



ARISTOCRAT ANNOUNCES REVENUE AND PROFIT GROWTH, STRENGTHENING OPERATIONAL PERFORMANCE FOR 2014 HALF YEAR

Sydney, 28 May 2014

A\$ million Reported Result	6 months to 31 Mar 2014	6 months to 31 Mar 2013	Change %	
Revenue	412.5	383.2	▲	7.6
EBITDA	99.9	95.4	▲	4.7
EBIT	76.1	75.3	▲	1.1
NPAT ¹	57.4	52.6	▲	9.1
EPS (fully diluted) ²	10.4c	9.5c	▲	9.5
Total dividend per share	8.0c	7.0c	▲	14.3
Operating cash flow	61.0	45.6	▲	33.8
Net Debt / EBITDA	1.2x	1.0x	▲	15.7
Closing net debt	233.7	185.1	▲	26.3

¹ Operating profit after tax and non-controlling interest.

² Earnings per share.

The information presented in this document has not been audited in accordance with the Australian Auditing Standards.

Aristocrat Leisure Limited (ASX: ALL) today announced its results for the half year ended 31 March 2014.

Group performance for the six months to 31 March 2014 was ahead of the prior corresponding period, with reported profit after tax and non-controlling interest of \$57.4m representing a 9.1% increase over the \$52.6m delivered in the six months to 31 March 2013.

This result was driven by improving operational delivery, particularly share growth in the critical US gaming operations segment, as well as foreign exchange and tax benefits. Share growth across the US and Australian outright sales markets, the maintenance of Aristocrat's leading position in Asia Pacific and a five-fold growth in revenues in Aristocrat's online business also contributed to the result.

Directors have authorised an interim dividend in respect of the reporting period of 8.0 cents per share, representing a payout ratio of 77% of normalised earnings and an increase of 14% compared to the prior corresponding period.

Other result highlights include the following:

- On a reported currency basis, revenue increased 7.6% and EBIT increased 1.1%. In constant currency, revenues were down 2% and EBIT fell 13.9%, as a result of our increased strategic investment in D&D over the reporting period.
- In particular, the Group made significant investments in industry-leading creative and technical talent and enabling technology, consistent with its plans to take share in priority segments across key markets. Investments in US gaming operations, outright sale segments in the US and Australia and the Online business drove significant performance improvements over the reporting period.
- Operating cash flow of \$61m was almost 34% higher than the prior corresponding period, mainly due to higher revenues over the half, together with cash management initiatives.
- Net gearing increased from 1.0 to 1.2 times, reflecting higher investment levels and dividends paid to shareholders with conservative borrowing metrics maintained.
- Reported fully diluted earnings per share of 10.4 cents was 9.5% higher than the prior corresponding period.

Over the six months to 31 March 2014, Aristocrat made demonstrable progress in its product-led, share-taking strategy. Across key markets, the Group closed portfolio gaps, better targeted game development and technology resources at key segments and improved front-end sales execution.

Aristocrat's gaming operations footprint increased 18.6%, with a 6.1% increase in average fee per day compared to the prior corresponding period. Share gains were also achieved in outright sale segments in both the US and Australia, with performance in the major markets of New South Wales and Queensland a particular highlight. In addition, accelerating momentum in the Group's online business was achieved, as Aristocrat continued to build meaningful scale in this emerging business.

Chief Executive Officer and Managing Director, Jamie Odell, said "Aristocrat has reported positive performance over the six months to 31 March 2014 building on our established trajectory of NPAT growth. These gains flow directly from the rapid improvements we are making in the breadth, depth and competitiveness of our game portfolios, which have been exceptionally well received by customers and players across our priority segments.

"This builds on our medium term record of strong NPAT growth, with high quality games and products sustaining robust operational performance despite increased competition and mixed conditions across our key markets.

"Increased profitability in North America was driven by outstanding share growth in our gaming operations footprint and average fee per day, together with a higher average selling price and share growth in the outright sales segment. Once again, this has been achieved by leveraging the industry's best technology and creative talent to attack key segments with high quality, tailored game portfolios.

"Impressive gains were made over the half year in Australia, with Aristocrat achieving the top ship share position in both NSW and Queensland during the March quarter. This is the first time since mid-2010 that Aristocrat has led the Queensland market, showing the progress we are making in tailoring products to key markets and closing portfolio gaps.

"In Asia Pacific, Aristocrat held its leading market share, reflecting ongoing investment in the region's strongest game portfolio, relevant innovation and high performance levels.

“The performance of our Online business represents an exciting and expanding value stream. It is quickly developing meaningful reach and performance momentum, and it’s clear our strategy of leveraging premium Aristocrat content to drive user numbers and profitability is gaining traction.

“We anticipate strong NPAT growth over the twelve months to 30 September 2014 largely driven by improving operational performance across key markets and segments, partly offset by higher D&D investment as we build for the future, in line with our strategy.

“Performance will be weighted to the second half, reflecting the carry-forward of a higher gaming operations installed base, strengthening fee per day and the impact of a full pipeline of compelling new game content. We expect continued ship share momentum and bottom line benefits, particularly in the US and Australia, from the step up in D&D investment to be more evident through the second half of the year.” Mr Odell concluded.

Further Information:

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Group Treasurer and Investor Relations Manager

Aristocrat Leisure Limited (ASX: ALL) is a leading global provider of gaming solutions. The Company is licensed by over 200 regulators and its products and services are available in over 90 countries around the world. Aristocrat offers a diverse range of products and services including electronic gaming machines, video lottery terminal systems and casino management systems. The Group also operates within the online social gaming and real money wager markets. For further information visit the Group’s website at www.aristocratgaming.com.