

AGEM Index

Association of Gaming Equipment Manufacturers

October 2013

The AGEM Index continued to climb in October of 2013, rising 7.19 points (+3.9 percent) month-to-month to a composite score of 193.51. The latest period represents the fourth consecutive monthly increase. Compared to a year ago, the index is up 65.28 points (+50.9 percent). The positive performance witnessed in October 2013 was primarily attributable to 14 of the 17 global gaming equipment manufacturers witnessing gains in stock price when compared to September 2013. During the month, Scientific Games Corporation (SGMS) completed its acquisition of WMS Industries (WMS), which removed WMS from the AGEM Index.

The index performed slightly better than the Dow Jones Industrial Average, which reported a month-to-month increase of 2.7 percent in October 2013. Meanwhile, NASDAQ reported monthly growth in line with the index, rising 3.9 percent to 3,919.71. The S&P 500 witnessed the greatest growth when compared to both the other markets and the AGEM Index, rising 4.5 percent during the latest reporting period.

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

- GTECH S.p.A. (GTK) reported a stock price of €22.39 (+5.9 percent) and contributed 1.72 points.
- Due to a 9.3-percent increase in stock price to AU\$5.05, Aristocrat Technologies (ALL) contributed 1.54 points.
- Scientific Games Corporation (SGMS) contributed 1.27 points, due to a 13.1-percent increase in stock price to \$18.28.

Selected negative contributors included the following:

- With a stock price of \$32.51 (-5.9 percent), Multimedia Games (MGAM) contributed negative 0.35 points.
- International Game Technology (IGT) contributed negative 0.21 points, due to a modest 0.7-percent decline in stock price.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Oct-13	Sep-13	Oct-12	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	4.36	4.27	2.38	2.11	83.19	0.18
Aristocrat Technologies	ASX: ALL (AU\$)	5.05	4.62	2.82	9.31	79.08	1.54
Astro Corp.	Taiwan: 3064 (NT\$)	43.45	38.10	30.30	14.04	43.40	0.09
Bally Technologies	NYSE: BYI (US\$)	73.14	72.06	49.92	1.50	46.51	0.27
Crane Co.	NYSE: CR (US\$)	63.50	61.67	41.98	2.97	51.26	0.69
Daktronics, Inc.	Nasdaq: DAKT (US\$)	11.96	11.19	8.77	6.88	36.37	0.22
Gaming Partners International	Nasdaq: GPIC (US\$)	8.30	8.11	6.25	2.34	32.80	0.01
Global Cash Access	NYSE: GCA (US\$)	8.30	7.81	7.05	6.27	17.73	0.21
GTECH S.p.A.	MILAN: GTK.MI (€)	22.39	21.14	16.55	5.91	35.29	1.72
IGT	NYSE: IGT (US\$)	18.80	18.93	12.84	(0.69)	46.42	(0.21)
INTRALOT S.A.	ATHEX: INLOT (€)	1.95	1.64	1.55	18.90	25.81	0.47
Konami	NYSE: KNM (US\$)	24.19	23.18	23.10	4.36	4.72	0.95
Multimedia Games	Nasdaq: MGAM (US\$)	32.51	34.55	15.91	(5.90)	104.34	(0.35)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	18.28	16.17	8.24	13.05	121.84	1.27
SHFL Entertainment	Nasdaq: SHFL (US\$)	23.18	22.97	14.13	0.91	64.05	0.08
Transact Technologies	Nasdaq: TACT (US\$)	13.79	13.09	7.74	5.35	78.17	0.04
Wells-Gardner Electronics	AMEX: WGA (US\$)	1.68	1.72	2.07	(2.33)	(18.84)	(0.00)
Change in Index Value							7.19
AGEM Index Value: September 2013							186.32
AGEM Index Value: October 2013							193.51

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A number of gaming equipment manufacturers reported positive results in the most recent quarterly cycle. Results for selected companies are noted below.

International Game Technology (IGT) reported net revenues of \$632.3 million, which were up slightly from the \$631.1 million reported one year ago. Although interactive revenues increased 35.4 percent to \$73.0 million, the positive growth was offset by a decline in gaming operations revenues, while product sales revenues remained relatively flat at \$312.2 million. Despite a 29.7-percent increase in the number of machine units recognized, the average sales price declined 22.7 percent to \$11,600. Meanwhile, gaming operations revenues fell 6.3 percent to \$247.1 million, due to an 8.0-percent decline in revenues in North America. Average revenue per unit per day declined 4.0 percent to \$48.78. Notably, IGT recently announced that the company will be entering into a \$200 million accelerated share repurchase agreement.

Scientific Games Corporation (SGMS) reported net revenues of \$234.4 million in the third quarter of 2013, up 4.4 percent from the same period a year ago. During the quarter, the positive annual growth witnessed by the company's printed products and lottery systems revenues was partially offset by a decline in its gaming revenues. Printed products revenues for Scientific Games increased 4.2 percent to \$132.7 million, while lottery systems revenues witnessed an even more

substantial increase of 11.5 percent. Gaming revenues were \$32.7 million for the quarter, down 7.6 percent from the prior year period.

On October 18, 2013, Scientific Games completed its \$1.5 billion acquisition of WMS Industries (WMS). The deal closed less than 10 months after it was announced, leaving Scientific Games with \$3 billion in debt and a \$300 million line of credit for expansion.

TransAct Technologies (TACT) also recently released quarterly performance metrics. Net sales increased 9.2 percent year-over-year during the third quarter of 2013 to \$16.8 million. The latest trend was largely sourced to food safety, point-of-sale and banking revenues nearly doubling when compared to last year, as well as a 23.1-percent increase in casino and gaming revenues attributable to a rise in domestic sales.

Wells-Gardner Electronics Corporation (WGA) reported net sales of \$12.2 million during the third quarter, up 4.4 percent from the same period a year ago. Notably, sales to the gaming industry increased 6 percent during the period.

Overall, recent financial reports provided more market intelligence, and investor optimism pressed the AGEM Index to new heights since its inception in 2006.



www.AGEM.org

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)

AGEM Silver Members: Action Gaming, American Gaming Systems (AGS), Casino Technology, Gaming Partners International (GPI), JCM Global, MEI, Merkur Gaming, 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, Euro Games Technology (EGT), Galaxy Gaming, Gaming Support, Glory Global Solutions, Incredible Technologies, Inspired Gaming, Interblock USA, ISMS, Iverson Gaming Systems, 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, 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 Gaming Technology, Esterline Interface Technologies, 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, Impact Display Solutions, Intel, International Network in Advance Gaming (INAG), IPS, James Industries, JCS Technologies, Jones Walker, KEY-BAK, Kontron, Leap Forward Gaming, Lewis Brisbois Bisgaard & Smith, Lewis Roca Rothgerber, Litemax Technology, Metalcraft, Outpost Creative, Portwell, Proforma GPS, Rainmaker, Regulatory Management Counselors (RMC), Renewable Creative, Rye Park Gaming, SCA Gaming, Sightline Payments, Southwest Manufacturing Solutions, Spin Games, Strategy9, StylGame USA, Talent Associates, The Bright Group, Tournament One, TOVIS, TransAct Technologies, Union Gaming Group, Vantiv Gaming Solutions, Veridocs, Wrex Products and Young Electric Sign Company (YESCO).