



Aristocrat Leisure Limited

**Results for the year ended
31 December 2007**

Chief Executive Officer
& Managing Director
Paul Oneile

Chief Financial Officer
& Finance Director
Simon Kelly



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Paul Oneile
Chief Executive Officer and
Managing Director

Summary of Results

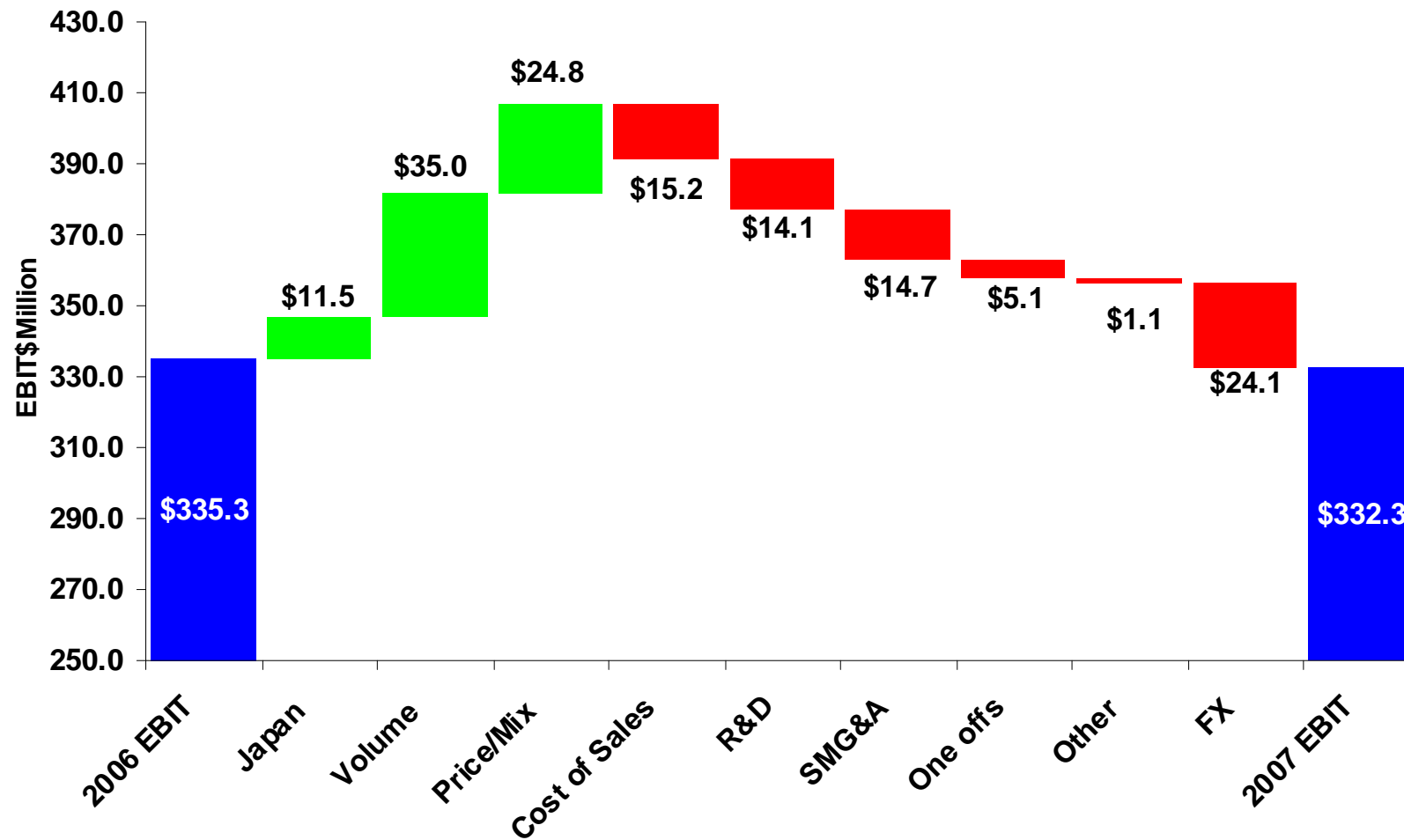
- **Total Revenue \$1,122 million – up 4.4%**
- **Profit after Tax \$247.2 million – up 3.4%**
- **Underlying constant currency profit growth – up 11.1%**
- **Investment in research and development – up 9.5%**
- **Strong underlying operating cash of \$222.2 million – up 8.5%**
- **Total dividends of 49c – up 36.1%**
- **Diluted Earnings Per Share of 52.8c – up 3.7%**

Simon Kelly
Chief Financial Officer
and Finance Director

Profit and Loss

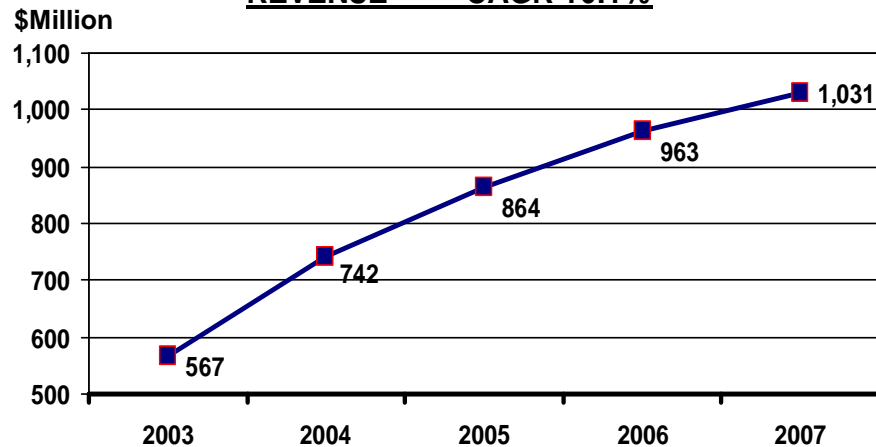
	Constant Currency 2007 \$Million	Reported 2007 \$Million	Reported 2006 \$Million
Total Revenue	1,203.2	1,122.0	1,074.5
Gross Margin	57.4%	58.0%	59.8%
SMG&A	248.7	238.7	221.1
EBIT before R&D	466.0	436.5	430.5
R&D	109.6	104.2	95.2
Profit before Tax	350.3	326.2	332.9
Tax	84.0	78.3	92.8
Profit after Tax	266.3	247.9	240.1
Earnings Per Share (fully diluted)	56.7c	52.8c	50.9c

FY 2007 vs FY 2006 EBIT

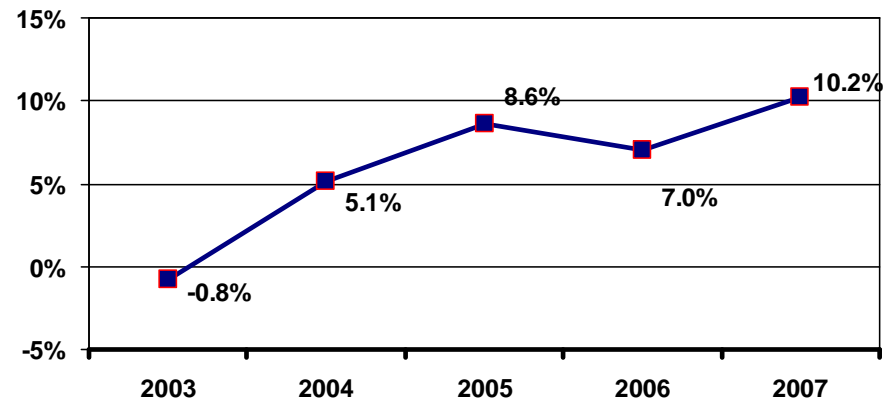


5 Year Trend Analysis

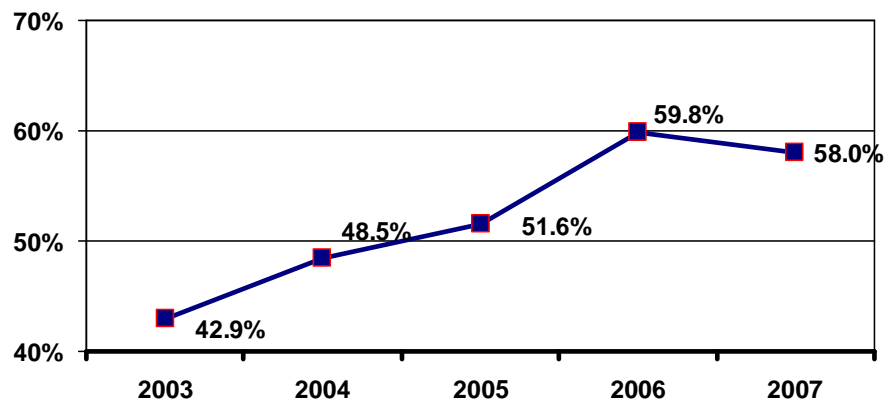
REVENUE ^{(1) (2)} - CAGR 16.1%



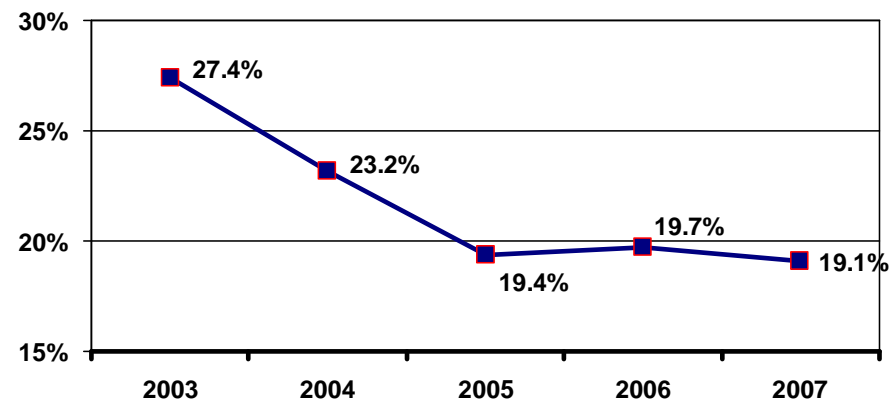
**WEIGHTED AVERAGE GLOBAL PRICING
GROWTH ^{(1) (2)} - CAGR 7.7%**



GROSS MARGIN



NET EXPENSES ⁽³⁾ / EBIT



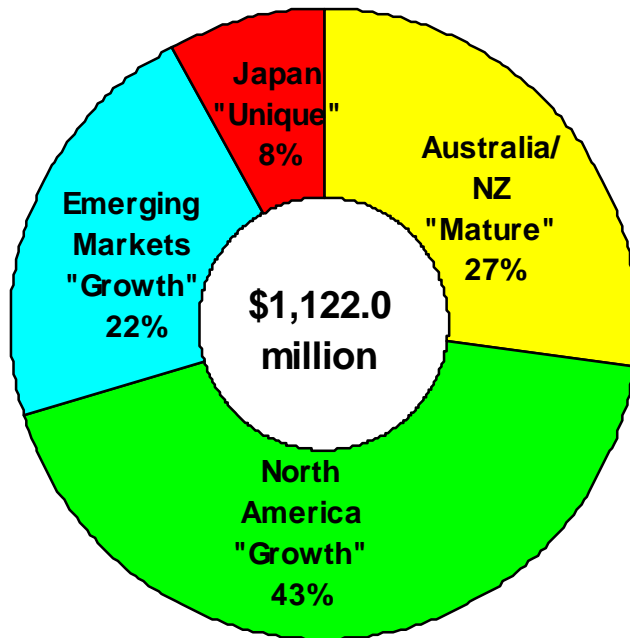
(1) Constant Currency

(2) Excludes Japan

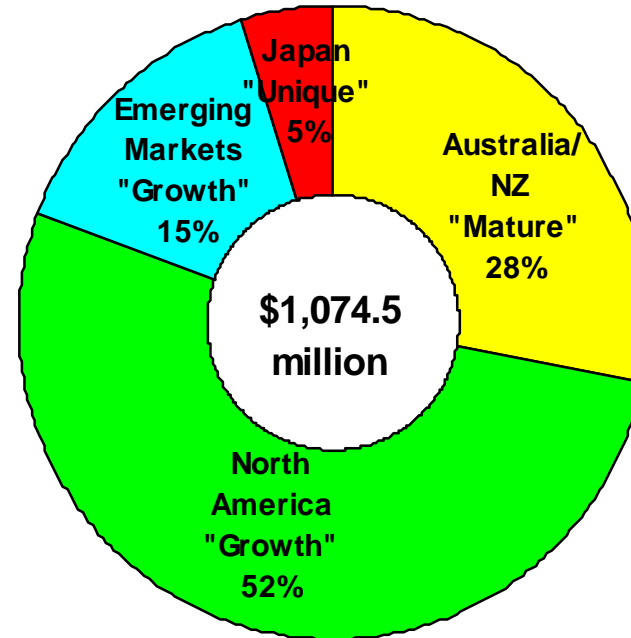
(3) Excludes R&D

Segment Revenue Split

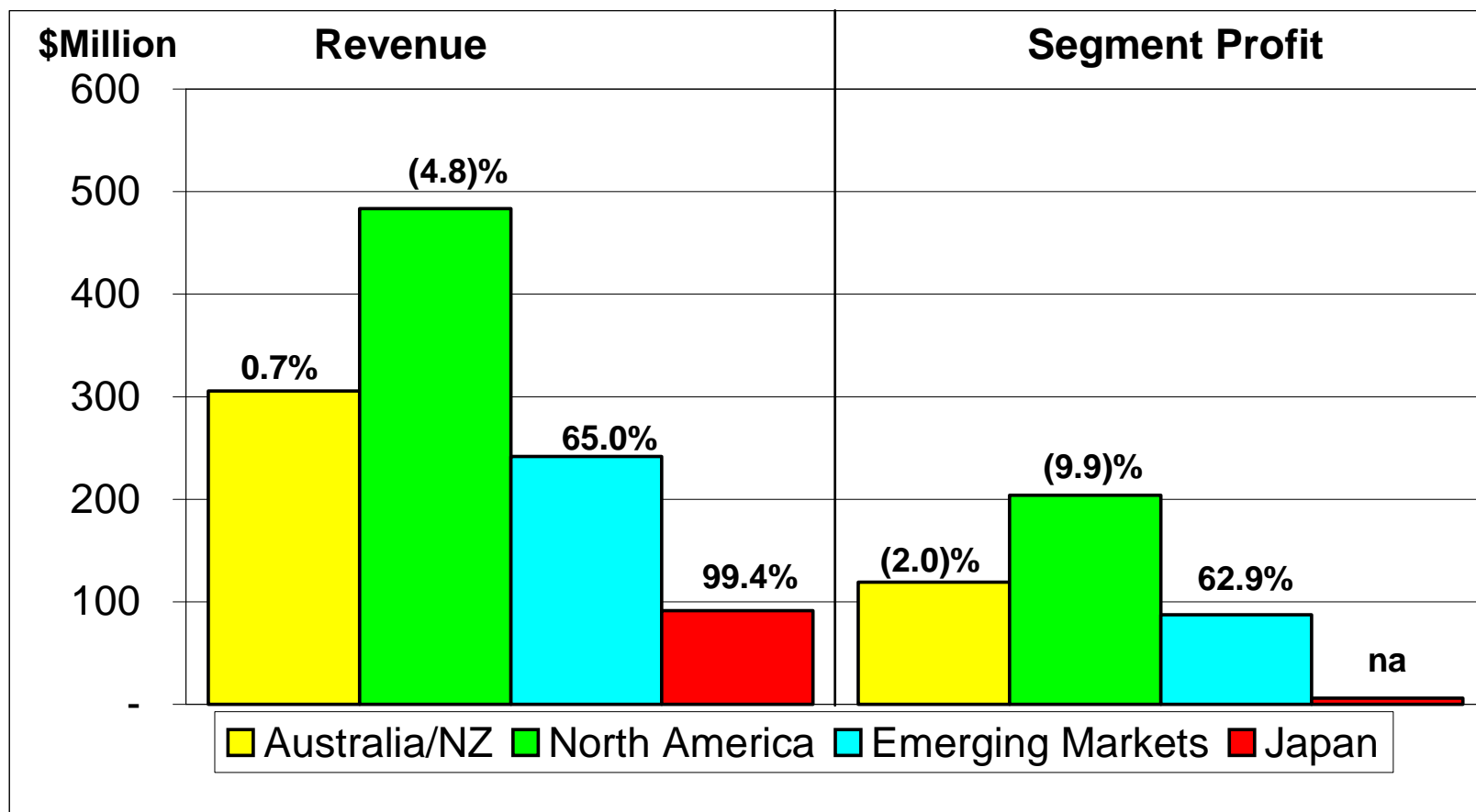
2007 Segment Revenue by region



2006 Segment Revenue by region



Business Segmentation

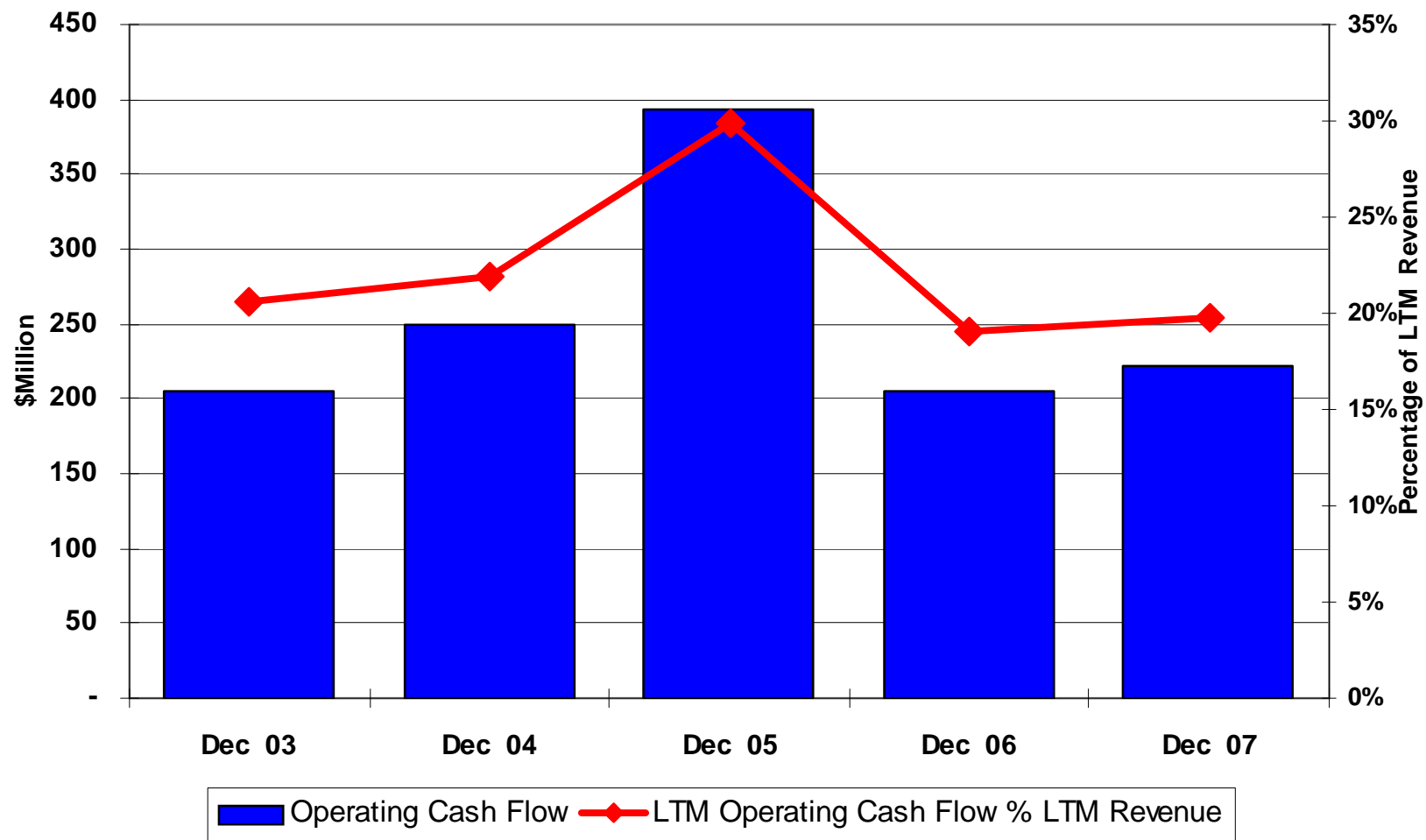


*Percentage represents change vs prior corresponding period on a constant currency basis

Cash Flow

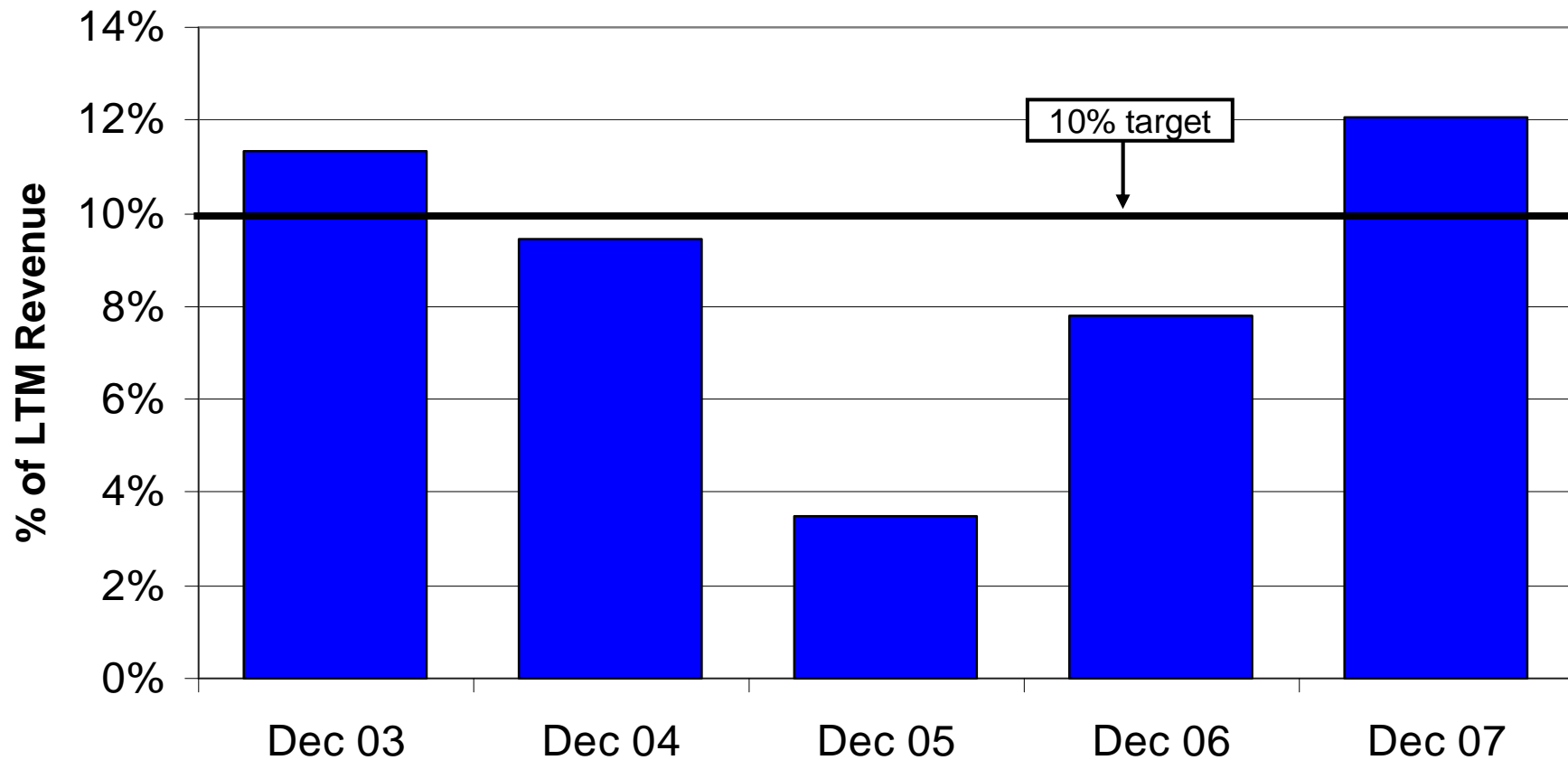
	2007 \$Million	2006 \$Million
Net (debt)/cash - opening balance	(40.8)	183.7
Operating cash flow	222.2	204.8
Investing cash flow	(55.3)	(189.6)
	166.9	15.2
Financing activities cash flow	4.0	6.3
Capital management initiatives	(253.0)	(245.7)
Movement in net (debt)/cash	(82.1)	(224.2)
Effect of exchange rate changes on net debt	11.1	(0.3)
Net debt - closing balance	(111.8)	(40.8)

Operating Cash Flow



Working Capital

Net Working Capital - % of Last 12 Months Revenue



Capital Management

2007 Initiatives:

- Completed second on-market share buyback
- Acquired 3.4 million shares taking total buyback to \$200 million
- 1.2 million shares acquired via trust structure for employee share based contingent obligations (95% of obligations covered)

Next Phase Announced August 2007:

- Ongoing flow of fully franked dividends to approximate 60% – 70% of annual earnings, subject to the Company's franking ability
- Ongoing supplementary un-franked dividends totaling 20 cps/annum
- On-market share buyback program of up to \$100 million/annum over a 3 - 5 year timeframe

Capital Management

Current Status:

- Inaugural supplementary unfranked dividend of 10 cps paid January 2008
- 2007 fully franked dividends of 39 cps declared – 74% payout ratio
- Franking outlook remains positive
- Dividend Reinvestment Plan to operate with shares acquired on market
- On-market share buyback program commenced January 2008 with 1.7 million shares acquired to date (\$16.5 million)
- Refinanced existing debt facilities with a new 3 year A\$1.065 billion debt and letter of credit facility

Key Financials and Ratios

	2007 \$Million	2006 \$Million
EBIT before R&D	436.5	430.5
EBIT	332.3	335.3
Working Capital/Revenue (%)	12.1%	7.7%
Operating Cash Flow	222.2	204.8
Operating Cash Flow/Revenue (%)	19.8%	19.1%
Net Debt	111.8	40.8
Debt/EBITDA*	0.5X	0.4X
EBITDA*/Interest Expense	29.0X	28.3X
Return on Equity	77.1%	65.5%
Fully Diluted EPS	52.8c	50.9c
Fully Diluted Operating Cash Flow per Share	47.4c	43.6c

* EBITDA represents Bank EBITDA which is inclusive of interest received



Segment Review

Australia/New Zealand

Constant Currency [^]	2007 \$Million	2006 \$Million	Variance %
Revenue	304.8	302.8	+0.7%
Profit	118.8	121.2	(1.9)%
Margin	39.0%	40.0%	(1.0)pts

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

- Australian unit sales down 11.6%, average pricing up
- Difficult market conditions:
 - smoking restrictions diverting capital spend to infrastructure
 - increased club taxation rates
 - delay in approval of Ticket-in Ticket-out technology
- New Zealand sales down 7.1% as market remained tight:
 - limited by operator deferral of new product purchases
 - grandfathering of more “player friendly” games
 - continuing decline of venue numbers and installed base

Initiatives and Outlook Australia/New Zealand

STRATEGIES

- Focus on innovative premium products
- Development of recurring revenue model
- Ongoing business efficiency and cost reduction

OUTLOOK

- Positive feedback on *Viridian*TM cabinet and *Gen 7*TM
- Continuing market leadership
- Progressive improvement in Australia
- Well placed to secure improvements in market demand
- Improvements in New Zealand expected in 2008 through mid 2009

North America

Constant Currency [^]	2007 \$Million	2006 \$Million	Variance %
Revenue	538.2	565.2	(4.8)%
Profit	227.4	252.4	(9.9)%
Margin	42.3%	44.7%	(2.4)pts

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

- Margin decline reflects mix, recurring revenue margins and fixed cost base
- Lower overall market volumes – low in replacement cycle, no new Jurisdictions, adverse stepper vs video mix
- 22.6% reduction in unit sales to 13,807, video market share maintained
- Maintained 40% share of all new video sales
- 5-reel stepper re-launched
- Recurring revenue unit installed base up 1,012 units (15.7%) to 7,473 units
- Systems revenue up 8.2% to USD38.2 million

Initiatives and Outlook North America

STRATEGIES

- Strong premium product performance
- Out performing stepper proposition
- New jurisdictions and expansion of existing markets
- Growing recurring revenue base
- Systems competitive positioning
- Investment in new technologies - downloadable, server-based

OUTLOOK

- Increased market demand – mainly new jurisdictions
- Positive feedback on *Viridian*TM cabinet and *Gen 7*TM
- Positive price momentum

Japan

Constant Currency [^]	2007 \$Million	2006 \$Million	Variance %
Revenue	100.5	50.4	+99.4%
Profit	5.9	(5.6)	na
Margin	5.9%	na	na

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

- Revenue increased 99.4%, restored profitability
- Variable margins maintained despite aggressive price discounting
- Inventory provision for surplus Regulation 4 parts - \$8.3 million
- Seven Regulation 5 games marketed
- 29,843 units sold vs 12,043
- Improving sentiment since Regulation 5 transition completed October 2007

Initiatives and Outlook Japan

STRATEGIES

- Proven strong game titles in 2008
- Strong pipeline of further games in development
- 3 games approved, 7 currently in progress
- Independent supply chain capability in use
- Casino style gaming potential

OUTLOOK

- Short term results continue to be dependent on game approvals
- Positive change in operator sentiment visible/heightened interest
- Margins stable
- Increasing confidence in both immediate outlook and longer term prospects

Other Markets

Constant Currency [^]	2007 \$Million	2006 \$Million	Variance %
Revenue	298.5	191.4	+56.0%
Profit	94.3	57.9	+62.9%
Margin	31.6%	30.3%	+1.3pts

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

- Strong underlying growth in emerging markets:
 - Asia-Pacific (+107%), Europe (+174%)
 - South Africa (+49%), South America (+39%)
- Leading and growing position in Macau
- Expansion in other parts of Asia Pacific
- Strong Elektroncek growth in Europe and Asia
- ACE start-up

Initiatives and Outlook

Other Markets

STRATEGIES

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

OUTLOOK

- Strong growth – solid pipeline of opportunities
- Dependent on timing of new market openings

Growth Opportunities

		2008	2009	2010	2011
Platform	- Launch of Viridian and Gen 7				
Australia	- Replacement cycle - Software/licencing model				
Americas	- Replacement cycle - Stepper - video migration - 5 reel stepper - New markets, Class II, III, VLT - Recurring revenue - Conversions - South America - Mexico				
Japan	- Regulation 5 - Class III casinos				
Europe	- Russia - Other regional expansion				
Asia	- Macau - Singapore - Other regional expansion				
Electronic Tables	- Interblock - PokerTek				
Server Based	- Interactive Video Terminals - Class III				

Outlook

2008 – outlook improving

- Regulatory and market developments over the last 4-5 months have provided positive momentum for 2008
- Business fundamentals of improved pricing, cost leverage and strong cash flows remain intact
- Key factors influencing overall result:
 - size of the North American video market
 - continuation of positive sentiment in Japan
 - successful global rollout of *Viridian™* cabinet and *Gen7™* platform
 - foreign exchange rates

2009 and beyond - strong growth potential

- Catalysts for next step in gaming expansion are in place
- Strong growth potential as global gaming markets open up and new technologies are brought to market