ARISTOCRAT LEISURE LIMITED

ABN 44 002 818 368

2013 PROFIT ANNOUNCEMENT

RESULTS TO BE RELEASED TO THE MARKET

ANNUAL INFORMATION GIVEN TO THE ASX
UNDER LISTING RULE 4.3A

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

2013 PROFIT ANNOUNCEMENT
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ARISTOCRAT LEISURE LIMITED

A.B.N. 44 002 818 368

APPENDIX 4E

Preliminary Final Report

Period ended: 12 months 30 September 2013

Previous corresponding period: 12 months to 30 September 2012

Results for announcement to the market

				12 months to September 2013 $'000
Revenue from ordinary activities	down	-3.4%	to	808,682
Profit from ordinary activities after tax	up	15.1%	to	107,200
Profit for the period attributable to members	up	16.9%	to	107,200

Dividends

	Amount per security	Franked amount per security	Record date for determining entitlements to dividends
Current year – 2013:			
- Interim dividend in respect of the 6 months to 31 March 2013	7.0c	0.0c	7 June 2013
- Final dividend in respect of the 12 months to 30 September 2013	7.5c	0.0c	5 December 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

The directors have determined that the Aristocrat Leisure Limited Dividend Reinvestment Plan (DRP) will remain active in respect of the 2013 final 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 6 December 2013. No discount is applicable, and the number of ordinary shares DRP participants will receive will be rounded down 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 5 December 2013 to the Company's share registry, Boardroom Pty Limited.

Net tangible assets

	September 2013	September 2012
Net tangible assets per security	$ 0.41	$ 0.31

Due to the change in reporting date for the Group in the prior period, the information for the prior corresponding period has not been audited. For further explanation of the above figures please refer to the review of operations and market presentations. Other financial information required by the Appendix 4E is contained in the financial statements.

Review of Operations
for the 12 months to 30 September 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] 12 months to 30 Sept 2013	12 months to 30 Sept 2013	Pro-forma[2] 12 months to 30 Sept 2012	Variance vs 12 months to 30 Sept 2012 Constant currency[1] %	Variance vs 12 months to 30 Sept 2012 Reported %
Reported results[3]					
Total segment revenue from ordinary activities	796.3	813.8	843.3	(5.6)	(3.5)
Earnings before interest, tax and depreciation (EBITDA)	179.5	188.1	177.9	0.9	5.7
Earnings before interest and tax (EBIT)	137.9	145.3	139.7	(1.3)	4.0
Profit after tax	101.3	107.2	93.1	8.8	15.1
Profit after tax and non-controlling interest	101.3	107.2	91.7	10.5	16.9
Earnings per share (fully diluted)	18.3c	19.4c	16.7c	9.6	16.2
Total dividend per share	14.5c	14.5c	6.0c	141.7	141.7
Balance sheet/cash flow					
Net working capital/revenue	24.7%	26.2%	16.5%	8.2pts	9.7pts
Operating cash flow	93.7	98.2	165.4	(43.3)	(40.6)
Cash flow per share (fully diluted)	16.9c	17.8c	30.2c	(44.0)	(41.1)
Closing net debt	197.8	208.2	191.8	3.1	8.6

[1] Results for 12 months to 30 September 2013 adjusted for translational exchange rates using rates applying in 2012.
[2] As disclosed on 2 May 2012, Aristocrat changed its financial year-end from 31 December to 30 September.
As 2012 was the transitional reporting period, the Group reported a nine month period ended 30 September 2012.
All tables in this section compare to results for the 12 months ended 30 September 2012 as the comparative period, to enable meaningful data comparisons.
[3] September 2012 comparative is the dividend per share for the 9 months to 30 September 2012.
[4] The information presented in this document has not been audited in accordance with the Australian Auditing Standards.

Group performance summary

The Group's performance for the reporting period was ahead of the prior corresponding period with reported profit after tax and non-controlling interest of $107.2 million representing a 16.9% increase (10.5% in constant currency), compared to $91.7 million in the prior period. Reported fully diluted earnings per share of 19.4 cents represent a 16.2% increase on the prior corresponding period.

Fewer scheduled game releases in Japan impacted Group revenue, down 3.5% while reported EBIT grew 4.0%. Excluding the variability driven by the Japanese game release schedule, revenue increased 4.3% and EBIT increased 18.4%.

Operating cash flow of $98.2 million was 40.6% lower than the prior corresponding period, predominantly reflecting movement in working capital driven by the timing of revenues. This was influenced by the timing of the second Japanese game and Australian and North American growth in the September quarter driven by new product releases. The Group has continued to invest in its gaming operations install base as well as undertaken two acquisitions ($16.3 million) and funded higher dividends ($49.5 million). Net gearing has been maintained at 1.1 times.

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

A$ million	**12 months to 30 Sept[1]**	
Profit after tax and non-controlling interest - 2012	91.7	
EBIT (excluding Japan) increase	12.9	↑
Japan EBIT decline	(14.7)	↓
Interest reduction	8.9	↓
Income tax movement	1.1	↓
Non-controlling interest	1.4	↓
Foreign exchange movements	5.9	↑
Profit after tax and non-controlling interest - 2013	**107.2**	

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

2013 was another year of strong delivery, with double digit net profit after tax (NPAT) growth driven fundamentally by improved operational performance – including incremental share growth in the highly competitive US outright sales segment, share growth in the critical US gaming operations market, maintenance of our leading position in Asia Pacific markets and strongly performing Japan games. In Australia, overall performance was below expectations due to stronger competitive market conditions, and gaps in the games portfolio.

The Group's strategic investments in talent and technology are starting to deliver more competitive product in key markets and segments in line with its strategy. This was clear at the major trade shows in the US and Australia in the September quarter, with compelling, innovative and targeted offerings expected to drive sales and share growth in key markets and segments over 2014.

During the year, 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.

Aristocrat took a significant step forward in digital, entering social gaming with the acquisition of Product Madness Inc. and Product Madness (UK) Ltd. (Product Madness). The Group successfully deployed game content into the social gaming and European online wager markets over the course of the year.

Regional performance summary

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

1. Americas
   - The business delivered operational improvements across key business segments demonstrated by higher unit sales, improved average selling price (ASP), significant growth in the Group's gaming operations footprint and continued growth in the Group's Oasis customer base.
   - Further share growth in the gaming operations segment with the gaming operations install base increasing 11.9% to a record 7,562 units.
   - Average fee per day (FPD) improvement in the second half was driven by new game releases
   - Achieved incremental ship share in the outright sales segment on the strength of new and improved game content and continued *Viridian WS*™ penetration.
   - Continued growth in *OASIS*™ customer base with seven new installs during the last six months (12 installations during the last twelve months). The total customer base reached a new high of 294.

2. Australia and New Zealand
   - The Australian business cycled through the benefit of one-off Victorian rebuild sales in the prior corresponding period.
   - Underlying performance was below expectations due to stronger competitive market conditions and games portfolio gaps. These gaps have now been addressed with a stronger and broader portfolio showcased at AGE.
   - September share led by momentum in NSW was significantly higher due to the AGE games portfolio.
   - Brand interest of *Legends*™ range remains strong, with customers continuing to use the *Legends*™ segment to revitalise gaming floors with new technology.
   - Launch of the first of the games, *Sparkling Jackpots*™ from our new third party studio, High Roller Games.
   - 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 voluntary 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 the Asia Pacific region including securing circa 50% share of the Solaire Casino opening in the Philippines.
   - Re-entry into the Korean market and continued growth across the Asia Pacific region.

- Release of two games in Japan (*Zettai Shogeki* 2™ and *High School of the Dead*™). Both of these games performed well in the market, achieving stable and high performance, ranking in the top 10 performing games (measured by medal in) released this calendar year.
- Revenue growth in Europe following successful launch of the *Viridian*™ *Hybrid Stepper* and Feature Top Box.
- Completed acquisition of Product Madness and successful deployment of Aristocrat content into the social gaming arena. Overall average revenue per daily active user (ARPDAU) was US 9c at period end and is currently US 11c. Our recently launched Aristocrat-content lobby, *Heart of Vegas*™ is monetising ahead at US 16c.
- Growing deployment of content into European wager (210 deployments).

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 6.6% to US$383.6 million, and profit was up 9.3% to US$139.2 million. Latin America revenue increased by 4.3% to US$31.3 million and profit was up 147.9% to US$11.9 million, driven by an increase in units sold and a lower mix of customers for which profit is recognised on a cash basis.

North American unit sales increased 10.2% over the prior corresponding period and ship share grew incrementally. Unit sales revenue was up 16.2%, driven by the volume increase and an improvement in ASP. The gaming operations install base grew 11.9% with average FPD decreasing by 3.1% to US$41.64. The decline in FPD was largely a result of the sustained legacy footprint of the business which earns lower revenue however yields strong margins. Systems revenue was down 8.1% on the prior corresponding period, driven by the size of prior period installations, while profitability of the business improved.

In Latin America, revenue in USD terms increased 4.3% due to an increase in unit sales volumes and an increased emphasis on recurring revenue with the introduction of premium themes such as *Tarzan*®.

Australia and New Zealand: On a constant currency basis, in the 12 months to 30 September 2013, revenue decreased by 8.1% to A$191.5 million, and segment profit decreased 7.5% to A$76.8 million, primarily 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 down 2.6% and segment profit in line with the prior year. Despite increasing competition, margins were maintained through an improved mix driving a 9.3% increase in ASP and disciplined cost management. New Zealand continued to be impacted by a limited game portfolio with new games only coming online late in the reporting period.

Rest of World (ROW) and Japan: Segment performance decreased on the prior corresponding period, predominantly driven by the number of game releases in Japan. Revenue decreased by 20.9%, in constant currency terms, to A$202.4 million and profit decreased 24.9% to A$59.8 million.

Revenue in the International – Class III segment was down 4.5% to A$119.4 million and profits were down 14.8% to A$52.2 million in constant currency terms. Revenue decline was primarily driven by lower buying activity in Macau and Singapore, and tighter South African markets partially offset by an improvement to Lotteries & Online following the acquisition of Product Madness.

In Japan, the Group released two games into the market this reporting period compared to three games in the corresponding period. This drove a 47.1% decrease in revenue in local currency and a

Yen 1,218.4 million decrease in profit to Yen 875.8 million. *Zettai Shogeki 2™* released in March generated sales of 4,970 units and *High School of the Dead™* released in August generated sales of 9,482 units.

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

Lotteries & Online revenues increased compared to the prior corresponding period, due to the Product Madness acquisition.

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	12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Segment revenue				
Australia and New Zealand	192.3	208.4	(16.1)	(7.7)
Americas	421.9	379.0	42.9	11.3
Rest of World and Japan	199.6	255.9	(56.3)	(22.0)
Total segment revenue	**813.8**	**843.3**	**(29.5)**	**(3.5)**
Segment profit				
Australia and New Zealand	77.0	83.0	(6.0)	(7.2)
Americas	154.1	128.9	25.2	19.6
Rest of World and Japan	59.9	79.6	(19.7)	(24.7)
Total segment profit	**291.0**	**291.5**	**(0.5)**	**(0.2)**
Unallocated expenses				
Group D&D expense	(118.9)	(117.8)	(1.1)	0.9
Foreign exchange	(1.9)	(5.5)	3.6	(65.5)
Corporate	(24.9)	(28.5)	3.6	(12.6)
Total unallocated expenses	**(145.7)**	**(151.8)**	**6.1**	**(4.0)**
EBIT	**145.3**	**139.7**	**5.6**	**4.0**
Interest	(11.3)	(20.2)	8.9	(44.1)
Profit before tax	**134.0**	**119.5**	**14.5**	**12.1**
Income tax	(26.8)	(26.4)	(0.4)	1.5
Profit after tax	**107.2**	**93.1**	**14.1**	**15.1**
Non-controlling interest	-	(1.4)	1.4	(100.0)
Profit after tax and non-controlling interest	**107.2**	**91.7**	**15.5**	**16.9**

Key metrics	% of revenue		Variance
Segment profit margin	12 months to 30 Sept 2013	12 months to 30 Sept 2012	Pts
Australia and New Zealand	40.0	39.8	0.2
Americas	36.5	34.0	2.5
Rest of World and Japan	30.0	31.1	(1.1)
Overall segment profit margin	**35.8**	**34.6**	1.2
Group D&D expense	14.6	14.0	0.6
Earnings before interest and tax	17.9	16.6	1.3
Profit after tax and non-controlling interest	13.2	10.9	2.3
Effective tax rate (%)	20.0	22.1	(2.1)

Revenue

Revenue growth was predominantly driven by the Americas and Online. This was offset by lower contributions from Japan, Australia and Asia Pacific. Segment revenue decreased $29.5 million or 3.5% in reported currency (5.6% in constant currency), predominantly driven by the timing of game releases in Japan. Revenue increased 4.3% (1.1% in constant currency) when adjusted for the variability driven by the Japanese game release schedule.

Earnings

Segment profit decreased $0.5 million in reported currency, 0.2% compared with the prior corresponding period (2.7% in constant currency). Excluding the variability from Japan year on year, segment profit increased $15.0 million or 5.6% in reported currency or $6.7 million (2.5%) in constant currency.

Consistent with revenue delivery, stronger earnings from the Americas and Lotteries & Online were offset by Japan, Australia and Asia Pacific. 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 14.6% (14.8% on a constant currency basis) compared to 14.0% of revenues in the prior corresponding period. Total reported spend increased $1.1 million or 0.9% (decreased 0.1% in constant currency). The Group increased its leverage of D&D spend with further utilisation of the Aristocrat Indian Development Centre (AIDC) coupled with restructuring across Australia and North America.

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 12.6% compared to the prior corresponding period.

The downward trend in net interest expense was maintained and is representative of the Group's conservative gearing levels. Net interest expense has decreased $8.9 million or 44.1%. This was principally due to lower average debt levels and reduced borrowing costs. The decrease was greater if adjusted for implied interest of $1.1 million relating to Product Madness acquisition accounting.

The effective tax rate (ETR) for the reporting period was 20.0% compared to 22.1% in the prior corresponding period. The decrease in ETR is mainly driven by R&D tax concession claims and mix of earnings.

Balance sheet and cash flows

Balance sheet

The balance sheet can be summarised as follows:

A$ million	30 Sept 2013	31 Mar 2013	30 Sept 2012
Net working capital	213.1	174.1	139.3
Other current/non-current assets	90.4	82.1	85.6
Property, plant and equipment	106.9	94.8	102.6
Intangibles	151.1	123.2	104.6
Other current/non-current liabilities	(59.7)	(53.8)	(52.2)
Net tax balances	81.8	83.2	88.5
Funds employed	**583.6**	**503.6**	**468.4**
Net debt	(208.2)	(185.1)	(191.8)
Total equity	**375.4**	**318.5**	**276.6**

Significant balance sheet movements from 30 September 2012 are:

Net working capital: Net working capital increased to 26.2% of annual revenue from 16.5%, driven mainly by an increase in trade receivables. Trade receivables have been particularly impacted by the timing of revenues, influenced by the second game in Japan, and growth in the September quarter in the Americas and Australia driven by new product releases.

Other current/non-current assets: The $4.8 million increase primarily relates to an increase in non-current trade debtors in Americas in accordance with the growth in this region.

Property, plant and equipment: The $4.3 million increase primarily relates to gaming operations investment in North America.

Intangible assets: The $46.5 million increase relates primarily to the acquisition of Product Madness and the acquisition of technology, an internet gaming system and remote game server, which together account for $36.3 million of the increase. Foreign exchange movements drive a $12.5 million increase.

Net tax balances: The $6.7 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 $107.2 million for the period.

Statement of cash flows

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

A$ million	12 months to 30 Sept 2013	12 months to 30 Sept 2012
Net debt - opening balance (30 September)	**(191.8)**	**(300.7)**
Net cash inflow from operating activities	**98.2**	**165.4**
Investing cash flows	(53.1)	(40.9)
Financing cash flows	(51.1)	(19.6)
Movement in net cash	**(6.0)**	**104.9**
Effect of exchange rate changes on net debt	(10.4)	4.0
Net debt - closing balance (30 September)	**(208.2)**	**(191.8)**

Total net cash outflows were $6.0 million compared to net inflows of $104.9 million in the prior corresponding period. This has been driven by lower operating cash flows and an increase in investing and financing cash flows.

Fully diluted operating cash flow per share decreased from 30.2 cents to 17.8 cents.

The key driver for the reduction in operating cash flows compared to the prior corresponding period was the timing of revenues influenced by the second game in Japan and growth in the September quarter in the Americas and Australia driven by new product releases.

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

The net cash flow from financing activities relates to the payments of dividends. Dividend payments in the prior corresponding period were lower as well as 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 30 September 2013 was $208.2 million which was an increase of $16.4 million from 30 September 2012. Gross debt increased $22.9 million from 30 September 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 30 September 2013, of which $237.4 million was drawn compared to $214.5 million at 30 September 2012. Net debt levels at 30 September 2013 increased by $16.4 million over the 12 months to $208.2 million.

The Group's facilities are summarised as follows:

Term Debt	30 Sep 2013	31 Mar 2013	30 Sep 2012
Drawn	A$237.4m	A$210.2m	A$214.5m
Limit	A$375.0m	A$375.0m	A$375.0m
Maturity date	October 2015	October 2015	October 2015

Debt ratios

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

Ratio	30 Sep 2013	31 Mar 2013	30 Sep 2012
EBITDA*/interest expense**	12.4X	10.6X	8.6X
Debt/EBITDA*	1.2X	1.2X	1.2X
Net debt/EBITDA*	1.1X	1.0X	1.1X

* 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.

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

Dividends

The Directors have authorised a final dividend in respect of the full year ended 30 September 2013 of 7.5 cents per share ($41.4 million). Total dividends in respect of the 2013 year amount to 14.5 cents per share and represent a payout ratio of 74.6% of normalised earnings.

The dividend will be unfranked and is expected to be declared and paid on 20 December 2013 to shareholders on the register at 5.00pm on 5 December 2013. 100% of the unfranked dividend will be paid out of conduit foreign income. The Dividend Reinvestment Plan (DRP) will be activated 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 five days commencing on 6 December 2013 and ending on 12 December 2013. No discount will apply in determining the DRP issue price. The number of ordinary shares DRP participants will receive will be rounded down 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, 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 12 months to 30 September 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) increased revenue by $17.5 million while increasing reported profit after tax and non-controlling interest by $5.9 million on a weighted average basis when compared with rates prevailing in the respective months in the prior year.

In addition, as at 30 September 2013, the cumulative effect of the retranslation of the net assets of foreign controlled entities (recognised through the foreign currency translation reserve) was $73.3 million (compared to $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$:	30 Sep 2013	31 Mar 2013	30 Sep 2012	12 months to 30 Sept 2013 Average[1]	12 months to 30 Sept 2012 Average[1]
USD	0.9309	1.0426	1.0464	0.9906	1.0350
NZD	1.1248	1.2464	1.2533	1.2096	1.2874
JPY	91.13	98.08	81.05	91.93	81.57
EUR	0.6900	0.8155	0.8093	0.7534	0.7957
GBP	0.5760	0.6890	0.6437	0.6349	0.6545
SEK	5.9878	6.8064	6.8247	6.4823	6.9876
ZAR	9.4114	9.6518	8.6093	9.2352	8.3402

[1] 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	12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Revenue				
North America	383.6	360.0	23.6	6.6
Latin America	31.3	30.0	1.3	4.3
Total	**414.9**	**390.0**	**24.9**	**6.4**

US$ million	12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Profit				
North America	139.2	127.4	11.8	9.3
Latin America	11.9	4.8	7.1	147.9
Total	**151.1**	**132.2**	**18.9**	**14.3**
Margin	36.4%	33.9%	-	2.5 pts

North America	12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Volume				
- Platforms	10,146	9,206	940	10.2
- Conversions	6,216	7,178	(962)	(13.4)
Average US$ price/unit	15,194	14,415	779	5.4
Average US$ price/unit (excluding rebuilds into secondary market)	15,636	14,675	961	6.5
Gaming operations units	7,562	6,757	805	11.9
Gaming operations US$/day	41.64	42.97	(1.33)	(3.1)

Latin America	12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Volume				
- Platforms	2,765	2,439	326	13.4
- Conversions	117	314	(197)	(62.7)
Average US$ price/unit	9,230	10,163	(933)	(9.2)

In local currency, North American revenue increased 6.6% and profits increased by 9.3%. Overall profit margin increased 0.9 points to 36.3%, on continued operational improvements across all key business segments: outright sales; gaming operations; systems.

10,146 units were sold in the period, representing a 10.2% increase compared to the prior corresponding period. ASP also increased for new and rebuild units with the overall ASP increasing 5.4% to US$15,194 per unit, compared to the prior corresponding period. New unit ASP increased 6.5%. Sales of software conversions decreased 13.4% to 6,216 units on lower Class II software sales (Class III conversions were up 9.9%).

In a highly competitive market, the Group also continued to grow its gaming operations footprint driven by a successful mix of both proprietary and licensed new titles including *Cash Express Gold Class*™ *Buffalo Stampede*™, *Superman Video*™ and *Let's Make a Deal*™, and the continued popularity of the *Tarzan*® franchise. The install base grew by 11.9% in the period to 7,562 units, driving improved share. Average FPD declined 3.1% to US$41.64 for the 12 months to 30 September 2013 compared to an average of US$42.97 in the prior corresponding period. Compared to the first six months of the reporting period, the trend in average FPD was favourable with the improvement driven by the mix of product being placed. The key driver of the decline in average FPD has been the sustained legacy footprint of the business which earns lower revenue however yields strong margins. The Group's ability to maintain this legacy footprint while continuing to aggressively grow its install base with new higher yielding average FPD product supports share growth in this highly competitive segment of the market. Average FPD will improve with continued expansion of the Group's install base through the placement of new product on our *Wonder Wheels*™ platform and in particular MSP product. As previously stated, the Group intends to grow its share of MSP product, expanding on the *Tarzan*® footprint and releasing new MSP themes such as *Walking Dead*™ and *Batman*™ which will further support improvement in the FPD.

During the period, the business installed 12 *OASIS*™ Casino Management Systems into new sites, continuing to drive an increase in the total number of properties which use the *OASIS*™ Casino Management System in North America, now at a new record of 294. The number of new installations was broadly in line with the prior corresponding period (13 new installations); however, prior period revenues were higher based on the size of the installations whilst systems maintenance revenue grew on the cumulative impact of the larger installed base. As a result, total systems profitability improved by 6 percentage points.

Despite the competitive market environment, the Group is targeting continued growth in unit sales compared to the prior corresponding period through entry into the entertainment segment and continued focus on core games. A number of E*series games will be launched throughout the year, with the first *Sky Rider*™ already approved in key jurisdictions. The release of the new *Legends*, *Wonder 4* and *Jackpot* series will continue to drive core market growth. In addition, new gaming operations products including *Flashdance*™, *Walking Dead*™, *Tarzan*® *of the Apes* and *Rolling Stones*™ plus *Batman*™ and *Superman 1978*™ on the *Wonder Wheels*™ platform are expected to drive continued growth in the installed base and average FPD. The business also expects strong growth from its systems business with more new installations planned and continued sales of new system modules.

In Latin America, platform sales volume was up 13.4%, while overall ASP decreased by 9.2% due to a higher mix of rebuilds. Revenue increased 4.3% in local currency and profit increased 147.9% due to a lower mix of customers for which profit is recognised on a cash basis.

Australia and New Zealand

A$ million	Constant currency 12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Revenue				
Australia	179.7	193.9	(14.2)	(7.3)
New Zealand	11.8	14.5	(2.7)	(18.6)
Total	**191.5**	**208.4**	**(16.9)**	**(8.1)**

A$ million	Constant currency 12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Profit				
Australia	74.2	79.8	(5.6)	(7.0)
New Zealand	2.6	3.2	(0.6)	(18.8)
Total	**76.8**	**83.0**	**(6.2)**	**(7.5)**
Margin	40.1%	39.8%	-	0.3 pts

Australia	12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Volume				
- Platforms	5,481	6,768	(1,287)	(19.0)
- Conversions	6,805	6,427	378	5.9
Average A$ price/unit	16,590	15,185	1,405	9.3
Average A$ price/unit (excluding Victorian rebuild sales)	16,590	16,925	(335)	(2.0)

New Zealand	12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Volume				
- Platforms	363	411	(48)	(11.7)
- Conversions	413	537	(124)	(23.1)
Average NZ$ price/unit	19,955	19,878	77	0.4

Australian revenue and profit fell 7.3% and 7.0% respectively to $179.7 million and $74.2 million compared to the prior corresponding period. This predominantly reflects the regulatory driven Victorian rebuild sales opportunity delivered in the prior corresponding period. The business maintained margins and ASP increased 9.3% to $16,590 driven by the improved mix.

Excluding Victorian rebuilds, revenue decreased 1.4% while profit and units increased 0.6% and 1.6% respectively. The underlying new product ASP reduced 2.0% driven by games mix. The business drove higher conversion sales into the install base with *Viridian WS*™ conversions becoming an increasing proportion of the mix. Underlying performance was below expectations due to stronger competitive market conditions and gaps in the games portfolio. These gaps have now been addressed with the new portfolio showcased at AGE. AGE showcased exciting, targeted and purpose-built Australian style and jackpot products – demonstrating early benefit from our D&D investment including world-class creative and technical capability focused on key Australian market segments. The business exits the year with good momentum off the back of a successful AGE with a broader product portfolio that is performing in the market.

Investment in external games studios during the financial year has supported the development of a broader portfolio with the 2014 product pipeline representing a further step up in game quality and portfolio breadth.

The New Zealand result continued to be impacted by a limited game portfolio and capital constraints in the Casino segment.

Rest of World and Japan

A$ million	Constant currency 12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Revenue				
International - Class III	119.4	125.0	(5.6)	(4.5)
Japan - Pachislot	61.6	116.5	(54.9)	(47.1)
Lotteries and Online	21.4	14.4	7.0	48.6
Total	**202.4**	**255.9**	**(53.5)**	**(20.9)**

A$ million	Constant currency 12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Profit				
International - Class III	52.2	61.3	(9.1)	(14.8)
Japan - Pachislot	10.6	25.3	(14.7)	(58.1)
Lotteries and Online	(3.0)	(7.0)	4.0	57.1
Total	**59.8**	**79.6**	**(19.8)**	**(24.9)**
Margin	29.5%	31.1%	-	(1.6) pts

	12 months to 30 Sept 2013	12 months to 30 Sept 2012	Variance	Variance %
Volume - Class III Platforms	6,269	5,861	408	7.0
Volume - Pachislots	14,458	28,833	(14,375)	(49.9)
Total VLTs in operation	5,493	6,282	(789)	(12.6)
Pachislot average ¥ price/unit	346,395	331,182	15,213	4.6

The Rest of World (ROW) segment result was down on the prior corresponding period, predominantly driven by the timing of game releases in Japan. Revenue and profit decreased by 20.9% and 24.9% respectively in constant currency.

International - Class III

Revenues in Asia Pacific were down 7.1% due to lower buying activity in Macau during the second half, influenced by anticipated regulatory change. Despite lower buying activity in Macau, the Group continued to hold share in this key market and across the Asia Pacific region. Excluding new openings, revenues outside of Macau and Singapore grew over 20% as the Group continued to broaden its presence in the region. The key new opening in the period was the Solaire Casino in the Philippines with the Group achieving circa 50% share of the floor.

Europe's revenue growth in local currency terms of 37.4% was delivered on the back of the successful launch of the *Viridian™ Hybrid Stepper* and Feature Top Box in the first half and a continued focus on the Tier 1 market of France and Tier 2 markets Germany, Holland, Slovenia and Spain. Continued growth in these markets will be supported by the Group's ability to leverage and rapidly deploy US product into the region.

In South Africa, trading conditions remain tight with the three Casino Operators engaging in significant system upgrades that constrained capital and drove a revenue decline of 18.9%. Despite this decline, the business continued to maintain its leading market share position in the Class III segment. It is anticipated that the Casino Operators will revert back to normal purchasing cycles in 2014.

Japan - Pachislot

The Pachislot market shipped an estimated 1.3 million units in the reporting period, an increase of circa 10.1% on the prior corresponding period. The Group released two games into the Japanese market this reporting period compared to the three games in the corresponding period, driving a 49.9% decrease in unit volumes and a 47.1% reduction in revenue (in local currency). Total sales of *Zettai Shogeki 2*™ were 4,970 units and *High School of the Dead*™, released in August, achieved 9,482 units. Both of these games performed well in the market and were ranked in the top 10 best games released this calendar year (measured by medal in). The Group continues to target a two to three game per annum distribution strategy for this market, with two games planned for 2014. The timing of game releases is expected to continue to contribute to volatility in performance between reporting periods.

Lotteries & Online

Aristocrat Online revenues increased compared to the prior corresponding period, but were partially offset by a reduction in Lotteries revenues due to lower VLT sales. Overall revenues increased by 48.6% in constant currency terms.

In November 2012, the Group acquired Product Madness, a leading social gaming platform, to leverage value from its Class III premium game content in the fast-growing social and mobile channels. Following integration, towards the end of the reporting period, the Group began deployment of Aristocrat content into the social environment through the *Heart of Vegas*™ Facebook application. In spite of only recently deploying native content into the application, the market's desire for land-based content has been realised through higher monetisation rates, expected to grow as the Group continues to inject the Aristocrat library into the application. Overall ARPDAU was US 9c at period end and is currently US 11c. *Heart of Vegas*™ is monetising ahead at US 16c.

Aristocrat Online continues to penetrate the European regulated wager markets through the Group's strategic content licensing partnerships. During the second half, over 100 games were live and the Group's distribution network of online operators expanded rapidly. At year end, the Group had a total of 210 game deployments live across a network of 30 operators. The Group is focused on the acquisition of key Tier 1 operator partnerships and recently signed distribution deals are expected to provide a meaningful uplift in revenue into 2014. Games such as *Choy Sun Doa*™, *Where's the Gold*™, *More Chilli*™ and *Lucky 88*™ are translating into sustained performance that is the hallmark of Aristocrat games in markets worldwide. While this is not a material contributor to Group profit, it demonstrates the strength of and demand for Aristocrat content.

The total VLT install base was reduced by 789 units when compared with the prior corresponding period at 5,593 units and the mix has changed with 989 fewer VLTs in Cogetech and a 5.1% increase in Norsk Tipping.

Business strategies and prospects for future financial years

In accordance with ASIC Regulatory Guide 247, the following sections have been added to the Review of Operations for the first time:

- Business strategies and prospects for future financial years.
- Material risks to business strategies and prospects for future financial years.

The Company's strategy is structured around three key pillars:

- Core momentum - to drive a more competitive core business to achieve our strategic objectives of delivering a sustainable business – now and into the future.
- Industry and business transformation – to enable our technology and leverage our content in high-growth, emerging distribution channels.
- People and culture – to build a high performance organisation with a positive culture across our global business.

The strategies described below are expected to provide revenue growth and further diversify revenue sources for the Company.

Core momentum

Core momentum is about focusing on producing the best content by market and segments and encompasses our short to mid-term growth drivers. The Group's traditional land-based markets include Australia, Asia Pacific, North America and EMEA with segmentation focused on for-sale product, gaming operations and systems products.

As these traditional land-based markets continue to mature, we are increasingly focused on share taking. This strategy requires careful product segmentation in order to appropriately leverage our design and development base across a diverse portfolio of markets with focus on innovation and product differentiation.

Over the past year, we have invested in the acquisition of key talent and strengthened our insights function to enhance our ability to aggressively take share in the following categories:

- Traditional Australian Style Content – through brand extension and building new brands.
- Entertainment Style Segment – through purpose-built games and specialist creative talent.
- Recurring Revenue Segment - through securing industry talent and key licensed brands to accelerate growth.
- Jackpot Products – through investments in a new dedicated studio and specialist creative talent.

Industry and business transformation

With the progress we are making in our core business, we now find ourselves in a position to look outward to an evolving gaming sector and consider new ways to invest wisely and enter emerging distribution channels.

Whether online/digital gaming, server-based gaming, centrally served gaming systems, mobile gaming or social gaming in Facebook, players are increasingly choosing to interact with content in new distribution channels that do not involve a stand-alone gaming machine. At the same time, players are demanding new and innovative content in our core business that requires us to adapt through new and better platforms and tools. These changes create opportunity for Aristocrat as a producer of the world's greatest gaming content!

Over the past financial year we have taken a disciplined approach and invested wisely in emerging value streams. As always we are guided by our commitment to generate superior and sustainable shareholder returns over the long term.

Aristocrat took a significant step forward in digital, entering social gaming with the acquisition of Product Madness. The Group successfully deployed game content into the social gaming and European online wager markets over the course of the year.

People and culture

Fostering our people and culture is fundamental to driving our success. Attracting, retaining and developing the best talent, celebrating and learning from the diversity present within our global organisation and embedding our core values and behaviours are all fundamental traits of a high performance culture and what will enable the successful execution of the Group's strategic priorities.

Material risks to business strategies and prospects for future financial years

Identifying and managing risks which may affect the success of our strategy and financial prospects for future years is an essential part of our governance framework. While the Group has a strong track record of managing a multitude of risks, some risks still remain, many of which are not directly in the control of the Group.

Our risk management approach involves the ongoing assessment, monitoring and reporting of risks which could impede our progress in delivering our strategic priorities. Key management and staff are responsible for the day-to-day management of risks. The Group also has an Internal Audit and Risk Management function which, supported by external advisers, provides independent and objective assurance on the effectiveness of our governance, risk management and internal control processes.

The Group has established a formal risk management framework, which is based on ISO3100 Risk Management and the ASX Principles and Recommendations. This framework is supported by the Group's Code of Conduct and risk management policy. The policy defines material business risks which, once identified, are captured on the global risk register. Material business risks are regularly reported to the Board via the Audit Committee along with their controls and treatments.

The main risks affecting the Company are set out below. The Group may also face a range of other risks from time to time in conducting its business activities. While it aims to manage risks in order to avoid adverse impacts on its financial standing, some risks are outside the control of the Group.

Changing economic conditions and other factors affecting the gaming industry

Demand for our products and services can be dependent upon favourable conditions in the gaming industry, which is highly sensitive to players' disposable incomes and gaming activities. Discretionary spending on entertainment activities could decline for reasons beyond the Group's control; for example, due to negative economic conditions or natural disasters.

A decline in the relative health of the gaming industry and the difficulty or inability of our customers to obtain adequate levels of capital to finance their ongoing operations might reduce the resources available to purchase products and services, which could affect Group revenues.

To address this we are working to develop and deliver new and innovative technologies and products to meet customer needs and working to partner with our customers to provide value adding solutions.

Increasing competition

Competition in the gaming industry (both land-based and online) has intensified from the consolidation of existing competitors as well as the entry of new competitors. Increasingly, price, reliability and product innovation are among the factors affecting a provider's success in selling its products.

As traditional land-based markets continue to mature, the Group's success and profitability is dependent in part on our ability to successfully enter new segments in existing markets, new markets as well as new distribution channels, such as mobile and online gaming.

To address this we continue to invest in key skills and talent and have also strengthened our insights function to enhance our ability to produce innovative new product portfolios to drive entry into new markets and support share growth.

Government gaming regulation

The global gaming industry is subject to extensive governmental regulation. While the regulatory requirements vary by jurisdiction, most require:

(a) licences and/or permits
(b) findings of suitability
(c) documentation of qualifications, including evidence of financial stability
(d) individual suitability of officers, directors, major shareholders and key employees

Changes in laws or regulations or the manner of their interpretation or enforcement could impact the Group's financial performance and restrict our ability to operate our business or execute our strategies. Difficulties or delays in obtaining or maintaining required licenses or approvals could also have a negative impact on the business.

A material breach of internal processes may result in violation of existing regulations which could also impact our ability to maintain required licenses or approvals.

Gaming laws and regulations serve to protect the public and ensure that gaming related activity is conducted honestly, competitively, and free of corruption. A change in government (or governmental policy towards gaming) may also impact our operations. This political risk increases in jurisdictions where there is significant anti-gaming opposition or vocal minority interests.

The Group has established a comprehensive regulatory assurance function and governance framework to ensure that we continue to monitor the political environment and regulations in the jurisdictions in which we operate and to monitor our adherence to internal processes to ensure we comply with existing regulations.

Intellectual property

The gaming industry is constantly employing new technologies in both new and existing markets. The Group relies on a combination of patents and other technical security measures to protect our products, and continues to apply for patents protecting such technologies.

Competitors and others may infringe on our intellectual property rights, or may allege that we have infringed on theirs. Monitoring infringement and misappropriation of intellectual property can be difficult and expensive. We may also incur significant litigation expenses protecting or defending our intellectual property.

The Group has an established framework to identify and protect its global intellectual property assets as well as monitor infringement by competitor products.

Foreign exchange

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Japanese yen.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Group's foreign exchange hedging policy is to reduce the foreign exchange risk associated with transactional exposures, primarily over a 12 month horizon. External foreign exchange contracts are designated at the Group level as hedges of foreign exchange risk on specific foreign currency denominated transactions.

Ability to manage and frequently introduce innovative products on a timely basis

The Group's success is dependent on its ability to develop and sell new products that are attractive to casino operators and other gaming enterprises and their customers, for both land-based and online gaming operations.

If the Group's land-based or online gaming content does not meet or sustain revenue and profitability expectations, it may be replaced or we may experience a reduction in revenue generated and an increased exposure to obsolete inventory. Therefore, success depends upon the Group's ability to continue to produce technologically sophisticated land-based and online products that meet its customers' needs and achieve high levels of player appeal and sustainability.

Further, newer products are generally more sophisticated than those produced in the past and the Group must continually refine design, production and approval capabilities to meet the needs of its product innovation.

The Group has invested and intends to continue to invest significant resources into its insights function, research and development efforts and the acquisition of key talent to mitigate this risk.

Aristocrat

Aristocrat Leisure Limited ABN 44 002 818 368
Consolidated financial statements for the year ended 30 September 2013

These financial statements cover the consolidated entity consisting of Aristocrat Leisure Limited and its subsidiaries (Group). The financial statements are presented in Australian dollars.

The Company is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Aristocrat Leisure Limited
Building A, Pinnacle Office Park
85 Epping Road
North Ryde NSW 2113
Australia

A description of the nature of the consolidated Group's operations and principal activities is included in the Review of Operations, which is not part of these financial statements.

These financial statements make reference to the Directors' Report and Remuneration Report which will be contained within the 2013 Annual Report.

PricewaterhouseCoopers has audited these financial statements and has issued an unqualified audit report which will be available as part of the 2013 Annual Report.

The financial statements were authorised for issue by the directors on 26 November 2013. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, the Group ensures that its corporate reporting is timely, complete and available globally at minimum cost to the Group. All press releases, financial statements, and other information are available in the investor information section of the Company's website: www.aristocratgaming.com.

Financial statements
for the year ended 30 September 2013

Notes to the financial statements

Consolidated statement of comprehensive income

for the year ended 30 September 2013

		Consolidated	
	Notes	**12 months to 30 September 2013 $'000**	9 months to 30 September 2012 $'000
Revenue	5	**808,682**	581,808
Cost of revenue		**(373,388)**	(276,721)
Gross profit		**435,294**	305,087
Other income	5	**12,489**	6,192
Design and development costs		**(118,890)**	(93,230)
Sales and marketing costs		**(74,873)**	(66,890)
General and administration costs		**(103,116)**	(82,567)
Finance costs		**(16,904)**	(15,394)
Profit before income tax expense		**134,000**	53,198
Income tax expense	6	**(26,800)**	(6,647)
Profit after income tax expense for the period		**107,200**	46,551
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations	21(a)(i)	**24,310**	(5,741)
Changes in fair value of interest rate hedge	21(a)(iv)	**1,594**	570
Other comprehensive income for the period, net of tax		**25,904**	(5,171)
Total comprehensive income for the period		**133,104**	41,380
Profit is attributable to:			
Owners of Aristocrat Leisure Limited		**107,200**	45,507
Non-controlling interest		**-**	1,044
		107,200	46,551
Total comprehensive income is attributable to:			
Owners of Aristocrat Leisure Limited		**133,104**	40,336
Non-controlling interest		**-**	1,044
		133,104	41,380
Earnings per share for profit attributable to ordinary equity holders of the Company			
		Cents	Cents
Basic earnings per share	32	**19.5**	8.3
Diluted earnings per share	32	**19.4**	8.3

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

Consolidated statement of financial position

as at 30 September 2013

	Notes	**30 September 2013 $'000**	30 September 2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**29,689**	22,612
Trade and other receivables	9	**351,768**	253,202
Inventories	10	**64,808**	69,067
Financial assets	11	**6,233**	5,775
Other assets	12	**4,852**	3,479
Current tax assets		**6,770**	249
Total current assets		**464,120**	354,384
Non-current assets			
Trade and other receivables	9	**70,777**	67,552
Financial assets	11	**5,345**	7,410
Property, plant and equipment	13	**106,913**	102,577
Deferred tax assets	14	**75,001**	88,253
Intangible assets	15	**151,128**	104,611
Total non-current assets		**409,164**	370,403
Total assets		**873,284**	724,787
LIABILITIES			
Current liabilities			
Trade and other payables	16	**163,239**	139,693
Borrowings	17	**124**	7,000
Provisions	18	**14,352**	13,514
Other liabilities	19	**39,190**	41,926
Total current liabilities		**216,905**	202,133
Non-current liabilities			
Trade and other payables	16	**11,915**	850
Borrowings	17	**237,759**	207,453
Provisions	18	**14,130**	14,759
Other liabilities	19	**17,146**	23,068
Total non-current liabilities		**280,950**	246,130
Total liabilities		**497,855**	448,263
Net assets		**375,429**	276,524
EQUITY			
Contributed equity	20	**233,137**	233,137
Reserves	21(a)	**(78,085)**	(121,580)
Retained earnings	21(b)	**224,392**	166,735
Capital and reserves attributed to owners		**379,444**	278,292
Non-controlling interest	22	**(4,015)**	(1,768)
Total equity		**375,429**	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 year ended 30 September 2013

	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
		Attributable to owners of Aristocrat Leisure Limited					
Balance at 1 January 2012		209,043	(119,032)	164,863	254,874	(2,730)	252,144
Profit for the 9 months to 30 September 2012		-	-	45,507	45,507	1,044	46,551
Other comprehensive income		-	(5,171)	-	(5,171)	-	(5,171)
Total comprehensive income for the year		-	(5,171)	45,507	40,336	1,044	41,380
Transactions with owners in their capacity as owners:							
Shares issued under dividend reinvestment plan	20	8,273	-	-	8,273	-	8,273
Shares issued under dividend underwriting	20	15,821	-	-	15,821	-	15,821
Net movement in share-based payments reserve	21(a)(ii)	-	(19)	-	(19)	-	(19)
Issues from the Trust to satisfy vested shares	21(a)(iii)	-	2,642	-	2,642	-	2,642
Dividends provided for and paid	7	-	-	(43,635)	(43,635)	-	(43,635)
Net movement in reserves attributable to non-controlling interest		-	-	-	-	(82)	(82)
		24,094	2,623	(43,635)	(16,918)	(82)	(17,000)
Balance at 30 September 2012		**233,137**	**(121,580)**	**166,735**	**278,292**	**(1,768)**	**276,524**
Profit for the 12 months to 30 September 2013		**-**	**-**	**107,200**	**107,200**	**-**	**107,200**
Other comprehensive income		**-**	**25,904**	**-**	**25,904**	**-**	**25,904**
Total comprehensive income for the year		**-**	**25,904**	**107,200**	**133,104**	**-**	**133,104**
Transactions with owners in their capacity as owners:							
Net movement in share-based payments reserve	21(a)(ii)	**-**	**9,683**	**-**	**9,683**	**-**	**9,683**
Issues from the Trust to satisfy vested shares	21(a)(iii)	**-**	**7,908**	**-**	**7,908**	**-**	**7,908**
Dividends provided for and paid	7	**-**	**-**	**(49,543)**	**(49,543)**	**-**	**(49,543)**
Dividends provided for and paid to non-controlling shareholder		**-**	**-**	**-**	**-**	**(2,025)**	**(2,025)**
Net movement in reserves attributable to non-controlling interest		**-**	**-**	**-**	**-**	**(222)**	**(222)**
		-	**17,591**	**(49,543)**	**(31,952)**	**(2,247)**	**(34,199)**
Balance at 30 September 2013		**233,137**	**(78,085)**	**224,392**	**379,444**	**(4,015)**	**375,429**

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

Consolidated statement of cash flows

for the year ended 30 September 2013

	Notes	Consolidated 12 months to 30 September 2013 $'000	9 months to 30 September 2012 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**757,604**	635,150
Payments to suppliers and employees (inclusive of goods and services tax)		**(639,517)**	(534,392)
		118,087	100,758
Other income		**755**	252
Interest received		**9,961**	5,628
Interest paid		**(13,303)**	(15,417)
Transaction costs relating to acquisition of subsidiary	36	**(575)**	-
Income taxes paid		**(16,709)**	(3,315)
Net cash inflow from operating activities	33	**98,216**	87,906
Cash flows from investing activities			
Payment for acquisition of subsidiary (net of cash acquired)	36	**(9,636)**	-
Payments for property, plant and equipment		**(33,020)**	(27,347)
Payments for intangibles		**(11,657)**	(2,976)
Proceeds from sale of available for sale financial assets		**503**	-
Loan repayments from non-controlling interest		**662**	-
Proceeds from sale of property, plant and equipment		**63**	94
Net cash outflow from investing activities		**(53,085)**	(30,229)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)	20	**-**	15,821
Repayments of borrowings		**(262,129)**	(256,029)
Proceeds from borrowings		**274,092**	211,925
Finance lease payments		**(124)**	-
Dividends paid to company shareholders	7	**(49,543)**	(35,362)
Dividends paid to non-controlling shareholder		**(1,388)**	-
Net cash outflow from financing activities		**(39,092)**	(63,645)
Net increase/(decrease) in cash and cash equivalents		**6,039**	(5,968)
Cash and cash equivalents at the beginning of the period		**22,612**	29,354
Effects of exchange rate changes on cash and cash equivalents		**1,038**	(774)
Cash and cash equivalents at the end of period	8	**29,689**	22,612

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

Notes to the financial statements
for the year ended 30 September 2013

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Aristocrat Leisure Limited and its subsidiaries (Group).

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, and interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Aristocrat Leisure Limited is a for-profit entity for the purposes of preparing the financial statements.

The financial year of the Group was changed from 31 December to 30 September during the prior period to better align the reporting period with Aristocrat's global business cycles. The comparative figures for the statement of comprehensive income, statement of cashflows and statement of changes in equity and related notes are for the 9 months to 30 September 2012. The results for the financial period ended 30 September 2013 are therefore not directly comparable with the results for 30 September 2012.

(i) Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss and for certain classes of property, plant and equipment which have been measured at deemed cost.

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(iv) Comparatives

Comparative information is reclassified where appropriate to enhance comparability.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company (or parent entity) as at 30 September 2013 and the results of all subsidiaries for the period then ended. The Company and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the business combinations by the Group. Refer to Note 1(i).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

Note 1. Summary of significant accounting policies *continued*

(b) Principles of consolidation *continued*

(ii) Employee Share Trust

The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group.

Treasury shares acquired by Aristocrat Employee Equity Plan Trust are recorded in share-based payment reserves. Information relating to these shares is disclosed in Note 21(a)(ii) and (iii).

(c) Segment reporting

Operating segments are determined in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of operating segments has been identified as the Board of Directors and the Executive Leadership Team, who have determined operating segments based on a geographical perspective. Further information is provided in Note 4.

(d) Foreign currency translation

(i) Functional and presentation currency

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). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges, or are attributable to part of the net investment in a foreign operation.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or borrowings forming part of a net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Note 1. Summary of significant accounting policies *continued*

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, settlement discounts and duties and taxes paid. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

(i) Revenue from the sale of goods and related licences

Platform/machine sales

Revenue is recognised when goods have been dispatched to a customer pursuant to a sales order, the associated risks have passed to the customer, and it is probable that future economic benefits will flow to the Group.

Value Added Customer Agreements

Revenue arising from Value Added Customer Agreements where gaming machines, games, conversions and other incidental items are licensed to customers for extended periods, is recognised on delivery in the case of gaming machines and games, and for other items including conversions, only as the goods or services are delivered. Where appropriate, receivables are discounted to present values at the relevant implicit interest rates.

Value Added Service Agreements

Revenue arising from Value Added Service Agreements where gaming machines and games are licensed to customers for extended periods and a service fee is payable over the term of the contract for warranty conversions to ensure product performance at or above the agreed level, is recognised on delivery in the case of gaming machines and games, and over the term of the contract on a straight-line basis for the service fee provided for warranty conversions. Where appropriate, receivables are discounted to present values at the relevant implicit interest rates.

Systems contracts

Revenue for long term systems contracts is recognised progressively over the period of the individual contracts. Revenue on short term contracts is recognised on installation of the systems, or on customer acceptance if there is a risk that the customer will not accept the installed system.

Licence income

Licence income is recognised in accordance with the substance of the agreement, at the time when all obligations in relation to the contract have been met. Where there is an ongoing obligation, the revenue is deferred and recognised when the obligations are met.

(ii) Revenue from gaming operations, on-line and services

Participation revenue

Participation revenue is where the Group's owned machines are placed directly by the Group or indirectly through a licensed operator in venues in return for a fee per day which can either be fixed or performance based. The amount of revenue recognised is calculated by either: (i) multiplying a daily fee by the total number of days the machine has been operating on the venue floor in the reporting period; or (ii) an agreed fee based upon a percentage of turnover of participating machines.

Rental

Rental income from operating leases is recognised on a straight-line basis over the term of the operating lease contract.

Note 1. Summary of significant accounting policies *continued*

(e) Revenue recognition *continued*

(ii) Revenue from gaming operations, on-line and services (continued)

Service revenue

Service revenue is recognised as work is performed, other than for service agreements, where revenue is recognised evenly over the period of the service agreement.

Revenue in advance

Revenue derived from prepaid service contracts is apportioned on a pro-rata basis over the life of each respective agreement. Amounts received at reporting date in respect of future periods are treated as revenue in advance and are included in liabilities.

On-line gaming revenue

Revenue from on-line gaming is recognised when the player uses the credits purchased. Amounts not used at period end are included in deferred revenue in the statement of financial position. As Aristocrat is the principal in such transactions, Facebook commissions are presented as expenses.

(iii) Interest income

Interest income is recognised using the effective interest method.

(f) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities, current income tax of prior years, unused tax losses and unused tax credits.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and unused tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences, losses and tax credits.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity, respectively.

Companies within the Group may be entitled to claim special tax deductions in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

Note 1. Summary of significant accounting policies *continued*

(g) Tax consolidation legislation

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 January 2004.

The head entity, Aristocrat Leisure Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured by applying a group allocation approach, which uses a combination between the 'stand alone tax payer' and 'separate tax payer within a group' approach as described in UIG 1052 *Tax Consolidation Accounting* .

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under the tax funding agreement with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. Details about the tax funding agreement are disclosed in Note 6.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(h) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property, or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term, if it is not virtually certain that the Group will obtain ownership at the end of the lease term.

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, shares issued or liabilities incurred or assumed by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs for business combinations from 1 January 2010 are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree and the acquisition-date fair value over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Note 1. Summary of significant accounting policies *continued*

(j) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(k) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(l) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and the probability that the debtor will default on payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

(m) Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Contract work in progress

Contract work in progress is stated at cost less progress billings. Cost includes all costs directly related to specific contracts and an allocation of overhead expenses incurred in connection with the Group's contract operations. Where a loss is indicated on completion, the work in progress is reduced to the level of recoverability less progress billings.

(n) Intellectual property rights

A controlled entity has entered into an agreement to purchase intellectual property rights in the form of licence tags to certain technology relating to cashless gaming systems in the United States. These rights are capitalised and subsequently expensed as and when the licence tags are consumed.

Note 1. Summary of significant accounting policies *continued*

(o) Investments and other financial assets

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of the Group's investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) *Financial assets at fair value through profit or loss*
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current.

(ii) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which would be classified as current assets.

(iv) *Available-for-sale financial assets*
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in profit or loss as gains and losses from investment securities.

Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

Note 1. Summary of significant accounting policies *continued*

(o) Investments and other financial assets *continued*

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in Note 1(q).

Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(p) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (i) hedges of the fair value of recognised assets or liabilities or a firm commitment ('fair value hedges'); or (ii) hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions ('cash flow hedges').

Where hedge accounting is adopted, the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been, and will continue to be, highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging borrowings is recognised in the profit and loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss within other income or other expense.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item will affect profit or loss (for instance, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

(q) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

Note 1. Summary of significant accounting policies *continued*

(q) Fair value estimation *continued*

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(r) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated remaining useful lives, as follows:

- Buildings	25 years
- Leasehold improvements	2-10 years
- Plant and equipment	2-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 1(j)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in profit or loss.

(s) Intangible assets

(i) Goodwill

Goodwill is measured as described in Note 1(i). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. A cash generating unit is the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each of those cash-generating units represents the Group's investment in each region of operation by each operating segment. Refer to Note 15.

(ii) Technology and software

Technology and software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Technology and software acquired through a business combination is measured at fair value at acquisition date. Amortisation is calculated using the straight-line method to allocate the value of technology and software over its estimated useful life, which varies from 3 to 10 years.

Note 1. Summary of significant accounting policies *continued*

(s) Intangible assets *continued*

(iii) Trademarks and licences

Trademarks and licences that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 3 to 10 years. Licences which have an indefinite life are not amortised, and are tested for impairment at each reporting date.

(iv) Design and development

Design expenditure is recognised as an expense as incurred.

An intangible asset arising from development expenditure is only recognised when all of the recognition criteria can be demonstrated. The recognition criteria for the development activity are:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the generation by the intangible asset of probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Only development costs relating to the creation of an asset that can be used or sold and can be reliably measured are capitalised as intangible assets. Capitalised amounts are amortised over 3 to 7 years.

Other development costs that do not meet these criteria are recognised in the profit or loss as incurred.

(t) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Payables include short-term employee benefits. Refer to Note 1(x).

(u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(v) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

(w) Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Note 1. Summary of significant accounting policies *continued*

(w) Provisions *continued*

(i) Progressive jackpot liabilities

In certain jurisdictions in the United States, the Group is liable for progressive jackpots, which are paid as an initial amount followed by either: (i) an annuity paid out over 19 or 20 years after winning; or (ii) a lump sum amount equal to the present value of the progressive component. Base jackpots are charged to cost of sales when the jackpot is won.

(ii) Warranties

Provision is made for the estimated liability on all products still under warranty at reporting date. The amount of the provision is the estimated cash flows expected to be required to settle the warranty obligations, having regard to the service warranty experience and the risks of the warranty obligations. The provision is not discounted to its present value as the effect of discounting is not material.

(iii) Make good allowances

Provision is made for the estimated liability where required on leases still held at reporting date. The amount of the provision is the estimated discounted cash flows expected to be required to satisfy the make good clauses in the lease contracts.

(x) Employee benefits - payable

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Other long-term benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

The Group pays contributions to approved defined contribution funds. Contributions are recognised as an expense when they become payable.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Performance Share Plan, Deferred Equity Employee Plan, Deferred Short Term Incentive Plan and the General Employee Share Plan.

The fair value of rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Note 1. Summary of significant accounting policies *continued*

(x) Employee benefits - payable *continued*

(iv) Share-based payments (continued)

Upon the exercise of options or rights, the balance of the share-based payments reserve relating to those rights is transferred to share capital only if the shares are a new issue from contributed equity.

Shares issued through Aristocrat Employee Equity Plan Trust continue to be recognised in the share-based payments reserve in equity. Similarly, treasury shares acquired by Aristocrat Employee Equity Plan Trust are recorded in share-based payments trust reserves. Information relating to these shares is disclosed in Note 21(a)(ii) and (iii).

The market value of shares issued to employees for no cash consideration under the General Employee Share Plan is recognised as an employee benefits expense with a corresponding increase in reserves.

(v) Bonus plans

The Group recognises a liability and an expense for bonuses based on criteria that takes into account the profit attributable to the Company's shareholders. The Group recognises a liability where contractually obliged or where there is past practice that has created a constructive obligation. Where bonus plans are settled by way of the issue of shares in the Company, the expense is accounted for as part of the share based payments expense.

(vi) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(vii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(y) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in contributed equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental cost (net of income taxes) is recognised directly in equity.

(z) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

Note 1. Summary of significant accounting policies *continued*

(aa) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the post-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(ab) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the net asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(ac) Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(ad) Parent entity financial information

The financial information for the parent entity, Aristocrat Leisure Limited, disclosed in Note 35 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment charges in the financial statements of Aristocrat Leisure Limited.

(ii) Tax consolidation legislation

Aristocrat Leisure Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Aristocrat Leisure Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Aristocrat Leisure Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Aristocrat Leisure Limited for any current tax payable assumed and are compensated by Aristocrat Leisure Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Aristocrat Leisure Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

Note 1. Summary of significant accounting policies *continued*

(ad) Parent entity information *continued*

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year.

The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(ae) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2013 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 2015). 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 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 as 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.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013). AASB 13 was released in September 2011. 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.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective 1 July 2013). 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.

AASB 2012-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets. The AASB has made small changes to some of the disclosures that are required under AASB 136 Impairment of Assets. These may result in additional disclosures if the Group recognises an impairment loss or the reversal of an impairment loss during the period. They will not affect any of the amounts recognised in the financial statements. The group intends to apply the amendment from 1 October 2014.

Note 2. Financial risk management

The Group's activities expose it to a variety of financial risks, which include: market risk (including cash flow and fair value interest rate risk, foreign exchange risk and price risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from floating rate borrowings drawn under bank debt facilities. If deemed necessary, the Group has the ability to manage floating interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating to fixed rates. Under the Group Treasury policy, the mix between fixed and floating rate debt is reviewed on a regular basis. The Group had predominantly floating rate Australian dollar and US dollar denominated borrowings during 2013. The Group had interest rate swaps in place amounting to $100,000,000 in order to reduce exposure to changes in floating interest rates. These expired in June 2013.

The weighted average interest rate on the Group's borrowings at 30 September 2013 was 2.7% (2012: 3.8%).

Refer to Note 17 for further details of the Group's borrowings.

Group sensitivity

A sensitivity analysis of interest rate risk on the Group's financial assets and liabilities is provided in the table at Note 2(a)(iv).

(ii) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Japanese yen.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. Refer to Notes 9(i) and 16(a) for receivables and payables denominated in foreign currencies.

The Group's foreign exchange hedging policy is to reduce the foreign exchange risk associated with transactional exposures, primarily over a 12-month horizon. External foreign exchange contracts are designated at the Group level as hedges of foreign exchange risk on specific foreign currency denominated transactions.

Unrealised gains or losses on outstanding foreign exchange contracts are taken to the Group's profit or loss on a monthly basis.

Group sensitivity

A sensitivity analysis of foreign exchange risk on the Group's financial assets and liabilities is provided in the table at Note 2(a)(iv).

(iii) Price risk

The Group was exposed to equity securities price risk arising from an investment held by the Group and classified in the statement of financial position as available-for-sale. The Group’s equity investment was in PokerTek Inc. shares publicly traded on the NASDAQ Index in the United States. This investment was disposed during the year. The Group's exposure to commodity price risk is indirect and is not considered likely to be material. Changes in price risk are unrealised and reflected through equity.

Note 2. Financial risk management *continued*

(iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and price risk. These sensitivities are prior to the offsetting impact of hedging instruments, and are shown on a pre-tax basis:

Group sensitivity

2013	Carrying amount $'000	Interest rate risk -1% Profit $'000	Interest rate risk +1% Profit $'000	Foreign exchange risk -10% Profit $'000	Foreign exchange risk +10% Profit $'000	Price risk -10% Equity $'000	Price risk +10% Equity $'000
Financial assets							
Cash and cash equivalents	29,689	(297)	297	(382)	313	-	-
Receivables	419,391	-	-	4,918	(4,024)	-	-
Loans - other	3,154	(32)	32	350	(287)	-	-
Financial assets:							
Debt securities held-to-maturity	11,578	(116)	116	-	-	-	-
Financial liabilities							
Payables	175,154	-	-	(967)	791	-	-
Borrowings	237,883	2,379	(2,379)	-	-	-	-
Progressive jackpot liabilities	9,619	96	(96)	-	-	-	-
Total increase/(decrease)		**2,030**	**(2,030)**	**3,919**	**(3,207)**	**-**	**-**

2012	Carrying amount $'000	Interest rate risk -1% Profit $'000	Interest rate risk +1% Profit $'000	Foreign exchange risk -10% Profit $'000	Foreign exchange risk +10% Profit $'000	Price risk -10% Equity $'000	Price risk +10% Equity $'000
Financial assets							
Cash and cash equivalents	22,612	(226)	226	89	(73)	-	-
Receivables	316,630	-	-	4,110	(3,363)	-	-
Loans - other	4,124	(41)	41	458	(375)	-	-
Financial assets:							
Equity securities available-for-sale, non-current	1,391	-	-	-	-	(139)	139
Debt securities held-to-maturity	11,794	(118)	118	-	-	-	-
Financial liabilities							
Payables	140,543	-	-	(390)	319	-	-
Borrowings	214,453	2,145	(2,145)	-	-	-	-
Progressive jackpot liabilities	9,167	92	(92)	-	-	-	-
Total increase/(decrease)		**1,852**	**(1,852)**	**4,267**	**(3,492)**	**(139)**	**139**

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for the year ended 30 September 2013

Note 2. Financial risk management *continued*

(b) Credit risk

Credit risk is managed on a Group basis. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

For all cash and cash equivalents these are held with counterparties which are rated 'A' or higher.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Group Treasury policy requires that the drawn portion of committed facilities must remain below 80% of the sum of committed facilities at any time.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising of the undrawn borrowing facilities below) on the basis of expected cash flows.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	Consolidated	
	2013	2012
	$'000	$'000
Floating Rate		
- Expiring within one year (bank loans and bank overdrafts)	**15,003**	26,564
- Expiring beyond one year (bank loans)	**137,569**	167,547
	152,572	194,111

The short term bank loans and overdraft facilities may be drawn at any time and are subject to annual review.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings as follows:

(a) based on their contractual maturities:

(i) all non-derivative financial liabilities, and

(ii) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

(b) based on the remaining period to the expected settlement date:

(i) derivative financial liabilities for which the contractual maturities are not essential for an understanding of the timing of cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Note 2. Financial risk management *continued*

(c) Liquidity risk *continued*

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities
Group - at 30 September 2013	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-derivatives							
Trade payables	**63,044**	**-**	**-**	**-**	**-**	**63,044**	**63,044**
Other payables	**98,070**	**-**	**1,605**	**-**	**-**	**99,675**	**99,675**
Contingent consideration	**2,184**	**-**	**6,338**	**6,118**	**-**	**14,640**	**12,435**
Borrowings	**-**	**124**	**-**	**237,759**	**-**	**237,883**	**237,883**
Borrowings - interest payments	**3,211**	**3,211**	**6,422**	**-**	**-**	**12,844**	**-**
Progressive jackpot liabilities	**676**	**3,598**	**1,355**	**2,539**	**1,451**	**9,619**	**9,619**
Total non-derivatives	**167,185**	**6,933**	**15,720**	**246,416**	**1,451**	**437,705**	**422,656**
Derivatives							
Gross settled (forward foreign exchange contracts - cash flow hedges)							
- (inflow)	**(17,673)**	**(6,887)**	**-**	**-**	**-**	**(24,560)**	**(996)**
- outflow	**16,949**	**6,615**	**-**	**-**	**-**	**23,564**	**-**
	(724)	**(272)**	**-**	**-**	**-**	**(996)**	**(996)**
Group - at 30 September 2012	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-derivatives							
Trade payables	51,579	-	-	-	-	51,579	51,579
Other payables	88,114	-	850	-	-	88,964	88,964
Borrowings	-	7,000	-	207,453	-	214,453	214,453
Borrowings - interest payments	4,075	4,075	8,149	8,149	-	24,448	-
Progressive jackpot liabilities	349	2,613	1,196	2,748	2,261	9,167	9,167
Total non-derivatives	144,117	13,688	10,195	218,350	2,261	388,611	364,163
Derivatives							
Net settled (interest rate swaps)	-	1,594	-	-	-	1,594	1,594
Gross settled (forward foreign exchange contracts - cash flow hedges)							
- (inflow)	(7,550)	(2,268)	-	-	-	(9,818)	(535)
- outflow	7,308	1,975	-	-	-	9,283	-
	(242)	(293)	-	-	-	(535)	(535)

Note 2. Financial risk management *continued*

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from process) (level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the Group's assets and liabilities measured and recognised at fair value at 30 September 2013 and 30 September 2012.

Group as at 30 September 2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivatives used for hedging	-	996	-	996
Total assets	-	996	-	996
Liabilities				
Contingent consideration	-	-	12,435	12,435
Total liabilities	-	-	12,435	12,435

Group as at 30 September 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivatives used for hedging	-	535	-	535
Financial assets available-for-sale, non-current	1,391	-	-	1,391
Total assets	1,391	535	-	1,926
Liabilities				
Interest rate swaps	-	1,594	-	1,594
Total liabilities	-	1,594	-	1,594

The total value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These instruments are included in Level 2. The fair value of the contingent consideration is not based on observable market data, and is therefore included in Level 3.

The carrying amount of trade receivables and trade payables are assumed to approximate their fair values due to their short term nature. The fair value of financial assets for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Note 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to impairment of intangibles, income taxes and the carrying value of inventories.

(i) Estimated recoverable amount of goodwill and intangible assets
The Group tests annually whether goodwill and other intangible assets that are not amortised have suffered any impairment, in accordance with the accounting policy stated in Note 1(s). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations and fair value less cost to sell. These calculations require the use of assumptions. Refer to Note 15 for details of these assumptions and the potential impact of changes to the assumptions.

(ii) Income taxes
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(iii) Carrying value of inventories
The Group assesses at each reporting date whether inventory is recorded at the lower of cost and net realisable value, including assessing the expected sales of slow moving inventories. These assessments involve estimates and assumptions that are based on current expectations of demand and market conditions, including opportunities to sell into new markets.

(iv) Fair value of contingent consideration
The fair value of the contingent consideration in Note 16 is estimated based on probability weighted expected payments relating to the Product Madness acquisition. Should the amounts payable vary from these estimates, then an adjustment to the carrying amount of the contingent consideration liability would be recognised in the profit and loss.

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for the year ended 30 September 2013

Note 4. Segment information

(a) Segment information provided to the chief operating decision maker

12 months to 30 September 2013	Americas $'000	Australia and NZ $'000	Japan $'000	Rest of world $'000	Consolidated $'000
Revenue					
Revenue from external customers	**421,869**	**187,247**	**55,588**	**143,978**	**808,682**
Other segment revenue	**-**	**5,105**	**-**	**-**	**5,105**
Segment revenue	**421,869**	**192,352**	**55,588**	**143,978**	**813,787**
Result					
Segment result	**154,051**	**77,033**	**9,751**	**50,142**	**290,977**
Interest revenue not allocated to segments					**5,597**
Interest expense					**(16,904)**
Design and development costs					**(118,890)**
Other					**(26,780)**
Profit before tax					**134,000**
Income tax expense					**(26,800)**
Net profit after tax					**107,200**
Other segment information					
Depreciation and amortisation expense	**27,202**	**7,916**	**1,454**	**6,267**	**42,839**

9 months to 30 September 2012	Americas $'000	Australia and NZ $'000	Japan $'000	Rest of world $'000	Consolidated $'000
Revenue					
Revenue from external customers	264,650	137,804	92,459	86,895	581,808
Other segment revenue	-	4,373	-	-	4,373
Segment revenue	264,650	142,177	92,459	86,895	586,181
Result					
Segment result	81,199	47,609	20,991	28,487	178,286
Interest revenue not allocated to segments					1,524
Interest expense					(15,394)
Design and development costs					(93,230)
Other					(17,988)
Profit before tax					53,198
Income tax expense					(6,647)
Net profit after tax					46,551
Other segment information					
Depreciation and amortisation expense	16,298	7,132	1,401	3,635	28,466

Note 4. Segment information *continued*

(b) Notes to the segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors and the Executive Leadership Team. Reports reviewed consider the business from a geographical perspective. The following reportable segments have been identified:

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

Segment results

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.

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 design, development and distribution of gaming content, platforms and systems. The Group also operates within the on-line social gaming and real money wager markets.

Notes to the financial statements

for the year ended 30 September 2013

	Notes	Consolidated 12 months to 30 September 2013 $'000	9 months to 30 September 2012 $'000
Note 5. Profit for the period			
(a) Revenue			
Sale of goods and related licences	1(e)(i)	**551,043**	415,120
Gaming operations, on-line and services	1(e)(ii)	**257,639**	166,688
Total revenue		**808,682**	581,808
(b) Other income			
Interest		**10,702**	5,897
Foreign exchange gains	5(d)	**1,013**	35
Gain on disposal of property, plant and equipment		**19**	8
Sundry income		**755**	252
Total other income		**12,489**	6,192
(c) Expenses			
(i) Depreciation and amortisation			
Depreciation and amortisation of property, plant and equipment			
- Buildings		**643**	431
- Plant and equipment		**31,750**	21,260
- Leasehold improvements		**2,531**	1,798
Total depreciation and amortisation of property, plant and equipment	13	**34,924**	23,489
Amortisation of intangible assets			
- Computer technology		**6,996**	4,365
- Licences		**277**	130
- Development costs		**642**	482
Total amortisation of intangible assets	15	**7,915**	4,977
Total depreciation and amortisation		**42,839**	28,466
(ii) Employee benefits expense			
Salaries and wages		**189,304**	140,403
Superannuation costs		**9,065**	6,699
Post-employment benefits other than superannuation		**1,984**	4,898
Share-based payments expense	28(e)	**9,369**	4,849
Total employee benefits expense		**209,722**	156,849
(iii) Lease payments			
Rental expense relating to operating leases			
- Minimum lease payments		**14,490**	13,467
(iv) Other significant items			
- Write down of inventories to net realisable value		**3,223**	3,409
- Legal costs		**7,665**	6,688
(d) Net foreign exchange gain/(loss)			
Foreign exchange gain		**1,013**	35
Foreign exchange loss		**(2,875)**	(3,109)
Net foreign exchange loss		**(1,862)**	(3,074)

Notes to the financial statements

for the year ended 30 September 2013

	Consolidated	
	12 months to 30 September 2013 $'000	9 months to 30 September 2012 $'000

Note 6. Income tax expense

Major components of income tax expense are:

(a) Income tax expense		
Current income tax	**16,877**	13,456
Deferred income tax	**15,950**	(3,745)
Adjustments in respect of current income tax of previous years	**(6,027)**	(3,064)
Income tax expense	**26,800**	6,647
Deferred income tax expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	**13,983**	(706)
Increase/(decrease) in deferred tax liabilities	**1,967**	(3,039)
Deferred income tax expense included in income tax expense	**15,950**	(3,745)

(b) Reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	**134,000**	53,198
Tax at the Australian tax rate of 30% (2012: 30%)	**40,200**	15,959
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Design and development	**(3,761)**	(1,894)
Tax losses not previously recognised	**(200)**	(1,600)
Overseas exempt income and non-creditable taxes	**(8,094)**	(4,737)
Legal & entertainment costs	**532**	427
Other non deductible expenses	**1,895**	1,043
	30,572	9,198
Difference in overseas tax rates	**1,787**	2,371
Difference in exchange rates on overseas tax rates	**(247)**	845
Tax losses not recognised	**-**	2
Adjustment in respect of previous years income tax:		
Current income tax	**(6,027)**	(3,064)
Deferred income tax	**715**	(2,705)
Income tax expense	**26,800**	6,647
Average effective tax rate	**20.00%**	12.49%

(c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly credited or (debited) to equity		
Current income tax - credited/(debited) directly to equity	**-**	-
Net deferred tax - credited/(debited) directly to equity	**7,740**	(2,220)
Aggregate current and deferred tax arising in the reporting period directly credited or (debited) to equity	**7,740**	(2,220)

	Consolidated	
	2013	2012
	$'000	$'000

Note 6. Income tax expense *continued*

(d) Revenue and capital tax losses

Unused gross tax losses for which no deferred tax asset has been recognised	**8,930**	8,502
Unused gross capital tax losses for which no deferred tax asset has been recognised	**86,962**	53,450
	95,892	61,952
Potential tax benefit	**28,053**	18,271

Unused revenue losses were incurred by Aristocrat Leisure Limited's overseas subsidiaries. All unused capital tax losses were incurred by Australian entities.

(e) Unrecognised temporary differences

Deferred tax assets on general temporary differences	**148**	130
	148	130

Under Australian tax law, the taxable profit made by a tax consolidated group in relation to an entity leaving the group depends on a range of factors, including the tax values and/or carrying values of assets and liabilities of the leaving entity which vary in line with the transactions and events recognised in each entity. The taxable profit or loss ultimately made on the disposal of investments within the tax consolidated group will therefore depend upon when each entity leaves the tax consolidated group and the assets and liabilities that the leaving entity holds at that time.

The Australian tax consolidated group considers the effects of the entities entering or leaving the tax consolidated group to be a change of tax status that is only recognised when those events occur. As a result, temporary differences and deferred tax liabilities have not been measured or recognised in relation to investments within the tax consolidated group.

The deferred tax balances in relation to Aristocrat Leisure Limited's indirect overseas investments have not been recognised. The accounting policy in relation to this is set out in Note 1(f).

(f) Tax consolidation legislation

Aristocrat Leisure Limited and its wholly-owned Australian controlled entities have implemented tax consolidation legislation as of 1 January 2004. The accounting policy in relation to this legislation is set out in Note 1(g).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Aristocrat Leisure Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Aristocrat Leisure Limited for any current tax payable assumed and are compensated by Aristocrat Leisure Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Aristocrat Leisure Limited under the tax consolidation legislation. The funding amounts are determined by reference to the tax funding agreement which applies a group allocation approach, taking into account a combination between the 'stand alone taxpayer' and a 'separate taxpayer within a group' amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

	Consolidated	
	12 months to 30 September 2013 $'000	9 months to 30 September 2012 $'000

Note 7. Dividends

Ordinary shares

Final dividends paid		
- 2011 - 4.0 cents, unfranked, per fully paid share paid on 3 April 2012	**-**	21,668
- 2012 - 2.0 cents, unfranked, per fully paid share paid on 21 December 2012	**11,008**	-
Interim dividends paid		
- 2012 - 4.0 cents, unfranked, per fully paid share paid on 28 September 2012	**-**	21,967
- 2013 - 7.0 cents, unfranked, per fully paid share paid on 28 June 2013	**38,535**	-
Total dividends paid and provided during the year	**49,543**	43,635

Dividends paid were satisfied as follows:		
Paid in cash	**47,072**	35,474
Dividend received by Aristocrat Employee Equity Plan Trust	**(97)**	(112)
Paid through the Dividend Reinvestment Plan	**2,568**	8,273
	49,543	43,635

In the current period the dividends paid through the Dividend Reinvestment Plan were satisfied by an on-market purchase and transfer of shares. In the prior period, new share capital was issued.

Dividends not recognised at period end

Since the end of the year, the Directors have recommended the payment of a final dividend of 7.5 cents (2012: 2.0 cents) per fully paid ordinary share, unfranked. The aggregate amount of the proposed final dividend expected to be paid on 20 December 2013 out of retained earnings at 30 September 2013, but not recognised as a liability at the end of the year is $41,302,000.

Franked dividends	Consolidated	
	2013 $'000	2012 $'000
Estimated franking credits expected to be available for subsequent financial years based on a tax rate of 30% (2012: 30%)	**-**	-

The above amounts represent the balance of the franking account of the parent entity as at the end of the period, adjusted for:
- franking credits that will arise from the payment of the current tax liability;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

Notes to the financial statements

for the year ended 30 September 2013

	Consolidated 2013 $'000	2012 $'000

Note 8. Cash and cash equivalents

	2013 $'000	2012 $'000
Cash at bank and in hand	**29,689**	22,612

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Risk exposure

The Group's exposure to interest rate risk is discussed in Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

Note 9. Trade and other receivables

	2013 $'000	2012 $'000
Current		
Trade receivables	**304,889**	226,495
Provision for impairment of receivables	**(5,322)**	(7,025)
	299,567	219,470
Other receivables	**49,047**	32,381
Loans to non-controlling interest - secured	**3,154**	1,351
	351,768	253,202

Current receivables other than loans to non-controlling interest are non-interest bearing and are generally on 30 day terms from the date of billing.

	2013 $'000	2012 $'000
Non-current		
Trade receivables	**65,143**	59,726
Other receivables	**5,634**	5,053
Loans to non-controlling parties - secured	**-**	2,773
	70,777	67,552

(a) Trade receivables - current

At period end, the ageing analysis of trade receivables is as follows:

	Total $'000	Current $'000	0-30 days $'000	31-60 days $'000	61-90 days $'000	91+ days $'000
2013 Consolidated	**304,889**	**280,307**	**11,490**	**6,396**	**1,766**	**4,930**
2012 Consolidated	226,495	200,752	16,995	2,288	3,198	3,262

Amounts shown as current in the above table represent receivables that are within their trading terms. As of 30 September 2013, trade receivables of $854,218 (2012: $752,598) were past due and considered impaired and trade receivables of $23,727,513 (2012:$24,990,308) were past due but not impaired. The ageing of past due and not impaired amounts is as follows:

	Total $'000	Current $'000	0-30 days $'000	31-60 days $'000	61-90 days $'000	91+ days $'000
2013 Consolidated	**23,728**	**-**	**11,441**	**6,330**	**1,707**	**4,250**
2012 Consolidated	24,990	-	16,969	2,286	3,181	2,554

An assessment of whether trade receivables are likely to be collected is performed at each reporting period, based on the meeting of payment terms, past credit history and negotiations with customers.

Note 9. Trade and other receivables *continued*

(a) Trade receivables - current *continued*

	Consolidated 2013 $'000	Consolidated 2012 $'000
Movements in the provision for impairment of receivables is as follows:		
At start of the period	**(7,025)**	(7,603)
Provision for impairment recognised during the year	**(507)**	(1,256)
Foreign currency exchange differences	**(809)**	203
Provisions no longer required	**3,019**	1,631
At end of the period	**(5,322)**	(7,025)

The creation and release of the provision for impaired receivables has been included in general and administration costs in the statement of comprehensive income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. Included in the provision above is $4,437,000 (2012:$6,230,000) relating to Latin America trade receivables.

(b) Trade receivables - non-current

No provision for impairment of receivables has been carried forward against the non-current receivables (2012: $nil). There are no other non-current receivables that are impaired or past due but not impaired.

(c) Other receivables - current

These include prepayments and other receivables incurred under normal terms and conditions and which do not earn interest.

(d) Other receivables - non-current

These include long-term deposits and prepayments and other receivables incurred under normal terms and conditions and which do not earn interest.

(e) Loan to non-controlling shareholders

This represents a loan issued to a third party on the partial sale of a subsidiary in the African operations (refer to Note 31).

(f) Interest rate and foreign exchange risk

Details regarding foreign exchange and interest rate risk exposure are disclosed in Note 2(a)(i) and (ii).

(g) Fair value risk - current

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

(h) Fair value - non-current

The fair values of non-current receivables approximate their discounted carrying values.

Note 9. Trade and other receivables *continued*

(i) Interest rate and foreign currency risk

The carrying amounts of the Group's current and non-current receivables are denominated in the following currencies:

	Consolidated	
	2013	2012
	$'000	$'000
US dollars	**208,064**	143,896
Australian dollars	**117,952**	101,550
Other*	**96,529**	75,308
	422,545	320,754
Current receivables	**351,768**	253,202
Non-current receivables	**70,777**	67,552
	422,545	320,754

* Other refers to a basket of currencies (Japanese Yen, Euro, South African Rand, New Zealand Dollars, Swedish Krona).

Details regarding interest rate and foreign exchange risk exposure are disclosed in Note 2(a)(i) and (ii).

(j) Credit risk

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 2 for more information on the risk management policy of the Group. The Group holds guarantees over the debts of certain customers. The value of debtor balances over which guarantees are held is detailed below:

	Consolidated	
	2013	2012
	$'000	$'000
Trade receivables(1) with guarantees	**11,273**	3,372
Trade receivables(1) without guarantees	**353,437**	275,824
	364,710	279,196

(1) Includes current and non-current trade receivables, net of provision for impairment of receivables.

(k) Leasing arrangements

Included in trade receivables are receivables from gaming machines that have been sold under finance lease arrangements. The lease payments receivable under these contracts is as follows:

	Consolidated	
	2013	2012
	$'000	$'000
Minimum lease payments under finance leases are receivable as follows:		
Within one year	**10,851**	12,877
Later than one year but not later than five years	**7,916**	10,319
Gross investment in leases	**18,767**	23,196
Unearned finance income		
Within one year	**1,948**	1,456
Later than one year but not later than five years	**955**	2,021
	2,903	3,477
The present value of minimum lease payments is as follows:		
Within one year	**8,903**	11,421
Later than one year but not later than five years	**6,961**	8,298
	15,864	19,719
Lease receivables are classified as follows:		
Current	**8,903**	11,421
Non-current	**6,961**	8,298
	15,864	19,719

Notes to the financial statements
for the year ended 30 September 2013

	Notes	Consolidated 2013 $'000	2012 $'000

Note 10. Inventories

		2013 $'000	2012 $'000
Current			
Raw materials and stores - at cost		**61,117**	60,688
Provision for obsolescence		**(22,598)**	(23,954)
		38,519	36,734
Work in progress - at cost		**2,337**	2,194
Finished goods - at cost		**24,899**	28,645
Provision for obsolescence		**(2,408)**	(1,640)
		22,491	27,005
Contract work in progress		**105**	333
Inventory in transit - at cost		**1,356**	2,801
		64,808	69,067

Inventory expense
Inventories recognised as an expense during the year ended 30 September 2013 amounted to $236,954,000 (2012: $179,458,000).

Note 11. Financial assets

	Notes	2013 $'000	2012 $'000
Current			
Debt securities held-to-maturity		**6,233**	5,775
Non-current			
Debt securities held-to-maturity		**5,345**	6,019
Available-for-sale equity securities	11(a)	**-**	1,391
		5,345	7,410

(a) Available-for-sale equity securities

	2013 $'000	2012 $'000
Balance at the beginning of the year	**1,391**	1,391
Disposals	**(1,391)**	-
Balance at the end of the year	**-**	1,391

Note 11. Financial assets *continued*

(b) Impairment and risk exposure - available-for-sale financial assets

The maximum exposure to credit risk at the reporting date is the carrying amount of the investments.

For an analysis of the sensitivity of available-for-sale financial assets to interest rate, foreign exchange and price risk, refer to Note 2.

(c) Impairment and risk exposure - held-to-maturity investments

The maximum exposure to credit risk at the reporting date is the carrying amount of the investments. All investments were issued by entities rated 'A' or higher.

None of the held-to-maturity investments are either past due or impaired.

All held-to-maturity investments are denominated in US dollars. Details regarding interest rate and foreign exchange risk exposure are disclosed in Note 2. There is also no exposure to price risk as the investments will be held to maturity.

		Consolidated	
		2013	2012
	Notes	**$'000**	$'000
Note 12. Other assets			
Intellectual property rights	1(n)	**4,852**	3,479

	Consolidated 2013 $'000	2012 $'000

Note 13. Property, plant and equipment

	2013 $'000	2012 $'000
Land and buildings		
Land and buildings - at deemed cost	**13,567**	12,671
Leasehold improvements - at cost	**34,091**	32,141
Accumulated amortisation	**(19,038)**	(15,691)
	15,053	16,450
Total land and buildings	**28,620**	29,121
Plant and equipment		
Plant and equipment owned - at cost	**208,416**	174,580
Accumulated depreciation	**(130,123)**	(101,124)
Total plant and equipment	**78,293**	73,456
	106,913	102,577

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Land and buildings $'000	Leasehold improvements $'000	Plant and equipment $'000	Total $'000
Consolidated				
Carrying amount at 1 January 2012	12,939	18,394	77,934	109,267
Additions	537	65	26,366	26,968
Disposals	-	-	(298)	(298)
Transfers	-	-	(7,647)	(7,647)
Depreciation and amortisation	(431)	(1,798)	(21,260)	(23,489)
Foreign currency exchange differences	(374)	(211)	(1,639)	(2,224)
Carrying amount at 30 September 2012	12,671	16,450	73,456	102,577
Additions	**25**	**1,682**	**34,639**	**36,346**
Disposals	**-**	**-**	**(110)**	**(110)**
Acquisition of subsidiary	**-**	**-**	**107**	**107**
Transfers	**-**	**160**	**(3,965)**	**(3,805)**
Depreciation and amortisation	**(643)**	**(2,531)**	**(31,750)**	**(34,924)**
Foreign currency exchange differences	**1,514**	**(708)**	**5,916**	**6,722**
Carrying amount at 30 September 2013	**13,567**	**15,053**	**78,293**	**106,913**

Transfers in the table above predominately relate to gaming operations assets that have been transferred to inventory after being returned, or have been sold to customers.

	Consolidated 2013 $'000	2012 $'000

Note 14. Deferred tax assets

The balance comprises temporary differences attributable to:

	2013 $'000	2012 $'000
Accruals and other provisions	**3,615**	5,315
Convertible bonds litigation provision	**11,000**	19,801
Employee benefits	**7,838**	10,123
Plant, equipment and intangible assets	**8,371**	7,634
Provision for stock obsolescence	**3,437**	3,956
Share based equity	**4,403**	(3,090)
Unrealised foreign exchange losses	**1,571**	2,037
Tax losses	**41,522**	43,149
Other	**5,524**	6,685
Gross deferred tax assets	**87,281**	95,610
Deferred tax liabilities in relation to overseas subsidiaries (not offset above)	**(12,280)**	(7,357)
Net deferred tax assets	**75,001**	88,253

Movements

	2013 $'000	2012 $'000
Balance at start of period	**88,253**	90,832
Charged to the statement of comprehensive income	**(15,950)**	3,745
Charged to equity (share-based equity and foreign currency exchange differences)	**7,740**	(2,220)
Tax losses utilised	**(1,584)**	(6,179)
Tax credits utilised	**-**	(1,364)
Tax losses recognised	**-**	3,534
Deferred tax liability on acquisition of subsidiary	**(1,932)**	-
Foreign exchange currency movements	**(1,526)**	(95)
Closing balance at period end	**75,001**	88,253

	Consolidated 2013 $'000	2012 $'000

Note 15. Intangible assets

	2013 $'000	2012 $'000
Goodwill	**106,122**	77,422
Licences	**9,868**	8,588
Accumulated amortisation	**(474)**	(160)
	9,394	8,428
Development costs	**9,035**	4,496
Accumulated amortisation	**(1,766)**	(1,124)
	7,269	3,372
Technology and software	**91,792**	69,036
Accumulated amortisation	**(63,449)**	(53,647)
	28,343	15,389
Total	**151,128**	104,611

Development costs are costs incurred on internal development projects where the criteria in Note 1(s)(iv) are met.

	Goodwill $'000	Licences $'000	Development costs $'000	Technology and software $'000	Total $'000
Consolidated					
Carrying amount at 1 January 2012	79,774	6,122	3,854	19,556	109,306
Additions	-	2,610	-	366	2,976
Disposals	-	-	-	(8)	(8)
Amortisation charge	-	(130)	(482)	(4,365)	(4,977)
Foreign currency exchange movements	(2,352)	(174)	-	(160)	(2,686)
Carrying amount at 30 September 2012	77,422	8,428	3,372	15,389	104,611
Additions	**17,138**	**1,611**	**4,539**	**18,649**	**41,937**
Disposals	**-**	**-**	**-**	**(6)**	**(6)**
Amortisation charge	**-**	**(277)**	**(642)**	**(6,996)**	**(7,915)**
Foreign currency exchange movements	**11,562**	**(368)**	**-**	**1,307**	**12,501**
Carrying amount at 30 September 2013	**106,122**	**9,394**	**7,269**	**28,343**	**151,128**

(a) Impairment tests

Goodwill and other intangibles are allocated to the Group's cash-generating units ('CGUs') which are identified as the geographical business units within each segment.

A summary of the goodwill allocation by CGU is presented below:

	2013 $'000	2012 $'000
Americas	**55,975**	49,797
Product Madness	**19,204**	-
South Africa	**483**	527
Aristocrat Lotteries	**30,460**	27,098
	106,122	77,422

The Japan CGU contains a perpetual licence which is tested annually for impairment on the basis that it has an indefinite life, and is therefore not amortised.

In the year ended 30 September 2013 and period ended 30 September 2012, the recoverable amount of the Group's CGUs were determined based upon a value-in-use calculation.

Note 15. Intangible assets *continued*

(b) Key assumptions used for value-in-use calculations

(i) Value-in-use

A discounted cash flow model has been used based on operating and investing cash flows (before borrowing costs and tax impacts) in valuing the Group's CGUs that contain intangible assets. The following inputs and assumptions have been adopted:

1. Financial budgets and strategic plans, approved by the Board to 2016, management projections from 2017 to 2019 for Aristocrat Lotteries, and management projections from 2017 to 2018 for North America and Japan. These projections, which include projected revenues, gross margins and expenses, have been determined based on past performance and management expectations for the future. Expected market conditions in which each CGU operates in have been taken into account in the projections. Cash flows that extend beyond a five year period are based on contracts expected to be in place at that time. Refer below for terminal growth rates used for each CGU.

2. A pre-tax annual discount rate of:

	2013	2012
Americas	**13.3%**	13.3%
Japan	**14.8%**	17.1%
Aristocrat Lotteries	**15.8%**	15.1%

3. A terminal growth rate, which does not exceed the long-term average growth rate for the gaming industry in the regions:

	2013	2012
Americas	**3.0%**	3.0%
Japan	**2.0%**	2.0%
Aristocrat Lotteries	**3.0%**	3.0%

4. An allocation of head office assets.

On the basis of materiality, a high level review of the goodwill relating to South Africa was performed. Based on expected results, it was not considered necessary to perform a detailed review of impairment of the related goodwill balance. Refer to Note 36 for information on the acquisition of Product Madness.

(c) Impact of possible changes in key assumptions

With regard to the assessment of the value-in-use of the CGUs, management do not believe that a reasonably possible change in any one of the key assumptions would cause the carrying value of the CGUs to materially exceed their recoverable amounts for the Americas and Japan intangibles. For Aristocrat Lotteries, the CGU is dependent on a small number of contracts to generate its cash flows. Should key contracts be lost, or contracts expected to be obtained not proceed, then an impairment in the intangibles may result.

	Consolidated	
	2013	2012
	$'000	$'000

Note 16. Trade and other payables

Current		
Trade payables	**63,044**	51,579
Contingent consideration	**2,125**	-
Other payables	**98,070**	88,114
	163,239	139,693

Non-current		
Contingent consideration	**10,310**	-
Other payables	**1,605**	850
	11,915	850

(a) Foreign currency risk

The carrying amounts of the Group's payables are denominated in the following currencies:

US dollars	**85,424**	55,054
Australian dollars	**50,320**	52,870
Other (1)	**39,410**	32,619
	175,154	140,543

(1) Other refers to a basket of currencies (Japanese Yen, Euro, South African Rand, New Zealand Dollars, Swedish Krona).

(b) Fair value

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

Notes to the financial statements

for the year ended 30 September 2013

	Notes	Consolidated 2013 $'000	2012 $'000
Note 17. Borrowings			
Current			
Unsecured			
Bank loans		-	7,000
Lease liabilities		124	-
		124	7,000
Non-current			
Secured			
Bank loans		237,431	207,453
Lease liabilities		328	-
		237,759	207,453

(a) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	Notes	2013 $'000	2012 $'000
Credit standby arrangements			
Total facilities			
- Bank overdrafts	(i)	7,148	6,911
- Bank loans	(ii)	375,000	375,000
- Other	(iii)	10,000	28,507
		392,148	410,418
Used at reporting date			
- Bank overdrafts		2,145	1,854
- Bank loans		237,431	207,453
- Other		-	7,000
		239,576	216,307
Unused at reporting date			
- Bank overdrafts		5,003	5,057
- Bank loans		137,569	167,547
- Other		10,000	21,507
		152,572	194,111

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

(ii) The bank loan facilities are structured as follows:

Syndicated Facility

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

The 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.

Borrowings are at a floating rate. During the period, a portion of the interest rate exposure had been fixed under separate interest rate swap arrangements.

(iii) Other facilities relate to uncommitted money market borrowing line with Westpac Banking Corporation. As at 30 September 2013, there were no drawings made under this facility.

Note 17. Borrowings *continued*

(b) Forward exchange contracts

The Group enters into derivatives in the form of forward exchange contracts to hedge foreign currency denominated receivables and also to manage the purchase of foreign currency denominated inventory and capital items. The following table provides information as at 30 September 2013 on the net fair value of the Group's existing foreign exchange hedge contracts:

Currency pair	Weighted average exchange rate	Maturity profile (1) 1 year or less $'000	1 to 7 year(s) $'000	Net fair value gain/(loss) (2) $'000
AUD/USD	0.8957	10,742	-	386
AUD/USD	1.0052	6,311	-	534
AUD/EUR	0.6765	4,348	-	44
AUD/ZAR	9.7008	999	-	(7)
USD/ZAR	10.0410	2,134	-	39
Total		24,534	-	996

(1) The foreign base amounts are converted at the prevailing period end exchange rate to AUD equivalents.

(2) Refer to Note 1(d)(ii). The net fair value of the derivatives above is included in receivables.

(c) Net fair value of financial assets and liabilities

(i) On-statement of financial position

The fair value of current borrowings approximates the carrying amount. The fair value of non-current borrowings also approximates the carrying value given that the USD borrowing is a floating rate and is drawn from the three year tranche (Facility A) of the Syndicated Facility (per Note 17(a)(ii)).

(ii) Off-statement of financial position

At 30 September 2013, there were no off-statement of financial position financial assets or liabilities, other than those potential liabilities which may arise from certain contingencies disclosed in Note 24.

(d) Foreign currency risk

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Consolidated 2013 $'000	Consolidated 2012 $'000
US dollars	**107,423**	76,453
Australian dollars	**113,403**	138,000
Japanese yen	**17,057**	-
	237,883	214,453

For an analysis of the sensitivity of borrowings to interest rate and foreign exchange risk, refer to Note 2.

	Notes	Consolidated 2013 $'000	2012 $'000

Note 18. Provisions

	Notes	2013 $'000	2012 $'000
Current			
Employee benefits	1(x)	**8,940**	9,140
Make good allowances	1(w)	**259**	33
Progressive jackpot liabilities	1(w)	**4,274**	3,147
Warranties	1(w)	**254**	382
Other		**625**	812
		14,352	13,514
Non-current			
Employee benefits	1(x)	**5,110**	5,284
Make good allowances	1(w)	**3,675**	3,455
Progressive jackpot liabilities	1(w)	**5,345**	6,020
		14,130	14,759

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Make good allowances $'000	Progressive jackpot liabilities $'000	Warranties $'000	Other $'000	Total $'000
Consolidated - current and non-current					
Carrying amount at 1 October 2012	3,488	9,167	382	812	13,849
Payments	-	(6,912)	(89)	(723)	(7,724)
Additional provisions recognised	408	6,228	675	625	7,936
Reversal of provisions recognised	(3)	-	(696)	-	(699)
Foreign currency exchange differences	41	1,136	(18)	(89)	1,070
Carrying amount at 30 September 2013	3,934	9,619	254	625	14,432

Note 19. Other liabilities

	Consolidated 2013 $'000	2012 $'000
Current		
Deferred revenue	**39,190**	41,926
Non-current		
Deferred revenue	**7,309**	9,814
Other	**9,837**	13,254
	17,146	23,068

	Notes	2013 Shares	Consolidated 2012 Shares	2013 $'000	Consolidated 2012 $'000
Note 20. Contributed equity					
Ordinary shares, fully paid		**551,418,047**	551,418,047	**233,137**	233,137
Movements in ordinary share capital					
Ordinary shares at the beginning of the year	(a)	**551,418,047**	543,181,024	**233,137**	209,043
Shares issued under dividend underwriting		**-**	5,301,381	**-**	15,821
Shares issued under dividend reinvestment plan		**-**	2,935,642	**-**	8,273
Ordinary shares at the end of the financial year		**551,418,047**	551,418,047	**233,137**	233,137

(a) Ordinary shares
Ordinary shares have no par value and entitle the holder to participate in dividends and the winding up of the Company in proportion to the number of, and amounts paid on, the shares held.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

There is no current on-market buy back.

(b) Capital management
The Group's overall strategic capital management objective is to maintain a conservative funding structure, which provides sufficient flexibility to fund the operational demands of the business and to underwrite any strategic opportunities.

The Group has managed its capital through interest and debt coverage ratios as follows:

	2013	2012
Gearing ratio (gross debt/bank EBITDA*)	**1.2x**	1.2x
Interest coverage ratio (bank EBITDA*/interest expense**)	**12.4x**	8.6x

* Bank EBITDA = EBITDA + Interest Received

** Interest expense shown above includes ongoing finance fees relating to bank debt facility arrangements, such as line fees. The ratios for the 2013 and 2012 years have been calculated on this basis.

	Notes	Consolidated 2013 $'000	2012 $'000

Note 21. Reserves and retained earnings

(a) Reserves

	Notes	2013 $'000	2012 $'000
Foreign currency translation reserve	(i)	**(73,305)**	(97,615)
Share-based payments reserves	(ii),(iii)	**(4,780)**	(22,371)
Interest rate hedge reserve	(iv)	**-**	(1,594)
		(78,085)	(121,580)

(i) Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency exchange differences arising from the translation of foreign operations, the translation of transactions that hedge the Company's net investment in a foreign operation or the translation of foreign currency monetary items forming part of the net investment in foreign operations. Refer to Note 1(d)(iii).

	2013 $'000	2012 $'000
Foreign currency translation reserve at the beginning of the financial year	**(97,615)**	(91,874)
Net exchange differences on translation of foreign controlled entities, net investment in foreign operations	**24,310**	(5,741)
Foreign currency translation reserve at the end of the financial year	**(73,305)**	(97,615)

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of all shares, options and rights both issued and issued but not exercised under the various employee share plans.

	2013 $'000	2012 $'000
Share-based payments reserve at the beginning of the financial year	**(5,574)**	(5,555)
Share-based payments expense	**9,369**	4,849
Issues from the Trust to satisfy vested shares	**(7,908)**	(2,642)
Share-based tax and other adjustments	**8,222**	(2,226)
Net movement in share-based payments reserve	**9,683**	(19)
Share-based payments reserve at the end of the financial year	**4,109**	(5,574)

Note 21. Reserves and retained earnings *continued*

(a) Reserves *continued*

(iii) Share-based payments trust reserve

The share-based payments trust reserve is used to recognise the cost, post-income tax, of shares purchased through the Aristocrat Employee Equity Plan Trust.

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
Share-based payments trust reserve at the beginning of the financial year		**(16,797)**	(19,439)
Issues from the Trust to satisfy vested shares		**7,908**	2,642
Share-based payments trust reserve at the end of the financial year*		**(8,889)**	(16,797)

* Represents 727,443 shares (2012: 1,321,141)

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
Total share-based payments reserves at the beginning of the financial year		**(22,371)**	(24,994)
Net movement in share-based payments reserves		**17,591**	2,623
Total share-based payments reserve at the end of the financial year		**(4,780)**	(22,371)

(iv) Interest rate hedge reserve

The interest rate hedge reserve is used to record gains or losses on interest rate hedges that are recognised in other comprehensive income.

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
Interest rate hedge reserve at the beginning of the year		**(1,594)**	(2,164)
Movement in fair value of interest rate hedges		**1,594**	570
Interest rate hedge reserve at the end of the financial year		**-**	(1,594)

(b) Retained earnings

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
Retained earnings at the beginning of the financial year		**166,735**	164,863
Net profit attributable to owners of Aristocrat Leisure Limited		**107,200**	45,507
Dividends paid or provided for	7	**(49,543)**	(43,635)
Retained earnings at the end of the period		**224,392**	166,735

Note 22. Non-controlling interest

Non-controlling interest in controlled entity comprises:

	Consolidated 2013 $'000	2012 $'000
Retained earnings/(losses) - start of the period	**(1,137)**	(2,181)
Profit after income tax expense	**-**	1,044
Dividends paid	**(2,025)**	-
Retained earnings/(losses) - end of the period	**(3,162)**	(1,137)
Contributed equity	**-**	-
Reserves	**(853)**	(631)
	(4,015)	(1,768)

On 26 August 2013, the Group signed a contract to acquire 28% of the ordinary shares and the sole preference share of Aristocrat Africa (Pty) Limited for a purchase consideration of $3,153,552. This will result in Aristocrat Africa (Pty) Limited becoming 100% owned by the Group. Under the agreement, the non-controlling interest is not entitled to preference dividends relating to the 2013 and subsequent years, and ceased having an interest in the profits of Aristocrat Africa (Pty) Limited from June 2013. The agreement is conditional on the receipt of customary regulatory approvals.

Note 23. Events occurring after reporting date

There has not arisen in the interval between the end of the 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 7 for information regarding dividends declared after reporting date.

Note 24. Contingent liabilities

The Group and parent entity have contingent liabilities at 30 September 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;

(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; and

(iv) Aristocrat Leisure Limited, Aristocrat International Pty Ltd, Aristocrat Technologies Australia Pty Ltd, Aristocrat (Asia) Pty Limited and Aristocrat (Macau) Pty Limited are parties to a deed of cross guarantee which has been lodged with and approved by the Australian Securities & Investments Commission as discussed in Note 34.

	Consolidated	
	2013	2012
	$'000	$'000

Note 25. Commitments

Capital commitments

Capital equipment and other commitments contracted at the reporting date but not recognised as liabilities, payable within one year	**49**	465

Lease commitments
Non-cancellable operating leases

The Group leases various offices and plant and equipment under non-cancellable operating leases.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**13,584**	14,985
Later than one year but not later than five years	**46,738**	42,719
Later than five years	**18,107**	28,710
Commitments not recognised in the financial statements	**78,429**	86,414

Sub-lease payments

Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	**11,008**	11,768

Note 26. Subsidiaries

	Notes	Country of incorporation	Equity holding 2013 %	Equity holding 2012 %
Ultimate parent entity				
Aristocrat Leisure Limited		Australia	-	-
Controlled entities				
Aristocrat Technical Services Pty Ltd		Australia	100	100
Aristocrat Properties Pty Ltd		Australia	100	100
Aristocrat (Holdings) Pty Ltd		Australia	100	100
Aristocrat Technologies Australia Pty Ltd		Australia	100	100
ASSPA Pty Ltd		Australia	100	100
Aristocrat Technology Gaming Systems Pty Limited		Australia	100	100
Aristocrat International Pty Ltd		Australia	100	100
Aristocrat Leisure Cyprus Limited		Cyprus	100	100
Aristocrat Lotteries AB		Sweden	100	100
Aristocrat Gaming LLC		Russia	100	100
Aristocrat (Argentina) Pty Limited		Australia	100	100
AI (Puerto Rico) Pty Limited		Australia	100	100
Aristocrat (Latin America) Pty Ltd		Australia	100	100
Aristocrat Technologies Mexico, S.A. DE C.V.		Mexico	100	100
Aristocrat Service Mexico, S.A. DE C.V.		Mexico	100	100
Aristocrat (Asia) Pty Limited		Australia	100	100
Aristocrat (Macau) Pty Limited		Australia	100	100
Aristocrat (Philippines) Pty Limited		Australia	100	100
Aristocrat (Singapore) Pty Limited		Australia	100	100
Aristocrat (Cambodia) Pty Limited		Australia	100	100
Aristocrat (Malaysia) Pty Limited		Australia	100	100
Aristocrat Leisure Technology Development (Beijing) Co. Ltd		China	100	100
Aristocrat Technologies Europe (Holdings) Limited		UK	100	100
Aristocrat Technologies Europe Limited		UK	100	100
ASSPA (UK) Limited		UK	100	100
Aristocrat Technologies LLC		Russia	100	100
Aristocrat Technologies Spain S.L.		Spain	100	100
Product Madness (UK) Limited		UK	100	-
Aristocrat Lotteries Italia S.r.L.		Italy	100	100
Aristocrat Technologies NZ Limited		New Zealand	100	100
Aristocrat Technologies, Inc.		USA	100	100
Aristocrat Funding Corporation Pty Ltd		Australia	100	100
Aristocrat Technologies Canada, Inc.		Canada	100	100
Product Madness Inc.		USA	100	-
Aristocrat C.A.		Venezuela	100	100
Aristocrat Research & Development (Africa) Pty Ltd		South Africa	100	100
Aristocrat Africa (Pty) Ltd	(a)	South Africa	72	72
Aristocrat Technologies Africa (Pty) Ltd	(a)	South Africa	72	72
KK Aristocrat Technologies		Japan	100	100
Aristocrat Hanbai KK		Japan	100	100
KK Spiky		Japan	100	100
Aristocrat Technologies India Private Ltd		India	100	100
Aristocrat Technologies Hong Kong Limited		Hong Kong	100	100
Other controlled entities				
Aristocrat Employee Equity Plan Trust		Australia	100	100

(a) An agreement has been signed to acquire the remaining 28% interest in this subsidiary. Refer to Note 22.

	Notes	Consolidated 2013 $'000	2012 $'000

Note 27. Employee benefits

	Notes	2013 $'000	2012 $'000
Employee benefits and related on-cost liabilities			
Included in payables - current		**24,894**	25,127
Provision for employee benefits - current	18	**8,940**	9,140
Provision for employee benefits - non-current	18	**5,110**	5,284
Aggregate employee benefits and related on-cost liabilities		**38,944**	39,551

Note 28. Share-based payments

The Remuneration Report, presented in the Directors' Report, also provides detailed disclosure on share-based payments.

(a) Performance Share Plan ('PSP')

The PSP is a long-term employee share scheme that provides for eligible employees to be offered conditional entitlements to fully paid ordinary shares in the parent entity ('Performance Share Rights'). Performance Share Rights issued under the PSP are identical in all respects other than performance conditions and periods, which are detailed below.

As at 30 September 2013, 12 employees (2012: 10) were entitled to 6,191,023 (2012: 5,605,349) Performance Share Rights under this plan.

Accounting fair value of Performance Share Rights granted

The assessed accounting fair values of Performance Share Rights granted during the financial years ended 30 September 2013 and 30 September 2012 are as follows:

Performance Share Right series	Performance period start date	Performance period expiry date	Performance condition (1)	Accounting valuation date	Accounting valuation (2)
Issued 2013					
Series 22A	1 October 2012	30 September 2015	TSR	20 February 2013	2.45
Series 22B	1 October 2012	30 September 2015	EPSG	20 February 2013	3.50
Series 23A	1 October 2012	30 September 2015	TSR	20 February 2013	2.45
Series 23B	1 October 2012	30 September 2015	EPSG	20 February 2013	3.50
Issued 2012					
Series 20A	1 January 2012	31 December 2014	TSR	2 May 2012	2.03
Series 20B	1 January 2012	31 December 2014	EPSG	2 May 2012	2.80
Series 21A	1 January 2012	31 December 2014	TSR	2 May 2012	2.03
Series 21B	1 January 2012	31 December 2014	EPSG	2 May 2012	2.80
Series 21A (3)	1 January 2012	31 December 2014	TSR	3 September 2012	1.62
Series 21B (3)	1 January 2012	31 December 2014	EPSG	3 September 2012	2.49

(1) TSR - Total Shareholder Return; EPSG - Earnings Per Share Growth

(2) In accordance with accounting standards, the accounting valuation, as independently determined by EY, of a Performance Share Right with a market vesting condition (for example, TSR) incorporates the likelihood that the vesting condition will be met. Whereas, the accounting valuation, as independently determined by EY, of a Performance Share Right with a non-market vesting condition (for example, EPSG) does not take into account the likelihood that the vesting condition will be met. Accordingly, the accounting value of a Performance Share Right with a TSR vesting condition is lower than that with an EPSG vesting condition.

(3) For two executives participating in Series 21A and 21B, Performance Share Rights were granted following the commencement of employment.

Note 28. Share-based payments *continued*

(a) Performance Share Plan ('PSP') *continued*

The accounting valuation represents the independent valuation of each tranche of Performance Share Rights at their respective grant dates. The valuations have been performed by EY using a Total Shareholder Return ('TSR') model and an Earnings Per Share Growth ('EPSG') model.

(i) Total Shareholder Return ('TSR') model

EY has developed a Monte-Carlo Simulation-based model which incorporates the impact of performance hurdles and the vesting scale on the value of the share rights. This pricing model takes into account such factors as the Company's share price at the date of grant, volatility of the underlying share price, expected dividend yield, risk free rate of return and time to maturity.

The accounting valuation of the rights has been allocated equally over the vesting period.

The model inputs for share rights granted during the year ended 30 September 2013 and period ended 30 September 2012 included:

(a) share rights are granted for no consideration and have a three year life;
(b) exercise price: zero consideration;
(c) the grant date and expiry dates: refer to tables below:
(d) share price at grant date:
    2013: series 22A and 23A: $3.86
    2012: series 20A - $3.07; series 21A - $3.07 and $2.69
(e) price volatility of the Company's shares:
    2013: series 22A and 23A: 35%
    2012: series 20A and 21A - 40%
(f) dividend yield:
    2013: series 22A and 23A: 3.8%
    2012: series 20A and 21A - 3.4%
(g) risk-free interest rate:
    2013: series 22A and 23A: 2.84%
    2012: series 20A - 2.9%; series 21A - 2.9% and 2.52%

(ii) Earnings Per Share Growth ('EPSG') model

EY has utilised a Binomial Tree model to determine the fair value of share rights. This pricing model takes into account such factors as the Company's share price at the date of grant, volatility of the underlying share price, expected dividend yield, risk-free rate of return and time to maturity.

The accounting valuation of the rights has been allocated equally over the vesting period.

The model inputs for share rights granted during the year ended 30 September 2013 and period ended 30 September 2012 included:

(a) share rights are granted for no consideration and have a three year life;
(b) exercise price: zero consideration;
(c) the grant date and expiry dates: refer to tables below;
(d) share price at grant date:
    2013: series 22B and 23B: $3.86
    2012: series 20B - $3.07; series 21B - $3.07 and $2.69
(e) price volatility of the Company's shares:
    2013: series 22B and 23B: 35%
    2012: series 20B and 21B - 40%
(f) dividend yield:
    2013: series 22B and 23B: 3.8%
    2012: series 20B and 21B - 3.4%
(g) risk-free interest rate:
    2013: series 22B and 23B: 2.84%
    2012: series 20B - 2.9%; series 21B - 2.9% and 2.52%

The expected price volatility is based on the annualised historical volatility of the share price of the Company due to the long-term nature of the underlying share rights.

Notes to the financial statements

for the year ended 30 September 2013

Note 28. Share-based payments *continued*

(a) Performance Share Plan ('PSP') *continued*

Performance Share Rights are detailed in the tables below:

Consolidated - 2013

Right series	Grant date	Performance period expiry date	Rights at start of year Number	Add: new rights issues Number	Less: rights exercised Number	Less: rights lapsed Number	Rights at end of year Number
PSP							
Series 15A	28 April 2010	31 December 2012	224,786	-	-	224,786	-
Series 15B	28 April 2010	31 December 2012	224,786	-	-	224,786	-
Series 17A	1 January 2010	31 December 2012	288,894	-	-	288,894	-
Series 17B	1 January 2010	31 December 2012	288,894	-	-	288,894	-
Series 18A	3 May 2011	31 December 2013	306,000	-	-	-	306,000
Series 18B	3 May 2011	31 December 2013	714,000	-	-	-	714,000
Series 19A	1 January 2011	31 December 2013	237,431	-	-	27,197	210,234
Series 19B	1 January 2011	31 December 2013	554,007	-	-	63,460	490,547
Series 20A	2 May 2012	31 December 2014	405,000	-	-	-	405,000
Series 20B	2 May 2012	31 December 2014	945,000	-	-	-	945,000
Series 21A	1 January 2012	31 December 2014	424,964	-	-	74,493	350,471
Series 21B	1 January 2012	31 December 2014	991,587	-	-	173,816	817,771
Series 22A	20 February 2013	30 September 2015	-	229,850	-	-	229,850
Series 22B	20 February 2013	30 September 2015	-	536,150	-	-	536,150
Series 23A	1 October 2012	30 September 2015	-	356,300	-	-	356,300
Series 23B	1 October 2012	30 September 2015	-	829,700	-	-	829,700
			5,605,349	**1,952,000**	**-**	**1,366,326**	**6,191,023**

Consolidated - 2012

Right series	Grant date	Performance period expiry date	Rights at start of year Number	Add: new rights issues Number	Less: rights exercised Number	Less: rights lapsed Number	Rights at end of year Number
PSP							
Series 12A	1 January 2009	31 December 2011	1,019,737	-	-	1,019,737	-
Series 12B	1 January 2009	31 December 2011	1,019,737	-	-	1,019,737	-
Series 13A	21 April 2009	31 December 2011	330,311	-	-	330,311	-
Series 13B	21 April 2009	31 December 2011	330,311	-	-	330,311	-
Series 15A	28 April 2010	31 December 2012	224,786	-	-	-	224,786
Series 15B	28 April 2010	31 December 2012	224,786	-	-	-	224,786
Series 16B	28 April 2010	18 January 2012	55,087	-	55,087	-	-
Series 17A	1 January 2010	31 December 2012	376,359	-	-	87,465	288,894
Series 17B	1 January 2010	31 December 2012	376,359	-	-	87,465	288,894
Series 18A	3 May 2011	31 December 2013	306,000	-	-	-	306,000
Series 18B	3 May 2011	31 December 2013	714,000	-	-	-	714,000
Series 19A	1 January 2011	31 December 2013	362,939	-	-	125,508	237,431
Series 19B	1 January 2011	31 December 2013	846,859	-	-	292,852	554,007
Series 20A	2 May 2012	31 December 2014	-	405,000	-	-	405,000
Series 20B	2 May 2012	31 December 2014	-	945,000	-	-	945,000
Series 21A	1 January 2012	31 December 2014	-	476,271	-	51,307	424,964
Series 21B	1 January 2012	31 December 2014	-	1,111,303	-	119,716	991,587
			6,187,271	**2,937,574**	**55,087**	**3,464,409**	**5,605,349**

Note 28. Share-based payments *continued*

(b) General Employee Share Plan

The General Employee Share Plan (GESP) is designed to provide employees with shares in the parent entity under the provisions of Division 83A of the *Australian Income Tax Assessment Act* .

During the year, the Company issued 149,296 shares (2012: nil) to 657 employees (2012: nil) in Australia under this plan.

(c) Deferred equity employee plan

Certain eligible employees are offered incentives of being granted share rights that are based on individual and company performance, subject to continued employment. Should the performance criteria be met an amount of share rights are granted. As a result of the meeting of performance criteria in the 2011 and 2012 financial years, 1,518,800 performance shares rights are outstanding as at 30 September 2013. These rights are subject to the employees remaining with the Group until February 2014 and February 2015.

(d) Deferred short term incentive plan

Upon the vesting of short term incentives, Executive Leadership Team members receive the incentives as 50% cash and 50% deferred as performance share rights. These share rights are expensed over the vesting periods, being two and three years. The number of rights outstanding at 30 September 2013 is 735,148.

(e) Share-based payments expense

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were as follows:

	Consolidated	
	12 months to 30 September 2013 $'000	9 months to 30 September 2012 $'000
Performance Share Plan	**3,474**	2,805
General Employee Share Plan	**877**	328
Deferred Equity Employee Plan	**1,627**	1,280
Deferred Short Term Incentive Plan	**2,716**	436
Other	**675**	-
	9,369	4,849

Note 29. Key management personnel disclosures

Key management personnel compensation
Key management personnel includes all Non-Executive Directors, Executive Directors and Senior Executives who were responsible for the overall planning, directing and controlling of activities of the Group.

	Consolidated	
	12 months to 30 September 2013	9 months to 30 September 2012
	$	$
Short-term employee benefits	**5,316,820**	4,257,267
Post-employment benefits	**140,510**	151,661
Long-term benefits	**44,808**	51,616
Termination benefits	**-**	389,233
Share-based payments	**4,238,582**	3,169,095
	9,740,720	8,018,872

Detailed remuneration disclosures are provided in the remuneration report.

Performance Share Plan rights provided as remuneration and rights holdings
Details of PSRs in the Company held during the financial year by any KMP of the Group together with terms and conditions of the rights can be found in the Remuneration Report.

Holdings of rights

The numbers of rights over ordinary shares in the Company held during the year by key management personnel in the Performance Share Plan are set out below:

2013

Name	Balance at start of year	Granted	Lapsed	Balance at end of year	Vested	Unvested
JR Odell	2,819,572	766,000	(449,572)	3,136,000	-	3,136,000
A Korsanos	549,746	163,500	(119,816)	593,430	-	593,430
TJ Croker	543,565	155,000	(119,816)	578,749	-	578,749
A Bali	178,134	222,500	-	400,634	-	400,634

2012

Name	Balance at start of year	Granted	Lapsed	Balance at end of year	Vested	Unvested
JR Odell	2,130,194	1,350,000	(660,622)	2,819,572	-	2,819,572
A Korsanos	357,843	245,614	(53,711)	549,746	-	549,746
TJ Croker	301,460	242,105	-	543,565	-	543,565
A Bali	-	178,134	-	178,134	-	178,134
Former key management personnel						
WP Jowett	477,206	256,537	(146,698)	587,045	-	587,045
NR Khin	433,041	-	(254,279)	178,762	-	178,762

General Employee Share Plan ('GESP') provided as remuneration
The numbers of shares held under the General Employee Share Plan during the financial year by any of the key management personnel of the Group, including their personally related entities, can be found in the Remuneration Report.

Loans to key management personnel
No KMP held any loans with the Company during the financial year.

Other transactions with key management personnel
There were no other transactions with Directors and other KMP during the year ended 30 September 2013.

Note 29. Key management personnel disclosures (continued)

Share holdings

The numbers of shares in the Company held during the financial year by Directors and other key management personnel, including their personally related parties are set out below. There were no shares granted as compensation.

2013

Name	Balance at start of year	Changes during the year	Balance at end of year
Non-Executive Directors			
ID Blackburne	105,000	-	105,000
RA Davis	30,849	-	30,849
RV Dubs	10,000	-	10,000
S Morro	25,000	-	25,000
DCP Banks	10,000	-	10,000
LG Flock	15,000	(15,000)	-
Other key management personnel			
JR Odell	64,457	44,135	108,592
A Korsanos	2,730	18,457	21,187
TJ Croker	12	14,050	14,062
A Bali	-	-	-

2012

Name	Balance at start of year	Changes during the year	Balance at end of year
Non-Executive Directors			
ID Blackburne	80,000	25,000	105,000
RA Davis	30,849	-	30,849
RV Dubs	10,000	-	10,000
S Morro	20,000	5,000	25,000
DCP Banks	10,000	-	10,000
LG Flock	-	15,000	15,000
Other key management personnel			
JR Odell	64,457	-	64,457
A Korsanos	2,465	265	2,730
TJ Croker	4	8	12
A Bali	-	-	-
Former key management personnel			
WP Jowett	269,401	(24,735)	244,666
NR Khin	1,422	14,388	15,810

	Consolidated	
	12 months to 30 September 2013 $	9 months to 30 September 2012 $

Note 30. Remuneration of auditors

During the year, the following fees were paid to the auditor of the parent entity and its related practices:

Assurance services		
Audit services		
Fees paid to PricewaterhouseCoopers Australian firm:		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	**480,065**	443,821
Fees paid to related practices of PricewaterhouseCoopers Australian firm	**769,029**	649,893
Total remuneration for audit services	**1,249,094**	1,093,714
Other assurance services		
Fees paid to PricewaterhouseCoopers Australian firm	**7,000**	-
Fees paid to related practices of PricewaterhouseCoopers Australian firm	**74,560**	66,729
Total remuneration for other assurance services	**81,560**	66,729
Total remuneration for assurance services	**1,330,654**	1,160,443
Advisory services		
Fees paid to related practices of PricewaterhouseCoopers Australian firm	**127,036**	730,911
Total remuneration for advisory services	**127,036**	730,911

Note 31. Related parties

(a) Other transactions with key management personnel

Refer to Note 29 for disclosures relating to key management personnel.

(b) Transactions with non-controlling interest

The following transactions occurred with the non-controlling interest in a subsidiary:

	2013 $	2012 $
Net amount receivable from non-controlling interest as at reporting date		
Current		
Receivable from non-controlling interest	**3,153,552**	1,350,501
Non-current		
Receivable from non-controlling interest	**-**	2,773,290

On 31 May 2006, Aristocrat International Pty Ltd, a wholly-owned entity, advanced to Yabohle Investments (Pty) Limited, the non-controlling shareholder of the Group's South African operations, a seven year loan of ZAR43,400,000.

The loan is secured over the shares of the South African legal entity and the shareholder's dividends are partially redirected as repayments against the loan balance. Refer to Note 22 for details of an acquisition of shares from the non-controlling interest. The loan receivable will be repaid at the time that the share transaction is settled.

The annual interest rate payable is at 1% less than the prime bank overdraft rate charged by an approved bank of the Republic of South Africa.

(c) Subsidiaries

Interests in subsidiaries are set out in Note 26.

	Consolidated	
	12 months to 30 September 2013	9 months to 30 September 2012

Note 32. Earnings per share

	2013 Cents	2012 Cents
Basic earnings per share	**19.5**	8.3
Diluted earnings per share	**19.4**	8.3

	2013 Number	2012 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**550,396,128**	546,567,500
Effect of Performance Share Rights	**2,561,007**	1,367,594
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**552,957,135**	547,935,094

	2013 $'000	2012 $'000
Reconciliation of earnings used in calculating diluted earnings per share		
Net profit attributable to members of Aristocrat Leisure Limited	**107,200**	45,507
Earnings used in calculating diluted earnings per share	**107,200**	45,507

Information concerning the classification of securities

(a) 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. The rights have not been included in the determination of basic earnings per share. Details relating to the rights are set out in Note 28.

Included within the weighted average number of potential ordinary shares related to Performance Share Rights are 177,495 (2012: 124,067) Performance Share Rights that had lapsed during the year.

(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 33. Reconciliation of profit for the period after income tax to net cash flow from operating activities

	Consolidated	
	12 months to 30 September 2013 $'000	9 months to 30 September 2012 $'000
Profit for the year	**107,200**	46,551
Depreciation and amortisation	**42,839**	28,466
Equity-settled share-based payments	**9,369**	4,849
Non-cash interest income	**(58)**	(269)
Net loss on sale of property, plant and equipment	**44**	271
Net foreign currency exchange differences	**13,073**	(2,750)
Change in operating assets and liabilities:		
- (Increase)/decrease in receivables and deferred revenue	**(107,394)**	4,456
- Decrease in inventories	**7,959**	20,589
- (Increase)/decrease in other operating assets	**(1,157)**	3,195
- Decrease in tax balances	**12,641**	1,515
- Increase/(decrease) in payables	**16,165**	(17,523)
- Decrease in other provisions	**(2,465)**	(1,444)
Net cash inflow from operating activities	**98,216**	87,906

Note 34. Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998 (Class Order), the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of a financial report and Directors' Report.

It is a condition of the Class Order that the Company and each of the participating subsidiaries enter into a Deed of Cross Guarantee (Deed). The effect of the Deed, dated 22 December 2006, is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the participating subsidiaries under certain provisions of the Corporations Act. If a winding up occurs under other provisions of the Corporations Act, the Company will only be liable in the event that after six months, any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event the Company is wound up.

The subsidiaries subject to the deed are:

- Aristocrat Technologies Australia Pty Limited
- Aristocrat International Pty Limited
- Aristocrat (Asia) Pty Limited
- Aristocrat (Macau) Pty Limited
- Aristocrat (Holdings) Pty Limited

The above named companies represent a Closed Group for the purposes of the Class Order, and as there are no other parties to the deed that are controlled by the Company, they also represent the Extended Closed Group.

Set out below is a consolidated statement of comprehensive income of the Closed Group:

	12 months to 30 September 2013 $'000	9 months to 30 September 2012 $'000
Revenue	276,390	213,503
Other income	36,821	12,931
Cost of revenue and other expenses	(50,481)	(73,584)
Employee benefits expense	(106,845)	(92,812)
Finance costs	(14,245)	(14,683)
Depreciation and amortisation expense	(8,604)	(7,065)
Profit before income tax	133,036	38,290
Income tax expense	(14,430)	2,705
Profit for the year	118,606	40,995
Other comprehensive income		
Changes in fair value of interest rate hedge	1,594	570
Other comprehensive income, net of tax	1,594	570
Total comprehensive income for the year	120,200	41,565

Set out below is a summary of movements in consolidated retained earnings of the Closed Group:

	12 months to 30 September 2013 $'000	9 months to 30 September 2012 $'000
Retained earnings at the beginning of the financial year	47,421	50,174
Profit for the year	118,606	40,995
Dividends paid	(49,640)	(43,748)
Retained earnings at the end of the financial year	116,387	47,421

Notes to the financial statements
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Note 34. Deed of cross guarantee (continued)

	2013 $'000	2012 $'000
Set out below is a consolidated statement of financial position of the Closed Group:		
Current assets		
Cash and cash equivalents	-	1,456
Trade and other receivables	108,174	79,590
Inventories	12,429	12,928
Tax assets	2,382	1,135
Total current assets	122,985	95,109
Non-current assets		
Trade and other receivables	23,088	-
Investments	292,377	290,497
Property, plant and equipment	18,259	22,720
Deferred tax assets	81,339	88,553
Intangible assets	19,263	5,616
Total non-current assets	434,326	407,386
Total assets	557,311	502,495
Current liabilities		
Trade and other payables	58,962	60,978
Borrowings	124	7,000
Provisions	9,307	9,317
Other liabilities	10,288	12,167
Total current liabilities	78,681	89,462
Non-current liabilities		
Trade and other payables	5,659	9,502
Borrowings	113,279	131,000
Provisions	4,960	4,763
Other liabilities	6,044	7,450
Total non-current liabilities	129,942	152,715
Total liabilities	208,623	242,177
Net assets	348,688	260,318
Equity		
Contributed equity	233,137	233,137
Reserves	(836)	(20,240)
Retained earnings	116,387	47,421
Total equity	348,688	260,318

Note 35. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2013 $'000	2012 $'000
Statement of financial position		
Current assets	**23,079**	12,438
Total assets	**179,588**	170,301
Current liabilities	**2,089**	3,507
Total liabilities	**2,089**	3,507
Shareholders' equity		
Contributed equity	**233,137**	233,137
Reserves	**73,819**	64,450
Retained earnings	**(129,457)**	(130,793)
	177,499	166,794
Profit for the year after tax	**50,977**	45,040
Total comprehensive income after tax	**50,977**	45,040

(b) Guarantees entered into by the parent entity

Cross guarantees given by the parent entity are set out in Note 34.

(c) Contingent liabilities of the parent entity

Contingent liabilities of the parent entity are set out in Note 24.

Notes to the consolidated financial statements

for the year ended 30 September 2013

Note 36. 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.

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

	2013 $'000s
Purchase consideration	
Cash paid	10,675
Contingent consideration	10,129
Total purchase consideration	20,804

The 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
Intangible assets: Technology	5,562
Plant and equipment	107
Other assets	23
Payables	(1,321)
Deferred tax liability	(2,062)
Current tax liabilities	(220)
Other liabilities	(73)
Net identifiable assets acquired	3,666
Add: goodwill	17,138
Net assets acquired	20,804

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 each of 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 of $10,129,000 was estimated taking into account probability weighted outcomes based on forecasted revenue and EBITDA of the acquired entities.

(iii) Acquired receivables

The fair value of trade and other receivables on acquisition was $611,000 and included trade receivables with a fair value of $590,000. The gross contractual amount for trade receivables due was $590,000, which has been recovered from customers.

(iv) Revenue and profit contribution

The acquired business contributed revenues of $11,336,000 and a net loss of $19,000 to the Group for the period from 29 November 2012 to 30 September 2013.

Had the acquisition occurred on 1 October 2012, the revenue and profit of the Group would not be materially different to the amounts as included in the statement of comprehensive income.

Note 36. Business combinations *continued*

	2013 $'000
(v) Purchase consideration - cash outflow	
Outflow of cash to acquire subsidiary	10,675
Less: Cash acquired	(1,039)
Outflow of cash - investing activities	9,636

Directors' declaration in relation to financial statements and audit

This report is based on accounts which have been audited by PricewaterhouseCoopers. The report, which is unmodified, will be made available with the Company's financial report, which also contains the Directors' Report (including the audited Remuneration Report) and Director's Declaration. These will be released at the same time as part of the Company's Annual Report which is nearing completion and will be released on approximately 20 December 2013.

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

Dr ID Blackburne
Chairman
26 November 2013