

AGEM Index

Association of Gaming Equipment Manufacturers

July 2013

After reporting a month-to-month decline in June of 2013, the AGEM Index rose in July, reaching a composite score of 177.23. The latest period represents an increase of 18.59 points (+11.7 percent) when compared to the prior month. Compared to the same month a year ago, the index is up by 60.84 points (+52.3 percent). The index has now reported month-to-month increases in nine of the past 12 months. The latest performance is attributable to 15 of the 17 global gaming suppliers reporting month-to-month increases in stock price. In addition, seven of the operators witnessed an increase of more than 10 percent.

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

- Bally Technologies (BYI) reported a stock price of \$71.68 (up 27.1 percent) and contributed 4.72 points.
- GTECH S.p.A (GTK) contributed 3.75 points, due to an 8.4-percent increase in stock price to €20.84.
- With a stock price of \$18.47 (up 10.5 percent), International Game Technology (IGT) contributed 3.20 points.

Selected negative contributors included the following:

- Ainsworth Game Technology (AGI) reported a 10.7-percent decline in stock price to AU\$3.60 and contributed negative 0.75 points.
- With a stock price of €1.73 (down 3.9 percent), INTRALOT S.A. (INLOT) contributed negative 0.01 point.

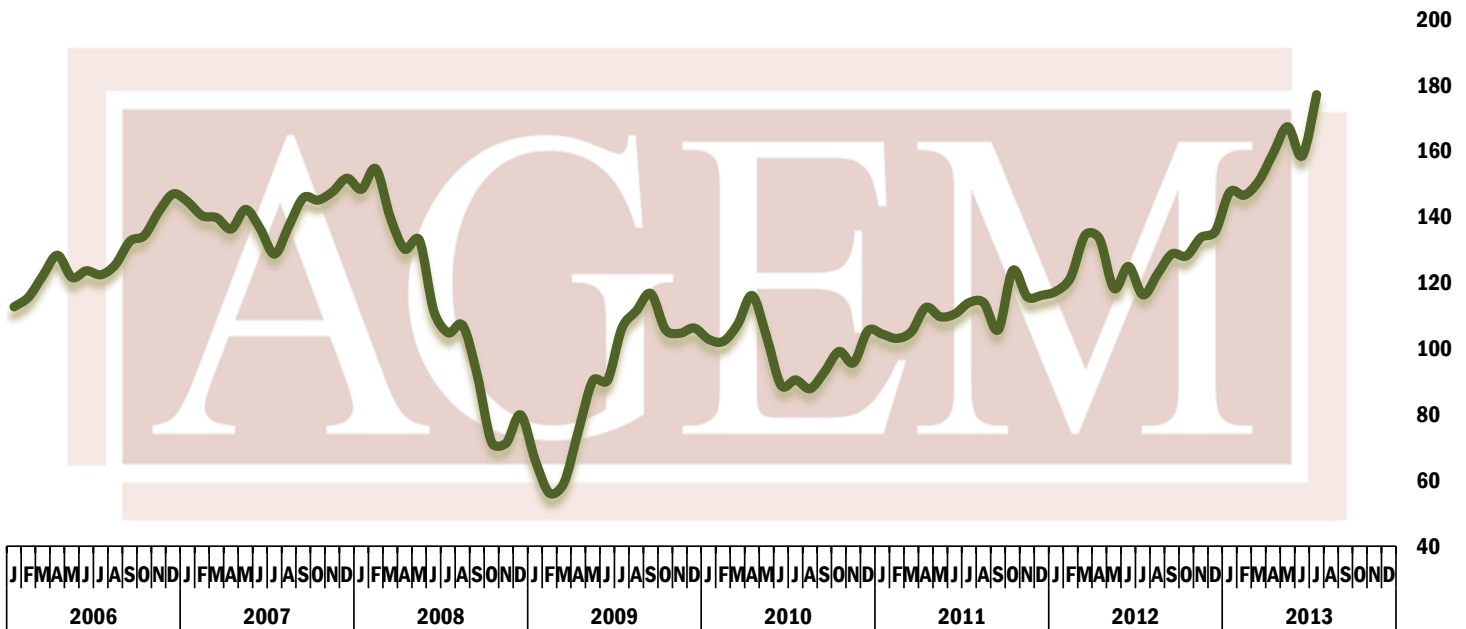
The broader stock markets also reported increases in July, but none were as substantial as the AGEM Index. The Dow Jones Industrial Average ended the month with a closing price of 15,499.54, which was up 4.0 percent from the prior month. The S&P 500 reported a 4.9-percent increase month-to-month, rising from 1,606.28 to 1,685.73. NASDAQ witnessed the greatest increase of the three, increasing 6.6 percent to 3,626.37.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Jul-13	Jun-13	Jul-12	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	3.60	4.03	2.24	(10.67) ↓	60.71 ↑	(0.75)
Aristocrat Technologies	ASX: ALL (AU\$)	4.34	4.28	2.36	1.40 ↑	83.90 ↑	0.07
Astro Corp.	Taiwan: 3064 (NT\$)	37.40	35.90	40.50	4.18 ↑	(7.65) ↓	0.03
Bally Technologies	NYSE: BYI (US\$)	71.68	56.42	43.71	27.05 ↑	63.99 ↑	4.72
Daktronics, Inc.	Nasdaq: DAKT (US\$)	10.88	10.26	7.73	6.04 ↑	40.75 ↑	0.18
Gaming Partners International	Nasdaq: GPIC (US\$)	8.51	7.90	6.20	7.72 ↑	37.26 ↑	0.03
Global Cash Access	NYSE: GCA (US\$)	6.99	6.26	6.46	11.66 ↑	8.20 ↑	0.34
GTECH S.p.A.	MILAN: GTK.MI (€)	20.84	19.23	15.97	8.37 ↑	30.49 ↑	3.75
IGT	NYSE: IGT (US\$)	18.47	16.71	11.32	10.53 ↑	63.16 ↑	3.20
INTRALOT S.A.	ATHEX: INLOT (€)	1.73	1.80	0.90	(3.89) ↓	92.22 ↑	(0.01)
Konami	NYSE: KNM (US\$)	22.04	21.15	21.35	4.21 ↑	3.23 ↑	0.84
Multimedia Games	Nasdaq: MGAM (US\$)	34.99	26.07	14.15	34.22 ↑	147.28 ↑	2.18
Scientific Games Corporation	Nasdaq: SGMS (US\$)	13.63	11.25	8.46	21.16 ↑	61.11 ↑	1.55
SHFL Entertainment	Nasdaq: SHFL (US\$)	22.75	17.71	14.61	28.46 ↑	55.72 ↑	2.30
Transact Technologies	Nasdaq: TACT (US\$)	9.09	8.17	7.73	11.26 ↑	17.59 ↑	0.06
Wells-Gardner Electronics	AMEX: WGA (US\$)	1.94	1.81	2.30	7.18 ↑	(15.65) ↓	0.01
WMS Industries	NYSE: WMS (US\$)	25.75	25.51	18.37	0.94 ↑	40.17 ↑	0.08
Change in Index Value							18.59
AGEM Index Value: June 2013							158.64
AGEM Index Value: July 2013							177.23

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On July 16, 2013, Bally Technologies (BYI) announced that it will be acquiring SHFL Entertainment (SHFL). The company agreed to purchase all of SHFL's outstanding shares for \$23.25 per share, which will result in a total value of approximately \$1.3 billion. In addition, Bally will assume SHFL's \$8 million in debt and \$41 million in cash on hand.

The proposed transaction is awaiting approval from SHFL's shareholders, gaming regulators in Nevada and other states and the Federal Trade Commission (FTC). Assuming approvals are granted, the companies expect the transaction to close by the end of the second quarter of 2014.

Bally's acquisition of SHFL Entertainment is the third major gaming transaction announced since December of 2012. In January of this year, Scientific Games Corporation (SGMS) announced that it will acquire WMS Industries Inc. (WMS) for \$26.00 per share or approximately \$1.5 billion. As part of the deal, Scientific Games will assume \$85 million in debt and \$55 million in cash on hand from WMS.

In May, WMS announced that its stockholders had approved the acquisition, with approximately 75 percent of the total outstanding shares voting in favor of the proposed merger. The deal is still awaiting approval

from gaming regulators and the FTC, but the companies expect the transaction to close by the end of this year.

In December of 2012, Pinnacle Entertainment (PNK) announced that it would acquire Ameristar Casinos (ASCA) for \$26.50 per share or \$2.8 billion. In addition, Pinnacle will assume debt of \$1.9 billion and cash on hand of \$116 million.

Since the buyout was proposed more than seven months ago, it has received approval from Ameristar's shareholders as well as gaming regulators in all necessary states, including Nevada, Iowa, Mississippi, Indiana, Louisiana and Missouri. The deal must receive final approval from the FTC before it can be finalized. Pinnacle has made plans to sell its Lumiere Place Casino, HotelLumiere and the Four Seasons Hotel in St. Louis, Missouri to address FTC concerns. In addition, Golden Nugget agreed to purchase Ameristar's casino hotel development in Lake Charles, Louisiana. The transaction is expected to close by the end of the third quarter as planned.

Consolidation within the industry appears to be a growth strategy for some while creating increased efficiencies. The number of reporting companies within the AGEM Index will be adjusted as the acquisitions close.



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 Manufacturing Solutions, 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).