NEWCREST
MINING
LIMITED

ACN 005 683 625

to: Company Announcements Office

from: **Stephen Creese**

date: 11 February 2011

subject: **Half Year Results 31 December 2010**

Please find attached for immediate release to the market:

1. ASX Appendix 4D and Financial Report for the Half Year ended 31 December 2010; and

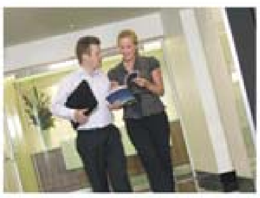
2. Financial Results Release.

Yours sincerely

Stephen Creese
Company Secretary

ASX Appendix 4D
Half-Year Financial Report

31 December 2010



NEWCREST MINING LIMITED
AND CONTROLLED ENTITIES

ASX APPENDIX 4D AND FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2010

ABN: 20 005 683 625

ASX CODE: NCM

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NEWCREST MINING LIMITED

ASX APPENDIX 4D

Results for Announcement to the Market

Half-Year Financial Report to 31 December 2010

	6 months 31 Dec 2010 $M	6 months 31 Dec 2009 $M	Percentage Increase/ (Decrease)
Sales Revenue	1,966.3	1,187.5	65.6%
Profit after tax before hedge restructure and other significant items attributable to members of the parent entity ("Underlying Profit")	523.1	266.6	96.2%
Hedge restructure and other significant items after tax	(85.3)	(90.4)	(5.6%)
Profit from continuing operations after tax attributable to members of the parent entity	437.8	176.2	148.5%
Net profit attributable to members of the parent entity	437.8	176.2	148.5%

Dividends	6 Months 31 Dec 2010	6 Months 31 Dec 2009
Interim dividend per share	10 cents	5 cents
Franked amount per share	Nil	Nil
Record date for determining entitlement to dividend	25 March 2011	26 March 2010
Date dividend payable	15 April 2011	16 April 2010

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 18 March to 24 March 2011. No discount applies. Shareholders have until 5pm AEST on 25 March 2011 to change their DRP election.

	31 Dec 2010 $	31 Dec 2009 $
Net tangible assets per share	13.16	9.20

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.

NEWCRESTMINING LIMITED

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 2010.

Directors

The following persons were directors of Newcrest Mining Limited during the half-year and/or 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
- Lady Winifred Kamit
  Non-Executive Director (appointed 1 February 2011)

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 2010 after income tax and non-controlling interest amounted to $437.8 million (31 December 2009: $176.2 million).

The net profit for the half-year includes a negative $85.3 million after tax (31 December 2009: negative $90.4 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; and
- business acquisition and integration costs associated with the acquisition of Lihir Gold Limited ("LGL") on 30 August 2010.

The Underlying Profit of the Group attributable to owners of the parent entity amounted to $523.1 million (31 December 2009: $266.6 million).

MANAGEMENT DISCUSSION AND ANALYSIS[1]

1 Overview

On 30 August 2010, Newcrest assumed control of Lihir Gold Limited ("LGL") following the successful merger by Scheme of Arrangement. The merger has created the third largest gold company in the world by market capitalisation (as at 10 February 2011) with ten operating mines in four countries and a portfolio of advanced exploration projects. Significant cost synergies were captured with the rationalisation of the LGL head office, reduction in funding costs and insurance cost and optimisation of some of the supply and logistics contracts. Further cost and productivity improvements are expected to exceed the pre-tax synergy objective of $85 million per annum.

Strong production results from Newcrest's existing operations and the inclusion of the former LGL assets for the four months to 31 December 2010 have combined to deliver Newcrest a record half-year production and financial results. Underlying Profit[2] for the six months ended 31 December 2010 of $523.1 million was an increase of 96% from the prior corresponding period. The Statutory Profit[3] increased by 148% from $176.2 million to $437.8 million. Operating cashflow for the December 2010 half year of $922.1 million was an increase of 92% on the prior period. Capital expenditure was $802.2 million for the half year.

Gold production of 1,222,437 ounces was 49% higher than the corresponding period as a result of the consistent operating performance from existing Newcrest operations, the inclusion of four months of production from Lihir, Mt Rawdon and Bonikro and a full six months production from the newly commissioned operations at Ridgeway Deeps and Hidden Valley, PNG.

Copper production decreased from 45,148 tonnes to 35,406 tonnes, principally due to lower production from Cadia Valley. Cadia Valley copper and gold production was impacted by the rain events late in the 2010 calendar year on the Australian eastern sea board.

The price for both gold and copper increased sharply in both US$ and A$ terms. Operating costs were relatively stable across most assets resulting in increased group profit margins. The Group EBIT margin[4] increased to 40% (2009: 35%), and Group EBITDA margin[5] increased to 52% (2009: 46%).

Internal growth projects continued to progress well. The Gosowong Extension Project was commissioned on time and US$25 million under the budget of US$179 million. Cadia East development is progressing to its production plan, with first commercial production expected early in calendar 2013. The Lihir Million Ounce Plant Upgrade ("MOPU") continued to plan with production expected in the December quarter of the 2013 financial year.

Studies on new projects also progressed on Gosowong, Wafi-Golpu, Namosi and O'Callaghans. At Gosowong, preparations for a second underground mining front in the Toguraci area are progressing well with mining expected to commence during calendar year 2011. The Gosowong open pit also commenced a cutback with production of ore expected in the 2012 financial year. In January 2011 Newcrest signed a non-binding and non-exclusive Memorandum of Understanding ("MOU") with Mitsubishi Materials Corporation in relation to the O'Callaghans tungsten/base metals deposit.

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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 2010 ("2010") compared with the 6 months ended 31 December 2009 (the "prior period" or "2009"), 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 other significant items 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)

1. Overview (continued)

Exploration expenditure during the period of $61.8 million has been focused on study projects, improving existing resource positions and converting these resources to reserves, plus greenfields exploration in Cote d'Ivoire. A high proportion of exploration expenditure continues to be capitalised ($33.5 million or 54% of expenditure). At Wafi-Golpu, impressive exploration drilling results continued at the Golpu resource, extending the size and increasing the grade of the deposit at depth. Exploration drilling continued at Namosi targeting the Waivaka, Waisoi South and Nowai prospect areas with some pleasing results. Exploration results at Gosowong and Telfer Deeps are promising and drilling will continue during calendar year 2011.

Newcrest's financial position remains very strong, with gearing at 31 December 2010 of 1% and undrawn facilities of US$1,100 million.

Newcrest continued the progressive increase in dividends to shareholders with an increase to 10 cents per share in its interim dividend declared on 11 February 2011.

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

2.1 Lihir Gold transaction

Newcrest merged with LGL by way of Scheme of Arrangement, and assumed effective management control on 30 August 2010.

The purchase consideration of $10.480 billion consisted of:

- 280,987,564 Newcrest shares issued at $35.40 per share; and
- Cash consideration of $0.533 billion.

The accounting for the merger has been provisionally determined at the end of the reporting period. The final fair values are expected to be completed prior to 30 June 2011. Based on the provisional fair value determination, goodwill on acquisition of $4,359.5 billion has been recognised as at the effective date of the merger.

Included in the statutory profit for the current period is $134.7 million attributable to the ex-LGL business from the effective date of the merger to 31 December 2010.

As part of the transaction an integration programme was established to bring the two organisations under the one operating model. This entailed a number of key activities relating to synergies; organisation design; branding; policies and procedures; telecommunications; IT systems; business model; planning processes; office consolidation; legal and financing structures. This programme was successfully executed and the programme was completed by December 2010.

Acquisition and integration related costs of $38.0 million (pre-tax) were incurred and charged to the Income Statement in the current period. Additional costs will be incurred in the second half of the financial year to complete the integration activities. The main costs comprise legal and advisor fees; integration programme labour costs; redundancies; IT systems and process costs; and other integration costs related to training, branding, policies, and offices.

The integration will result in the previously announced target of $85 million in pre tax annual recurring synergies being exceeded. To the end of December 2010 an annualised pre tax run rate of $54 million in synergies have been implemented. This mainly comprises $39 million from lower employee costs, $6 million in lower debt facility fees, and $5 million in lower insurance costs. In addition to the recurring synergies, one-off pre tax synergy savings of $6 million is expected to be achieved in the current financial year related to insurance, listing fees, and other rebates.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.1 Lihir Gold transaction (continued)

Synergy benefits are predominantly in the following areas:

- Finance and Legal, through lower insurance; debt facility costs; and listing fees (largely achieved);
- Organisation design, from lower headcount from the rationalisation of corporate centre functions (largely achieved, represents the majority of the $54 million);
- Supply & Logistics, via lower costs associated with consumables and office consolidation (some early benefits, more to follow as major supply contracts are renegotiated); and
- Operations, lower costs from improved operating fleet productivities and material movement efficiencies as well as higher revenue from plant reliability, production rate and recovery improvements (in progress through site based planning).

Corporate costs for the merged entity on an ongoing basis will be approximately $40 million lower than the combined costs of the respective individual organisations. This reduction is as a result of rationalising the corporate functions and offices required to support the merged entity.

2.2 Profit Overview

For the half-year ended 31 December 2010, Newcrest reported Underlying Profit of $523.1 million, an increase of 96% over the prior corresponding period result of $266.6 million.

The significantly increased Underlying Profit is due to higher gold production and increased commodity prices. Sales revenue was higher due to the inclusion of the former LGL assets from September 2010, in addition to the commissioning of Hidden Valley, increases at Cadia Valley and Gosowong, and an increase in the gold and copper prices. Gold sales volumes were 57.5% higher and the average gold price for the current period of $1,359 per ounce was 16.2% higher than the same period last year. Copper volumes sold were 13.4% lower, however a 19% increase in price during the period meant that overall copper revenue increased 3.1% from the previous period. The average copper price for the half year of A$3.75 per pound compared to A$3.16 per pound in the corresponding period.

Costs of sales were 53.4% higher than the prior period, with the inclusion of the former LGL assets from September 2010 and the commissioning of Hidden Valley. Excluding the impact of these newly acquired and/or commissioned assets, mine production costs have increased only 2.5%, with controlled cost increases in labour, maintenance and overheads, and the majority of input prices falling in line with the strengthening of the Australian dollar.

Inventory drawdowns of $1.8 million for the existing assets were charged to costs in the current period, compared to a credit to costs of $66.5 million in the comparative period, mostly due to a large stockpiling of ore stockpiled at both Telfer and Cadia Hill in the previous half year. Deferred mining adjustments in the prior period resulted in a charge to costs of $29.2 million, mostly relating to Cadia Hill amortisation. In the current period, the group adjustment was negligible as amortisation from Cadia Hill was offset by the deferral of costs associated with new cutback development at Telfer.

Exploration expenditure charged to profit increased during the current period, reflecting a higher level of gross expenditure, mainly due to the greenfields exploration in Cote d'Ivoire.

Statutory Profit for the half-year of $437.8 million was a 148% increase on the $176.2 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. In addition, the Statutory Profit includes transaction and merger integration costs of $38.0 million pre-tax in relation to the LGL merger.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.2 Profit Overview (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 2009		**266.6**
Changes in revenues:		
Volume:		
Gold	507.0	
Copper	(39.3)	
Silver	6.6	
Price:		
Gold	252.3	
Copper	48.3	
Silver	3.9	778.8
Changes in mine costs:		
Mine production cost	(288.7)	
Deferred mining and inventory movement	23.9	
Treatment, realisation and royalty	(15.6)	
Depreciation	(107.7)	(388.1)
Other costs:		
Corporate administration	(1.2)	
Exploration	(11.3)	
Other revenue and Other income/expense	(6.6)	
Finance costs	(6.9)	(26.0)
Tax and non-controlling interest:		
Income tax expense	(96.1)	
Non-controlling interest	(12.1)	(108.2)
Underlying profit for the half-year ended 31 Dec 2010		**523.1**

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.3 Revenue

		6 months to 31 Dec 2010	6 months to 31 Dec 2009	% Change
Production volumes				
Gold [1,2]	oz	1,222,437	819,417	49.2
Copper [2]	t	35,406	45,148	(21.6)
Sales volumes				
Gold	oz	1,208,168	767,250	57.5
Copper	t	36,603	42,258	(13.4)
Realised prices				
Gold	A$/oz	1,359	1,170	16.2
Copper	A$/lb	3.75	3.16	18.7
Average AUD:USD		0.9441	0.8708	8.4
Revenue				
Gold	$m	1,641.6	882.3	86.1
Copper	$m	303.0	294.0	3.1
Silver	$m	21.7	11.2	93.8
Total Sales Revenue	$m	1,966.3	1,187.5	65.6

1. The six months to 31 Dec 2009 includes pre-production ounces from Hidden Valley (24,682 ounces.)
2. The six months production to 31 Dec 2010 includes 1,643 pre-production gold ounces and 240 copper tonnes for the Cadia East project. These ounces have been capitalised and excluded from the unit cost calculations and profit and loss reporting.

The higher gold sales volumes and increased gold price have resulted in a significant increase in gold revenue. The higher copper price has more than offset the impact of lower copper sales volumes to also increase copper revenue compared to the prior period. Gold revenue represented 83.5% of Newcrest's overall sales revenue (2009: 74.3%).

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.3 Revenue (continued)

Gold production and sales by site:

Ounces	6 months to 31 Dec 2010		6 months to 31 Dec 2009	
	Gold Production	Gold Sales	Gold Production	Gold Sales
Cadia	175,966	174,589	127,998	119,104
Ridgeway	67,048	74,776	99,785	96,572
Cadia East	1,643	-	-	-
Telfer	339,167	325,511	347,539	327,652
Gosowong	217,829	221,802	182,256	174,508
Cracow	36,215	34,616	37,157	36,054
Hidden Valley	48,156	47,795	24,682	13,360
Lihir	277,961	270,685	-	-
Bonikro	27,399	25,129	-	-
Mt Rawdon	31,053	33,265	-	-
Total	**1,222,437**	**1,208,168**	**819,417**	**767,250**

Copper production and sales by site:

Tonnes	6 months to 31 Dec 2010		6 months to 31 Dec 2009	
	Copper Production	Copper Sales	Copper Production	Copper Sales
Cadia	11,380	12,188	14,158	13,759
Ridgeway	7,560	8,465	13,164	12,459
Cadia East	240	-	-	-
Telfer	16,226	15,950	17,826	16,040
Total	**35,406**	**36,603**	**45,148**	**42,258**

2.3 Revenue (continued)

Total gold production increased 49.2% to 1,222,437 ounces compared to the previous half year result. Movements by operation were as follows:

- The merger with LGL brought the following additions to Newcrest's production profile:
  - Lihir 277,961 ounces;
  - Bonikro 27,399 ounces; and
  - Mt Rawdon 31,053 ounces.

  Note that the production and sales figures for the former LGL sites are for the four months ended 31 December 2010.

  Bonikro's production in October and November was strong before operations were suspended in December as a precautionary measure following disputed elections in Cote d'Ivoire. Production at Bonikro has restarted in February 2011;
- 2% decrease of 8,372 ounces at Telfer due to a lower grade in the open cut and associated lower recovery rates, though this was partly offset by higher mill throughput;
- 37% increase of 47,968 ounces at Cadia Hill, due to the access to higher grades in the bottom of the pit. However, record rainfall in December blocked access to high-grade ore during the end of the period;
- 33% decrease of 32,737 ounces at Ridgeway, due to lower throughput and grade, though recoveries improved. Ridgeway Deep Block Cave continued its ramp-up of production;
- 1,643 commissioning ounces at Cadia East. Revenue is capitalised as part of the project;
- 20% increase of 35,573 ounces at Gosowong due mainly to higher grades;
- 3% decrease of 942 ounces at Cracow, due to a reduction in grade, although mill throughput was slightly higher. Recovery rates remain consistent between periods; and
- 95% increase of 23,473 ounces at Hidden Valley (Newcrest 50% share) as the ramp-up to full production continues, bringing with it higher gold feed grades and improved recoveries.

Total gold revenue grew by 86.1% to $1,641.6 million (2009: $882.3 million). The average gold price of A$1,359 per ounce was 16.2% higher than the prior period (A$1,170 per ounce).

Group copper revenue increased by 3.1% to $303.0 million due to higher prices offsetting lower sales volumes. The average copper price of A$3.75 per pound was 19% higher than the $A3.16 per pound in the prior period.

Silver revenue increased by $10.5 million to $21.7 million due to higher silver prices and higher silver ounces sold. Sales volumes increased by 58.8% to 900,992 ounces predominantly due to Hidden Valley continuing development to full production. The average silver price of $24.08 per ounce was 19.3% higher than the $20.19 per ounce in the prior period.

NEWCREST MINING LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.4 Costs

Mine cost of sales

$M	31 Dec 2010	31 Dec 2009	Change $M
Mine production costs by asset	**816.6**	**527.9**	**288.7**
• Cadia Valley	170.2	174.9	(4.7)
• Telfer	285.4	275.6	9.8
• Gosowong	66.2	60.0	6.2
• Cracow	19.2	17.4	1.8
Newly acquired/commissioned asset			
• Hidden Valley	57.1	-	57.1
• Lihir	160.1	-	160.1
• Bonikro	29.8	-	29.8
• Mt Rawdon	28.6	-	28.6

$M	31 Dec 2010 Group	31 Dec 2010 New Assets	31 Dec 2010 Existing Assets	31 Dec 2009[1]	% Change[2] Increase/ (Decrease)
Mine production costs	**816.6**	**275.6**	**541.0**	**527.9**	**2.5**
• Employee Salaries	141.5	48.2	93.3	90.0	3.6
• Maintenance incl Contract Labour	207.0	86.5	120.6	119.7	0.8
• Mining Contracts	63.2	7.6	55.6	52.4	6.1
• Fuel & Lubes	84.2	39.8	44.4	43.3	(2.6)
• Utilities & Power	48.0	1.9	46.1	40.9	12.7
• Liners & Grinding Media	57.1	6.7	50.4	51.2	(1.5)
• Mining Consumables	115.4	45.0	70.4	71.9	(2.1)
• Other Input Costs	100.2	39.9	60.2	58.5	2.9
Deferred mining costs	(16.7)	(14.2)	(2.5)	29.2	
Inventory movements	(44.5)	(46.3)	1.8	(66.5)	
Treatment & Realisation Costs	62.0	2.7	59.3	72.2	(17.9)
Royalties	56.8	12.0	44.8	31.0	44.5

1. The prior period comparatives have been restated in line with the new Newcrest Group cost model. The primary movements are between "Maintenance" and the "Mining Contracts" cost classifications, with minor variances in other cost categories.
2. The reported change percentages exclude the impact of the newly acquired and/or commissioned assets of LGL and the Morobe Mining Joint Ventures, as these assets do not have comparative cost history.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.4 Costs (continued)

Overall mine production costs have increased 54.7% to $816.6 million, with the inclusion of four months post merger costs for the former LGL assets, and the first full six months of operating costs for the Hidden Valley asset. Excluding the impact of these newly acquired and commissioned sites, mine production costs rose a modest 2.5%. Overall production costs at Cadia Valley Operations have declined due to reduced mining activity at Cadia Hill, as the pit approaches the end of its mine life. Resources have been successfully redeployed to the Cadia East Development, Telfer Operations and the new Integrated Operations Centre in Orange, which is planned to provide services to all Newcrest Operations.

The continued strength of the A$ has seen price falls in most US$ commodity inputs, with the exception of diesel. However at Gosowong, the strengthening Indonesian rupiah and higher US denominated fuel costs has seen overall production costs increase by 10% on translation to A$. There are also continuing benefits arising from the ongoing cost control initiatives surrounding maintenance planning and contractor management.

Employee costs are 3.6% higher, with manning reductions at Cadia and stable manning at other sites, and an average salary increase of 5%.

Equipment hire is included within the cost category “Mining Contracts”, largely driving the 6.1% increase in this category. Two hired mobile crushing plants have been commissioned at Cadia Valley to assist processing throughput by reducing the ore grind size and to provide additional crushing capacity during repairs to the primary crusher in quarter 1 of this year.

While diesel consumption has fallen across the Group due to lower material movements at both the Cadia Hill and Telfer open pit mines, there has been an overall increase in fuel costs of $1.1 million. Fuel price increases have been moderate for the Australian operations. Gosowong has experienced input price increase of 35%. This has been the primary driver of the overall increased costs at this operation, as diesel is used to generate electricity for the processing plant as well as the fuel source for the mobile fleet.

Power costs have increased by 12.7%, driven by a combination of higher energy requirements due to processing circuit modifications at Cadia Valley and increased milling rates at Telfer, and higher unit costs at Cadia Valley. Until May 2010, Cadia Valley benefitted from a long term energy supply contract, with comparatively low unit rates. The new contract terms reflect current market rates.

Grinding media costs have remained relatively stable, with an increase in consumption offsetting a decline in input prices. Consumption has increased consistent with the additional milling capacity at Cadia Valley, implemented to maintain milling rates for the harder Ridgeway Deeps ore and to maintain throughput rates while maximising metal recoveries. Contract prices for liners and grinding media peaked during the prior financial year however the prices have continued to decline in response to the strengthening A$ and softening world steel prices.

Costs incurred for mining consumables have declined by 2.1% in the current period. This cost category includes variable mining and milling costs such as heavy equipment tyres, explosives and chemical reagents, all of which have benefited from contract price falls due to the strengthening A$. Overall consumption of mining fleet tyres and explosives have declined, consistent with the lower material movements at Cadia Hill and Telfer open pits. Consumption of chemical reagents has increased at Telfer, due to both an increase in tonnes milled and an increase in chemical consumption rates per tonne due to processing harder ore.

NEWCREST MINING LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.4 Costs (continued)

The transfer of mining costs to deferred mining reduced overall costs for the existing assets by $2.5 million in the current period, compared to an increase in costs of $29.2 million in the prior period. High waste amortisation continues as the Cadia Hill pit nears the end of production, however this charge has been offset by the deferral of costs incurred in waste stripping Stage 7 at Telfer. Waste stripping of the Gosowong Cutback also commenced in the current period, resulting in the deferral of $3.0 million in mining costs. Newcrest continues to capitalise stripping costs and amortise the costs over the life of the pit on a consistent per ounce basis when the ore is extracted and processed.

There is an inventory movement charge of $1.8 million for the existing assets in the current period, compared to a credit of $66.5 million in the prior period. In the comparative period both Telfer and Cadia Hill were mining in excess of milling capacity and increasing the tonnes of ore stockpiled. Mine sequencing at both pits has reverted to mining a more standard ore and waste ratio in the current period.

Treatment, realisation and royalty costs

Treatment charges and refining costs (“TC/RCs”) of $59.3 million for the existing assets have decreased by 17.9% on the prior period – a combination of both lower concentrate production and lower TC/RC unit costs. As anticipated, TC/RCs have remained lower this period, with concentrate ocean freight prices dropping in both US$ and AU$ terms, reflecting increased vessel availability on the Australian seaboards. Treatment and realisation costs are priced in US$, and have benefited on translation to AUD due to the strengthening of the AU$ against the US$. TC/RCs for the second half of this year are expected to marginally increase in US$ terms, while ocean freight is expected to remain flat.

Royalties of $44.8 million for the existing assets for the half-year include an additional $7.4 million at Gosowong for the new three year regional development program. The remaining increase in royalty expense across the Group is consistent with the higher metal revenues.

Depreciation

Depreciation expense, included in cost of sales, increased by $107.7 million to $241.2 million. The majority of this increase was attributable to the ex-LGL assets and Hidden Valley, which were not included in the comparative period. There were also increases at Cadia Valley and Gosowong reflecting production generated from the newly developed Ridgeway Deeps mine and the increased capital base from the Gosowong Expansion Project.

Depreciation for the ex-LGL assets include premiums applied to PP&E valuations and mineral rights resulting from the provisional allocation of fair values as required for acquisition accounting. The incremental impact of this premium amortisation is approximately US$85 per ounce for Lihir, US$145 per ounce for Bonikro, and A$130 per ounce for Mount Rawdon.

Corporate Administration Costs

Corporate administration costs of $35.4 million were a slight increase of $1.2 million from the prior period. The corporate expenses include corporate costs of $24.5 million (2009: $27.6 million), depreciation of $6.6 million (2009: $2.6 million) and the accounting impact of share based remuneration of $4.3 million (2009: $4.0 million). The lower corporate costs are mostly due to costs incurred in the prior period for management restructuring and IT system implementation costs.

Exploration

Total exploration expenditure for the period was $61.8 million (2009: $50.5 million) with $28.3 million charged against income compared to $17.0 million in the prior year. The current period capitalisation rate of 54% is still relatively high due to the continued concentration of the exploration effort on brownfields and reserve definition activity.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

2.5 Other Revenue and Other Income/(Expense)

Other Revenue and Other Income/(Expense) was $3.1 million (2009: $9.7 million).

$M	6 months ended	
	31 Dec 2010	31 Dec 2009
Other Revenue		
Interest revenue	7.3	4.7
JV management fees	0.4	0.3
	7.7	5.0
Other Income/(Expense)		
Net foreign exchange gain/(loss)	(20.2)	(7.1)
Fair value gain/(loss) on gold & copper derivatives	7.9	22.3
Gain/(loss) on sale of non-current assets	-	(0.2)
Cadia Valley royalty dispute	10.9	(10.9)
Other	(3.2)	0.6
	(4.6)	4.7
Other Revenue and Other Income/(Expense)	**3.1**	**9.7**

The foreign exchange loss of $20.2 million in the current period is mostly due to the effect of the strengthening A$:US$ exchange rate on US$ denominated concentrate debtors.

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). With gold prices increasing the one month quotational period adjustments were positive.

In the prior period, the Group received an unfavourable ruling by the NSW Court of Appeal in respect to the mineral royalties dispute at Cadia Valley. Newcrest provided for this exposure. The ruling has been subsequently overturned by the High Court of Australia on appeal by the Group, and the provision has been released in the current period.

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

2.6 Finance Costs

Finance costs of $22.2 million were $6.9 million higher than the prior period. This was mostly due to higher commitment fees incurred on undrawn bilateral facilities. Newcrest increased its bilateral facilities in 2010 from US$600 million to US$1,100 million.

Interest costs on loans decreased by $0.6 million to $10.0 million, mostly due to the stronger $A against the $US (as the loans are denominated in $US.)

2.7 Income Tax Expense

The income tax expense in the current period on Underlying Profit was $216.6 million, resulting in an effective tax rate of 28.2%. The prior period tax expense on Underlying Profit was $120.4 million with an effective tax rate of 29.8%. The effective tax rate benefited from an income tax rate reduction in foreign jurisdictions.

2.8 Hedge Restructure and Other Significant Items

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 $75.2 million has been recognised in the period (2009: $134.0 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		
	2011 1st Half	2011 2nd Half	2012	Total
Total hedge losses	75.2	77.6	7.2	84.8
Tax effect	(22.6)	(23.2)	(2.2)	(25.4)
After tax hedge losses	52.6	54.4	5.0	59.4

Other close out related gains/(losses)

The other close-out related impacts include:

- Fair value loss of $2.2 million on gold put options (2009: $4.5 million loss). 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. Put options over 750,000 ounces remain, with a fair value of $0.8 million; and
- No foreign exchange gain (2009: $9.4 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 release of the gain to the Income Statement was completed in FY2010.

Business acquisition and integration costs

The LGL merger resulted in transaction and integration costs of $38.0 million (before tax) in the current period. Refer to Section 2.1 (above) for additional detail.

NEWCREST MINING LIMITED

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 increased by 92% to $922.1 million (2009: $479.7 million) driven by the higher sales volumes and prices.

3.2 Cash Flow – Investing Activities

Net cash used in investing activities for the period of $1,139.3 million was an increase of $648.9 million over the prior period. The current period included net cash payments of $271.5 million in respect to the LGL merger.

Project capital expenditure during the period was focused on projects at Cadia East ($341.4 million), MOPU ($192.2 million) and the Gosowong Expansion Project ($37.8 million).

6 months ended:	**31 Dec 10**
	$M
Capital Expenditure:	
Sustaining	90.7
Development	37.5
Projects – Constructions & Studies	674.0
	802.2
Payment for LGL (net of cash acquired)	271.5
Payment for investments	3.8
Exploration	61.8
Total	**1,139.3**

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

3.2 Cash Flow – Investing Activities (continued)

Exploration expenditure

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

- Telfer - Continued drilling of the Vertical Stockwork Corridor located below the Telfer Deeps sub-level cave mine;
- Gosowong – Drilling to the north of the previously mined Toguraci open pit;
- Papua New Guinea – Drilling at Hidden Valley, Wafi and Golpu; and
- Namosi – drilling in the Waivaka corridor.

Greenfield exploration programs were also active in Cote d'Ivoire and within the Morobe Mining JV.

A breakdown of exploration expenditure by nature was:

6 months ended:	31 Dec 10
	$M
Greenfields	14.0
Brownfields	19.0
Reserve Definition	
- Telfer	5.6
- Gosowong	5.8
- PNG (Hidden Valley & Lihir)	15.8
- Other	1.6
	28.8
Total	**61.8**

A breakdown of exploration expenditure by region was:

6 months ended:	31 Dec 10
	$M
Australia	21.9
Indonesia	10.7
Papua New Guinea	20.5
Fiji	1.5
Cote d'Ivoire	7.2
Total	**61.8**

3.3 Cash Flow – Financing Activities

Cash flows used in financing activities were an outflow of $203.2 million, compared with an outflow of $73.4 million in the prior period. For the current period, this included the repayment of an LGL loan facility post-merger of $51.7 million and a substantial increase in the cash dividend payment to members of Newcrest from $60.2 million to $125.8 million. This reflects the higher dividend rate and the larger shareholder base post LGL merger.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

4. Discussion and Analysis of the Balance Sheet

4.1 Net Assets and Total Equity

Newcrest's Net Assets increased substantially during the period by $8,950.2 million to $13,959.7 million. This was driven by the equity based merger with LGL which had an effective date of 30 August 2010.

The purchase price of $10,479.9 million on the merger date has been provisionally allocated to assets and liabilities as summarised in the first column of the table below. Key balances acquired include:

- Exploration, evaluation and development assets of $5,009.0 million, including mineral rights of $3,113.9 million;
- Goodwill of $4,359.5 million; and
- Deferred tax liabilities of $1,486.9 million.

Of the acquired assets, Lihir and Cote d'Ivoire have functional currencies of US$, while Mt Rawdon has an A$ functional currency. The US$ denominated assets were translated to A$ on the effective merger date, using an FX rate of 0.8874. With the appreciation of the A$ against the US$ during the period, the acquired values described above were proportionately lower as at the 31 December 2010 reporting date, when the assets were restated at an FX rate of 1.017, as summarised in the second column of the table below. The translation adjustment on the US$ denominated assets is held in the foreign currency translation reserve in the equity section of the balance sheet.

Business Acquisitions	**Consolidated Fair Value on Acquisition 30 Aug 2010**	**31 Dec 10**
	$M	**$M**
Assets		
Inventories	911.0	824.2
Property, plant and equipment	1,565.4	1,432.6
Exploration, evaluation and development	5,009.0	4,503.4
Goodwill on acquisition	4,359.5	3,816.1
Other assets	449.6	316.3
Total Assets	**12,294.5**	**10,892.6**
Liabilities		
Deferred tax liabilities	1,486.9	1,310.6
Other liabilities	290.5	206.5
Total Liabilities	**1,777.4**	**1,517.1**
Net Assets	**10,517.1**	**9,375.5**
Equity		
Non-controlling interests	(37.2)	(36.9)
Equity – Newcrest interest	**10,479.9**	**9,338.6**
Movement in Equity		
Profit after tax attributable to Newcrest		134.7
Movement in foreign currency translation		(1,276.0)
Total movement in equity		**(1,141.3)**

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

4.1 Net Assets and Total Equity (continued)

The acquired mineral rights will be amortised in line with the consumption of reserves at the respective assets. The goodwill is not subject to amortisation and will be assessed for impairment on an annual basis.

Other movements in Net Assets not associated with the LGL merger include an increase in property, plant and equipment and exploration, evaluation and development of $872.1 million reflecting the continued capital expenditure on Cadia East, MOPU and the completion of the Gosowong Extension Project.

Newcrest has carry forward operating tax losses of $239.0 million recognised as an asset as at 31 December 2010. This is a net reduction of $32.5 million from 30 June 2010 and represents a decrease in losses of the Newcrest Australian tax consolidated group, an increase in losses from the PNG Morobe Mining Joint Ventures and the inheritance of recognised losses from the LGL Australian tax consolidated group. The assets recognised on losses are as follows:

	$M
Newcrest Australian tax consolidated group	142.0
LGL Australian tax consolidated group	74.1
PNG Morobe Mining Joint Ventures	22.9
Asset on losses at 31 Dec 2010	**239.0**

The Newcrest Australian tax consolidated group losses 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 these losses to be fully utilised in the next one to two years. The LGL Australian and PNG losses will be utilised over a longer period.

4.2 Net Debt and Gearing

As at 31 December 2010, Newcrest had net debt, comprising total borrowings less cash, of $150.1 million, with the movement from the 30 June 2010 net cash position of $216.5 million outlined in the table below. The decrease in the cash balance during the period was largely due to the cash component of the LGL merger.

	$M
Net debt at 30 June 2010	**(216.5)**
Retranslation of USD private placement debt	(67.6)
Decrease in cash balances	437.7
Net movement in finance leases	(3.5)
Net debt at 31 Dec 2010	**150.1**

The resulting gearing ratio (net debt to net debt plus equity) as at 31 December was 1% (30 June 2010: negative 5%).

$M	**31 Dec 2010**	**30 Jun 2010**
Total debt	355.7	426.8
Less cash and cash equivalents	(205.6)	(643.3)
Net debt	150.1	(216.5)
Equity	13,959.7	5,009.5
Net debt and equity	14,109.8	4,793.0
Gearing (net debt/net debt and equity)	1%	(5%)

4.3 Liquidity and Debt Facilities

Newcrest has US dollar bilateral facilities of US$1,100 million, with nothing drawn down as at 31 December 2010. These are unsecured revolving facilities with maturities ranging between December 2012 and February 2013. Interest is based on LIBOR plus a margin.

Newcrest also has US$350 million of long-term senior unsecured notes issued into the North American Private Placement market. The notes, comprising five tranches, have a repayment profile from May 2012 to May 2020. The vast majority of the notes are at a fixed interest rate of 5.6%.

4.4 Contingent Liabilities

During the current period, legal proceedings have commenced against the Hidden Valley Joint Venture in PNG over alleged damage arising from waste rock and overburden allegedly released and dumped in the Watut River system. The damages sought by the plaintiffs are not specified. The Joint Venture has denied the allegations made against it and is defending the claim. At this stage, it is not practicable to make any reasonable assessment of the prospects of the plaintiff succeeding in their claim nor the potential liability of the Joint Venturers were the plaintiff to succeed. Accordingly, no provision has been recognised in the financial statements for this matter.

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

11 February 2011
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 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Rodney Piltz
Partner
Melbourne
11 February 2011

NEWCREST MINING LIMITED

INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated 31 Dec 2010 $M	Consolidated 31 Dec 2009 $M
Operating sales revenue	3(a)	1,966.3	1,187.5
Cost of sales	3(b)	(1,115.4)	(727.3)
Gross profit		**850.9**	**460.2**
Exploration expenses		(28.3)	(17.0)
Corporate administration expenses	3(c)	(35.4)	(34.2)
Operating profit		**787.2**	**409.0**
Other revenue	3(d)	7.7	5.0
Other income/(expenses)	3(e)	(4.6)	4.7
Finance costs	3(f)	(22.2)	(15.3)
Profit before tax, hedge restructure and other significant items		**768.1**	**403.4**
Losses on restructured and closed-out hedge contracts	3(h)	(75.2)	(134.0)
Other close-out related losses	3(i)	(2.2)	(4.5)
Foreign exchange gain on US dollar borrowings	3(j)	-	9.4
Business acquisition and integration costs	3(k)	(38.0)	-
Profit before income tax		**652.7**	**274.3**
Income tax expense	4	(186.4)	(81.7)
Profit after income tax		**466.3**	**192.6**
Profit after tax attributable to:			
Non-controlling interest		28.5	16.4
Owners of the parent		437.8	176.2
		466.3	**192.6**
Profit after tax attributable to owners of the parent comprises:			
Profit after tax attributable to owners of the parent		437.8	176.2
Losses on restructured and closed-out hedge contracts(after tax)	3(h)	52.6	93.8
Other close-out related losses (after tax)	3(i)	1.5	3.2
Foreign exchange gain on US dollar borrowings (after tax)	3(j)	-	(6.6)
Business acquisition and integration costs (after tax)	3(k)	31.2	-
Profit after tax before hedge restructure and other significant items attributable to owners of the parent (“Underlying Profit”)		523.1	266.6
Earnings per share (EPS) (cents per share)			
Basic earnings per share		65.3	36.4
Diluted earnings per share		65.2	36.3
Earnings per share on Underlying Profit:			
Basic earnings per share		78.1	55.1
Diluted earnings per share		77.9	55.0

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

NEWCREST MINING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated 31 Dec 2010 $M	Consolidated 31 Dec 2009 $M
Profit after income tax		**466.3**	**192.6**
Other Comprehensive Income			
Cashflow Hedges			
US dollar debt cashflow hedge deferred in equity		-	3.4
Other cashflow hedges deferred in equity		3.1	1.5
Losses on restructured hedge contracts transferred to the Income Statement	3(h)	75.2	134.0
Foreign exchange gains on US dollar borrowings transferred to the Income Statement	3(j)	-	(9.4)
Income tax		(23.5)	(38.5)
		54.8	91.0
Available-for-sale investments			
Net gain deferred in equity		2.7	-
		2.7	-
Foreign Currency Translation			
Foreign currency translation		(1,410.5)	(61.8)
		(1,410.5)	(61.8)
Other Comprehensive Income/(Loss) for the period, net of tax		**(1,353.0)**	**29.2**
Total Comprehensive Income/(Loss) for the period		**(886.7)**	**221.8**
Total Comprehensive Income/(Loss) attributable to:			
Non-controlling interest		17.3	12.3
Owners of the parent		(904.0)	209.5
		(886.7)	**221.8**

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

NEWCREST MINING LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	Consolidated 31 Dec 2010 $M	Consolidated 30 Jun 2010 $M
Current Assets			
Cash and cash equivalents		205.6	643.3
Trade and other receivables		310.7	280.0
Inventories		594.6	267.0
Financial derivative assets		44.3	39.4
Deferred mining		148.6	150.7
Other		104.9	30.1
Total Current Assets		1,408.7	1,410.5
Non-Current Assets			
Other receivables		0.1	8.9
Inventories		642.2	152.7
Property, plant and equipment	6	3,108.4	1,764.4
Exploration, evaluation and development	6	7,345.7	2,556.0
Goodwill	7	3,816.1	-
Other intangible assets		71.0	82.6
Deferred tax assets		239.0	271.5
Derivative and other financial assets		12.6	2.8
Deferred mining		95.4	77.7
Other		6.4	6.7
Total Non-Current Assets		15,336.9	4,923.3
Total Assets		16,745.6	6,333.8
Current Liabilities			
Trade and other payables		350.1	209.1
Borrowings		5.2	5.8
Provisions		109.5	78.7
Income tax payable		16.5	16.2
Financial derivative liabilities		28.4	17.1
Other		0.3	0.5
Total Current Liabilities		510.0	327.4
Non-Current Liabilities			
Borrowings		350.5	421.0
Provisions		141.0	87.8
Deferred tax liabilities		1,782.8	488.1
Other		1.6	-
Total Non-Current Liabilities		2,275.9	996.9
Total Liabilities		2,785.9	1,324.3
Net Assets		13,959.7	5,009.5
Equity			
Issued capital	8	13,611.9	3,639.8
Retained earnings		1,776.9	1,492.0
Reserves	9	(1,515.7)	(178.2)
Parent entity interest		13,873.1	4,953.6
Non-controlling interest		86.6	55.9
Total Equity		13,959.7	5,009.5

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

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated 31 Dec 2010 $M	Consolidated 31 Dec 2009 $M
Cash Flows from Operating Activities			
Receipts from customers		1,968.5	1,158.1
Payments to suppliers and employees		(989.5)	(627.1)
Interest received		9.3	3.8
Interest paid		(17.9)	(16.6)
Income taxes paid		(48.3)	(38.5)
Net cash provided by operating activities		**922.1**	**479.7**
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(90.7)	(42.4)
Mines under construction, development and feasibility expenditure		(708.9)	(369.6)
Exploration and evaluation expenditure		(61.8)	(50.5)
Information systems development		(2.6)	(28.0)
Acquisition of subsidiary, net of cash acquired	11	(271.5)	-
Payment for investments		(3.8)	-
Proceeds from sale of non-current assets		-	0.1
Net cash (used in) investing activities		**(1,139.3)**	**(490.4)**
Cash Flows from Financing Activities			
Proceeds from borrowings:			
• US dollar Bilateral debt		135.4	-
Repayment of borrowings:			
• US dollar Bilateral debt		(134.9)	-
• Other		(51.7)	-
Net repayment of finance lease principal		(2.4)	(1.7)
Dividends paid:			
• Owners of the parent	5	(125.8)	(60.2)
• Non-controlling interest		(23.8)	(11.5)
Net cash (used in)/provided by financing activities		**(203.2)**	**(73.4)**
Net (decrease)/increase in cash and cash equivalents		**(420.4)**	**(84.1)**
Cash and cash equivalents at the beginning of the half-year		643.3	366.4
Effects of exchange rate changes on cash held		(17.3)	(10.7)
Cash and cash equivalents at the end of the half-year		**205.6**	**271.6**

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

NEWCREST MINING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	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	Fair Value Reserve $M	Retained Earnings $M	Total $M	$M	$M
Balance at 1 July 2010	**3,639.8**	**(123.9)**	**(90.3)**	**36.0**	**-**	**1,492.0**	**4,953.6**	**55.9**	**5,009.5**
Profit for the period	-	-	-	-	-	437.8	437.8	28.5	466.3
Other Comprehensive Income for the period	-	(1,399.3)	54.8	-	2.7	-	(1,341.8)	(11.2)	(1,353.0)
Total Comprehensive Income for the period	**-**	**(1,399.3)**	**54.8**	**-**	**2.7**	**437.8**	**(904.0)**	**17.3**	**(886.7)**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	4.3	-	-	4.3	-	4.3
Dividend Reinvestment Plan	27.1	-	-	-	-	-	27.1	-	27.1
Acquisition of Lihir Gold Limited (Note 11)	9,945.0	-	-	-	-	-	9,945.0	37.2	9,982.2
Dividends paid	-	-	-	-	-	(152.9)	(152.9)	(23.8)	(176.7)
Balance at 31 December 2010	**13,611.9**	**(1,523.2)**	**(35.5)**	**40.3**	**2.7**	**1,776.9**	**13,873.1**	**86.6**	**13,959.7**

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

NEWCREST MINING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	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	$M	$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
Dividend Reinvestment Plan	12.3	-	-	-	-	12.3	-	12.3
Dividends paid	-	-	-	-	(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.

1. Corporate Information

The financial report of Newcrest Mining Limited for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 11 February 2011.

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 2010 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 2010 and considered together with any public announcements made by Newcrest Mining Limited during the half-year ended 31 December 2010 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 2010. 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.

2. Basis of Preparation and Accounting Policies (continued)

(c) Significant Accounting Policies

The Group has adopted the following new and/or revised Standards, Amendments and Interpretations from 1 July 2010:

- AASB 2009-5 Amendments arising from the Annual Improvements Project
- AASB 2009-8 Amendments– Group Cash-settled Share-based Payment Transactions
- AASB 2009-10 Amendments – Classification of Rights Issues
- AASB 2010-3 Amendments arising from the Annual Improvements Project
- Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Adoption of the above Standards, Amendments and Interpretations did not have any effect on the financial position or performance of the Group.

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

Apart from the accounting policy noted below (which has been adopted as a result of the acquisition of Lihir Gold Limited), the accounting policies, methods of computation and areas of critical accounting judgements are the same as those adopted in the most recent annual financial statements for the year ended 30 June 2010.

Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed. If this consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash-Generating Units (CGU), or groups of CGU's, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment determined in accordance with AASB 8.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGU's), to which the goodwill relates. The Group performs its impairment testing annually as at 30 June each year using discounted cash flows under the fair value less costs to sell methodology or under the value in use methodology to which goodwill and indefinite lived intangibles have been allocated.

When the recoverable amount of the CGU (group of CGU's) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a CGU (group of CGU's) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Impairment losses recognised for goodwill are not subsequently reversed.

3. Revenue and Expenses

		Consolidated	
		31 Dec 2010 $M	31 Dec 2009 $M
	Profit before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
(a)	**Operating Sales Revenue**		
	Gold	1,641.6	882.3
	Copper	303.0	294.0
	Silver	21.7	11.2
	Total Operating Sales Revenue	1,966.3	1,187.5
(b)	**Cost of Sales**		
	Mine production costs	816.6	527.9
	Royalty	56.8	31.0
	Concentrate treatment and realisation	62.0	72.2
	Deferred mining adjustment	(16.7)	29.2
	Inventory movements	(44.5)	(66.5)
		874.2	593.8
	Depreciation	241.2	133.5
	Total Cost of Sales	1,115.4	727.3
(c)	**Corporate Administration Expenses**		
	Corporate costs	24.5	27.6
	Corporate depreciation	6.6	2.6
	Equity settled share-based payments	4.3	4.0
	Total Corporate Administration Expenses	35.4	34.2
(d)	**Other Revenue**		
	Interest from other persons	7.3	4.7
	Joint venture management fees	0.4	0.3
	Total Other Revenue	7.7	5.0

NEWCREST MINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

3. Revenue and Expenses (continued)

		Consolidated	
		31 Dec 2010 $M	31 Dec 2009 $M
(e)	**Other Income/(Expenses)**		
	Profit/(loss) on sale of non-current assets	-	(0.2)
	Net foreign exchange gain/(loss)	(20.2)	(7.1)
	Fair value gain/(loss) on gold and copper derivatives	7.9	22.3
	Royalty dispute	10.9	(10.9)
	Other	(3.2)	0.6
	Total Other Income/(Expenses)	(4.6)	4.7
(f)	**Finance Costs**		
	Interest costs:		
	Interest on loans	10.0	10.6
	Finance leases	0.4	0.1
	Other:		
	Facility fees and other costs	6.6	2.2
	Discount unwind on provisions	5.2	2.4
	Total Finance Costs	22.2	15.3
(g)	**Depreciation and Amortisation**		
	Depreciation and amortisation included in:		
	Cost of Sales (note 3(b))	241.2	133.5
	Corporate Administration (note 3(c))	6.6	2.6
	Total Depreciation and Amortisation Expense	247.8	136.1

3. Revenue and Expenses (continued)

	Consolidated 31 Dec 2010 $M	Consolidated 31 Dec 2009 $M
(h) Losses on Restructured and Closed-Out Hedge Contracts		
Losses on restructured and closed-out hedge contracts transferred from reserves (Note 9(c)(i))	75.2	134.0
Applicable income tax expense/(benefit)	(22.6)	(40.2)
Total Losses on Restructured and Closed-Out Hedge Contracts (after tax)	52.6	93.8
(i) Other Close-Out Related Losses		
Fair value loss on gold put options	2.2	4.5
Applicable income tax expense/(benefit)	(0.7)	(1.3)
Total Other Close-Out Related Losses (after tax)	1.5	3.2
(j) Foreign Exchange Gain on US Dollar Borrowings		
Foreign exchange gain on US dollar borrowings transferred from reserves (Note 9(c)(ii))	-	9.4
Applicable income tax (expense)/benefit	-	(2.8)
Total Foreign Exchange Gain on US Dollar Borrowings (after tax)	-	6.6
(k) Business Acquisition and Integration Costs		
Acquisition related costs (1)	15.2	-
Integration costs (1)	22.8	-
	38.0	-
Applicable income tax expense/(benefit)	(6.8)	-
Total Business Acquisition and Integration Costs (after tax)	31.2	-

(1) Represents costs associated with the acquisition of Lihir Gold Limited on 30 August 2010. Refer Note 11.

4. Income Tax Expense

	Consolidated	
	31 Dec 2010 $M	**31 Dec 2009 $M**
Accounting profit before tax	**652.7**	**274.3**
Income tax expense calculated at 30% (2009: 30%)	195.8	82.3
- Investment, research and development allowance	(1.8)	(3.4)
- Non-deductible share-based payment expense	1.1	1.0
- Other non deductible expenses	3.0	0.6
- Effect of different tax rates in foreign jurisdictions	(10.9)	5.7
- Foreign tax losses (brought)/not brought to account	(0.8)	0.2
- (Over) provided in prior years [1]	-	(4.7)
Income tax expense per the Income Statement	**186.4**	**81.7**

[1] The over provision relates predominantly to higher research and development allowance claimed for prior years.

5. Dividends

	Consolidated	
	31 Dec 2010 $M	**31 Dec 2009 $M**
(a) Dividends declared and paid		
The following dividends were paid during the half-year:		
Final ordinary dividend for the financial year 30 June 2010: 20 cents per share (unfranked), paid 22 October 2010	152.9	
Final ordinary dividend for the financial year 30 June 2009: 15 cents per share (unfranked), paid 16 October 2009		72.5
	152.9	**72.5**

Participation in the Dividend Reinvestment Plan reduced the cash amount paid to $125.8 million (2009: $60.2 million).

(b) Dividend proposed and not recognised as a liability

Subsequent to the end of the half-year the Directors declared the following dividend:

	31 Dec 2010 $M
Interim ordinary dividend for the financial year 30 June 2011: 10 cents per share (unfranked), proposed to be paid 15 April 2011	76.5
	76.5

6. Property, Plant and Equipment & Exploration, Evaluation and Development

	Consolidated		
	Property, Plant and Equipment $M	Exploration, Evaluation and Development $M	Total $M
Carrying amount at 30 June 2010	1,764.4	2,556.0	4,320.4
Acquisition of Lihir Gold Limited (Note 11)	1,565.4	5,009.0	6,574.4
Additions	90.7	781.4	872.1
Disposals	-	-	-
Depreciation	(129.0)	(138.1)	(267.1)
Foreign currency translation	(183.1)	(862.6)	(1,045.7)
Carrying amount at 31 December 2010	**3,108.4**	**7,345.7**	**10,454.1**

7. Goodwill

	Consolidated	
	31 Dec 2010 $M	30 Jun 2010 $M
Opening balance	-	-
Acquisition of Lihir Gold Limited (Note 11)	4,359.5	-
Foreign currency translation	(543.4)	-
Closing balance	3,816.1	-

8. Issued Capital

		Consolidated	
		Half-year ended 31 Dec 2010 $M	Full year ended 30 Jun 2010 $M
Opening balance		3,639.8	3,641.6
Shares issued:			
▪ Share Option and Rights Plans	(a)	-	-
▪ Dividend Reinvestment Plan	(b)	27.1	15.4
▪ Acquisition of Lihir Gold Ltd	(c)	9,946.9	-
• Share issue costs		(1.9)	-
• Tax effect of share issue costs		-	(1.4)
▪ Share buy-back		-	(15.8)
Total Issued Capital		13,611.9	3,639.8

		Number of Ordinary Shares	
Movement in Issued Ordinary Shares		Half-year ended 31 Dec 2010	Full year ended 30 Jun 2010
Opening number of shares		483,498,777	483,344,644
Shares issued:			
▪ Share Option and Rights Plans	(a)	174,212	91,598
▪ Dividend Reinvestment Plan	(b)	677,828	451,537
▪ Acquisition of Lihir Gold Ltd	(c)	280,987,564	-
▪ Employee Share Acquisition Plan	(d)	-	43,680
▪ Share buy-back		-	(432,682)
Closing Number of Shares		765,338,381	483,498,777

(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) Represents issue of shares on 13 September 2010 pursuant to the Scheme of Arrangement between Lihir Gold Limited and its ordinary shareholders which became effective on 30 August 2010. Refer to Note 11 for further details.

(d) The Employee Share Acquisition Plan is a broad based employee share plan.

9. Reserves

		Consolidated	
		Half-year ended 31 Dec 2010 $M	Full year ended 30 Jun 2010 $M
Equity Settlements Reserve	(a)	40.3	36.0
Foreign Currency Translation Reserve	(b)	(1,523.2)	(123.9)
Hedge Reserve	(c)	(35.5)	(90.3)
Fair Value Reserve	(d)	2.7	-
Total Reserves		(1,515.7)	(178.2)

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 2010			30 June 2010		
	Gross Gains/ (Losses) $M	Tax impact $M	Net Gains/ (Losses) $M	Gross Gains/ (Losses) $M	Tax impact $M	Net Gains/ (Losses) $M
FX gains on US dollar denominated debt:						
- USD Bilateral debt [ii]	-	-	-	-	-	-
- USD Private placement notes	30.2	(9.1)	21.1	30.2	(9.1)	21.1
Losses on hedge contracts [i]	(84.8)	25.4	(59.4)	(160.0)	48.0	(112.0)
Other cashflow hedges	3.9	(1.1)	2.8	0.8	(0.2)	0.6
	(50.7)	15.2	(35.5)	(129.0)	38.7	(90.3)

9. 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		
	2011 1st Half $M	**2011 2nd Half $M**	**2012 $M**	**Total $M**
Total hedge losses	**75.2**	**77.6**	**7.2**	**84.8**
Tax effect	(22.6)	(23.2)	(2.2)	(25.4)
After tax hedge losses	**52.6**	**54.4**	**5.0**	**59.4**

(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 total foreign currency gain had been fully released to the Income Statement by the end of the 2010 financial year.

(d) Fair Value Reserve

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

10. Segment Information

The Group's operating segments are based on the internal management reports that are reviewed and used by the Group's Executive Committee (the chief operating decision 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 Mining JV (70% interest) & Mt. Rawdon, QLD, Australia
- Gosowong, Indonesia
- Lihir, Papua New Guinea
- Hidden Valley JV (50% interest), Papua New Guinea
- Bonikro, Cote d'Ivoire
- Exploration and Other

Hidden Valley was acquired on 7 August 2008 and was commissioned on 1 May 2010.

Mt Rawdon, Lihir and Bonikro were acquired on 30 August 2010. Refer to Note 11 for further details.

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.

10. Segment Information (continued)

31 Dec 2010	Cadia Valley	Gosowong	Telfer	Mt. Rawdon & Cracow(iii)	Hidden Valley	Bonikro(ii)	Lihir(ii)	Total Operations	Exploration & Other	Corporate and un-allocated (i)	Total Group
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
External Sales revenue	514.3	307.3	566.7	94.6	74.3	35.0	374.1	1,966.3	-	-	1,966.3
Other revenue	-	-	-	-	-	-	-	-	-	0.4	0.4
Total segment revenue	514.3	307.3	566.7	94.6	74.3	35.0	374.1	1,966.3	-	0.4	1,966.7
Segment EBITDA	266.3	230.3	267.4	50.1	14.2	6.6	257.2	1,092.1	(28.3)	(33.0)	1,030.8
Depreciation and amortisation	(37.5)	(29.7)	(84.0)	(14.8)	(19.1)	(6.1)	(50.0)	(241.2)	-	(6.6)	(247.8)
Segment result (Operating EBIT)	**228.8**	**200.6**	**183.4**	**35.3**	**(4.9)**	**0.5**	**207.2**	**850.9**	**(28.3)**	**(39.6)**	**783.0**
Interest revenue											7.3
Interest expense											(22.2)
Net finance costs											(14.9)
Hedge restructure & other significant items											(115.4)
Profit Before Tax											**652.7**
Segment Assets:											
At 31 Dec 2010	2,187.3	382.2	1,994.9	425.5	599.9	866.5	9,448.2	15,904.5	289.3	551.8	16,745.6
At 30 Jun 2010	1,906.6	438.9	2,033.3	67.3	681.6	-	-	5,127.7	285.1	921.0	6,333.8
Net Assets:											
At 31 Dec 2010	2,054.6	317.3	1,877.2	346.0	556.6	760.2	8,125.2	14,037.1	278.2	(355.6)	13,959.7

Notes:

(i) Includes eliminations.

(ii) Segment Result is for the period 30 Aug to 31 Dec 2010. Segment Assets and Net Assets are based on provisional amounts.

(iii) Segment Result attributable to Mt. Rawdon is for the period 30 Aug to 31 Dec 2010. Segment Assets and Net Assets attributable to Mt. Rawdon are based on provisional amounts.

10. Segment Information (continued)

31 Dec 2009	Cadia Valley Operations	Gosowong	Telfer	Cracow	Hidden Valley	Total Operations(ii)	Exploration & Other	Corporate & Unallocated(i)	Total Group
	$M	$M	$M	$M	$M	$M	$M	$M	$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	-	593.7	(17.0)	(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**	**-**	**459.6**	**(17.0)**	**(28.6)**	**414.0**
Interest revenue									4.7
Interest expense									(15.3)
Net finance costs									(10.6)
Hedge restructure & other significant items									(129.1)
Profit Before Tax									**274.3**

Notes:
(i) Includes eliminations.
(ii) Excludes eliminations between Operations and Corporate.

11. Business Acquisitions

Newcrest and Lihir Gold Limited ("LGL") entered into a Merger Implementation Agreement on 4 May 2010 to combine the two companies under a Scheme of Arrangement ("Scheme"). The Scheme was approved by LGL shareholders on 23 August 2010 and was approved by the National Court of Papua New Guinea (the Court) on 27 August 2010. In accordance with the Court Order, the Scheme became effective on 30 August 2010. Newcrest assumed effective management control of LGL on 30 August 2010.

LGL is a gold producer with operations in Papua New Guinea, West Africa and Australia. LGL has 19 subsidiaries, which are all wholly-owned except for:

- LGL Mines CI SA (90% owned). This company is the holder and operator of the Bonikro operations.
- LGL Resources CI SA (98% owned). This company is the holder of exploration permits in Cote d'Ivoire.

Details of the acquisition are as follows:

a) Consideration

	$M
Equity instruments: 280,987,564 Newcrest shares at $35.40 per share[1]	9,946.9
Cash consideration	533.0
Total consideration	**10,479.9**

[1] The fair value of $35.40 is based on the quoted price of Newcrest shares at the acquisition date (30 August 2010)

b) Net cashflow attributable to the acquisition

	$M
Cash consideration paid	533.0
Less: Cash and cash equivalent balance acquired	(261.5)
Net cash outflow	**271.5**

c) Acquisition related costs

	$M
Charged to the Income Statement (Note 3 (k))	15.2
Charged to Equity (Note 8)	1.9
Acquisition related costs incurred during the current period	17.1
Charged to the Income Statement in prior periods	12.2
Total acquisition related costs	**29.3**

11. Business Acquisitions (continued)

d) Provisional Fair Values

Details of the provisional fair values at the date of acquisition are set out below:

	Note	Consolidated Fair Value on Acquisition $M
Current Assets		
Cash and cash equivalents		261.5
Trade and other receivables		9.9
Inventories		235.6
Financial derivative assets		1.6
Other assets		52.2
Total Current Assets		560.8
Non-Current Assets		
Inventories		675.4
Property, plant and equipment	6	1,565.4
Exploration, evaluation and development	6	5,009.0
Other intangible assets		2.6
Deferred tax assets		115.7
Financial derivative assets		6.1
Deferred Mining		-
Total Non-Current Assets		7,374.2
Total Assets		7,935.0
Current Liabilities		
Trade and other payables		158.5
Borrowings		57.7
Financial derivative liabilities		1.1
Provisions		24.4
Total Current Liabilities		241.7
Non-Current Liabilities		
Borrowings		0.4
Deferred tax liabilities		1,486.9
Provisions		46.9
Other		1.5
Total Non-Current Liabilities		1,535.7
Total Liabilities		1,777.4
Provisional fair value of identifiable net assets		**6,157.6**
Non-controlling interest in identifiable acquired net assets		(37.2)
Goodwill on acquisition	7	4,359.5
		10,479.9

11. Business Acquisitions (continued)

d) Provisional Fair Values (continued)

The initial accounting for the acquisition of LGL has only been provisionally determined at the end of the reporting period. At the date of finalisation of these financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate of the likely fair values. The fair values are expected to be finalised prior to 30 June 2011.

The value of the non-controlling interest was determined based on their respective interest in the fair value of the identifiable net assets as at the acquisition date.

The goodwill reflects the unique financial characteristics of gold assets, where they generally trade at a significant premium to underlying discounted cash flows. In addition to the gold premium, the goodwill represents the value implicit in the ability to sustain and/or grow the merged Group by increasing reserves and resources through exploration as well as the increased optionality available for the total asset portfolio. In addition, a portion of the goodwill reflects the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in the business combination.

These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

e) Pro-forma Results

The Income Statement for the period ended 31 December 2010 includes Sales Revenue and Profit after Income Tax of $455.7 million and $135.2 million respectively, as a result of the acquisition of LGL.

Had the acquisition of LGL occurred at the beginning of the reporting period, the Income Statement would have included additional Sales Revenue and Profit after Tax of $219.9 million and $55.2 million respectively (representing the pro-forma results for the period 1 July to 30 August 2010).

In determining the 'pro-forma' Sales Revenue and Net Profit after tax of the Group had LGL been acquired at the beginning of the current reporting period:

- depreciation of plant and equipment, mine development and mineral rights acquired have been calculated on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements
- synergy benefits have not been taken into account.

12. Contingent Assets and Liabilities

Legal proceedings have commenced against the Hidden Valley Mine Joint Venture in PNG over alleged damage arising from waste rock and overburden allegedly released and dumped in the Watut River system. The damages sought by the plaintiffs are not specified. The Joint Venture has denied the allegations made against it and is defending the claims. At this stage, it is not practicable to make any reasonable assessment of the prospects of the plaintiffs succeeding in their claim nor the potential liability of the Joint Venturers were the plaintiffs to succeed. Accordingly, no provision has been recognised in the financial statement for this matter.

In addition to the above matter, 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 2010 annual financial report.

13. Events Subsequent to Reporting Date

On 11 February 2011, the Directors of Newcrest Mining Limited declared an interim unfranked dividend on ordinary shares in respect of the 2011 financial year. The total amount of the dividend is $75.6 million, which represents an unfranked dividend of 10c per share. The dividend has not been provided for in the 31 December 2010 financial statements.

There are no other matters or circumstances which have arisen since 31 December 2010 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

NEWCREST MINING LIMITED

DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

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 2010 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

11 February 2011
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 2010, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half- Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of 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 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of Newcrest Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

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

Ernst & Young

Ernst & Young

Rodney Piltz
Partner
Melbourne
11 February 2011