

# AGEM Index

Association of Gaming Equipment Manufacturers

December 2013

The AGEM Index reported little change in the final month of 2013, rising 0.48 points (+0.2 percent) from November 2013 to a composite score of 193.95. Compared to December 2012, the AGEM Index rose 58.22 points, or 42.9 percent. Overall, the index performed well in 2013 with month-to-month increases reported in nine of the 12 months. In the latest month, half of the 16 global gaming manufacturers reported month-to-month increases in stock prices, with five up by more than five percent. Of the eight manufacturers that reported declines, one reported a dramatic decline of 11.4 percent. The AGEM Index is now more than three times the low reached in February 2009.

The broader stock markets continued to outperform the AGEM Index in December. The Dow Jones Industrial Average reported the greatest month-to-month increase, rising 3.0 percent to 16,576.66. NASDAQ followed, ending the month at 4,176.59, which represents a 2.9-percent increase. Meanwhile, the S&P 500 reported a 2.4-percent increase, rising from 1,805.81 to 1,848.36.

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

- Crane Co. (CR) contributed 2.14 points, due to a 7.9-percent increase in stock price to \$67.25.
- With a stock price of \$18.16 (+3.8 percent), International Game Technology (IGT) contributed 1.20 points.
- Bally Technologies (BYI) reported a stock price of \$78.45 (+5.2 percent) and contributed 1.10 points.

Selected negative contributors included the following:

- Konami (KNM) contributed negative 2.59 points, due to an 11.4-percent decline in stock price to \$22.95.
- With a stock price of €22.16 (-2.2 percent), GTECH S.p.A. (GTK) contributed negative 0.63 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Dec-13	Nov-13	Dec-12	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	4.39	4.50	2.81	(2.44) ↓	56.23 ↑	(0.42)
Aristocrat Technologies	ASX: ALL (AU\$)	4.69	4.72	3.15	(0.64) ↓	48.89 ↑	(0.48)
Astro Corp.	Taiwan: 3064 (NT\$)	44.10	41.55	33.80	6.14 ↑	30.47 ↑	0.04
Bally Technologies	NYSE: BYI (US\$)	78.45	74.57	44.71	5.20 ↑	75.46 ↑	1.10
Crane Co.	NYSE: CR (US\$)	67.25	62.31	46.28	7.93 ↑	45.31 ↑	2.14
Daktronics, Inc.	Nasdaq: DAKT (US\$)	15.68	15.30	11.08	2.48 ↑	41.52 ↑	0.12
Gaming Partners International	Nasdaq: GPIC (US\$)	8.17	8.20	6.86	(0.37) ↓	19.10 ↑	(0.00)
Global Cash Access	NYSE: GCA (US\$)	9.99	9.75	7.84	2.46 ↑	27.42 ↑	0.11
GTECH S.p.A.	MILAN: GTK.MI (€)	22.16	22.65	17.20	(2.16) ↓	28.84 ↑	(0.63)
IGT	NYSE: IGT (US\$)	18.16	17.49	14.17	3.83 ↑	28.16 ↑	1.20
INTRALOT S.A.	ATHEX: INLOT (€)	1.84	1.89	1.96	(2.65) ↓	(6.12) ↓	(0.06)
Konami	NYSE: KNM (US\$)	22.95	25.90	22.42	(11.39) ↓	2.36 ↑	(2.59)
Multimedia Games	Nasdaq: MGAM (US\$)	31.36	29.00	14.71	8.14 ↑	113.19 ↑	0.52
Scientific Games Corporation	Nasdaq: SGMS (US\$)	16.93	17.95	8.67	(5.68) ↓	95.27 ↑	(0.57)
Transact Technologies	Nasdaq: TACT (US\$)	12.53	12.71	7.22	(1.42) ↓	73.55 ↑	(0.01)
Wells-Gardner Electronics	AMEX: WGA (US\$)	1.78	1.68	1.78	5.95 ↑	- ↔	0.01
Change in Index Value							0.48
AGEM Index Value: November 2013							193.47
<b>AGEM Index Value: December 2013</b>							<b>193.95</b>

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In the most recent election, New York voters approved Proposition 1, a constitutional amendment that will expand commercial gaming in the state. As a result, New York State, which currently has nine racetracks with video-lottery terminals and five tribal casinos, will add up to seven commercial casinos. The proposition gained support from 57 percent of voters.

Initially, only four casinos will be authorized, and all of them will be located in upstate New York. Two licenses will be granted to operators developing properties in the Catskills and Mid-Hudson Valley region, one will be granted for a property in the Southern Tier near Binghamton and the final initial license will be for a property in the Saratoga Springs-Albany area. The law change indicates that no other casinos will be built for seven years. After that, it is likely a property will be developed in New York City.

Supporters of the proposal claimed the gaming expansion will create new jobs, increase school financing, provide property tax relief and generate revenue in parts of the state that are struggling with a weak economy. Meanwhile, opponents felt that the economic benefits would not be as significant as expected.

Other commercial markets in the northeast have been witnessing declining revenues, including Atlantic City in which casino revenues are down 44 percent compared to 2006.

Numerous developers are already expressing interest in the first four licenses, and the number is continuing to grow. The Catskills region is attracting the greatest number of potential applicants, due to its close proximity to New York City. At least five developers are eyeing the region, including the operators of Foxwoods Resort Casino and the Mohegan Sun casinos. The Saratoga Casino & Raceway has expressed interest in a license for a property in the Saratoga Springs-Albany area. Meanwhile, the owners of Tioga Downs and the Traditions at the Glen resort are considering the Southern Tier.

The State Gaming Commission will be overseeing the selection process, which is expected to start in the coming months. While it will likely take a few years for the first commercial casino to open in New York, the new market will provide a number of growth opportunities for gaming equipment manufacturers.



## The AGEM Index

The Association of Gaming Equipment Manufacturers (AGEM) produces the monthly AGEM Index that comprises 16 global gaming suppliers throughout the world. A total of 11 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 / SHFL Entertainment
- Global Cash Access (GCA)
- GTECH S.p.A.
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- Multimedia Games
- Scientific Games / WMS
- 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, Atrient, British Group Interactive (BGI), Brown & Brown Insurance of Nevada, Camryn Industries, Carmanah Signs, Casino Enterprise Management, Cooper Levenson, Cybertec Gaming Systems, Daktronics, Digital Instinct, DigiTech Systems, DiTronics Financial Services, DynaGraphic Printing, Eastsign International Limited, Eiler Research, Elite Gaming Technology, Esterline Interface Technologies, Eurocoin, Flextronics, Fox Rothschild, FutureLogic, Gaming Capital Group, Gary Platt Manufacturing, Gasser Chair Company, 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).