

# AGEM Index

Association of Gaming Equipment Manufacturers

August 2012

The AGEM Index increased in August 2012, gaining back ground after decreasing in July 2012. The composite index reached 122.70 by the close of August, which is 6.31 points (5.4 percent) higher than the 116.39 reported in the previous month. The index has reported increases in five of the first eight months of the year. The latest month's performance was sourced to 11 of the 17 global gaming operators reporting increases in their stock price when compared to the previous month, with four reporting increases in excess of 10 percent. Of the six companies that reported declines, only two fell by more than 10 percent.

The broader stock markets also reported increases during August 2012. The Dow Jones Industrial Average closed the month at 13,090.84, which is a 0.6-percent increase when compared to the end of July 2012. The S&P 500 reported an even greater increase during the month, rising 2.0 percent from 1,379.32 to 1,406.58. With an increase of 4.3 percent, the NASDAQ reported the greatest month-over-month increase in August, reaching 3,066.96.

Selected positive contributors to the August 2012 AGEM Index included the following:

- With a stock price of \$12.29, up 8.6 percent, International Game Technology (IGT) contributed 1.77 points.
- Konami (KNM) contributed 1.67 points to the index due to an increase in stock price of 8.0 percent to \$23.06.
- Lottomatica (LTO) reported a stock price of \$16.56, up 3.7 percent, and contributed 1.22 points to the index.

Selected negative contributors included the following:

- With a stock price of \$15.93, down 13.3 percent, WMS Industries (WMS) contributed negative 0.73 points to the index.
- Scientific Games Corporation (SGMS) witnessed a decline in stock price of 13.4 percent to \$7.33 and contributed negative 0.57 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Aug-12	Jul-12	Aug-11	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	2.35	2.24	0.47	4.91	400.00	0.13
Aristocrat Technologies	ASX: ALL (AU\$)	2.66	2.36	2.08	12.71	27.88	0.98
Astro Corp.	Taiwan: 3064 (NT\$)	38.50	40.50	51.30	(4.94)	(24.95)	(0.03)
Bally Technologies	NYSE: BYI (US\$)	44.29	43.71	31.38	1.33	41.14	0.15
Daktronics, Inc.	Nasdaq: DAKT (US\$)	9.56	7.73	9.64	23.67	(0.83)	0.60
Gaming Partners International	Nasdaq: GPIC (US\$)	6.07	6.20	7.45	(2.10)	(18.52)	(0.01)
Global Cash Access	NYSE: GCA (US\$)	7.67	6.46	3.00	18.73	155.67	0.60
IGT	NYSE: IGT (US\$)	12.29	11.32	15.26	8.57	(19.46)	1.77
INTRALOT S.A.	ATHEX: INLOT (€)	0.93	0.90	0.80	2.78	15.63	0.05
Konami	NYSE: KNM (US\$)	23.06	21.35	37.04	8.01	(37.74)	1.67
Lottomatica (GTECH)	MILAN: LTO.MI (€)	16.56	15.97	11.02	3.69	50.27	1.22
Multimedia Games	Nasdaq: MGAM (US\$)	15.67	14.15	4.93	10.74	217.85	0.30
Scientific Games Corporation	Nasdaq: SGMS (US\$)	7.33	8.46	8.82	(13.36)	(16.89)	(0.57)
Shuffle Master	Nasdaq: SHFL (US\$)	15.17	14.61	8.86	3.83	71.22	0.20
Transact Technologies	Nasdaq: TACT (US\$)	7.17	7.73	9.76	(7.24)	(26.54)	(0.03)
Wells-Gardner Electronics	AMEX: WGA (US\$)	2.19	2.30	2.06	(4.78)	6.31	(0.01)
WMS Industries	NYSE: WMS (US\$)	15.93	18.37	21.82	(13.28)	(26.99)	(0.73)
Change in Index Value							6.31
AGEM Index Value: July 2012							116.39
<b>AGEM Index Value: August 2012</b>							<b>122.70</b>

www.AGEM.org

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The gaming environment within the state of Maryland continues to evolve. In 2008, voters approved a referendum that would allow the installation of approximately 15,000 slot machines throughout five privately-owned properties within the state. The Video Lottery Facility Location Commission was formed to determine which companies would be awarded the five licenses.

Recently, the last of the five licenses was awarded to Caesars Entertainment and Rock Gaming. The two companies formed a partnership to develop a \$300-million casino in Baltimore, to be called Harrah's Baltimore, just south of the Baltimore Ravens football stadium. The casino, which will offer 3,750 slot machines, is going to be the second largest in Maryland. The largest, Maryland Live! in Anne Arundel County, which is owned and operated by Cordish Cos., opened in June of this year with 3,200 slot machines and will have 4,750 machines by fall.

The other three licenses were awarded to Penn National Gaming, Ocean Enterprises, LLC and Evitts Resort, LLC. Penn National opened Hollywood Casino Perryville, the first gaming facility in Maryland, in September of 2010, while Ocean Enterprises opened its facility at Ocean Downs Racetrack in January of 2011. Evitts Resort is planning a 50,000-square-foot expansion that will include 850 slot machines and open in late 2013.

The state could soon be granting a license for a sixth casino located in Prince George's County. Governor Martin O' Malley introduced a proposal at the beginning of the month that would allow the sixth casino as well as the addition of table games to properties throughout the state, pending public approval in November.

The bill would also attempt to compensate existing casinos for revenue lost from the increased competition by allowing them to keep a larger percentage of slots revenue. Currently, operators within the state retain 33 percent of gaming win. However, Ocean Downs would be allowed to keep 43 percent, Cordish and Caesars would keep 38 percent, Evitts would retain its existing deal for 50 percent for 10 years and Penn National would remain at 33 percent. After the bill gained approval from the state Senate, the House Ways and Means Committee added an amendment that would allow Cordish to keep 41 percent and Caesars 40 percent of slot revenue.

If approved, the sixth casino would be operated by MGM Resorts International. The company plans to build a \$700-million facility at National Harbor, a 350-acre complex along the Potomac River. The upcoming election cycle will provide additional insight into gaming expansion and the public's perceptions.



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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

### 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 and Table Trac

**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, 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).