

AGEM Index

Association of Gaming Equipment Manufacturers

February 2011

The month of February witnessed the AGEM Index slightly retract from the previous month. Falling 1.2 percent, or 1.29 points, to 103.16, the index of 17 publicly traded global gaming suppliers now stands only faintly higher from where it was a year ago. Major gains were sourced to manufacturers with headquarters outside the United States. Largely from sales to new Singapore casinos, Aristocrat returned a favorable annual profit and higher dividends than in 2009. Konami's reported stock gain was largely based on its diversification into other markets by unveiling a popular new game title from its video game software division. The AGEM Index has stayed relatively stable over the last 90 days, when making prior year comparisons, suggesting both good and bad: investors are willing to hold shares in the long term, but the index as a whole is in no longer on the same recovery path as the broader markets.

Selected positive contributors to the index during the month included the following:

- Aristocrat Technologies (ALL) gained 6.4-percent in its stock price, contributing 0.87 points to the index.

- Konami (KNM) contributed 0.85 points to the index with a reported a stock price increase of 5.2 percent.

Selected negative contributors to the index included:

- International Game Technology (IGT) reduced the composite index by 1.18 points with a 4.14-percent decline in its stock price.
- WMS Industries (WMS) witnessed its stock price fall 5.15 percent, contributing -0.68 points to the index.

Although the broader equities markets witnessed significant volatility caused by unrest in the Middle East, the AGEM Index was outperformed during the month of February as the Standard and Poor's 500 Index and the NASDAQ Composite closed the month up 3.99 percent and 3.55 percent, respectively. While concerned with inflation, particularly from a rise in oil prices, investors continue to hold their position that the gaming sector will continue to recover at a slow pace due to unemployment levels remaining elevated and household disposable income remaining somewhat limited.

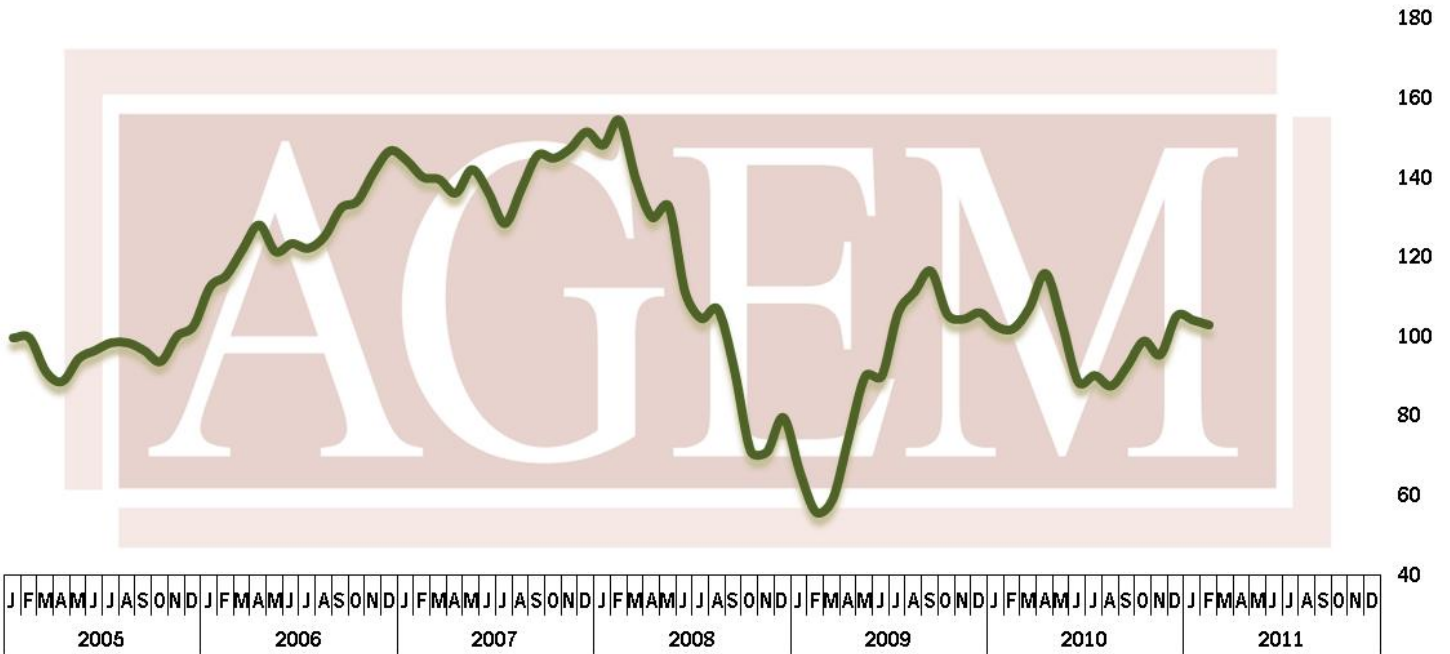
AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Feb-11	Jan-11	Feb-10	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	0.22	0.28	0.16	(20.00) ↓	41.94 ↑	(0.07)
Aristocrat Technologies	ASX: ALL (AU\$)	3.16	2.97	4.23	6.40 ↑	(25.30) ↓	0.87
Astro Corp.	Taiwan: 3064 (NT\$)	57.00	57.30	66.00	(0.52) ↓	(13.64) ↓	(0.02)
Bally Technologies	NYSE: BYI (US\$)	38.63	40.93	41.41	(5.62) ↓	(6.71) ↓	(0.67)
Elixir Gaming Technologies	AMEX: EGT (US\$)	0.35	0.36	0.28	(2.78) ↓	27.27 ↑	(0.01)
GameTech International	Nasdaq: GMTC (US\$)	0.33	0.46	1.76	(29.35) ↓	(81.53) ↓	(0.01)
Gaming Partners International	Nasdaq: GPIC (US\$)	7.39	6.88	5.56	7.41 ↑	32.91 ↑	0.03
Global Cash Access	NYSE: GCA (US\$)	3.44	3.05	7.49	12.79 ↑	(54.07) ↓	0.17
IGT	NYSE: IGT (US\$)	16.46	17.17	17.55	(4.14) ↓	(6.21) ↓	(1.18)
INTRALOT S.A.	ATHEX: INLOT (€)	2.50	2.51	3.47	(0.40) ↓	(27.95) ↓	0.03
Konami	NYSE: KNM (US\$)	21.07	20.03	18.68	5.19 ↑	12.79 ↑	0.85
Lottomatica (GTECH)	MILAN: LTO.MI (€)	10.25	10.61	13.22	(3.39) ↓	(22.47) ↓	(0.30)
Multimedia Games	Nasdaq: MGAM (US\$)	5.50	5.33	4.57	3.19 ↑	20.35 ↑	0.03
Shuffle Master	Nasdaq: SHFL (US\$)	9.41	10.53	8.22	(10.64) ↓	14.48 ↑	(0.31)
Transact Technologies	Nasdaq: TACT (US\$)	9.92	9.64	7.55	2.90 ↑	31.39 ↑	0.02
Wells-Gardner Electronics	AMEX: WGA (US\$)	2.45	2.75	2.48	(10.91) ↓	(1.21) ↓	(0.02)
WMS Industries	NYSE: WMS (US\$)	39.79	41.95	37.93	(5.15) ↓	4.90 ↑	(0.68)
Change in Index Value							(1.29)
AGEM Index Value: January 2011							104.45
AGEM Index Value: February 2011							103.16

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Manufacturing on a wider scale has grown at an increasingly faster rate for 19 months based on the Institute for Supply Management's (ISM) Manufacturing Index. Considered a leading economic gauge, this index measures the movements affecting the manufacturing sector each month, reporting a level of 61.4 percent in February, its highest level since May 2004.

Assessing the economic conditions of 18 industries covered by ISM, the computer and electronic products and electrical equipment sectors continue to also show positive growth, but while the manufacturing sector continues to demonstrate significant improvement, concern for global gaming suppliers remains. The rising cost of raw materials, particularly rare earth minerals used in electronic components is something to monitor closely as the February report from ISM noted electric components were in short supply and that a weakening dollar is increasing the cost of materials purchased overseas. These challenges could have an effect on profit margins before a sustained recovery has yet to take hold in the gaming industry.

Additional worries stem from the rising costs of crude oil. While higher oil prices increase the overall cost of doing business, it has a significant impact on the tourism industry. As economic recovery continues, it is expected to bring higher prices in oil as demand rises, but with ongoing sweeping political changes throughout the Middle East, oil prices have soared above \$100 per

barrel, with Brent Crude Futures, the largest oil classification, up more than 24 percent since the beginning of the year.

Climbing prices at the pump will likely have an adverse effect on the broader economy, especially to areas relying on a strong leisure and hospitality industry. Less disposable income could potentially result in less spending at a casino, or even worse, an economic decision is made not to drive to the casino because it costs too much. Las Vegas witnessed some of this in the first half of 2008 as gas prices from drive-in markets approached \$5 per gallon. Anecdotal reports from operators suggest this has not impacted demand in the early stages of this latest cycle.

The real concern with rising oil is the perception of how much additional expenditure cannibalizes from the consumer profile. If a consumer (potential casino visitor) believes that a \$1 per gallon rise in gas is going to "break the bank", then the recovery casinos are just beginning to see take hold may stifle before it has fully begun.

If that happens, casino operators will be once again faced with making decisions on spending cuts, including capital expenditures, including those produced by global gaming manufacturers.



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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, 110 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: Action Gaming, American Gaming Systems (AGS), Casino Technology, JCM Global, MEI, Multimedia Games, Shuffle Master, Suzo-Happ Group, TCSJohnHuxley and Wells-Gardner Electronics.

AGEM Bronze Members: AC Coin & Slot, Acres 4.0, Ainsworth Game Technology, Astro Corp., Bingotimes Technology, Borden Technology, Cadillac Jack, Cantor Gaming, Cammegh Limited, CashCode / Crane Payment Solutions, Diamond Game, DigiDeal, Digital Display Group, Entropy Precision System, Euro Games Technology (EGT), Galaxy Gaming, GameTech International, Gaming Partners International, Gaming Support, Glory (U.S.A.) Inc., Incredible Technologies, Interblock USA, Iverson Gaming Systems, Jumbo Technology, Lightning Gaming, Matsui Gaming Machine Co., MCA Processing, Modern Gaming, Rocket Gaming Systems, Summit Gaming, Table Trac, THT and Winning Asia Technology.

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

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