ARISTOCRAT

ANNUAL REPORT 2020

CONTENTS

Company Profile and Key Dates	1
Message from the Chairman and CEO	2
Directors' Report	4
Operating and Financial Review	9
Remuneration Report	30
Auditor's Independence Declaration	52
Nevada Regulatory Disclosure	53
Five Year Summary	55
Financial Statements	56
Independent Auditor's Report	100
Shareholder Information	107
Corporate Directory	109

2020 ANNUAL REPORT

This 2020 Aristocrat Leisure Limited Annual Report for the financial year ended 30 September 2020 complies with reporting requirements and contains statutory financial statements.

This document is not a concise report prepared under section 314(2) of the Corporations Act. The Aristocrat Group has not prepared a concise report for the 2020 financial year.

2021 ANNUAL GENERAL MEETING

The 2021 Annual General Meeting will be held at at 11.00am on Friday, 26 February 2021.

In response to Government restrictions and the potential health risks arising from coronavirus (COVID-19) pandemic, the Company's 2021 AGM will be held as a virtual meeting.

Details of the business of the meeting will be contained in the notice of Annual General Meeting, which will be made available to shareholders in late January 2021.

2020 CORPORATE GOVERNANCE STATEMENT

The 2020 Corporate Governance Statement can be found on the Group's website: www.aristocrat.com.

COMPANY PROFILE

Aristocrat Leisure Limited (ASX: ALL) is a leading gaming provider and games publisher, with more than 6,000 employees located in offices around the world. Aristocrat offers a diverse range of products and services including electronic gaming machines, casino management systems and digital social games. The Company's land-based products are approved for use in more than 300 licensed jurisdictions and are available in over 80 countries.

For further information visit the Group's website at www.aristocrat.com.

KEY DATES [1]

2020	Record date for Final 2020 Dividend	2 December 2020
	Payment date for Final 2020 Dividend	18 December 2020
2021	2021 Annual General Meeting	26 February 2021
	Interim Results Announcement [2]	24 May 2021
	Full Year Results Announcement [3]	18 November 2021

1. Dates subject to change.
2. 6 months ending 31 March 2021.
3. 12 months ending 30 September 2021.

A MESSAGE FROM THE CHAIRMAN AND CEO

The 2020 financial year was uniquely challenging for Aristocrat, as our people and business responded to the profound impacts wrought by the COVID-19 pandemic on our people, customers, players and communities. The resilience and commitment of our team of over 6,000 employees across the year has been nothing short of extraordinary.

Employee engagement scores above gaming and technology company benchmarks were achieved throughout 2020, reflecting the many steps Aristocrat took through the crisis to safeguard wellbeing, energise our culture and express our 'people first' commitment. The safety and wellbeing of our people, customers, suppliers and other stakeholders will continue to be our first priority as a business.

A Group NPATA result of $476.6 million for the 2020 fiscal year was 47% lower in reported terms than the $894.4 million delivered in 12-month period to 30 September 2019. While the Group was on track to deliver growth in line with our plans pre-pandemic, financial results for the full year were materially impacted by COVID-related customer venue closures, and the implementation of social distancing measures that have been in place across all regions of the gaming business. This impact was partly offset by excellent growth in our Aristocrat Digital business; demonstrating the benefits of our long-term strategy to diversify our revenue base.

Aristocrat nevertheless enhanced our financial fundamentals and further accelerated our underlying operational momentum across the year, and maintained strong investment behind our long term growth strategy.

Aristocrat Gaming (formerly referred to as Land) continued to take share and maintained its leadership of key Gaming markets and segments, with an increased focus on customer service and engagement. Continued market-leading investment in new hardware and games delivered superior operational performance and supported resilient demand.

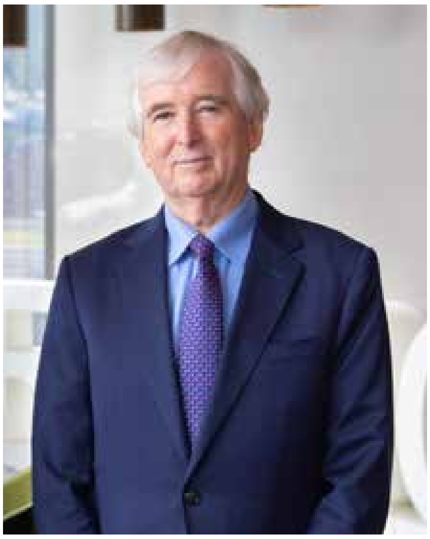
Aristocrat Digital delivered exceptional operational performance, while continuing to diversify and strengthen its portfolio and pipeline of new games. Aggressive and dynamic investment in User Acquisition supported momentum and allowed the business to fully leverage COVID-19 related tailwinds, while taking further significant strides forward in organisational scale, capability and effectiveness.

Aristocrat also maintained significant investment in the strategic capabilities that will power future growth, including in customer experience, cyber security, data and transformation management.

We also strengthened our liquidity and balance sheet, with approximately $2 billion in available liquidity as at 30 September 2020. This positions us well to not only weather economic and industry volatility, but also to take advantage of organic and inorganic opportunities to accelerate our progress, consistent with shareholders' interests. In this context, Aristocrat also took the opportunity to review our Group growth strategy during the year, given the changes and uncertainties driven by the pandemic. While we made some adjustments in terms of emphasis and details, the foundations of our strategy were strongly validated by this review. Aristocrat is therefore entering the new fiscal year fully aligned behind a refreshed growth vision, with updated priorities and the confidence to accelerate execution in the period ahead.

The Board's program of regular face-to-face engagement with Aristocrat's global employee and customer base pivoted online in 2020, as a result of the suspension of business travel. Through frequent virtual engagement opportunities, Directors continued to receive direct feedback from employees and other stakeholders in order to effectively oversee and monitor the business, its culture and employee safety and wellbeing. The Board also revised its meeting cadence and structures, and met virtually on a more frequent basis to support and supervise the Group's COVID-19 response.

Throughout the year, the Board maintained its strategic focus, while ensuring Aristocrat continued to have strong corporate governance practices in place. Remuneration structures were updated to ensure Aristocrat can attract and retain the critical capabilities required to execute our growth strategy and advance shareholders' interests. These changes reflect strong competition for top talent, particularly in the US technology sector in which we operate, as detailed in the Remuneration section of this report.



NEIL CHATFIELD
Chairman

TREVOR CROKER
Chief Executive Officer & Managing Director

Aristocrat has also continued to expand our sustainability disclosures, consistent with our values, our focus on the long term and commitment to transparency. Building on progress made over the last two years, further disclosures were published on the Group website (www.aristocrat.com) at the end of November 2020. In addition to updating and expanding existing content on topics such as responsible gameplay, employee relations and climate related issues, we have also shared more insights into our management of COVID-19 across the year. We will continue to expand these disclosures in line with stakeholder interests and relevance to our long term business success.

In summary, fiscal year 2020 was a year of unprecedented challenge for our business, from which we are emerging strongly.

We wish to particularly acknowledge and thank the Board and senior management for their commitment, focus and leadership throughout the period. We also reiterate our gratitude to our employees, whose compassion and care for each other, along with their absolute determination to deliver on commitments and willingness to adapt and innovate has been vital to getting the business to where it is today.

While we cannot predict how the pandemic will affect our operating environment in future, we are fully focused on what we can control, and are entering the 2021 financial year with excellent operation momentum, a proven strategy, strong team engagement and belief. We believe we are well placed to maintain our long-term trajectory of high-quality sustainable growth for the benefit of our shareholders and all stakeholders.

Thank you for your ongoing interest and support.

Yours sincerely,

NEIL CHATFIELD
Chairman

TREVOR CROKER
CEO and Managing Director

DIRECTORS' REPORT

FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2020

The Directors present their report together with the Financial Statements of the Company and its subsidiaries (the Group) for the 12 months ended 30 September 2020 (the financial year). The information in this report is current as at 18 November 2020 unless otherwise specified.

This Directors' Report has been prepared in accordance with the requirements of Division 1 of Part 2M.3 of the Corporations Act 2001 (Cth) (the Act).

REVIEW AND RESULTS OF OPERATIONS

A review of the operations of the Group for the financial year and the results of those operations, including a discussion on the impacts of the COVID-19 pandemic on the Group's operations, is set out in the Operating and Financial Review which forms part of this Directors' Report.

FINANCIAL RESULTS

The reported result of the Group attributable to shareholders for the 12 months ended 30 September 2020 was a profit of $1,377.7 million after tax (2019: profit of $698.8 million after tax).

Further details regarding the financial results of the Group are set out in the Operating and Financial Review and Financial Statements.

DIVIDENDS

Since the end of the financial year, the Directors have authorised a final fully franked dividend of 10.0 cents (2019: 34.0 cents) per fully-paid ordinary share. Details of the dividends paid and declared during the financial year are set out in Note 1-6 to the Financial Statements.

REMUNERATION REPORT

Details of the remuneration policies in respect of the Group's Key Management Personnel are detailed in the Remuneration Report which forms part of this Directors' Report. Details of Directors' interests in shares of the Company as at the end of the reporting period are set out on page 50 of the Remuneration Report.

ENVIRONMENTAL REGULATION

The Group's operations have a limited impact on the environment. The Group is subject to a number of environmental regulations in respect of its integration activities. The Company does not manufacture gaming machines, it only integrates (assembles) machines and systems in Australia, the USA, Macau, and the UK. The Company uses limited amounts of chemicals in its assembly process. The Directors are not aware of any breaches of any environmental legislation or of any significant environmental incidents during the financial year.

Based on current emission levels, the Company is not required to register and report under the National Greenhouse and Energy Reporting Act 2007 (Cth) (NGER Act). However, the Company continues to receive reports and monitors its position to ensure compliance with the NGER Act.

The Company is committed to not only complying with the various environmental laws to which its operations are subject, but also to achieving a high standard of environmental performance across all its operations. The Company is aware of, and continues to plan for, any new Australian regulatory requirements on climate change. Where identified, climate related risks are managed and mitigated through Aristocrat's enterprise risk management processes, which explicitly encompasses climate related risks and opportunities. These risks are also considered as part of core business processes, including strategy development and business continuity planning.

Aristocrat has adopted a phased approach to expanding climate-related disclosures, with improvements being driven over three years, with an initial focus on Risk Management, Governance and Strategy disclosures. Aristocrat undertakes a materiality assessment to identify Environmental, Social, and Governance (ESG) issues relevant to the business on a periodic basis, and environmental issues are considered as part of this assessment.

SUSTAINABILITY

Further details on sustainability can be found on the Company's website www.aristocrat.com

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were the design, development and distribution of gaming content, platforms and systems, including electronic gaming machines, casino management systems and digital social games. The Company's objective is to be the leading global provider of gaming solutions.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the impacts of the COVID-19 pandemic discussed in this Directors' Report (including in the Operating and Financial Review), there were no significant changes in the state of affairs of the Group during the financial year.

EVENTS AFTER BALANCE DATE

Other than the Board authorising the final dividend, since the end of the year and to the date of this Directors' Report, no other matter or circumstance has arisen that has significantly affected or may significantly affect the Group's operations, results of those operations or state of affairs in future reporting periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in the operations of the Group in future financial years and the expected results of operations are referred to in the Operating and Financial Review which forms part of this Directors' Report.

DIRECTORS' PARTICULARS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

The Directors of the Company throughout the financial year and up to the date of this report are:

CURRENT DIRECTORS		
Director	**Experience and other directorships**	**Special responsibilities**
NG Chatfield M.Bus, FCPA, FAICD	Nominated December 2017. Appointed February 2018. – Chairman of Costa Group Holdings Limited (since July 2015, appointed as a Non-Executive Director October 2011) – Non-Executive Director of Transurban Group (since February 2009) – Former Chairman of Seek Ltd (June 2005 – December 2018) – Former Chairman of Virgin Australia Holdings Ltd – Former Non-Executive Director of Recall Holdings Ltd and Iron Mountain, Inc. – Former Executive Director and Chief Financial Officer of Toll Holdings Ltd (until September 2008)	Non-Executive Chairman Member, Regulatory & Compliance Committee Member, People & Culture Committee Member, Audit Committee
TJ Croker Advanced Management Program, MAICD	Appointed 1 March 2017. – Director and Chairman of the American Gaming Association (Chairman effective January 2020) – Former Executive Vice President, Global Product & Insights, Aristocrat Leisure Limited – Former Managing Director, ANZ – Aristocrat Leisure Limited – Sales Director – Fosters Australia Ltd	Managing Director and Chief Executive Officer
KM Conlon BEc, MBA, FAICD	Nominated January 2014. Appointed February 2014. – Chair of Lynas Corporation Limited (since September 2020, appointed as a Non-Executive Director November 2011). – Non-Executive Director of REA Group Limited (since June 2007), BlueScope Steel Limited (since February 2020), and the Benevolent Society (since February 2013) – Member of Chief Executive Women – Member of the Australian Institute of Company Directors (AICD) Corporate Governance Committee and a former National Board Member of the AICD – Former Non-Executive Director of CSR Limited – Former Partner and Director, Boston Consulting Group (BCG)	Chair, People & Culture Committee Member, Audit Committee
PJ Ramsey BA, Economics, MBA, MAICD	Nominated September 2016. Appointed October 2016. – Consultant, EPR Properties (a publicly traded REIT) – Board of Trustees for the Meadows School (Las Vegas, USA) – Executive Committee member for the TPC Shriners Hospital for Children Open – Former Independent Director of VizExplorer – Former Chief Digital Officer of Aristocrat Leisure Limited and former CEO of Multimedia Games – Various senior roles at Caesars Entertainment (formerly Harrah's)	Lead US Director (from 20 February 2020) Chair, Regulatory & Compliance Committee Member, Audit Committee
S Summers Couder Dip Electrical Engineering, Masters in Electrical Engineering and Computer Sciences Cycle de Perfectionnement Option (Equivalent MBA) MAICD	Nominated August 2016. Appointed September 2016. – Independent Director of Semtech Corporation (since April 2013) – Former Independent Non-Executive Director of Alcatel-Lucent SA and Headwaters Inc. – Former Chief Executive Officer of Trident Microsystems Inc.	Member, Audit Committee Member, People & Culture Committee

DIRECTORS' REPORT

CURRENT DIRECTORS		
Director	**Experience and other directorships**	**Special responsibilities**
AM Tansey BBA, MBA, Juris Doctor, FAICD	Nominated March 2016. Appointed July 2016. – Non-Executive Director of WiseTech Global Limited (since June 2020), – TPG Telecom Limited (since July 2020), Lendlease Real Estate Investments Limited (since October 2010), and the Australian National Maritime Foundation (since December 2019) – Member of Chief Executive Women and Fellow of the Australian Institute of Company Directors – Former Non-Executive Director of Healius Limited (formerly Primary Health Care Ltd) (August 2012 – October 2020) and Adelaide Brighton Ltd (April 2011 – October 2019)	Chair, Audit Committee Member, Regulatory & Compliance Committee
PG Etienne GradDip Marketing, BSc, MBA, Advanced Management Program, GAICD	Nominated October 2019. Appointed November 2019. – Chairman and Non-Executive Director, ANZ Terminals (since October 2017). – Non-Executive Director of Lynas Corporation Limited (since January 2015) and Cleanaway Waste Management Limited (since May 2014) – Former Managing Director & CEO of Innovia Security Pty Ltd – Former Non-Executive Director of Sedgman Limited – Various senior executive positions, Orica Limited	Member, People & Culture Committee Member, Regulatory & Compliance Committee

FORMER DIRECTORS		
Director	**Experience and other directorships**	**Special responsibilities**
SW Morro BA, Business Administration	Nominated December 2009. Retired 20 February 2020. – Former Chief Operating Officer and President, IGT Gaming Division	Lead US Director (to 20 February 2020) Member, Regulatory & Compliance Committee (to 20 February 2020) Member, People & Culture Committee (to 20 February 2020)

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

The attendance of directors at Board meetings and attendance of committee members at committee meetings of which they are voting members is set out below.

Meetings attended/held

Director	Board	Audit Committee	People & Culture Committee	Regulatory & Compliance Committee	Concurrent Committee meetings [4]
Current Directors					
NG Chatfield [1]	19/19	4/4	5/5	5/5	1/1
TJ Croker	19/19	—	—	—	—
KM Conlon [1]	19/19	4/4	5/5	—	1/1
PG Etienne [1,2]	19/19	—	5/5	5/5	1/1
PJ Ramsey [1]	19/19	4/4	—	5/5	1/1
S Summers Couder [1]	18/19	4/4	5/5	—	1/1
AM Tansey [1]	19/19	4/4	—	5/5	1/1
Former Directors					
SW Morro [1,3]	7/7	—	2/2	2/2	—

1. During FY2020, the Board reviewed each Non-Executive Director's independence and confirms that each Non-Executive Director is independent.
2. PG Etienne was appointed as a Non-Executive Director on 7 November 2020.
3. SW Morro retired from the Board on 20 February 2020.
4. To support the determination of remuneration outcomes, the People & Culture Committee met concurrently with the Audit Committee on 30 September 2020.

COMPANY SECRETARY

The Company Secretary is directly accountable to the Board, through the Chairman, for all governance matters that relate to the Board's proper functioning.

During the financial year, the Group had the following Company Secretary:

Richard Bell LLB, BComm (Law)	Richard Bell joined Aristocrat in April 2015 and was appointed as Company Secretary in May 2017. Before joining Aristocrat, Mr. Bell specialised in Mergers & Acquisitions at Australian law firm Allens Linklaters.

OPTIONS OVER SHARE CAPITAL

No options over Company shares were granted to executives or Directors during or since the end of the financial year. There were no unissued shares or interests in the Company subject to options at the date of this Directors' Report and no Company shares or interests issued pursuant to exercised options during or since the end of the financial year.

INDEMNITIES AND INSURANCE PREMIUMS

The Company's Constitution provides that the Company will indemnify each officer of the Company against any liability incurred by that officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of that officer's duties to the extent permitted by law.

An officer for the purpose of this provision includes any Director or Secretary of the Company or the Company's subsidiaries, executive officers or employees of the Company or its subsidiaries and any person appointed as a trustee by, or acting as a trustee at the request of, the Company, and includes former Directors.

In accordance with the Company's Constitution, the Company has entered into deeds of access, indemnity and insurance and deeds of indemnity for identity theft with each Director and nominated officers of the Company. No amount has been paid pursuant to those indemnities during the financial year to the date of this Directors' Report.

The Company has paid a premium in respect of a contract insuring officers of the Company and its related bodies corporate against any liability incurred by them arising out of the conduct of the business of the Company or in or arising out of the discharge of their duties. In accordance with normal commercial practices, under the terms of the insurance contracts, the details of the nature and extent of the liabilities insured against and the amount of premiums paid are confidential.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the Company under section 236 of the Act nor has any application been made in respect of the Company under section 237 of the Act.

AUDITOR

PricewaterhouseCoopers (PwC) continues in office in accordance with section 327 of the Act.

NON-AUDIT SERVICES PROVIDED BY THE AUDITOR

The Company, with the prior approval of the Chair of the Audit Committee, may decide to employ PricewaterhouseCoopers, the Company's auditor, on low value assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important. The Company has an Auditor Independence Policy which specifies those non-audit services which cannot be performed by the Company auditor. The Policy also sets out the procedures which are required to be followed prior to the engagement of the Company's auditor for any non-audit related service.

During the financial year, the fees paid or payable for non-audit services provided by the Company's auditor and its related practices totalled $1,056,477. Details of the amounts paid or payable to the Company's auditor, for audit services provided during the financial year, are set out in Note 6-3 to the Financial Statements.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services as set out in Note 6-3 to the Financial Statements is compatible with the general standard of independence for auditors imposed by the Act for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor.
- PwC is engaged on low value assignments additional to their statutory audit duties where PwC's expertise and experience with the Group are important. During the current and prior year, PwC was primarily engaged for tax services relating to assistance with one off changes to the Group Structure (refer to Note 6-3 to the Financial Statements). These services are not recurring.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the Auditor's Independence Declaration is attached to this Directors' Report.

LOANS TO DIRECTORS AND EXECUTIVES

No Director or executive held any loans with the Company during the financial year.

ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

As the Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Director's Report and the Financial Statements have been rounded off, except where otherwise stated, to the nearest whole number of million dollars and one decimal place representing hundreds of thousands of dollars, or in certain cases, the nearest dollar in accordance with that class order.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.

NG CHATFIELD
Chairman

18 November 2020

Aristocrat at a Glance

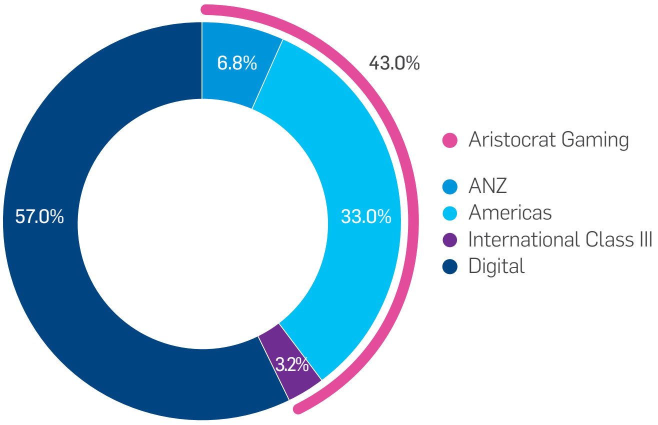
Revenue

$4.1 billion

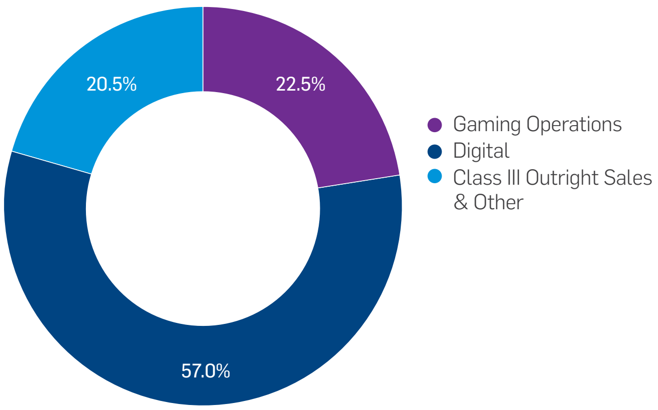
Licensed Jurisdictions

328

REVENUE BY SEGMENT



REVENUE BY STRATEGIC SEGMENT



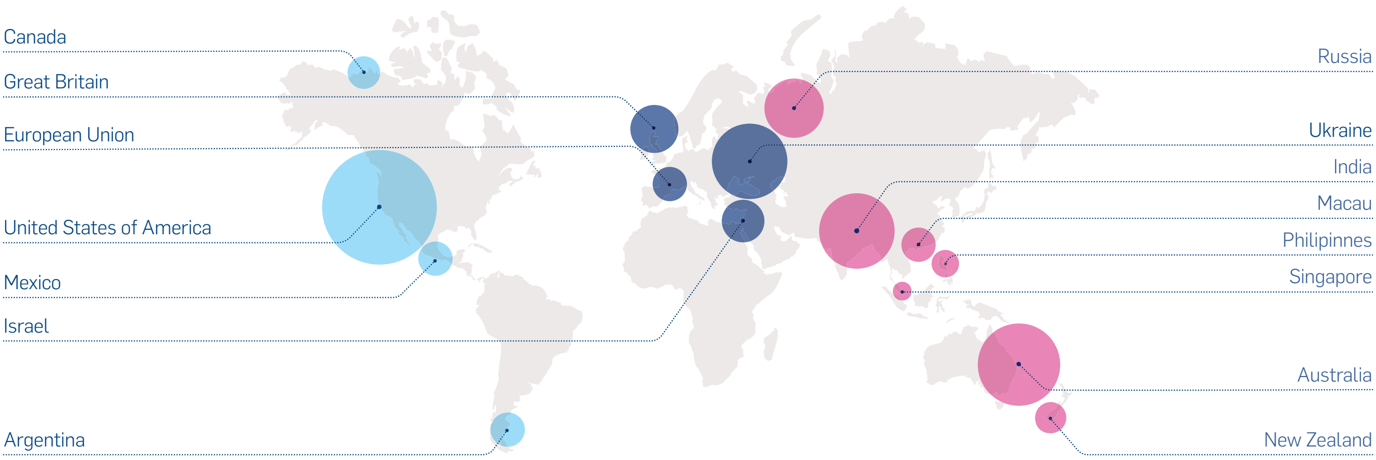
Countries

84

Employees

6,000+

The world map below displays the location of Aristocrat's employees, with the size of each circle illustrating the relative number of employees based in that country.



OPERATING AND FINANCIAL REVIEW

COVID-19 Recovery and Business Strategy

A CHALLENGING YEAR

The 2020 financial year was uniquely challenging. Throughout the year, our first priority was – and remains – the health and wellbeing of our people, customers and other stakeholders.

Financial results in our Gaming (Land-based) business for the 2020 financial year were materially impacted by COVID-19 related customer venue closures and the implementation of social distancing measures that have been in place in key gaming markets globally since March 2020.

A RESILIENT BUSINESS

At the same time, our performance for the period demonstrates the Group's deep strengths, including our robust financial fundamentals and the soundness of our long-term strategy.

We have accelerated our diversification over the past several years, as we have entered more adjacent markets, segments, and game genres. We have driven scale in Digital, adding a material B2C operational engine to the Group and delivering further diversity to a revenue base that is now predominantly recurring rather than one-off in nature.

The benefits of this diversification are evident in our results for the period, during which we achieved Group revenue in excess of $4 billion, while protecting the business and maintaining investment behind our strategic differentiators for the future.

SUSTAINED INVESTMENT IN DIFFERENTIATORS

Throughout 2020, we have maintained our commitment to being an industry-leading Design & Development (D&D) organisation, while also maintaining strong investment in Digital games and User Acquisition and continuing to commit capital to further growing our Gaming Operations footprint. We also invested more in strategic capabilities, including customer experience, cyber security, and data capability, among other priorities. Our Customer Experience function deployed a suite of new mobile applications, as we look to offer more connected services and further diversify revenue streams.

CONTINUOUS IMPROVEMENT FOR GROWTH

At the same time, we took the opportunity presented by the crisis to improve. We pivoted to an explicitly 'people first' focus, energising our culture and offering more support, flexibility, and recognition to our global team of over 6,000 Aristocrat people. Engagement scores above industry benchmarks were achieved through the period, with no loss of business momentum, despite the disruptions and remote working arrangements.

We made difficult but important changes to enhance operating leverage, further supporting our liquidity and allowing us to invest more behind our growth strategy.

In Gaming, we prioritised liquidity preservation when we prepared our COVID-19 response plan in April 2020. This included a significant reduction in contractors, consultants and other discretionary spend, reducing both operating and capital expenditure. Approximately 800 people in customer facing roles were temporarily furloughed, and an additional 1,700 people took a temporary 10-20% pay cut or reduction in hours. A small number of redundancies were made, and a hiring freeze was implemented.

We focused on project portfolio prioritisation in D&D to maintain our investment principles in this area and none of our creative studios were affected.

Continuous improvement initiatives included a significant rebasing of Big Fish following a strategic review of the business. Big Fish is now poised for sustainable and profitable growth, with the benefit of refreshed leadership and focus.

STRONG OPERATIONAL PERFORMANCE

We sharpened our operational priorities in Gaming and focused on supporting customers with higher levels of service, flexibility and tailored commercial options to help them recover as quickly as possible. Furloughed staff were brought back to work earlier than anticipated, to help customers prepare to re-open.

The long-term focus on lifting our competitiveness through outstanding people and product positioned us to benefit in Digital, and in Gaming, as demand began to return through the latter half of the reporting period.

This is evident in the share gains achieved by our Gaming business in key markets over the year, along with outstanding customer feedback and industry data on portfolio performance – particularly in our largest markets in North America and Australia. Our Digital business also took share across core genres, reflecting our investments in improving the Product Madness portfolio and scaling the world-class title *RAID:Shadow Legends*™ along with broader portfolio performance and COVID-19 related tailwinds.

IDEALLY PLACED FOR GROWTH

The Group is entering the 2021 financial year with strong momentum and is well placed to maintain our long-term trajectory of high quality, sustainable growth. We have excellent liquidity, low debt and a balance sheet that provides us with full optionality. We have a revitalised team, strong belief, and a people first culture. Our strategy has been affirmed, and we are focused on accelerating it and making the most of the opportunities presented by disruption, while we continue to manage the near-term impacts and volatility driven by the pandemic across global markets.

Review of Operations — Group Performance

EARNINGS SUMMARY

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

A$ million	Constant currency [2] 2020	2020	2019	Variance vs. 2019 Constant currency [2] %	Variance vs. 2019 Reported %
Normalised results [1]					
Operating revenue	4,035.6	**4,139.1**	4,397.4	(8.2)	(5.9)
EBITDA	1,056.3	**1,089.4**	1,596.8	(33.8)	(31.8)
EBITA	745.8	**771.3**	1,346.9	(44.6)	(42.7)
NPAT	343.8	**357.1**	752.8	(54.3)	(52.6)
NPATA	459.6	**476.6**	894.4	(48.6)	(46.7)
Earnings per share (fully diluted)	53.9c	**56.0c**	118.0c	(54.3)	(52.5)
EPS before amortisation of acquired intangibles (fully diluted)	72.0c	**74.7c**	140.2c	(48.6)	(46.7)
Total dividend per share	10.0c	**10.0c**	56.0c	(82.1)	(82.1)
Reported results					
Revenue	4,035.6	**4,139.1**	4,397.4	(8.2)	(5.9)
Profit after tax	1,226.0	**1,377.7**	698.8	75.4	97.2
NPATA	1,341.8	**1,497.2**	840.4	59.7	78.2
Balance sheet and cash flow					
Net working capital/revenue	1.0%	**0.9%**	5.6%	(4.6) pts	(4.7) pts
Operating cash flow	991.8	**1,022.9**	1,085.5	(8.6)	(5.8)
Closing net debt/(cash) [3]	1,653.5	**1,567.5**	2,223.7	25.6	29.5
Gearing (net debt/consolidated EBITDA [3,4])	n/a	**1.4x**	1.4x	n/a	0.0x

1. Normalised results are statutory profit (before and after tax), excluding the impact of certain significant items detailed on page 17.
2. Results for 12 months to 30 September 2020 are adjusted for translational exchange rates using rates applying in 2019 as referenced in the table on page 20.
3. Net debt excludes lease liabilities recognised under AASB 16 from 1 October 2019.
4. Consolidated EBITDA as defined by the Credit Agreement.

The information presented in this Operating and Financial Review has not been audited in accordance with the Australian Auditing Standards.

OPERATING AND FINANCIAL REVIEW

Review of Operations — Group Performance continued

OPERATIONAL HIGHLIGHTS

Despite the disruptions driven by COVID-19, Aristocrat's strong operational momentum was maintained throughout the period. Key highlights are set out below.

Increased share achieved in North America Gaming Operations:

- Aristocrat's Class III Premium installed base grew 5.9% to 24,366 units, with continued penetration of leading hardware configurations and high-performing game titles. ~74% (~18,000 units) of the installed base were operating at 30 September 2020 as a result of social distancing restrictions and venue closures.
- Aristocrat's Class II installed base grew 0.3% to 25,302 units. ~85% (~21,500 units) of the installed base were operating at 30 September 2020.
- Total adjusted average fee per day (FPD) increased 1.1% to US$51.01 (FPD unadjusted for the number of days machines were not operating in the period was US$35.55), with continued strength in product performance due to resilient demand for Aristocrat games.
- Based on the Eilers' Game Performance report for September 2020, Aristocrat's premium leased game themes accounted for 14 of the top 25; and Aristocrat's premium Wide Area Progressive games represented 11 of the top 25.
- Aristocrat's Multi Site Progressive performance improved over 2019 levels, driven mainly by performance in California and Oklahoma.

Continued portfolio momentum in Outright Sales:

- COVID-19 lockdowns drove significant customer capital constraints across all geographies, reducing Outright Sales opportunities in the second half.
- Aristocrat continued to expand its portfolio into attractive North American adjacencies, including Video Lottery Terminal (VLT), in Canada, Illinois, and Oregon (trial), Washington Central Determinant System (CDS) and the Multigame and Poker segments.
- In North America, Aristocrat led the Core (Low Denom, Video Reel) game category with 12 of the top 25 games according to the Eilers' Game Performance Report for September 2020:
  - *Buffalo Gold*™ remains #1, *Wonder 4 Tall Fortunes*™ at #4 and *Fu Dai Lian Panda*™ at #5.
  - *Gold Stacks 88*™ *Turtle Kingdom*™ ranked #1 in the top indexing new games (Core, Video Reel) category with a performance index of 2.63x.
- ANZ maintained its market-leading ship share.

Significant growth and continued diversification in Digital:

- Aristocrat strengthened its position as the clear #2 in the Social Casino genre globally.
- Strong performance of *Lightning Link*™ and *Cashman Casino*™ through the successful delivery of Live Ops, features and slot content, and COVID-19 "stay at home" mandates an added tailwind.
- *RAID: Shadow Legends*™ continued its impressive growth trajectory.
- The business continued to build portfolio diversity, with the successful launch of *EverMerge*™ in the casual merge genre.
- Rebased the Big Fish business for profitable growth.
- Continued, disciplined investment in User Acquisition and retention, and leveraging of best practices across Digital operations.
- Average Bookings Per Daily Active User (ABPDAU) grew 44% to US$0.59 driven mainly by Social Casino and the continued scaling of *RAID: Shadow Legends*™.

Sustained investment in our future through great talent and technology:

- Despite the impact of COVID-19, Aristocrat maintained its investment in game design, development, and technology to deliver long term performance.
- Gaming and Digital portfolios were reviewed and reprioritised for growth post COVID-19.

Robust financial fundamentals maintained:

- EBITDA margin moderated to 26.3% due to the impact of COVID-19 on the Aristocrat Gaming business.
- Capital expenditure of $248 million during the period supported growth in our Gaming Operations installed base, of which $96 million occurred in the second half.
- A gearing (Net Debt/EBITDA) result of 1.4x at 30 September 2020 was in line with the prior year.
- Aristocrat's balance sheet is strong, with approximately $2 billion in available liquidity at 30 September 2020.

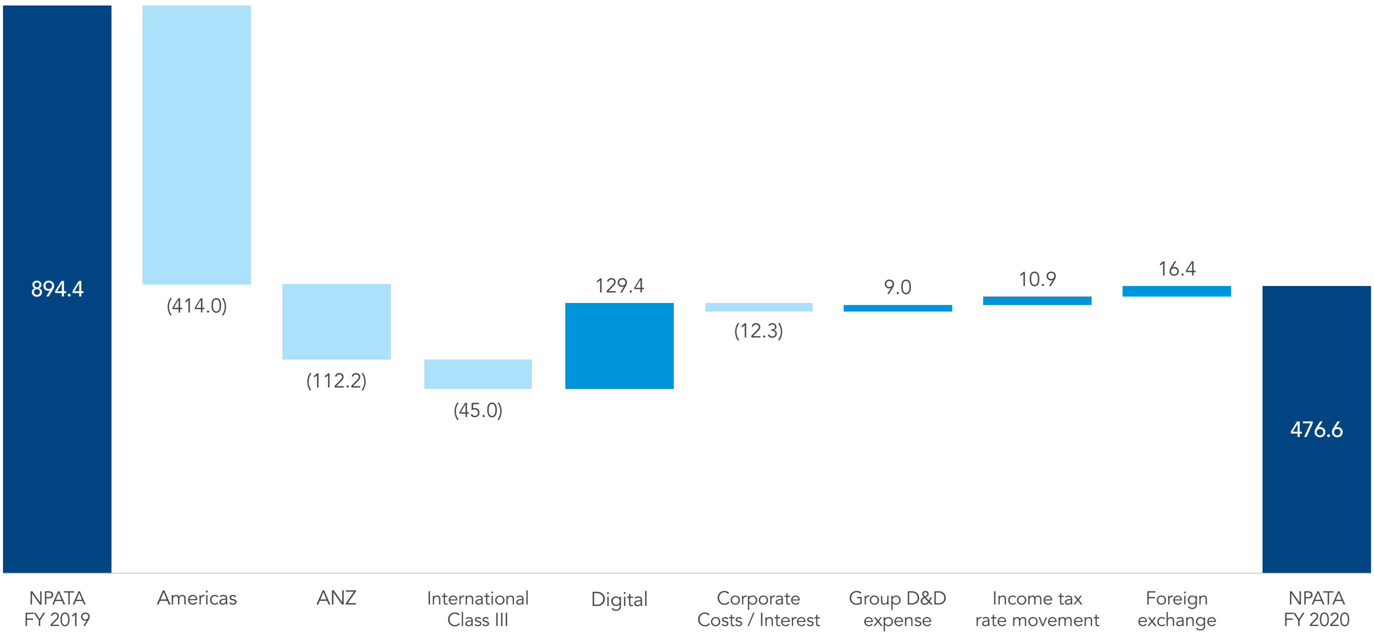
Review of Operations — Group Performance continued

PERFORMANCE SUMMARY

Normalised profit after tax and before amortisation of acquired intangibles (NPATA) of $476.6 million for the period represented a 47% decrease (49% in constant currency) compared to the prior corresponding period (pcp). The decrease was driven by the impact of COVID-19 on the Aristocrat Gaming business. Revenue decreased 6% (8% in constant currency) with COVID-19 impacts largely offset by strong growth in Digital. Normalised fully diluted earnings per share before amortisation of acquired intangibles of 74.7c represents a 47% decrease (49% in constant currency) on the prior corresponding period.

Strong focus on cash preservation and liquidity along with the benefits of our diversified and largely recurring revenue business, allowed us to maintain net gearing in line with the prior corresponding period, at 1.4x.

NPATA movement FY19 to FY20 (A$ million)



Movements in the graph above are on a constant currency basis and are tax effected at the prior year tax rate.

- NPATA declines across all **Aristocrat Gaming** businesses in the period were driven by COVID-19 impacts, which resulted in a significant reduction in capital spend by customers and lower Gaming Operations revenue due to venue closures and social distancing measures from March 2020.
- The **Americas** business achieved a 5.9% expansion in the Class III Premium Gaming Operations footprint, a 0.3% expansion in the Class II Gaming Operations footprint and the overall adjusted average fee per day (FPD) was maintained at over US$50. On an unadjusted basis, the average FPD for the period was US$35.55.
- **Digital** delivered post-tax earnings growth of $129.4 million due largely to outstanding performance across the Social Casino portfolio and continued scaling of *RAID: Shadow Legends*™.
- **Corporate costs and interest** increased by $12.3 million, largely driven by lease interest.
- The Group's **strategic investment** in talent and technology was maintained, to position the business for growth, including in the Gaming business as demand returns.
- The decrease in the Group's **effective tax rate (ETR)** from 27.5% to 24.9%, resulted in a $10.9 million NPATA benefit with the recognition of a deferred tax asset of approximately $1.1 billion, reflecting the impact of the changes in Group structures announced in November 2019.
- **Foreign exchange** positively impacted performance by $16.4 million.

Summary of COVID-19 related impacts:

- Significant reduction in global Outright Sales volumes compared to the prior corresponding period.
- US$15 reduction in the Gaming Operations average FPD (unadjusted) due to venue closures, social distancing measures and customer incentives.
- Increase in bad and doubtful debt expense.
- Increase in inventory provisioning in the period.
- Benefits in Digital driven by 'stay at home' mandates.

Review of Operations — Group Performance continued

GROUP PROFIT OR LOSS

Results in the current and prior corresponding periods are in reported currency and normalised for significant items outlined on page 17. Segment profit is stated before amortisation of acquired intangibles.

A$ million	2020	2019	Variance %
Segment revenue			
Australia and New Zealand	280.6	456.2	(38.5)
Americas	1,367.6	1,948.0	(29.8)
International Class III	131.4	204.5	(35.7)
Digital	2,359.5	1,788.7	31.9
Total segment revenue	4,139.1	4,397.4	(5.9)
Segment profit			
Australia and New Zealand	58.9	213.6	(72.4)
Americas	517.3	1,073.2	(51.8)
International Class III	34.3	94.3	(63.6)
Digital	726.9	528.9	37.4
Total segment profit	1,337.4	1,910.0	(30.0)
Unallocated expenses			
Group D&D expense	(497.9)	(500.4)	0.5
Foreign exchange	(0.7)	0.3	n/a
Corporate	(67.5)	(63.0)	(7.1)
Total unallocated expenses	(566.1)	(563.1)	(0.5)
EBIT before amortisation of acquired intangibles (EBITA)	771.3	1,346.9	(42.7)
Amortisation of acquired intangibles	(154.9)	(184.4)	16.0
EBIT	616.4	1,162.5	(47.0)
Interest	(140.7)	(124.0)	(13.5)
Profit before tax	475.7	1,038.5	(54.2)
Income tax	(118.6)	(285.7)	58.5
Profit after tax (NPAT)	357.1	752.8	(52.6)
Amortisation of acquired intangibles after tax	119.5	141.6	(15.6)
Profit after tax and before amortisation of acquired intangibles (NPATA)	476.6	894.4	(46.7)

Review of Operations — Group Performance continued

REVENUE

Segment revenue decreased $258 million or 6% in reported currency (8% in constant currency), with the percentage of total revenue derived from recurring sources increasing by 11 percentage points to 79.5% compared to the prior corresponding period. This was principally driven by strong performance in Digital, robust pre-COVID-19 performance and a faster than expected recovery across North America Gaming Operations, coupled with significantly lower global Outright Sales due to COVID-19.

Digital revenue grew 28.5% to a new record result of US$1,609 million, driven by substantial growth in *RAID: Shadow Legends*™, strong performance in *Lightning Link*™ and *Cashman Casino*™ and the successful launch of *EverMerge*™ in the period.

Revenue across all Aristocrat Gaming businesses was significantly impacted by COVID-19 as previously flagged. In Class III Gaming Operations, revenue declined 26%, however underlying performance remained strong with Aristocrat's Premium Class III and Class II footprints increasing 5.9% and 0.3% respectively and the adjusted average fee per day increasing 1.1%.

In North America Outright Sales, revenue decreased 46% in local currency.

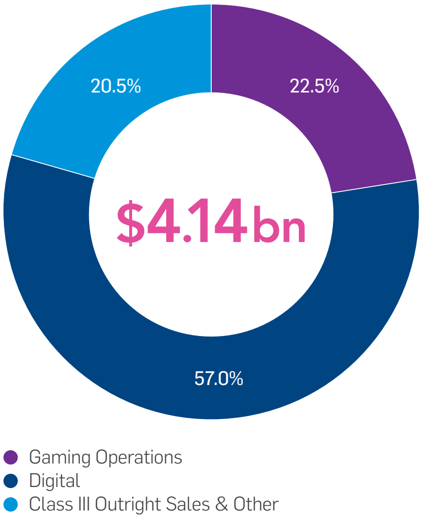
Aristocrat's industry-leading product performance was again recognised in the annual Global Gaming Awards. In 2020, Aristocrat was named overall Land-based Industry Supplier of the Year (for the second year in a row), and also recognised for Land-based Product of the Year for the *MarsX*™ cabinet, as well as Slot of the Year for *Dollar Storm*™.

In the outright sales markets of Australia and New Zealand, revenue decreased 39% to $281 million in reported currency, reflecting the impacts of droughts, bushfires, COVID-19 and the timing of new product releases.

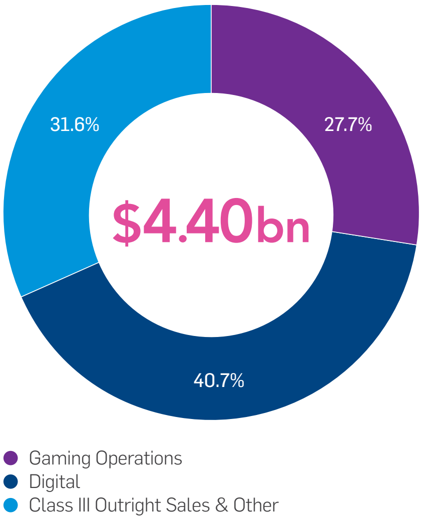
In International Class III, revenue decreased 36% to $131 million in reported currency.

Across all regions, our Gaming businesses intensified their focus on customers during the period, bringing forward new commercial and product offerings, boosting service and working flexibly to support customers' COVID-19 response to position them for a strong recovery.

Revenue by Strategic Segment 2020



Revenue by Strategic Segment 2019



All amounts are in reported currency unless otherwise stated.

Review of Operations — Group Performance continued

EARNINGS

Segment profit decreased $573 million in reported currency, down 30% compared to the prior corresponding period, again reflecting COVID-19 impacts on the Aristocrat Gaming business.

Margins in Gaming were significantly compressed in the period due to lower revenue and an increase in bad debt and inventory provisioning in our highest margin segments.

The Digital margin increased from 29.6% to 30.8% due to strong performance across the portfolio, supported by increased investment in User Acquisition, at 28% of Digital revenue, to support long-term profitability.

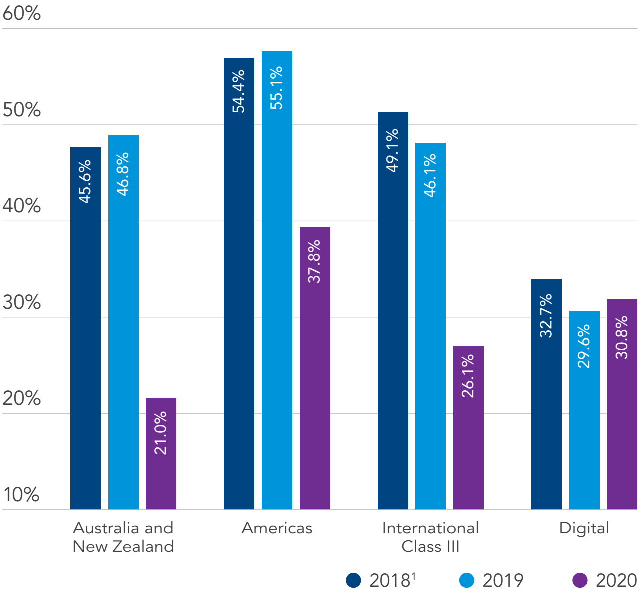
The Group continued to invest significantly in talent and technology to deliver competitive product across a broader range of Gaming segments and Digital genres. Investment in D&D decreased fractionally in absolute terms by $2.5 million to $498 million but remained at a market-leading 12.0% on a percentage of revenue basis.

Corporate costs increased by $4.5 million compared to the prior corresponding period including legal settlement costs incurred.

Net interest expense increased $16.7 million due mainly to interest on lease liabilities recognised for the first time in this period (AASB 16).

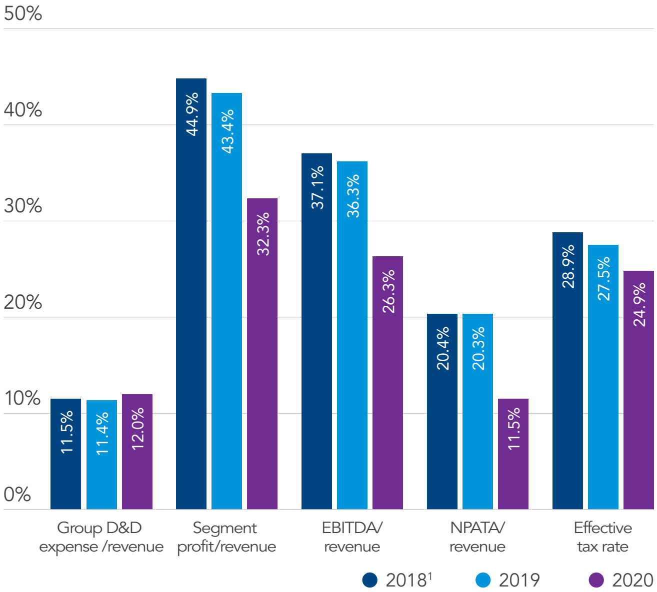
The effective tax rate (ETR) for the reporting period was 24.9% compared to 27.5% in the prior corresponding period, reflecting changes in the Group structure announced in November 2019, which reduce the amount of foreign cash tax paid and tax expense.

Segment profit margin % of revenue



1. Comparative period has been restated to reflect the impact of AASB 15 effective from 1 October 2018.

Other key metrics % of revenue and ETR



1. Comparative period has been restated to reflect the impact of AASB 15 effective from 1 October 2018.

Review of Operations — Group Performance continued

RECONCILIATION OF STATUTORY PROFIT TO NPATA

A$ million	2020	2019
Statutory profit as reported in the financial statements	1,377.7	698.8
Amortisation of acquired intangibles (tax effected)	119.5	141.6
Reported profit after tax before amortisation of acquired intangibles (Reported NPATA)	1,497.2	840.4
(Less)/add back net (gain)/loss from significant items after tax	(1,020.6)	54.0
Normalised Profit After Tax before amortisation of acquired intangibles (Normalised NPATA)	476.6	894.4

SIGNIFICANT ITEMS

	30 Sep 2020	
A$ million	Before tax	After tax
Government stimulus benefits	19.0	13.3
Contingent retention arrangements	(44.4)	(36.0)
Big Fish onerous lease	(44.2)	(38.7)
Kater and Thimmegowda cases - legal settlement	(46.5)	(40.7)
Recognition of deferred tax asset	—	1,122.7
Net (loss)/gain from significant items	(116.1)	1,020.6

Significant Items included in the Group's reported result after tax:

Government stimulus benefits: The result includes an adjustment of $13.3 million relating to COVID-19 related government stimulus benefits received. The JobKeeper employment subsidy in Australia contributed $11 million post-tax.

Contingent retention arrangements: The result includes an expense of $36 million relating to the contingent retention arrangements for the acquisition of Plarium.

Big Fish onerous lease: The result includes an expense of $38.7 million relating to an onerous lease for the Big Fish Seattle premises, which was committed to by previous ownership.

Kater and Thimmegowda cases – legal settlement: The result includes an expense of $40.7 million relating to the settlement agreed in the period for Big Fish.

Recognition of deferred tax asset: The result includes an adjustment of over $1.1 billion for the recognition of a deferred tax asset relating to the Group structural changes announced in November 2019.

Review of Operations — Group Performance continued

BALANCE SHEET

A$ million	30 Sep 2020	31 Mar 2020	30 Sep 2019	Variance %
Cash and cash equivalents	1,675.7	871.7	568.6	194.7
Property, plant and equipment	353.2	458.8	431.2	(18.1)
Intangible assets	3,623.8	4,286.5	4,008.3	(9.6)
Other assets	2,224.2	2,589.3	1,328.9	67.4
Total assets	7,876.9	8,206.3	6,337.0	24.3
Current borrowings	7.0	—	—	n/a
Non-current borrowings	3,236.2	3,122.2	2,792.3	15.9
Payables, provisions and other liabilities	1,453.7	1,573.0	1,401.1	3.8
Total equity	3,180.0	3,511.1	2,143.6	48.3
Total liabilities and equity	7,876.9	8,206.3	6,337.0	24.3
Net working capital	38.6	275.3	248.0	(84.4)
Net working capital / revenue %	0.9	6.1	5.6	(4.7) pts
Net debt / (cash)	1,567.5	2,250.5	2,223.7	29.5

Significant balance sheet movements from 30 September 2019 are set out below:

Cash and cash equivalents: The increase in cash reflects the underlying cash flow generation capability of the business and the new US$500 million incremental Term Loan B facility drawn down in May 2020.

Net working capital: The decrease reflects the lower trading of the Gaming business in the second half due to the impacts of COVID-19; together with increased debtor and inventory provisions, and the higher relative share of revenue from the Digital business which requires minimal working capital.

Property, plant and equipment: The decrease largely reflects the lower EGM capex on the Gaming Operations impacted by COVID-19 in the second half of the year.

Other assets: The increase is due to the recognition of a deferred tax asset of approximately $1.1 billion following changes to the Group structure, and right of use assets from the adoption of a new lease accounting standard in the current period of approximately $178 million, partly offset by a reduction in trade receivables.

Non-current borrowings: The increase is due to the draw down on a new US$500 million incremental Term Loan B facility on 21 May 2020, partly offset by a repayment of US$50 million of the existing Term Loan B facility in the first half.

Total equity: The change in total equity reflects the result for the period and changes in reserves due to currency movements, net of dividends paid during the period.

Review of Operations — Group Performance continued

STATEMENT OF CASH FLOWS

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

Operating cash flow

A$ million	2020	2019	Change %
EBITDA	1,089.4	1,596.8	(31.8)
Change in net working capital	209.4	(186.0)	n/a
Subtotal	1,298.8	1,410.8	(7.9)
Interest and tax	(193.5)	(349.7)	44.7
Significant items (cash and non-cash)	(114.0)	(63.5)	(79.5)
Other cash and non-cash movements	31.6	87.9	(64.1)
Operating cash flow	1,022.9	1,085.5	(5.8)
Operating cash flow less capex	775.1	768.9	0.8

Consolidated cash flow

A$ million	2020	2019	Change %
Operating cash flow	1,022.9	1,085.5	(5.8)
Capex	(247.8)	(316.6)	21.7
Acquisitions and divestments	—	(20.8)	100.0
Investing cash flow	(247.8)	(337.4)	26.6
Proceeds from borrowings	869.3	—	n/a
Repayments of borrowings	(217.7)	(292.4)	25.5
Lease principal payments	(36.6)	(0.7)	(5,128.6)
Dividends and share payments	(257.5)	(337.2)	23.6
Financing cash flow	357.5	(630.3)	n/a
Net increase in cash	1,132.6	117.8	861.5

Operating cash flow decreased 5.8% to $1,023 million compared to the prior corresponding period, reflecting strong underlying cash flow capabilities across the businesses in a challenging environment.

Interest and tax expense decreased 44.7% with a refund of 2019 Australian tax instalments received, together with a reduction in Australia's tax instalment rate, driven by business performance.

Significant items in the period include provisions relating to contingent retention arrangements for Plarium, the Big Fish legal settlement and an onerous lease expense, partly offset by government stimulus benefits received, mainly in Australia and North America due to COVID-19.

Capital expenditure relates primarily to investment in hardware to support continued growth in the Americas Gaming Operations installed base.

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

Review of Operations — Group Performance continued

FUNDING AND LIQUIDITY

The Group had committed loan facilities of $3.6 billion at 30 September 2020, comprising Term Loan B (TLB) facilities of US$2.35 billion as well as a $286 million revolving credit facility.

To help manage any potential financial impacts of COVID-19, Aristocrat successfully negotiated the following transactions to bolster overall liquidity and maintain financial flexibility:

- Increased the Group's revolving credit facility limit from $150 million to $286 million on 24 April 2020, an increase of $136 million. This facility remains primarily undrawn at 30 September 2020.
- Issuance of a new US$500 million incremental Term Loan B facility on 21 May 2020. This facility is fully drawn and adds to the Group's overall liquidity.

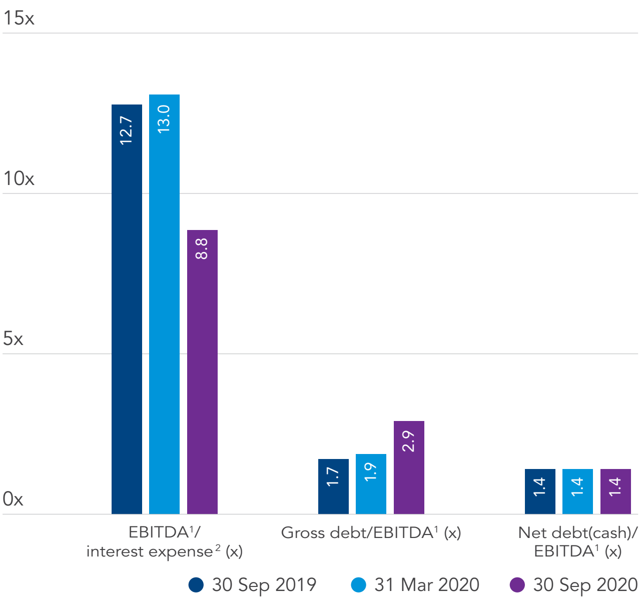
The Group repaid US$51.2 million of Term Loan B debt during the period, including a voluntary US$50 million repaid in November 2019.

At 30 September 2020, Aristocrat had total liquidity of just under $2 billion, comprised of cash and $277 million of the available revolving credit facility, net of $9 million supporting letters of credit. Accordingly, the Group's balance sheet and overall liquidity remains strong and positions the business with full optionality for the future.

The Group's facilities are summarised as follows:

Facility	Drawn as at 30 Sep 2020	Limit	Maturity date
Term Loan B facility	US$2,348.8m	US$2,348.8m	Oct 2024
Revolving facility	A$0.0m	A$286.0m	Jul 2024
Overdraft facilities	A$0.0m	A$7.8m	Annual Review

The Group's interest and debt coverage ratios are as follows (x):



1. EBITDA refers to Consolidated EBITDA for the Group as defined in Aristocrat's Syndicated Facility Agreement (also referred to as Bank EBITDA).
2. Interest expense shown above includes ongoing finance fees relating to bank debt facility arrangements, such as line fees.

The Group's leverage (net debt / EBITDA) remained steady over the reporting period at 1.4x at 30 September 2020.

CREDIT RATINGS

The Group maintains credit ratings from both Moody's Investor Services and Standard & Poor's to support its Term Loan B facility arrangements.

As at 30 September 2020, Aristocrat holds credit ratings of BB+ from Standard & Poor's and Ba1 from Moody's. These ratings were affirmed by both agencies during the reporting period.

DIVIDENDS

As communicated on 27 April 2020, the Directors cancelled the FY2020 interim dividend to preserve liquidity due to the impacts of COVID-19.

The Directors have authorised a final fully franked dividend of 10.0 cents per share (A$63.9 million), in respect to the period ended 30 September 2020.

The dividend is expected to be declared and paid on 18 December 2020 to shareholders on the register at 5.00pm on 2 December 2020. The dividend will be fully franked.

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.

In the 12 months to 30 September 2020, the Australian dollar was, on average, weaker against the US dollar when compared to the prior corresponding period. The impact of translating foreign currency (translational impact) increased revenue by $103.5 million, while increasing normalised profit after tax and before amortisation of acquired intangibles by $17.0 million on a weighted average basis when compared with rates prevailing in the respective months in the prior corresponding period. In addition, as at 30 September 2020, the cumulative effect of the retranslation of the net assets of foreign controlled entities (recognised through the foreign currency translation reserve) was a credit balance of $28.1 million (compared to a credit balance of $139.2 million as at 30 September 2019).

Based on the Group's typical historical 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 resulted in an estimated annualised $9 million translational impact on the Group's annual profit after tax and before amortisation of acquired intangibles based on the last twelve-month period. 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 Sep 2020**	31 Mar 2020	30 Sep 2019	**2020 Average[1]**	2019 Average[1]
USD	**0.7163**	0.6163	0.6751	**0.6819**	0.7018
NZD	**1.0837**	1.0257	1.0780	**1.0614**	1.0573
EUR	**0.6113**	0.5580	0.6193	**0.6045**	0.6245
GBP	**0.5550**	0.4967	0.5492	**0.5308**	0.5519
ZAR	**11.9900**	11.0491	10.2293	**11.1411**	10.0755
ARS	**54.5603**	39.6794	38.8778	**45.2258**	30.5052

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

Review of Operations — Business Unit review

Segment profit represents earnings before interest and tax, and before significant items detailed on page 17, charges for D&D expenditure, amortisation of acquired intangibles and corporate costs. The total amount of these items is disclosed in the Group's statement of profit or loss. Constant currency amounts refer to 2020 results restated using exchange rates applying in 2019.

1. ARISTOCRAT GAMING

AMERICAS

Summary Profit or Loss

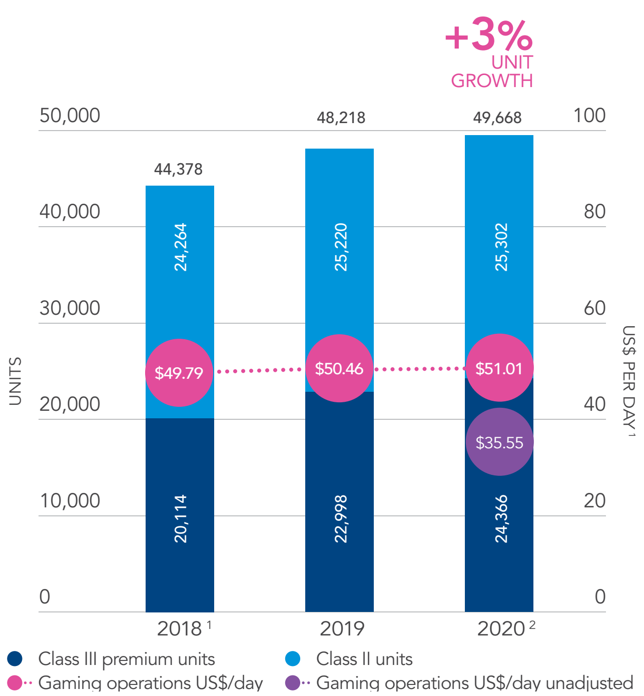
US$ million	2020	2019	Variance %
Revenue	934.7	1,363.1	(31.4)
Profit	**356.1**	750.6	(52.6)
Margin	38.1%	55.1%	(17.0) pts

In local currency, Americas profit decreased by 52.6% to US$356.1 million driven by the impact of COVID-19 related venue shutdowns and social distancing protocols implemented across the region.

Margin declined 17.0 ppts to 38.1% due to reduced revenue driven by COVID-19, with minimal revenue for several months from the highest margin segments of Gaming Operations. This was coupled with the implementation of the Aristocrat Assist program to support key customers, product mix and an increase in bad debt and inventory provisioning.

Pre-pandemic, the Americas business was on track to deliver profit growth compared to the prior corresponding period, with strong performance across Class III Premium Gaming Operations, Class II Gaming Operations and Outright Sales. This underlying competitiveness was reflected in the delivery of further share and average fee per day gains over the reporting period.

North America Gaming Operations units and average US$ fee/day



1. Comparative period has been restated to reflect the impact of AASB 15 effective from 1 October 2018.
2. FY20 fee per day has been adjusted to exclude the number of days machines were not operating in the period due to COVID-19 social distancing restrictions or venue closures and therefore reflects the underlying performance of the business. Unadjusted FPD for FY20 was US$35.55.

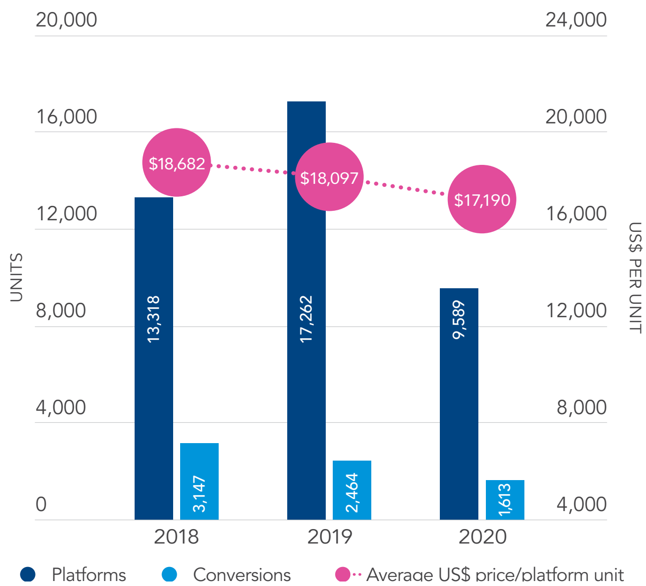
The Class III Premium Gaming Operations installed base grew 5.9% fuelled by the combination of market-leading cabinets, with strong growth in *MarsX*™, and game content, with *Dragon Link*™ still the #1 premium game family, and *Buffalo Diamond*™ and *Dollar Storm*™ scaling during the period. This momentum was further supported by the implementation of the Aristocrat Assist customer support program.

In addition, *Lightning Link*™ and *Buffalo Grand*™ continued to be a mainstay on gaming floors and contributed to Aristocrat's installed base stability during COVID-19.

Class II Gaming Operations installed base grew 0.3% supported by continued strength of the mechanical installed base, coupled with increased game performance on the *Ovation*™ platform supported by key games including *Hunt for Neptune's Gold*™, *Buffalo Xtreme*™ and *Welcome to Fantastic Jackpots*™.

On a combined and adjusted basis, the average Class II and Class III fee per day increased 1.1% to US$51.01 (unadjusted average FPD of US$35.55), due to sustained portfolio strength and resilient demand.

North America Outright Sales units and average US$ price/unit



Outright Sales revenue decreased by 46% compared to the prior corresponding period, reflecting COVID-19 impacts. The prior corresponding period also benefited from several new products launched into adjacent markets including Washington CDS and VLT, with lower demand in the reporting period reflecting COVID-19 impacts.

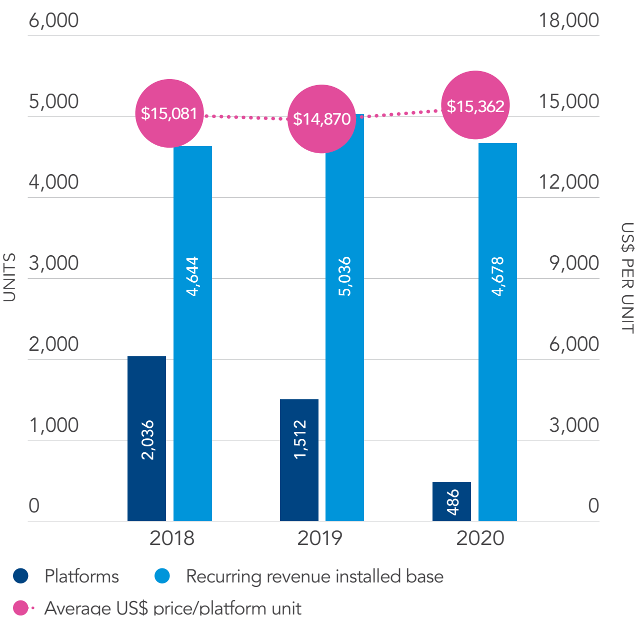
MarsX Dual™ continued to be an outstanding performer, driving over 40% of cabinet sales supported by *Buffalo Gold Revolution*™, *Fu Dai Lian Lian*™ and *Mighty Cash Ultra*™. In addition, Aristocrat released the years most anticipated title, *Buffalo Chief*™, on the *Helix XT*™ cabinet.

Aristocrat continued its strategic expansion into adjacent markets during the period, including VLT Canada, VLT Illinois, VLT Oregon (trial), Washington CDS and the Multigame and Poker segments.

Review of Operations — Business Unit review continued

Average Sales Price (ASP) remained strong, however slightly lower than the prior corresponding period due to product mix in adjacent markets, particularly the Bartop and VLT segments. Video ASP was roughly in line with prior period driven by the strong performance of the *MarsX*™ cabinet.

Latin America Outright Sales units, average US$ price/unit and recurring revenue installed base



Latin America revenue decreased 63% compared to the prior corresponding period primarily driven by COVID-19 related customer venue closures combined with economic and political impacts across the region.

AUSTRALIA AND NEW ZEALAND

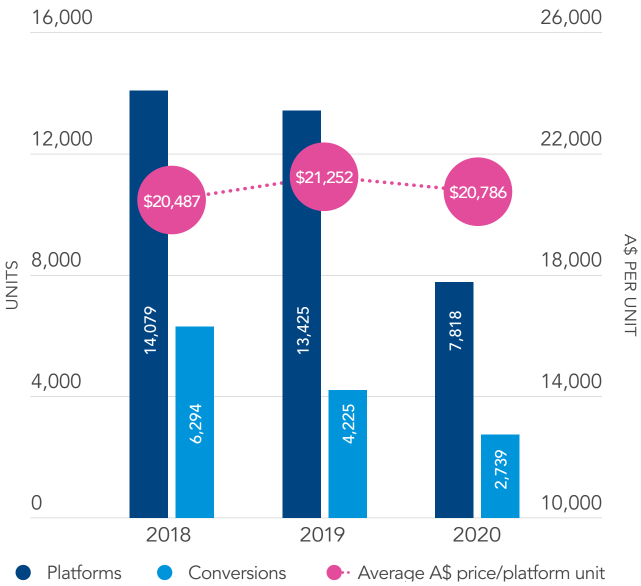
Summary Profit or Loss

A$ million	Constant currency 2020	2019	Variance %
Revenue	280.5	456.2	(38.5)
Profit	**58.8**	213.6	(72.5)
Margin	21.0%	46.8%	(25.8) pts

ANZ revenue decreased by 38.5% to $280.5 million in constant currency compared to the prior corresponding period, while overall profit decreased by 72.5% to $58.8 million. This result reflected challenging market conditions, which included the impact of droughts, bushfires and COVID-19 on customers and the broader economy.

Margin declined 25.8 ppts to 21.0% driven by lower revenue, a change in product mix, a weaker Australian dollar impacting material costs, and an increase in bad debt and inventory provisioning in response to COVID-19.

ANZ Outright Sales units and average A$ price/unit



The average cabinet selling price decreased slightly from the prior corresponding period driven by increased maturity of the product portfolio and promotional activity through the Aristocrat Assist program to aid in customer recovery.

The ANZ business sustained its market-leading ship share, reflecting the ongoing success of our product portfolio and customer support provided through the Aristocrat Assist program.

INTERNATIONAL CLASS III

Summary Profit or Loss

A$ million	Constant currency 2020	2019	Variance %
Revenue	126.3	204.5	(38.2)
Profit	**32.3**	94.3	(65.7)
Margin	25.6%	46.1%	(20.5) pts
Class III Platforms	3,009	5,664	(46.9)

International Class III revenue and profit decreased 38.2% and 65.7% respectively to $126.3 million and $32.3 million compared to the prior corresponding period, due to COVID-19 related venue closures across all regions and an increase in bad debt and inventory provisioning.

In Asia, Macau closed for two weeks in February, however, it has since been significantly impacted by COVID-19 related travel restrictions. In other Asia markets, most venues re-opened between May and August, with social distancing restrictions in place.

In EMEA, most markets moved from full to partial lockdowns during the second half of the year.

Review of Operations — Business Unit review continued

2. ARISTOCRAT DIGITAL

Summary Profit or Loss

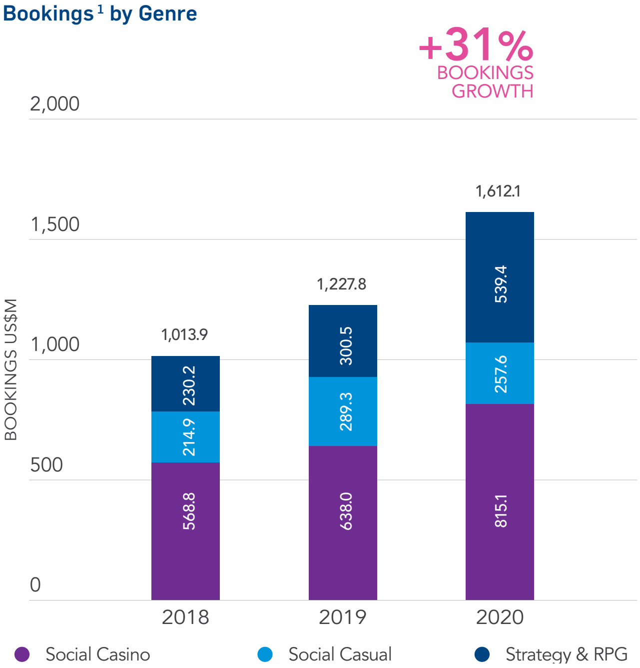
US$ million	2020	2019	Variance %
Bookings	1,612.1	1,227.8	31.3
Revenue	1,609.1	1,252.2	28.5
Profit	494.9	370.2	33.7
Margin	30.8%	29.6%	1.2 pts

Digital bookings grew 31.3% compared to the prior corresponding period, driven by:

- The successful rebuilding of performance in Product Madness and continued investment in Live Ops, features and new slot content, combined with ongoing investment in diversification across the Digital portfolio;
- An increase in User Acquisition (UA) investment supporting the profitable growth of *RAID: Shadow Legends*™, the scaling of Social Casino games, especially *Lightning Link*™ and *Cashman Casino*™ and the successful launch of *EverMerge*™ in the growing casual merge genre; and
- COVID-19 social restrictions contributing to an uplift in performance as players sought more in-home entertainment options.

Digital profit increased 33.7% to US$495 million with an improved segment margin compared to the prior year. UA investment represented 28% of Digital revenue, an increase of 1.7 percentage points compared to the prior corresponding period, demonstrating highly efficient and effective UA allocation. A strategic rebasing of the Big Fish business was completed in the second half. This positions the business for sustainable, profitable growth and facilitates increased investment behind growing Big Fish's pipeline of quality games.

Bookings[1] by Genre



1. Bookings are an operational metric reflecting the amount of virtual currency, virtual goods and premium games the consumer has purchased. Reported revenue comprises bookings adjusted for deferred revenue.

Social Casino

The Social Casino segment contributed US$815 million in bookings in the period, an increase of 28% on the prior corresponding period, driven mainly by continued strong performance of *Lightning Link*™ and *Cashman Casino*™; and moderate growth in *Big Fish Casino*™ and *Jackpot Magic Slots*™.

Performance benefited from the tailwind of the COVID-19 pandemic, along with higher UA investment, and investments in Live Ops, features and new slot content.

Strategy and RPG

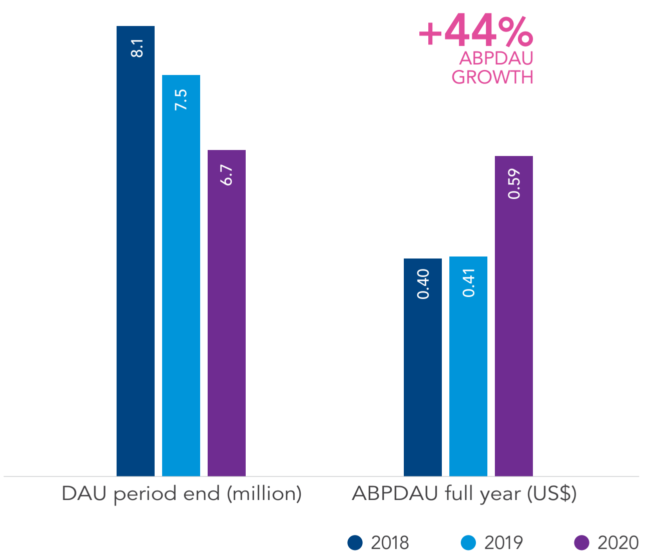
The Strategy and Role-Playing Games (RPG) segments contributed US$539 million in bookings in the period, an increase of 80% on the prior corresponding period, driven by significant growth of *RAID: Shadow Legends*™.

Social Casual

The Social Casual segment delivered US$258 million in bookings in the period, a decrease of 11% on the prior corresponding period, with newly launched titles *Undersea Solitaire Tripeaks*™ and *EverMerge*™ enhancing top line performance and legacy titles continuing to contribute to profitability. The business continued to focus on Daily Active User (DAU) quality.

The Aristocrat Digital business took further strides forward during the period, as it continues to grow in scale and sophistication, with targeted investment in leadership, creativity and capability. The business is focused on expanding its product pipeline, portfolio quality and diversity, while leveraging insights and best practices across core functions such as insights, data, marketing and market intelligence.

Daily Active Users (DAU) and Average US$ Bookings per DAU (ABPDAU)



DAU decreased to 6.7 million in the period, driven by our focus on DAU quality across the Digital portfolio.

ABPDAU grew 44% or US$0.18 compared to the prior corresponding period, driven by the continued focus on player engagement, investment in the portfolio, the substantial growth of *RAID: Shadow Legends*™ and tailwinds associated with COVID-19 social restrictions.

Reconciliation of Revenue to Bookings (US$ millions)

US$ million	2020	2019
Revenue	1,609.1	1,252.2
Deferred revenue	3.0	(24.4)
Bookings	1,612.1	1,227.8

Principal Risks

MANAGING RISK IS ESSENTIAL TO THE CONTINUED EFFICIENCY AND EFFECTIVENESS OF OUR BUSINESS

Aristocrat recognises the need to integrate risk management into its strategic and operational planning and decision making. The identification and management of risks that could impact Aristocrat's strategic, operational, and financial objectives is essential to good corporate governance, and the protection of long-term shareholder value.

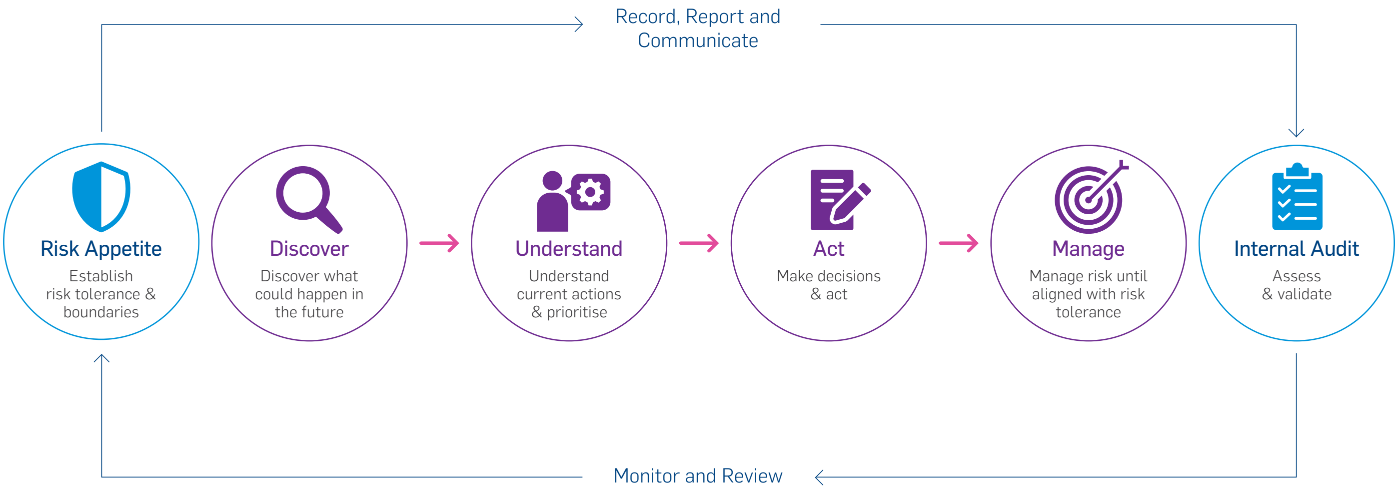
We use risk management at all levels in the organisation to safeguard against potential threats, improve our preparedness to respond to crises and emerging risks, and provide greater surety as we pursue opportunities.

RISK MANAGEMENT FRAMEWORK

The Group's Enterprise Risk Management (ERM) Framework (the Framework) is pivotal to our risk management program and approach. The Framework supports the timely identification, evaluation, reporting and treatment of material risks, so that risks remain within acceptable thresholds as set by the Board of Directors. It is also designed to highlight emerging risks.

The Framework is underpinned by Aristocrat's Global Risk Management Policy (the Policy). The Policy establishes the Group's commitment to risk management and makes clear that everyone in the Group has a role to play in risk management. The Framework also includes Board approved Risk Appetite Statements, which determine the level of risk the Group is willing to accept in the execution of its strategy. The Framework aligns with the International Risk Management Standard ISO 31000, and encompasses the steps as illustrated in Figure 1.

Figure 1: Enterprise Risk Management Process



The Framework facilitates the management of risk at both an enterprise and business unit / functional level. This ensures a 'top down' and 'bottom up' approach to risk management. It addresses both financial and non-financial risk (legal and regulatory, reputation, environmental, people, health and safety, operational, information security and product and technology), with consideration of internal and external factors. Figure 2 illustrates our ERM coverage.

Figure 2: Risk Identification, Review and Assessment Coverage

The Framework is overseen by our Board of Directors. It is actively managed by our Chief Executive Officer and Executive Steering Committee and maintained by Group Risk and Audit. The Framework is regularly reviewed and refreshed, in line with the ASX Corporate Governance Principles and Recommendations.

Principal Risks continued

PRINCIPAL RISKS

While Aristocrat has a strong track record of managing multiple and complex risks, some inherent risks remain, including a number not directly within the Group's control.

This year the impacts of COVID-19 on our industry and business have been strongly felt, and we have faced a raft of new operating challenges. Aristocrat has responded to these by remaining agile, flexing the way we operate and making swift and effective decisions. These decisions have been risk based, and informed by our Enterprise Risk Profile, that has been regularly reviewed, updated and monitored by our Executive Steering Committee and the Board of Directors.

Principal risks currently identified as relevant to Aristocrat (in no particular order) are set out below.

BUSINESS RESILIENCE

Responding in the Face of a Pandemic or Unplanned Operational Incident

Risk Description

Failure to respond to pandemics or operational incidents within the business which impact employee health and well-being, or the ability to deliver upon our commercial objectives, resulting in lost revenue and reputational impacts.

FY2020 Commentary

COVID-19 brought unprecedented awareness to this risk in FY2020. While we are managing through the current crisis effectively, future waves of COVID-19, the outbreak of another pandemic, or other unplanned operational incidents present a risk to Aristocrat.

Management and Mitigation

- Business Resilience Framework including Business Continuity, Crisis Management and Disaster Recovery Plans and dedicated teams
- Localised decision-making, with an active well-being focus and monitoring of evolving government guidelines and requirements

CUSTOMER

Maintaining and Growing Aristocrat Gaming Customer Market Share

Risk Description

Aristocrat's strategy to support customers and grow share in Aristocrat Gaming markets coming out of the COVID-19 crisis is not effective, or is not effectively implemented, resulting in the weakening of operator relationships, deteriorating portfolio performance in Gaming, and a failure to grow share.

FY2020 Commentary

COVID-19 has led to Aristocrat Gaming customer venue closures and reductions in customer OPEX/CAPEX. Aristocrat implemented a customer-centric response, protecting our investment in product, people, and customer service, which positions us well. However, the market's COVID-19 recovery is unpredictable, and we expect competition will remain fierce.

Management and Mitigation

- Close monitoring of three-year plan and achievement of strategic goals
- Strong governance and approvals processes
- Continued investment in differentiators, including market-leading product portfolios, tailored to customer needs
- Voice of the Customer program and strong focus on customer experience

PEOPLE

Attraction and Retention of Talent

Risk Description

Ineffective recruitment, retention and engagement of talent impacting the delivery of growth strategy.

FY2020 Commentary

Aristocrat has continued to invest strongly in the development and retention of high performing employees, including through the COVID-19 pandemic. We have continued to attract world-class talent across the business, including in Digital, D&D, commercial and other core skillsets in 2020.

However, we recognise that there is heightened competition for great talent globally, accelerated by COVID-19 impacts.

Management and Mitigation

- Refreshed talent management and competency framework
- Continuous focus on Company culture and improvement of Employee Value Proposition including regular engagement and pulse surveys
- Review of incentive and rewards programs
- Enterprise leadership development programs
- Organisational focus on well-being (See below)

Principal Risks continued

HEALTH AND SAFETY

Maintaining the Health and Well-being of Our People

Risk Description

Failure to properly protect the physical and mental well-being of our workforce resulting in harm to our people.

FY2020 Commentary

The health and well-being of our people has always been paramount. However, COVID-19 has heightened both physical and mental health risks, with mental well-being a particular concern as a result of lockdowns and social distancing.

Aristocrat has completed a refresh of our Health and Safety (H&S) Framework and systems, implemented regular employee pulse checks, rolled out a comprehensive well-being program and developed Return to Workplace protocols that are continuously reviewed.

Management and Mitigation

– Group-wide H&S Framework including policies, procedures, and risk management program
– Regular pulse surveys driving improvements in well-being offer
– Rigorous COVID-19 H&S requirements including mandatory PPE, temperature checks, and compliance checks
– Broad reaching well-being initiative including new benefits, flexible work options and increased leadership communication

CYBER SECURITY / DATA PRIVACY

Securing and Controlling Information Assets

Risk Description

Uncontrolled access to information assets resulting in business disruption, financial loss and loss of trust/reputation with employees, customers and shareholders, or breach of data privacy and retention regulations resulting in fine, prosecution and impact to reputation.

FY2020 Commentary

Aristocrat has continued to invest in and mature its cyber security and data privacy programs, with strong progress achieved to strengthen processes, awareness and tools to protect against cyber-attacks and data breaches. COVID-19 has heightened the general risk of cyberattack, with a transition to Working from Home and increased opportunism from 'bad actors'. The business has put in place stricter controls to manage these risks.

Management and Mitigation

– Implementation of a global information security policy
– Compulsory information security and data privacy training program
– Robust cyber maturity roadmap
– Enhancement of data management practices, procedures, and expertise, including detailed Data Privacy Roadmap
– Maintenance of a business resilience program

SOCIAL RESPONSIBILITY

Maintaining our Social License to Operate

Risk Description

Community concerns around social games / gambling lead to negative legal or regulatory changes that cause a significant loss of addressable market, loss of revenue and growth opportunities, talent loss and/or reputational damage.

FY2020 Commentary

Aristocrat seeks to take a leadership position in promoting responsible gameplay and sustainability in all we do. In 2020, we made significant strides in further embedding our commitments, particularly across our Gaming and Social Casino businesses. Our Group sustainability disclosures continue to expand and are focused on material business issues.

Management and Mitigation

– Dedicated Responsible Gameplay and Corporate Social Responsibility team and strategy established, with Board oversight
– CEO and executives have OKRs addressing sustainability and Responsible Gameplay
– Group-wide Responsible Gameplay policy approved and embedded in product design, marketing, and other core functions
– Compulsory Responsible Gameplay training rolled out across global organisation

Principal Risks continued

ECONOMIC AND INDUSTRY CONDITIONS

Responding to Macro and Gaming Industry Conditions

Risk Description

A decline in economic/gaming industry conditions could adversely affect the ability of our Aristocrat Gaming customers to finance their operations. A decline could also impact the disposable incomes of players and, therefore, spending on entertainment activities. This could decrease demand for our products and services impacting Group revenues.

FY2020 Commentary

Macroeconomic and Gaming industry conditions have been severely impacted by COVID-19. Closures and patronage restrictions across pubs, clubs, and casinos, has impacted customer and player spend patterns in Gaming. Conditions have rebounded faster than forecast, however we cannot predict long term impacts. We continue to monitor and be prepared to respond quickly to developments.

Management and Mitigation

- Monitoring of economic and gaming industry conditions
- Ongoing diversification and expansion of revenue base, driving of further growth in recurring revenues, in line with strategy

GEOPOLITICAL

Operating in Unstable Geopolitical Environments

Risk Description

Unstable geopolitical environment impacts employee engagement, health and well-being, innovation pipeline and revenue.

FY2020 Commentary

2020 has been an extremely turbulent year. Geopolitical tensions, social upheaval and civil unrest have all escalated. Tensions have been exacerbated by COVID-19 and severe natural disasters, amongst other factors.

Management and Mitigation

- Robust assessment of geopolitical conditions prior to new market entry
- Monitoring and evaluation of international issues, economic and political indicators, and legislation as relevant to our operations
- Maintenance of strong relationships with key stakeholders in affected markets
- Enhancement of our business continuity, resilience and redundancy measures
- Diversification of studios / locations

DISRUPTION

Responding to Increasing Competition including Disruption

Risk Description

Failure to adequately respond to disruption and rising competition (consolidation and new market participants) through innovation, creation of new content and robust market strategies, in the Aristocrat Gaming and Digital businesses, could impact our market share, and financial and strategic objectives.

FY2020 Commentary

COVID-19 has accelerated change and will create disruption and opportunities. This includes the uptake by consumers of online entertainment options, including mobile games. The changes will produce competitive responses that have the potential to reshape our operating environments.

Management and Mitigation

- Continuous monitoring and re-evaluation of Company strategy to account for changing trends, consumer behaviours, technology changes and competitor initiatives
- Expansion and diversification of products, services, and markets, in line with strategy
- Design and Development investment to address disruption and rigorous focus on returns
- Active approach to considering inorganic growth opportunities and strategic portfolio moves

Principal Risks continued

GAMING REGULATIONS

Changing Government Gaming Regulations

Risk Description

Aristocrat Gaming

A change in government or regulatory policies or their interpretation or enforcement may impact our operations or our customers' operations. Difficulties or delays in obtaining or maintaining required licences or approvals could negatively impact our business as well.

Aristocrat Digital

Social games are generally not subject to product-level regulation, beyond consumer laws, platform requirements and self-regulatory standards. However, the industry is relatively new and stakeholder expectations are evolving. New regulations have the capacity to impact our operations.

FY2020 Commentary

COVID-19 has amplified scrutiny of consumer uptake of both digital games and gambling products. Across our regulated operations, Aristocrat takes a scrupulous approach to compliance. More generally, we continuously monitor stakeholder expectations and seek to improve our own standards and processes to remain at best practice, or better. We contribute actively to consideration of any reform measures, to ensure changes are effective, practical and affordable.

Management and Mitigation

- Comprehensive regulatory compliance function and governance framework across all regulated business and functions
- Continuous dialogue with gaming regulators and strong commitment to transparency and compliance
- Robust government relations, responsible gameplay, and sustainability functions
- In digital games, implementation of best practice (or better) standards in responsible gameplay
- Active engagement with industry associations and other stakeholders, active monitoring of expectations and potential reform measures

DISTRIBUTION PLATFORMS

Overreliance on Third Party Distribution Platforms

Risk Description

If digital platform partners enforce unfavourable terms of use, including increased fees or shutdown of our applications, this could result in higher operating costs, lower margins, and restricted access to customers/players.

FY2020 Commentary

Third party platforms including Google Play and the Apple App Store continue to be key distribution channels for our Digital content. Aristocrat strives to build constructive commercial relationships with platform providers, whilst continuing to invest to grow our business and diversify channels by which our content can reach players.

Management and Mitigation

- Monitoring of latest developments, proposals and rules enacted by platform partners
- Ongoing and proactive dialogue with platform partners

Principal Risks continued

INTELLECTUAL PROPERTY

Protecting our Intellectual Property

Risk Description

Theft of, or inability to protect our intellectual property (IP) could result in a loss of competitive advantage due to loss of exclusivity, suppressed innovation, and/or reputation and brand damage. This could impact our revenues.

FY2020 Commentary

IP is one of Aristocrat's most critical assets. Our product continues to be best-in-class and we maintain a rigorous approach to protecting our IP and the resulting competitive advantage.

Management and Mitigation

- Formalised processes for registering trademarks, copyrights, and patents
- Investment in capability and engagement of internal/external legal counsel to support IP management
- Third party contracts preclude improper use of Aristocrat IP
- Continued 'zero tolerance' approach to IP breaches, and rigorous enforcement culture
- Government relations strategy includes active approach to IP policy in key jurisdictions

BALANCE SHEET AND LIQUIDITY

Financial Strain Heightened by COVID-19

Risk Description

Failure to maintain a robust balance sheet to fund the ongoing operations and growth of the business.

FY2020 Commentary

FY2020 and the financial impacts of COVID-19 required us to enhance liquidity and bolster our already strong balance sheet. Aristocrat increased its debt facilities, positioning us well to not only weather this economic / industry downturn but also to attack opportunities.

Management and Mitigation

- Increased debt funding and maintenance of access to key debt markets
- Monitoring target gearing levels and debt covenant and credit rating metrics
- Robust fiscal management including cash preservation measures, cash forecasting and cost efficiency review

REMUNERATION REPORT

People & Culture Committee Chair's Letter

Dear Shareholder

On behalf of the Board, I am pleased to present our Remuneration Report for the financial year ended 30 September 2020.

COVID-19 AND OUR RESPONSE

FY2020 has been a challenging year for Aristocrat. We delivered strong performance pre-COVID, while also growing share in key Gaming (Land-based) markets and segments and delivering outstanding growth in our Digital business over the full year. Despite this, our overall financial performance was materially impacted by mandated venue closures and the implementation of social distancing measures that have been in place in key markets globally since March 2020.

Our first priority throughout has been - and remains - ensuring the health and wellbeing of our people and their families, our customers, suppliers and other stakeholders. Management acted quickly to support well over 90% of our global workforce to work from home, safely and securely. Aristocrat entered the crisis in excellent financial shape, and the business took a number of early and prudent steps to further enhance liquidity and minimise cash burn. We made the difficult decision to temporarily stand down a significant portion of our non-Digital workforce earlier in the year, and removed a number of roles across our businesses. We also cut discretionary spend and quickly reprioritised activity and investment.

As outlined further in the 'Remuneration actions and outcomes for FY2020' section below, Aristocrat's Board and management team agreed to a material reduction in remuneration from 1 May 2020 to 30 September 2020. A number of full-time roles were made part-time, and cuts of 10 – 20% of base salary were applied to around 1,700 staff globally during 1 May 2020 to 30 September 2020.

A portion of the savings generated by the voluntary reduction in Board and senior management remuneration was set aside as a hardship fund to assist employees struggling with the economic impacts of the pandemic – for example, due to having their work hours reduced, or a spouse losing employment. Aristocrat also accessed $13.3 million (after tax) in COVID-19 related government stimulus benefits, mainly JobKeeper employment subsidy in Australia, and other support where eligible in other jurisdictions. This assistance minimised the impact of workforce planning initiatives on staff and helped us to bring back staff as quickly as possible.

In the context of having benefited from government support, and in order to further strengthen our liquidity and balance sheet position, the Board decided to cancel the FY2020 interim dividend, noting that it has authorised a final fully franked dividend of 10.0 cents per share. Prior to March, Group performance was in line with expectations and tracking positively. With excellent momentum in Digital and an improvement in Gaming performance in the latter part of the year, the Group ultimately delivered results that came close to meeting at-risk compensation targets. Despite this, management and the Board agreed that no Short-Term Incentives (STIs) would be awarded to Gaming, D&D and Group employees in FY2020.

KEY HIGHLIGHTS FOR FY2020

As a Board, we would like to acknowledge the way our global employee group has responded to these unprecedented challenges, guided by our values, and the leadership shown by senior management. The global nature of Aristocrat's business and workforce, the need to work across multiple time-zones and the complex and dynamic nature of the crisis placed particular strains on our leaders this year. The Board is proud of their effort and impact, exemplified by the fact that Aristocrat took the opportunity presented by the crisis to improve, energising our culture and offering more support, flexibility and recognition to our global team of over 6,000 Aristocrat people. Engagement scores above both target and industry benchmarks were achieved through the period, with no loss of business momentum, despite the disruptions and remote working arrangements.

While managing the immediate impacts of the pandemic during the year, Aristocrat has remained focused on longer term sustainability, including:

- continuing to invest strongly in industry-leading talent and product portfolios, with market leading levels of investment in D&D as a percentage of revenue (at 12%), while also driving investment in Digital games and User Acquisition. The business also continues to commit capital to further growing our gaming operations footprint;
- continuing to invest in strategic capabilities, including customer experience, cyber security, data and transformation management capabilities;
- strengthening our liquidity and balance sheet, with approximately $2 billion in available liquidity as at 30 September 2020. This positions us well to not only weather economic and industry volatility and COVID-19 driven contractions, but to also take advantage of organic and inorganic opportunities to accelerate our growth strategy.

The Board also notes that our share price, while initially down around 30% as a result of the pandemic, has shown significant resilience. At the time of writing, our share price has recovered strongly to close to pre-COVID levels and the Board considers this to be a strong endorsement from the market of the actions that have been taken to safeguard the Group, as well as recognition of Aristocrat's strong financial and operational fundamentals and strategy.

People & Culture Committee Chair's Letter continued

REMUNERATION ACTIONS AND OUTCOMES FOR FY2020

As noted above, during FY2020, notwithstanding strong performance at Group level prior to the advent of the pandemic, the following actions were taken and outcomes generated under our remuneration framework:

- our Managing Director and CEO volunteered a 30% reduction in base salary between 1 May and 30 September 2020;
- our senior executives volunteered a 20% reduction in base salary and our Non-Executive Directors volunteered a 20% reduction in fees over the same period;
- management and the Board agreed no STIs would be awarded to senior executives in relation to FY2020;
- in line with good governance practices, the People and Culture Committee and Audit Committee met concurrently to consider if there were risk based or other adjustments that may warrant consideration in the Board's determination of remuneration outcomes. The directors are pleased with management continuing to embed effective risk management throughout the organisation to support achievement of business priorities and fulfill corporate governance objectives. Also noted is the organisation's continued focus on ESG and other sustainability initiatives; and
- LTIs vested at a relatively modest level, 68.74%, compared to historic vesting levels. This vesting outcome reflected our solid total shareholder returns over the 3 year performance period of the LTI, which ranked at the 73rd percentile of the peer group and senior executives achieving or exceeding against their individual performance based vesting conditions. The EPS performance condition did not vest, notwithstanding being on track to vest prior to the impact of the pandemic. As part of testing against the EPS performance target, the Board excluded the impact of gains associated with certain significant items.

LOOKING AHEAD – CHANGES FOR FY2021

Recognising that the senior executive leadership team is a skilled and successful group whose skills are in demand in global markets, in December 2019 the Board commenced an objective wide-ranging review of Aristocrat's remuneration framework to assess whether it remains fit for purpose. This included benchmarking executive remuneration arrangements in the key global markets that Aristocrat competes in for talent, which specifically involves the US technology sector. The review highlighted that our remuneration framework had become significantly out of line with prevailing arrangements in Aristocrat's key global markets, particularly in terms of STI and LTI levels. This is largely a legacy of internal promotions and significant increases in complexity, scope and scale of our business, which has consequently expanded the remits of key executives.

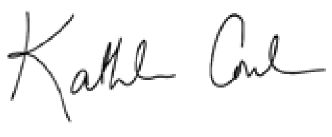
In addition, we have continued to see an intensifying war for talent over the past 12-18 months, with competitors (and the US market in general) offering higher STI opportunities and LTI grants at a quantum of 2 to 3 times fixed remuneration, further reinforced by the fact that in many instances these grants are unhurdled. Your Board's view is that it is imperative for shareholders that Aristocrat secure and attract the critical leadership it requires to fully execute its medium-term growth strategy. In the context of a competitive talent environment where there is a "live" retention risk, the Board has taken a number of proactive steps. Specifically, the Board has reworked the at-risk ratios, adjusted fixed remuneration where it is out of benchmark and provided special equity grants to address the near-term substantial gaps in our offer. These special equity grants apply only to senior executives and not to the CEO and Managing Director. We have put robust strategic hurdles against these special equity grants (which the Board will continually test) in order to ensure they are aligned with shareholder interests and deliver sustainable benefits.

Special equity grants will be earned progressively over the next three years, subject to executives achieving performance-based hurdles (including annual deliverables against our medium-term growth strategy). Outcomes against these hurdles will subsequently be reported to shareholders. Equity will vest in three equal tranches following testing after the end of each applicable financial year, ensuring that the incentive is appropriately structured to reward genuine performance and delivery of shareholder interests.

There will be no change in FY2021 to fees of Non-Executive Directors, which remain at the levels set in April 2018.

The Board believes that your company has a very strong senior management team that is well positioned to lead Aristocrat through the challenges ahead, and we are focused on taking appropriate actions to retain and motivate that team.

We invite you to read the Remuneration Report and welcome your feedback.



KATHLEEN CONLON
People & Culture Committee Chair

REMUNERATION REPORT

Remuneration Report Overview

This Remuneration Report for the 12 months ended 30 September 2020 has been prepared in accordance with section 300A of the Corporations Act, and has been audited as required by section 308(3C) of the Corporations Act. Terms used in this Remuneration Report are defined in the Glossary on page 51.

LIST OF KMPS – FY2020

Table 1 below outlines the KMP and their movements during FY2020

KMP	Position	Location	Term as KMP
Non-Executive Directors			
NG Chatfield	Chair; Director	Australia	Full financial year
KM Conlon	Director	Australia	Full financial year
P Etienne	Director	Australia	Nominated on 1 October 2019
PJ Ramsey	Lead US Director [1]	United States	Full financial year
AM Tansey	Director	Australia	Full financial year
S Summers Couder	Director	United States	Full financial year
SW Morro	Lead US Director [1]	United States	Retired on 20 February 2020
Executive KMP			
T Croker	CEO and Managing Director	United States	Full financial year
J Cameron-Doe	CFO	United States	Full financial year
M Bowen	CEO Global Land Based and Chief Transformation Officer	Australia	Full financial year
M Lang	CEO Digital	Great Britain	Commenced on 18 November 2019

1. One Non-Executive Director acts as the Lead US Director. The Lead US Director assists the Board with review and oversight of Aristocrat's North American business. S Morro acted as Lead US Director until his retirement on 20 February 2020 and P Ramsey commenced acting as Lead US Director thereafter.

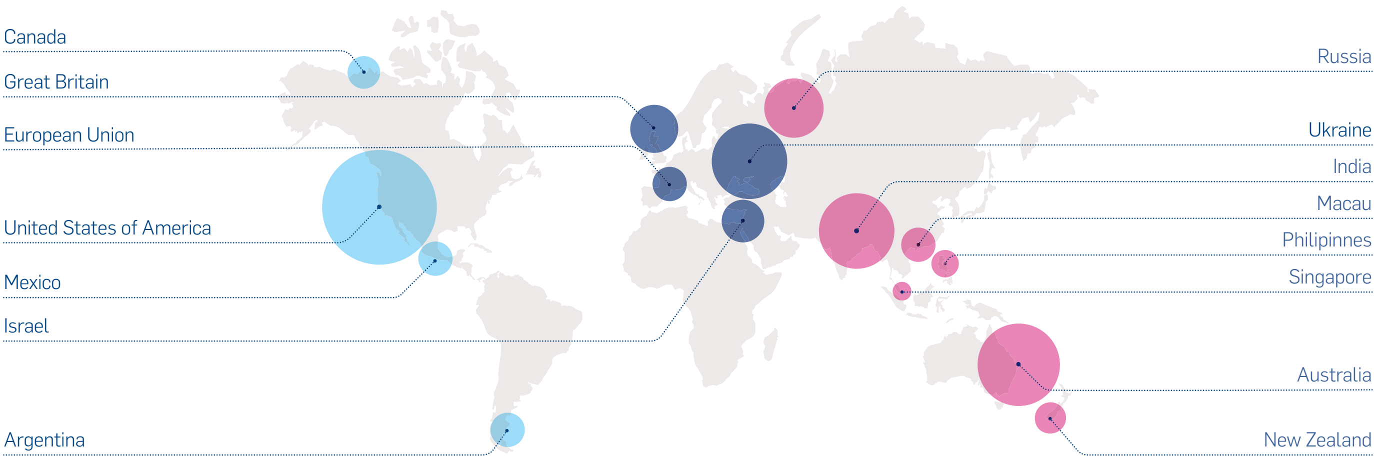
Aristocrat is one of a small group of ASX listed companies that derives the majority of its revenues from overseas markets (with 6% of revenue derived from the Australian Land-based business this financial year) and is genuinely global in its structure and operations. Although Aristocrat is listed on the Australian Securities Exchange, it has over 6,000 employees based globally across 84 countries and is licensed in more than 320 jurisdictions.

Aristocrat's senior leadership is predominantly US based, and the business must increasingly attract and retain leaders in US and other markets with technology and global management skillsets. US market practice (in particular) places a greater emphasis on at-risk opportunity, and significant equity grants are more commonly used for talent attraction and retention (than in Australia).

The continued expansion of Aristocrat's digital business, which now contributes over half of Group revenue, reinforces the need for Aristocrat's remuneration structures to evolve and take into account global pay philosophies, particularly those in the technology industry.

The Board therefore continues to review the structure of Aristocrat's incentive schemes to ensure they are globally competitive and effective in retaining, attracting and motivating the leadership and talent it needs to drive business strategy and financial performance in the interests of shareholders, while continuing to reflect our 'pay for performance' philosophy.

The world map below displays the location of Aristocrat's employees, with the size of each circle illustrating the relative number of employees based in that country.



Remuneration Report Overview continued

SENIOR EXECUTIVE REMUNERATION FRAMEWORK

OUR VALUES

IT'S ALL ABOUT THE PLAYER

TALENT UNLEASHED

COLLECTIVE BRILLIANCE

GOOD BUSINESS. GOOD CITIZEN

OUR REMUNERATION PRINCIPLES

The following principles guide Aristocrat's remuneration strategy and 'pay for performance' philosophy, which are designed to attract, retain and motivate key talent.

Reflect the markets we recruit from and need to be competitive in

- Alignment to shareholder interests and sustainable shareholder returns
- Encourage behaviours consistent with values and deliver good customer outcomes
- Performance based – link rewards to business results and strategy
- Robust governance with focus on risk management

SENIOR EXECUTIVE REMUNERATION STRUCTURE

Fixed	STI (AT RISK)	LTI (AT RISK)
FIXED REMUNERATION Base salary, superannuation and other benefits	**SHORT-TERM INCENTIVE (STI)** Reward for strong individual and Group performance during the Performance Period	**LONG-TERM INCENTIVE (LTI)** Reward for sustainable longer-term Group performance
VALUE DETERMINED BY		
– Individual skills, performance, experience and contribution to Aristocrat with reference to similar roles in global competitors and companies within a range of Aristocrat's market capitalisation – Global geographic location – Complex probity requirements by regulators also considered	Achievement of both annual financial and non-financial performance hurdles at a: – Group level – Business unit level – Individual level	– Relative TSR – 30% weighting – Relevant EPS – 30% weighting – Individual performance based vesting condition – 40% weighting
HOW DOES IT LINK WITH STRATEGY & PERFORMANCE		
Provides competitive ongoing remuneration in recognition of day-to-day responsibilities and accountabilities	– Supports annual delivery of key strategic targets and to recognise and reward individual performance – Deferral into equity supports sustained performance, retention and more closely aligns the interests of executives and shareholders	– Focuses on multi-year metrics that support sustained shareholder value creation – Delivered in equity to align the interests of executives and shareholders

Remuneration Report Overview continued

EXECUTIVE REMUNERATION MIX

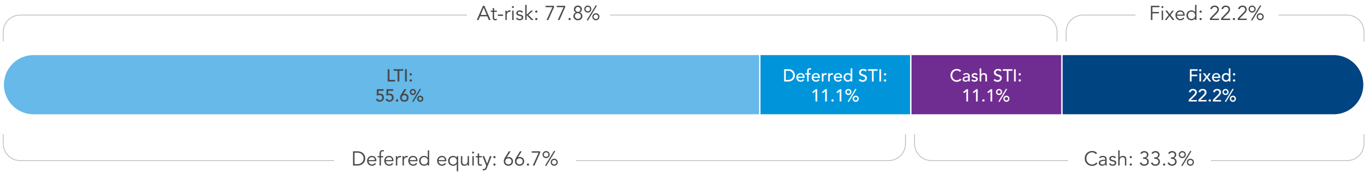
Total remuneration includes both a fixed component and an at-risk or performance-related component (comprising both short-term and long-term incentives). The Board views the at risk component as an essential driver of a high performance culture and one that contributes to achievement of superior shareholder returns.

The following illustration shows the remuneration mix for the Executive KMP in FY2020. It has been modelled on the average of the Executive KMP's target opportunity (but excluding any contractual severance entitlements).

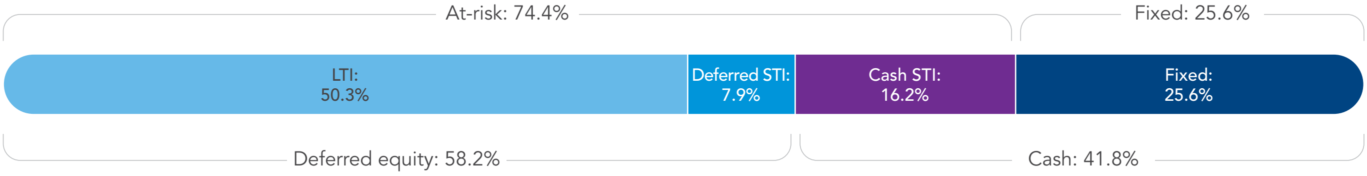
The Board aims to achieve a balance between fixed and performance-related components of remuneration. The actual remuneration mix for the Executive KMP will vary depending on the level of performance achieved at a Group, business unit and individual level.

While there was strong Group performance pre-COVID and outstanding growth in the digital business during the year, the CEO volunteered a 30% reduction in base salary and the other Executive KMPs volunteered a 20% reduction in base salary during 1 May 2020 to 30 September 2020. The below reflects the remuneration mix for the Executive KMPs prior to the advent of the COVID-19 pandemic and the abovementioned reduction in fixed remuneration.

CEO

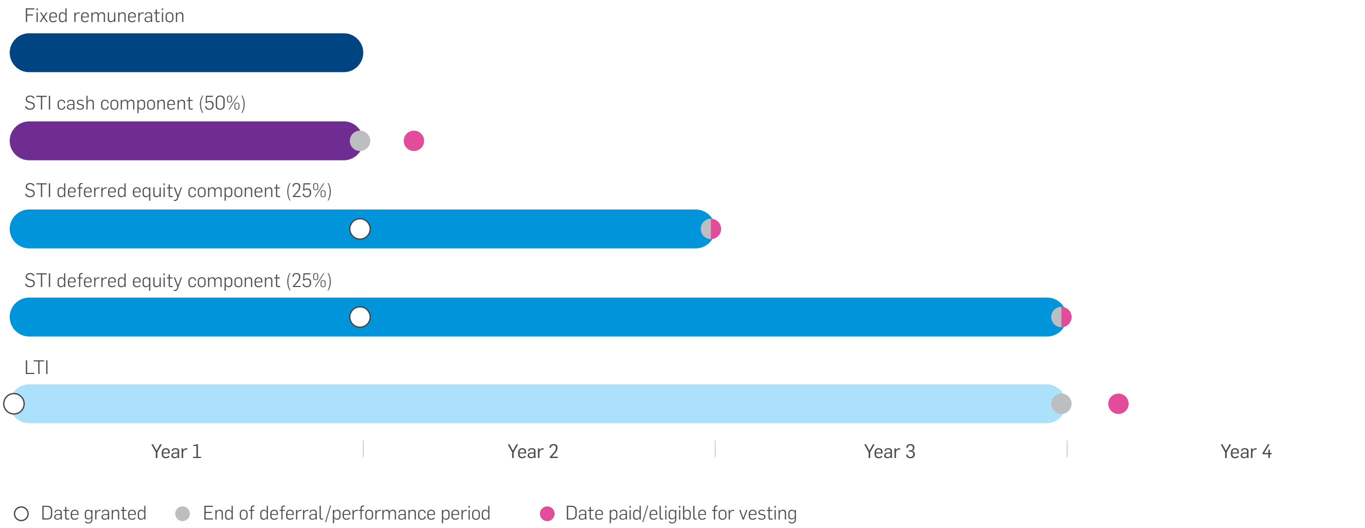


Other Executive KMP



SENIOR EXECUTIVE REMUNERATION TIME HORIZON

The following diagram provides an illustrative indication of how remuneration is typically delivered to the Senior Executives. For FY2020, notwithstanding strong performance at a Group level prior to the advent of the COVID-19 pandemic, no STI awards were awarded.



How Variable Remuneration is Structured

SHORT TERM INCENTIVE (STI) – HOW DOES IT WORK?

Description

Senior Executives have the opportunity to earn an annual incentive award which is delivered in cash and deferred equity awards (in the form of PSRs). The STI Plan recognises and rewards short-term performance.

The STI Plan is considered to be at-risk remuneration and is not a guaranteed part of Senior Executive remuneration.

Notwithstanding strong performance at Group level prior to the advent of the COVID-19 pandemic, the Business Score Threshold was not met and Senior Executives received no STI award this Reporting Period.

STI opportunity

A target opportunity is set for each Senior Executive, which is earned if Group and individual performance is on target. For certain Senior Executives, in a region or business unit, a target opportunity is set which is earned if regional performance and individual performance is on target. The Board determines the total STI pool to be distributed.

Senior Executives (other than the CEO) have a target STI of between 43% and 100% of fixed remuneration. The CEO has a target STI of 100% of fixed remuneration. The maximum STI payout is capped at 200% of a participant's target STI opportunity.

Financial performance conditions

No payment is made unless the STI gateway of the Business Score Threshold (being 85% of the Business Score Goals) is met.

For employees whose role is multi-regional or global in nature – including all Executive KMP – their 'Business Score Goal' is the result that is based on the actual financial performance of Aristocrat in a financial year, calculated by reference to NPATA and FCF Conversion as follows:

- NPATA – 70% weighting
- FCF Conversion – 30% weighting

The Business Score is converted into the Business Score Multiplier using a formula which seeks to reward for outperformance and conversely, will ensure appropriate treatment where the Business Score achieved is between 85% (Business Score Threshold) and 100%.

Setting stretch financial performance conditions

The Board utilises the annual budget as the primary input to determine appropriate stretch financial targets. When approving the budget, the Board reviews the core principles and assumptions underpinning the budget. In addition, the Board also considers expected market growth at the time of setting targets with the expectation that management will outperform expected market growth (if any) and, in the context of broadly flat markets and segments, that management will deliver growth through the gain of market share.

Subsequent to the budget having been finalised, the Board determines the STI financial targets. In order to ensure sufficient stretch is incorporated, consideration is given to both the quantifiable risks and opportunities that can influence the Group's financial performance. The Board considers significant items in the context of target setting.

Non-financial performance conditions

A ratings scale is used to assess individual performance. No payment is made for a Senior Executive who has not met or exceeded a minimum individual performance rating.

Senior Executives are assessed on delivery against individual OKRs. Individual targets as set out in OKRs include consideration as to role-related accountabilities and responsibilities in the context of business strategy and objectives, as set out in Table 5.

Individuals have a clear line of sight to OKRs and are able to directly affect outcomes through their own actions. Individuals are also assessed on behaviour metrics (the 'how') which contribute to that individual's overall performance rating.

How STI outcome is then determined

The Individual Performance Multiplier is then used to determine the quantum of STI payment the Senior Executive will receive.

Once the Business Score Multiplier and Individual Performance Multiplier are determined, an individual's STI award is calculated as follows:

Individual STI Payment = Individual STI Target X Business Score Multiplier X Individual Performance Multiplier

Reasons for these performance conditions

The Board considers that a combination of individual and financial performance conditions is appropriate as they are aligned with Aristocrat's objectives of delivering sustainable growth and sustainable superior returns to shareholders. In the case of FCF Conversion, this measure was chosen as it ensures cash flow discipline, which in turn allows Aristocrat to fund growth initiatives. In addition, Senior Executives have a clear line of sight to the targets and are able to affect results through their actions.

Performance measures and conditions are reviewed annually and are subject to change as considered appropriate. The Board has discretion to review and amend the Business Score Goals during the performance period (up or down) where significant unforeseen events have occurred which are outside the control of management.

How Variable Remuneration is Structured continued

SHORT TERM INCENTIVE (STI) – HOW DOES IT WORK? continued

Who assesses performance?	NPATA and FCF Conversion results are calculated by Aristocrat as soon as practicable after the end of the performance period. The calculations are considered by the Board to determine STI outcomes. The Board assesses performance of the CEO and Managing Director against the performance conditions with the benefit of recommendations from the People and Culture Committee. The CEO and Managing Director assesses the other Executive KMP's performance against the performance conditions and makes recommendations to the People and Culture Committee which in turn advises the Board in relation to the CEO and Managing Director's recommendations and the review process. In addition to developing and approving the OKRs of the CEO and Managing Director, the Board has oversight and visibility over OKRs of direct reports of the CEO at both the time of setting and assessing performance against OKRs. Special mitigating circumstances may be accepted, determined or approved on a case-by-case basis by the CEO and Managing Director, and subject to approval by the People and Culture Committee and the Board. The Board believes the abovementioned methods in assessing performance are an appropriate way to assess the performance of the Company and the Executive KMP's individual contribution, and to determine their remuneration outcomes.
Deferral terms	If the STI outcome is between 50% and 100% of target STI, then half of the Senior Executive's STI outcome is delivered in cash and the remaining half is deferred in the form of an equity award of PSRs, with these PSRs vesting as follows: – 50% after 12 months; – 50% after 24 months. Any individual who is internally promoted to a Senior Executive role is subject to a deferral of 25% of his/her STI outcome (as opposed to 50%) in his/her first year in the role. The Board has discretion to determine the percentage which will be deferred as an equity award if the award is less or greater than target. No additional performance conditions apply to vesting of the PSRs, with the exception of the continued employment by the relevant Senior Executive as described below. The number of PSRs is calculated using the volume-weighted average price over the five trading days immediately prior to and including the last day of the performance period.
Eligibility for dividends	An amount (based upon dividends paid by Aristocrat during the deferral period) accrues on the PSRs and is paid in cash at the end of the deferral period if the PSRs vest.
Cessation of employment	If the Senior Executive has ceased employment with the Company, and is a 'good leaver', then the unvested PSRs will remain on foot and will vest in the ordinary course, unless the Board determines otherwise. As a general rule, a Senior Executive will not be deemed to be a 'good leaver' to the extent they are terminated for cause or underperformance, breach their terms of employment contract or they resign from Aristocrat. If the Senior Executive has ceased employment with the Company and is not a 'good leaver', then all unvested PSRs will automatically lapse on or around the date of cessation of employment with the Group, unless the Board determines otherwise.
Clawback	In the event of a material misstatement of performance, or where vesting is not justified, appropriate or supportable in the opinion of the Board, including if a participant joins a competitor, the Board has the discretion to lapse unvested PSRs. The clawback policy that applies to vested incentives permits clawback of any shares allocated on vesting of the PSRs, as well as cash payments received on vesting of PSRs or proceeds from the sale of shares.
Restrictions on transfer or hedging	PSRs granted under the plan are not transferable and participants are prohibited from entering into hedging arrangements in respect of unvested PSRs.

How Variable Remuneration is Structured continued

LONG TERM INCENTIVE (LTI) – HOW DOES IT WORK?

This section summarises the terms of LTI grants made in FY2020.

Description

Under the LTI Plan, annual grants of PSRs are made to eligible participants to align remuneration outcomes with the creation of sustainable shareholder value over the long term. Executive KMPs as well as any employee of the Group who is invited by the Board are eligible to participate.

Non-Executive Directors are not eligible to participate in the LTI Plan.

LTI opportunity

The number of PSRs to be granted to a Senior Executive will be determined by calculating the Face Value of Aristocrat's shares and dividing the Senior Executive's LTI Opportunity by the Face Value and rounding to the nearest whole figure. In determining the 'LTI Opportunity', the Board will take into account the nature of the position, the context of the current market, the function and purpose of the long-term component and other relevant information.

Vesting conditions

Three vesting conditions apply to LTI grants made during FY2020:
- Relative TSR
- Relevant EPS
- Individual performance-based vesting condition

Relative TSR – 30% weighting

Relative TSR performance is assessed over a three-year period which will commence at the start of the financial year during which the PSRs are granted.

For any PSRs to vest pursuant to the Relative TSR vesting condition, Aristocrat's compound TSR must be equal to or greater than the median ranking of constituents of the Peer Comparator Group. The Peer Comparator Group, being constituents of the S&P/ ASX100 Index, is defined at the commencement of the performance period and provides a relative, objective, external market-based performance measure against those companies with which Aristocrat competes for capital, customers and talent.

The percentage of PSRs that may vest is determined based on the following vesting schedule:

Aristocrat's TSR ranking relative to Peer Comparator Group	PSRs subject to Relative TSR vesting condition that vests (%)
Below the median ranking	0%
At the median ranking	50%
Above the median ranking but below the 75th percentile	Between 50% and 100% increasing on a straight-line basis
At or above the 75th percentile	100%

The Board may adjust the TSR vesting conditions to ensure that an executive is neither advantaged nor disadvantaged by matters outside of management's control that affect achievement of the vesting conditions. The Board will also exercise its discretion to ensure that the TSR vesting conditions are adjusted to reflect sustainable growth outcomes aligned to the interests of shareholders.

Relevant EPS – 30% weighting

The People and Culture Committee reviewed the appropriateness of the LTI Plan Performance Measures in FY2019 taking into account feedback from investors and other external shareholders. Following this review, the Board determined to transition from a Relevant EPSA hurdle to a Relevant EPS hurdle for future LTI grants, commencing with grants made in FY2020.

The Relevant EPS vesting condition is measured by comparing Aristocrat's CAGR over a three-year performance period (1 October 2019 to 30 September 2022 in respect of LTI grants in FY2020) against the 'minimum' EPS growth and the 'maximum' EPS growth thresholds, as set by the Board at the beginning of this performance period.

Relevant EPS performance will be measured using the most recent financial year-end prior to the award as the base year, and the final financial year in the three-year performance period as the end year.

The percentage of PSRs that may vest is determined based on the following vesting schedule:

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

How Variable Remuneration is Structured continued

LONG TERM INCENTIVE (LTI) – HOW DOES IT WORK? continued

Relevant EPS – 30% weighting continued	The Board may adjust the Relevant EPS vesting conditions to ensure that an executive is neither advantaged nor disadvantaged by matters outside of management's control that affect achievement of the vesting conditions. As is our practice, the EPSA or EPS growth thresholds (as applicable) set by the Board for the performance period are disclosed in the Remuneration Report published in respect of the year in which the PSR vesting is tested. The 2018 LTI Grants had a Relevant EPSA target and accordingly, the Relevant EPSA target for the 2018 LTI Grants that vested in 2020 are disclosed in Table 3.
Individual performance based vesting condition – 40% weighting	The individual performance-based element of the LTI Plan will vest subject to the participant having achieved or exceeded against objective-balanced scorecard OKRs over the entire course of the three-year performance period in addition to continuous service for the performance period (Individual Performance Based Condition). Vesting of this tranche requires consistent and sustained individual performance for three years in a row – if OKRs are not met in any one year then the entire tranche is forfeited. There is no catch-up or retesting. The OKRs are aligned to supporting Aristocrat's longer-term strategy and driving continued sustainable growth.
Why were these vesting conditions chosen?	***Relative TSR*** – Ensures alignment between comparative shareholder return and reward for the executive – Provides relative, objective, external, market-based performance measure against those companies with which Aristocrat competes for capital, customers and talent – Is widely understood and accepted by key stakeholders ***Relevant EPS*** – Is a relevant indicator of increases in shareholder value – Taking into account feedback from investors and other external stakeholders, the Board ultimately approved a transition from a Relevant EPSA to a Relevant EPS hurdle in connection with future LTI grants, commencing with grants in FY2020 – Is a target that provides a suitable line of sight to encourage executive performance ***Individual Performance Based Condition*** – Importantly, this is a performance-based hurdle requiring that an Executive KMP meets or exceeds against objective-balanced scorecard OKRs – The objective-balanced scorecard OKRs are aligned to supporting Aristocrat's longer-term strategy and driving continued sustainable growth – This hurdle allows the Board to take into account 'the how' (behaviours) and conduct relating to risk management in determining outcomes relating to this hurdle – The balanced scorecard approach ensures that safeguards are in place to protect against the risk of unintended and unjustified outcomes – Aristocrat is one of a small group of ASX listed companies that derives the majority of its revenues from overseas markets and is genuinely global in its structure and operations. Aristocrat's senior leadership is predominantly US based, and the business must increasingly attract and retain leaders in global markets with technology and global management skillsets – This hurdle supports our LTI Plan being competitive to global peers who have elements of service-based vesting (restricted stock) The Board is confident that it has the right arrangements in place to drive performance and retention in line with shareholders' interests.
Who assesses performance and when?	Relative TSR and Relevant EPS results are calculated by Aristocrat and an external remuneration advisor tests these TSR results as soon as practicable after the end of the relevant performance period. The calculations are considered by the Board to determine vesting outcomes. In respect of the Individual Performance Based Condition, the Board assesses performance of the CEO and Managing Director against the objective-balanced scorecard OKRs with the benefit of recommendations from the People and Culture Committee. The CEO and Managing Director assesses the other Executive KMP's performance against the performance conditions and makes recommendations to the People and Culture Committee which in turn advises the Board in relation to the CEO and Managing Director's recommendations and the review process. The vesting conditions are therefore tested only at the end of the performance period. There is no re-testing of vesting conditions. The Board believes the abovementioned methods in assessing performance are an appropriate way to assess the performance of the Company and the Executive KMP's individual contribution, and to determine their remuneration outcomes.

How Variable Remuneration is Structured continued

LONG TERM INCENTIVE (LTI) – HOW DOES IT WORK? continued

Vesting	If PSRs vest, the Board has discretion to issue new shares, acquire shares on-market or cash settle to satisfy the vestings. Shares allocated on vesting of the PSRs are subject to the terms of Aristocrat's Share Trading Policy and carry full dividend and voting rights upon allocation.
Are PSRs eligible for dividends?	Holders of LTI PSRs are not entitled to dividends until the PSRs have vested and converted into shares.
Cessation of employment	If a participant ceases employment during the first 12 months of the three year performance period then, regardless of whether the participant is a good or bad leaver, all unvested PSRs lapse, unless the Board determines otherwise. If a participant ceases employment after the first 12 months of the performance period but before the end of the performance period: – the portion of unvested PSRs that are subject to the Individual Performance Based Condition will lapse (regardless of whether or not the participant is a 'good leaver'), unless the Board determines otherwise; – if the participant is a 'good leaver', a pro-rata portion of unvested PSRs that are subject to financial performance hurdles will remain 'on foot' and will be tested in the ordinary course, unless the Board determines otherwise. If the participant is not a 'good leaver', then all of these unvested PSRs will automatically lapse on or around the date of cessation of employment, unless the Board determines otherwise. As a general rule, a Senior Executive will not be deemed to be a 'good leaver' to the extent they are terminated for cause or underperformance, breach their terms of employment contract or they resign from Aristocrat.
Clawback	In the event of a material misstatement of performance, or where vesting is not justified, appropriate or supportable in the opinion of the Board, including if a participant joins a competitor, the Board has the discretion to lapse unvested PSRs. The clawback policy that applies to vested incentives permits clawback of any shares allocated on vesting of the PSRs, as well as cash payments received on vesting of PSRs or proceeds from the sale of shares.
What happens in the event of a change of control?	There is no automatic vesting of PSRs on a change of control. The Board will (in its discretion) determine the appropriate treatment regarding PSRs in the event of a change of control. Where the Board does not exercise this discretion, there will be a pro-rata vesting of PSRs based on the proportion of the performance period that has passed at the time of the change of control event.
Restrictions on transfer or hedging	PSRs granted under the plan are not transferable and participants are prohibited from entering into hedging arrangements in respect of unvested PSRs.

Stretch Performance Targets and Remuneration Outcomes in FY2020

This section of the Remuneration Report provides detail on target setting by the Board (including how targets are determined to ensure challenging stretch) and also discloses the outcome of awards made under:

- the 2020 STI grant (performance period 1 October 2019 – 30 September 2020)
- the 2018 LTI Grant (performance period 1 October 2017 – 30 September 2020)

STI GRANT TARGETS AND OUTCOMES IN 2020

A challenging NPATA target (70% weighting) of $956.3m (on a constant currency basis [1]) was set by the Board in connection with the FY2020 STI grant, which was a 14.7% year-on-year increase on the FY2019 STI target.

The NPATA target was set in the context of broadly flat key markets and segments, and these markets and segments remained broadly flat over the course of the STI performance period.

In addition to assessing actual financial performance measures against targets, performance of participants was also assessed against individual OKRs in order to determine STI remuneration outcomes. Individual targets as set out in OKRs included consideration as to role-related accountabilities and responsibilities in the context of delivery against Aristocrat's business strategy and objectives, as set out in Table 5, as well as assessment against behaviour metrics ('the how').

PERFORMANCE AND STI OUTCOMES IN FY2020

Prior to the advent of the COVID-19 pandemic, the Group was on track to achieve STI targets. Notwithstanding strong performance at a Group level, including Gearing (Net Debt/EBITDA) of 1.4x as at 30 September 2020 (in line with prior year) and a strong balance sheet with approximately $2 billion in available liquidity at 30 September 2020, as a result of COVID-19 impacts on the Group, Senior Executives received no STI outcome this Reporting Period. Further information on Aristocrat's performance against business strategy and objectives is set out in Table 5.

Table 2 below discloses actual quantitative STI targets set by the Board and actual performance against those targets

Business Score of 83.9% — STI gateway (Business Score Threshold) of 85% not achieved

The Business Score is calculated by reference to the NPATA and FCF Conversion figures as follows. Despite the FCF Conversion result being significantly above target, due to the multiplicative nature of the STI plan, and notwithstanding achieving a Business Score of 83.9%, as the Business Score Threshold of 85% was not met, Senior Executives received no STI outcome this Reporting Period.

Measure + Weighting	Target	Actual Performance	STI outcome
NPATA (70%)	$956.3m (14.7% ↑ on FY2019 target)	$421.8m[1]	0%
FCF Conversion (30%)	104% (9 percentage points ↑ on FY2019 target) [2]	184%	0%

1. Constant currency basis as set out in the approved budget.
2. The FCF Conversion target is set annually based on the anticipated financial performance of the Group for the coming year.

LTI GRANT TARGETS AND OUTCOMES IN 2020

The following three vesting conditions applied to the 2018 LTI Grant:

- a Relative TSR vesting condition (30% weighting);
- a Relevant EPSA vesting condition (30% weighting); and
- an Individual Performance Based Condition (40% weighting).

Challenging EPSA targets were set by the Board in connection with the 2018 LTI Grants:

- Targets were set in the context of broadly flat key markets and segments.
- Both organic and inorganic growth was taken into account by the Board in setting EPSA growth targets. Specifically, the 7.5%/12.5% min/max EPSA targets set in respect of previous grants were set on the basis that both organic and inorganic growth would be required in order for those targets to be achievable.
- The Board then applied further stretch to the EPSA targets under the 2017 and 2018 LTI grant (10% min/15% max). This is illustrated in table 3 below which shows the EPSA targets for LTI Grants between FY15 – FY18 (inclusive).

Table 3 below discloses the Relevant EPSA Targets for LTI Grants between FY15 to FY18

Relevant EPSA

Award year	Threshold Target	Maximum Target	Actual	Performance Period	Vesting Date	Award Outcome
FY18	10%	15%	(4.0%)	FY18 – FY20	After 30 September 2020	Not achieved
FY17	10%	15%	31.0%	FY17 – FY19	After 30 September 2019	Achieved
FY16	7.5%	12.5%	45.4%	FY16 – FY18	After 30 September 2018	Achieved
FY15	7.5%	12.5%	54.4%	FY15 – FY17	After 30 September 2017	Achieved

Stretch Performance Targets and Remuneration Outcomes in FY2020 continued

IMPACT OF ACCOUNTING ADJUSTMENTS ON REMUNERATION OUTCOMES

Normalised NPATA (not reported NPATA) is used for purposes of determining remuneration outcomes as normalised NPATA is reflective of the actual underlying operational performance of the Group. Therefore, NPATA of $476.6m was used for purposes of testing the EPSA growth outcome in connection with the 2018 LTI Grant and the testing of the outcome of the 2020 STI grant.

The impact of accounting adjustments as well as a reconciliation between normalised and reported NPATA is set out below:

RECONCILIATION OF STATUTORY PROFIT TO NPATA

A$ million	2020	2019
Statutory profit as reported in the financial statements	1,377.7	698.8
Amortisation of acquired intangibles (tax effected)	119.5	141.6
Reported profit after tax before amortisation of acquired intangibles (Reported NPATA)	1,497.2	840.4
(Less)/add back net (gain)/loss from significant items after tax	(1,020.6)	54.0
Normalised Profit After Tax before amortisation of acquired intangibles (Normalised NPATA)	476.6	894.4

SIGNIFICANT ITEMS

	30 Sep 2020	
A$ million	Before tax	After tax
Government stimulus benefits	19.0	13.3
Contingent retention arrangements	(44.4)	(36.0)
Big Fish onerous lease	(44.2)	(38.7)
Kater and Thimmegowda cases – legal settlement	(46.5)	(40.7)
Recognition of deferred tax asset	—	1,122.7
Net (loss)/gain from significant items	(116.1)	1,020.6

Significant items included in the Group's reported result after tax:

Government stimulus benefits: The result includes an adjustment of $13.3 million relating to COVID-19 related government stimulus benefits received. The JobKeeper employment subsidy in Australia contributed $11 million post-tax.

Contingent retention arrangements: The result includes an expense of $36 million relating to the contingent retention arrangements for the acquisition of Plarium.

Big Fish onerous lease: The result includes an expense of $38.7 million relating to an onerous lease for the Big Fish Seattle premises, which was committed to by previous ownership.

Kater and Thimmegowda cases – legal settlement: The result includes an expense of $40.7 million relating to the settlement agreed in the period for Big Fish.

Recognition of deferred tax asset: The result includes an adjustment of over $1.1 billion for the recognition of a deferred tax asset relating to the Group structural changes announced in November 2019.

Stretch Performance Targets and Remuneration Outcomes in FY2020 continued

2018 LTI GRANT VESTING OUTCOMES

Disclosed below is the outcome of the 2018 LTI Grant (tested over the three-year performance period ended 30 September 2020).

FINANCIAL TARGETS AND PERFORMANCE

Table 4 below discloses the LTI financial targets set by the Board and performance against those targets.

30 SEPTEMBER 2020: THREE-YEAR PERFORMANCE PERIOD ENDS FOR 2018 LTI GRANTS.
Performance is tested in November 2020 for Relative TSR and Relevant EPSA

Relative TSR (30% weighting)

95.8% of the PSRs linked to the Relative TSR measure vested

With a TSR performance of 37.69%, Aristocrat was the 27th top performer (equivalent to 72.9th percentile) of its Peer Comparator Group.

Relevant EPSA (30% weighting)

Prior to the advent of the COVID-19 pandemic, the Group was on track to achieve the Relevant EPSA target. Notwithstanding strong performance at a Group level, including growth in Digital revenue by 28.5% to US$1,609 million and Aristocrat's increased share in the Land-based North America Gaming Operations business, as a result of COVID-19 impacts on the Group, 0% of the Relevant EPSA component vested given that Aristocrat's actual EPSA CAGR across the consecutive three-year performance period was -4.0% . Further information on Aristocrat's performance against business strategy and objectives is set out in Table 5.

Relevant EPSA

1 Oct 2017 to 30 Sept 2020	Threshold EPSA Target	Maximum EPSA Target	Actual Outcome	Relevant EPSA Achievement
3 year CAGR	10%	15%	(4%)	0%

0% of the PSRs linked to the Relevant EPSA measure vested

Individual Performance-Based Condition (40% weighting)

100% of PSRs linked to the Individual Performance-Based Condition vested for those Executive KMP with 2018 LTI awards, which requires the Executive KMP to achieve or exceed the required performance rating based on calibration against a set of objective balanced scorecard OKRs. These OKRs are aligned to supporting Aristocrat's longer term strategy and driving continued sustainable growth.

Link to Business Strategy and Shareholder Interests

Table 5 below discloses remuneration outcomes in FY2020 and alignment to business strategy and Group performance.

Business strategy and objectives…	Are reflected in LTI and STI performance measures…	So, Aristocrat's actual performance…	Directly affects remuneration outcomes
Profitability and financial performance	**STI performance measure of NPATA** Measures profitability across the Group **STI performance measure of FCF Conversion** Measures free cash flow generated by the Group **LTI performance measure of Relative TSR** Measures the benefit delivered to shareholders over three years, including dividend payments and movement in the share price over and above a market benchmark **LTI performance measure of Relevant EPSA** Measures profitability across the Group on a per share basis	**PARTIALLY MET** – Notwithstanding strong performance at Group level prior to the advent of the COVID-19 pandemic, NPATA and Relevant EPSA targets were not met – Achieved FCF Conversion significantly above target of 184% (Group target of 104%) – Aristocrat achieved a TSR performance of 37.69% over the 2018 LTI Grant performance period, 27th in its Peer Comparator Group and ranked in the 72.9th percentile – Strong Group balance sheet with total liquidity of just under $2.0bn, which positions the business well for the future – Gearing (Net Debt/EBITDA) of 1.4x, in line with prior year	Notwithstanding strong performance at a Group level prior to the advent of the COVID-19 pandemic, Senior Executive remuneration outcomes in FY2020 were as follows: Total LTI vesting outcome in FY2020 = 47.9% of target based on TSR and EPSA performance measures CEO STI outcome in FY2020 = 0% of target Average STI outcome in FY2020 for other Executive KMP = 0% of target
Growing adjacent opportunities	**STI Individual performance rating and LTI Individual performance based condition** Measures include increasing the size of Aristocrat's addressable markets and generating revenue from adjacent opportunities	**EXCEEDED** – Approximately 15% of volume of units sold in the Americas derive from adjacent market sources – Continued expansion into adjacent markets, including Video Lottery Terminal (VLT) Canada, VLT Illinois, Washington Central Determinant System and the Multigame and Poker segments – Successful launch by Big Fish Games of *EverMerge*™ in May 2020 – Highly successful entry into an adjacency – the collection role playing game (CRPG) genre – *RAID: Shadow Legends*™ now the #2 CRPG in Tier 1 markets and #19 Top Grossing Game in the US [1]	
Sustainable core growth	**STI Individual performance rating and LTI Individual performance based condition** Measures include growth in US Gaming Operations, sustainability of strong market position in Australia and continued growth in profitability of the digital business	**EXCEEDED** – In excess of 79% of Group revenues now derive from recurring sources – Share gains continued across Class III Premium installed bases and ANZ business sustained market-leading ship share – Digital revenues increased by 31.9% to $2.4bn (in reported currency) and Digital profits increased by 33.7% to US$495m – Increased diversity of earnings – digital business contributes 57% of Group revenue	
Risk management	**STI Individual performance rating and LTI Individual performance based condition** Measures include continuing to embed effective risk management throughout the organisation to support: – achievement of business objectives – corporate governance objectives – risk-based identification of ESG priorities and opportunities	**EXCEEDED** – Continued evolution of enterprise risk management framework and global refresh of Business Continuity Plans – Improvement in Aristocrat's ESG reporting by Australian Council of Superannuation Investors (ACSI), which is above sector average – Achievement of Group & Land-based cyber security maturity rating of 2.3 (FY2019:1.4) – Lost Time Frequency Rates lower than the US NAICS and Australian Safe Work Standards targets for the US and Australian businesses, respectively – Mandatory Responsible Gaming training for all staff	

Product quality and innovation, great game content and customer centric culture	**STI Individual performance rating and LTI Individual performance based condition** Measures include product quality and delivery, product innovation, great game content and embedding customer centric culture across the Group	**EXCEEDED**
		– Aristocrat was awarded the following at the Global Gaming Awards 2020:
		  – Land-Based Product of the Year – *MarsX*™ Cabinet
		  – Land-Based Industry Supplier of the Year
		  – Slot of the Year – *Dollar Storm*™
		– Eilers-FANTINI October 2020 Survey:
		  – Aristocrat Top Ranked Supplier Overall
		  – Aristocrat had 15 of Top 25 Premium leased games (*Dragon Link*™, *Lightning Link*™)
		– Continued investment in talent and technology, with D&D investment remaining at market-leading levels at 12.0% of total revenue
		– Net Promoter Score (which indicates customer satisfaction) of 50, which is above Tech industry benchmark of 30
		– Quality metrics stable over FY2020, achieving 92.4% (FY2019: 95%; FY2018: 90.5%)	

Leadership Effectiveness and high performing People and Culture	**STI Individual performance ratiand LTI Individual performance based condition** Measures include development, retention and succession planning across all management levels and for creative talent Measures also include attracting, developing and retaining gaming design talent	**EXCEEDED** – Group Employee Engagement Scores of 8.5, which is above Tech industry benchmark and Group target of 7.8 – Investment in talent and leadership bench strength through the Senior Executive Develop Plan, the Aristocrat Leadership Academy and in-business development programs – Key senior executive appointments during the Reporting Period includes CEO Digital, Chief Legal Officer and Chief Technology Officer. 1 of 3 appointments was an internal candidate	

1. 2020 App Annie data. Based on Top 1,000 games in Tier 1 market (Australia, Canada, France, Germany, UK and US)

Link to Business Strategy and Shareholder Interests continued

ALIGNMENT BETWEEN REMUNERATION AND GROUP PERFORMANCE

Numerous elements of Aristocrat's remuneration strategy and framework are directly linked to Group performance.

The table below sets out information about movements in shareholder wealth for the financial years ended 30 September 2016 to 30 September 2020, highlighting alignment between Aristocrat's remuneration strategy and framework and Group performance over the past 5 years.

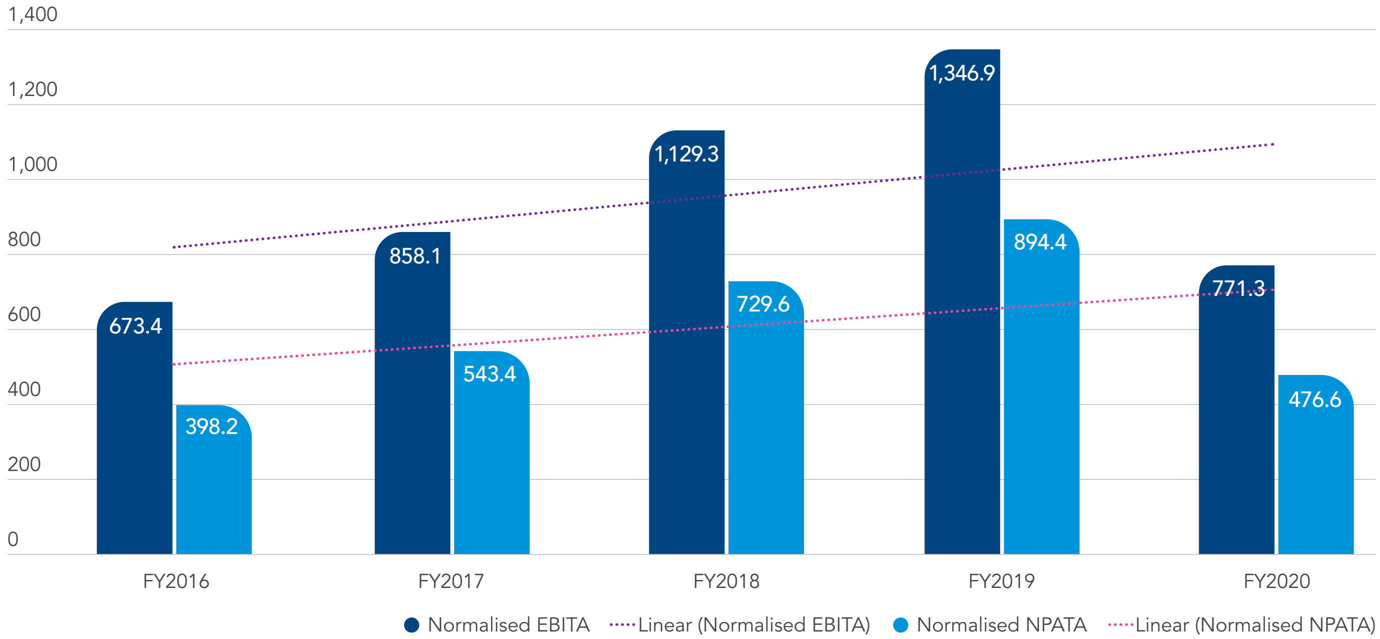
Further details about the Group's performance over this period can be found in the Five-Year Summary contained in this Annual Report.

Table 6 Summary of movement in shareholder wealth

	12 months to 30 Sep 2020	12 months to 30 Sep 2019	12 months to 30 Sep 2018	12 months to 30 Sep 2017	12 months to 30 Sep 2016[1]
Share price as at financial year-end (A$)	29.97	30.60	28.44	21.00	15.81
Total dividends (cps)	10.0	56.0	46.0	34.0	25.0
Normalised EPS (fully diluted) / EPSA (fully diluted) (cps)[2]	56.0/74.7	118.0/140.2	96.5/114.1	77.5/85.0	54.9/62.4
TSR (%)	(2%)	10%	38%	35%	87%
Short-term cash incentives (% of Group target)	0%	104%	130%	172%	176%
LTI (% vesting) based on Relative TSR and Relevant EPSA performance measures	47.9%	100%	100%	100%	100%

1. The opening share price for the 12 months to 30 September 2016 was $8.61.
2. Excluding the effect of significant items which are not representative of the underlying operational performance of the Group.

Historical earnings performance – NPATA and EBITA (A$m)



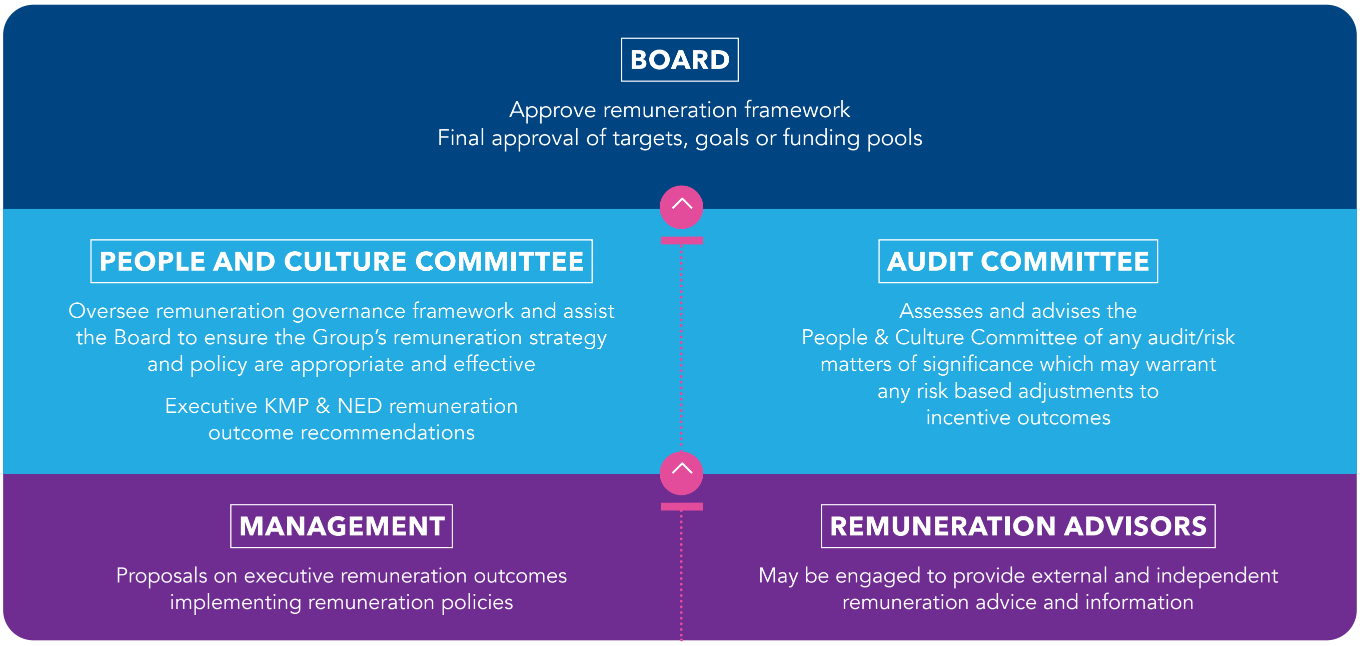
Remuneration Governance

OVERVIEW

The People and Culture Committee are responsible for developing, monitoring and assessing remuneration strategy, policies and practices across the Group and endorses recommendations made by management for Board approval. It oversees the overall remuneration governance framework approved by the Board.

The People and Culture Committee and Audit Committee met concurrently in September 2020 to consider if there were risk based or other adjustments that may warrant consideration in the Board's determination of remuneration outcomes. No risk based or other adjustments to remuneration outcomes were recommended by the Committees in FY2020.

The following diagram represents Aristocrat's remuneration decision-making structure.



Details of the composition and responsibilities of the People and Culture Committee and Audit Committee are set out in the Corporate Governance Statement (and can be found at www.aristocrat.com).

USE OF REMUNERATION ADVISORS

In making recommendations to the Board, the People and Culture Committee seeks advice from external advisors from time to time to assist in its deliberations. The People and Culture Committee appointed Ernst & Young as Aristocrat's 'Remuneration Consultant' for the purposes of the Corporations Act.

Remuneration advisors are engaged by the Chairperson of the People and Culture Committee with an agreed set of protocols that determine the way in which remuneration recommendations would be developed and provided to the Board. This process is intended to ensure there can be no undue influence by Executive KMP to whom any recommendations may relate.

No remuneration recommendations, as defined by the Corporations Act, were made by the remuneration advisors during the Reporting Period.

Non-executive Director Remuneration

Details of the Non-Executive Directors of Aristocrat during the Reporting Period are provided in the Directors' Report.

COMPONENTS AND DETAILS OF NON-EXECUTIVE DIRECTOR REMUNERATION

Non-Executive Directors receive a fixed fee (inclusive of superannuation and committee memberships) for services to the Board. The Chair of each committee receives an additional fee for that service.

The Non-Executive Directors accepted a 20% reduction in their fees from 1 May 2020 to 30 September 2020. There were no increases in Board or Committee fees for the Reporting Period.

Securing and retaining talented, qualified Non-Executive Directors

Non-Executive Director fee levels are set having regards to:

- The responsibilities, time commitments and workload expected
- ASX market and direct industry peers
- Being competitive across Aristocrat's two major jurisdictions (US and Australia)

Preserving independence and impartiality

Non-Executive Director remuneration consists of base (Director) fees and Committee fees. No element of Non-Executive Director remuneration is 'at risk' (i.e. fees are not based on the performance of the Group or individual Non-Executive Director)

Aligning Director and security holder interests

Directors are encouraged to hold Aristocrat securities and the Board has endorsed a minimum shareholding policy for Non-Executive Directors

Competitive fee levels have been a particular focus for the Board due to its ongoing commitment to an orderly renewal and succession planning process.

Aristocrat has increasingly transformed into a truly global business with extensive scale, complexity and diversity, which has in turn significantly increased both Board and Committee workloads and overseas travel expectations. In addition, developments in the corporate governance landscape are leading to increased expectations and demands of Non-Executive Directors on ASX boards.

Fees also reflect the regulatory requirements of the environment in which Aristocrat operates, which imposes considerable demands on the Non-Executive Directors and their families who are required to disclose detailed personal and financial information and submit to interviews, including in foreign jurisdictions.

Certain global companies pay a supplemental travel payment to non-resident Directors who are required to attend Board meetings away from their principal residential domicile, which Aristocrat does not do. Non-Executive Directors are entitled to be reimbursed for all reasonable business-related expenses, including travel, as may be incurred in the discharge of their duties.

Aristocrat does not make sign-on payments to new Non-Executive Directors and the Board does not provide for retirement allowances for Non-Executive Directors.

AGGREGATE FEE POOL APPROVED BY SHAREHOLDERS

Non-Executive Directors' fees (including committee fees) are set by the Board within the maximum aggregate amount of A$3,200,000 per annum approved by shareholders at the AGM in February 2018.

There will be no change in FY2021 to fees of Non-Executive Directors, which remain at the levels set in April 2018. Those fees are set out in Table 7 below.

Table 7 Non-Executive Director fees payable during the Reporting Period (prior to the Non-Executive Directors accepting a 20% reduction in their fees from 1 May 2020 to 30 September 2020)

Board fees per annum	Amount (inclusive of all statutory superannuation obligations)
Chairman	A$625,000
Non-Executive Director	A$250,000 / US$220,000
Lead US Director	Additional US$40,000
Committee Chair (Audit, People & Culture)	Additional A$45,000 / US$35,000
Committee Chair (Regulatory & Compliance)	Additional A$35,000 / US$30,000
Committee member (per committee, capped at two committees per person)	Additional A$15,000 / US$10,000

Statutory Remuneration Tables and Data

KEY KMP MOVEMENTS IN FY2020

Mike Lang was appointed as the CEO, Digital on 18 November 2019 and is responsible for overall digital performance and for executing Aristocrat's growth strategy across its digital footprint. This includes protecting and growing our digital operations (Plarium, Big Fish Games and Product Madness), fully leveraging combined capabilities and unlocking sustained performance.

Given the strategic importance of this role in a highly competitive global market for talent, the Board determined it was appropriate to provide a competitive remuneration package, including an one-off sign-on award with the following vesting schedule and vesting conditions. Further information on how the Individual Performance-Based Vesting Condition is assessed is set out on page 38.

Table 8 below outlines the sign-on award offered to M Lang:

Grant date	Grant details	Vesting Schedules	Vesting Conditions
18 November 2019	**18,586 PSRs** (grant date value of $656,272)	18 November 2020	Subject to continued employment at vesting date and achievement of Individual Performance-Based Vesting Condition
	18,586 PSRs (grant date value of $656,272)	18 November 2021	As above
	Cash award (grant date value of $656,272)	18 November 2021	As above

DETAILS OF EXECUTIVE KMP REMUNERATION

The following table reflects the accounting value of remuneration attributable to Executive KMP, derived from the various components of their remuneration. This does not necessarily reflect actual amounts paid to Executive KMP due to the conditional nature (for example, performance criteria) of some of these accrued amounts.

As required by the Accounting Standards, the table includes credits for PSRs with non-market conditions which were forfeited during the year and the amortised value of PSRs that may vest or best available estimates attributable to PSRs which may be lapsed or forfeited in future reporting periods.

Table 9 Statutory Executive KMP remuneration table

		Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payments [6]			
Executive	Year	Cash Salary [1] $	Cash Bonuses [2] $	Non-monetary Benefits [3] $	Super annuation $	Termin-ation [4] $	Long Service Leave [5] $	STI PSRs [7] $	LTI PSRs [8] $	Total $	% of Share Based remuneration (LTI PSRs) %
CEO & Managing Director											
T Croker	**2020**	**1,546,011**	**—**	**3,254**	**—**	**—**	**—**	**503,031**	**2,405,121**	**4,457,417**	**54.0%**
	2019	1,627,064	1,011,036	37,939	—	—	—	763,371	2,166,867	5,606,277	38.7%
Executive KMP											
J Cameron-Doe	**2020**	**847,779**	**—**	**15,052**	**—**	**—**	**—**	**167,806**	**811,723**	**1,842,360**	**44.1%**
	2019	825,159	388,860	62,152	—	—	—	234,762	371,895	1,882,828	19.8%
M Bowen [9]	**2020**	**593,750**	**—**	**787**	**25,000**	**—**	**35,969**	**144,541**	**1,102,180**	**1,902,227**	**57.9%**
	2019	542,974	262,500	1,130	25,000	—	32,542	234,792	392,145	1,491,083	26.3%
M Lang [10]	**2020**	**905,289**	**—**	**—**	**—**	**—**	**—**	**—**	**1,849,980**	**2,755,269**	**67.1%**
	2019	—	—	—	—	—	—	—	—	—	0.0%
Total	**2020**	**3,892,829**	**—**	**19,093**	**25,000**	**—**	**35,969**	**815,378**	**6,169,004**	**10,957,273**	**56.3%**
	2019	2,995,197	1,662,396	101,221	25,000	—	32,542	1,232,925	2,930,907	8,980,188	32.6%

1. Amounts shown as cash salary and fees include amounts sacrificed in lieu of other benefits at the discretion of the individual. To the extent that benefits are paid and subject to Fringe Benefits Tax (FBT), the above amount includes FBT. Executive KMPs based in the US have their cash salary denominated in USD which is converted to AUD based on the monthly Group exchange rates. Accordingly, notwithstanding the 20% reduction in base salary volunteered by Executive KMPs during 1 May 2020 to 30 September 2020, J Cameron-Doe's cash salary for FY2020 was higher due to the conversion of her cash salary from USD to AUD for the purposes of this report.
2. Amounts reflect the non-deferred cash component of STI incentives.
3. Non-monetary benefits include professional fees for tax advice. In the case of J Cameron-Doe, part of the 2019 amounts also relate to relocation costs in connection with her permanent relocation to the US.
4. Amounts reflect accruals in connection with the termination of employment (inclusive of any accruals for payments in lieu of notice).
5. The amounts provided for by the Group during the financial year in relation to accruals for long service leave.
6. In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year. The fair value of equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executive KMP may ultimately realise should the equity instruments vest. An independent accounting valuation for each tranche of PSRs at their respective grant dates has been performed by Deloitte. In undertaking the valuation of the PSRs, Deloitte has used a TSR model and an EPSA model. These models are described below:

   TSR model – Deloitte uses the Monte-Carlo simulation-based model which incorporates the impact of performance hurdles and the vesting scale on the value of the PSRs. This pricing model takes into account factors such as the Company's share price at the date of grant, volatility of the underlying shares, the risk-free rate of return, expected dividend yield and the likelihood that vesting conditions will be met. The accounting valuation of rights issued is allocated equally over the vesting period.

Statutory Remuneration Tables and Data continued

EPSA and individual performance model – The Black-Scholes-Merton model was used to determine the fair value of PSRs. This pricing model takes into account factors such as the Company's share price at the date of grant, the risk-free rate of return, expected dividend yield and time to maturity. The accounting valuation of rights issued is allocated over the vesting period so as to take into account the expected level of vesting over the performance period. For the purposes of remuneration packaging, the 'face value' (volume-weighted average price for the 5 trading days up to and including the day before the start of the performance period) is adopted for determining the total number of PSRs to be allocated as this valuation best reflects the fair value of PSRs to each executive at that time. The requirements of AASB 2 in relation to the treatment of non-market vesting conditions, such as earnings per share growth and share-based remuneration requiring shareholder approval, results in accounting expense and disclosures differing from the value allocated for the purposes of remuneration packaging.

7. A component of STI awards payable to Executive KMP will be satisfied by the grant of deferred share rights. Half will vest after one year, with the remainder vesting after two years, both subject to relevant forfeiture conditions. Any individual who is internally promoted to a Senior Executive role is only subject to a deferral of 25% of their STI outcome (as opposed to 50%) in his/her first year. The accounting expense for STI share rights represents the expense attributable to the service period that has been completed for each deferred award. Therefore, the amounts reflected for the 12 months to 30 September 2020 include the accounting accruals attributable to deferred share rights pursuant to the 2018 and 2019 STI awards (there were no STI awards in 2020).
8. The share-based payments expense includes the impact of PSRs that were granted in previous years that are being expensed for accounting purposes over the vesting period, as well as the PSRs that were granted in the reporting period. Also includes best available estimates attributable to PSRs which may be lapsed or forfeited in future reporting periods. The sign-on award granted to M Lang upon his appointment as CEO Digital is included in the 2020 calculations.
9. M Bowen's FY2019 remuneration reflects his role as Managing Director, ANZ & International, prior to his promotion to CEO Land-Based (1 July 2019) and Chief Transformation Officer (9 May 2019).
10. M Lang commenced with the Company on 18 November 2019.

Table 10 Details of 2020 short-term awards paid and deferred

For the 12 months ended 30 September 2020	Total award [1] $	Cash [2] payment $	Deferred [3] component $	No. Share Rights vesting 1 Oct 2021 [3]	No. Share Rights vesting 1 Oct 2022 [3]	Total award as % of target STI	% of total award deferred
T Croker	—	—	—	—	—	0%	0%
Other Executive KMP							
J Cameron-Doe	—	—	—	—	—	0%	0%
M Bowen	—	—	—	—	—	0%	0%
M Lang	—	—	—	—	—	0%	0%

1. Amounts reflect the value of the total 2020 STI awards. See footnotes 2 and 3 for an explanation of the cash and deferred components of the total award.
2. Amounts reflect the cash component of the 2020 awards.
3. As the Executive KMPs did not receive any 2020 short term awards, there was no deferred component.

Table 11 Details of PSRs granted to Executive KMP, including their related parties, during the Reporting Period

Performance rights were granted during the Reporting Period as follows:

	Short-term PSRs		Long-term PSRs	
	Number granted [1,2]	Value of grant $	Number granted [2,3]	Value of grant [4] $
T Croker	33,058	901,228	145,313	4,837,043
J Cameron-Doe	12,714	346,626	58,125	1,807,519
M Bowen	8,583	262,500	45,777	1,423,528
M Lang	37,172	1,312,544	72,656	2,259,391

1. Further details on the short-term PSRs granted to T Croker, J Cameron-Doe and M Bowen are found in Table 11 of the FY2019 Remuneration Report. Further details on the short-term PSRs granted to M Lang is found in Table 8 above. Short-term PSRs have a performance period of less than three years.
2. The rights that were vested or forfeited during the Reporting Period are set out in Table 12. Long-term PSRs have a three year performance period.
3. The number of rights granted calculated based on the Face Value, as further explained on page 37.
4. Other than T Croker's PSRs, all PSRs were granted on 29 January 2020. The fair value of the rights that were granted on 29 January 2020 are $23.88 for rights with a total shareholder return condition and $34.19 for rights with an individual performance based condition and EPS condition. T Croker's PSRs were granted on 20 February 2020 and the fair value for rights with a total shareholder return condition are $26.56 and $36.17 for rights with an individual performance based condition and EPS condition. The values shown in the above table represent the maximum value of the grants made. The minimum value is zero.

Table 12 Details of the movement in numbers of PSRs during the Reporting Period

	Balance at 1 October 2019	Granted during the year [1]	Short-term PSR vested [2,3]	Long-term PSRs Vested [3,4]	Lapsed/ forfeited	Balance at 30 September 2020
T Croker	353,617	178,371	(24,039)	(62,838)	—	445,111
J Cameron-Doe	63,975	70,839	(8,913)	—	—	125,901
M Bowen	102,511	54,360	(9,189)	(10,054)	—	137,628
M Lang	—	109,828	—	—	—	109,828

1. The value of the PSRs granted to Executive KMP during the year (including the aggregate value of PSRs granted) is set out in Table 11. No options were granted during the year to any Executive KMP. Trevor Croker's grant of 145,313 PSRs under the Long Term Incentive Plan was approved at the 2020 Annual General Meeting of the Company on 20 February 2020, and this approval was for all purposes, including ASX Listing Rule 10.14. Further information about the Long Term Incentive Plan can be found on page 37.
2. PSRs with performance periods of less than three years.
3. The value of each PSR on the date of vesting is the closing price of the Company's shares on the ASX on the preceding trading day. As shares are immediately allocated upon the vesting of PSRs, there will be no instances where PSRs are vested and exercisable, or vested but not yet exercisable.
4. PSRs with three year performance periods.

Statutory Remuneration Tables and Data continued

SERVICE AGREEMENTS

The remuneration and other terms of employment for the Executive KMP are formalised in service agreements, which have no specified term. Each of these agreements provide for performance-related bonuses under the STI program, and participation, where eligible, in the LTI Plan. Other major provisions of the service agreements of the Executive KMP are as follows:

Table 13 Service agreements

	Notice to be given by Executive	Notice to be given by Group [1]	Termination payment	Post-employment restraint
CEO and Managing Director				
T Croker	6 months	12 months	12 months (fixed remuneration)	12 months
Other Executive KMP				
J Cameron-Doe	6 months	6 months	12 months (fixed remuneration)	12 months
M Bowen	6 months	6 months	6 months (fixed remuneration)	12 months
M Lang	6 months	6 months	12 months (fixed remuneration)	12 months

1. Payments may be made in lieu of notice period.

DETAILS OF NON-EXECUTIVE DIRECTOR REMUNERATION

Table 14 Details of Non-Executive Director remuneration for the Reporting Period

		Short-term benefits	Post-employment benefits			
Directors	Year	Cash salary and fees [1] $	Super-annuation [2] $	Retirement Benefits [3] $	Share-based payments options and PSRs $	Total $
NG Chatfield [4]	**2020**	**548,250**	**25,000**	**—**	**—**	**573,250**
	2019	465,373	24,764	—	—	490,137
KM Conlon	**2020**	**271,667**	**12,500**	**—**	**—**	**284,167**
	2019	285,000	25,000	—	—	310,000
P Etienne	**2020**	**228,961**	**24,667**	**—**	**—**	**253,628**
	2019	—	—	—	—	—
PJ Ramsey	**2020**	**391,234**	**—**	**—**	**—**	**391,234**
	2019	370,690	—	—	—	370,690
S Summers Couder	**2020**	**324,343**	**—**	**—**	**—**	**324,343**
	2019	370,690	—	—	—	370,690
A Tansey	**2020**	**266,243**	**17,923**	**—**	**—**	**284,166**
	2019	285,000	25,000	—	—	310,000
Former Non-Executive Director						
S Morro [5]	**2020**	**166,095**	**—**	**—**	**—**	**166,095**
	2019	384,959	—	—	—	384,959
Total	**2020**	**2,196,793**	**80,090**	**—**	**—**	**2,276,883**
	2019	2,161,712	74,764	—	—	2,236,476

1. Amounts shown as cash salary and fees include amounts sacrificed in lieu of other benefits at the discretion of the individual. To the extent that any non-monetary benefits are subject to Fringe Benefits Tax (FBT), amounts shown include FBT.
2. Superannuation contributions include amounts required to satisfy the Group's obligations under applicable Superannuation Guarantee legislation.
3. Non-Executive Directors are not entitled to any retirement benefit.
4. N Chatfield's fees for FY2019 comprises of Non-Executive Director fees for the period between 1 October 2018 and 21 February 2019 and Chairman fees from 21 February 2019 onwards.
5. S Morro retired from his Non-Executive Director role effective 20 February 2020 and his remuneration reflects time in the role.

Shareholdings and Other Transactions

MOVEMENT IN SHARES

The tables below details movements during the year in the number of ordinary shares held by KMP, their close family members, and entities controlled, jointly controlled or significantly influenced by KMP or their close family members.

No amounts are unpaid on any of the shares issued.

Table 15 Details of Non-Executive Director shareholdings

Non-Executive Directors	Balance at 1 October 2019	Purchased/ Transferred	Balance as at 30 September 2020
NG Chatfield	18,000	—	18,000
KM Conlon	10,514	—	10,514
P Etienne	5,943 [1]	—	5,943
PJ Ramsey	19,360	—	19,360
S Summers Couder	10,650	—	10,650
A Tansey	3,570	1,000	4,570
SW Morro	40,000	—	40,000 [2]

1. As at 7 November 2019, which is the date that P Etienne was appointed as a Non-Executive Director.
2. As at 20 February 2020, given S Morro ceased to be a Non-Executive Director on that date.

The table below excludes any unvested PSRs under the STI Plan and the LTI Plan.

Table 16 Details of Executive KMP shareholdings

Executive Director and other Executive KMP	Balance at 1 October 2019	Shares allocated upon PSR vesting	Other net changes during the year	Balance as at 30 September 2020
T Croker	306,227	60,876 [1]	—	367,103
J Cameron-Doe	5,263	7,682 [2]	(3,500)	9,445
M Bowen	11,171	19,243	(30,414)	—
M Lang	—	—	—	—

1. Although 86,877 PSRs vested, 26,001 PSRs were cash settled for the purposes of satisfying US withholding tax liabilities on vesting of PSRs.
2. Although 8,913 PSRs vested, 1,231 PSRs were cash settled for the purposes of satisfying US withholding tax liabilities on vesting of PSRs.

DISCLOSURES UNDER LISTING RULE 4.10.22

A total of 1,184,000 securities were acquired on-market by the Aristocrat Employee Equity Trust during the Reporting Period (at an average price per security of $34.12) to satisfy Aristocrat's obligations under various equity and related plans.

SHARE TRADING POLICY

Aristocrat's share trading policy prohibits the use of Derivatives (as defined in the policy) in relation to unvested equity instruments, including PSRs and vested securities which are subject to disposal restrictions. Derivatives may be used in relation to vested positions which are not subject to disposal restrictions, subject to compliance with the other provisions of the share trading policy.

Senior Executives are strictly prohibited from entering into a margin loan or similar funding arrangements to acquire Aristocrat's securities and from using Aristocrat securities as security for a margin loan or similar funding arrangements.

Breaches of Aristocrat's share trading policy are regarded very seriously and may lead to disciplinary action being taken (including termination of employment).

LOANS OR OTHER TRANSACTIONS WITH KMP

No KMP or their related parties held any loans from the Group during or at the end of the year ended 30 September 2020 or prior year. Apart from the details disclosed in this Report, there were no transactions between KMP (or their related parties) and the Company or any of its subsidiaries during the Reporting Period.

Glossary

2018 LTI Grant	Awards made under the LTI Plan during FY2018 with a three-year performance period from 1 October 2017 to 30 September 2020
Aristocrat	Aristocrat Leisure Limited and (where applicable) the Group
Business Score	For Executive KMP and employees in corporate functions – is the result that is based on the actual financial performance of Aristocrat in a financial year, calculated by reference to NPATA and FCF Conversion For Employees in a region or business unit (including Big Fish Games and Product Madness) – is the result that is based in part on the actual performance of Aristocrat (as above) and in part on the actual regional or business unit performance, using EBITA in place of NPATA for both profit and FCF Conversion calculations
Business Score Goals	Aristocrat's and individual business unit's/region's financial performance goals, approved by the Board at the start of the performance period, that need to be achieved under the STI Plan
Business Score Threshold	The minimum Business Score required to receive payment under the STI Plan (being 85% of the Business Score Goals)
CAGR	Compound Annual Growth Rate
Corporations Act	*Corporations Act 2001* (Cth)
EBIT	Earnings before interest and tax, on a normalised basis excluding significant items as disclosed in the Operating and Financial Review section of the Annual Report
EBITA	Earnings before interest, taxes and amortisation of acquired intangibles, on a normalised basis excluding significant items as disclosed in the Operating and Financial Review section of the Annual Report
EPS	Fully diluted EPS disclosed in the Operating and Financial Review section of the Annual Report
EPSA	Fully diluted EPS before amortisation of acquired intangibles disclosed in the Operating and Financial Review section of the Annual Report
Executive KMP	Those KMP who were also part of Aristocrat's Executive Steering Committee during the Reporting Period, being (i) T Croker (CEO and Managing Director), (ii) J Cameron-Doe (Chief Financial Officer), (iii) M Bowen (CEO Global Land Based and Chief Transformation Officer) and (iv) M Lang (CEO Digital – for part year)
Face Value	The volume-weighted average price of Aristocrat shares for the 5 trading days up to and including the day before the start of the performance period
FCF Conversion	In the case of Executive KMP, this is a target based on free cash flow as a percentage of NPATA. For all employees (other than Big Fish Games and Product Madness employees), it is a percentage of NPATA (Group Score) or EBITA (Business Unit Score), as applicable. The exceptions are Big Fish Games and Product Madness employees, as they do not have FCF targets, and Plarium employees as they do not participate in the STI Plan
KMP	Persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the activities of Aristocrat and the Group during the Reporting Period
LTI Plan	Aristocrat's long-term incentive plan
Normalised EPS	Fully diluted earnings per share, normalised for significant items as disclosed in the Operating and Financial Review section of the Annual Report
NPATA	Net profit after tax before amortisation of acquired intangibles, normalised for significant items as disclosed in the Operating and Financial Review section of the Annual Report
OKRs	Organisational Key Results
Peer Comparator Group	Constituents of the S&P/ASX100 Index, defined at the commencement of the performance period
PSR	Performance Share Right, with each right entitling the holder to receive one fully-paid ordinary share in Aristocrat on vesting (or if the Board determines, an equivalent cash payment). Vesting of PSRs may be subject to vesting conditions and performance hurdles
Relative TSR	Aristocrat's compounded TSR measured against the ranking of constituents of the Peer Comparator Group
Relevant EPS	Cumulative EPS over the performance period compared to a target set by the Board at the commencement of the performance period
Relevant EPSA	Cumulative EPSA over the performance period compared to a target set by the Board at the commencement of the performance period
Reporting Period	12 months period ended 30 September 2020
Senior Executives	The group of senior executives consisting of: (i) the Executive KMP, and (ii) other members of Aristocrat's Executive Steering Committee (details of which can be found on www.aristocrat.com)
STI Plan	Aristocrat's short-term incentive plan
TSR	Total shareholder return measures the percentage growth in the share price together with the value of dividends received during the relevant three year performance period, assuming all dividends are reinvested into new securities

AUDITOR'S INDEPENDENCE DECLARATION

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Aristocrat Leisure Limited for the year ended 30 September 2020, 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 audit; and

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

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

MK Graham
Partner
PricewaterhouseCoopers

Sydney
18 November 2020

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

NEVADA REGULATORY DISCLOSURE INFORMATION STATEMENT

The Nevada Gaming Commission has requested that the following be brought to the attention of shareholders.

SUMMARY OF THE NEVADA GAMING REGULATIONS

The manufacture, sale and distribution of gaming devices, internet and mobile gaming, and cashless wagering systems for use or play in Nevada and the operation of slot machine routes and inter-casino linked systems are subject to:

i) the Nevada Gaming Control Act and the regulations promulgated thereunder (collectively, the "Nevada Act");

ii) and various local ordinances and regulations.

Gaming and manufacturing and distribution operations in Nevada are subject to the licensing and regulatory control of the Nevada Gaming Commission ("Nevada Commission"), the Nevada Gaming Control Board ("Nevada Board") and various other county and city regulatory agencies, collectively referred to as the "Nevada Gaming Authorities".

NEVADA REGULATORY DISCLOSURE

The laws, regulations and supervisory procedures of the Nevada Gaming Authorities are based upon declarations of public policy which are concerned with, among other things:

i) the prevention of unsavory or unsuitable persons from having a direct or indirect involvement with gaming, manufacturing or distributing activities at any time or in any capacity;

ii) the establishment and maintenance of responsible accounting practices and procedures;

iii) the maintenance of effective controls over the financial practices of licensees, including the establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues, providing reliable record keeping and requiring the filing of periodic reports with the Nevada Gaming Authorities;

iv) the prevention of cheating and fraudulent practices; and

v) providing a source of state and local revenues through taxation and licensing fees.

Aristocrat Leisure Limited ("the Company") is registered with the Nevada Commission as a publicly traded corporation (a "Registered Corporation") and has been found suitable to directly or indirectly own the stock of five subsidiaries. Two subsidiaries (collectively, the "Operating Subsidiaries"), have been licensed as manufacturers and distributors of gaming devices and Internet Gaming System ("IGS") Service Providers, with one also having been licensed as an operator of a slot machine route.

A manufacturer's and distributor's license permits the manufacturing, sale and distribution of gaming devices and cashless wagering systems for use or play in Nevada or for distribution outside of Nevada. A license as an operator of a slot machine route permits the placement and operation of gaming devices upon the business premises of other licensees on a participation basis and also permits the operation of inter-casino linked systems consisting of gaming devices only. The IGS Service Provider license allows the provision of certain services of internet gaming to licensed Internet Operators.

If it were determined that the Nevada Act was violated by the Company or the Operating Subsidiaries, the registration of the Company and the licenses of the Operating Subsidiaries could be limited, conditioned, suspended or revoked, subject to compliance with certain statutory and regulatory procedures. In addition, the Company, the Operating Subsidiaries and the persons involved could be subject to substantial fines for each separate violation of the Nevada Act at the discretion of the Nevada Commission.

Any beneficial owner of a Registered Corporation's voting securities (in the case of the Company its ordinary shares), regardless of the number of voting securities owned, may be required to file an application, be investigated, and have their suitability as a beneficial owner of the Registered Corporation's voting securities determined if the Nevada Commission has reason to believe that such ownership would otherwise be inconsistent with the declared policies of the state of Nevada. The applicant must pay all costs of investigation incurred by the Nevada Gaming Authorities in conducting any such investigation.

The Nevada Act requires any person who acquires a beneficial ownership of more than 5% of a Registered Corporation's voting securities to report the acquisition to the Nevada Commission. The Nevada Act requires that beneficial owners of more than 10% of a Registered Corporation's voting securities apply to the Nevada Commission for a finding of suitability within thirty days after the Chairman of the Nevada Board mails the written notice requiring such filing.

Under certain circumstances, an "institutional investor", as defined in the Nevada Act, which acquires the beneficial ownership of more than 10%, but not more than 25% of a Registered Corporation's voting securities may apply to the Nevada Commission for a waiver of such finding of suitability if such institutional investor holds the voting securities for investment purposes only. An institutional investor that has been granted a waiver by the Nevada Commission may beneficially own more than 25%, but not more than 29%, of the voting securities of a Registered Corporation, only if such additional ownership results from a stock repurchase program conducted by a Registered Corporation, and upon the condition that such institutional investor does not purchase or otherwise acquire any additional voting securities of the Registered Corporation that would result in an increase in the institutional investor's ownership percentage.

Further, an institutional investor that is subject to NRS 463.643(4) as a result of its beneficial ownership of voting securities of a Registered Corporation and that has not been granted a waiver by the Commission, may beneficially own more than 10%, but not more than 11%, of the voting securities of such Registered Corporation, only if such additional ownership results from a stock repurchase program conducted by the Registered Corporation, upon the condition that such institutional investor does not purchase or otherwise acquire any additional voting securities of the Registered Corporation that would result in an increase in the institutional investor's ownership percentage. Unless otherwise notified by the chairman, such an institutional investor is not required to apply to the commission for a finding of suitability but shall be subject to reporting requirements as prescribed by the chairman.

The applicant is required to pay all costs of investigation incurred by the Nevada Gaming Authorities.

NEVADA REGULATORY DISCLOSURE INFORMATION STATEMENT

The Nevada Act provides that any person who fails or refuses to apply for a finding of suitability or a license within thirty days after being ordered to do so by the Nevada Commission or the Chair of the Nevada Board, may be found unsuitable. The same restrictions apply to a record holder (in the case of the Company a registered holder) if the record owner, after request, fails to identify the beneficial owner.

Any person found unsuitable and who holds, directly or indirectly, any of the voting securities of a Registered Corporation beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a criminal offence under Nevada law. A Registered Corporation can be sanctioned, including the loss of its approvals if, after it receives notice that a person is unsuitable to be the holder of the voting securities of the Registered Corporation or to have any other relationship with the Registered Corporation, it:

i) pays that person any dividend or interest upon its voting securities,

ii) allows that person to exercise, directly or indirectly, any voting right conferred through securities held by that person,

iii) pays remuneration in any form to that person for services rendered or otherwise, or

iv) fails to pursue all lawful efforts to require such unsuitable person to relinquish his voting securities including, if necessary, the immediate purchase of said voting securities for cash at fair market value.

The Nevada Commission may, in its discretion, require the holder of any debt security of a Registered Corporation to file applications, be investigated and be found suitable to own the debt security of a Registered Corporation. If the Nevada Commission determines that a person is unsuitable to own such security, then pursuant to the Nevada Act, the Registered Corporation can be sanctioned, including the loss of its approvals, if after it receives notice that a person is unsuitable to be the holder of the debt securities of the Registered Corporation and without the prior approval of the Nevada Commission, it:

i) pays to the unsuitable person any dividend, interest, or any distribution whatsoever;

ii) recognises any voting right by such unsuitable person in connection with such securities;

iii) pays the unsuitable person remuneration in any form; or

iv) makes any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation, or similar transaction.

A Registered Corporation may not make a public offering of its securities without the prior approval of the Nevada Commission if the securities or proceeds therefrom are intended to be used to construct, acquire or finance gaming facilities in Nevada, or to retire or extend obligations incurred for such purposes. On June 21, 2001, the Nevada Commission granted the Company prior approval to make public offerings for a period of two years subject to certain conditions ("Shelf Approval"). This approval has been extended and remains in place today. However, the Shelf Approval may be rescinded for good cause without prior notice upon the issuance of an interlocutory stop order by the Chair of the Nevada Board. The Shelf Approval does not constitute a finding, recommendation or approval by the Nevada Commission or the Nevada Board as to the accuracy or adequacy of the prospectus or the investment merits of the securities offered. Any representation to the contrary is unlawful. An application to renew the Shelf Approval (which can only be issued for a maximum term of three years) will be lodged with the Commission when required.

Other Regulatory requirements – Other Gaming Authorities throughout the world may require any person who acquires a beneficial ownership of more than 5% of a Registered Corporation's voting securities to report the acquisition to the Gaming Authority and in some cases, apply to the Gaming Authority for a waiver of the requirement to be found suitable or apply for a finding of suitability within thirty days of acquiring more than 5% of the Registered Corporation's voting securities. The applicant is subject to the same rules as in Nevada in relation to an unsuitable finding. The applicant is required to pay all costs of investigation incurred by the Gaming Authorities.

A copy of the Nevada Act is available on request from:

The Secretary, Aristocrat Leisure Limited
Building A, Pinnacle Office Park, 85 Epping Road, North Ryde NSW 2113 Australia
Telephone: +61 2 9013 6000

www.aristocrat.com/contact

FIVE YEAR SUMMARY

$'m (except where indicated)		12 months to 30 Sep 2020	12 months to 30 Sep 2019	12 months to 30 Sep 2018	12 months to 30 Sep 2017	12 months to 30 Sep 2016
Profit and loss items						
Revenue [1]		**4,139.1**	4,397.4	3,583.8	2,453.8	2,128.7
EBITDA [2]		**1,089.4**	1,596.8	1,328.6	1,001.2	806.0
Depreciation and amortisation		**(473.0)**	(434.3)	(355.6)	(220.0)	(208.9)
EBIT [2]		**616.4**	1,162.5	973.0	781.2	597.1
Net interest expense		**(140.7)**	(124.0)	(105.4)	(53.1)	(89.9)
Profit before income tax expense [2]		**475.7**	1,038.5	867.6	728.1	507.2
Income tax expense		**(118.6)**	(285.7)	(250.7)	(233.0)	(156.7)
Profit after income tax expense [2]		**357.1**	752.8	616.9	495.1	350.5
Significant items after tax		**1,020.6**	(54.0)	(74.3)	—	—
Reported net profit attributable to members of Aristocrat Leisure Limited		**1,377.7**	698.8	542.6	495.1	350.5
Total dividend paid		**217.1**	312.4	249.0	185.2	121.0
Balance sheet items						
Contributed equity		**715.1**	715.1	715.1	715.1	693.8
Reserves		**(121.6)**	2.6	(23.5)	(116.8)	(55.7)
Retained earnings		**2,586.5**	1,425.9	1,040.9	747.3	437.4
Total equity		**3,180.0**	2,143.6	1,732.5	1,345.6	1,075.5
Cash and cash equivalents		**1,675.7**	568.6	428.1	547.1	283.2
Other current assets		**836.1**	1,164.6	924.0	647.9	591.9
Property, plant and equipment		**353.2**	431.2	389.3	241.3	217.5
Intangible assets		**3,623.8**	4,008.3	3,898.8	1,687.7	1,736.5
Other non-current assets		**1,388.1**	164.3	206.6	168.9	158.6
Total assets		**7,876.9**	6,337.0	5,846.8	3,292.9	2,987.7
Current payables and other liabilities		**791.5**	856.3	821.1	460.0	434.9
Current borrowings		**7.0**	—	—	0.1	—
Current tax liabilities and provisions		**247.0**	185.1	196.4	193.0	114.3
Non-current borrowings		**3,236.2**	2,792.3	2,881.1	1,199.3	1,287.8
Non-current provisions		**24.3**	30.4	13.8	13.8	13.4
Other non-current liabilities		**390.9**	329.3	201.9	81.1	61.8
Total liabilities		**4,696.9**	4,193.4	4,114.3	1,947.3	1,912.2
Net assets		**3,180.0**	2,143.6	1,732.5	1,345.6	1,075.5
Other information						
Employees at year end	Number	**6,000**	6,400	6,100	3,640	3,200
Return on Aristocrat shareholders' equity [2]	%	**11.2**	35.1	35.6	36.8	32.6
Basic earnings per share [2]	Cents	**56.0**	118.1	96.7	77.7	55.1
Net tangible (liabilities) per share	$	**(0.97)**	(2.92)	(3.39)	(0.54)	(1.04)
Total dividends per share - ordinary	Cents	**10.0**	56.0	46.0	34.0	25.0
Dividend payout ratio [2]	%	**18**	47	48	44	45
Issued shares at year end	'000	**638,544**	638,544	638,544	638,544	637,120
Net debt [3]	$'m	**1,567.5**	2,223.7	2,453.0	652.3	1,004.6
Net (debt)/equity	%	**(49.3)**	(103.7)	(141.6)	(48.5)	(93.4)

1. Revenue as per segment results.
2. Before the impact of significant items that are not representative of the underlying operational performance of the Group. The non-IFRS information presented above has not been audited in accordance with the Australian Auditing Standards.
3. Current and non-current borrowings net of cash and cash equivalents.

FINANCIAL STATEMENTS

for the year ended 30 September 2020

Contents

Statement of profit or loss and other comprehensive income		57
Balance sheet		58
Statement of changes in equity		59
Cash flow statement		60
NOTES TO THE FINANCIAL STATEMENTS		
1	**Business performance**	
1-1	Segment performance	62
1-2	Revenues	64
1-3	Expenses	66
1-4	Taxes	67
1-5	Earnings per share	70
1-6	Dividends	70
2	**Operating assets and liabilities**	
2-1	Trade and other receivables	71
2-2	Inventories	72
2-3	Intangible assets	73
2-4	Property, plant and equipment	75
2-5	Leases	76
2-6	Trade and other payables	77
2-7	Provisions	78
2-8	Other liabilities	78
3	**Capital and financial structure**	
3-1	Borrowings	79
3-2	Other financial assets and financial liabilities	80
3-3	Reserves and retained earnings	82
3-4	Contributed equity	83
3-5	Net tangible assets/(liabilities) per share	83
3-6	Capital and financial risk management	83
3-7	Net debt reconciliation	88
4	**Group structure**	
4-1	Subsidiaries	89
5	**Employee benefits**	
5-1	Key management personnel	90
5-2	Share-based payments	90
6	**Other disclosures**	
6-1	Commitments and contingencies	93
6-2	Events occurring after reporting date	93
6-3	Remuneration of auditors	94
6-4	Related parties	94
6-5	Parent entity financial information	94
6-6	Deed of cross guarantee	95
6-7	Basis of preparation	97
Directors' declaration		99

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2020

Consolidated	Notes	2020 $'m	2019 $'m
Revenue	1-2	4,139.1	4,397.4
Cost of revenue		(2,182.7)	(1,970.8)
Gross profit		1,956.4	2,426.6
Other income	1-2	27.5	11.1
Design and development costs		(497.9)	(500.4)
Sales and marketing costs		(291.1)	(217.1)
General and administration costs	1-3	(684.1)	(611.6)
Finance costs		(151.2)	(135.1)
Profit before income tax		359.6	973.5
Income tax benefit/(expense)	1-4	1,018.1	(274.7)
Profit for the year		1,377.7	698.8
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations	3-3	(128.4)	108.0
Net investment in foreign operations	3-3	17.3	(20.7)
Changes in fair value of interest rate hedge	3-3	(8.0)	(64.7)
Other comprehensive (loss)/income for the year, net of tax		(119.1)	22.6
Total comprehensive income for the year		1,258.6	721.4

		Cents	Cents
Earnings per share attributable to ordinary equity holders of the Company			
Basic earnings per share	1-5	216.0	109.6
Diluted earnings per share	1-5	216.0	109.5

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

BALANCE SHEET

as at 30 September 2020

Consolidated	Note	2020 $'m	2019 $'m
ASSETS			
Current assets			
Cash and cash equivalents		1,675.7	568.6
Trade and other receivables	2-1	624.6	941.3
Inventories	2-2	160.2	163.0
Other financial assets	3-2	7.1	6.5
Current tax assets	1-4	44.2	53.8
Total current assets		2,511.8	1,733.2
Non-current assets			
Trade and other receivables	2-1	101.9	105.0
Other financial assets	3-2	7.9	6.5
Property, plant and equipment	2-4	353.2	431.2
Right-of-use assets	2-5	178.3	—
Intangible assets	2-3	3,623.8	4,008.3
Deferred tax assets	1-4	1,100.0	52.8
Total non-current assets		5,365.1	4,603.8
Total assets		7,876.9	6,337.0
LIABILITIES			
Current liabilities			
Trade and other payables	2-6	646.7	720.0
Borrowings	3-1	7.0	—
Lease liabilities	2-5	43.3	—
Current tax liabilities	1-4	193.2	122.1
Provisions	2-7	53.8	63.0
Other financial liabilities	3-2	2.0	—
Deferred revenue		99.5	136.3
Total current liabilities		1,045.5	1,041.4
Non-current liabilities			
Trade and other payables	2-6	55.3	50.6
Borrowings	3-1	3,236.2	2,792.3
Lease liabilities	2-5	232.7	0.4
Provisions	2-7	24.3	30.4
Other financial liabilities	3-2	61.7	48.4
Deferred tax liabilities	1-4	27.9	152.4
Deferred revenue		9.3	14.7
Other liabilities	2-8	4.0	62.8
Total non-current liabilities		3,651.4	3,152.0
Total liabilities		4,696.9	4,193.4
Net assets		3,180.0	2,143.6
EQUITY			
Contributed equity	3-4	715.1	715.1
Reserves	3-3	(121.6)	2.6
Retained earnings	3-3	2,586.5	1,425.9
Total equity		3,180.0	2,143.6

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2020

Consolidated	Note	Contributed equity $'m	Reserves $'m	Retained earnings $'m	Total equity $'m
Balance at 1 October 2018		715.1	(23.5)	1,039.5	1,731.1
Profit for the year ended 30 September 2019		—	—	698.8	698.8
Other comprehensive income		—	22.6	—	22.6
Total comprehensive income for the year		—	22.6	698.8	721.4
Transactions with owners in their capacity as owners:					
Net movement in share-based payments reserve	3-3	—	3.5	—	3.5
Dividends provided for and paid		—	—	(312.4)	(312.4)
		—	3.5	(312.4)	(308.9)
Balance at 30 September 2019		715.1	2.6	1,425.9	2,143.6
Balance at 1 October 2019		715.1	2.6	1,425.9	2,143.6
Profit for the year ended 30 September 2020		—	—	1,377.7	1,377.7
Other comprehensive loss		—	(119.1)	—	(119.1)
Total comprehensive (loss)/income for the year		—	(119.1)	1,377.7	1,258.6
Transactions with owners in their capacity as owners:					
Net movement in share-based payments reserve	3-3	—	(5.1)	—	(5.1)
Dividends provided for and paid[1]	1-6	—	—	(217.1)	(217.1)
		—	(5.1)	(217.1)	(222.2)
Balance at 30 September 2020		**715.1**	**(121.6)**	**2,586.5**	**3,180.0**

1. Payment of dividends relates to the 2019 final dividend.

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

CASH FLOW STATEMENT

for the year ended 30 September 2020

Consolidated	2020 $'m	2019 $'m
Cash flows from operating activities		
Receipts from customers	4,362.5	4,314.2
Payments to suppliers and employees	(3,162.7)	(2,880.2)
Other income	16.6	1.2
Interest received	6.1	7.0
Interest paid	(143.5)	(123.8)
Income tax paid	(56.1)	(232.9)
Net cash inflow from operating activities	1,022.9	1,085.5
Cash flows from investing activities		
Payments for property, plant and equipment	(196.1)	(247.9)
Payments for intangibles	(51.7)	(68.7)
Payment for acquisition of subsidiaries (net of cash acquired)	—	(20.8)
Net cash outflow from investing activities	(247.8)	(337.4)
Cash flows from financing activities		
Payments for shares acquired by the employee share trust	(40.4)	(24.8)
Repayments of borrowings	(217.7)	(292.4)
Proceeds from borrowings (net of transaction costs)	869.3	—
Lease principal payments	(36.6)	(0.7)
Dividends paid	(217.1)	(312.4)
Net cash inflow/(outflow) from financing activities	357.5	(630.3)
Net increase in cash and cash equivalents	1,132.6	117.8
Cash and cash equivalents at the beginning of the year	568.6	428.1
Effects of exchange rate changes	(25.5)	22.7
Cash and cash equivalents at the end of the year	1,675.7	568.6

The above cash flow statement should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

for the year ended 30 September 2020

Consolidated	2020 $'m	2019 $'m
Reconciliation of net operating cash flows		
Profit for the year	1,377.7	698.8
Non-cash items		
Depreciation and amortisation	473.0	434.3
Equity-settled share-based payments	34.4	26.0
Loss on sale and impairment of property, plant and equipment and right-of-use assets	41.6	6.7
Net foreign currency exchange differences	(31.6)	(28.2)
Non-cash borrowing costs amortisation	6.4	6.0
Change in operating assets and liabilities:		
(Increase)/decrease in assets		
– Receivables and deferred revenue	289.4	(222.4)
– Inventories	13.7	12.5
– Other operating assets	(41.6)	(20.6)
– Tax balances	(1,090.9)	13.2
Increase/(decrease) in liabilities		
– Payables	(44.3)	134.3
– Provisions	(4.9)	24.9
Net cash inflow from operating activities	1,022.9	1,085.5

Depreciation and amortisation

The depreciation and amortisation amount above includes amortisation of $23.4m (2019: $20.8m) that is classified as contra-revenue in the profit and loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

1. Business performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the financial year.

During the reporting period, the COVID-19 pandemic resulted in the temporary closure of Aristocrat Gaming's customer venues, followed by subsequent re-openings with social distancing measures in place as well as unprecedented measures put in place by both the Australian government and governments around the globe. These financial statements have been prepared using the best available information at this time in relation to areas of significant estimates and judgements. Refer to Note 6-7.

Details on the primary operating assets used and liabilities incurred to support the Group's operating activities are set out in Section 2 while the Group's financing activities are outlined in Section 3.

1-1 Segment performance

1-2 Revenues

1-3 Expenses

1-4 Taxes

1-5 Earnings per share

1-6 Dividends

1-1 SEGMENT PERFORMANCE

a) Identification of reportable segments

The activities of the entities in the Group are predominantly within a single business which is the development, assembly, sale, distribution and service of games and systems.

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. Reports reviewed consider the business primarily from a geographical perspective. The following reportable segments have been identified:

- The Americas;
- Australia and New Zealand;
- Digital; and
- International Class III.

b) Segment results

Segment results represent earnings before interest and tax, and before significant items, design and development expenditure, amortisation of acquired intangibles, selected intercompany charges and corporate costs.

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

Segment revenues, expenses and results exclude transfers between segments. The revenue from external parties reported to the chief operating decision maker is measured in a manner consistent with that in the statement of profit or loss and other comprehensive income.

1. Business performance continued

1-1 SEGMENT PERFORMANCE continued

	The Americas		Australia and New Zealand		Digital		International Class III		Consolidated	
	2020 $'m	2019 $'m	**2020 $'m**	2019 $'m	**2020 $'m**	2019 $'m	**2020 $'m**	2019 $'m	**2020 $'m**	2019 $'m
Revenue										
Segment revenue from external customers	**1,367.6**	1,948.0	**280.6**	456.2	**2,359.5**	1,788.7	**131.4**	204.5	**4,139.1**	4,397.4
Results										
Segment results	**517.3**	1,073.2	**58.9**	213.6	**726.9**	528.9	**34.3**	94.3	**1,337.4**	1,910.0
– Interest revenue									**8.4**	9.6
– Interest expense									**(151.2)**	(135.1)
– Design and development costs									**(497.9)**	(500.4)
– Amortisation of acquired intangibles									**(154.9)**	(184.4)
– Expenses from significant items									**(133.0)**	(63.5)
– Other expenses									**(68.3)**	(63.9)
– Sundry income									**19.1**	1.2
Profit before income tax									**359.6**	973.5
Income tax benefit/(expense)									**1,018.1**	(274.7)
Profit for the year									**1,377.7**	698.8
Other segment information										
Non-current assets other than financial and deferred tax assets	**1,936.3**	2,108.2	**195.4**	178.5	**2,073.9**	2,224.7	**51.6**	33.1	**4,257.2**	4,544.5
Depreciation and amortisation expense	**195.3**	173.0	**42.1**	21.7	**37.5**	22.3	**19.8**	12.1	**294.7**	229.1

Expenses from significant items include the legal settlement relating to the Kater and Thimmegowda cases ($46.5m), onerous expenses relating to the Big Fish Seattle premises recognised in the year ($44.2m), and contingent retention payments related to the acquisition of Plarium.

The amortisation of acquired intangibles amounting to $154.9m (2019:$184.4m) does not form part of segment results.

1. Business performance continued

1-2 REVENUES

Revenue from contracts with customers disaggregated by business:	2020 $'m	2019 $'m
Gaming operations	930.8	1,218.1
Digital	2,359.5	1,788.7
Class III outright sales and other revenue	848.8	1,390.6
Total revenue	4,139.1	4,397.4

Gaming operations revenue is derived from contracts with customers in the Americas reporting segment, while Class III outright sales and other revenue is derived from contracts with customers across the Americas, Australia and New Zealand, and International Class III reporting segments.

Other income	2020 $'m	2019 $'m
Interest	8.4	9.6
Foreign exchange gains	—	0.3
Sundry income	19.1	1.2
Total other income	27.5	11.1

Interest income is recognised using the effective interest method. Sundry income includes $19.0m in government grants and assistance received as a result the COVID-19 pandemic (including $16.2m for JobKeeper). This income is recognised in the period that the grants and assistance relate to.

Recognition and measurement for contracts with customers

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of jackpot liability expenses, returns, trade allowances, settlement discounts and duties and taxes paid.

1. Business performance continued

1-2 REVENUES continued

Revenue by business	Revenue stream	Revenue recognition methods and payment timing	Description of revenue recognition
Gaming operations	Participation revenue from lease contracts	Over time recognition, with payments received monthly.	Participation revenue is a variable consideration that is recognised over time on a monthly basis. The amount of revenue recognised monthly is calculated by an agreed fee based upon a percentage of turnover or the net win of participating machines.
	Fixed fee lease income	Over time recognition, with payments received monthly.	Operating leases rental income is recognised on a straight line basis over the term of the lease contract. Rental income is calculated by multiplying a daily fee by the total number of days the machine has been operating on the venue floor. Selling profit on finance leases is recognised in accordance with machine sales. Finance income is recognised based on a constant periodic rate of return on the remaining balance of the finance lease investment.
Digital	Digital revenue	Point in time and over time recognition, with payments usually received monthly.	Revenue is recognised when credits purchased by customers are consumed, or if the items purchased with credits are available to the player for the entire time that they play the game, the average player life. Amounts relating to credits not used at year end are included in deferred revenue. Statistical analysis is used to determine the average consumption periods of credits within games based on historical information such as repurchase intervals.
Class III outright sales and other revenue	Machine sales	Point in time recognition, with payments received over various terms depending on negotiations with customers.	When control of the goods has transferred, usually upon delivery of goods to the customer.
	Licence income	Point in time and over time recognition, with payment received either upfront or on a monthly basis.	When all obligations in accordance with the agreement have been met, which may be at the time of sale or over the life of the agreement.
	Systems contracts	Point in time and over time. Payment terms include in advance as well as other terms as negotiated with customers.	Systems hardware and software is recognised when control has transferred, usually upon delivery of goods to the customer. Revenue from the installation of the system is recognised over time as the performance obligation is satisfied.
	Service revenue	Over time recognition, with payments usually received monthly or in advance.	Recognised evenly over the period of the service agreement or as services are performed. Revenue received in advance on prepaid service contracts is included in deferred revenue.
	Multiple element arrangements	Point in time and over time recognition depending on the component, with payments received over various terms depending on negotiations with customers.	The transaction price for multiple element arrangements is allocated to each performance obligation based on the proportion of their stand-alone selling prices. Stand-alone selling prices are determined based on the current market price of each of the performance obligations when sold separately. Where there is a discount on the arrangement, such discounts are allocated proportionally between the performance obligations. Revenue is then recognised for each performance obligation as control passes to the customer. Multiple element arrangements may include revenue from sales of goods as well as gaming operations revenue.

Note 2-1 shows the assets relating to contracts with customers under trade receivables. The balance sheet shows liabilities from contracts with customers as deferred revenue, with the current amount of $99.5m (2019: $136.3m) expected to be recognised as revenue in the next 12 months and $9.3m (2019: $14.7m) expected to be recognised in the 2022 and 2023 years. Deferred revenue relates to performance obligations that are not satisfied at the end of the reporting period. Within other receivables, amounts totalling $24.4m (2019: $45.3m) relate to payments made to customers for entering sales contracts. These payments are amortised as contra-revenue over the period of the agreement.

Changes in transaction price only impact a small portion of the revenues generated by the Group, usually in connection with multiple element arrangements. For contracts with variable consideration, the Group uses an expected value to estimate the amount of revenue that should be recognised, based on historical and forecast information. The amount of consideration allocated to the contract is regularly reassessed to ensure it represents the most recent information.

Standard warranties are provided for goods sold, with provision made for costs expected to arise from these obligations. These costs are typically not material.

1. Business performance continued

1-3 EXPENSES

	2020 $'m	2019 $'m
Depreciation and amortisation		
Depreciation of right-of-use assets	39.9	—
Property, plant and equipment		
– Buildings	0.9	0.8
– Plant and equipment	197.8	182.4
– Leasehold improvements	12.6	13.9
Total depreciation and amortisation of property, plant and equipment	211.3	197.1
Intangible assets		
– Customer relationships and contracts	50.4	54.1
– Game names	13.7	13.3
– Technology and software	105.0	125.3
– Intellectual property and licences	15.8	15.9
– Capitalised development costs	13.5	7.8
Total amortisation of intangible assets	198.4	216.4
Total depreciation and amortisation	449.6	413.5
Employee benefits expense		
Remuneration including bonuses and leave entitlements	716.2	732.7
Superannuation costs	35.3	33.7
Post-employment benefits other than superannuation	25.9	6.1
Share-based payments expense	34.4	26.0
Total employee benefits expense	811.8	798.5
General and administration costs reconciliation		
General and administration before significant expense items and amortisation of acquired intangibles	396.2	363.7
Significant expense items	133.0	63.5
Amortisation of acquired intangibles included in general and administration costs	154.9	184.4
Total general and administration costs	684.1	611.6
Other expense/(income and write-back) items		
Bad and doubtful debts expense/(write-back)	57.1	(2.4)
Write down of inventories to net realisable value	43.0	8.8
Legal costs (including significant item of $46.5m)	98.3	20.8
Net foreign exchange loss/(gain)	0.9	(0.3)

Recognition and measurement

Finance and borrowing costs

Finance costs comprise interest expense on borrowings, the costs to establish financing facilities (which are expensed over the term of the facility) and lease interest charges.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in other payables in respect of employees' services up to the reporting date. The amounts are measured at the amounts expected to be paid when the liabilities are settled.

Long-term benefits

The liability for long service leave which is not expected to be settled within 12 months after the end of the period is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

1. Business performance continued

1-3 EXPENSES continued

Bonus plans

The Group recognises a liability and an expense for bonuses based on criteria that takes into account the profit attributable to the Company's shareholders. The Group recognises a liability where contractually obliged or where there is past practice that has created a constructive obligation. Where bonus plans are settled by way of the issue of shares in the Company, the expense is accounted for as part of the share-based payments expense.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

1-4 TAXES

	2020 $'m	2019 $'m
Major components of income tax (benefit)/expense are:		
a) Income tax (benefit)/expense		
Current		
Current year	131.3	237.6
Adjustment for prior years	7.8	(2.4)
Deferred		
Temporary differences	(1,162.8)	41.0
Adjustment for prior years	5.6	(1.5)
Income tax (benefit)/expense	(1,018.1)	274.7
Deferred income tax (benefit)/expense included in income tax (benefit)/expense comprises:		
Change in net deferred tax assets	(1,157.2)	39.5
Deferred income tax (benefit)/expense included in income tax expense	(1,157.2)	39.5
b) Tax reconciliation		
Profit before tax	359.6	973.5
Tax at the Australian tax rate of 30% (2019: 30%)	107.9	292.1
Net impact to tax expense due to Group structure changes (refer below)	(1,122.7)	—
Impact of changes in tax rates and law	24.2	8.9
Exempt income	(2.4)	(15.6)
Non-deductible expenses	8.4	10.5
Research and development tax credit	(1.2)	(12.3)
Tax credits written off	—	1.2
Difference in overseas tax rates	(45.7)	(6.2)
Adjustment in respect of previous years income tax	13.4	(3.9)
Income tax (benefit)/expense	(1,018.1)	274.7
Average effective tax rate	(283.1%)	28.2%

1. Business performance continued

1-4 TAXES continued

	2020 $'m	2019 $'m
c) Income tax (benefit)/expense		
Income tax expense on profit before tax	104.6	274.7
Significant item - Group structure changes (refer below)	(1,122.7)	—
Income tax (benefit)/expense	(1,018.1)	274.7
d) Amounts recognised directly in equity		
Net deferred tax - credited directly to equity	2.1	0.7
e) Revenue and capital tax losses		
Unused gross tax losses for which no deferred tax asset has been recognised	417.6	1.0
Unused gross capital tax losses for which no deferred tax asset has been recognised	204.4	204.4
Revenue and capital tax losses	622.0	205.4
Potential tax benefit	118.0	61.7

Unused revenue losses were incurred by Aristocrat Leisure Limited's overseas subsidiaries. All unused capital tax losses were incurred by Australian entities.

Current taxes

The income tax expense for the year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities, current income tax of prior years and unused tax losses/credits.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income.

	2020 $'m	2019 $'m
f) Deferred tax		
Gross deferred tax assets		
Intangible assets arising from changes to Group structure (refer below)	1,083.3	—
Employee benefits	37.6	41.7
Accruals and other provisions	45.0	31.8
Provision for stock obsolescence	15.1	5.9
Unrealised foreign exchange losses	4.4	5.1
Lease liabilities	55.6	—
Share-based equity	4.9	2.8
Financial liabilities	13.4	—
Other	4.2	5.4
Gross deferred tax assets	1,263.5	92.7
Deferred tax liabilities:		
Financial liabilities	—	(3.5)
Right-of-use assets	(29.2)	—
Plant, equipment and intangible assets	(162.2)	(188.8)
Net deferred tax (liabilities)/assets	1,072.1	(99.6)
Movements		
Balance at the start of the year	(99.6)	(50.4)
Credited/(charged) to profit or loss	1,157.2	(39.5)
Credited directly to equity	2.1	0.7
Reclassification from current tax provision	8.2	-
Foreign exchange currency and other movements	4.2	(10.4)
Balance at the end of the year	1,072.1	(99.6)

1. Business performance continued

1-4 TAXES continued

Deferred taxes

Deferred tax is recognised for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences relating to:

- initial recognition of goodwill;
- initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- investments in subsidiaries, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis.

Changes were made during the year to the Group structure to ensure that it remains fully aligned to the underlying business model. The completion of these changes as well as receipt of the necessary regulatory approvals resulted in the Group being entitled to additional non-Australian tax deductions. In October 2019, a deferred tax asset amounting to $1,120.1m was recognised in respect of future non-Australian tax deductions due to a change in the tax base of the Group's intangible assets.

Judgement is required in determining the initial recognition and the subsequent carrying value of the deferred tax assets. Deferred tax assets are only able to be recognised to the extent that utilisation is considered probable. $929.7m of the potential tax benefits were not initially recognised due to risk factors that are used to estimate the carrying value of the deferred tax asset over the period of the potential benefits.

A reassessment of the carrying amount of the deferred tax assets is performed at each reporting period. Following a reassessment of the recoverability of the potential tax benefits able to be utilised at 30 September 2020, the balance recorded as a deferred tax asset relating to the these tax benefits was $1,083.3m. A further $20.8m was reclassified as a current tax asset relating to non-Australian tax losses that are able to be carried back and offset against prior year taxable income. $589.6m of the potential tax benefits have not been recognised at 30 September 2020. The net income tax benefit of changes to the Group structure during the period was $1,122.7m, inclusive of the impact of translating the deferred tax asset, which is denominated in foreign currency, into Australian dollars at the year end rate.

It is reasonably possible that a change in profit forecasts or risk factors could result in a material change to the income tax expense and deferred tax assets in future periods. Changes in foreign exchange rates may also have a significant impact on amounts recognised.

Tax consolidation

The Company and its wholly-owned Australian controlled entities are part of a tax-consolidated group under Australian taxation law. Aristocrat Leisure Limited is the head entity in the tax-consolidated group. Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Aristocrat Leisure Limited and each of the entities in the tax-consolidated group have agreed to pay (or receive) a tax equivalent payment to (or from) the head entity, based on the current tax liability or current tax asset of the entity. Each entity in the tax-consolidated group measures its current and deferred taxes as if it continued to be a separate taxable entity in its own right.

Key judgements and estimates: Income tax provision and deferred tax assets

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes and carrying value of deferred tax assets. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law.

The carrying amount of deferred tax assets is dependent on a range of factors including expectations of future taxable income. Judgement is required in determining the initial recognition and the subsequent carrying value of the deferred tax assets. Deferred tax assets are only able to be recognised to the extent that utilisation is considered probable. The full benefits of the changes made to the Group structure are able to be utilised over a minimum period of 15 years. Risk factors include the risk of insufficient taxable profits to use the benefits, and other factors that would reduce the ability to realise the tax benefits. Growth rates in profits are forecast consistently with impairment testing on goodwill, subject to adjustments to derive expected taxable income.

A reassessment of the carrying amount of the deferred tax assets is performed at each reporting period based on the above factors. This reassessment takes into account the current COVID-19 situation and management's best estimate of the likely impacts on future near-term profitability as a result (refer to Note 6-7), as well as changes in government legislation during the year. Actual results will often differ from forecasts.

Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

1. Business performance continued

1-5 EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) calculations	2020	2019
Net profit attributable to members of Aristocrat Leisure Limited ($'m)	1,377.7	698.8
Weighted average number of ordinary shares (WANOS) used in calculating basic EPS (number)	637,692,570	637,371,843
Effect of Performance Share Rights (number)	248,365	532,631
WANOS used in calculating diluted EPS (number)	637,940,935	637,904,474
Basic EPS (cents per share)	216.0	109.6
Diluted EPS (cents per share)	216.0	109.5

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares.

Information concerning the classification of securities

Share-based payments

Rights granted to employees under share-based payments arrangements are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. Details relating to the rights are set out in Note 5-2.

Included within the weighted average number of potential ordinary shares are 64,744 (2019: 97,470) Performance Share Rights that had lapsed during the year.

Share-based payments trust

Shares purchased on-market and issued shares 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 in calculating basic earnings per share. At the end of the reporting period, there were 1,175,972 (2019: 1,198,754) shares held in the share trust.

1-6 DIVIDENDS

Ordinary shares	2020 Final	2020 Interim	2019 Final	2019 Interim
Dividend per share (cents)	10.0c	—	34.0c	22.0c
Franking percentage (%)	100%	0%	100%	100%
Cost ($'m)	63.9	—	217.1	140.0
Payment date	18 December 2020	Not applicable	17 December 2019	2 July 2019

Franking credits

The franking account balance at 30 September 2020 was $116.0m (2019: $145.8m).

Recognition and measurement

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date. The final 2020 dividend had not been declared at the reporting date and therefore is not reflected in the financial statements.

Dividends not recognised at year end

Since the end of the year, the Directors have authorised a final fully franked dividend of 10.0 cents (2019: 34.0 cents) per fully paid ordinary share. The aggregate amount of the proposed final dividend expected to be paid on 18 December 2020 out of retained earnings at 30 September 2020, but not recognised as a liability at the end of the year is $63.9m.

2. Operating assets and liabilities

This section provides information relating to the operating assets and liabilities of the Group which contribute to the business platform for generating revenues and profits.

2-1 Trade and other receivables
2-2 Inventories
2-3 Intangible assets
2-4 Property, plant and equipment
2-5 Leases
2-6 Trade and other payables
2-7 Provisions
2-8 Other liabilities

2-1 TRADE AND OTHER RECEIVABLES

	2020 $'m	2019 $'m
Current		
Trade receivables	593.7	814.9
Provision for impairment	(63.8)	(12.2)
Loan receivables	4.0	9.2
Other receivables	90.7	129.4
Total current receivables	624.6	941.3
Non-current		
Trade receivables	73.1	70.9
Loan receivables	8.4	7.1
Other receivables	20.4	27.0
Total non-current receivables	101.9	105.0
Movements in the provision:		
At the start of the year	(12.2)	(14.5)
Restatement through opening retained earnings - change in accounting policy	—	(1.4)
Provisions recognised during the year	(52.8)	—
Foreign currency exchange differences	0.5	(0.9)
Provisions no longer required	0.7	4.6
At the end of the year	(63.8)	(12.2)

The Group has applied a provision matrix based on historical credit loss rates for different customer segments, adjusted for the risks of non-collection as a result of the impacts of COVID-19 on customers. The provision includes $57.3m (2019: $10.1m) of trade receivables past due and considered impaired.

Included in the provision is $28.1m (2019: $7.3m) relating to Latin America trade receivables.

	2020 $'m	2019 $'m
Trade receivables past due but not impaired		
Under 3 months	43.1	72.3
3 months and over	11.8	10.3
Total receivables past due but not impaired	54.9	82.6

2. Operating assets and liabilities continued

2-1 TRADE AND OTHER RECEIVABLES continued

Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less an allowance for impairment. Current trade receivables are non-interest bearing and generally have credit terms of up to 120 days. If the contract with the customer has a significant financing component, receivables are recognised at present value, and interest is recognised over the contract term.

Trade receivables were impacted by increased impairment charges due to COVID-19. There were no other significant changes in trade receivables outside of normal sales and cash collections. Lower revenue as a result of COVID-19 led to lower trade receivables balances.

Impairment of trade receivables

The Group measures expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. A provision matrix is then determined based on the historic credit loss rate for each group, adjusted for forward looking information on factors affecting the ability of the customers to settle trade receivables. This forward looking information includes the expected impacts of COVID-19 on collections.

Details about the Group's exposure to credit risk are provided in Note 3-6.

Other receivables

These include prepayments, other receivables and long-term deposits incurred under normal terms and conditions and which do not earn interest. They do not contain impaired assets and are not past due.

Fair value

Due to their short-term nature, the carrying amount of current receivables are estimated to represent their fair value. Non-current receivables are carried at discounted carrying values which are estimated to represent their fair value.

Key judgements and estimates: Recoverability of trade and other receivables
The Group reviews at each reporting date whether trade and other receivables are recoverable, including assessing the expected payments to be received from customers. This process involves estimates and assumptions that are based on current expectations of customers ability to pay amounts due. Due to the COVID-19 pandemic, this area has become a key judgement and estimate in the current reporting period.

2-2 INVENTORIES

	2020 $'m	2019 $'m
Current		
Raw materials and stores	164.5	141.0
Work in progress	21.1	6.3
Finished goods	40.9	42.6
Provision for obsolescence and impairment	(66.3)	(26.9)
Total inventories	160.2	163.0

Inventory expense

Inventories recognised as an expense for sales during the year ended 30 September 2020 amounted to $288.9m (2019: $452.3m).

Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to sell.

Key judgements and estimates: Carrying value of inventory
The Group performs an assessment at each reporting date whether inventory is recorded at the lower of cost and net realisable value, including assessing the expected sales of slow moving inventories. These assessments involve estimates and assumptions that are based on current expectations of demand and market conditions, including opportunities to sell into new markets.

The COVID-19 pandemic has reduced opportunities for selling products into the markets that the Group operates in. The carrying value of inventory reflects best estimates of the conditions of markets in which the Group operates.

2. Operating assets and liabilities continued

2-3 INTANGIBLE ASSETS

$'m	Goodwill	Customer relationships and contracts	Tradenames and game names	Intellectual property and licences	Capitalised development costs	Technology and software	Total
Cost	2,923.1	745.3	167.1	96.5	82.9	709.0	4,723.9
Accumulated amortisation	—	(253.8)	(27.9)	(46.7)	(36.2)	(351.0)	(715.6)
Net carrying amount	2,923.1	491.5	139.2	49.8	46.7	358.0	4,008.3
Carrying amount at 1 October 2018	2,731.5	511.8	143.0	57.6	31.4	423.5	3,898.8
Additions	—	—	—	4.4	23.0	37.6	65.0
Amortisation charge	—	(54.1)	(13.3)	(15.9)	(7.8)	(125.3)	(216.4)
Foreign currency exchange movements	191.6	33.8	9.5	3.7	0.1	22.2	260.9
Carrying amount at 30 September 2019	2,923.1	491.5	139.2	49.8	46.7	358.0	4,008.3
Cost	2,754.9	702.4	157.5	98.3	89.6	688.6	4,491.3
Accumulated amortisation	—	(287.1)	(39.3)	(60.4)	(41.5)	(439.2)	(867.5)
Net carrying amount	2,754.9	415.3	118.2	37.9	48.1	249.4	3,623.8
Carrying amount at 1 October 2019	2,923.1	491.5	139.2	49.8	46.7	358.0	4,008.3
Additions	—	—	—	5.6	17.2	7.0	29.8
Transfers	—	—	—	1.0	(1.6)	1.5	0.9
Disposals	—	—	—	—	—	(0.3)	(0.3)
Amortisation charge	—	(50.4)	(13.7)	(15.8)	(13.5)	(105.0)	(198.4)
Foreign currency exchange movements	(168.2)	(25.8)	(7.3)	(2.7)	(0.7)	(11.8)	(216.5)
Carrying amount at 30 September 2020	2,754.9	415.3	118.2	37.9	48.1	249.4	3,623.8

Intangible assets	Useful life	Amortisation method	Recognition and measurement
Goodwill	Indefinite	Not amortised	Goodwill acquired in a business combination is measured at cost and subsequently measured at cost less any impairment losses. The cost represents the excess of the cost of a business combination over the fair value of the identifiable assets and liabilities acquired.
Customer relationships and contracts	Up to 15 years	Straight line	Customer relationships and contracts acquired in business combinations are carried at cost less accumulated amortisation and any accumulated impairment losses.
Tradenames	Indefinite	Not amortised	The tradenames were acquired as part of business combinations and recognised at fair value at the dates of acquisition. These have an indefinite life so are not amortised, but rather tested for impairment at each reporting date. The factors that determined that this asset has an indefinite useful life included the history of the business and tradename, the market position, stability of the industry and the expected usage.
Game names	Up to 15 years	Straight line	Game names were acquired as part of business combinations. Game names are recognised at their fair value at the date of acquisition and are subsequently amortised.
Intellectual property and licences	Up to 8 years	Straight line	Intellectual property and licences are carried at cost less accumulated amortisation and impairment losses.
Capitalised design and development costs	Up to 4 years	Straight line	Capitalised development costs are costs incurred on internal development projects. Development costs are only capitalised when they relate to the creation of an asset that can be used or sold to generate benefits and can be reliably measured.
Technology and software	Up to 7 years	Straight line	Technology and software is carried at cost less accumulated amortisation and impairment losses. Technology and software acquired through business combinations is measured at the fair value at acquisition date and is subsequently amortised.

2. Operating assets and liabilities continued

2-3 INTANGIBLE ASSETS continued

a) Impairment tests

Goodwill and other assets are allocated to the Group's cash-generating units (CGUs) for the purpose of impairment testing. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

A summary of the goodwill allocation by CGU is presented below:	2020 $'m	2019 $'m
Americas segment		
Americas (excluding VGT)	102.8	109.1
VGT	961.2	1,019.9
Digital segment		
Product Madness	25.0	26.5
Big Fish	1,132.1	1,201.2
Plarium	533.8	566.4
Total goodwill at the end of the year	2,754.9	2,923.1

The VGT CGU also includes $17.3m and the Big Fish CGU $44.0m relating to tradenames that are not amortised, and are tested for impairment annually.

b) Key assumptions used for value-in-use calculations

A discounted cash flow model has been used based on operating and investing cash flows (before borrowing costs and tax impacts) in valuing the Group's CGUs that contain intangible assets. The following inputs and assumptions have been adopted:

Inputs	Assumptions	2020	2019
Cash flow projections	Financial budgets and strategic plans approved by the Board to 2021 and management projections from 2022 to 2025. These projections, which include projected revenues, gross margins and expenses, have been determined based on past performance and management expectations for the future. Expected market conditions in which each CGU operates, including the impact of COVID-19, have been taken into account in the projections.		
Pre-tax annual discount rate	Americas (excluding VGT)	9.7%	10.0%
	VGT	9.1%	9.0%
	Product Madness	9.5%	10.2%
	Big Fish	10.8%	11.1%
	Plarium	10.6%	11.7%
Terminal growth rate	Americas (excluding VGT)	2.0%	2.0%
	VGT	2.0%	2.0%
	Product Madness	3.0%	3.0%
	Big Fish	3.0%	3.0%
	Plarium	3.0%	3.0%
Allocation of head office assets	The Group's head office assets do not generate separate cash inflows and are utilised by more than one CGU. Head office assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the head office assets are allocated.		

c) Impact of possible changes in key assumptions

With regard to the assessment of the value-in-use of the Americas, VGT and Product Madness CGUs, management do not believe that a reasonably possible change in any one of the key assumptions would lead to a material impairment charge.

For Plarium and Big Fish, growth in Digital businesses is dependent on the success of existing games and those that are being developed or will be developed in future periods. Assumptions do not include all games developed being successful.

Key judgements and estimates: Recoverable amount of intangible assets

The Group tests annually whether goodwill and other intangible assets that are not amortised have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. The above note details these assumptions and the potential impact of changes to the assumptions. Refer to Note 6-7 for further information on the preparation of forecasts and the impact of the COVID-19 pandemic.

2. Operating assets and liabilities continued

2-4 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings		Leasehold improvements		Plant and equipment		Total	
	2020 $'m	2019 $'m	**2020 $'m**	2019 $'m	**2020 $'m**	2019 $'m	**2020 $'m**	2019 $'m
Cost	**31.3**	32.0	**141.0**	124.0	**959.8**	920.1	**1,132.1**	1,076.1
Accumulated depreciation/amortisation	**(17.0)**	(18.1)	**(51.6)**	(33.3)	**(710.3)**	(593.5)	**(778.9)**	(644.9)
Net carrying amount	**14.3**	13.9	**89.4**	90.7	**249.5**	326.6	**353.2**	431.2
Carrying amount at the start of the year	**13.9**	12.7	**90.7**	78.8	**326.6**	297.8	**431.2**	389.3
Additions	**1.9**	2.2	**27.4**	25.8	**170.1**	214.0	**199.4**	242.0
Disposals	**—**	(0.2)	**(0.8)**	(5.5)	**(7.1)**	—	**(7.9)**	(5.7)
Impairment losses	**—**	—	**(8.2)**	—	**—**	—	**(8.2)**	—
Transfers[1]	**—**	(0.8)	**—**	(0.3)	**(25.8)**	(24.9)	**(25.8)**	(26.0)
Depreciation and amortisation	**(0.9)**	(0.8)	**(12.6)**	(13.9)	**(197.8)**	(182.4)	**(211.3)**	(197.1)
Foreign currency exchange differences	**(0.6)**	0.8	**(7.1)**	5.8	**(16.5)**	22.1	**(24.2)**	28.7
Carrying amount at the end of the year	**14.3**	13.9	**89.4**	90.7	**249.5**	326.6	**353.2**	431.2

1. Transfers predominantly relate to gaming operations assets that have been transferred to and from inventory.

Recognition and measurement

All property, plant and equipment are stated at historical cost less accumulated depreciation/amortisation and impairment.

The expected useful lives and depreciation and amortisation methods are listed below:

Asset	Useful life	Depreciation method
Buildings	Up to 40 years	Straight line
Leasehold improvements	Up to 12 years	Straight line
Plant and equipment	Up to 10 years	Straight line
Land	Indefinite	No depreciation

Derecognition

An item of property, plant and equipment is derecognised when it is sold or disposed, or when its use is expected to bring no future economic benefits. Gains and losses on disposals are determined by comparing disposal proceeds with the carrying amount of the asset and are recognised within 'other income' in the profit or loss in the period the disposal occurs.

2. Operating assets and liabilities continued

2-5 LEASES

This note provides information for leases where the Group is a lessee.

a) Amounts recognised in the balance sheet

The balance sheet includes the following amounts relating to leases:

	2020 $'m	1 October 2019 $'m
Right-of-use assets		
Buildings	173.4	224.4
Motor vehicles	4.0	3.4
Equipment	0.9	2.8
Total right-of-use assets	178.3	230.6
Lease liabilities		
Current	43.3	46.0
Non-current	232.7	250.4
Total lease liabilities	276.0	296.4

In the prior year the Group only recognised lease assets and liabilities in relation to leases that were finance leases under AASB 117 Leases, amounting to $0.4m. The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings. For adjustments recognised on adoption of AASB 16 on 1 October 2019, refer to Note 6-7.

Additions to the right-of-use assets in the 2020 year were $27.4m, and an impairment of $20.4m was recognised. The impairment charge relates to a building lease that is not expected to be able to be fully utilised and will be sub-leased. The impairment charge and related onerous lease provision is subject to estimates of sub-leasing income. This includes estimates of rental rates that the property will be able to be sub-leased at, and the time required to locate a tenant. These estimates are subject to change based on the latest available information in future reporting periods.

b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts related to leases:

	2020 $'m
Depreciation charge for right-of-use assets	
Buildings	36.4
Motor vehicles	2.5
Equipment	1.0
Total depreciation of right-of-use assets	39.9
Interest expense (included in finance costs)	14.9
Expense relating to short-term leases	2.1
Expense related to lease of low-value assets that are not shown as short term leases	0.2
Expense relating to variable lease payments not included in lease liabilities	0.2

The total cash out flow for leases in 2020 was $54.0m.

2. Operating assets and liabilities continued

2-5 LEASES continued

c) Leasing activities and accounting

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are for various periods and in some cases include extension options. Contracts may include lease and non-lease components. Non-lease components such as outgoings are not included in the amount recognised for right-of-use assets and lease liabilities.

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. Refer to Note 6-7 for further information. From 1 October 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by the Group. Lease liabilities include the present value of fixed payments less any lease incentives received, and variable payments that are based on an index or rate, initially measured using the index or rate at the commencement date of the lease. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The Group's incremental borrowing rate is used as the discount rate. Lease liabilities are adjusted when based on an index or rate at the time that changes occur. Lease payments are allocated between repayments of principal and finance cost. Lease contracts amounting to $35.5m that have been signed but have not yet commenced are not included in right-of-use assets and lease liabilities until the lease commencement date.

Right-of-use assets are generally depreciated over the shorter of the assets useful live and the lease term on a straight-line basis.

Payments associated with short-term leases of less than 12 months of equipment and motor vehicles and leases of low value assets are recognised on a straight-line basis as an expense in the profit and loss.

Some leases include variable lease payments that do not depend on an index or a rate. Such payments are not included in the measurement of the lease liability and are expensed as incurred.

2-6 TRADE AND OTHER PAYABLES

	2020 $'m	2019 $'m
Current		
Trade payables	121.2	188.8
Accrued expenses	525.5	531.2
Total current payables	646.7	720.0
Non-current		
Accrued expenses	55.3	50.6
Total non-current payables	55.3	50.6

Recognition and measurement

Trade payables and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 120 days of recognition. Accrued expenses include accruals for short-term employee benefits, employment taxes, user acquisition costs, legal fees and other administrative expenses. Settlement of the Kater and Thimmegowda cases forms part of accrued expenses.

The carrying amounts of trade and other payables are estimated to represent their fair value.

2. Operating assets and liabilities continued

2-7 PROVISIONS

	Employee benefits		Make good allowances		Progressive jackpot liabilities		Onerous lease and other provisions		Total	
	2020 $'m	2019 $'m	**2020 $'m**	2019 $'m	**2020 $'m**	2019 $'m	**2020 $'m**	2019 $'m	**2020 $'m**	2019 $'m
Current	**22.1**	23.7	**0.4**	0.6	**26.3**	35.0	**5.0**	3.7	**53.8**	63.0
Non-current	**1.9**	1.7	**6.2**	5.6	**2.5**	3.1	**13.7**	20.0	**24.3**	30.4
Carrying amount at the end of the year	**24.0**	25.4	**6.6**	6.2	**28.8**	38.1	**18.7**	23.7	**78.1**	93.4

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Make good allowances		Progressive jackpot liabilities		Onerous lease and other provisions	
	2020 $'m	2019 $'m	**2020 $'m**	2019 $'m	**2020 $'m**	2019 $'m
Carrying amount at the start of the year	**6.2**	10.0	**38.1**	36.4	**23.7**	0.6
Payments	**—**	—	**(43.4)**	(48.3)	**(0.4)**	(0.2)
Additional provisions recognised	**0.4**	0.4	**36.3**	49.0	**14.0**	23.3
Transfers to right-of-use assets	**—**	—	**—**	—	**(17.9)**	—
Reversal of provisions recognised	**—**	(4.5)	**—**	(1.5)	**—**	(0.1)
Foreign currency exchange differences	**—**	0.3	**(2.2)**	2.5	**(0.7)**	0.1
Carrying amount at the end of the year	**6.6**	6.2	**28.8**	38.1	**18.7**	23.7

Recognition and measurement

Provisions are recognised when:

a) the Group has a present legal or constructive obligation as a result of past events;

b) it is probable that an outflow of resources will be required to settle the obligation; and

c) the amount has been reliably estimated.

Progressive jackpot liabilities

In certain jurisdictions in the United States, the Group is liable for progressive jackpots, which are paid as an initial amount followed by either:

a) an annuity paid out over 19 or 20 years after winning; or

b) a lump sum amount equal to the present value of the progressive component.

Provision is made for the estimated cash flows expected to be required to settle the obligation.

Make good allowances

Provision is made for the estimated discounted cash flows expected to be required to satisfy the make good clauses in the lease contracts.

Onerous leases

Provision is made for onerous leases when the expected costs of the contract exceed the expected benefits. This usually arises when property is not able to be fully utilised, and sub-lease rents are lower than required payments. The provision includes the non-lease components of the contract such as outgoings, in the current year. In the prior year all payments related to onerous lease contracts were included in the calculation of provisions. The new lease standard changed the accounting for onerous lease contracts, with the lease portion recognised as an impairment to the right-of-use asset. Refer to Note 2-5 for further information.

2-8 OTHER LIABILITIES

	2020 $'m	2019 $'m
Non-current		
Lease incentives and accruals	**—**	59.1
Other	**4.0**	3.7
Total other liabilities	**4.0**	62.8

Lease incentives and accruals were offset against right-of-use assets on 1 October 2019 in accordance with the new lease accounting standard. Refer to Note 6-7.

3. Capital and financial structure

This section provides information relating to the Group's capital structure and its exposure to financial risk, how they affect the Group's financial position and performance, and how the risks are managed.

The Directors review the Group's capital structure and dividend policy regularly and do so in the context of the Group's ability to invest in opportunities that grow the business, enhance shareholder value and continue as a going concern.

3-1 Borrowings
3-2 Other financial assets and financial liabilities
3-3 Reserves and retained earnings
3-4 Contributed equity
3-5 Net tangible assets/(liabilities) per share
3-6 Capital and financial risk management
3-7 Net debt reconciliation

3-1 BORROWINGS

	2020 $'m	2019 $'m
Current		
Secured		
Bank loans	7.0	—
Total current borrowings	7.0	—
Non-current		
Secured		
Bank loans	3,236.2	2,792.3
Total non-current borrowings	3,236.2	2,792.3

Lease liabilities are shown separately on the balance sheet.

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities are included as part of the carrying amount of the borrowings.

The fair value of borrowings approximates the carrying amount.

The Group's borrowings are denominated in USD.

For an analysis of the sensitivity of borrowings to interest rate and foreign exchange risk, refer to Note 3-6.

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit (net of transaction costs):

Credit standby arrangements

		2020 $'m		2019 $'m	
	Notes	Total	Unused	Total	Unused
Total facilities					
– Bank overdrafts	(i)	7.8	7.8	8.0	8.0
– Bank loans	(ii)	3,520.2	277.0	2,942.3	150.0
Total facilities		3,528.0	284.8	2,950.3	158.0

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

ii) Syndicated loan facilities:

- US$1,850 million US Term Loan B debt facility maturing 19 October 2024.
- US$498.8 million Incremental US Term Loan B debt facility maturing 19 October 2024.
- A$286 million Revolving facility maturing 22 July 2024.

3. Capital and financial structure continued

3-1 BORROWINGS continued

These secured facilities are provided by a syndicate of banks and financial institutions and are supported by guarantees from certain members of the Company's wholly owned subsidiaries. Various affirmative and negative covenants on the Group are imposed, including restrictions on encumbrances, and customary events of default. As part of the corporate facility, the Group is subject to certain customary financial covenants measured on a six-monthly basis. The Group was in compliance with all debt covenants.

Borrowings under the Term Loan B facility are currently priced at a floating rate of LIBOR plus a fixed credit margin as specified in the relevant Credit Agreement. A portion of the interest rate exposure has been fixed under separate interest rate swap arrangements. Approximately 48% of the exposure is fixed with hedging out to 2022.

Borrowings made under the Incremental Term Loan B facility are currently priced at a 1% LIBOR floor plus a fixed credit margin as specified in the relevant Credit Agreement.

3-2 OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	2020 $'m	2019 $'m
FINANCIAL ASSETS		
Current		
Debt securities held-to-maturity	6.7	6.4
Derivatives used for hedging	0.4	—
Interest rate swap contracts - cash flow hedges	—	0.1
Total current financial assets	7.1	6.5
Non-current		
Debt securities held-to-maturity	4.8	5.8
Convertible bond	2.1	—
Other investments	1.0	0.7
Total non-current financial assets	7.9	6.5
FINANCIAL LIABILITIES		
Current		
Interest rate swap contracts - cash flow hedges	2.0	—
Total current financial liabilities	2.0	—
Non-current		
Interest rate swap contracts - cash flow hedges	61.7	48.4
Total non-current financial liabilities	61.7	48.4

a) Classification

The Group classifies its financial assets as those measured at amortised cost and those to be measured subsequently at fair value.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges.

Amortised cost

The Group classifies its financial assets as at amortised cost only if the asset is held with the objective to collect contractual cashflows and these cashflows are solely principal and interest.

Financial assets at amortised cost comprise trade and other receivables, debt securities held-to-maturity and other investments.

3. Capital and financial structure continued

3-2 OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise.

Further information on financial assets and liabilities is disclosed in Note 3-6.

c) Impairment

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to impairment calculations, based on the Group's past history and existing market conditions as well as forward-looking estimates at the end of each reporting period.

Refer to Note 2-1 regarding the expected credit losses approach used to assess impairment of trade and other receivables.

d) Derivatives and hedging

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Hedge effectiveness for interest rate swaps is determined at inception of the hedge relationship, and through periodic prospective effectiveness assessments. As all critical terms matched during the year, the economic relationship was 100% effective, and there was no hedge ineffectiveness.

Cash flow hedges

The Group designates interest-rate swaps contracts as hedges of interest rate risk associated with floating interest cash flows of borrowings drawn under Term Loan B facilities (cash flow hedges). Group policy is to maintain at least 30-70% of its borrowings at fixed rate using floating-to-fixed interest rate swaps to achieve this when necessary. The Group's borrowings are carried at amortised cost.

Swaps currently in place cover approximately 48% (2019 – 60%) of the Term Loan B facility outstanding. The fixed interest rates of the swaps range between 2.71% and 2.75% (2019: 2.02% and 2.75%) and the floating rate of the borrowings at the end of the reporting period was 0.27% (2019: 2.28%). The swap contracts require settlement of net interest receivable or payable every quarter. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

The effects of interest rate swaps on the Group's financial position and performance are as follows:

	2020	2019
Carrying amount – liabilities ($'m)	(63.7)	(48.3)
Notional amount in US$'m	1,132.8	1,133.0
Maturity dates	2021 – 2022	2020 – 2022
Hedge ratio	1:1	1:1
Change in fair value of interest rate hedges since 1 October ($'m)	(15.4)	(64.7)
Weighted average hedged rate for the year	2.72%	2.20%

3. Capital and financial structure continued

3-3 RESERVES AND RETAINED EARNINGS

$'m	Retained earnings	Foreign currency translation reserve	Share-based payments reserve	Interest rate hedge reserve	Non-controlling interest reserve	Total reserves
Balance at 1 October 2018	1,040.9	51.9	(83.0)	14.7	(7.1)	(23.5)
Profit for the year	698.8	—	—	—	—	—
Currency translation differences	—	108.0	—	—	—	108.0
Net investment in foreign operations	—	(20.7)	—	—	—	(20.7)
Change in accounting policy	(1.4)	—	—	—	—	—
Movement in fair value of interest rate hedges	—	—	—	(64.7)	—	(64.7)
Total comprehensive income for the year	697.4	87.3	—	(64.7)	—	22.6
Transactions with owners in their capacity as owners						
Dividends paid or provided for	(312.4)	—	—	—	—	—
Share-based payments expense	—	—	26.0	—	—	26.0
Issues of shares to and purchases of shares by the Aristocrat Employee Share Trust	—	—	(24.8)	—	—	(24.8)
Share-based tax and other adjustments	—	—	2.3	—	—	2.3
Balance at 30 September 2019	1,425.9	139.2	(79.5)	(50.0)	(7.1)	2.6
Balance at 1 October 2019	1,425.9	139.2	(79.5)	(50.0)	(7.1)	2.6
Profit for the year	1,377.7	—	—	—	—	—
Currency translation differences	—	(128.4)	—	—	—	(128.4)
Net investment in foreign operations	—	17.3	—	—	—	17.3
Movement in fair value of interest rate hedges	—	—	—	(8.0)	—	(8.0)
Total comprehensive income/(loss) for the year	1,377.7	(111.1)	—	(8.0)	—	(119.1)
Transactions with owners in their capacity as owners						
Dividends paid or provided for	(217.1)	—	—	—	—	—
Share-based payments expense	—	—	34.4	—	—	34.4
Issues of shares to and purchases of shares by the Aristocrat Employee Share Trust	—	—	(40.4)	—	—	(40.4)
Share-based tax and other adjustments	—	—	0.9	—	—	0.9
Balance at 30 September 2020	2,586.5	28.1	(84.6)	(58.0)	(7.1)	(121.6)

Nature and purpose of reserves:

Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency exchange differences arising from the translation of foreign operations, the translation of transactions that hedge the Company's net investment in a foreign operation or the translation of foreign currency monetary items forming part of the net investment in foreign operations.

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of all shares and rights both issued and issued but not exercised under the various employee share plans, as well as purchases of shares by the Aristocrat Employee Share Trust.

Interest rate hedge reserve

The interest rate hedge reserve is used to record gains or losses on interest rate hedges that are recognised in other comprehensive income.

Non-controlling interest reserve

The non-controlling interest reserve is used to record transactions with non-controlling interests that do not result in the loss of control.

3. Capital and financial structure continued

3-4 CONTRIBUTED EQUITY

	Shares		$'m	
	2020	2019	2020	2019
Ordinary shares, fully paid	638,544,150	638,544,150	715.1	715.1
Movements in ordinary share capital				
Ordinary shares at the beginning of the year	638,544,150	638,544,150	715.1	715.1
Shares issued during the year	—	—	—	—
Ordinary shares at the end of the financial year	638,544,150	638,544,150	715.1	715.1

Ordinary shares

Ordinary shares have no par value and entitle the holder to participate in dividends and the winding up of the Company in proportion to the number of, and amounts paid on, the shares held. Holders of ordinary shares are entitled to one vote per share at meetings of the Company.

Recognition and measurement

Incremental costs directly attributable to the issue of new shares are shown in contributed equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental cost (net of income taxes) is recognised directly in equity. There is no current on-market buy back.

3-5 NET TANGIBLE ASSETS/(LIABILITIES) PER SHARE

	2020 $	2019 $
Net tangible liabilities per share	(0.97)	(2.92)

A large proportion of the Group's assets are intangible in nature, including goodwill and identifiable intangible assets relating to businesses acquired. These assets are excluded from the calculation of net tangible assets per share, which results in a negative amount.

Net assets per share at 30 September 2020 were $4.98 (2019: $3.36).

3-6 CAPITAL AND FINANCIAL RISK MANAGEMENT

a) Capital management

The Group's overall strategic capital management objective is to maintain a funding structure, which provides sufficient flexibility to fund the operational demands of the business and to underwrite any strategic opportunities.

The Group has managed its capital through interest and debt coverage ratios as follows:

	2020	2019
Gross debt/bank EBITDA [1]	2.9x	1.7x
Net debt/(cash)/bank EBITDA [1]	1.4x	1.4x
Interest coverage ratio (bank EBITDA [1]/interest expense [2])	8.8x	12.7x

1. Bank EBITDA refers to Consolidated EBITDA for the Group as defined in Aristocrat's Syndicated Facility Agreement.
2. Interest expense includes ongoing finance fees relating to bank debt facility arrangements, such as line fees.

This section explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

b) Financial risk management

Financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments.

3. Capital and financial structure continued

3-6 CAPITAL AND FINANCIAL RISK MANAGEMENT continued

Risk	Exposure arising from	Measurement	Management
Market risk: Interest rate	Floating rate borrowings drawn under a Term Loan B facility	Sensitivity analysis	– Use of floating to fixed swaps; and – The mix between fixed and floating rate debt is reviewed on a regular basis under the Group Treasury policy.
Market risk: Foreign exchange	Future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency	Sensitivity analysis & cash flow forecasts	– The Group's foreign exchange hedging policy reduces the risk associated with transactional exposures; and – Unrealised gains/losses on outstanding foreign exchange contracts are taken to the profit or loss on a monthly basis.
Market risk: Price risk	The Group's exposure to commodity price risk is indirect and is not considered likely to be material	Nil	Nil
Credit risk	Cash and cash equivalents, trade and other receivables, derivative financial instruments and held-to-maturity investments	Ageing analysis & credit ratings	– Customers and suppliers are appropriately credit assessed per Group policies; – Derivative counterparties and cash transactions are limited to high credit quality financial institutions; and – Cash and cash equivalents are predominately held with counterparties which are rated 'A' or higher.
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts and debt covenants	– Maintaining sufficient cash and marketable securities; – Maintaining adequate amounts of committed credit facilities and the ability to close out market positions; and – Maintaining flexibility in funding by keeping committed credit lines available.

Hedge of net investment in foreign entity

At 30 September 2020, US$203.2m (2019: US$203.2m) of the US Term Loan B debt facility shown in Note 3-1 that is held within an Australian company has been designated as a hedge of the net investment in an American subsidiary. The foreign exchange gains and losses on translation of the borrowing into Australian dollars at the end of the reporting period are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within shareholders equity (Note 3-3). Hedges of net investments in foreign operations are accounted for similar to cash flow hedges. There was no ineffectiveness to be recorded in the profit or loss from net investment foreign entity hedges.

3. Capital and financial structure continued

3-6 CAPITAL AND FINANCIAL RISK MANAGEMENT continued

Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's non-derivative financial assets and financial liabilities to interest rate risk and foreign exchange risk. These sensitivities are prior to the offsetting impact of hedging instruments, and are shown on a pre-tax basis:

	Carrying amount		Interest rate risk				Foreign exchange risk			
	$'m		-1% Profit $'m		+1% Profit $'m		-10% Profit $'m		+10% Profit $'m	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Financial assets										
Cash and cash equivalents	1,675.7	568.6	(2.7)	(5.7)	16.8	5.7	0.5	0.4	(0.4)	(0.3)
Receivables	726.5	1,046.3	—	—	—	—	7.4	9.6	(6.0)	(7.8)
Debt securities held-to-maturity	11.5	12.2	(0.1)	(0.1)	0.1	0.1	—	—	—	—
Convertible bond and other investments	3.1	0.7	—	—	—	—	—	—	—	—
Financial liabilities										
Payables	702.0	770.6	—	—	—	—	(3.4)	(6.5)	2.8	5.3
Borrowings	3,243.2	2,792.3	7.6	28.1	(32.8)	(28.1)	—	—	—	—
Lease liabilities	276.0	0.4	—	—	—	—	—	—	—	—
Progressive jackpot liabilities	28.8	38.1	0.3	0.4	(0.3)	(0.4)	—	—	—	—
Total increase/(decrease)			5.1	22.7	(16.2)	(22.7)	4.5	3.5	(3.6)	(2.8)

Refer to Notes 3-1 and 3-2 for details of hedging undertaken to manage interest rate risk. Changes in the fair value of interest rate swaps are recognised in equity. A 1% increase in interest rates would cause a $25.3m (2019: $42.4m) increase in the fair value of swap contracts held at year end. A 1% decrease would cause a $25.9m (2019: $43.7m) decrease in the fair value of swaps held at year-end.

3. Capital and financial structure continued

3-6 CAPITAL AND FINANCIAL RISK MANAGEMENT continued

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings as follows:

i) based on their contractual maturities:

– all non-derivative financial liabilities, and

– net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of cash flows.

ii) based on the remaining period to the expected settlement date:

– derivative financial liabilities for which the contractual maturities are not essential for an understanding of the timing of cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year		Between 1 to 5 years		Over 5 years		Total contractual cash flows		Carrying amount (assets)/liabilities	
Contractual maturities of financial liabilities	2020 $'m	2019 $'m	2020 $'m	2019 $'m	2020 $'m	2019 $'m	2020 $'m	2019 $'m	2020 $'m	2019 $'m
Non-derivatives										
Trade payables	121.2	188.8	—	—	—	—	121.2	188.8	121.2	188.8
Accrued expenses	525.5	531.2	55.3	50.6	—	—	580.8	581.8	580.8	581.8
Borrowings	7.0	—	3,236.2	—	—	2,792.3	3,243.2	2,792.3	3,243.2	2,792.3
Borrowings - interest payments	85.2	109.4	256.0	438.1	—	5.7	341.2	553.2	—	—
Lease liabilities	47.0	—	132.2	0.4	166.2	—	345.4	0.4	276.0	0.4
Progressive jackpot liabilities	26.3	35.0	1.5	1.5	1.0	1.6	28.8	38.1	28.8	38.1
Total non-derivatives	812.2	864.4	3,681.2	490.6	167.2	2,799.6	4,660.6	4,154.6	4,250.0	3,601.4
Derivatives										
Net settled (interest rate swaps)	2.0	(0.1)	61.7	48.4	—	—	63.7	48.3	63.7	48.3
Gross settled (forward foreign exchange contracts)										
– (inflow)	(15.7)	(103.5)	—	—	—	—	(15.7)	(103.5)	(15.7)	—
– outflow	15.3	103.5	—	—	—	—	15.3	103.5	15.3	—
Total (inflow)/outflow	(0.4)	—	—	—	—	—	(0.4)	—	(0.4)	—
Total derivatives	1.6	(0.1)	61.7	48.4	—	—	63.3	48.3	63.3	48.3

c) Foreign currency risk

The carrying amounts of the Group's current and non-current receivables are denominated in the following currencies:

	2020 $'m	2019 $'m
US dollars	527.4	778.0
Australian dollars	128.0	191.4
Other[1]	71.1	76.9
Total carrying amount	726.5	1,046.3

The carrying amounts of the Group's current and non-current payables are denominated in the following currencies:

US dollars	537.2	578.8
Australian dollars	121.3	135.5
Other[1]	43.5	56.3
Total carrying amount	702.0	770.6

1. Other refers to a basket of currencies (including Euro, Pound Sterling, Israeli New Shekel and New Zealand Dollar).

3. Capital and financial structure continued

3-6 CAPITAL AND FINANCIAL RISK MANAGEMENT continued

d) Credit risk

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer above for more information on the risk management policy of the Group. The Group holds guarantees over the debts of certain customers. The value of debtor balances over which guarantees are held is detailed below:

	2020 $'m	2019 $'m
Trade receivables with guarantees	13.6	14.8
Trade receivables without guarantees	589.4	858.8
Total net trade receivables	603.0	873.6

e) Forward exchange contracts

The Group enters into derivatives in the form of forward exchange contracts to hedge foreign currency denominated receivables and also to manage the purchase of foreign currency denominated inventory and capital items. The following table provides information as at 30 September 2020 on the net fair value of the Group's existing foreign exchange hedge contracts:

		Maturity profile [1]		
Currency pair	Weighted average exchange rate	1 year or less $'m	1 to 7 year(s) $'m	Net fair value gain/(loss) [2] $'m
AUD/EUR	0.6031	41.0	—	0.4
AUD/USD	0.7126	(28.1)	—	(0.1)
AUD/ZAR	11.5783	1.1	—	0.1
AUD/NZD	1.0806	1.7	—	—
Total		15.7	—	0.4

1. The foreign base amounts are converted at the prevailing period end exchange rate to AUD equivalents.
2. The net fair value of the derivatives above is included in financial assets/(liabilities).

f) Fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below the table.

	Level 1		Level 2		Level 3		Total	
	2020 $'m	2019 $'m	2020 $'m	2019 $'m	2020 $'m	2019 $'m	2020 $'m	2019 $'m
Assets								
Interest rate swap contracts	—	—	—	0.1	—	—	—	0.1
Convertible bond	—	—	2.1	—	—	—	2.1	—
Derivatives used for hedging	—	—	0.4	—	—	—	0.4	—
Total assets at the end of the year	—	—	2.5	0.1	—	—	2.5	0.1
Liabilities								
Interest rate swap contracts	—	—	63.7	48.4	—	—	63.7	48.4
Total liabilities at the end of the year	—	—	63.7	48.4	—	—	63.7	48.4

3. Capital and financial structure continued

3-6 CAPITAL AND FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy levels	Definition	Valuation technique
Level 1	The fair value is determined using the unadjusted quoted market price in an active market for similar assets or liabilities.	The Group did not have any Level 1 financial instruments at the end of the current and prior reporting periods. The quoted market price used for financial assets held by the Group is the current bid price.
Level 2	The fair value is calculated using predominantly observable market data other than unadjusted quoted prices for an identical asset or liability.	Derivatives used for hedging are valued using forward exchange rates at the balance sheet date. Interest rate swap contracts are valued using the present value of estimated future cashflows based on observable yield curves. The convertible bond was purchased shortly before the reporting date.
Level 3	The fair value is calculated using inputs that are not based on observable market data.	The convertible bond was purchased shortly before the reporting date, with the carrying amount approximating fair value.

There were no transfers between levels in the fair value hierarchy and no changes to the valuation techniques applied since 30 September 2019. The carrying amount of financial instruments not measured at fair value approximates fair value.

3-7 NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt.

Net debt	2020 $'m	2019 $'m
Cash and cash equivalents	1,675.7	568.6
Current borrowings	(7.0)	—
Non-current borrowings	(3,236.2)	(2,792.3)
Net debt	(1,567.5)	(2,223.7)
Net debt - opening balance	(2,223.7)	(2,451.9)
Net increase in cash per cash flow statement	1,132.6	117.8
Debt repayments	217.7	292.4
Proceeds from borrowings	(869.3)	—
Amortisation of borrowing costs	(6.4)	(6.0)
Foreign exchange movements	181.6	(176.0)
Net debt - end of year	(1,567.5)	(2,223.7)

4. Group structure

This section explains significant aspects of the Group structure, including its controlled entities and how changes affect the Group structure. It provides information on business acquisitions and disposals made during the current and prior financial years and the impact they had on the Group's financial performance and position.

4-1 Subsidiaries

4-1 SUBSIDIARIES

The principal controlled entities of the Group are listed below. These were wholly owned during the current and prior year, unless otherwise stated:

Controlled entities	Country of incorporation
Aristocrat Technologies Australia Pty Ltd	Australia
Aristocrat International Pty Ltd	Australia and USA
Aristocrat Technologies, Inc.	USA
Video Gaming Technologies, Inc.	USA
Product Madness Inc.	USA
Big Fish Games Inc.	USA
Plarium Global Limited	Israel
Aristocrat Technologies Macau Limited	Macau
Aristocrat Technologies NZ Limited	New Zealand
Aristocrat Technologies Europe Limited	UK
Aristocrat Technologies Mexico, S.A. DE C.V.	Mexico
Aristocrat Service Mexico, S.A. DE C.V.	Mexico
AI (Puerto Rico) Pty Limited	Australia
Aristocrat (Argentina) Pty Limited	Australia
Aristocrat Technologies India Private Ltd	India
Product Madness (UK) Limited	UK
Aristocrat Technologies Spain S.L.	Spain

5. Employee benefits

This section provides a breakdown of the various programs the Group uses to reward and recognise employees and key executives, including Key Management Personnel.

5-1 Key management personnel

5-2 Share-based payments

5-1 KEY MANAGEMENT PERSONNEL

Key management personnel compensation

Key management personnel includes all Non-Executive Directors, Executive Directors and Senior Executives who were responsible for the overall planning, directing and controlling of activities of the Group. During the year ended 30 September 2020, 4 Executives (2019: 6 Executives) were designated as key management personnel.

	2020 $	2019 $
Short-term employee benefits	6,108,715	8,508,099
Post-employment benefits	105,090	130,525
Long-term benefits	35,969	32,542
Share-based payments	6,984,382	3,606,897
Key management personnel compensation	13,234,156	12,278,063

Detailed remuneration disclosures are provided in the remuneration report.

5-2 SHARE-BASED PAYMENTS

The Remuneration Report, presented in the Directors' Report, also provides detailed disclosure on share-based payments.

Plan	Description	Shares outstanding at the end of the year
Performance share plan ("PSP")	A long-term employee share scheme that provides for eligible employees to be offered conditional entitlements to fully paid ordinary shares in the parent entity ('Performance Share Rights'). Performance Share Rights issued under the PSP are identical in all respects other than performance conditions and periods.	42 employees (2019: 40) were entitled to 1,312,437 rights (2019: 1,073,102)
Deferred equity employee plan	Certain eligible employees are offered incentives of share rights that are based on individual and company performance, subject to continued employment. Should the performance criteria be met, an amount of share rights are granted. The shares outstanding at 30 September 2020 result from the meeting of performance criteria in the 2018 financial year. These rights are subject to the respective employees remaining with the Group until October 2020.	47,876 (2019: 364,346)
Key employee equity program	Certain eligible employees are offered incentives of share rights that are based on individual performance, subject to continued employment for two years. These rights are subject to the respective employees remaining with the Group until October 2020 and October 2021.	1,059,153 (2019: 244,102)
Deferred short-term incentive plan	Upon the vesting of short-term incentives, Executives receive the incentives as 50% cash, with 50% deferred as Performance Share Rights. These share rights are expensed over the vesting periods, being two and three years.	107,798 (2019: 172,700)
General employee share plan ("GESP")	GESP is designed to provide employees with shares in the parent entity under the provisions of Division 83A of the Australian Income Tax Assessment Act. The number of shares issued to participants in the Plan is the offer amount divided by the weighted average price at which the Company's shares are traded on the Australian Securities Exchange during the five days immediately before the date of the offer.	Nil (2019: Nil)
Other grants	Contractual share rights are granted to retain key employees from time to time across the Group, including after acquisitions, subject to continued employment. The value of share rights granted are expensed over the respective vesting periods.	669,770 (2019: 940,924)

5. Employee benefits continued

5-2 SHARE-BASED PAYMENTS continued

a) Share-based payments expense

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefits expense were as follows:

	2020 $'m	2019 $'m
Performance Share Plan	9.5	6.6
Deferred Equity Employee Plan	—	1.6
Key Employee Equity Program	15.7	7.6
Deferred Short-Term Incentive Plan	1.9	1.7
General Employee Share Plan	—	0.8
Other grants	7.3	7.7
	34.4	26.0

Recognition and measurement

The fair value of rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of non-vesting conditions but excludes the impact of any individual performance based and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Shares issued through the Aristocrat Employee Equity Plan Trust continue to be recognised in the share-based payments reserve in equity. Similarly, treasury shares acquired by the Aristocrat Employee Equity Plan Trust are recorded in share-based payments trust reserves. Information relating to these shares is disclosed in Note 3-3.

The market value of shares issued to employees for no cash consideration under the General Employee Share Plan is recognised as an employee benefits expense with a corresponding increase in reserves.

b) Performance Share Plan ('PSP')

Accounting fair value of Performance Share Rights granted

The assessed accounting fair values of Performance Share Rights granted during the financial years ended 30 September 2020 and 30 September 2019 are as follows:

Timing of grant of rights	Performance period start date	Performance period expiry date	Performance condition	Accounting valuation date	Accounting valuation ($)
2020 financial year	1 October 2019	30 September 2022	TSR EPSG Individual performance	29 January 2020	23.88 34.19 34.19
			TSR EPSG Individual performance	20 February 2020	26.56 36.17 36.17
2019 financial year	1 October 2018	30 September 2021	TSR EPSG Individual performance	22 March 2019	10.38 23.20 23.20

The accounting valuation represents the independent valuation of each tranche of Performance Share Rights at their respective grant dates. The valuations have been performed by Deloitte using Total Shareholder Return ('TSR'), Earnings Per Share Growth ('EPSG') and individual performance condition models. Performance Share Rights with a market vesting condition (for example, TSR) incorporates the likelihood that the vesting condition will be met. The accounting valuation of Performance Share Rights with a non-market vesting condition (for example, EPSG) does not take into account the likelihood that the vesting condition will be met.

5. Employee benefits continued

5-2 SHARE-BASED PAYMENTS continued

i) Total Shareholder Return ('TSR') model

Deloitte has developed a Monte-Carlo Simulation-based model which simulates the path of the share price according to a probability distribution assumption. The pricing model incorporates the impact of performance hurdles and the vesting scale on the value of the share rights. The model considers the Relative TSR hurdles to be market hurdles and any individual performance conditions attached to the Relative TSR rights are not used in the determination of the fair value of the rights at the valuation date. This pricing model takes into account such factors as the Company's share price at the date of grant, volatility of the underlying share price, expected dividend yield, risk free rate of return and time to maturity.

ii) Earnings Per Share Growth ('EPSG') model, individual performance condition

Deloitte has utilised a Black-Scholes-Merton model to determine the fair value of share rights. This pricing model takes into account such factors as the Company's share price at the date of grant, volatility of the underlying share price, expected dividend yield, risk-free rate of return and time to maturity.

The accounting valuation of the rights has been allocated equally over the vesting period.

The model inputs for share rights granted during the year ended 30 September 2020 and year ended 30 September 2019 included:

Input	Consideration		
	Zero consideration and have a three year life		
Share rights granted	2020		2019
Grant date	29 January 2020	20 February 2020	22 March 2019
Share price at grant date	$35.74	$37.69	$24.41
Price volatility of Company's shares	25.4%	25.5%	25.5%
Dividend yield	1.6%	1.5%	1.9%
Risk-free interest rate	0.7%	0.7%	1.4%

The expected price volatility is based on the historical volatility of the share price of the Company due to the long-term nature of the underlying share rights.

Performance Share Rights are detailed in the tables below:

Consolidated – 2020

Grant date	Performance period expiry date	Rights at start of year Number	New rights issues Number	Rights vested Number	Rights lapsed Number	Rights at end of year Number
28 March 2017	30 September 2019	216,672	—	(216,672)	—	—
27 April 2018	30 September 2020	415,180	—	—	(90,187)	324,993
22 March 2019	30 September 2021	441,250	—	—	(107,904)	333,346
29 January 2020	30 September 2022	—	603,849	—	(95,064)	508,785
20 February 2020	30 September 2022	—	145,313	—	—	145,313
		1,073,102	749,162	(216,672)	(293,155)	1,312,437

Consolidated – 2019

Grant date	Performance period expiry date	Rights at start of year Number	New rights issues Number	Rights vested Number	Rights lapsed Number	Rights at end of year Number
3 March 2016	30 September 2018	542,304	—	(542,304)	—	—
28 March 2017	30 September 2019	231,023	—	—	(14,351)	216,672
27 April 2018	30 September 2020	473,874	—	—	(58,694)	415,180
22 March 2019	30 September 2021	—	463,637	—	(22,387)	441,250
		1,247,201	463,637	(542,304)	(95,432)	1,073,102

6. Other disclosures

This section provides details on other required disclosures relating to the Group to comply with the accounting standards and other pronouncements.

6-1 Commitments and contingencies
6-2 Events occurring after reporting date
6-3 Remuneration of auditors
6-4 Related parties
6-5 Parent entity financial information
6-6 Deed of cross guarantee
6-7 Basis of preparation

6-1 COMMITMENTS AND CONTINGENCIES

	2020 $'m	2019 $'m
a) Commitments		
Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities:		
Property, plant and equipment	0.9	5.3

b) Contingent liabilities

The Group and parent entity have contingent liabilities at 30 September 2020 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 may 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 there are no current claims likely to have a material adverse effect on the Group; and

iv) Aristocrat Leisure Limited, Aristocrat International Pty Ltd, Aristocrat Technologies Australia Pty Ltd, Aristocrat (Holdings) Pty Limited, Aristocrat (Asia) Pty Limited, Aristocrat (Macau) Pty Limited, Aristocrat (Holdings) Pty Limited, System 7000 Pty Limited and Aristocrat Technical Services Pty Limited are parties to a deed of cross guarantee which has been lodged with and approved by the Australian Securities & Investments Commission as discussed in Note 6-6.

6-2 EVENTS OCCURRING AFTER REPORTING DATE

There has not arisen in the interval between the end of the 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.

Refer to Note 1-6 for information regarding dividends declared after reporting date.

6. Other disclosures continued

6-3 REMUNERATION OF AUDITORS

During the year, the following fees were paid or payable to the auditor of the parent entity, PricewaterhouseCoopers and its related practices:

	2020 $	2019 $
Audit or review of financial reports		
Australia	1,607,806	1,113,000
Overseas	2,473,131	2,285,826
Total remuneration for audit/review services	4,080,937	3,398,826
Tax and advisory services		
Australia	111,437	3,291,362
Overseas	945,040	1,569,090
Total remuneration for advisory services	1,056,477	4,860,452

It is the Group's policy to employ PricewaterhouseCoopers (PwC) on low value assignments additional to their statutory audit duties where PwC's expertise and experience with the Group are important. During the current and prior year, PricewaterhouseCoopers was primarily engaged for tax services relating to assistance with one-off changes to the Group Structure (refer to note 1-4). These services are not recurring. Any future non-audit services are expected to be at lower levels.

6-4 RELATED PARTIES

a) Other transactions with key management personnel

There were no other related party transactions aside from disclosures under key management personnel. Refer to Note 5-1.

b) Subsidiaries

Interests in subsidiaries are set out in Note 4-1.

6-5 PARENT ENTITY FINANCIAL INFORMATION

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2020 $'m	2019[1] $'m
Balance sheet		
Current assets	78.1	36.0
Total assets	12,356.9	12,272.4
Current liabilities	173.0	111.9
Total liabilities	173.0	111.9
Net assets	12,183.9	12,160.5
Shareholders' equity		
Contributed equity	715.1	715.1
Reserves	218.7	184.2
Retained profits	11,250.1	11,261.2
Total equity	12,183.9	12,160.5
Profit for the year after tax	206.0	11,582.2
Total comprehensive income after tax	206.0	11,582.2

1. Comparatives have been adjusted as a result of the Group structure changes as outlined in Note 1-4. These changes in the parent entity had no impact on the Group balances due to being eliminated on consolidation.

b) Guarantees entered into by the parent entity

Cross guarantees given by the parent entity are set out in Note 6-6.

c) Contingent liabilities of the parent entity

Contingent liabilities of the parent entity are set out in Note 6-1.

6. Other disclosures continued

6-5 PARENT ENTITY FINANCIAL INFORMATION continued

Recognition and measurement

The financial information for the parent entity, Aristocrat Leisure Limited, disclosed above has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries where they are accounted for at cost less impairment charges in the financial statements of Aristocrat Leisure Limited.

6-6 DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations Instrument 2016/785, the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of a financial report and Directors' Report.

It is a condition of the Instrument that the Company and each of the participating subsidiaries enter into a Deed of Cross Guarantee (Deed). The effect of the Deed, dated 28 August 2019, is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the participating subsidiaries under certain provisions of the Corporations Act. If a winding up occurs under other provisions of the Corporations Act, the Company will only be liable in the event that after six months, any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event the Company is wound up.

The subsidiaries subject to the Deed are:

- Aristocrat Technologies Australia Pty Limited
- Aristocrat International Pty Limited
- Aristocrat (Asia) Pty Limited
- Aristocrat (Macau) Pty Limited
- Aristocrat (Holdings) Pty Limited
- Aristocrat Technologies Holdings Pty Limited
- System 7000 Pty Limited
- Aristocrat Technical Services Pty Limited

The above named companies represent a Closed Group for the purposes of the Instrument, and as there are no other parties to the Deed that are controlled by the Company, they also represent the Extended Closed Group. Aristocrat Technologies Holdings Pty Limited, System 7000 Limited and Aristocrat Technical Services Pty Limited joined the cross guarantee group during 2019. This did not have a material impact on the results or financial position of the cross guarantee group.

Set out below is the statement of profit or loss and other comprehensive income of the Closed Group:

	2020 $'m	2019 $'m
Revenue	255.1	493.7
Other income from related parties	145.6	462.9
Other income from non-related parties	2.8	2.5
Cost of revenue and other expenses	(130.1)	(173.7)
Employee benefits expense	(151.2)	(150.5)
Finance costs	(12.7)	(12.2)
Depreciation and amortisation expense	(41.7)	(21.8)
Profit before income tax	67.8	600.9
Income tax expense	(39.9)	(171.4)
Profit for the year	27.9	429.5
Other comprehensive income		
Changes in fair value of interest rate hedge	1.3	(3.5)
Other comprehensive income net of tax	1.3	(3.5)
Total comprehensive income for the year	29.2	426.0

Set out below is a summary of movements in consolidated retained earnings of the Closed Group:

	2020 $'m	2019 $'m
Retained earnings at the beginning of the financial year	1,025.1	909.4
Restatement through opening retained earnings	—	(1.4)
Profit for the year	27.9	429.5
Dividends paid	(217.1)	(312.4)
Retained earnings at the end of the financial year	835.9	1,025.1

6. Other disclosures continued

6-6 DEED OF CROSS GUARANTEE continued

Set out below is the balance sheet of the Closed Group:

	2020 $'m	2019 $'m
Current assets		
Cash and cash equivalents	101.0	97.7
Trade and other receivables	75.1	142.7
Inventories	33.2	23.8
Other financial assets	0.4	—
Total current assets	209.7	264.2
Non-current assets		
Trade and other receivables	171.2	345.7
Investments	1,375.8	1,375.8
Property, plant and equipment	26.0	13.5
Right-of-use assets	9.7	—
Deferred tax assets	49.9	37.7
Intangible assets	108.0	115.3
Total non-current assets	1,740.6	1,888.0
Total assets	1,950.3	2,152.2
Current liabilities		
Trade and other payables	142.1	174.0
Lease liabilities	7.4	—
Current tax liabilities	171.0	110.1
Provisions	13.7	15.0
Deferred revenue and other liabilities	8.4	19.1
Total current liabilities	342.6	318.2
Non-current liabilities		
Trade and other payables	—	0.2
Borrowings	280.7	298.1
Lease liabilities	4.7	—
Provisions	8.0	8.7
Deferred revenue and other liabilities	5.9	6.5
Total non-current liabilities	299.3	313.5
Total liabilities	641.9	631.7
Net assets	1,308.4	1,520.5
Equity		
Contributed equity	715.1	715.1
Reserves	(242.6)	(219.7)
Retained earnings	835.9	1,025.1
Total equity	1,308.4	1,520.5

6. Other disclosures continued

6-7 BASIS OF PREPARATION

Corporate information

Aristocrat Leisure Limited is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of Aristocrat Leisure Limited and its subsidiaries (together referred to as the Group). A description of the nature of the Group's operations and its principal activities is included in the Directors' Report and the Operating and Financial Review. The financial report was authorised for issue in accordance with a resolution of Directors on 18 November 2020.

The Group's registered office and principal place of business is:

Aristocrat Leisure Limited
Building A, Pinnacle Office Park
85 Epping Road
North Ryde NSW 2113
Australia

The Group ensures that its corporate reporting is timely, complete and available globally. All press releases, financial statements, and other information are available in the investor information section of the Company's website: www.aristocrat.com

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the Corporations Act 2001. The report presents information on a historical cost basis, except for financial assets and liabilities (including derivative instruments), which have been measured at fair value and for classes of property, plant and equipment which have been measured at deemed cost. Amounts have been rounded off to the nearest whole number of million dollars and one decimal place representing hundreds of thousands of dollars, or in certain cases, the nearest dollar in accordance with the relief provided under the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 as issued by the Australian Securities and Investments Commission.

Policies have been applied consistently for all years presented, unless otherwise stated.

Comparative information is reclassified where appropriate to enhance comparability.

Going concern assumption

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal activities and realisation of assets and settlement of liabilities in the ordinary course of business. As at 30 September 2020, the Group had cash of $1,675.7m and net current assets of $1,466.3m. Of the $3,243.2m of debt, $7.0m is repayable within the next 12 months with the remainder with maturity dates in 2024. Undrawn funding facilities of $284.8m are available if required.

The majority of the Group's Land-based customers have recommenced operations since they were closed in mid-March 2020 in response to COVID-19. Cash flow forecasts have been prepared which incorporate a gradual increase in the Land-based business during the recovery stage, and Digital businesses remaining largely unaffected by COVID-19. The most significant assumptions that have been made in the preparation of these forecasts are outlined below.

After assessing detailed cashflow forecasting based on the revenue and cost assumptions above, and based on the best available information at this time, the directors believe that the going concern assumption is considered the appropriate basis to prepare these financial statements.

Significant assumptions relating to the impact of COVID-19

The 2020 financial year was uniquely challenging as a result of the COVID-19 pandemic. The full magnitude and length of time of the disruption to the Group requires continual assessment, and as a result, there has been an increase in estimation uncertainty when preparing the financial statements. Based on the best information available at this time the Directors consider the most significant assumptions that underpin forecast estimations, over management's five year projection period, when preparing the financial statements are:

- a continued gradual ramping up of gaming floors in Land-based businesses in line with an increase in consumer confidence
- a continuation of social distancing requirements
- a gradual reduction in travel restrictions
- continued demand for digital gaming experiences during periods of stay at home mandates, and
- that the recovery stage for the business from COVID-19 is not impacted by further significant closures of customer venues.

The key judgements and estimates that could be impacted if actual outcomes are different to these forecasts are:

- Deferred tax assets and income tax expense (Note 1-4)
- Trade and other receivables (Note 2-1)
- Inventories (Note 2-2)
- Intangible assets (Note 2-3)

Principles of consolidation

The consolidated financial statements incorporate the financial statements of Aristocrat Leisure Limited (the Company) and its subsidiaries as at 30 September 2020.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

In preparing the consolidated financial statements, all intercompany balances, transactions and unrealised gains have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group has a trust to administer the Group's employee share scheme. This trust is consolidated as it is controlled by the Group.

6. Other disclosures continued

6-7 BASIS OF PREPARATION continued

Foreign currency

The consolidated financial statements are presented in Australian dollars. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The results and financial position of foreign operations are translated into Australian dollars at the reporting date using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average exchange rate
Assets and liabilities	Reporting date
Equity	Historical date
Reserves	Historical date

Foreign exchange gains and losses resulting from translation are recognised in the statement of profit or loss, except for qualifying cash flow hedges which are deferred to equity.

Foreign exchange differences resulting from translation of foreign operations are initially recognised in the foreign currency translation reserve and subsequently transferred to the profit or loss on disposal of the foreign operation.

New accounting standards and interpretations

The Group adopted all relevant new and amended accounting standards and interpretations issued by the Australian Accounting Standards Board which are effective for annual reporting periods beginning on or after 1 October 2019. The impact of these new standard and interpretations is set out below:

AASB 16 Leases ('AASB 16')

The Group has applied AASB 16 Leases for the first time from 1 October 2019. Comparatives for the 2019 reporting period have not been restated, as permitted under the specific transition provisions in the Standard. AASB 16 has introduced a single, on-balance sheet accounting model for leases as lessee.

A contract is a lease if it contains a right to control an identified asset for a period of time for consideration. Non-lease components of the contract, such as outgoings are not accounted for as part of the lease accounting, and remain unchanged.

As a result of the first time application of the standard to the leases of the Group, right-of-use assets representing the right to use the underlying assets, and lease liabilities, representing the obligation to make lease payments have been recognised. Future lease payment commitments of $403.4m were disclosed in the 2019 financial statements. Lease liabilities are recognised at the present value of future payments from the lease commencement date, discounted at the incremental borrowing rate. The weighted average incremental borrowing rate used was 4.95%.

On adoption of AASB 16, the right-of-use assets were equal to the lease liabilities, adjusted for existing lease incentives, straight line rent accruals and onerous lease provisions. The method used to adopt the new standard does not result in any changes to opening retained earnings.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

Financial impact of transition

Previously the Group did not recognise operating leases on the balance sheet under the principles of *AASB 117 Leases*, with expenses recorded on a straight-line basis, and commitments for future payments disclosed in the financial statements. On 1 October 2019, right-of-use assets of $230.6m and lease liabilities of $296.4m were recognised, with $65.8m of existing lease incentives, straight-line rent accruals and onerous lease liabilities offset against the right-of-use asset. The right-of-use assets and lease liabilities mainly result from property leases of the Group in various locations around the world.

In relation to leases recognised on the balance sheet, depreciation of $39.9m and interest of $14.9m were recognised during the year. $36.6m of lease payments that would have previously been recorded as part of operating cashflow are now classified as part of financing cashflows. The balance of right-of-use assets was $178.3m and lease liabilities $276.0m at 30 September 2020. Amounts recognised in relation to the new lease standard are subject to tax-effect accounting.

Interpretation 23 Uncertainty over Income Tax Treatments

The Group applied for the first time Interpretation *23 Uncertainty over Tax Treatments* from 1 October 2019. The interpretation outlines recognition and measurement requirements of *AASB 112 Income Taxes*, and how they should be applied when there is uncertainty over income tax treatments. The Group recognises uncertain tax positions in accordance with methods allowed under AASB 112 and Interpretation 23, with the Interpretation not having a material impact on the Group.

DIRECTORS' DECLARATION

for the year ended 30 September 2020

In the Directors' opinion:

a) the financial statements and notes set out on pages 56 to 98 are in accordance with the Corporations Act 2001 including:
   i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
   ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2020 and of its performance, for the 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; and

c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 6-6 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 6-6.

Note 6-7 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given declarations by the Chief Executive Officer and Managing Director and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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

N CHATFIELD
Chairman

Sydney
18 November 2020

pwc

Independent auditor's report

To the members of Aristocrat Leisure Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Aristocrat Leisure Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 September 2020 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group consolidated financial report comprises:

- the balance sheet as at 30 September 2020
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

pwc

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality

- For the purpose of our audit we used overall Group materiality of $33 million, which represents approximately 5% of the Group's weighted average profit before tax over the last three years.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. Due to the COVID-19 impact on profit and loss in the current year, we chose a three year weighted average.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group comprises entities located globally with the most financially significant operations being located in Australia,the United States of America ("USA") and Israel. Accordingly, we structured our audit as follows:
  - The group team was led by our team from PwC Australia ("group audit team"). The group audit team conducted an audit of the financial information of businesses operating in Australia used to prepare consolidated financial statements.
  - Under instructions from and on behalf of the group audit team, component auditors in the USA and Israel performed an audit of the respective financial information for those locations used to prepare the consolidated financial statements.
- The group audit team had continuous involvement in the work performed by the component auditors, with each component team being provided with direct written instructions and regular dialogue between component and group teams throughout the audit. The group audit team also held meetings with local management of each financially significant operation.
- The group audit team undertook the remaining audit procedures, including over significant financial statement items at the Group level and the Group consolidation.

pwc

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Estimated recoverable amount of goodwill - Americas, VGT, Plarium and Big Fish *(Refer to note 2-3)* The Group assesses goodwill and other indefinite lived intangible assets for impairment annually at the cash generating unit (CGU) level. Assessment of the recoverability of goodwill and other indefinite lived intangibles was a key audit matter due to: • The magnitude of the goodwill and indefinite lived intangible asset balances • The inherent uncertainty regarding the duration and severity of COVID-19 and its potential impact on future cashflows • the estimates and assumptions used in determining cashflow projections, discount rates and terminal growth rates requiring significant judgement	Assisted by PwC valuation experts in aspects of our work, our audit procedures included, amongst others: • developed an understanding of the impact of COVID-19 on the Group, the Group's planned response and the potential subsequent impact on future cash flows; • assessing the identification of CGUs and the allocation of carrying values of assets and liabilities and cash flows to those CGUs for consistency with the teams knowledge of the Group; • assessing whether the value in use models applied by the Group for impairment testing were prepared in accordance with the requirements of the Australian Accounting Standards; • comparing the cash flow forecasts and capital expenditure assumptions to the Board and/or management approved budgets and forecasts; • testing the mathematical accuracy of the models on a sample basis; • assessing the terminal growth rates and discount rates applied in the models by comparing them to external information sources; • assessing cash flow forecasts, which include key growth assumptions, within the models against historical performance, future strategic plans, the impact of COVID-19 and other market information; • considering the sensitivity of the models by varying key assumptions, such as terminal growth rates and discount rates, within a reasonably possible range; and • evaluating the related financial statement disclosures for consistency with Australian Accounting Standards requirements.

pwc

Key audit matter	*How our audit addressed the key audit matter*

Income tax expense and Deferred tax assets
(Refer to note 1-4)
 	
The Group operates globally and is subject to tax regimes and tax legislation administered by separate tax authorities in a number of countries, including bilateral agreements between different tax authorities.
 	
The recognition, remeasurement and recoverability of deferred tax assets is a key audit matter due to the inherent complexity in the Group's estimation of the deferred tax asset which involves assumptions related to future taxable income (including the impact of COVID-19) and risk factors that reduce the potential benefits.
 	
Income tax expense is a key audit matter due to the complexity of global tax legislation and the significant judgement required to assess some tax treatments and calculate relevant income tax expense amounts.
 	
The Group has recognised deferred tax assets of $1,083.3 million as at 30 September 2020 in respect of benefits from future non-Australian tax deductions.
 	
The Australian Accounting Standards require deferred tax assets to be recognised only to the extent that it is probable that sufficient taxable profits will be generated in the foreseeable future in order for the benefits of the deferred tax assets to be realised.
 	
Under the relevant legislation in certain territories some tax interpretations remain open to challenge for an extended period. Some uncertainty exists that the positions adopted by the Group could be challenged by tax authorities.
	Our procedures included amongst others:
	• developing an understanding the potential impact of COVID-19 on future cashflows;
	• evaluating whether the forecasts were consistent with approved budgets and impairment models;
	• assessing the Group's application of risk factors in comparison to our knowledge of the group and external information;
	• assessing adjustments between accounting and taxable profits;
	• with the assistance of PwC Tax experts, considering the Group's ability to claim the deductions in compliance with US and Australian tax laws;
	• with the assistance of PwC Valuation experts, assessing the maximum value of future non-Australian tax deductions, including:
	  ○ considering the valuation methodology, including an assessment of the key assumptions in relevant models and;
	  ○ assessing the competence and capability of the Group's expert who assisted with the valuation;
	• testing mathematical accuracy on a sample basis and reperforming the calculations of the deferred tax asset balance;
	• evaluating the analysis conducted by the Group for key judgements made in respect of the ultimate amounts expected to be paid to tax authorities;
	• assessing the consistency of key assumptions inherent in accounting positions, in years where tax assessments are still open, to historically agreed positions with tax authorities;
	• reading correspondence between tax authorities and the Group's tax advisors, including the status of any agreements between tax authorities in different jurisdictions;
	• together with PwC tax experts, considering potential global tax risks within the Group; and
	• assessing the appropriateness of the Group's disclosure in the financial report in light of Australian Accounting Standard requirements.

Key audit matter	*How our audit addressed the key audit matter*
Revenue from contracts with customers *(Refer to note 1-2)* Revenue was a key audit matter given the financial significance of revenue to the financial statements and the complexity of some contractual arrangements entered into with customers. Aristocrat has multiple revenue streams. For some streams (excluding digital) contracts can include different elements including delayed settlement, delayed delivery, bundling of products and multiple element agreements. For the digital revenue stream, determining the timing of revenue recognition is complex due to the determination of when game credits purchased by customers are consumed, which varies by game.	Our procedures included, amongst others: • considering the Group's accounting policy in line with Australian Accounting Standard requirements; • developing an understanding and evaluating controls over the revenue and receivables business process; • obtaining a sample of contractual arrangements and testing underlying transactions, including identifying performance obligations, assessing whether the transaction was recognised in the right period and understanding any manual revenue adjustments; • where material contracts included bundling of different products, comparing revenue allocation methods and considering whether any discounts were allocated across different elements of the contract in line with Australian Accounting standard requirements; • evaluating related financial statement disclosures for consistency with Australian Accounting Standard requirements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2020, but does not include the consolidated financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report and Operating and Financial Review. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

pwc

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 30 to 51 of the directors' report for the year ended 30 September 2020.

In our opinion, the remuneration report of Aristocrat Leisure Limited for the year ended 30 September 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

MGraham

MK Graham
Partner

Sydney
18 November 2020

SHAREHOLDER INFORMATION

DISTRIBUTION OF EQUITY SECURITIES AS AT 17 NOVEMBER 2020

Size of holding	Holders of Performance Share Rights [1]	Number of Performance Share Rights [1]	% of Performance Share Rights	Holders of shares [2]	Number of shares [2]	% of issued capital
1 – 1,000	839	115,554	3.222	32,766	10,520,102	1.650
1,001 – 5,000	267	542,090	15.115	7,704	16,277,470	2.550
5,001 – 10,000	36	256,683	7.157	877	6,184,596	0.970
10,001 – 100,000	44	1,240,869	34.600	474	9,992,054	1.560
100,001 – over	6	1,431,155	39.906	72	595,569,928	93.270
Total	1,192	3,586,351	100.000	41,893	638,544,150	100.000
Less than a marketable parcel of $500.00	223	1,833	0.05111	759	3,344	0.00052

1. All share rights are allocated under the Company's incentive programs to take up ordinary shares in the capital of the Company. These share rights are subject to the rules of the relevant program and are unquoted and non-transferable.
2. Fully paid ordinary shares (excludes unvested performance share rights that have not been converted into shares).

SUBSTANTIAL SHAREHOLDERS 17 NOVEMBER 2020

As at 17 November 2020, the following shareholders were registered by the Company as a substantial shareholder, having notified the Company of a relevant interest in accordance with Section 671B of the Corporations Act 2001 (Cth), in the voting shares below:

Name of shareholder	Number of ordinary shares held	% of issued capital	Date of notice
Blackrock Group	38,342,681	6.00%	31/08/2020
AustralianSuper Pty Ltd	32,265,043	5.05%	27/07/2020
The Vanguard Group, Inc.	32,730,782	5.126%	6/12/2018

TWENTY LARGEST ORDINARY SHAREHOLDERS AS AT 17 NOVEMBER 2020

Name of shareholder	Number of ordinary shares held	% issued capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	235,813,320	36.930%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	140,602,372	22.019%
CITICORP NOMINEES PTY LIMITED	68,837,459	10.780%
BNP PARIBAS NOMINEES PTY LTD	35,396,968	5.543%
NATIONAL NOMINEES LIMITED	28,687,622	4.493%
WRITEMAN PTY LIMITED	26,566,720	4.161%
THUNDERBIRDS ARE GO PTY LTD	16,077,754	2.518%
ARMINELLA PTY LIMITED	14,692,200	2.301%
ECA 1 PTY LIMITED	8,532,904	1.336%
MAAKU PTY LIMITED	5,284,127	0.828%
ARGO INVESTMENTS LIMITED	3,264,665	0.511%
BNP PARIBAS NOMS (NZ) LTD	1,203,890	0.189%
NETWEALTH INVESTMENTS LIMITED	1,094,409	0.171%
AVANTEOS INVESTMENTS LIMITED	930,379	0.146%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	898,136	0.141%
AMP LIFE LIMITED	855,109	0.134%
UBS NOMINEES PTY LTD	795,100	0.125%
INVIA CUSTODIAN PTY LIMITED	782,750	0.123%
NAVIGATOR AUSTRALIA LIMITED	669,676	0.105%
SARGON CT PTY LTD	645,791	0.101%

SHAREHOLDER INFORMATION

VOTING RIGHTS

At meetings of shareholders, each shareholder may vote in person or by proxy, attorney or (if the shareholder is a body corporate) corporate representative. On a show of hands, every person present who is a shareholder or a representative of a shareholder has one vote and on a poll every shareholder present in person or by proxy or attorney has one vote for each fully paid ordinary share. Performance share right holders have no voting rights.

REGULATORY CONSIDERATIONS AFFECTING SHAREHOLDERS

Aristocrat Leisure Limited and its subsidiaries could be subject to disciplinary action by gaming authorities in some jurisdictions if, after receiving notice that a person is unsuitable to be a shareholder, that person continues to be a shareholder. Because of the importance of licensing to the Company and its subsidiaries, the Constitution contains provisions that may require shareholders to provide information and also gives the Company powers to divest or require divestiture of shares, suspend voting rights and withhold payments of certain amounts to shareholders or other persons who may be unsuitable.

SHAREHOLDER ENQUIRIES

You can access information about Aristocrat Leisure Limited and your holdings via the internet. Aristocrat's website, www.aristocrat.com, has the latest information on Company announcements, presentations and reports. Shareholders may also communicate with the Company via its website. In addition, there is a link to the Australian Securities Exchange to provide current share prices. The share registry manages all your shareholding details. Visit www.boardroomlimited.com.au and access a wide variety of holding information, make changes to your holding record and download forms. You can access this information via a security login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

DIVIDENDS

Electronic Funds Transfer

The Company has a mandatory direct payment of dividends program for all shareholders who were requested to complete and submit Direct Credit payment instructions with the Company's share registrar. Shareholders who have not submitted valid Direct Credit payment instructions will receive a notice from the Company's share registrar advising that:

i) the relevant dividend amount is being held as direct credit instructions have not been received;

ii) the relevant dividend will be credited to the nominated bank account as soon as possible on receipt of direct credit instructions; and

iii) no interest is payable on the dividend being withheld.

Such notices are sent to shareholders who have not completed and submitted a Direct Credit of Dividends instructions on the record date of the relevant dividend.

Dividend Reinvestment Plan

The Directors consider whether the Company's Dividend Reinvestment Plan (DRP) should operate each time a dividend is declared.

The DRP Rules and the 'Dividend Reinvestment Plan Application or Variation Form' are available from the Company's share registrar, Boardroom Limited on 1300 737 760 (in Australia), or +61 2 9290 9600 (international) or email enquiries@boardroomlimited.com.au

Shareholders should note that: (i) Shareholders who elect to participate in the DRP and who do not revoke their elections will automatically participate on the next occasion the DRP is activated; (ii) the fact that the DRP operated in respect of any dividend does not necessarily mean that the DRP will operate in respect of any further dividends (a separate decision is made for each dividend); and (iii) when the DRP does operate, the DRP rules provide that the number of shares that DRP participants will receive will not be determinable on the Record Date determined by the Board.

CORPORATE DIRECTORY

DIRECTORS

NG Chatfield
Non-Executive Chairman

TJ Croker
Chief Executive Officer and Managing Director

KM Conlon
Non-Executive Director

PG Etienne
Non-Executive Director

AM Tansey
Non-Executive Director

S Summers Couder
Non-Executive Director

PJ Ramsey
Non-Executive Director

COMPANY SECRETARY

RH Bell

GLOBAL HEADQUARTERS

Aristocrat Leisure Limited
Building A, Pinnacle Office Park
85 Epping Road North Ryde NSW 2113 Australia

Telephone: + 61 2 9013 6300
Facsimile: + 61 2 9013 6200

AUSTRALIA

Aristocrat Technologies Australia Pty Limited
Building A, Pinnacle Office Park
85 Epping Road North Ryde NSW 2113 Australia

Telephone: + 61 2 9013 6300
Facsimile: + 61 2 9013 6200

NEW ZEALAND

Aristocrat Technologies NZ Limited
Unit E, 7 Echelon Place Highbrook
Auckland 2013 New Zealand

Telephone: +649 259 2000
Facsimile: +649 259 2001

THE AMERICAS

NORTH AMERICA

Aristocrat Technologies Inc.
10220 Aristocrat Way
Las Vegas Nevada 89135 USA

Telephone: + 1 702 270 1000
Facsimile: + 1 702 270 1001

Video Gaming Technologies, Inc.
3401 Mallory Lane Suite 300
Franklin Tennessee 37067 USA

Telephone: + 1 615 372 1000
Facsimile: + 1 615 372 1099

Big Fish Games, Inc.
906 Alaskan Way, Seattle Washington 98104 USA

Telephone: + 1 206 213 5753
Facsimile: + 1 206 213 3696

LATIN AMERICA

Aristocrat Technologies México, S.A. de C.V.
Av. Paseo de las Palmas 425 Piso 14
Col. Lomas de Chapultepec
México, CDMX 11000

Telephone: + 52 55 5282 4800

ASIA

MACAU

Aristocrat (Macau) Pty Limited
17th Floor, Hotline Centre 335-341 Alameda Drive
Carlos d'Assumpcao Macau

Telephone: + 853 2872 2777
Fax: + 853 2872 2783

SINGAPORE

Aristocrat (Singapore) Pty Limited
61 Kaki Bukit Avenue 1
Shun Li Industrial Park #04-29 Singapore 417943

Telephone: + 656 444 5666
Facsimile: + 656 842 4533

EUROPE

GREAT BRITAIN

Aristocrat Technologies Europe Limited
25 Riverside Way Uxbridge Middlesex UB8 2YF U.K.

Telephone: + 44 1895 618 500
Facsimile: + 44 1895 618 501

ISRAEL

Plarium Global Limited
2 Abba Eban Blvd Herzliya, Israel

Telephone: + 972 9 9540211
Facsimile: + 972 9 9607827

INVESTOR CONTACTS

Share Registry Boardroom Limited
Grosvenor Place, Level 12 225 George Street
Sydney NSW 2000, Australia

Telephone: 1300 737 760 (in Australia)
Telephone: + 61 2 9290 9600 (international)
Email: enquiries@boardroomlimited.com.au
Website: www.boardroomlimited.com.au

AUDITOR

PricewaterhouseCoopers
One International Towers Sydney Watermans Quay,
Barangaroo Sydney NSW 2001, Australia

STOCK EXCHANGE LISTING

Aristocrat Leisure Limited
Ordinary shares are listed on the Australian Securities Exchange

CODE: ALL

INTERNET SITE

www.aristocrat.com

INVESTOR EMAIL ADDRESS

Investors may send email queries to:
investor.relations@aristocrat.com

WWW.ARISTOCRAT.COM