



# ASX Appendix 4D

## Half Year Financial Report

31 December 2015



### **NEWCREST MINING LIMITED AND CONTROLLED ENTITIES**

ASX APPENDIX 4D AND FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2015

## Table of Contents

A.	ASX Appendix 4D – Results for Announcement to the Market	1
B.	Directors' Report	2
C.	Management Discussion and Analysis	5
D.	Financial Statements	31
E.	Independent Review Report	54

**ASX APPENDIX 4D  
RESULTS FOR ANNOUNCEMENT TO THE MARKET**

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**Newcrest Mining Limited**  
**Half Year Ended 31 December 2015**  
**ASX Code: NCM**

	<b>6 months 31 Dec 15 US\$ millions</b>	<b>6 months 31 Dec 14 US\$ millions</b>	<b>Percentage Increase/ (Decrease)</b>
Sales Revenue	1,546	1,781	(13%)
Net profit attributable to members of the parent entity (‘Statutory Profit’)	81	180	(55%)

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**Dividends**

The Directors have determined that there will be no interim dividend for the half year ended 31 December 2015.

**Review of Results**

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

**Net Tangible Assets per share**

	<b>31 Dec 15 US\$</b>	<b>31 Dec 14 US\$</b>
Net tangible assets per share	8.81	8.87

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**Review Report**

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

**Reporting Currency**

As reported to the market on 17 December 2015, Newcrest has changed its reporting (presentation) currency from Australian dollars to US dollars in the current financial year.

Comparative information included in this financial report, previously reported in Australian dollars, has been restated into US dollars using the procedures outlined in Note 2(b) to the Financial Statements.

## DIRECTORS' REPORT

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The Directors present their report together with the consolidated financial statements of the Newcrest Mining Limited Group, comprising of the Company and its controlled entities, for the half year ended 31 December 2015.

### Directors

The Directors of Newcrest Mining Limited during the half year ended 31 December 2015 and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire half year and up to the date of this report, except as noted.

Peter Hay	Non-Executive Chairman
Sandeep Biswas	Managing Director and Chief Executive Officer
Gerard Bond	Finance Director and Chief Financial Officer
Philip Aiken AM	Non-Executive Director
Vince Gauci	Non-Executive Director <sup>(1)</sup>
Roger Higgins	Non-Executive Director <sup>(2)</sup>
Winifred Kamit	Non-Executive Director
Richard Knight	Non-Executive Director
Rick Lee AM	Non-Executive Director
Xiaoling Liu	Non-Executive Director <sup>(3)</sup>
Tim Poole	Non-Executive Director <sup>(4)</sup>
John Spark	Non-Executive Director

<sup>(1)</sup> Retired from the Board on 29 October 2015.

<sup>(2)</sup> Appointed to the Board on 1 October 2015.

<sup>(3)</sup> Appointed to the Board on 1 September 2015.

<sup>(4)</sup> Resigned from the Board on 30 July 2015.

### 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 2015 was US\$81 million (31 December 2014: US\$180 million).

### Review of Results

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

### Rounding Of Amounts

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

**Auditor Independence Declaration**

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

Signed in accordance with a resolution of the Directors



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**Peter Hay**  
Chairman



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**Sandeep Biswas**  
Managing Director and  
Chief Executive Officer

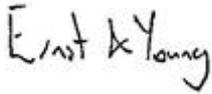
15 February 2016  
Melbourne

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

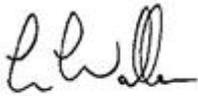
As lead auditor for the review of Newcrest Mining Limited for the half-year 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- (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



Tim Wallace  
Partner

Melbourne  
15 February 2016

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

As announced to the market on 17 December 2015, Newcrest has changed its reporting currency from Australian dollars to US dollars (USD), commencing with the 2016 financial year. All financial data presented in this Management Discussion and Analysis is quoted in USD unless otherwise stated.<sup>1</sup>

## 1. SUMMARY OF RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015 <sup>2</sup>

### Key points

- Statutory profit<sup>3</sup> of USD 81 million and Underlying profit<sup>4</sup> of USD 63 million, both negatively impacted by lower gold and copper prices
- All-In Sustaining Cost<sup>4</sup> reduced by 5% to USD 770 per ounce
- EBITDA margin<sup>4</sup> maintained despite lower realised prices
- Free Cash Flow<sup>4</sup> of USD 254 million, an increase of USD 40 million
- Gold production<sup>5</sup> of 1.204 million ounces, an increase of 6%
- Copper production<sup>5</sup> of 38.9 thousand tonnes, a reduction of 23%
- Net debt of USD 2.65 billion, reduced by USD 235 million (or 8%) from 30 June 2015
- Net debt to EBITDA<sup>4</sup> improved to 2.1 times
- Gearing reduced to 28.1% at 31 December 2015

Highlights	Footnote		For the 6 months ended 31 December			
			2015	2014	Change	Change%
Revenue		USDM	1,546	1,781	(235)	(13%)
Statutory profit/(loss)	3	USDM	81	180	(99)	(55%)
Underlying profit	4	USDM	63	180	(117)	(65%)
EBITDA	4	USDM	545	649	(104)	(16%)
Cash flow from operating activities		USDM	367	481	(114)	(24%)
Free cash flow	4	USDM	254	214	40	19%
Total equity *		USDM	6,807	6,957	(150)	(2%)
Net debt *		USDM	2,654	2,889	(235)	(8%)
Gearing *		%	28.1	29.3	(1.2)	(4%)
EBITDA Margin	4	%	35.3	36.4	(1.1)	(3%)
EBIT Margin	4	%	12.1	21.2	(9.1)	(43%)
Net debt to EBITDA	4	times	2.1	2.6	(0.5)	(19%)
Group production - gold	5	oz	1,204,436	1,138,841	65,595	6%
- copper	5	t	38,918	50,339	(11,421)	(23%)
- silver		oz	1,002,424	1,142,668	(140,244)	(12%)
All-In Sustaining Cost	4	USD/oz sold	770	811	(41)	(5%)
Realised gold price		USD/oz	1,113	1,238	(125)	(10%)
Realised copper price		USD/lb	2.29	3.08	(0.79)	(26%)
Realised silver price		USD/oz	15.72	17.37	(1.65)	(10%)
Average exchange rate		AUD:USD	0.7234	0.8927	(0.1693)	(19%)
Average exchange rate		PGK:USD	0.3493	0.4010	(0.0517)	(13%)
Closing exchange rate		AUD:USD	0.7306	0.8202	(0.0896)	(11%)

\* Total equity, Net debt and Gearing for the comparative period represent values as at 30 June 2015. Refer to section 5 for details.

### Half year results

Over the six months ended 31 December 2015, Newcrest has remained focussed on improving safety, operational discipline, cash maximisation and profitable growth. Newcrest's, Group-wide improvement program "Edge" is now embedded into the business and continues to pursue safety, cost and efficiency improvements across the entire group.

Tragically, there were two fatalities in the current period. On 18 July 2015 an employee of the Hidden Valley Joint Venture was fatally injured in an incident that occurred on the site road to the processing plant. The second fatality occurred at Cadia on 6 September 2015 when a mine technician was fatally injured whilst working underground at Ridgeway. Production activity was immediately suspended following both incidents and comprehensive investigations initiated.

A review of safety processes and initiatives was undertaken in the current period with a clear plan defined for all operations to improve safety performance and culture. Newcrest's Board and Management remain focussed on and committed to the safety of Newcrest's workforce and will relentlessly seek to eliminate fatalities and life-altering injuries from its operations.

Newcrest's financial performance for the current period has been adversely impacted by lower commodity prices. Statutory profit of USD 81 million was USD 99 million lower than the corresponding prior period. The current period Statutory profit included a Significant Item of USD 18 million being the profit on sale of shares in Evolution Mining Limited.

Underlying profit in the current period of USD 63 million was USD 117 million lower than the corresponding prior period and primarily reflected lower realised US dollar gold and copper prices and the lower contribution of higher margin production from Cadia. This was partially offset by the positive impact on costs of the weakening of all key operating currencies against the US Dollar, lower income tax expense, lower energy prices and a much improved financial performance by Lihir and West Africa in the current period.

Gold production of 1.204 million ounces was 6% higher primarily due to higher ore feed grades and higher milling rates at Lihir and West Africa as well as the continued ramp up at Cadia East offsetting the impact of the declining ore feed grades at Ridgeway and processing plant issues at Cadia including the SAG mill outage in the current period. Production in the current period was also adversely impacted by fatality related suspensions at Cadia and Hidden Valley and lower open pit ore feed grades at Telfer in the current period.

Copper production of 38.9 thousand tonnes was 23% lower than the corresponding prior period, primarily due to lower production at Ridgeway.

Newcrest's All-in Sustaining Cost of USD 770 per ounce sold in the current period was USD 41 per ounce or 5% lower than the corresponding prior period, reflecting lower operating costs as a result of cost and efficiency improvements and lower production stripping activity partially offset by lower copper sales volumes and a lower realised US dollar copper price in the current period. Lower operating costs also include the benefit of weaker operating currencies against the US Dollar and lower energy prices.

Free cash flow of USD 254 million, was USD 40 million higher than the corresponding prior period. All operations were free cash flow positive, except Hidden Valley, with improved free cash flow generation from Lihir, Cadia and West Africa.

The free cash flow performance enabled the reduction of USD 235 million in net debt. At 31 December 2015, Newcrest had a gearing ratio of 28.1%, a reduction from 29.3% as at 30 June 2015. The net debt to EBITDA ratio, calculated as the previous 12 months EBITDA as a multiple of period and net debt, improved to 2.1 times.

### Capital structure

As at 31 December 2015 Newcrest had net debt of USD 2,654 million. At this date, Newcrest also had USD 2,660 million of cash and committed undrawn bank facilities, comprising USD 105 million of cash and USD 2,555 million<sup>6</sup> in committed undrawn bank facilities with terms extending from September 2016 to January 2020.

Under current market and operating conditions, the Newcrest Board remains comfortable with this level of debt given the near term cash flow outlook of the Group and has no present intention to raise equity. Newcrest will continue to prioritise application of free cash flow to the reduction of debt, towards the achievement of its financial objectives.

Newcrest's financial objectives are to meet all financial obligations, maintain a strong balance sheet so as to withstand cash flow volatility, be able to invest capital in value-creating opportunities, and be able to return excess cash generated to shareholders. As an unhedged gold producer, Newcrest looks to maintain a conservative level of balance sheet leverage.

From a financial policy perspective, Newcrest looks to:

- Target an investment grade credit rating throughout the cycle;
- Maintain a leverage ratio (Net Debt to EBITDA) of less than 2.0 times;
- Maintain a gearing ratio of below 25%; and
- Maintain diverse funding sources, sizeable committed undrawn bank facilities and USD debt with an appropriate tenor having regard to the life of the Group's assets.

Newcrest's dividend policy continues 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, profitability, balance sheet strength and reinvestment options in the business.

The Newcrest Board has determined that having regard to the Company's target financial metrics there will be no dividend for the 6 months ended 31 December 2015. The Board looks forward to resuming dividend payments when it is prudent to do so.

**Guidance** <sup>7,8</sup>

Production guidance for the 2016 financial year remains unchanged.<sup>7</sup> Subject to market and operating conditions, production from Lihir and Bonikro is expected to be around the upper end of their ranges, while production from Telfer and Hidden Valley is expected to be around the bottom end of their ranges.

Cost, capital and depreciation guidance for the 2016 financial year remains substantially unchanged. The table below reflects guidance on these elements for the 2016 financial year having regard to:

- conversion to USD reporting
- actual performance to date
- updated commodity price and exchange rate assumptions for the remainder of the financial year<sup>8</sup>
- expected performance for the second half of the financial year<sup>7,8</sup>

Depreciation guidance includes the impact of changes to Ore Reserves as at 31 December 2015.

Subject to market and operating conditions and without taking into account the potential impact of the recent Kencana underground incident (refer to Market Release of 9 February 2016), Newcrest's 2016 financial year guidance<sup>8</sup> is as follows:

Production guidance FY16 <sup>7</sup>			For the 12 months ended 30 June 2016
Cadia	- gold	koz	650 - 700
	- copper	kt	~65
Telfer	- gold	koz	470 - 520
	- copper	kt	~20
Lihir	- gold	koz	770 - 850
Gosowong	- gold	koz	300 - 350
Hidden Valley (50%)	- gold	koz	80 - 100
West Africa	- gold	koz	110 - 130
Group production	- gold	moz	2.4 - 2.6
	- copper	kt	~80 - 90
	- silver	moz	2.0 - 2.4

Cost and Capital Guidance FY16 <sup>7, 8</sup>	Cadia	Telfer	Lihir	Gosowong (100%)	Hidden Valley (50%)	West Africa (100%)	Other	Group
	USDM	USDM	USDM	USDM	USDM	USDM	USDM	USDM
All-In Sustaining Cost	165-195	475-500	740-815	235-265	90-100	125-145	70-80	1,900-2,050
<b>Capital expenditure</b>								
- Production stripping	-	30-35	30-40	-	-	5-10	-	65-85
- Sustaining capital	45-55	65-70	60-75	55-60	~5	20-25	~10	260-300
- Major projects (non-sustaining)	115-140	-	15-20	-	-	-	25-30	155-190
<b>Total Capital expenditure</b>	<b>160-195</b>	<b>95-105</b>	<b>105-135</b>	<b>55-60</b>	<b>~5</b>	<b>25-35</b>	<b>35-40</b>	<b>480-575</b>
Exploration expenditure								40-50
Depreciation and amortisation (including production stripping)								675-725

**Review of Operations <sup>9</sup>**

		For the 6 months ended 31 December 2015							
		Cadia <sup>5</sup>	Telfer	Lihir	Goso-wong	Hidden Valley (50%)	West Africa	Other	Group
Gold sales	koz	285	240	408	164	27	75	-	1,199
Copper sales	kt	30	10	-	-	-	-	-	40
Silver sales	koz	198	99	10	234	368	10	-	918
Revenue	USDM	466	319	454	187	37	83	-	1,546
EBITDA	USDM	265	77	128	94	(16)	29	(32)	545
EBIT	USDM	153	6	38	44	(21)	10	(42)	188
Net assets	USDM	2,749	613	4,889	318	(6)	173	(1,929)	6,807
Free cash flow	USDM	127	37	87	11	(16)	21	(13)	254
Capital expenditure	USDM	72	27	37	22	3	6	14	181
AISC	USDM	70	229	363	121	50	59	31	923
	USD/oz	246	955	890	737	1,853	797	25	770
AISC Margin	USD/oz	867	158	223	376	(740)	316		343

		For the 6 months ended 31 December 2014							
		Cadia <sup>5</sup>	Telfer	Lihir	Goso-wong	Hidden Valley (50%)	West Africa	Other	Group
Gold sales	koz	324	271	317	157	54	45	-	1,167
Copper sales	kt	38	14	-	-	-	-	-	51
Silver sales	koz	273	180	7	208	536	5	-	1,211
Revenue	USDM	628	429	393	199	77	55	-	1,781
EBITDA	USDM	347	151	54	97	8	14	(22)	649
EBIT	USDM	265	126	(19)	46	(7)	2	(35)	378
Net assets *	USDM	2,914	697	4,951	411	19	162	(2,197)	6,957
Free cash flow	USDM	67	149	42	77	6	1	(128)	214
Capital expenditure	USDM	125	19	51	19	12	7	13	246
AISC	USDM	64	206	393	124	72	45	28	932
	USD/oz	210	760	1,239	794	1,334	988	24	811
AISC Margin	USD/oz	1,028	478	(1)	444	(96)	250		427

\* Net assets for the comparative period represent values as at 30 June 2015.

1. All corresponding prior period figures have been translated to US dollars using the following approach:
  - Income statements and Cash flows have been translated to US dollars using average exchange rates for the relevant period;
  - Assets and Liabilities have been translated to US dollars using the exchange rate as at the relevant balance dates;
  - Equity has been translated to US dollars using historical exchange rates.Further detail was provided in the Company's 17 December 2015 Market Release entitled "Change in Reporting Currency"
2. 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 2015 ('current period') compared with the 6 months ended 31 December 2014 ('corresponding prior period'), except where otherwise stated. All references to 'the Company' are to Newcrest Mining Limited. All references to \$ are a reference to US dollars unless otherwise stated.
3. Statutory profit/(loss) is profit after tax attributable to owners of the Company.
4. 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.
  - 'Operating unit cost' is cost of sales less depreciation divided by gold sales.
  - 'AISC' is All-In Sustaining Cost and 'AIC' is All-In Cost as per World Gold Council Guidance Note on Non-GAAP Metrics released June 2013. AISC will vary from period to period as a result of various factors including production performance, timing of sales, and the level of sustaining capital and the relative contribution of each asset. AISC Margin reflects the realised gold price less the AISC per ounce sold.
  - Net debt to EBITDA is calculated as net debt divided by rolling 12 month EBITDA. For the current period, Net debt to EBITDA calculated as Net debt as at 31 December 2015 of USD 2,654 million divided by EBITDA covering January 2015 to December 2015 of USD 1,282 million. Net debt to EBITDA for the corresponding prior period, calculated as Net debt as at 31 December 2014 of USD 3,519 million divided by EBITDA covering January 2014 to December 2014 of USD 1,365 million.
  - 'Free Cash Flow' is calculated as cash flow from operating activities less cash flow related to investing activities.
  - Underlying profit, EBIT, EBITDA, EBITDA Margin, EBIT Margin, Free Cash Flow, All-In Sustaining Cost, All-In Sustaining Cost Margin, All-In Cost, Operating unit cost, Sustaining capital and Major projects (non-sustaining) 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 six for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.
5. For the 6 months ended 31 December 2015 production and sales volumes include 778 gold ounces and 122 tonnes of copper related to the pre-commissioning and development of the Cadia East project. For the 6 months ended 31 December 2014, the comparable volumes were 17,728 gold ounces and 1,731 tonnes of copper. Expenditure associated with this production and revenue from the sales are capitalised and not included in the operating profit calculations.
6. Comprises undrawn bilateral loan facilities of USD 2,505 million and an additional undrawn USD 50 million loan facility.
7. Disclaimer: These materials include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause Newcrest's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which Newcrest 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 Newcrest and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect Newcrest's business and operations in the future. Newcrest does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that Newcrest's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by Newcrest or management or beyond Newcrest's control.

Although Newcrest attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of Newcrest. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information Newcrest does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.
8. AUD guidance provided in the 2015 Full Year Financial Results assumed copper price of USD2.40/lb, silver price of USD15.00 per ounce and AUD/USD exchange rate of 0.74. USD guidance stated assumes weighted average copper price of USD 2.20 per pound, silver price of USD 14.20 per ounce and AUD/USD exchange rate of 0.72 for the 2016 financial year.
9. All data relating to operations is shown as 100%, apart from Hidden Valley which is shown at Newcrest's ownership percentage of 50%. Newcrest owns 75% of Gosowong through its holding in PT Nusa Halmahera Minerals, an incorporated joint venture. Bonikro includes mining and exploration interests in Cote d'Ivoire which are held by the following entities: LGL Mines CI SA (of which Newcrest owns 89.89%), LGL Exploration CI SA (of which Newcrest owns 100%) and LGL Resources CI SA (of which Newcrest owns 99.89%).

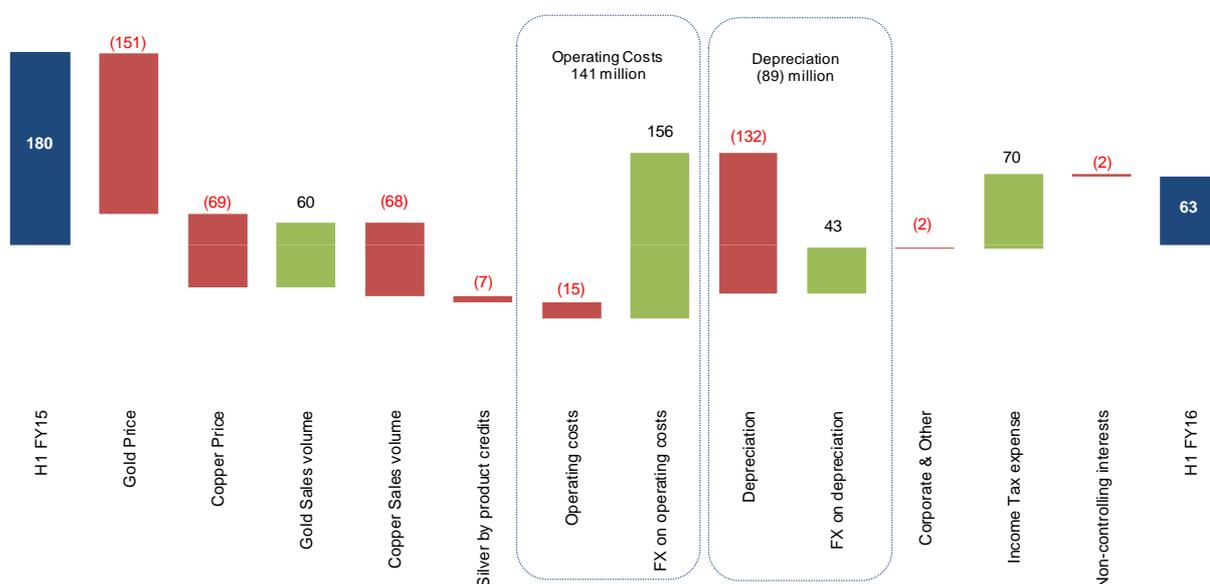
**2. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT**
**2.1. Profit Overview**

Statutory profit was USD 81 million and Underlying profit was USD 63 million in the current period.

The Statutory profit in the current period included a significant item (after tax and non-controlling interests) of USD 18 million reflecting the profit on Newcrest's disposal of its remaining shareholding in Evolution Mining Limited.

Underlying profit was USD 117 million lower than the corresponding prior period, being adversely impacted primarily by lower realised US dollar gold and copper prices and lower copper sales volumes. An extended production outage at Cadia following the failure of the main SAG mill motor also adversely impacted production and resulting profitability. These adverse impacts were partially offset by the positive impact on costs from the weaker Australian Dollar, Papua New Guinea Kina, Indonesian Rupiah and Central African Franc against the US Dollar, lower energy prices and improved profitability at Lihir and West Africa.

USDM	For the 6 months ended 31 December			
	2015	2014	Change	Change%
Gold revenue	1,333	1,424	(91)	(6%)
Copper revenue	199	336	(137)	(41%)
Silver revenue	14	21	(7)	(33%)
<b>Total Revenue</b>	<b>1,546</b>	<b>1,781</b>	<b>(235)</b>	<b>(13%)</b>
Operating costs	(969)	(1,110)	141	13%
Depreciation	(347)	(258)	(89)	(35%)
<b>Total cost of sales</b>	<b>(1,316)</b>	<b>(1,368)</b>	<b>52</b>	<b>4%</b>
Corporate administration costs	(37)	(40)	3	8%
Exploration	(14)	(9)	(5)	(56%)
Other income/(expense)	9	9	-	-
Net finance costs	(75)	(80)	5	6%
Share of profit of associates	-	5	(5)	(100%)
Income tax expense	(42)	(112)	70	63%
Non-controlling interests	(8)	(6)	(2)	(33%)
<b>Underlying profit</b>	<b>63</b>	<b>180</b>	<b>(117)</b>	<b>(65%)</b>

**Underlying Profit movement USD million**


**2.2. Revenue**

Total sales revenue for the 6 months ended 31 December 2015 of USD 1,546 million was USD 235 million or 13% lower than the corresponding prior period. Newcrest's sales revenue continues to be predominantly attributable to gold, being 86% of total sales revenue in the current period (80% in the corresponding prior period).

USDM		
Total sales revenue for 6 months ended 31 December 2014		1,781
<i>Changes in revenues from volume:</i>		
Gold	60	
Copper	(68)	
Silver	(5)	
<b>Total volume effect</b>		<b>(13)</b>
<i>Change in revenue from price:</i>		
Gold	(151)	
Copper	(69)	
Silver	(2)	
<b>Total price effect</b>		<b>(222)</b>
Total sales revenue for 6 months ended 31 December 2015		1,546

Gold revenue of USD 1,333 million was 6% lower than the corresponding prior period largely due to a 10% reduction in the average realised gold price (USD 1,113 per ounce in the current period compared to USD 1,238 per ounce).

The gold price impact was partly offset by a 3% increase in gold sales volumes, primarily due to higher ore feed grades and higher milling rates at Lihir and West Africa, as well as continued ramp up at Cadia East offsetting the impact of declining ore grade at Ridgeway and processing plant issues at Cadia (including the SAG mill outage in the current period). Production and associated sales volumes in the current period was also adversely impacted by fatality related suspensions at Cadia and Hidden Valley and lower ore volume and feed grades at Telfer in the current period.

Copper revenue of USD 199 million was 41% lower than the corresponding prior period, due to 26% reduction in the average realised copper price (USD 2.29 per pound in the current period compared to USD 3.08 per pound) and a 23% decrease in copper sales volumes to 39,494 tonnes (post capitalisation). Drivers of the lower gold sales volumes at Cadia and Telfer also resulted in the lower copper sales volumes.

Silver revenue of USD 14 million was 33% lower than the corresponding prior period, with 10% lower average realised prices and 24% lower sales volumes.

Production and sales	For the 6 months ended 31 December			
	2015		2014	
	Production	Sales	Production	Sales
<b>Gold production and sales (ounces)</b>				
Cadia <sup>10</sup>	286,507	285,192	317,887	323,755
Telfer	243,474	239,808	274,966	270,915
Lihir	431,002	407,949	314,629	316,710
Gosowong	140,954	164,134	134,140	156,537
Hidden Valley	28,313	27,198	48,832	54,098
West Africa	74,186	74,554	48,387	45,149
<b>Total gold production and sales (ounces)</b>	<b>1,204,436</b>	<b>1,198,835</b>	<b>1,138,841</b>	<b>1,167,164</b>
<b>Copper production and sales (tonnes)</b>				
Cadia <sup>10</sup>	29,098	29,586	36,800	37,619
Telfer	9,819	10,030	13,539	13,706
<b>Total copper production and sales (tonnes)</b>	<b>38,918</b>	<b>39,616</b>	<b>50,339</b>	<b>51,325</b>
<b>Silver production and sales (ounces)</b>				
Cadia	193,772	197,522	265,233	273,261
Telfer	98,819	98,819	180,386	180,386
Lihir	10,165	10,165	7,326	7,326
Gosowong	220,487	233,501	171,696	208,254
Hidden Valley	470,032	368,418	508,525	536,481
West Africa	9,149	9,758	9,502	5,498
<b>Total silver production and sales (ounces)</b>	<b>1,002,424</b>	<b>918,184</b>	<b>1,142,668</b>	<b>1,211,206</b>

<sup>10.</sup> For the 6 months ended 31 December 2015 production and sales volumes include 778 gold ounces and 122 tonnes of copper related to the pre-commissioning and development of the Cadia East project. For the 6 months ended 31 December 2014, the comparable volumes were 17,728 gold ounces and 1,731 tonnes of copper. Expenditure associated with this production and revenue from the sales are capitalised and not included in the operating profit calculations.

### 2.3. Cost of sales

USDM	For the 6 months ended 31 December			
	2015	2014	Change	Change%
Site production costs	877	948	(71)	(7%)
Inventory movements	(7)	22	(29)	(132%)
Royalties	37	51	(14)	(27%)
Treatment and realisation	62	89	(27)	(30%)
<b>Operating costs</b>	<b>969</b>	<b>1,110</b>	<b>(141)</b>	<b>(13%)</b>
Depreciation	347	258	89	35%
<b>Cost of sales</b>	<b>1,316</b>	<b>1,368</b>	<b>(52)</b>	<b>(4%)</b>

Operating costs of USD 969 million were USD 141 million or 13% lower than the corresponding prior period.

The decrease in operating costs includes a foreign exchange benefit of approximately USD 156 million as a result of the weakening of the Company's main operating currencies against the US Dollar.

Higher site production costs related to increased mine and processing activity and associated maintenance at Lihir, restructuring costs relating to the transition to contractor mining at the Telfer open pit and higher unit costs of mining the Hiré pits at Bonikro, which were partly offset by lower energy prices and continuing cost reductions from the Edge program in the form of lower input prices and increased efficiencies.

The decrease in royalties largely relates to a refund received in the current period in relation to past Ridgeway copper royalties together with lower gold and copper production volumes at Telfer and Cadia.

Lower treatment and realisation costs were largely due to lower copper concentrate production at Cadia and Telfer and the lower realised US dollar copper price reducing copper metal deduction payments.

The increase in depreciation expense compared with the corresponding prior period primarily reflects the higher depreciable asset base of Telfer following the partial reversal of the Telfer asset impairment at 30 June 2015, higher levels of depreciation at Ridgeway as it approaches being placed on care and maintenance in the March 2016 quarter and increased volume at Lihir and West Africa. The weaker Australian Dollar against the US Dollar partially offset the increase in depreciation at Telfer and Ridgeway, where it is an Australian Dollar denominated expense.

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

Indicative Currency Exposure – Operating Costs	USD	AUD	PGK	IDR	CFA	Other
Cadia	20%	80%	-	-	-	-
Telfer	20%	80%	-	-	-	-
Lihir	20%	30%	45%	-	-	5%
Gosowong	40%	10%	-	50%	-	-
Hidden Valley	25%	20%	55%	-	-	-
West Africa	45%	5%	-	-	47%	3%
<b>Group</b>	<b>20%</b>	<b>50%</b>	<b>20%</b>	<b>5%</b>	<b>3%</b>	<b>2%</b>

*Further information on Cost of Sales is provided in section 4*

#### 2.4. Other items

Corporate administration costs of USD 37 million were 8% lower than the corresponding prior period. Corporate cash costs of USD 23 million included higher legal costs that were largely offset by a favourable exchange rate variance.

Exploration expenditure of USD 20 million was 21% higher than the corresponding prior period. Of this exploration expenditure, USD 14 million was expensed resulting in a capitalisation rate of 30%.

Other income/(expense) of USD 9 million is per the table below. The foreign exchange gain in the current period primarily relates to the restatement of USD-denominated concentrate receivables in the Group's Australian Dollar functional currency operations (Cadia and Telfer).

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

USDM	For the 6 months ended 31 December	
	2015	2014
Net foreign exchange gain/(loss)	5	26
Net fair value gain/(loss) on gold and copper derivatives	1	(5)
Legacy community contractual settlements and negotiation costs	-	(4)
Other	3	(8)
<b>Other income/(expense)</b>	<b>9</b>	<b>9</b>

Lower net finance costs were due to the reduction in net debt in the current period.

Share of profit of associates is nil in the current period as Newcrest ceased equity accounting for its investment in Evolution Mining Limited in the second half of financial year 2015 following partial divestment of the shareholding in February 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS

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Income tax expense on Underlying profit was USD 42 million, resulting in an effective tax rate of 37%, which is higher than the Australian company tax rate of 30%. This is primarily due to losses not brought to account in foreign jurisdictions, mainly relating to Hidden Valley. In the corresponding prior period, income tax expense on Underlying profit was USD 112 million with an effective tax rate of 38%. This was primarily due to an adjustment to income tax expense which following the review of research and development allowances claimed in prior periods.

Income tax expense on Statutory profit in the current period was also USD 42 million, resulting in an effective tax rate of 32%. This is a reduction from the Underlying effective tax rate as there was no income tax expense recognised on the gain on disposal of the shareholding in Evolution Mining Limited.

Non-controlling interests on Statutory profit was USD 8 million, relating to the minority shareholdings at Gosowong and West Africa.

Significant items after tax of USD 18 million was recognised for the 6 months ended 31 December 2015, representing a gain on the disposal of Newcrest's remaining shareholding in Evolution Mining Limited.

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

	For the 6 months ended 31 December 2015		
USDM	Gain on disposal of investment	Tax Expense	Total after tax
Gross	18	-	18
Tax on significant items	-	-	-
<b>Total after tax</b>	<b>18</b>	<b>-</b>	<b>18</b>

**3. DISCUSSION AND ANALYSIS OF CASH FLOW**

Free cash flow for the current period of USD 254 million was USD 40 million higher than the corresponding prior period. The increase includes USD 88 million in proceeds from the sale of Newcrest's interests in Evolution Mining Limited and reflects lower levels of capital expenditure on major projects, partially offset by lower cash flows from operating activities primarily due to lower average realised metal prices.

All operations were free cash flow positive in the period, other than Hidden Valley, with improved free cash flow generation at Cadia, Lihir and West Africa.

USDM	For the 6 months ended 31 December			
	2015	2014	Change	Change %
Cash flow from operating activities	367	481	(114)	(24%)
Cash flow related to investing activities	(113)	(267)	154	58%
<b>Free Cash Flow</b>	<b>254</b>	<b>214</b>	<b>40</b>	<b>19%</b>
Cash flow related to financing activities	(347)	(242)	(105)	(43%)
<b>Net movement in cash</b>	<b>(93)</b>	<b>(28)</b>	<b>(65)</b>	<b>(232%)</b>
Cash at the beginning of the period	198	133	65	49%
<b>Cash at the end of the period</b>	<b>105</b>	<b>105</b>	<b>-</b>	<b>-</b>

**3.1. Cash flow from operating activities**

USDM	For the 6 months ended 31 December			
	2015	2014	Change	Change %
Receipts from customers	1,529	1,678	(149)	(9%)
Payments to suppliers and employees	(1,042)	(1,122)	80	7%
Net interest paid	(67)	(72)	5	7%
Income taxes paid	(54)	(5)	(49)	(980%)
Dividends received	1	2	(1)	(50%)
<b>Net cash inflow from operating activities</b>	<b>367</b>	<b>481</b>	<b>(114)</b>	<b>(24%)</b>

USD 367 million of cash flow was generated from operating activities, an amount lower than the corresponding prior period as a result of lower average realised gold and copper prices and lower copper and gold sales volumes from the higher cash margin Cadia operation due to the SAG mill outage. This was partially offset by favourable timing of customer receipts in the current period, favourable currency movements on costs, lower energy prices and delivery of cost and operating efficiencies across the operations.

Tax payments were USD 49 million higher in the current period, primarily relating to a tax refund of USD 47 million in the corresponding prior period in relation to prior period tax assessments at Gosowong.

**3.2. Cash flow from investing activities**

USDMM	For the 6 months ended 31 December			
	2015	2014	Change	Change %
<b>Production stripping</b>				
Telfer	(6)	-	(6)	
Lihir	(7)	(33)	26	79%
West Africa	(1)	-	(1)	
Hidden Valley	-	(9)	9	100%
<b>Total production stripping</b>	<b>(14)</b>	<b>(42)</b>	<b>28</b>	<b>67%</b>
<b>Sustaining</b>				
Cadia	(18)	(29)	11	38%
Telfer	(21)	(19)	(2)	(11%)
Lihir	(28)	(18)	(10)	(56%)
Gosowong	(22)	(19)	(3)	(16%)
West Africa	(4)	(3)	(1)	(33%)
Hidden Valley	(3)	(3)	-	-
Other	(3)	(1)	(2)	(200%)
<b>Total sustaining capital</b>	<b>(99)</b>	<b>(92)</b>	<b>(7)</b>	<b>(8%)</b>
<b>Major projects (non-sustaining)</b>				
Cadia	(54)	(96)	42	44%
Lihir	(2)	-	(2)	
West Africa	(1)	(4)	3	75%
Wafi-Golpu	(11)	(11)	-	-
Other	-	(1)	1	100%
<b>Total major projects (non-sustaining) capital</b>	<b>(68)</b>	<b>(112)</b>	<b>44</b>	<b>39%</b>
<b>Total Capital Expenditure</b>	<b>(181)</b>	<b>(246)</b>	<b>65</b>	<b>26%</b>
Exploration and evaluation expenditure	(20)	(17)	(3)	(18%)
Interest capitalised to development projects	-	(4)	4	100%
Proceeds from sale of investments	88	-	88	
<b>Total cash outflow from investing activities</b>	<b>(113)</b>	<b>(267)</b>	<b>154</b>	<b>58%</b>

Cash outflow from investing activities of USD 113 million was considerably lower than the corresponding prior period, reflecting lower expenditure on major projects and production stripping and including USD 88 million received from the sale of Newcrest's interests in Evolution Mining Limited.

Capital expenditure of USD 181 million represented:

- Production stripping of USD 14 million: lower than the corresponding prior period primarily due to lower production stripping activity at Lihir, with an increase in ex-pit ore movements to align to de-stacking of the Phase 9 Northern benches. Production stripping at Lihir of Phase 14 commenced towards the end of the current period. Production stripping activity at Telfer of Main Dome Stage 6/7 and West Dome Interim Stage 2 commenced during the period.
- Sustaining capital expenditure of USD 99 million: marginally higher than the corresponding prior period. At Lihir, the increased spend reflects the heightened focus on Edge initiatives delivering efficiencies in the mine and the processing plant. Higher sustaining capital expenditure at Gosowong was due to the commencement of works to extend the tailing storage facility in the current period and the replacement of mobile fleet. Lower expenditure at Cadia was a result of completion of projects in the corresponding prior period.

## MANAGEMENT DISCUSSION AND ANALYSIS

- Major project, or non-sustaining, capital expenditure of USD 68 million was considerably lower than the corresponding prior period, primarily as a result of lower expenditures at Cadia East. The expenditure in the current period primarily related to:
  - Cadia East development: the current period focused on the installation of upgraded ground support and restart of undercut firing and production drilling after the seismic event in February 2015, as well as continued roadway development in Panel Cave 2. Construction continued on the expanded concentrate dewatering facility at Blayney.
  - Wafi–Golpu: progressing the feasibility study for Stage one and pre-feasibility study which incorporates a potential stage two development.

Exploration activity in the current period focused on target generation in Indonesia, Papua New Guinea and Africa as well as continued resource definition analysis at Telfer and Cadia. Brownfields expenditure was consistent with the corresponding prior period, with increased activity at Telfer offsetting reduced activity at Gosowong.

USDM	For the 6 months ended 31 December			
	2015	2014	Change	Change %
<b>Expenditure by nature</b>				
Greenfields	(9)	(4)	(5)	(125%)
Brownfields	(10)	(10)	-	-
Resource definition	(1)	(3)	2	67%
	(20)	(17)	(3)	(18%)
<b>Expenditure by region</b>				
Australia	(10)	(7)	(3)	(43%)
Indonesia	(3)	(5)	2	40%
Papua New Guinea	(3)	(1)	(2)	(200%)
West Africa	(3)	(2)	(1)	(50%)
Fiji	(1)	(2)	1	50%
	(20)	(17)	(3)	(18%)

- Greenfields exploration activities in the current period focused on progressing new projects within Australia, Papua New Guinea and New Zealand.
- Exploration at Gosowong focused on the discovery of new vein systems within the regional contract of work and new shoots within the vicinity of the present operations. Work completed during the first half comprised geophysical surveys and drilling.
- Drilling continued to target resource definition in the Telfer underground operations whilst at Cadia, expenditure focussed on resource definition analysis and interpretation work of the Cadia East orebody.
- The rebuilding of the growth pipeline continues with new agreements entered in relation to Indonesia, Côte d'Ivoire and Nicaragua during the current period.

**3.3. Cash flow from financing activities**

USDM	For the 6 months ended 31 December			
	2015	2014	Change	Change %
Cash flow from financing activities				
Proceeds from borrowings				
<i>USD bilateral bank debt</i>	580	300	280	93%
Repayment of borrowings				
<i>USD bilateral bank debt</i>	(910)	(520)	(390)	(75%)
Payment for treasury shares	(1)	-	(1)	
Dividend paid – to non-controlling interests	(16)	(22)	6	27%
<b>Net cash from financing activities</b>	<b>(347)</b>	<b>(242)</b>	<b>(105)</b>	<b>(43%)</b>

Cash flow from financing activities for the current period was an outflow of USD 347 million, including net repayments of USD 330 million on US Dollar bilateral bank debt, reflecting Newcrest's continued focus on repayment of debt with free cash flow.

No dividend was paid to Newcrest shareholders in the current period. A dividend of USD 16 million was paid to PT Antam, which holds a 25% non-controlling interest in PT Nusa Halmahera Minerals, the entity that owns the Gosowong asset.

**4. REVIEW OF OPERATIONS**
**4.1. Cadia**

Measure		For the 6 months ended 31 December			
		2015	2014	Change	Change %
<b>Operating</b>					
Total ore mined	<i>tonnes '000</i>	12,243	11,437	806	7%
Total material mined	<i>tonnes '000</i>	12,243	11,437	806	7%
Total material milled	<i>tonnes '000</i>	10,029	11,242	(1,213)	(11%)
Gold head grade	<i>grams/tonne</i>	1.08	1.10	(0.02)	(2%)
Gold recovery	<i>%</i>	82.7	80.3	2.4	3%
Gold produced	<i>ounces</i>	286,507	317,887	(31,380)	(10%)
Copper produced	<i>tonnes</i>	29,098	36,800	(7,702)	(21%)
Silver produced	<i>ounces</i>	193,772	265,233	(71,461)	(27%)
Gold sales	<i>ounces</i>	285,192	323,755	(38,563)	(12%)
Copper sales	<i>tonnes</i>	29,586	37,619	(8,033)	(21%)
Silver sales	<i>ounces</i>	197,522	273,261	(75,739)	(28%)
<b>Financial</b>					
Revenue	<i>USDM</i>	466	628	(162)	(26%)
Cost of Sales (including depreciation)	<i>USDM</i>	313	363	(50)	(14%)
Depreciation	<i>USDM</i>	112	82	30	37%
EBITDA	<i>USDM</i>	265	347	(82)	(24%)
EBIT	<i>USDM</i>	153	265	(112)	(42%)
Free Cash Flow	<i>USDM</i>	127	67	60	90%
All-In Sustaining Cost	<i>USDM</i>	70	64	6	9%
All-In Sustaining Cost	<i>USD /oz sold</i>	246	210	36	17%

Operational performance for the period was adversely impacted by the suspension of operations in September due to a fatality at the Ridgeway mine, the previously announced concentrator 1 SAG mill motor issue, a temporary loss of power due to a transformer fire, downtime for a ball mill gearbox replacement, and marginally lower grades resulting from the anticipated reduction in head grades at Ridgeway. These issues were partly offset by continued strong ramp-up and milling of ore mined from Cadia East Panel Cave 1 and recovery improvements identified and implemented through the Edge program. A 24.3mtpa processing rate was achieved during the month of December 2015.

Development of Panel Cave 2 continued with a primary focus on ground support activities, undercut production drilling and developing the undercut level ahead of the extraction level. Draw bell drilling commenced in November 2015.

The lower EBIT was primarily driven by lower metals prices (as the realised US dollar gold price decreased by 10% and the realised US dollar copper price decreased by 26%) and the operational issues noted above which impacted production and sales. Lower cost of sales was mainly due to the lower activity levels as well as a 19% decline in the Australian Dollar relative to the US Dollar. Higher depreciation was due to the continued ramp-up of production from Cadia East Panel Cave 1, the commencement of commercial production in Cadia East Panel Cave 2 on 1 October 2014, and higher levels of depreciation at Ridgeway as it approaches being placed on care and maintenance in the March 2016 quarter.

The increase in All-in-Sustaining Cost per ounce sold was the result of the operational issues noted above and lower copper price, partially offset by the currency benefit on costs and a refund of royalties from amounts paid in prior years in relation to copper mined from Ridgeway.

The significant increase in free cash flow was primarily associated with the timing of concentrate shipments, reduced development expenditure at Cadia East Panel Cave 2, the currency benefit and the royalty refund.

**4.2. Telfer**

Measure		For the 6 months ended 31 December			
		2015	2014	Change	Change %
<b>Operating</b>					
Total ore mined	<i>tonnes '000</i>	8,390	10,396	(2,006)	(19%)
Total material mined	<i>tonnes '000</i>	15,224	16,074	(850)	(5%)
Total material milled	<i>tonnes '000</i>	10,863	10,888	(25)	(0%)
Gold head grade	<i>grams/tonne</i>	0.81	0.95	(0.14)	(15%)
Gold recovery	<i>%</i>	84.3	81.2	3.1	4%
Gold produced	<i>ounces</i>	243,474	274,966	(31,492)	(11%)
Copper produced	<i>tonnes</i>	9,819	13,539	(3,720)	(27%)
Silver produced	<i>ounces</i>	98,819	180,386	(81,567)	(45%)
Gold sales	<i>ounces</i>	239,808	270,915	(31,107)	(11%)
Copper sales	<i>tonnes</i>	10,030	13,706	(3,676)	(27%)
Silver sales	<i>ounces</i>	98,819	180,386	(81,567)	(45%)
<b>Financial</b>					
Revenue	<i>USDM</i>	319	429	(110)	(26%)
Cost of Sales (including depreciation)	<i>USDM</i>	313	303	10	3%
Depreciation	<i>USDM</i>	71	25	46	184%
EBITDA	<i>USDM</i>	77	151	(74)	(49%)
EBIT	<i>USDM</i>	6	126	(120)	(95%)
Free Cash Flow	<i>USDM</i>	37	149	(112)	(75%)
All-In Sustaining Cost	<i>USDM</i>	229	206	23	11%
All-In Sustaining Cost	<i>USD /oz sold</i>	955	760	195	26%

Lower gold and copper production was primarily the result of decreased ore mined in both the open pit and underground operations resulting in an increase in processing of lower grade stockpile material, lowering the overall gold head grade to the mill. This was partially offset by a higher gold recovery from the processing plant. Lower mining activity was due to lower productivity related to rectifying void issues in the open pit, now resolved, a planned shutdown to conduct underground hoist guide rope maintenance and equipment limitations in the underground operations following the fatality in May 2015.

Lower revenue reflected the related reduction in sales volumes, a 10% decrease in the realised US dollar gold price and a 26% decrease in the US dollar copper price.

Higher cost of sales was primarily due to a higher depreciation charge reflecting the partial reversal of the asset impairment at 30 June 2015, partly offset by the weaker Australian Dollar against the US Dollar.

Lower operating costs reflected the lower sales volumes, benefits from the weakening Australian Dollar, lower energy prices and continuing cost reduction initiatives implemented in the period. This was partially offset by a provision for redundancies associated with the previously announced move to contract mining of the open pit operations.

The increase in All-In Sustaining Cost per ounce sold and the lower free cash flow was largely due to the mining issues noted above and lower realised prices, as well as increased production stripping costs associated with waste stripping commencing at Main Dome Stage 6/7 and West Dome Interim Stage 2 in the current period.

**4.3. Lihir**

		For the 6 months ended 31 December			
Measure		2015	2014	Change	Change %
<b>Operating</b>					
Total ore mined	<i>tonnes '000</i>	6,015	1,684	4,331	257%
Total material mined	<i>tonnes '000</i>	9,913	4,651	5,262	113%
Total material milled	<i>tonnes '000</i>	5,931	5,104	827	16%
Gold head grade	<i>grams/tonne</i>	2.92	2.35	0.57	24%
Gold recovery	<i>%</i>	77.4	81.7	(4.3)	(5%)
Gold produced	<i>ounces</i>	431,002	314,629	116,373	37%
Silver produced	<i>ounces</i>	10,165	7,326	2,839	39%
Gold sales	<i>ounces</i>	407,949	316,710	91,239	29%
Silver sales	<i>ounces</i>	10,165	7,326	2,839	39%
<b>Financial</b>					
Revenue	<i>USDm</i>	454	393	61	16%
Cost of Sales (including depreciation)	<i>USDm</i>	416	412	4	1%
Depreciation	<i>USDm</i>	90	73	17	23%
EBITDA	<i>USDm</i>	128	54	74	137%
EBIT	<i>USDm</i>	38	(19)	57	300%
Free Cash Flow	<i>USDm</i>	87	42	45	107%
All-In Sustaining Cost	<i>USDm</i>	363	393	(30)	(8%)
All-In Sustaining Cost	<i>USD /oz sold</i>	890	1,239	(349)	(28%)

Lihir's operating performance and financial results in the current period demonstrates the improvement being achieved as a result of Edge business improvement initiatives that are debottlenecking the plant, reducing costs and improving efficiencies. The target of an annualised milling throughput rate of 12mtpa by the end of calendar year 2015 was achieved with the December 2015 quarter annualised milling throughput rate of 12.4mtpa.

Higher gold production during the current period was primarily driven by a 16% increase in milled tonnes and 24% increase in average feed grade, partly offset by lower gold recovery.

EBIT was significantly higher in the current period and included higher revenues from higher gold sales volumes partly offset by a 10% decrease in the realised US dollar gold price. A shipment containing approximately 19,000 ounces dispatched on the last day of the period will benefit the sales volumes and EBIT result for the next six month period.

Higher cost of sales reflected the higher sales volumes, including costs relating to the higher volume of material mined and mill throughput, and associated higher maintenance and depreciation expense. These costs were largely offset by improvements identified and implemented through the Edge process together with lower energy prices and lower labour costs due to the depreciation of the Papua New Guinea Kina against the US Dollar.

All-In Sustaining Cost per ounce sold of USD 890 per ounce was considerably lower than the corresponding prior period, reflecting the higher grade and improved operating performance as well as lower production stripping expenditure due to the location in the pit of mining activities during the current period. Production stripping of Phase 14 commenced at the end of the current period.

Free cash flow of USD 87 million was more than double that of the corresponding prior period, reflecting the improved operating performance and lower production stripping expenditure, partially offset by the lower realised US dollar gold price and higher sustaining capital expenditure.

Lihir remains focused on safely increasing production and reducing the site cost base, with work continuing on improvement projects across the operation.

**4.4. Gosowong**

Measure		For the 6 months ended 31 December			
		2015	2014	Change	Change %
<b>Operating</b>					
Total ore mined	<i>tonnes '000</i>	324	320	4	1%
Total material mined	<i>tonnes '000</i>	374	387	(13)	(3%)
Total material milled	<i>tonnes '000</i>	362	358	4	1%
Gold head grade	<i>grams/tonne</i>	12.56	12.06	0.50	4%
Gold recovery	<i>%</i>	96.4	96.2	0.2	0%
Gold produced	<i>ounces</i>	140,954	134,140	6,814	5%
Silver produced	<i>ounces</i>	220,487	171,696	48,791	28%
Gold sales	<i>ounces</i>	164,134	156,537	7,597	5%
Silver sales	<i>ounces</i>	233,501	208,254	25,247	12%
<b>Financial</b>					
Revenue	<i>USDM</i>	187	199	(12)	(6%)
Cost of Sales (including depreciation)	<i>USDM</i>	143	153	(10)	(7%)
Depreciation	<i>USDM</i>	50	51	(1)	(2%)
EBITDA	<i>USDM</i>	94	97	(3)	(3%)
EBIT	<i>USDM</i>	44	46	(2)	(4%)
Free Cash Flow	<i>USDM</i>	11	77	(66)	(86%)
All-In Sustaining Cost	<i>USDM</i>	121	124	(3)	(2%)
All-In Sustaining Cost	<i>USD /oz sold</i>	737	794	(57)	(7%)

The higher gold production was primarily the result of higher gold grade from Toguraci ore.

Lower EBIT was mainly driven by lower revenues due to a 10% decrease in the realised US dollar gold price partially offset by an increase in gold sales volume.

Cost of sales decreased due to the decrease in fuel prices and the weakening of the Indonesian Rupiah and the Australian Dollar against the US Dollar.

The decrease in All-In Sustaining Cost per ounce sold was mainly due to lower site costs driven by lower fuel prices and exchange rate benefits, partially offset by a higher rehabilitation charge.

Free cash flow of USD 11 million included the payment in the current period of the tax assessment for the FY12 year of USD 37 million whereas the corresponding prior period included net tax refunds of USD 9 million.

**4.5. Hidden Valley <sup>9</sup>**

Measure		For the 6 months ended 31 December			
		2015	2014	Change	Change %
<b>Operating</b>					
Total ore mined	<i>tonnes '000</i>	811	1,133	(322)	(28%)
Total material mined	<i>tonnes '000</i>	2,659	4,427	(1,768)	(40%)
Total material milled	<i>tonnes '000</i>	735	904	(169)	(19%)
Gold head grade	<i>grams/tonne</i>	1.43	1.87	(0.44)	(24%)
Gold recovery	<i>%</i>	84.8	88.0	(3.2)	(4%)
Gold produced	<i>ounces</i>	28,313	48,832	(20,519)	(42%)
Silver produced	<i>ounces</i>	470,032	508,525	(38,493)	(8%)
Gold sales	<i>ounces</i>	27,198	54,098	(26,900)	(50%)
Silver sales	<i>ounces</i>	368,418	536,481	(168,063)	(31%)
<b>Financial</b>					
Revenue	<i>USDM</i>	37	77	(40)	(52%)
Cost of Sales (including depreciation)	<i>USDM</i>	58	84	(26)	(31%)
Depreciation	<i>USDM</i>	5	15	(10)	(67%)
EBITDA	<i>USDM</i>	(16)	8	(24)	(300%)
EBIT	<i>USDM</i>	(21)	(7)	(14)	(200%)
Free Cash Flow	<i>USDM</i>	(16)	6	(22)	(367%)
All-In Sustaining Cost	<i>USDM</i>	50	72	(22)	(31%)
All-In Sustaining Cost	<i>USD /oz sold</i>	1,853	1,334	519	39%

Hidden Valley's poor operating performance and financial results reflect the impact of unplanned suspensions of the operation during the current period, including during July and August following a fatality, and in November and December due to enforced road closures restricting mining operations.

Lower gold production also reflected lower gold grade due to depletion of the high grade ore from Hidden Valley Stage 3 with lower grade Stage 4 ore, which is now the site's primary production ore source.

The financial results were also impacted by a lower realised US dollar gold price impacting revenue, though operating costs benefited from the depreciation of the Papua New Guinea Kina against the US Dollar. Lower depreciation expense reflected the impairment to the carrying value of Hidden Valley assets at 30 June 2015.

As announced in the December 2015 quarterly report, the Hidden Valley joint venture partners have agreed to suspend all pre-strip activities unless metal prices significantly improve. Going forward the site will focus on safely operating at a free cash flow neutral or better position. The joint venture partners are concurrently assessing all strategic options in relation to the future of the asset.

**4.6. West Africa**

Measure		For the 6 months ended 31 December			
		2015	2014	Change	Change %
<b>Operating</b>					
Total ore mined	<i>tonnes '000</i>	1,101	2,701	(1,600)	(59%)
Total material mined	<i>tonnes '000</i>	4,075	4,151	(76)	(2%)
Total material milled	<i>tonnes '000</i>	1,178	971	207	21%
Gold head grade	<i>grams/tonne</i>	2.06	1.62	0.44	27%
Gold recovery	<i>%</i>	94.6	95.5	(0.9)	(1%)
Gold produced	<i>ounces</i>	74,186	48,387	25,799	53%
Silver produced	<i>ounces</i>	9,149	9,502	(353)	(4%)
Gold sales	<i>ounces</i>	74,554	45,149	29,405	65%
Silver sales	<i>ounces</i>	9,758	5,498	4,260	77%
<b>Financial</b>					
Revenue	<i>USDM</i>	83	55	28	51%
Cost of Sales (including depreciation)	<i>USDM</i>	73	53	20	38%
Depreciation	<i>USDM</i>	19	12	7	58%
EBITDA	<i>USDM</i>	29	14	15	107%
EBIT	<i>USDM</i>	10	2	8	400%
Free Cash Flow	<i>USDM</i>	21	1	20	2,000%
All-In Sustaining Cost	<i>USDM</i>	59	45	14	31%
All-In Sustaining Cost	<i>USD /oz sold</i>	797	988	(191)	(19%)

Increased gold production and improved financial results and operating margins were primarily due to higher head grade ore being mined from Hiré and higher ore milled, with the latter due to a higher percentage of oxide material in the mill feed which increases mill rates due to the fineness and lower overall ore hardness. Mining of pushback 4 of the Bonikro pit completed in October 2015 and the Bonikro pit has been put on care and maintenance.

The improved EBIT, revenue and operating margins reflect the higher sales volumes from the higher grade and throughput, though were impacted by a 10% decrease in the realised US dollar gold price.

Higher cost of sales reflects the higher gold sales volume, though benefited from the depreciation of the Central African Franc against the US Dollar. Mining costs increased with higher costs of mining the Hiré deposit compared to mining the Bonikro pit in the corresponding prior period.

Higher depreciation expense of USD 19 million reflects the higher sales volumes.

The lower All-In Sustaining Cost per ounce sold and higher free cash flow generated are mainly due to the significant increase in gold sales volume as well as the favourable currency impact on costs.

**5. DISCUSSION AND ANALYSIS OF THE BALANCE SHEET**
**5.1. Net assets and total equity**

Newcrest had net assets and total equity of USD 6,807 million as at 31 December 2015. This was a decrease of 2% from 30 June 2015 primarily due to the translation of AUD denominated net assets at the 31 December 2015 closing AUD:USD rate of 0.7306 compared to a 30 June 2015 closing AUD:USD rate of 0.7680. Assets in Papua New Guinea, Côte d'Ivoire and Indonesia have a US Dollar functional currency and do not have the same balance sheet translation exposures as the Company's Australian operations.

USDM	As at 31 December	As at 30 June		
	2015	2015	Change	Change %
<b>Assets</b>				
Cash & cash equivalent	105	198	(93)	(47%)
Receivables	192	158	34	22%
Inventories	1,757	1,734	23	1%
Other financial assets	9	110	(101)	(92%)
Current tax asset	2	14	(12)	(86%)
Property, plant & equipment	3,858	4,067	(209)	(5%)
Exploration, evaluation and development	4,993	5,160	(167)	(3%)
Other intangible assets	54	61	(7)	(11%)
Deferred tax assets	168	140	28	20%
Other assets	187	161	26	16%
<b>Total assets</b>	<b>11,325</b>	<b>11,803</b>	<b>(478)</b>	<b>(4%)</b>
<b>Liabilities</b>				
Payables	(298)	(327)	29	9%
Current tax liability	(2)	(3)	1	33%
Borrowings	(2,759)	(3,087)	328	11%
Other financial liabilities	(37)	(11)	(26)	(236%)
Provisions	(518)	(521)	3	1%
Deferred tax liabilities	(904)	(897)	(7)	(1%)
<b>Total liabilities</b>	<b>(4,518)</b>	<b>(4,846)</b>	<b>328</b>	<b>7%</b>
<b>Net assets</b>	<b>6,807</b>	<b>6,957</b>	<b>(150)</b>	<b>(2%)</b>
<b>Equity</b>				
Equity - Newcrest interest	(6,723)	(6,849)	126	2%
Non-controlling interests	(84)	(108)	24	22%
<b>Total equity</b>	<b>(6,807)</b>	<b>(6,957)</b>	<b>150</b>	<b>2%</b>

**5.2. Net debt, gearing and leverage**

Net debt (comprising total borrowings less cash) of USD 2,654 million at 31 December 2015 was USD 235 million lower than the corresponding prior period. All of Newcrest's debt is USD-denominated.

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

	USDM
Net debt at 30 June 2015	2,889
Net repayment of USD bilateral bank debt	(330)
Net decrease/(increase) in cash balances	93
Other items	2
<b>Net debt at 31 December 2015</b>	<b>2,654</b>
<b>Movement \$</b>	<b>(235)</b>
<b>Movement %</b>	<b>8%</b>

The gearing ratio (net debt to net debt and total equity) as at 31 December 2015 was 28.1%. This is a reduction from 29.3% as at 30 June 2015 reflecting the application of free cash flow generated during the current period to the repayment of debt.

USDM	As at 31 December	As at 30 June		
	2015	2015	Change	Change %
Total debt	2,759	3,087	(328)	(11%)
Less cash and cash equivalents	(105)	(198)	93	47%
<b>Net debt</b>	<b>2,654</b>	<b>2,889</b>	<b>(235)</b>	<b>(8%)</b>
Total equity	6,807	6,957	(150)	(2%)
<b>Net debt and total equity</b>	<b>9,461</b>	<b>9,846</b>	<b>(385)</b>	<b>(4%)</b>
<b>Gearing (net debt/net debt and total equity)</b>	<b>28.1%</b>	<b>29.3%</b>	<b>(1.2)</b>	<b>(4%)</b>

**5.2.1. Net debt**

USDM	As at 31 December	As at 30 June		
	2015	2015	Change	Change %
US Dollar bilateral bank debt - unsecured	645	975	(330)	(34%)
US Dollar corporate bonds – unsecured	2,000	2,000	-	-
US Dollar private placement notes – unsecured	125	125	-	-
Transaction costs on facilities	(11)	(13)	2	15%
Less cash and cash equivalents	(105)	(198)	93	47%
<b>Net debt</b>	<b>2,654</b>	<b>2,889</b>	<b>(235)</b>	<b>(8%)</b>

As at 31 December 2015 Newcrest had bilateral bank debt facilities of USD 3,150 million. Of the available amount, USD 645 million was drawn as at 31 December 2015 compared to USD 975 million drawn as at 30 June 2015. USD 2,505 million remains undrawn as at 31 December 2015.

The outstanding USD Senior Unsecured Notes issued under Rule 144A and Regulation S of the Securities Act of the United States, are as follows:

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

Newcrest has the following Senior Unsecured Notes issued into the North American Private Placement market:

Notes value	Due date	Coupon rate	Issue date
USD 100 million	11 May 2017	5.71%	May 2005
USD 25 million	11 May 2020	5.92%	May 2005

PT Nusa Halmahera Minerals has a USD 50 million loan facility with one bank. This is an unsecured non-recourse revolving facility. As at 31 December 2015 this facility had not been utilised. Subsequent to 31 December 2015, this facility was extended by 12 months maturing in January 2017.

**6. NON-IFRS FINANCIAL INFORMATION**

Newcrest results are reported under International Financial Reporting Standards (IFRS). This report also includes certain non-IFRS financial information, including EBIT (earnings before interest, 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), Operating unit cost, Sustaining capital and Major projects.

These measures are used internally by Management to assess the performance of the business and make decisions on the allocation of resources, and are included in this report to provide greater understanding of the underlying financial performance of the 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 non-sustaining capital are reconciled to investing cash flow in section 3.2; and
- 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. 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.

Profit after tax attributable to Newcrest shareholders	For the 6 months ended 31 December 2015			
	Before Tax and Non-controlling interest	Tax	Non-controlling interest	After tax and Non-controlling interest
USDM				
Statutory profit	131	(42)	(8)	81
Gain on disposal of investment	(18)	-	-	(18)
Total significant items (benefit)/loss	(18)	-	-	(18)
Underlying profit	113	(42)	(8)	63

There was no differences between Statutory profit and Underlying profit for the six months ended 31 December 2014.

**6.2. Reconciliation of Underlying profit to EBITDA**

USD M	For the 6 months ended 31 December	
	2015	2014
Underlying profit	63	180
Non-controlling interest in controlled entities	8	6
Income tax expense	42	112
Net finance costs	75	80
<b>EBIT</b>	<b>188</b>	<b>378</b>
Depreciation and Amortisation	357	271
<b>EBITDA</b>	<b>545</b>	<b>649</b>

**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			
	2015		2014	
	USD M	USD/oz sold	USD M	USD/oz sold
Gold sales (koz) <sup>11</sup>	1,199	-	1,167	-
Cost of sales	1,316	1,099	1,368	1,190
Depreciation	(347)	(290)	(258)	(224)
By-product revenue	(213)	(178)	(357)	(311)
Corporate costs	27	22	27	23
Sustaining exploration	7	6	9	8
Capitalised stripping and underground mine development	19	16	44	38
Sustaining capital expenditure	99	82	92	80
Other <sup>12</sup>	15	12	7	7
<b>All-In Sustaining Costs</b>	<b>923</b>	<b>770</b>	<b>932</b>	<b>811</b>
Non-sustaining capital expenditure	68	56	112	98
Non-sustaining exploration and other	11	10	7	7
<b>All-In Cost</b>	<b>1,002</b>	<b>837</b>	<b>1,051</b>	<b>914</b>

<sup>11.</sup> For the 6 months ended 31 December 2015 production and sales volumes include 778 gold ounces and 122 tonnes of copper related to the pre-commissioning and development of the Cadia East project. For the 6 months ended 31 December 2014, the comparable volumes were 17,728 gold ounces and 1,731 tonnes of copper. Expenditure associated with this production and revenue from the sales are capitalised and not included in the operating profit calculations.

<sup>12.</sup> Other includes rehabilitation accretion and amortisation and other costs categorised as sustaining.

### Contents

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Consolidated Income Statement	32
Consolidated Statement of Comprehensive Income	33
Consolidated Statement of Financial Position	34
Consolidated Statement of Cash Flows	35
Consolidated Statement of Changes in Equity	36
Notes to the Consolidated Financial Statements	38
Directors' Declaration	53

**CONSOLIDATED INCOME STATEMENT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	Note	31 Dec 15 US\$m	31 Dec 14 US\$m
Operating sales revenue	3(a)	1,546	1,781
Cost of sales	3(b)	(1,316)	(1,368)
<b>Gross profit</b>		<b>230</b>	<b>413</b>
Exploration expenses		(14)	(9)
Corporate administration expenses	3(c)	(37)	(40)
Other income	3(d)	9	9
Share of profit of associate		-	5
Gain on disposal of investment	4	18	-
<b>Profit before interest and income tax</b>		<b>206</b>	<b>378</b>
Finance costs	3(e)	(75)	(80)
<b>Profit before income tax</b>		<b>131</b>	<b>298</b>
Income tax expense	6	(42)	(112)
<b>Profit after income tax</b>		<b>89</b>	<b>186</b>
<b>Profit after tax attributable to:</b>			
Non-controlling interests		8	6
Owners of the parent		81	180
		<b>89</b>	<b>186</b>
<b>Earnings per share (cents per share)</b>			
Basic earnings per share		10.6	23.5
Diluted earnings per share		10.5	23.4

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	<b>31 Dec 15 US\$m</b>	<b>31 Dec 14 US\$m</b>
<b>Profit after income tax</b>	<b>89</b>	<b>186</b>
<b>Other comprehensive income</b> <i>Items that may be reclassified subsequently to the Income Statement</i>		
<b>Cashflow hedges</b>		
Cashflow hedge losses deferred in equity	(26)	(48)
Income tax benefit	8	14
	<b>(18)</b>	<b>(34)</b>
<b>Investments</b>		
Net gain on available-for-sale financial assets transferred to the Income Statement upon disposal of investment	(25)	-
	<b>(25)</b>	<b>-</b>
<b>Foreign currency translation</b>		
Exchange losses on translation of foreign operations	(174)	(526)
Realised exchange loss transferred to the Income Statement upon disposal of investment	7	-
	<b>(167)</b>	<b>(526)</b>
<b>Other comprehensive loss for the period, net of tax</b>	<b>(210)</b>	<b>(560)</b>
<b>Total comprehensive loss for the period</b>	<b>(121)</b>	<b>(374)</b>
<b>Total comprehensive loss attributable to:</b>		
Non-controlling interests	8	6
Owners of the parent	(129)	(380)
	<b>(121)</b>	<b>(374)</b>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

	Note	31 Dec 15 US\$m	30 Jun 15 US\$m
<b>Current assets</b>			
Cash and cash equivalents		105	198
Trade and other receivables		192	158
Inventories		617	619
Other financial assets		7	13
Current tax asset		2	14
Other assets		43	61
<b>Total current assets</b>		<b>966</b>	<b>1,063</b>
<b>Non-current assets</b>			
Inventories		1,140	1,115
Other financial assets		2	97
Property, plant and equipment		3,858	4,067
Exploration, evaluation and development		4,993	5,160
Other intangible assets		54	61
Deferred tax assets		168	140
Other assets		144	100
<b>Total non-current assets</b>		<b>10,359</b>	<b>10,740</b>
<b>Total assets</b>		<b>11,325</b>	<b>11,803</b>
<b>Current liabilities</b>			
Trade and other payables		298	327
Borrowings		145	-
Provisions		157	168
Current tax liability		2	3
Other financial liabilities		37	11
<b>Total current liabilities</b>		<b>639</b>	<b>509</b>
<b>Non-current liabilities</b>			
Borrowings	7	2,614	3,087
Provisions		361	353
Deferred tax liabilities		904	897
<b>Total non-current liabilities</b>		<b>3,879</b>	<b>4,337</b>
<b>Total liabilities</b>		<b>4,518</b>	<b>4,846</b>
<b>Net assets</b>		<b>6,807</b>	<b>6,957</b>
<b>Equity</b>			
Issued capital	8	11,672	11,673
Accumulated losses		(4,598)	(4,679)
Reserves		(351)	(145)
<b>Equity attributable to owners of the parent</b>		<b>6,723</b>	<b>6,849</b>
Non-controlling interests		84	108
<b>Total equity</b>		<b>6,807</b>	<b>6,957</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	<b>31 Dec 15 US\$m</b>	<b>31 Dec 14 US\$m</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	1,529	1,678
Payments to suppliers and employees	(1,042)	(1,122)
Interest paid	(67)	(72)
Income taxes paid	(54)	(5)
Dividends received	1	2
<b>Net cash provided by operating activities</b>	<b>367</b>	<b>481</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(80)	(72)
Mine under construction, development and feasibility expenditure	(87)	(132)
Production stripping expenditure	(14)	(42)
Exploration and evaluation expenditure	(20)	(17)
Interest capitalised to development projects	-	(4)
Proceeds from sale of investments	88	-
<b>Net cash used in investing activities</b>	<b>(113)</b>	<b>(267)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings:		
• US dollar bilateral bank debt	580	300
Repayment of borrowings:		
• US dollar bilateral bank debt	(910)	(520)
Payment for treasury shares	(1)	-
Dividends paid:		
• Non-controlling interests	(16)	(22)
<b>Net cash used in financing activities</b>	<b>(347)</b>	<b>(242)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(93)</b>	<b>(28)</b>
Cash and cash equivalents at the beginning of the period	198	133
<b>Cash and cash equivalents at the end of the period</b>	<b>105</b>	<b>105</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	Attributable to Owners of the Parent							Non-controlling Interests US\$m	Total US\$m
	Issued Capital US\$m	FX Translation Reserve US\$m	Hedge Reserve US\$m	Equity Settlements Reserve US\$m	Fair Value Reserve US\$m	Accumulated Losses US\$m	Total US\$m		
	<b>Balance at 1 July 2015</b>	<b>11,673</b>	<b>(246)</b>	<b>6</b>	<b>70</b>	<b>25</b>	<b>(4,679)</b>		
Profit for the period	-	-	-	-	-	81	81	8	89
Other comprehensive loss for the period	-	(167)	(18)	-	(25)	-	(210)	-	(210)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(167)</b>	<b>(18)</b>	<b>-</b>	<b>(25)</b>	<b>81</b>	<b>(129)</b>	<b>8</b>	<b>(121)</b>
<b>Transactions with owners in their capacity as owners</b>									
Share-based payments	-	-	-	4	-	-	4	-	4
Shares issued	(1)	-	-	-	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	(32)	(32)
<b>Balance at 31 December 2015</b>	<b>11,672</b>	<b>(413)</b>	<b>(12)</b>	<b>74</b>	<b>-</b>	<b>(4,598)</b>	<b>6,723</b>	<b>84</b>	<b>6,807</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	Attributable to Owners of the Parent						Non- controlling Interests US\$m	Total US\$m
	Issued Capital US\$m	FX Translation Reserve US\$m	Hedge Reserve US\$m	Equity Settlements Reserve US\$m	Accu- mulated Losses US\$m	Total US\$m		
	<b>Balance at 1 July 2014</b>	<b>11,679</b>	<b>440</b>	<b>13</b>	<b>64</b>	<b>(5,055)</b>		
Profit for the period	-	-	-	-	180	180	6	186
Other comprehensive loss for the period	-	(526)	(34)	-	-	(560)	-	(560)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(526)</b>	<b>(34)</b>	<b>-</b>	<b>180</b>	<b>(380)</b>	<b>6</b>	<b>(374)</b>
<b>Transactions with owners in their capacity as owners</b>								
Share-based payments	-	-	-	4	-	4	-	4
Dividends	-	-	-	-	-	-	(22)	(22)
<b>Balance at 31 December 2014</b>	<b>11,679</b>	<b>(86)</b>	<b>(21)</b>	<b>68</b>	<b>(4,875)</b>	<b>6,765</b>	<b>103</b>	<b>6,868</b>

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

**1. Corporate Information**

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

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

The financial report of Newcrest Mining Limited for the half year ended 31 December 2015 was authorised for issue in accordance with a resolution of the Directors on 15 February 2016.

**2. Basis of Preparation and Accounting Policies**

**(a) Basis of Preparation**

This interim condensed consolidated financial report for the half year ended 31 December 2015 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

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

The Half Year Financial Report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015 and considered together with any public announcements made by Newcrest Mining Limited during the half year ended 31 December 2015 in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report has been presented in United States dollars and all values are rounded to the nearest US\$1,000,000 (US\$m) unless otherwise stated.

**2. Basis of Preparation and Accounting Policies (continued)**

**(b) Change in Presentation Currency**

Newcrest has changed its reporting (presentation) currency from Australian dollars to US dollars in the current financial year. The Company believes that the change in reporting currency to US dollars will enhance comparability with Newcrest's industry peer group, the majority of which report in US dollars.

The change in reporting currency represents a voluntary change in accounting policy which is accounted for retrospectively.

Comparative information included in this financial report, previously reported in Australian dollars, has been restated into US dollars using the procedures outlined below:

1. The Income Statements and Statements of Cash Flows have been translated to US dollars using average exchange rates for the relevant period.
2. Assets and Liabilities in the Statement of Financial Position have been translated to US dollars using the exchange rate as at the relevant balance dates. The exchange rates were as follows:

As at:	
30 June 2015	0.7680
31 December 2014	0.8202
30 June 2014	0.9420

3. The Equity section of the Statement of Financial Position has been converted to US dollars using historical exchange rates.

**(c) Significant Accounting Policies**

Excluding the change in presentation currency, all other 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 2015.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

**3. Revenue and Expenses**

	<b>31 Dec 15 US\$m</b>	<b>31 Dec 14 US\$m</b>
<b>Specific items</b>		
Profit before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
<b>(a) Operating Sales Revenue</b>		
Gold	1,333	1,424
Copper	199	336
Silver	14	21
<b>Total operating sales revenue</b>	<b>1,546</b>	<b>1,781</b>
<b>Total revenue</b>	<b>1,546</b>	<b>1,781</b>
<b>(b) Cost of Sales</b>		
Site production costs	877	948
Royalty	37	51
Concentrate treatment and realisation	62	89
Inventory movements	(7)	22
	969	1,110
Depreciation	347	258
<b>Total cost of sales</b>	<b>1,316</b>	<b>1,368</b>
<b>(c) Corporate Administration Expenses</b>		
Corporate costs	23	23
Corporate depreciation	10	13
Equity settled share-based payments	4	4
<b>Total corporate administration expenses</b>	<b>37</b>	<b>40</b>
<b>(d) Other Income/(Expenses)</b>		
Net foreign exchange gain	5	26
Net fair value gain/(loss) on gold and copper derivatives	1	(5)
Legacy community contractual settlements and negotiation costs	-	(4)
Other	3	(8)
<b>Total other income/(expenses)</b>	<b>9</b>	<b>9</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

**3. Revenue and Expenses (continued)**

	<b>31 Dec 15 US\$m</b>	<b>31 Dec 14 US\$m</b>
<b>(e) Finance Costs</b>		
Interest Costs:		
Interest on loans	58	68
Other:		
Facility fees and other costs	12	10
Discount unwind on provisions	5	6
	<u>75</u>	<u>84</u>
Less: Capitalised borrowing costs	-	(4)
<b>Total finance costs</b>	<b><u>75</u></b>	<b><u>80</u></b>
<b>(f) Depreciation and Amortisation</b>		
Included in:		
Cost of sales depreciation	347	258
Corporate depreciation	10	13
<b>Total depreciation and amortisation expense</b>	<b><u>357</u></b>	<b><u>271</u></b>

**4. Significant Items**

	<b>Gross US\$m</b>	<b>Tax US\$m</b>	<b>Net US\$m</b>
<b>Period ended 31 December 2015</b>			
Gain on disposal of investment <sup>(1)</sup>	<u>18</u>	<u>-</u>	<u>18</u>

<sup>(1)</sup> During the period, the Group disposed of its remaining holding in Evolution Mining Limited. Proceeds from the disposal were US\$88 million.

**Period ended 31 December 2014**

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

## **5. Segment Information**

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

The Group's reportable operating segments are:

- Cadia Valley, Australia
- Telfer, Australia
- Gosowong <sup>(1)</sup>, Indonesia
- Lihir, Papua New Guinea
- Hidden Valley JV (50% interest), Papua New Guinea
- West Africa <sup>(1)</sup>
- Exploration and Other <sup>(2)</sup>

<sup>(1)</sup> Newcrest owns 75% of Gosowong through its holding in PT Nusa Halmahera Minerals. West Africa includes mining and exploration interests in Cote d'Ivoire which are held by the following entities: LGL Mines CI SA (of which Newcrest owns 89.89%), LGL Exploration CI SA (of which Newcrest owns 100%) and LGL Resources CI SA (of which Newcrest owns 99.89%).

<sup>(2)</sup> Exploration and Other mainly comprises projects in the exploration, evaluation and feasibility phase and includes Wafi-Golpu JV (50% interest) in PNG, O'Callaghans in Australia and Namosi JV (70.67% interest) in Fiji.

### **(a) Segment Results, Segment Assets and Segment Liabilities**

The measurement of segment results is in line with the basis of information presented to 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 at unhedged prices.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

**5 (a). Segment Information (continued)**

	<b>Cadia Valley US\$m</b>	<b>Telfer US\$m</b>	<b>Lihir US\$m</b>	<b>Gosowong US\$m</b>	<b>Hidden Valley US\$m</b>	<b>West Africa US\$m</b>	<b>Total Operations US\$m</b>	<b>Exploration &amp; Other US\$m</b>	<b>Corporate<sup>(1)</sup> US\$m</b>	<b>Total Group US\$m</b>
<b>31 Dec 15</b>										
External sales revenue	466	319	454	187	37	83	1,546	-	-	1,546
EBITDA	265	77	128	94	(16)	29	577	(14)	(18)	545
Depreciation and amortisation	(112)	(71)	(90)	(50)	(5)	(19)	(347)	-	(10)	(357)
<b>EBIT (Segment result) <sup>(2)</sup></b>	<b>153</b>	<b>6</b>	<b>38</b>	<b>44</b>	<b>(21)</b>	<b>10</b>	<b>230</b>	<b>(14)</b>	<b>(28)</b>	<b>188</b>
<b>31 Dec 14</b>										
External sales revenue	628	429	393	199	77	55	1,781	-	-	1,781
EBITDA	347	151	54	97	8	14	671	(9)	(13)	649
Depreciation and amortisation	(82)	(25)	(73)	(51)	(15)	(12)	(258)	-	(13)	(271)
<b>EBIT (Segment result) <sup>(2)</sup></b>	<b>265</b>	<b>126</b>	<b>(19)</b>	<b>46</b>	<b>(7)</b>	<b>2</b>	<b>413</b>	<b>(9)</b>	<b>(26)</b>	<b>378</b>
<b>Capital Expenditure for the half year ended:</b>										
31 December 2015	72	27	37	22	3	6	167	11	3	181
31 December 2014	125	19	51	19	12	7	233	12	1	246

**Notes:**

<sup>(1)</sup> Includes investment in associate and eliminations.

<sup>(2)</sup> Refer to Note 5(b) for the reconciliation of segment result to profit before tax.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

**5 (a). Segment Information (continued)**

	<b>Cadia Valley US\$m</b>	<b>Telfer US\$m</b>	<b>Lihir US\$m</b>	<b>Gosowong US\$m</b>	<b>Hidden Valley US\$m</b>	<b>West Africa US\$m</b>	<b>Total Operations US\$m</b>	<b>Exploration &amp; Other US\$m</b>	<b>Corporate<sup>(1)</sup> US\$m</b>	<b>Total Group US\$m</b>
<b>31 Dec 15</b>										
Segment assets	3,336	801	5,750	474	40	212	10,613	524	188	11,325
Segment liabilities	587	188	861	156	46	39	1,877	6	2,635	4,518
<b>Net assets</b>	<b>2,749</b>	<b>613</b>	<b>4,889</b>	<b>318</b>	<b>(6)</b>	<b>173</b>	<b>8,736</b>	<b>518</b>	<b>(2,447)</b>	<b>6,807</b>
<b>30 Jun 15</b>										
Segment assets <sup>(2)</sup>	3,505	889	5,805	567	71	200	11,037	516	250	11,803
Segment liabilities	591	192	854	156	52	38	1,883	9	2,954	4,846
<b>Net assets</b>	<b>2,914</b>	<b>697</b>	<b>4,951</b>	<b>411</b>	<b>19</b>	<b>162</b>	<b>9,154</b>	<b>507</b>	<b>(2,704)</b>	<b>6,957</b>

**Notes:**

<sup>(1)</sup> Includes investment in associates and eliminations.

<sup>(2)</sup> Segment assets are net of write-downs and impairments.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

**5. Segment Information (continued)**

	<b>Note</b>	<b>31 Dec 15 US\$m</b>	<b>31 Dec 14 US\$m</b>
<b>(b) Reconciliation of EBIT (Segment Result) to Profit Before Tax</b>			
<b>Segment Result</b>		<b>188</b>	<b>378</b>
<i>Finance costs:</i>			
Finance costs		(75)	(80)
		(75)	(80)
<i>Significant items:</i>			
Gain on disposal of investment		18	-
		18	-
<b>Profit Before Tax</b>		<b>131</b>	<b>298</b>

**6. Income Tax**

	<b>31 Dec 15 US\$m</b>	<b>31 Dec 14 US\$m</b>
<b>Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement</b>		
<b>Accounting profit before tax</b>	<b>131</b>	<b>298</b>
Income tax expense calculated at 30% (2014: 30%)	39	89
Under provided in prior periods <sup>(1)</sup>	-	17
Gain on disposal of investment	(5)	-
Losses not brought to account	7	4
Other	1	2
	<b>3</b>	<b>23</b>
<b>Income tax expense per the Income Statement</b>	<b>42</b>	<b>112</b>

<sup>(1)</sup> The period ended 31 December 2014 included an adjustment of US\$19 million which finalised the review of Australian Research and Development claims made during the 2005 to 2011 period.

7. Borrowings

		31 Dec 15 US\$m	30 Jun 15 US\$m
<i>Current</i>			
US dollar bilateral bank debt – unsecured	(a)	145	-
<b>Total current borrowings</b>		<b>145</b>	<b>-</b>
<i>Non-Current</i>			
US dollar bilateral bank debt – unsecured	(a)	500	975
US dollar corporate bonds – unsecured	(b)	2,000	2,000
US dollar private placement notes – unsecured	(c)	125	125
Less: Transaction costs on facilities <sup>(1)</sup>		(11)	(13)
<b>Total non-current borrowings</b>		<b>2,614</b>	<b>3,087</b>

<sup>(1)</sup> Transaction costs incurred in the establishment of the bilateral bank debt facility and the corporate bonds facility.

(a) **US dollar bilateral bank debt**

The Group has bilateral bank debt facilities of US\$3,150 million (30 June 2015: US\$3,150 million) with 13 banks. These are committed unsecured revolving facilities, individually negotiated and documented with each bank but with similar terms and conditions.

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

<b>Facility Maturity (financial year ending)</b>	31 Dec 15 US\$m	30 Jun 15 US\$m
June 2017 <sup>(1)</sup>	1,075	1,075
June 2018	725	725
June 2019	875	875
June 2020	475	475
	<b>3,150</b>	<b>3,150</b>

<sup>(1)</sup> Includes facilities maturing in September 2016 of US\$875 million of which US\$145 million was drawn as at 31 December 2015.

(b) **US dollar corporate bonds**

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

<b>Maturity</b>	<b>Coupon Rate</b>	31 Dec 15 US\$m	30 Jun 15 US\$m
November 2021	4.45%	750	750
October 2022	4.20%	750	750
November 2041	5.75%	500	500
		<b>2,000</b>	<b>2,000</b>

**7. Borrowings (continued)**

**(c) US dollar private placement notes**

During the year ended 30 June 2005, the Group issued US\$350 million of long term senior unsecured notes into the North American private placement market. These notes are on normal terms and conditions and include certain financial covenants.

The tranches remaining are shown in the table below:

<b>Maturity</b>	<b>Coupon Rate</b>	<b>31 Dec 15 US\$m</b>	<b>30 Jun 15 US\$m</b>
May 2017	5.71%	100	100
May 2020	5.92%	25	25
		<b>125</b>	<b>125</b>

**(d) US dollar facility agreement**

PT Nusa Halmahera Minerals has a US\$50 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.

Subsequent to 31 December 2015, this facility was extended by 12 months maturing in January 2017.

**(e) Financial arrangements**

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

	<b>31 Dec 15 US\$m</b>	<b>30 Jun 15 US\$m</b>
<b>Facilities utilised at reporting date <sup>(1)</sup></b>		
USD Bilateral bank debt facilities	645	975
USD Corporate bonds	2,000	2,000
USD Private placement notes	125	125
	<b>2,770</b>	<b>3,100</b>
<b>Facilities unutilised</b>		
USD Bilateral bank debt facilities	2,505	2,175
USD Facility agreement	50	50
	<b>2,555</b>	<b>2,225</b>
<b>Total facilities</b>		
USD Bilateral bank debt facilities	3,150	3,150
USD Corporate bonds	2,000	2,000
USD Private placement notes	125	125
USD Facility agreement	50	50
	<b>5,325</b>	<b>5,325</b>

<sup>(1)</sup> As at 31 December 2015, 77% of the facilities utilised were at fixed interest rates and 23% at floating rates. (30 June 2015: 69% fixed rates and 31% floating rates).

**8. Issued Capital**

	<b>31 Dec 15 US\$m</b>	<b>30 Jun 15 US\$m</b>
<b>(a) Movements in Issued Capital</b>		
Opening balance	11,673	11,679
Shares repurchased and held in treasury <sup>(1)</sup>	(1)	(6)
<b>Closing balance</b>	<b>11,672</b>	<b>11,673</b>
<b>(b) Number of Issued Ordinary Shares</b>	<b>Number of Ordinary Shares Half year ended 31 Dec 15</b>	<b>Year ended 30 Jun 15</b>
Comprises:		
• Shares held by the public	765,971,626	765,753,346
• Treasury shares	539,345	757,625
<b>Total issued capital</b>	<b>766,510,971</b>	<b>766,510,971</b>
<b><i>Movement in Issued Ordinary Shares</i></b>		
Opening number of shares	765,753,346	766,165,794
Shares issued under:		
• Shares repurchased and held in treasury <sup>(1)</sup>	(109,980)	(660,000)
• Share plans <sup>(2)</sup>	328,260	247,552
Closing number of shares	<b>765,971,626</b>	<b>765,753,346</b>
<b><i>Movement in Treasury Shares</i></b>		
Opening number of shares	757,625	345,177
• Purchases	109,980	660,000
• Issues pursuant to share plans	(328,260)	(247,552)
<b>Closing number of shares</b>	<b>539,345</b>	<b>757,625</b>

<sup>(1)</sup> During the period ended 31 December 2015, the Newcrest Employee Share Plan Trust ('Trust') purchased a total of 109,980 ordinary fully paid Newcrest shares at an average price of A\$11.80 (US\$8.47) 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.

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

## 9. Gearing Ratio

The gearing ratio at the reporting date was as follows:

	<b>31 Dec 15 US\$m</b>	<b>30 Jun 15 US\$m</b>
Total debt <sup>(1)</sup>	2,759	3,087
Less: Cash and cash equivalents	(105)	(198)
Net debt	<u>2,654</u>	<u>2,889</u>
Equity	6,807	6,957
<b>Total capital (Net debt and equity)</b>	<b><u>9,461</u></b>	<b><u>9,846</u></b>
<b>Gearing ratio</b>	<b><u>28.1%</u></b>	<b><u>29.3%</u></b>

<sup>(1)</sup> Comprises borrowings as disclosed in Note 7.

## 10. Contingent Liabilities

There has been no material change to the contingent liabilities disclosed in the most recent annual financial report except for the following:

### a) Income Tax Matters – Indonesia

During the current period the Indonesian Tax Office ('ITO') completed tax audits and issued amended assessments to PT Nusa Halmahera Minerals ('PT NHM') for the 30 June 2012 and 30 June 2014 financial years. PT NHM is 75% owned by Newcrest. In addition, during prior periods the ITO concluded audits of the 2010, 2011 and 2013 income years. The principal issue raised in these amended assessments was the income tax rate applicable under the Gosowong Contract of Work ('COW').

The amended assessments 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 an additional tax assessment of US\$32 million in relation to 30 June 2012 and US\$7 million in relation to 30 June 2014 (on a 100% basis). In addition, PT NHM has previously received assessments in relation to this issue totalling US\$46 million for the 2010, 2011 and 2013 financial years.

PT NHM disagrees with these ITO interpretations but has paid the amounts assessed to mitigate future penalties. PT NHM has objected to these assessments and is seeking recovery of the US\$85 million paid.

PT NHM has also continued to apply its own interpretation of the income tax rate applicable under the COW to the 2015 financial year. If, following an audit, the ITO issues an assessment maintaining its alternative interpretation of the applicable tax rate, the additional tax assessed is estimated to be approximately US\$8 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. If PT NHM is ultimately unsuccessful in obtaining recovery of the paid amounts (US\$85 million to date), income tax expense would be adversely impacted by any shortfall in recovery of the tax paid together with the remeasurement of deferred tax liabilities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

**11. Financial Instruments**

**(a) Financial Assets and Financial Liabilities**

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

Category	31 Dec 15 US\$m	30 Jun 15 US\$m
<b>Financial Assets</b>		
Cash and cash equivalents <sup>(1)</sup>	105	198
Receivables <sup>(1)</sup>	192	158
Derivatives at fair value through profit or loss <sup>(2)</sup>	9	14
Derivatives in designated hedge accounting relationship <sup>(2)</sup>	-	2
Available-for-sale financial assets <sup>(2)</sup>	-	94
	<b>306</b>	<b>466</b>
<b>Financial Liabilities</b>		
Trade and other payables <sup>(1)</sup>	298	327
Borrowings <sup>(1)</sup>	2,759	3,087
Derivatives at fair value through profit or loss <sup>(2)</sup>	13	11
Derivatives in designated hedge accounting relationship <sup>(2)</sup>	24	-
	<b>3,094</b>	<b>3,425</b>

<sup>(1)</sup> Recognised at amortised cost.

<sup>(2)</sup> Recognised at fair value.

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

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

Financial Assets/(Liabilities)	Carrying amount		Fair value	
	31 Dec 15 US\$m	30 Jun 15 US\$m	31 Dec 15 US\$m	30 Jun 15 US\$m
<b>Borrowings:</b>				
Fixed rate debt: <sup>(1)</sup>				
- Corporate bonds	1,990	1,989	1,694	1,835
- Private placement	125	125	128	130
	<b>2,115</b>	<b>2,114</b>	<b>1,822</b>	<b>1,965</b>

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

## 12. Impairment Charges and Reversals

In accordance with the Group's accounting policies and processes, the Group evaluated each cash generating unit ('CGU') at 31 December 2015, to determine whether there were any indications of impairment or impairment reversal. Where an indicator of impairment or impairment reversal exists, a formal estimate of the recoverable amount is performed.

After consideration of the potential indicators which could impact the valuation of the CGUs at 31 December 2015, the Group concluded:

- Hidden Valley's continued underperformance against expectations represented an impairment indicator. An updated assessment of the recoverable amount of Hidden Valley has determined that no further impairment is required as at 31 December 2015.
- There are no impairment or impairment reversal indicators for the remainder of Newcrest's CGUs as at 31 December 2015.

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

No change has been made to the Group's short or long term assumptions for these factors from those used at 30 June 2015, as summarised in the table below:

Assumptions	As at 30 June 2015		
	2016	2017	Long term (2018+)
Gold (US\$ per ounce)	\$1,100	\$1,200	\$1,250
Copper (US\$ per pound)	\$2.40	\$2.70	\$3.00
AUD:USD exchange rate	\$0.74	\$0.77	\$0.80
USD:PGK exchange rate	\$2.77	\$2.80	\$2.85
Discount rate (%)	USD Assets 5.25 to 5.75% AUD Assets 5.5%		

Gold and copper prices, oil prices and the AUD:USD exchange rate have been particularly volatile towards and subsequent to 31 December 2015. The Group considers that the above assumptions remain reasonable in a period of such volatility, though any sustained change in market prices and rates that is materially different from the above assumptions could result in a different set of valuation assumptions applied to future valuations.

### (ii) Reserves and resources

At 31 December 2015, the Group updated its Ore Reserve and Mineral Resource estimates, resulting in a net decrease in gold reserves of approximately 8% and gold resources of approximately 4% compared to the estimates as at 31 December 2014. In addition to depletion, the updated estimates include reserve reductions at Telfer and West Africa. 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 2015.

**12. Impairment Charges and Reversals (continued)**

**(iii) Production activity and operating and capital costs**

CGUs have been reviewed for changes to long term life of mine plan assumptions, relating to operating costs, capital costs and production activity. In addition, the current period operating and cost performances for each CGU has been compared to plan. With the exception of Hidden Valley, as noted above, the Group has conducted sensitivity analysis on these plan changes and current period performance and concluded that they do not represent an indicator of impairment or an indicator of impairment reversal.

**(iv) Impact of judgements and estimates on valuation outcomes**

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

A change in one or more of the assumptions used in these estimates could result in a change in an asset's recoverable amount as outlined in the 30 June 2015 financial report.

**13. Events Subsequent to Reporting Date**

There are no other matters or circumstances, other than those disclosed within the financial statements, which have arisen since 31 December 2015 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

**DIRECTORS' DECLARATION  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

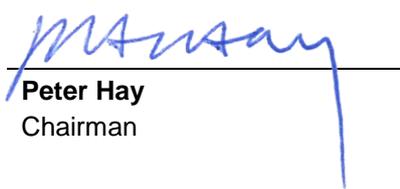
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In accordance with a resolution of the Directors of Newcrest Mining Limited, we state that:

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 2015 and of its performance for the half year ended on that date; and
  - (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



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**Peter Hay**  
Chairman



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**Sandeep Biswas**  
Managing Director and  
Chief Executive Officer

15 February 2016  
Melbourne

To the members of Newcrest Mining Limited

## Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Newcrest Mining Limited, which comprises the statement of financial position as at 31 December 2015, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' responsibility for the half-year financial report

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

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Newcrest Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

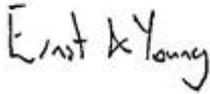
### Independence

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

## Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Tim Wallace  
Partner

Melbourne  
15 February 2016