

AGEM Index

Association of Gaming Equipment Manufacturers

October 2012

After two consecutive months of increases, the AGEM Index declined in October 2012. The composite index reached 128.23, down 0.61 points, or 0.5 percent, when compared to the prior month. Overall, the sector remains somewhat volatile as the index has declined in five of the past 12 months, yet remains up 3.6 percent from the same month one year ago. Within the sector, global gaming operators reported mixed results during the month, with eight of the 17 reporting month-to-month increases in stock price. Above-average gains were generally reported by manufacturers traded on exchanges outside of the United States. Meanwhile, of the nine operators facing declines in stock prices, five fell by five percent or more.

The broader stock markets witnessed a similar directional trend during the month. The Dow Jones Industrial Average reported a closing price of 13,096.46, falling 2.5 percent since the end of September. The S&P 500 reported a 2.0-percent decline, falling from 1,440.67 to 1,412.16. Meanwhile,

NASDAQ reported the greatest decline of the three; the market fell 4.5 percent from 3,116.23 to 2,977.23.

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

- Aristocrat Technologies (ALL) reported a stock price of AUD\$2.82, up 4.8 percent, and contributed 0.70 points to the index.
- Konami (KNM) contributed 0.45 points to the index with a 2.0-percent increase in stock price to \$23.10.

Selected negative contributors included the following:

- With a stock price of €16.55, which is down 3.3 percent, Lottomatica (LTO) contributed negative 0.98 points to the index.
- SHFL Entertainment (SHFL) contributed negative 0.57 points, due to its 10.6-percent decline in stock price to \$14.13.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Oct-12	Sep-12	Oct-11	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	2.38	2.26	0.35	5.31	589.86	0.37
Aristocrat Technologies	ASX: ALL (AU\$)	2.82	2.69	2.27	4.83	24.23	0.70
Astro Corp.	Taiwan: 3064 (NT\$)	30.30	37.70	50.00	(19.63)	(39.40)	(0.10)
Bally Technologies	NYSE: BYI (US\$)	49.92	49.39	36.27	1.07	37.63	0.15
Daktronics, Inc.	Nasdaq: DAKT (US\$)	8.77	9.51	10.17	(7.78)	(13.77)	(0.19)
Gaming Partners International	Nasdaq: GPIC (US\$)	6.25	6.35	6.75	(1.57)	(7.41)	(0.01)
Global Cash Access	NYSE: GCA (US\$)	7.05	8.05	2.98	(12.42)	136.58	(0.39)
IGT	NYSE: IGT (US\$)	12.84	13.09	17.59	(1.91)	(27.00)	(0.44)
INTRALOT S.A.	ATHEX: INLOT (€)	1.55	1.32	1.05	17.42	47.62	0.36
Konami	NYSE: KNM (US\$)	23.10	22.64	33.05	2.03	(30.11)	0.45
Lottomatica (GTECH)	MILAN: LTO.MI (€)	16.55	17.12	13.85	(3.33)	19.49	(0.98)
Multimedia Games	Nasdaq: MGAM (US\$)	15.91	15.73	6.61	1.14	140.70	0.03
Scientific Games Corporation	Nasdaq: SGMS (US\$)	8.24	8.28	8.87	(0.48)	(7.10)	(0.02)
SHFL Entertainment	Nasdaq: SHFL (US\$)	14.13	15.81	10.61	(10.63)	33.18	(0.57)
Transact Technologies	Nasdaq: TACT (US\$)	7.74	7.45	7.82	3.89	(1.02)	0.02
Wells-Gardner Electronics	AMEX: WGA (US\$)	2.07	2.25	2.42	(8.00)	(14.46)	(0.01)
WMS Industries	NYSE: WMS (US\$)	16.43	16.38	21.91	0.31	(25.01)	0.02
Change in Index Value							(0.61)
AGEM Index Value: September 2012							128.84
AGEM Index Value: October 2012							128.23

AGEM Index

Association of Gaming Equipment Manufacturers

October 2012



The legalization of Internet poker continues to be the most talked about subject in the gaming industry as a number of companies continue to move through the licensing process. It is unlikely federal legislation will be passed this year to legalize online poker in the United States. However, some states, such as Nevada, Delaware and New Jersey, are in the process of allowing some forms of interactive gambling within their borders.

In June of this year, Bally Technologies (BYI) and International Game Technology (IGT) were granted the first online gaming licenses in Nevada. Throughout the remainder of the summer, the Gaming Control Board also issued licenses to South Point Poker LLC, Global Cash Access Holdings Inc. (GCA), SHFL Entertainment Inc. (SHFL), American Casino & Entertainment Properties LLC, PokerTrip Enterprises Inc., Monarch Interactive Inc. and WMS Industries (WMS). This month, three more licenses were issued to Boyd Gaming (BYD), Fertitta Interactive and Golden Nugget.

Based on their arrangements established back in October of last year, Boyd Gaming (BYD) plans to operate an online poker website with bwin.party; MGM Resorts International (MGM) maintains a similar arrangement. However, bwin.party must be licensed before the site is launched, which is not expected until early next year. Boyd Gaming expects to add 20 to 30

employees to its online poker team as a result of the expansion.

Fertitta Interactive, which includes the owners of Station Casinos and operators of Ultimate Fighting Championship, plans to launch its Ultimate Gaming site once the technology is approved. The company expects to expand from 26 to 100 employees by next year.

The Golden Nugget is planning to launch a site through its partnership with Bally Technologies. The site will be operated using Bally's system, while the casino will provide the branding.

Major casino operators Caesars Entertainment (CZR), MGM Resorts International (MGM) and Wynn Resorts (WYNN) have also submitted applications for online poker licenses; although, none have been approved as of yet. However, MGM Resorts believes it will soon be granted a license to operate its planned site with bwin.party and others are likely to follow suit.

This emerging sector within the gaming supplier segment of the market is expanding at a rapid clip and is expected to account for an increasing share of the overall gaming market in the years to come.



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.



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
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- Lottomatica/ GTECH / Spielo International
- Scientific Games
- SHFL Entertainment
- 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, Wells-Gardner Electronics and Zitro.

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, CastNET, Cole Kepro International, Crane Payment Solutions/ CashCode/ Money Controls, Diamond Game, DigiDeal, 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, CSA Group, Cybertec Gaming Systems, Daktronics, DiTronics Financial Services, DynaGraphic Printing, Elite Casino Products, Esterline Advanced Input Systems, EWA Cyber Security, Eurocoin, Flextronics, Fox Rothschild, FutureLogic, Gaming Capital Group, Gary Platt Manufacturing, Gemaco Inc., Genesis Interactive Technologies, Global Cash Access, Global Gaming Group (G3), Grand Products Nevada, Greenberg Traurig, Hanco Technologies, Howard & Howard, IDX, Impact LCD, Intel, IPS, James Industries, JCS Technologies, KEY-BAK, Kontron, Leap Forward Gaming, Lewis & Roca, Lincoln Industries, Litemax Technology, Outpost Creative, Phelps Dunbar, Portwell, Proforma GPS, Rainmaker, Reel TV, Regulatory Management Counselors (RMC), Rye Park Gaming, SCA Gaming, Southwest Fabricators, Spin Games, Strategy9, StylGame USA, Talent Associates, The Bright Group, Tournament One, TransAct Technologies, Veridocs, Wrex Products and Young Electric Sign Company (YESCO).