



ARISTOCRAT LEISURE LIMITED ANNOUNCES 2008 RESULTS

Sydney, 24 February 2009

Aristocrat Leisure Limited (ASX: ALL) today announced an operating (pre abnormal) profit after tax and minority interest of \$140.3 million (30.5 cents per share, fully diluted) for the year ended 31 December 2008, in line with previous guidance.

This result is stated prior to recognising a net one-off (abnormal) loss after tax of \$39.1 million (\$56.3 million pre-tax) representing the impact of the Class Action settlement, property disposals and the write down in investments.

Key points on the overall result:

- Overall revenue and earnings were lower than 2007 levels primarily due to the slow and limited rollout of Viridian™ Gen7™ and associated new games together with the impact of economic and regulatory conditions in the Group's two largest regions – Australia and North America;
- This was offset to some extent by significant growth in Japan with over 57,000 units sold, almost double 2007 volumes and, to a lesser extent, by growth in South Africa and South America;
- Ongoing investment in research and development, with spend increasing by \$13.0 million to \$117.2 million;
- Pre abnormal operating cash flow of \$173.8 million (37.8 cents per share, fully diluted); and
- Final dividend of 10 cents per share, fully franked.

Mr Simpson, Executive Chairman said "While the 2008 year has been challenging with deteriorating economic and market conditions we compounded the effect of this by being slow in the roll out and approval of the new *Viridian™* cabinet and *Gen7™* platform and the library of new games essential to their performance."

He added "We believe that the *Viridian™* will generate superior performance and given its availability in key jurisdictions for the full year together with a growing library of strong supporting content, expect to see upside in our share of overall sales during 2009."

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SUMMARY RESULTS

Normalised Results	2008 \$ Million Constant Currency [^]	2008 \$ Million	2007 \$ Million	Constant Currency [^] Variance	Actual Variance
Total Revenue from Ordinary Activities	1,027.2	1,079.9	1,122.0	(8.4%)	(3.8%)
Operating Earnings before Interest and Tax	200.0	212.9	332.3	(39.8%)	(35.9%)
Operating Profit after Tax and Minority Interest	131.1	140.3	247.2	(47.0%)	(43.2%)
Operating Cash Flow	164.1	173.8	222.2	(26.1%)	(21.8%)
Net Debt	346.5	376.4	111.8	209.9%	236.7%
Fully Diluted Earnings per Share	28.5c	30.5c	52.8c	(46.0%)	(42.2%)
Fully Diluted Cashflow per Share	35.7c	37.8c	47.4c	(24.7%)	(20.3%)
Total Dividends per Share	36.0c	36.0c	49.0c	(26.5%)	(26.5%)

[^] Adjusted for translational exchange rates using rates applying in 2007

Overview of operating sectors

Australia

Revenue declined 33.8% to \$185.3 million while profits fell 52.5% to \$52.0 million. The delayed availability of *Viridian™ Gen7™* and progressively deteriorating market conditions impacted operator demand resulting in a 43.8% decline in platform sales, implying an unsustainable 35 year replacement cycle.

North America

Revenue declined 5.6% to \$456.7 million and profit fell 11.0% to \$181.4 million (in constant currency terms) driven by the slow delivery of *Viridian™ Gen7™* and the lack of new game content further exacerbated by poor economic conditions which had a significant negative impact on the replacement cycle. While product delays at the beginning of the year impacted sales, market share of video product is estimated to have recovered to prior year levels in the last quarter.

Japan

Revenue increased by \$83.6 million (91.7%) to \$174.8 million (in constant currency terms) while profit increased by \$37.5 million (635.6%) to \$43.4 million, reflecting the improving success of the Group's Regulation 5 releases. Unit volumes were the key driver with a total of 57,473 units sold, almost double the volume sold in the prior corresponding period.

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Emerging markets

Emerging markets experienced mixed conditions in 2008 with a lack of new venue openings compared to the previous year, particularly in the Asia-Pacific region. The European market remained relatively soft due to the progressive deterioration of economic conditions and the ongoing impact of smoking bans. South Africa and South America delivered underlying operating revenue and profit growth as the Group continues to build its presence in these regions. The New Zealand region was impacted by a lack of new product and operators delaying the upgrade of their floors to meet new responsible gaming legislation ahead of a 1 July 2009 deadline.

Other

The contribution from the Group's 50% owned Elektronček business declined significantly (\$9.7 million, 96.0%) as a result of the lack of new openings in the Asia-Pacific region, the impact of economic conditions and delays in gaining product approvals for its G4™ Organic™ product range.

The Group also recorded additional inventory provisioning of \$14.7 million (pre tax) as a result of the *Viridian™ Gen7™* roll out and slower than expected clearance of existing product lines.

DIVIDEND

The Board has determined to pay a final dividend of 10 cents per share (\$45.5 million) fully franked payable on 30 March 2009.

Total dividends in respect of the 2008 year amount to 36 cents per share, with average franking of 66.7%. Excluding supplementary dividends, the payout ratio for the 2008 year was 77.5%, fully franked.

CAPITAL MANAGEMENT

In light of current market and economic conditions, the Group considers it prudent to scale back its capital management activities.

In line with this conservative approach, the Dividend Reinvestment Plan (DRP) for the 2008 final dividend will be underwritten. A 2.5% discount will apply in determining the DRP issue price. The Group also intends to realign its future payout ratio to 50% - 70% of pre abnormal net profit after tax and minorities.

The Group's approach to capital management is consistent with its commitment to maintaining its investment grade BBB- credit rating.

OUTLOOK

While the 2009 result will be influenced by the impact of the economic climate on the Group's key markets and in turn operator investment in their gaming floors, the Group expects to benefit from a full year's availability of the *Viridian™ Gen7™* platform and an increasing new game library together with an enhanced library of themed participation games which are scheduled for release over the year across most of its key jurisdictions. The Group also expects initial sales from the launch of its *Viridian™ RFX™* stepper product into the North American market in the first half, enabling penetration of a segment of the gaming market in which it has not effectively competed to date.

The Group's business fundamentals of improved pricing, cost leverage and strong cash flows are expected to remain intact.

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Aristocrat Leisure Limited (ASX: ALL) is a leading global provider of gaming solutions that consistently outperform the competition. 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, electronic tables, and casino management systems. For further information visit the Group's website at www.aristocratgaming.com.