ARISTOCRAT LEISURE LIMITED

ABN 44 002 818 368

2021 HALF YEAR PROFIT ANNOUNCEMENT

RESULTS TO BE RELEASED TO THE MARKET

ANNUAL INFORMATION GIVEN TO THE ASX
UNDER LISTING RULE 4.2A

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

2021 HALF YEAR
PROFIT ANNOUNCEMENT
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ARISTOCRAT LEISURE LIMITED

A.B.N. 44 002 818 368

APPENDIX 4D

Half-Year Report

Half-year ended: 31 March 2021

Previous corresponding period: 31 March 2020

Results for announcement to the market

Statutory results				**31 March 2021 $'m**
Revenue from ordinary activities	down	1.0%	to	2,229.7
Profit from ordinary activities before tax	up	21.4%	to	461.5
Profit from ordinary activities after tax	down	73.5%	to	346.5
Normalised results[1]				
Operating revenue	down	1.0%	to	2,229.7
Profit before tax	up	19.1%	to	480.9
Profit after tax and before amortisation of acquired intangibles	up	11.8%	to	411.6

Dividends

	Amount per security	**Franked amount per security**	**Record date for determining entitlements to dividends**
Current year – 2021			
- Interim dividend	15.0c	15.0c	31 May 2021
Previous year – 2020			
- Interim dividend	0.0c	0.0c	Not applicable
- Final dividend	10.0c	10.0c	2 December 2020

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

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

Review of Operations

Business Strategy and COVID-19 Recovery

Growth strategy enhances resilience

Aristocrat's strategy aims to deliver high quality, sustainable profit growth by continuously improving the business' product portfolios and operational competitiveness – regardless of market conditions and other external factors.

Aristocrat achieves this by investing in great people, product and capability, building on deep foundations of culture, governance and financial rigour. The Group also has a track record of accelerating progress through accretive M&A, in line with rigorous, established investment criteria.

Our focus on long-term performance means that addressing material Environmental, Social and Governance (ESG) factors is an important part of our approach. Aristocrat further improved its business over the reporting period by making progress across a range of ESG issues including responsible gameplay, diversity and inclusion and employee wellbeing.

As Aristocrat continues to navigate volatility in the global operating environment as a result of COVID-19 and other factors, the Group's strategy remains highly relevant. In fact, over the six months to 31 March 2021, the business' operational and financial strengths enhanced Aristocrat's resilience and ability to sustain market-leading investment levels behind the strategic drivers of people, product and performance – at a time when many others reduced investment.

Performance reflects investment choices

The fundamental choices Aristocrat made in the context of COVID-19 disruptions are reflected in the share growth and margin expansion achieved across Digital and key Gaming segments in the six months to 31 March 2021, and the double-digit increase in normalised Group NPATA delivered in the same period. In particular, Aristocrat has continued to invest in its core, differentiating strategic drivers, including:

- Additional 'People first' employee wellbeing initiatives, flexibility and benefits for Aristocrat's diverse and growing global team.
- Further leadership development and capability programs, along with targeted talent attraction and retention initiatives.
- Significant expansion in Customer Experience (CX) operations in Gaming, to unlock new value streams by delivering customers and Gaming patrons connected products and services in line with Aristocrat's growth strategy.
- Priority focus on building the Digital product pipeline to sustain long-term growth ahead of category, including through recent tuck-in acquisitions and boosting M&A capability.
- Continued targeted investment in User Acquisition (UA) spend to support long-term profitability.
- Maintenance of Aristocrat's market-leading investment in game design, development, and technology throughout the period – including continued investment in adjacencies to drive long-term growth, and
- Further investment in strategic skillsets including in data, cyber security, and technology capabilities.

The Group enters the second half of the 2021 fiscal year with excellent momentum, flexibility and resilience, and a balance sheet that continues to provide full strategic optionality.

Aristocrat's global team is aligned behind a refreshed growth vision, with established momentum and the confidence to continue to invest and accelerate execution in the period ahead.

Review of Operations

Group Performance

Earnings Summary

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

A$ million	Constant currency[2] Six months to 31 March 2021	Six months to 31 March 2021	Six months to 31 March 2020	Variance vs. 2020 Constant currency[2] %	Variance vs. 2020 Reported %
Normalised results[1]					
Operating revenue	2,493.7	**2,229.7**	2,251.8	10.7	(1.0)
EBITDA	845.0	**750.3**	707.6	19.4	6.0
EBITA	692.8	**612.6**	550.8	25.8	11.2
NPAT	410.8	**362.2**	305.9	34.3	18.4
NPATA	466.4	**411.6**	368.1	26.7	11.8
Earnings per share (fully diluted)	64.4c	**56.8c**	47.9c	34.4	18.6
EPS before amortisation of acquired intangibles (fully diluted)	73.1c	**64.5c**	57.7c	26.7	11.8
Interim dividend per share	15.0c	**15.0c**	0.0c	n/a	n/a
Reported results					
Revenue	2,493.7	**2,229.7**	2,251.8	10.7	(1.0)
Profit after tax	392.2	**346.5**	1,305.2	(70.0)	(73.5)
NPATA	447.8	**395.9**	1,367.4	(67.3)	(71.0)
Balance sheet and cash flow					
Net working capital/revenue[3]	3.8%	**4.1%**	6.1%	(2.3)pts	(2.0)pts
Operating cash flow	403.4	**358.2**	620.0	(34.9)	(42.2)
Operating cash flow normalised[4]	478.8	**425.1**	620.0	(22.8)	(31.4)
Closing net debt[5]	1,590.4	**1,330.2**	2,250.5	29.3	40.9
Gearing (net debt/consolidated EBITDA[5,6])	n/a	**1.2x**	1.4x	n/a	0.2x

(1) Normalised results are statutory profit (before and after tax), excluding the impact of certain significant items detailed on page 9.

(2) Results for 6 months to 31 March 2021 are adjusted for translational exchange rates using rates applying in 2020 as referenced in the table on page 13.

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

(4) Normalised operating cash flow excludes the impact of certain significant items are referenced on page 11.

(5) Net debt excludes lease liabilities recognised under AASB 16 from 1 October 2019.

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

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

Aristocrat Leisure Limited

Operational Highlights

Aristocrat's portfolio of scaled, world-class Digital and Gaming assets continued to grow and diversify over the six months to 31 March 2021.

Almost 80% of revenue in the period was derived from recurring sources bolstering the business' resilience. Deliberate choices to maintain investment in outstanding product portfolios further strengthened our competitive position. These investments also positioned the business to benefit from a rebound in consumer confidence in key markets, and elevated demand for Digital entertainment options.

Key operational highlights for the period are set out below.

Strong recovery in Gaming driven by market-leading products

In North America:

- Growth in the Class II and Class III Premium installed base, with a higher percentage of machines turned on over the last 6 months, coupled with strong average fee per day (FPD) in the period.
- For the 6 months to March 2021, Aristocrat games averaged 17 of the top performing 25 games in the Premium Leased segment and 11 of the Top 25 games in the wide area progressive (WAP) segment in the Eiler's monthly gaming reports.
- Outright Sales momentum continued in the core video segment, despite lower market volumes due to COVID-19 related customer capital constraints.
- The business continued to grow in attractive adjacencies, including Video Lottery Terminal (VLT) Canada, Oregon and Illinois and Washington Central Determinant System (CDS).
- At the North America 2020 EKG Slot Awards, Aristocrat won 9 out of 21 categories, including:
    - Best Overall Supplier of Slot Content, and
    - Most Improved Premium Supplier.

In Australia & New Zealand:

- Market-leading ship share was maintained through the period, supported by the launch of the *MarsX*™ cabinet and a high-performing game portfolio.

Outstanding growth in Digital driven by portfolio performance and strong demand

- Ongoing growth propelled Aristocrat Digital to become a Top 5 mobile games publisher in tier 1 western markets according to leading global mobile data and analytics provider App Annie.
- Achieved 7 games in the US top 100 over the period.
- Aristocrat was named Top Social Casino Company at the 2020 EKG Slot Awards.
- Aristocrat grew share over the period to become the clear #2 in the Social Casino genre globally and #1 in the Social Slots segment.
- Growth in the period reflected the successful delivery of Live Ops, features and slot content and efficient User Acquisition (UA) investment. ~7,500 Live Ops were conducted during the period.
- *RAID: Shadow Legends*™ continued its impressive, profitable growth trajectory and celebrated its two-year anniversary.
- The business continued to build portfolio diversity, with the successful scaling of *EverMerge*™ in the casual merge genre.
- Average Bookings Per Daily Active User (ABPDAU) grew 44% driven by performance in Social Casino and continued scaling of *RAID: Shadow Legends*™.
- Overall demand remained at elevated levels compared to the pre-COVID period.

Sustained investment in great talent, technology and product

- Aristocrat maintained its market-leading investment in game design, development and technology throughout the period, positioning the business for sustained growth.
- User Acquisition (UA) investment maintained at 28% of Digital revenue.
- With the induction of Scott Olive into the 2020 EKG Slot Awards "Hall of Fame", Aristocrat became the only Gaming supplier with multiple inductees (Joe Kaminkow was inducted in 2019). This further underlined the depth of Aristocrat's creative talent in Gaming, which continues to lead the industry.

Robust financial fundamentals maintained, preserving investment optionality

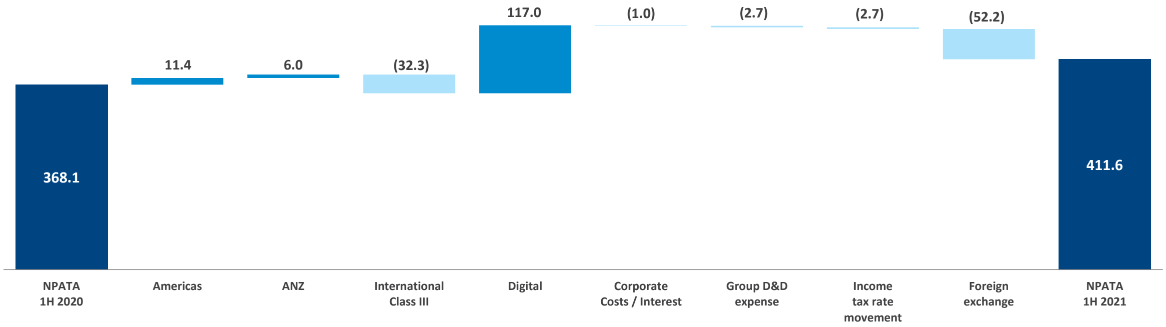
- EBITDA margin for the period improved to 33.7%.
- Capital expenditure of $103 million supported further investment in our Gaming Operations installed base, positioning for future growth.
- Gearing (Net Debt/EBITDA) improved to 1.2x at period end from 1.4x at 31 March 2020.
- Aristocrat's balance sheet remained strong, with over $2 billion in available liquidity at 31 March 2021 – preserving full optionality for additional investment to accelerate our strategy.

Performance Summary

Normalised profit after tax and before amortisation of acquired intangibles (NPATA) of $411.6 million for the period represented a 12% increase (27% in constant currency) compared to $368.1 million in the prior corresponding period, largely driven by growth in Digital. Revenue decreased by 1% (an 11% increase in constant currency), with outstanding Digital performance supported by strong Gaming Operations revenue mitigating lower revenues in Outright Sales driven by COVID-19 impacts. Normalised fully diluted earnings per share before amortisation of acquired intangibles of 64.5c represents a 12% increase (27% in constant currency) on the prior corresponding period.

Net gearing decreased to 1.2x from 1.4x leverage in the prior corresponding period.

NPATA movement 1H20 to 1H21 (A$ million)



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

- Aristocrat's normalised profit after tax is broadly in line with 1H 2019, reflecting growth in Digital, supplemented by a strong recovery in the Americas and ANZ Gaming markets, and partly offset by unfavourable FX movements.
- **Digital** delivered post-tax earnings growth of $117 million, driven by strong performance in Social Casino, continued scaling of *RAID: Shadow Legends*™ and elevated consumer demand more generally.
- The Gaming businesses continued to be impacted by COVID-19 related venue closures and restrictions. International Class III markets remained effectively closed.
- The **Americas** business delivered an $11 million increase in post-tax profit, driven by a 5% expansion in the Class III Premium Gaming Operations footprint, a 2% expansion in the Class II Gaming Operations footprint and 9% growth in adjusted average fee per day (FPD) to US$54.69. On an unadjusted basis, the average FPD for the period was US$47.29.
- The **ANZ** business grew post-tax earnings by $6 million, driven by continued strong product performance.
- The Group's **strategic investment** in talent and technology remained at market-leading levels, broadly in line with the prior corresponding period and consistent with our growth strategy.
- The increase in the Group's **effective tax rate (ETR)** from 24.2% to 24.7%, resulted in a $2.7 million NPATA decline, reflecting the change in geographic business mix.
- **Foreign exchange** negatively impacted the result by $52 million.

Group Profit or Loss

Results in the current period and prior corresponding period are in reported currency and normalised for significant items as outlined on page 9. Segment profit is stated before amortisation of acquired intangibles.

A$ million	Six months to 31 March 2021	Six months to 31 March 2020	Variance %
Segment revenue			
Australia and New Zealand	**209.1**	205.6	1.7
Americas	**810.2**	911.0	(11.1)
International Class III	**16.8**	90.6	(81.5)
Digital	**1,193.6**	1,044.6	14.3
Total segment revenue	**2,229.7**	2,251.8	(1.0)
Segment profit			
Australia and New Zealand	**84.9**	77.1	10.1
Americas	**411.7**	450.1	(8.5)
International Class III	**(8.7)**	33.2	(126.2)
Digital	**401.8**	297.4	35.1
Total segment profit	**889.7**	857.8	3.7
Unallocated expenses			
Group D&D expense	**(242.7)**	(265.9)	8.7
Foreign exchange	**0.8**	(2.4)	n/a
Corporate	**(35.2)**	(38.7)	9.0
Total unallocated expenses	**(277.1)**	(307.0)	9.7
EBIT before amortisation of acquired intangibles (EBITA)	**612.6**	550.8	11.2
Amortisation of acquired intangibles	**(64.2)**	(80.9)	20.6
EBIT	**548.4**	469.9	16.7
Interest	**(67.5)**	(66.2)	(2.0)
Profit before tax	**480.9**	403.7	19.1
Income tax	**(118.7)**	(97.8)	(21.4)
Profit after tax (NPAT)	**362.2**	305.9	18.4
Amortisation of acquired intangibles after tax	**49.4**	62.2	(20.6)
Profit after tax and before amortisation of acquired intangibles (NPATA)	**411.6**	368.1	11.8

Revenue

Segment revenue was broadly in line with the prior corresponding period, with a $22 million decrease or 1% in reported currency (and an 11% increase in constant currency).

The percentage of total revenue derived from recurring sources increased by 5.8 percentage points to 79.5% compared to the prior corresponding period, principally driven by outstanding performance in Digital, and a robust recovery across North America Gaming Operations, combined with lower global Outright Sales due to COVID-19.

Digital revenue grew 28.8% in local currency to US$896 million, reflecting performance from across the portfolio, namely momentum in *RAID: Shadow Legends*™, substantial growth in *Lightning Link*™ and *Cashman Casino*™ and the successful scaling of *EverMerge*™.

In Gaming, North American Gaming Operations revenue increased 6.0% in local currency, with the Premium Class III and Class II footprints increasing 5.4% and 1.7% respectively and the adjusted average fee per day increasing 8.9%. Performance was fuelled by continued penetration of the high-performing products *Dragon Cash*™, *Cash Express: Luxury Line*™ and *Game of Thrones: Winter is Here*™.

In North America Outright Sales, revenue decreased 10% in local currency, due to COVID-19 related customer capital constraints.

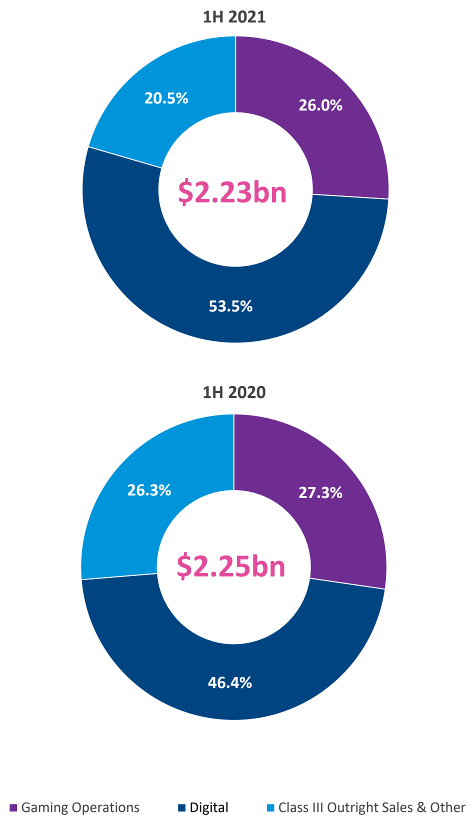
Aristocrat's industry-leading product performance was again recognised in the EKG Slot Awards, with Aristocrat named the 2020 Best Overall Supplier of Slot Content (for the second year in a row), and Most Improved Premium Supplier.

In the outright sales markets of Australia and New Zealand, revenue increased 1.7% to $209 million in reported currency, reflecting strong post-COVID recoveries and portfolio performance.

In International Class III, revenue decreased 82% to $17 million in reported currency, with these markets effectively closed for much of the reporting period.

Across all regions our Gaming businesses continued to focus on assisting customers in their COVID-19 recovery.

Revenue by Strategic Segment



All amounts are in reported currency unless otherwise stated.

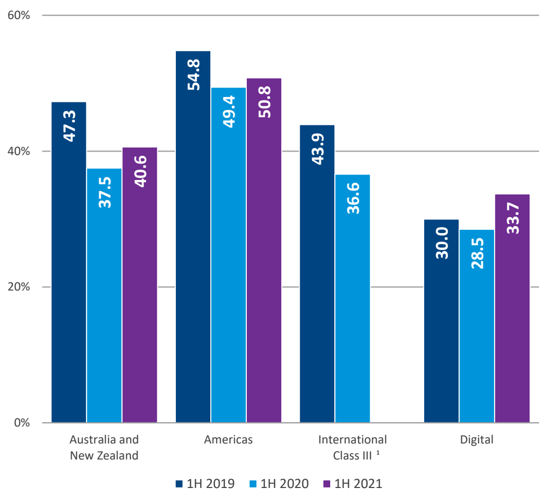
Earnings

Segment profit increased $32 million (or 4%) in reported currency compared to the prior corresponding period.

Gaming margins across ANZ and Americas increased from 37.5% to 40.6% and from 49.4% to 50.8% respectively, driven by outstanding product performance and increased operating leverage compared to the prior corresponding period. Margin in International Class III was significantly impacted by COVID-19 related customer venue closures and travel restrictions.

Digital margin increased from 28.5% to 33.7%. This result reflects excellent portfolio performance and the fact that there were no new game launches scheduled in the period. User Acquisition remained at 28% of Digital revenue to support long-term profitable growth.

Segment Profit Margin % of Revenue



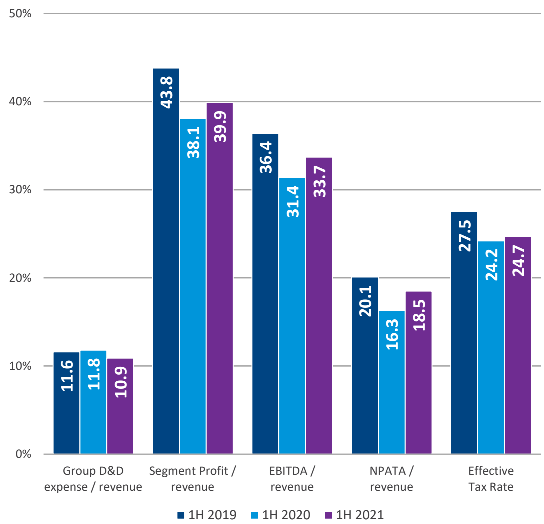
[1] International Class III 1H 2021 margin of (51.8%) was driven by the effective closure of these markets in the reporting period.

The Group continued to invest significantly in talent and technology to deliver competitive product across a broader range of Gaming segments and Digital genres. Investment in D&D remained at a market-leading 11% on a percentage of revenue basis.

Corporate costs decreased by $3.5 million compared to the prior corresponding period.

The effective tax rate (ETR) for the reporting period was 24.7% compared to 24.2% in the prior corresponding period, reflecting changes in the geographic mix of the business.

Other Key Margins % of Revenue and ETR



Reconciliation of statutory profit to NPATA

A$ million	Six months to 31 March 2021	Six months to 31 March 2020[1]
Statutory profit as reported in the financial statements	**346.5**	1,305.2
Amortisation of acquired intangibles (tax effected)	**49.4**	62.2
Reported profit after tax before amortisation of acquired intangibles (Reported NPATA)	**395.9**	1,367.4
Add back/(less) net loss/(gain) from significant items after tax	**15.7**	(999.3)
Normalised Profit After Tax before amortisation of acquired intangibles (Normalised NPATA)	**411.6**	368.1

[1] Includes the recognition of a ~$1 billion deferred tax asset relating to the Group structure changes announced in November 2019.

Significant items

	31 March 2021	
A$ million	Before tax	After tax
Contingent retention arrangements	(19.4)	(15.7)
Net loss from significant items	**(19.4)**	**(15.7)**

Significant Items included in the Group's reported result after tax:

Contingent retention arrangements: The result includes an expense of $15.7 million relating to contingent retention arrangements associated with the acquisition of Plarium.

Prior year significant items: The prior period includes the recognition of a ~$1 billion deferred tax asset relating to the Group structure changes announced in November 2019.

Balance Sheet

The balance sheet can be summarised as follows:

A$ million	31 Mar 2021	30 Sep 2020	31 Mar 2020	Variance %
Cash and cash equivalents	1,728.0	1,675.7	871.7	98.2
Property, plant and equipment	316.1	353.2	458.8	(31.1)
Intangible assets	3,355.8	3,623.8	4,286.5	(21.7)
Other assets	2,314.6	2,224.2	2,589.3	(10.6)
Total assets	7,714.5	7,876.9	8,206.3	(6.0)
Current borrowings	6.5	7.0	-	n/a
Non-current borrowings	3,051.7	3,236.2	3,122.2	(2.3)
Payables, provisions and other liabilities	1,343.7	1,453.7	1,573.0	(14.6)
Total equity	3,312.6	3,180.0	3,511.1	(5.7)
Total liabilities and equity	7,714.5	7,876.9	8,206.3	(6.0)
Net working capital	168.6	38.6	275.3	(38.8)
Net working capital / revenue[1] %	4.1	0.9	6.1	(2.0)pts
Net debt	1,330.2	1,567.5	2,250.5	40.9
Gross debt	3,058.2	3,243.2	3,122.2	(2.0)

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

Significant balance sheet movements from 31 March 2020 are:

Cash and cash equivalents: The increase in cash reflects the underlying cash flow generation capability of the business and the US$500 million incremental Term Loan B facility drawn down in the second half of fiscal year 2020.

Net working capital: The decrease reflects a decline in inventory levels due to the impact of COVID-19 in the prior corresponding period and higher relative share of revenue from the Digital business which requires minimal working capital.

Property, plant and equipment: The decrease is driven by lower EGM capital expenditure on Gaming Operations in North America, reflecting the impact of COVID-19.

Other assets: The decrease is due to reduction in inventory levels and the ongoing depreciation of right-of-use assets over their useful life (AASB 16 Leases).

Non-current borrowings: The decrease is due to the appreciation of the Australian Dollar on the US Dollar denominated Term Loan B.

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

Statement of Cash Flows

The movement in cash, after eliminating foreign exchange movements in cash, is set out below:

Operating cash flow

A$ million	Six months to 31 Mar 2021	Six months to 31 Mar 2020	Change %
EBITDA	**750.3**	707.6	6.0
Change in net working capital	**(130.0)**	(27.3)	(376.2)
Subtotal	**620.3**	680.3	(8.8)
Interest and tax	**(179.1)**	(161.8)	(10.7)
Significant items (non-cash)	**(19.4)**	(22.5)	13.8
Other cash and non-cash movements	**(63.6)**	124.0	(151.3)
Operating cash flow	**358.2**	620.0	(42.2)
Significant items (cash)	**66.9**	-	n/a
Operating cash flow (normalised)	**425.1**	620.0	(31.4)
Operating cash flow (normalised) less capex	**322.0**	468.3	(31.2)

Consolidated cash flow

A$ million	Six months to 31 Mar 2021	Six months to 31 Mar 2020	Change %
Operating cash flow	**358.2**	620.0	(42.2)
Capex	**(103.1)**	(151.7)	32.0
Investments	**(4.2)**	-	n/a
Investing cash flow	**(107.3)**	(151.7)	29.3
Proceeds from borrowings	**-**	142.0	n/a
Repayments of borrowings	**(3.3)**	(73.9)	95.5
Lease principal payments	**(18.1)**	(20.6)	12.1
Dividends and share payments	**(87.2)**	(257.5)	66.1
Financing cash flow	**(108.6)**	(210.0)	48.3
Net increase in cash	**142.3**	258.3	(44.9)

Normalised operating cash flow decreased 31% to $425 million compared to the prior corresponding period, reflecting investment to support customer recovery. The decrease in other cash and non-cash inflows was driven mainly by the impact of a higher Australian dollar in the reporting period.

Interest and tax expense increased 11%, reflecting an increase in tax payments.

Significant items (non-cash) in the period relate to remaining contingent retention arrangements for Plarium.

Significant items (cash) in the period relate to the full payment of the Kater and Thimmegowda legal settlement and Plarium retention payments.

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

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

Funding and Liquidity

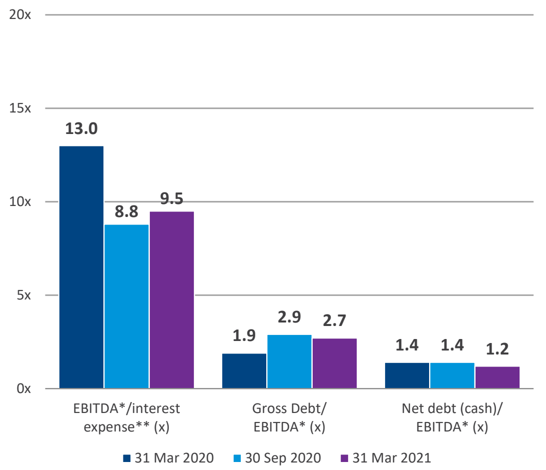
The Group maintained excellent overall liquidity and balance sheet strength over the reporting period. The Group had committed loan facilities of $3.4 billion as at 31 March 2021, comprising Term Loan B (TLB) facilities of US$2.35 billion and a $286 million revolving credit facility.

At period end, Aristocrat had total liquidity of just over $2 billion, comprised of cash and $277 million of the available revolving credit facility, net of $9 million supporting letters of credit.

The Group's facilities are summarised as follows:

Facility	Drawn as at 31 Mar 2021	Limit	Maturity date
Term Loan B facility	US$2,346.3m	US$2,346.3m	Oct 2024
Revolving facility	A$0.0m	A$286.0m	Jul 2024
Overdraft facilities	A$0.0m	A$7.6m	Annual Review

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



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

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

The Group's leverage (net debt / EBITDA) reduced to 1.2x at 31 March 2021, from 1.4x in the prior corresponding period.

Credit Ratings

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

As at 31 March 2021, Aristocrat holds credit ratings of BB+ from Standard & Poor's and Ba1 from Moody's. These ratings were affirmed by both agencies during the reporting period.

Dividends

The Directors have authorised an interim fully franked dividend of 15.0 cents per share (A$95.6 million), in respect to the period ended 31 March 2021.

The dividend is expected to be declared and paid on 2 July 2021 to shareholders on the register at 5.00pm 31 May 2021. The dividend will be fully franked.

Foreign Exchange

Given the extent of the Group's global operations, its reported results are impacted by movements in foreign exchange rates.

In the six months to 31 March 2021, the Australian dollar was, on average, stronger against the US dollar when compared to the prior corresponding period. The impact of translating foreign currency (translational impact) decreased revenue by $264.0 million, while decreasing normalised profit after tax and before amortisation of acquired intangibles by $54.8 million on a weighted average basis when compared with rates prevailing in the respective months in the prior corresponding period. In addition, as at 31 March 2021, the cumulative effect of the retranslation of the net assets of foreign controlled entities (recognised through the foreign currency translation reserve) was a debit balance of $146.2 million (compared to a credit balance of $469.0 million as at 31 March 2020).

Based on the Group's typical historical 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 resulted in an estimated annualised $10 million translational impact on the Group's annual profit after tax and before amortisation of acquired intangibles, based on the last twelve-month period. This impact will vary in line with the magnitude and mix of overseas profits.

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

A$:	31 Mar 2021	30 Sep 2020	31 Mar 2020	Six months to 31 March 2021 Average[1]	Six months to 31 March 2020 Average[1]
USD	0.7599	0.7163	0.6163	0.7508	0.6675
NZD	1.0873	1.0837	1.0257	1.0663	1.0459
EUR	0.6479	0.6113	0.5580	0.6279	0.6017
GBP	0.5512	0.5550	0.4967	0.5533	0.5164
ZAR	11.2275	11.9900	11.0491	11.4300	10.2423
ARS	69.8948	54.5603	39.6794	64.2617	40.6876

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

Review of Operations

Segment review

Segment profit represents earnings before interest and tax, and before significant items detailed on page 9, charges for D&D expenditure, amortisation of acquired intangibles and corporate costs. The total amount of these items is disclosed in the Group's statement of profit or loss. Constant currency amounts refer to 2021 results restated using exchange rates applying in 2020.

1. Aristocrat Gaming

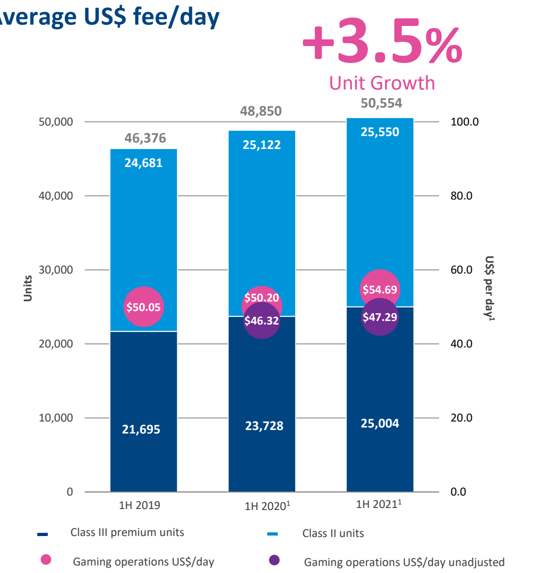
Americas

Summary Profit or Loss

US$ million	Six months to 31 Mar 2021	Six months to 31 Mar 2020	Variance %
Revenue	609.5	610.3	(0.1)
Profit	309.8	303.3	2.1
Margin	50.8%	49.7%	1.1 pts

In local currency, Americas profit increased by 2.1% to US$309.8 million, driven by growth in the Class III Premium and Class II Gaming Operations footprint, led by increasing depth and strength in the product portfolio. The business grew share across key segments, and expanded margins, despite COVID-19 impacts on market conditions. Operational momentum was supported by a stronger than expected economic recovery and strengthening consumer sentiment in the latter part of the reporting period.

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



(1) 1H20 and 1H21 fee per day has been adjusted to exclude the number of days machines were not operating in the period due to COVID-19 social distancing restrictions or venue closures and therefore reflects the underlying performance of the business. Unadjusted FPD for 1H21 was US$47.29.

Aristocrat's Class III Premium installed base grew 5.4% to 25,004 units, with continued penetration of leading hardware configurations and high-performing game titles. Circa 80% (~20,000 units) of the installed base was operational at 31 March 2021 reflecting Aristocrat's portfolio performance and operator decisions to switch on stronger performing units.

Key titles such as *Dragon Cash*™, *Cash Express: Luxury Line*™ and *Game of Thrones: Winter is Here*™ drove momentum. Continued growth is expected in Class III Premium Gaming Operations with the introduction of new hardware in *Neptune Double*™ featuring *Crazy Rich Asians*™ and *Timber Wolf Diamond*™ during the period.

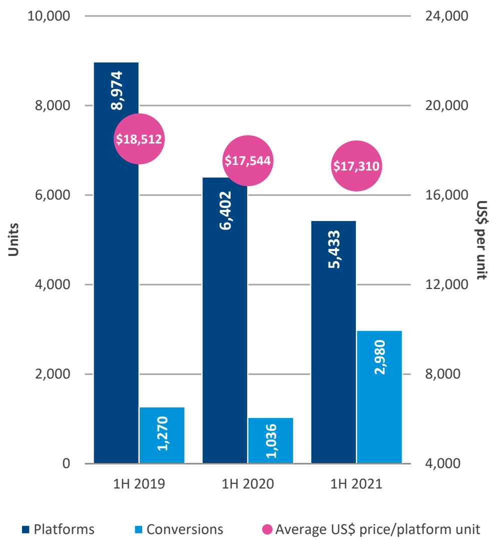
Aristocrat averaged 17 of the Top 25 games on the Eilers premium title list in the 6 months to March 2021, demonstrating exceptional portfolio strength.

Aristocrat Leisure Limited

Aristocrat's Class II Gaming Operations installed base grew 1.7% during the period with the release of the *MarsX*™ cabinet, supported by continued strength of the mechanical installed base. Circa 93% (~23,760 units) was operating as at 31 March 2021, again reflecting operator decisions to switch on higher performing product. Strong game performance was achieved on the *Ovation*™ platform, with titles such as *Hunt for Neptune's Gold*™ and *Buffalo Xtreme*™, while growth was also delivered in Class II Premium Gaming Operations off the back of key games including *Buffalo Grand*™, *The Walking Dead II*™, *Wild Lepre'Coins*™ and *Tarzan*™.

On a combined and adjusted basis, the average Class II and Class III fee per day (FPD) increased 8.9% to US$54.69, once again reflecting exceptional portfolio quality and improving consumer and economic conditions. Without adjusting for the number of days machines were not operating in the period, FPD was US$47.29 during the period.

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



Outright Sales revenue decreased 10% compared to the prior corresponding period, driven by the impacts of COVID-19 related customer capital budget constraints.

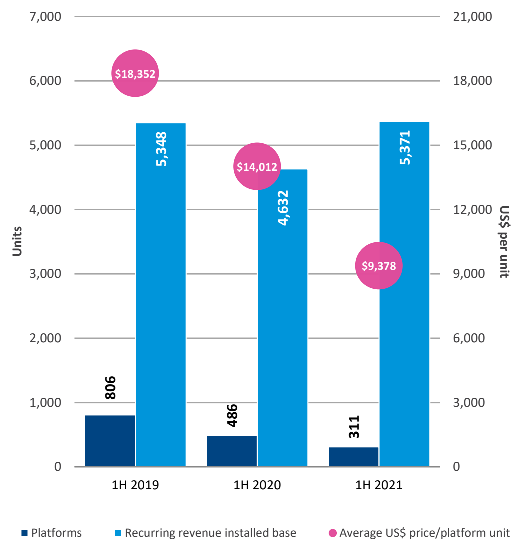
MarsX™ *Dual* continued to be the top performing cabinet supported by *Buffalo Gold Revolution*™, *Fu Dai Lian Lian*™, and *Timber Wolf Gold*™. In addition, Aristocrat released the most anticipated outright sale title, *Buffalo Chief*™, on the *Helix XT*™ cabinet.

Throughout the period, Aristocrat continued to invest in innovative product development, including the most anticipated game in the industry, *Buffalo Link*™ from HRG Studios. This game will be launched in the second half of fiscal 2021.

Aristocrat also continued its expansion into attractive adjacent markets in line with our strategy. These included VLT Canada, VLT Illinois and Washington CDS segments. Growth rates moderated due to COVID-19 impacts, compared to the prior corresponding period.

Average Sales Price (ASP) remained strong, in line with the prior corresponding period, driven by outstanding performance of the *MarsX*™ cabinet and overall product mix in the period.

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



Latin America revenue decreased 39% compared to the prior corresponding period primarily driven by COVID-19 related customer venue closures combined with economic and political impacts across the region.

Australia and New Zealand

Summary Profit or Loss

A$ million	Constant currency Six months to 31 Mar 2021	Six months to 31 Mar 2020	Variance %
Revenue	**209.5**	205.6	1.9
Profit	**85.1**	77.1	10.4
Margin	**40.6%**	37.5%	3.1 pts

ANZ revenue increased by 1.9% to $209.5 million in constant currency compared to the prior corresponding period, while overall profit increased by 10.4% to $85.1 million.

Margin increased 310 bps to 40.6% reflective of the COVID-19 impacts in prior period, deferred investment and FX benefits.

ANZ Outright Sales units and Average A$ Price / unit

Average cabinet selling price decreased slightly from the prior corresponding period driven by promotional activity to aid customer recovery and support longer term growth.

The ANZ business extended its market-leading ship share over the period, driven by the continued performance of the *Dragon Link*™ and *Dragon Cash*™ families, recent releases *Grand Star*™ and *Choy's Kingdom*™ on our *HelixX*™ *and MarsX*™ cabinets and strengthened customer engagement.

International Class III

Summary Profit or Loss

A$ million	Constant currency Six months to 31 Mar 2021	Six months to 31 Mar 2020	Variance %
Revenue	**17.9**	90.6	(80.2)
(Loss)/Profit	**(9.5)**	33.2	(128.6)
Margin	**(53.1)%**	36.6%	(89.7) pts
Class III Platforms	**252**	2,184	(88.5)

International Class III revenue and profit decreased 80.2% and 128.6% respectively to $17.9 million and ($9.5) million compared to the prior corresponding period, due to COVID-19 related venue closures across key markets.

In Asia, although venues have mostly reopened, international travel restrictions have continued to impact operators and significantly reduce capital expenditure budgets.

2. Aristocrat Digital

Summary Profit or Loss

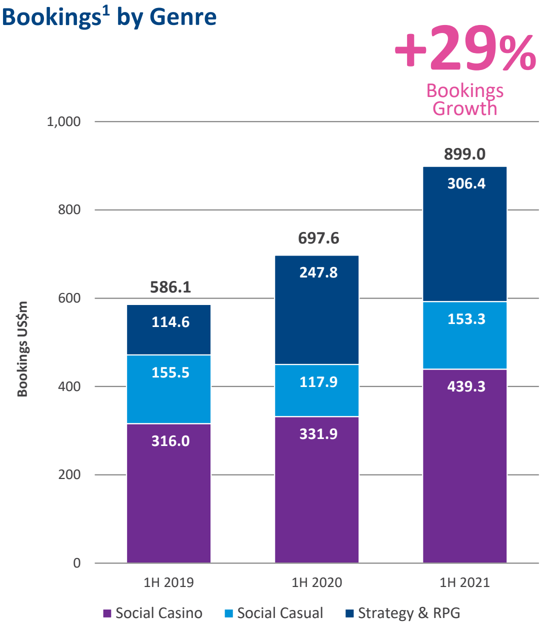
US$ million	Six months to 31 Mar 2021	Six months to 31 Mar 2020	Variance %
Bookings	**899.0**	697.6	28.9
Revenue	**895.8**	695.5	28.8
Profit	**301.2**	197.6	52.4
Margin	**33.6%**	28.4%	5.2 pts

Digital bookings grew 28.9% compared to the prior corresponding period, driven by:

- Continued effective investment in Live Ops, features and new content, combined with ongoing investment in growing and diversifying the Digital portfolio.
- A US$50 million increase in UA investment supporting the profitable growth of *RAID: Shadow Legends*™, the performance of Social Casino games, especially *Lightning Link*™ and *Cashman Casino*™ and the scaling of *EverMerge*™ in the growing casual merge genre.
- A strategic rebasing of the Big Fish business completed in the second half of fiscal year 2020, contributing to revenue and profit gains in the reporting period.
- A sustained increase in consumer demand for Digital games and strong overall market growth, albeit at levels somewhat moderated compared to the second half of fiscal 2020.

Digital profit increased 52.4% to US$301 million through expanding margins compared to the prior period. UA investment represented 28% of Digital revenue, demonstrating highly efficient and effective UA allocation, during a period in which the business had no scheduled new game releases.

Bookings[1] by Genre



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

Social Casino

The Social Casino segment contributed US$439 million in bookings in the period, an increase of 32% on the prior corresponding period, driven mainly by continued strong growth of *Lightning Link*™ and *Cashman Casino*™, supported by the ongoing performance of *Big Fish Casino*™ and *Jackpot Magic Slots*™.

Performance benefited from effective investments in Live Ops, features and new slot content.

Strategy and RPG

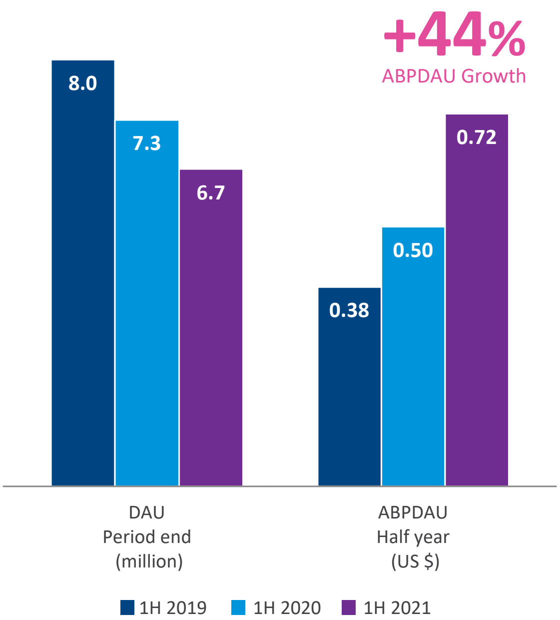
The Strategy and Role-Playing Games (RPG) segments contributed US$306 million in bookings in the period, an increase of 24% on the prior corresponding period, driven by continued profitable growth of *RAID: Shadow Legends*™.

Social Casual

The Social Casual segment delivered US$153 million in bookings in the period, an increase of 30% on the prior corresponding period, driven by the strong growth of *EverMerge*™ as a result of the highly successful deployment of Live Ops, new content and features, and effective UA investment.

Aristocrat Digital continues to invest in strategic capabilities and content as the business grows and scales. The business remains focused on expanding its product pipeline and further growing its market-leading portfolio quality and diversity. Leveraging its scale and capability as a top 5 global publisher across Tier 1 Western markets, it is also focused on utilising insights, expertise and best practices from across our diverse Digital operations.

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



DAU decreased to 6.7 million in the period, driven by our focus on DAU quality across the Digital portfolio. This is reflected in ABPDAU performance, which grew 44% or US$0.22 compared to the prior corresponding period, demonstrating strengthening player engagement across the portfolio.

Reconciliation of Revenue to Bookings (US$ millions)

US$ million	Six months to 31 Mar 2021	Six months to 31 Mar 2020
Revenue	**895.8**	695.5
Deferred revenue	**3.2**	2.1
Bookings	**899.0**	697.6

Aristocrat

Aristocrat Leisure Limited ABN 44 002 818 368
Financial statements for the half-year ended 31 March 2021

This condensed consolidated interim report ("interim report") of Aristocrat Leisure Limited ('the Company') for the half-year ended 31 March 2021 covers the financial statements for the consolidated entity ("financial statements") consisting of Aristocrat Leisure Limited and its subsidiaries (together referred to as the Group).

The financial statements contained in this interim report do not include all the notes of the type normally included in an annual financial report. Accordingly, the financial statements contained in this interim report are to be read in conjunction with the annual report for the year ended 30 September 2020 and any public announcements made by Aristocrat Leisure Limited during the reporting period and up to the date of these financial statements, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Financial statements

Contents

Statement of profit or loss and other comprehensive income

for the half-year ended 31 March 2021

Consolidated	Note	6 months to 31 March 2021 $'m	6 months to 31 March 2020 $'m
Revenue	1-2	**2,229.7**	2,251.8
Cost of revenue		**(1,096.3)**	(1,077.3)
Gross profit		**1,133.4**	1,174.5
Other income	1-2	**3.4**	5.1
Design and development costs		**(242.7)**	(265.9)
Sales and marketing costs		**(95.3)**	(145.4)
General and administration costs		**(267.4)**	(316.1)
Finance costs		**(69.9)**	(72.2)
Profit before income tax		**461.5**	380.0
Income tax (expense)/benefit	1-6	**(115.0)**	925.2
Profit for the half-year		**346.5**	1,305.2
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations		**(190.6)**	358.5
Net investment hedge		**16.3**	(28.7)
Changes in fair value of interest rate hedge		**15.0**	(32.0)
Other comprehensive (loss)/income for the half-year, net of tax		**(159.3)**	297.8
Total comprehensive income for the half-year		**187.2**	1,603.0
Earnings per share attributable to ordinary equity holders of the Company			
		Cents	Cents
Basic earnings per share	1-4	**54.3**	204.6
Diluted earnings per share	1-4	**54.3**	204.4

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

Balance sheet
as at 31 March 2021

Consolidated	Note	31 March 2021 $'m	30 September 2020 $'m
ASSETS			
Current assets			
Cash and cash equivalents		**1,728.0**	1,675.7
Trade and other receivables		**763.4**	624.6
Inventories		**125.4**	160.2
Other financial assets	2-2	**6.5**	7.1
Current tax assets		**46.7**	44.2
Total current assets		**2,670.0**	2,511.8
Non-current assets			
Trade and other receivables		**157.2**	101.9
Other financial assets	2-2	**10.7**	7.9
Property, plant and equipment		**316.1**	353.2
Right-of-use assets		**182.6**	178.3
Intangible assets		**3,355.8**	3,623.8
Deferred tax assets	1-6	**1,022.1**	1,100.0
Total non-current assets		**5,044.5**	5,365.1
Total assets		**7,714.5**	7,876.9
LIABILITIES			
Current liabilities			
Trade and other payables		**604.0**	646.7
Borrowings	2-1	**6.5**	7.0
Lease liabilities		**48.1**	43.3
Current tax liabilities		**170.0**	193.2
Provisions		**49.5**	53.8
Other financial liabilities	2-2	**18.5**	2.0
Deferred revenue		**116.2**	99.5
Total current liabilities		**1,012.8**	1,045.5
Non-current liabilities			
Trade and other payables		**6.1**	55.3
Borrowings	2-1	**3,051.7**	3,236.2
Lease liabilities		**240.5**	232.7
Provisions		**20.8**	24.3
Other financial liabilities	2-2	**28.7**	61.7
Deferred tax liabilities		**27.9**	27.9
Deferred revenue		**9.4**	9.3
Other liabilities		**4.0**	4.0
Total non-current liabilities		**3,389.1**	3,651.4
Total liabilities		**4,401.9**	4,696.9
Net assets		**3,312.6**	3,180.0
EQUITY			
Contributed equity	2-3	**715.1**	715.1
Reserves		**(271.7)**	(121.6)
Retained earnings		**2,869.2**	2,586.5
Total equity		**3,312.6**	3,180.0

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

Statement of changes in equity

for the half-year ended 31 March 2021

Consolidated	Note	Contributed equity $'m	Reserves $'m	Retained earnings $'m	Total equity $'m
Balance as at 1 October 2019		715.1	2.6	1,425.9	2,143.6
Profit for the half-year ended 31 March 2020		-	-	1,305.2	1,305.2
Other comprehensive income		-	297.8	-	297.8
Total comprehensive income for the half-year		-	297.8	1,305.2	1,603.0
Transactions with owners in their capacity as owners:					
Net movement in share-based payments reserve		-	(18.4)	-	(18.4)
Dividends provided for and paid*		-	-	(217.1)	(217.1)
		-	(18.4)	(217.1)	(235.5)
Balance at 31 March 2020		**715.1**	**282.0**	**2,514.0**	**3,511.1**
Balance as at 1 October 2020		**715.1**	**(121.6)**	**2,586.5**	**3,180.0**
Profit for the half-year ended 31 March 2021		**-**	**-**	**346.5**	**346.5**
Other comprehensive loss		**-**	**(159.3)**	**-**	**(159.3)**
Total comprehensive (loss)/income for the half-year		**-**	**(159.3)**	**346.5**	**187.2**
Transactions with owners in their capacity as owners:					
Net movement in share-based payments reserve		**-**	**9.2**	**-**	**9.2**
Dividends provided for and paid	1-5	**-**	**-**	**(63.8)**	**(63.8)**
		-	**9.2**	**(63.8)**	**(54.6)**
Balance at 31 March 2021		**715.1**	**(271.7)**	**2,869.2**	**3,312.6**

*Payment of dividends relates to the 2019 final dividend.

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

Cash flow statement

for the half-year ended 31 March 2021

Consolidated	6 months to 31 March 2021 $'m	6 months to 31 March 2020 $'m
Cash flows from operating activities		
Receipts from customers	**2,129.3**	2,380.1
Payments to suppliers and employees	**(1,593.0)**	(1,598.6)
Other income	**1.0**	0.3
Interest received	**1.9**	3.3
Interest paid	**(63.3)**	(67.0)
Income tax paid	**(117.7)**	(98.1)
Net cash inflow from operating activities	**358.2**	620.0
Cash flows from investing activities		
Payments for property, plant and equipment	**(72.4)**	(120.1)
Payments for intangibles	**(30.7)**	(31.6)
Payments for investments	**(4.2)**	-
Net cash outflow from investing activities	**(107.3)**	(151.7)
Cash flows from financing activities		
Payments for shares acquired by the employee share trust	**(23.4)**	(40.4)
Repayments of borrowings	**(3.3)**	(73.9)
Proceeds from borrowings	**-**	142.0
Lease principal payments	**(18.1)**	(20.6)
Dividends paid	**(63.8)**	(217.1)
Net cash outflow from financing activities	**(108.6)**	(210.0)
Net increase in cash and cash equivalents	**142.3**	258.3
Cash and cash equivalents at the beginning of the half-year	**1,675.7**	568.6
Effects of exchange rate changes	**(90.0)**	44.8
Cash and cash equivalents at the end of the half-year	**1,728.0**	871.7

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

Notes to the financial statements

1. Business performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the half-year. During the reporting period, the Group has continued to navigate challenges as a result of the COVID-19 pandemic. These financial statements have been prepared using the best available information at this time in relation to areas of significant estimates and judgements. Refer to Note 3-4.

1-1 Segment performance

(a) Identification of reportable segments

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

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

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

(b) Segment results

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

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

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

	The Americas $'m		Australia and New Zealand $'m		Digital $'m		International Class III $'m		Consolidated $'m	
6 months to 31 March	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenue										
Segment revenue from external customers	**810.2**	911.0	**209.1**	205.6	**1,193.6**	1,044.6	**16.8**	90.6	**2,229.7**	2,251.8
Results										
Segment results	**411.7**	450.1	**84.9**	77.1	**401.8**	297.4	**(8.7)**	33.2	**889.7**	857.8
Interest revenue									**2.4**	4.8
Interest expense									**(69.9)**	(72.2)
Design and development costs									**(242.7)**	(265.9)
Amortisation of acquired intangibles									**(64.2)**	(80.9)
Acquisition retention costs									**(19.4)**	(22.5)
Other expenses									**(34.4)**	(41.1)
Profit before income tax									**461.5**	380.0
Income tax (expense)/benefit									**(115.0)**	925.2
Profit for the half-year									**346.5**	1,305.2

The amortisation of acquired intangibles amounting to $64.2m (2020: $80.9m) does not form part of segment results.

Notes to the financial statements

Business performance (continued)

1-2 Revenues

Revenue disaggregated by business:	6 months to 31 March 2021 $'m	6 months to 31 March 2020 $'m
Gaming operations	580.0	615.4
Digital	1,193.6	1,044.6
Class III outright sales and other revenue	456.1	591.8
Total revenue	**2,229.7**	2,251.8
Other income		
Interest	2.4	4.8
Sundry income	1.0	0.3
Total other income	**3.4**	5.1

1-3 Expenses

	6 months to 31 March 2021 $'m	6 months to 31 March 2020 $'m
Depreciation and amortisation		
Depreciation of right of use assets	17.1	21.5
Property, plant and equipment		
- Buildings	0.4	0.4
- Plant and equipment	82.4	97.0
- Leasehold improvements	5.7	6.1
Total depreciation and amortisation of property, plant and equipment	**88.5**	103.5
Intangible assets		
- Customer relationships and contracts	21.9	26.7
- Game names	5.9	7.0
- Technology and software	43.9	53.6
- Intellectual property and licences	6.6	8.0
- Capitalised development costs	8.7	4.7
Total amortisation of intangible assets	**87.0**	100.0
Total depreciation and amortisation	**192.6**	225.0
Employee benefits expense		
Total employee benefits expense	410.9	419.1
Other expense/(income) items		
Acquisition retention costs	19.4	22.5
Bad and doubtful debts expense	0.6	27.6
Write down of inventories to net realisable value	24.2	8.1
Legal costs	11.7	36.3
Net foreign exchange (gain)/loss	(0.8)	2.1

Notes to the financial statements

Business performance (continued)

1-4 Earnings per share

Basic and diluted earnings per share (EPS) calculations	6 months to 31 March 2021	6 months to 31 March 2020
Net profit attributable to members of Aristocrat Leisure Limited ($'m)	346.5	1,305.2
Weighted average number of ordinary shares (WANOS) used in calculating basic EPS (number)	637,651,888	638,038,091
Effect of Performance Share Rights (number)	136,177	420,589
WANOS used in calculating diluted EPS (number)	637,788,065	638,458,680
Basic EPS (cents per share)	54.3	204.6
Diluted EPS (cents per share)	54.3	204.4

Basic earnings per share

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

Diluted earnings per share

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

Information concerning the classification of securities

Share-based payments

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

Share-based payments trust

Shares purchased on-market and issued shares through the Aristocrat Employee Equity Plan Trust have been treated as shares bought back and cancelled for the purpose of the calculation of the weighted average number of ordinary shares in calculating basic earnings per share. At the end of the reporting period, there were 1,178,358 (2020: 1,260,892) shares held in share trusts.

1-5 Dividends

Ordinary shares	2021 Interim	2020 Final	2020 Interim
Dividend per share (cents)	15.0c	10.0c	-
Franking percentage (%)	100%	100%	0%
Cost ($'m)	95.6	63.8	-
Payment date	2 July 2021	18 December 2020	Not applicable

Franking credits

The franking account balance at 31 March 2021 was $129.0m (30 September 2020: $116.0m).

Dividends not recognised at period end

The 2021 interim dividend had not been declared at the reporting date and therefore is not reflected in the financial statements.

1-6 Income tax and deferred tax assets

Income tax (expense)/benefit	6 months to 31 March 2021 $'m	6 months to 31 March 2020 $'m
Income tax expense based on estimated annual effective tax rate	(115.0)	(92.0)
Significant item - implementation of Group structure changes (refer below)	-	1,017.2
Income tax (expense)/benefit	(115.0)	925.2

Changes were made during the prior period to the Group structure which resulted in the recognition of a deferred tax asset and corresponding income tax benefit in respect of future non-Australian tax deductions. The potential tax benefits able to be utilised at 31 March 2021 is $983.3m (30 September 2020: $1,083.3m). A further $582.5m of the potential tax benefits remain unrecognised at 31 March 2021 (30 September 2020: $589.6m).

Total Group deferred tax assets at 31 March 2021 of $1,022.1m (30 September 2020: $1,100.0m) includes the $983.3m noted above.

It is reasonably possible that a change in profit forecasts or other key assumptions could result in a material change to the income tax expense and deferred tax assets in future periods. Changes in foreign exchange rates may also have a significant impact on amounts recognised.

2. Capital and financial structure

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

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

2-1 Borrowings

	31 March 2021 $'m	30 September 2020 $'m
Current		
Secured		
Bank loans	6.5	7.0
Total current borrowings	6.5	7.0
Non-current		
Secured		
Bank loans	3,051.7	3,236.2
Total non-current borrowings	3,051.7	3,236.2

Lease liabilities are shown separately on the balance sheet.

Financing arrangements

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

Credit standby arrangements	Notes	31 March 2021 $'m		30 September 2020 $'m	
Total facilities		Total	Unused	Total	Unused
- Bank overdrafts	(i)	7.6	7.6	7.8	7.8
- Bank loans	(ii)	3,335.2	277.0	3,520.2	277.0
Total facilities		3,342.8	284.6	3,528.0	284.8

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

(ii) Syndicated loan facilities:

- US$1,850.0 million US Term Loan B debt facility maturing 19 October 2024.
- US$496.3 million Incremental US Term Loan B debt facility maturing 19 October 2024.
- A$286.0 million Revolving facility maturing 22 July 2024.

These secured facilities are provided by a syndicate of banks and financial institutions and are supported by guarantees from certain members of the Company's wholly owned subsidiaries. Various affirmative and negative covenants on the Group are imposed, including restrictions on encumbrances, and customary events of default. As part of the corporate facilities, the Group is subject to certain customary financial covenants measured on a six-monthly basis. The Group was in compliance with all debt covenants during the period.

Borrowings under the US$1,850.0 million US Term Loan B debt facility are currently priced at a floating rate of LIBOR plus a fixed credit margin as specified in the relevant Credit Agreement. A portion of the interest rate exposure has been fixed under separate interest rate swap arrangements.

Borrowings made under the US$496.3 million Incremental Term Loan B facility are currently priced at a 1% LIBOR floor plus a fixed credit margin as specified in the relevant Credit Agreement.

Approximately 38% of interest rate exposures on borrowings is fixed with hedging out to October 2022.

Notes to the financial statements

Capital and financial structure (continued)

2-2 Financial assets and financial liabilities

	31 March 2021 $'m	30 September 2020 $'m
Financial assets		
Current		
Debt securities held-to-maturity	6.1	6.7
Derivatives used for hedging	-	0.4
Other investments	0.4	-
Total current financial assets	6.5	7.1
Non-current		
Debt securities held-to-maturity	4.1	4.8
Convertible bonds	3.3	2.1
Other investments	3.3	1.0
Total non-current financial assets	10.7	7.9
Financial liabilities		
Current		
Derivatives used for hedging	1.8	-
Interest rate swap contracts - cash flow hedges	16.7	2.0
Total current financial liabilities	18.5	2.0
Non-current		
Interest rate swap contracts - cash flow hedges	28.7	61.7
Total non-current financial liabilities	28.7	61.7

Fair value measurements

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

	Level 1 $'m		Level 2 $'m		Level 3 $'m		Total $'m	
	31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020
Assets								
Convertible bonds	-	-	3.3	2.1	-	-	3.3	2.1
Derivatives used for hedging	-	-	-	0.4	-	-	-	0.4
Total assets at the end of the half-year	-	-	3.3	2.5	-	-	3.3	2.5
Liabilities								
Derivatives used for hedging	-	-	1.8	-	-	-	1.8	-
Interest rate swap contracts	-	-	45.4	63.7	-	-	45.4	63.7
Total liabilities at the end of the half-year	-	-	47.2	63.7	-	-	47.2	63.7

Fair value hierarchy levels	Definition	Valuation technique
Level 1	The fair value is determined using the unadjusted quoted market price in an active market for similar assets or liabilities.	The Group did not have any Level 1 financial instruments at the end of the current and prior reporting periods. The quoted market price used for financial assets held by the Group is the current bid price.
Level 2	The fair value is calculated using predominantly observable market data other than unadjusted quoted prices for an identical asset or liability.	Derivatives used for hedging are valued using forward exchange rates at the balance sheet date. Interest rate swap contracts are valued using the present value of estimated future cashflows based on observable yield curves. Convertible bonds are not material.
Level 3	The fair value is calculated using inputs that are not based on observable market data.	The Group does not have any Level 3 financial instruments.

There were no transfers between levels in the fair value hierarchy and no changes to the valuation techniques applied since 30 September 2020. The carrying amount of other financial instruments not measured at fair value approximates fair value.

Notes to the financial statements

Capital and financial structure (continued)

2-3 Contributed equity

6 months to 31 March	Shares 2021	Shares 2020	$'m 2021	$'m 2020
Ordinary shares, fully paid	**638,544,150**	638,544,150	**715.1**	715.1
Movements in ordinary share capital				
Ordinary shares at the beginning of the half-year	**638,544,150**	638,544,150	**715.1**	715.1
Shares issued during the half-year	**-**	-	**-**	-
Ordinary shares at the end of the half-year	**638,544,150**	638,544,150	**715.1**	715.1

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

	31 March 2021 $	30 September 2020 $
Net tangible liabilities per share	**(0.35)**	(0.97)

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

Net assets per share at 31 March 2021 were $5.19 (30 September 2020: $4.98).

Notes to the financial statements

3. Other disclosures

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

3-1 Contingent liabilities

The Group and parent entity may have contingent liabilities at 31 March 2021 in respect of the following matters:

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

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

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

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

3-2 Events occurring after reporting date

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

3-3 Basis of preparation

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

This interim report for the half-year reporting period ended 31 March 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2020 and any public announcements made by Aristocrat Leisure Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

The financial statements have been prepared on a going concern basis.

3-4 Significant judgements and estimates as a result of COVID-19

The Group continues to navigate challenges as a result of the COVID-19 pandemic. Most of the Group's Gaming customers have been operating throughout the half-year period and the Digital businesses remain largely unaffected by COVID-19. The magnitude and length of time of the disruption to the Group requires continual assessment, and as a result, there continues to be estimation uncertainty when preparing the financial statements. Based on the best information available at this time the Directors consider the most significant assumptions that underpin forecast estimations, over management's five year projection period, when preparing the financial statements are:

• a continued ramping up of gaming floors in Gaming-based businesses in line with an increase in operator and consumer confidence
• a continuation of social distancing requirements, reducing over time
• a gradual reduction in travel restrictions
• continued demand for digital gaming experiences; and
• that the recovery stage for the business from COVID-19 is not impacted by further significant closures of customer venues.

The key judgements and estimates that could be impacted if actual outcomes are different to these forecasts are:

• The recoverability of receivables;
• The saleability of inventories;
• Considerations of impairment of intangible assets; and
• The recoverability of deferred tax assets.

Directors' declaration
for the half-year ended 31 March 2021

In the Directors' opinion:

(a) the financial statements and notes set out on pages 2 to 13 are in accordance with the *Corporations Act 2001* including:

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

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2021 and of its performance, for the half-year ended on that date; and

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

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

Neil Chatfield
Chairman

Sydney
24 May 2021

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year consolidated financial report of Aristocrat Leisure Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the balance sheet as at 31 March 2021, the statement of changes in equity, cash flow statement and statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Group's financial position as at 31 March 2021 and of its performance for the half-year ended on that date

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

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Mark Dow

Mark Dow
Partner

Sydney
24 May 2021

ARISTOCRAT LEISURE LIMITED

DIRECTORS' REPORT

FOR THE 6 MONTHS ENDED 31 MARCH 2021

The directors present their report together with the financial statements of Aristocrat Leisure Limited (the 'Company') and its controlled entities (the 'Group') for the six months ended 31 March 2021. The financial statements have been reviewed and approved by the directors on the recommendation of the Company's Audit Committee.

This report should be read in conjunction with the 30 September 2020 Annual Report of the Company and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules.

This report is made on 24 May 2021.

DIRECTORS

The names of the directors of the Company during the six months ended 31 March 2021 and as at the date of this report are:

N Chatfield	(Non-Executive Chairman)
T Croker	(Executive Director)
K Conlon	(Non-Executive Director)
P Etienne	(Non-Executive Director)
P Ramsey	(Non-Executive Director)
S Summers Couder	(Non-Executive Director)
A Tansey	(Non-Executive Director)

REVIEW AND RESULTS OF OPERATIONS

A review of the operations of the Group for the half-year ended 31 March 2021 is set out in the attached Review of Operations which forms part of this Directors' Report. The reported result of the Group attributable to shareholders for the half-year ended 31 March 2021 was a profit of $346.5 million after tax (six months to 31 March 2020: $1,305.2 million).

AUDITOR'S INDEPENDENCE DECLARATION

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

ROUNDING OF AMOUNTS

Unless otherwise stated, amounts in the Financial Statements and Directors' Report have been rounded to the nearest million dollars and one decimal place representing hundreds of thousands of dollars. The Company is of a kind referred to in the ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission. All rounding has been conducted in accordance with that instrument.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.

NEIL CHATFIELD
Chairman

24 May 2021

Auditor's Independence Declaration

As lead auditor for the review of Aristocrat Leisure Limited for the half-year ended 31 March 2021, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Mark Dow
Partner
PricewaterhouseCoopers

Sydney
24 May 2021

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

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