ASX Appendix 4D &
Financial Report

For the half year ended 31 December 2016

NEWCREST
MINING LIMITED

ASX Appendix 4D and Financial Report

Newcrest Mining Limited and Controlled Entities

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Newcrest Mining Limited
ASX Code: NCM

Reporting period: **Half Year ended 31 December 2016**
Corresponding period: Half Year ended 31 December 2015

	6 months 31 Dec 16 US$ millions	6 months 31 Dec 15 US$ millions	Percentage increase/ (decrease)
Sales Revenue	1,807	1,546	17%
Net profit attributable to members of the parent entity ('Statutory Profit')	187	81	131%

Dividend Information	6 months ended 31 Dec 16 Amount per share US cents	Amount franked per share US cents
Interim dividend	7.5	nil
Record date for determining entitlement to interim dividend		23 March 2017
Date interim dividend payable		28 April 2017

The Directors have determined to pay an unfranked interim dividend for the half year ended 31 December 2016 of US 7.5 cents per share. The dividend will be paid from conduit foreign income and will not be subject to dividend withholding tax when paid to non-Australian resident shareholders.

The Dividend Reinvestment Plan ('DRP') remains in place and will be offered to shareholders at a price determined by the volume weighted average price of shares traded on the ASX over the period 27 to 31 March 2017. No discount applies to the DRP. Shareholders have until 5pm AEST on 24 March 2017 to change their DRP election for the interim dividend.

Net Tangible Assets	31 Dec 16 US$	31 Dec 15 US$
Net tangible assets per share	9.46	8.81

Review of Results

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

Business Divestments

During the period Newcrest sold its interest in Hidden Valley. Refer to Note 15 to the Financial Statements for further details.

Review Report

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

The Directors present their report together with the consolidated financial statements of the Newcrest Mining Limited Group, comprising of Newcrest Mining Limited ('the Company') and its controlled entities ('Newcrest' or 'the Group'), for the half year ended 31 December 2016.

Directors

The Directors of Newcrest Mining Limited during the half year ended 31 December 2016 and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire half year and up to the date of this report unless otherwise stated.

Peter Hay	Non-Executive Director and Non-Executive Chairman
Sandeep Biswas	Managing Director and Chief Executive Officer
Gerard Bond	Finance Director and Chief Financial Officer
Philip Aiken AM	Non-Executive Director
Roger Higgins	Non-Executive Director
Winifred Kamit	Non-Executive Director
Richard Knight	Non-Executive Director (resigned from the Board 16 August 2016)
Rick Lee AM	Non-Executive Director
Xiaoling Liu	Non-Executive Director
Vickki McFadden	Non-Executive Director (appointed to the Board 1 October 2016)
John Spark	Non-Executive Director

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 2016 was US$187 million (31 December 2015: US$81 million).

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

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

Dividends

The Directors have determined to pay an unfranked interim dividend for the half year ended 31 December 2016 of US 7.5 cents per share to be paid on 28 April 2017.

Rounding Of Amounts

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

Auditor's Independence Declaration

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

Signed in accordance with a resolution of the Directors

Peter Hay
Chairman

Sandeep Biswas
Managing Director and Chief Executive Officer

13 February 2017
Melbourne

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

As lead auditor for the review of Newcrest Mining Limited for the half-year ended 31 December 2016, 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

Ernst & Young

Tim Wallace
Partner

Melbourne
13 February 2017

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

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

1. SUMMARY OF RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016[1]

Key points

- Statutory profit[2] of $187 million and Underlying profit[3] of $273 million
- All-In Sustaining Cost[3] of $770 per ounce
- EBITDA margin[3] improved by 23% to 43.3%
- All-In Sustaining Cost margin improved by 48% to $507 per ounce
- Free cash flow[3] improved by 2% to $258 million
- Gold production[4] of 1.23 million ounces, an increase of 2%
- Copper production[4] of 48.9 thousand tonnes, an increase of 26%
- Net debt of $1.9 billion reduced by $194 million (or 9%) since 30 June 2016
- Net debt to EBITDA improved by 19% to 1.3 times since 30 June 2016
- Interim dividend of US 7.5 cents per share

			For the 6 months ended 31 December			
			2016	2015	Change	Change %
Revenue		US$m	1,807	1,546	261	17%
Statutory profit	2	US$m	187	81	106	131%
Underlying profit	3	US$m	273	63	210	333%
EBITDA	3	US$m	783	545	238	44%
Operating cash flow		US$m	601	367	234	64%
Free cash flow	3	US$m	258	254	4	2%
EBITDA margin	3	%	43.3	35.3	8.0	23%
EBIT margin	3	%	25.6	12.1	13.5	112%
Group production - gold		oz	1,230,213	1,204,436	25,777	2%
- copper		t	48,899	38,918	9,981	26%
All-In Sustaining Cost	3	US$/oz	770	770	-	-
All-In Sustaining Margin	3	US$/oz	507	343	164	48%
Realised gold price		US$/oz	1,277	1,113	164	15%
Realised copper price		US$/lb	2.30	2.29	0.01	0%
Average exchange rate		AUD:USD	0.7543	0.7234	0.0309	4%
Average exchange rate		PGK:USD	0.3155	0.3493	(0.0338)	(10%)
Closing exchange rate		AUD:USD	0.7236	0.7306	(0.0070)	(1%)

			As at 31 December 2016	As at 30 June 2016	Change	Change %
Total equity		US$m	7,293	7,120	173	2%
Net debt		US$m	1,913	2,107	(194)	(9%)
Net debt to EBITDA	3	times	1.3	1.6	(0.3)	(19%)
Gearing		%	20.8%	22.8%	(2.0)	(9%)

Half year results

A strong financial performance for the current period was due to a continued focus on operational performance improvements across the business as reflected by an increase in gold and copper production and lower site production costs driven by efficiency gains across the Group.

These operational improvements combined with the higher realised gold price led to a Statutory profit of $187 million for the current period which was $106 million higher than the prior period. The Statutory profit in the current period includes significant items (after tax and non-controlling interests) with a net expense of $86 million, comprising a net investment hedge loss of $62 million representing a prior period foreign exchange loss reclassified from the Foreign Currency Translation Reserve to the Income Statement, a $10 million loss on disposal of Newcrest's 50% ownership interest in Hidden Valley and a $14 million write-down of capitalised exploration at Bonikro. The net investment hedge loss and write-down of capitalised exploration are both non-cash items.

Underlying profit in the current period of $273 million was $210 million higher than the prior period primarily driven by the higher realised gold price, higher copper and gold sales volumes, lower depreciation expense and lower site production costs. The improvement in Underlying profit was partially offset by the negative impact on costs from the strengthening of the Australian dollar against the US dollar and higher income tax expense compared to the prior period.

The average realised gold price in the current year of $1,277 per ounce was 15% higher than the prior period, while the average realised copper price of $2.30 per pound was in line with the prior period.

Gold production of 1.23 million ounces was 2% higher than the prior period (an increase of 4% excluding Hidden Valley) primarily due to Cadia increasing gold production by 31% as the result of higher mill throughput in the current period and the impact in the prior period of an extended production outage associated with the repair of the Concentrator 1 SAG mill motor.

Copper production of 48.9 thousand tonnes was 26% higher than the prior period primarily due to the increase in mill throughput at Cadia and the prior period being impacted by the SAG mill motor outage.

Newcrest's All-In Sustaining Cost of $770 per ounce in the current period was the same as the prior period, primarily reflecting lower unit operating costs at Lihir as a result of cost and efficiency improvements, higher copper by-product credits at Cadia and Telfer, offset by higher sustaining capital and increased production stripping.

Free cash flow of $258 million was $4 million higher than the prior period. All operations were free cash flow positive before tax and cash flow from operating activities of $601 million was $234 million (or 64%) higher than the prior period. The increase in operating cashflow was largely offset by cash outflows from investing activities increasing by $230 million compared to the prior period, with increased capital expenditure (primarily at Lihir due to the focus on increasing processing plant throughput and upgrading the mine site) and higher cash outflows related to other investing activities.

These other investing activities in the current period related to optimising the Group portfolio, including a cash outflow of $27 million associated with the disposal of Hidden Valley and a payment of $23 million to acquire a 10% interest in SolGold Plc. The period-on-period comparison is also impacted by proceeds totalling $88 million received from the sale of Newcrest's remaining interest in Evolution Mining Limited in the prior period.

The free cash flow performance of the Group enabled a $194 million reduction in net debt during the current period, delivering an improvement in Newcrest's key target financial ratios. As at 31 December 2016, Newcrest had a net debt to EBITDA ratio of 1.3 times and a gearing ratio of 20.8%.

Capital structure[7]

Newcrest's net debt as at 31 December 2016 was $1,913 million, comprising $2,116 million of capital market debt less $203 million of cash.

From a liquidity perspective, as at 31 December 2016, Newcrest had $203 million of cash and $2,450 million[5] in committed undrawn bank facilities (a total of $2,653 million).

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

From a financial metrics 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 cash and committed undrawn bank facilities of at least $1.5 billion, with approximately one-third of that amount in the form of cash.

The Group's position in relation to these metrics was:

Metric	Policy 'looks to'	As at 31 December 2016	As at 30 June 2016
Credit rating (S&P/Moody's)	Investment grade	BBB-/Baa3	BBB-/Baa3
Leverage ratio (Net debt to EBITDA)	Less than 2.0 times	1.3	1.6
Gearing ratio	Below 25%	20.8%	22.8%
Cash and committed facilities	At least $1.5bn	$2.65bn	$2.45bn

In January 2017, having regard to the Company's strong liquidity position and the cost of maintaining committed facilities, Newcrest effected a $400 million reduction in its committed bilateral bank debt facilities, pro-rated across all banks providing the loan facilities to Newcrest.

Dividend[7]

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 financial performance in the 2017 half year and target financial metrics at 31 December 2016, an interim unfranked dividend of US 7.5 cents per share will be paid on 28 April 2017. The record date for entitlement is 23 March 2017. The financial impact of the dividend amounting to $58 million has not been recognised in the Consolidated Financial Statements for the half year. The dividend will be paid from conduit foreign income and will not be subject to dividend withholding tax when paid to non-Australian resident shareholders. The Dividend Reinvestment Plan remains in place.

Review of Operations[6]

For the 6 months ended 31 December 2016

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

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

For the 6 months ended 31 December 2015

		Cadia[4]	Telfer	Lihir	Goso-wong	Bonikro	Hidden Valley	Other	Group
Operating									
Production									
Gold	Koz	287	243	431	141	74	28	-	1,204
Copper	Kt	29	10	-	-	-	-	-	39
Silver	Koz	194	99	10	220	9	470	-	1,002
Sales									
Gold	Koz	285	240	408	164	75	27	-	1,199
Copper	Kt	30	10	-	-	-	-	-	40
Silver	Koz	198	99	10	234	10	368	-	918
Financial									
Revenue	US$m	466	319	454	187	83	37	-	1,546
EBITDA	US$m	265	77	128	94	29	(16)	(32)	545
EBIT	US$m	153	6	38	44	10	(21)	(42)	188
Net assets	US$m	2,749	613	4,889	318	173	(6)	(1,929)	6,807
Operating cash flow	US$m	226	65	124	100	30	(13)	(165)	367
Investing cash flow	US$m	(72)	(31)	(37)	(25)	(6)	(3)	61	(113)
Free cash flow*	US$m	154	34	87	75	24	(16)	(104)	254
AISC	US$m	70	229	363	121	59	50	31	923
	US$/oz	246	955	890	737	797	1,853	25	770
AISC Margin	US$/oz	867	158	223	376	316	(740)		343

* Free cash flow for 'Other' comprises net interest paid of $67 million, income tax paid of $54 million, corporate costs of $27 million, capital expenditure of $14 million, exploration expenditure of $13 million and working capital movements of $17 million partially offset by proceeds from the partial sale of Evolution Mining Limited shares of $88 million.

1. All figures in this Report relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Group') for the 6 months ended 31 December 2016 ('current period') compared with the 6 months ended 31 December 2015 ('prior period'), except where otherwise stated. All references to 'the Company' are to Newcrest Mining Limited.
2. Statutory profit/(loss) is profit after tax attributable to owners of the Company.
3. Newcrest's results are reported under International Financial Reporting Standards ("IFRS"). This report also includes certain non-IFRS financial information, including the following:
   - 'Underlying profit/(loss)' is profit or loss after tax before significant items attributable to owners of the Company.
   - 'EBITDA is 'Earnings before interest, tax, depreciation and amortisation, and significant items'. EBIT is 'Earnings before interest, tax and significant items'.
   - 'EBITDA Margin' is EBITDA expressed as a percentage of revenue. 'EBIT Margin' is EBIT expressed as a percentage of revenue.
   - 'AISC' is All-In Sustaining Cost and 'AIC' is All-In Cost as per World Gold Council Guidance Note on Non-GAAP Metrics released June 2013. AISC will vary from period to period as a result of various factors including production performance, timing of sales, and the level of sustaining capital and the relative contribution of each asset. AISC Margin reflects the average realised gold price less the AISC per ounce sold.
   - Net debt to EBITDA is calculated as net debt divided by EBITDA.
   - 'Free Cash Flow' is calculated as cash flow from operating activities less cash flow related to investing activities. Free Cash Flow for each operating site is calculated as Free Cash Flow before interest and tax.
   - Underlying profit, EBIT, EBITDA, EBITDA Margin, EBIT Margin, Free cash flow, All-In Sustaining Cost, All-In Sustaining Cost Margin, All-In Cost, Sustaining capital and Major projects (non-sustaining) capital are non-IFRS financial measures which Newcrest employs in managing the business. They are used by Management to assess the performance of the business and make decisions on the allocation of resources and have been included in this report to provide greater understanding of the underlying financial performance of Newcrest's operations. When reviewing business performance this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS.

   These measures have not been subject to audit or review by Newcrest's external auditor. These measures do not have any standard definition under IFRS and may be calculated differently by other companies. Refer to section six for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.
4. For the 6 months ended 31 December 2016 production and sales volumes include 1,220 gold ounces and 138 tonnes of copper related to the development of the Cadia East project. For the 6 months ended 31 December 2015, the comparable volumes were 778 gold ounces and 122 tonnes of copper. Expenditure associated with this production and revenue from the sales are capitalised and not included in the operating profit calculations.
5. Comprises undrawn bilateral bank debt facilities of $2,400 million and an additional undrawn $50 million bank loan facility. Since 31 December 2016, these have been reduced to $2,000 million and $40 million respectively.
6. All data relating to operations is shown as 100%, apart from Hidden Valley which is shown at Newcrest's ownership percentage of 50% up to the economic effective disposal date of 31 August 2016. Newcrest owns 75% of Gosowong through its holding in PT Nusa Halmahera Minerals, an incorporated joint venture. Bonikro includes mining and exploration interests in Côte d'Ivoire which are held by the following entities: LGL Mines CI SA (of which Newcrest owns 89.89%) and Newcrest Hire CI SA (of which Newcrest owns 89.89%).
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", "outlook" and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Newcrest continues to distinguish between outlook and guidance in forward looking statements. Guidance statements are a risk-weighted assessment constituting Newcrest's current expectation as to the range in which, for example, its gold production (or other relevant metric), will ultimately fall in the current financial year. Outlook statements are a risk-weighted assessment constituting Newcrest's current view regarding the possible range of, for example, gold production (or other relevant metric) in years subsequent to the current financial year. 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.

2. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT

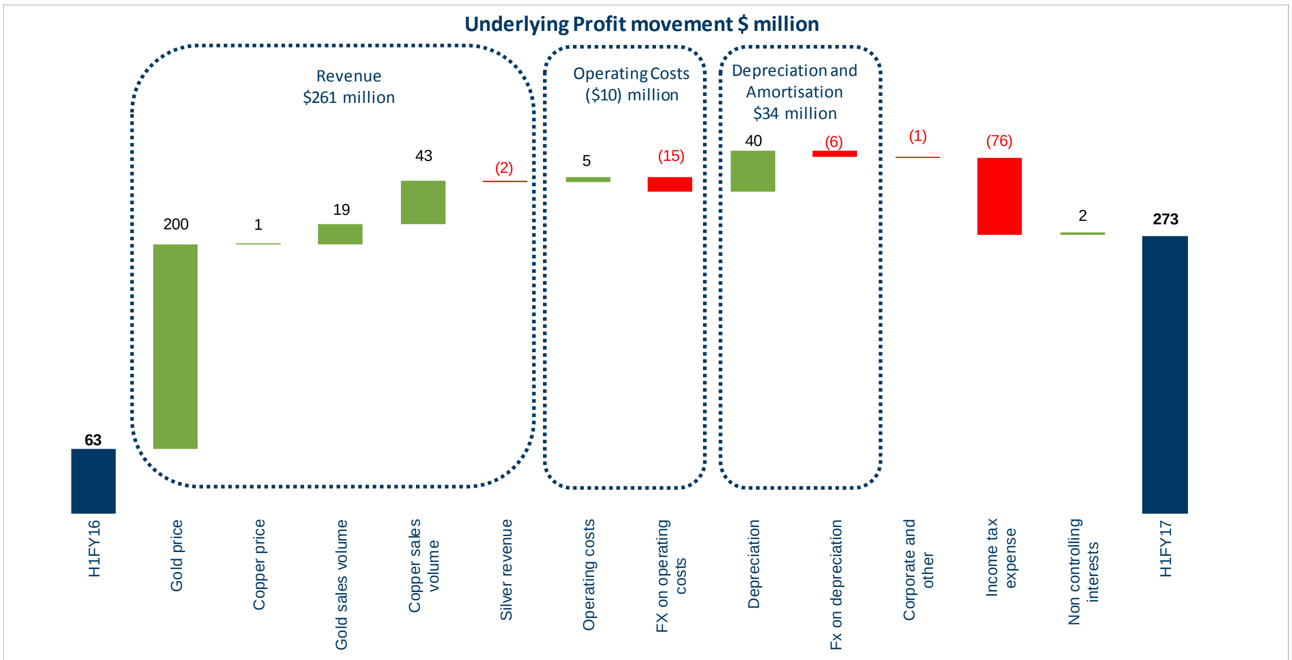
2.1. Profit overview

Statutory profit was $187 million and Underlying profit was $273 million in the current period.

The Statutory profit in the current period includes significant items (after tax and non-controlling interests) with a net expense of $86 million, comprising a net investment hedge loss of $62 million representing a prior period foreign exchange loss reclassified from the Foreign Currency Translation Reserve to the Income Statement, a $10 million loss on disposal of Newcrest's 50% interest in Hidden Valley and a $14 million write-down of capitalised exploration at Bonikro. The net investment hedge loss and write-down of capitalised exploration are both non-cash items.

Underlying profit was $210 million higher than the prior period primarily driven by the higher realised gold price, higher copper and gold sales volumes, lower depreciation expense and lower operating costs. This was partially offset by the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar and higher income tax expense compared to the prior period.

	For the 6 months ended 31 December			
US$m	**2016**	**2015**	**Change**	**Change%**
Gold revenue	1,552	1,333	219	16%
Copper revenue	243	199	44	22%
Silver revenue	12	14	(2)	(14%)
Total revenue	**1,807**	**1,546**	**261**	**17%**
Operating costs	(979)	(969)	(10)	(1%)
Depreciation and amortisation	(313)	(347)	34	10%
Total cost of sales	**(1,292)**	**(1,316)**	**24**	**2%**
Corporate administration expenses	(33)	(37)	4	11%
Exploration	(21)	(14)	(7)	(50%)
Other income/(expense)	2	9	(7)	(78%)
Net finance costs	(66)	(75)	9	12%
Income tax expense	(118)	(42)	(76)	(181%)
Non-controlling interests	(6)	(8)	2	25%
Underlying profit	**273**	**63**	**210**	**333%**



2.2. Revenue

Total sales revenue for the current period of $1,807 million was $261 million or 17% higher than the prior period. Newcrest's sales revenue continues to be predominantly attributable to gold, being 86% of total sales revenue in the current period (86% in the prior period).

US$m		
Total sales revenue for 6 months ended 31 December 2015		**1,546**
Changes in revenues from volume:		
Gold	19	
Copper	43	
Silver	(4)	
Total volume impact		**58**
Change in revenue from price:		
Gold	200	
Copper	1	
Silver	2	
Total price impact		**203**
Total sales revenue for 6 months ended 31 December 2016		**1,807**

Gold revenue of $1,552 million was 16% higher than the prior period, due to a 15% increase in the realised gold price ($1,277 per ounce in the current period compared to $1,113 per ounce in the prior period) and a 2% increase in gold sales volumes primarily due to Cadia increasing gold production by 31% as the result of higher mill throughput in the current period and the impact in the prior period of an extended production outage associated with the repair of the Concentrator 1 SAG mill motor.

Copper revenue of $243 million was 22% higher than the prior period, driven by an increase in copper sales volumes at Cadia and Telfer.

The current period included 174,436 ounces of Telfer gold sales hedged at an average price of A$1,720 per ounce.

2.3. Cost of sales

	For the 6 months ended 31 December			
US$m	**2016**	**2015**	**Change**	**Change %**
Site production costs	833	877	(44)	(5%)
Net inventory movements	16	(7)	23	329%
Royalties	51	37	14	38%
Treatment and realisation	79	62	17	27%
Operating costs	**979**	**969**	**10**	**1%**
Depreciation and amortisation	313	347	(34)	(10%)
Cost of sales	**1,292**	**1,316**	**(24)**	**(2%)**

Cost of sales of $1,292 million were $24 million or 2% lower than the prior period. The lower site production costs were primarily due to lower energy prices and continuing cost reductions at Lihir, together with the disposal of Hidden Valley in the current period. This was partially offset by an unfavourable impact on costs of $15 million from foreign currency exchange movements, primarily the stronger Australian dollar against the US dollar.

Higher treatment and realisation costs were largely due to higher copper concentrate sales from Cadia and Telfer. The increase in royalties is due to the higher realised gold price, higher sales volumes and a royalty refund received by Cadia in the prior period.

The decrease in depreciation expense compared with the prior period primarily reflects the lower depreciation charges at Cadia due to cessation of mining at Ridgeway in the prior period and lower depreciation at Gosowong due to the lower production rate and mining activity as a result of the change in mining method. This was partially offset by higher depreciation charges at Lihir due to the increase in gold sales volumes and the strengthening of the Australian dollar against the US dollar at Cadia and Telfer.

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

	USD	AUD	PGK	IDR	CFA	Other
Cadia	15%	85%	-	-	-	-
Telfer	15%	85%	-	-	-	-
Lihir	40%	25%	30%	-	-	5%
Gosowong	35%	5%	-	60%	-	-
Bonikro	55%	5%	-	-	40%	-
Group	**30%**	**50%**	**10%**	**5%**	**3%**	**2%**

2.4. Other items

Corporate administration expenses of $33 million were 11% lower than the prior period primarily due to lower depreciation charges.

Exploration expenditure of $23 million was 15% higher than the prior period reflecting Newcrest's growing portfolio of strategic partnerships, farm-in arrangements and investments across Asia Pacific, West Africa and the Americas. Of this exploration expenditure $21 million was expensed.

Other income of $2 million was $7 million lower than the prior period, comprising:

	For the 6 months ended 31 December	
US$m	2016	2015
Net foreign exchange gain	4	5
Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	(3)	1
Other	1	3
Other income/(expense)	**2**	**9**

The foreign exchange gain primarily relates to the restatement of US dollar denominated concentrate receivables in the Group's Australian dollar functional currency operations (Cadia and Telfer).

2.5. Net finance costs

Net finance costs of $66 million were $9 million or 12% lower than the prior period due to the lower net debt in the current period.

2.6. Income tax

Income tax expense on Statutory profit in the current period was $101 million, resulting in an effective tax rate of 34%, which is higher than the Australian company tax rate of 30%. The effective tax rate was higher than the Australian company tax rate primarily due to the book tax effect associated with the net investment hedge loss and no income tax benefit recognised on both the loss on disposal of Hidden Valley and the write-down of non-current assets at Bonikro. Income tax expense on Underlying profit was $118 million, resulting in an effective tax rate of 30%.

2.7. Significant items

Significant items totalling a net expense of $86 million (after tax and non-controlling interests) were recognised for the current period, comprising:

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

3. DISCUSSION AND ANALYSIS OF CASH FLOW

Free cash flow for the current period of $258 million was $4 million higher than the prior period. Cash flow from operating activities of $601 million was $234 million (or 64%) higher than the prior period, primarily due to the higher average realised gold price and increased gold and copper sales volumes. This was largely offset by cash outflow from investing activities increasing by $230 million compared to the prior period. This increase in cash outflow related to investing activities was driven by increased capital expenditure (primarily at Lihir due to the focus on increasing processing plant throughput and upgrading the mine site) and higher cash outflows related to other investing activities.

These other investing activities in the current period related to optimising the Group portfolio including a cash outflow of $27 million associated with the disposal of Hidden Valley and a payment of $23 million to acquire a 10% interest in SolGold Plc. The period-on-period comparison is also impacted by proceeds totalling $88 million received from the sale of Newcrest's remaining interest in Evolution Mining Limited in the prior period.

All operations were free cash flow positive before tax in the current period.

	For the 6 months ended 31 December			
US$m	**2016**	**2015**	**Change**	**Change %**
Cash flow from operating activities	601	367	234	64%
Cash flow related to investing activities	(343)	(113)	(230)	(204%)
Free cash flow	**258**	**254**	**4**	**2%**
Cash flow related to financing activities	(108)	(347)	239	69%
Net movement in cash	**150**	**(93)**	**243**	**261%**
Cash at the beginning of the period	**53**	**198**	**(145)**	**(73%)**
Cash at the end of the period	**203**	**105**	**98**	**93%**

3.1 Cash flow from operating activities

	For the 6 months ended 31 December			
US$m	**2016**	**2015**	**Change**	**Change %**
Receipts from customers	1,747	1,529	218	14%
Payments to suppliers and employees	(1,069)	(1,042)	(27)	(3%)
Net interest paid	(59)	(67)	8	12%
Income taxes paid	(18)	(54)	36	67%
Dividends received	-	1	(1)	(100%)
Net cash inflow from operating activities	**601**	**367**	**234**	**64%**

Cash inflow from operating activities of $601 million was $234 million higher than the prior period as a result of the higher realised gold price, higher copper and gold sales volumes, reduction in income tax paid at Gosowong and lower operating costs. This was partially offset by an unfavourable movement in working capital primarily due to the timing of receivables and an unfavourable impact on costs from foreign currency exchange movements.

3.2 Cash flow from investing activities

US$m	For the 6 months ended 31 December 2016	2015	Change	Change %
Production stripping				
Telfer	7	6	1	17%
Lihir	28	7	21	300%
Bonikro	6	1	5	500%
Total production stripping	**41**	**14**	**27**	**193%**
Sustaining capital expenditure				
Cadia	25	18	7	39%
Telfer	23	21	2	10%
Lihir	50	28	22	79%
Gosowong	18	22	(4)	(18%)
Bonikro	4	4	-	-
Hidden Valley	1	3	(2)	(67%)
Corporate	5	3	2	67%
Total sustaining capital	**126**	**99**	**27**	**27%**
Major projects (non-sustaining)				
Cadia	62	54	8	15%
Telfer	8	-	8	
Lihir	21	2	19	950%
Bonikro	-	1	(1)	(100%)
Wafi-Golpu	11	11	-	0%
Corporate	1	-	1	
Total major projects (non-sustaining) capital	**103**	**68**	**35**	**51%**
Total capital expenditure	**270**	**181**	**89**	**49%**
Exploration and evaluation expenditure	23	20	3	15%
Proceeds from sale of investments	-	(88)	88	100%
Cash outflow on sale of subsidiary, net of cash held by subsidiary	27	-	27	
Payments for investments	23	-	23	
Net cash outflow from investing activities	**343**	**113**	**230**	**204%**

Cash outflow from investing activities of $343 million was $230 million higher than the prior period, with increased capital expenditure primarily at Lihir, a cash outflow of $27 million associated with the disposal of Hidden Valley and a payment of $23 million to acquire a 10% interest in SolGold Plc. The prior period also included proceeds totalling $88 million received from the sale of Newcrest's remaining interest in Evolution Mining Limited.

Capital expenditure of $270 million in the six months ended 31 December 2016 comprised:

- Production stripping of $41 million, primarily reflecting waste stripping at Phase 9 and Phase 14 at Lihir, West Dome Stage 2 and Main Dome Stage 6 at Telfer and at Bonikro (Hiré pit).

- Sustaining capital expenditure of $126 million, with higher expenditure at Lihir due to the focus on improving the mine and processing plant (particularly the autoclaves) and an increase in expenditure at Cadia due to improvements to the processing plant, equipment purchases and an increase in tailings dam construction spend.

- Major project, or non-sustaining, capital expenditure of $103 million primarily related to:
  - Cadia East development: the current period focussed on the ongoing development of Panel Cave 2 with the completion of the undercut level and cave propagation. This also included building the related infrastructure such as the fuel bay and roadways. The expanded concentrate dewatering facility at Blayney was completed and commissioned during the current period. Total expenditure was $8 million higher than the prior period.
  - Lihir major projects: activity focussed on increasing processing plant throughput and upgrading the mine site to drive a substantial increase in total material movement.
  - Wafi-Golpu: an update on the Stage One Feasibility Study and Stage Two Prefeasibility Study was released to the market in February 2016. The feasibility study update completed sufficient work to justify access declines which are required to undertake more drilling of the orebody at depth to inform the next stage of the feasibility study, subject to receipt of Special Mining Lease (SML), fiscal stability arrangement and Board approval. Activities identified under the feasibility study update forward work plan continued during the period. An application for a SML was submitted in August 2016 to the Mineral Resource Authority of PNG (MRA). An Environmental Impact Study (EIS) was progressed in preparation for submission.

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

	For the 6 months ended 31 December			
US$m	**2016**	**2015**	**Change**	**Change %**
Expenditure by nature				
Greenfield	11	9	2	22%
Brownfield	5	10	(5)	(50%)
Resource definition	7	1	6	600%
	23	**20**	**3**	**15%**
Expenditure by region				
Australia	6	10	(4)	(40%)
Indonesia	5	3	2	67%
Papua New Guinea	1	3	(2)	(67%)
West Africa	8	3	5	167%
Fiji	-	1	(1)	(100%)
Americas	1	-	1	
New Zealand	2	-	2	
	23	**20**	**3**	**15%**

Greenfield exploration activities in the current period related to progressing new projects within West Africa, Australia, New Zealand and Central America. The rebuilding of the growth pipeline continues with new agreements entered in relation to Indonesia, Côte d'Ivoire, Papua New Guinea and Argentina.

Exploration at Gosowong focused on the regional area within the vicinity of the present operations. Exploration activities at Telfer include target generation exploration and drilling to target resource definition in the Telfer underground operations.

3.3 Cash flow from financing activities

	For the 6 months ended 31 December			
US$m	2016	2015	Change	Change %
Net proceeds / (repayments) of borrowings				
Subsidiary bank loan	(20)	-	(20)	
Bilateral bank debt	(25)	(330)	305	92%
Net repayment of borrowings	**(45)**	**(330)**	**285**	**86%**
Payment for treasury shares	(9)	(1)	(8)	(800%)
Dividends paid to members of the parent entity	(54)	-	(54)	
Dividend paid to non-controlling interests	-	(16)	16	100%
Net cash outflow from financing activities	**(108)**	**(347)**	**239**	**69%**

Cash outflow from financing activities was $108 million due to the recommencement of dividend payments to shareholders and the repayment of the remaining outstanding bilateral bank debt and subsidiary bank debt.

4. REVIEW OF OPERATIONS

4.1. Cadia

Measure		For the 6 months ended 31 December 2016	2015	Change	Change %
Operating					
Total ore mined	tonnes '000	12,296	12,243	53	0%
Total material mined	tonnes '000	12,296	12,243	53	0%
Total material milled	tonnes '000	12,935	10,029	2,906	29%
Gold head grade	grams/tonne	1.11	1.08	0.03	3%
Gold recovery	%	82.2	82.7	(0.5)	(1%)
Gold produced	ounces	374,474	286,507	87,967	31%
Copper produced	tonnes	38,158	29,098	9,060	31%
Silver produced	ounces	223,730	193,772	29,958	15%
Gold sales	ounces	367,109	285,192	81,917	29%
Copper sales	tonnes	36,997	29,586	7,411	25%
Silver sales	ounces	218,100	197,522	20,578	10%
Financial					
Revenue	US$m	659	466	193	41%
Cost of Sales (including depreciation)	US$m	332	313	19	6%
Depreciation	US$m	74	112	(38)	(34%)
EBITDA	US$m	401	265	136	51%
EBIT	US$m	327	153	174	114%
Free cash flow	US$m	267	154	113	73%
All-In Sustaining Cost	US$m	95	70	25	36%
All-In Sustaining Cost	US$/oz	258	246	12	5%

Gold production for the current period increased by 31% as the result of higher mill throughput and improved head grade. The higher mill throughput in the current period was due to increased availability with the throughput in the prior period significantly impacted by the production suspension in September 2015, the repair of the Concentrator 1 SAG mill motor, and downtime for a ball mill gearbox replacement. The improved head grade was due to Cadia East ore replacing lower grade Ridgeway ore (with Ridgeway on care and maintenance since March 2016).

Panel Cave 2 ore production continued to increase whilst development focussed on the completion of the undercut level and cave propagation.

The higher EBIT in the current period was due to an increase in gold and copper sales volumes, a 15% increase in the gold price and an 18% decrease in the unit cost of sales (partially offset by the strengthening of the Australian dollar). Lower depreciation charges were due to the cessation of mining at Ridgeway in the prior period.

A marginally higher All-In Sustaining Cost per ounce was primarily the result of higher royalties due to the higher realised gold price and a royalty refund received in the prior period, lower by-product credits and higher sustaining capital expenditure in the current period, partially offset by lower site costs.

Free cash flow for the current period increased by $113 million primarily due to the higher EBITDA, partially offset by higher capital expenditure.

4.2. Telfer

Measure		For the 6 months ended 31 December 2016	2015	Change	Change %
Operating					
Total ore mined	tonnes '000	9,148	8,390	758	9%
Total material mined	tonnes '000	16,826	15,224	1,602	11%
Total material milled	tonnes '000	10,916	10,863	53	0%
Gold head grade	grams/tonne	0.78	0.81	(0.03)	(4%)
Gold recovery	%	79.9	84.3	(4.4)	(5%)
Gold produced	ounces	221,532	243,474	(21,942)	(9%)
Copper produced	tonnes	10,741	9,819	922	9%
Silver produced	ounces	125,248	98,819	26,429	27%
Gold sales	ounces	232,152	239,808	(7,656)	(3%)
Copper sales	tonnes	11,191	10,030	1,161	12%
Silver sales	ounces	125,248	98,819	26,429	27%
Financial					
Revenue	US$m	356	319	37	12%
Cost of Sales (including depreciation)	US$m	324	313	11	4%
Depreciation	US$m	68	71	(3)	(4%)
EBITDA	US$m	100	77	23	30%
EBIT	US$m	32	6	26	433%
Free cash flow	US$m	13	34	(21)	(62%)
All-In Sustaining Cost	US$m	238	229	9	4%
All-In Sustaining Cost	US$/oz	1,026	955	71	7%

Lower gold production for the current period was primarily the result of lower gold head grade due to an increased proportion of ore mined from the West Dome pit which, together with an associated increase in sulphur feed to the processing plant, adversely impacted recoveries.

The higher EBIT in the current period was driven by a higher realised gold price (inclusive of hedge settlements) and an increase in copper sales volumes. This was partially offset by lower gold sales volumes and an increase in the unit cost of sales in the current period due to an increase in underground activity associated with mining Western Flanks, higher maintenance costs at the processing plant and the strengthening of the Australian dollar.

These factors were also the drivers behind the increase in All-In Sustaining Cost per ounce, partially offset by higher by-product credits due to an increase in copper sales volumes.

Whilst EBITDA was higher in the current period, free cash flow was lower primarily due to unfavourable movements in working capital relating to the timing of concentrate receivables and an increase in non-sustaining capital expenditure associated with the development of the Western Flanks mine.

4.3. Lihir

Measure		For the 6 months ended 31 December 2016	2015	Change	Change %
Operating					
Total ore mined	tonnes '000	5,652	6,015	(363)	(6%)
Total material mined	tonnes '000	13,915	9,913	4,002	40%
Total material milled	tonnes '000	6,294	5,931	363	6%
Gold head grade	grams/tonne	2.73	2.92	(0.19)	(7%)
Gold recovery	%	78.7	77.4	1.3	2%
Gold produced	ounces	434,258	431,002	3,256	1%
Silver produced	ounces	13,369	10,165	3,204	32%
Gold sales	ounces	438,523	407,949	30,574	7%
Silver sales	ounces	13,369	10,165	3,204	32%
Financial					
Revenue	US$m	557	454	103	23%
Cost of Sales (including depreciation)	US$m	440	416	24	6%
Depreciation	US$m	119	90	29	32%
EBITDA	US$m	236	128	108	84%
EBIT	US$m	117	38	79	208%
Free cash flow	US$m	123	87	36	41%
All-In Sustaining Cost	US$m	400	363	37	10%
All-In Sustaining Cost	US$/oz	913	890	23	3%

Higher gold production during the current period was primarily driven by higher mill throughput and an increase in the gold recovery rate, partially offset by a lower gold head grade. The sustainable mill throughput rate target of 13mtpa was achieved in the December quarter, contributing to an increase of 6% in mill throughput relative to the prior period.

The higher EBIT in the current period was due to a 7% increase in gold sales volumes and the EBIT margin increasing to 21%. The increased EBIT margin was primarily driven by a 15% increase in the realised gold price and a 2% decrease in the unit cost of sales driven by lower energy prices, increased cost efficiency at higher activity rates and continuing cost reductions at Lihir. Higher depreciation charges were due to the increase in gold sales volumes.

The increase in All-In Sustaining Cost per ounce was due to an increase in sustaining capital expenditure and production stripping, largely offset by lower site costs.

The increase in free cash flow was primarily due to the higher realised gold price, higher gold sales volumes and lower site unit costs reflecting improved operating performance. This was partially offset by higher sustaining capital expenditure and production stripping driven by the commencement in waste stripping activity in Phase 14 towards the end of the prior period.

4.4. Gosowong[6]

Measure		For the 6 months ended 31 December 2016	2015	Change	Change %
Operating					
Total ore mined	tonnes '000	241	324	(83)	(26%)
Total material mined	tonnes '000	300	374	(74)	(20%)
Total material milled	tonnes '000	244	362	(118)	(33%)
Gold head grade	grams/tonne	16.26	12.56	3.70	29%
Gold recovery	%	97.0	96.4	0.6	1%
Gold produced	ounces	122,680	140,954	(18,274)	(13%)
Silver produced	ounces	140,979	220,487	(79,508)	(36%)
Gold sales	ounces	106,078	164,134	(58,056)	(35%)
Silver sales	ounces	107,296	233,501	(126,205)	(54%)
Financial					
Revenue	US$m	139	187	(48)	(26%)
Cost of Sales (including depreciation)	US$m	109	143	(34)	(24%)
Depreciation	US$m	35	50	(15)	(30%)
EBITDA	US$m	65	94	(29)	(31%)
EBIT	US$m	30	44	(14)	(32%)
Free cash flow	US$m	47	75	(28)	(37%)
All-In Sustaining Cost	US$m	92	121	(29)	(24%)
All-In Sustaining Cost	US$/oz	867	737	130	18%

The lower gold production was primarily driven by lower mill throughput resulting from lower ore tonnes mined due to the change in mining method following the geotechnical event that occurred in February 2016. The lower throughput was partially offset by an increase in gold head grade and recovery.

The lower EBIT was primarily due to the lower gold sales volumes, partially offset by the higher realised gold price.

The higher All-In Sustaining Cost per ounce was mainly driven by higher mining costs reflecting the recommencement of mining activity in the current period at lower volumes than the prior period.

The lower free cash flow was primarily due to the lower gold sales volumes and unfavourable working capital movements, partially offset by higher gold prices and lower sustaining capital.

4.5. Bonikro[6]

Measure		For the 6 months ended 31 December 2016	2015	Change	Change %
Operating					
Total ore mined	tonnes '000	973	1,101	(128)	(12%)
Total material mined	tonnes '000	10,533	4,075	6,458	158%
Total material milled	tonnes '000	1,429	1,178	251	21%
Gold head grade	grams/tonne	1.59	2.06	(0.47)	(23%)
Gold recovery	%	91.8	94.6	(2.8)	(3%)
Gold produced	ounces	66,749	74,186	(7,437)	(10%)
Silver produced	ounces	8,505	9,149	(644)	(7%)
Gold sales	ounces	63,146	74,554	(11,408)	(15%)
Silver sales	ounces	8,415	9,758	(1,343)	(14%)
Financial					
Revenue	US$m	80	83	(3)	(4%)
Cost of Sales (including depreciation)	US$m	72	73	(1)	(1%)
Depreciation	US$m	16	19	(3)	(16%)
EBITDA	US$m	24	29	(5)	(17%)
EBIT	US$m	8	10	(2)	(20%)
Free cash flow	US$m	20	24	(4)	(17%)
All-In Sustaining Cost	US$m	68	59	9	15%
All-In Sustaining Cost	US$/oz	1,078	797	281	36%

Lower gold production for the current period was primarily due to lower head grade as a result of blending low-grade Bonikro stockpile ore with Hiré ore. Less ore was mined from the Hiré pit due to the increased production stripping activities.

The lower EBIT was primarily due to lower sales volumes, partially offset by the higher realised gold price and lower depreciation charges due to the cessation of mining of the Bonikro pit in the prior period.

The higher All-In Sustaining Cost per ounce was a result of the increased site costs and higher production stripping costs associated with the commencement of mining in the Hire pits, together with higher sustaining capital and exploration expenditure.

Free cash flow was lower primarily due to the lower sales volumes and higher production stripping and sustaining capital expenditure, partially offset by the higher realised gold price.

4.6. Hidden Valley[6]

Measure		For the 6 months ended 31 December 2016	2015	Change	Change %
Operating					
Total ore mined	tonnes '000	67	811	(744)	(92%)
Total material mined	tonnes '000	527	2,659	(2,132)	(80%)
Total material milled	tonnes '000	324	735	(411)	(56%)
Gold head grade	grams/tonne	1.28	1.43	(0.15)	(11%)
Gold recovery	%	83.9	84.8	(0.9)	(1%)
Gold produced	ounces	10,520	28,313	(17,793)	(63%)
Silver produced	ounces	138,471	470,032	(331,561)	(71%)
Gold sales	ounces	9,701	27,198	(17,497)	(64%)
Silver sales	ounces	151,068	368,418	(217,350)	(59%)
Financial					
Revenue	US$m	16	37	(21)	(57%)
Cost of Sales (including depreciation)	US$m	15	58	(43)	(74%)
Depreciation	US$m	1	5	(4)	(80%)
EBITDA	US$m	2	(16)	18	113%
EBIT	US$m	1	(21)	22	105%
Free cash flow	US$m	4	(16)	20	125%
All-In Sustaining Cost	US$m	12	50	(38)	(76%)
All-In Sustaining Cost	US$/oz	1,252	1,853	(601)	(32%)

As previously announced in October 2016, Newcrest completed the sale of its 50% share of Hidden Valley to Harmony Gold Mining Company Limited. The economic effective date for the transaction was 31 August 2016.

5. DISCUSSION AND ANALYSIS OF THE BALANCE SHEET

5.1. Net assets and total equity

Newcrest had net assets and total equity of $7,293 million as at 31 December 2016.

US$m	As at 31 December 2016	As at 30 June 2016	Change	Change %
Assets				
Cash and cash equivalents	203	53	150	283%
Trade and other receivables	205	134	71	53%
Inventories	1,681	1,715	(34)	(2%)
Other financial assets	62	-	62	
Current tax asset	26	2	24	1,200%
Property, plant and equipment	8,669	8,891	(222)	(2%)
Other intangible assets	36	44	(8)	(18%)
Deferred tax assets	70	105	(35)	(33%)
Other assets	221	247	(26)	(11%)
Investment in associates	22	-	22	
Total assets	**11,195**	**11,191**	**4**	**0%**
Liabilities				
Trade and other payables	(321)	(369)	48	13%
Current tax liability	(62)	(13)	(49)	(377%)
Borrowings	(2,116)	(2,160)	44	2%
Other financial liabilities	(1)	(38)	37	97%
Provisions	(419)	(543)	124	23%
Deferred tax liabilities	(983)	(948)	(35)	(4%)
Total liabilities	**(3,902)**	**(4,071)**	**169**	**4%**
Net assets	**7,293**	**7,120**	**173**	**2%**
Equity				
Equity attributable to owners of the parent	7,209	7,041	168	2%
Non-controlling interests	84	79	5	6%
Total equity	**7,293**	**7,120**	**173**	**2%**

5.2. Net debt and gearing

5.2.1. Net debt

Net debt (comprising total borrowings less cash and cash equivalents) of $1,913 million at 31 December 2016 was $194 million lower than at 30 June 2016. All of Newcrest's debt is US dollar denominated.

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

	US$m
Net debt at 30 June 2016	**2,107**
Net repayment of bilateral bank debt	(25)
Net repayment of subsidiary bank loan	(20)
Net increase in cash balances	(150)
Other items	1
Net debt at 31 December 2016	**1,913**
Movement $	**(194)**
Movement %	**(9%)**

US$m	As at 31 December 2016	As at 30 June 2016	Change	Change %
Bilateral bank debt – unsecured	-	25	(25)	(100%)
Corporate bonds – unsecured	2,000	2,000	-	-
Private placement notes – unsecured	125	125	-	-
Subsidiary bank loan – unsecured	-	20	(20)	(100%)
Capitalised transaction costs on facilities	(9)	(10)	1	10%
Less cash and cash equivalents	(203)	(53)	(150)	(283%)
Net debt	**1,913**	**2,107**	**(194)**	**(9%)**

	As at 31 December 2016		
US$m	Facility utilised	Facility unutilised	Facility limit
Bilateral bank debt facilities	-	2,400	2,400
Corporate bonds	2,000	-	2,000
Private placement notes	125	-	125
Subsidiary bank loan	-	50	50
	2,125	**2,450**	**4,575**

	As at 30 June 2016		
US$m	Facility utilised	Facility unutilised	Facility limit
Bilateral bank debt facilities	25	2,375	2,400
Corporate bonds	2,000	-	2,000
Private placement notes	125	-	125
Subsidiary bank loan	20	30	50
	2,170	**2,405**	**4,575**

In January 2017, having regard to the Company's strong liquidity position and the cost of maintaining committed facilities, Newcrest effected a $400 million reduction in its committed bilateral bank debt facilities, pro-rated across all banks providing the loan facilities to Newcrest.

5.2.2. Gearing

The gearing ratio (net debt to net debt and total equity) as at 31 December 2016 was 20.8%. This is a reduction from 22.8% as at 30 June 2016, reflecting free cash flow generated during the current period being applied to the reduction of net debt.

US$m	As at 31 December 2016	As at 30 June 2016	Change	Change %
Total borrowings	2,116	2,160	(44)	(2%)
Less cash and cash equivalents	(203)	(53)	(150)	(283%)
Net debt	**1,913**	**2,107**	**(194)**	**(9%)**
Total equity	7,293	7,120	173	2%
Net debt and total equity	**9,206**	**9,227**	**(21)**	**(0%)**
Gearing (net debt / net debt and total equity)	**20.8%**	**22.8%**	**(2.0)**	**(9%)**

6. NON-IFRS FINANCIAL INFORMATION

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

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

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

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

6.1. Reconciliation of Statutory profit to Underlying profit

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

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

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

6.2. Reconciliation of Underlying profit to EBITDA

US$m	For the 6 months ended 31 December 2016	2015
Underlying profit	**273**	**63**
Non-controlling interests	6	8
Income tax expense	118	42
Net finance costs	66	75
EBIT	**463**	**188**
Depreciation and Amortisation	320	357
EBITDA	**783**	**545**

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 2016		2015	
	Reference	US$m	US$/oz	US$m	US$/oz
Gold sales (koz)[4]		**1,215**		**1,199**	
Cost of sales	6.3.1	**1,292**	**1,063**	**1,316**	**1,099**
Depreciation and amortisation	6.3.2	(313)	(258)	(347)	(290)
By-product revenue	6.3.3	(255)	(210)	(213)	(178)
Corporate costs	6.3.4	26	21	27	22
Sustaining exploration		3	3	7	6
Production stripping and underground mine development	6.3.5	46	38	19	16
Sustaining capital expenditure	6.3.6	126	104	99	82
Rehabilitation accretion and amortisation		11	9	15	12
All-In Sustaining Costs		**936**	**770**	**923**	**770**
Non-sustaining capital expenditure	6.3.6	103	84	68	56
Non-sustaining exploration		20	16	11	10
All-In Cost		**1,059**	**870**	**1,002**	**837**

6.3.1 Cost of sales

US$m	For the 6 months ended 31 December 2016	2015
Cost of sales as per the consolidated income statements	**1,292**	**1,316**

6.3.2 Depreciation and amortisation

US$m	For the 6 months ended 31 December 2016	2015
Depreciation and amortisation per Note 4(b) of the consolidated financial statements	**313**	**347**

6.3.3 By-product revenue

US$m	For the 6 months ended 31 December 2016	2015
Copper sales revenue per Note 4(a) of the consolidated financial statements	243	199
Silver sales revenue per Note 4(a) of the consolidated financial statements	12	14
Total By-product revenue	**255**	**213**

6.3.4 Corporate costs

US$m	For the 6 months ended 31 December 2016	2015
Corporate administration expenses per Note 4(c) of the consolidated financial statements	33	37
Less: Corporate depreciation	(7)	(10)
Total Corporate costs	**26**	**27**

6.3.5 Production stripping and advanced operating development

US$m	For the 6 months ended 31 December 2016	2015
Advanced operating development	5	5
Production stripping per 3.2 of the Management Discussion and Analysis	41	14
Total production stripping and advanced operating development	**46**	**19**

6.3.6 Capital expenditure

US$m	For the 6 months ended 31 December 2016	 2015
Sustaining capital expenditure per 3.2 of the Management Discussion and Analysis	126	99
Non-sustaining capital expenditure per 3.2 of the Management Discussion and Analysis	103	68

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CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	31 Dec 16 US$m	31 Dec 15 US$m
Sales revenue	4(a)	1,807	1,546
Cost of sales	4(b)	(1,292)	(1,316)
Gross profit		**515**	**230**
Exploration expenses		(21)	(14)
Corporate administration expenses	4(c)	(33)	(37)
Other income/(expenses)	4(d)	2	9
Loss on business divestment	5	(10)	-
Net investment hedge loss	5	(79)	-
Write-down of non-current assets	5	(15)	-
Gain on disposal of investment	5	-	18
Profit before interest and income tax		**359**	**206**
Finance income		1	-
Finance costs	4(e)	(67)	(75)
Profit before income tax		**293**	**131**
Income tax expense	6	(101)	(42)
Profit after income tax		**192**	**89**
Profit after tax attributable to:			
Non-controlling interests		5	8
Owners of the parent		187	81
		192	**89**
Earnings per share (cents per share)			
Basic earnings per share		24.4	10.6
Diluted earnings per share		24.3	10.5

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	31 Dec 16 US$m	31 Dec 15 US$m
Profit after income tax		**192**	**89**
Other comprehensive income			
Items that may be reclassified subsequently to the Income Statement			
Cashflow hedges			
Cashflow hedge gains/(losses) deferred in equity		86	(26)
Income tax (expense)/benefit		(26)	8
		60	(18)
Investments			
Net gain/(loss) on available-for-sale financial assets transferred to the Income Statement upon disposal of investment		-	(25)
		-	(25)
Foreign currency translation			
Exchange gains/(losses) on translation of foreign operations, net of hedges of foreign investments		(82)	(174)
Net investment hedge loss transferred to the Income Statement on business divestment, net of tax	5	62	-
Realised exchange loss transferred to the Income Statement upon disposal of investment/associate		-	7
		(20)	(167)
Other comprehensive income/(loss) for the period, net of tax		**40**	**(210)**
Total comprehensive income/(loss) for the period		**232**	**(121)**
Total comprehensive income/(loss) attributable to:			
Non-controlling interests		5	8
Owners of the parent		227	(129)
		232	**(121)**

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

	Note	31 Dec 16 US$m	30 Jun 16 US$m
Current assets			
Cash and cash equivalents	10	203	53
Trade and other receivables		205	134
Inventories		553	545
Other financial assets	11(a)	45	-
Current tax asset		26	2
Other assets		53	69
Total current assets		**1,085**	**803**
Non-current assets			
Inventories		1,128	1,170
Other financial assets	11(a)	17	-
Property, plant and equipment		8,669	8,891
Other intangible assets		36	44
Deferred tax assets		70	105
Investment in associates	12	22	-
Other assets		168	178
Total non-current assets		**10,110**	**10,388**
Total assets		**11,195**	**11,191**
Current liabilities			
Trade and other payables		321	369
Borrowings	10	100	120
Provisions		122	147
Current tax liability		62	13
Other financial liabilities	11(a)	1	21
Total current liabilities		**606**	**670**
Non-current liabilities			
Borrowings	10	2,016	2,040
Provisions		297	396
Deferred tax liabilities		983	948
Other financial liabilities		-	17
Total non-current liabilities		**3,296**	**3,401**
Total liabilities		**3,902**	**4,071**
Net assets		**7,293**	**7,120**
Equity			
Issued capital	13	11,661	11,666
Accumulated losses		(4,218)	(4,347)
Reserves		(234)	(278)
Equity attributable to owners of the parent		**7,209**	**7,041**
Non-controlling interests		84	79
Total equity		**7,293**	**7,120**

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

	Note	31 Dec 16 US$m	31 Dec 15 US$m
Cash flows from operating activities			
Receipts from customers		1,747	1,529
Payments to suppliers and employees		(1,069)	(1,042)
Interest paid		(59)	(67)
Income taxes paid		(18)	(54)
Dividends received		-	1
Net cash provided by operating activities		**601**	**367**
Cash flows from investing activities			
Payments for plant and equipment		(108)	(80)
Mine under construction, development and feasibility expenditure		(121)	(87)
Production stripping expenditure		(41)	(14)
Exploration and evaluation expenditure		(23)	(20)
Proceeds from sale of investments	5	-	88
Payments for investments	12	(23)	-
Cash outflow on sale of subsidiary, net of cash held by the subsidiary	15	(27)	-
Net cash used in investing activities		**(343)**	**(113)**
Cash flows from financing activities			
Proceeds from borrowings:			
• Bilateral bank debt		295	580
Repayment of borrowings:			
• Bilateral bank debt		(320)	(910)
• Bank loan		(20)	-
Payment for treasury shares		(9)	(1)
Dividends paid:			
• Members of the parent entity		(54)	-
• Non-controlling interests		-	(16)
Net cash used in financing activities		**(108)**	**(347)**
Net increase/(decrease) in cash and cash equivalents		**150**	**(93)**
Cash and cash equivalents at the beginning of the period		53	198
Cash and cash equivalents at the end of the period		**203**	**105**

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

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

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

	Attributable to Owners of the Parent								
	Issued Capital US$m	FX Translation Reserve US$m	Hedge Reserve US$m	Equity Settlements Reserve US$m	Fair Value Reserve US$m	Accu-mulated Losses US$m	Total US$m	Non-controlling Interests US$m	Total US$m
Balance at 1 July 2015	**11,673**	**(246)**	**6**	**70**	**25**	**(4,679)**	**6,849**	**108**	**6,957**
Profit for the period	-	-	-	-	-	81	81	8	89
Other comprehensive loss for the period	-	(167)	(18)	-	(25)	-	(210)	-	(210)
Total comprehensive loss for the period	**-**	**(167)**	**(18)**	**-**	**(25)**	**81**	**(129)**	**8**	**(121)**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	4	-	-	4	-	4
Shares purchased	(1)	-	-	-	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	(32)	(32)
Balance at 31 December 2015	**11,672**	**(413)**	**(12)**	**74**	**-**	**(4,598)**	**6,723**	**84**	**6,807**

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

1. Corporate Information

Newcrest Mining Limited is a for-profit company limited by shares, domiciled and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange ('ASX') and the Port Moresby Stock Exchange ('PoMSOX'). The registered office of Newcrest Mining Limited is Level 8, 600 St Kilda Road, Melbourne, Victoria, 3004, Australia.

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

The financial report of Newcrest Mining Limited for the half year ended 31 December 2016 was authorised for issue in accordance with a resolution of the Directors on 13 February 2017.

2. Basis of Preparation and Accounting Policies

(a) Basis of Preparation

This interim condensed consolidated financial report for the half year ended 31 December 2016 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

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

The Half Year Financial Report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and considered together with any public announcements made by Newcrest Mining Limited during the half year ended 31 December 2016 in accordance with the continuous disclosure obligations of the ASX listing rules.

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

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.

(b) Significant Accounting Policies

The accounting policies, methods of computation and areas of critical accounting judgements, estimates and assumptions are the same as those adopted in the most recent annual financial statements for the year ended 30 June 2016.

3. Segment Information

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

The Group’s reportable operating segments are:

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

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

(2) Bonikro includes mining and near-mine exploration interests in Côte d’Ivoire, which are held by LGL Mines CI SA and Newcrest Hire CI SA (of which Newcrest owns 89.89% respectively).

(3) Newcrest divested its 50% interest in Hidden Valley during the period. Refer Note 15.

(4) Exploration and Other mainly comprises projects in the exploration, evaluation and feasibility phase and includes Wafi-Golpu JV (50% interest) and Morobe Exploration JV (50% interest) in PNG, Namosi JV (70.75% interest) in Fiji, Second Junction Reefs JV (60.7% interest) and O’Callaghans in Australia and Newcrest’s global greenfields exploration portfolio.

(a) Segment Results, Segment Assets and Segment Liabilities

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

Segment Revenues represent gold, copper and silver sales revenue.

EBITDA is earnings before interest, tax, depreciation, amortisation and significant items. EBIT is earnings before interest, tax and significant items. The reconciliation of EBIT to profit before tax is shown in Note 3(b).

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

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

3 (a). Segment Information (continued)

31 December 2016	Cadia US$m	Telfer US$m	Lihir US$m	Gosowong US$m	Bonikro US$m	Hidden Valley[(2)] US$m	Total Operations US$m	Exploration & Other[(3)] US$m	Corporate[(4)] US$m	Total Group US$m
External sales revenue	659	356	557	139	80	16	1,807	-	-	1,807
EBITDA	401	100	236	65	24	2	828	(21)	(24)	783
Depreciation and amortisation	(74)	(68)	(119)	(35)	(16)	(1)	(313)	-	(7)	(320)
EBIT (Segment result) [(1)]	**327**	**32**	**117**	**30**	**8**	**1**	**515**	**(21)**	**(31)**	**463**
Capital Expenditure	87	38	99	18	10	1	253	11	6	270
As at 31 December 2016										
Segment assets	3,306	742	5,689	448	185	-	10,370	537	288	11,195
Segment liabilities	616	177	942	138	45	-	1,918	7	1,977	3,902
Net assets	**2,690**	**565**	**4,747**	**310**	**140**	**-**	**8,452**	**530**	**(1,689)**	**7,293**

Notes:
(1) Refer to Note 3(b) for the reconciliation of segment result to profit before tax.
(2) The segment result for Hidden Valley is for the period to the date of divestment. Refer Note 15.
(3) Includes net assets attributable to Wafi-Golpu JV of US$410 million and Namosi JV of US$96 million.
(4) Includes investment in associates and eliminations.

3 (a). Segment Information (continued)

31 December 2015	Cadia US$m	Telfer US$m	Lihir US$m	Gosowong US$m	Bonikro US$m	Hidden Valley US$m	Total Operations US$m	Exploration & Other[2] US$m	Corporate[3] US$m	Total Group US$m
External sales revenue	466	319	454	187	83	37	1,546	-	-	1,546
EBITDA	265	77	128	94	29	(16)	577	(14)	(18)	545
Depreciation and amortisation	(112)	(71)	(90)	(50)	(19)	(5)	(347)	-	(10)	(357)
EBIT (Segment result) [1]	**153**	**6**	**38**	**44**	**10**	**(21)**	**230**	**(14)**	**(28)**	**188**
Capital Expenditure	72	27	37	22	6	3	167	11	3	181
As at 30 June 2016										
Segment assets	3,388	756	5,713	449	200	30	10,536	532	123	11,191
Segment liabilities	687	195	930	159	46	46	2,063	7	2,001	4,071
Net assets	**2,701**	**561**	**4,783**	**290**	**154**	**(16)**	**8,473**	**525**	**(1,878)**	**7,120**

Notes:

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

(2) Includes net assets attributable to Wafi-Golpu JV of US$398 million and Namosi JV of US$96 million.

(3) Includes eliminations.

3. Segment Information (continued)

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

	Note	31 Dec 16 US$m	31 Dec 15 US$m
Segment Result		**463**	**188**
Net finance costs:			
Finance income		1	-
Finance costs		(67)	(75)
		(66)	(75)
Significant items:			
Loss on business divestment	5	(10)	-
Net investment hedge loss	5	(79)	
Write-down of non-current assets	5	(15)	-
Gain on disposal of investment	5	-	18
		(104)	18
Profit Before Tax		**293**	**131**

4. Income and Expenses

	31 Dec 16 US$m	31 Dec 15 US$m
Specific items		
Profit before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
(a) Sales Revenue		
Gold	1,552	1,333
Copper	243	199
Silver	12	14
Total sales revenue	**1,807**	**1,546**
Total revenue	**1,807**	**1,546**
(b) Cost of Sales		
Site production costs	833	877
Royalties	51	37
Concentrate treatment and realisation	79	62
Net inventory movements	16	(7)
	979	969
Depreciation	313	347
Total cost of sales	**1,292**	**1,316**
(c) Corporate Administration Expenses		
Corporate costs	22	23
Corporate depreciation	7	10
Equity settled share-based payments	4	4
Total corporate administration expenses	**33**	**37**
(d) Other Income/(Expenses)		
Net foreign exchange gain	4	5
Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	(3)	1
Other	1	3
Total other income/(expenses)	**2**	**9**

4. Income and Expenses (continued)

		31 Dec 16 US$m	31 Dec 15 US$m
(e)	**Finance Costs**		
	Interest on loans	51	58
	Facility fees and other costs	12	12
		63	70
	Discount unwind on provisions	4	5
	Total finance costs	**67**	**75**

		31 Dec 16 US$m	31 Dec 15 US$m
(f)	**Depreciation and Amortisation**		
	Included in:		
	Cost of sales depreciation	313	347
	Corporate depreciation	7	10
	Total depreciation and amortisation expense	**320**	**357**

5. Significant Items

	Gross US$m	Tax US$m	Net US$m
Period ended 31 December 2016			
Loss on business divestment [1]	(10)	-	(10)
Net investment hedge loss [2]	(79)	17	(62)
Write-down of non-current assets [3]	(15)	-	(15)
Total significant items	**(104)**	**17**	**(87)**
Attributable to:			
Non-controlling interest			(1)
Owners of the parent			(86)
			(87)
Period ended 31 December 2015			
Gain on disposal of investment [4]	18	-	18
Total significant items	**18**	**-**	**18**
Attributable to:			
Non-controlling interest			-
Owners of the parent			18
			18

(1) During the period, the Group divested its 50% interest in the Hidden Valley Mine. Refer Note 15.

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

(3) Following a review of exploration activities as at 31 December 2016, the Group has recognised a write-down in respect of exploration assets in Bonikro. Of the US$15 million, US$1 million is attributable to non-controlling interests.

(4) In the prior period, the Group disposed of its remaining holding in Evolution Mining Limited. Proceeds from the disposal were US$88 million.

6. Income Tax

	31 Dec 16 US$m	31 Dec 15 US$m
Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit before tax	**293**	**131**
Income tax expense calculated at 30%	88	39
Losses not brought to account	2	7
Other	(3)	1
	(1)	8
Adjustments on Significant items:		
Loss on business divestment	3	-
Net investment hedge loss	7	
Write-down of non-current assets	4	-
Gain on disposal of investment	-	(5)
	14	(5)
Income tax expense per the Income Statement	**101**	**42**

7. Dividends

	31 Dec 16 US$m	31 Dec 15 US$m
(a) Dividends declared and paid		
The following dividends were paid during the half year:		
Final ordinary dividend for the financial year 30 June 2016: 7.5 cents per share (unfranked), paid 18 October 2016	58	-
	58	**-**

Participation in the dividend reinvestment plan reduced the cash amount paid to US$54 million.

(b) Dividend proposed and not recognised as a liability

Subsequent to the reporting date, the Directors determined to pay an unfranked dividend for the half year ended 31 December 2016 of US 7.5 cents per share to be paid on 28 April 2017.

The total amount of the dividend is US$58 million.

8. Impairment of Non-Financial Assets

In accordance with the Group's accounting policies and processes, the Group evaluated each cash generating unit ('CGU') at 31 December 2016, 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 2016, the Group concluded that there were no impairment or impairment reversal indicators for Newcrest's CGUs as at 31 December 2016.

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

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

Other than the USD:PGK exchange rate assumption for 2017, no changes have been made to the Group's short or long term assumptions for these factors from those used at 30 June 2016, as summarised in the table below:

	As at 31 December 2016		
Assumptions	**2017**	**2018**	**Long term (2019+)**
Gold (US$ per ounce)	$1,200	$1,225	$1,250
Copper (US$ per pound)	$2.10	$2.30	$3.00
AUD:USD exchange rate	$0.73	$0.75	$0.80
USD:PGK exchange rate	$3.10	$3.00	$3.00
Discount rate (%)	USD Assets 5.25 to 5.75% AUD Assets 5.0%		

Gold and copper prices, oil prices and the AUD:USD exchange rate have been particularly volatile towards 31 December 2016. 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

The Group updated its Ore Reserve and Mineral Resource estimates as at 31 December 2016, resulting in a net decrease in gold reserves of approximately 5% and gold resources of approximately 5% compared to the estimates as at 31 December 2015. 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 2016.

8. Impairment of Non-Financial Assets (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. 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

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

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

A change in one or more of the assumptions used in these estimates could result in a change in a CGU's recoverable amount as outlined in the 30 June 2016 financial report.

9. Gearing Ratio

The gearing ratio at the reporting date was as follows:

	Note	31 Dec 16 US$m	30 Jun 16 US$m
Net debt	10	1,913	2,107
Equity		7,293	7,120
Total capital (Net debt and equity)		**9,206**	**9,227**
Gearing ratio		**20.8%**	**22.8%**

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

10. Net Debt

	Note	31 Dec 16 US$m	30 Jun 16 US$m
Private placement notes	(c)	100	100
Bank loan	(d)	-	20
Total current borrowings		**100**	**120**
Bilateral bank debt	(a)	-	25
Corporate bonds	(b)	2,000	2,000
Private placement notes	(c)	25	25
Less: capitalised transaction costs on facilities		(9)	(10)
Total non-current borrowings		**2,016**	**2,040**
Total borrowings		**2,116**	**2,160**
Cash and cash equivalents		(203)	(53)
Net debt		**1,913**	**2,107**

(a) Bilateral bank debt

The Group has bilateral bank debt facilities of US$2,400 million (30 June 2016: US$2,400 million) with 12 banks. These are committed unsecured revolving facilities, individually negotiated and documented with each bank but with similar terms and conditions.

The facilities are on normal terms and conditions and include certain financial covenants. Interest is based on LIBOR plus a margin which varies amongst the lenders. The maturity date profile of these facilities is shown in the table below:

Facility Maturity (financial year ending)	31 Dec 16 US$m	30 Jun 16 US$m
June 2019	1,200	1,200
June 2020	300	300
June 2021	900	900
	2,400	**2,400**

Subsequent to 31 December 2016, the Group reduced its bilateral bank debt facilities to US$2,000 million. The $400 million reduction was pro-rated across all the banks providing the loan facilities to Newcrest. There was no change to the maturity dates.

(b) Corporate bonds

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

Maturity	Coupon Rate	31 Dec 16 US$m	30 Jun 16 US$m
November 2021	4.45%	750	750
October 2022	4.20%	750	750
November 2041	5.75%	500	500
		2,000	**2,000**

10. Net Debt (continued)

(c) Private placement notes

During the year ended 30 June 2005, the Group issued 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:

Maturity	Coupon Rate	31 Dec 16 US$m	30 Jun 16 US$m
May 2017	5.71%	100	100
May 2020	5.92%	25	25
		125	**125**

(d) Bank loan

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. As at 31 December 2016 this facility was undrawn.

Subsequent to 31 December 2016, this facility was reduced to US$40 million with a revised maturity date of January 2018.

(e) Financing facilities

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

	Facility Utilised [(1)] US$m	Facility Unutilised US$m	Facility Limit US$m
31 December 2016			
Bilateral bank debt facilities	-	2,400	2,400
Corporate bonds	2,000	-	2,000
Private placement notes	125	-	125
Bank loan	-	50	50
	2,125	**2,450**	**4,575**
30 June 2016			
Bilateral bank debt facilities	25	2,375	2,400
Corporate bonds	2,000	-	2,000
Private placement notes	125	-	125
Bank loan	20	30	50
	2,170	**2,405**	**4,575**

[(1)] As at 31 December 2016, 100% of the facilities utilised were at fixed interest rates. (30 June 2016: 98% fixed rates and 2% floating rates).

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.

31 Dec 16	Amortised cost US$m	Fair Value through profit or loss US$m	Fair Value through OCI US$m	Total US$m
Financial Assets				
Cash and cash equivalents	203	-	-	203
Trade and other receivables	69	136	-	205
Other financial assets - current	-	6	39	45
Other financial assets - non-current	-	-	17	17
	272	**142**	**56**	**470**
Financial Liabilities				
Trade and other payables	321	-	-	321
Borrowings	2,116	-	-	2,116
Other financial liabilities - current	-	1	-	1
	2,437	**1**	**-**	**2,438**

30 June 16	Amortised cost US$m	Fair Value through profit or loss US$m	Fair Value through OCI US$m	Total US$m
Financial Assets				
Cash and cash equivalents	53	-	-	53
Trade and other receivables	39	95	-	134
	92	**95**	**-**	**187**
Financial Liabilities				
Trade and other payables	369	-	-	369
Borrowings	2,160	-	-	2,160
Other financial liabilities - current	-	8	13	21
Other financial liabilities - non-current	-	-	17	17
	2,529	**8**	**30**	**2,567**

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

Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Valuation inputs include forward curves, discount curves and underlying spot and future prices.

11. Financial Instruments (continued)

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

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

Financial Assets/(Liabilities)	Carrying amount 31 Dec 16 US$m	Carrying amount 30 Jun 16 US$m	Fair value [1] 31 Dec 16 US$m	Fair value [1] 30 Jun 16 US$m
Borrowings:				
Fixed rate debt:				
- Corporate Bonds	1,991	1,990	2,020	2,024
- Private placement	125	125	129	131
	2,116	**2,115**	**2,149**	**2,155**

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

12. Investment in Associate

	31 Dec 16 US$m	30 Jun 16 US$m
Investment in SolGold Plc		
Opening balance	-	-
Acquisition	23	-
Foreign currency translation	(1)	-
Closing balance	**22**	**-**

An associate is an entity that is neither a subsidiary nor joint arrangement, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group's investment in an associate is accounted for using the equity method.

As at 31 December 2016, the Group held 142,896,661 shares in SolGold Plc ('SolGold'), representing a 10% interest, which it acquired in October 2016. SolGold is an Australian based, London Stock Exchange AIM (AIM) listed copper gold exploration and future development company with assets in Ecuador, the Solomon Islands and Australia.

Although the Group holds a 10% interest in SolGold it has a right (but not an obligation) to appoint a Director to the board of SolGold. Consequently it has the ability to participate in the financial and operating policy decisions. It is therefore determined that Newcrest has significant influence under accounting standards from the date of acquisition.

13. Issued Capital

(a) Movements in Issued Capital

	31 Dec 16 US$m	30 Jun 16 US$m
Opening balance	11,666	11,673
Shares repurchased and held in treasury [(1)]	(9)	(7)
Shares issued - dividend reinvestment plan [(2)]	4	-
Closing balance	**11,661**	**11,666**

(b) Number of Issued Ordinary Shares

	Number of Ordinary Shares Half year ended 31 Dec 16	Year ended 30 Jun 16
Comprises:		
• Shares held by the public	765,846,909	765,562,740
• Treasury shares	888,831	948,231
Total issued capital	**766,735,740**	**766,510,971**

	Half year ended 31 Dec 16	Year ended 30 Jun 16
Movement in issued ordinary shares		
Opening number of shares	765,562,740	765,753,346
Shares issued under:		
• Shares repurchased and held in treasury [(1)]	(500,000)	(613,375)
• Share plans [(3)]	559,400	422,769
• Dividend reinvestment plan [(2)]	224,769	-
Closing number of shares	**765,846,909**	**765,562,740**

	Half year ended 31 Dec 16	Year ended 30 Jun 16
Movement in treasury shares		
Opening number of shares	948,231	757,625
• Purchases	500,000	613,375
• Issues pursuant to share plans	(559,400)	(422,769)
Closing number of shares	**888,831**	**948,231**

(1) During the period ended 31 December 2016, the Newcrest Employee Share Plan Trust ('Trust') purchased a total of 500,000 ordinary fully paid Newcrest shares at an average price of A$21.41 (US$16.16) per share. The shares were purchased on-market to be held by the Trustee on behalf of the Trust to satisfy the future entitlements of the holders of performance rights (and any other rights to acquire shares) under Newcrest's current and future employee incentive schemes.

(2) The dividend reinvestment plan provides shareholders with an opportunity to reinvest all or part of their dividend entitlements at the market price at the volume weighted average price for a 5 day period commencing on the second trading day after the Record Date.

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

14. Contingent Liabilities

a) Income Tax Matters – Indonesia

During the current period the Indonesian Taxation Office ('ITO') completed a tax audit and issued an amended assessment to PT Nusa Halmahera Minerals ('PT NHM') for the 30 June 2015 financial year. PT NHM is 75% owned by Newcrest. In addition, during prior periods the ITO concluded audits of the 2010 to 2014 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$10 million in relation to 30 June 2015 (on a 100% basis). In addition, PT NHM has previously received assessments in relation to this issue totalling US$85 million for the 2010 to 2014 financial years.

PT NHM disagrees with the ITO interpretation but has paid the amounts assessed to mitigate future penalties. PT NHM has objected to these assessments and is seeking recovery of the US$95 million paid.

PT NHM has also continued to apply its own interpretation of the income tax rate applicable under the COW to the 2016 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$1 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's objection to prior period assessments is ultimately unsuccessful it will not recover the amounts paid (US$95 million to date) and income tax expense would be adversely impacted by an equivalent amount.

b) Other Matters

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

c) Bank Guarantees

The Group has provided a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is US$74 million (30 June 2016: US$92 million).

15. Business Divestment

During the period, Newcrest sold Newcrest PNG 1 Ltd to a wholly owned subsidiary of Harmony Gold Mining Company Limited ('Harmony') following the signing of a sale agreement on 18 September 2016. Newcrest PNG 1 Ltd was a wholly owned subsidiary of Newcrest that held the 50% interest in the Hidden Valley Joint Venture including the Hidden Valley mine. In addition, Newcrest also sold its 50% interest in certain exploration tenements proximate to the Hidden Valley mine to Harmony.

As part of the sale agreement Newcrest funded Newcrest PNG 1 Ltd with an amount of US$22.5m. This represented Newcrest's one-off contribution towards future Hidden Valley closure liability partially offset by the option value of the possible future cash flows of the asset.

(a) Loss on Business Divestment

The loss on the divestment of Hidden Valley was as follows:

	US$m	Note
Consideration received [1]	-	
Written down value of net assets sold	(10)	(b)
Loss on business divestment	**(10)**	

[1] Total consideration comprised US$1 in respect of the sale of the Group's 50% interest in the Hidden Valley mine and 1 Kina in respect of the sale of Group's exploration tenements.

(b) Net Assets Disposed

The carrying value of the net assets disposed of was as follows:

	Book Value on Divestment US$m
Assets	
Cash and cash equivalents [2]	27
Inventories	21
Exploration, evaluation and development	6
Other assets	2
Total Assets	**56**
Liabilities	
Trade and other payables	8
Provisions - rehabilitation	35
Provisions - other	3
Total Liabilities	**46**
Net assets divested	**10**

[2] Includes a cash contribution of US$22.5 million for the rehabilitation liability.

(c) Cash Outflow on Divestment

The cash outflow on sale of Hidden Valley, net of cash held by Hidden Valley was as follows:

	US$m
Consideration received	-
Less: Cash and cash equivalents divested	(27)
Total	**(27)**

16. Events Subsequent to Reporting Date

Subsequent to the reporting date, the Directors have determined to pay an unfranked interim dividend for the half year ended 31 December 2016 of US 7.5 cents per share to be paid on 28 April 2017. The total amount of the dividend is US$58 million. The dividend has not been provided for in the 31 December 2016 financial statements.

There are no other matters or circumstances which have arisen since 31 December 2016 that have significantly affected or may significantly affect the operations of the Group as a whole, the results of those operations or the state of affairs of the Group as a whole, in subsequent financial years.

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

In the Directors' opinion:

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

  (i) Giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2016 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.

(c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

On behalf of the Board

Peter Hay
Chairman

Sandeep Biswas
Managing Director and Chief Executive Officer

13 February 2017
Melbourne

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To the members of Newcrest Mining Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Newcrest Mining Limited, which comprises the consolidated statement of financial position as at 31 December 2016, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration 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 2016 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 2016 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

Ernst & Young

Tim Wallace
Partner

Melbourne
13 February 2017

Matthew A. Honey
Partner

Melbourne
13 February 2017