

Aristocrat chief did not , jump from sinking ship'

The outgoing Aristocrat Leisure chief executive, Paul Oneile, has rejected suggestions his departure was linked to a massive profit downgrade just a day after his resignation was announced.

Mr Oneile told the Herald yesterday he was not leaving because the poker machine maker's business was in decline, and the economic downturn „just happened to coincide with the end of my contract“.

„There is nothing untoward in any of this ... If you are asking if the two are linked, the answer is definitely no,“ he said. But he did concede he had revealed his intention not to sign a new contract a month before he was obliged to tell the board.

Mr Oneile, 59, said he had been considering leaving „for some time“, but market sources suggested that he quit before he could have been pushed.

The chairman of Aristocrat, David Simpson, also backed Mr Oneile, saying the announcements, made during and after a two-day board meeting, were a coincidence.

He denied Mr Oneile was saving himself by fleeing a sinking ship.

„He is not jumping and it is not sinking. Let's get it right, this is a profitable company producing a good cash flow. It is not sinking and he is not jumping from a sinking ship,“ Mr Simpson said.

Mr Oneile said he may pursue „private opportunities“, including family investments, when he leaves at the end of December, but had not firmed up his plans.

He ruled out a role in the gaming industry, and said was he unlikely to return to his career in the film distribution business.

On Tuesday after the market closed Aristocrat announced its full-year profit would be as much as 23 per cent lower than expected, blaming the US economic decline, delays in new casino openings and the high Australian dollar for poor sales of its machines.

The company expects earnings in the current year of AUD 190 million to AUD 200 million, compared with previous guidance of AUD 247 million.

Aristocrat shares were hammered on the market yesterday, closing down 20 per cent, or AUD 1.23, to AUD 4.85.

While the US's woes have led to lower casino revenues, a Macquarie gaming analyst, Steve Wheen, argued Aristocrat „appears to be in a state of denial“ by attributing its poor sales largely to the US downturn.

He said a big factor in the falling sales appeared to be poor customer support in NSW and the US for software and games on its new machine, the Viridian.

„We consider it highly likely that the roll-out of the Viridian cabinet is not as big a hit as expected,“ Mr Wheen said.

He added that new game titles had been „hit and miss“.

Aristocrat is also suffering because it sells many of its machines to casinos in regions of the US hit hardest by the subprime meltdown.