31%
Average exchange rate		AUD:USD	0.7790	0.7543	0.0247	3%
Average exchange rate		PGK:USD	0.3131	0.3155	(0.0024)	(1%)
Closing exchange rate		AUD:USD	0.7800	0.7236	0.0564	8%

			As at 31 December 2017	As at 30 June 2017	Change	Change %
Total equity		US$m	7,610	7,534	76	1%
Net debt		US$m	1,436	1,499	(63)	(4%)
Net debt to EBITDA	3	times	1.2	1.1	0.1	9%
Gearing		%	15.9	16.6	(0.7)	(4%)
Cash and cash equivalents	4	US$m	556	492	64	13%

Half year results

Newcrest's operating and financial performance for the current period was adversely impacted by the large seismic event in April 2017 that resulted in the temporary suspension of mining operations at Cadia. As previously announced to the market, ore extraction and production from Panel Cave 2 (PC2) and Panel Cave 1 (PC1) recommenced in July 2017 and September 2017 respectively. As a result of this event the current period was significantly impacted by underground remediation work and the subsequent progressive production ramp up at Cadia, which proceeded according to plan.

Statutory profit of $98 million was $89 million lower than the prior period. The current period Statutory profit includes significant items (after tax and non-controlling interests) with a net expense of $18 million. The current period significant items comprise a write-down of non-current assets at Bonikro totalling $12 million following the divestment announcement made in December 2017 and $6 million attributable to the write-down of a tax asset at Gosowong following an adverse verdict in the Indonesian Tax Court with respect to a FY13 tax rate dispute. Both of these write-downs are non-cash items.

Underlying profit in the current period of $116 million was $157 million lower than the prior period, primarily driven by lower gold and copper sales volumes related to the effects of the Cadia seismic event, higher depreciation expense and the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar. This was partially offset by higher realised gold and copper prices and lower income tax expense.

The average realised gold price in the current period of $1,295 per ounce was 1% higher than the prior period, with the average realised copper price of $3.01 per pound being 31% higher than the prior period.

Gold production of 1.14 million ounces was 8% lower than the prior period. Gold production volumes were negatively impacted by the temporary suspension and subsequent progressive restart of mining activities at Cadia East in the current period coupled with lower gold head grade at Lihir, Telfer and Gosowong. This was partially offset by an increase in mill throughput at Lihir, Telfer and Gosowong.

Copper production of 39.0 thousand tonnes was 20% lower than the prior period, primarily driven by lower mill throughput at Cadia related to the effects of the seismic event.

Newcrest's All-In Sustaining Cost of $860 per ounce in the current period was $90 per ounce or 12% higher than the prior period reflecting the lower volume contribution from Cadia due to the effects of the seismic event, higher production stripping costs at Lihir and Telfer and the unfavourable impact of a stronger Australian dollar on costs. The benefit of higher copper prices were largely offset by lower copper sales volumes. The current period All-In Sustaining Cost for the Group includes a normalisation adjustment (reduction) of $43 per ounce related to the effects of the seismic event at Cadia (recognised in the September 2017 quarter only).

Free cash flow of $134 million was $124 million lower than the prior period reflecting lower gold and copper sales volumes primarily at Cadia, higher income tax payments and the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar. With the exception of Telfer ($9 million negative), all operations were free cash flow positive before tax.

During the current period, Newcrest's cash and cash equivalents increased by $64 million enabling a 4% reduction in net debt at the end of the period. This delivered an improvement in Newcrest's gearing ratio which was 15.9%, reduced from 16.6% as at 30 June 2017. Newcrest's net debt to EBITDA ratio increased to 1.2 times (compared to 1.1 times at 30 June 2017) due to a lower EBITDA compared to the prior period, with this lower EBITDA largely related to the impact of the seismic event.

On 13 December 2017, Newcrest announced that it had agreed to sell its 89.89% interest in the Bonikro operation in Côte d'Ivoire to a consortium consisting of F&M Gold Resources Ltd and Africa Finance Corporation, for consideration comprising:

- $72 million cash payable on completion of the transaction; and
- Net smelter royalty on future ore mined at the Bonikro lease, with a fair value of $9 million.

The economic effective date for the Bonikro divestment transaction is 1 October 2017. Production until the transaction completion date will be included in Newcrest's production results, however the economic interest for the period after 1 October 2017 will be to the benefit of the acquirer. It is expected that the transaction will complete in the March 2018 quarter subject to Côte d'Ivoire government approval and no material adverse change in the business. As such, Newcrest has classified the assets and liabilities relating to Bonikro as "held for sale" on the statement of financial position as at 31 December 2017.

Capital structure

Newcrest's net debt as at 31 December 2017 was $1,436 million, comprising $1,992 million of capital market debt less $556 million of cash.

From a liquidity perspective, as at 31 December 2017 Newcrest had $556 million of cash and $2,040 million[5] in committed undrawn bank facilities (a total of $2,596 million).

Newcrest's financial objectives are to meet all financial obligations, maintain a strong balance sheet to withstand cash flow volatility and be able to invest capital in value-creating opportunities whilst also returning excess cash generated to shareholders. Newcrest looks to maintain a conservative level of balance sheet leverage.

Newcrest's performance in relation to its financial policy metrics was:

Metric	Policy 'looks to'	As at 31 December 2017	As at 30 June 2017
Credit rating (S&P/Moody's)	Investment grade	BBB-/Baa3	BBB-/Baa3
Leverage ratio (Net debt to EBITDA)	Less than 2.0 times	1.2	1.1
Gearing ratio	Below 25%	15.9%	16.6%
Cash and committed undrawn facilities	At least $1.5bn, of which ~1/3 in cash	$2.60bn ($556m cash)	$2.53bn ($492m cash)

Dividend

Newcrest's dividend policy seeks to balance financial performance and capital commitments with a prudent leverage and gearing level for the Company. Newcrest looks to pay ordinary dividends that are sustainable over time having regard to its financial policy metrics, profitability, balance sheet strength and reinvestment options in the business. Newcrest is targeting a total dividend payout of at least 10-30% of free cash flow generated for that financial year, with the dividend being no less than US 15 cents per share on a full year basis.

The Newcrest Board has determined that, having regard to the Company's financial performance in the 2018 half year and target financial policy metrics at 31 December 2017, an interim fully franked dividend of US 7.5 cents per share will be paid on 2 May 2018. The record date for entitlement is 22 March 2018. The financial impact of the dividend amounting to $58 million has not been recognised in the Consolidated Financial Statements for the half year. The Dividend Reinvestment Plan remains in place.

Guidance[6]

Guidance for FY18 remains unchanged. It should be noted that the Group's AISC total spend guidance was estimated using a copper price assumption of $2.40 per pound. Should copper prices remain substantially higher than $2.40 per pound for the remainder of the 2018 financial year, the net AISC spend amount has the potential to be below the original guidance range. The expectation remains that gold production in the second half of the 2018 financial year will be higher than the first half, as Cadia East ore production ramps up and there are fewer planned shutdown events at Lihir. Guidance will be updated to reflect the divestment of Bonikro once completed.

Telfer Hedging

Newcrest completed additional hedging of a portion of Telfer's expected FY19 and FY20 gold sales during the current period, bringing the total volume and prices hedged for the remaining six months of the current year and future years as follows:

Financial Year Ending	Gold Ounces Hedged	Average Price A$/oz
30 June 2018	129,356	1,770
30 June 2019	231,224	1,739
30 June 2020	183,231	1,716
Total	**543,811**	**1,739**

At 31 December 2017, the unrealised mark-to-market gain on these hedges was $16 million.

Review of Operations[7]

		For the 6 months ended 31 December 2017						
		Cadia	Lihir	Telfer	Goso-wong	Bonikro	Other	Group
Operating								
Production								
Gold	koz	301	413	216	128	78	-	**1,136**
Copper	kt	30	-	9	-	-	-	**39**
Silver	koz	177	31	102	173	10	-	**493**
Sales								
Gold	koz	280	416	213	144	74	-	**1,126**
Copper	kt	29	-	9	-	-	-	**38**
Silver	koz	172	31	102	209	9	-	**523**
Financial								
Revenue	US$m	554	533	347	188	95	-	**1,717**
EBITDA	US$m	294	199	79	84	50	(82)	**624**
EBIT	US$m	226	75	(27)	29	15	(88)	**230**
Net assets	US$m	2,807	4,631	496	298	80	(702)	**7,610**
Operating cash flow	US$m	260	194	49	79	40	(169)	**453**
Investing cash flow	US$m	(44)	(133)	(58)	(19)	(9)	(56)	**(319)**
Free cash flow*	US$m	216	61	(9)	60	31	(225)	**134**
AISC	US$m	38	452	261	119	54	45	**969**
	US$/oz	135	1,086	1,227	825	735		**860**
AISC Margin	US$/oz	1,160	209	68	470	560		**435**

* Free cash flow for 'Other' comprises net interest paid of $53 million, income tax paid of $67 million, other investing activities of $6 million, corporate costs of $40 million, capital expenditure of $21 million, exploration expenditure of $26 million and other working capital movements of $12 million.

		For the 6 months ended 31 December 2016							
		Cadia[8]	Lihir	Telfer	Goso-wong	Bonikro	Hidden Valley	Other	Group
Operating									
Production									
Gold	koz	374	434	222	123	67	11	-	**1,230**
Copper	kt	38	-	11	-	-	-	-	**49**
Silver	koz	224	13	125	141	9	138	-	**650**
Sales									
Gold	koz	367	439	232	106	63	10	-	**1,217**
Copper	kt	37	-	11	-	-	-	-	**48**
Silver	koz	218	13	125	107	8	151	-	**623**
Financial									
Revenue	US$m	659	557	356	139	80	16	-	**1,807**
EBITDA	US$m	401	236	100	65	24	2	(45)	**783**
EBIT	US$m	327	117	32	30	8	1	(52)	**463**
Net assets	US$m	2,690	4,747	565	310	140	-	(1,159)	**7,293**
Operating cash flow	US$m	354	222	53	69	31	5	(133)	**601**
Investing cash flow	US$m	(87)	(99)	(40)	(22)	(11)	(1)	(83)	**(343)**
Free cash flow*	US$m	267	123	13	47	20	4	(216)	**258**
AISC	US$m	95	400	238	92	68	12	31	**936**
	US$/oz	258	913	1,026	867	1,078	1,252		**770**
AISC Margin	US$/oz	1,019	364	251	410	199	25		**507**

* Free cash flow for 'Other' comprises net interest paid of $59 million, income tax paid of $18 million, other investing activities of $50 million, corporate costs of $26 million, capital expenditure of $17 million, exploration expenditure of $15 million and other working capital movements of $31 million.

1. All figures in this Report relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Group') for the 6 months ended 31 December 2017 ('current period') compared with the 6 months ended 31 December 2016 ('prior period'), except where otherwise stated. All references to 'the Company' are to Newcrest Mining Limited.
2. Statutory profit/(loss) is profit after tax attributable to owners of the Company.
3. Newcrest's results are reported under International Financial Reporting Standards ("IFRS"). This report also includes certain non-IFRS financial information, including the following:
   - 'Underlying profit/(loss)' is profit or loss after tax before significant items attributable to owners of the 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.
   - '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, and the level of sustaining capital and the relative contribution of each asset. AISC Margin reflects the average realised gold price less the AISC per ounce sold.
   - Net debt to EBITDA is calculated as net debt divided by EBITDA for the preceding 12 months.
   - 'Free Cash Flow' is calculated as cash flow from operating activities less cash flow related to investing activities. Free Cash Flow for each operating site is calculated as Free Cash Flow before interest and tax.
   - Underlying profit, EBIT, EBITDA, EBITDA Margin, EBIT Margin, Free cash flow, All-In Sustaining Cost, All-In Sustaining Cost Margin, All-In Cost, Sustaining capital and Major projects (non-sustaining) capital are non-IFRS financial measures which Newcrest employs in managing the business. They are used by Management to assess the performance of the business and make decisions on the allocation of resources and have been included in this report to provide greater understanding of the underlying financial performance of Newcrest'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.

   These measures have not been subject to audit or review by Newcrest's external auditor. These measures do not have any standard definition under IFRS and may be calculated differently by other companies. Refer to Section 6 for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.
4. Cash and cash equivalents at the end of the current period of $556 million includes $18 million of cash and cash equivalents which are classified as held for sale which relates to Bonikro. Refer Notes 10 and 14 of the consolidated financial statements.
5. Comprises undrawn bilateral bank debt facilities of $2,000 million and an additional undrawn $40 million subsidiary bank loan facility.
6. Disclaimer: These materials include forward looking statements. Forward looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", "outlook" 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. The Company continues to distinguish between outlook and guidance. Guidance statements relate to the current financial year. Outlook statements relate to years subsequent to the current financial year.

   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 statements in these materials. 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 licences 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's good faith assumptions as 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 will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of the Company. 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. Except as required by applicable laws or regulations, 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 assumptions on which any such statement is based.
7. All data relating to operations is shown as 100%, apart from Hidden Valley which is shown at Newcrest's ownership percentage of 50% up to the economic effective disposal date of 31 August 2016. Newcrest owns 75% of Gosowong through its holding in PT Nusa Halmahera Minerals, an incorporated joint venture. Bonikro includes mining and exploration interests in Côte d'Ivoire which are held by the following entities: LGL Mines CI SA (of which Newcrest owns 89.89%) and Newcrest Hire CI SA (of which Newcrest owns 89.89%).
8. For the 6 months ended 31 December 2016 production and sales volumes include 1,220 gold ounces and 138 tonnes of copper related to the 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. There was no capitalisation in the current period.

2. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT

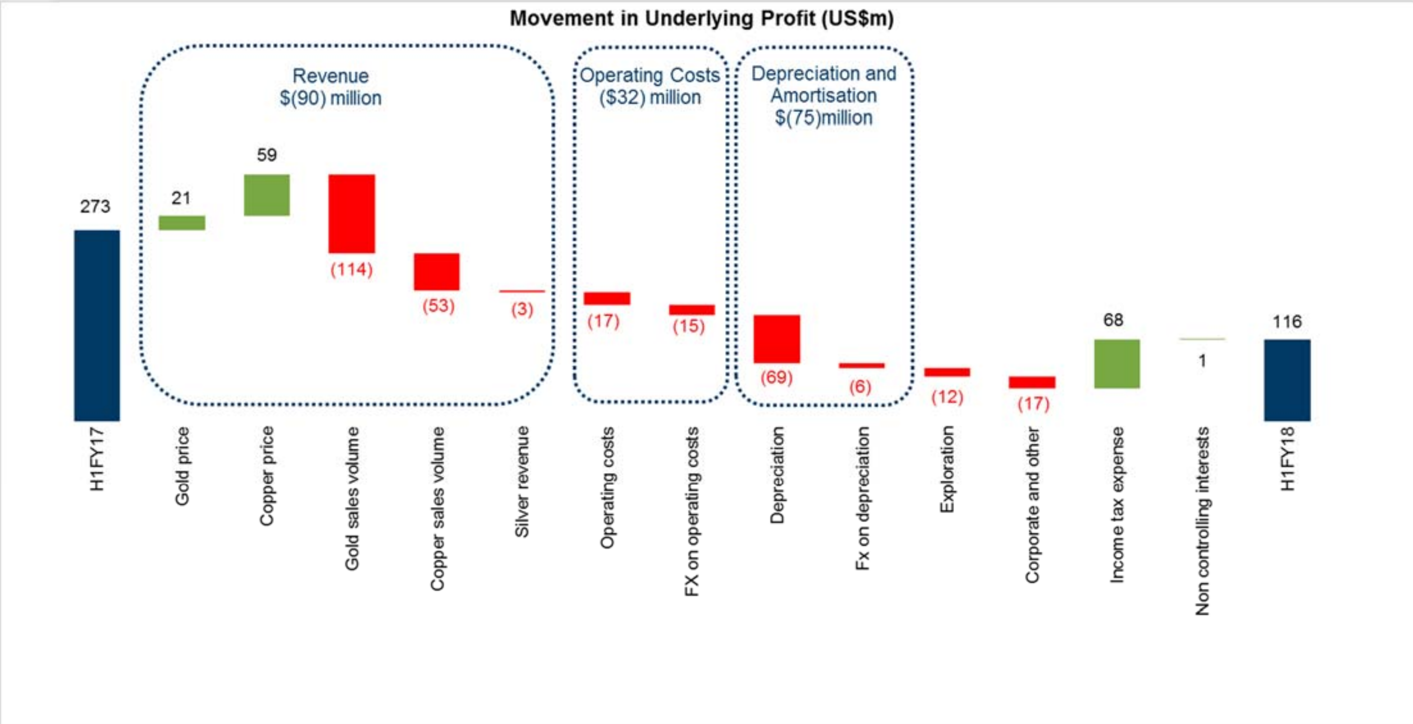
2.1. Profit overview

Statutory profit was $98 million and Underlying profit was $116 million in the current period.

The Statutory profit in the current period includes significant items (after tax and non-controlling interests) with a net expense of $18 million, comprising a $12 million write-down of non-current assets at Bonikro following the divestment announcement made during the current period and a $6m write-down of tax assets at Gosowong following an adverse verdict in respect of a FY13 tax rate dispute. Both of these write-downs are non-cash items.

Underlying profit was $157 million lower than the prior period primarily driven by lower gold and copper sales volumes related to the effects of the Cadia seismic event, higher depreciation expense and the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar. This was partially offset by higher realised gold and copper prices and lower income tax expense compared to the prior period.

	For the 6 months ended 31 December			
US$m	2017	2016	Change	Change%
Gold revenue	1,459	1,552	(93)	(6%)
Copper revenue	249	243	6	2%
Silver revenue	9	12	(3)	(25%)
Total revenue	**1,717**	**1,807**	**(90)**	**(5%)**
Operating costs	(1,011)	(979)	(32)	(3%)
Depreciation and amortisation	(388)	(313)	(75)	(24%)
Total cost of sales	**(1,399)**	**(1,292)**	**(107)**	**(8%)**
Corporate administration expenses	(46)	(33)	(13)	(39%)
Exploration expenses	(33)	(21)	(12)	(57%)
Other income/(expense)	(9)	2	(11)	(550%)
Net finance costs	(59)	(66)	7	11%
Income tax expense	(50)	(118)	68	58%
Non-controlling interests	(5)	(6)	1	17%
Underlying profit	**116**	**273**	**(157)**	**(58%)**



2.2. Revenue

Total sales revenue for the current period of $1,717 million was $90 million or 5% lower than the prior period. Newcrest's sales revenue continues to be predominantly attributable to gold, being 85% of total sales revenue in the current period (86% in the prior period).

US$m		
Total sales revenue for 6 months ended 31 December 2016		**1,807**
Changes in revenues from volume:		
Gold	(114)	
Copper	(53)	
Silver	(2)	
Total volume impact		**(169)**
Change in revenue from price:		
Gold	21	
Copper	59	
Silver	(1)	
Total price impact		**79**
Total sales revenue for 6 months ended 31 December 2017		**1,717**

Gold revenue of $1,459 million was 6% lower than the prior period primarily as a result of the effects of the suspension and progressive restart of mining operations following the seismic event at Cadia. This was partially offset by a 1% increase in the realised gold price ($1,295 per ounce in the current period compared to $1,277 per ounce in the prior period).

Copper revenue of $249 million was 2% higher than the prior period primarily as a result of a 31% increase in the average realised copper price ($3.01 per pound in the current period compared to $2.30 per pound in the prior period). This was largely offset by a 22% reduction in copper sales volumes driven by lower mill throughput at Cadia related to the effects of the seismic event.

The current period included 165,341 ounces of Telfer gold sales hedged at an average price of A$1,761 per ounce, which delivered a revenue benefit of $16 million in the current period.

2.3. Cost of sales

	For the 6 months ended 31 December			
US$m	2017	2016	Change	Change %
Site production costs	878	833	45	5%
Royalties	50	51	(1)	(2%)
Concentrate treatment and realisation	70	79	(9)	(11%)
Inventory movements	13	16	(3)	(19%)
Operating costs	**1,011**	**979**	**32**	**3%**
Depreciation	388	313	75	24%
Cost of sales	**1,399**	**1,292**	**107**	**8%**

Cost of sales of $1,399 million were $107 million or 8% higher than the prior period. The higher site production costs primarily relate to the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar, together with the cost associated with higher volumes of material mined and milled at Gosowong, Lihir and Telfer reflecting the continuing innovation work to harness the full potential from the installed asset base at these operations. The cost benefit of lower mill throughput at Cadia was offset by the cost of panel cave remediation work.

Lower treatment and realisation costs are a result of lower gold and copper sales volumes, primarily at Cadia.

The increase in depreciation expense compared with the prior period primarily reflects increased depreciation at Telfer, higher sales at Gosowong and Bonikro, and completion of projects across all sites increasing the asset base.

As the Company is a US dollar reporting entity, its operating costs will vary in accordance with the movements in its operating currencies where those costs are not denominated in US dollars. The table below shows indicative currency exposures on operating costs by site:

	USD	AUD	PGK	IDR	CFA	Other
Cadia	20%	80%	-	-	-	-
Telfer	15%	85%	-	-	-	-
Lihir	45%	25%	30%	-	-	-
Gosowong	45%	5%	-	50%	-	-
Bonikro	60%	-	-	-	40%	-
Group	**30%**	**50%**	**10%**	**6%**	**3%**	**1%**

2.4. Other income/(expense)

Corporate administration expenses of $46 million comprise corporate costs of $34 million, depreciation expense of $6 million and equity-settled share-based costs of $6 million.

Exploration expenditure of $40 million was 74% higher than the prior period reflecting Newcrest's growing portfolio of strategic partnerships, farm-in arrangements and investments across the Asia Pacific region, West Africa and the Americas. Of this exploration expenditure, $33 million was written-off.

Other expenses of $9 million were $11 million higher than the prior period, comprising:

	For the 6 months ended 31 December	
US$m	2017	2016
Net foreign exchange gain/(loss)	(7)	4
Other items	(2)	(2)
Other income/(expense)	**(9)**	**2**

The net foreign exchange loss in the current period primarily relates to the restatement of US dollar denominated cash and foreign denominated financial assets and liabilities held by the Group's Australian subsidiaries. Other items includes net fair value gains and losses on gold and copper derivatives and fair value movements on concentrate receivables.

2.5. Net finance costs

Net finance costs of $59 million were $7 million or 11% lower than the prior period due to the progressive reduction in net debt over the past year.

2.6. Income tax

Income tax expense on Statutory profit in the current period was $58 million, resulting in an effective tax rate of 37%, which is higher than the Australian company tax rate of 30%. The effective tax rate was higher than the Australian company tax rate as an income tax benefit was not recognised in relation to the write-down of non-current assets at Bonikro. Income tax expense for the period also includes a write-down of a tax asset at Gosowong of $8 million (before non-controlling interests) as a result of an adverse decision received in the Indonesian Tax Court with respect to a FY13 tax rate dispute. This decision is being appealed in the Indonesian Supreme Court.

Income tax expense on Underlying profit was $50 million, resulting in an effective tax rate of 29%.

2.7. Significant items

Significant items totalling a net expense of $18 million (after tax and non-controlling interests) were recognised in the current period, comprising:

- a write-down of non-current assets at Bonikro totalling $12 million as a result of the divestment announcement in December 2017; and
- a $6 million write-down of a tax asset at Gosowong following an adverse verdict in the Indonesian Tax Court with respect to a FY13 tax rate dispute.

Both of these write-downs were non-cash items.

	For the 6 months ended 31 December 2017		
US$m	**Gross**	**Tax**	**Net**
Write-down of non-current assets	(13)	-	(13)
Write-off of tax asset	-	(8)	(8)
Total	**(13)**	**(8)**	**(21)**
Attributable to:			
Non-controlling interests			(3)
Owners of the parent			**(18)**

In the prior period, significant items totalling a net expense of $86 million (after tax and non-controlling interests) comprised:

- a $10 million loss on disposal of Newcrest's 50% interest in Hidden Valley;
- a net investment hedge loss of $62 million reclassified from the Foreign Currency Translation Reserve to the Income Statement, representing a net foreign exchange loss on historic funding arrangements that were designated as a hedge of the Group's net investment in the Hidden Valley mine. This non-cash item moves the loss from the reserve to retained earnings, with no net impact on shareholders' equity; and
- a $14 million, non-cash write-down of non-current assets representing capitalised exploration at Bonikro.

Both the net investment hedge loss and the exploration write-downs were non-cash items.

	For the 6 months ended 31 December 2016		
US$m	**Gross**	**Tax**	**Net**
Write-down of non-current assets	(15)	-	(15)
Loss on business divestment	(10)	-	(10)
Net investment hedge loss	(79)	17	(62)
Total	**(104)**	**17**	**(87)**
Attributable to:			
Non-controlling interests			(1)
Owners of the parent			**(86)**

3. DISCUSSION AND ANALYSIS OF CASH FLOW

Free cash flow for the current period of $134 million was 48% lower than the prior period. Cash flow from operating activities of $453 million was $148 million (or 25%) lower than the prior period primarily due to lower gold and copper sales volumes related to the effects of the Cadia seismic event, higher income tax payments and the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar. This was partially offset by higher realised gold and copper prices.

Cash flow relating to investing activities was $24 million lower than the prior period, driven by lower major projects (non-sustaining) capital and a $27 million cash outflow associated with the disposal of Hidden Valley in the prior period. This was partially offset by an increase in production stripping, primarily at Lihir.

With the exception of Telfer ($9 million negative), all operations were free cash flow positive before tax in the current period.

	For the 6 months ended 31 December			
US$m	**2017**	**2016**	**Change**	**Change %**
Cash flow from operating activities	453	601	(148)	(25%)
Cash flow used in investing activities	(319)	(343)	24	7%
Free cash flow	**134**	**258**	**(124)**	**(48%)**
Cash flow used in financing activities	(70)	(108)	38	35%
Net movement in cash	**64**	**150**	**(86)**	**(57%)**
Cash at the beginning of the period	**492**	**53**	**439**	**828%**
Cash at the end of the period	**556**	**203**	**353**	**174%**

3.1 Cash flow from operating activities

	For the 6 months ended 31 December			
US$m	**2017**	**2016**	**Change**	**Change %**
EBITDA	624	783	(159)	(20%)
Add: Exploration expenditure written off	33	21	12	57%
Add: Other non-cash items or non-operating items	6	(5)	11	220%
Sub-total	**663**	**799**	**(136)**	**(17%)**
Working capital movements[9]				
Inventories	11	17	(6)	(35%)
Receivables	12	(72)	84	117%
Payables and provisions	(101)	(81)	(20)	(25%)
Other assets and liabilities	(12)	15	(27)	(180%)
Net working capital movements	**(90)**	**(121)**	**31**	**26%**
Net interest paid	(53)	(59)	6	10%
Income taxes paid	(67)	(18)	(49)	(272%)
Net cash inflow from operating activities	**453**	**601**	**(148)**	**(25%)**

(9) Includes adjustments for non-cash items.

Cash inflow from operating activities of $453 million was $148 million lower than the prior period as a result of lower gold sales and copper sales volumes related to the effects of the Cadia seismic event, lower gold sales volumes at Lihir and the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar. The increase in income tax paid is attributable to higher tax payments by Newcrest's Australian Tax Group and to balancing payments at Gosowong with respect to FY17.

As expected, the favourable working capital position as at 30 June 2017 partially reversed in the current period, consistent with the pattern in prior years.

3.2 Cash flow from investing activities

	For the 6 months ended 31 December			
US$m	2017	2016	Change	Change %
Production stripping				
Lihir	60	28	32	114%
Telfer	16	7	9	129%
Bonikro	6	6	-	
Total production stripping	**82**	**41**	**41**	**100%**
Sustaining capital expenditure				
Cadia	21	25	(4)	(16%)
Lihir	57	50	7	14%
Telfer	28	23	5	22%
Gosowong	12	18	(6)	(33%)
Bonikro	3	4	(1)	(25%)
Hidden Valley	-	1	(1)	(100%)
Corporate	5	5	-	
Total sustaining capital	**126**	**126**	**-**	
Major projects (non-sustaining)				
Cadia	25	62	(37)	(60%)
Lihir	16	21	(5)	(24%)
Telfer	8	8	-	
Wafi-Golpu	15	11	4	36%
Corporate	1	1	-	
Total major projects (non-sustaining) capital	**65**	**103**	**(38)**	**(37%)**
Total capital expenditure	**273**	**270**	**3**	**1%**
Exploration and evaluation expenditure	40	23	17	74%
Proceeds from sale property, plant and equipment	(3)	-	(3)	
Cash outflow on sale of subsidiary, net of cash held by subsidiary	-	27	(27)	(100%)
Payments for investments	9	23	(14)	(61%)
Net cash outflow from investing activities	**319**	**343**	**(24)**	**(7%)**

Cash outflow from investing activities of $319 million was $24 million lower than the prior period driven by lower major projects (non-sustaining) capital and a $27 million cash outflow associated with the disposal of Hidden Valley in the prior period. This was partially offset by an increase in production stripping, primarily at Lihir. Payments for investments in the current period represents an additional $9 million investment in SolGold Plc.

Capital expenditure of $273 million in the six months ended 31 December 2017 comprised:

- Production stripping of $82 million, including waste stripping activity at Phase 9 and Phase 14 at Lihir, Main Dome Stage 6, West Dome Stage 2 and West Dome Stage 3 (interim) at Telfer and Bonikro (Hiré pits).
- Sustaining capital expenditure of $126 million, which was in line with the prior period with lower spend at Gosowong and Cadia offset by higher spend at Lihir and Telfer.
- Major project, or non-sustaining, capital expenditure of $65 million primarily related to:
  - Cadia: the current period focussed on expansion studies and execution of the project to increase the electricity transmission line capacity to the mine site. This was $37 million lower than the prior

period due to the completion of the Cadia East development and the Cadia Concentrator 1 to Concentrator 2 crushed feed project.

- Lihir: activity focussed on increasing processing plant throughput; upgrading the mine site to drive a substantial increase in total material movement; ongoing study, drilling and test work to optimise the seepage barrier design to facilitate the mining of the Kapit ore body; and the float tails leach project (stage 2) which was completed in the current period.
- Wafi-Golpu: The Wafi-Golpu Joint Venture parties continued to progress activity in line with the forward work plan previously communicated, including engagement with the PNG Government on the application for a Special Mining Lease for the Wafi-Golpu project. The current study work is focused on assessing internally-generated power options, developing deep sea tailings placement options to compare with terrestrial tailings storage options, and reassessing block cave levels and increased mining rates due to increased knowledge obtained from further drilling undertaken during the year.

The increase in exploration activity in the current period represented a continued focus on Greenfield exploration and resource definition drilling at Telfer and Gosowong.

	For the 6 months ended 31 December			
US$m	**2017**	**2016**	**Change**	**Change %**
Expenditure by nature				
Greenfield	23	11	12	109%
Brownfield	3	5	(2)	(40%)
Resource definition	14	7	7	100%
	40	**23**	**17**	**74%**
Expenditure by region				
Australia	14	6	8	133%
Indonesia	8	5	3	60%
Papua New Guinea	2	1	1	100%
West Africa	10	8	2	25%
Americas	6	1	5	500%
New Zealand	-	2	(2)	(100%)
	40	**23**	**17**	**74%**

Greenfield exploration activities in the current period related to progressing projects within West Africa, Australia, Indonesia, Papua New Guinea and the Americas.

The Greenfield growth pipeline was enhanced with new exploration projects entered into in Australia, Côte d'Ivoire, Chile and USA, and a number of wholly-owned exploration tenements granted in Australia, Ecuador and Côte d'Ivoire. Exploration on these projects commenced with target generation undertaken on all new projects and drilling commenced or continued at Séguéla (Côte d'Ivoire), Mt Goma (Côte d'Ivoire), Pedernales (Argentina), Tatau/Big Tabar Islands (Papua New Guinea) and Mendooran (New South Wales). A maiden Resource has been declared at the Antenna Prospect within the Séguéla Project and numerous other prospects within the Séguéla Project are being assessed for further potential mineralisation.

Exploration continued at all brownfield sites, with drilling ongoing at Gosowong, Telfer and Cadia. At Gosowong, exploration focused on delivering incremental Resource growth around the existing operation. At Telfer, exploration was focused on Resource growth around the underground operation at Main Dome. Target generation testing was undertaken at Cadia.

3.3 Cash flow from financing activities

	For the 6 months ended 31 December			
US$m	**2017**	**2016**	**Change**	**Change %**
Net proceeds / (repayments) of borrowings				
Subsidiary bank loan	-	(20)	20	100%
Bilateral bank debt	-	(25)	25	100%
Net repayment of borrowings	**-**	**(45)**	**45**	100%
Payment for treasury shares	(11)	(9)	(2)	(22%)
Dividends paid to members of the parent entity	(52)	(54)	2	4%
Dividend paid to non-controlling interests	(7)	-	(7)	
Net cash outflow from financing activities	**(70)**	**(108)**	**38**	35%

Cash outflow from financing activities of $70 million primarily reflects Newcrest's dividend policy which balances financial performance and capital commitments with a prudent leverage and gearing level.

Payment for treasury shares of $11 million represents shares purchased on market to satisfy obligations under employee incentive plans.

Dividends of $7 million were paid to PT Aneka Tambang Tbk. for their 25% non-controlling interest in PT Nusa Halmahera Minerals (the entity that owns Gosowong).

4. REVIEW OF OPERATIONS

4.1. Cadia

Measure		For the 6 months ended 31 December 2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	10,107	12,296	(2,189)	(18%)
Total material mined	tonnes '000	10,107	12,296	(2,189)	(18%)
Total material milled	tonnes '000	10,712	12,935	(2,223)	(17%)
Gold head grade	grams/tonne	1.10	1.11	(0.01)	(1%)
Gold recovery	%	79.6	82.2	(2.6)	(3%)
Gold produced	ounces	300,737	374,474	(73,737)	(20%)
Copper produced	tonnes	30,459	38,158	(7,699)	(20%)
Silver produced	ounces	177,088	223,730	(46,642)	(21%)
Gold sales	ounces	279,757	367,109	(87,352)	(24%)
Copper sales	tonnes	28,918	36,997	(8,079)	(22%)
Silver sales	ounces	171,676	218,100	(46,424)	(21%)
Financial					
Revenue	US$m	554	659	(105)	(16%)
Cost of Sales (including depreciation)	US$m	328	332	(4)	(1%)
Depreciation	US$m	68	74	(6)	(8%)
EBITDA	US$m	294	401	(107)	(27%)
EBIT	US$m	226	327	(101)	(31%)
Operating cash flow	US$m	260	354	(94)	(27%)
Sustaining capital	US$m	21	25	(4)	(16%)
Non-sustaining capital	US$m	25	62	(37)	(60%)
Total capital expenditure	US$m	46	87	(41)	(47%)
Free cash flow	US$m	216	267	(51)	(19%)
All-In Sustaining Cost	US$m	38	95	(57)	(60%)
All-In Sustaining Cost	US$/oz	135	258	(123)	(48%)

Cadia's operating and financial performance for the current period was impacted by the effects of the large seismic event on 14 April 2017 which resulted in a temporary suspension of mining operations at Cadia East. Ore production from PC2 recommenced on 19 July 2017 and production from PC1 recommenced from two of the seven extraction drives on 13 September 2017, with all drives available from mid-November 2017 following the completion of remediation of extraction drives and other required infrastructure.

The lower gold production in the current period reflects this suspension and the subsequent progressive production ramp-up in ore mined over the period.

The lower EBIT in the current period was a function of the lower ore production and resulting lower mill throughput. Notwithstanding the lower mining and processing activity, cost of sales remained steady period on period as reduced costs associated with lower ore production and cost reduction initiatives were offset by increased expenditure associated with the remediation of PC1 and the restart of both panel caves, a higher electricity cost than the prior period, and the strengthening of the Australian dollar.

All-In Sustaining Cost per ounce was lower in the current period when compared to the prior period. This was primarily driven by an increase in the copper price increasing the value of the copper by-product credit. Offsetting this impact was the cost of panel cave remediation work, restart activities, higher electricity costs than the prior period, and the strengthening of the Australian dollar, notwithstanding the earnings normalisation recognised in the September 2017 quarter which reduced Cadia's All-In Sustaining Costs by $175 per ounce for the current period.

Free cash flow was $51 million lower in the current period, which reflected the lower EBITDA outcome partially offset by lower capital expenditure.

4.2. Lihir

Measure		For the 6 months ended 31 December 2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	4,357	5,652	(1,295)	(23%)
Total material mined	tonnes '000	16,175	13,915	2,260	16%
Total material milled	tonnes '000	6,557	6,294	263	4%
Gold head grade	grams/tonne	2.52	2.73	(0.21)	(8%)
Gold recovery	%	77.6	78.7	(1.1)	(1%)
Gold produced	ounces	412,809	434,258	(21,449)	(5%)
Silver produced	ounces	31,270	13,369	17,901	134%
Gold sales	ounces	416,419	438,523	(22,104)	(5%)
Silver sales	ounces	31,270	13,369	17,901	134%
Financial					
Revenue	US$m	533	557	(24)	(4%)
Cost of Sales (including depreciation)	US$m	458	440	18	4%
Depreciation	US$m	124	119	5	4%
EBITDA	US$m	199	236	(37)	(16%)
EBIT	US$m	75	117	(42)	(36%)
Operating cash flow	US$m	194	222	(28)	(13%)
Production stripping	US$m	60	28	32	114%
Sustaining capital	US$m	57	50	7	14%
Non-sustaining capital	US$m	16	21	(5)	(24%)
Total capital expenditure	US$m	133	99	34	34%
Free cash flow	US$m	61	123	(62)	(50%)
All-In Sustaining Cost	US$m	452	400	52	13%
All-In Sustaining Cost	US$/oz	1,086	913	173	19%

Lower gold production during the current period was driven by a 8% decrease in head grade and a 1% decrease in recovery, partially offset by a 4% increase in milled tonnes. An annualised mill throughput rate of 13.0mtpa was achieved for the current period which was 4% higher than the prior period (12.5mtpa), reflecting rate improvements achieved through Edge initiatives. A SAG motor failure impacted Lihir's ability to meet its sustainable 14mtpa annualised mill throughput target by end December 2017, which is now expected to be achieved early in the 2018 calendar year. The expectation remains that gold production in the second half of the 2018 financial year will be higher than the first half as there are fewer planned shutdown events.

The lower EBIT in the current period is a result of a 5% decrease in gold sales volumes and a 4% increase in the cost of sales. The higher cost of sales was related to the higher mill throughput, higher administration costs, higher depreciation and the appreciation of the Australian dollar against the US dollar. This was partially offset by cost improvements identified and implemented through the Edge process.

All-In Sustaining Cost per ounce was $173 per ounce or 19% higher than the prior period, reflecting the lower grade and recovery rates driving lower production and sales and an increase in production stripping and sustaining capital expenditure.

Free cash flow for the period of $61 million was 50% lower than the prior period primarily driven by the lower EBITDA outcome and higher production stripping driven by increased waste stripping activity in Phase 14. This was partially offset by lower non-sustaining capital expenditure and lower net working capital outflows.

4.3. Telfer

Measure		For the 6 months ended 31 December 2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	10,409	9,148	1,261	14%
Total material mined	tonnes '000	19,949	16,826	3,123	19%
Total material milled	tonnes '000	11,611	10,916	695	6%
Gold head grade	grams/tonne	0.72	0.78	(0.06)	(8%)
Gold recovery	%	78.9	79.9	(1.0)	(1%)
Gold produced	ounces	216,430	221,532	(5,102)	(2%)
Copper produced	tonnes	8,543	10,741	(2,198)	(20%)
Silver produced	ounces	101,701	125,248	(23,547)	(19%)
Gold sales	ounces	212,881	232,152	(19,271)	(8%)
Copper sales	tonnes	8,651	11,191	(2,540)	(23%)
Silver sales	ounces	101,701	125,248	(23,547)	(19%)
Financial					
Revenue	US$m	347	356	(9)	(3%)
Cost of Sales (including depreciation)	US$m	374	324	50	15%
Depreciation	US$m	106	68	38	56%
EBITDA	US$m	79	100	(21)	(21%)
EBIT	US$m	(27)	32	(59)	(184%)
Operating cash flow	US$m	49	53	(4)	(8%)
Production stripping	US$m	16	7	9	129%
Sustaining capital	US$m	28	23	5	22%
Non-sustaining capital	US$m	8	8	-	
Total capital expenditure	US$m	52	38	14	37%
Free cash flow	US$m	(9)	13	(22)	(169%)
All-In Sustaining Cost	US$m	261	238	23	10%
All-In Sustaining Cost	US$/oz	1,227	1,026	201	20%

Lower gold production for the current period was primarily driven by lower grade and recoveries which were primarily due to a higher proportion of lower grade open pit material fed to the mill. This was primarily a result of the planned ramp up of West Dome Stage 3 Open Pit mining during the current period and lower ore production from the Sub Level Cave. The December quarter was stronger than the September quarter due to the September quarter being impacted by a large planned shutdown in August 2017 and a number of operational issues.

The lower EBIT in the current period was driven by higher depreciation charges, increased mining activity, the strengthening of the Australian dollar and lower gold and copper sales volumes. The increased mining activity was primarily related to West Dome Stage 3. The increase in depreciation reflects a review of fixed asset lives in the current period and Reserve revisions as at 31 December 2016. These negative impacts on EBIT were partially offset by the higher realised gold (inclusive of hedge settlements) and copper prices.

All-In Sustaining Cost per ounce was higher in the current period driven by this higher production stripping and sustaining capital expenditure, increased mining activity and the strengthening of the Australian dollar partially offset by the higher realised copper price.

Free cash flow for the current period was lower primarily due to the lower EBITDA outcome and increased capital expenditure, partially offset by lower net working capital outflows.

4.4. Gosowong[7]

Measure		For the 6 months ended 31 December 2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	324	241	83	34%
Total material mined	tonnes '000	375	300	75	25%
Total material milled	tonnes '000	333	244	89	36%
Gold head grade	grams/tonne	12.26	16.26	(4.00)	(25%)
Gold recovery	%	96.1	97.0	(0.9)	(1%)
Gold produced	ounces	127,862	122,680	5,182	4%
Silver produced	ounces	172,767	140,979	31,788	23%
Gold sales	ounces	143,602	106,078	37,524	35%
Silver sales	ounces	208,980	107,296	101,684	95%
Financial					
Revenue	US$m	188	139	49	35%
Cost of Sales (including depreciation)	US$m	159	109	50	46%
Depreciation	US$m	55	35	20	57%
EBITDA	US$m	84	65	19	29%
EBIT	US$m	29	30	(1)	(3%)
Operating cash flow	US$m	79	69	10	14%
Sustaining capital	US$m	12	18	(6)	(33%)
Free cash flow	US$m	60	47	13	28%
All-In Sustaining Cost	US$m	119	92	27	29%
All-In Sustaining Cost	US$/oz	825	867	(42)	(5%)

Higher gold production in the current period was primarily due to higher mined and milled tonnes, partially offset by lower head grade. The higher gold sales volume reflects this higher gold produced and the unwind of the shipment delays following production issues at the third party owned refinery in the six months ending 30 June 2017.

Marginally lower EBIT in the current period was primarily driven by higher cost of sales due to higher ore tonnes mined with lower head grade and higher depreciation. This was largely offset by higher revenue driven by higher sales volume.

All-In Sustaining Cost per ounce was lower in the current period mainly due to the lower sustaining capital expenditure, partially offset by higher site costs associated with mining and processing more ore.

Free cash flow of $60 million was $13 million higher than the prior period mainly driven by the higher EBITDA outcome and lower sustaining capital expenditure, partially offset by higher net working capital outflows.

Negotiations with the Government of Indonesia are in progress regarding the existing Contract of Work for the Gosowong mine (CoW). The yearly Work and Budget plan (RKAB) was not approved by the Government of Indonesia by the due date of 31 December 2017. This is not unusual, but discussions with the Government of Indonesia have indicated that the existing CoW may need to be amended before the RKAB is approved. Negotiations are ongoing and extend to the fiscal regime that applies to Gosowong and increased Indonesian equity participation in Gosowong.

4.5. Bonikro[7]

Measure		For the 6 months ended 31 December 2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	1,198	973	225	23%
Total material mined	tonnes '000	4,544	10,533	(5,989)	(57%)
Total material milled	tonnes '000	1,198	1,429	(231)	(16%)
Gold head grade	grams/tonne	2.33	1.59	0.74	46%
Gold recovery	%	86.9	91.8	(4.9)	(5%)
Gold produced	ounces	77,774	66,749	11,025	17%
Silver produced	ounces	9,752	8,505	1,247	15%
Gold sales	ounces	73,695	63,146	10,549	17%
Silver sales	ounces	9,216	8,415	801	10%
Financial					
Revenue	US$m	95	80	15	19%
Cost of Sales (including depreciation)	US$m	80	72	8	11%
Depreciation	US$m	35	16	19	119%
EBITDA	US$m	50	24	26	108%
EBIT	US$m	15	8	7	88%
Operating cash flow	US$m	40	31	9	29%
Production stripping	US$m	6	6	-	
Sustaining capital	US$m	3	4	(1)	(25%)
Total capital expenditure	US$m	9	10	(1)	(10%)
Free cash flow	US$m	31	20	11	55%
All-In Sustaining Cost	US$m	54	68	(14)	(21%)
All-In Sustaining Cost	US$/oz	735	1,078	(343)	(32%)

As announced on 13 December 2017, Newcrest has agreed to sell its 89.89% interest in the Bonikro operation to a consortium consisting of F&M Gold Resources Ltd and Africa Finance Corporation. The economic effective date for the transaction is 1 October 2017. The economic interest for the period following 1 October 2017 will be to the benefit of the acquirer. However, production until the transaction completion date will be included in Newcrest's production results.

Higher gold production for the current period was primarily driven by processing higher grade ore from the lower benches of the Hiré mine.

EBIT was 88% higher than the prior period as a result of increased gold sales volumes, a higher realised gold price and lower site costs, partially offset by higher depreciation. The higher depreciation relates to higher sales, the completion of a number of major capital projects and production stripping depreciation associated with the higher grade ore mined.

The above factors (other than depreciation) were also the drivers behind the 32% decrease in All-In Sustaining Cost per ounce.

Free cash flow was $11 million higher than the prior period due to the higher EBITDA outcome, partially offset by higher net working capital outflows.

5. DISCUSSION AND ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

5.1. Net assets and total equity

Newcrest had net assets and total equity of $7,610 million as at 31 December 2017.

Newcrest has classified the assets and liabilities relating to Bonikro as "held for sale" for the purposes of the statement of financial position as at 31 December 2017.

US$m	As at 31 December 2017	As at 30 June 2017	Change	Change %
Assets				
Cash and cash equivalents	538[10]	492	46	9%
Trade and other receivables	85	88	(3)	(3%)
Inventories	1,580	1,681	(101)	(6%)
Other financial assets	30	41	(11)	(27%)
Current tax asset	30	26	4	15%
Property, plant and equipment	8,767	8,852	(85)	(1%)
Other intangible assets	36	35	1	3%
Deferred tax assets	76	80	(4)	(5%)
Investments in associates	74	64	10	16%
Other assets	217	224	(7)	(3%)
Assets held for sale[10]	128	-	128	100%
Total assets	**11,561**	**11,583**	**(22)**	**(0%)**
Liabilities				
Trade and other payables	(351)	(455)	104	23%
Current tax liability	(21)	(58)	37	64%
Borrowings	(1,992)	(1,991)	(1)	(0%)
Other financial liabilities	(13)	(4)	(9)	(225%)
Provisions	(416)	(454)	38	8%
Deferred tax liabilities	(1,110)	(1,087)	(23)	(2%)
Liabilities held for sale	(48)	-	(48)	(100%)
Total liabilities	**(3,951)**	**(4,049)**	**98**	**2%**
Net assets	**7,610**	**7,534**	**76**	**1%**
Equity				
Equity attributable to owners of the parent	7,531	7,450	81	1%
Non-controlling interests	79	84	(5)	(6%)
Total equity	**7,610**	**7,534**	**76**	**1%**

(10) Cash and cash equivalents at the end of the period of $538 million excludes $18 million of cash and cash equivalents which are classified as held for sale relating to the divestment of Bonikro. Cash and cash equivalents plus cash held for sale totals $556 million. Refer Notes 10 and 14 of the consolidated financial statements.

5.2. Net debt and gearing

5.2.1. Net debt

Net debt (comprising total borrowings less cash and cash equivalents) of $1,436 million at 31 December 2017 was $63 million lower than at 30 June 2017. All of Newcrest's debt is US dollar denominated.

Components of the movement in net debt are outlined in the table below.

	US$m
Net debt at 30 June 2017	**1,499**
Net increase in cash balances	(64)
Other items	1
Net debt at 31 December 2017	**1,436**
Movement $	**(63)**
Movement %	**(4%)**

US$m	As at 31 December 2017	As at 30 June 2017	Change	Change %
Corporate bonds	2,000	2,000	-	-
Capitalised transaction costs on facilities	(8)	(9)	1	11%
Less cash and cash equivalents	(538)	(492)	(46)	(9%)
Less cash held for sale (Bonikro)	(18)	-	(18)	(100%)
Net debt	**1,436**	**1,499**	**(63)**	**(4%)**

	As at 31 December 2017		
US$m	Facility utilised	Facility unutilised	Facility limit
Corporate bonds	2,000	-	2,000
Bilateral bank debt facilities	-	2,000	2,000
Subsidiary bank loan	-	40	40
	2,000	**2,040**	**4,040**

	As at 30 June 2017		
US$m	Facility utilised	Facility unutilised	Facility limit
Corporate bonds	2,000	-	2,000
Bilateral bank debt facilities	-	2,000	2,000
Subsidiary bank loan	-	40	40
	2,000	**2,040**	**4,040**

5.2.2.Gearing

The gearing ratio (net debt to net debt and total equity) as at 31 December 2017 was 15.9%, a decrease from 16.6% as at 30 June 2017, reflecting the build-up of cash and cash equivalents during the period.

US$m	As at 31 December 2017	As at 30 June 2017	Change	Change %
Total borrowings	1,992	1,991	1	0%
Less cash and cash equivalents	(538)	(492)	(46)	(9%)
Less cash held for sale (Bonikro)	(18)	-	(18)	(100%)
Net debt	**1,436**	**1,499**	**(63)**	**(4%)**
Total equity	7,610	7,534	76	1%
Net debt and total equity	**9,046**	**9,033**	**13**	**0%**
Gearing (net debt / net debt and total equity)	**15.9%**	**16.6%**	**(0.7)**	**(4%)**

5.2.3.Net debt to EBITDA

Newcrest's net debt to EBITDA ratio increased to 1.2 times (compared to 1.1 times at 30 June 2017) due to a lower rolling twelve month EBITDA compared to the prior period largely related to the impact of the seismic event.

US$m	As at 31 December 2017	As at 30 June 2017	Change	Change %
Net debt	1,436	1,499	(63)	(4%)
EBITDA (trailing 12 months)[11]	1,248	1,408	(160)	(11%)
Net debt to EBITDA (times)	**1.2**	**1.1**	**0.1**	**9%**

[(11)] As at 31 December 2017, the period represents 1 January 2017 to 31 December 2017. As at 30 June 2017, the period represents 1 July 2016 to 30 June 2017.

6. NON-IFRS FINANCIAL INFORMATION

Newcrest results are reported under Australian Accounting Standards ('AAS'). Compliance with AAS also results in compliance with International Financial Reporting Standards ('IFRS'). This report also includes certain non-IFRS financial information, including EBIT (earnings before interest, tax and significant items), EBITDA (earnings before interest, tax, depreciation and amortisation and significant items), Underlying profit (profit after tax before significant items attributable to owners of the 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), Sustaining capital and Major projects (non-sustaining) capital.

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 Group'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 Major project (non-sustaining) capital are reconciled to investing cash flow in section 3.2;
- Free cash flow is reconciled to the cash flow statement in section 3.

6.1. Reconciliation of Statutory profit to Underlying profit

Underlying profit, EBIT and EBITDA is reported by Newcrest to provide greater understanding of the underlying business performance of its operations and the Group. 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. Statutory profit and Underlying profit both represent profit after tax amounts attributable to Newcrest shareholders.

	For the 6 months ended 31 December 2017			
Profit after tax attributable to Newcrest shareholders US$m	**Before Tax and Non-controlling interest**	**Tax**	**Non-controlling interest**	**After Tax and Non-controlling interest**
Statutory profit	**158**	**(58)**	**(2)**	**98**
Write-down of non-current assets	13	-	(1)	12
Write-down of tax asset	-	8	(2)	6
Total significant items	**13**	**8**	**(3)**	**18**
Underlying profit	**171**	**(50)**	**(5)**	**116**

	For the 6 months ended 31 December 2016			
Profit after tax attributable to Newcrest shareholders US$m	**Before Tax and Non-controlling interest**	**Tax**	**Non-controlling interest**	**After Tax and Non-controlling interest**
Statutory profit	**293**	**(101)**	**(5)**	**187**
Write-down of non-current assets	15	-	(1)	14
Loss on business divestment	10	-	-	10
Net investment hedge loss	79	(17)	-	62
Total significant items	**104**	**(17)**	**(1)**	**86**
Underlying profit	**397**	**(118)**	**(6)**	**273**

6.2. Reconciliation of Underlying profit to EBITDA

US$m	For the 6 months ended 31 December 2017	2016
Underlying profit	**116**	**273**
Non-controlling interests	5	6
Income tax expense	50	118
Net finance costs	59	66
EBIT	**230**	**463**
Depreciation and Amortisation	394	320
EBITDA	**624**	**783**

6.3. 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 measures which Newcrest has adopted since the guidance was released by the World Gold Council in June 2013.

		For the 6 months ended 31 December			
		2017		2016	
	Reference	US$m	US$/oz	US$m	US$/oz
Gold sales (koz)[12]		**1,126**		**1,215**	
Cost of sales	6.3.1	**1,349**	**1,198**	**1,292**	**1,063**
Depreciation and amortisation	6.3.2	(388)	(344)	(313)	(258)
By-product revenue	6.3.3	(258)	(229)	(255)	(210)
Corporate costs	6.3.4	40	35	26	21
Sustaining exploration	6.3.7	6	5	3	3
Production stripping and underground mine development	6.3.5	83	73	46	38
Sustaining capital expenditure	6.3.6	126	112	126	104
Rehabilitation accretion and amortisation		11	10	11	9
All-In Sustaining Costs		**969**	**860**	**936**	**770**
Non-sustaining capital expenditure	6.3.6	65	58	103	84
Non-sustaining exploration	6.3.7	34	30	20	16
All-In Cost		**1,068**	**948**	**1,059**	**870**

(12) For the 6 months ended 31 December 2016 production and sales volumes include 1,220 gold ounces and 138 tonnes of copper related to the 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. There was no capitalisation in the current period.

6.3.1. Cost of sales

US$m	For the 6 months ended 31 December 2017	2016
Cost of sales as per the consolidated income statement	1,399	1,292
Less: Earnings normalisation adjustment[13]	(50)	-
Cost of sales	**1,349**	**1,292**

(13) The current period includes an earnings normalisation, which was recognised in the September quarter, relating to the seismic event at Cadia in April 2017 ($43/oz for the Group).

6.3.2. Depreciation and amortisation

US$m	For the 6 months ended 31 December 2017	2016
Depreciation and amortisation per Note 4(b) of the consolidated financial statements	**388**	**313**

6.3.3.By-product revenue

US$m	For the 6 months ended 31 December 2017	2016
Copper sales revenue per Note 4(a) of the consolidated financial statements	249	243
Silver sales revenue per Note 4(a) of the consolidated financial statements	9	12
Total By-product revenue	**258**	**255**

6.3.4.Corporate costs

US$m	For the 6 months ended 31 December 2017	2016
Corporate administration expenses per Note 4(c) of the consolidated financial statements	46	33
Less: Corporate depreciation per Note 4(c) to the consolidated financial statements	(6)	(7)
Total Corporate costs	**40**	**26**

6.3.5.Production stripping and advanced operating development

US$m	For the 6 months ended 31 December 2017	2016
Advanced operating development	1	5
Production stripping per consolidated financial statements	82	41
Total production stripping and advanced operating development	**83**	**46**

6.3.6.Capital expenditure

US$m	For the 6 months ended 31 December 2017	2016
Payments for plant and equipment per consolidated financial statements	115	108
Mine under construction, development and feasibility expenditure per consolidated financial statements	76	121
Total capital expenditure	**191**	**229**
Sustaining capital expenditure per 3.2 of the Management Discussion and Analysis	126	126
Non-sustaining capital expenditure per 3.2 of the Management Discussion and Analysis	65	103
Total capital expenditure	**191**	**229**

6.3.7.Exploration expenditure

US$m	For the 6 months ended 31 December 2017	2016
Exploration and evaluation expenditure per consolidated financial statements	**40**	**23**
Sustaining exploration per 6.3 of the Management Discussion and Analysis	6	3
Non-sustaining exploration per 6.3 of the Management Discussion and Analysis	34	20
Total exploration expenditure	**40**	**23**

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CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	31 Dec 17 US$m	31 Dec 16 US$m
Sales revenue	4(a)	1,717	1,807
Cost of sales	4(b)	(1,399)	(1,292)
Gross profit		**318**	**515**
Exploration expenses		(33)	(21)
Corporate administration expenses	4(c)	(46)	(33)
Other income/(expenses)	4(d)	(9)	2
Write-down of non-current assets	5	(13)	(15)
Loss on business divestment	5	-	(10)
Net investment hedge loss	5	-	(79)
Profit before interest and income tax		**217**	**359**
Finance income		2	1
Finance costs	4(e)	(61)	(67)
Profit before income tax		**158**	**293**
Income tax expense	6	(58)	(101)
Profit after income tax		**100**	**192**
Profit after tax attributable to:			
Non-controlling interests		2	5
Owners of the parent		98	187
		100	**192**
Earnings per share (cents per share)			
Basic earnings per share		12.8	24.4
Diluted earnings per share		12.7	24.3

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	31 Dec 17 US$m	31 Dec 16 US$m
Profit after income tax		**100**	**192**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the Income Statement			
Cash flow hedges			
Cash flow hedge (gains)/losses transferred to the Income Statement		(21)	-
Cash flow hedge gains/(losses) deferred in equity		9	86
		(12)	86
Income tax (expense)/benefit		3	(26)
		(9)	60
Foreign currency translation			
Exchange gains/(losses) on translation of foreign operations, net of hedges of foreign investments		49	(82)
Net investment hedge loss transferred to the Income Statement on business divestment, net of tax	5	-	62
		49	(20)
Other comprehensive income/(loss) for the period, net of tax		**40**	**40**
Total comprehensive income/(loss) for the period		**140**	**232**
Total comprehensive income attributable to:			
Non-controlling interests		2	5
Owners of the parent		138	227
		140	**232**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 Dec 17 US$m	30 Jun 17 US$m
Current assets			
Cash and cash equivalents	10	538	492
Trade and other receivables		85	88
Inventories		527	556
Other financial assets	12(a)	28	31
Current tax asset		30	26
Other assets		54	56
Assets held for sale	14	128	-
Total current assets		**1,390**	**1,249**
Non-current assets			
Inventories		1,053	1,125
Other financial assets	12(a)	2	10
Property, plant and equipment		8,767	8,852
Other intangible assets		36	35
Deferred tax assets		76	80
Investment in associates		74	64
Other assets		163	168
Total non-current assets		**10,171**	**10,334**
Total assets		**11,561**	**11,583**
Current liabilities			
Trade and other payables		351	455
Provisions		112	147
Current tax liability		21	58
Other financial liabilities	12(a)	10	4
Liabilities held for sale	14	48	-
Total current liabilities		**542**	**664**
Non-current liabilities			
Borrowings	10	1,992	1,991
Provisions		304	307
Deferred tax liabilities		1,110	1,087
Other financial liabilities	12(a)	3	-
Total non-current liabilities		**3,409**	**3,385**
Total liabilities		**3,951**	**4,049**
Net assets		**7,610**	**7,534**
Equity			
Issued capital	13	11,652	11,657
Accumulated losses		(4,114)	(4,154)
Reserves		(7)	(53)
Equity attributable to owners of the parent		**7,531**	**7,450**
Non-controlling interests		79	84
Total equity		**7,610**	**7,534**

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

	Note	31 Dec 17 US$m	31 Dec 16 US$m
Cash flows from operating activities			
Profit before income tax		158	293
Adjustments for:			
Depreciation and amortisation	4(f)	394	320
Significant items	5	13	104
Net finance costs		59	66
Exploration expenditure written off		33	21
Other non-cash items or non-operating items		6	(5)
Change in working capital	7	(90)	(121)
Operating cash flows before interest and taxes		**573**	**678**
Net interest paid		(53)	(59)
Income tax paid		(67)	(18)
Net cash provided by operating activities		**453**	**601**
Cash flows from investing activities			
Payments for plant and equipment		(115)	(108)
Mine under construction, development and feasibility expenditure		(76)	(121)
Production stripping expenditure		(82)	(41)
Exploration and evaluation expenditure		(40)	(23)
Proceeds from sale of property, plant and equipment		3	-
Payments for investments		(9)	(23)
Cash outflow on sale of subsidiary, net of cash held by the subsidiary		-	(27)
Net cash used in investing activities		**(319)**	**(343)**
Cash flows from financing activities			
Proceeds from borrowings:			
• Bilateral bank debt		-	295
Repayment of borrowings:			
• Bilateral bank debt		-	(320)
• Bank loan		-	(20)
Payment for treasury shares		(11)	(9)
Dividends paid:			
• Members of the parent entity		(52)	(54)
• Non-controlling interests		(7)	-
Net cash used in financing activities		**(70)**	**(108)**
Net increase in cash and cash equivalents		**64**	**150**
Cash and cash equivalents at the beginning of the period		492	53
Cash and cash equivalents at the end of the period (1)		**556**	**203**

(1) Cash and cash equivalents at the end of the period of $556 million includes $18 million of cash and cash equivalents which are classified as held for sale relating to the divestment of Bonikro. Refer Note 14.

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

	Attributable to Owners of the Parent						Non-controlling Interests	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Accu-mulated Losses	Total		
	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Balance at 1 July 2017	**11,657**	**(168)**	**27**	**88**	**(4,154)**	**7,450**	**84**	**7,534**
Profit for the period	-	-	-	-	98	98	2	100
Other comprehensive income/(loss) for the period	-	49	(9)	-	-	40	-	40
Total comprehensive income for the period	**-**	**49**	**(9)**	**-**	**98**	**138**	**2**	**140**
Transactions with owners in their capacity as owners								
Share-based payments	-	-	-	6	-	6	-	6
Shares purchased	(11)	-	-	-	-	(11)	-	(11)
Dividends	-	-	-	-	(58)	(58)	(7)	(65)
Shares issued – dividend reinvestment plan	6	-	-	-	-	6	-	6
Balance at 31 December 2017	**11,652**	**(119)**	**18**	**94**	**(4,114)**	**7,531**	**79**	**7,610**

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	Accu-mulated Losses	Total	Non-controlling Interests	Total
	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Balance at 1 July 2016	**11,666**	**(340)**	**(16)**	**78**	**(4,347)**	**7,041**	**79**	**7,120**
Profit for the period	-	-	-	-	187	187	5	192
Other comprehensive income/(loss) for the period	-	(20)	60	-	-	40	-	40
Total comprehensive income for the period	**-**	**(20)**	**60**	**-**	**187**	**227**	**5**	**232**
Transactions with owners in their capacity as owners								
Share-based payments	-	-	-	4	-	4	-	4
Shares purchased	(9)	-	-	-	-	(9)	-	(9)
Dividends	-	-	-	-	(58)	(58)	-	(58)
Shares issued – dividend reinvestment plan	4	-	-	-	-	4	-	4
Balance at 31 December 2016	**11,661**	**(360)**	**44**	**82**	**(4,218)**	**7,209**	**84**	**7,293**

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 8, 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 2017 was authorised for issue in accordance with a resolution of the Directors on 15 February 2018.

2. Basis of Preparation and Accounting Policies

(a) Basis of Preparation

This interim condensed consolidated financial report for the half year ended 31 December 2017 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 of 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 2017 and considered together with any public announcements made by Newcrest Mining Limited during the half year ended 31 December 2017 in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report has been prepared on a historical cost basis, except for derivative financial instruments and metal concentrate receivables, which have been measured at fair value.

The financial report has been presented in United States (US) dollars and all values are rounded to the nearest US$1,000,000 (US$m) 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 2017, except as noted below.

The Group has changed the presentation of cash flows from operating activities in the Statement of Cash Flows from the direct method to the indirect method. The Company believes the indirect method of presentation provides more relevant information to users. Comparatives information included in the Statement of Cash Flows, previously reported using the direct method, have been reclassified to align to the new presentation format.

3. 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 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, Australia
- Telfer, Australia
- Lihir, Papua New Guinea
- Gosowong, Indonesia (1)
- Bonikro, Côte d'Ivoire (2)
- Hidden Valley JV (50% interest), Papua New Guinea (3)
- Exploration and Other (4)

(1) Newcrest owns 75% of Gosowong through its holding in PT Nusa Halmahera Minerals.

(2) Bonikro includes mining and near-mine exploration interests in Côte d'Ivoire, which are held by LGL Mines CI SA and Newcrest Hire CI SA (of which Newcrest owns 89.89% respectively). As at 31 December 2017, Bonikro is classified as 'held for sale'. Refer to Note 14.

(3) Newcrest divested its 50% interest in Hidden Valley during the year ended 30 June 2017.

(4) Exploration and Other mainly comprises projects in the exploration, evaluation and feasibility phase and includes Wafi-Golpu JV (50% interest) and Morobe Exploration JV (50% interest) in PNG, Namosi JV (71.42% interest) in Fiji, O'Callaghans in Australia and Newcrest's global greenfields exploration portfolio.

(a) Segment Results, Segment Assets and Segment Liabilities

The measurement of segment results is in line with the basis of information presented to the Group's Executive Committee 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 revenue.

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 3(b).

Capital Expenditure comprises payments for property, plant and equipment, production stripping expenditure, mines under construction, development and feasibility expenditure and information systems development.

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

3 (a). Segment Information (continued)

31 December 2017	Cadia US$m	Telfer US$m	Lihir US$m	Gosowong US$m	Bonikro US$m	Total Operations US$m	Exploration & Other[(2)] US$m	Corporate[(3)] US$m	Total Group US$m
External sales revenue	554	347	533	188	95	1,717	-	-	1,717
EBITDA	294	79	199	84	50	706	(33)	(49)	624
Depreciation and amortisation	(68)	(106)	(124)	(55)	(35)	(388)	-	(6)	(394)
EBIT (Segment result) [(1)]	**226**	**(27)**	**75**	**29**	**15**	**318**	**(33)**	**(55)**	**230**
Capital Expenditure	46	52	133	12	9	252	15	6	273
As at 31 December 2017									
Segment assets	3,489	698	5,672	415	128	10,402	577	582	11,561
Segment liabilities	682	202	1,041	117	48	2,090	11	1,850	3,951
Net assets	**2,807**	**496**	**4,631**	**298**	**80**	**8,312**	**566**	**(1,268)**	**7,610**

Notes:

(1) Refer to Note 3(b) for the reconciliation of segment result to profit before tax.

(2) Includes net assets attributable to Wafi-Golpu JV of US$432 million and Namosi JV of US$97 million.

(3) Includes investment in associates and eliminations.

3 (a). Segment Information (continued)

31 December 2016	Cadia US$m	Telfer US$m	Lihir US$m	Gosowong US$m	Bonikro US$m	Hidden Valley[2] US$m	Total Operations US$m	Exploration & Other[3] US$m	Corporate[4] US$m	Total Group US$m
External sales revenue	659	356	557	139	80	16	1,807	-	-	1,807
EBITDA	401	100	236	65	24	2	828	(21)	(24)	783
Depreciation and amortisation	(74)	(68)	(119)	(35)	(16)	(1)	(313)	-	(7)	(320)
EBIT (Segment result) [1]	**327**	**32**	**117**	**30**	**8**	**1**	**515**	**(21)**	**(31)**	**463**
Capital Expenditure	87	38	99	18	10	1	253	11	6	270
As at 30 June 2017										
Segment assets	3,450	743	5,685	467	169	-	10,514	553	516	11,583
Segment liabilities	687	233	1,047	153	51	-	2,171	10	1,868	4,049
Net assets	**2,763**	**510**	**4,638**	**314**	**118**	**-**	**8,343**	**543**	**(1,352)**	**7,534**

Notes:

(1) Refer to Note 3(b) for the reconciliation of segment result to profit before tax.

(2) The segment result for Hidden Valley is for the period from 1 July 2016 to the date of divestment of 31 August 2016.

(3) Includes net assets attributable to Wafi-Golpu JV of US$419 million and Namosi JV of US$97 million.

(4) Includes investment in associates and eliminations.

3. Segment Information (continued)

(b) Reconciliation of EBIT (Segment Result) to Profit Before Tax

	Note	31 Dec 17 US$m	31 Dec 16 US$m
Segment Result		**230**	**463**
Finance costs:			
Finance income		2	1
Finance costs		(61)	(67)
		(59)	(66)
Significant items:			
Write-down of non-current assets	5	(13)	(15)
Loss on business divestment	5	-	(10)
Net investment hedge loss	5	-	(79)
		(13)	(104)
Profit Before Tax		**158**	**293**

4. Income and Expenses

	31 Dec 17 US$m	31 Dec 16 US$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) Sales Revenue		
Gold	1,459	1,552
Copper	249	243
Silver	9	12
Total sales revenue	**1,717**	**1,807**
Total revenue	**1,717**	**1,807**
(b) Cost of Sales		
Site production costs	878	833
Royalties	50	51
Concentrate treatment and realisation	70	79
Inventory movements	13	16
	1,011	979
Depreciation	388	313
Total cost of sales	**1,399**	**1,292**
(c) Corporate Administration Expenses		
Corporate costs	34	22
Corporate depreciation	6	7
Share-based payments	6	4
Total corporate administration expenses	**46**	**33**
(d) Other Income/(Expenses)		
Net foreign exchange gain/(loss)	(7)	4
Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	1	(3)
Other	(3)	1
Total other income/(expenses)	**(9)**	**2**
(e) Finance Costs		
Interest on loans	47	51
Facility fees and other costs	10	12
	57	63
Discount unwind on provisions	4	4
Total finance costs	**61**	**67**

4. Income and Expenses (continued)

	31 Dec 17 US$m	31 Dec 16 US$m
(f) Depreciation and Amortisation		
Included in:		
Cost of sales depreciation	388	313
Corporate depreciation	6	7
Total depreciation and amortisation expense	**394**	**320**

5. Significant Items

Items by Nature	Gross US$m	Tax US$m	Net US$m
Period ended 31 December 2017			
Write-down of non-current assets (1)	(13)	-	(13)
Write-down of tax asset (2)	-	(8)	(8)
Total significant items	**(13)**	**(8)**	**(21)**
Attributable to:			
Non-controlling interest			(3)
Owners of the parent			(18)
			(21)
Period ended 31 December 2016			
Write-down of non-current assets (3)	(15)	-	(15)
Loss on business divestment (4)	(10)	-	(10)
Net investment hedge loss (5)	(79)	17	(62)
Total significant items	**(104)**	**17**	**(87)**
Attributable to:			
Non-controlling interest			(1)
Owners of the parent			(86)
			(87)

(1) Represents a write-down in property, plant and equipment at Bonikro, following the classification of Bonikro as ‘held for sale’. The amount attributable to non-controlling interests is US$1 million. Refer to Note 14 for further details.

(2) Represents a write-down of a non-current tax asset at Gosowong, following an unfavourable tax court verdict. The amount attributable to non-controlling interests is US$2 million.

(3) Following a review of exploration activities as at 31 December 2016, the Group recognised a write-down in respect of exploration assets at Bonikro. The amount attributable to non-controlling interests is $1 million.

(4) During the prior period, the Group divested its 50% interest in the Hidden Valley Mine.

(5) Represents the net foreign exchange loss on historic funding arrangements that were designated as a hedge of the Group’s net investment in the Hidden Valley mine. Following its divestment, this loss was reclassified from the Foreign Currency Translation Reserve to the Income Statement.

6. Income Tax Expense

	31 Dec 17 US$m	31 Dec 16 US$m
Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit before tax	**158**	**293**
Income tax expense calculated at 30%	47	88
Adjustments on Significant items:		
Write-down of non-current assets	4	4
Write-down of tax asset	8	-
Loss on business divestment	-	3
Net investment hedge loss	-	7
	12	14
Other items	(1)	(1)
Income tax expense per the Income Statement	**58**	**101**

7. Note to the Consolidated Statement of Cash Flows

	31 Dec 17 US$m	31 Dec 16 US$m
Operating cash flows arising from changes in:		
Trade and other receivables	12	(72)
Inventories	11	17
Trade and other payables	(71)	(49)
Provisions	(30)	(32)
Other assets and liabilities	(12)	15
Change in working capital	**(90)**	**(121)**

8. Dividends

	31 Dec 17 US$m	31 Dec 16 US$m
(a) Dividends declared and paid		
The following dividends were paid during the half year:		
Final ordinary dividend for the 2017 financial year:		
7.5 cents per share (70% franked), paid 27 October 2017	58	-
Final ordinary dividend for the 2016 financial year:		
7.5 cents per share (unfranked), paid 18 October 2016	-	58
	58	**58**

Participation in the dividend reinvestment plan reduced the cash amount paid to US$52 million (31 December 2016: $54 million).

(b) Dividend proposed and not recognised as a liability

Subsequent to the reporting date, the Directors have determined to pay an interim dividend for the half year ended 31 December 2017 of US 7.5 cents per share, which will be fully franked. The dividend will be paid on 2 May 2018. The total amount of the dividend is US$58 million.

9. Impairment of Non-Financial Assets

In accordance with the Group's accounting policies and processes, the Group evaluated each cash generating unit ('CGU') at 31 December 2017, 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.

As announced to the market on 13 December 2017, Newcrest signed an agreement to sell its interest in Bonikro. As a result of the sale agreement, Bonikro has been classified as 'held for sale'. The carrying value of Bonikro was compared to its recoverable amount and this resulted in a write-down of property, plant and equipment of US$13 million. Refer to Note 14 for further details.

After consideration of the potential indicators which could impact the valuation of the other CGUs at 31 December 2017, the Group concluded that there were no impairment or impairment reversal indicators for Newcrest's other CGUs as at 31 December 2017.

9. Impairment of Non-Financial Assets (continued)

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

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

Other than the short term copper price assumptions, no changes have been made to the Group's short or long term assumptions for impairment testing from those used at 30 June 2017, as summarised in the table below:

	As at 31 December 2017			
Assumptions	**2018**	**2019**	**2020**	**Long term (2021+)**
Gold (US$ per ounce)	$1,250	$1,250	$1,250	$1,250
Copper (US$ per pound) (1)	$2.70	$2.80	$2.90	$3.00
AUD:USD exchange rate	$0.75	$0.75	$0.75	$0.75
USD:PGK exchange rate	3.10	3.10	3.10	3.10
Discount rate (%)	USD Assets: 5.25 to 5.75% AUD Assets: 5.0%			

(1) Short term copper assumptions (US$ per pound) as at 30 June 2017 were $2.50 for 2018, $2.60 for 2019 and $2.70 for 2020.

The Group considers that the above assumptions remain reasonable in a period of continued 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.

Based on sensitivity analysis conducted on the increase in the short term copper prices, it has been concluded that they do not represent an indicator of an impairment reversal, as at 31 December 2017

(ii) Reserves and resources

The Group updated its Ore Reserve and Mineral Resource estimates as at 31 December 2017, resulting in a net decrease in gold reserves of approximately 5% and gold resources of approximately 6% compared to the estimates as at 31 December 2016. Based on sensitivity analysis conducted on the value of the reserve reductions, it has been concluded that they do not represent an indicator of impairment as at 31 December 2017.

(iii) Impact of judgements and estimates

The majority of the Group's assets are depreciated on a units of production basis. There is a risk that not all of the economically recoverable reserves will be recovered. This is continually monitored and is formally assessed through the evaluation of carrying values and the review of asset production and depreciation profiles.

It should be noted that significant judgements and assumptions are required in making estimates of a CGU'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 a CGU's recoverable amount, as outlined in Note 12 of the Group's 30 June 2017 financial report.

10. Net Debt

	Note	31 Dec 17 US$m	30 Jun 17 US$m
Corporate bonds	(a)	2,000	2,000
Less: capitalised transaction costs on facilities		(8)	(9)
Total non-current borrowings		**1,992**	**1,991**
Total borrowings		**1,992**	**1,991**
Cash and cash equivalents		(538)	(492)
Cash held for sale	14	(18)	-
Total cash and cash equivalents		**(556)**	**(492)**
Net debt		**1,436**	**1,499**

(a) 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 17 US$m	30 Jun 17 US$m
November 2021	4.45%	750	750
October 2022	4.20%	750	750
November 2041	5.75%	500	500
		2,000	**2,000**

(b) Bilateral bank debt facilities

The Group has bilateral bank debt facilities of US$2,000 million (30 June 2017: US$2,000 million) with 12 banks. These are committed unsecured revolving facilities, individually negotiated and documented with each bank but with similar terms and conditions.

The 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. As at 31 December 2017 and 30 June 2017 these facilities were undrawn. The maturity date profile of these facilities is shown in the table below:

Facility Maturity (financial year ending)	31 Dec 17 US$m	30 Jun 17 US$m
June 2019	1,001	1,001
June 2020	250	250
June 2021	749	749
	2,000	**2,000**

10. Net Debt (continued)

(c) Bank loan

PT Nusa Halmahera Minerals has a US$40 million (30 June 2017: US$40 million) loan facility with one bank. This is an unsecured revolving facility on normal terms and conditions and includes certain financial covenants. Interest is based on LIBOR plus a margin.

This facility was due to mature in January 2018. Subsequent to 31 December 2017 the maturity date of this facility was extended to April 2018. As at 31 December 2017 and 30 June 2017 this facility was undrawn.

(d) Financing facilities

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

	Facility Utilised [(1)] US$m	Facility Unutilised US$m	Facility Limit US$m
31 December 2017			
Corporate bonds	2,000	-	2,000
Bilateral bank debt facilities	-	2,000	2,000
Bank loan	-	40	40
	2,000	**2,040**	**4,040**
30 June 2017			
Corporate bonds	2,000	-	2,000
Bilateral bank debt facilities	-	2,000	2,000
Bank loan	-	40	40
	2,000	**2,040**	**4,040**

(1) As at 31 December 2017, 100% of the facilities utilised were at fixed interest rates. (30 June 2017: 100% fixed rates).

11. Gearing Ratio

The gearing ratio at the reporting date was as follows:

	Note	31 Dec 17 US$m	30 Jun 17 US$m
Net debt	10	1,436	1,499
Equity		7,610	7,534
Total capital (Net debt and equity)		**9,046**	**9,033**
Gearing ratio		**15.9%**	**16.6%**

The gearing ratio is calculated as net debt at the end of the reporting period divided by net debt plus equity.

12. 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, classified between amortised cost, fair value through profit or loss and fair value through other comprehensive income ('OCI').

31 Dec 17	Amortised cost US$m	Fair Value through profit or loss US$m	Fair Value through OCI [1] US$m	Total US$m
Financial Assets				
Cash and cash equivalents	538	-	-	538
Cash and cash equivalents held for sale	18	-	-	18
Trade and other receivables	27	58	-	85
Other financial assets – current	-	-	28	28
Other financial assets – non-current	-	-	2	2
	583	**58**	**30**	**671**
Financial Liabilities				
Trade and other payables	351	-	-	351
Trade and other payables held for sale	32	-	-	32
Borrowings	1,992	-	-	1,992
Other financial liabilities – current	-	10	-	10
Other financial liabilities – non-current	-	-	3	3
	2,375	**10**	**3**	**2,388**

30 June 17	Amortised cost US$m	Fair Value through profit or loss US$m	Fair Value through OCI [1] US$m	Total US$m
Financial Assets				
Cash and cash equivalents	492	-	-	492
Trade and other receivables	45	43	-	88
Other financial assets – current	-	1	30	31
Other financial assets – non-current	-	-	10	10
	537	**44**	**40**	**621**
Financial Liabilities				
Trade and other payables	455	-	-	455
Borrowings	1,991	-	-	1,991
Other financial liabilities – current	-	3	1	4
	2,446	**3**	**1**	**2,450**

(1) Fair value through OCI relates to Telfer gold hedges and fuel hedges.

The Group's financial assets and liabilities, which are measured at fair value, are categorised as Level 2 measurements.

Level 2 fair value measurements are those derived from inputs other than quoted prices 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 future prices.

12. Financial Instruments (continued)

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

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value, except as detailed in the following table:

	Carrying amount		Fair value [1]	
Financial Assets/(Liabilities)	**31 Dec 17 US$m**	**30 Jun 17 US$m**	**31 Dec 17 US$m**	**30 Jun 17 US$m**
Borrowings:				
Fixed rate debt:				
- Corporate Bonds	1,992	1,991	2,162	2,130
	1,992	**1,991**	**2,162**	**2,130**

(1) The fair value is a level 2 valuation. Fair values of the Group's fixed rate borrowings are determined by using discounted cash flow models that use discount rates that reflect the issuer's borrowing rate as at the end of the reporting period.

13. Issued Capital

(a) Movements in Issued Capital

	31 Dec 17 US$m	30 Jun 17 US$m
Opening balance	11,657	11,666
Shares repurchased and held in treasury [(1)]	(11)	(19)
Shares issued – dividend reinvestment plan	6	10
Closing balance	**11,652**	**11,657**

(b) Number of Issued Ordinary Shares

	Number of Ordinary Shares Half year ended 31 Dec 17	Year ended 30 Jun 17
Comprises:		
• Shares held by the public	766,199,889	765,777,868
• Treasury shares	1,248,594	1,331,670
Total issued capital	**767,448,483**	**767,109,538**
Movement in issued ordinary shares		
Opening number of shares	765,777,868	765,562,740
Shares issued under:		
• Shares repurchased and held in treasury [(1)]	(600,000)	(1,100,000)
• Share plans [(2)]	683,076	716,561
• Dividend reinvestment plan	338,945	598,567
Closing number of shares	**766,199,889**	**765,777,868**
Movement in treasury shares		
Opening number of shares	1,331,670	948,231
• Purchases	600,000	1,100,000
• Issues pursuant to share plans	(683,076)	(716,561)
Closing number of shares	**1,248,594**	**1,331,670**

(1) During the period ended 31 December 2017, the Newcrest Employee Share Plan Trust ('Trust') purchased a total of 600,000 (30 June 2017: 1,100,000) ordinary fully paid Newcrest shares at an average price of A$21.63 (US$17.04) per share (30 June 2017: average price of A$21.97 (US$16.73) per share). The shares were purchased on-market to be held by the Trustee on behalf of the Trust to satisfy the future entitlements of the holders of performance rights (and any other rights to acquire shares) under Newcrest's current and future employee incentive schemes.

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

14. Business Divestment - Bonikro

In December 2017, Newcrest signed an agreement to sell its 89.89% interest in the Bonikro operation to a consortium consisting of F&M Gold Resources Ltd and Africa Finance Corporation ('the acquirer'), for consideration of US$81 million comprising:

- US$72 million cash payable on transaction completion; and
- Net smelter royalty on future ore mined at the Bonikro lease, with a fair value of US$9 million.

Completion of the transaction remains subject to conditions precedent, including Côte d'Ivoire government approval, renewal of the Bonikro Mining Investment Convention which expired in May 2017, and no material adverse change in the business. It is expected that the transaction will complete by 31 March 2018.

Subsequent to the reporting date, the Bonikro Mining Investment Convention was renewed.

(a) Write-down of Carrying Value

As a result of the sale agreement, Bonikro has been classified as 'held for sale'. The carrying value of Bonikro was compared to its recoverable amount of US$80 million, which comprises consideration of US$81 million less costs to dispose of US$1 million. This resulted in a write-down of US$13 million.

The sale agreement has an economic effective date of 1 October 2017. The net profit or loss of Bonikro from 1 October 2017 to the completion date will be to the benefit of the acquirer. Accordingly, the write-down recognised during this reporting period will be subject to change up to the date of completion.

Upon sale completion Newcrest will be required to release to the Income Statement, the net foreign exchange gain on historic funding arrangements that were designated as a hedge of the Group's net investment in the Bonikro operations. As at 31 December 2017, this gain was US$29 million and is deferred in equity in the foreign currency translation reserve.

(b) Assets and Liabilities Held for Sale

The carrying value of the assets and liabilities held for sale at the reporting date was as follows:

	31 Dec 2017 US$m
Assets	
Cash and cash equivalents	18
Receivables and prepayments	6
Inventories	88
Property, plant and equipment [(1)]	16
Total Assets	**128**
Liabilities	
Trade and other payables	32
Provisions - rehabilitation	14
Provisions - other	2
Total Liabilities	**48**
Held for Sale	**80**

(1) Inclusive of a US$13 million write-down as per Note 5.

15. Contingencies

(a) Income Tax Matters – Indonesia

During the current half year the Indonesian Taxation Office ('ITO') completed a tax audit and issued an amended assessment to PT Nusa Halmahera Minerals ('PT NHM') for the 30 June 2016 financial year. In addition, during prior periods the ITO concluded audits of the 2010 to 2015 income years. The principal issue raised in these amended assessments was the income tax rate applicable under the Gosowong Contract of Work ('CoW'). PT NHM is 75% owned by Newcrest.

The amended assessment issued by the ITO to PT NHM applied a higher tax rate to the income of PT NHM, in accordance with the ITO interpretation. This resulted in additional tax assessments of US$1 million in relation to 30 June 2016 (on a 100% basis). In addition, PT NHM has previously received assessments in relation to this issue totalling US$95 million for the 2010 to 2015 financial years (on a 100% basis).

PT NHM disagrees with the ITO interpretation but has paid the amounts assessed to mitigate future penalties. PT NHM has objected to these assessments and is seeking recovery of the US$96 million paid.

During the current half year, PT NHM received an adverse ruling from the Indonesian Tax Court in relation to this dispute in relation to 30 June 2013 (tax in dispute US$8 million). PT NHM does not agree with the judgement and has appealed to the Indonesian Supreme Court. Given the Indonesian Tax Court's adverse ruling, PT NHM has written off US$8 million of tax receivable and recognised an income tax expense for the same amount.

If PT NHM's objection to prior period assessments is ultimately unsuccessful it will not recover the amounts paid (US$96 million to date) and income tax expense would be adversely impacted by US$88 million.

PT NHM has also continued to apply its own interpretation of the income tax rate applicable under the CoW to the 2017 financial year. If, following audits, the ITO issues assessments maintaining its alternative interpretation of the applicable tax rate, the additional tax assessed is estimated to be approximately US$7 million (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.

(b) Other Matters

In addition to the above matter, 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.

(c) Bank Guarantees

The Group has provided 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 US$79 million (30 June 2017: US$76 million).

16. New Accounting Standards Issued But Not Yet Effective

As disclosed in Note 36 of the 30 June 2017 financial report, the following standards have been identified as those which may impact the Group in the period of initial application.

Reference & Title	Application date for the Group	Impact on Group
AASB 15 Revenue from contracts with customers	1 July 2018	(a)
AASB 16 Leases	1 July 2019	(b)

(a) AASB 15 Revenue from Contracts with Customers

AASB 15 was issued in December 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Under AASB 15 the revenue recognition model will change from one based on the transfer of risk and reward of ownership to the transfer of control of ownership.

The Group will adopt the new standard on the required effective date of 1 July 2018.

The Group has commenced its assessment of AASB 15 and some of the key issues it has identified, and its initial views and perspectives, are set out below. These are based on the work completed to date and the Group's current interpretation of AASB 15 and may be subject to changes as more detailed analysis is completed and as interpretations evolve more generally. Furthermore, the Group is considering and will continue to monitor any further development.

To date, the Group has identified the following areas that require consideration:

- The Group's revenue is derived from bullion and concentrate sales:
  - For the sale of bullion, we do not anticipate these sales to be materially affected by the new standard.
  - For the sale of concentrate, the point of revenue recognition is dependent on the contract sales terms, which are generally undertaken on Cost, Insurance and Freight (CIF) Incoterms. As the transfer of risks and rewards generally coincides with the transfer of control at a point in time for the Incoterms as part of the Group's concentrate sales arrangements, the timing and amount of revenue recognised for the sale of concentrate is unlikely to be materially affected for the majority of sales.
- AASB 15 introduces the concept of performance obligations that are defined as a 'distinct' promised goods or services. For CIF Incoterms, the seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. Consequently, the freight service on export concentrate contracts with CIF Incoterms represents a separate performance obligation as defined under the new standard. This means that, where material, a portion of the revenue earned under these contracts, representing the obligation to perform the freight service, will be deferred and recognised over time as this obligation is fulfilled, along with the associated costs. Based upon the preliminary assessment performed, the impact of this change on the amount of revenue and profit recorded in a year is not expected to be material.

(b) AASB 16 Leases

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

The Group is in the process of assessing the impact of the new lease standard.

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 2017 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*

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

(b) The financial statements and notes thereto are in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

On behalf of the Board

Peter Hay	Sandeep Biswas
Chairman	Managing Director and Chief Executive Officer

15 February 2018
Melbourne

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Independent Auditor's Review Report to the Members of Newcrest Mining Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Newcrest Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial 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*.

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 control as the directors determine is 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, anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2017 and its consolidated financial 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 the Group, 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*.

Ernst & Young

Trent van Veen	Matthew Honey
Partner	Partner
Melbourne	
15 February 2018	