



Aristocrat Leisure Limited

Results for the 6 months ended 30 June 2007

Chief Executive Officer
& Managing Director
Paul Oneile

Chief Financial Officer
& Finance Director
Simon Kelly



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Paul Oneile
Chief Executive Officer and
Managing Director

Summary of Results

- **Total Revenue \$566 million – up 14.1%**
- **Profit After Tax \$126 million – up 19.8%**
- **Underlying constant currency growth approx 10 pp higher**
- **Investment in research and development – up 24.2%**
- **Solid underlying operating cash**
- **14 cps Interim dividend – up 16.7%**
- **Diluted EPS at constant currency up 31.1%**
- **Next phase of capital management**

Simon Kelly
Chief Financial Officer
and Finance Director

Actual vs. Guidance Overview

		Actual Half 1 2007	Guidance Half 1 2007	Actual Half 1 2006
Revenue				
Japan				
Units	no	11,063	20,000	1,787
Non-Japan				
Underlying Growth vs pcg	%	16.4%	20%	
Research and Development				
R&D/LTM Revenue	%	9.1%	9%	6.2%
Profit after Tax				
	\$m	126.1	120 - 125	104.7
Growth vs pcg	%	19.8%	15 - 20%	
Underlying Growth vs pcg	%	29.9%	30%	
Net Working Capital (NWC)				
NWC/LTM Revenue	%	13.3%	>10%	7.7%

Actual vs. Guidance PAT

	\$m
Guidance	120 - 125
Shortfall in Japan	- 5
Net other businesses	+4
Net unallocated costs	+2
ACE tax losses	+2
Reported	126

Foreign Exchange Impacts

Appreciation of A\$ has been significant
 (H1 2007 vs. H1 2006 average rates):
 A\$/USD +9%; A\$/Yen +14%

Translational

- Conversion of local currency results into A\$
- Main impacts (H1 2007) USD and Yen businesses

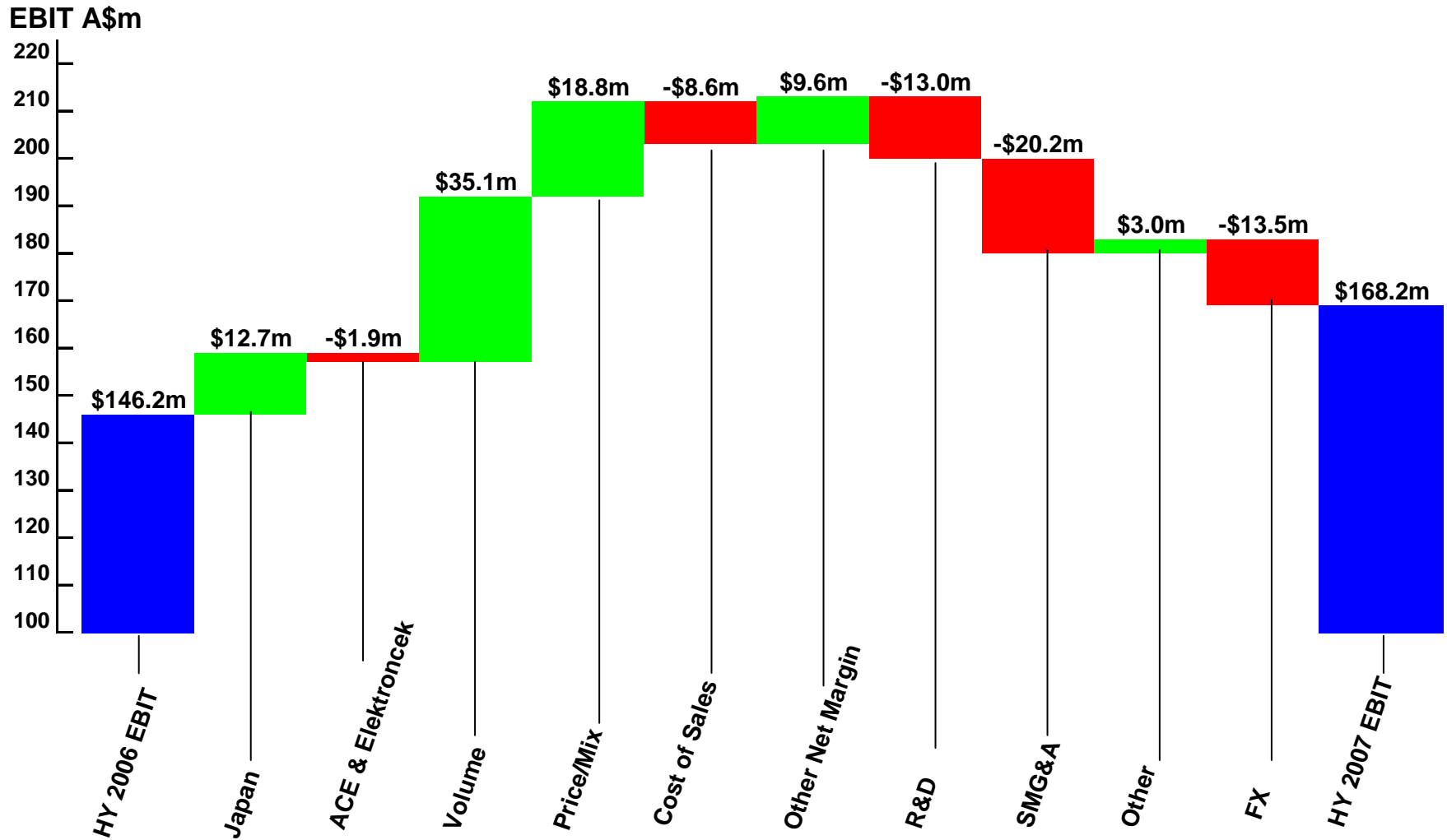
Transactional

- Transactions by businesses in a secondary currency
- Main impacts (H1 2007) sales into Asia-Pacific (in USD), inter-company transfers of product ex Australia (in USD) and supply chain purchases of components (in USD)

Impact vs. H1 2006	
Revenue	PAT
\$m	\$m
(33.2)	(7.4)
(6.1)	(3.3)
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(39.3)	(10.7)

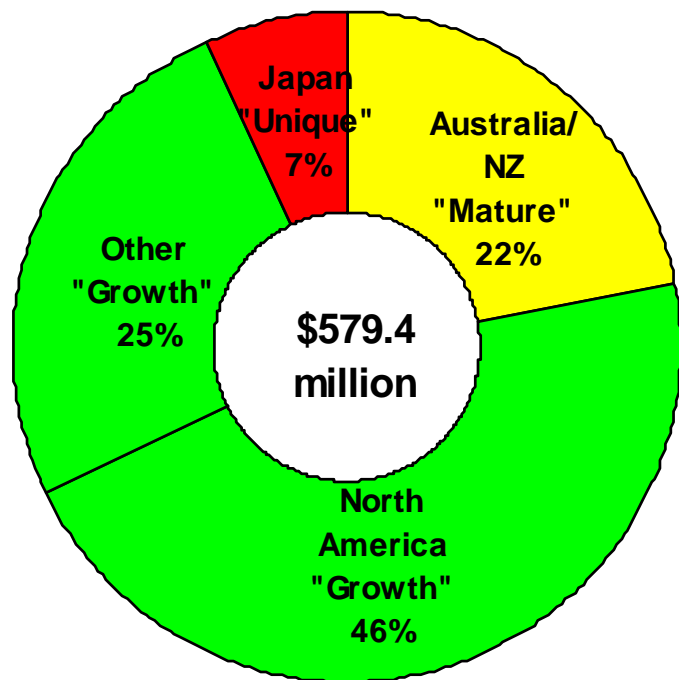
Overall impact vs. H1 2006

H1 2007 vs. H1 2006 EBIT

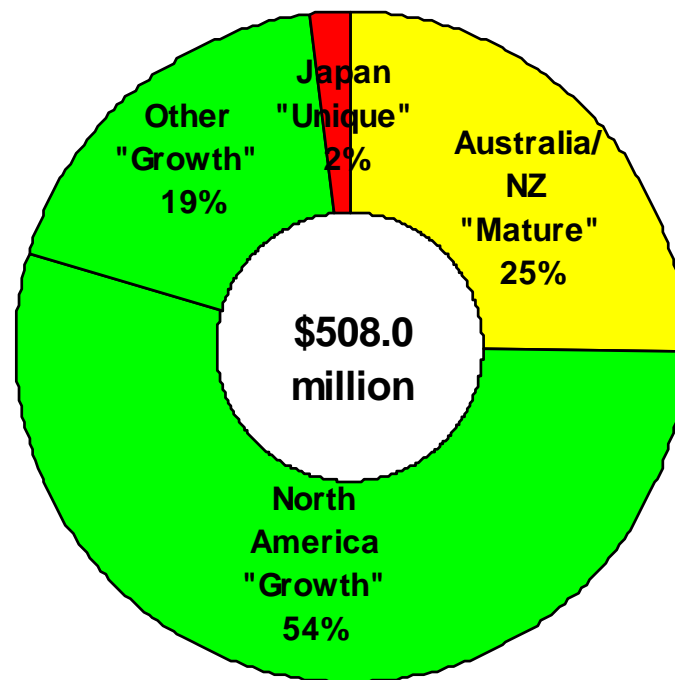


Segment Revenue* Split

2007 Segment Revenue by region

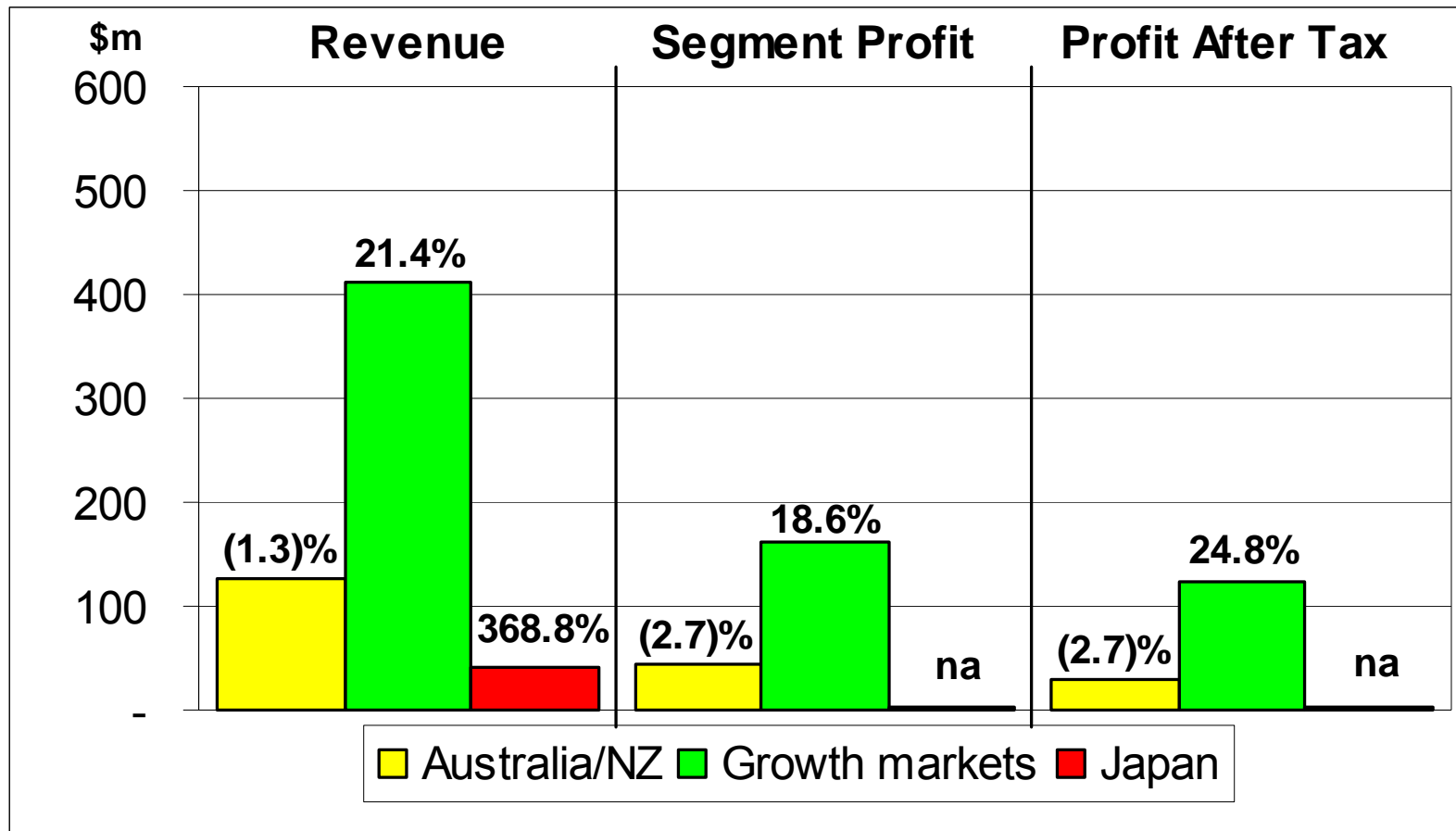


2006 Segment Revenue by region



* Management Revenue excluding interest

Business Segmentation*



*Actual revenue and percentage change period-on-period
Growth period-on-period is on a constant currency basis

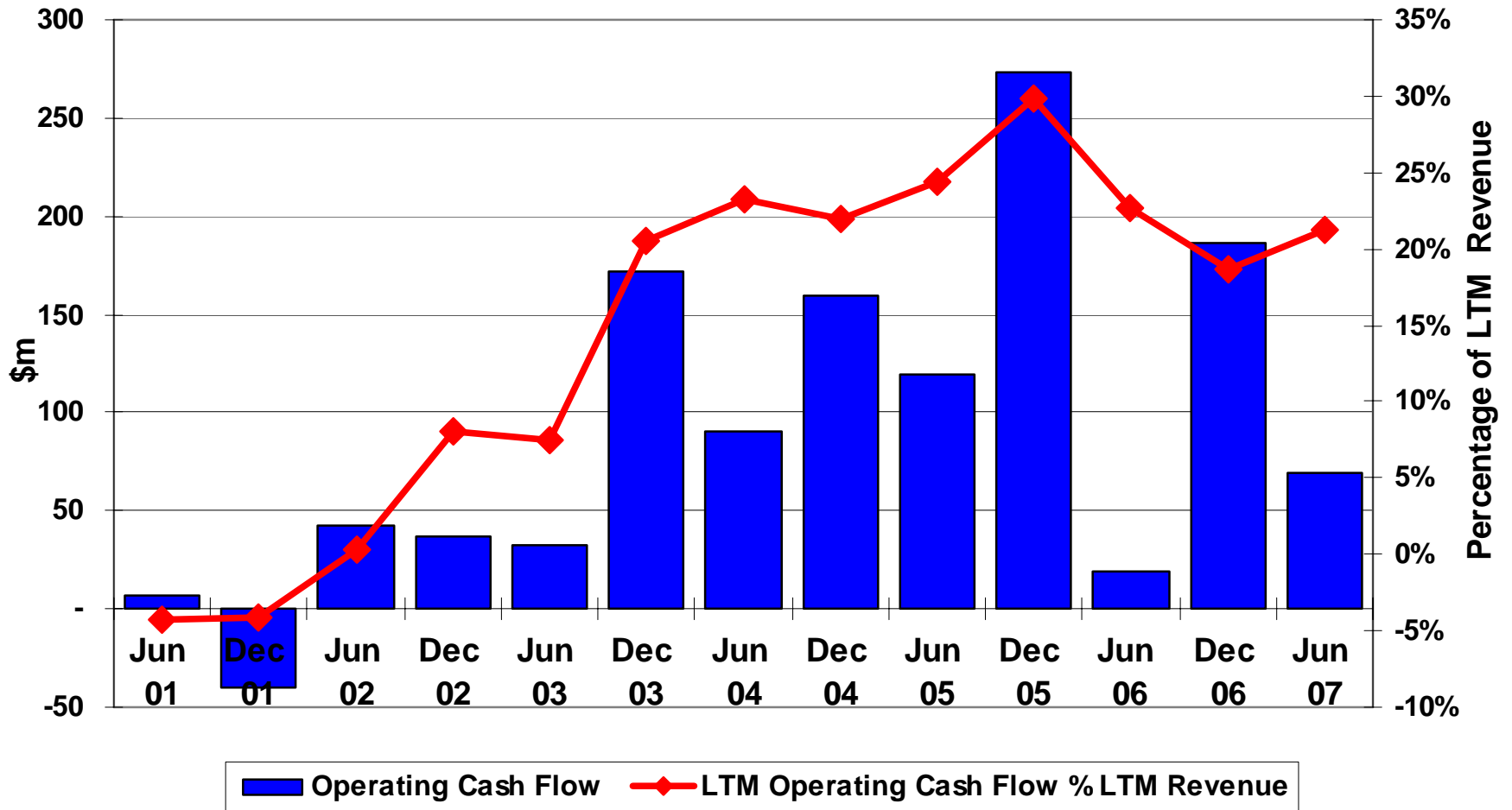
Management Cash Flow

	H1 2007 \$m	H1 2006 \$m
Net (debt)/cash - opening balance	(40.8)	183.7
EBIT	168.2	146.2
Depreciation and amortisation	18.3	15.1
Share of Elektronček Profit after Tax	(6.6)	(4.0)
Other non-cash adjustments	16.8	3.0
Net interest (paid)/received	(2.5)	0.9
Net tax paid	(62.4)	(100.0)
Change in operating assets and liabilities	(66.3)	(42.3)
Net cash inflow from operating activities	65.5	18.9

Management Cash Flow

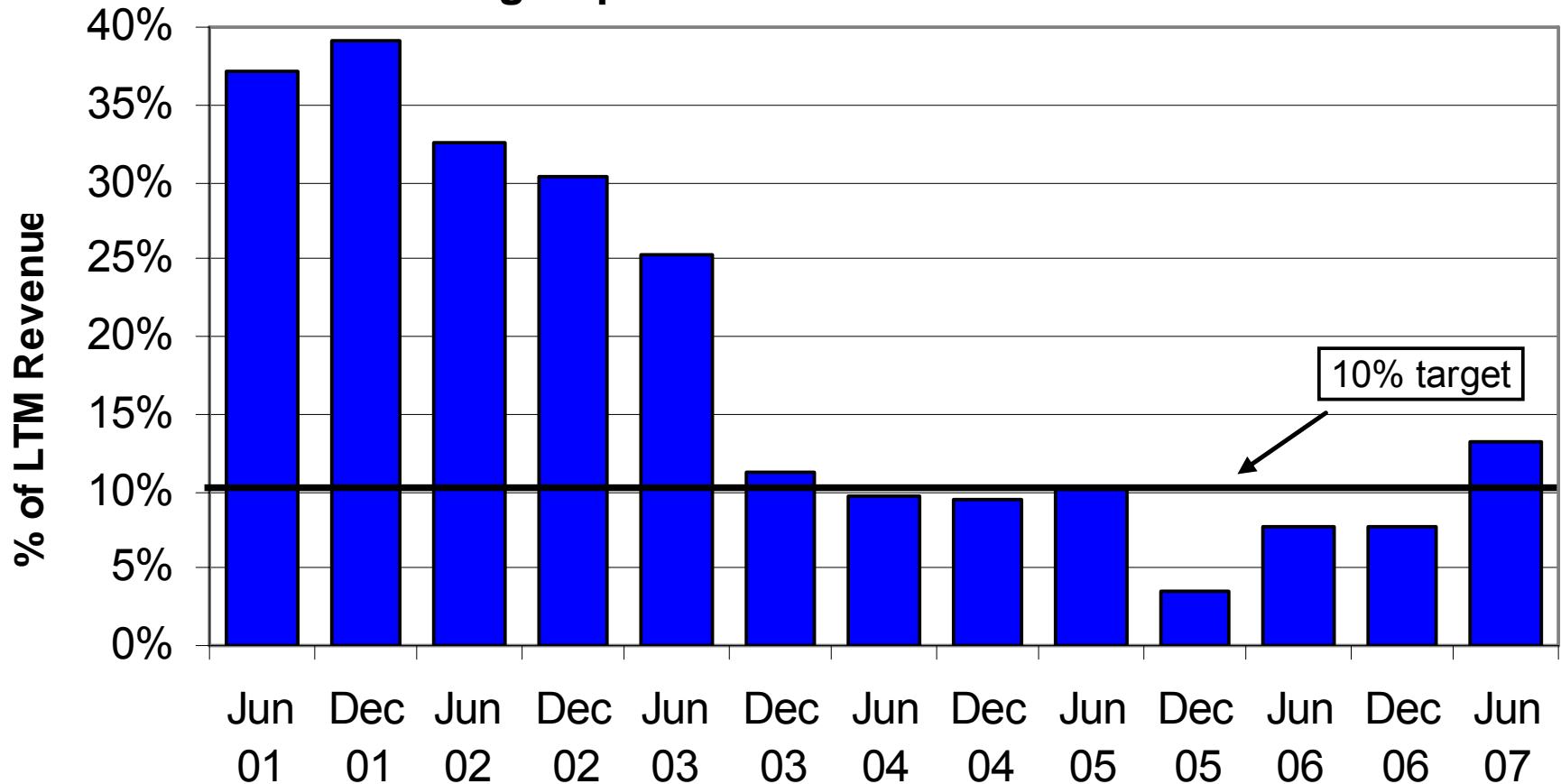
	H1 2007 \$m	H1 2006 \$m
Net cash inflow from operating activities	65.5	18.9
Acquisitions	(3.1)	(141.4)
Net other investing activities	(25.0)	(17.3)
Shares bought back/employee share trust	(70.4)	(60.1)
Dividends paid	(111.6)	(93.8)
Net other cash flows	2.1	2.9
Movement in net cash	(142.5)	(290.8)
Effect of exchange rate changes on net cash	6.2	3.9
Net debt - closing balance	(177.1)	(103.2)

Operating Cash Flow



Working Capital

Net Working Capital - % of Last 12 Months Revenue



Capital Management – H1 2007

On-market Share Buyback

- 3.4 million shares acquired
- Second program completed taking total buyback to \$200 million

Employee Share Based Contingent Obligations

- 1.2 million shares acquired via trust structure
- 92% of contingent obligations covered

5.2% of share capital has been acquired since October 2004

Capital Management – Next Phase

- Ongoing flow of fully franked dividends to approximate 60% – 70% of annual earnings, subject to the Company's franking ability
- Ongoing supplementary unfranked dividends totalling 20 cents per annum
- On-market share buyback program of up to \$100 million per annum over a 3 - 5 year timeframe pending receipt of favourable Australian Taxation Office ruling

Supplementary unfranked dividends and the on-market share buyback program remain subject to overall earnings performance and alternative strategic demands on funds or capital management opportunities becoming available

Capital Management - Specifics

2007 Interim Dividend

- 14 cps fully franked vs 12 cps fully franked
- Franking outlook remains positive
- Dividend Reinvestment Plan to operate, shares acquired on-market

Supplementary Dividend

- Ongoing 6 monthly unfranked dividend of 10 cps
- Payable as supplementary dividends in January and July
- First payment January 2008

On-market Share Buyback

- Up to \$100 million per annum, commencing 2008
- 3 – 5 year program

Key Financials and Ratios

	H1 2007 \$m	H1 2006 \$m	FY 2006 \$m
EBITDA	186.5	161.3	366.7
EBIT before R&D	222.1	189.7	430.5
EBIT	168.2	146.2	335.3
Working Capital/Revenue (%)*	13.3%	7.7%	7.7%
Operating Cash Flow	65.5	18.9	204.8
Operating Cash Flow/Revenue (%)*	21.6%	22.7%	18.7%
Net Debt	177.1	103.2	40.8
Debt/EBITDA*	0.7X	0.7X	0.4X
EBITDA/Interest Expense*	27.0X	30.0X	24.3X
Return on Equity*	84.2%	76.3%	65.5%
Fully Diluted EPS (cents)	26.8	22.2	50.9

* Based on preceding 12 months results

Segment Review

Australia/New Zealand

Constant Currency^	H1 2007 \$m	H1 2006 \$m	Variance %
Revenue	127.3	129.0	(1.3)%
Profit	43.0	44.2	(2.7)%
Margin	33.8%	34.3%	(0.5)pts

^ Adjusted for translational and transactional exchange rates using rates applying in H1 2006

- Challenging market conditions; smoking restrictions; licence renewals
- Diversion of capital spend to infrastructure
- Australian unit sales down 14%, average pricing up
- New Zealand sales limited - grandfathering of more “player friendly” games
- Continuing decline of New Zealand venue numbers and installed base

Initiatives and Outlook Australia/New Zealand

STRATEGIES

- Premium product focus
- Recurring revenue focus
- Elekronček and PokerTek products
- Ongoing business efficiency and cost reduction

OUTLOOK

- Continuing market leadership
- Progressive improvement in Australia
- Well placed to secure any upside potential
- New Zealand to improve through to mid 2009

North America

Constant Currency [^]	H1 2007 \$m	H1 2006 \$m	Variance %
Revenue	289.7	274.2	+5.7%
Profit	123.4	123.1	+0.2%
Margin	42.6%	44.9%	(2.3)pts

[^] Adjusted for translational and transactional exchange rates using rates applying in H1 2006

- Lower overall market volumes – low in replacement cycle, no new jurisdictions
- Margin decline reflects mix, recurring revenue margins and investment in support structures
- Unit sales fell by 10% to 7,612, stable video market share
- Recurring revenue unit installed base up 8.2% to 7,064
- Systems revenue up 68% to USD21.2m

Initiatives and Outlook

North America

STRATEGIES

- Premium product performance and stepper to video trend continue to represent significant opportunities
- New markets
- Recurring revenue
- Systems competitive positioning
- Expansion of new product lines – Elektronček, 5-reel stepper
- Investment in new technologies - downloadable, server-based
- Ongoing business efficiency and cost leverage

OUTLOOK

- Positive - replacement cycle upturn/new jurisdictions 2007+
- Overall revenue and profit growth

Japan

Constant Currency^	H1 2007	H1 2006	Variance
	\$m	\$m	%
Revenue	45.0	9.6	368.8%
Profit	3.1	(9.6)	na
Margin	6.9%	na	na

^ Adjusted for translational and transactional exchange rates using rates applying in H1 2006

- Short term market uncertainties - Regulation 5 transition
- Four Regulation 5 games marketed
- Sales of 11,063 units vs 1,787 units, short of 20,000 unit expectations
- Inventory provision for surplus Regulation 4 unique parts - \$3.1 million
- 100 new Regulation 5 games released, but weak demand
- Progressive tightening of approval testing process

Initiatives and Outlook Japan

STRATEGIES

- Larger number of game titles, lower average sales/title
- Strong pipeline of games in development
- 8 games approved, 10 more in progress
- Independent supply chain capability established
- Casino style gaming potential

OUTLOOK

- Short term results dependent on game approvals/market acceptance
- Immediate outlook difficult to predict
- Confident of longer term sustainability

Other Markets

Constant Currency [^]	H1 2007 \$m	H1 2006 \$m	Variance %
Revenue	158.6	95.2	+66.6%
Profit	57.7	29.6	+94.9%
Margin	36.4%	31.1%	+5.3pts

[^] Adjusted for translational and transactional exchange rates using rates applying in H1 2006

- Strong growth in emerging markets:
 - Asia-Pacific (+200%), Europe (+200%), South Africa (+160%)
- Leading and growing position in Macau
- Timing differences in South America
- Growing contribution from Elektronček (+40%)
- Impost of ACE start-up operating costs

Initiatives and Outlook

Other Markets














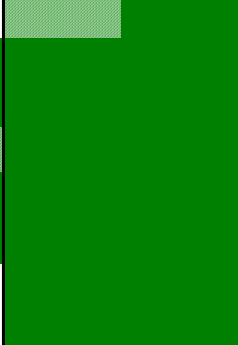
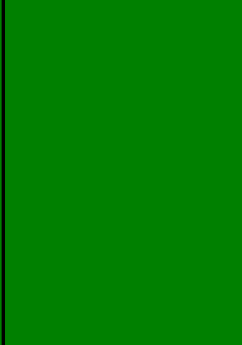
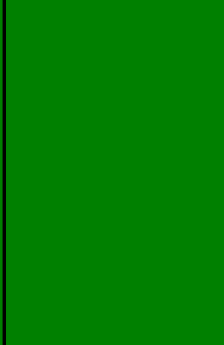
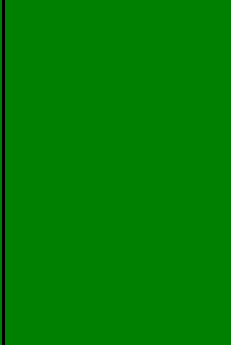

























STRATEGIES

- 40% share of new markets
- Establishing infrastructure/resources in key locations
- Tailored business model
- Lower risk

OUTLOOK

- Strong growth
- Dependent on new market openings
- Well placed to capture opportunities

Growth Opportunities

		2007	2008	2009	2010	2011
Australia	<ul style="list-style-type: none"> - Replacement cycle - Software/licencing model 					
Americas	<ul style="list-style-type: none"> - Replacement cycle - Stepper - video migration - 5 reel stepper - New markets, Class II, III, VLT - Wide area products - Conversions - South America - Mexico 	       				
Japan	<ul style="list-style-type: none"> - Regulation 5 - Class III casinos 					
Europe	<ul style="list-style-type: none"> - Russia - Other regional expansion 					
Asia	<ul style="list-style-type: none"> - Macau - Singapore - Other regional expansion 					
Electronic Tables	<ul style="list-style-type: none"> - Interblock - PokerTek 					
Server Based	<ul style="list-style-type: none"> - Interactive Video Terminals - Class III 					

Outlook

2007 - balance of year

- Issues in major markets improving but likely to persist
- Key factors influencing overall result:
 - Unpredictable nature of Japanese market
 - Level of success of 5 reel stepper in North America
 - Exchange rates

2008 and beyond - strong growth potential

- Catalysts for next step in gaming expansion falling into place
- Global market expansion and technological
- Return to growth rates experienced over past few years

Questions