ARISTOCRAT LEISURE LIMITED

ABN 44 002 818 368

2019 HALF YEAR
PROFIT ANNOUNCEMENT

RESULTS TO BE RELEASED
TO THE MARKET

ANNUAL INFORMATION GIVEN TO THE ASX
UNDER LISTING RULE 4.2A

ARISTOCRAT LEISURE LIMITED
BUILDING A PINNACLE OFFICE PARK
85 EPPING ROAD
NORTH RYDE NSW 2113

2019 HALF YEAR
PROFIT ANNOUNCEMENT
CONTENTS

ARISTOCRAT LEISURE LIMITED

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APPENDIX 4D

Half-Year Report

Half-year ended: 31 March 2019

Previous corresponding period: 31 March 2018

Results for announcement to the market

				31 March 2019 $'m
Statutory results				
Revenue from ordinary activities	up	35.0%	to	2,105.3
Profit from ordinary activities after tax	up	34.9%	to	346.0
Normalised results[1]				
Operating revenue	up	29.8%	to	2,105.3
Profit after tax and before amortisation of acquired intangibles	up	16.8%	to	422.3

Dividends

	Amount per security	Franked amount per security	Record date for determining entitlements to dividends
Current year – 2019			
- Interim dividend	22.0c	22.0c	30 May 2019
Previous year – 2018			
- Interim dividend	19.0c	19.0c	30 May 2018
- Final dividend	27.0c	27.0c	5 December 2018

Dividend Reinvestment Plan (DRP)

The Aristocrat Leisure Limited Dividend Reinvestment Plan (DRP) will not operate in respect of the 2019 interim dividend.

For further explanation of the above figures please refer to the Review of Operations and market presentations. Other financial information required by the Appendix 4D is contained in the financial statements.

[1] Normalised results exclude the impact of certain significant items and adjustments which are either individually or in aggregate material to Aristocrat and are outside the ordinary course of business or part of the ordinary activities of the business but unusual due to their size and nature. Details are provided in the Review of Operations.

Review of Operations

Group Performance

Earnings Summary

Key performance indicators for the current period and prior period are set out below.

A$ million	Constant currency[2] Six months to 31 March 2019	Six months to 31 March 2019	Six months to 31 March 2018[3]	Variance vs. 2018 Constant currency[2] %	Variance vs. 2018 Reported %
Normalised results[1]					
Operating revenue	1,959.5	**2,105.3**	1,622.0	20.8	29.8
EBITDA	708.2	**766.3**	642.9	10.2	19.2
EBITA	594.8	**644.4**	551.9	7.8	16.8
NPAT	328.9	**356.5**	310.5	5.9	14.8
NPATA	389.5	**422.3**	361.5	7.7	16.8
Earnings per share (fully diluted)	51.6c	**55.9c**	48.6c	6.2	15.0
EPS before amortisation of acquired intangibles (fully diluted)	61.1c	**66.2c**	56.6c	8.0	17.0
Interim dividend per share	22.0c	**22.0c**	19.0c	15.8	15.8
Reported results					
Revenue	1,959.5	**2,105.3**	1,559.7	25.6	35.0
Profit after tax	318.9	**346.0**	256.5	24.3	34.9
NPATA	379.5	**411.8**	307.5	23.4	33.9
Balance sheet and cash flow					
Net working capital/revenue[4]	5.8%	**5.6%**	6.1%	(0.3)pts	(0.5)pts
Operating cash flow	405.0	**438.2**	247.9	63.4	76.8
Normalised operating cash flow[1]	405.3	**438.6**	302.0	34.2	45.2
Closing net debt/(cash)	2,262.0	**2,429.8**	2,557.9	11.6	5.0
Gearing (net debt/consolidated EBITDA[5])	n/a	**1.6x**	2.0x	n/a	0.4x

(1) Normalised results and operating cash flow are statutory profit (before and after tax) and operating cash flow, excluding the impact of certain significant items. Significant items are items which are either individually or in aggregate, material to Aristocrat and are either outside the ordinary course of business or part of the ordinary activities of the business but unusual due to their size and nature as detailed on page 7.

The operating revenue and results for the six months to 31 March 2018 reflect the ongoing revenue recognition principles for the acquired businesses since the date of acquisition, and corresponds to the revenue and results that would have been recognised under Accounting Standards had the businesses not been acquired to explain the underlying performance of the entity and the drivers of its profit.

(2) Results for 6 months to 31 March 2019 are adjusted for translational exchange rates using rates applying in 2018 as referenced in the table on page 11.

(3) Comparative period has been restated per note 3-3 in the financial statements.

(4) Revenue based on 12 months to 31 March.

(5) Consolidated EBITDA as defined by the Credit Agreement.

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

Operational Highlights

Key operational highlights for the period are set out below:

Increased share while maintaining yield in the land-based **North America Gaming Operations** business:

- Class III Premium installed base grew 18.5% to 21,695 units, with continued penetration of leading hardware configurations and high-performing game titles.
- Class II installed base grew 7.3% to 24,681 units, driven by the continued success of the Class II video product *Ovation*™.
- Total average fee per day increased 1.3% to US$50.05, with continued strong product performance in the period.

Grew share in land-based **outright sales** segment:

- North America - grew ship share through entry into adjacent markets: Video Lottery Terminals (VLT) and Washington Central Determinant System (CDS), with 38.8% growth in unit sales.
- ANZ - further growth in market-leading ship share.
- International Class III - continued focus on floor optimisation strategies.

Profitable growth in the **Digital** business:

- Total Daily Active Users (DAU) moderated to 8.0 million, with the focus on introducing new features that drive long-term engagement and monetisation. ABPDAU moderated to US$0.38, as expected with a higher proportion of bookings driven from the lower margin Casual segment.
- *RAID: Shadow Legends*™ was launched globally in March and is delivering strong early performance metrics.

Investment in **talent and technology:**

- Aristocrat has maintained its strong investment in talent and technology to drive growth across the land-based and digital businesses, with continued penetration into adjacent markets.
- The business has continued to lift investment in D&D in both absolute terms and as a percentage of revenue.

Strong **financial metrics**:

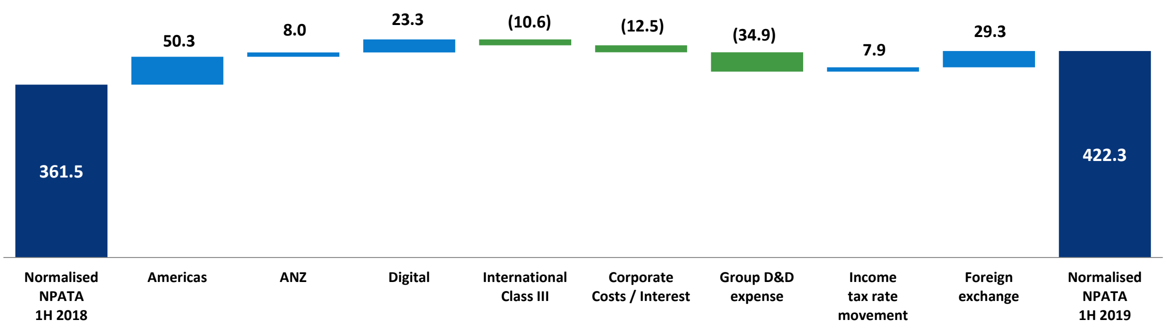
- Strong EBITDA margin at 36%, moderating slightly from the prior comparative period due to the expected full period impact of the lower margin Digital acquisitions.
- Growth funded within the balance sheet preserving the strength of the business.
- Gearing (Net Debt/EBITDA) decreased to 1.6x leverage, from 2.0x pro-forma at 31 March 2018.
- Cash generating fundamentals remain strong, demonstrated by 3.0 cents per share (cps) growth in the interim dividend to 22.0 cps ($140.5 million).
- Capital expenditure increased 25% to $150 million supporting further growth in the Americas Gaming Operations installed base.

Performance Summary

Normalised profit after tax and before amortisation of acquired intangibles (NPATA) of $422.3 million for the period represented a 17% increase (8% in constant currency) compared to $361.5 million in the prior corresponding period. Normalised revenue increased by 30% (21% in constant currency) driven by growth in Americas, ANZ and Digital. Normalised fully diluted earnings per share before amortisation of acquired intangibles of 66.2c represents a 17% (8% in constant currency) increase on the prior corresponding period.

Net gearing decreased to 1.6x from 2.0x pro-forma leverage in the prior corresponding period reflecting strong performance across the business as well as continued focus on cash management.

NPATA movement 1H18 to 1H19 (A$ million)



Numbers in the graph above are on a constant currency basis and are tax effected at the prior year tax rate.

- Strong growth in the **Americas** business drove a $50.3 million improvement in post-tax profit, driven by an 18.5% expansion in the Class III Premium Gaming Operations footprint, a 7.3% expansion in the Class II Gaming Operations footprint and growth in the overall average fee per day (FPD) to over US$50, complemented with strong Outright Sales performance in the period as a result of entering adjacent markets (VLT and Washington CDS).
- The **ANZ** business delivered $8.0 million in incremental post-tax profit, driven by continued performance of the *Helix*™ cabinet and further penetration of the *Dragon Link*™ and *Dragon Cash*™ game families.
- **Digital** delivered post-tax earnings growth of $23.3 million due to the full period impact of the acquisitions, the scaling of *Lightning Link*™, and sustained performance across the game portfolio.
- **International Class III** post-tax profit declined $10.6 million as the business cycled over a concentration of openings in this segment in the prior corresponding period and a change in product mix.
- **Corporate costs and interest** increased by $12.5 million due to the full period impact of the acquisitions.
- The Group's **strategic investment** in talent and technology, represented by a 50 basis points (bps) increase in D&D spend as a percentage of revenue to 11.6%, continues to deliver market-leading products across an expanded range of markets and segments in line with the Group's growth strategy.
- The decrease in the Group's **effective tax rate (ETR)** from 29.0% to 27.5%, resulted in a $7.9 million benefit and reflects the impact of US tax reform and change in geographic business mix from the acquisitions.
- **Foreign exchange** positively impacted the business performance by $29.3 million.

Aristocrat Leisure Limited

Group Profit or Loss

Results in the current period and prior corresponding period are in reported currency and normalised for significant items as outlined on page 7. Segment profit is stated before amortisation of acquired intangibles.

A$ million	Six months to 31 March 2019	Six months to 31 March 2018[1]	Variance %
Segment revenue			
Australia and New Zealand	**230.6**	214.9	7.3
Americas	**957.0**	746.0	28.3
International Class III	**96.8**	108.2	(10.5)
Digital	**820.9**	552.9	48.5
Total segment revenue	**2,105.3**	1,622.0	29.8
Segment profit			
Australia and New Zealand	**109.1**	97.6	11.8
Americas	**524.1**	411.6	27.3
International Class III	**42.5**	55.2	(23.0)
Digital	**245.9**	193.7	26.9
Total segment profit	**921.6**	758.1	21.6
Unallocated expenses			
Group D&D expense	**(243.7)**	(180.6)	(34.9)
Foreign exchange	**(3.7)**	1.3	n/a
Corporate	**(29.8)**	(26.9)	(10.8)
Total unallocated expenses	**(277.2)**	(206.2)	(34.4)
EBIT before amortisation of acquired intangibles (EBITA)	**644.4**	551.9	16.8
Amortisation of acquired intangibles	**(90.7)**	(71.2)	(27.4)
EBIT	**553.7**	480.7	15.2
Interest	**(62.0)**	(43.1)	(43.9)
Profit before tax	**491.7**	437.6	12.4
Income tax	**(135.2)**	(127.1)	(6.4)
Profit after tax (NPAT)	**356.5**	310.5	14.8
Amortisation of acquired intangibles after tax	**65.8**	51.0	29.0
Profit after tax and before amortisation of acquired intangibles (NPATA)	**422.3**	361.5	16.8

(1) Comparative period has been restated per note 3-3 in the financial statements.

Revenue

Segment revenue increased $483 million or 30% in reported currency (21% in constant currency), principally driven by growth in Gaming Operations and Digital.

In Gaming Operations, revenue increased 15%, with the Premium Class III and Class II footprints growing 18.5% and 7.3% respectively, while overall average fee per day increased 1.3%. Performance was fuelled by continued penetration of the high-performing products *Lightning Link*™, *5 Dragons Grand*™, *Buffalo Grand*™ and *Dragon Link*™ and continued penetration of *Ovation*™.

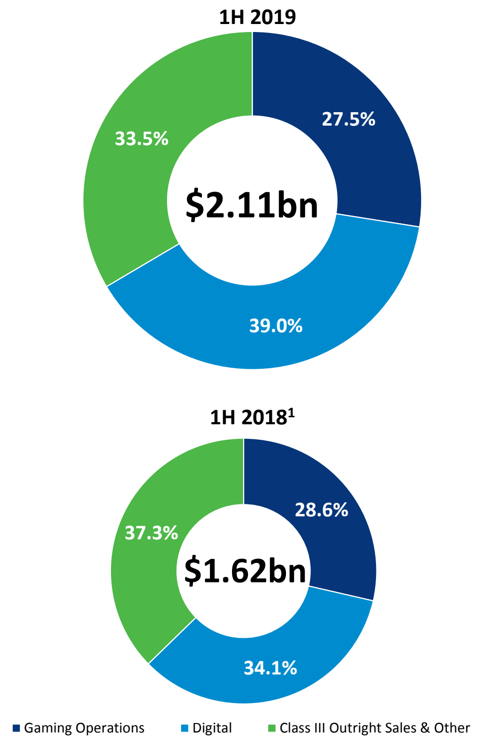
Digital revenue grew 37% to US$587 million, driven by the full period impact of the acquisitions, growth in *Lightning Link*™ and *Lost Island: Blast Adventure*™, continued strong performance in *Jackpot Magic Slots*™, *Cooking Craze*™ and the newly launched *RAID: Shadow Legends*™.

In North America Outright Sales, revenue increased 34%, with ship share growth in an increasingly competitive environment, including successful entry into the adjacent VLT Atlantic Canada, VLT Manitoba and Washington CDS markets. Continued strength in average sales price (ASP) reflected Aristocrat's continued portfolio depth, led by the performance of *Helix XT*™ and *Helix Tower*™.

Australia & New Zealand Class III revenue grew 7% to $231 million in reported currency, reflecting further growth in market-leading ship share.

In International Class III, revenue decreased 11% to $97 million in reported currency due to a concentration of openings in the prior corresponding period, combined with a change in product mix.

Revenue by Strategic Segment



(1) Comparative period has been restated per note 3-3 in the financial statements.

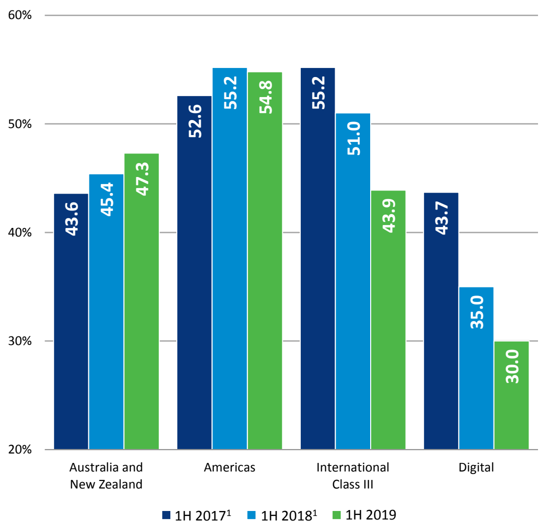
All amounts are in reported currency unless otherwise stated.

Earnings

Segment profit increased $164 million in reported currency, up 22% compared to the prior corresponding period. Margin expansion was achieved in ANZ, with margin broadly maintained in Americas, both driven by product mix.

The full period impact of the Plarium and Big Fish acquisitions, which introduced the lower margin Social Casual business to our Digital portfolio, resulted in the overall Digital margin moderating in line with expectations from 35% to 30%.

Segment Profit Margin % of Revenue



(1) Comparative periods have been restated per note 3-3 in the financial statements.

The Group continued to invest significantly in talent and technology to deliver competitive product across a broad range of land-based and digital segments. The Group's investment in D&D, as a percentage of revenue of 11.6%, during the period, was driven by continued investment in adjacencies. Total reported spend increased $63 million or 35% (27% in constant currency), which includes the full period impact of the Digital acquisitions.

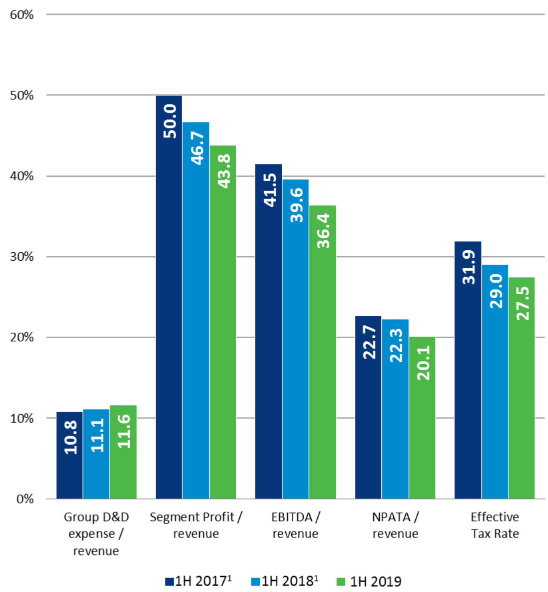
Corporate costs increased by $2.9 million compared to the prior corresponding period as we support a larger and more complex business.

Corporate costs as a percentage of revenue decreased to 1.4%.

Net interest expense increased $18.9 million to $62.0 million, reflecting the full period impact of increased debt levels to support the prior period acquisitions.

The effective tax rate (ETR) for the reporting period was 27.5% compared to 29.0% in the prior corresponding period. This was largely attributable to the changes driven by US tax reform that came into effect from 1 January 2018 and the full period impact of a change in geographic business mix resulting from the acquisitions.

Other Key Margins % of Revenue and ETR



(1) Comparative periods have been restated per note 3-3 in the financial statements.

Reconciliation of statutory revenue to operating revenue

A$ million	Six months to 31 March 2019	Six months to 31 March 2018[1]
Statutory revenue as reported in the financial statements	2,105.3	1,559.7
Add back fair value adjustments relating to the acquisitions	-	62.3
Operating revenue	**2,105.3**	**1,622.0**

(1) Comparative period has been restated per note 3-3 in the financial statements.

Reconciliation of statutory profit to NPATA

A$ million	Six months to 31 March 2019	Six months to 31 March 2018
Statutory profit as reported in the financial statements	346.0	256.5
Amortisation of acquired intangibles (tax effected)	65.8	51.0
Reported profit after tax before amortisation of acquired intangibles (Reported NPATA)	411.8	307.5
Add back net loss from significant items and adjustments after tax	10.5	54.0
Normalised Profit After Tax before amortisation of acquired intangibles (Normalised NPATA)	**422.3**	**361.5**

Significant items

	Six months to 31 March 2019	
A$ million	Before tax	After tax
Contingent retention arrangements relating to Plarium	(8.6)	(6.2)
Acquisition related transaction, integration and restructuring costs	(5.9)	(4.3)
Net loss from significant items	**(14.5)**	**(10.5)**

Significant Items:

Contingent retention arrangement related to the acquisition of Plarium: The Group's reported result after tax for the period includes an expense of $6.2 million relating to the contingent retention arrangement for the acquisition of Plarium.

Acquisition related transaction, integration and restructuring costs: The Group's reported result after tax for the period includes an expense of $4.3 million relating to the acquisitions of Plarium and Big Fish and transaction fees in relation to changes in the Group structure.

Aristocrat Leisure Limited

Balance Sheet

The balance sheet can be summarised as follows:

A$ million	31 Mar 2019	30 Sep 2018	31 Mar 2018	Variance %
Cash and cash equivalents	**504.0**	428.1	357.6	40.9
Property, plant and equipment	**415.3**	389.3	321.5	29.2
Intangible assets	**3,882.8**	3,898.8	3,749.4	3.6
Other assets	**1,201.4**	1,130.6	1,114.5	7.8
Total assets	**6,003.5**	5,846.8	5,543.0	8.3
Current borrowings	**-**	-	12.9	n/a
Non-current borrowings	**2,933.8**	2,881.1	2,902.6	1.1
Payables, provisions and other liabilities	**1,182.7**	1,233.2	1,114.1	6.2
Total equity	**1,887.0**	1,732.5	1,513.4	24.7
Total liabilities and equity	**6,003.5**	5,846.8	5,543.0	8.3
Net working capital	**228.5**	62.0	171.3	33.4
Net working capital % revenue[1]	**5.6**	1.7	6.1	(0.5)pts
Net debt / (cash)	**2,429.8**	2,453.0	2,557.9	5.0

(1) Revenue based on 12 months to 31 March.

Significant balance sheet movements from 31 March 2018 are:

Cash and cash equivalents: The increase in cash reflects the strong cash flow generation capability of the business which provides opportunities to fund growth.

Net working capital: The increase was mainly driven by revenue growth and an expanding portfolio as the business enters adjacent markets.

Property, plant and equipment: The increase reflects the strong growth in the Americas Gaming Operations install base, up 12% on prior comparative period and leasehold improvements associated with new premises.

Non-current borrowings: The increase is due to the impact of foreign exchange on the US dollar denominated Term Loan B facility.

Total equity: The change in total equity reflects the result for the period, changes in reserves due to currency movements, net of dividends paid during the period.

Statement of Cash Flows

The movement in net debt (debt less cash), after eliminating foreign exchange movements is set out below:

Operating cash flow

A$ million	Six months to 31 Mar 2019	Six months to 31 Mar 2018	Change %
EBITDA	**766.3**	642.9	19.2
Change in net working capital	**(152.0)**	(104.0)	46.2
Subtotal	**614.3**	538.9	14.0
Interest and tax	**(195.6)**	(180.5)	(8.4)
Acquisition related & significant items (cash and non-cash)	**(14.5)**	(97.6)	85.1
Other cash and non-cash movements	**34.0**	(12.9)	n/a
Operating cash flow	**438.2**	247.9	76.8
One-off and significant items	**0.4**	54.1	(99.3)
Operating cash flow (normalised)	**438.6**	302.0	45.2
Operating cash flow (normalised) less capex	**288.5**	181.8	58.7

Consolidated cash flow

A$ million	Six months to 31 Mar 2019	Six months to 31 Mar 2018	Change %
Operating cash flow	**438.2**	247.9	76.8
Capex	**(150.1)**	(120.2)	(24.9)
Acquisitions and divestments	**(20.8)**	(1,848.1)	98.9
Investing cash flow	**(170.9)**	(1,968.3)	91.3
Proceeds from borrowings	**-**	1,660.0	n/a
Repayment of borrowings	**-**	(4.4)	n/a
Dividends and share payments	**(197.0)**	(130.4)	(51.1)
Financing cash flow	**(197.0)**	1,525.2	n/a
Net increase/(decrease) in cash	**70.3**	(195.2)	n/a

Normalised operating cash flow increased 45.2% to $438.6 million compared to the prior corresponding period, reflecting strong performance and cash flow capabilities across the businesses with a higher mix of recurring revenues, driven by growth in Americas Gaming Operations and the full period impact of the Digital acquisitions.

Interest and tax increased 8.4% due to the full period impact of the acquisitions.

Acquisition related and significant items includes the non-cash fair value adjustments relating to deferred revenue, transaction costs, retention payments, other related costs associated with the acquisitions and transaction fees in relation to changes in the Group structure.

Capital expenditure relates primarily to investment in hardware to support continued strong growth in the Americas Gaming Operations installed base.

Cash flow in the statutory format is set out in the financial statements.

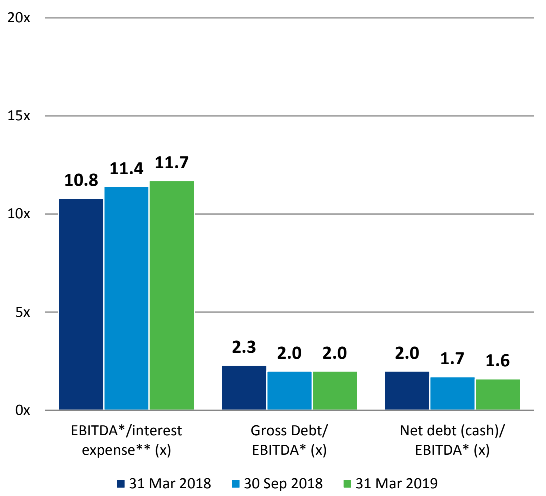
Funding and Liquidity

The Group had committed loan facilities of $3.1 billion as at 31 March 2019, comprising a US$2.1 billion Term Loan B (TLB) facility and a $100 million revolving facility.

The Group's facilities are summarised as follows:

Facility	Drawn as at 31 Mar 2019	Limit	Maturity date
Term Loan B facility	US$2,100.4m	US$2,100.4m	Oct 2024
Revolving facility	A$0.0m	A$100.0m	Oct 2019
Overdraft facilities	A$0.0m	A$7.8m	Annual Review

The Group's interest and debt coverage ratios are as follows (x):



* EBITDA refers to Consolidated EBITDA for the Group as defined in Aristocrat's Syndicated Facility Agreement (also referred to as Bank EBITDA).

** Interest expense shown above includes ongoing finance fees relating to bank debt facility arrangements, such as line fees.

The Group's leverage (net debt / EBITDA) reduced over the reporting period, from 2.0x pro-forma at 31 March 2018 to 1.6x at 31 March 2019 reflecting both earnings growth and free cash flow generation.

Credit Ratings

The Group maintains credit ratings from both Moody's Investor Services and Standard & Poor's to support our Term Loan B facility arrangements.

As at 31 March 2019, Aristocrat holds credit ratings of BB+ from Standard & Poor's and Ba1 from Moody's.

Dividends

The Directors have authorised an interim fully franked dividend of 22.0 cents per share (A$140.5 million), in respect to the 6 month period ended 31 March 2019. This represents an increase of 15.8% (or 3.0 cents), reflective of growth in performance, strength of cash flows and improvement in gearing levels.

The dividend is expected to be declared and paid on 2 July 2019 to shareholders on the register at 5.00pm on 30 May 2019. The dividend will be fully franked.

Foreign Exchange

Given the extent of the Group's global operations and the percentage of its earnings derived from overseas, its reported results are impacted by movements in foreign exchange rates.

In the 6 months to 31 March 2019, the Australian dollar was, on average, weaker against the US dollar when compared to the prior corresponding period. The impact of translating foreign currency (translational impact) increased revenue by $145.8 million, while increasing normalised profit after tax and before amortisation of acquired intangibles by $32.8 million on a weighted average basis when compared with rates prevailing in the respective months in the prior corresponding period. In addition, as at 31 March 2019, the cumulative effect of the retranslation of the net assets of foreign controlled entities (recognised through the foreign currency translation reserve) was a credit balance of $77.8 million (compared to a debit balance of $14.8 million as at 31 March 2018).

Based on the Group's mix of profitability, the major exposure to translational foreign exchange results from the Group's US dollar profits. A US dollar 1 cent change in the US$:A$ exchange rate results in an estimated annualised $11 million translational impact on the Group's annual profit after tax and before amortisation of acquired intangibles. This impact will vary as the magnitude and mix of overseas profits change.

Foreign exchange rates compared with prior corresponding periods for key currencies are as follows:

A$:	31 Mar 2019	30 Sep 2018	31 Mar 2018	Six months to 31 March 2019 Average[1]	Six months to 31 March 2018 Average[1]
USD	0.7099	0.7224	0.7683	0.7148	0.7757
NZD	1.0427	1.0902	1.0605	1.0557	1.0934
EUR	0.6327	0.6223	0.6236	0.6295	0.6421
GBP	0.5454	0.5541	0.5475	0.5524	0.5656
ZAR	10.2321	10.2183	9.0840	10.0945	9.9671
ARS	30.7823	29.8258	15.4690	27.5244	14.6764

[1]Average of monthly exchange rates only. No weighting applied.

Review of Operations

Regional segment review

Normalised segment profit represents earnings before interest and tax, and before significant items, charges for D&D expenditure, amortisation of acquired intangibles and corporate costs. The total amount of these items is disclosed in the Group's statement of profit or loss. Constant currency amounts refer to 2019 results restated using exchange rates applying in 2018.

Americas

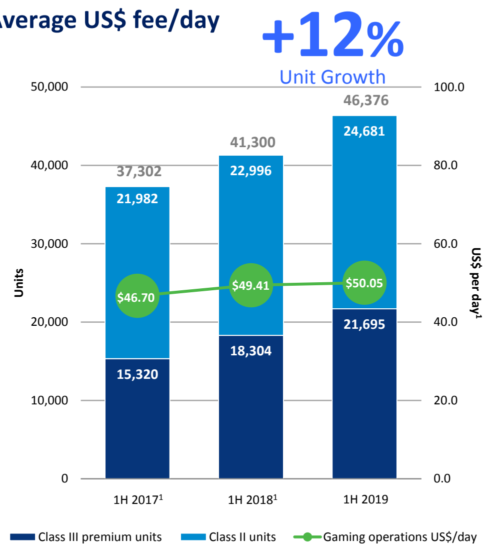
Summary Profit or Loss

US$ million	Six months to 31 March 2019	Six months to 31 March 2018[1]	Variance %
Revenue	**682.7**	578.2	18.1
Profit	**373.8**	319.1	17.1
Margin	**54.8%**	55.2%	(0.4) pts

1) Comparative period has been restated per note 3-3 in the financial statements.

In local currency, Americas profits increased by 17.1% to US$373.8 million, driven by strong growth in the Premium and Class II Gaming Operations footprint, Class III Outright Sales portfolio led by the strong performing *Helix XT*™ and *Helix Tower*™ cabinets and the successful entry into three adjacent markets; VLT Atlantic Canada, VLT Manitoba, and Washington CDS.

North America Gaming Operations units and Average US$ fee/day



(1) Comparative periods have been restated per note 3-3 in the financial statements.

The Class III Premium Gaming Operations install base grew 18.5% fuelled by continued penetration of *Arc*™ *Single, Arc*™ *Double* and *Helix*™ cabinets in combination with industry-leading games, including *Buffalo Grand*™, *5 Dragons Grand*™, *Dragon Link*™ and *Lightning Link*™. This was further supported by the success of the *Flame55*™ cabinet with strong initial performance with *Buffalo Diamond*™ as a multi-site jackpot product. The *RELM XL*™ Stepper also continues to show good momentum with the popular *Liberty Link*™.

In Class II Gaming Operations, placements increased by 7.3% due to the ongoing success of *Ovation*™ with further penetration outside of the core Oklahoma market.

Average fee per day across Class II and Class III markets increased 1.3%, driven by game performance across the portfolio and optimising existing game title replacements.

The Class III Premium Gaming Operations install base will continue to be supported by a strong product portfolio across a diverse range of product segments. Aristocrat has topped the charts again with *Buffalo Diamond*™ on the *Flame55*™ portrait cabinet, which is scaling faster than any preceding multi-site jackpot product. Aristocrat launched two additional key titles in the *Flame55*™ line-up this period with *Billions*™ and *Wicked Winnings II Diamond*™, the next game in the Diamond Series.

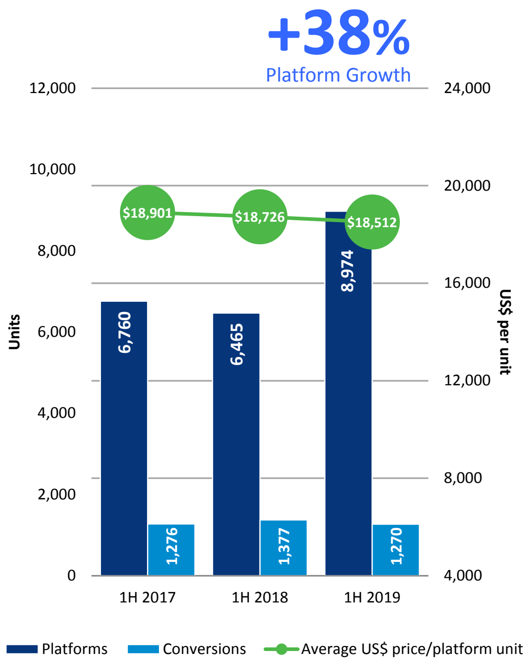
The second half will also include the launch of the *Edge X*™ cabinet and a new game based on the pop icon *Madonna*™.

Finally, Aristocrat will see further opportunity to leverage our award-winning *Lightning Link*™ and *Dragon Link*™ family of games with the release of our first multi-site jackpot product in the series launching on the new *MarsX*™ cabinet.

The Class II Gaming Operations install base will continue to be supported by the release of *Arc*™

Portrait and *Helix XT*™ cabinets, with new game features such as player selectable denomination on multi-denomination titles and single site linked progressive jackpots coupled with the release of *Fortune*™ Series, *Gold Stacks 88*™ and the *Xtreme*™ series.

North America Outright Sales units and Average US$ Price / unit

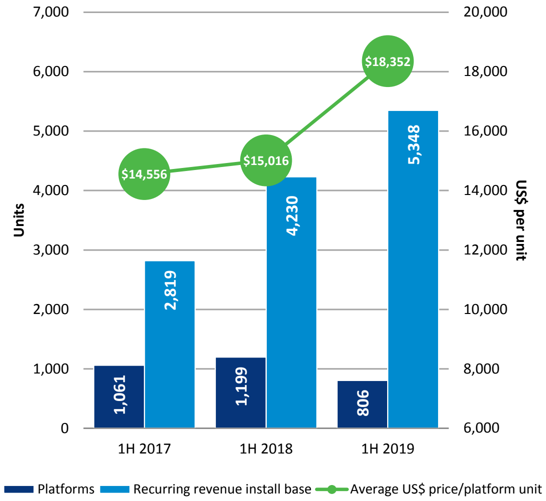


Outright Sales revenue increased by 34% compared to the prior corresponding period due largely to the continued momentum of the overall portfolio led by the strong performing *Helix XT*™ and *Helix Tower*™ cabinets. In addition, Aristocrat had successful entry into three adjacent markets; VLT Atlantic Canada, VLT Manitoba and Washington CDS, all driving increased ship share.

The Class III Outright Sales portfolio is supported with 8 titles in the Top 25 on Eilers March report, ranking *Helix XT*™ as the number one Portrait cabinet in North America. The new *Helix Tower*™ cabinet continues to drive strong performance with *Wonder 4 Spinning Fortunes*™. *RELM*™ Stepper investment continues to be robust with strong portfolio performance in high denomination variants, including the virtual wheel products *Diamond Jewel*™ and *Cherry Riches*™ and our *Triple 7 Wildfire*™ series. Aristocrat's continuous commitment and performance in the stepper segment is supported by the launch of key titles including; *Buffalo Gold*™, *5 Dragons*™, *Wicked Winnings*™ II and *Gold Stacks 88*™ Link.

Class III Outright Sales will target further expansion with adjacent markets (VLT, Washington CDS and Bartop Poker) as well as new hardware introductions in the second half, including *MarsX*™.

Latin America Outright Sales units, Average US$ Price / unit and Recurring Revenue install base



Latin America revenue increased 5.8% compared to the prior corresponding period, driven by growth in the Gaming Operations segment and performance of *Lightning Link*™.

Aristocrat Leisure Limited

Australia and New Zealand

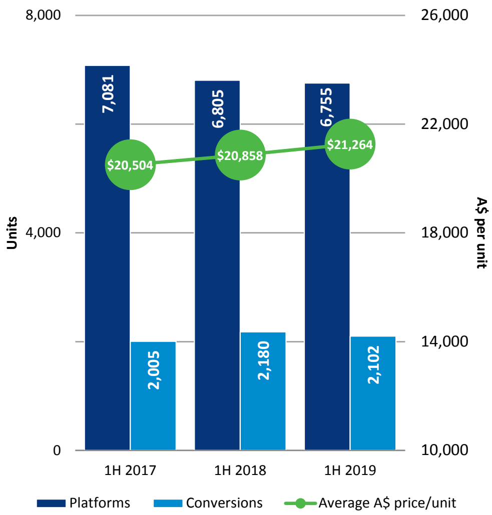
Summary Profit or Loss

A$ million	Constant currency Six months to 31 March 2019	Six months to 31 March 2018	Variance %
Revenue	**230.0**	214.9	7.0
Profit	**108.9**	97.6	11.6
Margin	**47.3%**	45.4%	1.9 pts

ANZ revenue increased by 7.0% to $230.0 million in constant currency compared to the prior corresponding period, while overall profit increased by 11.6% to $108.9 million.

ANZ margin expanded by 190 bps to 47.3% as a result of the shift in the sales mix towards recurring revenue.

ANZ Outright Sales units and Average A$ Price / unit



The average cabinet selling price was higher than the prior corresponding period driven by the continued focus on optimising our commercial model mix.

The ANZ business grew ship share across the market, driven by the top performing game family *Dragon Cash*™ and *Dragon Link*™.

The *Helix+*™ cabinet continues to be the cabinet of choice in ANZ, with the *Helix XT*™ gaining traction during the year with the benefit of an expanded game portfolio.

International Class III

Summary Profit or Loss

A$ million	Constant currency Six months to 31 March 2019	Six months to 31 March 2018	Variance %
Revenue	**92.0**	108.2	(15.0)
Profit	**40.2**	55.2	(27.2)
Margin	**43.7%**	51.0%	(7.3) pts
Class III Platforms	**2,965**	3,010	(1.5)

International Class III revenue and profit decreased 15.0% and 27.2% respectively to $92.0 million and $40.2 million respectively compared to the prior corresponding period as the business continues to cycle over the concentration of openings in this region and shifts in product mix.

The *Helix+*™ cabinet continues to be the primary for-sale cabinet for the APAC business driven by continued strong performance across key link titles, *Lightning Link*™ and *Mighty Cash*™.

The EMEA business launched *Helix XT*™ and the first *Lightning Link*™ Lounge concept during the period, with recurring revenue installs continuing to grow driven by a focus on successful Link products particularly *Lightning Link*™ and supported by the recent entry into the Spanish Arcade market. Class II Bingo continued to grow following the successful launch in South Africa in late FY18.

Digital

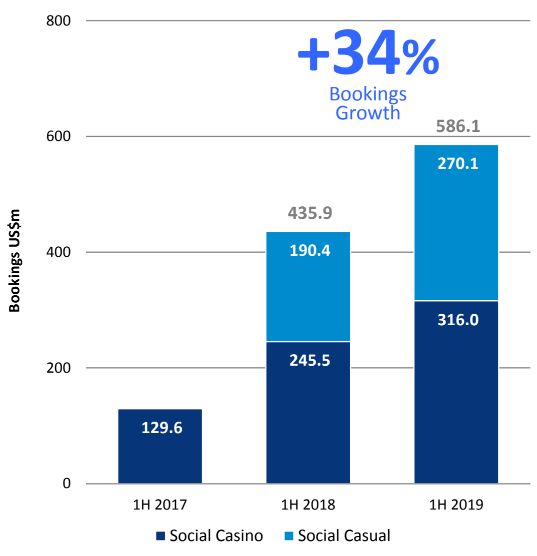
Summary Profit or Loss

US$ million	Six months to 31 March 2019	Six months to 31 March 2018	Variance %
Bookings	**586.1**	435.9	34.5
Revenue	**586.8**	428.5	36.9
Profit	**175.8**	150.0	17.2
Margin	**30.0%**	35.0%	(5.0) pts

Digital revenue grew 36.9% compared to the prior corresponding period, delivered through growth in Product Madness and the full period impact of Plarium and Big Fish, which contributed an additional US$155.6 million compared to the prior corresponding period.

Segment margin moderated to 30.0%, in line with expectations, due to the full period impact of the lower margin Social Casual segment introduced through the prior year acquisitions and significant marketing investment behind the launch of *RAID: Shadow Legends*™, launched globally in March 2019.

Bookings[1] by Type



1. Bookings are an operational metric reflecting the amount of virtual currency, virtual goods and premium games the consumer has purchased. Reported revenue comprises bookings adjusted for deferred revenue.

Social Casino

The Social Casino segment contributed US$316.0 million in bookings in the period, an increase of 29% compared to the prior corresponding period. This was driven mainly by growth in *Lightning Link*™, launched in the prior period, and continued strong performance in *Jackpot Magic Slots*™.

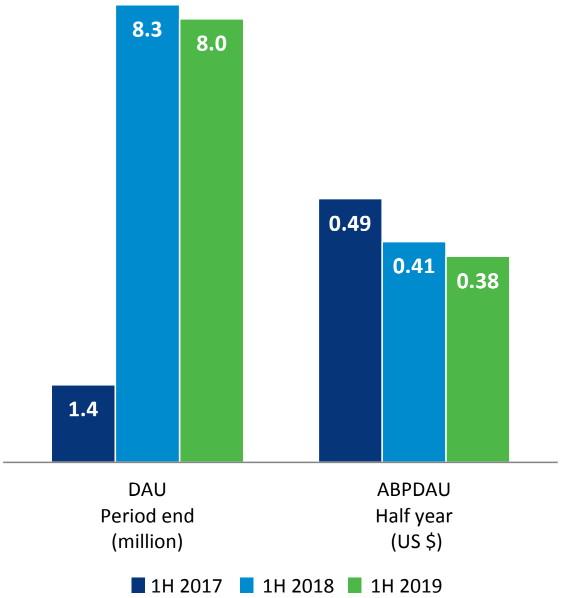
The focus for the Social Casino segment will remain on leveraging the strong slot content capabilities across Aristocrat and enhancing offerings in our existing franchises through a strong pipeline of new features, including collectables, leagues, social features, clubs and missions, and live operations.

Social Casual

The Social Casual segment contributed US$270.1 million in bookings in the period, an increase of 42% compared to the prior corresponding period. This was driven mainly by *Cooking Craze*™, *Lost Island: Blast Adventure*™, launched in the prior period, and the newly launched *RAID: Shadow Legends*™.

Aristocrat remains focused on delivering great game content, customer acquisition and retention. We plan to use our market intelligence and growing data capabilities to build out a strong portfolio across a growing range of genres in the Social Casual segment.

Daily Active Users (DAU) and Average US$ bookings per DAU (ABPDAU)



Daily Active Users (DAU) moderated to 8.0 million, with focus on introducing new features that drive long-term engagement and monetisation alongside the focus on launching and scaling new games, including *Lightning Link*™, *Lost Island: Blast Adventure*™, and the newly launched *RAID: Shadow Legends*™.

The full period impact of the acquisitions, which introduced a new, diverse portfolio of customers and Social Casual products that monetise differently to Aristocrat's established Digital business and the launch of new games in the period, resulted in a lower ABPDAU compared to prior periods.

Reconciliation of Revenue to Bookings (US$ millions)

US$ million	Six months to 31 March 2019	Six months to 31 March 2018
Revenue	**586.8**	428.5
Deferred revenue	**(0.7)**	7.4
Bookings	**586.1**	435.9

Digital pro-forma disclosures

US$ million	Six months to 31 March 2019	Six months to 31 March 2018	Variance %
Bookings (US$ million)	**586.1**	584.6	0.3
DAU period end (million)	**8.0**	8.3	(3.6)

On a pro-forma basis, bookings grew modestly to US$586.1m driven by continued strong growth in *Jackpot Magic Slots*™ and *Cooking Craze*™, as well as growth in new game titles *Lightning Link*™, *Lost Island: Blast Adventure*™, and the newly launched *RAID: Shadow Legends*™, partly offset by reductions in other titles.

Aristocrat

Aristocrat Leisure Limited ABN 44 002 818 368
Financial statements for the half-year ended 31 March 2019

Introduction

This condensed consolidated interim report ("interim report") of Aristocrat Leisure Limited ('the Group') for the half-year ended 31 March 2019 covers the financial statements for the consolidated entity ("financial statements") consisting of Aristocrat Leisure Limited and its subsidiaries (together referred to as the Group).

The financial statements contained in this interim report do not include all the notes of the type normally included in an annual financial report. Accordingly, the financial statements contained in this interim report are to be read in conjunction with the annual report for the year ended 30 September 2018 and any public announcements made by Aristocrat Leisure Limited during the reporting period and up to the date of these financial statements, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Significant changes in the reporting period

There were no significant changes or events in the current reporting period. For a detailed discussion of the Group's financial performance and position, refer to the Review of Operations.

Financial statements

Contents

Statement of profit or loss and other comprehensive income

for the half-year ended 31 March 2019

Consolidated	Note	Six months to 31 March 2019 $'m	Six months to 31 March 2018 $'m
Revenue	1-2	2,105.3	1,559.7
Cost of revenue		(931.9)	(650.6)
Gross profit		1,173.4	909.1
Other income	1-2	5.1	7.5
Design and development costs		(243.7)	(180.6)
Sales and marketing costs		(105.0)	(77.4)
General and administration costs		(286.2)	(248.5)
Finance costs		(66.4)	(48.6)
Profit before income tax expense		477.2	361.5
Income tax expense		(131.2)	(105.0)
Profit for the half-year		346.0	256.5
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations		31.5	28.0
Net investment hedge		(5.6)	(4.8)
Changes in fair value of interest rate hedge		(32.0)	7.8
Other comprehensive (loss)/income for the half-year, net of tax		(6.1)	31.0
Total comprehensive income for the half-year		339.9	287.5

Earnings per share attributable to ordinary equity holders of the Company		Cents	Cents
Basic earnings per share	1-4	54.3	40.2
Diluted earnings per share	1-4	54.2	40.1

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet
as at 31 March 2019

Consolidated	Note	31 March 2019 $'m	30 September 2018 $'m
ASSETS			
Current assets			
Cash and cash equivalents		**504.0**	428.1
Trade and other receivables		**823.5**	720.0
Inventories		**155.2**	159.9
Financial assets	2-2	**9.7**	7.4
Current tax assets		**33.5**	36.7
Total current assets		**1,525.9**	1,352.1
Non-current assets			
Trade and other receivables		**98.2**	112.1
Financial assets	2-2	**5.4**	22.2
Property, plant and equipment		**415.3**	389.3
Intangible assets		**3,882.8**	3,898.8
Deferred tax assets		**75.9**	72.3
Total non-current assets		**4,477.6**	4,494.7
Total assets		**6,003.5**	5,846.8
LIABILITIES			
Current liabilities			
Trade and other payables		**560.7**	669.2
Current tax liabilities		**133.0**	141.7
Provisions		**55.8**	54.7
Financial liabilities	2-2	**0.7**	3.2
Deferred revenue		**189.5**	148.7
Total current liabilities		**939.7**	1,017.5
Non-current liabilities			
Trade and other payables		**25.6**	26.5
Borrowings	2-1	**2,933.8**	2,881.1
Provisions		**13.5**	13.8
Financial liabilities	2-2	**18.6**	-
Deferred tax liabilities		**124.5**	122.7
Deferred revenue		**13.0**	18.2
Other liabilities		**47.8**	34.5
Total non-current liabilities		**3,176.8**	3,096.8
Total liabilities		**4,116.5**	4,114.3
Net assets		**1,887.0**	1,732.5
EQUITY			
Contributed equity	2-3	**715.1**	715.1
Reserves		**(41.4)**	(23.5)
Retained earnings		**1,213.3**	1,040.9
Total equity		**1,887.0**	1,732.5

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity
for the half-year ended 31 March 2019

Consolidated	Note	Contributed equity $'m	Reserves $'m	Retained earnings $'m	Total equity $'m
Balance as at 1 October 2017		715.1	(116.8)	747.3	1,345.6
Profit for the half-year ended 31 March 2018		-	-	256.5	256.5
Other comprehensive income		-	31.0	-	31.0
Total comprehensive income for the half-year		-	31.0	256.5	287.5
Transactions with owners in their capacity as owners:					
Net movement in share-based payments reserve		-	8.0	-	8.0
Dividends provided for and paid*	1-5	-	-	(127.7)	(127.7)
		-	8.0	(127.7)	(119.7)
Balance at 31 March 2018		**715.1**	**(77.8)**	**876.1**	**1,513.4**
Balance as at 1 October 2018		**715.1**	**(23.5)**	**1,040.9**	**1,732.5**
Change in accounting policy	3-3	**-**	**-**	**(1.4)**	**(1.4)**
Restated balance as at 1 October 2018		**715.1**	**(23.5)**	**1,039.5**	**1,731.1**
Profit for the half-year ended 31 March 2019		**-**	**-**	**346.0**	**346.0**
Other comprehensive income		**-**	**(6.1)**	**-**	**(6.1)**
Total comprehensive (loss)/income for the half-year		**-**	**(6.1)**	**346.0**	**339.9**
Transactions with owners in their capacity as owners:					
Net movement in share-based payments reserve		**-**	**(11.8)**	**-**	**(11.8)**
Dividends provided for and paid	1-5	**-**	**-**	**(172.2)**	**(172.2)**
		-	**(11.8)**	**(172.2)**	**(184.0)**
Balance at 31 March 2019		**715.1**	**(41.4)**	**1,213.3**	**1,887.0**

*Payment of dividends relates to the 2017 final dividend.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement
for the half-year ended 31 March 2019

Consolidated	Six months to 31 March 2019 $'m	Six months to 31 March 2018 $'m
Cash flows from operating activities		
Receipts from customers	**2,114.3**	1,602.0
Payments to suppliers and employees	**(1,481.2)**	(1,146.3)
Other income	**0.7**	0.8
Interest received	**3.3**	4.6
Interest paid	**(59.9)**	(24.6)
Transaction costs paid relating to the acquisition of businesses	**-**	(28.1)
Income tax paid	**(139.0)**	(160.5)
Net cash inflow from operating activities	**438.2**	247.9
Cash flows from investing activities		
Payments for property, plant and equipment	**(124.4)**	(98.3)
Payments for intangibles	**(25.7)**	(21.9)
Payment for acquisition of subsidiaries (net of cash acquired)	**(20.8)**	(1,848.1)
Net cash outflow from investing activities	**(170.9)**	(1,968.3)
Cash flows from financing activities		
Payments for shares acquired by the employee share trust	**(24.8)**	(2.7)
Repayments of borrowings	**-**	(4.4)
Proceeds from borrowings	**-**	1,660.0
Dividends paid	**(172.2)**	(127.7)
Net cash (outflow)/inflow from financing activities	**(197.0)**	1,525.2
Net increase/(decrease) in cash and cash equivalents	**70.3**	(195.2)
Cash and cash equivalents at the beginning of the half-year	**428.1**	547.1
Effects of exchange rate changes	**5.6**	5.7
Cash and cash equivalents at the end of the half-year	**504.0**	357.6

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Business performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the half-year.

1-1 Segment performance

(a) Identification of reportable segments

The activities of the entities in the Group are predominantly within a single business which is the development, assembly, sale, distribution and service of games and systems.

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. Reports reviewed consider the business primarily from a geographical perspective. The following reportable segments have been identified:

- The Americas;
- Australia and New Zealand;
- Digital; and
- International Class III.

(b) Segment results

Segment results represent earnings before interest and tax, and before significant items and adjustments, design and development expenditure, amortisation of acquired intangibles, selected intercompany charges and corporate costs.

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

Segment revenues, expenses and results exclude transfers between segments. The revenue from external parties reported to the chief operating decision maker is measured in a manner consistent with that in the statement of profit or loss and other comprehensive income.

	The Americas $'m		Australia and New Zealand $'m		Digital $'m		International Class III $'m		Consolidated $'m	
Six months to 31 March	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue										
Segment revenue from external customers	957.0	746.0	230.6	214.9	820.9	552.9	96.8	108.2	2,105.3	1,622.0
Acquisition accounting fair value adjustments	-	-	-	-	-	(62.3)	-	-	-	(62.3)
Statutory revenue	957.0	746.0	230.6	214.9	820.9	490.6	96.8	108.2	2,105.3	1,559.7
Results										
Segment results	524.1	411.6	109.1	97.6	245.9	193.7	42.5	55.2	921.6	758.1
Interest revenue									4.4	5.5
Interest expense									(66.4)	(48.6)
Design and development costs									(243.7)	(180.6)
Amortisation of acquired intangibles									(90.7)	(71.2)
Acquisition transaction, integration and restructuring costs									(14.5)	(32.6)
Acquisition fair value adjustments not allocated to segments									-	(43.5)
Other expenses									(33.5)	(25.6)
Profit before income tax expense									477.2	361.5
Income tax expense									(131.2)	(105.0)
Profit for the half-year									346.0	256.5

The amortisation of acquired intangibles amounting to $90.7m (2018: $71.2m) does not form part of segment results.

Notes to the financial statements

Business performance (continued)

1-2 Revenues

Revenue disaggregated by business:	Six months to 31 March 2019 $'m	Six months to 31 March 2018 $'m
Gaming operations	579.2	464.0
Digital	820.9	490.6
Class III outright sales and other revenue	705.2	605.1
Total revenue	**2,105.3**	**1,559.7**
Other income		
Interest	4.4	5.5
Foreign exchange gains	-	1.2
Sundry income	0.7	0.8
Total other income	**5.1**	**7.5**

1-3 Expenses

	Six months to 31 March 2019 $'m	Six months to 31 March 2018 $'m
Depreciation and amortisation		
Property, plant and equipment		
- Buildings	0.4	3.2
- Plant and equipment	90.6	64.7
- Leasehold improvements	6.2	3.4
Total depreciation and amortisation of property, plant and equipment	**97.2**	**71.3**
Intangible assets		
- Customer relationships and contracts	26.6	21.2
- Game names	6.5	3.0
- Technology and software	60.8	34.4
- Intellectual property and licences	7.8	6.8
- Capitalised development costs	3.7	1.8
- Big Fish intangible assets provisional amortisation	-	16.0
Total amortisation of intangible assets	**105.4**	**83.2**
Total depreciation and amortisation	**202.6**	**154.5**
Employee benefits expense		
Total employee benefits expense	392.0	360.6
Lease payments		
Rental expense relating to operating leases		
- Minimum lease payments	24.3	22.5
Other expense items		
Acquisition transaction, integration and restructuring costs	14.5	32.6
Write down of inventories to net realisable value	4.9	3.4
Legal costs	10.1	12.6
Net foreign exchange loss	3.7	-

Notes to the financial statements

Business performance (continued)

1-4 Earnings per share

Basic and diluted earnings per share (EPS) calculations	Six months to 31 March 2019	Six months to 31 March 2018
Net profit attributable to members of Aristocrat Leisure Limited ($'m)	**346.0**	256.5
Weighted average number of ordinary shares (WANOS) used in calculating basic EPS (number)	**637,425,376**	638,111,247
Effect of Performance Share Rights (number)	**453,136**	1,081,330
WANOS used in calculating diluted EPS (number)	**637,878,512**	639,192,577
Basic EPS (cents per share)	**54.3**	40.2
Diluted EPS (cents per share)	**54.2**	40.1

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares.

Information concerning the classification of securities

Share-based payments

Rights granted to employees under share-based payments arrangements are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share.

Share-based payments trust

Shares purchased on-market and issued shares through the Aristocrat Employee Equity Plan Trust have been treated as shares bought back and cancelled for the purpose of the calculation of the weighted average number of ordinary shares in calculating basic earnings per share. At the end of the reporting period, there were 1,291,145 (2018: 232,772) shares held in share trusts.

1-5 Dividends

Ordinary shares	2019 Interim	2018 Final	2018 Interim
Dividend per share (cents)	**22.0c**	27.0c	19.0c
Franking percentage (%)	**100%**	100%	100%
Cost ($'m)	**140.5**	172.2	121.3
Payment date	**2 July 2019**	19 December 2018	3 July 2018

Franking credits

The franking account balance at 31 March 2019 was $140.9m (30 September 2018: $105.6m).

Dividends not recognised at period end

The 2019 interim dividend had not been declared at the reporting date and therefore is not reflected in the financial statements.

Notes to the financial statements

2. Capital and financial structure

This section provides information relating to the Group's capital structure and its exposure to financial risk.

The Directors review the Group's capital structure and dividend policy regularly and do so in the context of the Group's ability to invest in opportunities that grow the business, enhance shareholder value and continue as a going concern.

2-1 Borrowings

	31 March 2019 $'m	30 September 2018 $'m
Non-current		
Secured		
Bank loans	**2,932.8**	2,880.2
Lease liabilities	**1.0**	0.9
Total non-current borrowings	**2,933.8**	2,881.1

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit (shown net of upfront debt costs):

Credit standby arrangements	Notes	31 March 2019 $'m		30 September 2018 $'m	
Total facilities		**Total**	**Unused**	Total	Unused
- Bank overdrafts	(i)	**7.8**	**7.8**	7.8	7.8
- Bank loans	(ii)	**3,032.8**	**100.0**	2,980.2	100.0
Total facilities		**3,040.6**	**107.8**	2,988.0	107.8

(i) The bank overdraft facilities (A$5,000,000 and US$2,000,000) are subject to annual review.

(ii) Syndicated loan facilities:

- US$2,100.4 million US Term Loan B debt facility maturing 19 October 2024.
- A$100 million 5-year Revolving facility maturing 20 October 2019.

These facilities are provided by a syndicate of banks and financial institutions. These secured facilities are supported by guarantees from certain members of the Company's wholly owned subsidiaries and impose various affirmative and negative covenants on the Company, including restrictions on encumbrances, and customary events of default. As part of the corporate facility, the Group is subject to certain customary financial covenants measured on a six-monthly basis.

Borrowings are currently priced at a floating rate of LIBOR plus a fixed credit margin as specified in the Term Loan B Syndicated Facility Agreement. A portion of the interest rate exposure has been fixed under separate interest rate swap arrangements.

Notes to the financial statements

Capital and financial structure (continued)

2-2 Financial assets and financial liabilities

	31 March 2019 $'m	30 September 2018 $'m
Financial assets		
Current		
Debt securities held-to-maturity	6.1	6.5
Interest rate swap contracts - cash flow hedges	3.6	0.2
Other investments	-	0.7
Total current financial assets	9.7	7.4
Non-current		
Debt securities held-to-maturity	4.6	5.2
Interest rate swap contracts - cash flow hedges	-	16.7
Other investments	0.8	0.3
Total non-current financial assets	5.4	22.2
Financial liabilities		
Current		
Derivatives used for hedging	0.7	3.2
Total current financial liabilities	0.7	3.2
Non-current		
Interest rate swap contracts - cash flow hedges	18.6	-
Total non-current financial liabilities	18.6	-

Fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below the table.

	Level 1 $'m		Level 2 $'m		Level 3 $'m		Total $'m	
	31 March 2019	30 September 2018	31 March 2019	30 September 2018	31 March 2019	30 September 2018	31 March 2019	30 September 2018
Assets								
Interest rate swap contracts	-	-	3.6	16.9	-	-	3.6	16.9
Total assets at the end of the half-year	-	-	3.6	16.9	-	-	3.6	16.9
Liabilities								
Interest rate swap contracts	-	-	18.6	-	-	-	18.6	-
Derivatives used for hedging	-	-	0.7	3.2	-	-	0.7	3.2
Total liabilities at the end of the half-year	-	-	19.3	3.2	-	-	19.3	3.2

Fair value hierarchy levels	Definition	Valuation technique
Level 1	The fair value is determined using the unadjusted quoted market price in an active market for similar assets or liabilities.	The Group did not have any Level 1 financial instruments at the end of the current and prior reporting periods. The quoted market price used for financial assets held by the Group is the current bid price.
Level 2	The fair value is calculated using predominantly observable market data other than unadjusted quoted prices for an identical asset or liability.	Derivatives used for hedging are valued using forward exchange rates at the balance sheet date.
Level 3	The fair value is calculated using inputs that are not based on observable market data.	The Group did not have any Level 3 financial instruments at the end of the current reporting period. In the prior period, a contingent consideration liability formed part of trade and other payables, and was measured based on forecast earnings before interest and tax (EBITDA) of the Plarium Group.

There were no transfers between levels in the fair value hierarchy and no changes to the valuation techniques applied since 30 September 2018. The carrying amount of financial instruments not measured at fair value approximates fair value.

Notes to the financial statements
Capital and financial structure (continued)

2-3 Contributed equity

	Shares		$'m	
Six months to 31 March	**2019**	2018	**2019**	2018
Ordinary shares, fully paid	**638,544,150**	638,544,150	**715.1**	715.1
Movements in ordinary share capital				
Ordinary shares at the beginning of the half-year	**638,544,150**	638,544,150	**715.1**	715.1
Shares issued during the half-year	**-**	-	**-**	-
Ordinary shares at the end of the half-year	**638,544,150**	638,544,150	**715.1**	715.1

2-4 Net tangible assets/(liabilities) per share

	31 March 2019	30 September 2018
	$	$
Net tangible (liabilities) per share	**(3.13)**	(3.39)

A large proportion of the Group's assets are intangible in nature, including goodwill and identifiable intangible assets relating to businesses acquired. These assets are excluded from the calculation of net tangible assets per share, which results in a negative amount.

Net assets per share at 31 March 2019 were $2.96 (30 September 2018: $2.71).

Notes to the financial statements

3. Other disclosures

This section provides details on other required disclosures relating to the Group to comply with the accounting standards and other pronouncements.

3-1 Contingent liabilities

The Group and parent entity have contingent liabilities at 31 March 2019 in respect of the following matters:

(i) a contingent liability may exist in relation to certain guarantees and indemnities given in the ordinary course of business by the Group;

(ii) controlled entities within the Group are and become parties to various legal actions in the ordinary course of business and from time to time. The Directors consider that any liabilities arising from this type of legal action are unlikely to have a material adverse effect on the Group;

(iii) controlled entities within the Group may become parties to various legal actions concerning intellectual property claims. Intellectual property claims can include challenges to the Group's patents on various products or processes and/or assertions of infringement of third party patents.

Most intellectual property claims involve highly complex issues. Often, these issues are subject to substantial uncertainties and therefore the probability of damages, if any, being sustained and an estimate of the amount of damages is difficult to ascertain. Based on the information currently available, the Directors consider that there are no current claims likely to have a material adverse effect on the Group; and

(iv) There are two current pending lawsuits in Washington State relating to the online social gaming platform Big Fish Casino, which is part of Big Fish Games, Inc. Aristocrat completed its acquisition of Big Fish Games, Inc from Churchill Downs Incorporated ("CDI") in January 2018.

• In April 2015, Cheryl Kater filed a purported class action lawsuit against CDI in the US Federal District Court for the Western District of Washington (the "District Court").

• In February 2019 an individual named Manasa Thimmegowda filed a lawsuit in the District Court seeking redress against Big Fish Games, Inc., Aristocrat Technologies Inc., Aristocrat Leisure Limited and CDI.

These two lawsuits allege, among other claims, that certain games Big Fish offers for play are games of chance that are prohibited by Washington law. In both lawsuits the plaintiffs are seeking, among other things, return of monies lost, reasonable attorney's fees, injunctive relief, and treble and punitive damages. The plaintiffs in both lawsuits are represented by the same counsel, who have described the Thimmegowda lawsuit as "essentially a companion case that fills in any gaps left by Kater."

Aristocrat is not aware of any other US Court having found in favour of a plaintiff in a matter involving similar facts and issues to those in these Washington State lawsuits.

These cases are going through the court process. Aristocrat and CDI are working together to vigorously defend the actions for all defendant parties, and believe that there are meritorious legal and factual defences against the plaintiffs' allegations and requests for relief.

Aristocrat has a number of contractual protections from CDI, including broad indemnification for any and all losses connected with the Kater litigation.

3-2 Events occurring after reporting date

Aristocrat is in the process of implementing changes to its Group structure, to remain fully aligned with the underlying business model that are expected to lead to reductions in cash tax paid and tax expenses, and increases in deferred tax assets from the 2020 financial year, with no financial impact in the 2019 year.

Other than the matter above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial reporting periods.

Refer to Note 1-5 for information regarding dividends declared after reporting date.

3-3 Basis of preparation

Aristocrat Leisure Limited is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This condensed consolidated interim report ("interim report") covers the financial statements for the consolidated entity ("financial statements") consisting of Aristocrat Leisure Limited and its subsidiaries (together referred to as the Group).

This interim report for the half-year reporting period ended 31 March 2019 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2018 and any public announcements made by Aristocrat Leisure Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted in this interim financial report are consistent with those of the previous financial year and corresponding interim reporting period, except for the changes as a result of AASB 9 and AASB 15 noted below. Comparative information is reclassified where appropriate to enhance comparability.

This interim report is presented in Australian dollars. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Notes to the financial statements

3-3 Basis of preparation (continued)

New accounting standards and interpretations

New and amended standards adopted by the Group

The Group adopted all relevant new and amended accounting standards and interpretations issued by the Australian Accounting Standards Board which were effective for annual reporting periods beginning on or after 1 October 2018. The impact of these new standards and interpretations is set out below:

AASB 9 Financial Instruments ('AASB 9')

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It also includes an expected loss impairment model and a reformed approach to hedge accounting. AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement.

The Group has changed the accounting for impairment losses by replacing AASB 139's incurred loss approach to the new 'expected loss model' whereby doubtful debts provisions incorporate the risk that receivables will not be collected regardless of whether customers are making payments. The doubtful debts provision has increased by $1.4m on transition to the new 'expected loss model'.

In accordance with the transitional provisions in AASB 9, comparative financial information has not been restated for this increase in the doubtful debts provision, and the resulting adjustment to the carrying values in the opening balance sheet has been recognised in opening retained earnings on 1 October 2018.

	$'m
Closing retained earnings 30 September 2018	**1,040.9**
AASB 9 doubtful debts provision resulting from the application of the 'expected loss model'	(1.4)
Opening retained earnings 1 October 2018	**1,039.5**

Changes in the standard resulting from new hedge accounting requirements have not had a material impact for the Group.

AASB 15 Revenue from Contracts with Customers ('AASB 15')

AASB 15 is based on the principle that revenue is recognised when control of goods or services transfers to the customer. The notion of control replaces the notion of risks and rewards. AASB 15 replaces revenue recognition standards including AASB 118 Revenue and AASB 111 Construction Contracts.

The main change as a result of the new standard is jackpot liability expenses are classified as contra revenue rather than as expenses. The comparatives in the statement of profit or loss and other comprehensive income have been amended to show results on a like-for-like basis. This has resulted in a restated decrease in revenue by $18.9m and a corresponding restated decrease in cost of revenue for the period ended 31 March 2018.

While the adoption of AASB 15 resulted in other changes in accounting policies, no material adjustments to the current and preceding financial reporting periods resulted and hence there were no further adjustments to comparative financial information on adoption of AASB 15.

Issued standards and interpretations not yet adopted

The status of the Group's assessment of the impact of the new accounting standards and interpretations published that are not mandatory for the current reporting period and have not been early adopted by the Group is set out below:

Reference	Description	Financial Year of Application by Aristocrat	Impact on the Group
AASB 16 *Leases*	AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee. The lease becomes an on-balance sheet liability that attracts interest, together with a new asset on the balance sheet.	2020	The Group has continued to assess the impact of the new lease standard in preparation for it being applied from 1 October 2019. Changes to the leases standard will impact the Group on leases of property, plant and equipment. By bringing operating leases on the balance sheet, there will be an increase in assets and a corresponding increase in liabilities. Furthermore, the Group will no longer recognise 'rent expense' in relation to operating leases, but rather depreciation expense on the right of use asset and interest expense on the lease liability. Note 6-1 in the annual report for the year ended 30 September 2018 provides information on operating lease commitments recorded off-balance sheet. On transition to the new standard these will be recognised on-balance sheet after discounting to present value.

Directors' declaration

for the half-year ended 31 March 2019

In the Directors' opinion:

(a) the financial statements and notes set out on pages 2 to 14 are in accordance with the *Corporations Act 2001* including:

(i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2019 and of its performance, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

N Chatfield
Chairman

Sydney
23 May 2019

Independent auditor's review report to the members of Aristocrat Leisure Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aristocrat Leisure Limited (the Company), which comprises the balance sheet as at 31 March 2019, the statement of changes in equity, cash flow statement and statement of profit or loss and other comprehensive income for the half-year ended on that date, selected other explanatory notes and the directors' declaration for the Aristocrat Leisure Group (the Group). The Group comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aristocrat Leisure Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aristocrat Leisure Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 March 2019 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

MK Graham

MK Graham
Partner

Sydney
23 May 2019

Directors' report
for the 6 months ended 31 March 2019
Aristocrat Leisure Limited
ABN 44 002 818 368

The directors present their report together with the financial statements of Aristocrat Leisure Limited (the 'Company') and its controlled entities (the 'Consolidated Entity') for the six months ended 31 March 2019. The financial statements have been reviewed and approved by the directors on the recommendation of the Company's Audit Committee.

This report should be read in conjunction with the 30 September 2018 Annual Financial Report of the Company and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

This report is made on 23 May 2019.

Directors

Except as otherwise stated below, the directors of the Company during the six months under review and up to the date of this report are:

N Chatfield	(Non-Executive Chairman*)
T Croker	(Executive Director)
KM Conlon	(Non-Executive Director)
SW Morro	(Non-Executive Director)
P Ramsey	(Non-Executive Director)
S Summers Couder	(Non-Executive Director)
A Tansey	(Non-Executive Director)

*N Chatfield (Non-Executive Chairman) was Non-Executive Director from the beginning of the financial year and was appointed Non-Executive Chairman from 22 February 2019.

ID Blackburne (Non-Executive Chairman) was the Non-Executive Chairman from the beginning of the six months under review until his retirement on 21 February 2019.

Review and results of operations

A review of the operations of the Consolidated Entity for the half-year ended 31 March 2019 is set out in the attached Review of Operations which forms part of this Directors' Report. The reported result of the Consolidated Entity attributable to shareholders for the half-year ended 31 March 2019 was a profit of $346.0 million after tax (six months to 31 March 2018: $256.5 million).

Auditor's Independence Declaration
The Auditor's Independence Declaration as required by section 307C of the *Corporations Act 2001* (Cth) is included at the end of this report.

Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Statements. Amounts in the Directors' Report and Financial Statements have been rounded off to the nearest million dollars in accordance with the instrument.

This report is made in accordance with a resolution of the directors.

N Chatfield
Chairman
23 May 2019

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Auditor's Independence Declaration

As lead auditor for the review of Aristocrat Leisure Limited for the half-year ended 31 March 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Aristocrat Leisure Limited and the entities it controlled during the period.

MK Graham
Partner
PricewaterhouseCoopers

Sydney
23 May 2019

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One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au