

AGEM Index

Association of Gaming Equipment Manufacturers

November 2011

Most members of the AGEM Index witnessed their stock prices decline throughout the month of November 2011 on speculation of another economic downturn as signs of a credit crunch surrounding the Eurozone debt crisis were being reported. Much of this fear was alleviated in the last few days of trading in November due to action taken by major central banks. Early forecasts on holiday retail sales also reflected promising signs that consumer spending is expected to grow, and recent jobs reports were also brighter than they had been. All three major stock indices closed up more than 4 percent on the last day of trading in November, and the Dow Jones Industrial Average gained 490 points, its largest percentage gain since March 2009. Modest improvements in the labor force continue to bring optimism to the market, even as it remains highly volatile.

Although the broader equities markets rebounded in the final trading days, the AGEM Index did not gain enough ground to end the month in positive territory. With a composite score of 115.84, the index of 16 global gaming suppliers declined by 7.96 points during the

month of November, down 6.4 percent from the prior month. The index overall remains up 9.8 percent for the year and half of the index members are reporting stock prices ahead of the same period a year ago.

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

- Global Cash Access (GCA) contributed 1.14 points to the index sourced to a 51.01-percent gain in its stock valuation.
- Shuffle Master (SHFL) reported a 4.52-percent increase in its stock price, contributing 0.21 points to the overall index.

Selected negative contributors to the index included:

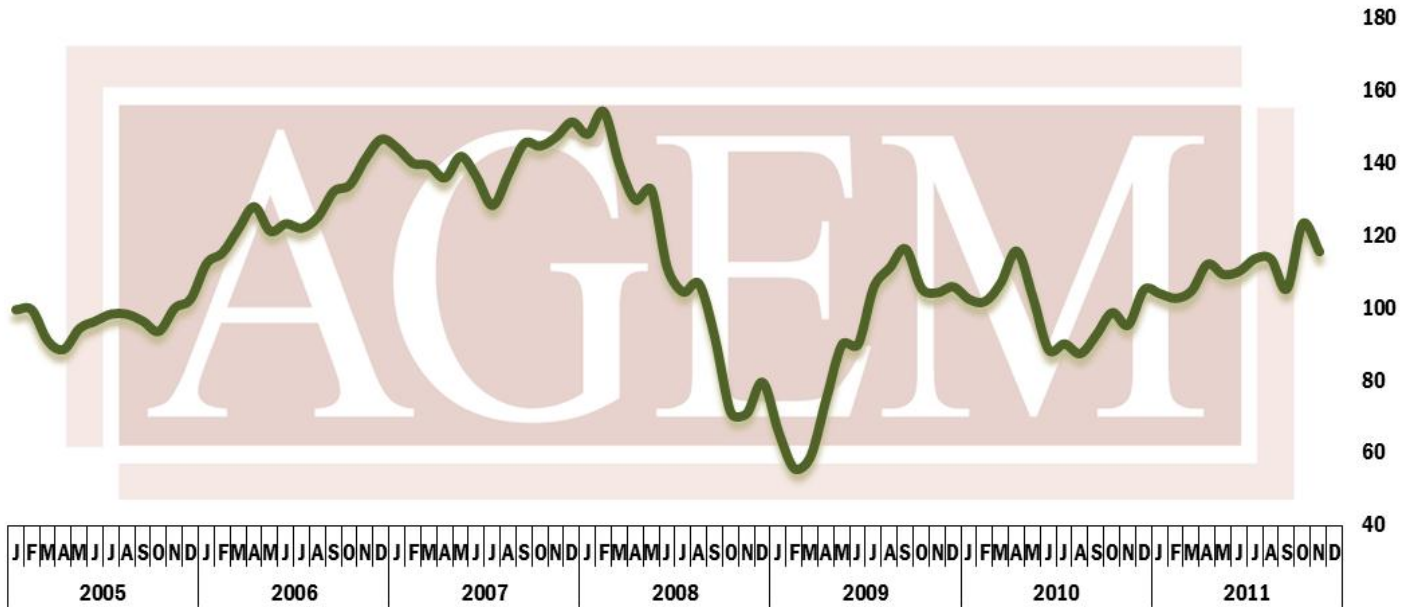
- Lottomatica (LTO) posted a decline of 17.47 percent in its stock price, removing 4.44 points from the index.
- Konami (KNM) contributed negative 2.85 points to the index, sourced to an 8.90-percent fall in its stock valuation.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Nov-11	Oct-11	Nov-10	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	0.44	0.35	0.16	26.09	171.88	0.16
Aristocrat Technologies	ASX: ALL (AU\$)	2.39	2.27	2.60	5.29	(8.08)	(0.19)
Astro Corp.	Taiwan: 3064 (NT\$)	39.10	50.00	60.50	(21.80)	(35.37)	(0.15)
Bally Technologies	NYSE: BYI (US\$)	38.34	36.27	39.17	5.71	(2.12)	0.07
Elixir Gaming Technologies	AMEX: EGT (US\$)	0.26	0.30	0.38	(15.00)	(32.89)	(0.03)
Gaming Partners International	Nasdaq: GPIC (US\$)	6.19	6.75	5.74	(8.30)	7.84	(0.03)
Global Cash Access	NYSE: GCA (US\$)	4.50	2.98	2.28	51.01	97.37	1.14
IGT	NYSE: IGT (US\$)	17.06	17.59	15.48	(3.01)	10.21	(1.17)
INTRALOT S.A.	ATHEX: INLOT (€)	0.82	1.05	2.58	(21.90)	(68.22)	(0.35)
Konami	NYSE: KNM (US\$)	30.11	33.05	18.63	(8.90)	61.62	(2.85)
Lottomatica (GTECH)	MILAN: LTO.MI (€)	11.43	13.85	9.46	(17.47)	20.89	(4.44)
Multimedia Games	Nasdaq: MGAM (US\$)	7.40	6.61	4.32	11.95	71.30	0.18
Shuffle Master	Nasdaq: SHFL (US\$)	11.09	10.61	10.73	4.52	3.36	0.21
Transact Technologies	Nasdaq: TACT (US\$)	6.18	7.82	9.06	(20.97)	(31.79)	(0.09)
Wells-Gardner Electronics	AMEX: WGA (US\$)	1.96	2.42	2.00	(19.01)	(2.00)	(0.03)
WMS Industries	NYSE: WMS (US\$)	20.97	21.91	44.35	(4.29)	(52.72)	(0.38)
Change in Index Value							(7.96)
AGEM Index Value: October 2011							123.79
AGEM Index Value: November 2011							115.84

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The Chicago Board Options Exchange Market Volatility Index (VIX) closed above 30 in all but three days during the month of November. This measurement of implied volatility of S&P 500 index options suggests swings are likely to continue in the near-term. Although financial uncertainty lingers over the Eurozone and central banks around the world, legislation in Boston confirmed the authorization of casino gaming entering the state.

Stemming from the passage of House Bill 3807, Massachusetts Governor Deval Patrick signed legislation on November 22nd, expanding gaming in the state. The law allows one resort-style casino in each of three regions including: greater Boston, western Massachusetts, and the south coast. One additional slot parlor (up to 1,250 gaming machines) can be located anywhere in the state. Many expect this slot parlor will be developed with an existing horseracing facility.

Before much of what is contained in the 168-page bill can move forward, three commissioners must be appointed, one from the Governor, the attorney general, and the state treasurer. Two additional commissioners will be voted in by a majority vote of the first three appointees. The future of Massachusetts gaming will be shaped by this first gaming commission. Nevertheless, casino operators are already strategizing their next move to gain one of the three coveted gaming licenses, each requiring \$500 million in capital investment, and an initial license fee of at least \$85 million.

Only a week before the gambling bill was signed into law, Ameristar Casinos agreed to purchase a currently vacant 41-acre industrial site near the city of Springfield in the western portion of the state. Caesars Entertainment also made a preemptive strike in April by forming an alliance with the Suffolk Downs Racetrack in east Boston.

Hard Rock International could also be a potential competitor seeking the western license, as it is working on a partnership with a local developer in the city of Holyoke. It is expected that competition for the western license will be fierce, with Ameristar and Hard Rock being only two noted players publicly moving forward with a planned site at this time. The Mohegan Sun tribe, which operates a casino in neighboring Connecticut, and Penn National Gaming, are also rumored to be pursuing a site in the region. However, regional casino operators are not the only ones vying for a license. Las Vegas Sands CEO Sheldon Adelson is a native to Massachusetts and has expressed interest in one of the licenses. Lastly, Steve Wynn has already begun meeting with The Kraft Group to potentially develop a casino near Gillette Stadium, home of the New England Patriots. No matter the outcome of the licensees, Massachusetts, gaming operators and suppliers are likely to benefit from the recent legislative move.



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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

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, 109 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 / Spielo International
- 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: Abbiati Casino Equipment, AC Slots (ACS), Acres 4.0, Ainsworth Game Technology, Alfastreet, Astro Corp., Bingotimes Technology, Cadillac Jack, Cammegh Limited, Cantor Gaming, Crane Payment Solutions / CashCode / Money Controls, Diamond Game, DigiDeal, Digital Display Group, Euro Games Technology (EGT), Galaxy Gaming, Gaming Partners International, Gaming Support, Glory (U.S.A) Inc., Incredible Technologies, Inspired Gaming, Interblock USA, Iverson Gaming Systems, JPM International, Jumbo Technology, Lightning Gaming, Matsui Gaming Machine Co., MCA Processing, Modern Gaming, Patriot Gaming & Electronics, Rocket Gaming Systems, Table Trac and Winning Asia Technology.

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

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