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AINSWORTH GAME TECHNOLOGY LIMITED

2016 ANNUAL GENERAL MEETING ADDRESSES

EXECUTIVE CHAIRMAN
(Presented by LH Ainsworth)

Ladies and Gentlemen,

I am pleased to present this review of the 2016 financial year. These results reflect continuing progress towards achieving our long term strategy and delivering the anticipated benefits to shareholders.

Our strategy has been to expand and diversify our offerings to the global gaming market. We have and continue to develop a broader, more creative differentiated product portfolio allowing Ainsworth to enter more diverse markets, increase market share and grow revenue.

Since 2011, Ainsworth's international revenues have grown from $23.3m to $204m. These international revenues now account for 71% of group revenue.

Ainsworth is now positioned to continue to build on strategies to expand its international presence. We needed to operate in larger markets. We wanted to leverage our technology and game expertise into bigger opportunities. The Americas was our number one focus. I am pleased to say our businesses in the Americas have grown strongly with a further 40% growth in revenues this year.

We expect our international revenues to continue to grow. With new hardware, games, the contribution from Nova Technologies which we acquired in January and is going very well, the new facility in Las Vegas that is now officially open and operating giving Ainsworth a greater presence over there, and with the delivery of the expected synergies with Novomatic, we are confident we will increase the company's revenues and profitability from international markets.

We acknowledge that domestic markets are very competitive. However, I expect that through our innovative game development we have a solid strategy for recovery in market share, revenues and profitability.

On behalf of my fellow directors, management and staff we are delighted to welcome Novomatic to Ainsworth. Novomatic is a highly regarded and successful international gaming company with an extensive library of games and technologies.

I am pleased to report that the Board was able to declare a fully franked dividend of 10 cents per share for the full year. The dividend represents a 58% payout ratio recognising we clearly remain in the investment and growth phase in our development.

The Board is focussed on building a stronger, more diversified and profitable global gaming and technology Group. This year, I am pleased to announce the following changes:

First, given our strategic relationship, Harald Neumann, Novomatic AG's CEO will join our board in the New Year subject to the necessary regulatory approvals. This is a further step in the development of our strategic relationship. Second, Graeme Campbell, our lead independent director will take on the Chair of Ainsworth following this meeting. Graeme is a proven and capable director. Third, I now feel the time is right for me to step down as Chair. I am pleased to stay on as an Executive Director so that my experience, expertise and relationships can continue to be of value to the company.

Please join me in congratulating Harald and Graeme on their appointments. I am confident that with this enhanced Board coupled with the clear strengths of the management team, Ainsworth has a secure future.

I would also like to sincerely thank Mr Danny Gladstone, our CEO and Mr Mark Ludski, our CFO who both did an outstanding job through the year, the rest of the highly capable and effective executive team, along with the invaluable contribution of our loyal, and dedicated employees, my fellow shareholders and valued customers.

Thank you and I will now hand over to Danny who will give the CEO's address.

CHIEF EXECUTIVE OFFICER
(Presented by DE Gladstone)

Thank you Len.

Before I begin let me first add my congratulations to Graeme, Harald and Len on your new appointments and roles. Harald, welcome to your first Ainsworth AGM. Today marks something of a milestone in Ainsworth's development to deliver on our strategies and potential.

Let me now review 2016.

Although we had continued challenges in 2016, we did make good progress in our objectives to add technology and expand our established product offerings. The addition of Nova has provided us with a Class II gaming product, new hardware configurations including the recently shown A640 and a diversified game development structure is expected to lay the foundations for market share gains and increased profitability over time.

We were able to deliver another year of strong revenue growth, consistent margin and a stable profit. Moreover, including our commitment to Research and Development and our investments in the new US facility, underlying EBITDA came in at $95.2m, a pleasing rise of 12%. Our return on equity was 18% and we finished the year in a strong financial position with a conservative balance sheet.

We are determined to build a significant business in large international markets, particularly the Americas. We aim to leverage our proprietary technologies and gaming expertise to substantially increase our profitability. We focus on improving the quality of our earnings by developing a larger

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participation business that provides recurring revenues. We continue to invest in multiple new licenses and their related markets to ensure our ongoing growth and sustainability. And we continue to develop our online and social gaming business to build a presence on these new markets. In 2016 we made progress on all of these fronts.

Our international business performed well with revenues growing by 38%. International revenues now account for 71% of the group total.

Indeed, around 68% of our segment profits now come from the Americas. Within this our North American revenue grew by 34% last year. We generated $111m of sales and profits grew by 29%. We sold 15% more units at 3559 and held average selling prices flat.

The continued high performance achieved on the A560SL with game brands such as Mustang Money 2, Thunder Cash, Twice the Money and Cash Cave made the Group's products an attractive value proposition across both established and new markets.

All of our main brands perform at an average index of 1.0 – 2.2 times the house average.

This year we are launching "Pacman", an iconic game, as a participation product in the US and sales in Australia and we anticipate strong results.

Earlier this year we were pleased to officially open our new facility in Las Vegas. We welcomed the Governor of Nevada and several Senators to the Opening along with leading industry figures, TV channels and the press. I know some of you have seen the new facility and would agree it is impressive. It is also a positive statement of our future intent. It gives us a far greater profile and presence in our key market and an operational base to drive future sales and profitability.

We now have a strong and broad presence across North America. We are well established in some states and new in other jurisdictions. Encouragingly we saw ongoing growth in existing markets led by California, Canada, Louisiana and Wisconsin. And we enjoyed a good contribution from new territories that were recently added.

As we grew our North American business we continued to invest in innovation sales and customer support. We increased sales, service, production and support resources. And in line with our strategy we built up a dual creative and design team over there. This team works closely with the Australian team in developing new technologies. We find this is a productive way to leverage, rather than duplicate our resources.

Nova Technology is another important part of our growth and strength strategy in the US. With Nova included, we finished the year with 2792 units on participation. That represents a 112% increase. We have subsequently increased Nova's installed base by 25% since completion. We have fully integrated Nova's Class II products into popular Ainsworth hardware. This is being well received in the market.

Nova also has licenses to sell in 11 states and over 58 jurisdictions. Importantly, we can continue to leverage this technology platform and we have strategies in place to enter new markets and drive further growth. Nova has 35 Class II titles available now. In FY17 we will have 42 titles. Ainsworth has 10 titles and this is growing strongly. In FY17 we should have 28. This will take our total up from 45 new titles to 70. This will drive our momentum and growth.

Let's now turn to Latin America. This is another high performing region for us. Sales grew by 49% and profits reflecting our operational gearing, increased by 68%. We sold 2923 units, up by 32% on the prior year and our average selling prices increased slightly.

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Mexico is our largest market in the region. It represents almost a third of units sold. Argentina is also an important market for Ainsworth. It represents almost a quarter of unit sales. We sell across a range of other countries including the Caribbean, Peru, Uruguay and Colombia where we also see good growth.

You will also remember, but it is worth saying again that the working capital payment cycle is longer in Latin America and with a high base of units on participation, the business is more capital intensive. Notwithstanding these factors, these are great results.

The Rest of the World segment was also a story of strong growth. The region comprises Asia, New Zealand, South Africa and Europe. Revenues increased by 25% and profits were 18% higher.

We sold over a thousand units in this region last year including a significant order from SkyCity Auckland and sales into South Africa.

In Australia we acknowledge that this is a challenging period for volumes, revenues and margins. We operate in a highly competitive market against an effective market leader. We saw minimal corporate and casino sales this year together with general changes in customer purchasing patterns. When we were selling far more machines back in 2014 these customer bases added significant volumes inflating the prior corresponding period base line. They were largely absent for us last year for a variety of reasons peculiar to specific large buyers.

As we recently announced to ASX these market trends have continued into the new financial year causing our results in the first half FY17 to be impacted.

While ship share is under pressure, high yielding product performance ensured last year that the installed base of Ainsworth product still experienced moderate growth across domestic markets. Despite the vendor market being highly competitive and concentrated, on the positive side we held our pricing discipline and our average selling prices increased.

Domestic margins were adversely impacted due to product mix changes, higher initial material costs on new products, A$ currency variations and competitive pressures across the gaming industry.

Our new A600 machine, while gaining some traction in the market, is also costly to manufacture given some of its advanced componentry is priced in US$ and initial production runs are small. Cost reduction initiatives have now been implemented and with the expected growth in sales volumes and production efficiencies as well as a greater concentration of premium progressive games, these impacts should be reduced over time going forward.

So what are we doing to remedy this down turn in Australia?

The release of a new range of games on the technically advanced A600 at the Australasian Gaming Exhibition in August 2016 has been well received and should over time provide momentum to improve our domestic results. The A600 is maintaining floor space and more product variants and additional hardware configurations will be launched in the New Year.

To support further product development we have opened up our organisational structure, promoting greater creativity. It is making a difference. We have also engaged with recognised external game consultants with good track records.

I’m also delighted to announce that Kieran Power will be joining us as our new Chief Technology Officer. Kieran will lead our technology resources, assume responsibility for delivering the Novomatic technology synergies and develop and accelerate our pipeline of new games and hardware.

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Kieran has an impressive track record. He adds real weight to our technology efforts. He is a qualified lawyer, and has been a practicing partner in patent law. He comes to us from Aristocrat where he was responsible for their Advanced Technologies team. Unusually, he brings a combination of proven technology, technical and legal skills, as well as a deserved reputation for being a highly effective gaming executive.

Let me now turn to the most significant event of FY16 and a relationship that can shape our future. On June 27 this year, shareholder approval was granted for Len to sell 172 million shares to Novomatic AG. On behalf of my fellow directors, management and staff we are delighted to welcome Novomatic to Ainsworth as a prospective majority shareholder. Other regulatory approvals and the licensing process are proceeding well to enable the completion of this transaction.

Novomatic is a highly regarded and successful international gaming company with an extensive library of games and technologies. There are clear and significant synergies that can be developed through this relationship. We detailed those synergies in the Notice of Meeting provided to shareholders for the General Meeting held in June of this year. They are intact and we have already made progress in exploring their game library and cooperating in the key American market. We are working well together and we are acting on all of the opportunities highlighted previously.

We look forward to making further progress on these fronts in FY17 and delivering these synergy benefits for all shareholders.

Online is another element of our new model. We made further progress in this area in 2016.

The strategic investments we have made in Real Money and social platform technology should provide further opportunities to leverage Ainsworth's recognized brands to a larger number of users through social and mobile channels.

Successful integrations have been achieved with Real Money gaming platforms: Microgaming Ltd and iSoftbet. Ten games have been provided for initial launch on these platforms and early performance is encouraging.

Ainsworth opened its second social casino, King Spin Slots App. This was successfully launched in conjunction with 616 Digital on Android and iOS. The synergy between Ainsworth and 616 Digital has been reflected in the ongoing strong performance of the App and given our intention to exercise our purchase option we expect to develop an even closer partnership in the future.

We have achieved these results and developed these growth strategies on our own. Now we are moving towards the next stage of our development. With Novomatic we are in a stronger position to compete effectively across these markets.

Let me move forward to the Outlook.

In FY17, we expect our international revenues to continue to grow. With new hardware, games, the contribution from Nova Technologies, the benefits of the new facility in Las Vegas and with the delivery of the expected synergies with Novomatic, we are confident we will increase the company's revenues and profitability from international markets.

It was encouraging to see the strong customer response we had at the recent G2E event in Las Vegas; one of our most successful ever shows, confirming our confidence.

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In the domestic markets we expect the challenging industry conditions to continue through FY17 influencing our results. Unit volumes in the first half for Australia are down by approximately 30% versus PCP.

As a result Group pre-tax profit, excluding currency effects, is expected to be down to around $15m for the first half compared to $35m last year.

We are confident the investments undertaken in research and development activities will produce an increased pipeline of new product offerings across all markets.

The second half of FY17 should be much better. We expect a significant improvement in profits in the second half as compared to 2HFY16.

We will provide a further update to the market at the time of our next results in February.

I would like to close by thanking the Chairman and Board for their commitment and wise counsel, our talented employees for their major contribution to our business, our loyal and supportive shareholders and importantly our customers for whom we strive to deliver the best in gaming entertainment.

Thank you.

Ends

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