

AGEM Index

Association of Gaming Equipment Manufacturers

February 2012

Carried by the rising tide of positive economic and financial data, the AGEM Index climbed at a rate not seen since October 2011. With two months of positive growth in the United States labor market, coupled with rising GDP, consumer spending and confidence, the broader equities markets took note of the encouraging recovery. During the month of February, the Dow Jones Industrial Average rose 2.5 percent and remained above 13,000 at the end of trading for the first time since May of 2008. Another milestone was met by the NASDAQ, which briefly reached 3,000 during the month, a level it has not seen since the tech bubble in 2000. The NASDAQ closed the month up 5.4 percent, while the S&P 500 posted a 4.1-percent gain.

For the third consecutive month, the majority of global gaming suppliers recorded a gain in their stock price. Although the overall AGEM Index has yet to recover losses witnessed in the Fall of 2011, it did grow by 3.6 percent during the month of February, reaching a composite score of 121.71, for a gain of 4.21 points during the shortened trading month. Compared to a year ago, the AGEM Index is up 18.0 percent. While uncertainty among elevated deficit levels still remains, a

likely recession ongoing in Europe, and the long-term unemployed in the US will continue to hang over a broader recovery.

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

- Aristocrat Technologies (ALL) recorded a 12.65-percent increase in its stock price, contributing 1.51 points to the overall index.
- Ainsworth Game Technology (AGI) added 1.38 points to the index due to a 62.69-percent gain in its stock valuation.

Selected negative contributors to the index included:

- International Game Technology (IGT) recorded a stock price decline of 5.71 percent, removing 1.64 points from the index.
- Intralot S.A. (INLOT) witnessed its stock price fall by 19.88 percent resulting in a negative contribution of 0.17 points to the overall index.

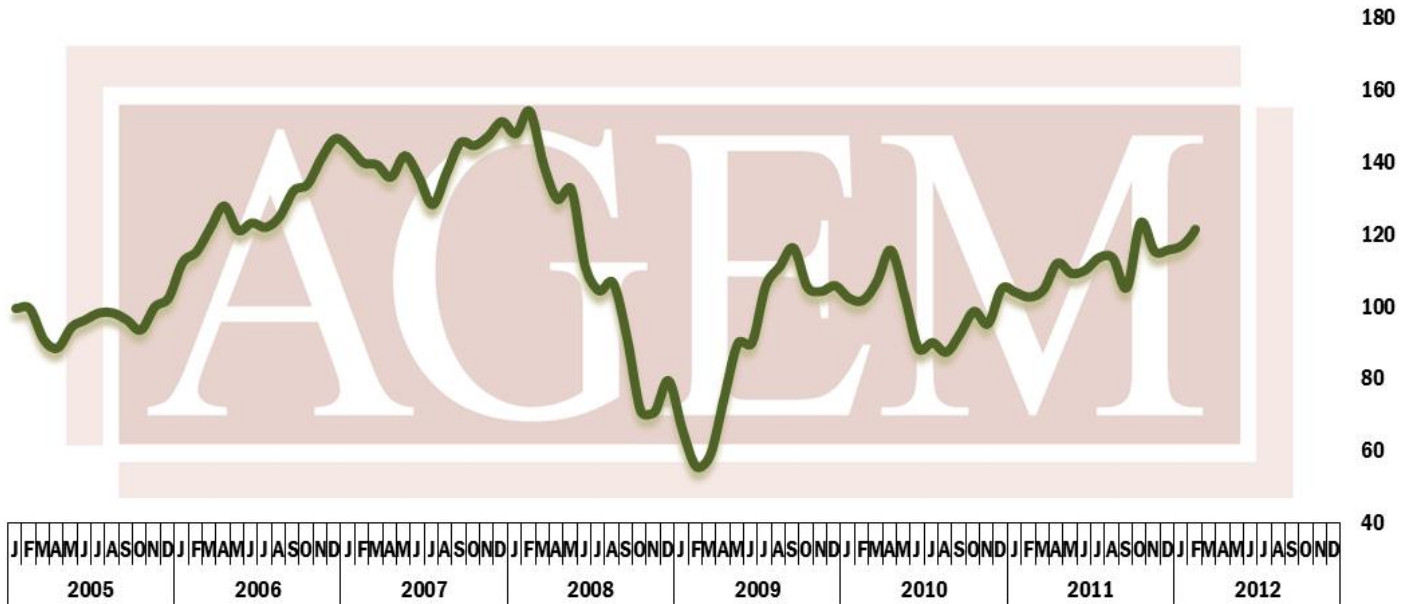
AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Feb-12	Jan-11	Feb-11	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	1.09	0.67	0.22	62.69 ↑	395.45 ↑	1.38
Aristocrat Technologies	ASX: ALL (AU\$)	2.76	2.45	3.16	12.65 ↑	(12.66) ↓	1.51
Astro Corp.	Taiwan: 3064 (NT\$)	52.30	43.65	57.00	19.82 ↑	(8.25) ↓	0.16
Bally Technologies	NYSE: BYI (US\$)	42.94	42.22	38.63	1.71 ↑	11.16 ↑	0.21
Elixir Gaming Technologies	AMEX: EGT (US\$)	0.29	0.25	0.35	16.00 ↑	(17.14) ↓	0.04
Gaming Partners International	Nasdaq: GPIC (US\$)	6.92	6.43	7.39	7.62 ↑	(6.36) ↓	0.03
Global Cash Access	NYSE: GCA (US\$)	5.56	5.30	3.44	4.91 ↑	61.63 ↑	0.11
IGT	NYSE: IGT (US\$)	15.02	15.93	16.46	(5.71) ↓	(8.75) ↓	(1.64)
INTRALOT S.A.	ATHEX: INLOT (€)	0.67	0.83	2.50	(19.88) ↓	(73.40) ↓	(0.17)
Konami	NYSE: KNM (US\$)	27.54	26.57	21.07	3.65 ↑	30.71 ↑	0.93
Lottomatica (GTECH)	MILAN: LTO.MI (€)	12.74	12.80	10.25	(0.47) ↓	24.29 ↑	0.31
Multimedia Games	Nasdaq: MGAM (US\$)	10.23	7.53	5.50	35.86 ↑	86.00 ↑	0.64
Shuffle Master	Nasdaq: SHFL (US\$)	14.60	12.79	9.41	14.15 ↑	55.15 ↑	0.73
Transact Technologies	Nasdaq: TACT (US\$)	6.74	8.10	9.92	(16.79) ↓	(32.06) ↓	(0.07)
Wells-Gardner Electronics	AMEX: WGA (US\$)	2.16	2.07	2.45	4.35 ↑	(11.84) ↓	0.01
WMS Industries	NYSE: WMS (US\$)	22.03	21.89	39.79	0.64 ↑	(44.63) ↓	0.05
Change in Index Value							4.21
AGEM Index Value: January 2012							117.50
AGEM Index Value: February 2012							121.71

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There is no doubt that the Great Recession is behind us, and as national indicators point to a recovery that is not as aggressive as one hoped, it is a recovery nonetheless. Now after more than four years of downturn or bouncing along a bottom, it's important to understand where casino operators and ultimately their equipment suppliers stand as the sun rises over the gaming industry once more.

The majority of the global gaming equipment manufacturers currently on the AGEM Index have yet to see their stock prices rise to a level seen in December 2007 when the official recession began, but the same can be said for much of the gaming operators who dictate the forward-looking supply chain on replacement machines.

The importance of growth and new gaming markets cannot be understated when it comes to evaluating the potential performance of global gaming suppliers, but evidence suggests that casino operators are beginning to participate not only in new domestic markets (e.g. Kansas, Ohio, Massachusetts), but are trying to bet big on the next Macau abroad (e.g., Vietnam, India, Japan). This should be the case as much of the world still has yet to develop a large middle class and offer the entertainment of gaming on a scale similar to the United States.

Nevertheless, remodeling properties in more mature markets plays just as large a role in determining the

potential financial upswing for gaming suppliers. Redevelopment, including the newly remodeled Plaza in downtown Las Vegas, along with additional funds to revitalize the surrounding area, joined by more than \$1 billion of capital expenditures on the nearby Las Vegas Strip is certainly a welcome sign; however, investments have taken the form of a facelift more so than acquisitions in new gaming technology. While casino operators have yet to reinvest in their gaming floors at the levels witnessed before the latest downturn, it appears investment in replacement machines will once again take hold within the next 12 to 24 months and joined by what may be a record-breaking year for visitors to Las Vegas.

Las Vegas is not the only place once again reinvesting in its core industry. The \$2.4-billion Revel in Atlantic City will open in early April. The addition of smaller boutique casinos, including a potential Seminole Hard Rock is forcing nearby operators to reinvest in their properties to remain competitive.

Although a few gaming operators picked up new sales and increased the number of replacement units sold in 2011 compared to the prior year, a significant cushion of pent-up demand remains. Still, any significant new orders will be driven by casino operators' financial ability to move forward with capital expenditures on equipment and systems.



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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).