



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

23 April 2012

ASX Release

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES OR TO US PERSONS

ASX Code: AGI

Ainsworth Game Technology (AGT) - Announces Fully Underwritten Institutional Share Placement

Ainsworth Game Technology Limited ("**the Company**") is seeking to raise approximately \$44 million via a fully underwritten share placement of 30 million new ordinary fully paid shares ("**New Shares**") to institutional and sophisticated investors at a fixed offer price of \$1.47 per share ("**Placement**").

The fixed price of \$1.47 per New Share represents a 6.1% discount to the last traded price of \$1.565 on 20 April 2012.

The New Shares will rank equally with existing ordinary shares of the Company on issue and are expected to be allotted and issued on 1 May 2012.

The Placement is fully underwritten by Macquarie Capital (Australia) Limited. ("**Underwriter**").

Use of funds

Funds raised under the Placement will be broadly used as follows:

- **\$20 million** Repay accrued interest owing on previously provided borrowings and trade/credit facilities provided by an entity associated with Mr LH Ainsworth (Executive Chairman and majority shareholder)
- **\$17 million** Provide funds to facilitate the cash redemption of outstanding convertible notes (see below)
- **\$7 million** Provide funds for future growth including acceleration of objectives to supply products on a participation basis in the Americas, new product initiatives, acceleration and expansion of research and development activities and additional working capital required on the commercialisation of new product offerings and to cover the costs of the offer

The reduction in debt outstanding under existing facilities will reduce ongoing interest costs, optimise the Company's longer term borrowing structure and simplify the Company's capital structure.

Convertible notes (ASX Code: AGIG)

As part of its strategy to simplify its balance sheet and reduce debt, the Company also announces that it is intending on giving notice to redeem all of its outstanding convertible notes ("**Notes**"). The rights of Noteholders are set out in full in the trust deed entered into by the Company on 16 November 2004 (and amended 18 November and 22 December 2008) ("**Trust Deed**"). In line with the terms of the Trust Deed, the Company has the right to redeem all Notes including those held by

Mr Len Ainsworth and his associates at the end of every six month-period until the maturity date of 31 December 2014. The Company therefore intends to exercise this right as at 30 June 2012 and provide the requisite notice to Noteholders prior to that date. Upon the Company notifying Noteholders of its intention to redeem all Notes, Noteholders may elect to convert their Notes to shares on the proposed redemption date.

The Company intends on using \$17m of the Placement proceeds to fund the redemption of outstanding Notes. However to the extent that Noteholders choose to exercise their conversion option to receive shares rather than have their notes redeemed for cash, Ainsworth will contribute the funds previously earmarked to fund the redemption to assist in financing its ongoing product development strategies and international expansion.

Chief Executive Officer Mr Danny Gladstone said “Combined with the sale and leaseback of the Company’s Newington property approved by shareholders and completed in February, the Placement will allow us to reduce our debt obligations and associated interest costs. It will also allow us to simplify our capital structure and increase the spread of our shareholder base.

Mr Gladstone added “Operationally, our US expansion remains on track with a strong pipeline of product releases expected to position us well in the near term. The Placement marks an exciting time in the history of the Company as we embark on the next phase of growth.”

Commenting on the Placement, Executive Chairman Mr Len Ainsworth, said: “The Placement and the retirement of the Company’s existing debt is a logical step in the natural evolution of the business. It establishes a strong balance sheet that complements the exciting growth opportunities ahead of the Company. It also provides us with the financial flexibility to accelerate our growth ambitions internationally and help us consolidate and further improve our established strong market share domestically.”

Ends

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

IMPORTANT NOTICE

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States or to US persons. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States or to US persons (as defined in Regulation S under the US Securities Act of 1933) absent registration under the US Securities Act or an exemption from registration.

The Underwriter has not authorised or caused the issue, lodgement, submission, dispatch or provision of this announcement and does not make or purport to make any statement in this announcement and there is no statement in this announcement which is based on any statement by the Underwriter.

The Underwriter makes no representation or warranty as to the currency, accuracy, reliability or completeness of information in this announcement and takes no responsibility for any information in this announcement or any action taken by you on the basis of such information.

To the maximum extent permitted by law, the Underwriter and their affiliates, officers and employees exclude and disclaim all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Placement and the information in this announcement being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

The Underwriter makes no recommendations as to whether you or your related parties should participate in the Placement and does not make any representations or warranties to you concerning this Placement, or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriter or any of their affiliates in relation to the New Shares or the Placement generally.