NEWCREST MINING LIMITED

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To:	**Company Announcements Office**
From:	**Peter Larsen**
Date:	8 February 2013
Subject:	**Half Year Results** **Resources and Reserves Statement**

Please find attached for immediate release to the market:

1. ASX Appendix 4D and Financial Report for the Half Year ended 31 December 2012;
2. Financial Results Release; and
3. Resources and Reserves Statement.

Yours sincerely

Peter Larsen
Deputy Company Secretary

A MEMBER OF THE
NEWCREST MINING GROUP
ABN 20 005 683 625

ASX Appendix 4D
Half-Year Financial Report

31 December 2012



NEWCREST MINING LIMITED
AND CONTROLLED ENTITIES

ASX APPENDIX 4D AND FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2012

ABN: 20 005 683 625

ASX CODE: NCM

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ASX APPENDIX 4D

Results for Announcement to the Market

Half-Year Financial Report to 31 December 2012

	6 months 31 Dec 2012 $M	6 months 31 Dec 2011 $M	Percentage Increase/ (Decrease)
Sales Revenue	1,805	2,342	(23%)
Profit from continuing operations after tax attributable to members of the parent entity	320	659	(51%)
Net profit attributable to members of the parent entity ("Statutory Profit")	320	659	(51%)

Dividends	6 Months 31 Dec 2012	6 Months 31 Dec 2011
Interim dividend per share	12 cents	12 cents
Franked amount per share	Nil	Nil
Record date for determining entitlement to dividend	22 March 2013	23 March 2012
Date dividend payable	16 April 2013	17 April 2012

For non-resident shareholders the dividend will be paid from conduit foreign income and is exempt from Australian withholding tax.

The Dividend Reinvestment Plan (DRP) remains in place and will be offered to shareholders at a price determined by the arithmetic average of the daily volume weighted average price of shares traded on the ASX over the period 26 March to 3 April 2013. No discount applies. Shareholders have until 5pm AEST on 22 March 2013 to change their DRP election.

	31 Dec 2012 $	31 Dec 2011 $
Net tangible assets per share	14.92	14.26

Review of Results

Please refer to the Management Discussion and Analysis included in the Directors' Report for the review of results. This interim financial report is to be read in conjunction with the most recent annual financial report.

DIRECTORS' REPORT

The Directors present their report on the Group consisting of Newcrest Mining Limited and the entities it controlled at the end of or during, the half-year ended 31 December 2012.

Directors

The following persons were directors of Newcrest Mining Limited during the half-year and up to the date of this report:

Don Mercer	Non-Executive Chairman
Greg Robinson	Managing Director and Chief Executive Officer
Gerard Bond	Finance Director and Chief Financial Officer
Vince Gauci	Non-Executive Director
Winifred Kamit	Non-Executive Director
Richard Knight	Non-Executive Director
Rick Lee	Non-Executive Director
Tim Poole	Non-Executive Director
John Spark	Non-Executive Director

All Directors held their position as a Director throughout the entire half-year and up to the date of this report.

Principal Activities

The principal activities of the Group during the half-year 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 2012 was $320 million (31 December 2011: $659 million).

Rounding Of Amounts

The Company is of the kind referred to in Australian Securities and Investments Commission (ASIC) class order 98/0100, dated 10 July 1998. As a result, amounts in the financial report have been rounded to the nearest $1,000,000 except where otherwise indicated.

MANAGEMENT DISCUSSION AND ANALYSIS[1]

1. Financial and Operating Highlights

	Measure	Six months ended 31 December 2012	2011	$ Change	% Change
KEY FINANCIAL DATA					
Revenue	*A$ million*	1,805	2,342	*(537)*	*(23%)*
EBITDA [2, 3]	*A$ million*	740	1,175	*(435)*	*(37%)*
EBIT [2, 3]	*A$ million*	471	900	*(429)*	*(48%)*
Statutory profit [4]	*A$ million*	320	659	*(339)*	*(51%)*
Underlying profit [3, 5]	*A$ million*	320	611	*(291)*	*(48%)*
Earnings per share	*A$ cents / share*	42	86	*(44)*	*(51%)*
Dividends per share in respect of financial year					
Interim dividend	*A$ cents / share*	12	12	-	-
Operating cash flow	*A$ million*	225	1,009	*(784)*	*(78%)*
Capital expenditure	*A$ million*	1,038	1,254	*(216)*	*(17%)*
Exploration expenditure	*A$ million*	84	66	*18*	*27%*
Dividends paid [6]	*A$ million*	150	276	*(126)*	*(46%)*
Gearing [7]	*%*	16.9%	8.3%	*8.6%*	*104%*
ROCE [8]	*%*	2.6%	5.6%	*(3.0%)*	*(54%)*
KEY OPERATIONAL DATA					
Total material mined	*000's tonnes*	87,229	91,559	*(4,330)*	*(5%)*
Total material milled	*000's tonnes*	27,530	27,303	*227*	*1%*
Gold produced	*000's ounces*	953	1,166	*(213)*	*(18%)*
Gold sales	*000's ounces*	956	1,218	*(262)*	*(22%)*
Realised gold price	*A$ / ounce*	1,618	1,636	*(18)*	*(1%)*
Copper produced	*000's tonnes*	38.5	37.4	*1.1*	*3%*
Copper sales	*000's tonnes*	36.7	39.4	*(2.7)*	*(7%)*
Realised copper price	*A$ / lb*	3.37	3.67	*(0.30)*	*(8%)*
Cash costs [3, 9]	*A$ million*	973	1,033	*(60)*	*(6%)*
AUD:USD (average)	*A$*	1.039	1.031	*0.008*	*1%*

[1] All figures in this Report relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Company') for the 6 months ended 31 December 2012 ('current period') compared with the 6 months ended 31 December 2011 (the 'corresponding prior period'), except where otherwise stated. All reference to $ is a reference to Australian dollars unless specifically marked otherwise.

[2] EBITDA is 'Earnings before interest, tax, depreciation and amortisation, hedge restructure and other significant items'. EBIT is 'Earnings before interest and tax, hedge restructure and other significant items'. Both EBITDA and EBIT are used to measure segment performance and have been extracted from the 'Segment information' note to the financial statements.

[3] EBITDA, EBIT, Underlying profit and Cash costs are non-IFRS financial information and have not been subject to review by the Company's external auditor.

[4] Statutory profit is profit after tax attributable to owners of the parent.

[5] Underlying profit is profit after tax before hedge restructure and other significant items attributable to owners of the parent. Refer to section 2.1 for further details.

[6] Special dividend of 20c per share paid in December 2011. Dividends paid are net of dividend reinvestment plan.

[7] Gearing is calculated as net debt to net debt and equity. Refer to section 4.2 for further details.

[8] 'ROCE' is Return On Capital Employed and is calculated as EBIT divided by average capital employed.

[9] Cash costs represent cost of sales minus finished goods inventory movements and depreciation.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The 2013 financial year is a significant one for Newcrest with the completion of its two major growth projects establishing the platform for significant growth in gold and copper production, earnings and cash flow over the next five years.

The Cadia East project achieved commercial production milestones in December 2012. Ore production volume from the Cadia East underground panel cave continues to ramp up and will progressively displace lower grade stockpiled ore as the primary feed at Cadia Valley. The Lihir Million Ounce Plant Upgrade ('MOPU') project was commissioned in January 2013 and handed to operations on 1 February 2013, significantly increasing production capacity at Newcrest's largest operation and largest resource base. Both projects were delivered on time and within 8% above the original budget.

Investment in a high level of stripping activity, primarily at Telfer, Bonikro and Lihir, continued in the period to enable access to future ore sources from those operations in coming years. Stripping activity will reduce in the fourth quarter as planned ore will be available for the next phase of production at all three operations.

Newcrest's financial results for the six months ended 31 December 2012 reflect this transitional nature of the 2013 financial year for the Company. The comparison with the corresponding prior period shows the impact of Cadia Valley's transition from higher grade final open pit material to reliance on lower grade historical ore stockpiles; this will continue in the year ahead as Cadia East ore production ramps up to capacity. Production and the financial results of the Company in the current six month period also reflect unexpectedly poor ground conditions at Gosowong impeding access to high grade ore and the impact of high sulphur content in the West Dome ore feed on Telfer metal recoveries.

The performance of the Hidden Valley operation in the six months ended 31 December 2012 was unacceptable and this operation is being reviewed closely for improvement.

Underlying profit was identical to Statutory profit in the six months ended 31 December 2012 at A$320 million. Underlying profit of A$320 million was A$291 million lower than the corresponding prior period primarily due to lower gold and copper sales revenue. Statutory profit for the six months ended 31 December 2012 of A$320 million was A$339 million lower than the corresponding prior period primarily due to lower gold and copper sales revenue, with the corresponding prior period also characterised by the inclusion of a A$55 million gain on the divestment of the Cracow and Mt Rawdon operations.

Newcrest has maintained its interim dividend of 12.0 cents per share, balancing the lower production and profit in the six month period with the outlook for future profitability associated with the ramp up in production volumes from the completed projects and an expectation of higher levels of production from the other operations in the second half of the financial year. The dividend payout ratio (as a percentage of Statutory profit) has increased from 14% in the corresponding prior period to 29%. This interim dividend will be unfranked.

Sales revenue of A$1,805 million was 23% lower than the corresponding prior period of A$2,342 million. Total gold sales volume of 956,073 ounces in the six months ended 31 December 2012 period was 22% lower than the corresponding prior period, while the total copper sales volume of 36,663 was 7% lower. The average realised gold price of A$1,618 per ounce for the six months ended 31 December 2012 was a decrease of 1% on the corresponding prior period average realised gold price of A$1,636 per ounce. The average realised copper price for the six months ended 31 December 2012 of A$3.37 per pound was 8% lower than the corresponding prior period average realised copper price of A$3.67 per pound.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Newcrest's EBITDA and EBIT margins of 41% and 26% respectively were lower than the corresponding prior period of 50% and 38% respectively, primarily due to the lower production and more reliance on higher cost ounces. Costs were marginally lower in the current period, with price increases moderated as a result of changed market conditions and the Company's procurement strategies. As contracts for goods and services continue to renew during the remainder of the financial year and new contractual agreements progressively take effect, the expectation is for continued moderation of price increases.

Operating cash flow was A$225 million for the six months ended 31 December 2012 compared to the corresponding prior period of A$1,009 million. The primary drivers of this reduction were as follows:

- Lower metal sales volumes and, to a lesser extent lower prices, combined to reduce receipts from customers by A$649 million in the current period, partly offset by associated lower cash cost of sales of A$127 million.
- Investment in stripping activity of A$157 million, primarily at Telfer, Bonikro and Lihir to expose ore for future gold production was A$99 million higher than the corresponding prior period.
- Timing of shipping schedules contributed to a A$67 million higher finished goods inventory at movement, reducing cash flow in the current period but supporting a stronger sales outlook for the second half of the financial year.
- A net increase in other working capital of A$72 million, including a reduction in payables, partly offset by a lower level of ore inventory accumulation.

As previously reported, the stripping activity at Telfer and Bonikro will be largely completed by the end of the 2013 financial year. Ore inventory balances will continue to be drawn from Cadia Valley stockpiles until Cadia East fully ramps up, whilst the increase in production capacity resulting from the completed MOPU plant expansion at Lihir will moderate the rate of ore inventory accumulation at Lihir.

Capital expenditure for the six months ended 31 December 2012 of A$1,038 million was A$216 million or 17% lower than the corresponding prior period, primarily due to lower levels of expenditure on the two major growth projects. Both the Cadia East and Lihir MOPU projects have a forecast final cost within 8% above their original budget.

The Wafi-Golpu technical pre-feasibility study for the Golpu deposit was completed in late August 2012 resulting in a significant increase in Ore Reserves and Mineral Resources. Newcrest's 50% share of project and exploration expenditure by the Morobe Mining Joint Venture on Wafi-Golpu in the six months ended 31 December 2012 was US$47 million, in line with the level of expenditure in the six months ended 30 June 2012.

Newcrest's exploration expenditure was A$84 million in the six months ended 31 December 2012. The exploration focussed on drill testing a number of near mine targets, advancing major projects and testing our portfolio of greenfield prospects. The near mine exploration programs have been successful in defining a new zone of mineralisation at Lihir, where mineralisation has been defined at Kapit North East. Discovery drilling at Gosowong is ongoing, while at Telfer drilling is targeting the West Dome Deep prospect. Near mine drilling at Bonikro in Côte d'Ivoire extended known structures and will likely expand the existing resource and mine life. The search for new discoveries focussed on our greenfield projects, including the Côte d'Ivoire regional tenement package, the early stage joint ventures at Tandai (Indonesia), Manus Island and Mt Andewa (both in Papua New Guinea), and Namosi in Fiji.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Newcrest increased its bilateral bank loan facilities to US$2.5 billion when it renewed these facilities in September 2012 for terms of three and five years. In October 2012 Newcrest also issued US$1,000 million of corporate bonds in the United States; US$750 million of these bonds are due for repayment in 2022 and have a coupon of 4.20% per annum, with the remaining US$250 million due for repayment in 2041 at a coupon of 5.75% per annum. The proceeds of this bond issue were used to repay existing unsecured short term indebtedness and for general corporate purposes. Together, the renewed and increased bank facilities and the long dated bond issue significantly improved Newcrest's debt maturity profile and financial flexibility.

Newcrest remains in a strong financial position at 31 December 2012 with gearing at 16.9% and undrawn bilateral debt facilities of over US$1.4 billion. Newcrest has balance sheet and liquidity strength, combined with anticipated near term production growth and a lower future capital expenditure profile.

During the current period, Newcrest completed the sale of a 7.5% interest in PT Nusa Halmahera Minerals, the incorporated joint venture company that owns the Gosowong operation, to its joint venture partner, PT Aneka Tambang ('Antam'). Consideration of US$160 million consisted of US$130 million in cash and a further US$30 million subject to an additional one million ounces of gold resource being defined by December 2017. The accounting impact of this sale is reflected directly in equity.

Newcrest finalised enterprise agreements with its Australian operational workforce during the six months ended 31 December 2012 which secured industry competitive terms and conditions for the next four years and affirmed the strong direct relationship Newcrest has with its employees.

The completion of Newcrest's two major growth projects underpins a positive production outlook for the company for the remainder of the financial year and beyond. The ramp up in production rates has commenced at both the Cadia East panel cave mine and at Lihir post the MOPU project, which together will increase production from lower cost ore sources.

The current strength of the Australian Dollar, PNG Kina and Indonesia Rupiah continues to maintain margin pressure to our operations in those countries. Labour costs continue to increase but at a more moderate rate and commodity input and activity-based costs are stable or marginally reducing. Subject to metal prices and exchange rates, the Company's margins and profitability should improve with the commercialisation of the company's two major projects, a more benign cost environment and other operational improvements.

Newcrest has an attractive portfolio of assets with production growth coming from lower cost operations in the years ahead. Beyond the 5 year plan period, the Company also has good growth projects with Wafi Golpu, O'Callaghans and Namosi, combined with an active exploration programme. Management's current focus is to ramp up the key projects, maintain strict cost control and maximise productivity of existing investments. Future growth projects will be carefully designed to minimise capital costs and deliver in an appropriate time horizon to ensure investment returns are strong. Our business outlook is supported by proven technical expertise, proven major project delivery capability and a strong and strengthening balance sheet. Most importantly, Newcrest has a talented, committed and aligned workforce that is energised by the prospect of the Company delivering on its potential.

2. Discussion and Analysis of Operations and the Income Statement

2.1 Profit overview

The six months ended 31 December 2012 Statutory profit of A$320 million was 51% lower than the corresponding prior period of A$659 million, while Underlying profit of A$320 million was 48% lower than the corresponding prior period of A$611 million. The reduced Underlying profit was principally driven by lower sales revenue resulting from lower gold production. Lower copper sales and lower gold and copper selling prices also contributed to the lower sales revenue, which was partially offset by lower cost of sales.

The differences between Statutory profit and Underlying profit are quantified in the table below and are provided to assist the assessment of the relative performance of the Company. During the six months ended 31 December 2012, there were no items which reflected a change from Statutory profit to Underlying profit. In the corresponding prior period ended 31 December 2011, the adjustments reflected:

- Profit on divestment of Newcrest's Queensland assets in November 2011;
- Non-cash impacts of Newcrest's 2007 equity raising and subsequent gold hedge book close-out and debt repayment; and
- Acquisition and integration costs related to the LGL acquisition in August 2010.

A$ million	Six months ended 31 December 2012	2011
Profit after tax attributable to Newcrest Shareholders ("Statutory Profit")	**320**	**659**
Loss on restructured & closed-out hedge contracts (after tax)	-	5
Business acquisition & integration costs (after tax)	-	2
Business divestment gain (after tax)	-	(55)
Profit after tax before hedge restructure and other significant items attributable to Newcrest shareholders ("Underlying Profit")	**320**	**611**

A$ million		
Underlying profit for the six months ended 31 Dec 2011		**611**
Changes in revenues:		
Volume		
Gold	(458)	
Copper	(32)	
Silver	(6)	**(496)**
Price		
Gold	(16)	
Copper	(23)	
Silver	(2)	**(41)**
Changes in mine cost of sales:		
Mine production cost	14	
Deferred mining and inventory movement	94	
Treatment, realisation and royalty	19	
Depreciation	8	**135**
Other costs:		
Exploration	(3)	
Other income/expense	(37)	
Net finance costs	(11)	
Share of profit of associate	13	**(38)**
Tax plus Non Controlling Interest:		
Income tax expense	143	
Non Controlling Interest	6	**149**
Underlying profit for the six months ended 31 Dec 2012		**320**

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.2 Revenue

		Six months ended 31 December		
		2012	2011	% change
Production Volumes[10,11]				
Gold	oz	953,331	1,166,370	(18%)
Copper	t	38,525	37,398	3%
Silver	oz	948,229	1,099,065	(14%)
Sales Volumes[11]				
Gold	oz	956,073	1,218,242	(22%)
Copper	t	36,663	39,397	(7%)
Silver	oz	935,122	1,120,790	(17%)
Realised Prices				
Gold	A$/oz	1,618	1,636	(1%)
Copper	A$/lb	3.37	3.67	(8%)
Silver	A$/oz	31.28	32.83	(5%)
Average AUD:USD		1.039	1.031	1%
Revenue				
Gold	A$m	1,515	1,989	(24%)
Copper	A$m	261	316	(17%)
Silver	A$m	29	37	(22%)
Total Sales Revenue A$m		**1,805**	**2,342**	**(23%)**

Gold production and sales (ounces)[11, 12]	Six months ended 31 December 2012 Production	2012 Sales	2011 Production	2011 Sales
Cadia Hill	54,717	57,988	156,353	173,536
Ridgeway	115,025	111,039	109,716	111,925
Cadia East	19,890	19,890	2,412	2,412
Telfer	239,367	239,945	272,656	300,155
Gosowong	161,313	159,792	187,298	183,020
Hidden Valley	42,786	43,002	51,695	52,337
Lihir	276,438	283,923	291,744	294,727
Bonikro	43,795	40,494	46,511	48,186
Cracow	-	-	23,787	24,688
Mt Rawdon	-	-	24,198	27,256
Total	**953,331**	**956,073**	**1,166,370**	**1,218,242**

[10] The six months production and sales ended 31 December 2012 includes 19,890 pre-commissioning gold ounces and 1,484 copper tonnes for the Cadia East project. The six months production and sales ended 31 December 2011 includes 2,412 pre-commissioning gold ounces and 234 copper tonnes for the Cadia East project. These ounces have been capitalised and excluded from the unit cost calculations and profit and loss reporting.

[11] Production and sales from Cracow and Mt Rawdon in the six months ended December 2011 contains four months of production only, up to the date of divestment of 2 November 2011.

[12] All figures are 100% other than Cracow sales and production shown at 70% and Hidden Valley sales and production shown at 50%.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Copper production and sales (tonnes)	Six months ended 31 December 2012 Production	Sales	2011 Production	Sales
Cadia Hill	6,809	6,757	8,055	8,518
Ridgeway	16,654	15,242	14,204	14,422
Cadia East	1,484	1,484	234	234
Telfer	13,578	13,180	14,905	16,223
Total	**38,525**	**36,663**	**37,398**	**39,397**

Silver production and sales (ounces)[13, 14]	Six months ended 31 December 2012 Production	Sales	2011 Production	Sales
Cadia Hill	70,948	70,948	110,449	113,149
Ridgeway	105,443	105,443	100,726	100,726
Cadia East	-	-	-	-
Telfer	150,868	150,868	211,224	211,224
Gosowong	140,687	138,885	108,354	104,794
Hidden Valley	459,248	450,867	495,192	497,250
Lihir	10,855	10,855	8,971	8,971
Bonikro	10,180	7,256	7,397	4,705
Cracow	-	-	16,843	16,517
Mt Rawdon	-	-	39,909	63,454
Total	**948,229**	**935,122**	**1,099,065**	**1,120,790**

Total gold revenue for the six months ended 31 December 2012 of A$1,515 million was 24% lower than the corresponding prior period of A$1,989 million, primarily as a result of a 23% reduction in gold sales volumes to 936,183 ounces (excluding Cadia East). The realised gold price for the six months ended 31 December 2012 of A$1,618 per ounce was 1% lower than that in the corresponding prior period (of A$1,636 per ounce).

Total copper revenue for the six months ended 31 December 2012 of A$261 million was 17% lower than the corresponding prior period, as a result of an 8% decrease in realised prices and a 10% decrease in copper sales volumes to 35,179 tonnes (excluding Cadia East). The reduction in copper sales reflects the relative timing of shipments, with sales volumes 5% lower than production volumes in the six months ended 31 December 2012 (increasing inventory) compared with sales volumes being 5% above production volumes in the corresponding prior period (representing an inventory drawdown).

Silver revenue of A$29 million decreased by 22% from A$37 million due to lower silver production and prices.

Newcrest's revenue continues to be predominantly gold, with gold revenue accounting for 84% of total sales revenue for the six months ended 31 December 2012 (85% in corresponding prior period).

[13] Production and sales from Cracow and Mt Rawdon in the six months ended December 2011 contains four months of production only, up to the date of divestment of 2 November 2011.

[14] All figures are 100% other than Cracow sales and production shown at 70% and Hidden Valley sales and production shown at 50%.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Gold production of 953,331 ounces was 213,039 ounces or 18% lower than the corresponding prior period, with the key drivers of this difference period-on-period being:

- Cadia Hill production for the six months ended 31 December 2012 was 101,636 ounces or 65% lower than the corresponding prior period, reflecting the difference in source and grade of ore feed in the two periods. In the corresponding prior period, ore feed was sourced from the Cadia Hill open pit mine which suspended operations on 30 June 2012. The Cadia Hill ore feed to the mill in the six months ended 31 December 2012 was from lower grade stockpiles. Whilst mill throughput was maintained, the lower grade reduced metal production volume. The stockpiles will be progressively displaced as ore feed to the mill as Cadia East ore production increases over the coming few years.
- Ridgeway production increased 5,309 ounces or 5%, associated with the continued ramp up in mining rates as the block cave matures. Ridgeway achieved record ore production rates in the December 2012 quarter, with December achieving an annualised ore production rate of 8.5Mtpa. Mining costs continued to reduce and are now A$8.30 per tonne.
- Cadia East development production increased by 17,478 ounces as the completion of the ore handling infrastructure and continuous expansion of the cave footprint during the period enabled increased mining rates. Revenue and costs of production to 31 December 2012 have been capitalised as part of the project budget. Commercial production at Cadia East commenced on 1 January 2013.
- Telfer production decreased 33,289 ounces or 12% primarily due to the higher sulphur content ore from the West Dome open pit yielding lower gold recoveries.
- Gosowong production decreased by 25,985 ounces or 14% due to lower grade ore being processed during the period. Poor ground conditions restricted access to high grade areas of the Kencana underground mine resulting in the processing of lower grade ore from Toguraci and the Gosowong open pit. In December, mining of the Gosowong open pit was suspended due to weak wall stability adversely impacting production. Wall stabilisation work has commenced, but open pit production is likely to be significantly reduced for the rest of the financial year. Mining is expected to return to the high grade zones in Kencana in the March 2013 quarter.
- Lihir production decreased 15,306 ounces or 5% during the current period as a result of a 7% reduction in mill throughput. Processing plant capacity was restricted in the September 2012 quarter by an electrical fault in the main oxygen plant, as announced during the current period. Tie-ins associated with the MOPU project construction and a temporary suspension of production at the request of the landowners also contributed to the lower production.
- Hidden Valley production decreased by 8,909 ounces or 17% in the current period primarily due to lower material movement from higher grade ore sources. The focus remains on reducing costs and the completion of the crusher to enable the overland conveyor to move planned ore. Hidden Valley performance is unacceptable and is being closely scrutinised for necessary improvement.
- Bonikro production decreased 2,716 ounces or 6% due to lower grade ore from the open pit and the refurbishment of the main crusher during the current period restricting processing plant capacity. The crusher has now been refurbished and performance is expected to improve.
- There was no production from Cracow and Mt Rawdon reported in the six months ended 31 December 2012 as these assets were divested on 2 November 2011. These assets produced 47,985 ounces in the corresponding prior period.
- Construction, completion and commissioning of major growth projects at the Company's two largest operating assets, Lihir and Cadia Valley, occurred in the current period. Key tie-ins between the existing plant, new plant, and upgrades to existing facilities, introduced elevated level of interactions with the existing mining and processing activities and reduced production during the half year.

2.3 Cost of sales

Cash costs[15]

A$ million	Six months ended 31 December 2012	2011	$ Change	% Change
Cadia Valley	248	277	*(29)*	*(10%)*
Telfer	327	345	*(18)*	*(5%)*
Lihir	177	166	*11*	*7%*
Gosowong	101	87	*14*	*16%*
Bonikro	43	44	*(1)*	*(2%)*
Hidden Valley	77	69	*8*	*12%*
Mt Rawdon	-	25	*(25)*	*(100%)*
Cracow	-	20	*(20)*	*(100%)*
Total	**973**	**1,033**	***(60)***	***(6%)***

Cash costs were A$60 million or 6% lower in the six months ended 31 December 2012 compared with the corresponding prior period. Overall costs reduced primarily as a result of lower levels of activity, offset by the effect of moderate levels of labour rate inflation and the Papua New Guinean Kina strengthening against both the A$ and US$.

Cadia Valley cash costs were A$29 million or 10% lower in the period, reflecting significantly lower mining costs as a result of the suspension of mining the Cadia Hill open pit mine and achieving productivity improvements in mining the Ridgeway block cave. Treatment costs were higher in the current period, reflecting both higher volumes of tonnes milled and higher energy charges.

Telfer cash costs decreased by A$18 million or 5% in the six months ended 31 December 2012, driven by a higher proportion of ore mined from West Dome open pit stage 1 with a lower mining cost as a result of lower a waste:ore ratio. A reduction in contract labour and overhead costs also reduced cash costs.

Lihir cash costs increased by A$11 million or 7%, driven primarily by an increase in labour and local sourcing costs associated with the strengthening Kina (A$6 million effect) and expenditure on maintenance targeting improved reliability.

Gosowong cash costs increased by A$14 million or 16%, reflecting the higher operating cost of sourcing production from the Gosowong open pit, the 45% increase in mill throughput, and costs associated with increased ground support in high grade stope areas. A weaker Indonesian Rupiah against the A$ in the six months ended 31 December 2012 provided moderate cost relief of A$4 million.

Bonikro cash costs were broadly unchanged in the period, decreasing by A$1 million or 2% compared with the corresponding prior period, notwithstanding the increased cost of hiring temporary crushing facilities while the primary crushing facility was refurbished.

Hidden Valley cash costs increased by A$8 million or 12%, reflecting a 7% increase in mill throughput, increased mobile fleet and conveyor maintenance costs and the stronger Kina adversely impacting costs by A$2 million.

No cash costs were reported for Cracow and Mt Rawdon in the current period, reflecting their divestment to Evolution Mining Limited ("Evolution") on 2 November 2011.

[15] Total cash costs represent cost of sales minus finished goods inventory movements and depreciation.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Cost of sales

A$ million	Six months ended 31 December 2012	2011[16]	% Change Increase/ (Decrease)	% Change attributable to price	% Change attributable to activity
Employee costs	189	189	0%	5%	(5%)
Maintenance incl. contract labour	257	275	(7%)	2%	(9%)
Mining contracts	139	136	2%	2%	0%
Fuel & lubes	75	78	(4%)	2%	(6%)
Utilities & power	107	100	7%	4%	3%
Liners & grinding media	60	59	2%	(1%)	3%
Mining consumables	160	163	(2%)	(1%)	(1%)
Other input costs	103	104	(1%)	3%	(4%)
Mine production costs	**1,090**	**1,104**	**(1%)**		
Deferred mining costs	(157)	(58)	(171%)		
Ore inventory movements	(78)	(150)	48%		
Royalties	53	67	(21%)		
Treatment and realisation	65	70	(7%)		
Cash costs	**973**	**1,033**	***(6%)***		
Finished goods inventory movements	(11)	56			
Depreciation	259	267	*(3%)*		
Cost of sales[17]	**1,221**	**1,356**	***(10%)***		

Cost of sales for the six months ended 31 December 2012 of A$1,221 million decreased by A$135 million or 10% compared to the corresponding prior period. A$62 million of the reduction is due to the divestment of Cracow and Mt Rawdon in November 2011.

Mine production costs of A$1,090 million were A$14 million or 1% lower than the corresponding prior period. Excluding the effect of Cracow and Mt Rawdon in the corresponding prior period, mine production costs were A$38 million or 4% higher and reflect changes in operational activities and moderating cost inflationary pressures:

- Excluding Cracow and Mt Rawdon, the 15% reduction in gold production for the six months ended 31 December 2012 compared to the corresponding prior period was primarily a result of processing lower grade ore and lower recoveries, driven by ore source rather than a significant reduction in underlying mining and milling activity. Across the group, total mill throughput increased by 6% and mining material movement increased by 2% compared to the corresponding prior period. Average gold grade in the current period of 1.32 g/t was 16% lower than the corresponding prior period of 1.57 g/t, reflecting planned lower grades at Cadia Valley and the planned transition in ore sources at Gosowong. Although Telfer grades were higher, sulphur content was higher and negatively impacted production.

- General inflationary pressure in the mining industry is reducing relative to that experienced during recent periods. Contract renewals for labour and consumables during the current period indicate benefits are expected to increase in the second half of the year.

- A 5.8% stronger PNG Kina against the Australian Dollar in the six months ended 31 December 2012 placed cost pressures on employee and contractor related costs at Lihir and Hidden Valley. A 9.5% weaker Indonesian Rupiah, against the Australian Dollar in the six months ended 31 December 2012 provided cost relief for Gosowong. Newcrest's cost exposure to the PNG Kina is greater than the Indonesian Rupiah, resulting in an overall unfavourable currency related impact on Mine Production Costs of approximately A$3 million.

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16 The prior year comparatives have been restated in line with any cost classification adjustments made for the six months ended 31 December 2012.

17 Costs of Cracow and Mt Rawdon included to the date of divestment on 2 November 2011.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Mine production costs were characterised by elevated levels of mining activity at Telfer (Stage 4) and Bonikro (Stage 4) in particular, with both being necessary to expose ore sources integral to their near term production profiles. These stripping costs relate to future production and were mostly transferred to the balance sheet as deferred mining assets. The majority of stripping activity at Bonikro has now been completed and the stripping activity at Telfer is expected to complete by the end of the financial year.

Employee costs of A$189 million were in line with the corresponding prior period. Annual average salary increases across the group of 5% were offset by the divestment of Cracow and Mt Rawdon and the suspension of Cadia Hill open pit mining. Salary increases were greater in PNG and Indonesia.

Maintenance costs were A$18 million or 7% lower than the corresponding prior period. This is due to the suspension of mining in the Cadia Hill open pit and the divestment of Cracow and Mt Rawdon. There was increased expenditure to improve plant and fleet reliability at Lihir, Telfer, Gosowong and Hidden Valley and costs associated with the refurbishment of the primary crusher at Bonikro.

Mining contract costs were A$3 million or 2% higher than the corresponding prior period. This is mostly due to Telfer's continued waste removal contract mining at Main Dome Stage 4 and Bonikro's cutback of Stage 4. The majority of mining contract costs relate to future gold production and as such do not impact cash costs in the six months ended 31 December 2012 as they have been capitalised as deferred mining assets.

Fuel and lubes costs were A$3 million or 4% lower than the corresponding prior period. This variance is primarily driven by the suspension of mining at the Cadia Hill open pit, partially offset by increased open pit mining at Telfer. Fuel price movements resulted in a 2% increase in the cost of diesel against the corresponding prior period.

Utilities and power costs were A$7 million or 7% higher than the corresponding prior period. The increase was primarily experienced at Cadia Valley and Telfer. Cadia Valley's increase was driven by higher mill throughput, and a higher contract grid unit rate up 12.6%. Telfer's costs were higher by approximately A$5 million due to the introduction of a carbon tax in Australia, effective from 1 July 2012, which levies a tax on the natural gas used in Telfer's power generation operation.

Liners and grinding media costs were A$1 million or 2% higher than the corresponding prior period. A marginal reduction in the price of liners was offset by the increase in mill throughput.

Mining consumable costs - which includes reagents, tyres and explosives - were A$3 million or 2% lower than the corresponding prior period. The reduction is a result of reduced consumption of tyres and explosives at Cadia Valley from the suspension of open pit mining operations at Cadia Hill and the divestment of Cracow and Mt Rawdon in November 2011. Higher costs were incurred at Telfer due to a significant increase in open pit mining movements.

Other input costs, including mine site overheads, were in line with the corresponding prior period.

Deferred mining and ore inventory

The net cost associated with waste stripping and capitalised as deferred mining during the period was A$157 million, which is A$99 million higher than the amount spent in the corresponding prior period. Major components of this deferred mining were:

- Telfer A$103 million (an increase of A$56 million over the prior period) largely comprised A$61 million or 20.3Mt of Main Dome Stage 4 waste and A$38 million or 8.8 Mt of Main Dome Stage 6 waste;
- Bonikro A$29 million (an increase of A$28 million) comprising A$36 million for 10.1Mt of waste in relation to Stage 4, offset by A$6.5 million of Stage 2 waste expensed; and
- Lihir A$24 million (an increase of A$25 million) – comprising A$24 million for 2Mt of waste in Stage 12 and Stage 9 of the Minifie pit.

Total inventory movements of A$89 million for the period ended 31 December 2012 comprises an increase in ore inventory of A$78 million and an increase in finished goods inventory of A$11 million.

The net increase in ore inventory of A$78 million in the six months ended 31 December 2012 was due to:

- Additions to ore inventory at Lihir of A$78 million – resulting from ore mined (6.7Mt) exceeding ore milled (2.7Mt) by 4Mt. At 30 December 2012, Lihir had approximately 104Mt of ore inventory containing 6.12Moz of gold, at an average carrying value of A$192/oz;
- Additions to ore inventory at Telfer of A$13 million – reflecting an additional 5.5Mt of open pit ore mined compared with the corresponding prior period, whilst mill throughput remained broadly unchanged;
- Additions to ore inventory at Bonikro of A$9 million – as 1.7Mt of ore mined exceeded the 0.9Mt of ore milled in the period; and
- Drawdown of ore inventory at Cadia Valley of A$23 million – as ore stockpiles became the primary feed to the mill following the suspension of Cadia Hill open pit mining on 30 June 2012.

An increase in finished goods inventory reduced cost of sales by A$11 million during the period, and was primarily driven by the timing of gold shipments from Lihir, Bonikro and Gosowong. This compares to a A$56 million draw down in inventory in the corresponding prior period, due to a difference in the timing of the shipping of finished goods. The reduced cash flow in the current period supports a stronger sales and cash flow outlook for the second half of the current financial year.

Treatment, realisation and royalty costs

Treatment and realisation costs decreased by A$5 million or 7% in the current period, compared with the corresponding prior period, predominantly due to lower freight costs of A$4 million in line with lower concentrate sales.

Royalties expense was A$14 million or 21% lower in the current period, consistent with the lower value of production.

Depreciation

Depreciation expense included in cost of sales decreased by A$8 million or 3%. The reduction in this expense resulting from the divestment of Cracow and Mt Rawdon in November 2011 was partially offset by the increase in depreciable assets reflecting the progressive commissioning of assets at Lihir and an increase in other sustaining capital projects.

2.4 Corporate administration costs

Corporate administration costs of A$66 million for the six months ended 31 December 2012 were in line with the corresponding prior period.

2.5 Exploration

Newcrest's exploration expenditure was A$84 million in the six months ended 31 December 2012.

The exploration focussed on drill testing a number of near mine targets, advancing major projects such as Golpu, testing our portfolio of greenfield prospects and converting existing Mineral Resources into Ore Reserves. Continued drilling of the Golpu Ore Reserve has been successful in defining higher grade mineralisation within Lift 1 and confirming the geometry of the ore body.

The near mine exploration programs have been successful in defining a new zone of mineralisation at Lihir, where mineralisation has been defined at Kapit North East. At Gosowong discovery drilling is ongoing while at Telfer, drilling is targeting the West Dome Deep prospect. Near mine drilling at Bonikro in Côte d'Ivoire extended known structures and will likely expand the existing resource and mine life.

Away from our operational sites, drilling recommenced at Namosi with latest drilling indicating the potential of higher grade mineralisation within the Waivaka Corridor. The search for new discoveries focussed on our greenfield projects including the Côte d'Ivoire regional tenement package and the early stage joint ventures at Tandai (Indonesia), Manus Island and Mt Andewa (both in PNG).

Of the A$84 million spent in the period, A$36 million was expensed and the balance capitalised.

2.6 Other income / (expense)

A$ million	Six months ended 31 December 2012	2011
Net foreign exchange gain/(loss)	(7)	(4)
Fair value gain/(loss) on gold & copper derivatives	7	22
Legacy community contractual settlements	(21)	-
Other	(3)	(5)
Other income/(expense)	(24)	13

Other income/(expense) was a net expense of A$24 million in the current period.

The fair value gain on gold and copper derivatives relates to the movement in spot prices impacting the quotational period adjustments on sales. Newcrest locks in the copper price for concentrate shipments at the time of sale to minimise this impact. Gold prices are not locked in at the time of shipment due to the shorter quotational period for gold, usually one month for gold versus three or four months for copper. With the realised gold price mostly increasing during the current period, the one month quotational period adjustments were favourable.

Expenditure of A$21 million was incurred in the current period to resolve disagreements pertaining to long term contractual disputes with Lihir landowners.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.7 Finance costs

Total finance costs of A$30 million in 2012 were A$10 million higher than the corresponding prior period.

Gross finance costs for the six months to 31 December 2012 of A$65 million increased by A$34 million over the corresponding prior period due to a higher level of average debt in the period.

Interest of A$35 million was capitalised for the current period in relation to the Cadia East development project and the Lihir MOPU project, and was A$24 million higher than that capitalised in the corresponding prior period.

2.8 Income tax expense

The income tax expense for the six months ended 31 December 2012 was A$102 million, A$140 million lower than the corresponding prior period, resulting in an effective tax rate of 23% compared to the corresponding prior period of 26%. The effective rate of tax is lower than the Australian company tax rate of 30%, primarily due to research and development allowances across the group and tax concessions in relation to the deduction of exploration expenditure in the group's Papua New Guinea operations.

2.9 Hedge restructure and other significant items

	Six months ended 31 December	
A$ million	2012	2011
Losses on restructured and closed-out hedge contracts	-	(7)
Business acquisition and integration costs	-	(3)
Gain on business divestment	-	55
Hedge Restructure and Other Significant Items (pre-tax)	-	**45**
Income tax benefit/(expense)	-	3
Hedge Restructure and Other Significant Items (post-tax)	-	**48**

Hedge restructure and other significant items had no impact in the six months ended 31 December 2012.

3. Discussion and Analysis of Cash Flows

A$ million	Six months ended 31 December 2012	2011	*$ Change*	*% Change*
Cash flow from operations	**225**	**1,009**	***(784)***	***(78%)***
Cash flow related to investing activities	**(1,148)**	**(1,329)**	***181***	***14%***
Cash flow related to financing activities	**782**	**403**	***379***	***94%***
Net movement in cash	(141)	83	*(224)*	-
Cash at the beginning of the period	242	185	*57*	*31%*
Effects of exchange rate changes on cash held	(4)	(3)	*(1)*	*(33%)*
Cash at the end of the period	**97**	**265**	***(168)***	***(63%)***

3.1 Cash flow from operations

Operating cash flow for the six months ended 31 December 2012 was A$225 million, A$784 million lower than the corresponding prior period cash flow of A$1,009 million. The major drivers of this reduction were as follows:

- Net sales receipts from customers being A$649 million lower in the period, as a result of the lower production, partly offset by associated lower cash cost of sales of A$127 million;
- A net increase in the amount of funds invested in waste stripping to access future ore sources of A$99 million;
- A net increase in the value of finished goods inventory of A$67 million as a result of a difference in the timing of shipments in the two periods; and
- A net increase in other working capital of A$72 million, including a reduction in payables, partly offset by a lower level of ore inventory accumulation.

3.2 Cash flow related to investing activities

A$ million	Six months ended 31 December 2012	2011	*$ Change*	*% Change*
Capital expenditure				
- Sustaining	215	203	*12*	*6%*
- Development	191	65	*126*	*194%*
- Projects – construction & studies	632	986	*(354)*	*(36%)*
Total Capital Expenditure	**1,038**	**1,254**	***(216)***	***(17%)***
Exploration	84	66	*18*	*27%*
Proceeds from sale of investments	(9)	-	*(9)*	*(100%)*
Interest capitalised to development projects	35	11	*24*	*218%*
Other	-	(2)	*2*	*100%*
Total Cash Outflow from Investing activities	**1,148**	**1,329**	***(181)***	***(14%)***

Net cash used in investing activities decreased by A$181 million, or 14%, to A$1,148 million.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Sustaining capital

Total sustaining capital expenditure increased by A$12 million to A$215 million. The increase was predominantly driven by the Lihir processing plant refurbishment program targeting improved reliability of the existing processing facilities and power generation facilities, along with upgraded site infrastructure. Additional capital was also invested on the Hidden Valley tailings dam wall lift and crusher upgrade.

Development capital and Projects - construction and studies capital

Total capital expenditure on major projects and studies decreased by A$228 million during the current period and was primarily associated with the following projects:

- The Cadia East project which commenced commercial production on 1 January 2013. The total capital cost to achieve this milestone is expected to be within 8% above the A$1.9 billion budget. Underground mine development to expand the footprint of panel cave one and develop the decline and extraction level for panel cave two will continue as planned in future periods.
- The MOPU project at Lihir was completed in January 2013 and the ramp up of mill throughput has commenced. The total project cost is expected to be within 8% above the US$1.3 billion original budget.
- At Wafi-Golpu, the technical pre-feasibility study on the Golpu orebody was completed in August 2012. The MMJV participants continue to engage with the PNG government and landowner representatives to ensure alignment on the planned project development and key elements of the next phase of work. Estimated capital costs and key contractors are also being reviewed to identify opportunities to reduce the capital cost of project execution.

Exploration

	Six months ended 31 December			
A$ million	**2012**	**2011**	***$ Change***	***% Change***
Expenditure by nature				
Greenfields	26	21	*5*	*24%*
Brownfields	21	18	*3*	*17%*
Reserve definition				
Telfer	12	5	*7*	*140%*
Gosowong	1	-	*1*	*100%*
Hidden Valley & Wafi-Golpu	12	11	*1*	*9%*
Lihir	7	7	-	-
West Africa	5	-	*5*	*100%*
Other	-	4	*(4)*	*(100%)*
	84	**66**	***18***	***27%***
Expenditure by Region				
Australia	20	18	*2*	*11%*
Indonesia	15	12	*3*	*25%*
Papua New Guinea	35	24	11	*46%*
West Africa	12	9	*3*	*33%*
Fiji	2	3	*(1)*	*(33%)*
	84	**66**	***18***	***27%***

Exploration activities focused on near province and greenfields opportunities, increasing existing Mineral Resource positions and converting these Mineral Resources to Ore Reserves. Refer to earlier comments on exploration activity.

3.3 Cash flow related to financing activities

Cash flows relating to financing activities were an inflow of A$782 million, compared with an inflow of A$403 million in the corresponding prior period. Key financing activities during the six months ended 31 December 2012 were:

- Net proceeds from the issue of US Corporate Bonds of an A$ equivalent value of A$948 million;
- Net repayment of A$111 million on the US bilateral facility;
- Dividend payments to Shareholders of Newcrest of A$150 million; and
- A$117 million net proceeds from the sale of a 7.5% interest in Gosowong.

4. Discussion and Analysis of the Balance Sheet

4.1 Net assets and total equity

A$ million	31 December 2012	30 June 2012	*$ Change*	*% Change*
Assets				
Cash & cash equivalent	97	242	*(145)*	*(60%)*
Inventories	2,013	1,843	*170*	*9%*
Receivables	204	251	*(47)*	*(19%)*
Current tax asset	21	0	*21*	*100%*
Property, plant & equipment	5,101	4,364	*737*	*17%*
Exploration, feasibility & development	8,739	8,795	*(56)*	*(1%)*
Intangibles	3,790	3,852	*(62)*	*(2%)*
Deferred tax assets	292	259	*33*	*13%*
Investments in associates	406	395	*11*	*3%*
Other assets	660	508	*152*	*30%*
Total assets	**21,323**	**20,509**	***814***	***4%***
Liabilities				
Payables	(390)	(482)	*92*	*19%*
Borrowings	(3,203)	(2,408)	*(795)*	*(33%)*
Derivative financial liabilities	(5)	(18)	*13*	*72%*
Provisions	(494)	(508)	*14*	*3%*
Tax liabilities	(2,012)	(1,999)	*(13)*	*(1%)*
Total liabilities	**(6,104)**	**(5,415)**	***(689)***	***(13%)***
Net assets	**15,219**	**15,094**	***125***	***1%***
Equity				
Equity - Newcrest interest	15,073	14,975	*98*	*1%*
Non-controlling interests	146	119	*27*	*23%*
Total equity	**15,219**	**15,094**	***125***	***1%***

Newcrest's net assets and total equity increased by A$125 million during the year to A$15,219 million.

4.2 Net debt and gearing

As at 31 December 2012, Newcrest had net debt, comprising total borrowings less cash, of A$3,106 million, A$940 million higher than the 30 June 2012 net debt position of A$2,166 million, as outlined in the table below. The primary driver of the movement during the period was funding of the Company's major growth projects.

	A$ million
Net debt at 30 June 2012	2,166
Issue of USD corporate bonds	948
Net repayment on USD bilateral facility	(111)
Retranslation of USD denominated debt	(40)
Net movement in cash balances	145
Net movement in finance leases	(2)
Net movement for the half year	940
Net debt at 31 December 2012	3,106

The gearing ratio (net debt to net debt plus equity) as at 31 December was 16.9%.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Gearing is slightly above the target maximum level of gearing of around 15% as a result of the lower level of production in the current period. Management expects production and cash flow to be stronger in the second half of the financial year which will allow a reduction of the gearing level.

A$ million	31 December 2012	30 June 2012
Total debt	3,203	2,408
Less cash and cash equivalents	(97)	(242)
Net debt	3,106	2,166
Equity	15,219	15,094
Net debt and equity	**18,325**	**17,260**
Gearing (net debt/net debt and equity)	**16.9%**	**12.5%**

4.3 Liquidity and Debt Facilities

In October 2012, Newcrest issued US$1,000 million in USD 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:

- US$750 million Senior Unsecured Notes due 1 October 2022 with a coupon of 4.20%
- US$250 million Senior Unsecured Notes due 15 November 2041 with a coupon of 5.75%

These notes are additional to a similar issue of US$1,000 million in USD Corporate Bonds in November 2011 comprising:

- US$750 million Senior Unsecured Notes due 15 November 2021 with a coupon of 4.45%
- US$250 million Senior Unsecured Notes due 15 November 2041 with a coupon of 5.75%

Newcrest has US dollar bilateral facilities of US$2,500 million, with US$1,095 million drawn down as at 31 December 2012. These are committed unsecured revolving three and five year facilities with maturities in September 2015 and September 2017. Interest is based on LIBOR plus a margin which varies amongst the lenders.

Newcrest also has US$230 million of long-term senior unsecured notes issued into the North American Private Placement market. The notes comprise three tranches at an average fixed interest rate of 5.7% per annum. The notes have a repayment profile from May 2015 to May 2020, and have been classified as non-current borrowings.

NEWCREST MINING LIMITED

DIRECTORS REPORT (continued)

Auditor Independence Declaration

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

Signed in accordance with a resolution of the Directors

Don Mercer
Chairman

Greg Robinson
Managing Director and
Chief Executive Officer

8 February 2013
Melbourne

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

In relation to our review of the financial report of Newcrest Mining Limited for the half-year ended 31 December 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Tim Wallace
Partner
8 February 2013

CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	31-Dec-12 $M	31-Dec-11 $M
Operating sales revenue	3(a)	1,805	2,342
Cost of sales	3(b)	(1,221)	(1,356)
Gross profit		**584**	**986**
Exploration expenses		(36)	(33)
Corporate administration expenses	3(c)	(66)	(66)
Other income/(expenses)	3(d)	(24)	13
Share of profit of associate		13	-
Losses on restructured and closed-out hedge contracts	3(g)	-	(7)
Business acquisition and integration costs	3(h)	-	(3)
Gain on business divestment	3(i)	-	55
Profit before interest and income tax		**471**	**945**
Finance income		-	1
Finance costs	3(e)	(30)	(20)
Profit before income tax		**441**	**926**
Income tax expense	4	(102)	(242)
Profit after income tax		**339**	**684**
Profit after tax attributable to:			
Non-controlling interest		19	25
Owners of the parent		320	659
		339	**684**
Earnings per share (cents per share)			
Basic earnings per share		41.8	86.1
Diluted earnings per share		41.8	86.0

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	31-Dec-12 $M	31-Dec-11 $M
Profit after income tax		**339**	**684**
Other comprehensive income			
Items that may be reclassified subsequently to the income statement			
Cashflow hedges			
Losses on restructured hedge contracts transferred to the Income Statement	3(g)	-	7
Other cashflow hedges deferred in equity		(2)	(5)
		(2)	2
Available-for-sale investments			
Net loss on available-for-sale financial assets transferred to the Income Statement		1	-
Share of other comprehensive income of associate		(2)	-
		(1)	-
Foreign currency translation			
Foreign currency translation		(175)	527
		(175)	527
Other comprehensive income/(loss) for the period, net of tax		**(178)**	**529**
Total comprehensive income for the period		**161**	**1,213**
Total comprehensive income attributable to:			
Non-controlling interest		16	32
Owners of the parent		145	1,181
		161	**1,213**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31-Dec-12 $M	30-Jun-12 $M
Current assets			
Cash and cash equivalents		97	242
Trade and other receivables		204	251
Inventories		799	748
Current tax asset		21	-
Other financial assets		-	11
Other assets	6	324	212
Total current assets		**1,445**	**1,464**
Non-current assets			
Inventories		1,214	1,095
Property, plant and equipment		5,101	4,364
Exploration, evaluation and development		8,739	8,795
Goodwill		3,689	3,759
Other intangible assets		101	93
Deferred tax assets		292	259
Other financial assets		10	8
Investment in associate		406	395
Other assets	6	326	277
Total non-current assets		**19,878**	**19,045**
Total assets		**21,323**	**20,509**
Current liabilities			
Trade and other payables		390	482
Borrowings	7	1	1,200
Provisions		178	200
Other financial liabilities		5	18
Income tax payable		8	92
Total current liabilities		**582**	**1,992**
Non-current liabilities			
Borrowings	7	3,202	1,208
Provisions		316	308
Deferred tax liabilities		2,004	1,907
Total non-current liabilities		**5,522**	**3,423**
Total liabilities		**6,104**	**5,415**
Net assets		**15,219**	**15,094**
Equity			
Issued capital	8	13,586	13,561
Retained earnings		3,126	2,890
Reserves	9	(1,639)	(1,476)
Equity attributable to owners of the parent		**15,073**	**14,975**
Non-controlling interest		146	119
Total equity		**15,219**	**15,094**

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

NEWCREST MINING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	31-Dec-12 $M	31-Dec-11 $M
Cash flows from operating activities			
Receipts from customers		1,854	2,503
Payments to suppliers and employees		(1,487)	(1,341)
Interest received		-	1
Interest paid		(24)	(14)
Income taxes paid		(118)	(140)
Net cash provided by operating activities		**225**	**1,009**
Cash flows from investing activities			
Payments for property, plant and equipment		(215)	(203)
Mines under construction, development and feasibility expenditure		(808)	(1,041)
Exploration and evaluation expenditure		(84)	(66)
Information systems development		(15)	(10)
Interest capitalised to development projects		(35)	(11)
Payments for business divestment transaction costs		-	(8)
Proceeds from non-participation in rights issue		-	10
Proceeds from sale of investments		9	-
Net cash (used in) investing activities		**(1,148)**	**(1,329)**
Cash flows from financing activities			
Proceeds from borrowings:			
• US dollar corporate bonds		948	963
• US dollar bilateral bank debt		1,512	867
Repayment of borrowings:			
• US dollar bilateral bank debt		(1,623)	(1,086)
Net repayment of finance lease principal		(2)	(2)
Share buy-back		-	(31)
Payment for treasury shares		(1)	(9)
Proceeds from partial sale of shares in subsidiary to non-controlling interests, net of withholding tax	11	117	-
Dividends paid:			
• Members of the parent entity	5	(150)	(276)
• Non-controlling interests		(19)	(23)
Net cash provided by financing activities		**782**	**403**
Net increase/(decrease) in cash and cash equivalents		**(141)**	**83**
Cash and cash equivalents at the beginning of the half-year		242	185
Effects of exchange rate changes on cash held		(4)	(3)
Cash and cash equivalents at the end of the half-year		**97**	**265**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Attributable to Equity Holders of the Parent							Non-controlling Interest	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlement Reserve	Fair Value Reserve	Retained Earnings	Total		
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Balance at 1 July 2012	**13,561**	**(1,543)**	**15**	**54**	**(2)**	**2,890**	**14,975**	**119**	**15,094**
Profit for the period	-	-	-	-	-	320	320	19	339
Other Comprehensive Income for the period	-	(172)	(2)	-	(1)	-	(175)	(3)	(178)
Total Comprehensive Income for the period	**-**	**(172)**	**(2)**	**-**	**(1)**	**320**	**145**	**16**	**161**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	5	-	-	5	-	5
Shares issued - Dividend reinvestment plan	26	-	-	-	-	-	26	-	26
Share buy-back	-	-	-	-	-	-	-	-	-
Treasury shares	(1)	-	-	-	-	-	(1)	-	(1)
Changes in equity interests held by the parent	-	7	-	-	-	92	99	30	129
Dividends paid	-	-	-	-	-	(176)	(176)	(19)	(195)
Balance at 31 December 2012	**13,586**	**(1,708)**	**13**	**59**	**(3)**	**3,126**	**15,073**	**146**	**15,219**

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

NEWCREST MINING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Attributable to Equity Holders of the Parent							Non-controlling Interest	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlement Reserve	Fair Value Reserve	Retained Earnings	Total		
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Balance at 1 July 2011	**13,569**	**(2,026)**	**17**	**45**	**-**	**2,171**	**13,776**	**99**	**13,875**
Profit for the period	-	-	-	-	-	659	659	25	684
Other Comprehensive Income for the period	-	520	2	-	-	-	522	7	529
Total Comprehensive Income for the period	**-**	**520**	**2**	**-**	**-**	**659**	**1,181**	**32**	**1,213**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	5	-	-	5	-	5
Shares issued - Dividend reinvestment plan	30	-	-	-	-	-	30	-	30
Share buy-back	(31)	-	-	-	-	-	(31)	-	(31)
Treasury shares	(9)	-	-	-	-	-	(9)	-	(9)
Dividends paid	-	-	-	-	-	(306)	(306)	(23)	(329)
Balance at 31 December 2011	**13,559**	**(1,506)**	**19**	**50**	**-**	**2,524**	**14,646**	**108**	**14,754**

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

1. Corporate Information

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

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

The financial report of Newcrest Mining Limited for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the Directors on 8 February 2013.

2. Basis of Preparation and Accounting Policies

(a) Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2012, prepared by a for-profit entity, in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

It is recommended that the Half-Year Financial Report be read in conjunction with the Annual Financial Report for the year ended 30 June 2012 and considered together with any public announcements made by Newcrest Mining Limited during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX listing rules.

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

(b) Basis of Consolidation

The half-year consolidated financial statements comprise the financial statements of Newcrest Mining Limited and its controlled entities as at 31 December 2012. Controlled entities are consolidated from the date on which control commences until the date that control ceases. All intercompany balances and transactions, including unrealised gains and losses arising from intra-group transactions, have been eliminated in preparing the consolidated financial statements.

Non-controlling interest in the results and equity of entities that are controlled by the Group is shown separately in the Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity respectively.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

2. Basis of Preparation and Accounting Policies (continued)

(c) Significant Accounting Policies

The Group did not adopt any new and/or revised Standards, Amendments and Interpretations from 1 July 2012 which had an effect on the financial position or performance of the Group.

The Group has not elected to early adopt any other new standards, amendments or interpretations that are issued but are not yet effective.

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 2012.

3. Revenue and Expenses

	31-Dec-12 $M	31-Dec-11 $M
Profit before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
(a) Operating Sales Revenue		
Gold	1,515	1,989
Copper	261	316
Silver	29	37
Total operating sales revenue	**1,805**	**2,342**
Total revenue	**1,805**	**2,342**
(b) Cost of Sales		
Mine production costs	1,090	1,104
Royalty	53	67
Concentrate treatment and realisation	65	70
Deferred mining adjustment	(157)	(58)
Inventory movements	(89)	(94)
	962	1,089
Depreciation and amortisation	259	267
Total cost of sales	**1,221**	**1,356**
(c) Corporate Administration Expenses		
Corporate costs	51	53
Depreciation and amortisation	10	8
Equity settled share-based payments	5	5
Total corporate administration expenses	**66**	**66**

3. Revenue and Expenses (continued)

		31-Dec-12 $M	31-Dec-11 $M
(d)	**Other Income/(Expenses)**		
	Net foreign exchange gain/(loss)	(7)	(4)
	Net fair value gain on gold and copper derivatives	7	22
	Legacy community contractual settlements	(21)	-
	Other	(3)	(5)
	Total other income/(expenses)	**(24)**	**13**
(e)	**Finance Costs**		
	Interest costs:		
	Interest on loans	52	20
	Other:		
	Facility fees and other costs	8	7
	Discount unwind on provisions	5	4
		65	31
	Interest capitalised	(35)	(11)
	Total finance costs	**30**	**20**
(f)	**Depreciation and Amortisation**		
	Depreciation and amortisation included in:		
	Cost of sales (note 3(b))	259	267
	Corporate administration (note 3(c))	10	8
	Total depreciation and amortisation expense	**269**	**275**

3. Revenue and Expenses (continued)

	31-Dec-12 $M	31-Dec-11 $M
(g) Losses on Restructured and Closed-Out Hedge Contracts		
Losses on restructured and closed-out hedge contracts transferred from reserves	-	7
Applicable income tax expense/(benefit)	-	(2)
Total losses on restructured and closed-out hedge contracts (after tax)	**-**	**5**
(h) Business Acquisition and Integration Costs [1]		
Integration costs	-	3
Applicable income tax expense/(benefit)	-	(1)
Total business acquisition and integration costs (after tax)	**-**	**2**

[1] Represents costs associated with the acquisition and subsequent integration of Lihir Gold Limited on 30 August 2010.

	31-Dec-12 $M	31-Dec-11 $M
(i) Gain on Business Divestment [1]		
Consideration received	-	390
Written down value of net assets sold	-	(327)
Disposal costs	-	(8)
Applicable income tax expense/(benefit)	-	-
Gain on business divestment	**-**	**55**

[1] Represents gain on the divestment of the Cracow and Mt Rawdon operations on 2 November 2011.

4. Income Tax Expense

	31-Dec-12 $M	31-Dec-11 $M
Accounting profit before tax	**441**	**926**
Income tax expense calculated at 30% (2011: 30%)	132	278
- Research and development allowance		
- Current year	(5)	-
- Prior year	(2)	(11)
- Gain on business divestment	-	(16)
- Exploration allowance	(20)	-
- Other	1	3
- (Over) provided in prior years	(4)	(12)
Income tax expense per the Income Statement	**102**	**242**

5. Dividends

	31-Dec-12 $M	31-Dec-11 $M
(a) Dividends declared and paid		
The following dividends were paid during the half-year:		
Final ordinary dividend for the financial year 30 June 2012: 23 cents per share (15% franked), paid 19 October 2012	176	
Final ordinary dividend for the financial year 30 June 2011: 20 cents per share (unfranked), paid 21 October 2011	-	153
Special dividend for the financial year 30 June 2011: 20 cents per share (unfranked), paid 16 December 2011	-	153
	176	**306**

Participation in the Dividend Reinvestment Plan reduced the cash amount paid to $150 million (2011: $276 million).

(b) Dividend proposed and not recognised as a liability
Subsequent to the end of the half-year the Directors determined the following dividend:

	31-Dec-12 $M
Interim ordinary dividend for the financial year 30 June 2013: 12 cents per share (unfranked), proposed to be paid 16 April 2013	92

6. Other Assets

	31-Dec-12 $M	30-Jun-12 $M
Current		
Deferred mining	226	121
Prepayments and other	98	91
Total current other assets	**324**	**212**
Non-Current		
Deferred mining	319	272
Prepayments and other	7	5
Total non-current other assets	**326**	**277**

7. Borrowings

		31-Dec-12 $M	30-Jun-12 $M
Current			
Finance lease liabilities - secured		1	3
US dollar bilateral bank debt - unsecured	(i)	-	1,197
Total current borrowings		**1**	**1,200**
Non-Current			
Finance lease liabilities - secured		1	1
US dollar private placement notes - unsecured		221	226
US dollar bilateral bank debt - unsecured	(i)	1,054	-
US dollar corporate bonds - unsecured	(ii)	1,926	981
Total non-current borrowings		**3,202**	**1,208**

(i) US Dollar Bilateral Bank Debt

The Group has Bilateral bank debt facilities of US$2,500 million (30 June 2012: US$2,000 million) with 10 banks. These are committed unsecured revolving three and five year facilities with maturities in September 2015 and September 2017, individually negotiated and documented with each bank but with similar terms and conditions. Interest is based on LIBOR plus a margin which varies amongst the lenders.

(ii) US Dollar Corporate Bonds

In each of November 2011 and October 2012, Newcrest issued US$1,000 million in USD 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:

- US$750 million Senior Unsecured Notes due 15 November 2021 with a coupon of 4.45%
- US$750 million Senior Unsecured Notes due 1 October 2022 with a coupon of 4.20%
- US$500 million Senior Unsecured Notes due 15 November 2041 with a coupon of 5.75%.

8. Issued Capital

(a) Movements in Issued Capital

		Half-year ended 31-Dec-12 $M	Full year ended 30-Jun-12 $M
Opening balance		13,561	13,569
Shares issued:			
▪ Dividend reinvestment plan	(ii)	26	36
▪ Share buy-back	(iv)	-	(35)
▪ Shares repurchased and held in treasury	(v)	(1)	(9)
Total issued capital		**13,586**	**13,561**

(b) Number of Issued Ordinary Shares

	2012 No.	2011 No.
Comprising:		
• Shares held by the public	765,627,718	764,561,477
• Treasury shares	279,121	438,523
Total issued capital	765,906,839	765,000,000

Movement in Issued Ordinary Shares		Number of Ordinary Shares Half-year ended 31-Dec-12	Number of Ordinary Shares Full year ended 30-Jun-12
Opening number of shares		764,561,477	764,412,847
Shares issued:			
▪ Share plans	(i)	123,384	379,568
▪ Dividend reinvestment plan	(ii)	906,839	1,062,040
▪ Employee share acquisition plan	(iii)	64,506	39,062
▪ Share buy-back	(iv)	-	(1,062,040)
▪ Purchases by the Newcrest Employee Share Trust	(v)	(28,488)	(270,000)
Closing number of shares		**765,627,718**	**764,561,477**

8. Issued Capital (continued)

	Half-year ended 31-Dec-12 No.	Full year ended 30-Jun-12 No.
Movement in Treasury Shares		
Opening number of shares	438,523	587,153
• Purchases	28,488	270,000
• Issued pursuant to share plans	(187,890)	(418,630)
Closing number of shares	**279,121**	**438,523**

(i) Represents options and rights exercised under the Company's share-based payments plan.

(ii) The Dividend Reinvestment Plan provides shareholders with an opportunity to reinvest all or part of their dividend entitlements at the market price at the time of issue.

(iii) The Employee Share Acquisition Plan is a broad based employee share plan. During the period, the plan offered eligible employees fully paid shares for $nil consideration.

(iv) In order to minimise dilution of its share capital through the issue of shares under the Company's share-based payments plans and the Dividend Reinvestment Plan (DRP), the Company intends to buy the corresponding number of shares on market as and when required. It is anticipated that on market buy-backs will be undertaken periodically in response to exercise of rights, or operation of the DRP. The share buy-back plan will only be used to purchase shares that are issued under the above mentioned plans.

(v) During the period, shares were purchased by the Newcrest Employee Share Trust on behalf of Newcrest Mining Limited to satisfy future share rights and awards as they vest.

9. Reserves

		Half-year ended 31-Dec-12 $M	Full year ended 30-Jun-12 $M
Equity Settlements Reserve	(a)	59	54
Foreign Currency Translation Reserve	(b)	(1,708)	(1,543)
Hedge Reserve	(c)	13	15
Fair Value Reserve	(d)	(3)	(2)
Total Reserves		**(1,639)**	**(1,476)**

(a) Equity Settlements Reserve

The equity settlements reserve is used to recognise the fair value of rights and options issued to employees, including Key Management Personnel in relation to equity-settled share based payments.

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The reserve is also used to record gains and losses on hedges of the net investment in foreign operations.

During the period, the Group issued US$1,000 million in US denominated corporate bonds. This debt has been designated as a hedge of the net investment in a foreign operation (Lihir Gold Limited). The exchange gains or losses upon subsequent revaluation of this US dollar denominated debt, in an effective hedge relationship, from the historical drawdown rate to the period-end spot exchange rate are deferred in equity in the foreign currency translation reserve. These cumulative gains or losses will remain deferred in equity and will only be transferred to the Income Statement in the event of the disposal of the foreign operation.

(c) Hedge Reserve

The hedge reserve is used to record the effective portion of changes in the fair value of cash flow hedges.

(d) Fair Value Reserve

The Fair Value Reserve records movements in the fair value of available-for-sale financial assets. Where a revalued financial asset is sold or is determined to be impaired, the cumulative gain or loss included in the reserve is recognised in the income statement.

10. Segment Information

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

The Group's reportable operating segments are:

- Cadia Valley, Australia
- Telfer, Australia
- Cracow JV (70% interest) and Mt Rawdon, Australia (divested on 2 November 2011)
- Gosowong, Indonesia
- Lihir, Papua New Guinea
- Hidden Valley JV (50% interest), Papua New Guinea
- West Africa (includes Bonikro operations and exploration and evaluation activities in Cote d'Ivoire)
- Exploration and Other

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

(a) Segment Results, Segment Assets and Segment Liabilities

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

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

EBITDA is earnings before interest, tax, depreciation, amortisation, hedge restructure and other significant items. EBIT is earnings before interest, tax, hedge restructure and other significant items. The reconciliation of EBITDA and EBIT to profit before tax is shown in the following table.

Segment assets exclude deferred tax assets and intercompany receivables.
Segment liabilities exclude intercompany payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

10. Segment Information (continued)

31 Dec 2012	Cadia Valley $M	Telfer $M	Gosowong $M	Lihir $M	Hidden Valley $M	West Africa $M	Total Operations $M	Exploration & Other $M	Corporate[(i)] $M	Total Group $M
External sales revenue	445	487	264	459	84	66	1,805	-	-	1,805
EBITDA	198	160	166	285	7	27	843	(36)	(67)	740
Depreciation and amortisation	(54)	(93)	(29)	(55)	(20)	(8)	(259)	-	(10)	(269)
EBIT (Segment result) [(ii)]	**144**	**67**	**137**	**230**	**(13)**	**19**	**584**	**(36)**	**(77)**	**471**
Segment Assets:										
At 31 Dec 2012	4,126	2,358	485	10,962	685	999	19,615	681	1,027	21,323
At 30 Jun 2012	3,835	2,241	523	10,669	679	960	18,907	638	964	20,509
Segment Liabilities:										
At 31 Dec 2012	178	196	55	1,522	76	124	2,151	20	3,933	6,104
At 30 Jun 2012	230	233	86	1,553	68	120	2,290	22	3,103	5,415

Notes:
(i) Includes eliminations.
(ii) Refer to Note 10(b) for the reconciliation of segment result to profit before tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

10. Segment Information (continued)

31 Dec 2011	Cadia Valley $M	Telfer $M	Mt. Rawdon & Cracow(iii) $M	Gosowong $M	Lihir $M	Hidden Valley $M	West Africa $M	Total Operations $M	Exploration & Other $M	Corporate(i) $M	Total Group $M
External sales revenue	655	632	89	299	486	103	78	2,342	-	-	2,342
EBITDA	360	246	37	218	329	34	29	1,253	(33)	(45)	1,175
Depreciation and amortisation	(54)	(95)	(11)	(28)	(44)	(18)	(17)	(267)	-	(8)	(275)
EBIT (Segment result) (ii)	**306**	**151**	**26**	**190**	**285**	**16**	**12**	**986**	**(33)**	**(53)**	**900**
Segment Assets:											
At 31 Dec 2011	3,375	1,975	-	425	10,218	659	914	17,566	533	938	19,037
At 30 Jun 2011	2,851	2,007	388	432	9,241	586	830	16,335	501	446	17,282
Segment Liabilities:											
At 31 Dec 2011	177	177	-	52	1,456	63	119	2,044	17	2,222	4,283
At 30 Jun 2011	185	169	82	86	1,346	58	99	2,025	12	1,370	3,407

Notes:
(i) Includes eliminations.
(ii) Refer to Note 10(b) for the reconciliation of segment result to profit before tax.
(iii) Segment Result attributable to Mt Rawdon and Cracow is for the period 1 July to 2 November 2011.

10. Segment Information (continued)

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

	Note	Half-year ended 31-Dec-12 $M	Half-year ended 31-Dec-11 $M
Segment Result	10(a)	471	900
Finance income		-	1
Finance costs		(30)	(20)
Losses on restructured and closed-out hedge contracts		-	(7)
Business acquisition and integration		-	(3)
Gain on business divestment		-	55
Profit Before Tax		**441**	**926**

11. Change in Equity Interest in Subsidiary

On 20 December 2012, Newcrest completed the sale of a 7.5% interest in PT Nusa Halmahera Minerals (PT NHM) which holds the Contract of Work for the Gosowong Gold Mine in Indonesia.

Consideration for the sale comprised of:

- Cash consideration of US$130 million (A$124 million). This was received on the completion date of 20 December 2012.
- Contingent consideration of US$30 million, subject to a further one million ounces of additional gold resource being defined by December 2017.

Newcrest now holds a 75% interest in PT NHM (previously 82.5%) with PT Antam holding the remaining 25% (previously 17.5%).

The impact of the sale on equity attributable to the owners of Newcrest was as follows:

	$M
Cash consideration (net of withholding tax)	117
Fair value of contingent consideration	10
Total consideration	127
Carrying value of subsidiary at 7.5%	(28)
Increase in equity attributable to Newcrest	99

12. Contingent Liabilities

There were no material changes to the contingent liabilities disclosed in the 30 June 2012 annual financial report.

Companies in the Group are recipients of or defendants in certain claims, suits and complaints made, filed or pending. In the opinion of the Directors, all matters are of such a kind, or involve such amounts, that they will not have a material effect on the financial position of the Group if disposed of unfavourably, or are at a stage which does not permit a reasonable evaluation of the likely outcome of the matter.

13. Events Subsequent to Reporting Date

On 8 February 2013, the Directors of Newcrest Mining Limited determined an interim unfranked dividend on ordinary shares in respect of the 2013 financial year. The total amount of the dividend is $92 million, which represents an unfranked dividend of 12 cents per share. The dividend has not been provided for in the 31 December 2012 financial statements.

There are no other matters or circumstances which have arisen since 31 December 2012 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

NEWCREST
MINING LIMITED

DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

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 2012 and of its performance for the half-year ended on that date; and

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

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

On behalf of the Board

Don Mercer
Chairman

Greg Robinson
Managing Director and
Chief Executive Officer

8 February 2013
Melbourne

Ernst & Young

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To the members of Newcrest Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Newcrest Mining Limited, which comprises the statement of financial position as at 31 December 2012, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the 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 2012 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.

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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 2012 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*.

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Tim Wallace
Partner

Melbourne
8 February 2013