ARISTOCRAT LEISURE LIMITED ANNOUNCES HALF YEAR RESULTS

Sydney, 22 August 2006

Aristocrat Leisure Limited (ASX: ALL) today announced the Company's results for the half-year ended 30 June 2006.

Key points include:

- Revenue of $495.9 million, a marginal decline on the prior corresponding period;
- A record first half profit after tax and minorities of $104.7 million, a 2.9% improvement on the $101.7 million profit for the first half of 2005;
- North American revenue improved 11.8% to $274.2 million, while profit increased 30.0% to $123.1 million;
- Non-Japanese business segment revenue increased 17.5%, with profit up 26.8%;
- Japanese segment revenue fell by $82.2 million (89.5%) with segment profit declining $31.2 million, as a result of the transitioning to new industry regulations which have caused short term uncertainties in that market affecting all competitors;
- Operating cash flow fell as a result of the winding back of prior period favourable timing differences. Underlying cash flow, after adjusting for these timing differences, remained strong at around $125 million; and
- A 20% increase in the interim dividend to 12 cents per share (fully franked), representing a 54% payout ratio.

Chief Executive Officer and Managing Director of Aristocrat Leisure Limited, Mr Paul Oneile said "I am pleased to report that, despite the difficult market and regulatory conditions across most of our jurisdictions, the Company continues to gain market share and improve margins.

While the current situation in the Japanese market is disappointing, I am pleased that the 27% segment profit growth in the remainder of the business has more than compensated for the Japanese profit shortfall. This is particularly satisfying given that there has been no real market growth in most regions. The result demonstrates again the underlying robustness of our business.

I am confident that the outlook for the full year remains positive, although contingent on a number of near term uncertainties."

Mr. Oneile continued: "We have significantly increased our investment in research and development to ensure we are well placed to capture a large share of the anticipated expansion of global gaming markets over the next few years and I expect further strong growth in our results over 2007 and 2008."

Operating sector key points include:

- Australia/New Zealand revenue declined marginally, with profits declining 9.4% to $44.2 million, reflecting adverse mix in a difficult regulatory and market environment;

- North American revenue improved 11.8% to $274.2 million, while profit increased 30.0% to $123.1 million driven primarily by increased margins, a 14% increase in recurring revenue and leverage of the fixed cost base. Unit sales volumes declined 6.7% reflecting the low point in the replacement cycle and the lack of any new jurisdictions opening up in the half;

- Japanese revenue fell by 89.5% to $9.6 million with profit reversing by $31.2 million to a net loss of $9.6 million, reflecting market issues associated with the transition to new regulations which meant that no new games were released in the half. These are expected to be resolved over the next 12 months, culminating in the new regulations coming into full effect in mid 2007. Reported revenue for the period related exclusively to residual sales of *Kyojin-no-hoshi 3*™, which was launched in 2005.

- Strong growth was reported from virtually all other international businesses, with revenue and profits increasing 106% and 153% respectively reflecting the superior performance of the Company's products and improved share of the global market.

- Research and development expenditure increased by $14.1 million (48.1%) as the Company increased its new product delivery output and invested in new technologies.

Results compared with prior corresponding period:

	2006 $ Million	**2005 $ Million**	**Variance**
Total Revenue	495.9	525.3	(5.6)%
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	157.3	165.1	(4.7)%
Earnings before Interest and Tax (EBIT)	146.2	145.8	+0.3%
Profit after Tax and Minorities	104.7	101.7	+2.9%
Operating Cash Flow	18.9	119.7	(84.2)%
Fully Diluted Earnings per Share	22.2c	21.2c	+4.7%
Dividend per share	12.0c	10.0c	+20.0%

DIVIDEND

The Company has declared a 20% increase in the interim dividend in respect of the 2006 year to 12 cents per share. This dividend, which is payable on 19 September 2006, will be fully franked.

OUTLOOK

The Company remains confident that momentum in the business is positive and it continues to be well placed to capture a significant share of the anticipated expansion of global gaming markets over the next few years.

While in the near term there continues to be uncertainty in some markets, the Company expects further strong growth from its operations in North America, Asia and other emerging markets, with newly acquired businesses in overall terms providing a further contribution to earnings over the balance of the year.

For the remainder of 2006, the Company's objective is to drive profit growth in its non-Japanese businesses to compensate for any profit shortfall in Japan. The final result and growth in profitability year-on-year will depend on both the success of this strategy and the ultimate level of sales achieved in Japan in the second half.

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.