

AGEM Index

Association of Gaming Equipment Manufacturers

December 2012

The AGEM Index increased in the final month of 2012. The composite index at the end of December 2012 was 135.73, representing an increase of 1.92 points, or 1.4 percent, when compared to the prior month. Compared to the same month of the prior year, the index was up a respectable 16.7 percent. The index reported month-over-month increases during the majority of 2012, rising in eight of the past 12 months. During the month of December, nine of the 17 global gaming operators reported increases in stock price when compared to November 2012. In addition, of the eight operators that reported declines, only two were off more than five percent.

With a resolution to the “fiscal cliff” issue generally anticipated, broader stock markets reported modest increases during December 2012, with each rising by less than 1.0 percent. NASDAQ ended the month at 3,019.51, up 0.3 percent compared to the prior month. The Dow Jones Industrial Average fared slightly better, increasing 0.6 percent to 13,104.14. Meanwhile, the S&P 500 reported the greatest increase of the three, ending December at 1,426.19, up 0.7 percent from the end of November 2012.

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

- Ainsworth Game Technology (AGI) contributed 1.07 points due to a 16.1-percent increase in stock price to AUD\$2.81.
- INTRALOT S.A. (INLOT) reported a 27.3-percent increase in stock price to €1.96 and contributed 0.78 points.
- With a stock price of €17.20, up 1.6 percent, Lottomatica (LTO) contributed 0.66 points.

Selected negative contributors included the following:

- With a stock price of \$22.42, down 7.4 percent, Konami (KNM) contributed negative 1.58 points.
- Aristocrat Technologies (ALL) contributed negative 0.33 points, due to a 3.4-percent decline in stock price to AUD\$3.15.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Dec-12	Nov-12	Dec-11	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	2.81	2.42	0.49	16.12	473.47	1.07
Aristocrat Technologies	ASX: ALL (AU\$)	3.15	3.26	2.20	(3.37)	43.18	(0.33)
Astro Corp.	Taiwan: 3064 (NT\$)	33.80	31.20	37.50	8.33	(9.87)	0.05
Bally Technologies	NYSE: BYI (US\$)	44.71	45.14	39.56	(0.95)	13.02	(0.12)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	11.08	10.46	9.57	5.93	15.78	0.19
Gaming Partners International	Nasdaq: GPIC (US\$)	6.86	6.99	6.20	(1.86)	10.65	(0.01)
Global Cash Access	NYSE: GCA (US\$)	7.84	7.87	4.45	(0.38)	76.18	(0.01)
IGT	NYSE: IGT (US\$)	14.17	13.87	17.20	2.16	(17.62)	0.54
INTRALOT S.A.	ATHEX: INLOT (€)	1.96	1.54	0.67	27.27	191.23	0.78
Konami	NYSE: KNM (US\$)	22.42	24.20	29.95	(7.36)	(25.14)	(1.58)
Lottomatica (GTECH)	MILAN: LTO.MI (€)	17.20	16.93	11.61	1.59	48.15	0.66
Multimedia Games	Nasdaq: MGAM (US\$)	14.71	14.78	7.94	(0.47)	85.26	(0.01)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	8.67	8.33	9.70	4.08	(10.62)	0.20
SHFL Entertainment	Nasdaq: SHFL (US\$)	14.50	13.76	11.72	5.38	23.72	0.29
Transact Technologies	Nasdaq: TACT (US\$)	7.22	7.69	7.26	(6.11)	(0.55)	(0.03)
Wells-Gardner Electronics	AMEX: WGA (US\$)	1.78	1.80	2.02	(1.11)	(11.88)	(0.00)
WMS Industries	NYSE: WMS (US\$)	17.50	16.90	20.52	3.55	(14.72)	0.23
Change in Index Value							1.92
AGEM Index Value: November 2012							133.82
AGEM Index Value: December 2012							135.73

AGEM Index

Association of Gaming Equipment Manufacturers

December 2012



Massachusetts continues to make headlines as casino operators move forward with plans to compete for one of the three resort-casino licenses and one slot facility license available throughout the state. Regardless of wins, gaming equipment manufacturers are expected to benefit from the expansion.

In western Massachusetts, Ameristar Casinos surprised competitors in early December when the company decided to pull out of the bid for a \$910 million resort casino in Springfield, after paying \$16 million for a 40-acre site just one year before. Ameristar also announced a deal to be acquired by Pinnacle Entertainment in the month. The announcement left MGM Resorts International and Penn National as the only two operators competing for proposed properties in Springfield. On January 3, 2013, both companies met the deadline to submit their final proposals to the city for review. The regulatory process requires the companies to receive approval from the mayor, City Council and voters before reaching the Massachusetts Gaming Commission where the final licensee will be selected.

Even if they gain approval from the city of Springfield, MGM Resorts and Penn National could still face competition for the western Massachusetts license from Mohegan Sun. While the company has not yet submitted the required application and \$400,000 fee to

the state, Mohegan Sun continues to assert it will do so by the January 15 deadline for its proposed casino in Palmer. MGM submitted the fee in August, while Penn National did so in December.

Competition is heating up for the eastern Massachusetts casino license as well. In December, Wynn Resorts leased a 37-acre site along the Mystic River in Everett where it plans to develop a \$1 billion casino. The company plans to submit its application and \$400,000 fee to the state before the deadline, and if awarded the license, will purchase the site.

If Wynn moves forward with its plans, it will be competing with Caesars Entertainment. The company partnered with Suffolk Downs to build a \$1 billion property at the Suffolk Downs racetrack in east Boston. Caesars and Suffolk Downs submitted the application and fee for their planned property in early August.

While a resort casino is not likely to open in Massachusetts until 2017, the state could see a fully operational slot facility by early 2014. However, competition for the single license has been relatively weak, and for months, it appeared Plainridge Racecourse would be the only applicant. In the last month, competition has increased and it now appears the company will be bidding against Raynham Park and one other applicant.



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, Ortiz Gaming, 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, ISMS, 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, Arrow International, Assurance Ltd., BBIN, Carmanah Signs, Casino Enterprise Management, Cooper Levenson, CSA Group, Cybertec Gaming Systems, Daktronics, Digital Instinct, 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, Metalcraft, Outpost Creative, Phelps Dunbar, Portwell, Proforma GPS, Rainmaker, Reel TV, Regulatory Management Counselors (RMC), Renewable Creative, Rye Park Gaming, SCA Gaming, Southwest Fabricators, Spin Games, Strategy9, StylGame USA, Talent Associates, The Bright Group, Tournament One, TOVIS, TransAct Technologies, Veridocs, Wrex Products and Young Electric Sign Company (YESCO).