



Ainsworth Game Technology Limited
ABN 37 068 516 665
and its controlled entities

APPENDIX 4D

Half Year Report

Half Year Ended: 31 December 2010

Previous corresponding period: 31 December 2009

Results for announcement to the market

	Up / Down	% Change	to	Half Year ended 31/12/10 A\$'000
Revenue	Up	40%	to	43,856
Profit before tax	up/down	N/A	to	3,398
Profit for the period attributable to equity holders of the parent	up/down	N/A	to	3,346
Dividends (distributions)	Amount per security		Franked amount per security	
Final dividend		-¢		-¢
Interim dividend		-¢		-¢
Previous corresponding period		-¢		-¢
Record date for determining entitlements to the dividend	Not applicable			
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Refer Review of Operations section within the attached Directors' Report.				
NTA backing	Current period		Previous corresponding Period	
Net tangible asset backing per ordinary security	\$0.02		\$0.01	



Ainsworth Game Technology Limited

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and its controlled entities

31 DECEMBER 2010

INTERIM FINANCIAL REPORT

Contents

	<i>Page</i>
Directors' report	3
Condensed consolidated statement of financial position	6
Condensed consolidated statement of comprehensive income	7
Condensed consolidated statement of changes in equity	8
Condensed consolidated statement of cash flows	9
Notes to the condensed consolidated interim financial statements	10
Directors' declaration	16
Independent auditor's review report to the members	17
Lead auditor's independence declaration	19

Ainsworth Game Technology Limited and its controlled entities

Directors' report

The directors present their report together with the consolidated financial report for the half-year ended 31 December 2010 and the review report thereon.

Directors

The directors of the company at any time during or since the end of the half-year are:

Name	Period of directorship
Executive	
Mr Leonard H Ainsworth <i>Executive Chairman</i>	Director since 1995 (Executive Chairman since 2003)
Mr Daniel Gladstone <i>Executive Director and Chief Executive Officer</i>	Director since 25 February 2010
Non-executive	
<i>Current</i>	
Mr Stewart L Wallis AO <i>Independent Non-Executive Director</i>	Director since 2002
Mr Graeme Campbell <i>Independent Non-Executive Director</i>	Director since 2007
Mr Michael Yates <i>Independent Non-Executive Director</i>	Director since 2009

Review of operations

Operating profit

The operating profit for the period under review was \$3.3 million compared to a loss of \$4.2 million in the corresponding period in 2009. Improved trading performance in the current period resulted in a profit before financing costs of \$8.7 million compared to \$0.4 million in the previous corresponding period in 2009.

Leading product performance, increased gross margins on new and premium products and continued cost control measures together with a stronger domestic result contributed to improved trading performance in the current period. Continued emphasis on investment in research and development will assist the ongoing release of new innovative product initiatives leveraging off the recent commercialisation of the A560 product family. The progression of product approvals in the Americas and selected international markets is expected to position the Company for sustainable revenue growth in future periods.

Revenue

Revenue for the period under review was \$43.9 million compared to \$31.4 million for the prior corresponding period in 2009, an increase of 40%.

Domestic revenue contributed \$35.3 million (81% of total revenue) compared to \$21.0 million in the previous corresponding period, an increase of 68%. The increased domestic revenue was achieved as a result of increased revenue from the newly released A560 gaming product in the New South Wales and Queensland markets combined with continued high yielding premium product performance of the A560 and Ambassador SL platforms.

International revenue was \$8.5 million compared to \$10.4 million in the prior corresponding period in 2009, a decrease of 18%. The key market of North America achieved revenue of \$3.8 million, an increase of 10% on the previous corresponding period in 2009 and contributed to 44% of international revenue. Further planned investment to expand operations in North America and increase management capability will provide the Company greater presence in this market and allow the Company to better service these markets.

Ainsworth Game Technology Limited and its controlled entities

Directors' report

Review of operations (continued)

Revenue (continued)

A re-alignment of the Latin and South America sales structure with a composition of direct sales representation and distributor appointments has been undertaken and it is expected that this will allow the Company to capitalise on expected revenue opportunities in this geographical region.

The recent adverse currency movements in the Australian dollar compared to the US impacted revenue achieved in the current period. The challenging economic conditions within international markets continued into the first half of the 2011 financial year despite increased interest in the Company's new A560 gaming machine which was approved in targeted American markets in November 2010. Initial feedback and customer reaction to the product which was exhibited at G2E in Las Vegas in late November 2010 was positive and is expected to strengthen the revenue contribution from this market segment.

Operating costs

Cost of sales in the period were \$16.5 million compared to \$14.2 million in the prior corresponding period in 2009. Gross margins increased from 55% to 62% reflecting production efficiencies and cost reductions on the Company's products and higher selling prices achieved across the product range.

Operating costs, excluding cost of sales and financing costs, were \$18.7 million compared to \$17.0 million in the corresponding period in 2009, an increase of 10%. This increase in operating expenditure was primarily attributable to increased expenditure in research and development related to the release of the A560 range of products in multiple jurisdictions to ensure continued emphasis on product initiatives for future periods.

Sales, service and marketing expenses decreased by 3% compared to the prior corresponding period in 2009. Strategies previously undertaken in Europe and other international markets, including the diversification of distribution channels and minimisation of fixed overheads have assisted to achieve the reductions in selling costs in the current period.

Research and development expenses increased by 27% during the period and represented 14% of revenue (2009: 16%). Investment in research and development continued in the period to ensure the Company is well positioned to benefit from new technology advancements, which should provide our customers with innovative games and an expanded game library for the Company's current and planned range of products.

Administration costs of \$4.9 million, an increase of \$0.6 million (14%) represented 11% of revenue compared to 14% in the prior corresponding period in 2009.

Net financing costs

Net financing costs were \$5.3 million compared to \$4.4 million in the corresponding period in 2009, an increase of \$0.9 million. The increase in financing costs was a result of foreign currency losses of \$2.4 million (2009: losses \$1.2 million) due to further strengthening of the Australian dollar against the US dollar in the current period.

Cashflow

The cash inflow from operations for the current period was \$7.0 million compared to \$4.7 million in the previous corresponding period in 2009. Cash management initiatives undertaken during the period to re-purchase the Company's convertible notes resulted in an outflow of \$1.4 million to reduce these debt obligations.

Ainsworth Game Technology Limited and its controlled entities Directors' report

Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

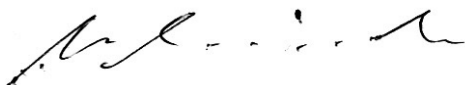
The lead auditor's independence declaration is set out on page 19 and forms part of the directors' report for the half-year ended 31 December 2010.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Sydney this 24th day of February 2011.

Signed in accordance with a resolution of the directors:



LH Ainsworth
Executive Chairman

Ainsworth Game Technology Limited and its controlled entities

Condensed consolidated statement of financial position

As at 31 December 2010

In thousands of AUD

	31-Dec-10	30-Jun-10
Current Assets		
Cash and cash equivalents	8,192	6,144
Receivables and other assets	18,343	18,703
Inventories	14,122	13,091
Prepayments	591	980
Total current assets	41,248	38,918
Non-current assets		
Receivables and other assets	12,716	10,325
Property, plant and equipment	22,995	23,055
Intangible assets	13,975	12,966
Total non-current assets	49,686	46,346
Total assets	90,934	85,264
Current Liabilities		
Trade and other payables	8,258	6,875
Loans and borrowings	5,860	6,162
Employee benefits	3,002	2,287
Provisions	202	140
Total current liabilities	17,322	15,464
Non-current liabilities		
Loans and borrowings	54,300	54,242
Employee benefits	395	425
Total non-current liabilities	54,695	54,667
Total liabilities	72,017	70,131
Net assets	18,917	15,133
Equity		
Share capital	122,373	122,373
Reserves	12,064	11,626
Accumulated losses	(115,520)	(118,866)
Total equity	18,917	15,133

The condensed notes on pages 10 to 15 are an integral part of these consolidated interim financial statements.

Ainsworth Game Technology Limited and its controlled entities

Condensed consolidated statement of comprehensive income

For the six months ended 31 December 2010

In thousands of AUD

	2010	2009
Revenue	43,856	31,415
Cost of sales	(16,485)	(14,212)
Gross profit	27,371	17,203
Other income	54	138
Sales, service and marketing expenses	(7,512)	(7,767)
Research and development expenses	(6,298)	(4,952)
Administrative expenses	(4,873)	(4,259)
Profit before financing costs	8,742	363
Finance income	439	307
Finance costs	(5,783)	(4,669)
Net financing costs	(5,344)	(4,362)
Profit/(loss) before income tax	3,398	(3,999)
Income tax expense	(52)	(159)
Profit/(loss) for the period	3,346	(4,158)
Other comprehensive income		
Foreign currency translation differences for foreign operations	(57)	(7)
Total other comprehensive income	(57)	(7)
Total comprehensive income for the period	3,289	(4,165)
Earnings per share		
Basic earnings per share (AUD)	\$0.01	(\$0.01)
Diluted earnings per share (AUD)	\$0.01	(\$0.01)

The condensed notes on pages 10 to 15 are an integral part of these consolidated interim financial statements.

Ainsworth Game Technology Limited and its controlled entities

Condensed consolidated statement of changes in equity

For the six months ended 31 December 2010

in thousands of AUD

	Attributable to equity holders of the Company					Total equity
	Issued capital	Equity compensation reserve	Fair value reserve	Translation reserve	Accumulated losses	
Balance at 1 July 2009	122,373	1,012	10,044	226	(116,580)	17,075
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(4,158)	(4,158)
Other comprehensive income						
Foreign currency translation reserve	-	-	-	(7)	-	(7)
Total other comprehensive income	-	-	-	(7)	-	(7)
Total comprehensive loss for the period	-	-	-	(7)	(4,158)	(4,165)
Transactions with owners, recorded directly in equity						
Equity component of related party borrowings	-	-	296	-	-	296
Share-based payment transactions	-	46	-	-	-	46
Total transactions with owners	-	46	296	-	-	342
Balance at 31 December 2009	122,373	1,058	10,340	219	(120,738)	13,252
Balance at 1 July 2010	122,373	665	10,764	197	(118,866)	15,133
Total comprehensive income for the period						
Profit for the period	-	-	-	-	3,346	3,346
Other comprehensive income						
Foreign currency translation reserve	-	-	-	(57)	-	(57)
Total other comprehensive income	-	-	-	(57)	-	(57)
Total comprehensive income for the period	-	-	-	(57)	3,346	3,289
Transactions with owners, recorded directly in equity						
Equity component of related party borrowings	-	-	495	-	-	495
Share-based payment transactions	-	-	-	-	-	-
Total transactions with owners	-	-	495	-	-	495
Balance at 31 December 2010	122,373	665	11,259	140	(115,520)	18,917

The condensed notes on pages 10 to 15 are an integral part of these consolidated interim financial statements.

Ainsworth Game Technology Limited and its controlled entities

Condensed consolidated statement of cash flows

For the six months ended 31 December 2010

In thousands of AUD

	31-Dec-10	31-Dec-09
Cash flows from operating activities		
Cash receipts from customers	42,669	35,536
Cash paid to suppliers and employees	(34,050)	(29,471)
Cash generated from operations	8,619	6,065
Interest paid	(1,578)	(1,316)
Net cash from operating activities	7,041	4,749
Cash flows from investing activities		
Acquisition of property, plant and equipment	(593)	(324)
Interest received	578	129
Proceeds from sale of property, plant and equipment	7	168
Development expenditure	(2,342)	(1,752)
Acquisition of other intangibles	(23)	(389)
Net cash used in investing activities	(2,373)	(2,168)
Cash flows from financing activities		
Proceeds from borrowings	-	500
Repayment of borrowings	-	(500)
Re-purchase of convertible notes	(1,368)	-
Payment of finance lease liabilities	(740)	(628)
Net cash used in financing activities	(2,108)	(628)
Net increase in cash and cash equivalents	2,560	1,953
Cash and cash equivalents at 1 July	6,144	958
Effect of exchange rate fluctuations on cash held	(512)	(43)
Cash and cash equivalents at 31 December	8,192	2,868

The condensed notes on pages 10 to 15 are an integral part of these consolidated interim financial statements.

Ainsworth Game Technology Limited and its controlled entities

Notes to the condensed consolidated interim financial statements

For the half year ended 31 December 2010

1. Reporting entity

Ainsworth Game Technology Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2010 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report of the Group as at and for the year ended 30 June 2010 is available upon request from the Company's registered office at 10 Holker Street Newington, NSW, 2127 or at www.ainsworth.com.au.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The consolidated interim financial report complies with IAS 34 *Interim Financial Reporting*.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at the and for the year ended 30 June 2010. Certain comparative amounts have been reclassified to conform with the current periods' presentation.

The consolidated interim financial report was approved by the Board of Directors on 24 February 2011.

3. Significant accounting policies

The accounting policies applied by the Group in the consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2010.

(a) Going concern

The financial statements have been prepared on the going concern basis of accounting, which assumes a continuation of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the period ended 31 December 2010, the Group recorded a profit of \$3.3 million. Prior period losses have resulted in the Group's operations being dependent on established facilities and funding by its majority shareholder.

In relation to the directors assessment of the going concern assumption, the directors have considered the following:

- Improved trading performance resulting in a \$3.3 million profit during the current period and positive cashflows;
- Investment in product development in the prior periods resulting in the release of the new A560 product range in targeted markets and has created increased domestic revenue in the current period;
- The Company has a loan facility of \$40.0 million from an entity controlled by its majority shareholder which matures on a date 4 years subsequent to the will of Mr LH Ainsworth coming into effect. At 31 December 2010, \$13.7 million of this facility has been drawn, leaving \$26.3 million available. Interest on the facility is not payable until the maturity date; and

Ainsworth Game Technology Limited and its controlled entities

Condensed notes to the consolidated interim financial statements

For the half year ended 31 December 2010

3. Significant accounting policies (continued)

(a) Going concern (continued)

- A \$6.0 million trade facility has also been established, with an entity controlled by Mr LH Ainsworth which is available at call. At 31 December 2010, \$5.8 million has been utilised.

The Directors have concluded that it is appropriate to prepare the financial report on a going concern basis, as they are confident that the improved trading performance and access to sufficient funding by way of support from its majority shareholder (and his controlled entities) will enable the Company and the Group to pay its debts as and when they fall due for the foreseeable future, being at least one year from the date of approval of these financial statements.

4. Estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2010.

5. Financial risk management

Credit risk – trade and other receivables

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2010.

Ainsworth Game Technology Limited and its controlled entities

Condensed notes to the consolidated interim financial statements

For the half year ended 31 December 2010

6. Operating segments

The Group has eight reportable segments as identified below, which are the Group's strategic business units. For each of the strategic business units, the Chief Executive Officer (CEO) reviews internal management reports on a monthly basis. The Group's corporate head office is located in New South Wales, Australia where all design and development is undertaken and manufacturing facilities are operated. Sales offices are operated in New South Wales, Queensland and the Americas (Florida). In presenting information on the basis of reportable segments, segment revenue is based on the geographical location of customers.

For the six months ended 31 December 2010

	----- Australia -----				----- Americas -----		Asia	Other	Consolidated
	NSW	QLD	VIC	South Aust	North America	South America			
<i>In thousands of AUD</i>									
Segment revenue	22,757	10,090	1,716	768	3,753	2,924	1,153	695	43,856
Segment result	5,483	3,242	569	169	(663)	(635)	315	262	8,742
Net financing costs	-	-	-	-	-	-	-	-	(5,344)
Income tax expense	(4)	-	-	-	(48)	-	-	-	(52)
Profit/(Loss) for the period									3,346
Segment assets	87,822	240	-	-	2,872	-	-	-	90,934
Total assets	87,822	240	-	-	2,872	-	-	-	90,934

For the six months ended 31 December 2009

<i>In thousands of AUD</i>									
Segment revenue	14,195	5,727	21	1,060	3,425	4,686	1,902	399	31,415
Segment result	1,779	968	15	42	(1,507)	(1,114)	102	78	363
Net financing costs	-	-	-	-	-	-	-	-	(4,362)
Income tax expense	-	-	-	-	(159)	-	-	-	(159)
Profit/(Loss) for the period									(4,158)
Segment assets	76,462	379	-	-	2,149	-	-	-	78,990
Total assets	76,462	379	-	-	2,149	-	-	-	78,990

Ainsworth Game Technology Limited and its controlled entities

Condensed notes to the consolidated interim financial statements

For the half year ended 31 December 2010

7. Write-down of inventory

During the six months ended 31 December 2010 the Group recognised a write-down of inventory of \$914 thousand related to componentry for and finished goods on previous model gaming machines. The write-down is included in cost of sales in the condensed consolidated statement of comprehensive income. There were no inventory write-downs recognised during the six months ended 31 December 2009.

8. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 December 2010, the consolidated entity acquired assets with a cost of \$1,172 thousand (six months ended 31 December 2009: \$867 thousand).

Other assets with a carrying amount of \$nil thousand were disposed of during the six months ended 31 December 2010 (six months ended 31 December 2009: \$187 thousand), resulting in a profit on disposal of \$7 thousand (six months ended 31 December 2009: loss of \$19 thousand), which is included in other income.

Ainsworth Game Technology Limited and its controlled entities

Condensed notes to the consolidated interim financial statements

For the half year ended 31 December 2010

9. Loans and borrowings

The following loans and borrowings (non-current and current) were issued and repaid during the six months ended 31 December 2010:

<i>In thousands of AUD</i>	Currency	Interest Rate		Face Value	Carrying Amount	Year of maturity
		Nominal	Effective			
Balance at 1 July 2010					60,404	-
New issues						
Loan from director/ shareholder controlled entity						
- Unsecured	USD	2.7 – 3.1%	21.9 - 22.3%	5,126	4,631	2011
Interest accrued on loan from director/shareholder controlled entity						
- Secured	AUD	8.0%	8.0%	1,070	1,070	Note (1)
- Unsecured	AUD/USD	2.7 - 8.0%	2.7 - 8.0%	253	253	Note (1) / 2011
Accretion of interest on loan from director / shareholder controlled entity						
- Secured	AUD	8.0%	11.7 – 14.0%	-	209	Note (1)
- Unsecured	AUD/USD	2.7 - 8.0%	21.9 – 23.8%	-	(440)	Note (1) / 2011
Finance lease liabilities	AUD	4.4 - 12.7%	4.4 -12.7%	513	513	2011-2015
Accretion of interest on convertible notes	AUD	10.0%	11.0%	-	46	2011/2014
Repayments						
Foreign exchange gain realised	-	-	-	-	(507)	-
Loan from director/ shareholder controlled entity						
- Secured	AUD	8.0%	-	-	(134)	Note (1)
- Unsecured	AUD/USD	2.7 - 8.0%	-	(4,637)	(4,637)	2010
Finance lease liabilities	AUD	4.4 - 12.7%	-	(766)	(766)	2011-2015
Convertible note buy-back	AUD	-	-	(1,377)	(1,360)	2011
Balance at 31 December 2010					<u>60,160</u>	Note (2)

Note (1) The maturity date of established facilities with the company controlled by the majority shareholder, Mr LH Ainsworth were extended on 21 October 2008 to a date being 4 years from his will coming into effect.

Note (2) The maturity date of Convertible Notes (excluding Mr LH Ainsworth and spouse) amounting to \$8,456 thousand mature on 3 January 2012, unless an option to extend is exercised and have been classified as non-current loans and borrowings.

Ainsworth Game Technology Limited and its controlled entities

Condensed notes to the consolidated interim financial statements

For the half year ended 31 December 2010

10. Related parties

Transactions with key management personnel

Key management personnel receive compensation in the form of short-term employee benefits and post-employment benefits. Key management personnel received total compensation of \$1,238 thousand for the six months ended 31 December 2010 (six months ended 31 December 2009: \$1,286 thousand).

Other related party transactions

<i>In thousands of AUD</i>	Transaction value Six months ended		Balance (payable)	
	31 Dec 10	31 Dec 09	31 Dec 10	30 Jun 10
Revenue				
<i>Mr LH Ainsworth</i>				
Company controlled by director/shareholder – sale of goods	39	57	-	-
Expenses				
<i>Mr LH Ainsworth</i>				
Company controlled by director/shareholder – interest expense	1,323	1,280	(14,185)	(13,079)
Company controlled by director/shareholder – interest expense on convertible notes	681	544	(4)	(4)
Companies controlled by director/shareholder – purchases and other charges	136	107	(88)	(72)
Other key management personnel				
Interest expense on convertible notes	15	12	-	-
Interest bearing liabilities				
Company controlled by director/shareholder				
– loan borrowings - secured	-	500		
– unsecured	5,126	2,692		
– loan repayments - secured	(134)	(500)		
– unsecured	(4,637)	(1,830)		
Company controlled by director/shareholder - net borrowings	355	862		

11. Subsequent events

There has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

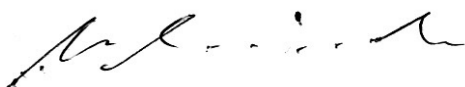
Ainsworth Game Technology Limited and its controlled entities Directors' declaration

In the opinion of the directors of Ainsworth Game Technology Limited ("the Company"):

1. the financial statements and notes set out on pages 6 to 15, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position as at 31 December 2010 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 24th day of February 2011.

Signed in accordance with a resolution of the directors.



LH Ainsworth
Executive Chairman



Independent auditor's review report to the members of Ainsworth Game Technology Limited

We have reviewed the accompanying half-year financial report of Ainsworth Game Technology Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2010, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Ainsworth Game Technology Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Independent auditor's review report to the members of Ainsworth Game Technology Limited (continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ainsworth Game Technology Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Carlo Pasqualini
Partner

Sydney

24 February 2011



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Ainsworth Game Technology Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Carlo Pasqualini
Partner

Sydney

24 February 2011