ARISTOCRAT LEISURE LIMITED

ABN 44 002 818 368

2012 HALF YEAR
PROFIT ANNOUNCEMENT

RESULTS TO BE RELEASED
TO THE MARKET

HALF YEAR INFORMATION GIVEN TO THE ASX
UNDER LISTING RULE 4.2A

ARISTOCRAT LEISURE LIMITED
BUILDING A PINNACLE OFFICE PARK
85 EPPING ROAD
NORTH RYDE NSW 2113

2012 HALF YEAR
PROFIT ANNOUNCEMENT
CONTENTS

ARISTOCRAT LEISURE LIMITED

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APPENDIX 4D

Half-Year Report

Half-year ended: 30 June 2012

Previous corresponding period: 30 June 2011

Results for announcement to the market

Statutory results				June 2012 $'000
Revenue from ordinary activities	up	27.6%	to	396,393
Profit from ordinary activities after tax	up	40.2%	to	35,359
Profit for the period attributable to members	up	39.6%	to	34,699

Dividends

	Amount per security	Franked amount per security	Record date for determining entitlements to dividends
Current year – 2012:			
- Interim dividend	4.0c	0.0c	6 September 2012
Previous year – 2011:			
- Interim dividend	2.5c	0.0c	6 September 2011
- Final dividend	4.0c	0.0c	8 March 2012

Dividend Reinvestment Plan (DRP)

The directors have determined that the Aristocrat Leisure Limited Dividend Reinvestment Plan (DRP) will remain active in respect of the 2012 interim dividend (for shareholders resident in Australia and New Zealand). The DRP participants will be issued shares which will rank equally with existing shares on issue. In accordance with the DRP rules, the DRP issue price will be calculated by reference to the arithmetic average of the daily VWAPs over a period of five days commencing on 7 September 2012. No discount is applicable, and the number of ordinary shares DRP participants will receive will be rounded up to the nearest share.

Any shareholder who wishes to participate in the DRP or to change their current participation in the DRP must lodge an application or variation notice before 5.00pm on 6 September 2012 to the Company's share registry, Boardroom Pty Limited.

Net tangible assets

	June 2012	June 2011
Net tangible assets per security	$ 0.33	$ 0.17

For further explanation of the above figures please refer to the Directors' report, media release and market presentations. Other financial information required by the Appendix 4D is contained in the financial statements.

Review of operations
for the six months to 30 June 2012
Aristocrat Leisure Limited
ABN 44 002 818 368

Key performance indicators for the current and prior corresponding period are set out below:

A$ million	Constant currency[1] 6 months to 30 June 2012	6 months to 30 June 2012	6 months to 30 June 2011	Variance vs 6 months to 30 June 2011 Constant currency[1] %	Variance vs 6 months to 30 June 2011 Reported %
Reported results[2]					
Total segment revenue from ordinary activities	395.2	399.3	312.7	26.4	27.7
Earnings before interest, tax and depreciation (EBITDA)	66.5	69.4	56.7	17.3	22.4
Earnings before interest and tax (EBIT)	47.4	50.3	38.9	21.9	29.3
Profit after tax	32.9	35.4	25.2	30.6	40.5
Profit after tax and non-controlling interest	32.2	34.7	24.9	29.3	39.4
Earnings per share (fully diluted)	5.9c	6.3c	4.6c	28.3	37.0
Total dividend per share	4.0c	4.0c	2.5c	60.0	60.0
Balance sheet/cash flow					
Net working capital/revenue	22.1%	22.3%	23.3%	(1.2)pts	(1.0)pts
Operating cash flow	28.0	29.2	15.0	86.7	94.7
Cash flow per share (fully diluted)	5.1c	5.3c	2.8c	82.1	89.3
Closing net debt	220.1	223.3	293.2	(24.9)	(23.8)

[1] Half year 2012 result adjusted for translational exchange rates using rates applying in 2011.
[2] The non-IFRS information presented in this document has not been audited or reviewed in accordance with the Australian Auditing Standards.

Group Performance Summary

The Group's performance for the six months to 30 June 2012 is ahead of the prior corresponding period and ahead of half year guidance. Growth was delivered across revenue, earnings before interest and tax (EBIT), profit after tax and operating cash flow.

Group reported profit after tax and non-controlling interest of $34.7 million, which represents a 39.4% increase (29.3% in constant currency) compared to $24.9 million in the prior corresponding period. This was predominantly delivered through improved operational performance with EBIT growth of 29.3% (21.9% in constant currency). Group revenue increased 27.7% (26.4% in constant currency) with all key regions delivering growth. North American operations delivered improvement across all key business segments demonstrated through higher unit sales, increased gaming operations delivery and larger systems installations. The momentum in the Australian business continued, clearly demonstrating the effective execution of the Group's product led strategy. Japan delivered two successful game releases in the current reporting period and despite fewer new openings this period, the Asia Pacific business maintained performance supported by a product portfolio tailored to the markets in this region.

A$ million	**6 months to 30 June [1]**
Profit after tax and non-controlling interest - HY 2011	24.9
EBIT	8.5
Interest	2.8
Income tax	(4.0)
Foreign exchange movements	2.5
Profit after tax and non-controlling interest - HY 2012	34.7

[1] The non-IFRS information presented in this document has not been audited or reviewed in accordance with the Australian Auditing Standards.

The Group result was delivered through stronger operational performance and reduced interest expense as a result of the focus to reduce debt. Higher income tax more than offset favourable foreign exchange benefits.

Reported fully diluted earnings per share of 6.3 cents represents a 37.0% increase (28.3% in constant currency) on the prior corresponding period.

Operating cash flow of $29.2 million was $14.2 million higher than the prior corresponding period and free cash flow of $14.1 million was $23.3 million higher. Improved cash flows were predominantly driven by higher earnings before interest, tax and depreciation (EBITDA) ($12.7 million higher than the prior corresponding period) and reduced cost of investment in gaming operations ($8.5 million lower than the prior corresponding period).

The Group's commitment to reducing borrowings and gearing to more conservative levels through the management of costs, capital spend and working capital is represented in the continued reduction in net debt. Net debt at 30 June 2012 decreased $69.9 million from the prior corresponding period as a result of strong free cash flow generation.

Regional Performance Summary

Operational improvement continues as is evidenced from the following key deliveries across our core segments during this reporting period:

1. Americas
   - Maintained ship share on the back of continued *Viridian WS™* penetration and new and improved game content
   - Continued growth in gaming operations install base (up 11.9%) and fee per day (FPD) (up 10.4%) driven by the release of new product
   - Continued growth in *OASIS™* customer base, with 5 new installs during the half including the largest new casino opening this period

2. Australia and New Zealand
   - Continued increase in Australian ship share
   - Launch of innovation titles within the 1c segment to complement existing library
   - Further penetration into the mid denomination segments
   - Continuation of the *Legends* strategy with high penetration of titles released to date
   - Development of pre-commitment modules to enhance our systems offering

3. ROW
   - Maintained number one market share position across Asia Pacific region
   - Continued roll out of the new hybrid cabinet in Japan and market share gains off the back of 2 new licenced game releases
   - Aristocrat Lotteries Europe expansion into the Italian VLT market progressing, with a total of 2,354 units installed
   - Global *Viridian WS™* launch completed
   - *WS Slant™* launch completed

Operational performance by region is summarised below. Reference to profit / (loss) represents earnings before interest and tax, charges for Design & Development (D&D) expenditure and corporate costs.

Americas: In local currency, North American revenue increased by 20.6% to US$175.5 million, and profit was up 7.2% to US$56.5 million. Latin America revenue increased by 22.9% to US$14.5 million, and profit was down 38.2% to US$2.1 million.

Unit sales increased 18.4% over the prior corresponding period and ship share was maintained. Due to additional opportunities in securing rebuild sales, average selling prices (ASP) were impacted. Excluding rebuilds, new unit ASP was ahead of the prior corresponding period. The gaming operations install base increased 11.9% coupled with growth in FPD of 10.4% to US$43.38 was a key driver of higher profit in the current year. This is representative of the continued momentum in growing the install base and the shift to newer product and improved product performance. Systems revenue was 57.7% up on the prior corresponding period driven by a mix of larger installs, including the largest single casino opening this period, Maryland Live!, and an increase in systems hardware sales following the release of the new nCompass product at the end of 2011.

In Latin America, revenue, in USD terms, increased 22.9% due to a 22.8% increase in unit sales volumes. Profit increased 40.0% when adjusted for cash accounting driven by customer mix (reported profit was $1.3 million below the prior corresponding period).

Australia and New Zealand: Australian revenue and profit increased 15.7% to A$84.9 million and 18.0% to A$28.2 million respectively. In constant currency, New Zealand revenue decreased by 20.8% to A$6.1m million, and profit decreased 70.4% to A$0.8 million.
Australian trade activity was significantly ahead of the prior corresponding period with 76.8% unit growth. Both the New South Wales and Queensland markets increased units by 14% and 32% respectively over the prior corresponding period. As with the second half result of 2011,

Victoria was dominated by Aristocrat supplying a mix of new and rebuild product. Whilst the rebuild offering exceeded expectations, importantly Aristocrat has now shipped more than 1,100 new Widescreen cabinets into the Victorian market since launching in May 2011.

Rest of World (ROW): Revenue increased by 51.5%, in constant currency terms, to A$124.2 million and profit increased 76.6% to A$33.2 million.

Revenue in the International – Class III segment was down 7.7% to A$51.5 million and profits down 6.9% to A$21.5 million in constant currency terms. This was primarily driven by challenging market conditions in the European and South African markets. Asia Pacific performance however was steady to the prior corresponding period, on fewer new casino openings.

In Japan revenue increased by 323.8% in local currency and this resulted in a Yen 1,668.1 million increase in profit to Yen 1,488.5 million versus Yen 179.6 million loss in the prior corresponding period driven by higher sales volumes for *Black Lagoon*™ and *Kurrogane no Linebarrels*™. Both games have performed well in the market generating improved brand awareness.

Aristocrat Lotteries Europe revenues decreased compared to the prior corresponding period, due to lower video lottery terminal (VLT) sales in the period. VLT installations increased to 2,354 this period.

Profit and loss

Results in the current year and prior corresponding period are as reported and do not include any transactions or adjustments considered abnormal.

Summary profit and loss

A$ million	6 months to 30 June 2012	6 months to 30 June 2011	Variance %
Segment revenue			
Australia and New Zealand	91.2	81.1	12.5
Americas	184.6	149.6	23.4
Rest of World and Japan	123.5	82.0	50.6
Total segment revenue	**399.3**	**312.7**	**27.7**
Segment profit			
Australia and New Zealand	29.0	26.6	9.0
Americas	57.3	52.7	8.7
Rest of World and Japan	33.2	18.8	76.6
Total segment profit	**119.5**	**98.1**	**21.8**
Unallocated expenses			
Group D&D expense	(59.0)	(51.5)	14.6
Foreign exchange	(1.5)	(0.1)	1,400.0
Corporate	(8.7)	(7.6)	14.5
Total unallocated expenses	**(69.2)**	**(59.2)**	**16.9**
EBIT	**50.3**	**38.9**	**29.3**
Interest	(10.1)	(12.9)	(21.7)
Profit before tax	**40.2**	**26.0**	**54.6**
Income tax	(4.8)	(0.8)	500.0
Profit after tax	**35.4**	**25.2**	**40.5**
Non-controlling interest	(0.7)	(0.3)	133.3
Profit after tax and non-controlling interest	**34.7**	**24.9**	**39.4**

Key metrics	**% of revenue**		**Variance**
Segment profit margin	**6 months to 30 June 2012**	**6 months to 30 June 2011**	**Pts**
Australia and New Zealand	31.8	32.8	(1.0)
Americas	31.0	35.2	(4.2)
Rest of World and Japan	26.9	22.9	4.0
Overall segment profit margin	**29.9**	**31.4**	(1.5)
Group D&D expense	14.8	16.5	(1.7)
Earnings before interest and tax	12.6	12.4	0.2
Profit after tax and non-controlling interest	8.7	8.0	0.7
Effective tax rate	12.0%	3.1%	8.9 pts

Note: During the current reporting period, the Group altered the methodology of allocating shared functional expenses across its segments. If these were restated, the prior year comparison would result in segment profit increasing by $2.7 million, corporate expense reducing by $1.1 million. The offsetting charge of $3.8 million would have been allocated to D&D.

Revenue

Segment revenue increased $82.5 million or 26.4% in constant currency (increased $86.6 million or 27.7% in reported currency), as a result of strong growth in sales from North America, Australia and Japan. This was partially offset by lower sales volumes from Europe, South Africa and European Lotteries. The Asia Pacific region maintained performance despite fewer new casino openings.

Earnings

Segment profit increased $21.4 million, 21.8% (19.6% in constant currency), compared with the prior corresponding period. The increase was driven by higher earnings from North America, Australia and Japan, partially offset by lower earnings from European Lotteries, Latin America, New Zealand, Europe and South Africa.

The Group continues to invest significantly in better games and new technology, with ongoing efficiencies reinvested in its core product development and capability. The Group's investment in D&D spend, as a percentage of revenue, was 14.8% compared to 16.5% of revenues in the prior corresponding period (15.0% on a constant currency basis). Total reported spend increased $7.5 million or 14.6% compared to the prior corresponding period (15.0% in constant currency). Adjusting for the change in the methodology of corporate cost allocation, underlying spend increased $3.8 million, 6.9% (7.2% in constant currency) representing further investment in business development opportunities and costs incurred in further restructuring of D&D resources to drive further efficiencies. The D&D headcount is currently at 739 full-time equivalents (FTE) compared to 744 FTEs as at 30 June 2011. The business continues to drive efficiencies through the Indian Development Centre, which represents 30.3% of this headcount, up from 26.7% compared to the prior corresponding period.

Cost control remains a key focus for the Group, with further actions undertaken in the current period to reduce the Group's fixed cost base. Group selling, marketing, general and administration costs (SMG&A) were in line with the prior year excluding Japan agents' commissions and employee incentive accruals recognised in line with the Group's performance and delivery. Corporate costs also reduced before the impact of employee incentive accruals.

The downward trend in net interest expense was maintained. Net interest expense has decreased ($2.8 million or 21.7%), reflecting lower average net debt levels during the period.

The effective tax rate on the reported result is 12.0%. This is higher than the 3.1% recorded in the prior corresponding period and mainly driven by the increase in earnings and mix of earnings. Similar to the prior corresponding period, the effective tax rate included prior year adjustments. Without these the effective tax rate would have been 23.8%.

Balance sheet and cash flows

Balance sheet

The balance sheet can be summarised as follows:

A$ million	30 Jun 2012	31 Dec 2011	30 Jun 2011
Net working capital	177.4	130.2	152.2
Other current/non-current assets	84.9	98.2	70.0
Property, plant and equipment	104.6	109.3	106.5
Investments in other companies	1.4	1.4	1.5
Intangibles	108.3	109.3	106.2
Other current/non-current liabilities	(54.1)	(56.5)	(50.4)
Net tax balances	90.1	92.2	106.0
Funds employed	**512.6**	**484.1**	**492.0**
Net debt	(223.3)	(232.0)	(293.2)
Total equity	**289.3**	**252.1**	**198.8**

Significant balance sheet movements from 31 December 2011 are:

Net working capital: Net working capital decreased to 22.3% of annual revenue from 23.3%, driven by improved inventory levels and trade payables, partially offset by an increase in trade receivables influenced by the increase in and timing of trade activity, specifically:

- higher sales in North America and Australia; and
- the sale of the second Japanese game in June.

Other current/non-current assets: The $13.3 million decrease primarily relates to a reduction in non-current trade debtors in the Americas and Australia.

Property, plant and equipment: The $4.7 million decrease represents net capital additions ($11.9 million) primarily relating to gaming operations units in North America, offset by the depreciation charge for the half year ($15.8 million).

Total equity: The change in total equity predominantly reflects net reported profit of $34.7 million for the period and movements in reserves.

Statement of cash flows

The movement in net debt (debt less cash), after eliminating foreign exchange movements is set out below:

A$ million	6 months to 30 June 2012	6 months to 30 June 2011
Net debt - opening balance (31 December)	**(232.0)**	**(285.8)**
Net cash inflow from operating activities	**29.2**	**15.0**
Investing cashflows	(20.9)	(24.8)
Financing cash flows	-	(0.9)
Movement in net cash	**8.3**	**(10.7)**
Effect of exchange rate changes on net debt	0.4	3.3
Net debt - closing balance (30 June)	**(223.3)**	**(293.2)**

Total net cash inflows of $8.3 million were $19.0 million higher than in the prior corresponding period. This has been predominantly driven by higher EBITDA of $12.7 million and other movements in assets and liabilities offset by increased working capital due to the increase and timing of revenues in the half year period. The prior corresponding period also included higher net tax refunds.

Fully diluted operating cash flow per share increased from 2.8 cents to 5.3 cents.

The net cash outflow from investing activities primarily represents investments in property, plant and equipment, predominantly for gaming operations units in North America. This spend is representative of the capital being invested in this segment to drive growth as we replenish and grow our footprint with new product.

The net cash flow from financing activities in the prior corresponding period relates to payments of dividends to a non-controlling interest.

Cash flow in the statutory format is set out in the half year financial statements.

Net debt at 30 June 2012 was $223.3 million, a decrease of $8.7 million from 31 December 2011. Gross debt during the period was reduced by $16.0 million.

The Group remains committed to prudently managing its borrowing and gearing levels, predominantly through the management of costs, capital spend and working capital.

Bank facilities

The Group had committed bank facilities of $375.0 million at 30 June 2012, of which $245.4 million was drawn compared to $261.4 million at 31 December 2011. Net debt levels at 30 June 2012 reduced by $8.7 million over the half year from $232.0 million as at 31 December 2011 to $223.3 million as at 30 June 2012. This reduction in debt levels primarily reflects the positive free cash flow generated by the business.

The Group's facilities are summarised as follows:

Facility	Drawn as at 30 June 2012	Limit	Maturity date
3 year debt	A$245.4m	A$375.0m	October 2015

In June 2012 the Group refinanced its $450 million term facility with a new $375 million facility maturing in October 2015. The overall reduction in the facility limit is a reflection of the Group's strong generation of free cashflows, with steady repayment of borrowings which peaked in September 2010 following the settlement of damages from the Convertible Bond litigation.

This term facility will continue to satisfy the ongoing requirements of the business and provides sufficient flexibility to execute strategic opportunities as they may arise.

Debt ratios

The Group's interest and debt coverage ratios have continued to strengthen and are as follows:

Ratio	30 June 2012	31 Dec 2011	30 June 2011
EBITDA*/interest expense**	7.0X	5.6X	4.7X
Debt/EBITDA*	1.5X	1.7X	2.7X
Net debt/EBITDA*	1.4X	1.5X	2.6X

* EBITDA and interest expense are based on the preceding 12 month results. EBITDA represents bank EBITDA, which is inclusive of interest received but excludes the impact of abnormal items.

** Interest expense shown above includes ongoing finance fees relating to bank debt facility arrangements, such as line fees.

Dividends

The Directors have authorised an interim dividend in respect of the half year ended 30 June 2012 of 4.0 cents per share ($22.0 million). The dividend will be unfranked and is expected to be declared and paid on 28 September 2012 to shareholders on the register at 5.00pm on 6 September 2012. 100% of the unfranked dividend will be paid out of conduit foreign income. The Dividend Reinvestment Plan (DRP) will be activated in respect of this dividend (for shareholders resident in Australia and New Zealand). In accordance with the DRP rules, the DRP issue price will be calculated by reference to the arithmetic average of the daily volume weighted average prices over a period of 5 days commencing on 7 September 2012. No discount will apply in determining the DRP issue price, with the number of ordinary shares DRP participants will receive being rounded to the nearest share.

The Group's ability to pay franked dividends is primarily influenced by its mix of earnings and agreed positions with various taxation authorities around the world. Based on the current mix of earnings, the 2012 interim dividend and dividends paid over the medium term are not expected to be fully franked.

Total dividends represent a payout ratio of 63% of normalised earnings, consistent with the Group's intention to maintain an annual earnings payout ratio of 50% to 70% over the medium term.

Foreign exchange

Given the extent of the Group's global operations and the percentage of its earnings derived from overseas, its reported results are impacted by movements in foreign exchange rates.

The Australian dollar was, on average, weaker against the US dollar and the Yen in the first half of 2012 compared to the prior corresponding period. The impact of translating foreign currency (translational impact) increased revenue by $4.1 million while increasing reported profit after tax and non-controlling interest by $2.5 million when compared with rates prevailing in the respective months in the prior year.

In addition, the net effect of the retranslation of the net assets of foreign controlled entities (recognised through the foreign currency translation reserve) was $93.5 million (compared to $91.9 million as at 31 December 2011).

Based on the Group's 2012 mix of profitability, the major exposure to translational foreign exchange results from the Group's US dollar profits. A US dollar 1 cent change in the US$:A$ exchange rate results in an estimated $1.0 million translational impact on the Group's annual reported profit after tax. This impact will vary as the magnitude and mix of overseas profits change.

Foreign exchange rates compared with prior corresponding periods for key currencies are as follows:

A$:	30-Jun-12	31-Dec-11	30-Jun-11	6 months to 30 June 2012 Average*	6 months to 30 June 2011 Average*
USD	1.0191	1.0156	1.0739	1.0371	1.0450
NZD	1.2771	1.3145	1.2953	1.2801	1.3245
JPY	80.89	78.73	86.33	82.43	85.33
EUR	0.8092	0.7847	0.7405	0.7950	0.7367
SEK	7.0987	7.0127	6.7834	7.0486	6.5712
ZAR	8.4409	8.3074	7.2864	8.2059	7.1876

* Average of monthly exchange rates only. No weighting applied.

Regional segment review

In this review, segment profit / (loss) represents earnings before interest and tax, and before abnormal items, charges for D&D expenditure and corporate costs. The total amount of these items is disclosed in the Group's statement of comprehensive income. Constant currency amounts refer to 2012 results restated using exchange rates applying in 2011.

Americas

US$ million	6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Revenue				
North America	175.5	145.5	30.0	20.6
Latin America	14.5	11.8	2.7	22.9
Total	**190.0**	**157.3**	**32.7**	**20.8**

US$ million	6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Profit				
North America	56.5	52.7	3.8	7.2
Latin America	2.1	3.4	(1.3)	(38.2)
Total	**58.6**	**56.1**	**2.5**	**4.5**
Margin	30.8%	35.7%	-	(4.9) pts

North America	6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Volume				
- Platforms	4,582	3,871	711	18.4
- Conversions	3,681	3,601	80	2.2
Average US$ price/unit	13,980	14,695	(715)	(4.9)
Average US$ price/unit (excluding rebuilds into secondary markets)	14,504	14,695	(191)	(1.3)
Gaming operations units	6,624	5,921	703	11.9
Gaming operations US$/day	43.38	39.30	4.08	10.4

Latin America	6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Volume				
- Platforms	1,040	847	193	22.8
- Conversions	229	155	74	47.7
Average US$ price/unit	10,346	11,640	(1,294)	(11.1)

In local currency, North American revenue increased 20.6% and profits increased by 7.2%. Overall profit margin declined 4.0 points to 32.2%, predominantly due to a higher mix of rebuild unit sales and a higher contribution of systems installations and systems module sales.

A total of 4,582 units were sold in the period, an 18.4% increase compared to the prior corresponding period. Market demand increased in the period largely as a result of new openings. The ASP achieved during the period was US$13,980 per unit, which represented a 4.9% decline on the prior corresponding period. This decline was entirely driven by an increase in rebuild unit mix which also included an uplift in sales to secondary markets. Excluding these rebuilds ASP on new units was ahead of the prior corresponding period. Sales of software conversions increased 2.2% to 3,681 units as the install base of *Viridian W*S™ units in the market continues to grow.

Gaming operations performance was strengthened, as new games and products released during the period commanded improved fee per day in an intensely competitive market. Since June 2011, the gaming operations installed base has grown by 11.9%, driven by the successful release of new game titles including *Outback Jack™* on the *Verve hd*™ cabinet, *JAWS Bounty Hunter*™ on the *Viridian WS*™ cabinet and *Superman*™ on the new *Viridian Hybrid*™ cabinet. These games contributed to the continued increase in the average fee per day which averaged US$43.38 for the half compared to the 2011 average of US$39.30 (an increase of 10.4%).

During the period, the business installed 5 *OASIS*™ Casino Management Systems into new sites, continuing to drive an increase in the total number of properties which use the *OASIS*™ Casino Management System in North America, now at 282 (net year on year increase of 13). The number of new installations was down on the prior corresponding period (5 compared to 7) however the average size of the current period installations was much larger and included the largest single casino opening, Maryland Live!. As a result, total systems revenues improved 58% to US$37.7 million.

While economic conditions and the replacement cycle are expected to remain unchanged, with a strong portfolio of new gaming operations products, the business is targeting continued growth in its gaming operations installed base and average fee per day . Significant new participation products in the pipeline include *Tarzan® & Jane*, *Sherlock Holmes*™, *Crazy Taxi*™, *Cash Express Gold Class*™, and *The Mummy*™. The business also expects continued growth from its systems business, with more new installations planned and continued sales of its new system modules.

In Latin America, platform sales volume was up 22.8% while average selling price decreased by 11.1%. The higher volume was driven by an increase in new unit sales and the lower average selling price was due to a higher mix of *MKVI*™ product sales. Revenue improvement driven by higher volumes was significant at 26.0% in reported currency terms (22.9% in local currency terms). Despite the increased revenue, reported profit reduced 38.2% due to a higher mix of customers for which profit is recognised on a cash basis. On an accruals basis, the profits increased 40.0%.

Australia and New Zealand

A$ million	Constant currency 6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Revenue				
Australia	84.9	73.4	11.5	15.7
New Zealand	6.1	7.7	(1.6)	(20.8)
Total	**91.0**	**81.1**	**9.9**	**12.2**

A$ million	Constant currency 6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Profit				
Australia	28.2	23.9	4.3	18.0
New Zealand	0.8	2.7	(1.9)	(70.4)
Total	**29.0**	**26.6**	**2.4**	**9.0**
Margin	31.9%	32.8%	-	(0.9) pts

Australia	6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Volume				
- Platforms	3,240	1,833	1,407	76.8
- Conversions	3,458	2,710	748	27.6
Average A$ price/unit	14,276	18,676	(4,400)	(23.6)
Average A$ price/unit (excluding Victorian rebuild sales)	16,618	18,676	(2,058)	(11.0)

New Zealand	6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Volume				
- Platforms	154	171	(17)	(9.9)
- Conversions	218	509	(291)	(57.2)
Average NZ$ price/unit	19,454	20,080	(626)	(3.1)

Despite competitive market conditions, revenue in Australia increased 15.7% and profit increased by 18.0%, while revenue in New Zealand decreased by 20.8% and profit decreased by 70.4% in constant currency.

A key to the strong growth in Australia, with platform unit sales increasing 76.8% year on year, has been the success of the *Viridian WS*™ and rebuild product offering into Victoria where venues have continued to secure gaming floors in preparation for deregulation in August 2012. Demand is now subsiding, however over the course of first half of 2012 Victorian units have grown close to 400% year on year. Excluding rebuild units sold to Victoria platform sales increased 27.9%.

In NSW/ACT, platform units were 14% higher than the first half of 2011 and in QLD, platform units were 32% ahead of the prior corresponding period. The increased units are attributed to both the library of strong content available and continued improvement in game performance.

The momentum from 2011 has been maintained and continued improved game performance has resulted in increased ship share across all key Australian markets.

ASP (excluding Victoria rebuild sales) declined 11.0% which was representative of changes in games mix between periods and the mix of game sales across the Australian market. Despite the decline in ASP, EBIT margins were held at 33%.

Game conversions are showing signs of improvement on the back of improved games performance across the *MKVI*™ and *Viridian™19"* products. The longer term success within the conversion segment remains Aristocrat's ability to quickly gain ship share and floor share of the new *Viridian W*S™ cabinet. Game conversions in New Zealand have reduced as a result of lower performing *Mk6* games, as noted above the development of a high performing games portfolio across the balance of 2012 will address this.

Aristocrat continues to further develop new and innovative titles across 1c and mid denomination, expanding the range of *Legends*™ titles and leveraging key brands across multiple markets.

The New Zealand result was impacted by a limited games portfolio and game delays in the Class IV market. Recovery in New Zealand will focus on developing a games portfolio of quality, high performing games supporting the entire New Zealand install base.

Rest of World and Japan

A$ million	Constant currency 6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Revenue				
International - Class III	51.5	55.8	(4.3)	(7.7)
Japan - Pachislot	68.2	16.0	52.2	326.3
Europe - Lotteries & Online	4.5	10.2	(5.7)	(55.9)
Total	**124.2**	**82.0**	**42.2**	**51.5**

A$ million	Constant currency 6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Profit				
International - Class III	21.5	23.1	(1.6)	(6.9)
Japan - Pachislot	17.6	(2.0)	19.6	980.0
Europe - Lotteries & Online	(5.9)	(2.3)	(3.6)	(156.5)
Total	**33.2**	**18.8**	**14.4**	**76.6**
Margin	26.7%	22.9%	-	3.8 pts

	6 months to 30 June 2012	6 months to 30 June 2011	Variance	Variance %
Volume - Class III Platforms	2,258	2,923	(665)	(22.8)
Volume - Pachislots	17,413	4,800	12,613	262.8
Total VLTs in operation	6,224	4,400	1,824	41.5
Pachislot average ¥ price/unit	331,574	279,610	51,964	18.6

The Group experienced strong growth from the Rest of World (ROW) segment; revenue and profit increased by 51.5% and 76.6% respectively in constant currency.

International – Class III

Asia Pacific continues to perform strongly with revenues and profits in line with the prior corresponding period. Due to the quality of the product the Group has been able to maintain ASP in the market and hold results in line with the record first half of 2011 results.

With fewer new casino openings, compared to the prior corresponding period overall unit volumes declined, however product churn across the region resulted in increased conversion revenues. Floor refurbishment, product churn and conversion activity are representative of the maturing and sustainable business throughout Asia Pacific supported by a product portfolio tailored to the markets in this region.

Trading conditions are expected to remain strong throughout 2012 and 2013 with new openings in the Philippines and Vietnam.

In Europe, constant currency revenues declined 18.0% whilst profits decreased by 40.1% compared to the prior corresponding period. The decline in the main is driven by challenging market conditions.

In South Africa, trading conditions were extremely difficult during the first half of the year due to caution over economic conditions. Constant currency revenues decreased 13.8% however profits increased by 12.4% compared to the prior corresponding period. Casino market share has been maintained largely due to the release of the *Viridian WS™* in late 2011, LPM market share has decreased from 71% to 69% as the segment continues to churn.

Trading conditions across the Rest of World portfolio outside of Asia Pacific are expected to remain challenging. The outlook in Europe remains cautious due to current global and economic conditions with the added impact of the Eurozone crisis and sovereign debt issues impacting business confidence. The Group will continue to build momentum from the *Viridian WS™* and WS *Slant™* cabinets in key European markets. The Group expects to continue to build further momentum in Spain and grow market share through penetration into the bar market. The outlook in South Africa remains cautious due to current global and local economic conditions.

Japan - Pachislot

The pachislot market shipped an estimated 599,550 units in the first half of 2012, an increase of circa 30% on the prior corresponding period which was impacted by the March 2011 earthquake and tsunami and flooding in Thailand. In local currency, revenue increased by 323.8% or Yen 4,420.2 million against the prior corresponding period, driven by a 262.8% increase in unit volumes. Total sales of the two games released in the first half (*Black Lagoon™ and Kurrogane no Linebarrels™*) was very positive with total sales exceeding expectations and reaching over 8,600 and 14,400 units (8,750 units in this half year period) respectively. *Black Lagoon™* was the second best performing game released into the pachislot market this period (measured by medal in). Average selling price was 18.6% up on the prior corresponding period mainly due to product mix, with all units shipped in the first half of 2012 being new (versus 60% in the prior corresponding period).

Europe – Lotteries & Online

Lotteries revenues decreased by 55.9% in constant currency, mainly driven by lower VLT sales which were completed in 2011. At the end of June, 2,354 and 3,870 Aristocrat VLTs were installed on the Cogetech and Norsk Tipping systems respectively. Performance remains encouraging in the Multix and Belago networks of Norsk Tipping. Cogetech was the first concessionaire in the Italian VLT market to have nine games approved and go live, in the second half an additional 5 games are being added to the network. The lotteries business is expected to benefit from the continued improvement in game performance with the release of new games. The Group continues to actively explore further value-adding opportunities for deploying its *TruServ™* system solution and terminals in emerging VLT markets.

As of 30 June 2012, Aristocrat Online had 40 games live on regulated online casino sites for real money gaming and 10 games live on a play-for-fun site (including a play for fun site for Maryland Live! in North America). Our games on Bet365, MeccaBingo and MoneyGaming continue to perform well, with *Choy Sun Doa™*, *Lucky 88™* and *More Chilli™* being our top 3 performing titles. *50 Dragons™*, *Big Red™*, *More Hearts™*, and *Sun & Moon™* were released in the second quarter, with 8 more titles scheduled to go live in the next six months. To date, collectively, we have over 20 classic titles available via 4 online platforms for continuous deployment onto top tier online operators.

In North America, we launched our first fully branded virtual casino (nLive) with initial user account management linkage to Oasis 360 (nLiveLink) in a free play environment – preparing our Oasis 360 customers for fully legalised online gaming.

Aristocrat Online will continue to expand its content distribution network in Europe (as well as other regulated online jurisdictions) and we plan to increase the number of game titles on top tier online platforms and operators, as well as grow the Aristocrat Live Network in North America through our award winning nLive solution.

Aristocrat

Consolidated financial statements for the half-year ended 30 June 2012

These financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2011 and any public announcements made by Aristocrat Leisure Limited during the reporting period and up to the date of these financial statements, in accordance with the continuous disclosure requirements of the *Corporations Act* 2001.

Aristocrat Leisure Limited ABN 44 002 818 368

Contents

Consolidated statement of comprehensive income

for the half-year ended 30 June 2012

	Notes	Half Year 2012 $'000	2011 $'000
Revenue	3	**396,393**	310,642
Cost of revenue		**(189,623)**	(140,749)
Gross profit		**206,770**	169,893
Other income	3	**4,287**	5,180
Design and development costs		**(58,965)**	(55,208)
Sales and marketing costs		**(46,461)**	(33,460)
General and administration costs		**(54,512)**	(45,980)
Finance costs		**(10,936)**	(14,365)
Profit before income tax expense		**40,183**	26,060
Income tax expense		**(4,824)**	(848)
Profit after income tax expense for the half-year		**35,359**	25,212
Other comprehensive income			
Exchange difference on translation of foreign operations		**(1,662)**	(11,015)
Changes in fair value of interest rate hedge		**145**	(583)
Other comprehensive income for the half-year, net of tax		**(1,517)**	(11,598)
Total comprehensive income for the half-year		**33,842**	13,614
Profit is attributable to:			
Owners of Aristocrat Leisure Limited		**34,699**	24,860
Non-controlling interest		**660**	352
		35,359	25,212
Total comprehensive income is attributable to:			
Owners of Aristocrat Leisure Limited		**33,182**	13,262
Non-controlling interest		**660**	352
		33,842	13,614

Earnings per share for profit attributable to ordinary equity holders of the Company		**Cents**	Cents
Basic earnings per share	7	**6.4**	4.7
Diluted earnings per share	7	**6.3**	4.6

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 30 June 2012

	30 June 2012 $'000	31 December 2011 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**22,092**	29,354
Trade and other receivables	**306,920**	241,659
Inventories	**78,238**	81,603
Financial assets	**5,929**	5,014
Other assets	**3,323**	6,120
Current tax assets	**-**	1,405
Total current assets	**416,502**	365,155
Non-current assets		
Trade and other receivables	**68,182**	78,203
Financial assets	**8,222**	8,725
Property, plant and equipment	**104,613**	109,267
Deferred tax assets	**94,425**	90,832
Intangible assets	**108,278**	109,306
Total non-current assets	**383,720**	396,333
Total assets	**800,222**	761,488
LIABILITIES		
Current liabilities		
Trade and other payables	**160,862**	156,698
Borrowings	**4,000**	-
Current tax liabilities	**4,309**	-
Provisions	**14,143**	13,621
Other liabilities	**46,221**	34,845
Total current liabilities	**229,535**	205,164
Non-current liabilities		
Trade and other payables	**77**	98
Borrowings	**241,390**	261,392
Provisions	**14,940**	16,096
Other liabilities	**24,961**	26,594
Total non-current liabilities	**281,368**	304,180
Total liabilities	**510,903**	509,344
Net assets	**289,319**	252,144
EQUITY		
Contributed equity	**230,767**	209,043
Reserves	**(117,230)**	(119,032)
Retained earnings	**177,895**	164,863
Capital and reserves attributed to owners	**291,432**	254,874
Non-controlling interest	**(2,113)**	(2,730)
Total equity	**289,319**	252,144

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the half-year ended 30 June 2012

	Attributable to owners of Aristocrat Leisure Limited					
	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 January 2011	187,625	(117,827)	120,083	189,881	(2,009)	187,872
Profit for the half-year	-	-	24,860	24,860	352	25,212
Other comprehensive income	-	(11,598)	-	(11,598)	-	(11,598)
Total comprehensive income for the half-year	-	(11,598)	24,860	13,262	352	13,614
Transactions with owners in their capacity as owners:						
Contributions of equity	8,007	-	-	8,007	-	8,007
Net movement in share-based payments reserve	-	(1,633)	-	(1,633)	-	(1,633)
Dividends provided for or paid	-	-	(7,985)	(7,985)	(929)	(8,914)
Net movement in reserves attributable to non-controlling interest	-	-	-	-	(176)	(176)
	8,007	(1,633)	(7,985)	(1,611)	(1,105)	(2,716)
Balance at 30 June 2011	195,632	(131,058)	136,958	201,532	(2,762)	198,770
Balance at 1 January 2012	**209,043**	**(119,032)**	**164,863**	**254,874**	**(2,730)**	**252,144**
Profit for the half-year	**-**	**-**	**34,699**	**34,699**	**660**	**35,359**
Other comprehensive income	**-**	**(1,517)**	**-**	**(1,517)**	**-**	**(1,517)**
Total comprehensive income for the half-year	**-**	**(1,517)**	**34,699**	**33,182**	**660**	**33,842**
Transactions with owners in their capacity as owners:						
Contributions of equity	**21,724**	**-**	**-**	**21,724**	**-**	**21,724**
Net movement in share-based payments reserve	**-**	**3,319**	**-**	**3,319**	**-**	**3,319**
Dividends provided for or paid	**-**	**-**	**(21,667)**	**(21,667)**	**-**	**(21,667)**
Net movement in reserves attributable to non-controlling interest	**-**	**-**	**-**	**-**	**(43)**	**(43)**
	21,724	**3,319**	**(21,667)**	**3,376**	**(43)**	**3,333**
Balance at 30 June 2012	**230,767**	**(117,230)**	**177,895**	**291,432**	**(2,113)**	**289,319**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the half-year ended 30 June 2012

	Note	Half-year 2012 $'000	Half-year 2011 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**381,696**	314,328
Payments to suppliers and employees (inclusive of goods and services tax)		**(342,438)**	(295,039)
		39,258	19,289
Other income		**384**	468
Interest received		**3,596**	3,217
Interest paid		**(12,369)**	(13,916)
Income taxes (paid)/refunded		**(1,661)**	5,950
Net cash inflow from operating activities		**29,208**	15,008
Cash flows from investing activities			
Payments for property, plant and equipment		**(18,150)**	(29,718)
Payments for intangibles		**(2,821)**	(635)
Loan repayments from related parties		**-**	646
Proceeds from sale of property, plant and equipment		**30**	4,931
Net cash outflow from investing activities		**(20,941)**	(24,776)
Cash flows from financing activities			
Proceeds from issue of shares		**15,821**	5,622
Proceeds from borrowings		**123,925**	102,249
Repayment of borrowings		**(139,178)**	(100,250)
Dividends paid to company's shareholders	4	**(15,765)**	(5,600)
Dividends paid to non-controlling shareholder		**-**	(929)
Net cash (outflow)/inflow from financing activities		**(15,197)**	1,092
Net decrease in cash and cash equivalents held		**(6,930)**	(8,676)
Cash and cash equivalents at the beginning of the half-year		**29,354**	19,840
Effects of exchange rate changes on cash and cash equivalents		**(332)**	(753)
Cash and cash equivalents at the end of the half-year		**22,092**	10,411

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the half-year ended 30 June 2012

Note 1. Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act* 2001.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this financial report is to be read in conjunction with the annual report for the year ended 31 December 2011 and any public announcements made by Aristocrat Leisure Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act* 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Comparative information is reclassified where appropriate to enhance comparability.

Impact of standards issued but not yet applied by the group

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

The AASB amended AASB 101 Presentation of Financial Statements to require entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. The standard is applicable for reporting periods after 1 July 2012. The revised standard will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period. The group intends to adopt the new standard from 1 October 2012.

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports remain unchanged, but these requirements are currently subject to review and may also be revised in the near future.

Note 2. Segment information

Description of segments

Operating segments are reported based on the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors and the Executive Leadership Team, who have determined operating segments based on a geographical perspective and have identified the following reportable segments:

- The Americas;
- Australia and New Zealand;
- Japan; and
- Rest of world.

Segment result is measured on the basis of segment profit before tax and excludes design and development expenditure, charges for intercompany licence fees and advanced pricing agreements, impairment of intangibles and other non-trading assets. Head office expenses are included in the segment result as they are allocated and charged out to each of the segments. Segment revenues are allocated based on the country in which the customer is located. Sales between segments are carried out at arm's length and eliminate on consolidation.

Reportable segments are reconciled to the consolidated financial statements on the following two pages. Half-year comparatives have been restated to align with the segments presented in the current half-year financial statements.

Notes to the consolidated financial statements

for the half-year ended 30 June 2012

Note 2. Segment information

Half-year 2012	Australia and New Zealand $'000	The Americas $'000	Japan $'000	Rest of world $'000	Consolidated $'000
Revenues from external customers	88,241	184,628	69,176	54,348	396,393
Other segment revenue from external customers	2,933	-	-	-	2,933
Segment revenue	91,174	184,628	69,176	54,348	**399,326**
Segment result	28,979	57,315	17,697	15,473	119,464
Interest revenue not allocated to segments					854
Interest expense					(10,936)
Design and development expenditure					(58,965)
Other					(10,234)
Consolidated profit before tax					**40,183**

Notes to the consolidated financial statements

for the half-year ended 30 June 2012

Note 2. Segment information

Half-year 2011	Australia and New Zealand $'000	The Americas $'000	Japan $'000	Rest of world $'000	Consolidated $'000
Revenues from external customers	78,991	149,608	16,041	66,002	310,642
Other segment revenue from external customers	2,065	-	-	-	2,065
Segment revenue	81,056	149,608	16,041	66,002	**312,707**
Segment result	26,631	52,748	(2,049)	20,759	98,089
Interest revenue not allocated to segments					1,515
Interest expense					(14,365)
Design and development expenditure					(51,502)
Other					(7,677)
Consolidated profit before tax					**26,060**

Notes to the financial statements

for the half-year ended 30 June 2012

	Half Year 2012 $'000	Half Year 2011 $'000
Note 3. Profit for the half-year		
(a) Revenue		
Sale of goods	**287,580**	207,828
Gaming operations and services	**108,813**	102,814
Total revenue	**396,393**	310,642
(b) Other income		
Interest	**3,787**	3,580
Foreign exchange gains	**85**	1,023
Gain on disposal of property, plant and equipment	**9**	109
Sundry income	**406**	468
Total other income	**4,287**	5,180
(c) Expenses		
(i) Depreciation and amortisation		
Depreciation and amortisation of property, plant and equipment		
- Buildings	**285**	253
- Plant and equipment	**14,317**	13,168
- Leasehold improvements	**1,198**	1,332
Total depreciation and amortisation of property, plant and equipment	**15,800**	14,753
Amortisation of intangible assets		
- Computer technology	**2,929**	3,035
- Licences	**67**	-
- Development costs	**321**	321
Total amortisation of intangible assets	**3,317**	3,356
Total depreciation and amortisation	**19,117**	18,109
(ii) Employee benefits expense		
Total employee benefits expense	**104,088**	90,678
(iii) Lease payments		
Rental expense relating to operating lease		
- Minimum lease payments	**8,743**	8,418
(iv) Other significant items		
- Impairment losses on trade receivables	**1,618**	(111)
- Write down of inventories to net realisable value	**2,091**	2,856
- Legal costs	**4,086**	5,066
(d) Net foreign exchange (loss)/gain		
Foreign exchange gain	**85**	1,023
Foreign exchange loss	**(1,589)**	(1,134)
Net foreign exchange (loss)/gain	**(1,504)**	(111)

Notes to the consolidated financial statements

for the half-year ended 30 June 2012

	Half-year 2012 $'000	Half-year 2011 $'000
Note 4. Dividends		
Dividends provided for or paid during the half-year:		
- 2010 - 1.5 cents, unfranked, per fully paid share, paid on 28 March 2011	**-**	7,985
- 2011 - 4.0 cents, unfranked, per fully paid share, paid on 3 April 2012	**21,667**	-
Total dividends provided for or paid during the half-year	**21,667**	7,985
Dividends paid were satisfied as follows:		
Paid in cash	**15,765**	5,600
Paid through the dividend reinvestment plan	**5,902**	2,385
Total dividends paid during the half-year	**21,667**	7,985

Dividends not recognised at the end of the period

Since the end of the half-year the directors have recommended the payment of an interim dividend of 4.0 cents (2011 - 2.5 cents) per fully paid ordinary share, unfranked. The aggregate amount of the proposed interim dividend expected to be paid on 28 September 2012, but not recognised as a liability at the end of the half-year is:	**21,967**	13,412

Dividend Reinvestment Plan (DRP)

The directors have determined that the Aristocrat Leisure Limited Dividend Reinvestment Plan (DRP) will remain active in respect of the 2012 interim dividend (for shareholders resident in Australia and New Zealand). The DRP participants will be issued shares which will rank equally with existing shares on issue. In accordance with the DRP rules, the DRP issue price will be calculated by reference to the arithmetic average of the daily VWAPs over a period of five days commencing on 7 September 2012. No discount is applicable, and the number of ordinary shares DRP participants will receive will be rounded up to the nearest share.

Any shareholder who wishes to participate in the DRP or to change their current participation in the DRP must lodge an application or variation notice before 5.00pm on 6 September 2012 to the Company's share registry, Boardroom Pty Limited.

	Half-year 2012 Shares	Half-year 2011 Shares	Half-year 2012 $'000	Half-year 2011 $'000
Note 5. Equity securities issued				
Issues of ordinary shares during the half-year				
Shares issued under dividend reinvestment plan	**2,020,484**	745,022	**5,902**	2,385
Shares issued under dividend underwriting arrangement	**5,301,381**	1,751,375	**15,822**	5,622
Total equity securities issued during the half-year	**7,321,865**	2,496,397	**21,724**	8,007

Note 6. Events occurring after reporting date

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial reporting periods.

Note 7. Earnings per share

	Half-year	
	2012 Cents	2011 Cents
Basic earnings per share	**6.4**	4.7
Diluted earnings per share	**6.3**	4.6

	Half-year	
	2012 Number	2011 Number
Weighted average number of ordinary shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**545,241,598**	533,649,845
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**545,241,598**	533,649,845
Effect of share based payment arrangements	**2,249,374**	1,284,515
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**547,490,972**	534,934,360

	Half-year	
	2012 $'000	2011 $'000
Reconciliation of earnings used in calculating diluted earnings per share		
Profit attributable to members of Aristocrat Leisure Limited	**34,699**	24,860
Earnings used in calculating diluted earnings per share	**34,699**	24,860

Information concerning the classification of securities

(a) Share based payments

Rights granted to employees under share based payment arrangements are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The rights have not been included in the determination of basic earnings per share.

(b) Share-based payments trust

Shares purchased on-market through the Aristocrat Employee Equity Plan Trust have been treated as shares bought back and cancelled for the purpose of the calculation of the weighted average number of ordinary shares used as the denominator in calculating basic earnings per share.

Note 8. Contingent liabilities

The Group had contingent liabilities at 30 June 2012 in respect of the following matters:

(i) a contingent liability may exist in relation to certain guarantees and indemnities given in the ordinary course of business by the Group;

(ii) controlled entities within the Group are and become parties to various legal actions in the ordinary course of business and from time to time. The Directors consider that any liabilities arising from this type of legal action are unlikely to have a material adverse effect on the Group;

(iii) controlled entities within the Group are and become parties to various legal actions concerning intellectual property claims. Intellectual property claims can include challenges to the Group's patents on various products or processes and/or assertions of infringement of third party patents.

Most intellectual property claims involve highly complex issues. Often, these issues are subject to substantial uncertainties and therefore the probability of damages, if any, being sustained and an estimate of the amount of damages is difficult to ascertain. Based on the information currently available, the Directors consider that current claims are unlikely to have a material adverse effect on the Group;

(iv) under the terms of existing Senior Executive service contracts, termination benefits may be required to be paid by the Group. The amounts (if any) depend upon the specific circumstances of the case and the relevant terms of those contracts; and

(v) Aristocrat Leisure Limited, Aristocrat International Pty Ltd, Aristocrat Technologies Australia Pty Ltd, Aristocrat (Asia) Pty Limited and Aristocrat (Macau) Pty Limited are parties to a deed of cross guarantee which has been lodged with and approved by the Australian Securities & Investments Commission.

Note 9. Borrowings

Available facilities

In June 2012, the group re-negotiated its existing loan facility arrangements. The total available amount under the facility reduced from $450 million to $375 million. The facility which had been due to expire on 23 June 2013 now expires on 30 October 2015. The loans recognised are floating rate, multi currency loans which are carried at amortised cost.

Borrowings are at a floating interest rate. A portion of the interest rate exposure has been fixed under separate interest rate swap arrangements.

This committed bank facility is secured by a negative pledge that imposes certain financial covenants. The Group was in compliance with the imposed covenants at reporting date.

The bank loan facility arrangements are structured as follows:

- Facility A - $355,000,000 tranche maturing 30 October 2015.
- Facility B - $20,000,000 tranche maturing 30 October 2015.

Other facilities relate to:

- JPY 1.5 billion Uncommitted Borrowing facility with Mizuho Bank Ltd (Japan), which is subject to annual review. As at 30 June 2012, there were no drawings made under this facility.
- Uncommitted money market borrowing line with Westpac Banking Corporation.

The bank overdraft facilities ($5,000,000 and US$2,000,000) are subject to annual review.

Undrawn borrowing facilities

The Group's undrawn borrowing facilities were as follows:

	30 June 2012 $'000	31 December 2011 $'000
Floating rate		
- Expiring within one year (bank overdrafts, loans and other facilities)	**29,544**	33,973
- Expiring beyond one year	**133,533**	188,608
	163,077	222,581

Directors' declaration

for the half-year ended 30 June 2012

In the directors' opinion:

(a) the financial statements and notes set out on pages 3 to 14 are in accordance with the *Corporations Act 2001* including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance, for the half-year ended on that date; and

(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.

This declaration is made in accordance with a resolution of the directors.

Dr ID Blackburne
Chairman

Sydney
Date: 27 August 2012

Independent auditor's review report to the members of Aristocrat Leisure Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aristocrat Leisure Limited, which comprises the consolidated statement of financial position as at 30 June 2012, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Aristocrat Leisure Limited (the consolidated entity). The consolidated entity comprises both Aristocrat Leisure Limited (the company) and the entities it controlled during that 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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aristocrat Leisure Limited, 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*.

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 Aristocrat Leisure 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 30 June 2012 and of its performance for the half-year ended on that date; and

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

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Hump

Stephen Humphries
Partner

27 August 2012

Directors' report
for the 6 months ended 30 June 2012
Aristocrat Leisure Limited
ABN 44 002 818 368

The directors present their report together with the financial statements of Aristocrat Leisure Limited and its controlled entities (the 'Consolidated Entity') for the six months ended 30 June 2012. This report is made on 27 August 2012.

Directors

The directors of Aristocrat Leisure Limited (the 'Company') during the six months under review and up to the date of this report, unless otherwise stated, are:

ID Blackburne (Non-Executive Chairman)
JR Odell (Managing Director and Chief Executive Officer)
DCP Banks (Non-Executive Director)
RA Davis (Non-Executive Director)
RV Dubs (Non-Executive Director)
GL Flock (Non-Executive Director)
SW Morro (Non-Executive Director)

Review and results of operations

A review of the operations of the Consolidated Entity for the half-year ended 30 June 2012 is set out in the attached Review of Operations which forms part of this Directors' Report. The operating result of the Consolidated Entity attributable to shareholders for the half-year ended 30 June 2012 was a profit of $34.7 million after tax and minority interest (2011: $24.9 million).

Auditor's Independence Declaration

The Auditor's Independence Declaration as required by section 307C of the Corporations Act 2001 is included at the end of this report.

Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Australian Securities & Investments Commission Class Order 98/0100 dated 10 July 1998 (updated by Class Order 05/641 effective 28 July 2005 and Class Order 06/51 effective 31 January 2006) relating to the 'rounding off' of amounts in the Directors' Report and Financial Statements. Amounts in the Directors' Report and Financial Statements have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

ID Blackburne
Chairman
27 August 2012

Auditor's Independence Declaration

As lead auditor for the review of Aristocrat Leisure Limited for the half year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Aristocrat Leisure Limited and the entities it controlled during the period.

S. Hump

Stephen Humphries
Partner
PricewaterhouseCoopers

27 August 2012

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