

AGEM Index

Association of Gaming Equipment Manufacturers

June 2012

The AGEM Index reached a composite score of 125.05 by the mid-point of 2012. After declining in both April and May 2012, the index increased for the first time since March 2012. The 6.69-point increase (+5.7 percent) in June was attributable to positive stock price performances for 12 of the 17 global gaming operators. Those gains were offset by the balance of suppliers posting downturns in their valuation month-to-month. Of those that reported improvement from May, five witnessed double-digit growth rates. Compared to the same month of the prior year, the results were mixed as eight remained in a better position while nine have fallen behind on an annual basis.

The broader stock markets also reported increases during June 2012. The NASDAQ ended the month with a closing price of 2,935.05 (+3.8 percent) compared to the 2,827.34 reported at the close of May 2012. The Dow Jones Industrial Average reported a slightly higher increase in stock price, increasing 3.9 percent, from 12,393.45 to 12,880.09. Meanwhile, the S&P 500 reported the greatest increase during the month; the index ended June 2012 with a price of 1,362.16, up 4.0 percent when compared to the prior month. Selected

positive contributors to the AGEM index in June 2012 included:

- International Game Technology (IGT) with a stock price of \$15.75, up 10.1 percent over last month, contributed +2.85 points to the index.
- Lottomatica (LTO) contributed 1.87 points to the index in June due to an 8.0-percent increase in stock price.
- Konami (KNM) also edged north and contributed 1.41 points to the index, as its stock price rose to \$22.58, up 7.2 percent.

Selected negative contributors included:

- Shuffle Master (SHFL) reported a negative contribution of 0.59 points, with a 13.0-percent decline in stock price.
- With a stock price of \$19.95 (-2.8 percent) WMS Industries (WMS) contributed negative 0.19 points to the index.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Jun-12	May-12	Jun-11	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	2.10	1.87	0.36	12.30	483.33	0.72
Aristocrat Technologies	ASX: ALL (AU\$)	2.76	2.93	2.42	(5.80)	14.05	(0.11)
Astro Corp.	Taiwan: 3064 (NT\$)	39.70	43.90	60.80	(9.57)	(34.70)	(0.05)
Bally Technologies	NYSE: BYI (US\$)	46.66	46.55	40.68	0.24	14.70	0.03
Daktronics, Inc.	Nasdaq: DAKT (US\$)	6.91	6.55	10.79	5.50	(35.96)	0.10
Gaming Partners International	Nasdaq: GPIC (US\$)	6.18	6.46	7.19	(4.33)	(14.05)	(0.01)
Global Cash Access	NYSE: GCA (US\$)	7.21	7.05	3.18	2.27	126.73	0.06
IGT	NYSE: IGT (US\$)	15.75	14.30	17.58	10.14	(10.41)	2.85
INTRALOT S.A.	ATHEX: INLOT (€)	0.88	0.69	1.47	27.68	(40.07)	0.31
Konami	NYSE: KNM (US\$)	22.58	21.06	23.69	7.22	(4.69)	1.41
Lottomatica (GTECH)	MILAN: LTO.MI (€)	15.20	14.07	13.38	8.03	13.60	1.87
Multimedia Games	Nasdaq: MGAM (US\$)	14.00	12.61	4.55	11.02	207.69	0.26
Scientific Games Corporation	Nasdaq: SGMS (US\$)	8.55	8.54	10.34	0.12	(17.31)	0.01
Shuffle Master	Nasdaq: SHFL (US\$)	13.80	15.86	9.36	(12.99)	47.51	(0.59)
Transact Technologies	Nasdaq: TACT (US\$)	7.71	7.48	11.70	3.07	(34.10)	0.01
Wells-Gardner Electronics	AMEX: WGA (US\$)	2.26	2.00	1.75	13.00	29.14	0.02
WMS Industries	NYSE: WMS (US\$)	19.95	20.53	30.72	(2.83)	(35.06)	(0.19)
Change in Index Value							6.69
AGEM Index Value: May 2012							118.36
AGEM Index Value: June 2012							125.05

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Online gambling is quickly becoming more of a reality than fantasy in the U.S. gaming industry. The U.S. Department of Justice issued an opinion in December 2011 that allowed individual states to begin legalizing online gambling for casino games. Since then, a number of states have considered legalized forms of online gaming.

Nevada will be among the first states to have regulated online gambling. This month, the state issued the first two licenses for interactive betting. Bally Technologies (BYI) was the first to receive unanimous approval from the Nevada Gaming Commission, followed by International Game Technology (IGT) less than an hour later. Authorities must approve the technology Bally and IGT plan to use for their online systems. Once approval is given, the companies can begin offering their services to casino operators also hoping to gain approval for online gambling licenses. Neither company plans on competing with their casino customers for which they also provide traditional one-armed bandits and other digital games within their casino floors.

The state of Nevada currently has more than two dozen interactive gaming applications pending. These include applications from two of the largest casino operators in the United States, MGM Resorts International (MGM) and Caesars Entertainment Corporation (CZR). The

Nevada Gaming Commission says each application will be considered on a “case-by-case” basis.

Fertitta Interactive LLC created a new company in order to capture a share of the online gambling industry. The operator recently announced the launch of its online gaming company, Ultimate Gaming, which has been under development since the acquisition of CyberArts Licensing LLC in October. Ultimate Gaming plans to offer real money poker in Nevada as soon as the necessary licenses are approved, which the company believes will be by the end of the year.

There is an expectation that the online gambling industry will help states currently struggling with fiscal shortfalls. While the industry will not solve debt problem, the additional revenue provided through the collection of taxes may help states pay down some of their obligations, fund state projects and create jobs.

This multi-billion dollar industry has transformed the business model for many global gaming suppliers. For many, the decision to enter the digital age has been made – either by choice or need to remain competitive. Either way, the sector remains a transformative industry remaining on top of the latest technologies and innovation.



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.

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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

AGEM Gold Members:

- Aristocrat Technologies
- Aruze Gaming America
- Austrian Gaming Industries
- Bally Technologies
- Lottomatica/ GTECH / Spielo International
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- Shuffle Master
- Scientific Games
- Video Gaming Technologies (VGT)
- WMS Gaming

AGEM Silver Members: Action Gaming, American Gaming Systems (AGS), Casino Technology, Gaming Partners International, JCM Global, MEI, Multimedia Games, 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 Digital Technology, Cadillac Jack, Cammegh Limited, Cantor Gaming, Cole Kepro International, Crane Payment Solutions/ CashCode/ Money Controls, Diamond Game, DigiDeal, Digital Display Group, Euro Games Technology (EGT), Galaxy Gaming, 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, Table Trac, Tech Results and Warrior Gaming Associates

AGEM Associate Members: 3M Touch Systems, Advantech-Innocore, Assurance Ltd., BBIN, Carmanah Signs, Casino Enterprise Management, 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 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, Spin Games, Strategy9, StylGame USA, Talent Associates, The Bright Group, Tournament One, TransAct Technologies, Veridocs, Wrex Products and Young Electric Sign Company (YESCO).