

**ASX Release**

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**Ainsworth Game Technology Limited Announces FY05 Results**

Ainsworth Game Technology Limited (AGT) today announced an audited after tax loss of \$10.6 million, in line with the profit guidance released on 30 June 2005. The Company further advised that it expects to release its Appendix 4E and Annual Financial Report for the financial year ended 30 June 2005 tomorrow.

Commenting on the result, the Company's major shareholder and Executive Chairman, Mr Len Ainsworth, said that a number of factors had contributed to the result, including a lower than expected sales volume to customers in Europe, South Africa and Australia. In addition, a substantial increase in overhead costs was incurred during the period in anticipation of the Company meeting continuing international growth opportunities. Principal areas of cost increases were further investment in research and development expenditure, costs associated in applying for licenses in new markets and increased staff costs associated with rapid expansion in these markets.

Mr Ainsworth added that the loss included one-off expenditure of approximately \$5 million. These one-off expenses included costs incurred in relation to the discontinued merger with the Unicum Group, restructuring costs incurred in NSW, Europe and the UK, and costs associated with legal matters.

Mr Ainsworth said "On a positive note, revenue for the period is up 29 per cent on the previous year to a total of \$82 million."

"As announced previously, the Chief Executive Officer, Mr David Creary, has undertaken a review of the Company and has completed a detailed plan for FY06," Mr Ainsworth said.

"I have every confidence in the ability of Mr Creary to successfully implement the planned restructuring and cost reduction program ensuring the Company returns to profitability in the coming financial year."

Mr Creary said "The restructuring program will ensure costs of production and overheads are reduced, with a new focus given to product strategy and the need to deliver quality products into areas offering the greatest prospects for growth, including the Americas, Europe, Macau and Australia. The cost reduction program is expected to directly impact the bottom line in the 2006 financial year".

He added, "Markets across the Americas are providing strong opportunities for growth and AGT will give continued strong focus in these markets, which contributed 38 per cent of the total revenue for the current year".

"Within Australia, AGT experienced increased revenue within the primary markets of New South Wales and Queensland, despite the difficult market conditions. The additional benefit of sales into the Victorian market has presented the Company with further product opportunities."

"The Company will also continue to invest in research and development, compliance and licensing to ensure it is well placed to take advantage of current and new opportunities in emerging markets", Mr Creary added.

The Company also announced a proposal to raise \$20 million in a fully underwritten rights issue to all Shareholders, an increase of \$8 million in the amount proposed to be raised as indicated in the previous guidance released on 30 June 2005. The Company's Chairman, Mr Len Ainsworth, and a number of family members have undertaken to fully underwrite the issue. Further details in relation to the terms and entitlements of the issue are currently being completed and will be announced once finalised."

As previously foreshadowed, AGT has also now finalised a new agreement with an entity controlled by Mr LH Ainsworth to increase loan facilities available to the Company by \$10 million to a total facility of \$40 million. The terms of the facility are more favourable than those that could be achieved from the Company's bankers and at arms length in the open market.

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