

# Ainsworth Game Technology Limited

## Equity Raising

23 April 2012



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



# Important notice and disclaimer

## IMPORTANT NOTICE

This presentation has been prepared by Ainsworth Game Technology Limited ACN 068 516 665 (AGT), in relation to a placement (Placement) of 30 million new fully-paid ordinary shares in AGT (New Shares) to institutional investors pursuant to section 708A of the *Corporations Act 2001* (Cth) (Corporations Act). The Placement is exempt from the disclosure requirements of Part 6D.2 of the Corporations Act.

### Summary information

The information contained in this presentation is a summary overview of the current activities of AGT. This presentation does not purport to be all inclusive or to contain all the information that a prospective investor may require in evaluating a possible investment. This presentation is for general information purposes and is not intended to be and does not constitute a prospectus, product disclosure statement, pathfinder document or other disclosure document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission. This presentation should be read in conjunction with all other periodic and continuous disclosure announcements lodged by AGT with the Australian Securities Exchange, available at [www.asx.com.au](http://www.asx.com.au).

### Not financial product advice

The material contained in this presentation is not, and should not be considered as, financial product or investment advice. This presentation is not an offer, invitation or recommendation to acquire New Shares, and does not take into account the investment objectives, financial situation or particular needs of any particular investor. You must make your own independent assessment and review of AGT, and the information contained, or referred to, in this presentation, including its financial condition, assets and liabilities, financial position, profits and losses, prospects and business affairs, including the merits and risks involved. Nothing in this presentation constitutes investment, legal, tax or other advice. You should seek legal, financial, tax and other advice appropriate for your jurisdiction.

### Past and future performance

This presentation contains information as to past performance of AGT. Such information is given for illustrative purposes only, and is not – and should not be relied upon as – an indication of future performance of AGT. The historical information in this presentation is, or is based upon, information contained in previous announcements made by AGT to the market. These announcements are available at [www.asx.com.au](http://www.asx.com.au).

This presentation contains certain “forward looking statements”. Forward looking words such as “expect”, “should”, “could”, “may”, “will”, “believe”, “forecast”, “estimate” and other similar expressions are intended to identify forward-looking statements. Such statements are subject to various known and unknown risks, uncertainties and other factors that are in some cases beyond AGT’s control. These risks, uncertainties and factors may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements and from past results, performance or achievements. AGT cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive beyond the date of its making, or that AGT’s business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this announcement and AGT assumes no obligation to update such information.

### Underwriter

Macquarie Capital (Australia) Limited (Underwriter) has not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and does not make or purport to make any statement in this presentation and there is no statement in this presentation 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, employees, agents and advisors exclude and expressly 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 presentation being inaccurate or due to information being omitted from this presentation, whether by negligence or otherwise, make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this presentation and take no responsibility for any part of this presentation. 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 its affiliates in relation to the New Shares or the Placement generally.

### NO LIABILITY

The information contained in this presentation has been prepared by AGT in good faith. No representation or warranty, express or implied, is made as to the accuracy, adequacy, reliability or completeness of any statements, estimates, opinions or other information contained in this presentation, any of which may change without notice. This includes, without limitation, any historical financial information and any estimates and projections and other financial information derived from them (including any forward-looking statement). Nothing contained in this presentation is, or may be relied upon, as a promise or representation, whether as to the past or the future. To the maximum extent permitted by law, AGT (including its shareholders, directors, officers, employees, affiliates and advisers) disclaims and excludes all liability for any loss or damage suffered or incurred by any person as a result of their reliance on the information contained in this presentation or any errors in or omissions from this presentation. To the maximum extent permitted by law, no Party nor any other person accepts any other liability, including without limitation, any liability arising from fault, negligence or lack of care, for any loss or damage arising from the use of this presentation or its contents or otherwise in connection with it.

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

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any New Shares in the US or to any person that is an, or is acting for the account or benefit of any, “U.S. person” (as defined in Regulation S of *U.S. Securities Act of 1933* (US Person)). The New Shares the subject of the Placement have not been and will not be registered under the *U.S. Securities Act of 1933* or under the securities laws of any State of the US (collectively, **US Securities Law**), and may not be offered or sold in the US or to any US Person, absent registration or an applicable exemption from registration in accordance with the relevant US Securities Law. This presentation may not be distributed or released in the US or to any US Person.



# Executive summary

- ❑ Ainsworth Game Technology Limited (“Ainsworth” or “AGT”) is seeking to raise approximately \$44 million via a fully underwritten share placement (“Placement”) of 30 million new ordinary fully paid shares (“New Shares”)
- ❑ Proceeds from the Placement will be used to repay accrued interest owing on previously provided borrowings and trade/credit facilities provided by an entity associated with Executive Chairman Mr Len Ainsworth, redeem outstanding convertible notes where required and fund product initiatives and Ainsworth’s international expansion
- ❑ The repayment of accrued interest owing on previously provided related party debt is part of Ainsworth’s strategy to establish a balance sheet that is reflective of its size and growth prospects
- ❑ Ainsworth’s recent financial results have been underpinned by consistently strong product performance and returns from investment in development initiatives. Future growth will be driven by further expansion into international markets leveraging momentum generated by the release of new products
- ❑ Ainsworth re-affirms previous guidance provided to the market on 22 February 2012, that it expects a before tax financial result in the second half of FY2012 to be similar to the first half



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



# Overview

- ❑ In 1995, Len Ainsworth founded Ainsworth Game Technology Limited with a commitment to become the leading manufacturer and supplier of gaming solutions listing on the ASX in 2001
- ❑ AGT is part of the gaming industry focusing on the design, development and manufacturing of gaming machines, software and related equipment supplies
- ❑ AGT distributes a range of gaming products, entertaining standalone progressives and linked games through its sales offices and distributors in Australia, New Zealand, Asia, USA and Europe
- ❑ AGT's head operations/office is located in Newington, Sydney Australia
- ❑ Our **vision** is clear:
  - ❖ To deliver excellence in Global Gaming Solutions
- ❑ Our **mission** is concise:
  - ❖ To provide high quality innovative gaming solutions globally
  - ❖ To secure sustainable profitability and growth for all stakeholders



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



# Investment highlights



*Licensed operator in key regulated international markets*



*Innovative and proven product development capabilities*



*Leading global game portfolio*



*Demonstrated track record of revenue growth with profitability established*



*Expansion into US provides increased exposure to significant market*



*Conservative balance sheet provides platform to support growth initiatives*



*Experienced management team*



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



# 1. Licensed in key regulated markets

## **Australia**

- All domestic Australian state licences and approvals

## **North America**

- 15 US state licences/ approvals (including Nevada) and 76 tribal licences
- Work in progress in other US jurisdictions (Ohio, plus additional tribal applications)

## **Canada**

- 4 registrations/ approvals in Canada (Ontario, Alberta, BC, Manitoba)

## **Central and South America**

- Dominican Republic, Peru, Puerto Rico, Venezuela

## **Asia and Europe**

- Singapore, Malaysia, Macau, Philippines, Greece



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



## 2. Innovative and proven R&D capability

- ❑ Global supplier of premium, high performance casino style gaming products
- ❑ Continued investment in product development resulting in improved product performance, as demonstrated by recent strength of A560 release
- ❑ Investment in additional staff in key R&D areas, including Industrial and Electrical Design, Hardware and Software Engineering
- ❑ Operational base for North America established in Las Vegas, Nevada to facilitate local product development and assembly
- ❑ Significant ongoing product releases across all key markets (325 scheduled for FY12)



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



# 3. Leading global cabinet portfolio



Low Boy  
w/LCD Topper



High Boy  
w/Oval Topper



**A560**  
SUPER



**MEGA TOP**

(Pending Regulatory Approval)



**A560<sup>ST</sup>**

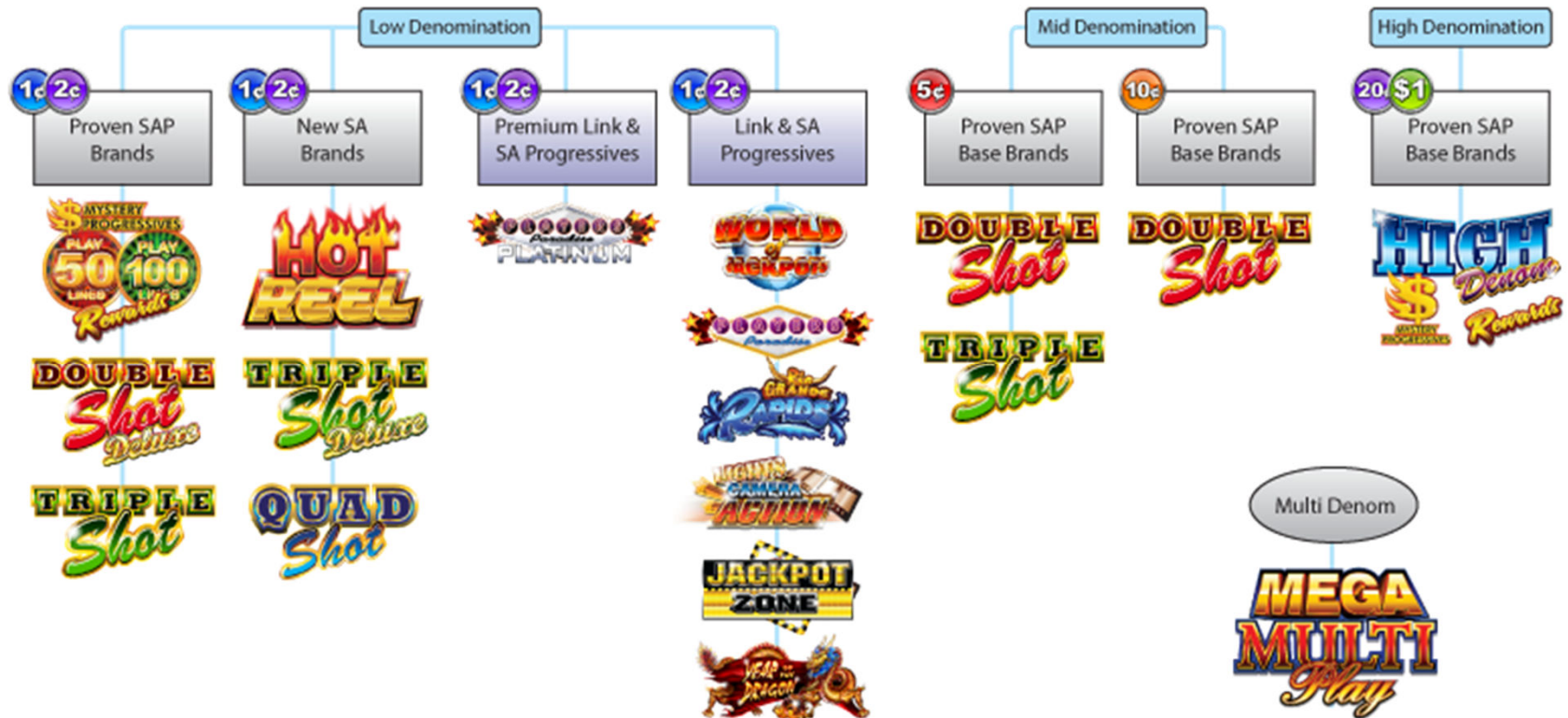


NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES OR TO US PERSONS



# 3. Leading global game portfolio

## Game Brands – Domestic



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



# 3. Leading global game portfolio

## Game Brands – International

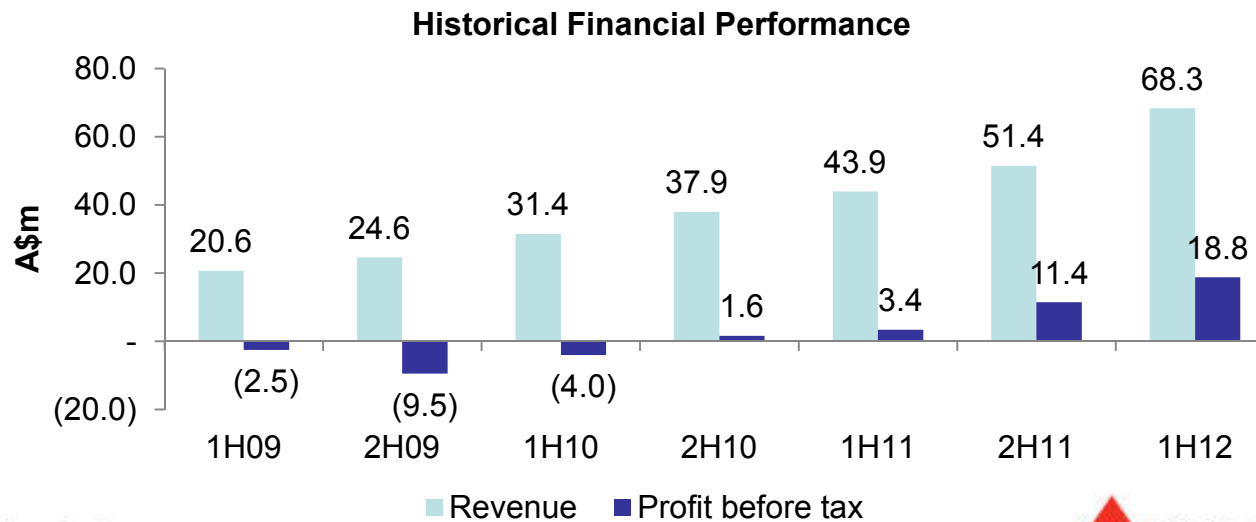


NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES OR TO US PERSONS



# 4. Track record of growth

- ❑ Consistent track record of revenue growth - record result of \$98.0m in FY11
- ❑ Strong momentum into FY12 with 1H12 revenue of \$68.3m
- ❑ Profit before taxation of \$14.8m FY11 already exceeded by 1H12 result (\$18.8m)
- ❑ Majority of revenue historically generated in Australia (1H12: 75%), with a focus on increasing revenue generated from North America (1H12: 9%)
- ❑ Seven consecutive half year periods of revenue growth



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



## 5. Significant potential from US expansion

- ❑ US market remains significant opportunity for Ainsworth
- ❑ Management focused on leveraging the Nevada licence granted in 2009
- ❑ CEO Danny Gladstone recently relocated to Las Vegas to oversee expansion
- ❑ Establishment of new headquarters in Las Vegas in late 2011 to facilitate improved service, supply and installation of machines
- ❑ A560 product range has experienced positive industry reception and customer feedback following demonstrations at key global exhibitions
- ❑ Nevada Slot Route Operators License currently pending approval and is expected to provide additional avenue for expansion in the participation market



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



## 6. Conservative balance sheet

- ❑ Net debt of \$35.7m reported at 31 December 2011
- ❑ Part of the proceeds of the Offer to repay accrued interest on previously provided borrowings and trade/credit facilities provided by an entity associated with Mr LH Ainsworth
- ❑ Repayment is consistent with the use of proceeds obtained from the sale and leaseback transaction approved in February 2012
- ❑ Strong cashflow generation has also assisted in lowering gearing levels
- ❑ Post the Offer, Ainsworth will be well placed to fund growth initiatives as well as having an increased ability to access external financing sources



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



# 7. Experienced management team

- ❑ Management team with more than 200 years collective experience in the industry
- ❑ **Len Ainsworth - Executive Chairman**
  - ❑ More than 60 years industry experience
  - ❑ Widely recognised as an industry leader and pioneer in design and technical innovation
  - ❑ Founder of Aristocrat Leisure (1953) and Ainsworth Game Technology (1995)
- ❑ **Danny Gladstone - Chief Executive Officer and Executive Director**
  - ❑ Highly experienced and respected gaming executive, career spanning 35 years
  - ❑ Formerly a Director of Konami, a role he held for ten (10) years
  - ❑ Appointed Chief Executive Officer of AGT in February 2007
- ❑ Experience across all key management areas including:
  - ❑ Chief Financial Officer and Company Secretary – **Mark Ludski**
  - ❑ Strategy & Development – **Scott Clarebrough**
  - ❑ Manufacturing – **Ian Cooper**
  - ❑ R&D – **Vince Bruzzese**
  - ❑ Compliance – **Paul Teng**



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



# Placement



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



# Placement summary

<b>Offer size &amp; structure</b>	<p>Placement to institutional and sophisticated investors to raise approximately \$44 million, comprising:</p> <ul style="list-style-type: none"><li>– 30 million new Ainsworth Game Technology Limited ordinary shares (“New Shares”)</li><li>– New Shares issued will rank equally in all respects with existing ordinary shares from allotment</li></ul>
<b>Offer Price</b>	<p>Fixed price of \$1.47 per New Share represents a:</p> <ul style="list-style-type: none"><li>– 6.1% discount to last traded price on 20 April 2012 of \$1.565</li></ul>
<b>Rationale</b>	<ul style="list-style-type: none"><li>– The proceeds of the Placement will be used to repay accrued interest owing on previously provided borrowings and trade/credit facilities provided by an entity associated with Executive Chairman Mr Len Ainsworth and redeem convertible notes (to the extent noteholders do not elect to convert their notes to shares), with the remaining funds used to fund product initiatives and international expansion strategy</li></ul>
<b>Underwriting</b>	<ul style="list-style-type: none"><li>– Placement is fully underwritten by Macquarie Capital (Australia) Limited (<i>subject to customary termination events</i>)</li></ul>



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





# Use of proceeds

Sources:	\$m	Uses:	\$m
Placement	44	Repay accrued interest owing on previously provided borrowings and trade/credit facilities provided by an entity associated with Mr Len Ainsworth (Executive Chairman)	20
		Redemption of outstanding convertible notes (maximum amount subject to noteholder election to convert to shares – refer Note on page 19)	17
		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	7
<b>Total:</b>	<b>44</b>	<b>Total:</b>	<b>44</b>



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



# Indicative timetable

<b>Trading halt and bookbuild</b>	Monday 23rd April 2012
<b>Ainsworth recommences trading on ASX</b>	Tuesday 24th April 2012
<b>Settlement date</b>	Monday 30th April 2012
<b>Allotment and listing of New Shares</b>	Tuesday 1st May 2012

Note: All dates are indicative only and are subject to change.



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



# Capital structure

- ❑ The repayment of accrued interest owing on previously provided borrowings and trade/credit facilities is part of Ainsworth’s strategy to establish a balance sheet that is reflective of its size and growth prospects
- ❑ As part of its strategy to simplify its balance sheet and reduce debt, Ainsworth also announces that it is intending on giving notice to redeem all of its outstanding convertible notes (“Notes”)
- ❑ Ainsworth has allocated \$17m of the Placement proceeds to fund the potential redemption of all outstanding Notes
- ❑ To the extent that Noteholders choose to exercise their conversion option rather than have their notes redeemed, Ainsworth will contribute the funds previously earmarked to fund the redemption to assist in financing product initiatives and international expansion
- ❑ After the Placement and subsequent redemption or conversion of the Notes, Ainsworth will have no related party debt or trade credit facilities outstanding and will have improved financial flexibility and an increased capacity to seek external financing to fund growth

Capital Structure Summary	Reported Balance (31 Dec 2011)	Pro Forma Balance (31 Dec 2011)
Cash	26.1	41.7 <sup>1</sup>
Finance Leases	1.6	1.6
Convertible Notes	22.2	16.9 <sup>2</sup>
Loans from Directors/Shareholders	38.0	-
<b>Net Debt / (Cash)</b>	<b>35.7</b>	<b>(23.2)</b>

1. Pro forma cash balance includes \$44m proceeds from the placement, \$5.4m redemption of convertible notes (Jan 2012), \$2.0m GST payment associated with sale and leaseback transaction (Feb 2012), \$20m repayment of 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) and approximately \$1m of costs associated with the offer

2. Represents face value of current outstanding convertible notes following redemption of \$5.4m in January 2012



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





# Appendix - *Supplementary Information*



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



# Board and management profiles

## Board of Directors

Name	Role	Details
<b>Mr Len Ainsworth</b>	Executive Chairman	<ul style="list-style-type: none"><li>• See slide 14</li><li>• Appointed to the Board in March 1995</li></ul>
<b>Mr Danny Gladstone</b>	Managing Director and Chief Executive Officer	<ul style="list-style-type: none"><li>• See slide 14</li><li>• Appointed to the Board in February 2010</li></ul>
<b>Mr Stewart Wallis AO</b>	Independent Non-Executive Director	<ul style="list-style-type: none"><li>• Chairman of Regulatory and Compliance Committee</li><li>• Chairman of Remuneration and Nomination Committee</li><li>• Member of Audit Committee</li><li>• Appointed to the Board in February 2002</li></ul>
<b>Mr Graeme Campbell</b>	Independent Non-Executive Director	<ul style="list-style-type: none"><li>• Chairman of Audit Committee</li><li>• Member of Regulatory and Compliance Committee</li><li>• Member of Remuneration and Nomination Committee</li><li>• More than 20 years experience in liquor and hospitality</li><li>• Appointed to the Board in September 2007</li></ul>
<b>Mr Michael Yates</b>	Independent Non-Executive Director	<ul style="list-style-type: none"><li>• Member of the Audit Committee</li><li>• Significant experience in commercial and corporate law (+30yrs)</li><li>• Appointed to the Board in December 2009</li></ul>



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



# Board and management profiles

## Senior Management

Name	Role	Details
<b>Mr Danny Gladstone</b>	Managing Director and Chief Executive Officer	<ul style="list-style-type: none"><li>• See previous slides</li></ul>
<b>Mr Mark Ludski</b>	CFO and Company Secretary	<ul style="list-style-type: none"><li>• More than 21 years in the gaming industry</li><li>• Previously held senior finance roles at Aristocrat</li></ul>
<b>Mr Scott Clarebrough</b>	Group General Manager Strategy and Development	<ul style="list-style-type: none"><li>• More than 30 years experience</li><li>• Previously held roles as Marketing Director IGT (Australasia) and GM of Commercial Operations at the Tatts Group</li></ul>
<b>Mr Ian Cooper</b>	General Manager Manufacturing	<ul style="list-style-type: none"><li>• More than 15 years in similar roles prior to joining Ainsworth</li><li>• Founding member of Konami Australia where he was employed for 11 years</li></ul>
<b>Mr Vince Bruzzese</b>	General Manager Research and Development	<ul style="list-style-type: none"><li>• More than 30 years industry experience</li><li>• 20 years with IGT Australia as Director of Engineering</li></ul>
<b>Mr Paul Teng</b>	Group Compliance Manager	<ul style="list-style-type: none"><li>• Joined Ainsworth in 2007</li><li>• Previous experience including 14 years in the Telecommunications industry in similar roles</li></ul>



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



# Financial information

## Ainsworth Game Technology Limited

### Summary of Financials

AUD millions	1H09	2H09	1H10	2H10	1H11	2H11	1H12
Total Revenue	20.6	24.6	31.4	37.9	43.9	54.1	68.3
<i>Revenue growth (yoy)</i>	-	19.4%	27.6%	20.7%	15.8%	23.2%	26.2%
R&D Expenditure	(6.3)	(6.0)	(5.0)	(5.3)	(6.3)	(6.8)	(7.1)
Overheads	(9.9)	(10.8)	(12.0)	(10.9)	(12.4)	(15.0)	(17.1)
PBT	(2.5)	(9.5)	(4.0)	1.6	3.4	11.4	18.8
NPAT (Normalised)	(2.8)	(9.8)	(4.2)	1.4	3.3	11.3	18.7
NPAT (Reported)	(2.8)	(9.8)	(4.2)	1.4	3.3	19.8	40.5
EPS	(0.01)	(0.04)	(0.01)	0.01	0.01	0.04	0.15

*\*Note: Normalised net profit for H2 FY11 and H1 FY12 excludes one-off recognition of \$8.5 million and \$21.8 million in deferred assets*



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



# Financial information (cont)

## Ainsworth Game Technology Limited

### Summary of Financials (Cash Flow)

AUD millions	1H09	2H09	1H10	2H10	1H11	2H11	1H12
<i>Net Cash from Operating Activities</i>	(3.0)	1.4	4.9	5.7	7.0	11.1	15.4
<i>Net Cash Used in Investing Activities</i>	(1.0)	(2.1)	(2.3)	(1.8)	(2.4)	(1.6)	(3.7)
<i>Net Cash Used in Financing Activities</i>	0.2	1.1	(0.6)	(0.7)	(2.1)	(2.5)	(1.0)
<i>Net Increase in Cash and Cash Equivalents</i>	(3.8)	0.5	2.0	3.3	2.6	7.0	10.7
<i>Cash and Equivalents at End of Period (Half Year)</i>	1.1	1.0	2.9	6.1	8.2	15.4	26.1



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





# Appendix - *Key Risks*



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



# Key risks

- ❑ **HIGHLY COMPETITIVE MARKETS**
  - ❑ Direct competitors include market leaders
  - ❑ Sales volume and profits may be adversely impacted by new products, new competitors and existing competitors seeing bigger market share
  
- ❑ **CURRENCY FLUCTUATIONS**
  - ❑ International sales predominantly in US dollars
  - ❑ Appreciation of A\$ against US\$ will adversely affect sales revenue received (in A\$)
  - ❑ No hedging of currency risk currently in place
  
- ❑ **BUSINESS LICENCES, REGISTRATIONS AND APPROVALS**
  - ❑ Time-consuming and costly to obtain
  - ❑ May be revoked, suspended and conditioned at the will of the authorities
  - ❑ Failure or inability to obtain or maintain a necessary licence may:
    - ❑ prohibit sales in the relevant jurisdiction
    - ❑ force AGT to sell through other licensed entities at reduced profit
    - ❑ adversely affect AGT's ability to obtain or maintain licences in other jurisdictions
    - ❑ significantly and adversely impact AGT's ability to achieve its growth targets
  
- ❑ **REGULATORY CHANGES**
  - ❑ Changes in government regulation may have a material adverse impact on:
    - ❑ profits earned by gaming operators in general
    - ❑ demand for gaming machines
    - ❑ profitability of AGT
  - ❑ E.g. reduction in total number of gaming machines permitted in a particular market, material increases in taxes and fees, government initiatives to address problem gambling



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



# Key risks

- ❑ TECHNOLOGY AND INTELLECTUAL PROPERTY RISK
  - ❑ New technology risk
    - ❑ New developments by competitors could significantly reduce the market for AGT's products
    - ❑ New developments by AGT may not be attractive to the market
  - ❑ Misappropriation risk
    - ❑ AGT's products may be copied or reverse-engineered
  - ❑ Infringement of third party rights
    - ❑ Competitors hold IP rights covering various features of gaming machines and associated products
    - ❑ Inadvertent use of those features may force AGT to discontinue production of certain products
    - ❑ Litigation relating to infringement may impact on business performance
    - ❑ Current claim by a competitor alleging patent infringements and cross claim by AGT before Federal Court
  
- ❑ FAILURE TO IMPLEMENT GROWTH STRATEGY
  - ❑ Growth of AGT is dependent on a multiplicity of factors, none of which are certain
    - ❑ Successful execution of branding recognition initiatives
    - ❑ Ongoing access to capital and funding
    - ❑ Future acquisitions
    - ❑ Creation of strategic joint ventures
    - ❑ Profitability of future acquisitions and joint ventures



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



# Key risks

- ❑ FOREIGN OPERATIONS
  - ❑ Less stable and well-regulated as compared to Australia
  - ❑ Potential expropriation or nationalisation of assets
  - ❑ Inequitable economic, tax, political and regulatory policies
  
- ❑ RELIANCE ON KEY PERSONNEL
  - ❑ Ainsworth is dependent on the experience of its directors and senior management team
  
- ❑ CONCENTRATION OF REVENUE
  - ❑ Main customers in Australia



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





# Appendix - *International Offer Restrictions*



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



# International Offer Restrictions

This document does not constitute an offer of New Shares of AGT in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

## Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "**Companies Ordinance**"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than (i) to "professional investors" (as defined in the SFO) or (ii) in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of AGT's shares, (ii) an "institutional investor" (as defined in the SFA), or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.



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



# International Offer Restrictions

## United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to AGT.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO, or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons").

The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## United States

This document may not be released or distributed in the United States. In particular, this document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' as defined in Regulation S ("**US Person**") under the US Securities Act of 1933 ("**US Securities Act**"). Any securities described in this document have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US Person except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.



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

