CONVERTIBLE BOND UPDATE

Sydney, 10 August 2006

Aristocrat Leisure Limited (ASX:ALL) ("Aristocrat") announced today that the holders of approximately 81% of the convertible bonds which are the subject of litigation have entered into a "Receipt and Release Agreement" pursuant to which the Company will pay USD104.7 million to those holders, representing an amount equal to their respective pro rata shares of the principal amount of the Bonds.

The Agreement provides that no further interest is payable on the USD104.7 million following its receipt and that the agreement is otherwise without prejudice to any party's litigating position. The payment of USD104.7 million is expected to be made over the next seven New York business days.

As previously advised, the Company intends to appeal the decisions made by Judge Leisure on 12 August 2005 and 30 May 2006 to the extent they are adverse to the Company.

Details of the litigation appear in Note 23 (iii) of Aristocrat's 2005 Financial Statements (page 93 of the 2005 Annual Report).

Enquiries

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Aristocrat Leisure Limited is a leading global entertainment company, which provides a comprehensive range of gaming solutions to entertainment venues around the world. The Company is licensed by over two hundred regulators and its products and services are available in over ninety countries around the world.