ASX Appendix 4D & Financial Report

For the half year ended 31 December 2018

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 2018**
Corresponding period: Half Year ended 31 December 2017

	6 months 31 Dec 18 US$ millions	6 months 31 Dec 17 US$ millions	Percentage increase/ (decrease)
Revenue	1,730	1,717	1%
Net profit attributable to members of the parent entity ('Statutory Profit')	237	98	142%

	6 months ended 31 Dec 18	
Dividend Information	**Amount per share US cents**	**Amount franked per share US cents**
Interim dividend	7.5	7.5

Record date for determining entitlement to interim dividend	21 February 2019
Date interim dividend payable	22 March 2019

The Directors have determined to pay an interim dividend for the half year ended 31 December 2018 of US 7.5 cents per share, which will be fully franked.

The Dividend Reinvestment Plan ('DRP') remains available 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 25 February to 1 March 2019. No discount applies to the DRP. Shareholders have until 5pm AEST on 22 February 2019 to change their DRP election for the interim dividend.

Net Tangible Assets	31 Dec 18 US$	31 Dec 17 US$
Net tangible assets per share	9.60	9.87

Review of Results
Please refer to the Management Discussion and Analysis ('MD&A') 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.

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 2018.

Directors

The Directors of Newcrest Mining Limited during the half year ended 31 December 2018 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
Rick Lee AM	Non-Executive Director (resigned on 14 November 2018)
Xiaoling Liu	Non-Executive Director
Vickki McFadden	Non-Executive Director
Peter Tomsett	Non-Executive Director (appointed on 1 September 2018)

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 2018 was US$237 million (31 December 2017: US$98 million).

Refer to the Management Discussion and Analysis ('MD&A') on page 5 for a review of the result and operations. The MD&A forms part of this Directors' Report. The financial information in the MD&A includes non-IFRS financial information. Explanations and reconciliations of non-IFRS financial information to the financial statements are included in Section 6 of the MD&A.

Dividends

During the half year, the Company paid a final dividend for the year ended 30 June 2018 of US 11 cents per share, which was fully franked. The dividend was paid on 5 October 2018. The total amount of the dividend was US$84 million.

Subsequent Events

Subsequent to the reporting date, the Directors have determined to pay an interim dividend for the half year ended 31 December 2018 of US 7.5 cents per share, which will be fully franked. The dividend will be paid on 22 March 2019. The total amount of the dividend is US$58 million. This dividend has not been provided for in the 31 December 2018 financial statements.

Subsequent to the reporting date, the Group received favourable rulings from the Indonesian Tax Court in relation to disputed income tax assessments for the 2010 financial year (tax in dispute US$8 million) and the 2011 financial year (tax in dispute US$30 million). For further details, refer to Note 14(a) to the financial statements.

Subsequent Events (continued)

On 12 February 2019, Newcrest announced that it had entered into an agreement with Roxgold Inc. for the sale of the Séguéla project and its portfolio of regional exploration tenements in Côte d'Ivoire. Under the sale agreement, Roxgold will pay Newcrest upfront consideration of US$20 million cash on completion. Roxgold has also agreed to a deferred payment of US$10 million cash contingent on first gold production from the portfolio. Completion is subject to conditions precedent, including approval from the Minister of Mines of Côte d'Ivoire and the renewal of the Séguéla exploration permit. The transaction is expected to complete in the June 2019 quarter.

Rounding of Amounts

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

Auditor's Independence Declaration

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

Signed in accordance with a resolution of the Directors

Peter Hay	Sandeep Biswas
Chairman	Managing Director and Chief Executive Officer

14 February 2019
Melbourne

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

As lead auditor for the review of Newcrest Mining Limited for the half year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

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

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

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

Ernst & Young

Trent van Veen
Partner

14 February 2019

To assist readers to better understand the financial performance of the underlying operating assets of Newcrest, the financial information in this Management Discussion and Analysis includes non-IFRS financial information. Explanations and reconciliations of non-IFRS information to the financial statements are set out in Section 6.

Unless otherwise stated, all financial data presented in this Management Discussion and Analysis is quoted in US$ and prior period refers to the 6 months ended 31 December 2017.

Section 1 footnotes are located at the end of the section.

1. SUMMARY OF RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018[1]

Key points

- Statutory profit[2] of $237 million, 142% higher than the prior period
- Underlying profit[3] of $237 million, 104% higher than the prior period
- All-In Sustaining Cost[3] of $747 per ounce, 13% lower than the prior period
- EBITDA margin[3] of 42.7%, 18% higher than the prior period
- All-In Sustaining Cost margin[3] of $481 per ounce, 11% higher than the prior period
- Cash flow from operating activities of $464 million, 2% higher than the prior period (12% on a continuing operations basis)
- Free cash flow[3] of $176 million, 31% higher than the prior period
- Gold production of 1.2 million ounces, 6% higher than the prior period (14% on a continuing operations basis)
- Copper production of 51.8 thousand tonnes, 33% higher than the prior period
- Net debt of $959 million and a gearing ratio of 11.5% as at 31 December 2018, 8% and 6% respectively lower than 30 June 2018
- Net debt to EBITDA of 0.6 times
- Unchanged interim dividend of US 7.5 cents per share, fully franked

			For the 6 months ended 31 December			
			2018	2017	Change	Change %
Group production – gold		oz	1,203,200	1,135,613	67,587	6%
- copper		t	51,770	39,002	12,768	33%
Revenue	4	US$m	1,730	1,717	13	1%
EBITDA	3	US$m	739	624	115	18%
EBIT	3	US$m	397	230	167	73%
Statutory profit	2	US$m	237	98	139	142%
Underlying profit	3	US$m	237	116	121	104%
Cash flow from operating activities		US$m	464	453	11	2%
Free cash flow	3	US$m	176	134	42	31%
EBITDA margin	3	%	42.7	36.3	6.4	18%
EBIT margin	3	%	23.0	13.4	9.6	72%
All-In Sustaining Cost	3	US$/oz	747	860	(113)	(13%)
All-In Sustaining Cost Margin	3	US$/oz	481	435	46	11%
Realised gold price		US$/oz	1,228	1,295	(67)	(5%)
Realised copper price		US$/lb	2.79	3.01	(0.22)	(7%)
Average exchange rate		AUD:USD	0.7249	0.7790	(0.0541)	(7%)
Average exchange rate		PGK:USD	0.3000	0.3131	(0.0131)	(4%)
Closing exchange rate		AUD:USD	0.7058	0.7800	(0.0742)	(10%)

			As at 31 December 2018	As at 30 June 2018	Change	Change %
Total equity		US$m	7,408	7,462	(54)	(1%)
Net debt		US$m	959	1,040	(81)	(8%)
Net debt to EBITDA	3	times	0.6	0.7	(0.1)	(14%)
Gearing		%	11.5	12.2	(0.7)	(6%)
Cash and cash equivalents		US$m	1,035	953	82	9%

Half year results

Newcrest's continued focus on safety, operating and financial discipline has safely delivered the tenth consecutive half-year of positive free cashflow, notwithstanding lower commodity prices in the current period compared with the prior period.

The improved performance was driven primarily by Cadia, where record half-yearly milling rates combined with higher head grade delivered record production, EBITDA and EBIT for the half year. The Total Recordable Injury Frequency Rate (per million hours) of 2.3 was 12% lower than the prior period.

Statutory profit and Underlying profit were $237 million in the current period.

Underlying profit was $121 million higher than the prior period, primarily driven by higher gold and copper sales volumes at Cadia, the weakening of the Australian dollar against the US dollar favourably impacting costs of Australian operations and a lower depreciation expense (reflecting the lower asset base at Telfer following its impairment in the prior financial year). These benefits were partially offset by lower realised gold and copper prices, higher income tax expense and lower production at Gosowong in the current period.

The average realised gold price in the current period of $1,228 per ounce was 5% lower than the prior period, with the average realised copper price of $2.79 per pound being 7% lower than the prior period.

Gold production of 1.20 million ounces was 6% higher than the prior period, reflecting higher production at Cadia and Lihir. Excluding production from Bonikro, which was divested in March 2018, gold production was 14% higher than the prior period.

Copper production of 51.8 thousand tonnes was 33% higher than the prior period, primarily driven by higher mill throughput and grade at Cadia.

Newcrest's All-In Sustaining Cost of $747 per ounce in the current period was a record low half-yearly result, being $113 per ounce or 13% lower than the prior period. This lower All-In Sustaining Cost reflects the higher production contribution from Cadia, the favourable impact of a weaker Australian dollar on operating costs, and lower sustaining capital expenditure and production stripping activity at Lihir. The benefit of higher copper sales volumes from Cadia were partially offset by the lower realised copper price.

Free cash flow of $176 million was $42 million or 31% higher than the prior period. This increase reflects higher gold and copper sales volumes (primarily at Cadia), the favourable impact on operating costs from the weaker Australian dollar against the US dollar, and lower sustaining capital expenditure and production stripping activity at Lihir. Income tax payments were higher in the current period. All operations except Telfer were free cash flow positive before tax. Including the current period, Newcrest has generated $3.5 billion of free cash flow since January 2014.

After dividend and payments for Treasury shares, Newcrest's cash holdings increased by $82 million in the current period, resulting in an 8% reduction in net debt at the end of the period to $959 million. Newcrest's gearing ratio was lowered to 11.5% as at 31 December 2018 and the net debt to EBITDA ratio also further improved to 0.6 times in the current period.

Capital structure

Newcrest's net debt as at 31 December 2018 was $959 million, comprising $1,994 million of capital market debt less $1,035 million of cash.

At 31 December 2018, Newcrest had $3,055 million of liquidity, comprising $1,035 million of cash and $2,020 million[5] in committed undrawn bank facilities. Newcrest signed agreements in early August 2018 that extended the average maturity of $2,000 million of the committed undrawn bank facilities by approximately two years to a period ranging from 2021 to 2023.

Newcrest's credit ratings were upgraded by both S&P and Moody's during the current period.

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

Newcrest's position in relation to its financial policy metrics at period end was as follows:

Metric	Policy 'looks to'	As at 31 December 2018	As at 30 June 2018
Credit rating (S&P/Moody's)	Investment grade	BBB/Baa2	BBB-/Baa3
Leverage ratio (Net debt to EBITDA)	Less than 2.0 times	0.6	0.7
Gearing ratio	Below 25%	11.5%	12.2%
Cash and committed undrawn bank facilities	At least $1.5bn, of which ~1/3 is in the form of cash	$3.06bn ($1,035m cash)	$2.97bn ($953m cash)

Dividend

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

The Newcrest Board has determined that, having regard to the Company's financial performance in the 2019 half year and target financial policy metrics at 31 December 2018, an interim fully franked dividend of US 7.5 cents per share will be paid on 22 March 2019. The record date for entitlement is 21 February 2019. The financial impact of the dividend amounting to $58 million has not been recognised in the Consolidated Financial Statements for the half year. The Dividend Reinvestment Plan remains available.

Guidance[6]

Guidance for FY19 remains unchanged. Total capital expenditure in FY19 is expected to be around the low end of the guidance range.

It is expected that gold production in the second half of the financial year will be higher than the first half due to there being fewer planned shutdown events scheduled in the second half of the year.

Telfer gold Hedging

No new hedging in relation to Telfer was undertaken during the current period. The total outstanding volume and prices hedged for the current year and future years at Telfer and in total for Newcrest is:

Financial Year Ending	Gold Ounces Hedged	Average Price A$/oz
30 June 2019 (January – June 2019)	107,134	1,724
30 June 2020	204,794	1,729
30 June 2021	216,639	1,864
30 June 2022	204,615	1,902
30 June 2023	137,919	1,942
Total	**871,101**	**1,836**

The current period included 124,090 ounces of Telfer gold sales hedged at an average price of A$1,753 per ounce, representing a net revenue benefit of $6 million.

The cumulative net benefit to revenue from the Telfer hedging program since it commenced in April 2016 is $42 million.

At 31 December 2018, the unrealised mark-to-market loss on these hedges was $32 million.

Review of Operations[7]

		For the 6 months ended 31 December 2018						
		Cadia	Lihir	Telfer	Gosowong	Bonikro	Other	Group
Operating								
Production								
Gold	koz	453	433	215	102	-	-	**1,203**
Copper	kt	44	-	8	-	-	-	**52**
Silver	koz	266	17	104	114	-	-	**501**
Sales								
Gold	koz	463	419	213	99	-	-	**1,194**
Copper	kt	45	-	8	-	-	-	**53**
Silver	koz	271	17	104	107	-	-	**500**
Financial								
Revenue[4]	US$m	798	514	296	122	-	-	**1,730**
EBITDA	US$m	547	183	38	30	-	(59)	**739**
EBIT	US$m	451	42	(29)	(1)	-	(66)	**397**
Net assets	US$m	2,517	4,491	46	255	-	99	**7,408**
Operating cash flow	US$m	533	114	20	19	-	(222)	**464**
Investing cash flow	US$m	(79)	(77)	(68)	(15)	-	(49)	**(288)**
Free cash flow*	US$m	454	37	(48)	4	-	(271)	**176**
AISC	US$m	61	388	287	106	-	50	**892**
	US$/oz	131	925	1,347	1,076	-	-	**747**
AISC Margin	US$/oz	1,097	303	(119)	152	-	-	**481**

* Free cash flow for 'Other' includes net interest paid of $47 million, income tax paid of $136 million, corporate costs of $40 million, capital expenditure of $19 million, exploration expenditure of $27 million.

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

* Free cash flow for 'Other' includes net interest paid of $53 million, income tax paid of $67 million, corporate costs of $34 million, capital expenditure of $21 million, exploration expenditure of $26 million, other working capital movements of $15 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 2018 ('current period') compared with the 6 months ended 31 December 2017 ('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' is profit or loss after tax before significant items attributable to owners of the Company.
   - 'EBITDA' is 'earnings before interest, tax, depreciation and amortisation, and significant items'. EBIT is 'earnings before interest, tax and significant items'.
   - 'EBITDA Margin' is EBITDA expressed as a percentage of revenue. 'EBIT Margin' is EBIT expressed as a percentage of revenue.
   - 'AISC' is All-In Sustaining Cost and 'AIC' is All-In Cost as per World Gold Council Guidance Note on Non-GAAP Metrics released June 2013. AISC will vary from period to period as a result of various factors including production performance, timing of sales, and the level of sustaining capital and the relative contribution of each asset. AISC Margin reflects the average realised gold price less the AISC per ounce sold.
   - 'Net debt to EBITDA' is calculated as net debt divided by EBITDA for the preceding 12 months.
   - 'Free Cash Flow' is calculated as cash flow from operating activities less cash flow related to investing activities. Free Cash Flow for each operating site is calculated as Free Cash Flow before interest and tax.
   - Underlying profit, EBIT, EBITDA, EBITDA Margin, EBIT Margin, Free cash flow, All-In Sustaining Cost, All-In Sustaining Cost Margin, All-In Cost, Sustaining capital and Major projects (non-sustaining) capital are non-IFRS financial measures which Newcrest employs in managing the business. They are used by Management to assess the performance of the business and make decisions on the allocation of resources and have been included in this report to provide greater understanding of the underlying financial performance of Newcrest's operations. When reviewing business performance this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS.

   These measures have not been subject to audit or review by Newcrest's external auditor. These measures do not have any standard definition under IFRS and may be calculated differently by other companies. Refer to Section 6 for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.
4. During the current period Newcrest adopted AASB 15 *Revenue from Contracts with Customers* and elected to apply the modified retrospective method of adoption. Under this method, comparative figures are not required to be restated and continue to be presented under the previous standard AASB 118 *Revenue.* Accordingly, prior period treatment and refining costs of $54 million associated with the sale of concentrate are presented in cost of sales and not as a reduction in revenue.
5. Comprises undrawn bilateral bank debt facilities of $2,000 million and an additional undrawn $20 million subsidiary bank loan facility.
6. Disclaimer: These materials include forward looking statements. Forward looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", "outlook" and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. The Company continues to distinguish between outlook and guidance. Guidance statements relate to the current financial year. Outlook statements relate to years subsequent to the current financial year.

   Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from statements in these materials. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

   Forward looking statements are based on the Company's good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of the Company. Readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Except as required by applicable laws or regulations, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in assumptions on which any such statement is based.
7. All data relating to operations is shown as 100%. Newcrest owns 75% of Gosowong through its holding in PT Nusa Halmahera Minerals, an incorporated joint venture. For Bonikro the figures shown represent 100% up to the divestment date of 28 March 2018. Bonikro includes mining and exploration interests in Côte d'Ivoire which were held by LGL Mines CI SA and Newcrest Hire CI SA (of which Newcrest owned 89.89%, respectively up to the divestment date).

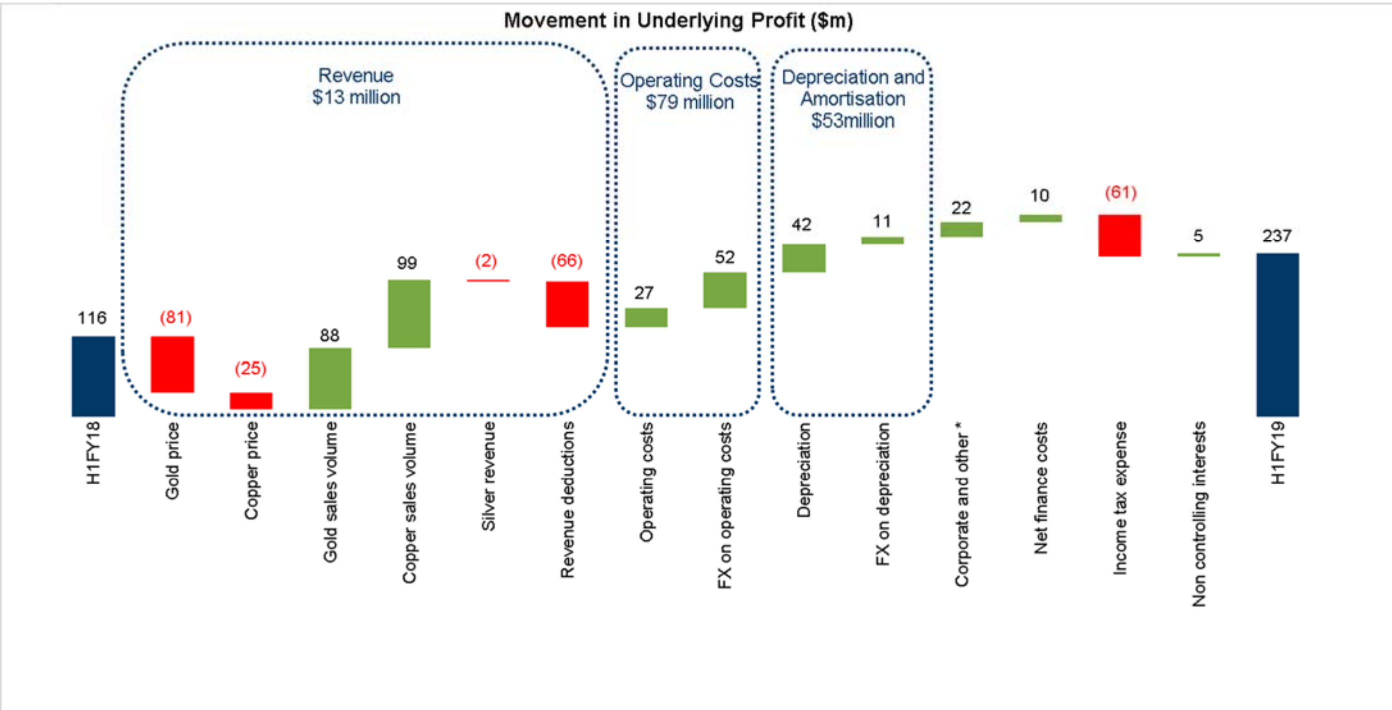
2. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT

2.1. Profit overview

Statutory profit was $237 million in the current period.

Underlying profit of $237 million was $121 million higher than the prior period primarily driven by higher gold and copper sales volumes from Cadia, the favourable impact on operating costs from the weakening of the Australian dollar against the US dollar, and lower depreciation expense. These benefits were partially offset by lower realised gold and copper prices and higher income tax expense compared to the prior period.

	For the 6 months ended 31 December			
US$m	**2018**	**2017**	**Change**	**Change%**
Gold revenue[4]	1,466	1,459	7	0%
Copper revenue[4]	323	249	74	30%
Silver revenue	7	9	(2)	(22%)
Less: treatment and refining deductions[4]	(66)	-	(66)	(100%)
Total revenue	**1,730**	**1,717**	**13**	**1%**
Operating costs	(932)	(1,011)	79	8%
Depreciation and amortisation	(335)	(388)	53	14%
Total cost of sales[4]	**(1,267)**	**(1,399)**	**132**	**9%**
Corporate administration expenses	(53)	(46)	(7)	(15%)
Exploration expenses	(33)	(33)	-	-
Other income/(expense)	19	(9)	28	311%
Share of profit of associates	1	-	1	100%
Net finance costs	(49)	(59)	10	17%
Income tax expense	(111)	(50)	(61)	(122%)
Non-controlling interests	-	(5)	5	100%
Underlying profit	**237**	**116**	**121**	**104%**



* Corporate and other includes Corporate administration expenses, Exploration expenses, Other income/(expense) and Share of profit of associates (refer to section 2.4 for detail)

2.2. Revenue[4]

Total sales revenue for the current period of $1,730 million included deductions for treatment and refining costs of $66 million, consistent with Newcrest's adoption of the new accounting standard AASB 15 *Revenue from Contracts with Customers.* Excluding these deductions, total revenue increased by $79 million (or 5%) compared to the prior period. Newcrest's sales revenue continued to be predominantly attributable to gold, being 85% of total sales revenue in the current period (85% in the prior period).

US$m		
Total gross revenue for 6 months ended 31 December 2017		**1,717**
Changes in revenues from volume:		
Gold	88	
Copper	99	
Silver	(1)	
Total volume impact		**186**
Change in revenue from price:		
Gold	(81)	
Copper	(25)	
Silver	(1)	
Total price impact		**(107)**
Total gross revenue for 6 months ended 31 December 2018		**1,796**
Less: Treatment and refining adjustments[4]		(66)
Total net revenue for 6 month ended 31 December 2018[4]		**1,730**

Gold revenue in the current period of $1,450 million included deductions for gold treatment and refining costs of $16 million. Excluding these deductions, total gold revenue increased $7 million compared to the prior period which is primarily driven by Cadia's higher level of gold production. This benefit was largely offset by a 5% reduction in the realised gold price ($1,228 per ounce in the current period compared to $1,295 per ounce in the prior period).

Copper revenue in the current period of $273 million included deductions for copper treatment and refining costs of $50 million. Excluding these deductions, total copper revenue increased $74 million compared to the prior period which is primarily driven by Cadia's higher level of copper production. This was partially offset by a 7% reduction in the realised copper price ($2.79 per pound in the current period compared to $3.01 per pound in the prior period).

2.3. Cost of sales[4]

	For the 6 months ended 31 December			
US$m	**2018**	**2017**	**Change**	**Change %**
Site production costs	889	878	11	1%
Royalties	52	50	2	4%
Treatment and realisation[4]	18	70	(52)	(74%)
Inventory movements	(27)	13	(40)	(308%)
Operating costs	**932**	**1,011**	**(79)**	**(8%)**
Depreciation	335	388	(53)	(14%)
Cost of sales[4]	**1,267**	**1,399**	**(132)**	**(9%)**

Cost of sales of $1,267 million was $132 million or 9% lower than the prior period. Cost of sales in the current period excludes treatment and refining costs of $66 million relating to concentrate sales which are now included as deductions against revenue. Including these treatment costs, cost of sales was 5% lower than the prior period. The higher site production costs primarily relate to increased activity at Cadia, largely offset by the favourable impact on operating costs from the weakening of the Australian dollar against the US dollar.

Treatment and realisation costs on a gross basis (i.e. inclusive of the $66 million which has been deducted from revenue) have increased by 20% compared with the prior period, which is attributable to an increase in gold and copper sales volumes at Cadia.

The decrease in depreciation expense compared to the prior period reflects a lower asset base at Telfer following the impairment recognised at 30 June 2018, together with the benefit of a weakening Australian dollar against the US dollar and lower production at Gosowong.

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 cost of sales by site for the current period. The Group number also includes the impact of currency exposures on corporate administration expenses and exploration expenditure:

	USD	AUD	PGK	IDR
Cadia	10%	90%	-	-
Telfer	15%	85%	-	-
Lihir	30%	30%	40%	-
Gosowong	10%	5%	-	85%
Group	**20%**	**60%**	**10%**	**10%**

2.4. Exploration, Corporate and Other items

Exploration expenditure of $37 million was largely in line with the prior period. Of this exploration expenditure, $33 million was expensed.

Corporate administration expenses of $53 million comprised corporate costs of $40 million, depreciation expense of $7 million and equity-settled share-based payments of $6 million. The total is $7 million or 15% higher than the prior period, primarily as a result of an increase in corporate costs reflecting increased investment in leadership development, innovation and growth activities.

Other income of $19 million comprised:

	For the 6 months ended 31 December	
US$m	**2018**	**2017**
Net foreign exchange gain/(loss)	18	(7)
Other items	1	(2)
Other income/(expense)	**19**	**(9)**

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

2.5. Net finance costs

Net finance costs of $49 million were $10 million or 17% lower than the prior period driven by the accumulation of cash since the end of the prior period. Cash increased by $82 million to $1,035 million in the current period.

	For the 6 months ended 31 December	
US$m	**2018**	**2017**
Finance income	12	2
Finance costs	(61)	(61)
Net finance costs	**(49)**	**(59)**

2.6. Income tax

Income tax expense on Statutory and Underlying profit was $111 million, resulting in an effective tax rate of 32%, which is higher than the Australian company tax rate of 30%. The effective tax rate was higher than the Australian company tax rate primarily reflecting non-deductible exploration expenses.

2.7. Significant items

There were no significant items reported in the current period.

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

- a write-down of property, plant and equipment at Bonikro totalling $12 million (after tax and non-controlling interests) as a result of the divestment announcement in December 2017; and
- a $6 million (after tax and non-controlling interests) write-down of a tax asset at Gosowong following an adverse verdict in the Indonesian Tax Court with respect to a FY13 tax rate dispute.

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

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

3. DISCUSSION AND ANALYSIS OF CASH FLOW

Free cash flow for the current period of $176 million was $42 million or 31% higher than the prior period.

Cash flow from operating activities of $464 million was $11 million (or 2%) higher than the prior period primarily due to higher gold and copper sales volumes at Cadia and the benefit of a weaker Australian dollar against the US dollar. This was partially offset by higher income tax payments, the impacts of lower realised gold and copper prices, the timing of working capital movements and lower production and sales volumes at Gosowong, in the current period.

Cash flow relating to investing activities was $31 million (or 10%) lower than the prior period, driven by lower production stripping and sustaining capital expenditure at Lihir in the current period. This was partially offset by an increase in production stripping at Telfer, sustaining capital expenditure at Cadia and major project expenditure (non-sustaining capital), primarily in relation to the Cadia expansion feasibility study and associated early works expenditure.

	For the 6 months ended 31 December			
US$m	2018	2017	Change	Change %
Cash flow from operating activities	464	453	11	2%
Cash flow used in investing activities	(288)	(319)	31	10%
Free cash flow	**176**	**134**	**42**	**31%**
Cash flow used in financing activities	(94)	(70)	(24)	(34%)
Net movement in cash	**82**	**64**	**18**	**28%**
Cash at the beginning of the period	**953**	**492**	**461**	**94%**
Cash at the end of the period	**1,035**	**556**	**479**	**86%**

3.1 Cash flow from operating activities

	For the 6 months ended 31 December			
US$m	2018	2017	Change	Change %
EBITDA	739	624	115	18%
Add: Exploration expenditure written off	33	33	-	-
Add: Other non-cash items or non-operating items	(10)	6	(16)	(267%)
Sub-total	**762**	**663**	**99**	**15%**
Working capital movements[8]				
Inventories	(49)	11	(60)	(545%)
Receivables	(42)	12	(54)	(450%)
Payables and provisions	(43)	(101)	58	57%
Other assets and liabilities	19	(12)	31	258%
Net working capital movements	**(115)**	**(90)**	**(25)**	**(28%)**
Net interest paid	(47)	(53)	6	11%
Income taxes paid	(136)	(67)	(69)	(103%)
Net cash inflow from operating activities	**464**	**453**	**11**	**2%**

(8) Includes adjustments for non-cash items.

Cash inflow from operating activities of $464 million was $11 million (or 2%) higher than the prior period primarily due to higher gold and copper sales volumes at Cadia, partially offset by lower realised gold and copper prices, higher income tax payments attributable to Newcrest's Australian Tax Group, the timing of working capital movements and lower production and sales volumes at Gosowong. Excluding operating cash flow from Bonikro, which was divested in March 2018, cash inflow from operating activities was $51 million (or 12%) higher than the prior period.

3.2 Cash flow from investing activities

	For the 6 months ended 31 December			
US$m	2018	2017	Change	Change %
Production stripping				
Lihir	25	60	(35)	(58%)
Telfer	38	16	22	138%
Bonikro	-	6	(6)	(100%)
Total production stripping	**63**	**82**	**(19)**	**(23%)**
Sustaining capital expenditure				
Cadia	40	21	19	90%
Lihir	29	57	(28)	(49%)
Telfer	24	28	(4)	(14%)
Gosowong	12	12	-	-
Bonikro	-	3	(3)	(100%)
Corporate	6	5	1	20%
Total sustaining capital	**111**	**126**	**(15)**	**(12%)**
Major projects (non-sustaining)				
Cadia	38	25	13	52%
Lihir	22	16	6	38%
Telfer	1	8	(7)	(88%)
Wafi-Golpu	13	15	(2)	(13%)
Corporate	-	1	(1)	(100%)
Total major projects (non-sustaining) capital	**74**	**65**	**9**	**14%**
Total capital expenditure	**248**	**273**	**(25)**	**(9%)**
Exploration and evaluation expenditure	37	40	(3)	(8%)
Proceeds from sale of property, plant and equipment	-	(3)	3	100%
Payments for investments	3	9	(6)	(67%)
Net cash outflow from investing activities	**288**	**319**	**(31)**	**(10%)**

Cash outflow from investing activities of $288 million was $31 million lower than the prior period primarily driven by lower production stripping and sustaining capital, partially offset by higher major project capital expenditure. Payments for investments in the current period represent an additional $3 million investment in SolGold Plc.

Capital expenditure of $248 million in the six months ended 31 December 2018 comprised:

- Production stripping of $63 million which was 23% lower than the prior period primarily driven by a decrease in pre-stripping activities at Lihir, partially offset by an increase in production stripping activities at Telfer.
- Sustaining capital expenditure of $111 million which was $15 million lower than the prior period due to timing of projects at Lihir and Telfer, largely offset by higher spend at Cadia in relation to a new access road as well as infrastructure associated with utilising the Cadia Hill open pit for tailings storage.
- Major project, or non-sustaining, capital expenditure of $74 million primarily related to:
  - Cadia - increase spend on the Cadia expansion feasibility study and associated Early Works
  - Lihir - activity primarily focused on projects to facilitate mining of the Kapit ore-body, with major projects being Pit Cooling, geotechnical data collection and Seepage Barrier feasibility study
  - Wafi-Golpu - capital expenditure to progress activity in line with the previously communicated forward work plan and engagement activities, including completing approval processes to commence the establishment of underground access for further drilling of the Wafi-Golpu deposit

and the construction of a bridge over the Markham River, which is an integral feature of the proposed Northern Access road from the Highlands Highway to the mine site.

Exploration activity of $37 million in the current period comprised the following:

US$m	For the 6 months ended 31 December 2018	2017	Change	Change %
Expenditure by nature				
Greenfield	23	23	-	-
Brownfield	3	3	-	-
Resource definition	11	14	(3)	(21%)
	37	**40**	**(3)**	**(8%)**
Expenditure by region				
Australia	12	14	(2)	(14%)
Indonesia	4	8	(4)	(50%)
Papua New Guinea	2	2	-	-
West Africa	4	10	(6)	(60%)
North America	9	-	9	100%
South America	6	6	-	-
	37	**40**	**(3)**	**(8%)**

The greenfield growth pipeline was enhanced with new exploration projects entered into in Australia, Ecuador, Chile and the USA, and a number of wholly-owned exploration tenements granted in Australia, Ecuador and Côte d'Ivoire. This has delivered substantial exploration ground in proven fertile gold/copper districts including Tanami (Northern Territory/Western Australia), Mt Isa region (Queensland), Jarbidge (Nevada), Northern Andes (Ecuador) and the Southern Andes (Chile/Argentina).

A divestment process is currently underway in relation to the exploration assets in Côte d'Ivoire.

3.3 Cash flow from financing activities

US$m	For the 6 months ended 31 December 2018	2017	Change	Change %
Payment for treasury shares	(17)	(11)	(6)	(55%)
Dividends paid to members of the parent entity	(77)	(52)	(25)	(48%)
Dividend paid to non-controlling interests	-	(7)	7	100%
Net cash outflow from financing activities	**(94)**	**(70)**	**(24)**	**(34%)**

Cash outflow from financing activities of $94 million primarily relates to $77 million in dividend payments to shareholders of Newcrest.

Payment for treasury shares of $17 million represents shares purchased on market to satisfy obligations under employee incentive plans.

4. REVIEW OF OPERATIONS

4.1. Cadia

Measure		For the 6 months ended 31 December 2018	2017	Change	Change %
Operating					
Total ore mined	tonnes '000	14,430	10,107	4,323	43%
Total material mined	tonnes '000	14,430	10,107	4,323	43%
Total material milled	tonnes '000	14,600	10,712	3,888	36%
Gold head grade	grams/tonne	1.24	1.10	0.14	13%
Gold recovery	%	78.2	79.6	(1.4)	(2%)
Gold produced	ounces	452,984	300,737	152,247	51%
Copper produced	tonnes	43,893	30,459	13,434	44%
Silver produced	ounces	265,754	177,088	88,666	50%
Gold sales	ounces	463,270	279,757	183,513	66%
Copper sales	tonnes	44,825	28,918	15,907	55%
Silver sales	ounces	270,923	171,676	99,247	58%
Financial					
Revenue[4]	US$m	798	554	244	44%
Cost of Sales[4] (including depreciation)	US$m	347	328	19	6%
Depreciation	US$m	96	68	28	41%
EBITDA	US$m	547	294	253	86%
EBIT	US$m	451	226	225	100%
Operating cash flow	US$m	533	260	273	105%
Sustaining capital	US$m	40	21	19	90%
Non-sustaining capital	US$m	38	25	13	52%
Total capital expenditure	US$m	78	46	32	70%
Free cash flow	US$m	454	216	238	110%
All-In Sustaining Cost	US$m	61	38	23	61%
All-In Sustaining Cost	US$/oz	131	135	(4)	(3%)

Cadia achieved record high half-yearly gold and copper production in the current period.

Gold production was 51% higher in the current period driven by a 36% increase in the volume of material milled (achieving record mill throughput levels for a six month period) and a 13% increase in gold head grade.

As previously reported, lower production in the prior period was due to the large seismic event on 14 April 2017, which resulted in a temporary suspension of mining operations impacting production in the prior period.

The higher gold grade in the current period reflects an increased proportion of mill feed being sourced from higher grade ore being drawn from PC2. In the prior period gold grade was impacted by the processing of lower grade ore from Ridgeway and stockpiles during the temporary suspension of mining operations.

EBIT of $451 million in the current period represented a 100% increase on the prior period driven by increased gold and copper production and associated sales together with the benefit of a weaker Australian dollar against the US dollar favourably impacting operating costs, partially offset by lower realised gold and copper prices and higher cost of sales. Cost of sales increased by 6% in the current period with increased activity driving higher royalties and treatment and refining costs. Depreciation was 41% higher than the prior period reflecting the higher production and sales volumes more than offsetting the beneficial impact of a weaker Australian dollar against the US dollar.

All-In Sustaining Cost per ounce of $131 in the current period was a record low half yearly result and 3% lower than the prior period. This improvement in All-In Sustaining cost reflected lower unit operating costs, the weaker Australian dollar and higher copper sales volumes, partially offset by higher sustaining capital expenditure (primarily in relation to the Northern tailings storage facility, Cadia warehouse, a new access road and infrastructure associated with Cadia Hill open pit tailings storage) and a lower realised copper price.

All-In Sustaining cost in the prior period included a normalisation adjustment of $50 million or $175 per ounce, relating to the effects of the seismic event.

Free cash flow of $454 million was $238 million higher in the current period, driven by higher gold and copper sales and the weakening of the Australian dollar against the US dollar favourably impacting costs, partially offset by an increase in capital expenditure (primarily in relation to higher sustaining capital expenditure, Cadia expansion feasibility study and associated Early works).

4.2. Lihir

Measure		For the 6 months ended 31 December 2018	2017	Change	Change %
Operating					
Total ore mined	tonnes '000	7,966	4,357	3,609	83%
Total material mined	tonnes '000	15,997	16,175	(178)	(1%)
Total material milled	tonnes '000	6,213	6,557	(344)	(5%)
Gold head grade	grams/tonne	2.82	2.52	0.30	12%
Gold recovery	%	76.9	77.6	(0.7)	(1%)
Gold produced	ounces	433,224	412,809	20,415	5%
Silver produced	ounces	16,900	31,270	(14,370)	(46%)
Gold sales	ounces	419,024	416,419	2,605	1%
Silver sales	ounces	16,900	31,270	(14,370)	(46%)
Financial					
Revenue	US$m	514	533	(19)	(4%)
Cost of Sales (including depreciation)	US$m	472	458	14	3%
Depreciation	US$m	141	124	17	14%
EBITDA	US$m	183	199	(16)	(8%)
EBIT	US$m	42	75	(33)	(44%)
Operating cash flow	US$m	114	194	(80)	(41%)
Production stripping	US$m	25	60	(35)	(58%)
Sustaining capital	US$m	29	57	(28)	(49%)
Non-sustaining capital	US$m	22	16	6	38%
Total capital expenditure	US$m	76	133	(57)	(43%)
Free cash flow	US$m	37	61	(24)	(39%)
All-In Sustaining Cost	US$m	388	452	(64)	(14%)
All-In Sustaining Cost	US$/oz	925	1,086	(161)	(15%)

Gold production was 5% higher in the current period driven by a 12% increase in gold head grade compared to the prior period. The increase in gold grade is due to higher grade ex-pit ore as scheduled mining activity moved into the higher grade zone of Phase 14 in the current period (whereas ore was primarily sourced from the lower grade Phase 9 in the prior period). Total ore mined was 83% higher than the prior period, on broadly unchanged total material movement, as Phase 14 mining transitioned from predominantly pre-strip to ore mining.

Mill throughput was 5% lower than the prior period, reflecting the processing of higher grade argillic ore with a higher clay content which reduced throughput rates in the crusher and conveying system in the current period. Gold recovery was 1% lower than the prior period primarily driven by unplanned downtime in the Neutralisation and Carbon Adsorption circuit.

EBIT of $42 million was 44% lower than the prior period, primarily driven by a lower realised gold price and higher depreciation. Depreciation in the current period was 14% higher than the prior period due an increase in ore mined resulting in higher amortisation of production stripping assets.

All-In Sustaining Cost per ounce of $925 was 15% lower than the prior period primarily reflecting lower sustaining capital, higher gold grades and increased ore mined in the current period. Timing of sustaining capital expenditure is weighted to the second half of the year.

Free cash flow of $37 million for the current period was $24 million or 39% lower than the prior period driven by a lower realised gold price, timing of working capital movements and higher non-sustaining capital expenditure, partially offset by lower sustaining capital expenditure.

4.3. Telfer

Measure		For the 6 months ended 31 December 2018	2017	Change	Change %
Operating					
Total ore mined	tonnes '000	10,712	10,409	303	3%
Total material mined	tonnes '000	29,156	19,949	9,207	46%
Total material milled	tonnes '000	10,329	11,611	(1,282)	(11%)
Gold head grade	grams/tonne	0.77	0.72	0.05	7%
Gold recovery	%	81.6	78.9	2.7	3%
Gold produced	ounces	214,548	216,430	(1,882)	(1%)
Copper produced	tonnes	7,877	8,543	(666)	(8%)
Silver produced	ounces	104,484	101,701	2,783	3%
Gold sales	ounces	212,848	212,881	(33)	(0%)
Copper sales	tonnes	7,681	8,651	(970)	(11%)
Silver sales	ounces	104,484	101,701	2,783	3%
Financial					
Revenue[4]	US$m	296	347	(51)	(15%)
Cost of Sales[4] (including depreciation)	US$m	325	374	(49)	(13%)
Depreciation	US$m	67	106	(39)	(37%)
EBITDA	US$m	38	79	(41)	(52%)
EBIT	US$m	(29)	(27)	(2)	(7%)
Operating cash flow	US$m	20	49	(29)	(59%)
Production stripping	US$m	38	16	22	138%
Sustaining capital	US$m	24	28	(4)	(14%)
Non-sustaining capital	US$m	1	8	(7)	(88%)
Total capital expenditure	US$m	63	52	11	21%
Free cash flow	US$m	(48)	(9)	(39)	(433%)
All-In Sustaining Cost	US$m	287	261	26	10%
All-In Sustaining Cost	US$/oz	1,347	1,227	120	10%

Gold production was marginally lower for the current period primarily driven by lower mill throughput, almost wholly offset by higher gold head grade and recovery rates.

Mill throughput in the current period was impacted by several unplanned downtime events including a process water infrastructure failure in July 2018, bogging of the tailings thickener in September 2018, and a regional bushfire which impacted raw water supply in October 2018.

Open pit mining activity increased in the current period due to the pre-stripping campaign in West Dome Stage 2 Final along with the commencement of pre-stripping in West Dome Stage 4.

EBIT of negative $29 million was largely in line with the prior period. Revenue in the current period was impacted by lower realised gold and copper prices and lower copper sales volumes. Cost of sales in the current period was 13% lower than the prior period primarily driven by lower depreciation (a result of a lower asset base following the impairment in the prior financial year) and the weakening of the Australian dollar against the US dollar favourably impacting costs.

All-in Sustaining Cost per ounce was higher in the current period driven by the increase in underground mining activity, higher production stripping activity, lower copper sales volumes and a lower realised copper price, partially offset by lower sustaining capital expenditure and the weakening of the Australian dollar against the US dollar.

Free cashflow of negative $48 million for the current period was $39 million lower than the prior period primarily due to lower realised gold and copper prices, lower copper sales volumes and higher production stripping activity.

4.4. Gosowong[7]

Measure		For the 6 months ended 31 December 2018	2017	Change	Change %
Operating					
Total ore mined	tonnes '000	368	324	44	14%
Total material mined	tonnes '000	425	375	50	13%
Total material milled	tonnes '000	361	333	28	8%
Gold head grade	grams/tonne	9.32	12.26	(2.94)	(24%)
Gold recovery	%	95.0	96.1	(1.1)	(1%)
Gold produced	ounces	102,444	127,862	(25,418)	(20%)
Silver produced	ounces	113,998	172,767	(58,769)	(34%)
Gold sales	ounces	98,887	143,602	(44,715)	(31%)
Silver sales	ounces	107,383	208,980	(101,597)	(49%)
Financial					
Revenue	US$m	122	188	(66)	(35%)
Cost of Sales (including depreciation)	US$m	123	159	(36)	(23%)
Depreciation	US$m	31	55	(24)	(44%)
EBITDA	US$m	30	84	(54)	(64%)
EBIT	US$m	(1)	29	(30)	(103%)
Operating cash flow	US$m	19	79	(60)	(76%)
Sustaining capital	US$m	12	12	-	-
Free cash flow	US$m	4	60	(56)	(93%)
All-In Sustaining Cost	US$m	106	119	(13)	(11%)
All-In Sustaining Cost	US$/oz	1,076	825	251	30%

Gold production in the current period was 20% lower than the prior period primarily driven by lower head grade, partially offset by higher mined and milled tonnes. Gold sales in the current period were lower reflecting the lower gold production and timing of shipments.

EBIT of negative $1 million in the current period was primarily a result of lower production and a lower realised gold price, partially offset by lower depreciation. Depreciation was 44% lower than the prior period, reflecting the lower production and associated sales volumes.

All-In Sustaining Cost per ounce was higher in the current period primarily due to lower gold grade driving lower gold production as well as higher royalty payments arising from the revised Contract of Work ("CoW") agreement.

Free cash flow of $4 million was $56 million lower than the prior period primarily driven by lower production and realised gold price and the timing of sales, partially offset by lower exploration spend.

As announced on 26 June 2018, Newcrest's 75% owned Indonesian subsidiary, PT Nusa Halmahera Minerals ("PT NHM"), entered into an amendment agreement with the Government of Indonesia to amend the Gosowong CoW. The most significant of these amendments impact the CoW as follows:

- PT NHM shall pay prevailing tax rates contained in the Indonesian Income Tax Laws law from 1 July 2018.
- Indonesian parties must own at least 51% of PT NHM within two years of signing the amendment agreement. As a result, Newcrest must divest another 26% interest from its current shareholding percentage of 75%.

5. DISCUSSION AND ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

5.1. Net assets and total equity

Newcrest had net assets and total equity of $7,408 million as at 31 December 2018.

US$m	As at 31 December 2018	As at 30 June 2018	Change	Change %
Assets				
Cash and cash equivalents	1,035	953	82	9%
Trade and other receivables	123	77	46	60%
Inventories	1,640	1,586	54	3%
Other financial assets	13	68	(55)	(81%)
Current tax asset	57	1	56	5600%
Property, plant and equipment	7,910	8,156	(246)	(3%)
Other intangible assets	32	42	(10)	(24%)
Deferred tax assets	64	69	(5)	(7%)
Investments in associates	339	324	15	5%
Other assets	156	204	(48)	(24%)
Total assets	**11,369**	**11,480**	**(111)**	**(1%)**
Liabilities				
Trade and other payables	(398)	(415)	17	4%
Current tax liability	(89)	(99)	10	10%
Borrowings	(1,994)	(1,993)	(1)	(0%)
Other financial liabilities	(54)	(5)	(49)	(980%)
Provisions	(468)	(499)	31	6%
Deferred tax liabilities	(958)	(1,007)	49	5%
Total liabilities	**(3,961)**	**(4,018)**	**57**	**1%**
Net assets	**7,408**	**7,462**	**(54)**	**(1%)**
Equity				
Equity attributable to owners of the parent	7,341	7,395	(54)	(1%)
Non-controlling interests	67	67	-	-
Total equity	**7,408**	**7,462**	**(54)**	**(1%)**

The weaker Australian dollar has impacted the retranslation of the assets and liabilities of Australian operations (primarily property, plant and equipment) resulting in a reduction in net assets of $137 million in the current period. This reduction is also reflected in the FX translation reserve in equity.

5.2. Net debt and gearing

5.2.1.Net debt

Net debt (comprising total borrowings less cash and cash equivalents) of $959 million at 31 December 2018 was $81 million lower than at 30 June 2018. 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 2018	**1,040**
Net increase in cash balances	(82)
Other items (Amortisation of capitalised transaction costs on facilities)	1
Net debt at 31 December 2018	**959**
Movement $	**(81)**
Movement %	**(8%)**

US$m	As at 31 December 2018	As at 30 June 2018	Change	Change %
Corporate bonds	2,000	2,000	-	-
Capitalised transaction costs on facilities	(6)	(7)	1	14%
Less cash and cash equivalents	(1,035)	(953)	(82)	(9%)
Net debt	**959**	**1,040**	**(81)**	**(8%)**

US$m	As at 31 December 2018 Facility utilised	Facility unutilised	Facility limit
Corporate bonds	2,000	-	2,000
Bilateral bank debt facilities	-	2,000	2,000
Subsidiary bank loan	-	20	20
	2,000	**2,020**	**4,020**

US$m	As at 30 June 2018 Facility utilised	Facility unutilised	Facility limit
Corporate bonds	2,000	-	2,000
Bilateral bank debt facilities	-	2,000	2,000
Subsidiary bank loan	-	20	20
	2,000	**2,020**	**4,020**

5.2.2.Gearing

The gearing ratio (net debt /net debt and total equity) as at 31 December 2018 was 11.5%, a reduction from 12.2% as at 30 June 2018, reflecting the build-up of cash during the period.

US$m	As at 31 December 2018	As at 30 June 2018	Change	Change %
Total borrowings	1,994	1,993	1	0%
Less cash and cash equivalents	(1,035)	(953)	(82)	(9%)
Net debt	**959**	**1,040**	**(81)**	**(8%)**
Total equity	7,408	7,462	(54)	(1%)
Net debt and total equity	**8,367**	**8,502**	**(135)**	**(2%)**
Gearing (net debt / net debt and total equity)	**11.5%**	**12.2%**	**(0.7)**	**(6%)**

5.2.3.Net debt to EBITDA

Newcrest's net debt to EBITDA (leverage ratio) as at 31 December 2018 decreased to 0.6 times (compared to 0.7 times at 30 June 2018) as a result of higher EBITDA and the build-up of cash in the current period.

US$m	As at 31 December 2018	As at 30 June 2018	Change	Change %
Net debt	959	1,040	(81)	(8%)
EBITDA (trailing 12 months)[9]	1,680	1,565	115	7%
Net debt to EBITDA (times)	**0.6**	**0.7**	**(0.1)**	**(14%)**

(9) As at 31 December 2018, the period represents 1 January 2018 to 31 December 2018. As at 30 June 2018, the period represents 1 July 2017 to 30 June 2018.

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 2018			
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	**348**	**(111)**	**-**	**237**
Total significant items	-	-	-	-
Underlying profit	**348**	**(111)**	**-**	**237**

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

6.2. Reconciliation of Underlying profit to EBITDA

	For the 6 months ended 31 December	
US$m	**2018**	**2017**
Underlying profit	**237**	**116**
Non-controlling interests	-	5
Income tax expense	111	50
Net finance costs	49	59
EBIT	**397**	**230**
Depreciation and Amortisation	342	394
EBITDA	**739**	**624**

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			
		2018		2017	
	Reference	US$m	US$/oz	US$m	US$/oz
Gold sales (koz)		**1,194**		**1,126**	
Cost of sales[4]	6.3.1	**1,267**	**1,061**	**1,349**	**1,198**
Depreciation and amortisation	6.3.2	(335)	(280)	(388)	(344)
By-product revenue[4]	6.3.3	(280)	(234)	(258)	(229)
Gold concentrate treatment and refining deductions[4]		16	13		
Corporate costs	6.3.4	46	38	40	35
Sustaining exploration	6.3.7	5	4	6	5
Production stripping and underground mine development	6.3.5	56	47	83	73
Sustaining capital expenditure	6.3.6	111	93	126	112
Rehabilitation accretion and amortisation		6	5	11	10
All-In Sustaining Costs		**892**	**747**	**969**	**860**
Non-sustaining capital expenditure	6.3.6	74	63	65	58
Non-sustaining exploration	6.3.7	32	26	34	30
All-In Cost		**998**	**836**	**1,068**	**948**

6.3.1. Cost of sales[4]

	For the 6 months ended 31 December	
US$m	2018	2017
Cost of sales as per the consolidated income statement	1,267	1,399
Less: Earnings normalisation adjustment[10]	-	(50)
Cost of sales[4]	**1,267**	**1,349**

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

6.3.2. Depreciation and amortisation

	For the 6 months ended 31 December	
US$m	2018	2017
Depreciation and amortisation per Note 4(b) of the consolidated financial statements	**335**	**388**

6.3.3. By-product revenue[4]

	For the 6 months ended 31 December	
US$m	2018	2017
Copper concentrate sales revenue	323	249
Copper concentrate treatment and refining deductions	(50)	
Total copper revenue per Note 4(a) of the consolidated financial statements	**273**	**249**
Silver sales revenue per Note 4(a) of the consolidated financial statements	7	9
Total By-product revenue	**280**	**258**

6.3.4. Corporate costs

US$m	For the 6 months ended 31 December 2018	2017
Corporate administration expenses per Note 4(c) of the consolidated financial statements	53	46
Less: Corporate depreciation per Note 4(c) to the consolidated financial statements	(7)	(6)
Total Corporate costs	**46**	**40**

6.3.5. Production stripping and advanced operating development

US$m	For the 6 months ended 31 December 2018	2017
Advanced operating development	(7)	1
Production stripping per consolidated financial statements	63	82
Total production stripping and advanced operating development	**56**	**83**

6.3.6. Capital expenditure

US$m	For the 6 months ended 31 December 2018	2017
Payments for plant and equipment per consolidated financial statements	108	115
Assets under construction, development and feasibility expenditure per consolidated financial statements	77	76
Total capital expenditure	**185**	**191**
Sustaining capital expenditure per 3.2 of the Management Discussion and Analysis	111	126
Non-sustaining capital expenditure per 3.2 of the Management Discussion and Analysis	74	65
Total capital expenditure	**185**	**191**

6.3.7. Exploration expenditure

US$m	For the 6 months ended 31 December 2018	2017
Exploration and evaluation expenditure per consolidated financial statements	**37**	**40**
Sustaining exploration per 6.3 of the Management Discussion and Analysis	5	6
Non-sustaining exploration per 6.3 of the Management Discussion and Analysis	32	34
Total exploration expenditure	**37**	**40**

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CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31 Dec 18 US$m	31 Dec 17 US$m
Revenue	4(a)	1,730	1,717
Cost of sales	4(b)	(1,267)	(1,399)
Gross profit		**463**	**318**
Exploration expenses		(33)	(33)
Corporate administration expenses	4(c)	(53)	(46)
Other income/(expenses)	4(d)	19	(9)
Write-down of property, plant and equipment	5	-	(13)
Share of profit/(loss) of associates		1	-
Profit before interest and income tax		**397**	**217**
Finance income		12	2
Finance costs	4(e)	(61)	(61)
Profit before income tax		**348**	**158**
Income tax expense	6	(111)	(58)
Profit after income tax		**237**	**100**
Profit after tax attributable to:			
Non-controlling interests		-	2
Owners of the parent		237	98
		237	**100**
Earnings per share (cents per share)			
Basic earnings per share		30.9	12.8
Diluted earnings per share		30.8	12.7

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31 Dec 18 US$m	31 Dec 17 US$m
Profit after income tax		**237**	**100**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the Income Statement			
Cash flow hedges			
Cash flow hedge (gains)/losses transferred to the Income Statement		(20)	(21)
Cash flow hedge gains/(losses) deferred in equity		(77)	9
Income tax (expense)/benefit		29	3
		(68)	(9)
Investments			
Share of other comprehensive income/(loss) of associates		2	-
		2	**-**
Foreign currency translation			
Exchange gains/(losses) on translation of foreign operations, net of hedges of foreign investments		(137)	49
		(137)	49
Other comprehensive income/(loss) for the period, net of tax		**(203)**	**40**
Total comprehensive income/(loss) for the period		**34**	**140**
Total comprehensive income attributable to:			
Non-controlling interests		-	2
Owners of the parent		34	138
		34	**140**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 Dec 18 US$m	30 Jun 18 US$m
Current assets			
Cash and cash equivalents	10	1,035	953
Trade and other receivables		123	77
Inventories		608	554
Other financial assets		4	33
Current tax asset		57	1
Other assets		35	54
Total current assets		**1,862**	**1,672**
Non-current assets			
Inventories		1,032	1,032
Other financial assets		9	35
Property, plant and equipment		7,910	8,156
Other intangible assets		32	42
Deferred tax assets		64	69
Investment in associates		339	324
Other assets		121	150
Total non-current assets		**9,507**	**9,808**
Total assets		**11,369**	**11,480**
Current liabilities			
Trade and other payables		398	415
Provisions		113	137
Current tax liability		89	99
Other financial liabilities		37	-
Total current liabilities		**637**	**651**
Non-current liabilities			
Borrowings	10	1,994	1,993
Provisions		355	362
Deferred tax liabilities		958	1,007
Other financial liabilities		17	5
Total non-current liabilities		**3,324**	**3,367**
Total liabilities		**3,961**	**4,018**
Net assets		**7,408**	**7,462**
Equity			
Issued capital	13	11,646	11,656
Accumulated losses		(3,914)	(4,067)
Reserves		(391)	(194)
Equity attributable to owners of the parent		**7,341**	**7,395**
Non-controlling interests		67	67
Total equity		**7,408**	**7,462**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31 Dec 18 US$m	31 Dec 17 US$m
Cash flows from operating activities			
Profit before income tax		348	158
Adjustments for:			
Depreciation and amortisation	4(f)	342	394
Significant items	5	-	13
Net finance costs		49	59
Exploration expenditure written off		33	33
Other non-cash items or non-operating items		(10)	6
Change in working capital	7(a)	(115)	(90)
Operating cash flows before interest and taxes		**647**	**573**
Interest received		12	2
Interest paid		(59)	(55)
Income tax paid		(136)	(67)
Net cash provided by operating activities		**464**	**453**
Cash flows from investing activities			
Payments for plant and equipment		(108)	(115)
Assets under construction, development and feasibility expenditure		(77)	(76)
Production stripping expenditure		(63)	(82)
Exploration and evaluation expenditure		(37)	(40)
Proceeds from sale of property, plant and equipment		-	3
Payments for investments in associates	7(c)	(3)	(9)
Net cash used in investing activities		**(288)**	**(319)**
Cash flows from financing activities			
Payment for treasury shares	13	(17)	(11)
Dividends paid:			
• Members of the parent entity		(77)	(52)
• Non-controlling interests		-	(7)
Net cash used in financing activities		**(94)**	**(70)**
Net increase in cash and cash equivalents		**82**	**64**
Cash and cash equivalents at the beginning of the period		953	492
Cash and cash equivalents at the end of the period	7(b)	**1,035**	**556**

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 2018

	Attributable to Owners of the Parent							Non-controlling Interests	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Other Reserves	Accu-mulated Losses	Total		
	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Balance at 1 July 2018	**11,656**	**(327)**	**33**	**101**	**(1)**	**(4,067)**	**7,395**	**67**	**7,462**
Profit for the period	-	-	-	-	-	237	237	-	237
Other comprehensive income/(loss) for the period	-	(137)	(68)	-	2	-	(203)	-	(203)
Total comprehensive income for the period	**-**	**(137)**	**(68)**	**-**	**2**	**237**	**34**	**-**	**34**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	6	-	-	6	-	6
Shares purchased	(17)	-	-	-	-	-	(17)	-	(17)
Dividends	-	-	-	-	-	(84)	(84)	-	(84)
Shares issued – dividend reinvestment plan	7	-	-	-	-	-	7	-	7
Balance at 31 December 2018	**11,646**	**(464)**	**(35)**	**107**	**1**	**(3,914)**	**7,341**	**67**	**7,408**

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 2018

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

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

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') 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') 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 2018 was authorised for issue in accordance with a resolution of the Directors on 14 February 2019.

2. Basis of Preparation and Accounting Policies

(a) Basis of Preparation

This interim condensed consolidated financial report for the half year ended 31 December 2018 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 2018 and considered together with any public announcements made by Newcrest Mining Limited during the half year ended 31 December 2018 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 metal concentrate receivables, other financial assets and other financial liabilities which have been measured at fair value.

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

(b) Significant Accounting Policies

The accounting policies, methods of computation and areas of critical accounting judgements, estimates and assumptions are the same as those adopted in the most recent annual financial statements for the year ended 30 June 2018, except as noted in Note 2(c).

As disclosed in the 2016 annual financial report, the Group early adopted accounting standard AASB 9 *Financial Instruments* in the financial year ended 30 June 2016.

2. Basis of Preparation and Accounting Policies (continued)

(c) Adoption of AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* ('AASB 15') supersedes AASB 118 *Revenue* ('AASB 118') and related Interpretations and it applies to all revenue arising from contracts with customers unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15 the revenue recognition model changed from one based on the transfer of risk and reward of ownership to the transfer of control of ownership. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted AASB 15 from 1 July 2018 and elected to apply the modified retrospective method of adoption. This transition method requires the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of retained earnings from the date of initial application. In accordance with the modified retrospective method, comparative figures are not restated and continue to be presented under the previous standard, AASB 118 Revenue.

The Group's revenue from contracts with customers is derived from the sale of bullion and concentrate. The effect of adopting AASB 15 is as follows:

Sale of bullion
- The timing and measurement of sale of bullion was not affected.

Sale of concentrate
- For the sale of concentrate, the point of revenue recognition is dependent on the contract sales terms, which are generally undertaken on Cost, Insurance and Freight ('CIF') Incoterms. In accordance with the Incoterms in relation to the Group's concentrate sales arrangements, the point in time where the transfer of risks and rewards occurs under AASB 118 generally coincides with the point in time where the transfer of control under AASB 15 occurs. As a result, the timing of revenue recognised for the sale of concentrate was not affected.
- AASB 15 introduced the concept of performance obligations that are defined as a 'distinct' promised goods or services. For sales subject to CIF Incoterms, the seller, being Newcrest, must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. Consequently, the freight service on export concentrate contracts with CIF Incoterms represents a separate performance obligation as defined under the new standard. This means that a portion of the revenue earned under these contracts, representing the obligation to perform the freight service, will be deferred and recognised over time as this obligation is fulfilled, along with the associated costs. The Group has determined that the transaction price associated with performance obligations relating to the freight service is not material to the Group's financial statements and has not disclosed such amounts separately from concentrate revenues.
- Certain sales contracts require the physical delivery of unrefined concentrate. Revenue was previously recognised at the gross value of the refined metal content with the contractually agreed treatment and refining charges recognised as an expense within costs of sales. Under the new standard, the treatment and refining costs associated with the sale of concentrate are presented as a reduction in revenue as this better reflects the amount the Group expects to be entitled to receive from the customer for the sale of unrefined concentrate.
- As noted above, as the Group applied the modified retrospective method, comparatives have not been restated. The impact of applying the new standard to the comparative period (period ended 31 December 2017) would result in a reduction in both revenue and cost of sales of US$54 million, with no change to gross profit and profit after income tax. The impact of adopting AASB 15 in the current period has resulted in a reduction in both revenue and cost of sales of US$66 million in comparison to what would have been recognised had AASB 118 still applied.

The application of the new standard using the modified retrospective method of adoption, did not result in a material cumulative effect on the opening balance of retained earnings/(accumulated losses) as at 1 July 2018.

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)
- Exploration and Projects (3)

(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 were held by LGL Mines CI SA and Newcrest Hire CI SA (of which Newcrest owned 89.89% respectively up to the divestment date). Newcrest divested its 89.89% interest in Bonikro on 28 March 2018. As at 31 December 2017, Bonikro was classified as 'held for sale'.

(3) Exploration and Projects mainly comprises projects in the exploration, evaluation and feasibility phase and includes Wafi-Golpu JV (50% interest) in PNG, Namosi JV (71.82% interest) in Fiji, O'Callaghans in Australia, Séguéla in Côte d'Ivoire (refer Note 3(c)) 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 revenue. All segment revenue is from third parties. Following the adoption of AASB 15 (from 1 July 2018) as disclosed in Note 2(c), segment revenue is presented net of concentrate treatment and refining deductions. In accordance with the transition method, comparative figures have not been restated.

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, assets under construction, development and feasibility expenditure and information systems development.

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

The Group's investment in associates is included within the Corporate and Other segment. Associates comprise Lundin Gold Inc (27.1% interest), SolGold Plc (15.2% interest, 30 June 2018: 14.5% interest) and Azucar Minerals Ltd (19.9% interest).

3(a). Segment Information (continued)

31 December 2018	Cadia US$m	Telfer US$m	Lihir US$m	Gosowong US$m	Bonikro US$m	Total Operations US$m	Exploration & Projects[2] US$m	Corporate & Other[3] US$m	Total Group US$m
Gold	565	266	514	121	-	1,466	-	-	1,466
Copper	275	48	-	-	-	323	-	-	323
Silver	4	2	-	1	-	7	-	-	7
Treatment and refining deductions	(46)	(20)	-	-	-	(66)	-	-	(66)
Total revenue	798	296	514	122	-	1,730	-	-	1,730
EBITDA	547	38	183	30	-	798	(33)	(26)	739
Depreciation and amortisation	(96)	(67)	(141)	(31)	-	(335)	-	(7)	(342)
EBIT (Segment result) [1]	**451**	**(29)**	**42**	**(1)**	**-**	**463**	**(33)**	**(33)**	**397**
Capital Expenditure	78	63	76	12	-	229	13	6	248
As at 31 December 2018									
Segment assets	3,173	295	5,593	356	-	9,417	534	1,418	11,369
Segment liabilities	(656)	(249)	(1,102)	(101)	-	(2,108)	(9)	(1,844)	(3,961)
Net assets	**2,517**	**46**	**4,491**	**255**	**-**	**7,309**	**525**	**(426)**	**7,408**

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$454 million and Namosi JV of US$25 million.
(3) Includes investment in associates and eliminations.

3(a). Segment Information (continued)

31 December 2017	Cadia US$m	Telfer US$m	Lihir US$m	Gosowong US$m	Bonikro US$m	Total Operations US$m	Exploration & Projects(2) US$m	Corporate & Other(3) US$m	Total Group US$m
Gold	359	288	533	184	95	1,459	-	-	1,459
Copper	192	57	-	-	-	249	-	-	249
Silver	3	2	-	4	-	9	-	-	9
Total revenue	554	347	533	188	95	1,717	-	-	1,717
EBITDA	294	79	199	84	50	706	(33)	(49)	624
Depreciation and amortisation	(68)	(106)	(124)	(55)	(35)	(388)	-	(6)	(394)
EBIT (Segment result) (1)	**226**	**(27)**	**75**	**29**	**15**	**318**	**(33)**	**(55)**	**230**
Capital Expenditure	46	52	133	12	9	252	15	6	273
As at 30 June 2018									
Segment assets	3,315	307	5,655	370	-	9,647	524	1,309	11,480
Segment liabilities	(685)	(270)	(1,101)	(114)	-	(2,170)	(9)	(1,839)	(4,018)
Net assets	**2,630**	**37**	**4,554**	**256**	**-**	**7,477**	**515**	**(530)**	**7,462**

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$441 million and Namosi JV of US$25 million as at 30 June 2018.
(3) Includes investment in associates and eliminations.

3. Segment Information (continued)

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

	Note	31 Dec 18 US$m	31 Dec 17 US$m
Segment Result		**397**	**230**
Finance income		12	2
Finance costs		(61)	(61)
Net finance costs		(49)	(59)
Significant items:			
Write-down of property, plant and equipment	5	-	(13)
		-	(13)
Profit Before Tax		**348**	**158**

(c) Other

On 12 February 2019, Newcrest announced that it had entered into an agreement with Roxgold Inc. for the sale of the Séguéla project and its portfolio of regional exploration tenements in Côte d'Ivoire. Under the sale agreement, Roxgold will pay Newcrest upfront consideration of US$20 million cash on completion. Roxgold has also agreed to a deferred payment of US$10 million cash contingent on first gold production from the portfolio. Completion is subject to conditions precedent, including approval from the Minister of Mines of Côte d'Ivoire and the renewal of the Séguéla exploration permit. The transaction is expected to complete in the June 2019 quarter.

4. Income and Expenses

Specific items
Profit before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:

	31 Dec 18 US$m	31 Dec 17 US$m
(a) Revenue		
Gold - Bullion	795	932
Gold - Concentrate	671	527
Gold - Concentrate treatment and refining deductions	(16)	-
Total gold revenue	1,450	1,459
Copper - Concentrate	323	249
Copper - Concentrate treatment and refining deductions	(50)	-
Total copper revenue	273	249
Silver - Bullion	2	4
Silver - Concentrate	5	5
Total silver revenue	7	9
Total revenue (1) (2)	**1,730**	**1,717**
(b) Cost of Sales		
Site production costs	889	878
Royalties	52	50
Realisation (1)	18	70
Inventory movements	(27)	13
	932	1,011
Depreciation and amortisation	335	388
Total cost of sales	**1,267**	**1,399**
(c) Corporate Administration Expenses		
Corporate costs	40	34
Corporate depreciation	7	6
Share-based payments	6	6
Total corporate administration expenses	**53**	**46**
(d) Other Income/(Expenses)		
Net foreign exchange gain/(loss)	18	(7)
Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	3	1
Other	(2)	(3)
Total other income/(expenses)	**19**	**(9)**

4. Income and Expenses (continued)

		31 Dec 18 US$m	31 Dec 17 US$m
(e)	**Finance Costs**		
	Interest on loans	47	47
	Facility fees and other costs	9	10
		56	57
	Discount unwind on provisions	5	4
	Total finance costs	**61**	**61**

		31 Dec 18 US$m	31 Dec 17 US$m
(f)	**Depreciation and Amortisation**		
	Included in:		
	Cost of sales depreciation	335	388
	Corporate depreciation	7	6
	Total depreciation and amortisation expense	**342**	**394**

(1) Total revenue for the period ended 31 December 2018 includes concentrate treatment and refining deductions of US$66 million. As noted in Note 2(c) the Group has utilised the modified retrospective method of adoption of AASB 15. The comparative period (31 December 2017) has not been restated to reflect concentrate treatment and refining deductions of US$54 million previously included in realisation costs.

(2) Total revenue for the period ended 31 December 2018 comprises of revenue from contracts with customers of US$1,724 million and gold hedge gains of US$6 million.

Revenue Recognition

As a result of adopting AASB 15, the Group's revenue policy has changed effective 1 July 2018. Refer to Note 5 to the 30 June 2018 annual report for information regarding the previous revenue policy as applicable under AASB 118.

Revenue from the sale of goods is recognised when the Group satisfies its performance obligations under its contract with the customer, by transferring such goods to the customers control. Control is generally determined to be when risk and title to the goods passes to the customer.

Bullion revenue is recognised at a point in time upon transfer of control to the customer.

Concentrate revenue is generally recognised upon receipt of the bill of lading when the goods are delivered for shipment under CIF incoterms. The freight service on export concentrate contracts with CIF Incoterms represents a separate performance obligation to the transfer of the concentrate product itself and is separately disclosed where material.

The terms of metal in concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (quotation period). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement is typically between one and four months. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable and is net of deductions related to treatment and refining charges. Subsequent changes in fair value are recognised in the Income Statement each period until final settlement and presented as part of 'Other Income/Expense'.

5. Significant Items

	Gross US$m	Tax US$m	Net US$m
Period ended 31 December 2018			
There are no significant items for the period ended 31 December 2018.			
Period ended 31 December 2017			
Write-down of property, plant and equipment [1]	(13)	-	(13)
Write-down of tax asset [2]	-	(8)	(8)
Total significant items	**(13)**	**(8)**	**(21)**
Attributable to:			
Non-controlling interest			(3)
Owners of the parent			(18)
			(21)

(1) During the prior period, the Group wrote down property, plant and equipment at Bonikro, following the classification of Bonikro as 'held for sale'. The amount attributable to non-controlling interests was US$1 million.

(2) During the prior period, the Group wrote down a non-current tax asset at Gosowong, following an unfavourable tax court verdict. The amount attributable to non-controlling interests was US$2 million.

6. Income Tax Expense

	31 Dec 18 US$m	31 Dec 17 US$m
Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit before tax	**348**	**158**
Income tax expense calculated at 30%	104	47
Adjustments on Significant items:		
Write-down of property, plant and equipment	-	4
Write-down of tax asset	-	8
	-	12
Non-deductible exploration	4	3
Other items	3	(4)
Income tax expense per the Income Statement	**111**	**58**

7. Notes to the Consolidated Statement of Cash Flows

		31 Dec 18 US$m	31 Dec 17 US$m
(a)	**Operating cash flows arising from changes in:**		
	Trade and other receivables	(42)	12
	Inventories	(49)	11
	Trade and other payables	(20)	(71)
	Provisions	(23)	(30)
	Other assets and liabilities	19	(12)
	Change in working capital	**(115)**	**(90)**
(b)	**Cash and cash equivalents**		
	Cash and cash equivalents	1,035	538
	Cash held for sale (1)	-	18
	Total cash and cash equivalents	**1,035**	**556**

(1) Represents cash and cash equivalents which were classified as held for sale as at 31 December 2017 relating to the divestment of Bonikro.

(c) Payments for investments in associates

During the period, the Group acquired additional shares in SolGold Plc for US$17 million. Of this, US$3 million was paid during the half year, with the remaining US$14 million due for payment subsequent to 31 December 2018.

8. Dividends

	31 Dec 18 US$m	31 Dec 17 US$m
(a) Dividends declared and paid		
The following dividend was paid during the half year:		
Final ordinary dividend for the 2018 financial year: 11 cents per share (fully franked), paid 5 October 2018	84	-
Final ordinary dividend for the 2017 financial year: 7.5 cents per share (70% franked), paid 27 October 2017	-	58
	84	**58**

Participation in the dividend reinvestment plan reduced the cash amount paid to US$77 million (31 December 2017: $52 million).

(b) Dividend proposed and not recognised as a liability

Subsequent to the reporting date, the Directors have determined to pay an interim dividend for the half year ended 31 December 2018 of US 7.5 cents per share, which will be fully franked. The dividend will be paid on 22 March 2019. The total amount of the dividend is US$58 million.

9. Impairment of Non-Financial Assets

In accordance with the Group's accounting policies and processes, the Group evaluated each cash generating unit ('CGU') at 31 December 2018 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 2018, the Group concluded that there were no impairment or impairment reversal indicators for Newcrest's CGUs as at 31 December 2018.

There were no material changes to key commodity price, exchange rate and discount rate assumptions used in the impairment testing as at 31 December 2018 from those used for impairment testing as at 30 June 2018.

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

A change in one or more of the assumptions used in these estimates could result in a change in a CGU's recoverable amount, as outlined in Note 12 of the Group's 30 June 2018 financial report.

10. Net Debt

	Note	31 Dec 18 US$m	30 Jun 18 US$m
Corporate bonds	(a)	2,000	2,000
Less: capitalised transaction costs on facilities		(6)	(7)
Total non-current borrowings		**1,994**	**1,993**
Total borrowings		**1,994**	**1,993**
Cash and cash equivalents		(1,035)	(953)
Total cash and cash equivalents		**(1,035)**	**(953)**
Net debt		**959**	**1,040**

(a) Corporate bonds

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

Maturity	Coupon Rate	31 Dec 18 US$m	30 Jun 18 US$m
November 2021	4.45%	750	750
October 2022	4.20%	750	750
November 2041	5.75%	500	500
		2,000	**2,000**

(b) Bilateral bank debt facilities

The Group has bilateral bank debt facilities of US$2,000 million (30 June 2018: US$2,000 million) with 13 (30 June 2018: 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. During the period, the Group renegotiated the facilities, which included increasing the number of lending banks to 13 and extending the maturity profiles. As at 31 December 2018 and 30 June 2018 these facilities were undrawn. The maturity date profile of these facilities is shown in the table below:

Facility Maturity (financial year ending)	31 Dec 18 US$m	30 Jun 18 US$m
June 2019	-	1,001
June 2020	-	250
June 2021	-	749
June 2022	1,076	-
June 2024	924	-
	2,000	**2,000**

10. Net Debt (continued)

(c) Bank loan

PT Nusa Halmahera Minerals has a US$20 million (30 June 2018: US$20 million) loan facility with one bank. This is an unsecured revolving facility on normal terms and conditions and includes certain financial covenants. Interest is based on LIBOR plus a margin.

This facility matures on 31 March 2019. As at 31 December 2018 this facility is undrawn. (30 June 2018: undrawn).

(d) Financing facilities

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

	Facility Utilised [1] US$m	Facility Unutilised US$m	Facility Limit US$m
31 December 2018			
Corporate bonds	2,000	-	2,000
Bilateral bank debt facilities	-	2,000	2,000
Bank loan	-	20	20
	2,000	**2,020**	**4,020**
30 June 2018			
Corporate bonds	2,000	-	2,000
Bilateral bank debt facilities	-	2,000	2,000
Bank loan	-	20	20
	2,000	**2,020**	**4,020**

[1] As at 31 December 2018, 100% of the facilities utilised were at fixed interest rates. (30 June 2018: 100% fixed rates).

11. Gearing Ratio

The gearing ratio at the reporting date was as follows:

	Note	31 Dec 18 US$m	30 Jun 18 US$m
Net debt	10	959	1,040
Equity		7,408	7,462
Total capital (Net debt and equity)		**8,367**	**8,502**
Gearing ratio		**11.5%**	**12.2%**

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

12. Financial Instruments

(a) Financial Assets and Financial Liabilities

The following table discloses the carrying amounts of each class of financial assets and financial liabilities at balance date, classified between amortised cost, fair value through profit or loss and fair value through other comprehensive income ('OCI').

31 Dec 18	Amortised cost	Fair Value through profit or loss[1]	Fair Value through OCI [2]	Total
	US$m	US$m	US$m	US$m
Financial Assets				
Cash and cash equivalents	1,035	-	-	1,035
Trade and other receivables	47	76	-	123
Other financial assets – current	-	4	-	4
Other financial assets – non-current	-	9	-	9
	1,082	**89**	**-**	**1,171**
Financial Liabilities				
Trade and other payables	398	-	-	398
Borrowings	1,994	-	-	1,994
Other financial liabilities – current	-	5	32	37
Other financial liabilities – non-current	-	-	17	17
	2,392	**5**	**49**	**2,446**

30 Jun 18	Amortised cost	Fair Value through profit or loss[1]	Fair Value through OCI [2]	Total
	US$m	US$m	US$m	US$m
Financial Assets				
Cash and cash equivalents	953	-	-	953
Trade and other receivables	37	40	-	77
Other financial assets – current	-	6	27	33
Other financial assets – non-current	-	9	26	35
	990	**55**	**53**	**1,098**
Financial Liabilities				
Trade and other payables	415	-	-	415
Borrowings	1,993	-	-	1,993
Other financial liabilities – current	-	-	5	5
	2,408	**-**	**5**	**2,413**

(1) Primarily relates to gold and copper forward contracts and concentrate receivables.
(2) Relates to fuel hedges and Telfer AUD gold hedges.

12. Financial Instruments (continued)

(a) Financial Assets and Financial Liabilities (continued)

The Group's financial assets and liabilities which are measured at fair value on a recurring basis, are categorised as Level 2 measurements with the exception of the contingent consideration asset of US$9 million (Other financial assets – non-current) which is categorised as Level 3 measurement. These measurement levels are defined by IFRS 13 *Fair Value Measurement*.

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.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not observable market data (unobservable inputs).

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

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

	Carrying amount		Fair value [1]	
Financial Assets/(Liabilities)	**31 Dec 18 US$m**	**30 Jun 18 US$m**	**31 Dec 18 US$m**	**30 Jun 18 US$m**
Borrowings:				
Fixed rate debt:				
- Corporate Bonds	1,994	1,993	2,024	2,072

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

13. Issued Capital

(a) Movements in Issued Capital

	31 Dec 18 US$m	30 Jun 18 US$m
Opening balance	11,656	11,657
Shares repurchased and held in treasury (1)	(17)	(11)
Shares issued – dividend reinvestment plan	7	10
Closing balance	**11,646**	**11,656**

(b) Number of Issued Ordinary Shares

	Number of Ordinary Shares	
	Half year ended 31 Dec 18	Year ended 30 Jun 18
Comprises:		
• Shares held by the public	766,919,258	766,608,812
• Treasury shares	1,333,439	1,134,002
Total issued capital	**768,252,697**	**767,742,814**

	Half year ended 31 Dec 18	Year ended 30 Jun 18
Movement in issued ordinary shares		
Opening number of shares	766,608,812	765,777,868
Shares issued under:		
• Shares repurchased and held in treasury (1)	(1,200,000)	(600,000)
• Share plans (2)	1,000,563	797,668
• Dividend reinvestment plan	509,883	633,276
Closing number of shares	**766,919,258**	**766,608,812**

	Half year ended 31 Dec 18	Year ended 30 Jun 18
Movement in treasury shares		
Opening number of shares	1,134,002	1,331,670
• Purchases	1,200,000	600,000
• Issued pursuant to share plans	(1,000,563)	(797,668)
Closing number of shares	**1,333,439**	**1,134,002**

(1) During the period ended 31 December 2018, the Newcrest Employee Share Plan Trust ('Trust') purchased a total of 1,200,000 (30 June 2018: 600,000) ordinary fully paid Newcrest shares at an average price of A$19.07 (US$13.61) per share (30 June 2018: average price of A$21.63 (US$17.04) per share). The shares were purchased on-market to be held by the Trustee on behalf of the Trust to satisfy the future entitlements of the holders of performance rights (and any other rights to acquire shares) under Newcrest's current and future employee incentive schemes.

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

14. Contingencies

(a) Income Tax Matters – Indonesia

In prior years, the Indonesian Taxation Office ('ITO') completed tax audits and issued amended assessments to PT Nusa Halmahera Minerals ('PT NHM') for the 2010 to 2016 financial years. The principal issue raised in these amended assessments was the income tax rate applicable under the Gosowong Contract of Work ('CoW'). PT NHM is 75% owned by Newcrest.

The amended 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 additional tax assessments of US$96 million in total for the years in dispute (on a 100% basis).

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

During the 2018 financial year, PT NHM received an adverse ruling from the Indonesian Tax Court in relation to the dispute for the 2013 financial year (tax in dispute US$8 million). PT NHM did not agree with the judgement and appealed to the Indonesian Supreme Court. Given the Indonesian Tax Court's adverse ruling, PT NHM wrote off US$8 million of tax receivable and recognised an income tax expense for the same amount in the 2018 financial year.

Subsequent to 31 December 2018, PT NHM received favourable rulings from the Indonesian Tax Court in relation to this dispute for the 2010 financial year (tax in dispute US$8 million) and the 2011 financial year (tax in dispute US$30 million). At the date of this report it is not known whether the ITO will appeal this decision to the Indonesian Supreme Court. PT NHM expects to receive the refunds (US$38 million) in relation to the favourable rulings prior to the end of this financial year.

PT NHM has also continued to apply its own interpretation of the income tax rate applicable under the CoW to the 2017 and 2018 financial years. If, following audits, the ITO issues assessments maintaining its alternative interpretation of the applicable tax rate, the additional tax assessed is estimated to be approximately US$15 million (on a 100% basis).

It is noted that pursuant to the amendment to the CoW signed on 25 June 2018, PT NHM will be subject to the prevailing corporate tax rate, which is the tax rate currently applied by PT NHM. On that basis, there should be no further dispute on the income tax rate applicable to PT NHM for income tax years after 25 June 2018.

(b) Other Matters

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

(c) Bank Guarantees

The Group has provided a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is US$67 million (30 June 2018: US$71 million).

15. New Accounting Standards and Interpretations Issued but Not Yet Effective and Not Yet Adopted

As disclosed in Note 37 of the 30 June 2018 financial report, the following standards have been identified as those which may impact the Group in the period of initial application.

Reference & Title	Application date for the Group	Impact on Group
AASB 16 Leases	1 July 2019	(a)
AASB Interpretation 23 - Uncertainty over Income Tax Treatment	1 July 2019	(b)

(a) AASB 16 *Leases*

The standard has an effective date for the Group of 1 July 2019. The Group will adopt the new standard on the required effective date.

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

The Group is party to contracts for leases of property, plant and equipment; including but not limited to: office premises, mining equipment and contractor-provided equipment. Adoption of the new lease standard is expected to result in lower operating costs and higher finance and depreciation costs as the accounting profile of the lease payments changes under the new model. The statement of financial position will also be impacted, with an increase to both non-current assets (right-of-use assets) and liabilities (lease liabilities) expected. Cash flows from operating activities will increase as affected lease payments will be now be classified as financing cashflows. Conversely, cash flows from financing activities will decrease for the same reason.

The Group has progressed its assessment of the impact of the new lease standard. During the first half of FY2019, the Group has developed an implementation plan and review framework to facilitate analysis of its contract population. The Group has conducted a preliminary review of its lease population for the potential application of AASB 16 and identified areas for further analysis, including embedded leases as prescribed under the new standard.

Internal stakeholders have been engaged to review existing business processes and develop system requirements for expanded data capture. Implementation of the project plan will continue into the second half of FY2019, which will see adoption of new business processes, systems training and roll-out of IT solutions.

It has not yet been determined whether the impact of adopting the new accounting standard will have a material effect on the Group's financial statements. Information regarding the Group's operating lease commitments can be found in Note 31 to the 30 June 2018 annual report. As at 30 June 2018, the Group had operating lease commitments of US$84 million. Assessment is ongoing and will continue into the second half of FY2019. The Group expects that it will be able make reasonable quantitative estimates by the time of issuing the 2019 annual financial report.

(b) AASB Interpretation 23 - *Uncertainty over income tax treatment*

This interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 *Income Taxes*. The Interpretation does not apply to taxes or levies outside the scope of AABS 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Group has not yet determined the extent of the impact, if any, of this interpretation.

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

In the opinion of the Directors:

(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 Group's financial position as at 31 December 2018 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 IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

On behalf of the Board

Peter Hay
Chairman

Sandeep Biswas
Managing Director and Chief Executive Officer

14 February 2019
Melbourne

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

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Newcrest Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half year ended on that date; and

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

Directors' Responsibility for the Half Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. 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.

Ernst & Young

Trent van Veen
Partner

Matthew Honey
Partner

Melbourne
14 February 2019