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Ainsworth Game Technology Limited
Half Year Results to 31 December 2012 and Interim Dividend Announcement

Ainsworth Game Technology Limited (AGT) today announced a profit before tax of \$30.1 million for the six month period ended 31 December 2012, an increase of 60% on the prior corresponding period in 2011 and 7.5% above the \$28.0 million guidance provided in December 2012.

The profit after tax was \$22.0 million for the six month period ended 31 December 2012. This result included a tax expense of \$8.2 million compared to an income tax benefit of \$21.7 million in the corresponding period of 2011 following the recognition of deferred tax assets.

The financial results for the half year ended 31 December 2012 are summarised as follows:

<i>Amounts expressed in A\$ millions</i>	6 Months to 31 Dec 2012	6 Months to 31 Dec 2011	Movement %
Revenue	96.5	68.3	▲ 41%
Earnings before interest, tax and depreciation and amortisation (EBITDA)	31.9	24.4	▲ 31%
Earnings before interest and tax (EBIT)	28.7	21.7	▲ 32%
Net profit before tax	30.1	18.8	▲ 60%
Net profit after tax ⁽¹⁾	22.0	40.5	▼ 46%
Earnings per share (basic) - AUD	\$0.07	\$0.15	-
Dividend per share (unfranked) - AUD	\$0.03	-	-

⁽¹⁾ Net profit after tax was affected by \$8.2 million tax expense in the current period compared to an income tax benefit of \$21.7 million in the prior corresponding period as a result of recognition of deferred tax assets.

Based on the results, the Board has declared an interim dividend in respect of the six months ended 31 December 2012 of 3.0 cents per share. The interim dividend will be unfranked and is expected to be paid on 12 April 2013.

The Company advised that the key dates for the declared dividend were as follows:

Shares trade ex-dividend	20 March 2013
Record date	26 March 2013
Payment date	12 April 2013

Consistent with the Board's stated intentions to introduce a dividend policy in FY13, the Board has advised that after considering growth opportunities and a commitment to return profits to shareholders, it will initially target a dividend payout ratio in the range of 40-60% of net profit after tax.

Executive Chairman, Mr LH Ainsworth said, "The commencement of dividend payments is a result of a conservative approach to capital management coupled with strong trading over the preceding 18 months".

"The Company will continue to actively pursue opportunities to deliver growth. The introduction of dividend payments will not impact upon AGT's ability to fund research and development, which has been the key driver of its profitability," Mr LH Ainsworth said.

Sales revenue achieved for the six months was \$96.5 million, a 41% increase over the previous corresponding period and a 17% increase over the record result reported in the second half of FY12.

Domestic revenue was \$66.2m (69% of total revenue), an increase of 29% compared to \$51.5m in the prior corresponding period (75% of total revenue). This result benefited from an acceleration of orders and deliveries of the A560ST™ and Quad Shot™ in New South Wales and Queensland markets as outlined in the market release of 13 December 2012.

Further market share gains for AGT across the primary domestic segments of New South Wales and Queensland were achieved. The approval and successful release of the low denomination 4 level standalone progressive Quad Shot™ into both New South Wales and Queensland as well as the A560ST™ and Multiplay™ Big Time II within New South Wales have resulted in continued leading product performance.

International revenue for the period was \$30.3 million (31% of total revenue), an increase of 80% compared to \$16.8 million in the prior corresponding period (25% of total revenue). Significantly, North America recorded an increase of 237% and represented 71% of overall international revenue. Continued progress to gain market share and revenue growth in this key international market in the second half of FY13 is expected, as new products progress through the necessary regulatory approval cycles.

Chief Executive Officer, Mr Danny Gladstone said, "I am pleased with the progress to date and expect continued revenue growth within North America in the second half of the 2013 financial year".

"We continue to pursue opportunities to establish gaming operations in the Americas with products under participation or of a recurring revenue nature. At 31 December 2012, 1,096 machines were on participation, rental and lease with an additional 387 machines under trial subject to conversion to potential sale and/or lease in the second half of FY13," Mr Gladstone said.

The Company advised it had completed the initial development of products available to regulated online markets through GameAccount as announced at the Company's Annual General Meeting. Mr Gladstone said, "An online strategy is being evaluated to enable the Company to pursue further revenue streams from this substantial market segment".

A gross margin of 68% was achieved in the current period compared to 66% in the previous corresponding period in 2011. The Company noted that margins within domestic markets remained strong and overcame pressures from international operations whose contribution to total revenue increased in the period. Continued cost reduction initiatives combined with higher sales volumes, production efficiencies and a greater concentration of premium progressive games are expected to assist in sustaining margins.

Operating costs, excluding cost of sales, financing costs and other expenses were \$33.3 million, an increase of 38% on the previous corresponding period in 2011, primarily due to the progressive expansion of the American facility in FY12 to provide the necessary support for the expected strong expansion in all international markets.

Research and development (R&D) was \$10.8 million (11% of total revenue), an increase of 53% on the \$7.1 million (10% of total revenue) in the previous corresponding period. Continued investment in R&D initiatives and progression of necessary approvals in global markets is expected to continue to grow revenue and enable the Group to provide high performing and technically advanced gaming products for our customers.

The Company advised that based on current forecasts the Group expects a profit before tax in the second half of the year ending 30 June 2013 similar to the first half. This full year expectation is reflective of the acceleration of domestic orders in the first half of 2013 and the anticipated increase in revenue contribution from the key international market of the Americas.

Mr Gladstone said “The Company is now established and globally recognised as a leading provider of high performing gaming products and has secured a solid financial position. Further revenue growth is expected within the Americas in the second half of FY13 as new products receive regulatory approvals for installation, whilst we continue to maintain our strong position in all established domestic markets.”

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