Aristocrat Leisure Limited

Results for the Six Months Ended 30 June 2004

CEO & Managing Director
Paul Oneile

Chief Financial Officer
Simon Kelly

Agenda

Introduction

Review of Financials

Review of Operations

- Australia
- North America
- Japan
- Other Markets

Outlook

Priorities

Summary of Results

- Revenue $525 million
- Profit After Tax of $63.3 million
- Strong International growth
- Revenue declines in Australia and NZ markets
- Strong financial position
- On-market share buyback $100 million
- Interim dividend – 4 cents per share

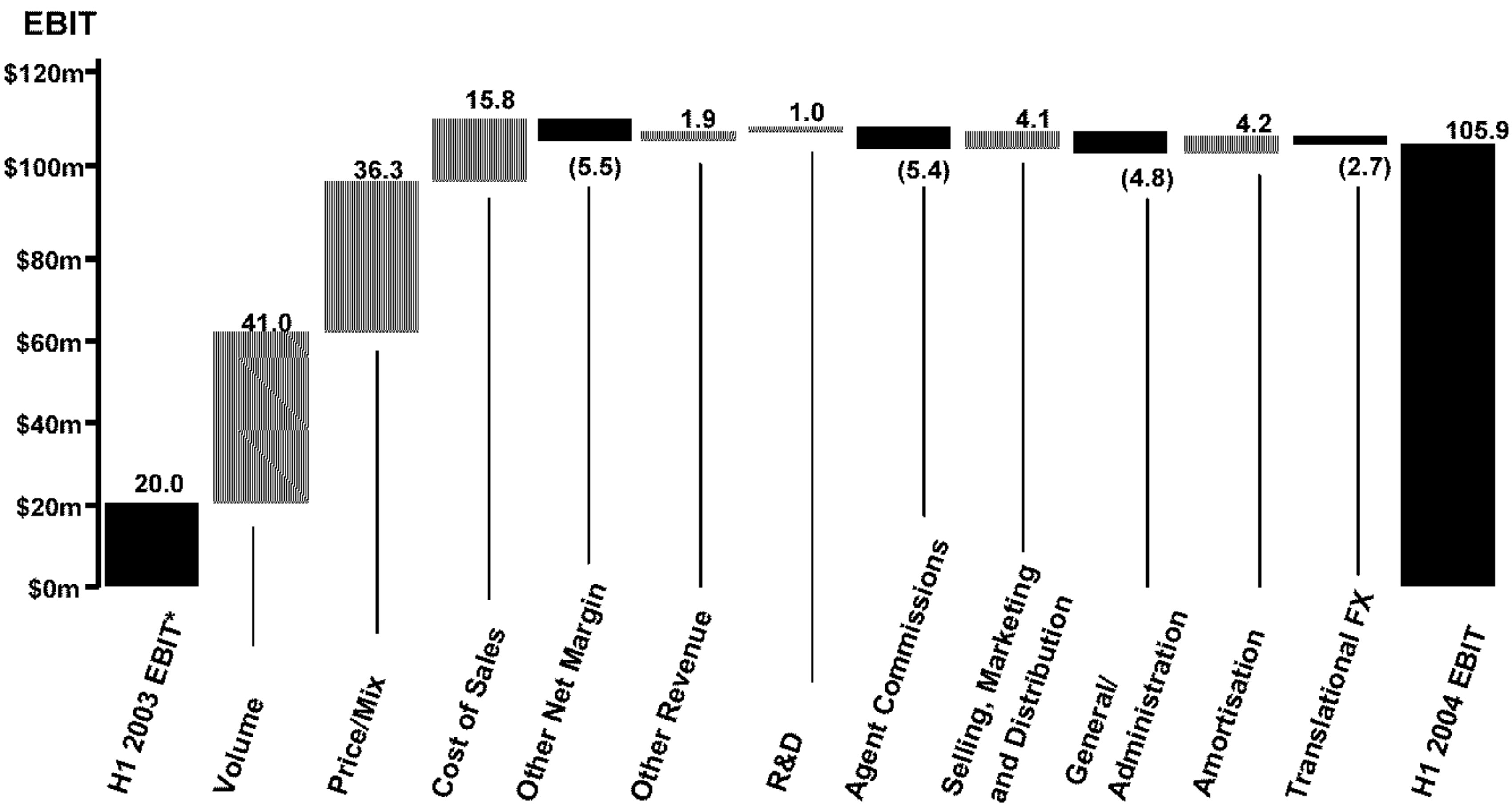
Review of Financials

Profit & Loss

	H1 2004 $m	H1 2003* $m	Variance %
Total Revenue	525.6	404.8	29.8%
Gross Profit	239.3	165.7	44.4%
GP%	*45.5%*	*40.9%*	*4.6 Points*
Expenses	138.2	148.5	-6.9%
EBIT	105.9	20.0	430%
Profit Before Tax	102.1	11.8	765%
Income Tax Expense	38.8	7.5	417%
Profit After Tax	63.3	4.3	1372%

* Pre one-off adjustments

H1 2003/H1 2004 EBIT

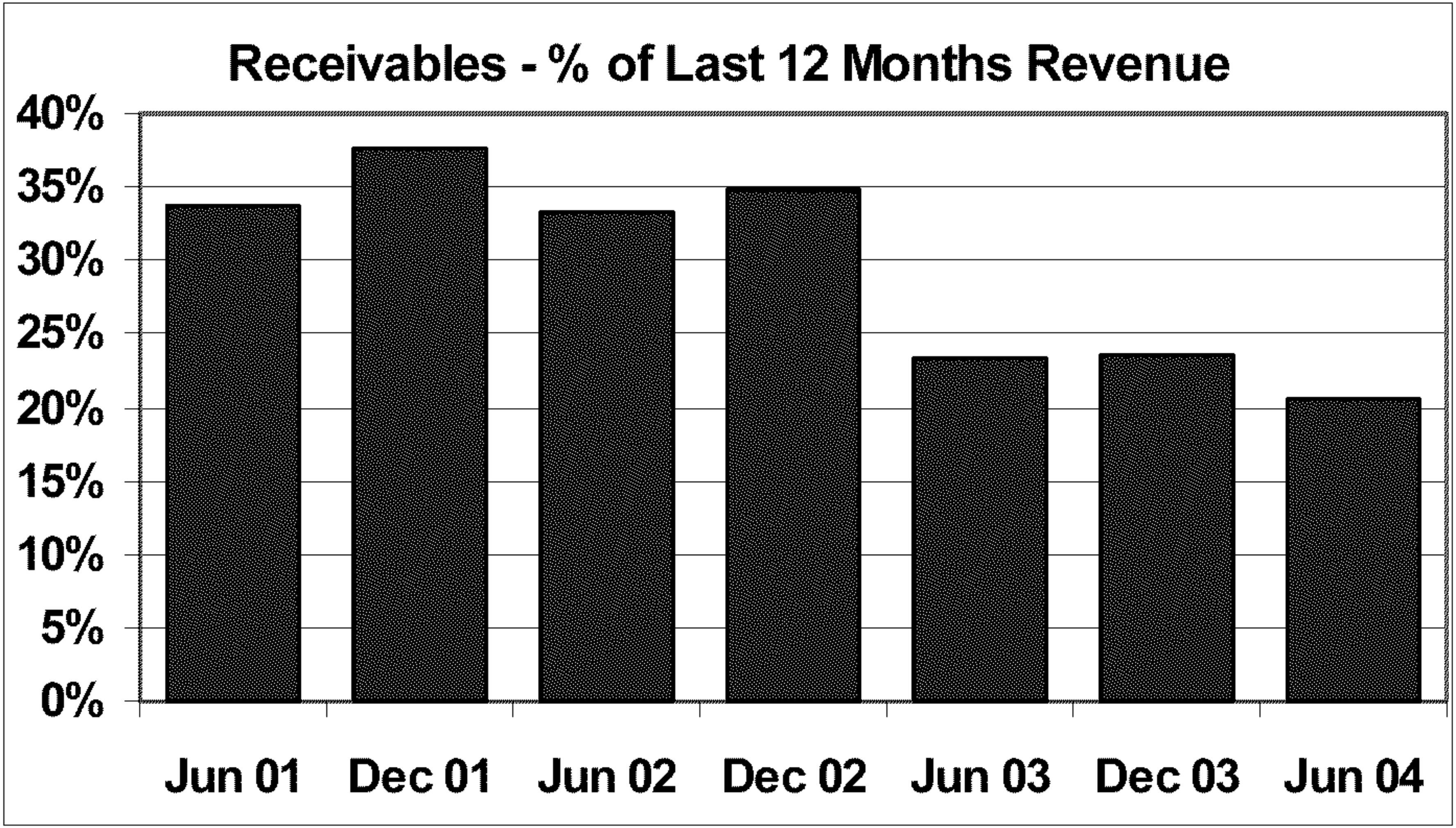


* Pre one-off adjustments

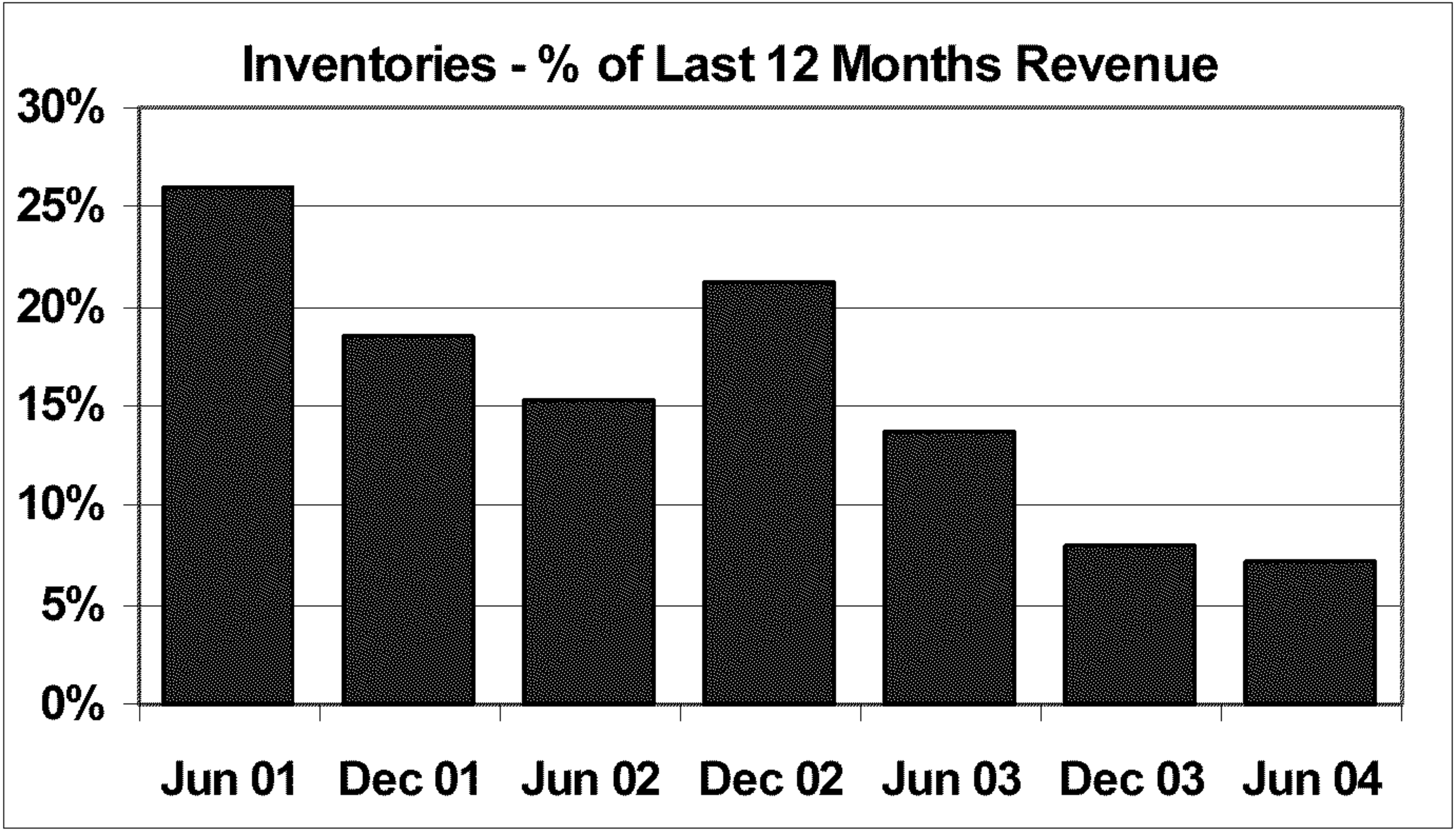
Management Cash Flow

	H1 2004 $m	H1 2003 $m
Net Debt - Opening Balance	**(70.2)**	**(292.1)**
EBIT pre one-off adjustments	105.9	20.0
Depreciation and amortisation pre one-off adjustments	18.0	19.5
EBITDA pre one-off adjustments	**123.9**	**39.5**
Net loss on sale of non-current assets	-	0.3
Net foreign exchange differences	(2.2)	13.6
Interest paid	(3.8)	(8.3)
Net tax paid	(45.4)	(2.4)
Cash impact of one-off adjustments	-	(4.7)
Change in operating assets and liabilities	17.7	(5.0)
Net cash inflow from Operating Activities	**90.2**	**33.0**
Net cash outflow from investing activities	(25.8)	(13.5)
Share issues	12.3	-
Dividends paid	(10.5)	(24.5)
Movement in Net Debt	**66.2**	**(5.0)**
Effects of exchange rate changes on net debt	(6.9)	39.9
Net Debt - Closing Balance	**(10.9)**	**(257.2)**

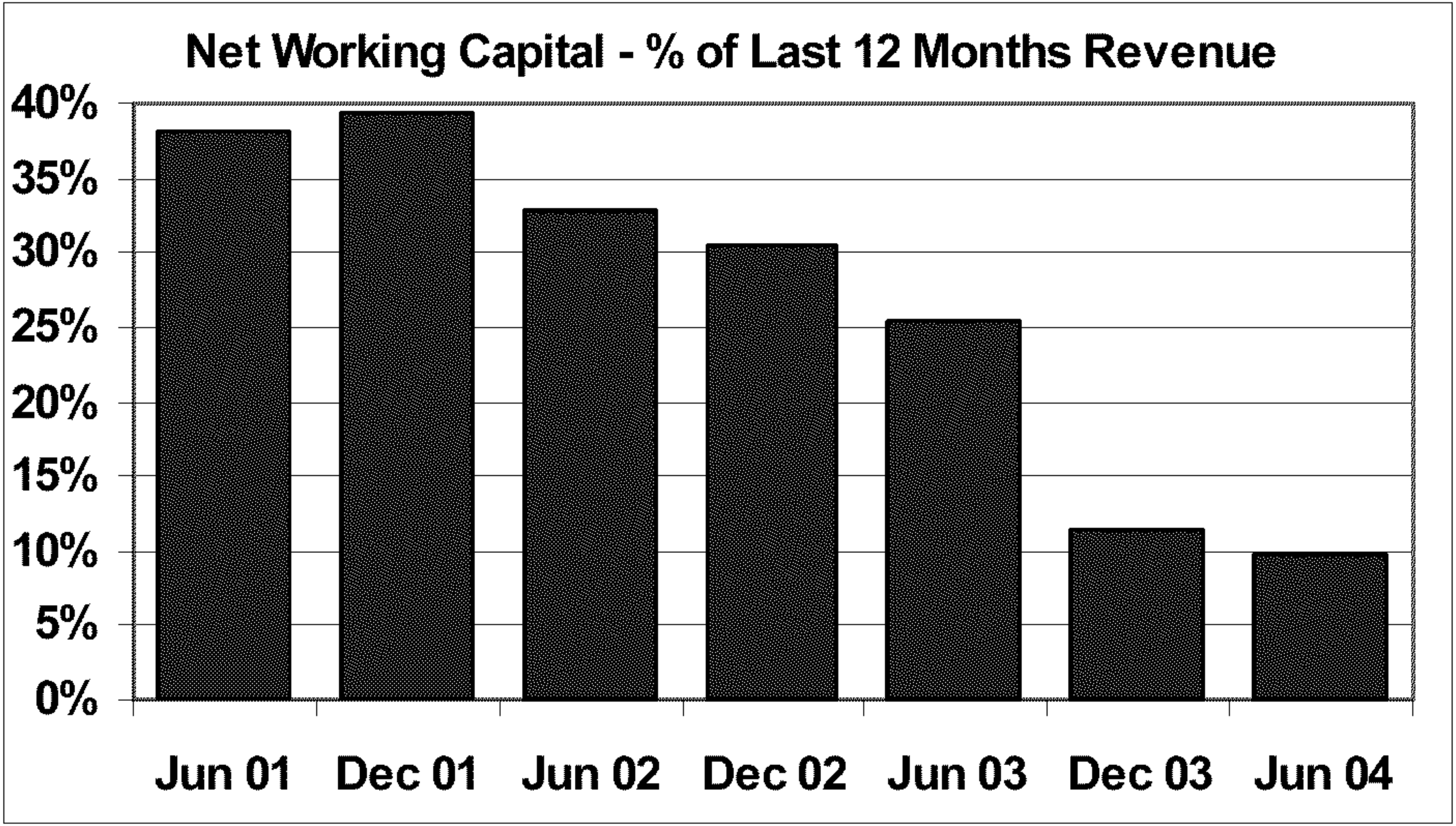
Working Capital



Working Capital



Working Capital



Balance Sheet Summary

	Jun-04 $m	Dec-03 $m
Working Capital	108.6	110.8
Other Current/Non-Current Assets	57.1	61.6
Property, Plant and Equipment	122.3	109.5
Intangibles	68.5	70.6
Other Current/Non-Current Liabilities	(108.2)	(99.5)
Net Tax Balances	45.2	35.9
Funds Employed	**293.5**	**288.9**
Net Debt	(10.9)	(70.2)
Shareholders' Funds	**282.6**	**218.7**

Capital Management

Dividend

- Interim dividend of 4 cents per share, unfranked
- DRP does not operate for interim dividend
- Expect return to some level of franking in 2005

On-market Share Buyback

- $100 million

Strong Ongoing Financial Capacity/Flexibility

- Substantial Cash on Hand
- Strong Cash Flows
- $122 million facilities

Key Financials and Ratios

	H1 2004 $m	H1 2003 (1) $m	FY 2003(1) $m
EBITDA	123.9	39.5	143.4
EBIT	105.9	20.0	103.5
Working Capital/Revenue (%) (2)	9.6%	23.8%	11.0%
Operating Cash Flow	90.2	33.0	204.4
Operating Cash Flow/Revenue (%)	17.2%	8.2%	20.0%
Net Debt	10.9	257.2	70.2
Net Debt/Equity (%)	3.9%	69.9%	32.1%
Debt/EBITDA(2)	0.8X	2.7X	1.2X
EBITDA/Interest Expense(2)	13.2X	6.1X	6.8X
Net Tangible Assets	214.1	123.2	148.0
Return on Equity(2)	40.0%	11.6%	24.7%

(1) HY and FY 2003 are pre one-off adjustments

(2) Profit and Loss ratios on a preceding 12 month basis, pre one-off adjustments

Segment Review

Australia

	H1 2004 $m	H1 2003 $m
Segment Revenue	129.1	143.7
Segment Contribution Profit	39.2	36.9
Segment Contribution Profit pre one-off adjustments	39.2	37.7

- Revenue down 10.2%
- Market share maintained
- Success of new products – Zorro, Golden Goals, Players' Choice
- Recurring revenue rollout
- Hyperlink continues to outperform floor averages
- Continuing difficult market environment

Initiatives and Outlook - Australia

INITIATIVES

- Premium products – Zorro, Players' Choice, Pick a Box
- Recurring revenue
- Business and cost efficiencies

OUTLOOK

- Mature market, caps, smoking restrictions, tax increases
- Implications of IPART Report
- Initiatives to enhance market share
- Cost reduction strategy

North America

	H1 2004 $m	H1 2003 $m
Segment Revenue	149.9	120.3
Segment Contribution Loss	35.5	(12.0)
Segment Contribution Profit pre one-off adjustments	35.5	6.8

- Revenue up 24.6%
- Recurring revenue increased by over 300%
- 58.5% improvement in game and platform sales
- Expansion into Canada
- Decline in systems sales

Initiatives and Outlook – North America

INITIATIVES

- Participation revenue focus
- Product range/approvals
- New stepper
- Systems business - PersonalBanker™
- Content licencing
- Key account focus

OUTLOOK

- Continuing growth in participation revenue
- Growth in MKVI platform sales

Japan

	H1 2004 $m	H1 2003 $m
Segment Revenue	173.4	95.7
Segment Contribution Profit	37.5	16.6

- Revenue increased by 81.2%
- 43,000 games sold
- Daruma-Neko game success
- Renewal of Manufacturing Entrustment Agreement with Sammy
- Regulation 5

Initiatives and Outlook - Japan

INITIATIVES

- Kyojin-no-hoshi 2 to be released 26 August
- Focus on game design
- Alternative revenue sources being explored

OUTLOOK

- Regulation 5 impact still uncertain
- Six Regulation 4 products in pipeline for launch
- Casino trial

Other Markets

- **New Zealand**
  Revenue down 46.4% due to new legislation and regulations

- **Europe**
  Russian growth

- **South Africa**
  Increase in revenue but slow market growth

- **Asia Pacific**
  Strong growth – particularly sales into Philippines

- **South America**
  Revenue up to $12.2 million – includes legacy contract revenue

Initiatives and Outlook – Other Markets

INITIATIVES

- Focus on emerging opportunities:
  - Macau
  - Singapore, Thailand
  - UK
- Game sales to emerging VLT jurisdictions
- Tailored content
- Business development resourcing in key regions

OUTLOOK

- Well positioned to exploit new markets

Full Year Outlook

- Full year 2004 Profit after tax of $115 - $135 million
- Conditional on a number of operational variables including:
  - Volatility of the Japanese market and the uptake of new products to be released into that market
  - Product approvals in a number of jurisdictions
  - Maintenance of current product performance and improving systems sales in the North American market

Current Business Objectives

- Enhance market leadership position in Australia and NZ
- Capitalise on product performance/momentum in North America
- Build on success in Japan
- Financial control, risk management and corporate governance
- Business and cost efficiencies
- Continue to focus on new markets – UK, Asia
- Focus on R&D and product development
- Cultural change

Summary

- Revenue up 33.9% to $525 million
- Profit after tax of $63.3 million
- Strong operating cash flow – 17.2% of revenue
- Healthy balance sheet – virtually debt free
- Interim dividend of 4 cents per share
- On-market buyback of up to $100 million
- Full year profit after tax outlook of $115 - $135 million
- Risk management / governance focus
- Well positioned to exploit global opportunities
- Shareholder value emphasis

Aristocrat Leisure Limited

Thank You.

Questions?

Appendix - Segment Summary

	H1 2004 $m	H1 2003* $m
SEGMENT CONTRIBUTION PROFIT		
Australia	39.2	37.7
North America	35.5	6.8
South America	8.6	(3.9)
Japan	37.5	16.6
New Zealand	5.4	9.5
Other	11.2	2.2
Total Trading Segment Profit	**137.4**	**68.9**
Group R&D expense	(28.7)	(29.6)
Amortisation - intangibles	(2.1)	(6.4)
Foreign exchange	3.2	(4.7)
Corporate (including manufacturing recoveries and Other	(3.9)	(8.2)
Unallocated Costs	**(31.5)**	**(48.9)**
GROUP SEGMENT CONTRIBUTION PROFIT	**105.9**	**20.0**

* Pre one-off adjustments