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Ainsworth Game Technology Limited
Half Year Results to 31 December 2013 and Interim Dividend Announcement

Ainsworth Game Technology Limited (AGT) today announced a profit after tax of \$35.7 million for the six month period ended 31 December 2013, an increase of 62% on the prior corresponding period. The profit before tax was \$45.6 million for the six month period ended 31 December 2013, an increase of 51% on the prior corresponding period and in line with guidance provided on 17 January 2014.

The financial results for the half year ended 31 December 2013 are summarised as follows:

<i>Amounts expressed in A\$ millions (unless otherwise stated)</i>	6 Months to 31 Dec 2013	6 Months to 31 Dec 2012	Movement % ▼ ▲
Revenue	121.8	96.5	▲ 26%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	49.7	31.9	▲ 56%
Earnings before interest and tax (EBIT)	44.1	28.7	▲ 54%
Net profit before tax (NPBT)	45.6	30.1	▲ 51%
Net profit after tax (NPAT)	35.7	22.0	▲ 62%
Earnings per share (basic) - AUD	\$0.11	\$0.07	-
Dividend per share (unfranked) - AUD	\$0.05	\$0.03	-

Based on the above results, the Board has declared an interim dividend in respect of the six months ended 31 December 2013 of 5.0 cents per ordinary share. The interim dividend will be unfranked and is expected to be paid on 8 April 2014.

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

Shares trade ex-dividend	13 March 2014
Record date	19 March 2014
Payment date	8 April 2014

Executive Chairman, Mr LH Ainsworth said, “The declared dividend was within the targeted range and represented a payout ratio of 45% of after tax profits. The Company maintains a conservative approach to capital management and the dividend has been declared as a result of the strong trading over the preceding six months.”

“The dividend payment is a reflection of the strong cash flows generated in the period, and is not expected to impact upon funding further research and development initiatives which have been the key driver of profitability,” Mr LH Ainsworth said.

Sales revenue achieved for the six months was \$121.8 million, a 26% increase over the previous corresponding period. Continued investment in establishing a product pipeline including software combinations and a variety of cabinet offerings is expected to assist in positioning the Group for further growth in the Americas in FY14.

Domestic revenue was \$81.4 million (67% of total revenue), an increase of 23% compared to \$66.2 million in the prior corresponding period (69% of total revenue). Further market share gains for AGT across the domestic segments of New South Wales and Queensland were achieved in the period. Revenue from Victoria contributed 22% of total domestic revenue in the period compared to 6% in the prior corresponding period. This increase reflects the strong product performance and previously implemented sales initiatives within this market.

International revenue for the period was \$40.4 million (33% of total revenue), an increase of 33% compared to \$30.3 million in the prior corresponding period (31% of total revenue). Premium products scheduled for release in the second half of FY14 including Magnificent 7™, Vegas King™, Cash Challenge™, Wheel Winner™ and the A560 SL™ are expected to provide revenue growth in the second half of FY14 compared to the current period.

South America delivered revenue of \$13.8 million, an increase of 380% on the corresponding period in 2012. Product performance within this market has created revenue growth from both established and new customers.

Chief Executive Officer, Mr Danny Gladstone said, “I am pleased with the progress to date and expect recently released product offerings will provide growth opportunities within North America in the second half of the 2014 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 2013, 1,543 machines were on participation, rental or lease with an additional 379 machines under trial subject to conversion to potential sale and/or lease in the second half of FY14,” Mr Gladstone said.

The Company also announced that it had signed an exclusive distribution agreement with LT Games to sell their highly successful multi-terminal gaming machines in the New South Wales club market.

Mr Gladstone said “LT Game is one of the major gaming and casino system providers in Macau and Asia Pacific region. This agreement provides the Company with a simulated table game offering in this important market segment.”

Further to the acquisition of a proprietary Remote Gaming Service (RGS) technology, discussions have progressed with major European operators to supply content on their platform. This will complement current arrangements with Game Account Network and Bally whereby content is being distributed to European markets and New Jersey.

A gross margin of 64% was achieved in the current period compared to 68% in the previous corresponding period in 2012. The Company noted that margins were impacted by the introduction of new hardware configurations to establish an expanded and diversified range of product offerings to provide both outright sales and recurring revenue opportunities. The increased contributions from international regions, primarily South America were at lower margins than other markets.

Operating costs, excluding cost of sales and financing costs, were \$38.0 million, an increase of 8% on the previous corresponding period in 2012. This was primarily due to increased variable selling costs on higher revenue, further investment within the Americas and an increase in research and development expenditure.

Research and development (R&D) was \$12.1 million (10% of total revenue), an increase of 12% on the \$10.8 million (11% 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 provide an increased library of innovative games both core and licensed in a variety of hardware configurations.

The Company advised that based on current forecasts the Group expects growth in revenue and profitability in the second half of the year ending 30 June 2014, primarily driven by increasing opportunities in the key market of North America.

Mr Gladstone said, "The Company continues to make good progress and expects investment in product initiatives to create further revenue gains."

The Company advised a conference call for its half year results will occur on Tuesday 25 February at 9.00am (AEST). The conference call details are as follows:

Conference Title: FY14 Half Year Results Announcement
Conference ID: 6101170
Local Number: Sydney 02 8113 1400 and Melbourne 03 8338 0900
Toll Free Number: 1800 554 798 (within Australia)

Ends

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