



ARISTOCRAT CONFIRMS FULL YEAR GUIDANCE AND ANNOUNCES 2011 HALF YEAR RESULTS

Sydney, 25 August 2011

Aristocrat Leisure Limited (ASX: ALL) today announced its half year results to 30 June 2011 and confirmed expectations that operating profit before abnormal items and after tax and non-controlling interest for the 2011 full year would be 10%-20% ahead of the corresponding 2010 result.

Aristocrat delivered normalised profit after tax and non-controlling interest of \$24.9 million for the 2011 half year, ahead of guidance.

The business delivered a solid operational result for the six months to 30 June 2011, however the reported result was significantly impacted by the unprecedented strength of the Australian dollar, higher interest costs and generally weak global market conditions

Chief Executive Officer and Managing Director Jamie Odell said Aristocrat had delivered against the metrics called out for the first half of 2011.

"We are doing exactly what we said we would do: driving sustainable performance improvement by listening to customers and responding with the best possible games and products for each market and segment," Mr Odell said.

"Aristocrat's measurable gains in key markets demonstrate traction in our strategic turnaround program, positioning the business to grow in line with our commitments over the full year."

In the US, recent gaming operations releases achieved a significantly higher average fee per day than legacy product, while new outright sale products continued to achieve a higher average selling price than legacy products. Aristocrat retained ship share gains achieved through 2010, despite further contraction in overall demand, and the systems business won a number of new contracts, taking the total number of *Oasis*TM system customers to a new high.

New products also performed strongly in Australia, achieving higher average selling prices than legacy products, and also generating revenue growth. Since its launch in late February, *Viridian WS*TM has performed particularly well, driving a significant increase in New South Wales second quarter shipshare and turning around Aristocrat's momentum in this core market.

In Japan, Aristocrat continued to focus on building its portfolio and pipeline for the second half of 2011. The first half reflected the benefits of the move into licensed game content, with stronger game performance from product released and improved revenues, in line with our expectations.

In the Rest of World segment, performance improved on the prior corresponding period, mainly due to the launch of *Viridian WS*TM in Europe, New Zealand and Macau supported by exciting new game content. In Asia Pacific, Aristocrat's game performance throughout the reporting period continued to lead the market and Aristocrat Lotteries' European revenues increased with the ongoing, successful rollout of video lottery terminals in Italy.

DIVIDENDS

The Directors have authorised an interim dividend with respect to the 2011 half year of 2.5 cents per share, unfranked. The dividend will be funded by way of an underwritten dividend reinvestment plan. Further details of the interim dividend are set out in a separate ASX announcement.

OUTLOOK

Aristocrat reiterated the guidance provided in May, and confirmed its expectation that the business will achieve NPAT growth of between 10% – 20% over the 2011 full year compared to the 2010 result.

This guidance reflects stronger operational performance, partially offset by foreign exchange translation and higher interest costs. As previously noted, translation of foreign earnings to Australian dollars has the potential to impact reported results for the full year. NPAT guidance assumes an average Australian to US dollar exchange rate of 1.00 over the second half and only one game release for Japan.

Performance will be substantially weighted to the second half of 2011 as expected, due to the timing of game releases in North America and Japan, and gathering momentum behind new releases in Australia as previously set out.

Mr Odell said that, two years into Aristocrat's three to five-year change program, the signs of improved competitiveness are becoming clear.

"While generally weak economic conditions and headwinds outside our control have made our task harder, Australia's reversal of momentum is particularly important progress," he said.

"In addition, our new release products in the US, Japan and other markets are performing more strongly than legacy product.

"By the 2011 full year, product pipelines will be substantially restocked across all key markets and segments, and we will enter the third year of our turnaround on track and with positive performance momentum."

Aristocrat outlined additional activities which will further drive long term growth for the company.

These included the following:

- Leveraging the Aristocrat *TruServ*[™] lottery system to pursue new opportunities including the recently legislated Greek VLT market and the Class III casino market in Asia.
- An exclusive partnership with a Hong Kong based gaming company, to promote Aristocrat's existing server-based gaming system to Chinese provincial operators for lottery game distribution.
- Expanding Aristocrat's presence in internet gaming, including the licensing of content to regulated European operators and an exclusive arrangement with GameAccount Network to bring its internet gaming platform to the US, allowing customers to offer free play games online to their players.
- Adjustment to the cost base and operating model of Aristocrat's global business with cost benefits in the order of \$15m to be achieved over the course of 2012.
- Continuing to aggressively defend the core business from infringements of Aristocrat's highly valuable intellectual property.

Summary results

\$ million	Constant currency [^]		HY 2010	Variance vs HY 2010	
	HY 2011	HY 2011		Constant Currency [^]	Actual
Normalised results*					
Total segment revenue from ordinary activities	353.4	312.7	340.5	3.8 %	(8.2)%
Earnings before interest and tax	48.1	38.9	49.6	(3.0)%	(21.6)%
Profit after tax and non-controlling interest	31.7	24.9	36.6	(13.4)%	(32.0)%
Fully diluted earnings per share	5.9c	4.6c	6.9c	(14.5)%	(33.3)%
Total dividends per share	2.5c	2.5c	3.5c	(28.6)%	(28.6)%
Reported results					
Profit after tax and non-controlling interest	31.7	24.9	49.3	(35.7)%	(49.5)%
Balance Sheet / Cash flow					
Operating cash flow*	18.3	15.0	57.2	(68.0)%	(73.8)%
Closing net debt	289.9	293.2	49.0	(491.6)%	(498.4)%

[^] Adjusted for translational exchange rates using rates applying in 2010

* Before the net impact of abnormal and one off items that are not representative of the underlying operational performance of the Group.

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Aristocrat Leisure Limited (ASX: ALL) is a leading global provider of gaming. The Group is licensed by over two hundred regulators and its products and services are available in over ninety countries around the world. Aristocrat offers a diverse range of products and services including electronic gaming machines, interactive video terminal systems and casino management systems. For further information visit the Group's website at www.aristocratgaming.com.