ARISTOCRAT LEISURE LIMITED

ABN 44 002 818 368

2013 HALF YEAR PROFIT ANNOUNCEMENT

RESULTS TO BE RELEASED TO THE MARKET

HALF YEAR 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

2013 HALF YEAR
PROFIT ANNOUNCEMENT
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ARISTOCRAT LEISURE LIMITED

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APPENDIX 4D

Half-Year Report

Half-year ended: 31 March 2013

Previous corresponding period: 31 March 2012

Results for announcement to the market

Statutory results				March 2013 $'000
Revenue from ordinary activities	down	-7.5%	to	380,486
Profit from ordinary activities after tax	up	11.5%	to	53,167
Profit for the period attributable to members	up	11.2%	to	52,554

Dividends

	Amount per security	Franked amount per security	Record date for determining entitlements to dividends
Current year – 2013:			
- Interim dividend	7.0c	0.0c	7 June 2013
Previous year – 2012:			
- Interim dividend in respect of the 6 months to 30 June 2012	4.0c	0.0c	6 September 2012
- Final dividend in respect of the 9 months to 30 September 2012	2.0c	0.0c	7 December 2012

Dividend Reinvestment Plan (DRP)

The directors have determined that the Aristocrat Leisure Limited Dividend Reinvestment Plan (DRP) will remain active in respect of the 2013 interim dividend (for shareholders resident in Australia and New Zealand). In accordance with the DRP rules, the Company will fulfil its obligations by an on-market purchase and transfer of shares and the DRP price will be calculated by reference to the arithmetic average of the daily VWAPs over a period of five days commencing on 11 June 2013. No discount is applicable, and the number of ordinary shares DRP participants will receive will be rounded to the nearest share.

Any shareholder who wishes to participate in the DRP or to change their current application in the DRP must lodge an application or variation notice on or before 5.00pm on 7 June 2013 to the Company's share registry, Boardroom Pty Limited.

Net tangible assets

	March 2013	March 2012
Net tangible assets per security	$ 0.35	$ 0.22

Due to the change in reporting date in the prior period, the comparative information has not been audited or reviewed. For further explanation of the above figures please refer to the Directors' report, media release and market presentations. Other financial information required by the Appendix 4D is contained in the financial statements.

Review of operations
for the 6 months to 31 March 2013
Aristocrat Leisure Limited
ABN 44 002 818 368

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

A$ million	Constant currency[1] 6 months to 31 Mar 2013	6 months to 31 Mar 2013	6 months to 31 Mar 2012	Variance vs 6 months to 31 Mar 2012: Constant currency[1] %	Variance vs 6 months to 31 Mar 2012: Reported %
Reported results[2]					
Total segment revenue from ordinary activities	388.2	383.2	414.3	(6.3)	(7.5)
Earnings before interest, tax and depreciation (EBITDA)	96.7	95.4	95.1	1.7	0.3
Earnings before interest and tax (EBIT)	76.5	75.3	76.2	0.4	(1.2)
Profit after tax	54.1	53.2	47.7	13.4	11.5
Profit after tax and non-controlling interest	53.5	52.6	47.3	13.1	11.2
Earnings per share (fully diluted)	9.7c	9.5c	8.7c	11.5	9.2
Total dividend per share[3]	7.0c	7.0c	4.0c	75.0	75.0
Balance sheet/cash flow					
Net working capital/revenue	21.9%	21.4%	21.0%	0.9pts	0.4pts
Operating cash flow	46.2	45.6	77.0	(40.0)	(40.8)
Cash flow per share (fully diluted)	8.4c	8.3c	14.2c	(40.8)	(41.5)
Closing net debt	186.3	185.1	240.7	(22.6)	(23.1)

[1] Results for 6 months to 31 March 2013 adjusted for translational exchange rates using rates applying in 2012.
[2] The information presented in this document has not been audited in accordance with the Australian Auditing Standards.
[3] March 2012 comparative is the 2011 full year dividend, declared during that period.

Group performance summary

The Group's performance for the reporting period was ahead of the prior corresponding period. Reported profit after tax and non-controlling interest of $52.6 million represents an 11.2% increase (13.1% in constant currency) compared to $47.3 million in the prior corresponding period. Reported fully diluted earnings per share of 9.5 cents represent a 9.2% increase (11.5% in constant currency) on the prior corresponding period.

The marginal drop in reported EBIT and 7.5% decrease in revenue largely reflect fewer scheduled game releases in Japan compared to the prior corresponding period. Excluding the variability driven by the Japanese game release schedule, EBIT increased 18.4%. North American operations delivered an improvement across all key business segments, demonstrated primarily through higher unit sales, improved average selling price (ASP) on new products, maintenance of ship share and a growing gaming operations footprint. Japan delivered one successful game release in the current reporting period and the Asia Pacific business grew significantly, supported by a product portfolio tailored to the markets in the region. The momentum in the Australian business continued as it cycled through the one-off Victorian rebuild sales in the prior corresponding period. Overall, Australian ship share has been maintained and improved ASP has increased EBIT margins demonstrating the effective execution of the Group's product-led strategy.

A significant saving in interest expense continues to show the benefits of the Group's focus on reducing debt levels.

The Group's performance between periods is reconciled in the table below:

A$ million	**6 months to 31 March**	
Profit after tax and non-controlling interest - 2012	47.3	
EBIT (excluding Japan) increase	9.4	↑
Japan EBIT decline	(9.1)	↓
Interest reduction	4.0	↓
Income tax movement	1.9	↓
Foreign exchange movements	(0.9)	↓
Profit after tax and non-controlling interest - 2013	**52.6**	

Operating cash flow of $45.6 million was $31.4 million lower than the prior corresponding period predominately reflective of the lower Japan trade activity in the mix in the current year. The Group has continued to invest in gaming operations as well as undertaken two acquisitions ($16.3 million) in the half and funded its dividend ($11.0 million) whilst further reducing debt. The Group's ongoing commitment to reducing borrowings and gearing to more conservative levels is represented in the continued reduction in net debt while supporting strategic investments. Net debt at 31 March 2013 represents a $55.6 million reduction from the prior corresponding period.

During the half the Group has made significant investments in industry-leading creative and technical talent to accelerate game development and achieve a step change in product quality and enable penetration into new game segments. In addition to these investments in its core gaming markets the Group has also integrated several strategic acquisitions in the online and social gaming space which have provided a cost effective entry point into these future value streams.

Regional performance summary

Operational improvement continues as is evidenced from the following key deliveries across the Group's core segments during this reporting period:

1. Americas
   - Continued growth in gaming operations install base to a record 6,922 units (up 8.5% compared to the prior corresponding period), increasing our share in this critical value segment.
   - Maintained ship share on the strength of new and improved game content and continued *Viridian WS*™ penetration.
   - Continued growth in *OASIS*™ customer base with 5 new installs during the 6 months. The total customer base has grown to a new record of 287.

2. Australia and New Zealand
   - Australian ship share increased marginally, despite strong competition.
   - Investment in external games studios to allow a broader portfolio to be developed.
   - Brand interest of *Legends*™ range remains strong, with customers continuing to use the *Legends*™ segment to revitalise gaming floors with new technology.
   - Re-entry into the South Australian hotel and club market.
   - Launch of new systems modules tailored to improving productivity within the hotel and small club market.
   - Ongoing development of Pre-Commitment modules for the Group's systems offering in this market.

3. Rest of World and Japan
   - Maintained number one market share position across Asia Pacific region including securing almost 50% share of the Solaire Casino opening in the Philippines.
   - Release of one game in Japan (*Zettai Shogeki 2*™) which has been the number one performing game (measured by medal in), since January 2013.
   - Strong performance of *Wonder 4*™, *The Mummy*™ and *Superman*™ in Europe.
   - Launch of the *Viridian Hybrid*™ *Stepper* into Europe.

Operational performance by region is summarised below. Reference to profit/(loss) represents earnings before interest and tax, charges for Design & Development (D&D) expenditure and corporate costs.

Americas: In local currency, North American revenue increased by 12.1% to US$190.3 million, and profit was up 13.1% to US$69.2 million. Latin America's revenue decreased by 15.8% to US$13.3 million however profit was up 152.6% to US$4.8 million driven by customer mix.

North American unit sales increased 13.7% over the prior corresponding period and ship share was maintained. Unit sales revenue was up 22.9% driven by the volume increase and an improvement in average selling price. The gaming operations install base grew 8.5% with average fee per day (FPD) decreasing by 5.1% to US$40.80. This was largely a result of product mix in the install base. Systems revenue was 3.0% up on the prior corresponding period, driven by revenue increases in new installs and an increase in systems maintenance revenue.

In Latin America, revenue in USD terms decreased 15.8% due to a decrease in unit sales volumes.

Australia and New Zealand: On a constant currency basis, in the 6 months to 31 March 2013, revenue decreased by 6.9% to A$95.3 million, and segment profit decreased 6.5% to A$40.0 million due to the one-off sales of Victorian rebuild units sold in the prior period as a result of regulatory change.

In the absence of this regulatory change, revenue was 1.8% above the prior year and segment profit was up by 5.0%. Australian ship share increased marginally and improved mix drove a 13.0% increase in ASP, this coupled with cost management drove improved profit margin. New Zealand continued to be impacted by a limited game portfolio with new games only coming online late in the half year reporting period.

Rest of World (ROW) and Japan: Segment performance decreased on the prior corresponding period, predominately driven by the timing of game releases in Japan. Revenue decreased by 27.7%, in constant currency terms, to A$95.7 million and profit decreased 25.5% to A$31.6 million.

Revenue in the International – Class III segment was up 4.5% to A$69.2 million however profits were down 1.2% to A$33.0 million in constant currency terms. Revenue growth was primarily driven by growth in Asia Pacific and Europe offset by a tighter South African market.

In Japan, the Group released one game into this market this reporting period compared to two games in the corresponding period driving a 65.7% decrease in revenue in local currency and a Yen 1,026.2 million decrease in profit to Yen 29.3 million. *Zettai Shogeki 2*™ released in the current period generated sales of 4,600 units and to date is the best performing game in the market since January 2013 (measured by medal in).

The variability of the Japan result highlights the uniqueness of this business with earnings largely dependent on the timing of a very small number of key game releases.

Aristocrat Lotteries and Online revenues decreased compared to the prior corresponding period, primarily due to lower video lottery terminal (VLT) sales, partially offset by contribution from online. VLT installations were stable throughout the period although the mix shifted with a reduction of units in the Cogetech network and an increase in Norsk Tipping.

Profit and loss

Results in the current period and prior corresponding period are as reported and do not include any transactions or adjustments considered abnormal.

Summary profit and loss

A$ million	6 months to 31 Mar 2013	6 months to 31 Mar 2012	Variance	Variance %
Segment revenue				
Australia and New Zealand	95.5	102.4	(6.9)	(6.7)
Americas	196.0	179.6	16.4	9.1
Rest of World and Japan	91.7	132.3	(40.6)	(30.7)
Total segment revenue	**383.2**	**414.3**	**(31.1)**	**(7.5)**
Segment profit				
Australia and New Zealand	40.1	42.8	(2.7)	(6.3)
Americas	71.2	61.6	9.6	15.6
Rest of World and Japan	30.5	42.4	(11.9)	(28.1)
Total segment profit	**141.8**	**146.8**	**(5.0)**	**(3.4)**
Unallocated expenses				
Group D&D expense	(55.5)	(54.6)	(0.9)	1.6
Foreign exchange	0.9	(2.1)	3.0	(142.9)
Corporate	(11.9)	(13.9)	2.0	(14.4)
Total unallocated expenses	**(66.5)**	**(70.6)**	**4.1**	**(5.8)**
EBIT	**75.3**	**76.2**	**(0.9)**	**(1.2)**
Interest	(6.0)	(11.5)	5.5	(47.8)
Profit before tax	**69.3**	**64.7**	**4.6**	**7.1**
Income tax	(16.1)	(17.0)	0.9	(5.3)
Profit after tax	**53.2**	**47.7**	**5.5**	**11.5**
Non-controlling interest	(0.6)	(0.4)	(0.2)	50.0
Profit after tax and non-controlling interest	**52.6**	**47.3**	**5.3**	**11.2**

Key metrics	% of revenue		Variance
Segment profit margin	6 months to 31 Mar 2013	6 months to 31 Mar 2012	Pts
Australia and New Zealand	42.0	41.8	0.2
Americas	36.3	34.3	2.0
Rest of World and Japan	33.3	32.0	1.3
Overall segment profit margin	**37.0**	**35.4**	1.6
Group D&D expense	14.5	13.2	1.3
Earnings before interest and tax	19.7	18.4	1.3
Profit after tax and non-controlling interest	13.7	11.4	2.3
Effective tax rate	23.2	26.3	(3.1)

Revenue

Strong growth was delivered across the key North American and Asia Pacific regions with Europe also performing strongly on the back of new product releases. This was partially offset by lower contributions from South Africa, New Zealand, Latin America and Australia which cycled over the one-off rebuild Victorian sales opportunity in the prior corresponding period. Segment revenue decreased $31.1 million or 7.5% in reported currency (6.3% in constant currency). Revenue increased 2.5% (3.2% in constant currency) when adjusted for the variability driven by the Japanese game release schedule.

Earnings

Segment profit decreased $5.0 million in reported currency, 3.4% compared with the prior corresponding period (2.1% in constant currency). Excluding the variability from Japan year on year, segment profit increased $7.6 million or 5.7% in reported currency or $9.3 million (6.9%) in constant currency.

Consistent with revenue delivery, stronger earnings from the Americas business and Europe were offset by Japan, Australia, New Zealand and South Africa. This result reinforces the value of a global portfolio where Group EBIT performance remained steady despite the diversity in operating business results.

The Group continues to invest significantly in better games through new talent and new technology, with ongoing efficiencies reinvested in core product development and capability. This capability has been further enhanced with recent exclusive arrangements made with key game designers joining Aristocrat and further investment in technology to support improvements in quality and future income streams. The Group's investment in D&D spend, as a percentage of revenue, was 14.5% (14.4% on a constant currency basis) compared to 13.2% of revenues in the prior corresponding period. Total reported spend increased $0.9 million or 1.6% (2.6% in constant currency), which was driven by increased third party spend.

Cost control remains a key focus for the Group, with further actions undertaken in the current period to reduce the Group's fixed cost base. Corporate costs declined 14.4% compared to the prior corresponding period. This is primarily as a result of lower personnel expenses and savings in rent and utilities.

The downward trend in net interest expense was maintained and is representative of the Group's improved gearing levels. Net interest expense has decreased ($5.5 million or 47.8%), reflecting lower average net debt levels during the period.

The effective tax rate (ETR) for the reporting period is 23.2% compared to 26.3% in the prior corresponding period. The decrease in ETR is mainly driven by higher R&D tax concession claims and tax adjustments relating to prior years. Without the prior year adjustment, the effective tax rate would be 24.1%.

Balance sheet and cash flows

Balance sheet

The balance sheet can be summarised as follows:

A$ million	31 Mar 2013	30 Sept 2012	31 Mar 2012
Net working capital	174.1	139.3	154.9
Other current/non-current assets	82.1	85.6	82.8
Property, plant and equipment	94.8	102.6	103.3
Intangibles	123.2	104.6	105.8
Other current/non-current liabilities	(53.8)	(52.2)	(73.8)
Net tax balances	83.2	88.5	94.5
Funds employed	**503.6**	**468.4**	**467.5**
Net debt	(185.1)	(191.8)	(240.7)
Total equity	**318.5**	**276.6**	**226.8**

Significant balance sheet movements from 30 September 2012 are:

Net working capital: Net working capital increased to 21.4% of annual revenue from 16.5%, influenced by timing of payments and an increase in trade receivables. Trade receivables were particularly impacted by the timing of game releases in Japan, the timing of sales into the new casino opening in the Philippines and the launch of the *Viridian Hybrid™ Stepper* in Europe.

Other current/non-current assets: The $3.5 million decrease primarily relates to a decrease in non-current trade debtors in Lotteries driven by collections and sale of the Group's investment in Pokertek.

Property, plant and equipment: The $7.8 million decrease predominantly represents net capital additions ($9.6 million), primarily relating to gaming operations investment in North America, offset by the depreciation charge for the reporting period ($16.6 million).

Intangible assets: The $18.6 million increase reflects an increase in goodwill ($10.6 million) primarily related to acquisition of Product Madness Inc. and the acquisition of GAN's internet gaming platform and remote game server ($11.2 million).

Net tax balances: The $5.3 million decrease relates to a decrease in deferred tax assets primarily due to a decrease in provisions and utilisation of carried forward losses.

Total equity: The change in total equity predominantly reflects net reported profit of $52.6 million for the period offset by payment of the prior year final dividend.

Statement of cash flows

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

A$ million	6 months to 31 Mar 2013	6 months to 31 Mar 2012
Net debt - opening balance (30 September)	**(191.8)**	**(300.7)**
Net cash inflow from operating activities	**45.6**	**77.0**
Investing cash flows	(26.8)	(20.9)
Financing cash flows	(11.0)	-
Movement in net cash	**7.8**	**56.1**
Effect of exchange rate changes on net debt	(1.1)	3.9
Net debt - closing balance (31 March)	**(185.1)**	**(240.7)**

Total net cash inflows of $7.8 million were $48.3 million lower than in the prior corresponding period. This has been predominantly driven by lower operating cash flows and an increase in investing and financing cash flows.

Fully diluted operating cash flow per share decreased from 14.2 cents to 8.3 cents.

Lower operating cash generation from Japan was the key driver for the reduction in operating cash flows compared to the prior corresponding period.

The net cash outflow from investing activities primarily represents the acquisitions of Product Madness Inc., the purchase of an internet gaming system and remote game server and investments in property, plant and equipment, predominantly for gaming operations units in North America.

The net cash flow from financing activities relates to payments of dividends. In the prior corresponding period the dividend was funded by way of an underwritten DRP (Dividend Reinvestment Plan).

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

Net debt at 31 March 2013 was $185.1 million which was a decrease of $55.6 million from 31 March 2012. Gross debt was reduced by $52.2 million from 31 March 2012.

The Group remains committed to prudently managing its borrowing and gearing levels.

Bank facilities

The Group had committed bank facilities of $375.0 million at 31 March 2013, of which $210.2 million was drawn compared to $214.5 million at 30 September 2012. Net debt levels at 31 March 2013 reduced by $6.7 million over the half year to $185.1 million. This continued reduction in debt levels reflects the positive free cash flows generated by the business after allowing for strategic inorganic and organic investments made during the period.

The Group's facilities are summarised as follows:

Term Debt	31 Mar 2013	30 Sep 2012	31 Mar 2012
Drawn	A$210.2m	A$214.5m	A$262.5m
Limit	A$375.0m	A$375.0m	A$450.0m
Maturity date	October 2015	October 2015	June 2013

Debt ratios

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

Ratio	31 Mar 2013	30 Sep 2012	31 Mar 2012
EBITDA[1]/Interest expense[2]	10.6x	8.6x	6.0x
Debt/EBITDA[1]	1.2x	1.2x	1.7x
Net Debt/EBITDA[1]	1.0x	1.1x	1.6x

[1] EBITDA and interest expense are based on the preceding 12 month results. EBITDA represents bank EBITDA, which is inclusive of interest received but excludes the impact of abnormal items.

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

Dividends

In light of Aristocrat's strengthening financial position, the Group has adopted a new dividend policy with a target payout ratio of 60% to 80% of normalised net profit after tax. This represents an increase from the previous 50% to 70% target dividend payout range. The new policy demonstrates the Board's commitment to disciplined capital management and willingness to distribute capital to shareholders in the most efficient manner.

The Directors have authorised an interim dividend in respect of the half-year ended 31 March 2013 of 7.0 cents per share ($38.6 million). The interim dividend represents a payout ratio of 74% of normalised earnings.

The dividend will be unfranked and is expected to be declared and paid on 28 June 2013 to shareholders on the register at 5.00pm on 7 June 2013. 100% of the unfranked dividend will be paid out of conduit foreign income. The Dividend Reinvestment Plan (DRP) will operate in respect of this dividend for shareholders resident in Australia and New Zealand, with shares acquired on-market to satisfy those shares to be provided under the Plan. In accordance with the DRP rules, the DRP price will be calculated by reference to the arithmetic average of the daily volume weighted average prices over a period of 5 days commencing on 11 June 2013. No discount will apply in determining the DRP issue price. The number of ordinary shares DRP participants will receive will be rounded to the nearest share.

The Group's ability to pay franked dividends is primarily influenced by its mix of earnings and agreed positions with various taxation authorities around the world. Based on the current mix of earnings and the impact of prior corresponding period abnormal items, the 2013 interim dividend and dividends paid over the medium term are not expected to 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 2013 the Australian dollar was, on average, marginally weaker against the US dollar however much stronger against the Yen when compared to the prior corresponding period. The impact of translating foreign currency (translational impact) decreased revenue by $5.0 million while decreasing reported profit after tax and non-controlling interest by $0.9 million on a weighted average basis when compared with rates prevailing in the respective months in the prior year.

In addition, as at 31 March 2013, the cumulative effect of the retranslation of the net assets of foreign controlled entities (recognised through the foreign currency translation reserve) was $104.9 million (compared to $97.3 million as at 31 March 2012 and $97.6 million as at 30 September 2012).

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 $1.0 million translational impact on the Group's annual reported profit after tax. 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-13	30-Sep-12	31-Mar-12	6 months to 31 Mar 2013 Average*	6 months to 31 Mar 2012 Average*
USD	1.0426	1.0464	1.0402	1.0381	1.0423
NZD	1.2464	1.2533	1.2690	1.2532	1.2953
JPY	98.08	81.05	85.34	90.90	82.22
EUR	0.8155	0.8093	0.7788	0.7922	0.7791
SEK	6.8064	6.5221	6.9027	6.7701	6.9715
ZAR	9.6518	8.6093	8.0155	9.1715	8.2156

* Average of monthly exchange rates only. No weighting applied.

Regional segment review

In this review, segment profit/(loss) represents earnings before interest and tax, and before abnormal items, charges for D&D expenditure and corporate costs. The total amount of these items is disclosed in the Group's statement of comprehensive income. Constant currency amounts refer to 2013 results restated using exchange rates applying in 2012.

Americas

US$ million	**6 months to 31 Mar 2013**	**6 months to 31 Mar 2012**	**Variance**	**Variance %**
Revenue				
North America	190.3	169.7	20.6	12.1
Latin America	13.3	15.8	(2.5)	(15.8)
Total	**203.6**	**185.5**	**18.1**	**9.8**

US$ million	**6 months to 31 Mar 2013**	**6 months to 31 Mar 2012**	**Variance**	**Variance %**
Profit				
North America	69.2	61.2	8.0	13.1
Latin America	4.8	1.9	2.9	152.6
Total	**74.0**	**63.1**	**10.9**	**17.3**
Margin	36.3%	34.0%	-	2.3 pts

North America	**6 months to 31 Mar 2013**	**6 months to 31 Mar 2012**	**Variance**	**Variance %**
Volume				
- Platforms	5,527	4,860	667	13.7
- Conversions	3,327	3,791	(464)	(12.2)
Average US$ price/unit	14,881	13,902	979	7.0
Average US$ price/unit (excluding rebuilds into secondary market)	16,170	15,565	605	3.9
Gaming operations units	6,922	6,379	543	8.5
Gaming operations US$/day	40.80	42.99	(2.19)	(5.1)

Latin America	**6 months to 31 Mar 2013**	**6 months to 31 Mar 2012**	**Variance**	**Variance %**
Volume				
- Platforms	1,198	1,358	(160)	(11.8)
- Conversions	65	227	(162)	(71.4)
Average US$ price/unit	9,446	10,088	(642)	(6.4)

In local currency, North American revenue increased 12.1% and profits increased by 13.1%. Overall profit margin increased 0.3 points to 36.4%, on continued operational improvements.

5,527 units were sold in the period, a 13.7% increase compared to the prior corresponding period. Average selling price also increased for both new and rebuild units with the overall average selling price increasing 7.0% to US$14,881 per unit, compared to the prior corresponding period. Sales of software conversions decreased 12.2% to 3,327 units on lower Class II software sales (Class III conversions were up 4.3%).

In a highly competitive market, the Group continued to grow its gaming operations footprint driven by the successful release of new titles including *Sherlock Holmes*™, *Cash Express Gold Class*™, *Feature Frenzy*™ and the continued popularity of the *Tarzan*® franchise. The install base grew by 8.5% in the period to 6,922 units driving improved share, despite a decline in average FPD. Average FPD declined 5.1% to US$40.80 for the six months to 31 March 2013 compared to an average of US$42.99 in the prior corresponding period. This is reflective of the mix of product within the Group's install base. Average FPD will improve with continued expansion of the Group's install base through the placement of new product and in particular multiple site progressive (MSP) product. As previously stated, the Group intends to grow its share of MSP product, extending on the *Tarzan*® footprint, which will further support improvement in the FPD. Initial games are scheduled to be released in the second half of the 2013 calendar year.

During the period, the business installed 5 *OASIS*™ Casino Management Systems into new sites. The total number of properties which use the *OASIS*™ Casino Management System in North America is now at a new record of 287 (net year on year increase of 10). The number of new installations was in line with the prior corresponding period with five new installs; however prior period revenues were higher based on the size of the installations whilst systems maintenance revenue is up on the cumulative impact of the larger install base. As a result, total systems revenues improved 3.4% to US$33.1 million.

Despite the competitive market environment, the Group is targeting continued growth in unit sales compared to the prior corresponding period supported by strong first half game releases like *Wonder 4*™ and on the release of new titles such as *Buffalo Legends*™ and *Timber Wolf Legends*™ as well as expanding into the entertainment segment. In addition, new gaming operations products including *Superman™, Let's Make a Deal*™, *Caribbean Treasure*™ and *Walking Dead*™ are expected to drive continued growth in the gaming operations install base and fee per day results. The business also expects strong growth from its systems business with more new installations planned and continued sales of its new system modules.

In Latin America, platform sales volume was down 11.8% while overall average selling price decreased by 6.4% due to mix. The lower volume was driven by a decrease in new unit sales, partially offset by an increase in rebuild unit sales. While the new unit average selling price was up 8.7%, the overall average selling price was lower due to the change in product mix which included a higher percentage of rebuild units. Driven by the lower volume and lower average selling price, revenue declined 16.3% in reported currency terms (15.8% in local currency terms). However, reported profit increased 155.6% due to a lower mix of customers for which profit is recognized on a cash basis.

Australia and New Zealand

A$ million	Constant currency 6 months to 31 Mar 2013	6 months to 31 Mar 2012	Variance	Variance %
Revenue				
Australia	90.0	95.2	(5.2)	(5.5)
New Zealand	5.3	7.2	(1.9)	(26.4)
Total	**95.3**	**102.4**	**(7.1)**	**(6.9)**

A$ million	Constant currency 6 months to 31 Mar 2013	6 months to 31 Mar 2012	Variance	Variance %
Profit				
Australia	39.6	41.3	(1.7)	(4.1)
New Zealand	0.4	1.5	(1.1)	(73.3)
Total	**40.0**	**42.8**	**(2.8)**	**(6.5)**
Margin	42.0%	41.8%	-	0.2 pts

Australia	6 months to 31 Mar 2013	6 months to 31 Mar 2012	Variance	Variance %
Volume				
- Platforms	2,634	3,215	(581)	(18.1)
- Conversions	2,636	3,047	(411)	(13.5)
Average A$ price/unit	16,847	14,906	1,941	13.0
Average A$ price/unit (excluding Victorian rebuild sales)	17,030	17,053	(23)	(0.1)

New Zealand	6 months to 31 Mar 2013	6 months to 31 Mar 2012	Variance	Variance %
Volume				
- Platforms	140	191	(51)	(26.7)
- Conversions	196	311	(115)	(37.0)
Average NZ$ price/unit	19,305	19,293	12	0.1

Australian revenue and profit fell 5.5% and 4.1% respectively to $90.0 million and $39.6 million compared to the prior corresponding period. This largely reflects the one-off Victorian rebuild unit sales opportunity achieved in the prior period driven by regulatory change. Excluding these one-off sales, Australian revenue and profit were up circa 2% and 5% respectively and unit sales increased circa 8%. Despite the decline in total unit sales, the Group's ship share improved marginally.

EBIT margins continued to improve driven by cost control and mix. ASP increased 13.0% from $14,906 for the six months to 31 March 2012 to $16,847 for the six months at 31 March 2013 driven by improved mix which has now reverted to a more traditional profile. The underlying new product ASP has remained constant supported by game performance, despite the competitive environment. The improved ASP is reflected in the higher segment margin of the Australian operations, seeing an increase from 39.5% (normalised for Victorian rebuild units) to 44.0%. This also reflects the Group's focus on improving the games portfolio, a continued focus on improving sales efficiency within the Australian operation and ongoing initiatives to reduce costs.

Excluding rebuild units in Victoria sales of *Viridian WS*™ units increased by 8.0% over the prior comparative period which also included re-entering the South Australian hotel and club market with the *Viridian WS*™ offering.

The New Zealand result continued to be impacted by a limited game portfolio with new games coming online late in the half year reporting period. Early game performance has been positive and a more consistent pipeline of product will be available in the second half.

Rest of World and Japan

A$ million	Constant currency 6 months to 31 Mar 2013	6 months to 31 Mar 2012	Variance	Variance %
Revenue				
International - Class III	69.2	66.2	3.0	4.5
Japan - Pachislot	18.8	56.3	(37.5)	(66.6)
Lotteries and Online	7.7	9.8	(2.1)	(21.4)
Total	**95.7**	**132.3**	**(36.6)**	**(27.7)**

A$ million	Constant currency 6 months to 31 Mar 2013	6 months to 31 Mar 2012	Variance	Variance %
Profit				
International - Class III	33.0	33.4	(0.4)	(1.2)
Japan - Pachislot	0.2	12.6	(12.4)	(98.4)
Lotteries and Online	(1.6)	(3.6)	2.0	55.6
Total	**31.6**	**42.4**	**(10.8)**	**(25.5)**
Margin	33.0%	32.0%	-	1.0 pts

	6 months to 31 Mar 2013	6 months to 31 Mar 2012	Variance	Variance %
Volume - Class III Platforms	3,648	3,156	492	15.6
Volume - Pachislots	4,606	14,074	(9,468)	(67.3)
Total VLTs in operation	5,999	5,926	73	1.2
Pachislot average ¥ price/unit	340,311	331,401	8,910	2.7

The Rest of World (ROW) segment result was down on the prior corresponding period, predominately driven by Japan. Revenue and profit decreased by 27.7% and 25.5% respectively in constant currency.

International – Class III

Asia Pacific continues to perform strongly with revenues growing 7.8% over the prior comparative period in reported currency. Overall EGM volumes increased 14.4% against the prior comparative period partially offset by a reduction in conversions. The reduction in conversions was a result of regulatory changes in the prior year requiring venues to upgrade games. Excluding this one off event, conversions remain consistent with the prior year. The Solaire Casino opening in the Philippines in the period represented a key new opening for the region with the Group achieving circa 50% share of floor, confirming the validity of the Group's product portfolio strategy within the region.

The Asia Pacific market is expected to remain strong throughout 2013 and into 2014 with new openings complementing our established regional business. A tailored product portfolio focusing on regionally relevant content will continue to drive market share in an increasingly competitive region.

Europe's revenue growth of 34.5% was delivered on the back of the successful launch of the *Viridian Hybrid*™ *Stepper* supported by titles such as *Zorro*™ - *The Legend Returns* and *Superman*™ and new product launches on the *Viridian WS*™ with titles such as *Wonder 4*™ and *The Mummy*™

gaining traction quickly. This is reflective of the Group's ability to rapidly deploy US product into the region.

In South Africa trading conditions remain tight with key customers engaging in significant system upgrades that constrained capital and drove a revenue decline of 28.8%, in line with the reduction in market size.

Japan - Pachislot

The Pachislot market shipped an estimated 714,100 units in the reporting period, an increase of circa 6.2% on the prior corresponding period. The Group released one game into the Japanese market this reporting period compared to two games in the corresponding period, driving a 67.3% decrease in unit volumes and a 65.7% reduction in revenue (in local currency). Total sales of *Zettai Shogeki 2™* achieved in the current reporting period were 4,600 units with the game being the best performing game in the market since January 2013 (as measured by medal in). In the prior corresponding period, two titles were released (*Black Lagoon™ and Kyojin no Hoshi V™*) which achieved 8,376 and 5,688 units respectively. The Group continues to target a two to three game per annum distribution strategy for this market with the timing of game releases continuing to contribute to volatility in performance between reporting periods. Only one game is planned for release in the second half.

Lotteries & Online

Aristocrat Online revenues increased compared to the prior corresponding period, but were offset by a drop in Lotteries revenues due to lower VLT sales. Revenues declined by 21.4% in constant currency terms.

The total VLT install base remains stable to the prior corresponding period at 5,999 units however the mix has changed with 16% less VLTs in the Cogetech network and a 12% increase within Norsk Tipping.

Aristocrat Online continues to penetrate the European regulated wager markets through the Group's strategic content licensing partnerships. With over 100 game deployments live and a rapidly expanding distribution network of online operators, the requisite distribution scale needed to achieve meaningful revenue growth in this increasingly important segment is being established. Games such as *Choy Sun Doa™*, *Where's the Gold™*, *More Chilli™* and *Lucky 88™* continue to perform long after launch and display the longevity that is the hallmark of Aristocrat games in markets worldwide.

In North America, Aristocrat is extremely well positioned to take advantage of the anticipated opening of online wagering in the US. The Group's *nLive™* powered online free play casinos is exceeding expectations and garnering significant interest from casino operators. As jurisdictions move toward regulation, Aristocrat is taking a proactive stance on licensure and product compliance to ensure readiness.

Aristocrat Online will continue to provide new and classic favourite games through its European wager and North American free play distribution channels.

The Group's acquisition of Product Madness Inc., a leading social gaming platform, was completed during the period. This provides the Group with new distribution opportunities for its broad proven game content library into social online and mobile gaming markets.

Aristocrat

Financial statements for the half-year ended 31 March 2013

These financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the period ended 30 September 2012 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.

Aristocrat Leisure Limited ABN 44 002 818 368

Contents

Consolidated statement of comprehensive income

for the half-year ended 31 March 2013

	Notes	Six months to 31 March 2013 $'000	Six months to 30 June 2012 $'000
Revenue	3	**380,486**	396,393
Cost of revenue		**(170,909)**	(189,623)
Gross profit		**209,577**	206,770
Other income	3	**9,178**	4,287
Design and development costs		**(55,488)**	(58,965)
Sales and marketing costs		**(31,085)**	(46,461)
General and administration costs		**(54,021)**	(54,512)
Finance costs		**(8,923)**	(10,936)
Profit before income tax expense		**69,238**	40,183
Income tax expense		**(16,071)**	(4,824)
Profit after income tax expense for the half-year		**53,167**	35,359
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(7,319)**	(1,662)
Changes in fair value of interest rate hedge		**1,073**	145
Other comprehensive income for the half-year, net of tax		**(6,246)**	(1,517)
Total comprehensive income for the half-year		**46,921**	33,842
Profit is attributable to:			
Owners of Aristocrat Leisure Limited		**52,554**	34,699
Non-controlling interest		**613**	660
		53,167	35,359
Total comprehensive income is attributable to:			
Owners of Aristocrat Leisure Limited		**46,308**	33,182
Non-controlling interest		**613**	660
		46,921	33,842

Earnings per share for profit attributable to ordinary equity holders of the Company		Cents	Cents
Basic earnings per share	7	**9.6**	6.4
Diluted earnings per share	7	**9.5**	6.3

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 31 March 2013

	31 March 2013 $'000	30 September 2012 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**25,061**	22,612
Trade and other receivables	**276,634**	253,202
Inventories	**71,918**	69,067
Financial assets	**4,908**	5,775
Other assets	**4,888**	3,479
Current tax assets	**1,420**	249
Total current assets	**384,829**	354,384
Non-current assets		
Trade and other receivables	**63,491**	67,552
Financial assets	**5,700**	7,410
Property, plant and equipment	**94,792**	102,577
Deferred tax assets	**81,775**	88,253
Intangible assets	**123,180**	104,611
Total non-current assets	**368,938**	370,403
Total assets	**753,767**	724,787
LIABILITIES		
Current liabilities		
Trade and other payables	**123,965**	139,693
Borrowings	**-**	7,000
Provisions	**12,358**	13,514
Other liabilities	**47,392**	41,926
Total current liabilities	**183,715**	202,133
Non-current liabilities		
Trade and other payables	**455**	850
Borrowings	**210,189**	207,453
Provisions	**13,765**	14,759
Other liabilities	**27,107**	23,068
Total non-current liabilities	**251,516**	246,130
Total liabilities	**435,231**	448,263
Net assets	**318,536**	276,524
EQUITY		
Contributed equity	**233,137**	233,137
Reserves	**(120,077)**	(121,580)
Retained earnings	**208,281**	166,735
Capital and reserves attributed to owners	**321,341**	278,292
Non-controlling interest	**(2,805)**	(1,768)
Total equity	**318,536**	276,524

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the half-year ended 31 March 2013

	Attributable to owners of Aristocrat Leisure Limited					
	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 January 2012	209,043	(119,032)	164,863	254,874	(2,730)	252,144
Profit for the half-year	-	-	34,699	34,699	660	35,359
Other comprehensive income	-	(1,517)	-	(1,517)	-	(1,517)
Total comprehensive income for the half-year	-	(1,517)	34,699	33,182	660	33,842
Transactions with owners in their capacity as owners:						
Contributions of equity	21,724	-	-	21,724	-	21,724
Net movement in share-based payments reserve	-	3,319	-	3,319	-	3,319
Dividends provided for or paid	-	-	(21,667)	(21,667)	-	(21,667)
Net movement in reserves attributable to non-controlling interest	-	-	-	-	(43)	(43)
	21,724	3,319	(21,667)	3,376	(43)	3,333
Balance at 30 June 2012	230,767	(117,230)	177,895	291,432	(2,113)	289,319
Balance at 1 October 2012	**233,137**	**(121,580)**	**166,735**	**278,292**	**(1,768)**	**276,524**
Profit for the half-year	**-**	**-**	**52,554**	**52,554**	**613**	**53,167**
Other comprehensive income	**-**	**(6,246)**	**-**	**(6,246)**	**-**	**(6,246)**
Total comprehensive income for the half-year	**-**	**(6,246)**	**52,554**	**46,308**	**613**	**46,921**
Transactions with owners in their capacity as owners:						
Net movement in share-based payments reserve	**-**	**7,749**	**-**	**7,749**	**-**	**7,749**
Dividends provided for or paid	**-**	**-**	**(11,008)**	**(11,008)**	**(1,388)**	**(12,396)**
Net movement in reserves attributable to non-controlling interest	**-**	**-**	**-**	**-**	**(262)**	**(262)**
	-	**7,749**	**(11,008)**	**(3,259)**	**(1,650)**	**(4,909)**
Balance at 31 March 2013	**233,137**	**(120,077)**	**208,281**	**321,341**	**(2,805)**	**318,536**

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

Consolidated statement of cash flows

for the half-year ended 31 March 2013

	Note	Six months to 31 March 2013 $'000	Six months to 30 June 2012 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**395,223**	381,696
Payments to suppliers and employees (inclusive of goods and services tax)		**(340,293)**	(342,438)
		54,930	39,258
Other income		**846**	384
Interest received		**5,415**	3,596
Interest paid		**(7,278)**	(12,369)
Income taxes paid		**(8,285)**	(1,661)
Net cash inflow from operating activities		**45,628**	29,208
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		**(9,636)**	-
Payments for property, plant and equipment		**(11,372)**	(18,150)
Payments for intangibles		**(7,005)**	(2,821)
Proceeds from sale of available-for-sale financial assets		**503**	-
Loan repayments from non-controlling interest		**663**	-
Proceeds from sale of property, plant and equipment		**20**	30
Net cash outflow from investing activities		**(26,827)**	(20,941)
Cash flows from financing activities			
Proceeds from issue of shares		**-**	15,821
Proceeds from borrowings		**131,091**	123,925
Repayment of borrowings		**(134,236)**	(139,178)
Dividends paid to company's shareholders	4	**(11,008)**	(15,765)
Dividends paid to non-controlling shareholder		**(1,388)**	-
Net cash outflow from financing activities		**(15,541)**	(15,197)
Net increase/(decrease) in cash and cash equivalents held		**3,260**	(6,930)
Cash and cash equivalents at the beginning of the half-year		**22,612**	29,354
Effects of exchange rate changes on cash and cash equivalents		**(811)**	(332)
Cash and cash equivalents at the end of the half-year		**25,061**	22,092

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the half-year ended 31 March 2013

Note 1. Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year reporting period ended 31 March 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act* 2001.

This condensed consolidated interim financial 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 period ended 30 September 2012 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 half-year of the Group has changed from 30 June to 31 March following a change in year-end in the prior period. The comparative figures for the statement of comprehensive income, statement of cashflows and statement of changes in equity and related notes are for the 6 months to 30 June 2012. The results for the period ended 31 March 2013 are not directly comparable with the results for 30 June 2012 due to seasonality of the Group's operations.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Comparative information is reclassified where appropriate to enhance comparability.

Impact of standards issued but not yet applied by the group

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Group’s accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports remain unchanged, but these requirements are currently subject to review and may also be revised in the near future.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013). It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group will adopt the new standard from its operative date, which means that it will be applied in the annual reporting period ending 30 September 2014.

Note 2. Segment information

Description of segments

Operating segments are reported based on the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors and the Executive Leadership Team, who have determined operating segments based on a geographical perspective and have identified the following reportable segments:

- The Americas;
- Australia and New Zealand;
- Japan; and
- Rest of world.

Segment result is measured on the basis of segment profit before tax and excludes design and development expenditure, charges for intercompany licence fees and advanced pricing agreements, impairment of intangibles and other non-trading assets. Head office expenses are included in the segment result as they are allocated and charged out to each of the segments. Segment revenues are allocated based on the country in which the customer is located. 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 comprehensive income.

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

Reportable segments are reconciled to the consolidated financial statements on the following two pages.

Notes to the consolidated financial statements

for the half-year ended 31 March 2013

Note 2. Segment information

Six months to 31 March 2013	Australia and New Zealand $'000	The Americas $'000	Japan $'000	Rest of world $'000	Consolidated $'000
Revenues from external customers	92,839	196,013	16,401	75,233	380,486
Other segment revenue from external customers	2,700	-	-	-	2,700
Segment revenue	95,539	196,013	16,401	75,233	383,186
Segment result	40,075	71,204	(20)	30,555	141,814
Interest revenue not allocated to segments					2,904
Interest expense					(8,923)
Design and development expenditure					(55,488)
Other					(11,069)
Consolidated profit before tax					69,238

Six months to 30 June 2012	Australia and New Zealand $'000	The Americas $'000	Japan $'000	Rest of world $'000	Consolidated $'000
Revenues from external customers	88,241	184,628	69,176	54,348	396,393
Other segment revenue from external customers	2,933	-	-	-	2,933
Segment revenue	91,174	184,628	69,176	54,348	399,326
Segment result	28,979	57,315	17,697	15,473	119,464
Interest revenue not allocated to segments					854
Interest expense					(10,936)
Design and development expenditure					(58,965)
Other					(10,234)
Consolidated profit before tax					40,183

Notes to the consolidated financial statements
for the half-year ended 31 March 2013

	Six months to 31 March 2013 $'000	Six months to 30 June 2012 $'000
Note 3. Profit for the half-year		
(a) Revenue		
Sale of goods	**262,199**	287,580
Gaming operations and services	**118,287**	108,813
Total revenue	**380,486**	396,393
(b) Other income		
Interest	**5,604**	3,787
Foreign exchange gains	**2,709**	85
Gain on disposal of property, plant and equipment	**19**	9
Sundry income	**846**	406
Total other income	**9,178**	4,287
(c) Expenses		
(i) Depreciation and amortisation		
Depreciation and amortisation of property, plant and equipment		
- Buildings	**303**	285
- Plant and equipment	**15,028**	14,317
- Leasehold improvements	**1,247**	1,198
Total depreciation and amortisation of property, plant and equipment	**16,578**	15,800
Amortisation of intangible assets		
- Computer technology	**3,086**	2,929
- Licences	**132**	67
- Development costs	**321**	321
Total amortisation of intangible assets	**3,539**	3,317
Total depreciation and amortisation	**20,117**	19,117
(ii) Employee benefits expense		
Total employee benefits expense	**101,868**	104,088
(iii) Lease payments		
Rental expense relating to operating lease		
- Minimum lease payments	**8,238**	8,743
(iv) Other significant items		
- Write down of inventories to net realisable value	**1,147**	2,091
- Legal costs	**3,878**	4,086
(d) Net foreign exchange gain/(loss)		
Foreign exchange gain	**2,709**	85
Foreign exchange loss	**(1,816)**	(1,589)
Net foreign exchange gain/(loss)	**893**	(1,504)

Notes to the consolidated financial statements

for the half-year ended 31 March 2013

	Six months to 31 March 2013 $'000	Six months to 30 June 2012 $'000
Note 4. Dividends		
Dividends provided for or paid during the half-year:		
- 2.0 cents, unfranked, per fully paid share, paid on 21 December 2012	11,008	-
- 4.0 cents, unfranked, per fully paid share, paid on 3 April 2012	-	21,667
Total dividends provided for or paid during the half-year	11,008	21,667
Dividends paid were satisfied as follows:		
Paid in cash	10,234	15,765
Paid through the dividend reinvestment plan	774	5,902
Total dividends paid during the half-year	11,008	21,667
Dividends not recognised at the end of the period		
Since the end of the half-year the directors have recommended the payment of an interim dividend of 7.0 cents (2012 - 4.0 cents) per fully paid ordinary share, unfranked. The aggregate amount of the proposed interim dividend expected to be paid on 28 June 2013, but not recognised as a liability at the end of the half-year is:	38,599	21,967

Dividend Reinvestment Plan (DRP)

The directors have determined that the Aristocrat Leisure Limited Dividend Reinvestment Plan (DRP) will remain active in respect of the 2013 interim dividend (for shareholders resident in Australia and New Zealand). In accordance with the DRP rules, the Company will fulfil its obligations by an on-market purchase and transfer of shares and the DRP price will be calculated by reference to the arithmetic average of the daily VWAPs over a period of five days commencing on 11 June 2013. No discount is applicable, and the number of ordinary shares DRP participants will receive will be rounded to the nearest share.

Any shareholder who wishes to participate in the DRP or to change their current application in the DRP must lodge an application or variation notice on or before 5.00pm on 7 June 2013 to the Company's share registry, Boardroom Pty Limited.

	Half-year		Half-year	
	2013 Shares	2012 Shares	2013 $'000	2012 $'000
Note 5. Equity securities issued				
Issues of ordinary shares during the half-year				
Shares issued under dividend reinvestment plan	-	2,020,484	-	5,902
Shares issued under dividend underwriting arrangement	-	5,301,381	-	15,822
Total equity securities issued during the half-year	-	7,321,865	-	21,724

Note 6. Events occurring after reporting date

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.

	Six months to 31 March 2013	Six months to 30 June 2012
	Cents	Cents
Note 7. Earnings per share		
Basic earnings per share	**9.6**	6.4
Diluted earnings per share	**9.5**	6.3

	2013	2012
	Number	Number
Weighted average number of ordinary shares used as the denominator for diluted earnings per share		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**550,222,545**	545,241,598
Effect of share based payment arrangements	**2,369,542**	2,249,374
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**552,592,087**	547,490,972

	Six months to 31 March 2013	Six months to 30 June 2012
	$'000	$'000
Reconciliation of earnings used in calculating diluted earnings per share		
Profit attributable to members of Aristocrat Leisure Limited	**52,554**	34,699
Earnings used in calculating diluted earnings per share	**52,554**	34,699

Information concerning the classification of securities

(a) Share based payments

Rights granted to employees under share based payment arrangements are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The rights have not been included in the determination of basic earnings per share.

(b) Share-based payments trust

Shares purchased on-market 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 used as the denominator in calculating basic earnings per share.

Note 8. Borrowings

Available facilities
This committed bank facility is secured by a negative pledge that imposes certain financial covenants. The Group was in compliance with the imposed covenants at reporting date.

The bank loan facility arrangements are structured as follows:

- Facility A - $355,000,000 tranche maturing 30 October 2015.
- Facility B - $20,000,000 tranche maturing 30 October 2015.

Borrowings are at a floating rate. A portion of the interest rate exposure has been fixed under separate interest rate swap arrangements.

Other facilities relate to:
- JPY 1.5 billion Uncommitted Borrowing facility with Mizuho Bank Ltd (Japan), which is subject to annual review. As at 31 March 2013, there were no drawings made under this facility.
- Uncommitted money market borrowing line with Westpac Banking Corporation.

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

Undrawn borrowing facilities
The Group's undrawn borrowing facilities were as follows:

	31 March 2013 $'000	30 September 2012 $'000
Floating rate		
- Expiring within one year (bank overdrafts, loans and other facilities)	32,056	26,564
- Expiring beyond one year	164,812	167,547
	196,868	194,111

Note 9. Contingent liabilities

The Group had contingent liabilities at 31 March 2013 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; and

(iii) controlled entities within the Group are and 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 current claims are unlikely to have a material adverse effect on the Group.

Note 10. Intangible assets

	Goodwill $'000	Licences $'000	Development costs $'000	Computer technology $'000	Total $'000
Consolidated					
Carrying amount at 30 September 2012	77,422	8,428	3,372	15,389	104,611
Additions	-	-	700	11,524	12,224
Additions on acquisition of subsidiary	10,404	-	-	-	10,404
Amortisation charge	-	(132)	(321)	(3,086)	(3,539)
Foreign currency exchange movements	232	(1,023)	-	271	(520)
Carrying amount at 31 March 2013	88,058	7,273	3,751	24,098	123,180

Refer to Note 11 for details of a business combination entered into during the period.

Additions to computer technology comprise mainly of an internet gaming server and remote game server purchased for $11,229,000.

Note 11. Business combinations

On 29 November 2012 the Group acquired 100% of the issued shares in Product Madness Inc. and Product Madness (UK) Limited, on-line social gaming operators. These acquisitions are expected to increase the Group's access to on-line gaming markets.

Provisional values of the purchase consideration, the net assets acquired and goodwill are as follows:

	$'000s
Purchase consideration	
Cash paid	**10,675**
Contingent consideration	**-**
Total purchase consideration	**10,675**

The provisional values for the assets and liabilities of Product Madness Inc. and Product Madness (UK) Limited as at the date of acquisition are as follows:

	Fair value $'000s
Cash and cash equivalents	**1,039**
Receivables	**611**
Plant and equipment	**107**
Other assets	**23**
Payables	**(1,321)**
Current tax liabilities	**(115)**
Other liabilities	**(73)**
Net identifiable assets acquired	**271**
Add: goodwill	**10,404**
Net assets acquired	**10,675**

The goodwill is attributable to the assembled workforce and expected synergies with Product Madness Inc. and Product Madness (UK) Limited. None of the goodwill is deductible for tax purposes.

There were no acquisitions made in the prior period.

(i) Acquisition related costs

Acquisition related costs of $575,000 are included in general and administration costs in the statement of comprehensive income for the period.

(ii) Contingent consideration

The contingent consideration arrangement requires the Group to pay the former owners of Product Madness Inc. and Product Madness (UK) Limited based on the revenue and earnings before interest, taxes, depreciation and amortisation (EBITDA) in the years ending 31 December 2013 to 31 December 2015. The potential undiscounted amount of all future payments is between $0 and US$16,508,000. The fair value of the contingent consideration arrangement will be disclosed in the financial statements for the year ending 30 September 2013.

(iii) Acquired receivables

The fair value of trade and other receivables is $611,000 and includes trade receivables with a fair value of $590,000. The gross contractual amount for trade receivables due is $590,000, which is expected to be recoverable.

(iv) Revenue and profit contribution

The acquired entities revenue and net profit will be disclosed in the financial statements for the year ending 30 September 2013 on completion of the acquisition accounting. Had the acquisition occurred on 1 October 2012, the revenue and profit of the Group would not be materially different to the amounts as disclosed in the statement of comprehensive income.

(v) Information not disclosed as not yet available

The Group is in the process of completing the accounting for the acquisition, including the assessment of the fair value of the contingent consideration and intangible assets acquired. Therefore the information presented in Note 11 is provisional. The fair value of the contingent consideration arrangement and intangible assets will be disclosed in the financial statements for the year ending 30 September 2013.

Directors' declaration

for the half-year ended 31 March 2013

In the directors' opinion:

(a) the financial statements and notes set out on pages 3 to 15 are in accordance with the *Corporations Act 2001* including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2013 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.

Dr ID Blackburne
Chairman

Sydney
Date: 28 May 2013

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, which comprises the consolidated statement of financial position as at 31 March 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on 31 March 2013, selected explanatory notes and the directors' declaration for Aristocrat Leisure Limited (the consolidated entity). The consolidated entity comprises both Aristocrat Leisure Limited (the company) and the entities it controlled during the 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 (including the Australian Accounting Interpretations) 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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2013 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*.

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:

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(a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2013 and of its performance for the half-year ended on that date; and

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

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Hump

Stephen Humphries
Partner

Sydney
28 May 2013

Directors' report
for the 6 months ended 31 March 2013
Aristocrat Leisure Limited
ABN 44 002 818 368

The directors present their report together with the financial statements of Aristocrat Leisure Limited and its controlled entities (the 'Consolidated Entity') for the six months ended 31 March 2013. This report is made on 28 May 2013.

Directors

The directors of Aristocrat Leisure Limited (the 'Company') during the six months under review and up to the date of this report, unless otherwise stated, are:

ID Blackburne (Non-Executive Chairman)
JR Odell (Managing Director and Chief Executive Officer)
DCP Banks (Non-Executive Director)
RA Davis (Non-Executive Director)
RV Dubs (Non-Executive Director)
LG Flock (Non-Executive Director)
SW Morro (Non-Executive Director)

Review and results of operations

A review of the operations of the Consolidated Entity for the half-year ended 31 March 2013 is set out in the attached Review of Operations which forms part of this Directors' Report. The operating result of the Consolidated Entity attributable to shareholders for the half-year ended 31 March 2013 was a profit of $52.6 million after tax and minority interest (six months to 31 March 2012: $47.3 million).

Auditor's Independence Declaration

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

Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Australian Securities & Investments Commission Class Order 98/0100 dated 10 July 1998 (updated by Class Order 05/641 effective 28 July 2005 and Class Order 06/51 effective 31 January 2006) 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 thousand dollars in accordance with that Class Order.

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

ID Blackburne
Chairman
28 May 2013

Auditor’s Independence Declaration

As lead auditor for the review of Aristocrat Leisure Limited for the half-year ended 31 March 2013, 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.

Stephen Humphries Partner PricewaterhouseCoopers	Sydney 28 May 2013

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