

AGEM Index

Association of Gaming Equipment Manufacturers

May 2012

After reporting a slight decline for the first time since November 2011 in April, the AGEM index witnessed a more dramatic decrease in May 2012. With a composite value of 118.36 at the close of May (compared to 133.39 in April), the index fell by 15.03 points during the month, or -11.3 percent. The last time a decline this significant was reported was in June 2010, when the index fell 14.69 points (-14.2 percent). Ainsworth Game Technology (AGI), Lottomatica (LTO) and Multimedia Games (MGAM) were the only global gaming manufacturers to report an increase in stock price during the month, bucking broader sector movements.

For comparison purposes, the broader stock markets continued to decline during May 2012. The Dow Jones Industrial Average closed the month at 12,393. Although it had closing prices above 13,000 for the first week of the month, the index ended May down 6.2 percent when compared to the end of April. The S&P 500 witnessed a decline of 6.3 percent over the month, falling to 1,310 from 1,398. Meanwhile, the NASDAQ reported the largest decline, falling 9.8 percent to 2,747 with closing prices above 3,000 reported for only three days. Concerns about Eurozone financial stability

and weaker-than-expected jobs reports contributed to a sell-off late in the month. The implications on the gaming equipment maker sector were evident during the latest report.

During May 2012, the index had one positive contributor as the weightings of key players in the index shifted with volatility in overall valuations. Multimedia Games (MGAM) contributed 0.28 points to the index, with a stock price increase of 11 percent to \$12.61.

Selected negative contributors to the index included:

- With a stock price of \$21.06 (down 27.4 percent), Konami (KNM) knocked down the index by 6.03 points.
- International Game Technology (IGT) contributed negative 2.52 points due to a decline in stock price of 8.2 percent to \$14.30.
- WMS Industries (WMS) reported a closing stock price of \$20.53 (down 16.2 percent), resulting in a negative contribution of 1.33 points to the overall index.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		May-12	Apr-12	May-11	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	1.87	1.78	0.34	5.06	450.00	(0.06)
Aristocrat Technologies	ASX: ALL (AU\$)	2.93	3.05	2.73	(3.93)	7.33	(1.12)
Astro Corp.	Taiwan: 3064 (NT\$)	43.90	50.60	66.30	(13.24)	(33.79)	(0.11)
Bally Technologies	NYSE: BYI (US\$)	46.55	48.55	39.41	(4.12)	18.12	(0.60)
Gaming Partners International	Nasdaq: GPIC (US\$)	6.46	6.75	7.63	(4.30)	(15.33)	(0.02)
Global Cash Access	NYSE: GCA (US\$)	7.05	8.45	3.21	(16.57)	119.63	(0.56)
IGT	NYSE: IGT (US\$)	14.30	15.58	17.24	(8.22)	(17.05)	(2.52)
INTRALOT S.A.	ATHEX: INLOT (€)	0.69	0.77	1.64	(9.80)	(57.93)	(0.15)
Konami	NYSE: KNM (US\$)	21.06	29.03	20.67	(27.45)	1.89	(6.03)
Lottomatica (GTECH)	MILAN: LTO.MI (€)	14.07	13.98	14.06	0.64	0.07	(1.19)
Multimedia Games	Nasdaq: MGAM (US\$)	12.61	11.36	5.52	11.00	128.44	0.28
Scientific Games Corporation	Nasdaq: SGMS (US\$)	8.54	10.16	9.86	(15.94)	(13.39)	(0.92)
Shuffle Master	Nasdaq: SHFL (US\$)	15.86	17.67	10.89	(10.24)	45.64	(0.65)
Transact Technologies	Nasdaq: TACT (US\$)	7.48	8.56	11.50	(12.62)	(34.96)	(0.06)
Wells-Gardner Electronics	AMEX: WGA (US\$)	2.00	2.05	2.13	(2.44)	(6.10)	(0.00)
WMS Industries	NYSE: WMS (US\$)	20.53	24.51	31.46	(16.24)	(34.74)	(1.33)
Change in Index Value							(15.03)
AGEM Index Value: April 2012							133.39
AGEM Index Value: May 2012							118.36

AGEM Index

Association of Gaming Equipment Manufacturers

May 2012



The gaming industry in the northeastern states continues to evolve. For years, Atlantic City, New Jersey has dominated the region and remained the second-largest gaming market in the United States. Pennsylvania has followed as the second-largest market in the northeastern region and the third-largest in the United States. However, Pennsylvania's gaming market is now threatening to surpass that of Atlantic City, while both will be facing increased competition from emerging markets in Ohio and Massachusetts.

Casinos within Pennsylvania reported over \$3 billion in gaming revenue, up 22 percent over 2010. Meanwhile, Atlantic City reported 2011 gaming revenue of \$3.3 billion, down 6.9 percent from 2010 and representing the market's fifth consecutive year of annual decline. Atlantic City's latest casino, Revel, opened over Memorial Day weekend, and the state hopes the new property will help boost revenues for the year.

Ohio could soon prove to be a source of serious competition in the northeastern region. The state recently celebrated the opening of two casinos in Cleveland and Toledo, and by next spring, two more will open in Cincinnati and Columbus.

Caesars Entertainment and Rock Gaming opened the \$350-million Horseshoe Casino on May 14th. Located in Cleveland, the property is Ohio's first casino. Horseshoe will provide visitors access to 2,100 slot machines and numerous table games. Caesars Entertainment and

Rock Gaming will also be opening a \$400-million casino in Cincinnati in 2013.

Penn National Gaming opened its \$400-million Hollywood Casino on May 29 in Toledo, Ohio. The property will offer 2,002 slot machines, 80 table games and five dining choices. Penn National is hoping to open its \$400-million Hollywood Casino in Columbus later this year.

Massachusetts may also offer some competition in the northeast soon. The state is planning on licensing up to three casinos and a slot parlor. MGM Resorts International, Las Vegas Sands, Wynn Resorts and Caesars Entertainment were at one time competing for coveted licenses in the market.

Recent events resulted in a partnership between Caesars Entertainment and Suffolk Downs to build a property at the Suffolk Downs horse track northeast of Boston. MGM Resorts recently decided to abandon plans for a casino-resort in Brimfield, MA. Las Vegas Sands also gave up on its plans because the company believes the opening of three casinos will dilute the market. Meanwhile, Wynn Resorts dropped plans for a \$1 billion resort in Foxborough after recent elections may have shifted the balance of power on the town's council. Movements on the chess board are likely to continue before this new gaming market is set.



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.



For More Information, Contact:

Marcus Prater, Executive Director

P.O. Box 50049, Henderson, NV 89016-0049

702.812.6932 | AGEM.org@cox.net

AGEM Membership Roster

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
- Scientific Games
- 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., Modern Gaming, Patriot Gaming & Electronics, Quixant Ltd., Reel Games, Rocket Gaming Systems, Table Trac, Tech Results, Warrior Gaming Associates

AGEM Associate Members: 3M Touch Systems, Advantech-Innocore, Assurance Ltd., Carmanah Signs, Casino Enterprise Management, Cole Kepro International, Cooper Levenson, Cybertec Gaming Systems, Daktronics, 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, Grand Products Nevada, Greenberg Traurig, Hanco Technologies, Howard & Howard, IDX, Intel, IPS, James Industries, KEY-BAK, Kontron, Leap Forward Gaming, Lewis & Roca, Lincoln Industries, Litemax Technology, Masterpiece Advertising, Nanoptix, Outpost Creative, Phelps Dunbar, Portwell, Proforma GPS, Rainmaker, Reel TV, Regulatory Management Counselors (RMC), Rye Park Gaming, Sanmina-SCI, SCA Gaming, Strategy9, Spin Games, 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).