

AGEM Index

Association of Gaming Equipment Manufacturers

March 2013

The AGEM Index increased 4.33 points, or 3.0 percent, in March 2013 to a composite score of 151.01. The latest performance represents the second month-over-month increase in 2013 and follows the modest 0.7-percent decline witnessed in February. Compared to the same period of the prior year, the AGEM Index remains up 12.3 percent, or 16.48 points. The index reached its highest level since early 2008. The majority (13 of 17) of global gaming operators reported increases in stock price when compared to February of this year. Those reporting negative stock performances included Global Cash Access (GCA), Aristocrat Technologies (ALL), Scientific Games Corporation (SGA) and Intralot SA (INLOT).

The broader stock markets reported similar month-to-month increases in March of 2013, with all three up by over 3.0 percent, as valuations climbed to new heights. NASDAQ finished the month at 3,267.52, up 3.4 percent from February. The S&P 500 and Dow Jones Industrial Average (DJIA) witnessed the greatest increases, with the S&P 500 rising 3.6 percent to 1,569.19 and the DJIA increasing 3.7 percent to 14,578.54.

Selected positive contributors to the March 2013 AGEM Index included the following:

- Bally Technologies (BYI) contributed 1.27 points, due to an 8.8-percent increase in stock price to a month-end value of \$51.97.
- With a stock price of \$16.50 (up 3.5 percent) International Game Technology (IGT) contributed 1.02 points.
- Lottomatica (LTO) reported a 3.7-percent increase in stock price to €18.33 and contributed 1.00 point.

Selected negative contributors included the following:

- Intralot SA (INLOT) reported a 20.8-percent decline in stock price to €1.83 and contributed negative 0.53 points.
- With a stock price of \$8.75, down 2.8 percent, Scientific Games Corporation (SGA) contributed negative 0.14 points to the index.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Mar-13	Feb-13	Mar-12	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	3.59	3.55	1.60	1.13	124.38	0.23
Aristocrat Technologies	ASX: ALL (AU\$)	3.66	3.72	3.02	(1.61)	21.19	0.02
Astro Corp.	Taiwan: 3064 (NT\$)	37.90	37.00	51.40	2.43	(26.26)	0.01
Bally Technologies	NYSE: BYI (US\$)	51.97	47.75	46.75	8.84	11.17	1.27
Daktronics, Inc.	Nasdaq: DAKT (US\$)	10.50	10.21	8.89	2.84	18.11	0.08
Gaming Partners International	Nasdaq: GPIC (US\$)	8.66	7.87	6.33	10.04	36.81	0.05
Global Cash Access	NYSE: GCA (US\$)	7.05	7.10	7.80	(0.70)	(9.62)	(0.02)
IGT	NYSE: IGT (US\$)	16.50	15.94	16.79	3.51	(1.73)	1.02
INTRALOT S.A.	ATHEX: INLOT (€)	1.83	2.31	0.71	(20.78)	157.75	(0.53)
Konami	NYSE: KNM (US\$)	19.93	19.40	28.53	2.73	(30.14)	0.52
Lottomatica (GTECH)	MILAN: LTO.MI (€)	18.33	17.68	14.24	3.68	28.72	1.00
Multimedia Games	Nasdaq: MGAM (US\$)	20.87	18.70	10.96	11.60	90.42	0.46
Scientific Games Corporation	Nasdaq: SGMS (US\$)	8.75	9.00	11.66	(2.78)	(24.96)	(0.14)
SHFL Entertainment	Nasdaq: SHFL (US\$)	16.57	15.86	17.60	4.48	(5.85)	0.28
Transact Technologies	Nasdaq: TACT (US\$)	7.94	7.90	7.85	0.51	1.15	0.00
Wells-Gardner Electronics	AMEX: WGA (US\$)	2.06	1.95	2.29	5.64	(10.04)	0.01
WMS Industries	NYSE: WMS (US\$)	25.21	25.04	23.73	0.68	6.24	0.06
Change in Index Value							4.33
AGEM Index Value: February 2013							146.68
AGEM Index Value: March 2013							151.01

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The resort industry in Las Vegas continues to move through the recovery cycle, but in recent months, investments in properties located both on the Strip and Downtown have gained global attention. While the majority of new capital is currently being spent on renovations of existing hotels, there are new resort-casinos on the horizon that could be a meaningful step forward for Nevada and gaming equipment manufacturers in general.

The north end of the Las Vegas Strip is facing a makeover in the coming years with the renovation of the former Sahara and acquisition of the former Echelon site for a new project. In February, construction began on SLS Las Vegas with completion expected in fall of 2014. SBE Entertainment plans to spend \$750 million on the resort, which is expected to create 1,600 construction jobs and 2,500 permanent jobs. The resort will include over 1,300 rooms, 4 night clubs, 12 restaurants, 7,500 square feet of retail and a 66,000-square-foot casino floor that will include 860 slot machines and 112 table games. The project recently obtained the final piece of its financing package and development activity appears to be moving forward.

Genting Group recently purchased the 87-acre stalled Echelon site from Boyd Gaming for \$350 million with plans to build a \$2-\$7 billion resort called Resorts World Las Vegas. The property is expected to begin construction in 2014 and will be the first major resort

casino since the Cosmopolitan opened in December of 2010. When it opens in 2016, Phase 1 is expected to total 8 million square feet, with 3,500 rooms, 210,000 square feet of dining, 250,000 square feet of retail space, 500,000 square feet of convention space and an indoor water park. Casino space will comprise approximately 175,000 square feet, providing an opportunity to global gaming suppliers. The new resort is expected to be a major boost for the Las Vegas economy, creating thousands of construction and permanent jobs.

Other investments include Caesars Entertainment's \$185-million renovation and rebranding of Bill's Gamblin' Hall into the Gansevoort Las Vegas (2014). The project is expected to include 1,000 employees (400 more than Bill's), 188 guest rooms and a rooftop club and pool. The casino floor will be approximately 40,000 square feet.

Downtown is also benefitting from recent investments. Lady Luck is currently being transformed into the Downtown Grand, a \$100-million renovation that will include 650 guest rooms and a 35,000-square-foot casino housing 30 table games and 700 slot machines. It is estimated the renovation will create 500 construction and 600 permanent jobs. New developments - in Nevada and globally - are providing increased revenue expansion opportunities for gaming suppliers.



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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.

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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
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- Lottomatica/ GTECH / Spielo International
- Scientific Games Corporation
- SHFL Entertainment
- Video Gaming Technologies (VGT)
- WMS Gaming

AGEM Silver Members: Action Gaming, American Gaming Systems (AGS), Casino Technology, Gaming Partners International USA, JCM Global, MEI, Multimedia Games, Ortiz Machines Company, 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, British Group Interactive (BGI), Brown & Brown Insurance of Nevada, 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, International Network in Advance Gaming (INAG), 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).

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