

# AGEM Index

Association of Gaming Equipment Manufacturers

January 2012

**S**tock performances of major gaming equipment manufacturers continued to trend upward during the first month of 2012 as business confidence and selected economic indicators improved. The broader equities markets responded to positive consumer spending and job reports in January. The Dow Jones Industrial Average climbed 3.4 percent during the latest month, while the S&P 500 closed up nearly 4.4 percent; the NASDAQ Composite soared more than 8.0 percent during the same timeframe.

Although overall growth in the AGEM Index did not mirror those posted in the larger markets, 13 of the 16 global gaming suppliers reported gains in their stock valuation during the month of January. With 20 days of trading in the first month of 2012, the AGEM Index reached a composite score of 117.50, representing an increase of 1.23 points, or nearly 1.1 percent from the prior month.

For comparison purposes, the AGEM Index is up 12.5 percent from levels reported one year ago, but remains down 5.1 percent from its peak in the current cycle (October 2011). Valuations within the sector are likely to remain somewhat volatile, particularly as a broader

economic recovery emerges and quarterly earnings season continues for the next several weeks.

Selected positive contributors to the index during January 2012 included the following:

- Lottomatica (LTO) added 1.63 points to the overall index, sourced to a gain of 10.25 percent in its stock valuation.
- Aristocrat Technologies (ALL) posted a stock price gain of 11.36 percent, contributing 1.47 points to the overall index.

Selected negative contributors to the index included:

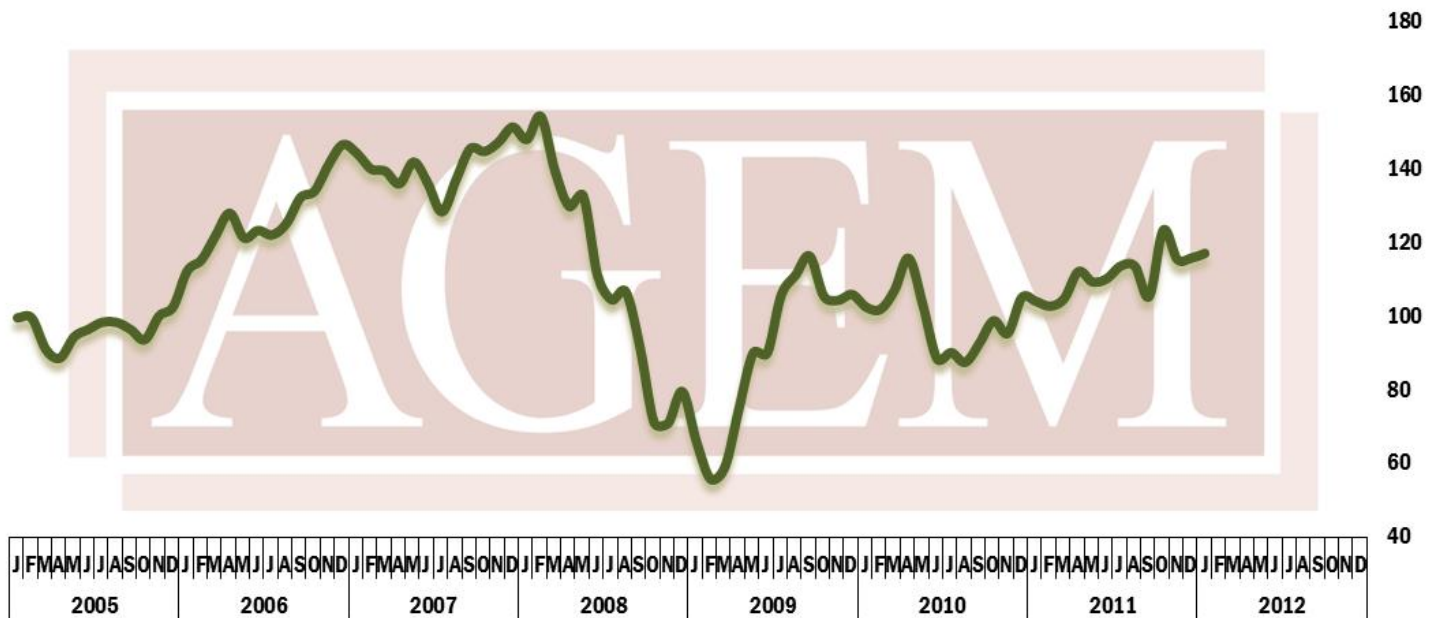
- Konami (KNM) recorded a stock price decline of 11.29 percent, removing 2.74 points from the index.
- International Game Technology (IGT) witnessed its stock price dip by 7.38 percent resulting in a negative contribution of 2.30 points to the overall index.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Jan-12	Dec-11	Jan-11	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	0.67	0.49	0.28	36.73	143.64	0.55
Aristocrat Technologies	ASX: ALL (AU\$)	2.45	2.20	2.97	11.36	(17.51)	1.47
Astro Corp.	Taiwan: 3064 (NT\$)	43.65	37.50	57.30	16.40	(23.82)	0.12
Bally Technologies	NYSE: BYI (US\$)	42.22	39.56	40.93	6.72	3.15	0.81
Elixir Gaming Technologies	AMEX: EGT (US\$)	0.25	0.23	0.36	11.06	(30.56)	0.02
Gaming Partners International	Nasdaq: GPIC (US\$)	6.43	6.20	6.88	3.71	(6.54)	0.01
Global Cash Access	NYSE: GCA (US\$)	5.30	4.45	3.05	19.10	73.77	0.43
IGT	NYSE: IGT (US\$)	15.93	17.20	17.17	(7.38)	(7.22)	(2.30)
INTRALOT S.A.	ATHEX: INLOT (€)	0.83	0.67	2.51	23.33	(66.93)	0.29
Konami	NYSE: KNM (US\$)	26.57	29.95	20.03	(11.29)	32.65	(2.74)
Lottomatica (GTECH)	MILAN: LTO.MI (€)	12.80	11.61	10.61	10.25	20.64	1.63
Multimedia Games	Nasdaq: MGAM (US\$)	7.53	7.94	5.33	(5.16)	41.28	(0.07)
Shuffle Master	Nasdaq: SHFL (US\$)	12.79	11.72	10.53	9.13	21.46	0.42
Transact Technologies	Nasdaq: TACT (US\$)	8.10	7.26	9.64	11.57	(15.98)	0.06
Wells-Gardner Electronics	AMEX: WGA (US\$)	2.07	2.02	2.75	2.48	(24.73)	0.00
WMS Industries	NYSE: WMS (US\$)	21.89	20.52	41.95	6.68	(47.82)	0.53
Change in Index Value							1.23
AGEM Index Value: December 2011							116.27
<b>AGEM Index Value: January 2012</b>							<b>117.50</b>

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Gaming markets have continued to emerge domestically and abroad over the last decade as various types of casino gambling has entered nearly every major populous. Recent legislative action in some of these new markets has generated significant interest on the part of operators, including activity in the Massachusetts market. Although the state of Massachusetts is still in its early stages of determining gambling license approvals, casino operators have their foot on the gas pedal in what will likely provide a significant opportunity for global gaming manufacturers. The following highlights development progress by those reportedly exploring the northeastern gaming market.

Operator	Market	Development Details
Ameristar Casinos	Springfield	Closed on former 41-acre Westinghouse property for \$16 million. Site is expected to be cleared as programming/plans emerge.
Caesars Entertainment	East Boston	Developed an alliance with Suffolk Downs for a proposed casino at their existing racetrack.
Hard Rock International	Holyoke	Proposed site at Wyckoff Country Club; some opposition to the project exists.
Las Vegas Sands	Unknown	With no formal project announcement; speculation suggests Sands may be exploring opportunities.
Mashpee Wampanoag Tribe	Unknown	Gambling bill gives first-mover advantage to the local tribe. July 31st deadline to negotiate a gaming compact with the state before open to other applicants.
MGM Resorts International	Brimfield	Considering a proposed 300-room Rolling Hills Resort and Casino. MGM has retained Gensler for architectural work; evaluating project impacts.
Mohegan Sun	Palmer	Project proposal under consideration.
Penn National Gaming	Unknown	Media speculation suggests the company is considering sites in the city of Chicopee.
Wynn Resorts Limited	Foxborough	Exploring opportunity near Gillette Stadium. Resident support is uncertain.



[www.AGEM.org](http://www.AGEM.org)

## The AGEM Index

The Association of Gaming Equipment Manufacturers (AGEM) produces the monthly AGEM Index that comprises 16 global gaming suppliers throughout the world. A total of 11 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, 114 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
- Video Gaming Technologies (VGT)
- 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, Matsui Gaming Machine Co., MCA Processing, Modern Gaming, Patriot Gaming & Electronics, Quixant Ltd., Rocket Gaming Systems, Table Trac and Winning Asia Technology.

**AGEM Associate Members:** 3M Touch Systems, Advantech-Innocore, Carmanah Signs, Casino Enterprise Management, CMYK Creative, Cole Kepro International, Cooper Levenson, Cybertec Gaming Systems, DiTronics Financial Services, 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, Litemax Technology, Masterpiece Advertising, Nanoptix, Outpost Creative, Phelps Dunbar, Portwell, Proforma GPS, 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).