

AGEM Index

Association of Gaming Equipment Manufacturers

June 2013

The AGEM Index reported a composite score of 158.64 in June of 2013. After reporting month-to-month increases for three consecutive months, the index fell 8.84 points, or 5.3 percent, when compared to May of this year. However, compared to a year ago, the index is up 33.59 points, or 26.9 percent. The index has reported monthly declines in four of the past 12 months. The latest performance is attributable to 11 of the 17 global gaming suppliers witnessing month-to-month declines in stock price in June. In addition, of the six manufacturers that reported monthly increases, the gains were relatively modest, with all but one up by less than five percent.

The broader stock markets performed slightly better than the AGEM Index in June, but each also reported monthly declines. NASDAQ ended the month with a closing value of 3,403.25, down 1.5 percent when compared to the end of May. The S&P 500 also declined 1.5 percent in June, falling to 1,606.28 by the end of the month. Meanwhile, the Dow Jones Industrial Average fell 1.4 percent to 14,909.60.

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

- Ainsworth Game Technology (AGI) reported a stock price of AU\$4.03 (up 8.9 percent), which contributed 0.26 points to the index.
- Scientific Games Corporation (SGMS) contributed 0.23 points, due to a 3.3-percent increase in stock price to \$11.25.
- With a stock price of \$17.71 (up 2.6 percent), SHFL Entertainment (SHFL) contributed 0.19 points.

Selected negative contributors included the following:

- Konami (KNM) contributed negative 3.04 points, due to a 13.6-percent decline in stock price to \$21.15.
- GTECH S.p.A. (GTK) reported a stock price of €19.23, which was down 7.5 percent and contributed negative 2.71 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Jun-13	May-13	Jun-12	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	4.03	3.70	2.10	8.92	91.90	0.26
Aristocrat Technologies	ASX: ALL (AU\$)	4.28	4.35	2.76	(1.61)	55.07	(1.09)
Astro Corp.	Taiwan: 3064 (NT\$)	35.90	38.50	39.70	(6.75)	(9.57)	(0.05)
Bally Technologies	NYSE: BYI (US\$)	56.42	56.95	46.66	(0.93)	20.92	(0.15)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	10.26	10.27	6.91	(0.10)	48.48	(0.00)
Gaming Partners International	Nasdaq: GPIC (US\$)	7.90	8.10	6.18	(2.47)	27.83	(0.01)
Global Cash Access	NYSE: GCA (US\$)	6.26	6.60	7.21	(5.15)	(13.18)	(0.16)
GTECH S.p.A.	MILAN: GTK.MI (€)	19.23	20.79	15.20	(7.50)	26.51	(2.71)
IGT	NYSE: IGT (US\$)	16.71	17.88	15.75	(6.54)	6.10	(2.10)
INTRALOT S.A.	ATHEX: INLOT (€)	1.80	2.07	0.88	(13.04)	104.31	(0.38)
Konami	NYSE: KNM (US\$)	21.15	24.47	22.58	(13.57)	(6.33)	(3.04)
Multimedia Games	Nasdaq: MGAM (US\$)	26.07	25.59	14.00	1.88	86.21	0.10
Scientific Games Corporation	Nasdaq: SGMS (US\$)	11.25	10.89	8.55	3.31	31.58	0.23
SHFL Entertainment	Nasdaq: SHFL (US\$)	17.71	17.26	13.80	2.61	28.33	0.19
Transact Technologies	Nasdaq: TACT (US\$)	8.17	8.04	7.71	1.62	5.97	0.01
Wells-Gardner Electronics	AMEX: WGA (US\$)	1.81	2.00	2.26	(9.50)	(19.91)	(0.01)
WMS Industries	NYSE: WMS (US\$)	25.51	25.35	19.95	0.63	27.87	0.07
Change in Index Value							(8.84)
AGEM Index Value: May 2013							167.49
AGEM Index Value: June 2013							158.64

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On April 30, 2013, online gaming in Nevada officially became a reality when Ultimate Gaming launched its real money online poker site. The company, which is majority-owned by Station Casinos and is partnered with the Ultimate Fighting Championship (UFC), is currently the only operator in the United States with a regulated online gaming site. The site, UltimatePoker.com, has dealt over six million hands since it went live.

Ultimate Gaming also recently announced plans to enter the New Jersey market, which legalized online gaming earlier this year. The company entered into an agreement with Trump Taj Mahal Associates to operate sites that will offer poker as well as full casino games. Ultimate Gaming will manage the websites.

The remaining casinos in Atlantic City also met the state's June 30 deadline to find a website technology partner in order to launch their own online gaming sites. Notable partnerships include Caesars Entertainment and 888 Holdings. Caesars operates four casinos in Atlantic City and the two companies have already worked together to bring their World Series of Poker websites to Europe. In addition, Boyd Gaming, which is an owner and the operator of Borgata, has partnered with Bwin.party to launch their site in New Jersey.

Perhaps most notable is the partnership between PokerStars and Resorts Casino Hotel. New Jersey is

currently the only opportunity for PokerStars to enter the regulated online gaming market, due to Nevada's "bad actor" clause. The clause states that any companies that continued to accept wagers from gamblers in the United States after the passage of the Unlawful Internet Gambling Enforcement Act in 2006 will have to wait 10 years until they can be licensed. PokerStars is included on this list. However, after a judge denied the sale of The Atlantic Club Casino to PokerStars' parent company, the Rational Group, it was unclear whether the operator would find a New Jersey casino partner in time.

Now that the casinos have their partnerships in place, they will have until July 29 to submit applications to the Division of Gaming Enforcement. After that, the Casino Control Commission wants to have sites live by Thanksgiving.

Once online gaming sites in New Jersey go live, some believe it will be a much more lucrative market than Nevada. Analysts project Nevada's online gaming market will bring in \$50 million to \$250 million in annual revenue, while New Jersey is likely to receive \$500 million to \$1 billion annually. Regardless of playing volume, the latest moves demonstrate the evolution of the industry and rapid technological advancements.



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:

- Ainsworth Game Technology
- Aristocrat Technologies
- Aruze Gaming America
- Austrian Gaming Industries
- Bally Technologies
- Global Cash Access (GCA)
- GTECH S.p.A.
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- Multimedia Games
- 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, JCM Global, MEI, Merkur Gaming GmbH, Ortiz Gaming, Suzo-Happ Group, TCSJohnHuxley, Wells-Gardner Electronics and Zitro.

AGEM Bronze Members: Abbiati Casino Equipment, 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, Advanced Micro Devices (AMD), Advantech-Innocore, Arrow International, Assurance Ltd., BBIN, British Group Interactive (BGI), Brown & Brown Insurance of Nevada, Camryn Industries, Carmanah Signs, Casino Enterprise Management, Cooper Levenson, Cybertec Gaming Systems, Daktronics, Digital Instinct, DiTronics Financial Services, DynaGraphic Printing, Eastsign International Limited, 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, GeoComply USA Inc, Global Experience Specialists (GES), 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, Lewis Brisbois Bisgaard & Smith, 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, Union Gaming Group, Veridocs, Wrex Products and Young Electric Sign Company (YESCO).