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ASX RELEASE

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2010 ANNUAL GENERAL MEETING ADDRESSES

EXECUTIVE CHAIRMAN'S ADDRESS (PRESENTED BY MR LEN AINSWORTH)

LADIES AND GENTLEMEN,

I AM PLEASED TO REPORT THAT THE COMPANY HAS MADE SOUND PROGRESS OVER THE PAST YEAR, DESPITE THE CONTINUING CHALLENGES PRESENTED BY DIFFICULT GLOBAL ECONOMIC CONDITIONS, PARTICULARLY IN THE AMERICAS.

I AM ENCOURAGED TO SEE THAT THE COMPANY'S PRODUCT STRATEGY AND LICENSING INITIATIVES HAVE ENABLED AGT TO PRODUCE A FINANCIAL TURNAROUND MARKED BY A SMALL PROFIT OF \$1.5 MILLION IN THE SECOND HALF OF THE 2010 FINANCIAL YEAR.

AS A RESULT OF CONTINUED INVESTMENT IN RESEARCH AND DEVELOPMENT UNDER THE GUIDANCE OF A STRONG TEAM OF INDUSTRY PROFESSIONALS, AGT HAS FURTHER STRENGTHENED ITS REPUTATION AS A MAJOR SUPPLIER OF PREMIUM, HIGH PERFORMANCE GAMING PRODUCTS NOT ONLY IN AUSTRALIA BUT WORLD WIDE.

ONE KEY TO THIS CONTINUED PROGRESS HAS BEEN THE RECENT RELEASE OF THE NEWLY DEVELOPED A560 GAMING MACHINE FAMILY IN SELECTED AUSTRALIAN MARKETS.

THE A560 PRODUCT RANGE IS NOW APPROVED AND ACHIEVING ENCOURAGING SALES IN NEW SOUTH WALES, QUEENSLAND, ASIA AND THE AMERICAS. IT WAS SUCCESSFULLY EXHIBITED AT THE RECENT G2E GAMING EXHIBITION HELD IN LAS VEGAS THIS LAST WEEK AND IS APPROVED FOR SALE IN A NUMBER OF NORTH AMERICAN JURISDICTIONS.



THE A560 FAMILY WHERE SHOWN OR RELEASED HAS RECEIVED STRONG ACKNOWLEDGEMENT FROM CUSTOMERS FOR ITS PLAYER APPEAL AND SOLID EARNING PERFORMANCE. FURTHER PLANNED DIVERSITY IN HARDWARE CONFIGURATIONS WILL PROVIDE EVEN GREATER CHOICE AND FLEXIBILITY TO OUR CUSTOMERS.

I WOULD LIKE TO CONGRATULATE THE MANY COMPANY PEOPLE INVOLVED IN THE DEVELOPMENT AND COMPLETION OF THIS INNOVATIVE NEXT GENERATION MACHINE.

CONTINUED INVESTMENT IN THE DEVELOPMENT OF NEW PRODUCTS WILL ENSURE AGT IS ABLE TO PROVIDE LEADING EDGE GAMING EQUIPMENT THAT WILL ASSIST REVENUE GROWTH IN FY11.

AS PART OF THE COMPANY'S ON-GOING CAPITAL MANAGEMENT STRATEGY, I WISH TO ANNOUNCE THE COMPANY INTENDS TO SEEK TO BUY-BACK A PORTION OF ITS CONVERTIBLE NOTES ON THE MARKET AS AND WHEN THE OFFER PRICE IS APPROPRIATE.

THE MAXIMUM NUMBER OF CONVERTIBLE NOTES WHICH ARE EXPECTED TO BE PURCHASED IS 1.5 MILLION. OPERATING CASH FLOWS WITHIN DOMESTIC MARKETS REMAIN STRONG AND THIS BUY-BACK WILL OFFER THE POTENTIAL TO REDUCE OUR LEVEL OF DEBT AND STRENGTHEN OUR BALANCE SHEET.

THE PROTRACTED DIFFICULT ECONOMIC CONDITIONS WITHIN THE AMERICAS ARISING FROM THE GLOBAL FINANCIAL CRISIS HAVE LIMITED OPPORTUNITIES FOR REVENUE GROWTH IN THOSE MARKETS.

IN ANTICIPATION OF AN IMPROVEMENT IN MARKET CONDITIONS OVER THE MEDIUM TERM, THE COMPANY IS PLANNING A PROGRESSIVE EXPANSION IN NORTH AMERICA WITH AN INCREASED LOCAL PRESENCE AND MANAGEMENT STRUCTURE.

THIS EXPANSION IN RESOURCES TO SUPPORT THE NORTH AMERICAN MARKET, ALONG WITH THE PROGRESSION OF NECESSARY PRODUCT APPROVALS OF THE A560, WILL ENABLE THE COMPANY TO CAPITALISE ON REVENUE OPPORTUNITIES AS ECONOMIC CONDITIONS IMPROVE.

I AM PLEASED WITH THE PROGRESS BEING ACHIEVED IN ALL AREAS OF OPERATION AND AM CONFIDENT THAT AGT IS WELL POSITIONED TO BUILD FURTHER ON THE PROFIT RESULT ACHIEVED IN THE SECOND HALF OF THE PREVIOUS FINANCIAL YEAR.



I WOULD LIKE TO THANK MY FELLOW DIRECTORS, MANAGEMENT AND STAFF FOR THEIR CONTRIBUTIONS AND DEDICATION OVER THE PAST YEAR.

I WOULD ALSO LIKE TO EXTEND MY APPRECIATION TO OUR SHAREHOLDERS FOR THEIR LOYALTY, PATIENCE AND CONTINUED SUPPORT.

I NOW INVITE THE COMPANY'S CHIEF EXECUTIVE OFFICER, MR DANNY GLADSTONE, TO PROVIDE A MORE DETAILED REVIEW AND OUTLINE THE FUTURE PROSPECTS FOR THE COMPANY.

CHIEF EXECUTIVE OFFICER

(PRESENTED BY MR D GLADSTONE)

THANK YOU MR CHAIRMAN.

IT IS PLEASING TO SEE THAT AS A RESULT OF THE STRATEGIES AND INITIATIVES IMPLEMENTED OVER PAST YEARS, AGT IS ON TRACK TO ACHIEVE ITS FULL POTENTIAL AND IN THE NEAR FUTURE PROVIDE SHAREHOLDERS WITH A RETURN ON THEIR INVESTMENT.

THE PROFITABILITY ACHIEVED IN THE SECOND HALF OF FY10 IS VERY ENCOURAGING. I AM PLEASED WITH THE COMPANY'S PERFORMANCE, IN PARTICULAR THE SIGNIFICANT INCREASE IN DOMESTIC REVENUES, IMPROVED GROSS MARGINS, REDUCED OPERATING COSTS AS A PERCENTAGE OF REVENUE AND ONGOING INVESTMENT IN PRODUCT STRATEGY AND DEVELOPMENT.

THE FULL YEAR LOSS AFTER INCOME TAX OF \$2.7 MILLION FOR THE 2010 YEAR IS A SIGNIFICANT IMPROVEMENT ON THE CORRESPONDING 2009 YEAR LOSS OF \$12.5 MILLION AND AGT IS NOW WELL POSITIONED TO CONTINUE THIS TURNAROUND. THIS POSITIVE TURNAROUND IN THE COMPANY'S RESULTS IN FY10 WAS IN FACT \$15.6 MILLION, EXCLUDING CURRENCY GAINS AND LOSSES, DUE TO \$5.3 MILLION IN NET FOREIGN CURRENCY GAINS BEING RECORDED IN THE PREVIOUS 2009 YEAR.

A KEY INITIATIVE FOR AGT OVER THE PAST FEW YEARS HAS BEEN THE DEVELOPMENT OF A SUPERIOR, INNOVATIVE, COMPETITIVE, NEXT GENERATION RANGE OF GAMING MACHINES WHICH POSITIONS THE COMPANY AT THE FOREFRONT OF PRODUCT TECHNOLOGY IN THE GLOBAL GAMING INDUSTRY.



THE RECENTLY RELEASED A560 CABINET RANGE IS THE RESULT OF THE COMPANY'S CONTINUED COMMITMENT TO RESEARCH AND DEVELOPMENT AND PROVIDES LEADING EDGE GAME PRESENTATION, PLAYER FEATURES, CABINET CONFIGURATIONS AND EARNING CAPACITY.

FOLLOWING ITS LAUNCH AT THE G2E GAMING SHOW IN MACAU, THE A560 IS NOW APPROVED FOR SALE IN NEW SOUTH WALES, QUEENSLAND AND TARGETED NORTH AMERICAN MARKETS.

APPROVALS FOR THE A560 IN SELECTED DOMESTIC AND INTERNATIONAL JURISDICTIONS HAVING THE GREATEST OPPORTUNITY FOR INCREASED SHORT-TERM REVENUE ARE EXPECTED PROGRESSIVELY THROUGHOUT 2011. APPROVAL WITHIN THE KEY MARKET OF NEVADA IS EXPECTED DURING THE FIRST HALF OF FY12.

WHILE COMPLETING THE DEVELOPMENT OF THE A560, THE COMPANY ALSO IMPLEMENTED A NUMBER OF IMPROVEMENTS FOR THE AMBASSADOR SL WHICH RESULTED IN STRONG PRODUCT PERFORMANCE IN LOCAL AND OVERSEAS JURISDICTIONS.

BY LEVERAGING OFF PREVIOUSLY PROVEN TECHNOLOGY AND BUILDING UPON THE COMPANY'S EXTENSIVE EXPERIENCE IN GAMING DESIGN PROCESSES, AGT HAS FIRMLY ESTABLISHED ITSELF AS AN INDUSTRY LEADER WITH HIGH QUALITY GAME TITLES AND GOING FORWARD INNOVATIVE GAME LIBRARY EXPANSION.

ANOTHER MAJOR OBJECTIVE OVER RECENT YEARS HAS BEEN TO REINFORCE THE MANAGEMENT STRUCTURE WITH A NUMBER OF KEY SENIOR EXECUTIVES HAVING THE NECESSARY INDUSTRY KNOWLEDGE AND CAPABILITIES TO ACHIEVE A TURNAROUND IN THE COMPANY'S PERFORMANCE AND TAKE THE COMPANY FORWARD.

I CAN CONFIDENTLY SAY THAT THIS HAS BEEN ACHIEVED AND WE HAVE IN PLACE A TEAM OF EXPERIENCED AND DEDICATED EXECUTIVES, MANAGEMENT AND STAFF ACROSS ALL OPERATIONAL AREAS.

ONGOING TRAINING AND DEVELOPMENT PROGRAMS, ALONG WITH A COMPREHENSIVE PERFORMANCE MANAGEMENT SYSTEM HAVE BEEN ESTABLISHED TO ENCOURAGE OUR PEOPLE IN THEIR ENDEAVOURS TO STRIVE FOR REVENUE GROWTH AND PROFIT PERFORMANCE.



THE 2010 FINANCIAL YEAR WAS MARKED BY A NUMBER OF OPERATIONAL HIGHLIGHTS WHICH CONTRIBUTED TO THE COMPANY'S CURRENT PERFORMANCE TURNAROUND AND WILL CONTINUE TO PROVIDE A PLATFORM FOR SUSTAINABLE PROFITABILITY IN THE YEARS AHEAD -

- A PROFIT OF \$1.5 MILLION WAS ACHIEVED IN THE SECOND HALF COMPARED TO THE \$4.2 MILLION LOSS IN THE FIRST HALF OF FY10 AND THE COMPANY IS WELL POSITIONED TO CONTINUE THIS FINANCIAL PROGRESS;
- REVENUE INCREASED BY 53% TO \$69.3 MILLION FOR THE YEAR ENDED 30 JUNE 2010. SIGNIFICANTLY, DOMESTIC REVENUE REPRESENTED \$48.2 MILLION OF TOTAL REVENUE, A 110% INCREASE ON THE CORRESPONDING PERIOD IN 2009;
- GROSS MARGIN ACHIEVED ON SALES REVENUE WAS 54%, COMPARED TO 48% IN THE CORRESPONDING PERIOD IN 2009. THIS WAS LARGELY ATTRIBUTABLE TO DEMAND FOR OUR PREMIUM PRODUCTS, REDUCED MATERIAL COSTS AND CONTINUED OVERHEAD EFFICIENCIES IN PRODUCTION ACTIVITIES;
- AGT IMPLEMENTED A NUMBER OF COST CONTROL MEASURES OVER THE PERIOD WHICH ASSISTED THE COMPANY TO OFFSET THE IMPACT OF ADVERSE CURRENCY MOVEMENTS AND THE DIFFICULT ECONOMIC CLIMATE IN THE AMERICAS;
- OPERATING EXPENSES WERE \$33.1 MILLION WHICH REPRESENTED 48% OF REVENUE, COMPARED TO 73% OF REVENUE IN 2009. INCLUDED IN OPERATING COSTS WERE RESEARCH AND DEVELOPMENT EXPENDITURE OF \$10.2 MILLION WHICH HAS ALLOWED THE COMPANY TO REMAIN AT THE FOREFRONT OF PRODUCT INNOVATION; AND
- OPERATING CASH FLOWS WERE \$10.6 MILLION POSITIVE, COMPARED TO AN OUTFLOW OF \$1.6 MILLION IN 2009, AS A RESULT OF A REDUCTION IN RECEIVABLES AND INVENTORY HOLDINGS.

AS AGT CONTINUES TO PRODUCE AND DISTRIBUTE NEXT GENERATION GAME TECHNOLOGY WITH INCREASED PLAYER APPEAL TO NEW AND EXISTING MARKETS, WE EXPECT TO SEE FURTHER IMPROVEMENTS IN THE COMPANY'S FINANCIAL RESULTS.

LOOKING AHEAD, FURTHER PRODUCT SUBMISSIONS AND APPROVALS ARE BEING ACTIVELY PROGRESSED AND, AS I MENTIONED PREVIOUSLY, WE ARE EXPECTING THE NECESSARY NEVADA PRODUCT APPROVALS DURING THE FIRST HALF OF 2012 FINANCIAL YEAR. THIS WILL ENABLE THE COMPANY TO GENERATE REVENUE THROUGH ACCESS TO AMERICA'S LEADING MARKET OF INSTALLED GAMING MACHINES AND PROVIDE FURTHER SALES GROWTH IN THIS REGION.



A PROGRESSIVE EXPANSION OF RESOURCES AND ORGANISATION STRUCTURE IN THE AMERICAS IS PLANNED TO COMMENCE IN THE SHORT TERM TO ENABLE THE COMPANY TO FINANCIALLY BENEFIT FROM THE EXPECTED OPPORTUNITIES IN THESE MARKETS.

WE ANTICIPATE THAT THE INTRODUCTION OF THE A560 WITHIN NORTH AMERICAN MARKETS WILL PROVIDE AN OPPORTUNITY TO SIGNIFICANTLY INCREASE REVENUE AND CONTRIBUTE TOWARDS PROFITABILITY IN FY11.

THE IMPROVED TRADING PERFORMANCE AND PROFITABILITY IS EXPECTED TO CONTINUE DURING FY11. THE INCREASED REVENUE THROUGH A GREATER VOLUME OF A560 PRODUCTS WILL ALSO ASSIST IN OFF SETTING THE POTENTIAL NEGATIVE IMPACT OF FOREIGN CURRENCY MOVEMENTS IN FY11.

THE FUTURE OUTLOOK IS LARGELY DEPENDENT ON REVENUE GROWTH IN THE SECOND HALF OF FY11 WITHIN THE AMERICAS MARKETS WHERE CUSTOMERS ARE CAUTIOUS WITH RESTRICTED CAPITAL INVESTMENT AND AS SUCH LIMITED IN TERMS OF REPLACEMENT OF OLDER GAMING EQUIPMENT. DESPITE THESE CONDITIONS THE COMPANY IS WELL POSITIONED TO CONTINUE TO IMPROVE ITS FINANCIAL PERFORMANCE.

I WOULD PARTICULARLY LIKE TO ADD MY THANKS AND APPRECIATION TO THE BOARD, OUR SENIOR MANAGEMENT TEAM AND STAFF FOR THEIR CONTINUED EFFORTS, ACHIEVEMENTS AND SUPPORT.

ON BEHALF OF THE COMPANY I WOULD ALSO LIKE TO EXPRESS OUR APPRECIATION FOR THE ONGOING GUIDANCE OF EXECUTIVE CHAIRMAN MR LEN AINSWORTH WHO WAS RECENTLY HONOURED AS A RECIPIENT OF THE G2E ASIA GAMING VISIONARY AWARD AT THE G2E SHOW IN MACAU.

THANK YOU AND I WILL NOW HAND THE MEETING BACK TO THE CHAIRMAN.

Ends

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