
Aristocrat Leisure Limited

Notice of 2013 Annual General Meeting and Explanatory Statement

Wednesday, 20 February 2013 at 10.00am (Sydney time)

2013 Annual General Meeting

Dear shareholder,

On behalf of the Board, I am pleased to invite you to attend the 2013 Annual General Meeting of Aristocrat Leisure Limited (Company) which, as a result of the Company's change of financial year-end, has been scheduled as follows:

Date: Wednesday, 20 February 2013

Time: 10.00am (Sydney time) with registration available from 9.00am

Location: The Mint, 10 Macquarie Street, Sydney, New South Wales

A map and transportation instructions follow for your information.

If you would like to attend the Meeting, please bring the enclosed proxy form with you, as the barcode printed on it will assist with your registration and admission.

The Notice of Meeting in the following pages details the business of the Meeting and, together with the Explanatory Statement, contains important information in relation to the matters to go before shareholders.

Shareholders unable to attend the Meeting will be able to watch and listen to the business of the Meeting via webcast. Please note that viewing the webcast does not count as attendance at the Meeting. The webcast will be accessible from a link on the Company's website.

If you are unable to attend the Meeting but wish to appoint a proxy, please complete and return the enclosed proxy form so that it is received prior to 10.00am on Monday, 18 February 2013. You can do this online or by returning it to our share registry, Boardroom Pty Limited. Details of how to complete and submit the proxy form are included on the proxy form.

We have also enclosed a form for those who cannot attend the Meeting but would like to submit questions on any shareholder matters that may be relevant to the Meeting. I invite you to submit any questions you might have on this enclosed form and return it with the proxy form. While time restrictions may not permit me to address all the questions submitted, I will endeavour to address as many of the more frequently raised shareholder issues as possible during the course of the Meeting.

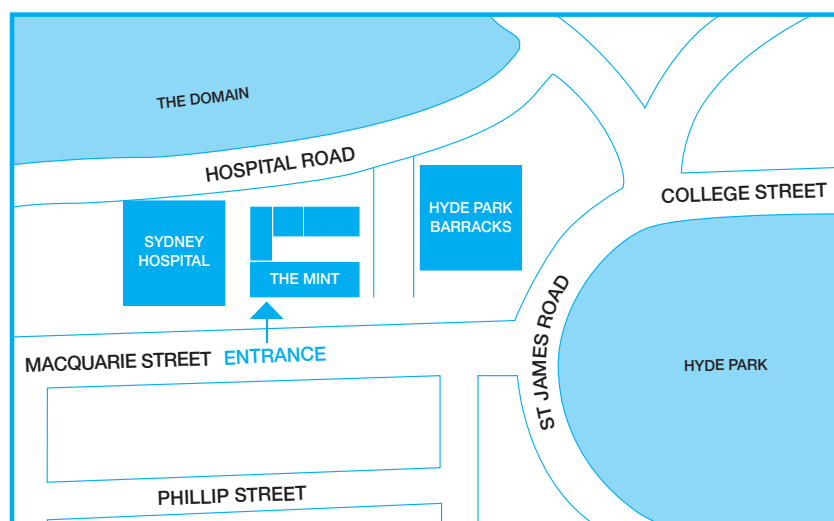
I look forward to seeing you at the Annual General Meeting on Wednesday, 20 February 2013.

Yours sincerely



Dr Ian Blackburne
Chairman

The Mint – Map and Transport



Parking

There is no public parking at The Mint.

The Domain car park (St John Young Crescent, Woolloomooloo, entry via St Marys Road) is a 10 minute walk from The Mint. Paid parking is also available at Sydney Hospital (enter via Hospital Road).

Metered street parking in the Royal Botanic Gardens and Hyde Park surrounds is also available.

Public transport

The Mint is less than a five minute walk from St James Station (City Circle Line) or it is a 10 minute walk from Martin Place Station (Eastern Suburbs Line).

For more specific information about public transport routes and timetables, contact NSW Transport on 131 500 or visit 131500.com.au

Notice of 2013 Annual General Meeting

Notice is given that the Annual General Meeting (Meeting) of the shareholders of Aristocrat Leisure Limited (Company) will be held at the time and location, and to conduct the business, specified below:

Date: Wednesday, 20 February 2013

Time: 10.00am (Sydney time)

Location: The Mint
10 Macquarie Street
Sydney NSW 2000

For shareholders unable to attend the Meeting, you will be able to watch and listen to the business of the Meeting via webcast. Viewing the webcast does not count as attendance at the Meeting. For further information about the webcast, please visit the Company's website, www.aristocratgaming.com.

The Explanatory Statement to this Notice of Meeting provides further details.

Business of the Meeting

Ordinary Business

1. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the nine month financial period from 1 January 2012 to 30 September 2012 (the September 2012 Transitional Financial Year).

2. Resolution 1 – Re-election of Director – Dr ID Blackburne

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That Dr ID Blackburne who, in accordance with clause 13.3 of the Constitution of the Company, retires from office by rotation and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

3. Resolution 2 – Re-election of Director – Mr SW Morro

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That Mr SW Morro who, in accordance with clause 13.3 of the Constitution of the Company, retires from office by rotation and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

4. Resolution 3 – Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That Mr JR Odell, Chief Executive Officer and Managing Director, be granted a maximum of 766,000 Performance Share Rights pursuant to the Company's Long Term Incentive Program, in the manner set out in the Explanatory Statement to this Notice of Meeting and that this be approved for all purposes, including for the purpose of ASX Listing Rules 7.1 and 10.14 and section 200B of the Corporations Act 2001 (Cth)."

Voting exclusion: As required by the ASX Listing Rules, the Company will disregard any votes cast on this resolution by (i) Mr JR Odell and any Director of the Company (except anyone who is ineligible to participate in any employee incentive scheme in relation to the Company) and by any of their associates and (ii) anyone who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed, and their associates.

In addition, the Company will disregard votes cast on this resolution by a member of the Key Management Personnel (details of whose remuneration are included in the Remuneration Report for the September 2012 Transitional Financial Year) or a closely related party of such a member, other than as a proxy for a person permitted to vote who has either:

- directed the proxy how to vote; or
- appointed the person chairing the Meeting as proxy and directed the proxy to vote as the proxy decides.

5. Resolution 4 – Increase in Non-Executive Directors' fee cap

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, pursuant to clause 13.11 of the Constitution and ASX Listing Rule 10.17, the maximum amount of Non-Executive Directors' fees for their services as Non-Executive Directors be increased from the present limit of \$1,750,000 per annum in aggregate to a limit of \$2,000,000 per annum in aggregate."

Voting exclusion: The Company will disregard votes cast on this resolution by (i) a Director of the Company and by any of their associates and (ii) a member of the Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or a closely related party of such a member, other than as a proxy for a person permitted to vote who has either:

- directed the proxy how to vote; or
- appointed the person chairing the Meeting as proxy and directed the proxy to vote as the proxy decides.

6. Resolution 5 – Remuneration Report

To consider, and if thought fit, pass the following non-binding resolution as an ordinary resolution:

"That the Remuneration Report for the Company (included in the Directors' Report) for the September 2012 Transitional Financial Year be adopted."

Voting exclusion: The Company will disregard votes cast on this resolution by a member of the Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or a closely related party of such a member, other than as a proxy for a person permitted to vote who has either:

- directed the proxy how to vote; or
- appointed the person chairing the Meeting as proxy and directed the proxy to vote as the proxy decides.

By order of the Board.



A Korsanos
Company Secretary
18 January 2013

Notice of 2013 Annual General Meeting (continued)

Notes

These Notes and the following Explanatory Statement form part of the Notice of Meeting.

Determination of entitlement to attend and vote

For the purposes of determining an entitlement to vote at the Meeting, shares will be taken to be held by the persons who are registered as shareholders at 7.00pm (Sydney time) on Monday, 18 February 2013.

Proxies

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. If a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

An instrument appointing a proxy must be signed by the shareholder appointing the proxy or by the shareholder's attorney duly authorised in writing or, if the shareholder is a corporation, under seal or such other means as is contemplated by the *Corporations Act 2001* (Cth) (the Act) and the shareholder's constitution. A proxy need not be a shareholder of the Company and may be an individual or body corporate.

A proxy has the same rights as a shareholder to speak at the Meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll. Where a proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on a show of hands on that resolution.

Where more than one joint holder votes, the vote of the holder whose name appears first in the register of shareholders shall be accepted to the exclusion of the others, whether the vote is given in person or by proxy or by representative or by attorney.

Shareholders who have appointed a proxy may still attend the Meeting. However, the proxy's rights to speak and vote are suspended while the shareholder is present.

The Company encourages all shareholders who submit proxies to direct their proxy whether to vote for or against or to abstain from voting on each resolution. **The Chairman of the Meeting intends to vote all undirected proxies in favour of all of the resolutions.**

If a proxy holder does not attend the Meeting or does not vote on a resolution, the directed proxies will be redirected to the Chairman, who will vote in accordance with the shareholder's directions.

A proxy form which is signed under power of attorney or other authority must be accompanied by that power of attorney or authority or a copy of that power of attorney or authority certified as a true copy by statutory declaration, unless it has previously been provided to and been accepted by the share registry.

An instrument appointing a proxy (accompanied by the power of attorney or other authority (if any) under which it is signed) must be lodged as follows by no later than 10.00am (Sydney time) on Monday, 18 February 2013 in order to be effective:

- online, by following the instructions on the proxy form accompanying this Notice of Meeting;
- by mail, addressed to Aristocrat Leisure Limited, c/- Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001, Australia;
- by fax to the share registry, Boardroom Pty Limited, fax (61) 2 9290 9655; or
- in person to the share registry, Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney, NSW 2000, Australia.

Voting exclusion note

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions to vote on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. **Please note that the Chairman intends to cast all undirected proxies in favour of all of the resolutions.**

Corporate representatives

A body corporate which is a shareholder or which has been appointed as a proxy may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been provided to and been accepted by the share registry.

If such evidence is not received prior to the commencement of the Meeting, then the individual will not be permitted to act as the shareholder's representative or representative of the shareholder's proxy.

Voting

On a resolution decided by a show of hands, every shareholder who is present in person or by proxy, representative or attorney will have one vote. Where a proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on a show of hands on that resolution.

Upon a poll, every shareholder who is present in person or by proxy, representative or attorney will have one vote for each share held by that shareholder.

Asking questions at the Meeting

The Meeting is intended to give shareholders the opportunity to hear the Chairman and the Chief Executive Officer and Managing Director talk about the financial year that has just passed and to give some insight into the Company's prospects for the financial year ahead. The Company welcomes shareholders' questions at the Meeting. However, in the interests of those present, questions or comments should be confined to matters directly relating to the management of the Company or the resolutions before the Meeting and should be relevant to shareholders as a whole. Shareholders are also invited to ask questions in advance of the Meeting. You may do so by filling out the 'Areas of Interest' form that accompanies this Notice of Meeting and lodging it in accordance with the instructions set out on the form.

Explanatory Statement

This Explanatory Statement is intended to provide shareholders of the Company with information to assess the merits of the proposed resolutions in the accompanying Notice of Meeting.

The Directors recommend that shareholders read the Explanatory Statement in full before making any decision in relation to the following.

Ordinary business

Financial Report, Directors' Report and Auditor's Report

This item of business calls for shareholders to formally receive the Financial Report for the September 2012 Transitional Financial Year (which includes all the financial statements and notes), Directors' Report and the Auditor's Report. The Financial Report, Directors' Report and Auditor's Report are set out in the Annual Report. Shareholders who elected to receive a printed copy of the Annual Report should have received the Annual Report with this Notice of Meeting. The Annual Report is available from the Company website, www.aristocratgaming.com.

While shareholders are not required to vote on the Financial Report, Directors' Report and Auditor's Report, there will be reasonable opportunity at the Meeting to raise questions on the reports. The Auditor will be in attendance at the Meeting and can answer questions on the conduct of the audit and the contents of the Auditor's Report.

Resolution 1: Re-election of Director – Dr ID Blackburne

Brief biographical details of Dr ID Blackburne are set out below:

Age: 66 years

Occupation: Company Director

Academic and professional qualifications:

BSc (Hons), MBA, PhD

Dr Blackburne was nominated to be elected as a Director of the Company in December 2009, and appointed effective September 2010. He was appointed Non-Executive Chairman in December 2010 and is a member of each Board committee.

Dr Blackburne is a director of Teekay Corporation (listed on the NYSE) and has been a director of various public companies for more than 10 years including formerly CSR Limited, Suncorp-Metway Limited and Symbion Health Limited. He has also been Chairman of CSR Limited, the Australian Nuclear Science and Technology Organisation and the Royal Botanic Gardens.

Dr Blackburne has over 25 years of experience in the petroleum industry in technical, manufacturing, marketing and strategic planning roles, including as Managing Director of Caltex Australia Limited. He brings to the Board extensive international commercial, strategic and technical experience.

The Board of Directors supports the re-election of Dr Blackburne as a Director of the Company and recommends that shareholders vote in favour of Resolution 1. Dr Blackburne did not vote in respect of the Board's recommendation.

Resolution 2: Re-election of Director – Mr SW Morro

Brief biographical details of Mr SW Morro are set out below:

Age: 54 years

Occupation: Company Director

Academic and professional qualifications: BA, Business Administration

Mr Morro was nominated to be elected as a Director of the Company in December 2009, and appointed effective December 2010. He is the Chair of the Regulatory and Compliance Committee and a member of the Human Resources and Remuneration Committee.

Mr Morro has over 25 years of experience in the gaming industry, including 20 years in various roles at International Game Technology (IGT). As IGT's former Chief Operating Officer and President of its Gaming Division, Mr Morro was responsible for IGT's global operations, which involved the development and execution of strategic plans for products, technology, marketing, manufacturing and distribution. In addition to his roles at IGT, Mr Morro was previously employed by Harrah's Entertainment and the New Jersey Casino Control Commission.

The Board of Directors supports the re-election of Mr Morro as a Director of the Company and recommends that shareholders vote in favour of Resolution 2. Mr Morro did not vote in respect of the Board's recommendation.

Resolution 3: Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director

Shareholder approval for the grant of a maximum of 766,000 Performance Share Rights (**PSRs**) to Mr Odell under the Company's Long Term Incentive Program (**LTIP**) is sought for all purposes, including for the following purposes:

- (a) Under ASX Listing Rule 10.14, the acquisition of securities by a director under an employee incentive scheme requires shareholder approval. Shareholder approval is therefore sought for the issue of PSRs and shares upon vesting of PSRs by Mr Odell.
- (b) ASX Listing Rule 7.1 places certain restrictions on the extent to which a listed company may grant securities. The effect is that shareholder approval is required before the Company may issue securities representing more than 15% of the capital of the Company within a 12 month period. Shareholder approval is being sought so that a maximum of 766,000 PSRs granted to Mr Odell may be disregarded for the purposes of determining the number of securities which the Company may issue within a 12 month period.
- (c) Subject to compliance with the ASX Listing Rules, shareholder approval is sought under section 200B of the Act for any payment that may be made in the event of cessation of Mr Odell's employment in certain circumstances before the PSRs vest. Changes to the Act mean that any such payment will be treated as a termination benefit.

Overview of the Long Term Incentive Program (LTIP)

The Company's policy on senior executive remuneration is designed to remunerate senior executives for increasing shareholder value and for achieving financial targets and business strategies. It is also set to attract, retain and motivate appropriately qualified and experienced executives. Accordingly, the Board considers it desirable for remuneration packages of senior executives (including the Chief Executive Officer and Managing Director) to include both a fixed component and an at-risk or performance related component (governing both short-term and long-term incentives). The Board views the at-risk component as an essential driver of a high performance culture.

The LTIP provides for eligible employees to be offered a conditional opportunity for fully paid ordinary shares in the Company through the grant of PSRs, such that shares may be allocated to them, subject to meeting certain performance conditions within a set performance period.

Explanatory Statement (continued)

Grants under the LTIP will be tested at the end of the applicable performance period. No retesting will occur. If the relevant performance conditions are satisfied at the end of the performance period then PSRs will vest. Each PSR which vests will be converted into one fully paid ordinary share. No amounts will be payable by the participants upon vesting of the PSRs. If the relevant performance conditions are not satisfied at the end of the performance period then the PSRs will lapse and be forfeited. Shares allocated on vesting of the PSRs will carry full dividend and voting rights from the date of allocation. Shares allocated under the LTIP may be forfeited by the participant but only in limited circumstances such as where the participant has acted fraudulently or dishonestly.

Transitional arrangements due to change of financial year-end

The Company has changed its financial year-end to 30 September, with the current financial year being 1 October 2012 to 30 September 2013. Given this change, transitional arrangements have been approved by the Board which align the LTIP with the new financial year while continuing to link senior executive remuneration to increasing shareholder value and achieving long-term financial targets.

Shareholders at the 2012 Annual General Meeting approved the grant of 1,350,000 PSRs to Mr Odell (the **2012 Grant**). As set out in the 2012 Notice of Meeting, the number of PSRs was calculated using Mr Odell's long-term incentive opportunity for the 12 months to 31 December 2012 and these PSRs will only vest if performance conditions are satisfied at the end of the three year performance period (1 January 2012 to 31 December 2014).

As a result of the change of financial year-end, approval is now being sought for the grant of 766,000 PSRs to Mr Odell (the **2013 Grant**), which has been calculated using Mr Odell's long-term incentive opportunity for nine months to 30 September 2013, being 75% of Mr Odell's long-term incentive opportunity for the 12 months to 30 September 2013. The PSRs will only vest if performance conditions are satisfied at the end the three year performance period (1 October 2012 to 30 September 2015).

The transitional arrangements mean that LTIP grants align to the Company's new financial year. For example, any grant to the Managing Director which is brought before shareholders for approval at the 2014 Annual General Meeting (the **2014 Grant**) will have a performance period of 1 October 2013 to 30 September 2016 and be calculated using a long-term incentive opportunity for the 12 months to 30 September 2014.

The Board considers the transitional arrangements appropriate and in the best interests of shareholders on the basis that:

- (a) the number of PSRs being granted to Mr Odell has been calculated using a nine month long-term incentive opportunity (1 January 2013 to 30 September 2013), being 75% of Mr Odell's long-term incentive opportunity for the 12 months to 30 September 2013. This means there is no 'double counting' of the long-term incentive opportunity attributable to the period 1 October 2012 to 31 December 2012 which was taken into account when calculating Mr Odell's 2012 Grant;
- (b) the three year performance period (1 October 2012 to 30 September 2015) is aligned with the Company's new financial year, with performance targets being assessed against the Group's audited financial year results; and
- (c) the performance periods of the 2013 Grant and future LTIP grants align with the Company's financial year.

Specific terms of the grant

The Board has determined Mr Odell's conditional long-term incentive opportunity for nine months to 30 September 2013 at the value of \$1,056,470 (**LTI Opportunity**), being 75% of Mr Odell's conditional long-term incentive opportunity for the 12 months to 30 September 2013 of \$1,408,630 (**Annual Opportunity**).

The Annual Opportunity represents 40% of Mr Odell's total target reward for the 12 months to 30 September 2013.

In determining the Annual Opportunity, the Board took into account the nature of the position, the context of the current market, the function and purpose of the long-term component of the Company's remuneration strategy, Mr Odell's individual performance and other relevant information provided by external consultants.

The actual number of PSRs to be granted to Mr Odell was determined by the Board taking into account the LTI Opportunity and the estimated fair value of the rights at the start of the performance period (being 1 October 2012), which was \$1.38 (**Estimated Fair Value**).

The Estimated Fair Value is based on an accounting valuation performed by Ernst & Young. The Estimated Fair Value will not be equal to the market value of a share at the commencement of the performance period as PSRs are contingent rights to shares in the future. The Estimated Fair Value at the commencement of a performance period is influenced by the Company's share price, the volatility of the underlying shares, the risk-free rate of return, the expected dividend yield, the time to maturity and the likelihood that vesting conditions will be met.

Performance target

The Board has determined that the following performance metrics should be applied to the 2013 Grant:

- (a) total shareholder return (**TSR**) of the Company relative to the return on the S&P/ASX 100 Index (**Relative TSR**) in relation to thirty percent (30%) of the PSRs granted; and
- (b) growth in fully diluted earnings per share from operating activities (**EPS**) of the Company compared to targets set by the Board (**Relevant EPS**) in relation to seventy percent (70%) of the PSRs granted.

At the appropriate time, Relative TSR and Relevant EPS will be measured to determine the proposed vesting percentages, which will then be considered and determined by Board resolution.

The Board selected Relative TSR as a performance measure on the basis that it:

- ensures an alignment between comparative shareholder return and reward for the executive; and
- provides a relative, external, market-based performance measure against those companies with which the Company competes for capital, customers and talent.

The Board selected Relevant EPS as a performance measure on the basis that it:

- is a relevant indicator of increases in shareholder value; and
- is a target that provides a suitable line of sight to encourage executive performance.

The Board considered that a 30/70 weighting was appropriate on the basis that Relevant EPS is more reflective of true company performance in its three to five year turnaround. As Aristocrat continues to increase its presence in global markets, it is increasingly relevant to look beyond ASX listed companies for meaningful performance comparisons.

Explanatory Statement (continued)

Relative TSR performance condition (30% of total PSRs)

Relative TSR performance will be assessed over a three year period, which will commence on 1 October 2012 until 30 September 2015.

TSR measures the growth in the price of shares plus cash distributions notionally reinvested in shares.

In order for any of the PSRs to vest pursuant to the Relative TSR performance condition, the Company's compound TSR must be equal to or greater than the compound TSR return on the S&P/ASX 100 Index over the performance period.

The link between the Company's TSR performance and the percentage of the PSRs which will vest pursuant to the Relative TSR performance condition is represented in the following table:

Company TSR performance	% of vesting of PSRs
Less than the return on the S&P/ASX 100 Index	0%
Equal to the return on the S&P/ASX 100 Index	50%
Exceeding the return on the S&P/ASX 100 Index by up to 10% per year (compound)	Between 50% and 100%, increasing on a straight line basis
Exceeding the return on the S&P/ASX 100 Index by more than 10% per year (compound)	100%

Relevant EPS performance condition (70% of total PSRs)

The Relevant EPS performance condition is measured by comparing the Company's aggregate EPS (expressed as a cumulative dollar amount) over a three year period (1 October 2012 to 30 September 2015) against the aggregate 'minimum' EPS and the 'maximum' EPS thresholds, as set by the Board at the beginning of the performance period. EPS is defined as core earnings per share from continuing operations, calculated before specific items, amortisation of intangibles and divested operations. The EPS thresholds set by the Board for the performance period will be disclosed in the Remuneration Report published in respect of the year in which PSR vesting is tested.

As the Relevant EPS component is determined as the aggregate EPS performance over a three year period, the extent of vesting of the EPS component of the LTI cannot be determined until the conclusion of the three year performance period.

The link between the Company's EPS performance and the percentage of the PSRs which will vest pursuant to the Relevant EPS performance condition is represented in the following table:

Company's aggregate EPS performance	% of vesting of PSRs
Less than the aggregate minimum EPS threshold	0%
Equal to the aggregate minimum EPS threshold	50%
Greater than the aggregate minimum EPS threshold, up to the aggregate maximum EPS threshold	Between 50% and 100%, increasing on a straight line basis
Greater than the aggregate maximum EPS threshold	100%

Summary of the LTIP Rules

The Board is responsible for administering the LTIP in accordance with the LTIP Rules and the terms and conditions of the specific grants to participants in the LTIP. The operation of the LTIP Rules is subject to compliance with the ASX Listing Rules, Corporations Act and any other applicable laws.

If a participant in the LTIP ceases employment with the Company before the performance conditions are tested, then any PSRs will lapse and be forfeited. If the cessation is due to death or redundancy, or where the Board otherwise consents, PSRs may vest at the Board's discretion. Where a participant acts fraudulently, dishonestly, or is in the Board's opinion, in breach of his or her obligations to the Company, then any unvested PSRs will lapse and be forfeited.

The Directors have discretion to determine that the PSRs will vest in the event of a change of control, subject to pro-rata performance up to the relevant date.

A participant may not sell, transfer, mortgage or otherwise deal with or encumber any PSRs.

PSRs do not carry any voting rights and participants are not entitled to dividends until PSRs have vested and converted into ordinary shares.

In the event of any reorganisation of the issued ordinary capital of the Company, PSRs will be reconstructed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

A participant may only participate in new issues of securities if ordinary shares have been allocated to the participant in accordance with the LTIP Rules, before the date for determining entitlements to the issue.

Once the PSRs have vested, the Board will decide at that time whether to purchase the shares required on-market or to issue new shares. This decision will depend on factors such as dilution and cost to the Company.

Disposal of shares by the participant once released from the LTIP will be subject to the Company's share trading policy.

Disclosures made for the purposes of Listing Rules 7.1 and 10.15:

- As approved by shareholders at the 2012 Annual General Meeting, 1,350,000 PSRs were allocated at no cost to Mr Odell during 2012. The number of PSRs allocated during 2012 was determined by the Board taking into account Mr Odell's long-term incentive opportunity for the 12 months to 31 December 2012, being \$1,537,600 and the 2012 Fair Value of \$1.14.
- The maximum number of PSRs that can be awarded to Mr Odell under this approval is 766,000. Subject to achievement of performance conditions, this means that the maximum number of fully paid ordinary shares which can be awarded to Mr Odell on vesting of the approved PSRs is 766,000.
- The price payable on the issue or exercise of each PSR is nil, so no funds will be raised.
- Mr Odell is the only Director entitled to participate in the LTIP.
- There is no loan proposed in relation to the proposed award of PSRs to Mr Odell.
- The PSRs that are awarded to Mr Odell following shareholder approval are intended to be allotted and issued on or around 1 March 2013 and in any event will not be allotted and issued later than 12 months after the Meeting.
- The terms of the PSRs are as described above.

Explanatory Statement (continued)

A voting exclusion statement is included in the main body of the Notice of Meeting.

In the Non-Executive Directors' view, it is in the best interests of shareholders to approve PSR grants to Mr Odell because they appropriately align Mr Odell's remuneration with shareholder returns due to the significant performance hurdles the Company must achieve for the long-term incentives to vest.

The Board of Directors (with Mr Odell abstaining) recommend that shareholders vote in favour of Resolution 3.

Resolution 4: Increase in Non-Executive Directors' fee cap

The current maximum amount available for payment of Non-Executive Directors' fees in aggregate each year is \$1,750,000. This amount was established at the Annual General Meeting held in May 2004.

For the purposes of clause 13.11 of the Company's Constitution and Rule 10.17 of the ASX Listing Rules, shareholder approval is now sought to increase the Non-Executive Directors' fee cap from the present limit of \$1,750,000 per annum in aggregate to a limit of \$2,000,000 per annum in aggregate. It is emphasised that this is a maximum limit and does not indicate that fees will be increased to that limit.

The Board considers that it is appropriate to seek approval for an increase in the Non-Executive Directors' fee cap at this time for a number of specific reasons:

To have flexibility to increase the number of Non-Executive Directors on the Board

A key purpose of the proposed increase is to provide the Board with the flexibility to make additional Board appointments in line with the strategic direction of the Company. The Board intends to seek potential director candidates who would bring a set of complementary skills to the Board. If the Board wished to invite any such candidate(s) to become a director, the proposed increase would provide it with sufficient flexibility to take advantage of the opportunity to do so.

Review of current fees

The structure of Non-Executive Director fees was amended in May 2011 with Non-Executive Directors receiving a fixed fee inclusive of committee memberships. Following this change there was no significant difference in the aggregate fee payable to each Non-Executive Director. Prior to this structural change, the base Non-Executive Director fee and Chairman's fee had remained unchanged since 1 July 2005 and 1 July 2007 respectively.

The Board intends to review both the Non-Executive Director and Chairman's fees during the course of the current financial year.

To assist orderly succession planning

Attracting the right board members and providing effective transition arrangements are fundamental to a high performing board. To facilitate an orderly transfer of responsibilities, new directors may be appointed prior to the retirement of existing directors, resulting in a short-term increase in the size of the Board and the total fees payable to the directors. This is especially the case given the regulatory environment in which the Company operates where directors are appointed subject to receipt of regulatory pre-approval which can take up to nine months to receive. The proposed increase in the fee cap would enable the Company to facilitate succession planning.

Impact of regulatory requirements

The regulatory requirements of the environment in which the Company operates impose a considerable burden on the Non-Executive Directors and their families, who are required to disclose extensive historical and current personal and financial information and submit to interviews.

These requirements can make it difficult to obtain good candidates for appointment to the Board unless the fees appropriately recognise the burden.

A voting exclusion statement is included in the main body of the Notice of Meeting.

As the Non-Executive Directors have a personal interest in this resolution, the Board of Directors makes no recommendation as to how shareholders should vote on this Resolution 4.

Resolution 5: Remuneration Report

Section 300A of the Act requires the disclosure, in a dedicated part of the Directors' Report under the heading 'Remuneration Report', of the remuneration paid to the key management personnel of a listed company. The Act, by reference to the Australian accounting standards, defines 'key management personnel' as persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Remuneration Report for the September 2012 Transitional Financial Year is set out in the Directors' Report which forms part of the Annual Report. It is also available on the Company's website, www.aristocratgaming.com.

Shareholders of the Company are asked to adopt the Remuneration Report, which sets out, in detail, the Company's policy for determining the remuneration for its Directors and other Key Management Personnel (KMP), including:

- an explanation of the Board's policies in relation to the objectives and structure of remuneration;
- an explanation of the transitional arrangements implemented as a result of the Company's change of financial year-end to 30 September;
- a discussion of the relationship between the policies and the Company's performance;
- a detailed summary of performance conditions, why they were chosen and how performance is measured against them; and
- the remuneration details for each Director and for each of the KMP of the Company.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Meeting.

In accordance with the Act, this resolution is advisory only and does not bind the Company. However, the Board will take the outcome of the vote into consideration in future reviews of the remuneration policy for Directors and KMP.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must stand for re-election.

A voting exclusion statement is included in the main body of the Notice of Meeting.

Noting that each Director has a personal interest in his or her own remuneration from the Company as described in the Remuneration Report, the Board of Directors recommends that shareholders vote in favour of Resolution 5.

FOR ALL ENQUIRIES CALL:

(within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

FACSIMILE

+61 2 9290 9655

ALL CORRESPONDENCE TO:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia


Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10.00am
MONDAY, 18 FEBRUARY 2013 (SYDNEY TIME)

TO VOTE ONLINE

<HIN/SRN>


STEP 1 : VISIT www.boardroomlimited.com.au/vote/aristocratagm2013
STEP 2: Enter your holding/Investment type
STEP 3: Enter your SRN/HIN and VAC: <VAC NUMBER>
TO VOTE BY COMPLETING THE PROXY FORM
STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed

In the spaces provided you must sign this form as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than **10.00am (Sydney time) on Monday, 18 February 2013** (being 48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Share Registry – Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

www.boardroomlimited.com.au/vote/aristocratagm2013
or turnover to complete the Form ➔

Aristocrat Leisure Limited

<Co Name>
<Address 1>
<Address 2>
<Address 3>
<Address 4>
<Address 5>

<BARCODE>

STEP 1 - Appointment of Proxy

I/We being a member/s of **Aristocrat Leisure Limited** and entitled to attend and vote hereby appoint

☐ the Chairman of the Meeting (mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Aristocrat Leisure Limited to be held at The Mint, 10 Macquarie Street, Sydney NSW 2000 on Wednesday, 20 February 2013 at 10.00am (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

☐

Important for Resolutions 3, 4, 5 – If the Chairman of the Meeting is appointed as your proxy or may be appointed by default.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of Resolution 3, 4, 5, please mark this box.

By marking this box, you acknowledge that you direct the Chairman of the Meeting to vote in accordance with his voting intentions on Resolutions 3, 4, 5 as set out below and in the Notice of Annual General Meeting (except where you have indicated a different voting intention in Step 2 below). If you do not mark this box, and you have not directed your proxy how to vote Resolutions 3, 4, 5, the Chairman of the Meeting will not cast your votes on the Resolutions 3, 4, 5 (as applicable) and your votes will not be counted in calculating the required majority if a poll is called.

By marking this box, I/we direct the Chairman of the Meeting to vote in accordance with his voting intentions on Resolutions 3, 4, 5 as set out below (except where I/we have indicated a different voting intention in Step 2 below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy even though Resolutions 3, 4, 5 (as applicable) are connected directly or indirectly with the remuneration of a member of the key management personnel of the Aristocrat Group.

The Chairman intends to vote all available proxies in favour of Resolutions 3, 4, 5.

STEP 2 - Voting directions to your Proxy – please mark ☒ to indicate your directions

Ordinary Business

		For	Against	Abstain*
Resolution 1	Re-election of Director – Dr ID Blackburne	☐	☐	☐
Resolution 2	Re-election of Director – Mr SW Morro	☐	☐	☐
Resolution 3	Approval for the grant of Performance Share Rights to Mr JR Odell	☐	☐	☐
Resolution 4	Increase in Non-Executive Directors' fee cap	☐	☐	☐
Resolution 5	Remuneration Report	☐	☐	☐

In addition to the intentions raised above, the Chairman intends to vote all undirected proxies in favour of each resolution.

If your proxy holder does not attend the meeting or does not vote on a resolution, the directed proxies will be re-directed to the Chairman, who will vote in accordance with your directions. Proxy holders who hold contradictory instructions from multiple shareholders will be unable able to vote on a show of hands.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone Date / /