



NEWCREST
MINING
LIMITED

ACN 005 683 625

to: Company Announcements Office
from: **Stephen Creese**
date: 12 February 2010
subject: **Half Year Results 31 December 2009**

Please find attached for immediate release to the market:

1. ASX Appendix 4D and Financial Report for the Half Year ended 31 December 2009; and
2. Financial Results Release.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Creese". The signature is written in a cursive style with a large, prominent 'S' and 'C'.

Stephen Creese
Company Secretary

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ASX Appendix 4D Half-Year Financial Report

31 December 2009



NEWCREST MINING LIMITED AND CONTROLLED ENTITIES

ASX APPENDIX 4D AND FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

ABN: 20 005 683 625

ASX CODE: NCM

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ASX APPENDIX 4D
Results for Announcement to the Market
Half-Year Financial Report to 31 December 2009

	6 months 31 Dec 2009 \$M	6 months 31 Dec 2008 \$M	Percentage Increase/ (Decrease)
Sales Revenue	1,187.5	1,294.2	(8.2%)
Profit after tax before hedge restructure and close out adjustments attributable to members of the parent entity ("Underlying Profit")	266.6	241.6	10.3%
Hedge restructure and close out impacts after tax	(90.4)	(87.6)	(3.2%)
Profit from continuing operations after tax attributable to members of the parent entity	176.2	154.0	14.4%
Net profit attributable to members of the parent entity	176.2	154.0	14.4%

Dividends	6 Months 31 Dec 2009	6 Months 31 Dec 2008
Interim dividend per share	5 cents	Nil
Franked amount per share	Nil	N/A
Record date for determining entitlement to dividend	26 March 2010	N/A
Date dividend payable	16 April 2010	N/A

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

The Dividend Reinvestment Plan (DRP) remains in place and will be offered to shareholders at a price determined by the volume weighted average price of shares traded on the ASX over the period 19 March to 25 March 2010. No discount applies. Shareholders have until 5pm AEST on 26 March 2010 to change their DRP election.

	31 Dec 2009 \$	31 Dec 2008 \$
Net tangible assets per share	9.20	7.07

Review of Results

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

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DIRECTORS' REPORT

The Directors present their report on the Group consisting of Newcrest Mining Limited and the entities it controlled at the end of or during, the half-year ended 31 December 2009.

Directors

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

- Don Mercer
Non-Executive Chairman
- Ian Smith
Managing Director and Chief Executive Officer
- Greg Robinson
Director Finance
- Rick Lee
Non-Executive Director
- Tim Poole
Non-Executive Director
- John Spark
Non-Executive Director
- Richard Knight
Non-Executive Director
- Vince Gauci
Non-Executive Director

Principal Activities

The principal activities of the Group during the half-year were exploration, development, mining and the sale of gold and gold/copper concentrate. There were no significant changes in those activities during the period.

Consolidated Results

The statutory profit of the Group for the half-year ended 31 December 2009 after income tax and non-controlling interest amounted to \$176.2 million (31 December 2008: \$154.0 million).

The net profit for the half-year includes a negative \$90.4 million after tax (31 December 2008: \$87.6 million after tax) impact due to the release of losses on restructured hedges and hedge close out costs associated with the restructure in the 2007 financial year.

The Underlying Profit of the Group attributable to owners of the parent entity amounted to \$266.6 million (31 December 2008: \$241.6 million).

MANAGEMENT DISCUSSION AND ANALYSIS¹

1 Overview

The half-year Underlying Profit² increased 10% from the prior corresponding period from \$241.6 million to \$266.6 million. The Statutory Profit³ increased by 14% from \$154.0 million to \$176.2 million.

The half-year operational and financial performance was strong, with production and costs in line with guidance. Gold production was, as expected, lower than the previous corresponding period by 6% to 819,417 ounces. The principal drivers of this performance were lower production at Cadia Valley and Gosowong offset by higher production at Telfer and Cracow. Cadia Valley's performance was expected with the focus on finishing Cutback 3 in the Open Pit and the reduced grades at depth in Ridgeway. Gosowong's reduction in production was due to lower grade underground face positions as the Kencana 2 mine starts to ramp up to full production. Grades are forecast to improve for the remainder of the year. Telfer's half-year gold production was a record.

Copper production increased from 42,782 tonnes to 45,148 tonnes principally driven by the increased production from Telfer.

Mine production costs were lower, falling 5.0% to \$527.9 million. The reductions were across most commodity and activity based cost drivers. Cost reduction initiatives continue to be successful.

In comparison to production, sales for both gold and copper were lower with an associated build in inventory. This will reverse in the second half-year period.

Profit margins increased at all operations compared to the prior corresponding period. The Group EBIT margin⁴ increased to 35% (2008: 29%) and Group EBITDA margin⁵ increased to 46% (2008: 39%).

The Project area for Newcrest remains extremely busy with the near completion of Ridgeway Deeps, Gosowong Expansion and Hidden Valley. During the half-year, Newcrest spent \$440.0 million in capital expenditure, predominantly on these projects. During the next half-year all three projects will become operational and contribute to sales and profits. Ridgeway Deeps and Gosowong Expansion are both on time and on budget. Ridgeway Deeps is expected to be completed \$40 million under budget at a total cost \$505 million. Hidden Valley is about 3 months late reaching operational completion, however the full production rate is expected to be reached in the 4th quarter of FY10.

Studies on new projects also continue at a fast pace. O'Callaghans, Wafi-Golpu and Namosi are all in concept and progressing quickly toward pre-feasibility. During the half-year, Wafi-Golpu had exciting exploration results around the deeper Golpu resources. Newcrest expects to upgrade resources significantly around Golpu for the full year. Newcrest has also finished a substantial drilling programme on the O'Callaghans tungsten/base metal deposit during the half and will report an upgraded resource for the full year. Metallurgical work, infrastructure and mining methods are all progressing well. Newcrest's objective is to find a commercial solution to these opportunities during the current calendar year.

Exploration expenditure during the period of \$50.5 million has been focused on study projects, improving existing resource positions and converting these resources to reserves. Accordingly a high proportion of exploration expenditure was capitalised (\$33.5 million). The majority of expenditure was spent on Telfer, Gosowong, Wafi Golpu and Namosi.

1 All figures in this report relate to businesses of the Newcrest Mining Limited Group ("Newcrest" or "the Company") for the 6 months ended 31 December 2009 ("2009") compared with the 6 months ended 31 December 2008 (the "prior period" or "2008"), except where otherwise stated. All reference to \$ is a reference to Australian dollars unless specifically marked otherwise.

2 Underlying Profit is profit after tax before hedge restructure and close-out impacts attributable to owners of the parent entity.

3 Statutory Profit is profit after tax attributable to owners of the parent entity.

4 EBIT is Underlying Profit including non-controlling interests before tax, finance costs and interest revenue. EBIT Margin is EBIT divided by sales revenue.

5 EBITDA is EBIT excluding depreciation and amortisation. EBITDA Margin is EBITDA divided by sales revenue.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Newcrest's financial position remains very strong. Gearing ended the year at 3% and would have been lower if finished inventories had been sold. Newcrest renegotiated its Bilateral Facilities during the period.

The Bilateral Facility is US\$600 million with eight banks, domestic and international, holding tranches of US\$75 million each. The facility remains undrawn.

2. Discussion and Analysis of Operating Results and the Income Statement

2.1 Profit Overview

For the half-year ended 31 December 2009 Newcrest reported Underlying Profit of \$266.6 million, an increase of 10% over the prior corresponding period result of \$241.6 million.

The increased Underlying Profit is largely due to higher profit margins off lower sales revenue. Sales revenue was lower due to a combination of lower gold and copper sales volumes, with an increase in the gold price. Gold sales volumes were 14% lower while the average gold price for the current period of A\$1,170 per ounce was 8.7% higher than the same period last year. Copper volumes sold were 7% lower, with a decrease of 4.0% in price during the period. The average copper price for the half year of A\$3.16 per pound compares to A\$3.29 in the corresponding period.

Gold production was 6% lower and copper production 6% higher in the current period, however due to higher levels of finished product in inventory sales volumes were negatively impacted.

Significantly lower cost of sales improved the profitability at all operations. Mine production costs were lower due to falling commodity prices, particularly diesel fuel. Cost reduction initiatives continue to be successful, with savings evident in maintenance costs and contract labour. Total costs were also impacted in the prior period by costs associated with the Varanus Island gas incident.

Exploration expenditure charged to profit decreased during the current period, with a higher level of capitalisation due to increased focus on brownfields and reserve definition activity.

Statutory Profit for the half-year of \$176.2 million was a 14.4% increase on the \$154.0 million in the corresponding period. The Statutory Profit includes hedge restructure and close out impacts resulting from Newcrest's September 2007 equity raising and subsequent hedge book close-out and debt repayment. These are non-cash items that accounting rules require to be amortised over the original hedge designation period. These amortisation rates were lower in the current reporting period, in line with the anticipated schedule.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The table below outlines the key differences in Underlying Profit between the current half-year and the corresponding period last year, described in more detail later in this report:

	\$M	\$M
Underlying profit for the half-year ended 31 Dec 2008		241.6
Changes in revenues:		
Volume:		
Gold	(129.9)	
Copper	(21.8)	
Silver	(0.1)	
Price:		
Gold	56.5	
Copper	(13.0)	
Silver	1.6	(106.7)
Changes in mine costs:		
Mine production cost	27.7	
Deferred mining and inventory movement	80.9	
Treatment, realisation and royalty	4.1	
Telfer gas disruption costs	33.9	
Depreciation	(3.5)	143.1
Other costs:		
Corporate administration	(3.6)	
Exploration	19.8	
Other revenue and Other income/expense	(11.8)	
Finance costs	0.9	5.3
Tax and non-controlling interest:		
Income tax expense	(15.9)	
Non-controlling interest	(0.8)	(16.7)
Underlying profit for the year ended 31 Dec 2009		266.6

2.2 Revenue

		6 months to		%
		31 Dec 2009	31 Dec 2008	Change
Production volumes				
Gold ¹	oz	819,417	868,562	(5.7)
Copper	t	45,148	42,782	5.5
Sales volumes				
Gold	oz	767,250	887,901	(13.6)
Copper	t	42,258	45,274	(6.7)
Realised prices				
Gold	A\$/oz	1,170	1,076	8.7
Copper	A\$/lb	3.16	3.29	(4.0)
Average AUD:USD		0.8708	0.7839	11.1
Revenue				
Gold	\$m	882.3	955.7	(7.7)
Copper	\$m	294.0	328.8	(10.6)
Silver	\$m	11.2	9.7	15.5
Total Sales Revenue	\$m	1,187.5	1,294.2	(8.2)

1. The six months to 31 Dec 2009 includes pre-production ounces from Hidden Valley (24,682 ounces.)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Gold production and sales by site:

Ounces	6 months to 31 Dec 2009		6 months to 31 Dec 2008	
	Gold Production	Gold Sales	Gold Production	Gold Sales
Cadia	127,998	119,104	196,915	198,050
Ridgeway	99,785	96,572	125,145	131,634
Gosowong	182,256	174,508	210,578	209,409
Cracow	37,157	36,054	33,723	33,724
Telfer	347,539	327,652	302,201	315,084
Hidden Valley	24,682	13,360	-	-
Total	819,417	767,250	868,562	887,901

Copper production and sales by site:

Tonnes	6 months to 31 Dec 2009		6 months to 31 Dec 2008	
	Copper Production	Copper Sales	Copper Production	Copper Sales
Cadia	14,158	13,759	13,098	13,338
Ridgeway	13,164	12,459	14,806	15,545
Telfer	17,826	16,040	14,878	16,391
Total	45,148	42,258	42,782	45,274

Total gold production decreased 5.7% to 819,417 ounces compared to the previous half year result. Movements by operation were as follows:

- 15% increase of 45,338 ounces at Telfer due to a significant increase in mill throughput following increased mill utilisation due to improved plant maintenance scheduling, and improved metal recoveries as a result of the plant optimisation project;
- 35% decrease of 68,917 ounces at Cadia Hill, due to lower grades offset by higher mill throughput and recoveries. Mining in the open pit was concentrated on completing Cutback 3, with an associated reduction in mined head grade. Gold grade will increase in the second half of the 2010 financial year, with mining operations now focused on higher grade zones;
- 20% decrease of 25,360 ounces at Ridgeway, due to lower grade and recoveries. As forecast, grade has continued to decline with mine depth. Ore was sourced from the final sublevel cave area of Ridgeway. Ore extraction from Ridgeway Deeps commenced and will begin to replace the sub level cave production. Mining from the sublevel cave is expected to be complete in the March quarter;
- 13% decrease of 28,322 ounces at Gosowong due to lower grades. Optimisation of the processing plant continued, with increased gold recovery and higher mill throughput rates;
- 10% increase of 3,434 ounces at Cracow, due to higher mill throughput. Metal grades and recoveries are consistent between periods;
- pre-commissioning production of 24,682 ounces at Hidden Valley (Newcrest 50% share). The ramp-up to full production is expected to be complete in the March quarter.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Gold sales declined 13.6% due to the lower production and timing of shipments, including the deferral of the final sale for the half-year from Telfer due to the cyclonic weather conditions. The inventory position will be reduced during the next 6 months.

Total gold revenue decreased by 7.7% to \$882.3 million (2008: \$955.7 million) as a result of lower sales volumes, partly offset by higher prices. The average gold price of A\$1,170 per ounce was 8.7% higher than the corresponding period in the prior year (A\$1,076 per ounce).

Group copper production for the half-year was 5.5% higher than the prior period, with a 19.8% increase in production at Telfer and a 2.1% decline in production from Cadia Valley. Telfer's copper production was significantly higher than the prior period due to the higher mill throughput, with improved metal recoveries.

Copper sales volumes were 6.7% lower than the prior period, due to the timing of concentrate shipments and the delayed shipment from Telfer due to the cyclonic weather. Copper revenue reduced by 10.6% to \$294.0 million due to the lower copper sales volumes and lower spot prices. The average copper price of A\$3.16 per pound was 4.0% lower than the \$A3.29 per pound in the prior period.

Silver revenue increased by \$1.5 million due to higher spot prices. The average silver price of \$20.19 per ounce was 15.5% higher than the A\$17.47 per ounce in the prior period. Sales volumes were consistent, half-year on half-year. Silver volumes will increase in the second half of the year, when Hidden Valley enters full production in the March quarter.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
2.3 Costs
Mine cost of sales

\$M	31 Dec 2009	31 Dec 2008	% Change HY10 vs HY09	% Due to volume	% Due to cost increases/ (decreases)
Mine production costs	527.9	555.6	(5.0)	(2.4)	(2.6)
• Employee Salaries	90.7	93.6	(3.1)	(4.6)	1.5
• Maintenance incl Contract Labour ¹	110.9	117.2	(5.4)	(10.9)	5.5
• Mining Contracts	60.4	69.3	(12.8)	(13.8)	1.0
• Fuel & Lubes	43.2	66.6	(35.1)	2.9	(38.0)
• Utilities & Power	41.2	39.1	5.4	6.5	(1.1)
• Liners & Grinding Media	50.6	34.8	45.4	15.8	29.6
• Mining Consumables	72.4	74.4	(2.7)	4.6	(7.3)
• Other Input Costs	58.5	60.6	(3.5)	0.0	(3.5)
Deferred mining costs	29.2	50.4			
Inventory movements	(66.5)	(6.8)			
Telfer Gas disruption costs	-	33.9			

1. The prior period comparative for "Maintenance incl Contract Labour" has been reclassified to exclude the Contract Mining costs at Gosowong. These costs are now included within the cost category "Mining Contracts."

Mine production costs have decreased 5.0% to \$527.9 million, continuing the trend evident in the second half of the prior financial year which saw a fall in most commodity cost inputs, with the exception of steel parts, liners and grinding media. There are also continuing benefits arising from the ongoing cost control initiatives surrounding maintenance planning and contractor management.

Overall employee costs are lower due to lower establishment manning at the Australian operations, however Gosowong's salary costs have increased due to the implementation of owner mining on 1 July 2009.

The ongoing cost control initiatives have resulted in significant savings in maintenance and contract mining costs in the current half-year. There has been a reduction in reliance on contract labour and the demobilisation of non-core equipment has reduced equipment hire and site mobilisation costs considerably.

Fuel costs have decreased by \$23.4 million due to a considerable reduction in the diesel unit price. The average unit cost for the December 09 half-year was \$0.75 cpl, compared to \$1.16 cpl for the December 08 half. Diesel consumption has increased at Gosowong, consistent with the additional equipment supporting the higher material movements and throughput.

Power costs have increased by 5.4%, primarily driven by the higher energy requirements of the increased milling rates at Telfer and Cadia Valley. There has been a slight unit cost reduction in this half-year, due to increased power station maintenance costs at Telfer incurred in the comparative period.

Grinding media costs have increased significantly, reflecting the lagged impact of higher world steel prices. There were initial price surges of 45% in the second half of FY09, before prices reduced due to softening steel input prices, resulting in an average contract price increase of approximately 30%. The unit price of grinding media is expected to continue to decline for the remainder of this year. Overall consumption of grinding media has increased, consistent with the higher mill throughputs. In addition, consumption rates per tonne milled have increased to support the increased milling rates of the harder Telfer Underground ore.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Mining and operations consumable costs have decreased by 2.7%, with price reductions evident in consumables and reagents offset by increased consumption due to higher mill throughput and mining activities.

Other input costs have decreased by 3.5%, due to the declining cost trends and the strengthening of the AUD against the USD in the current half-year, and ongoing cost controls. There have been significant savings in insurance premiums priced in USD. The cost control initiatives have resulted in a general reduction in site overheads - in particular at Telfer - with lower travel and accommodation expenses and lower village costs. This declining cost trend is expected to continue for the remainder of the financial year.

Costs drawn from the deferred mining account were \$29.2 million, compared to \$50.4 million in the prior period. This was due to higher waste movements from the Telfer open pit, and lower contained ounces mined at Cadia Hill. With the focus on mining higher grades at Cadia Hill in the latter half of this year, it is anticipated that the second half deferred mining costs will be approximately twice the level of this half.

The inventory valuation credit of \$66.5 million reflects the combined impact of the increase in concentrate inventories on hand, and an increase in ore inventory at Cadia Hill. The ore inventory build-up at Cadia is expected to continue in the second half of FY10, with open pit ore mined forecast to exceed ore milled by approximately 10.0 Mt.

Treatment, realisation and royalty costs

Treatment and realisation costs ("TC/RCs") of \$72.2 million for the half-year have decreased by 2.7% on the prior period. Treatment and realisation costs are priced in USD and have declined in both USD and AUD terms. Concentrate ocean freight prices have dropped in USD, reflecting both a drop in demand for shipping and increasing vessel availability. Overall realisation costs have benefitted on translation to AUD due to the strengthening of the AUD against the USD. It is anticipated that TC/RCs will remain lower in the next six months.

Royalties of \$31.0 million for the half-year were 6.3% lower, consistent with the lower metal revenues.

Depreciation

Depreciation has increased by 2.7%, reflecting the higher proportion of Ridgeway Deeps and Telfer Underground production, which carry a higher unit depreciation cost. The impact of this will increase in the second half of the financial year, as Ridgeway Deeps becomes the sole source of underground ore from Cadia Valley, as a higher proportion of Gosowong production is sourced from the Gosowong Expansion development, and as Hidden Valley goes into full production.

Corporate Administration Costs

Corporate expenses of \$34.2 million (2008: \$30.6 million) were higher in the current period due to some management restructuring and implementation costs associated with the restructure and streamlining of the organisation's IT systems.

Exploration

Total exploration expenditure for the period was \$50.5 million (2008: \$60.6 million) with \$17.0 million charged against income compared to \$36.8 million in the prior year. The decrease in the proportion of exploration expensed is due to increased focus on brownfields and reserve definition activity. Details of the nature and location of exploration expenditure is provided below in the cash flow section.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
2.4 Other Revenue and Other Income/(Expense)

Other Revenue and Other Income/(Expense) was \$9.7 million (2008: \$21.5 million).

\$M	6 months ended	
	31 Dec 2009	31 Dec 2008
Other Revenue		
Interest revenue	4.7	2.7
JV management fees	0.3	0.5
	5.0	3.2
Other Income/(Expense)		
Net foreign exchange gain/(loss)	(7.1)	16.8
Fair value gain/(loss) on gold & copper derivatives	22.3	(4.1)
Gain/(loss) on sale of non-current assets	(0.2)	1.3
Cadia Valley royalty dispute	(10.9)	-
Other	0.6	4.3
	4.7	18.3
Other Revenue and Other Income/(Expense)	9.7	21.5

The foreign exchange loss of \$7.1 million is due to the effect of the AUD:USD exchange rate on USD denominated concentrate debtors. Newcrest recorded a foreign exchange gain of \$16.8 million for the corresponding period as the AUD depreciated against the USD.

The fair value gain on gold and copper derivatives relates to the movements in spot prices impacting the quotational period adjustments in sales. Newcrest locks in the copper price for concentrate shipments at the time of sale to minimise this impact. Gold prices are not locked in at the time of shipment due to the shorter quotational period for gold (usually one month for gold versus three or four months for copper).

During the period, the Group received an unfavourable ruling by the NSW Court of Appeal in respect to the mineral royalties dispute at Cadia Valley. This matter has been appealed by the Group to the High Court of Australia. Newcrest has provided for this exposure.

The increase in Interest Revenue was due to higher cash balances held by the Group during the period.

2.5 Finance Costs

Finance costs of \$15.3 million were consistent with the prior period of \$16.2 million.

2.6 Income Tax Expense

The income tax expense in the current period on Underlying Profit was \$120.4 million, resulting in an effective tax rate of 29.8%. The prior period tax expense on Underlying Profit was \$104.5 million with an effective tax rate of 28.9%. The effective tax rate in the prior period benefited from a higher research and development allowance.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
2.7 Hedge Restructure and Close Out Impacts
Losses on Restructured and Closed-out Hedges

During the 2008 financial year, Newcrest closed out its gold hedge book and realised the gold hedging losses and extinguished any future obligation with respect to the hedge contracts.

Accounting standards require the accumulated losses on the contracts closed out to remain deferred in the Hedge Reserve within equity. The losses in the Hedge Reserve are transferred to the Income Statement in future periods in line with the original sales to which they were designated. This resulted in a loss release profile as noted below. A pre-tax loss on restructured and closed out hedge contracts of \$134.0 million has been recognised in the period (2008: \$172.4 million).

There are no liabilities remaining for the closed out contracts and the profit impacts on the current and future periods are all non-cash.

\$M	Current	To be released in future periods			
	2010 1 st Half	2010 2 nd Half	2011	2012	Total
Total hedge losses	134.0	160.9	152.8	7.2	320.9
Tax effect	(40.2)	(48.3)	(45.8)	(2.2)	(96.3)
After tax hedge losses	93.8	112.6	107.0	5.0	224.6

Other close out related gains/(losses)

The other close-out related impacts include:

- Fair value loss of \$4.5 million on gold put options (2008: \$24.1 million gain). Newcrest purchased the gold put options following the close out of the gold hedge book in September 2007 in order to manage its exposure to commodity price risk;
- A foreign exchange gain of \$9.4 million (2008: \$23.2 million) on US Dollar denominated borrowings designated as cash flow hedges. This relates to the gain crystallised on the repayment of US Dollar denominated borrowings using proceeds from the equity raising undertaken in September 2007. The total gain (some of which was released in prior years) is being released to the Income Statement over the original designated repayment profile, as shown below:

\$M	Current	To be released in future periods	
	2010 1 st Half	2010 2 nd Half	Total
FX gains on US dollar borrowings	9.4	2.6	2.6
Tax effect	(2.8)	(0.8)	(0.8)
After tax deferred FX gains	6.6	1.8	1.8

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
3. Discussion and Analysis of the Cash Flow Statement
3.1 Cash Flow – Operating Activities

Operating cashflow for the current period was \$479.7 million (2008: \$588.5 million). Cash receipts from customers of \$1,158.1 million were in line with sales revenue of \$1,187.5 million with the difference of \$29.4 million mainly due to an increase in trade receivables from 30 June 2009. In the prior period there was a substantial decrease in trade receivables between 30 June 2008 and 31 December 2008 resulting in cash receipts substantially higher than sales revenue.

The decrease in payments to suppliers and employees of \$110.9 million was largely due to the reduction in mine production costs. Cash payments for the period also include the net insurance proceeds from the interruption of Telfer's gas supply.

Tax paid of \$38.5 million relates to the Gosowong operations. No tax has been paid on the Australian operations due to the existence of carry forward tax losses.

3.2 Cash Flow – Investing Activities

Net cash used in investing activities for the period of \$490.4 million was a decrease of \$210.2 million from the prior period. The prior period included acquisition payments of \$357.9 million in respect to the Morobe Mining Joint Venture.

Capital expenditure during the period was focused on projects at Cadia East (\$117.3 million), Ridgeway Deeps (\$79.0 million), Hidden Valley (\$86.7 million) and Gosowong Expansion (\$44.6 million). Hidden Valley and Ridgeway Deeps are in the final stages of production ramp up, and both projects are expected to be fully operational in the third quarter of FY2010. The Cadia East project is expected to be approved for development in early April 2010.

6 months ended:	31 Dec 09
	\$M
Capital Expenditure:	
Sustaining	42.4
Development	12.6
Projects – Constructions & Studies	385.0
	440.0
Exploration	50.5
Proceeds from sale of non-current assets	(0.1)
Total	490.4

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MANAGEMENT DISCUSSION AND ANALYSIS (continued)
Exploration expenditure

Expenditure during the period has been focused on opportunities, improving existing resource positions and converting these resources to reserves. During the period, this included:

- Telfer - Further drilling of the O'Callaghans deposit (tungsten base metals).
- Gosowong – Drilling to the north of the previously mined Toguraci open pit.
- Papua New Guinea – Drilling at Wafi, Golpu West and Golpu Deeps.

A breakdown of exploration expenditure by nature was:

6 months ended:	31 Dec 09
	\$M
Greenfields	9.0
Brownfields	17.5
Reserve Definition	
- Telfer	15.8
- Gosowong	6.0
- Other	2.2
	24.0
Total	50.5

A breakdown of exploration expenditure by region was:

6 months ended:	31 Dec 09
	\$M
Australia	24.9
Indonesia	10.1
Papua New Guinea	8.3
Fiji	4.7
Americas	2.5
Total	50.5

3.3 Cash Flow – Financing Activities

Cash flows used in financing activities were \$73.4 million with major movements in cash flows related to the \$60.2 million cash dividend payment to members of Newcrest and \$11.5m cash dividend payment to PT Antam, Newcrest's non-controlling interest partner at Gosowong.

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MANAGEMENT DISCUSSION AND ANALYSIS (continued)
4. Discussion and Analysis of the Balance Sheet
4.1 Net Assets and Total Equity

Newcrest's Net Assets and Total Equity increased during the period by \$154.1 million to \$4,512.5 million. This was mostly due to the statutory profit of \$176.2 million.

Property, plant and equipment and exploration, evaluation and development had a combined value on the balance sheet of \$4,085.2 million as at 31 December 2009 representing an increase of \$174.0 million from 30 June 2009. This was mostly due to expenditure on the Cadia East and Ridgeway Deeps projects.

Total deferred mining expenditure on the balance sheet at 31 December 2009 was \$281.7 million, a reduction of \$21.1 million from 30 June 2009. The majority of this relates to the Cadia Hill open pit, which will amortise as mining is completed over the next two to three years.

Inventories of \$355.4 million increased by \$82.6 million from 30 June 2009. This was due to an increase in concentrate inventory as a result of the timing of sales and a planned increase in ore inventory stockpiles.

Newcrest has carry forward tax losses of \$356.2 million recognised as an asset as at balance date. This is a reduction of \$47.3 million from 30 June 2009. These relate to the Australian tax consolidated group and include the hedge losses realised with the close out of the hedge book and gold bullion forward sales contracts in the 2008 financial year. At the current level of profitability, we expect operating tax losses to be fully utilised in the next three to four years.

4.2 Net Debt and Gearing

Net debt, comprising total borrowings less cash, of \$136.9 million (30 June 2009: \$84.1 million) increased by \$52.8 million as shown below:

	\$M
Net debt at 30 June 2009	84.1
Retranslation of USD private placement debt	(40.9)
Decrease in cash balances	94.8
Net movement in finance leases	(1.1)
Net debt at 31 Dec 2009	136.9

\$M	31 Dec 2009	30 Jun 2009
Total debt	408.5	450.5
Less cash and cash equivalents	(271.6)	(366.4)
Net debt	136.9	84.1
Equity	4,512.5	4,358.4
Net debt and equity	4,649.4	4,442.5
Gearing (net debt/net debt and equity)	3%	2%

4.3 Liquidity and Debt Facilities

A new bilateral financing agreement was completed in December 2009 for US\$600 million with eight banks, replacing the existing facilities which come to term during the year. The tenor of the new facility is 3 years. The existing and new bilateral facilities are undrawn.

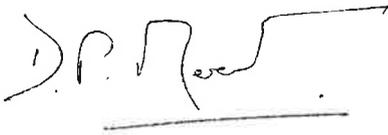
Auditor Independence Declaration

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

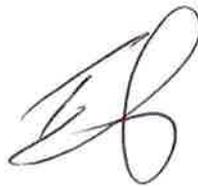
Rounding Of Amounts

The Company is of the kind referred to in Australian Securities and Investments Commission (ASIC) class order 98/0100, dated 10 July 1998. As a result, amounts in the financial report have been rounded to the nearest \$100,000, except where otherwise indicated.

Signed in accordance with a resolution of the Directors



Don Mercer
Chairman



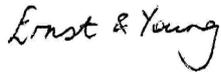
Ian Smith
Managing Director and
Chief Executive Officer

12 February 2010
Melbourne

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

In relation to our review of the financial report of Newcrest Mining Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'R.C. Piltz'.

R.C. Piltz
Partner
Melbourne
12 February 2010

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INCOME STATEMENT
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated	
		31 Dec 2009 \$M	31 Dec 2008 \$M
Operating sales revenue	3(a)	1,187.5	1,294.2
Cost of sales	3(b)	(727.3)	(870.4)
Gross profit		460.2	423.8
Exploration expenses		(17.0)	(36.8)
Corporate administration expenses	3(c)	(34.2)	(30.6)
Operating profit		409.0	356.4
Other revenue	3(d)	5.0	3.2
Other income/(expenses)	3(e)	4.7	18.3
Finance costs	3(f)	(15.3)	(16.2)
Profit before tax, restructure and close out impacts		403.4	361.7
Losses on restructured and closed out hedge contracts	3(h)	(134.0)	(172.4)
Other close out related gains/(losses)	3(i)	(4.5)	24.1
Foreign exchange gain on US dollar borrowings	3(j)	9.4	23.2
Profit before income tax		274.3	236.6
Income tax expense	4	(81.7)	(67.0)
Profit after income tax		192.6	169.6
Profit after tax attributable to:			
Non-controlling interest		16.4	15.6
Owners of the parent		176.2	154.0
		192.6	169.6
Profit after tax attributable to owners of the parent comprises:			
Profit after tax attributable to owners of the parent		176.2	154.0
Losses on restructured and closed out hedge contracts(after tax)	3(h)	93.8	120.7
Other close out related (gains)/losses (after tax)	3(i)	3.2	(16.9)
Foreign exchange gain on US dollar borrowings (after tax)	3(j)	(6.6)	(16.2)
Profit after tax before hedge restructure and close out impacts attributable to owners of the parent ("Underlying Profit")		266.6	241.6
Earnings per share (EPS) (cents per share)			
Basic earnings per share		36.4	33.7
Diluted earnings per share		36.3	33.6
Earnings per share on Underlying Profit:			
Basic earnings per share		55.1	52.9
Diluted earnings per share		55.0	52.7

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

STATEMENT OF COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Consolidated	
	31 Dec 2009	31 Dec 2008
Note	\$M	\$M
Profit after income tax	192.6	169.6
Other Comprehensive Income		
Cashflow Hedges		
US dollar debt cashflow hedge deferred in equity	3.4	(142.6)
Other cashflow hedges deferred in equity	1.5	-
Losses on restructured hedge contracts transferred to the Income Statement	3(h) 134.0	172.4
Foreign exchange gains on US dollar borrowings transferred to the Income Statement	3(j) (9.4)	(23.2)
Income tax	(38.5)	(1.9)
	<u>91.0</u>	<u>4.7</u>
Foreign Currency Translation		
Foreign currency translation	(61.8)	118.3
Net loss on hedge of net investment	-	(42.7)
Income tax	-	12.8
	<u>(61.8)</u>	<u>88.4</u>
Other Comprehensive Income for the period, net of tax	29.2	93.1
Total Comprehensive Income for the period	221.8	262.7
Total Comprehensive Income attributable to:		
Non-controlling interest	12.3	24.7
Owners of the parent	209.5	238.0
	<u>221.8</u>	<u>262.7</u>

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

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STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2009

		Consolidated	
		31 Dec 2009	30 Jun 2009
Note		\$M	\$M
Current Assets			
	Cash and cash equivalents	271.6	366.4
	Trade and other receivables	273.6	272.6
	Inventories	355.4	272.8
	Financial derivative assets	20.3	13.5
6	Deferred mining	133.3	146.7
	Other	39.2	9.3
	Total Current Assets	1,093.4	1,081.3
Non-Current Assets			
	Other receivables	9.1	9.1
	Property, plant and equipment	1,777.1	1,470.0
	Exploration, evaluation and development	2,308.1	2,441.2
	Intangible assets	61.9	32.5
	Deferred tax assets	356.2	403.5
	Financial derivative assets	10.4	14.8
6	Deferred mining	148.4	156.1
	Other	7.1	7.5
	Total Non-Current Assets	4,678.3	4,534.7
	Total Assets	5,771.7	5,616.0
Current Liabilities			
	Trade and other payables	220.3	212.6
	Borrowings	5.4	5.0
	Financial derivative liabilities	9.8	6.8
6	Income tax payable	0.2	1.1
	Provisions	90.3	93.9
	Other	0.5	1.1
	Total Current Liabilities	326.5	320.5
Non-Current Liabilities			
	Borrowings	403.1	445.5
	Deferred tax liabilities	447.5	414.5
	Provisions	81.6	76.6
	Other	0.5	0.5
	Total Non-Current Liabilities	932.7	937.1
	Total Liabilities	1,259.2	1,257.6
	Net Assets	4,512.5	4,358.4
Equity			
	Issued capital	3,653.9	3,641.6
7	Retained earnings	1,135.5	1,031.8
	Reserves	(320.1)	(357.4)
8	Parent entity interest	4,469.3	4,316.0
	Non-controlling interest	43.2	42.4
	Total Equity	4,512.5	4,358.4

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

STATEMENT OF CASH FLOWS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

Note	Consolidated	
	31 Dec 2009 \$M	31 Dec 2008 \$M
Cash Flows from Operating Activities		
	1,158.1	1,396.0
	(627.1)	(738.0)
	3.8	2.7
	(16.6)	(14.2)
	(38.5)	(58.0)
	479.7	588.5
Cash Flows from Investing Activities		
	(42.4)	(51.3)
	(369.6)	(223.4)
	(50.5)	(60.6)
	(28.0)	(7.0)
	-	(357.9)
	-	(3.0)
	0.1	2.6
	(490.4)	(700.6)
Cash Flows from Financing Activities		
• US dollar Bilateral debt	-	449.1
Repayment of borrowings:		
• US dollar Bilateral debt	-	(192.3)
Net repayment of finance lease principal	(1.7)	(2.5)
Dividends paid:		
• Owners of the parent	5 (60.2)	(40.1)
• Non-controlling interest	(11.5)	(11.4)
Proceeds from share issues	-	6.3
Share buy-back	-	(10.9)
	(73.4)	198.2
	(84.1)	86.1
	366.4	77.5
	(10.7)	6.5
	271.6	170.1

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

STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Attributable to Equity Holders of the Parent						Non-controlling Interest	Total
	Issued Capital \$M	FX Translation Reserve \$M	Hedge Reserve \$M	Equity Settlement Reserve \$M	Retained Earnings \$M	Total \$M		
Balance at 1 July 2009	3,641.6	(93.6)	(291.4)	27.6	1,031.8	4,316.0	42.4	4,358.4
Profit for the period	-	-	-	-	176.2	176.2	16.4	192.6
Other Comprehensive Income for the period	-	(57.7)	91.0	-	-	33.3	(4.1)	29.2
Total Comprehensive Income for the period	-	(57.7)	91.0	-	176.2	209.5	12.3	221.8
Transactions with owners in their capacity as owners								
Share-based payments	-	-	-	4.0	-	4.0	-	4.0
Shares issued - Dividend reinvestment plan	12.3	-	-	-	-	12.3	-	12.3
Dividends	-	-	-	-	(72.5)	(72.5)	(11.5)	(84.0)
Balance at 31 December 2009	3,653.9	(151.3)	(200.4)	31.6	1,135.5	4,469.3	43.2	4,512.5

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

STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Attributable to Equity Holders of the Parent						Non-controlling Interest	Total \$M
	Issued Capital \$M	FX Translation Reserve \$M	Hedge Reserve \$M	Equity Settlement Reserve \$M	Retained Earnings \$M	Total \$M	\$M	
Balance at 1 July 2008	2,857.4	(20.0)	(460.8)	19.6	829.0	3,225.2	26.7	3,251.9
Profit for the period	-	-	-	-	154.0	154.0	15.6	169.6
Other Comprehensive Income for the period	-	79.3	4.7	-	-	84.0	9.1	93.1
Total Comprehensive Income for the period	-	79.3	4.7	-	154.0	238.0	24.7	262.7
Transactions with owners in their capacity as owners								
Share-based payments	-	-	-	3.6	-	3.6	-	3.6
Exercise of options	6.3	-	-	-	-	6.3	-	6.3
Shares issued - Dividend reinvestment plan	5.2	-	-	-	-	5.2	-	5.2
Share buy-back	(10.9)	-	-	-	-	(10.9)	-	(10.9)
Dividends	-	-	-	-	(45.3)	(45.3)	(15.9)	(61.2)
Balance at 31 December 2008	2,858.0	59.3	(456.1)	23.2	937.7	3,422.1	35.5	3,457.6

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

1. Corporate Information

The financial report of Newcrest Mining Limited for the half-year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 12 February 2010.

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

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

2. Basis of Preparation and Accounting Policies

(a) Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

It is recommended that the Half-Year Financial Report be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and considered together with any public announcements made by Newcrest Mining Limited during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) Basis of Consolidation

The half-year consolidated financial statements comprise the financial statements of Newcrest Mining Limited and its controlled entities as at 31 December 2009. All intercompany balances and transactions, including unrealised gains and losses arising from intra-group transactions, have been eliminated in preparing the consolidated financial statements. Controlled entities are consolidated from the date on which control commences until the date that control ceases.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

2. Basis of Preparation and Accounting Policies (continued)

(c) Significant Accounting Policies

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements for the year ended 30 June 2009.

The Group has adopted the following new and/or revised Standards, Amendments and Interpretations from 1 July 2009:

- AASB 3 - Business Combinations
- AASB 8 - Operating Segments
- AASB 101 - Presentation of Financial Statements
- AASB 123 - Borrowing Costs
- AASB 127 - Consolidated and Separate Financial Statements
- AASB 2008-1 - Share-based Payments: Vesting Conditions and Cancellations
- AASB 2009-2 - Improving Disclosures about Financial Instruments
- Interpretation 16 - Hedges of a Net Investment in a Foreign Operation

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

Adoption of the above Standards, Amendments and Interpretations did not have any effect on the financial position or performance of the Group. AASB 8 and AASB 101 did have an impact of the disclosures included in the financial statements.

AASB 8 Operating Segments

AASB 8 replaced AASB 114 Segment Reporting. The Group concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under AASB 114 with the exception of Exploration and Other which was previously included as part of Corporate and Unallocated. AASB 8 disclosures are shown in Note 9, including the related revised comparative information.

AASB 101 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The Statement of Changes in Equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new Statement of Comprehensive Income. The Statement of Comprehensive Income presents all items of recognised income and expense.

(d) Restatement of EPS Comparatives

The EPS calculations for the comparative period have been restated to include the impact of the equity raising undertaken in February 2009, in accordance with accounting standards.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

3. Revenue and Expenses

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$M	\$M
Profit before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
(a) Sales Revenue		
Gold	882.3	955.7
Copper	294.0	328.8
Silver	11.2	9.7
Total Operating Sales Revenue	1,187.5	1,294.2
(b) Cost of Sales		
Mine production costs	527.9	555.6
Royalty	31.0	33.1
Concentrate treatment and realisation	72.2	74.2
Depreciation	133.5	130.0
Deferred mining adjustment	29.2	50.4
Inventory movements	(66.5)	(6.8)
Gas disruption costs ⁽¹⁾	-	33.9
Total Cost of Sales	727.3	870.4
⁽¹⁾ Represents the additional costs associated with securing alternative sources of gas for Telfer as a result of the Varanus Island gas plant explosion in June 2008. Full year cost for FY2009 was \$8.6 million (net of insurance proceeds).		
(c) Corporate Administration Expenses		
Corporate costs	27.6	24.9
Corporate depreciation	2.6	2.1
Equity settled share-based payments	4.0	3.6
Total Corporate Administration Expenses	34.2	30.6
(d) Other Revenue		
Interest from other persons	4.7	2.7
Joint venture management fees	0.3	0.5
Total Other Revenue	5.0	3.2

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

3. Revenue and Expenses (continued)

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$M	\$M
(e) Other Income/(Expenses)		
Profit/(loss) on sale of non-current assets	(0.2)	1.3
Net foreign exchange gain/(loss)	(7.1)	16.8
Fair value gain/(loss) on gold and copper derivatives	22.3	(4.1)
Royalty dispute ⁽¹⁾	(10.9)	-
Other	0.6	4.3
Total Other Income/(Expenses)	4.7	18.3
⁽¹⁾ Refer Note 10.		
(f) Finance Costs		
Interest costs:		
Interest on loans	10.6	15.7
Finance leases	0.1	0.1
Other:		
Facility fees and other costs	2.2	1.7
Discount unwind on provisions	2.4	1.7
	15.3	19.2
Less: Capitalised borrowing costs	-	(3.0)
Total Finance Costs	15.3	16.2
(g) Depreciation and Amortisation		
Depreciation and amortisation included in:		
Cost of Sales (note 3(b))	133.5	130.0
Corporate Administration (note 3(c))	2.6	2.1
Total Depreciation and Amortisation Expense	136.1	132.1

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

3. Revenue and Expenses (continued)

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$M	\$M
(h) Losses on Restructured and Closed Out Hedge Contracts		
Losses on restructured and closed out hedge contracts transferred from reserves (Note 8(c)(i))	134.0	172.4
Applicable income tax expense/(benefit)	(40.2)	(51.7)
Total Losses on Restructured and Closed Out Hedge Contracts (after tax)	93.8	120.7
(i) Other Close Out Related Gains/(Losses)		
Fair value gain/(loss) on gold put options	(4.5)	24.1
Applicable income tax (expense)/benefit	1.3	(7.2)
Total Other Close Out Related Gains/(Losses) (after tax)	(3.2)	16.9
(j) Foreign Exchange Gain on US Dollar Borrowings		
Foreign exchange gain on US dollar borrowings transferred from reserves (Note 8(c)(ii))	9.4	23.2
Applicable income tax (expense)/benefit	(2.8)	(7.0)
Total Foreign Exchange Gain on US Dollar Borrowings (after tax)	6.6	16.2

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

4. Income Tax Expense

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$M	\$M
Accounting profit before tax	274.3	236.6
Income tax expense calculated at 30% (2008: 30%)	82.3	71.0
- Investment, Research and Development allowance	(3.4)	(1.9)
- Non-deductible share-based payment expense	1.0	1.1
- Other non-deductible expenses	0.6	0.8
- Effect of higher tax rates in foreign jurisdictions	5.7	5.5
- Foreign tax losses not brought to account	0.2	1.0
- Prior year over provision ⁽¹⁾	(4.7)	(10.5)
Income tax expense per the Income Statement	81.7	67.0

⁽¹⁾ The over provision predominantly relates to additional research and development allowance now claimed in respect of the prior year.

5. Dividends

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$M	\$M
(a) Dividends declared and paid		
The following dividends were paid during the half-year:		
Final ordinary dividend for the financial year 30 June 2009: 15 cents per share (unfranked), paid 16 October 2009	72.5	-
Final ordinary dividend for the financial year 30 June 2008: 10 cents per share (unfranked), paid 17 October 2008	-	45.3
	72.5	45.3
Participation in the Dividend Reinvestment Plan reduced the cash amount paid to \$60.2 million (2008: \$40.1 million).		
(b) Dividend proposed and not recognised as a liability		
Subsequent to the end of the half-year the Directors declared the following dividend:		
Interim ordinary dividend for the financial year 30 June 2010: 5 cents per share (unfranked), proposed to be paid 16 April 2010	24.2	-
	24.2	-

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

6. Financial Derivative Assets and Liabilities

	Consolidated	
	31 Dec 2009	30 Jun 2009
	\$M	\$M
Financial Derivative Assets		
Gold put options	11.0	15.4
Quotational period derivatives ⁽¹⁾	17.9	12.9
Foreign exchange and other contracts	1.8	-
	30.7	28.3
<i>Disclosed as:</i>		
Current	20.3	13.5
Non-current	10.4	14.8
	30.7	28.3
Financial Derivative Liabilities		
Foreign exchange contracts	-	0.3
Copper forward sales contracts	9.8	6.5
	9.8	6.8
<i>Disclosed as:</i>		
Current	9.8	6.8
Non-current	-	-
	9.8	6.8

⁽¹⁾ Represents the embedded derivatives relating to quotational period movements on commodity sales.

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

7. Issued Capital

	Consolidated	
	Half-year ended 31 Dec 2009 \$M	Full year ended 30 Jun 2009 \$M
Opening balance	3,641.6	2,857.4
Shares issued under:		
▪ Share Option and Rights Plans (a)	-	6.3
▪ Dividend Reinvestment Plan (b)	12.3	5.2
▪ New Shares – Equity Raising (c)	-	809.8
Less: Transaction Costs	-	(17.1)
Add: Tax effect of transaction costs	-	5.1
▪ Share buy-back	-	(25.1)
Total Issued Capital	3,653.9	3,641.6

	Number of Ordinary Shares	
	Half-year ended 31 Dec 2009	Full year ended 30 Jun 2009
Movement in Issued Ordinary Shares		
Opening number of shares	483,344,644	453,365,629
Shares issued under:		
▪ Share Option and Rights Plans (a)	72,838	638,308
▪ Dividend Reinvestment Plan (b)	358,784	200,328
▪ New Shares – Equity Raising (c)	-	29,991,655
▪ Employee Share Acquisition Plan (d)	-	43,632
▪ Share buy-back	-	(894,908)
Closing Number of Shares	483,776,266	483,344,644

- (a) Represents options and rights exercised under the Company's share-based payments plan.
- (b) The Dividend Reinvestment Plan provides shareholders with an opportunity to reinvest all or part of their dividend entitlements at the market price at the time of issue.
- (c) On 2 February 2009, Newcrest announced an Equity Raising at an issue price of \$27.00 per share which represented a 12.9% discount to Newcrest's closing price on 30 January 2009. The Equity Raising resulted in 29,991,655 new ordinary shares being issued, resulting in cash proceeds of \$809.8 million. Transaction costs associated with the Equity Raising were \$17.1 million, resulting in net cash proceeds of \$792.7 million.
- (d) The Employee Share Acquisition Plan is a broad based employee share plan.

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

8. Reserves

		Consolidated	
		Half-year ended 31 Dec 2009	Full year ended 30 Jun 2009
		\$M	\$M
Equity Settlements Reserve	(a)	31.6	27.6
Foreign Currency Translation Reserve	(b)	(151.3)	(93.6)
Hedge Reserve	(c)	(200.4)	(291.4)
Total Reserves		(320.1)	(357.4)

(a) Equity Settlements Reserve

The Equity Settlements Reserve is used to recognise the fair value of rights and options issued to employees in relation to equity-settled share based payments.

(b) Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record gains and losses on hedges of the net investment in foreign operations.

(c) Hedge Reserve

The Hedge Reserve is used to record the effective portion of changes in the fair value of the cash flow hedges. The components of the Hedge Reserve at period end were as follows:

	31 December 2009			30 June 2009		
	Gross Gains/ (Losses)	Tax impact	Net Gains/ (Losses)	Gross Gains/ (Losses)	Tax impact	Net Gains/ (Losses)
	\$M	\$M	\$M	\$M	\$M	\$M
FX gains on US dollar denominated debt:						
- USD Bilateral debt ⁽ⁱⁱ⁾	2.6	(0.8)	1.8	12.0	(3.6)	8.4
- USD Private placement notes	30.2	(9.1)	21.1	26.8	(8.0)	18.8
Losses on hedge contracts ⁽ⁱ⁾	(320.9)	96.3	(224.6)	(454.9)	136.5	(318.4)
Other cashflow hedges	1.8	(0.5)	1.3	(0.3)	0.1	(0.2)
	(286.3)	85.9	(200.4)	(416.4)	125.0	(291.4)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

8. Reserves (Continued)
(c) Hedge Reserve (continued)
(i) Losses on Hedge Contracts

Losses on hedge contracts incurred in previous years (which were restructured / closed out in previous years) will be released to the Income Statement in line with the original sales to which they were designated. This has resulted in the following release profile:

	Current	To be released in future periods			
	2010 1 st Half \$M	2010 2 nd Half \$M	2011 \$M	2012 \$M	Total \$M
Total hedge losses	134.0	160.9	152.8	7.2	320.9
Tax effect	(40.2)	(48.3)	(45.8)	(2.2)	(96.3)
After tax hedge losses	93.8	112.6	107.0	5.0	224.6

(ii) FX Gains on USD Bilateral Debt

Part of the proceeds from the September 2007 Equity Raising were used to repay US dollar denominated Bilateral debt in full in 2008. This crystallised a cumulative foreign exchange gain on these borrowings, which had been designated as cashflow hedges of future US dollar denominated commodity sales.

The foreign currency gains will be released to the Income Statement in line with the following release profile:

	Current	To be released in future periods	
	2010 1 st Half \$M	2010 2 nd Half \$M	Total \$M
Foreign exchange gains on US dollar borrowings	9.4	2.6	2.6
Tax effect	(2.8)	(0.8)	(0.8)
After tax deferred FX gains	6.6	1.8	1.8

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

9. Segment Information

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

The Group's reportable operating segments are:

- Cadia Valley, NSW, Australia
- Telfer, WA Australia
- Cracow JV (70% interest), QLD, Australia
- Gosowong, Indonesia
- Hidden Valley JV (50% interest), Papua New Guinea
- Exploration and Other

Hidden Valley is in the final stage of production ramp up and is expected to be fully operational in the third quarter of FY2010.

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

Segment Results and Segment Assets

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

Segment Revenues represent gold, copper and silver sales at unhedged prices. Operating EBIT is earnings before interest and income tax. Operating EBIT does not include the allocation of hedging and litigation settlements.

Segment assets exclude deferred tax assets and intercompany receivables.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

9. Segment Information (continued)

31 Dec 2009	Cadia Valley Operations \$M	Gosowong \$M	Telfer \$M	Cracow \$M	Hidden Valley \$M	Exploration & Other \$M	Total Segments \$M	Corporate & Unallocated ⁽ⁱ⁾ \$M	Total Group \$M
External Sales revenue	438.2	209.0	497.4	42.9	-	-	1,187.5	-	1,187.5
Other revenue	-	-	-	-	-	-	-	0.3	0.3
Total segment revenue	438.2	209.0	497.4	42.9	-	-	1,187.5	0.3	1,187.8
Segment EBITDA	229.8	148.3	190.8	24.8	-	(17.0)	576.7	(26.6)	550.1
Depreciation and amortisation	(26.0)	(16.0)	(83.8)	(8.3)	-	-	(134.1)	(2.0)	(136.1)
Segment result (Operating EBIT)	203.8	132.3	107.0	16.5	-	(17.0)	442.6	(28.6)	414.0
Hedge restructure and close out impacts								(129.1)	(129.1)
Net finance costs								(10.6)	(10.6)
Profit Before Tax								(168.3)	274.3
Segment Assets:									
At 31 December 2009	1,781.4	320.0	2,061.1	75.9	643.6	241.2	5,123.2	648.5	5,771.7
At 30 June 2009	1,571.4	314.0	2,135.2	75.9	630.1	233.7	4,960.3	655.7	5,616.0

Notes:

(i) Includes eliminations.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

9. Segment Information (continued)

31 Dec 2008	Cadia Valley Operations \$M	Gosowong \$M	Telfer \$M	Cracow \$M	Hidden Valley \$M	Exploration & Other \$M	Total Segments \$M	Corporate & Unallocated ⁽ⁱ⁾ \$M	Total Group \$M
External Sales revenue	564.2	225.4	467.3	37.3	-	-	1,294.2	-	1,294.2
Other revenue	-	-	-	-	-	-	-	0.5	0.5
Total segment revenue	564.2	225.4	467.3	37.3	-	-	1,294.2	0.5	1,294.7
Segment EBITDA	285.2	155.3	92.8	20.1	-	(36.8)	516.6	(9.3)	507.3
Depreciation and amortisation	(29.1)	(20.8)	(80.1)	(6.8)	-	-	(136.8)	4.7	(132.1)
Segment result (Operating EBIT)	256.1	134.5	12.7	13.3	-	(36.8)	379.8	(4.6)	375.2
Hedge restructure and close out impacts								(125.1)	(125.1)
Net finance costs								(13.5)	(13.5)
Profit Before Tax								(143.2)	236.6

Notes:

(i) Includes eliminations.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

10. Contingent Assets and Liabilities

In the June 2009 annual report, the Group disclosed that PT Nusa Halmahera Minerals, an 82.5% owned Indonesian subsidiary, had been named as a defendant in proceedings in a local Indonesian court regarding customary ownership of land situated within the Gosowong Contract of Work. The proceedings were initiated by five local residents seeking compensation. The local court rejected the claim and dismissed the proceedings. Subsequently, the local residents have appealed to the High Court in Ternate, which is now considering the appeal. The High Court may rule on the appeal during the year to 30 June 2010.

In the June 2009 annual report, the Group disclosed a contingent liability in respect to the obligation to pay mineral royalties on production from the Cadia Valley operations. During the half-year the NSW Court of Appeal ruled in favour of the State of NSW and ordered the Group to repay \$10.9 million in royalty and interest payments. This amount was expensed during the period (refer Note 3(e)). The Group subsequently sought and was granted leave to appeal this matter in the High Court of Australia. This matter will be heard in the High Court in March 2010.

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

There were no other material changes in contingent liabilities from those disclosed in the 30 June 2009 annual financial report.

11. Events Subsequent to Reporting Date

On 12 February 2010, the Directors of Newcrest Mining Limited declared an interim unfranked dividend on ordinary shares in respect of the 2010 financial year. The total amount of the dividend is \$24.2 million, which represents an unfranked dividend of 5c per share. The dividend has not been provided for in the 31 December 2009 financial statements.

There are no other matters or circumstances which have arisen since 31 December 2009 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

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 financial position of the Consolidated Entity as at 31 December 2009 and of its performance for the half-year ended on that date; and
 - (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Don Mercer
Chairman



Ian Smith
Managing Director and
Chief Executive Officer

12 February 2010
Melbourne

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To the members of Newcrest Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Newcrest Mining Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Newcrest Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

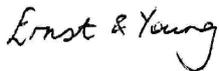
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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Conclusion

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

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Rodney Piltz
Partner
Melbourne
12 February 2010

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