

Aristocrat Leisure Limited

Results Presentation
Half Year to 30 June 2009



25 August 2009

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Briefing Overview

Introduction

Jamie Odell

Results Summary

Jamie Odell

Results Presentation & Segment Review

Toni Korsanos

Outlook Comments

Jamie Odell

Strategy Presentation

Jamie Odell

Questions

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Introduction

Jamie Odell

Chief Executive Officer & Managing Director

Result Summary

Revenue	\$441.7M	↓ 5.3%
Operating profit after tax	\$44.2M	↓ 38.1%
Net one-off abnormal items	\$77.4M	
Operating cash flow	\$74.7M	↑ 15.8%
Closing net debt	\$111.5M	↑ 58.6%

Financial Results Presentation & Segment Review

Toni Korsanos

Chief Financial Officer

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Profit & Loss

Half year ended June (\$M)	2009 ¹	2008	Change
Revenue	441.7	466.3	(5.3)%
Gross Profit	231.7	255.6	(9.4)%
Gross Margin	52.5%	54.8%	(230) bps
EBIT (before D&D)	129.4	160.1	(19.2)%
D&D	59.8	57.4	(4.2)%
EBIT (post D&D)	69.6	102.7	(32.2)%
NPAT	44.2	71.4	(38.1)%
EPS (fully diluted)	9.1 cents	15.2 cents	(40.1)%
Interim DPS	4.5 cents	14.0 cents	(67.9)%

2009 (at 2008 FX rates) ²	Change
374.4	(19.7)%
200.3	(21.6)%
53.5%	(130) bps
110.1	(31.2)%
52.4	8.7%
57.7	(43.8)%
35.4	(50.4)%
7.3 cents	(52.0)%
4.5 cents	(67.9)%

Note:

1 Before the net impact of abnormal items that are not representative of the underlying operational performance of the Group

2 First half 2009 result adjusted for translational exchange rates using rates applying in the first half of 2008

Operating Result in Line with Guidance

First Half NPAT of \$44.2M (guidance \$35.4M - \$44.4M)

Key Factors	Impact vs guidance
North America met expectations	↔
Slippage in Australia	-
Japan volume and cost control	+
Rest of World except Europe	+
Interest expense	+
Foreign exchange	-

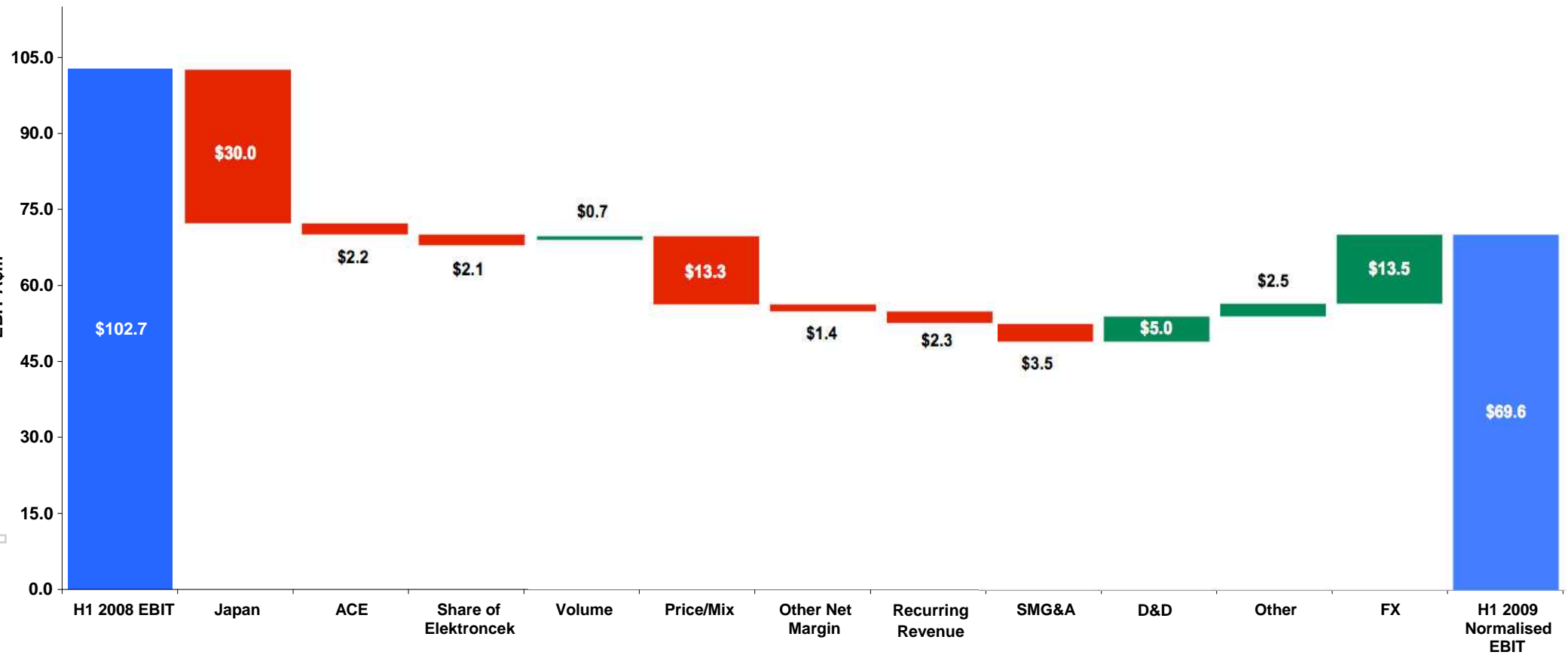
Result in line with guidance despite materially adverse FX variance (\$6M impact)

Abnormals Primarily Non-Cash

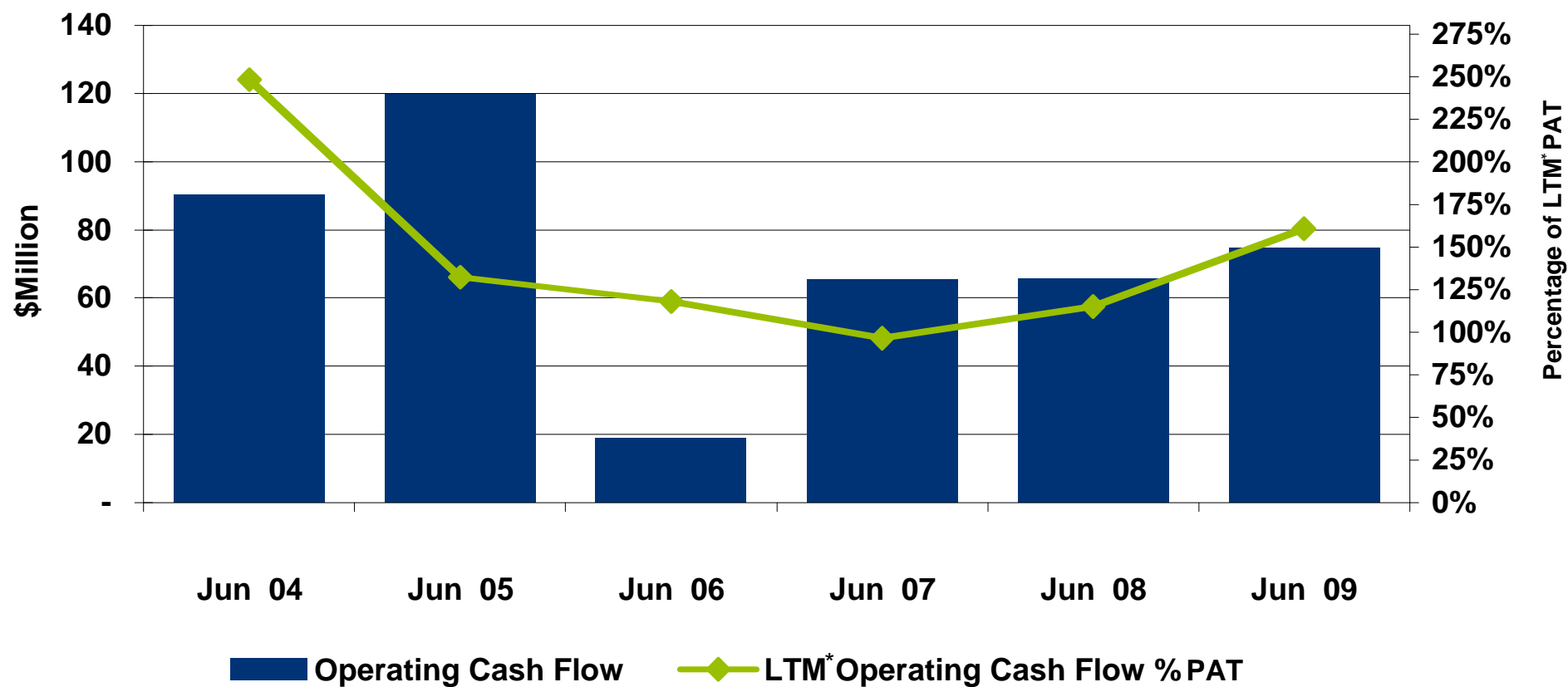
	Before Tax \$Million	After Tax \$Million
Property sales	8.8	8.8
Restructuring costs	(4.0)	(3.0)
Intellectual property litigation settlement	(4.3)	(3.3)
Impairment of multi terminal gaming businesses	(83.1)	(79.9)
Net abnormal (loss)	(82.6)	(77.4)
Cash impact	13.5	15.5

Half 1 09 vs Half 1 08 EBIT

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Strong Operating Cash Flow

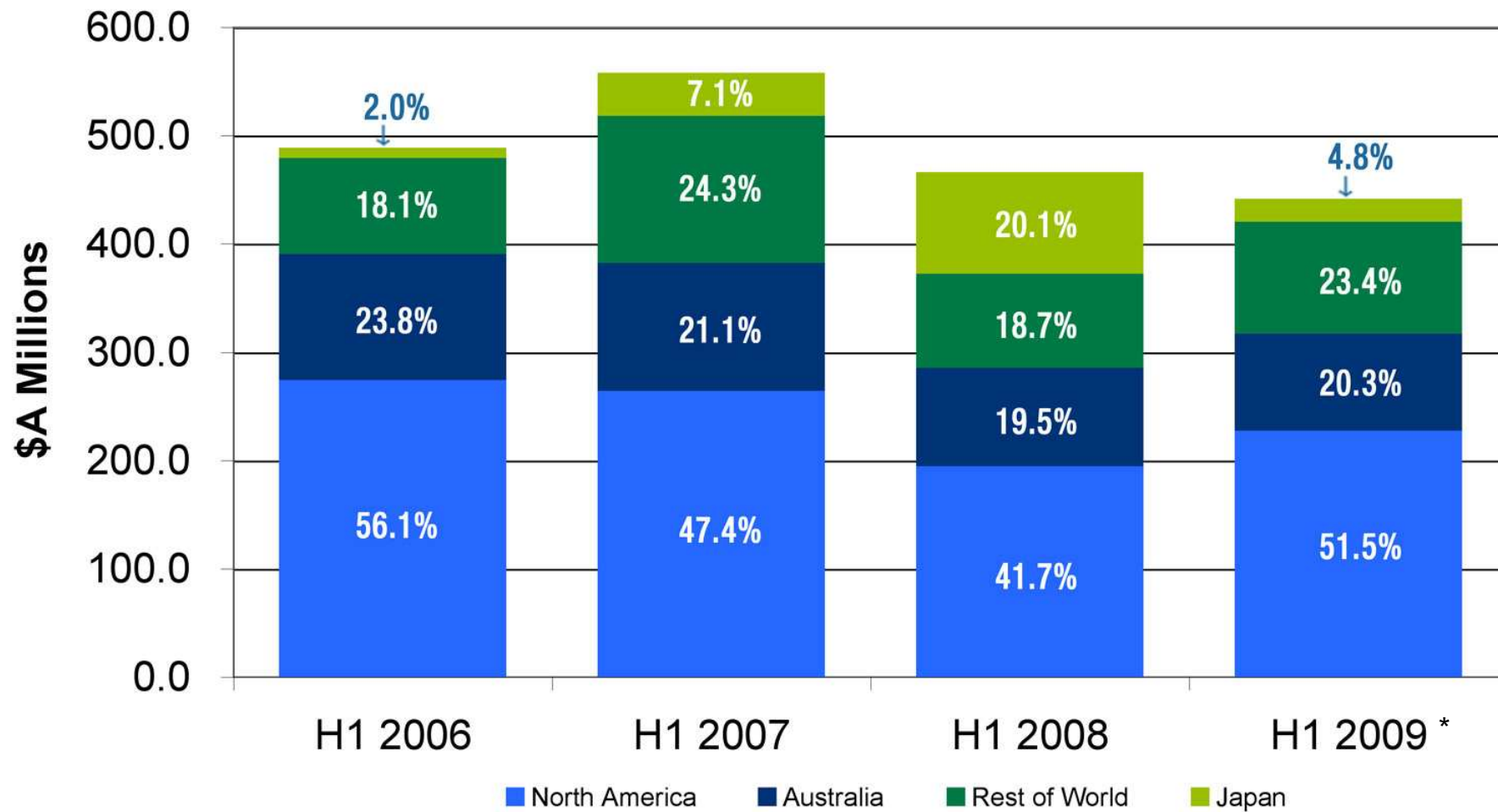


* Last twelve months

Prudent Capital Management

- Capital raising of \$236.7M (after costs)
- Interim dividend declared of 4.5 cps fully franked
- Dividend payout ratio 54.3% maintained within 50% – 70% (of operating earnings)
- Dividend Reinvestment Plan (DRP) to operate at no discount
- DRP participants to be issued shares
- Conservative debt coverage ratios
 - Gross Debt/EBITDA 0.8X
 - Interest Coverage 10.6X

Segment Revenue Split



* Increased revenues compared to 2008 excluding Japan

North America



- Tough conditions, ship share up slightly, pricing flat
- Unit sales down 18.8%, conversions up 18.8%
- Systems revenue up 9% and services revenue up 10.3% vs. pcip
- Over 10,000 VIRIDIANTM GEN7TM machines installed
- RFXTM stepper launched in Q2 – platform stable

USD	H1 2009 \$Million	H1 2008 \$Million	Variance \$Million	Variance %
Revenue	164.8	182.5	(17.7)	(9.7)%
Profit	62.0	74.0	(12.0)	(16.2)%
Margin %	37.6%	40.5%	-	(2.9) pts

Volume				
- Platforms	4,264	5,252	(988)	(18.8)%
- Conversions	4,417	3,719	698	18.8%
Average USD price/unit	14,825	14,861	(36)	(0.2)%



US Gaming Operations Positive



- Participation installed base up 9.7%, driven by successful launch of JAWS™
- 900 units of JAWS™ installed, with a further 200 signed contracts
- JAWS™ performing well above house average
- JAWS™ set to benefit participation fee per day in H2

	H1 2009	H2 2008	Variance	Variance %
Gaming Operations Units	5,987	5,459	528	+9.7%
Gaming Operations \$/Day	43.10	44.33	(1.23)	(2.8)%



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Australia



- Challenging conditions but some encouraging signs
- Successful launch of VIRIDIANTM GEN7™ in QLD
- Strong take up of licensing in NSW and QLD
- Unit sales up 30.4%, conversions down 6.6%
- Strong ship share in NSW, 58% vs. 40.6% in pcp, share of installed base stable at approx 67%
- Lower profit driven by discounting on Indian Dreaming™, partly offset by improved mix

AUD	H1 2009 \$Million	H1 2008 \$Million	Variance \$Million	Variance %
Revenue	89.6	90.6	(1.0)	(1.1)%
Profit	22.4	25.2	(2.8)	(11.1)%
Margin %	25.0%	27.8%	-	(2.8) pts

Volume				
- Platforms	2,189	1,679	510	30.4%
- Conversions	6,677	7,147	(470)	(6.6)%
Average AUD price/unit	17,332	16,490	842	5.1%

VIRIDIAN

GEN7

ARISTOCRAT

Japan



- Key driver of overall decline in Group revenue and PAT
- Volatile conditions, pachislot market continued to decline
- Lack of licensed games resulted in ¥341.8M loss
- Two games (*Judoz*[™] and *Get the Ranker*[™]) sold a total of 5,747 units
- Gross profit per unit stable, but margins declined due to lower volume

YEN	H1 2009 ¥Million	H1 2008 ¥Million	Variance ¥Million	Variance %
Revenue	1,555.3	9,198.1	(7,642.8)	(83.1)%
Profit	(341.8)	2,608.2	(2,950.0)	(113.1)%
Margin %	(22.0)%	28.4%	-	(50.4) pts
Volume - Games	5,747	32,280	(26,533)	(82.2)%



Rest of World



- Market share maintained or increased overall
- New Zealand profit up by 209.5%
- Limited new venue openings in Asia Pacific, tough conditions in Europe
- South Africa and South America sales declined by 14.4% and 30.6% respectively
- ACE \$3.2M loss, due to business development costs

AUD Constant Currency	H1 2009 \$Million	H1 2008 \$Million	Variance \$Million	Variance %
Revenue	93.1	87.4	5.7	+6.5%
Profit	28.5	29.4	(0.9)	(3.1)%
Margin %	30.6%	33.6%	-	(3.0) pts
Volume - Platforms	3,412	4,071	(659)	(16.2)%



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Half 1 Summary

- A challenging half, operators continue to be cautious
- Prices holding up well despite lower volumes
- Traction building around VIRIDIAN™ GEN7™ and key game releases
- Tight cost control
- Strong operating cash flow
- Conservative debt coverage ratios

Half 2 Operational Outlook

- Global market conditions challenging, demand generally soft
- North America to benefit from further rollout of participation product
- Robust games pipeline for Australia, subject to regulatory approvals, driving VIRIDIANTM GEN7TM penetration
- Japan will be key with licensed title currently in the approval process



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A Four Stage Process

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Building the fact base

Stage 1 Build fact base

Analysis of profit opportunity

Capability assessment

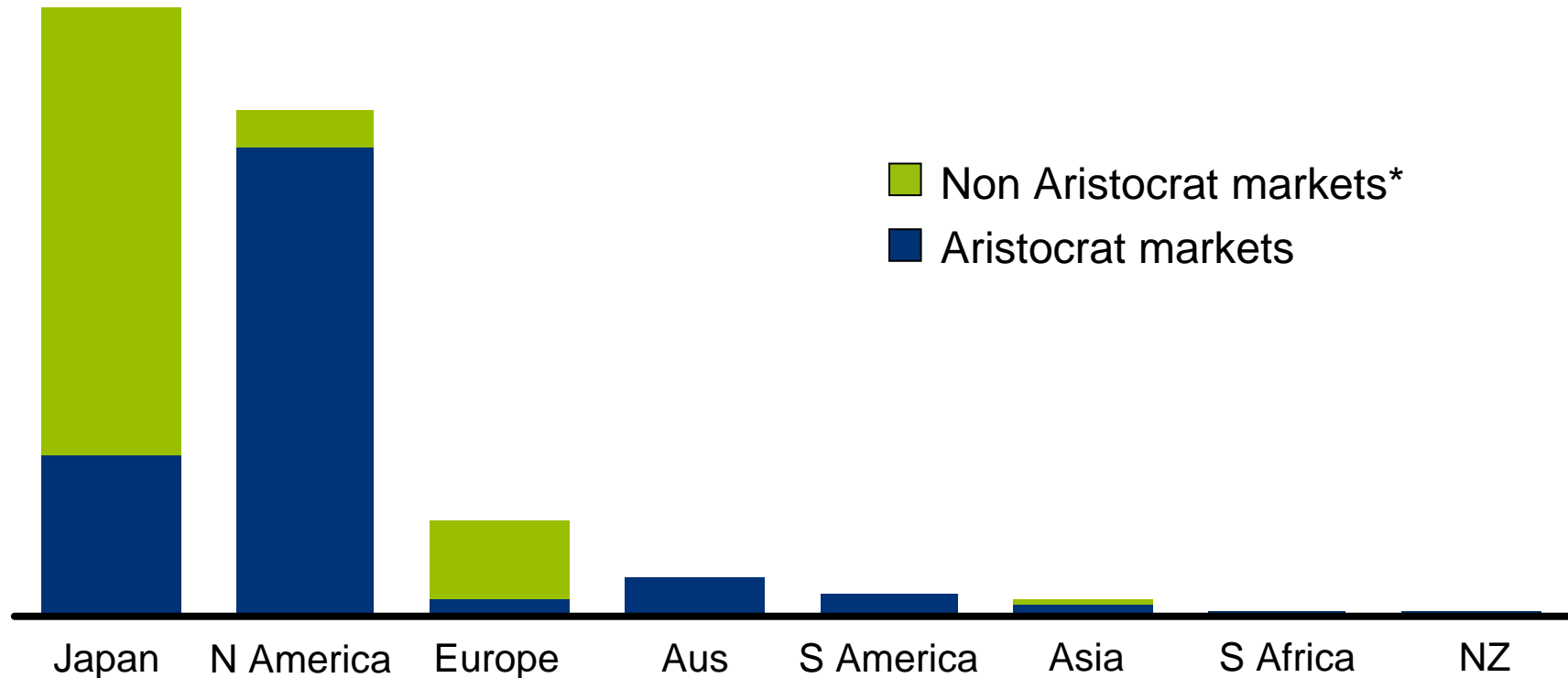
Comparison to best practice and gap analysis

Examples:

- Global market dominated by US and Japan
- Markets are becoming more diverse
- Technology increasingly driving the replacement cycle
- Regulation shaping markets more directly

~A\$9B Industry, Dominated by US & Japan

Gross profits

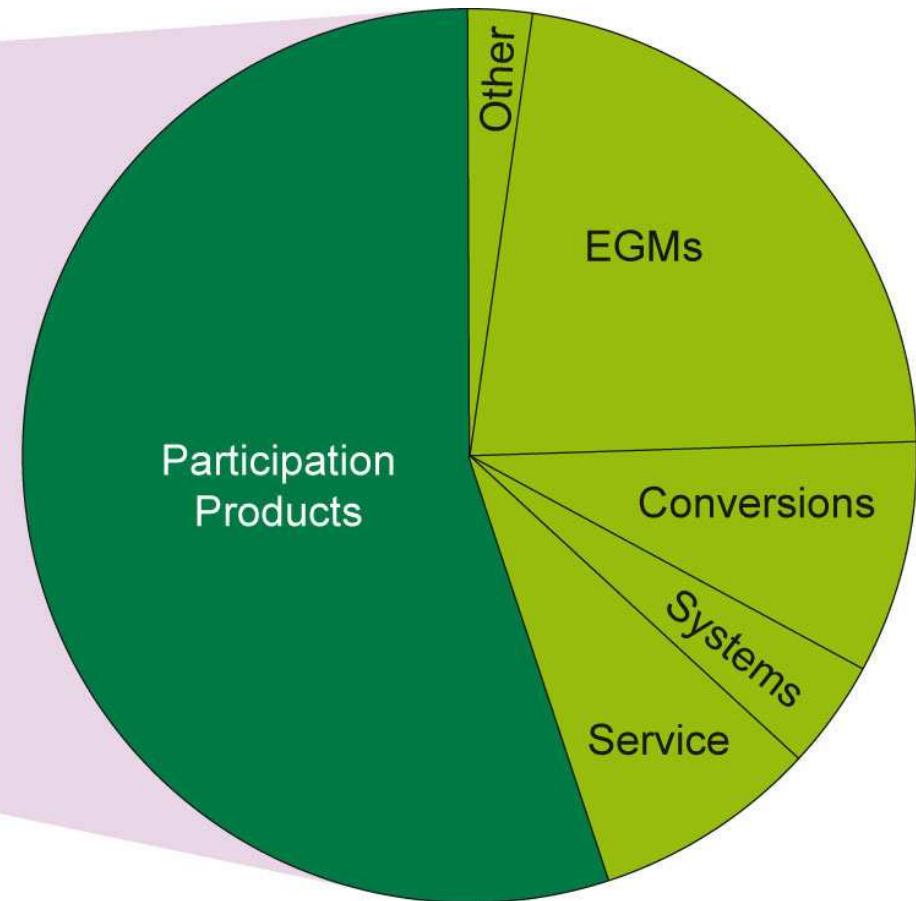
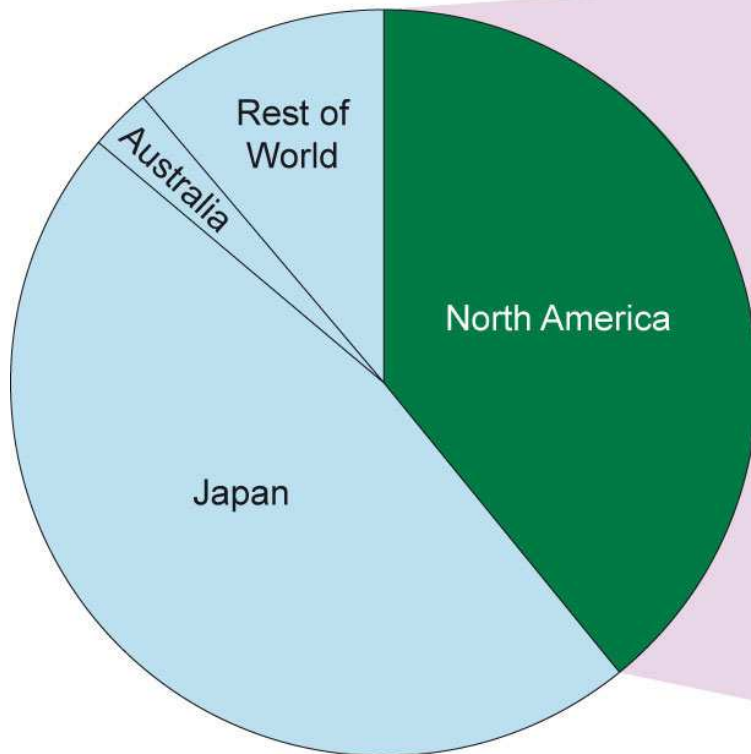


* Includes Pachinko, Class II, AWP, VLT

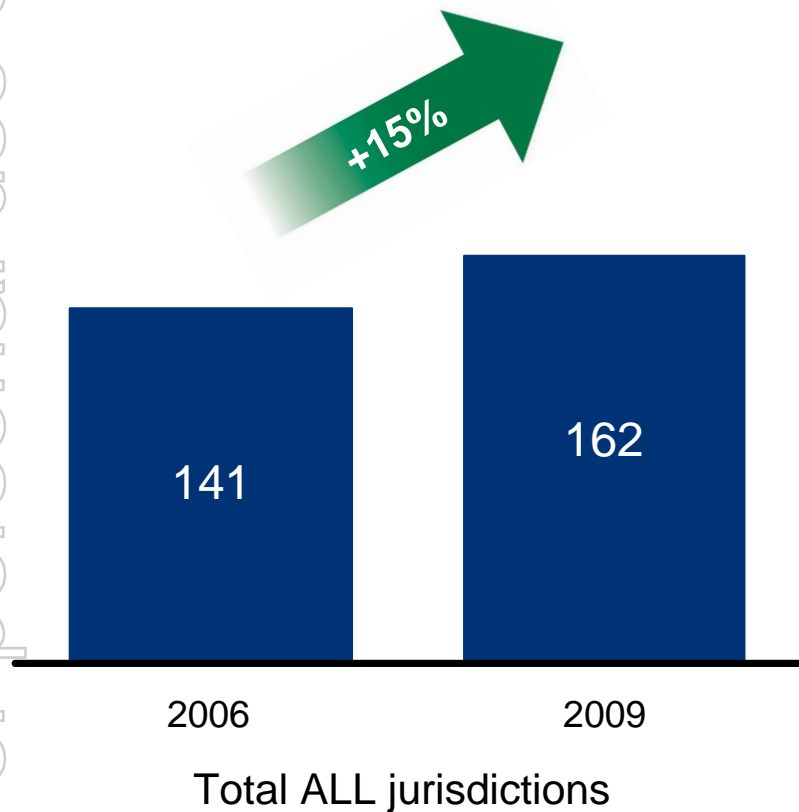
US: Compelling Participation Opportunity

Gross profit: global market
A\$9B

Gross profit: North America market
\$A3.5B



Markets More Diverse, ALL is Spread Thin

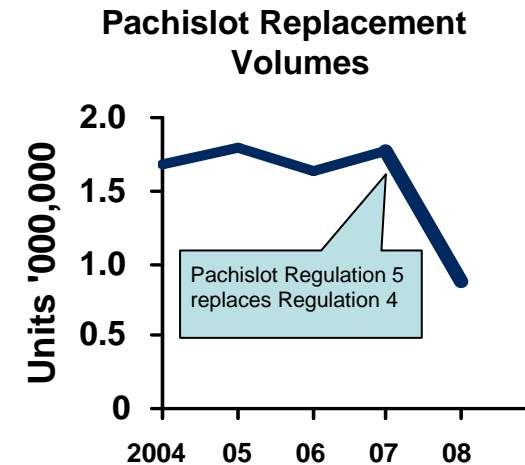


- Continued increase in number of gaming jurisdictions worldwide, and market differentiation
- Potential emergence of new large markets
- Cost to serve growing, along with need for focus
- ALL spread too thin: lacking in focus and impact

Regulatory Impact can be Significant

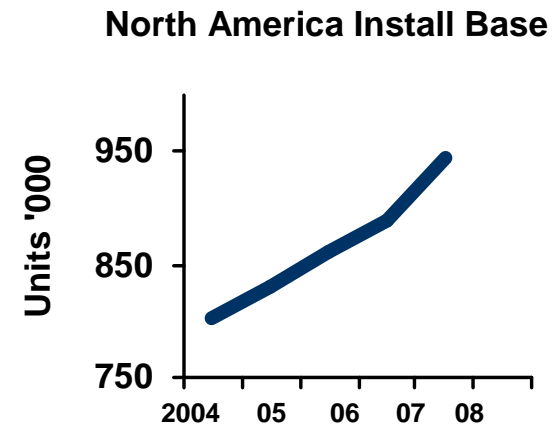
Japan

Regulatory change has impacted the popularity of pachislot (R5 vs. R4)



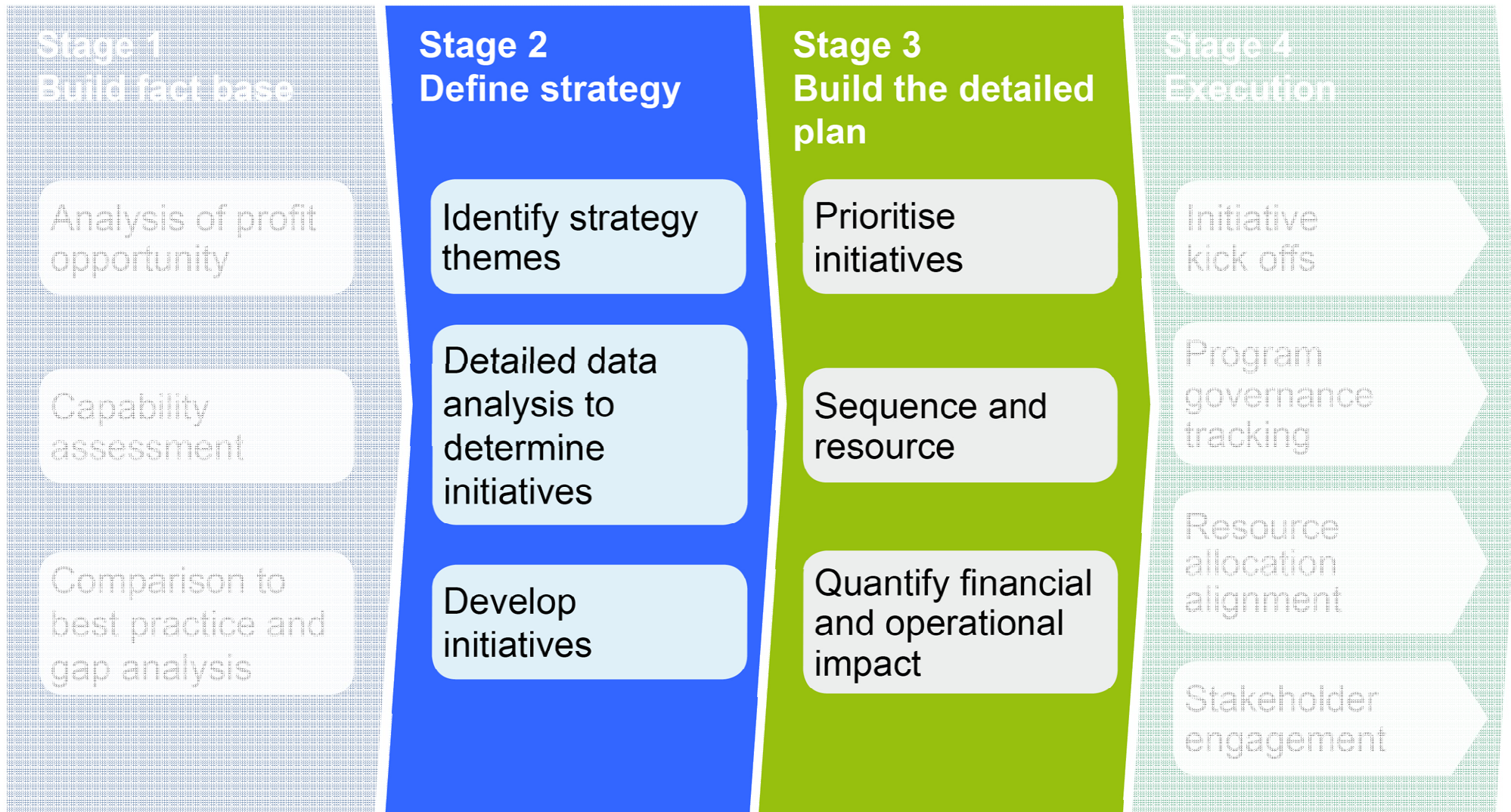
North America

Regulatory change has created opportunities through new and expanding markets



Define the Strategy & Build the Detailed Plan

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Defining the Strategy

Player led, technology driven

*Obtain privileged
insights to generate
competitive
advantage*

Best games and systems

*Apply insights to
build the best games
and systems*

Right markets and segments

*Focus on the most
profitable large
markets and
segments*

World class organisation

*Build a lean, effective
organisation to
deliver the best
products*

**Sustainable Shareholder
Value**

Player Led, Technology Driven

Player led, technology driven

*Obtain privileged
insights to generate
competitive
advantage*

- Putting players and customers at the centre of everything we do
- Get ahead of the technology curve and leverage to add real value

**Establish global
insights function**

**Technology
roadmap redefined**

**Clear IP management
strategy**

**Responsible
gaming strategy**

Best Games and Systems

Best games and systems

Apply insights to build the best games and systems

- Content is king
- Best games and systems on a market by market basis

Streamlined product development

Product roadmap

Low cost production

Systems / CMS investment

Networked gaming readiness

Right Markets, Right Segments

Right markets and segments

Focus on the most profitable large markets and segments

- Tailored focus by market and segment
- 'One size fits all' no longer applies

Double share of US participation gaming

More agile, customer led in Australia

Manage volatility in Japan

Optimise Rest of World portfolio

Exit low margin jurisdictions, products

World Class Organisation

World class organisation

Build a lean, effective organisation to deliver the best products

- Key enabling initiatives
- Rigorous focus on execution

Business Transformation Team established

Right-size the organisation

High performance culture

Process simplification and IT enablement

The Right Team

Jamie Odell
Chief Executive Officer

Trevor Croker
Managing Director,
Australia and
New Zealand

David Hughes
Chief Design &
Development Officer

Warren Jowett
Managing Director,
EMEA, Asia Pacific
and Japan

Nick Khin
President,
Aristocrat Americas

Paul Kitchen
Chief Marketing
Officer

Toni Korsanos*
Chief Financial
Officer

Patrick McGlinchey*
Chief Legal Officer and
Company Secretary

Sam Nickless
Business Transformation
Director

Julius Patta
Chief Technology
Officer

Tony Weston
Chief Human Resources
Officer

- More executives in North America
- Lift management capabilities with new skill sets
- Retention of experienced personnel

*Subject to regulatory approval

North America - Focus to Unlock Potential

Key Deliverables:

- Double participation market share over five years
- Grow systems footprint
- Develop stepper business

How:

- Privileged player and customer insights
- Dedicated US games development - video and stepper
- Streamlined product development process
- Better use of leading edge technology
- Greater management presence and focus in North America



Australia - Agile & Customer Led

Key Deliverable:

- Close gap between ship share and installed base

How:

- Privileged player and customer insights
- Focus on games development for Australian market
- Streamlined product development process
- New licensing models to offer customers more flexibility
- New management, greater focus on Australian market and customer focused sales model



Japan - Manage Volatility

Key Deliverable:

- Manage earnings volatility
- Consistently achieve a minimum of 2 licensed game releases and over 50,000 unit sales per annum

How:

- Optimise game approval slots
- Greater use of licensed characters
- Increase visibility over D&D and improve core processes
- Boost management capability



Rest of World - a Focused Approach

Key Deliverable:

- Improved ROI outside major markets

How:

- Exit approximately 30 low margin jurisdictions within 12 months
- Adopt robust criteria and processes for future market / product entry decisions
- Focus on markets with value and growth potential
- Tailored strategies to ensure success



The Big 5: Initiatives that Underpin Success

Focus to unlock potential
in North America

Double US participation market share (by value) over five years
Grow systems and stepper businesses

Agile & customer led
in Australia

Close gap between ship share and installed base

Manage volatility
in Japan

Consistently achieve a minimum of 2 licensed game releases and
over 50,000 unit sales per annum

Build a world class
product development
process

Ensure we deliver the best games and systems in each
market, faster and more efficiently

Right-size the business

Align resources and processes with strategy and reduce overheads

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