

AGEM Index

Association of Gaming Equipment Manufacturers

May 2010

The AGEM Index declined 10.9 percent, or 12.61 points, to close the month of May 2010 at 103.58. The latest movement represented the largest monthly decline during the past year and offset the gains reported during the preceding two months. Concerns among foreign financial markets, particularly in the European Union, continued to develop throughout the month, creating sharp losses amidst intermittent gains in the broader U.S. equities markets. Only during the last week of May did the markets post any meaningful improvements, particularly with the Dow Jones Industrial Average climbing back above 10,000 before month-end, and lessening its loss to only 7.9 percent in May.

While markets, domestic and foreign, continue to influence one another, global gaming suppliers remain more focused on expanding their reach into new markets as International Game Technology (IGT) in their latest 10-Q filing noted, “we are dependent, in part, on new market openings to generate growth.” In other SEC filings, Bally Technologies (BYI) suggested they were engaged in expanding their business in Mexico, Italy,

Australia and potentially Brazil. In addition to these jurisdictions, Singapore, Spain and Taiwan are also on the radar of WMS Industries (WMS), according to its latest quarterly financial report.

The only positive contributor to the index during the month was Multimedia Games (MGAM) posting 0.01 points to the index sourced to a 1.32-percent increase in its stock valuation.

Selected negative contributors to the index included:

- Lottomatica (LTO) witnessing its stock price fall 10.76 percent, contributing -2.65 points to the index.
- International Game Technology (IGT) posting -2.50 points to the index with a 7.16-percent decline in its stock valuation.
- Konami (KNM) reporting a 17.57-percent decline in its stock price, contributing -2.31 points to the index.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		May-10	Apr-10	May-09	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	0.10	0.12	0.08	(16.67) ↓	25.00 ↑	(0.03)
Aristocrat Technologies	ASX: ALL (AU\$)	4.10	4.29	3.63	(4.43) ↓	12.95 ↑	(1.43)
Astro Corp.	Taiwan: 3064 (NT\$)	45.40	56.20	64.60	(19.22) ↓	(29.72) ↓	(0.12)
Bally Technologies	NYSE: BYI (US\$)	42.50	46.12	28.00	(7.85) ↓	51.79 ↑	(1.10)
Elixir Gaming Technologies	AMEX: EGT (US\$)	0.27	0.28	0.18	(3.57) ↓	50.00 ↑	(0.01)
GameTech International	Nasdaq: GMTC (US\$)	1.75	2.09	1.48	(16.27) ↓	18.24 ↑	(0.02)
Gaming Partners International	Nasdaq: GPIC (US\$)	5.50	7.87	6.20	(30.11) ↓	(11.29) ↓	(0.08)
Global Cash Access	NYSE: GCA (US\$)	7.99	8.68	6.98	(7.95) ↓	14.47 ↑	(0.25)
IGT	NYSE: IGT (US\$)	19.57	21.08	17.36	(7.16) ↓	12.73 ↑	(2.50)
INTRALOT S.A.	ATHEX: INLOT (€)	2.94	3.25	5.09	(9.54) ↓	(42.24) ↓	(0.55)
Konami	NYSE: KNM (US\$)	16.47	19.98	18.33	(17.57) ↓	(10.15) ↓	(2.31)
Lottomatica (GTECH)	MILAN: LTO.MI (€)	12.19	13.66	14.14	(10.76) ↓	(13.79) ↓	(2.65)
Multimedia Games	Nasdaq: MGAM (US\$)	4.61	4.55	3.58	1.32 ↑	28.77 ↑	0.01
Shuffle Master	Nasdaq: SHFL (US\$)	8.30	9.60	4.39	(13.54) ↓	89.07 ↑	(0.36)
Transact Technologies	Nasdaq: TACT (US\$)	7.36	7.49	4.98	(1.74) ↓	47.79 ↑	(0.01)
Wells-Gardner Electronics	AMEX: WGA (US\$)	1.61	2.19	0.79	(26.48) ↓	103.80 ↑	(0.03)
WMS Industries	NYSE: WMS (US\$)	46.33	50.02	35.47	(7.38) ↓	30.62 ↑	(1.18)
Change in Index Value							(12.61)
AGEM Index Value: April 2010							116.19
AGEM Index Value: May 2010							103.58

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As New Hampshire finalizes its state budget to be submitted to the Governor this month, it is likely that video slots will not be legalized in the state. To help narrow a \$300-million budget shortfall, video slots were proposed by the Senate but not by the House, making it unlikely to be part of the final budget. Nevertheless, amid state budget crises, gaming continues to expand as a potential means to fill gaps in reduced tax revenue across the United States.

In Delaware, table games entered the market, first being installed at Harrington Raceway and Casino. Delaware Park and Dover Downs are also expected to install table games later this month, including baccarat, blackjack, craps, poker and roulette. In nearby Massachusetts, debate heated up regarding the legalization of full-blown gaming to provide economic stimulus to the state. Additionally, local tribal councils are proposing several different casino sites. Legislation will likely be proposed in June in the New England state.

Across the border from Sioux Falls, South Dakota, a Lyon County, Iowa casino will begin construction this month. In addition to the 100-room hotel, a full-service spa, 1,200-seat events center, and three restaurants, the casino will operate 900 slot machines and 24 table games. Three other proposed casino licenses were denied in Iowa during the month of May. Farther south

in Missouri, the state's gaming commission set its timetable for a casino license to become available after the President Casino in St. Louis voluntarily closes its doors no later than July 1. The last of the 13 gaming licenses available in the state have spurred interest from more than a dozen developers and gaming operators. While several key deadlines are approaching, formal applications are due September 1.

In Ohio, lawmakers are still reconciling bills from the House and Senate to pass regulations for the state's four future casinos. Racetracks still do not have the authority to install slots but at an auction in New York, Harrah's purchased the Thistledown racetrack located in North Randall, Ohio, for \$43 million.

In gaming development abroad, Las Vegas Sands finished raising \$1.75 billion to assist in financing the next two phases of its development in Macau. The phases will include additional casino and retail space, as well as 6,000 hotel rooms. The first phase is expected to be completed in the third quarter of 2011 and the announcement comes at a time when gaming revenue in Macau is pushing record highs. Gaming revenue in April reached 14.1 billion Macau Pataca (MOP) or nearly \$1.8 billion, representing a 68-percent increase over the previous year.



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The AGEM Index

The Association of Gaming Equipment Manufacturers (AGEM) produces the monthly AGEM Index that comprises 17 global gaming suppliers throughout the world. A total of 12 suppliers are based in the United States and are listed on the NYSE, Nasdaq, or AMEX, while two trade on the Australian exchange, one supplier trades on the Athens exchange, one trades on the Milan exchange, and another trades on the Taiwan OTC exchange. The index is computed based on the month-end stock price (adjusted for dividends and splits) of each company and weighted based on approximation of market capitalization. Market capitalizations for manufacturers trading on foreign exchanges have been converted to US dollar-equivalents as of month-end for comparability purposes. The AGEM Index is based on a 100-point value as of January 2005.

About AGEM

AGEM is an international trade association representing manufacturers of electronic gaming devices, systems, and components for the gaming industry. The Association works to further the interests of gaming equipment manufacturers throughout the world. Through political action, tradeshow partnerships, information dissemination and good corporate citizenship, the members of AGEM work together to create benefits for every company within the organization. Together, AGEM and its member organizations have assisted regulatory commissions and participated in the legislative process to solve problems and create a positive business environment.

AGEM Index and Overview



The AGEM index and overview is prepared by Applied Analysis (AA). AA is a Nevada-based advisory services firm providing consultation services for public and private entities. The company utilizes extensive experience in economics, information technology and finance to provide a wide range of services, including urban economic consulting, financial advisory services, market analysis, public policy analysis, hospitality industry and gaming consulting, and information system and technology consulting.

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AGEM Membership Roster

The current AGEM membership roster, 93 strong, is a who's who of the supplier segment of the global gaming industry:

AGEM Gold Members:

- Aristocrat Technologies
- Aruze Gaming America
- Austrian Gaming Industries
- Bally Technologies
- GTECH/Atronic/Spielo
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- WMS Gaming

AGEM Silver Members: AC Coin & Slot, Action Gaming, Casino Technology, Interblock USA, JCM Global, MEI, Multimedia Games, Shuffle Master, Suzo-Happ Group, TCSJohnHuxley and Wells-Gardner Electronics.

AGEM Bronze Members: Ainsworth Game Technology, Astro Corp., Cadillac Jack, Cammegh Limited, CashCode / Crane Payment Solutions, Diamond Game, Digital Display Group, Entropy Precision System, Euro Games Technology (EGT), GameTech International, Gaming Support, Incredible Technologies, Jumbo Technology, KGM Gaming, Lightning Gaming, Lucky Line Ltd., MCA Processing, Modern Gaming, Rocket Gaming Systems, Summit Gaming, THT, and Winning Asia Technology.

AGEM Associate Members: AxesNetwork Solutions, Bullivant Houser Bailey, Casino Enterprise Management, Ceronix, CMYK Creative, Cole Kepro International, Cybertec Gaming Systems, Diamond Casino Products, DynaGraphic Printing, Elite Casino Products, Esterline Advanced Input Systems, FutureLogic, Gaming Capital Group, Gaming Partners International, Gary Platt Manufacturing, Global Cash Access, Global Gaming Group (G3), Grand Products, Heber Ltd., Howard & Howard, IDX, Intel, IPS, James Industries, KEY-BAK, Kreller Group, KSK, Lewis & Roca, Masterpiece Advertising, MC2, Money Controls, Nanoptix, Outpost Creative, Phelps Dunbar, Proforma GPS, Quixant Ltd., Regulatory Management Counselors, Sanmina-SCI, SCA Gaming, Strategy9, StylGame USA, Talent Associates, The Bright Group, 3M Touch Systems, Tournament One, TMX, Trade Show Fabrications, TransAct Technologies, Veridocs, Wrex Products and Young Electric Sign Company (YESCO).