



Ainsworth Game Technology Ltd  
ABN 37 068 516 665

10 Holker Street  
Newington NSW  
Australia 2127

Tel: +61 2 9739 8000  
Fax: +61 2 9737 9483

[www.ainsworth.com.au](http://www.ainsworth.com.au)

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## **ASX Release**

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### **Ainsworth Game Technology Limited Announces (audited) Full Year 2011 Results**

Ainsworth Game Technology Limited (AGT) today confirmed previous guidance and announced an audited full year profit after tax of \$23.1 million.

The profit before tax was \$14.8 million compared to a loss of \$2.4 million in the corresponding period in 2010. Results from trading activities, before finance costs and income tax, were \$23.1 million, compared to \$4.6 million in the corresponding period in 2010, an improvement in trading performance of \$18.5 million.

Sales revenue achieved for FY11 was \$98.0 million, compared to \$69.3 million in the previous corresponding year, an increase of 41%. This is the second consecutive year of strong revenue growth, following an increase of 53% in the 2010 year compared to the 2009 year.

Domestic revenue of \$74.7 million was achieved, compared to \$48.2 million in the corresponding period in 2010, an increase of 55%. Domestic revenue contributed 76% of total revenue. The increase in domestic revenue was predominately achieved in the New South Wales and Queensland markets, which accounted for 89% of domestic revenue, following the successful release of the new A560 product family and continued leading product performance resulting in the Company further increasing its market share in these regions.

International revenue was \$23.3 million compared to \$21.0 million in the corresponding 2010 year, representing an increase of 11%. Revenue increases in international markets of North America, New Zealand and Europe were achieved in the current period and assisted the Group to offset revenue reductions experienced within South America and Asia.

The key market of North America contributed 48% of total international revenue, an increase on the preceding 2010 year of 42%. The Group expects to achieve higher international revenue in FY12, arising from substantially increased investment and a planned build-up in resources in the Americas. This will include establishing an operational base for North America in Las Vegas, Nevada, the ongoing release of newly developed product initiatives and the commencement of local product development and assembly based in Las Vegas.

Improved gross margins of 65% were achieved, compared to 54% in 2010. This increase was primarily the result of increased sales of the Company's premium progressive range of products, combined with leading product performance, cost reductions and continued efficiencies in production processes.

Continued efforts to achieve operating efficiencies and overhead cost reductions resulted in overheads, excluding research and development, of \$27.4 million, an increase of 20% over the previous corresponding period. This increase was largely attributable to variable cost increases resulting from the sales growth and increased staff incentive initiatives reflecting the improved performance of the Company.

Further investment in research and development resulted in an increase of 29% in the current period over the previous period and represented 13% of revenue compared to 15% in the corresponding period in 2010. Continual investment in progressing new product development is expected to help ensure sustainable revenue growth and maintain the Group at the forefront of gaming technology and innovation.

Net financing costs of \$8.2 million represented an increase of 18% as a result of \$2.7 million for foreign currency losses in the current period compared to \$0.5 million in the 2010 year.

Strong net cash from operating activities of \$18.2 million, and on-going initiatives to minimise investment in working capital, allowed the Company to continue its on-market buy-back of convertible notes.

The Company's investment in North America is continuing as planned with the recent lease of a new facility in Las Vegas in July 2011. This facility will become AGT's international headquarters and will house sales, finance, marketing, service, technical support, corporate compliance and product development teams.

Further product releases to complement the current range of hardware alternatives are expected to be released in the coming year. Progression of the product submission of the A560™ in Nevada is on track with field trials and commercialisation through to sales expected within the FY12 period.

Chief Executive Officer, Mr Danny Gladstone, said, "AGT's strong financial performance is a reflection of the Company having cemented its position as a premium Australian game supplier."

"The reliability and flexibility of our expansive range of world-class products have secured AGT's position as a market leader domestically, while our international growth strategy is strengthening the Company's reputation as a leading gaming provider on a global scale."

"I am particularly pleased with the Company's increased domestic and international revenue results, production efficiency improvements, ongoing product development initiatives and continued expansion in the Americas, all of which are expected to produce a further positive result for FY12," Mr Gladstone said.

Executive Chairman, Mr LH Ainsworth, said, "I am very pleased with the Company's progress, which can be attributed to the hard work of the current executive team who, collectively, have over 200 years of experience in the gaming industry. I wish to express my thanks to the Board for their continued and on-going support, the current executive team and the many loyal and dedicated staff working in a wide range of disciplines across the Group's operations and backed by extensive experience in the industry."

"We have brought together the best gaming intellect in the business to produce highly innovative and highly sought after products which are vital to our ongoing positive performance. I am confident that AGT is well placed to further build on the success achieved to date."

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For further information please contact:

Mr Danny Gladstone – CEO/Executive Director; or

Mr Mark Ludski – CFO/Company Secretary  
Ainsworth Game Technology Limited  
(02) 9739 8000