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CEO AND CFO PRESENTATION TRANSCRIPTS FOR THE HALF YEAR ENDED 30 JUNE 2010

Sydney, 24 August 2010

COVER SLIDE

Good morning everyone, welcome to Aristocrat's results presentation for the half-year to 30 June 2010. My name is Jamie Odell, Chief Executive Officer and Managing Director of Aristocrat.

I'd also like to introduce Aristocrat's Chief Financial Officer, Toni Korsanos, who is with me on the podium today. Also with us here in Sydney, or on the line, are Nick Khin, President of our Americas business and Trevor Croker, Managing Director of our Australia and New Zealand business, along with other members of the Aristocrat executive team and key leaders of the business. Welcome everyone.

DISCLAIMER SLIDE

Before we begin, please note that this morning's presentation is being webcast, with a number of people participating on the call. I also draw your attention to the usual disclaimer statement prefacing today's presentation.

AGENDA - RESULTS OVERVIEW SLIDE

I will now quickly step through this morning's order of events, which will begin with some summary comments from me around our financial results for the half-year and high level reflections on our operational performance. I will then invite Toni to provide detail around the numbers, including a review of the performance of our business segments in North America, Australia, Japan and the Rest of the World. I will subsequently update you on our progress to date with our turnaround strategy, before concluding with some brief outlook comments and opening the floor to any questions.

First to an overview of our results

RESULTS OVERVIEW SLIDE

Global market conditions were indeed challenging across all core markets during the first half of 2010, as we anticipated.

Aristocrat has reported a profit after tax and non-controlling interest for the half of \$49.3 million, compared to a loss of \$33.4 million reported in the prior corresponding period (pcp). As we previously flagged to the market, currency fluctuations have had a significant impact on the reported result for the half. On a normalised, constant currency basis, the operating result for the half is \$44.3 million, marginally higher than \$44.0 million in the pcp.

The Group delivered a normalised operating result after tax and non-controlling interest of \$36.6 million for the first half of the year, ahead of market consensus but behind the pcp result of \$44.0 million.

RESULTS OVERVIEW CONT. SLIDE

Revenue for the half was \$340.5 million, 22.9% below the pcp in reported terms and 10.2% lower on a constant currency basis.

Normalised operating cash flow of \$77.4 million was \$2.7 million higher than in the first half of 2009 and represented 22.7% of revenue.

The headline numbers demonstrate responsible fiscal management in the context of very difficult market conditions, and also underscore the scale and complexity of the challenges we are tackling.

As you know, Aristocrat is 12 months into a 3-5 year turnaround, which will get the business back on the path of sustainable profit growth. We have deliberately prioritised our effort, especially unlocking Aristocrat's largest value opportunities which lie in the North American market early in the period. As a consequence, key markets are at different stages in terms of our turnaround program and this is clearly reflected in the varying segment results for the half-year.

AGENDA - RESULTS OVERVIEW SLIDE

As we've previously outlined, the North American gaming market is Aristocrat's most significant value opportunity by some margin. Encouragingly, our priority focus on North America is beginning to generate tangible improvement and results. Local currency profit increased from US\$63.3 to US\$66.8 million as Aristocrat grew share, improved margins and average selling price while reducing costs. This was achieved in the context of a contracting market, in which local currency revenue decreased US\$5.0 million or 3.0% to US\$159.8 million.

Traction in the U.S. is building to plan, on the back of an improving product portfolio and value-adding innovation built specifically to suit the player and customer demands of that market. Progress against our strategic objectives has been reassuring in North America, and ahead of other markets in the first year of our turnaround. We expect this will continue to be the case over the coming period.

In Australia, our turnaround program is at an earlier stage and is focused on fundamental capability building measures that will take some time to make an impact on the top line. Underlying operational performance in Australia was poor and unacceptable. Revenue of \$69.6 million was 22.3% below the prior period, with ship share falling in the six month period, compared to our closing position in December 2009, principally due to weak performance in New South Wales and Queensland. However, total Australian ship share for the 12 months ending June 2010 improved, primarily due to an increase in sales into Victoria and a marginally improved share performance in New South Wales, partially offset by a decline in Queensland.

The Australian business is working through a confluence of difficult market conditions facing the industry and Aristocrat's legacy issues including an inadequate games pipeline, declining games performance and a front-end operation that needs to improve significantly. We are making progress, taking the hard decisions and making the right investments to drive sustainable top line growth in the future. The first products developed for Australia in line with our new strategy will be brought to market in 2011. I will elaborate on this later in today's presentation.

Turning now to Japan, the business delivered a loss for the half of ¥198.8 million, with revenue of ¥658.1 million approximately 57.7% below the prior period result. This result principally reflected the lack of a key licensed game release in the half, as previously flagged, as well as the impact of a highly competitive and fast-changing pachislot market.

We are generally where we expected to be at this early point in our turnaround in Japan, but we reiterate that the market is unique and challenging. It will take 3-5 years to fix the

fundamentals that will generate sustainable profit growth in Japan and reduce performance volatility. The first half saw further evidence of the trend towards game titles that leverage major licensed characters and new technology. This validates our strategy in the Japan market and restates our challenge, on which we are squarely focused.

In the Rest of World segment, on a constant currency basis overall revenue was \$97.7 million, down from \$103.3 million in the pcp, but importantly Aristocrat held share across the segment. In key Asia Pacific growth markets, Aristocrat has continued to outperform with revenue growth of over 150% and profit growth that has more than doubled on a constant currency basis compared to the pcp. This result reflected our ongoing success in the Macau market, and our significant share of sales into new casino openings in Singapore.

Offsetting this result, revenues in New Zealand fell \$17.2 million as the business cycled over the one-off sales benefit triggered by last year's regulatory reform. Revenues in our ACE business were also down \$11.9 million due to a lack of new terminal deliveries in Norway. During the half, we also incurred significant business development costs in pursuing a new VLT opportunity in Europe.

H1 YEAR SUMMARY SLIDE

Before inviting Toni to provide more detail on our financial results and segment performance for the half, I'd just like to reiterate what I believe are the key characteristics of this result and where the business is currently positioned:

- We are 12 months into our turnaround effort, so there is significant heavy lifting and improvement to come. We are taking no short cuts and are tackling the fundamental issues that will rebuild performance and deliver our commitments within the timeframe we have established;
- Trading conditions continue to be difficult in most markets around the world, and we do not expect any improvement over the balance of 2010;
- The headline numbers for the half-year to 30 June 2010 demonstrate responsible fiscal management, diligent cost control and the benefit of many early improvements made during year one of our turnaround program;
- Our focus on unlocking our largest value opportunity in North America is beginning to yield tangible results, and is an encouraging sign;
- We're also performing strongly in the growth markets of Asia Pacific;
- In Australia and Japan, we are at an earlier point in our turnaround effort and operational results for the half were poor; and
- As we head into the second year of implementing our strategy, we will accelerate our focus on capability building in order to get stronger and more successful games into all of our key markets on a consistent basis.

I will make some further comments on our turnaround strategy and the outlook for the remainder of 2010 at the completion of Toni's presentation.

Toni ...

AGENDA – FINANCIAL RESULTS & SEGMENT PERFORMANCE SLIDE

Thank you Jamie and good morning everyone.

PROFIT & LOSS SLIDE

Turning first to the summary profit & loss statement. This slide sets out normalised results, both reported and on a constant currency basis.

Segment profit declined \$24.4 million (17.7%) compared with the pcp. The decline was driven mainly by a \$12.3 million profit reduction in New Zealand, and profit reductions of \$10.0 million and \$10.2 million in Australia and North America respectively. In local currency,

the North American profit result was up 5.5%. As Jamie noted, the reported declines were partially offset by strong performance in Asia Pacific.

Aristocrat's investment in its future through design and development spend increased by 2.0% in constant currency terms. As a percentage of revenue, design and development spend increased to 16.1% on a constant currency basis from 13.5% of revenues in the pcp. This increase is consistent with Aristocrat's turnaround strategy as we invest in better games development and new technology while increasing efficiency. The Indian Development Centre is delivering savings and reducing the Group's cost base to plan. With the recruitment of additional mathematicians, platform development and creative resources, design and development headcount has grown to over 730 staff compared to 644 at 31 December 2009.

Net interest expense decreased \$8.8 million due to the continued decline in net debt levels since the Group's capital raising in April 2009.

The Group's effective tax rate on the normalised result is 23.8%, lower than the 25.8% recorded in the first half of 2009. This reduction was driven by a more favourable earnings mix.

The decline in profit after tax has resulted in basic and fully diluted earnings per share falling by 2.2 cents (down 24.2%) to 6.9 cents.

Aristocrat's reported result included an abnormal net profit after tax of \$12.7 million arising from the disposal of its investment in Elektronček. The divestment is consistent with the Group's strategy to exit non-core businesses.

This transaction has been recognised pending expected regulatory approval during the second half. The proceeds from this divestment will also be received once regulatory approval is granted.

EBIT BRIDGE SLIDE

I will now provide an overview of the key contributors to the normalised EBIT result for the half, compared to the pcp.

I have isolated the impact of New Zealand, Japan and foreign exchange for the purposes of showing the underlying movements in revenue and cost elements.

We have already touched on the impact of results from New Zealand and Japan and the increased design and development investment. I will now discuss key movements in terms of cost savings, volumes and price/mix.

Cost control remains a key focus of our turnaround strategy. Selling, marketing, general and administration costs across the Group, excluding legal costs, were down 6.0% on a constant currency basis. Including legal fees, savings of over 10% were realised. These savings were driven primarily by lower personnel costs due to rightsizing undertaken in 2009.

The unfavourable volume variance is representative of volume declines in platforms and game conversions in both the North American and Australian markets, partially offset by strong performance in Asia Pacific.

Positive price/mix was primarily driven by strong Asia Pacific performance, which delivered favourable mix through a higher proportion of *VIRIDIAN*TM product and linked game conversions. Also relevant was the higher average selling price achieved in North America influenced by favourable mix driven by the release of *VIRIDIAN WS*TM. This was partially offset by lower conversions and pricing in Australia.

A stronger price/mix result for the Group will position the business to extract greater benefit from any improvement in market conditions.

The favourable cost of sales variance primarily represents efficiency gains in the cost of the *VIRIDIAN*TM due to improved scale and procurement savings.

CAPITAL MANAGEMENT SLIDE

We continue to take a prudent approach to balance sheet management with conservative debt ratios and debt levels well within those expected for companies with an investment grade credit rating.

Net debt reduced from \$75.3 million to \$49.0 million during the half driven by strong cash flows. During the half, the Group also extended its three year debt facilities out to June 2013. Aristocrat has sufficient secured debt facilities and retains sufficient headroom to cover expected funding requirements going forward, including those arising from the convertible bonds litigation and a substantial ability to pursue strategic opportunities should they arise.

The directors have authorised an interim dividend in respect of the half-year of 3.5 cents per share. The interim dividend will be unfranked and is expected to be paid on 30 September 2010. The Dividend Reinvestment Plan will remain activate in respect of this dividend with no discount applicable.

The Group's ability to pay franked dividends is primarily influenced by its mix of earnings and agreements with various taxation authorities. As noted previously, given the current mix of earnings and the impact of prior year abnormal items, dividends paid over the medium term are not expected to be franked.

The 2010 interim dividend represents a payout ratio of 51% of normalised earnings. This is at the lower end of our target payout ratio of 50% - 70%. This is a prudent approach in the context of the current market environment, and the Group's overall performance. It also takes into account any pending damages payments which may be made in the second half following receipt of final judgements in the convertible bonds litigation.

Despite lower earnings, higher operating cash flows were driven by debtor receipts and lower interest payments partially offset by tax payments.

The Group's profit to cash conversion and its ability to deliver operating cash flows remains sound with operating cash flow representing 211.5% of profit after tax for the half compared to 169.8% in the pcp.

Fully diluted operating cash flow per share decreased from 15.4 cents to 14.6 cents.

I'd now like to provide more detail on segment performance.

NORTH AMERICA SLIDE

As previously mentioned, the North American business recorded a strong result for the half despite the contracting market and difficult trading conditions. The replacement cycle remained flat, and there was a significant decline in the number of new casino openings and expansions during the half. Local currency profitability improved 5.5% to US\$66.8 million and margins improved 3.4 percentage points to 41.8%. This was primarily driven by higher average unit selling prices, higher systems margins, a greater contribution from gaming operations to the overall result and better cost management.

Aristocrat grew our share of outright EGM sales on top of gains achieved last year, however, due to lower market activity, platform volumes were down 5.3% compared to the first half of 2009. A significant driver of first half sales was the release in the second quarter of the new *VIRIDIAN WS*TM product. The *VIRIDIAN WS*TM has proved very popular with customers and all widescreen titles currently released in the market are performing above floor averages.

As expected, sales of software conversions decreased 23.7% to 3,372 reflecting the release of fewer Mk 6 game titles as customers continue to transition to the *VIRIDIAN™ Gen7™* platform and support for the Mk 6 platform is further reduced.

The average selling price achieved during the period was over US\$15,000 per unit, representing a 1.8% improvement over the pcp, largely due to product innovation, in particular *VIRIDIAN WS™*.

The contribution of gaming operations to total revenue in North America increased 7.8% in the half, due to the higher installed base compared to the pcp. Only one key participation game, a linked progressive on our *VIRIDIAN™ RFX™* stepper platform, was released in the period. Aristocrat's total gaming operations installed base fell slightly, 205 units from 31 December 2009, in line with our expectations, as the 2010 games pipeline is heavily skewed towards the fourth quarter of the year. The gaming operations average fee per day declined from US\$43 to US\$40 in the same period. This was largely attributable to the reduction in operator revenues and the continued ageing of our installed base.

It was a challenging half for the systems business, given economic conditions and the limited number of new casino openings during the reporting period. Total revenue decreased 17.3% to US\$28.1 million compared to the pcp. Positively however, the number of customers using the *OASIS 360™* Casino Management System in North America continued to grow and reached a new record of 268 as at 30 June 2010. Aristocrat also secured its first casino customer in Canada, along with new business in Puerto Rico.

We continued to incorporate value-adding functionality into our systems products to further improve their competitiveness. During the half, we announced a partnership with software firm Microstrategy, which will allow us to build business intelligence tools into our systems products. In addition, we continued to invest behind key systems projects, including the development of the *OASIS 360™* One Card and the next generation *Sentinel™* hardware for the U.S. market.

In the stepper category, ongoing game and platform development was a focus during the half. Our first stepper gaming operations product was launched, and a second stepper creative studio was established during the half to further increase our game development capability. Two feature-rich stepper games built around an Alice in Wonderland theme are due for release in late 2010.

AUSTRALIA SLIDE

Turning now to the Australian business. The improvement we saw in late 2009 did not continue into the first half of 2010. Market conditions were difficult throughout the reporting period. Capital investment into gaming products fell primarily due to the general decline in operator turnover compared to the pcp, coupled with uncertainty surrounding the implications of the Productivity Commission's final report.

Revenue declined 22.3% and profit declined by 45.9% compared to the pcp, primarily driven by lower game conversions.

Platform unit sales were marginally ahead of the prior period, when adjusted for the *Indian Dreaming™* units revoked in 2009. Performance in Victoria and Tasmania improved, but this was offset by poor game performance in New South Wales and a lack of new product released in Queensland.

Game conversions were down 53.2% compared to the pcp, 26.9% when adjusted for the impact of the *Indian Dreaming™* revocation.

Margin declined 7.3 percentage points as a result of lower conversions, unfavourable pricing and product support in response to game performance issues.

The performance of recent game releases in New South Wales, particularly *JAWS™**, affected the first half result. *JAWS™* was insufficiently targeted and performed poorly in a number of smaller venues. However, the footprint increase gained through the initial release of *JAWS™* in 2009 has been maintained. The *JAWS™* installed base has been refocused in the appropriate market segments and the title is now performing positively and at sustainable levels.

JAPAN SLIDE

The Japan business delivered a loss for the half of ¥198.8 million, with revenue down 57.7% compared to the pcp. This result was largely driven by the lack of a key game release during the half. Significant cost reduction and efficiency benefits were captured during the half, lowering reported losses.

Total pachislot sales in the market increased approximately 45% compared to the pcp, but this level of growth is not expected to be sustained over the balance of the year. Operator spend was concentrated on the top 5 titles released in the half, reflecting an accelerating demand for key licensed game titles leveraging new technologies rather than in-house developed and smaller licensed titles. While validating our strategic direction and plans for the future, Aristocrat did not benefit from this trend during the half and sold a total of 2,342 units compared to 5,747 in the first half of 2009.

REST OF WORLD SLIDE

I will now finish with our fourth segment, Rest of World.

Total revenue in this segment in constant currency was \$97.7 million for the period compared to \$103.3 million in the first half of 2009. However, the composition of the result varied markedly, with strong performances in the Asia Pacific market and Europe offset by weak results in New Zealand as Jamie has mentioned.

In constant currency terms, Asia Pacific revenues and profits increased significantly over the pcp as flagged. This was driven by strong sales in the key growth markets of Macau and Singapore. In Singapore, Aristocrat achieved the highest floorshare of any supplier in the new Resorts World Sentosa and Marina Bay Sands casinos, and our games are performing extremely well.

In Europe, constant currency profits almost doubled and margins improved 5.5 percentage points, despite revenues declining 7.1%. This result reflected the benefits captured by cost reduction and the strategic re-alignment of the business during 2009.

In constant currency terms, the ACE business delivered a loss for the half of \$3.1 million, equivalent to the loss delivered in the first half of 2009. The business continued to deliver *TruServ™* system upgrades and related services under its Norsk Tipping contract but did not deliver any further terminals. Game performance improved and investment in business development activity continued through the half.

In Latin America, sales volumes and profitability fell 16.3% and 41.3% respectively, largely due to mix shift and a lack of new venue openings during the reporting period. Our new market entry program progressed to plan, with our Mexico office opened during the half. We also invested in new games development resources in Argentina to boost design and development capability aimed specifically at Latin American markets.

That provides an outline of the Group's financial result and segment performance for the half-year. I will now pass back to Jamie to address strategy and outlook.

Jamie

AGENDA – STRATEGY UPDATE SLIDE

Thank you Toni.

I would now like to comment on the progress we're making in transforming the business.

As you know renewal has been an important focus for our Board and today we announced the appointment of Dr Ian Blackburne as Chairman (Elect) subject to the expected receipt of all necessary regulatory pre-approvals. Dr Blackburne's appointment as Chairman will take effect 1 December 2010. David Simpson will continue as Chairman until that date and subsequently he will retire as a Non-executive Director at the conclusion of the Board meeting on 17 December 2010. I would like to express my thanks to David for the significant contribution he has made to Aristocrat and I look forward to working with Ian as we enter the second year of our turnaround program.

In August 2009, I described a commonsense approach to rebuilding sustainable profit growth across our business over 3-5 years. One year into the implementation of this strategy, and in line with our expectations, it is clear that progress across key markets will occur at different rates, according to the nature of the issues and the priority we attach to them. We will continue to take a value-led, market-by-market approach to return the whole of our business to a sustainable growth path within our turnaround horizon.

Overall, we have made solid progress in our first year, with tangible improvements in our most important market in the U.S. a particularly positive sign. We have the right plans and capability to build on this early momentum. We are maintaining a disciplined focus on the technologies and capabilities that will drive growth through 2011 and beyond, and are investing accordingly.

While we are pursuing a large number of improvement initiatives, last August we called out the five that are most critical to our success. We also stipulated clear metrics against which we will be held accountable. I would now like to walk you through these 'big 5' strategic initiatives and detail the progress we have made to date.

5 INITIATIVES THAT UNDERPIN SUCCESS SLIDE

To recap, the five opportunities that will make us successful are: doubling our share by value of the gaming operations market in North America over five years, closing the gap between ship share and installed base in Australia, better managing volatility in Japan, building a world-class product development capability and building a world-class organisation to help achieve the first four goals in full and on time.

NORTH AMERICA – FOCUS TO UNLOCK POTENTIAL SLIDE

Turning first to North America....

We have increased our share of outright EGM sales in North America by 1 percentage point since 31 December 2009 and 2 percentage points since we announced our strategy in August 2009. This is a positive outcome in a market that has contracted over the same

period. During the half, as well as growing ship share, Aristocrat's average selling price increased due to stronger game performance and exciting product innovation built specifically to suit the U.S. market. We are confident we can apply this capability and momentum to build our share of the gaming operations market in line with our strategy.

As Toni mentioned, our gaming operations games pipeline is heavily skewed towards the fourth quarter of 2010 and building for the next 3-4 years. We believe we are on track to achieve a 10% value share by the end of 2014 and are satisfied with our progress to date.

In April, we released the first product developed in line with our turnaround strategy – *VIRIDIAN WS™*, which was built from the ground up with extensive customer input. While it's relatively early days, *VIRIDIAN WS™* represented 60% of Aristocrat's U.S. sales for the June quarter. It is well supported by customers and is performing very well in the field. *VIRIDIAN WS™* includes a number of important platform enhancements, leveraging leading-edge technology. A ground-breaking LCD button panel, again developed as a result of customer feedback, will be launched in the market in the second half of this year.

Further evidence of the progress we're making can be seen in the recent launch of our first true high definition product – *VERVE hd™*. *VERVE hd™* builds on Aristocrat's historical strengths in mathematics, and incorporates market-leading 3D digital sound, colour LCD buttons and an advanced operating system. The sleek new cabinet has been designed with extensive customer input, and is generating significant early interest and traction. *VERVE hd™* is the first output of our investment in additional creative studio resources in the U.S. and is a positive sign that we are developing the capability required to execute our focused innovation strategy in North America.

Capitalising on this momentum and capability, we have assembled an impressive pipeline of new U.S. gaming operations titles due to be released from the second half of 2010. These include the *VERVE hd™* titles *Rockin' Olives™* and *Tarzan™*, the launch of our first community style game *Beijing Bonanza™*, as well as a new series of feature top box and hyperloop games.

The rollout of a new product development process, together with rigorous insights and game reviews, will consolidate these advances and ensure games are brought to market more quickly, while also improving our hit rate. Extra investment in U.S. focused creative studios during the half and the creation of a leading edge technology hub in Austin, Texas, are also beginning to increase the quality of our gaming operations output.

While initially focused on North America, these initiatives will also improve the quality of games being brought to market in Australia, Japan and elsewhere over time.

Moving now to our systems business, as Toni mentioned, we continue to focus on adding value and functionality to our systems offer to further improve our competitiveness in a difficult market. It is an encouraging sign that we are continuing to attract new customers to our *OASIS 360™* product despite the lack of expansion and new opening activity in the market. We are confident in our work to substantially build our systems offer and position the business for further growth as the market recovers.

We are also making clear progress in building our stepper business. As I said earlier, game and platform development has been our focus to date, along with substantial investments in better technology. The successful release of our first stepper gaming operations product – *Kentucky Derby™* - was a recent and important milestone.

With the benefit of our significant investment in stepper game development capability, we are confident in our pipeline and look forward to seeing continued improvement in our stepper product in the market from late 2010. Of course, we are at an early stage in building our stepper business and we're not taking any shortcuts.

Overall, our progress in the U.S. is very encouraging. Critically, we are building momentum on the back of more exciting and better performing games that are built specifically for the

North American market. We are leveraging player and customer insights, and leading-edge technology, to add value and propel steady growth in our gaming operations footprint and profitability. In other words, our strategy is coming to life in the world's largest gaming market, and the traction we're seeing – while obviously early – gives us every confidence that we're on the right track.

AUSTRALIA – AGILE & CUSTOMER LED SLIDE

In Australia, while ship share was marginally ahead for the 12 months ending June 2010 in compared to our closing position in December 2009, the decline in the six month period from 31 December 2009 to 30 June 2010 is clearly unacceptable. We are absolutely focused on our plans to stabilise performance in Australia and begin to grow share towards our installed base within our turnaround horizon.

Key to this is significantly improving our Australian games portfolio and the effectiveness of our sales and marketing model, and we've been upfront that these are fundamental, legacy issues that will take time to fix permanently. Generating topline momentum is going to take longer in this market than in the U.S. Our implementation plans are robust, ambitious and progressing, but there is a lot of hard work still ahead of us.

The issues we saw in the market with *JAWS*[™] during the reporting period confirm a core principle of our strategy that not all games work in all markets and segments, and that the most profitable approach is a targeted one. As Toni mentioned, we've refocused the *JAWS*[™] installed base towards larger venues in Australia and are now seeing game performance improve as a result. The introduction of a comprehensive market segmentation strategy will ensure these lessons are applied consistently in the future.

However, the larger issue identified in our strategy is game quality and performance, which has been in decline in Australia for some years. A range of initiatives bedded down during the half were aimed squarely at this goal, including the integration of the insights function into the new product development process, the establishment of a games studio focused solely on meeting the needs of the Australian market and the reallocation of routine systems and platform work from Australian creative studios to the Indian Development Centre.

At the recent Gaming Expo in Sydney, Aristocrat showcased some of the early progress we are making in getting better games into the Australian market. Customers have reacted very positively to the new *Rose Tattoo*[™] title, a multi-denomination product that is specifically tailored to the Australian pub and club market. We're also encouraged by the strong performance in New South Wales of our *FaFaFa*[™] 1 cent linked game, and will look to build on these advances over the coming period.

In addition, key leadership roles in the Australian business were filled during the half, including a new Chief Operating Officer position that will inject further accountability into the business and support our culture change initiatives in a tangible way. These steps build on the significant leadership renewal and overhaul of key business processes throughout the Australian business implemented over the past 12 months.

The second half of 2010 will see an accelerated focus on improving the quality of our Australian games portfolio in a challenging market. The game release pipeline for the second half of 2010 has been restructured to deliver more standalone progressive titles and more new games into Queensland in particular, in line with customer feedback. The rollout of a new product development process, together with rigorous game reviews, will also improve our product portfolio over the coming period.

We expect the first major outputs of our new strategic approach will be released into the Australian market in the second half of 2011. We anticipate performance momentum building into 2012, positioning us well to take advantage of any broader recovery in the market. While we're transparent about the size of our challenge in Australia, we remain absolutely confident of demonstrating sustained growth within our turnaround window.

JAPAN – MANAGE VOLATILITY SLIDE

We have focused plans in place to reduce performance volatility in Japan over our 3-5 year strategic horizon, but reiterate that it will take time to fully stock a compelling games pipeline given the need to acquire and develop licences and clear complex regulatory hurdles. We maintain our commitment to the goal of consistently delivering 2 key licensed titles, and achieving over 50,000 unit sales per annum, within our turnaround window.

During the first half of 2010, we implemented a range of capacity-building measures as set out in our strategy. The integration of Spiky, our second NDK membership, and the reaching of an agreement with one of Japan's largest distribution agents, were important steps forward. In addition, the development of a comprehensive licensed games roadmap, the acquisition and development of further licences, the commissioning of an additional creative studio focused on Japan and further investment in management capability were delivered to plan.

While the pachislot market is showing signs of recovery, what's clear is that demand is shifting more quickly than anticipated towards key licensed game titles rather than in-house developed and smaller licensed titles. This confirms that we are on the right track in terms of our plans for Japan. Our challenge is to accelerate our effort over the coming period to ensure we are 'fit to fight' and able to get maximum benefit from this trend as it unfolds.

12 months into the implementation of our strategy in Japan, it's still early days. However, we have already made many of the difficult and fundamental changes upon which our success depends, and we are absolutely clear about what remains to be done. Over the next 12 months, we will accelerate our focus on improving our game quality, hit rate and technology in order to demonstrate solid evidence of topline improvement from the second half of 2012.

WORLD CLASS PRODUCT DEVELOPMENT SLIDE

In the past year, substantial progress has been made in building a world-class product development process that delivers the best games and systems in each market – faster, and more efficiently – to our customer facing teams. Many of the fundamentals in terms of product development strategy, systems, structure and culture have been introduced and are being bedded down, particularly in our key markets.

As I've mentioned previously, in the first half of this year we increased our investment in design and development, with additional resources placed into video, stepper and platform development teams in North and Latin America. In addition, we have invested in dedicated creative studios focused on meeting the needs of Australian and Japanese customers.

We have also boosted our investment in value-adding technology, innovation and platform development. Our recently opened technology hub in Austin, Texas, has been a key contributor to the development of the new *VERVE hd*TM product. We aim to leapfrog our competition technologically over our 3-5 year strategic horizon, and will showcase early evidence of our intent at G2E in November.

The Indian Development Centre is fully operational, with planned savings being recognised and reinvested in priority design and development capacity as planned. The quality of work coming out of the IDC team is high, and delivery times are building to plan.

Our insights function is live across all core markets, and integrated into our new product development process. Comprehensive platform, technology and product roadmaps have been developed, with clear and aligned product plans approved for 2011.

Among other improvements, games and systems teams now have access to detailed segmentation analysis, customer insights seminars and immersion opportunities across all key markets. We are already seeing uplift from this in terms of more tailored product

offerings, and expect this to accelerate as pipelines are stocked and brought to market through the second half of 2010 in North America and the second half of 2011 in Australia and Japan.

In terms of our VLT business, we are encouraged by ACE's partnership with Cogetech in the Italian VLT market. This will allow ACE to extend its presence in Europe. We believe the global VLT market has strong growth prospects in the medium term. We will continue to pursue value-adding opportunities and invest in business development and further improving our VLT offer.

WORLD CLASS ORGANISATION SLIDE

While our formal rightsizing effort was successfully completed in the second half of 2009, we continue to extract SMG&A savings and invest these against our strategy – in particular in increased, targeted design and development capability.

During the first half of 2010, we increased our strategic pricing capability, the impact of which should come on stream from 2011. We also continued to refine our structures and processes to support the execution of the strategy and reduce overhead spend, for example through the restructuring of the Australian sales and marketing team.

Our exit from distracting jurisdictions, signalled in August last year, is now complete, along with the divestment of our share in the Elektronček business as we have flagged.

Our organisational culture initiatives continue to build momentum, with aligned KPOs driving a performance focus across the business along with increased cross-functional collaboration.

AGENDA - OUTLOOK SLIDE

I would now like to make some brief comments on our expectations for the balance of 2010, focusing on our key markets.

OUTLOOK 2010 SLIDE

We have consistently said that 2010 will be a challenging year, and we repeat that expectation today.

In North America we don't expect any improvement in the size of the market in the second half, with no change in the replacement cycle and no significant expansion activity anticipated. For Aristocrat's part, we aim to maintain sales momentum through our *VIRIDIAN WSTM* product and maintain our systems share in a constrained market. In gaming operations, we aim to grow our installed base on the back of strong game releases in the fourth quarter of 2010, which will benefit profitability through 2011 and beyond.

The Australian market will remain capital constrained and generally flat. We expect our performance to improve in the second half due to more and stronger game releases, but our focus will remain on capability building and positioning the Australian business for a longer term recovery.

In Japan, the growth levels seen in the overall pachislot market in the first half of the year are unlikely to be sustained, given capital constraints and an industry self restriction scheduled to coincide with APEC in November. Our business is on schedule to release a key game in the second half as flagged, as well as the first game under our new Spiky brand. However, we expect sales volumes to be reflective of the extremely competitive market.

As foreshadowed, Aristocrat's performance for the year will be substantially weighted to the second half. Our product pipeline is stocked to deliver improved games in all core markets in

the second half of 2010, particularly in North America, where as I have indicated we have just launched the *VERVE hd*TM cabinet and showcase a range of other innovations at G2E in November.

We continue to flag the potential for adverse foreign exchange movements to impact our reported results for 2010.

The Group also expects an increase in its debt funding costs if it makes damages payments in the second half as a result of final judgements being issued in the convertible bonds litigation. In the interim, we will incur costs associated with hedging the damages liability.

We also repeat our expectation that broader growth in core markets will not manifest before the later part of 2011, with momentum likely to build significantly from 2012.

AGENDA - QUESTIONS SLIDE

In February, I said that 2010 would be a year of accelerating the implementation of our strategy, amid tough market conditions across the world that would continue to buffer our operational performance. Half way through 2010, we can only reiterate this guidance.

More importantly, however, we confirm our commitment to continue to energetically and systematically address the things within our control that will boost our competitiveness and profitability as macroeconomic conditions improve.

While it's early days, we can already point to concrete progress, particularly in our most strategically valuable market in the U.S. and a host of fundamental improvements to systems, structures, capability and culture that will generate top line momentum in each of our key markets over time.

One year into our turnaround journey, the Aristocrat team is more singularly focused on the job ahead than ever before. We have clear plans, the capability to deliver and a determination to make good on our commitments.

That concludes the formal presentation, I am happy to invite any questions.

Thank you.