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**ASX Release**
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**Ainsworth Game Technology Limited Announces (audited) Full Year 2012 Results**

Ainsworth Game Technology Limited (AGT) today announced a profit after tax of \$64.3 million for the year ended 30 June 2012. Included in this result was the recognition of previously unrecognised deferred tax assets resulting in an income tax benefit of \$18.1 million for FY12, compared to \$8.3 million in the corresponding period in 2011.

The financial results for FY12 were summarised as follows:

<i>Amounts expressed in A\$ 'millions</i>	<b>FY12</b>	<b>FY11</b>	<b>Movement</b>
Domestic revenue	103.1	74.7	▲ 38%
International revenue	47.5	23.3	▲ 104%
<b>Revenue</b>	<b>150.6</b>	<b>98.0</b>	<b>▲ 54%</b>
Earnings before interest, tax and depreciation and amortisation	56.0	25.7	▲ 118%
Earnings before interest and tax	50.8	20.3	▲ 150%
Profit before tax	46.2	14.8	▲ 212%
Profit after tax	64.3	23.1	▲ 178%
Earnings per share (dollars)	\$0.23	\$0.08	▲ 188%

The profit before tax was \$46.2 million, 3% ahead of the profit guidance announced by the Company in June 2012. This result represents a significant improvement on the \$14.8 million profit before tax for the corresponding period in 2011. The second half of FY12 resulted in a profit before tax of \$27.4 million, an increase of 46% on the \$18.8 million reported for the six months ended 31 December 2011. Included in the second half of FY12 was a \$2.7 million profit resulting from the sale and leaseback transaction of the Newington head office property, approved by shareholders at a meeting held on 22 February 2012. The increase in profit before tax for the second half of FY12, excluding the effect of this one-off profit on sale, was 31%.

Sales revenue achieved for FY12 was \$150.6 million, an increase of 54% on the \$98.0 million in the corresponding period in 2011. Revenue for the second half of FY12 was \$82.3 million, an increase of 20% on the \$68.3 million for the six months ended 31 December 2011. This is the eighth consecutive half of strong revenue growth reported by the Company.

Further increases across all Australian market segments during the year resulted in domestic revenue of \$103.1 million, an increase of 38% on the corresponding period in 2011. Domestic revenue contributed 68% of total revenue in the current period compared to 76% in the same period in 2011.

International revenue was \$47.5 million compared to \$23.3 million in the corresponding period in 2011, an increase of 104%. Revenue in all international market segments increased during the period, with the key Americas market contributing 78% of total international revenue, an increase of 108% compared to the same period in 2011.

Chief Executive Officer, Mr Danny Gladstone said “Further new product releases in targeted markets increased profitability in all geographical segments during the year. With the continuation of leading product performance in FY13, further gains in trading performance can be expected.”

A gross margin of 68% was achieved in FY12, compared to 65% in 2011. The gross margin for the second half of FY12 improved to 69% from the 66% reported for the first half of FY12. Improved margins resulted from cost reduction initiatives, higher sales volumes, production efficiencies and concentration on a product mix centred on the Company’s premium progressive range of games.

Operating costs, excluding cost of sales and financing costs, were \$54.2 million, an increase of 34% on the corresponding period in 2011. This increase was primarily attributed to increased variable selling costs in line with revenue increases and marketing activities undertaken during the period. Other significant contributing factors included increased expenditure on research and development, continued emphasis on new product developments and increased investment in the facilities infrastructure within the Company’s new operational base in Las Vegas, Nevada.

Research and development (R&D) expenditure was \$18.6 million (12% of revenue) an increase of 42% on the same period in 2011. The continued investment in R&D has enabled the Company to complete development of its A560<sup>ST</sup> Slant Top product and the proprietary QX32 jackpot controller, which were showcased together with forty (40) new games at the recently held Australasian Gaming Expo held at Darling Harbour Australia. These products are now approved and available for sale within selected domestic markets and, subject to regulatory approval, will be progressively released for sale in international markets during FY13.

Continued strong net cash flow from operating activities of \$21.7 million was achieved in FY12, an increase of 20% compared to 2011. In addition the Company successfully raised equity through an institutional placement of new fully paid ordinary shares during the second half of FY12. This facilitated the repayment of all related parties borrowings and the early redemption of all outstanding convertible notes at 30 June 2012. The resulting strong balance sheet enables the Group to actively progress its product development plans and continued expansion within the key market of North America.

Mr Gladstone said “The Company has now eliminated all debt obligations to the majority shareholder and Executive Chairman, Mr LH Ainsworth, and established a solid financial position to ensure the progression of development initiatives, targeted expansion, and the achievement of Company growth objectives and opportunities in FY13.”

Mr Gladstone, who relocated to the USA in March 2012 to oversee the Company’s international business operations, said “I am optimistic that the Company’s increased presence and capabilities at the facility in Las Vegas will provide the necessary base to progress its plans to establish a significant presence in the key market of North America.”

He said, "I am pleased with the trading momentum in FY13 to date and expect to provide further financial guidance at the scheduled Annual General Meeting to be held on Wednesday 21 November 2012."

The Company has decided not to declare a dividend for FY12 in order to maintain a strong cash position necessary to fund the growth of its participation business in the Americas, and to invest in new product development. The Board has reviewed its future dividend strategy, and subject to further growth in profitability levels, expects to commence payment of dividends within FY13. The Company noted that due to carried forward tax losses, any initial dividends would be unfranked until such time as all tax losses and R&D credits were recouped.

Executive Chairman, Mr LH Ainsworth, said "Good progress has been made in all operational areas of the Company which is reflected in the financial results now being realised. The Company established a solid financial position during FY12 which should enable it to progress the planned expansion across global markets."

Mr Ainsworth said "I am especially pleased with the feedback received from our customers at the recent Australasian Gaming Expo, particularly the newly released A560<sup>ST</sup> Slant Top, the Company's new proprietary QX32 jackpot controller and the expanded range of industry leading games. These products are expected to assist in achieving continued financial gains during FY13 and beyond."

He said "AGT's high quality Australian designed equipment is a tribute to the creativity and experience of the Company's senior executive team and staff."

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