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**ASX Release****ASX Code: AGI****Ainsworth Game Technology Limited (AGT) –  
Trading Update and appointment of President of AGT North America**

Ainsworth Game Technology Limited (AGT) provides the following trading update. On 27th February 2018 AGT provided guidance to ASX; “We expect H2FY18 Profit Before Tax, excluding currency movements, to be modestly ahead of the \$42.2 million in H2FY17”. Profit Before Tax, excluding currency movements for H1FY18 was \$16.2 million.

While Ainsworth continues its progress to develop a more competitive product range to drive long term market share growth, several short term factors have caused profit expectations for 2HFY18 to be rebased. The Company now expects 2HFY18 Profit Before Tax, excluding currency movements to be around \$20 million. Profit Before Tax for the full year FY18, excluding currency movements, is now expected to be approximately \$36 million compared to the \$57.4 million in FY17. This guidance assumes the Churchill Downs Inc (CDI) machine order as previously announced to ASX is completed in this financial year.

Domestic sales expectations for H2FY18 have been adversely affected by a range of factors, including competitive activity, regulatory approval delays in product submissions and further product development changes which have deferred the approval and release of previously scheduled key game titles until H1FY19.

In Latin America, total unit sales are slightly lower in H2FY18 than the prior corresponding period with second hand units making up a larger share of the sales mix. Whilst these second hand unit sales have reduced inventory levels and are profitable, gross margins have been lower.

In North America AGT’s new unit sales in H2FY18, including the contribution from CDI, are expected to be similar to the 2,117 units reported in the prior corresponding period in 2017 with consistent average selling prices. The growth in PacMan licensed product though, with its associated royalty fee and lower gross margin, coupled with the reduction in participation income in the Class III market, are impacting margins and profitability in the region.

Mr Danny Gladstone said, “We are clearly very disappointed by the rebasing of our profit expectations for 2HFY18. We operate in competitive markets and our execution this time has not met the high standards our shareholders correctly deserve. We are moving decisively to improve our profit outlook and are continuing to progress new product developments and marketing initiatives, which we confidently expect to improve our performance in FY19”.

## **Appointment of new President of AGT North America**

Mr Joseph Bertolone has been appointed as President of AGT North America. Subject to regulatory approval, Mr Bertolone will commence in the new role on June 1, 2018.

Mr Bertolone will be based at AGT's Las Vegas facility and will be responsible for all North American operations, reporting to Mr Danny Gladstone, AGT's CEO.

Joseph most recently was the President and CEO of DEQ Systems Corp., a TSX Venture Exchange listed corporation. Under Joseph's leadership, DEQ grew the global brand to over 2,500 participation units, culminating with the sale of the company to Scientific Games in 2017. Prior to that, Mr. Bertolone has served in senior executive capacities for gaming suppliers, operators and regulatory organizations in the global gaming industry.

"Working closely with the AGT North American and Australian team, we will continue to build upon the strong foundation that AGT has established in North America over the last several years. I look forward to being a part of the positive momentum in the company." Mr. Bertolone stated.

Mr Gladstone concluded by stating, "We are delighted to welcome Joseph to lead AGT's North American business. He has a wealth of senior experience gained across the North American gaming industry. He has proven understanding of product led growth and high quality participation markets and a successful track record of delivering profitable growth and strong returns for shareholders. Joseph will continue to execute AGT's growth strategy in North America by leveraging our technology capabilities and distribution footprint to drive profitable growth and recurring earnings."

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