

AGEM Index

Association of Gaming Equipment Manufacturers

August 2014

After reporting a 0.9-percent month-to-month decline in July, the AGEM Index increased in August of 2014. The composite index ended the month at 190.58, which represents a gain of 6.97 points (+3.8 percent) when compared to the prior period. Compared to a year ago, the AGEM Index is up 10.27 points (+5.7 percent).

The AGEM Index has witnessed month-to-month gains in three of the past eight months. In August, seven of the 17 global gaming equipment manufacturers reported monthly increases in stock price, with four witnessing substantial gains of more than 15 percent. Of the 10 manufacturers that reported a decline in stock price, two were down by more than 10 percent.

The broader stock markets reported similar month-to-month growth in August 2014, with each of the major indices up by more than three percent. The Dow Jones Industrial Average ended the month at 17,098.45, representing an increase of 3.2 percent compared to July 2014. The S&P 500 reported an increase of 3.8 percent, rising to 2,003.37. NASDAQ reported the greatest monthly growth of the three, rising 4.8 percent to 4,580.27.

Selected positive contributors to the August 2014 AGEM Index included the following:

- Bally Technologies (BYI) contributed 6.72 points, due to a 31.8-percent increase in stock price to \$79.29.
- Scientific Games Corporation (SGMS) reported a stock price of \$10.15 (+18.9 percent) and contributed 1.13 points.
- With a stock price of \$27.81 (+15.3 percent), Multimedia Games (MGAM) contributed 0.88 points.

Selected negative contributors included the following:

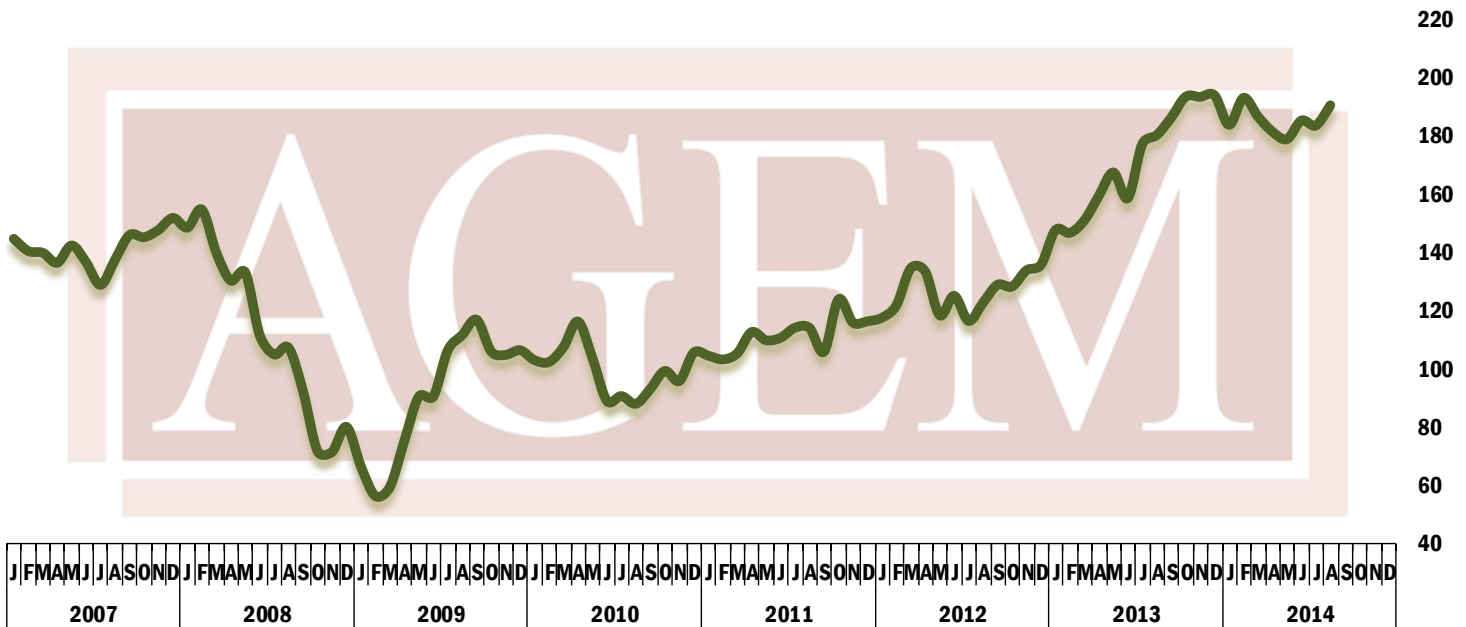
- Ainsworth Game Technology (AGI) contributed negative 0.73 points, due to a 10.9-percent decline in stock price to AU\$3.36.
- Due to a stock price of AU\$5.53 (-3.0 percent), Aristocrat Technologies (ALL) contributed negative 0.56 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Aug-14	Jul-14	Aug-13	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	3.36	3.77	4.06	(10.88) ↓	(17.24) ↓	(0.73)
Aristocrat Technologies	ASX: ALL (AU\$)	5.53	5.70	4.52	(2.98) ↓	22.35 ↑	(0.56)
Astro Corp.	Taiwan: 3064 (NT\$)	37.80	38.50	38.30	(1.82) ↓	(1.31) ↓	(0.01)
Bally Technologies	NYSE: BYI (US\$)	79.29	60.17	72.13	31.78 ↑	9.93 ↑	6.72
Crane Co.	NYSE: CR (US\$)	69.59	68.61	57.41	1.43 ↑	21.22 ↑	0.41
Daktronics, Inc.	Nasdaq: DAKT (US\$)	13.16	11.10	10.69	18.56 ↑	23.11 ↑	0.74
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.38	0.40	0.24	(5.00) ↓	58.33 ↑	(0.01)
Gaming Partners International	Nasdaq: GPIC (US\$)	8.29	8.56	8.26	(3.15) ↓	0.36 ↑	(0.01)
Global Cash Access	NYSE: GCA (US\$)	7.81	8.37	7.70	(6.69) ↓	1.43 ↑	(0.24)
GTECH S.p.A.	MILAN: GTK.MI (€)	18.11	18.00	21.27	0.61 ↑	(14.86) ↓	(0.69)
IGT	NYSE: IGT (US\$)	16.86	16.93	18.89	(0.41) ↓	(10.75) ↓	(0.12)
INTRALOT S.A.	ATHEX: INLOT (€)	1.77	1.85	1.51	(4.32) ↓	17.22 ↑	(0.18)
Konami	NYSE: KNM (US\$)	23.10	23.39	21.90	(1.24) ↓	5.48 ↑	(0.29)
Multimedia Games	Nasdaq: MGAM (US\$)	27.81	24.12	39.24	15.30 ↑	(29.13) ↓	0.88
Scientific Games Corporation	Nasdaq: SGMS (US\$)	10.15	8.54	14.29	18.85 ↑	(28.97) ↓	1.13
Transact Technologies	Nasdaq: TACT (US\$)	7.79	9.01	8.88	(13.54) ↓	(12.27) ↓	(0.06)
Wells-Gardner Electronics	AMEX: WGA (US\$)	1.26	1.22	1.90	3.28 ↑	(33.68) ↓	0.00
Change in Index Value							6.97
AGEM Index Value: July 2014							183.61
AGEM Index Value: August 2014							190.58

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In August, a number of gaming equipment manufacturers reported their financial results for the three months ending June 2014, with earnings showing mixed results. Selected company highlights are noted below.

Bally Technologies (BYI) reported total revenues of \$342.2 million in the company's fiscal fourth quarter of 2014, up 29.4 percent from the same period in 2013. Electronic gaming machines revenue reported the greatest annual increase, rising 35.2 percent to \$119.9 million. The company notes that the gain was attributable to higher replacement sales and the sale of 1,262 Equinox™ units and 343 ETS seats. In addition, the average selling price of new units increased 7.8 percent to \$17,472. Systems revenue reported a 3.8-percent increase during the quarter, rising to \$75.7 million due to increased hardware revenue. Meanwhile, gaming operations revenue totaled \$104.8 million during the quarter, which represents an increase of 1.9 percent compared to the prior year period. The company notes that the latest performance is attributable to the placement of premium games, record wide-area progressive revenue and the leasing of 2,173 ETS seats.

Galaxy Gaming (GLXZ) also reported revenue gains in the three months ending June 2014 compared to the same period of 2013. The company reported total revenue of \$2.5 million during its fiscal second quarter of 2014, which represents an increase of 26.7 percent compared to a year ago. The latest increase is due to a 27.4-percent

increase in product leases and royalties, which rose to \$2.5 million. Meanwhile, product sales and service revenue, which accounts for a small portion of total revenue, declined from \$12,350 to \$1,175.

Global Cash Access (GCA) witnessed a decline in revenues during its fiscal second quarter 2014. The company reported revenues of \$144.9 million during the period, which represents a decline of 2.8 percent compared to the prior year period. The company notes that the latest decline is due to the loss of a contract with Caesars Entertainment (CZR), which resulted in a revenue loss of \$11.3 million. Without the loss of the contract, company revenues would have increased 5.3 percent year-over-year.

Other gaming equipment manufacturers that reported declines in revenues in the three months ended June 2014 include Gaming Partners International (GPIC). Revenues for the company fell 27.8 percent to \$10.2 million, due to a decline in the sale of worldwide casino currency products. In addition, Transact Technologies (TACT) reported a 12.7-percent decline in net sales during its fiscal second quarter of 2014, falling from \$15.8 million to \$13.8 million. Notably, casino and gaming revenue fell 16.4 percent to \$6.1 million as casino printer sales declined.



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, AMEX or OTC market, 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:

- 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 / WMS
- Video Gaming Technologies (VGT)

AGEM Silver Members: Action Gaming, American Gaming Systems (AGS), Casino Technology, Crane Payment Innovations (CPI), Gaming Partners International (GPI), JCM Global, Merkur Gaming, Ortiz Gaming, Suzo-Happ Group, TCSJohnHuxley, Wells-Gardner Electronics and Zitro.

AGEM Bronze Members: Abbiati Casino Equipment, Alfastreet, Amatic Industries, Astro Corp., Bingotimes Digital Technology, Boss Gaming, Cadillac Jack, Cammegh Limited, CG Technology (CGT), Cole Kepro International, Euro Games Technology (EGT), Galaxy Gaming, Gamblit Gaming, Gaming Support, Glory Global Solutions, Gold Club, Grand Vision Gaming, Incredible Technologies, Inspired Gaming, Interblock USA, Intervision Gaming, ISMS, Iverson Gaming Systems, Jumbo Technology, Matsui Gaming Machine Co., Metronia, Modern Gaming, NYX Gaming Group, Patriot Gaming & Electronics, Quixant Ltd., Reel Games, Table Trac, U1 Gaming and Win Systems.

AGEM Associate Members: 3M Touch Systems, Adlink Technology, Advantech-Innocore, A-Game Marketing, AMD, Arrow International, Asimex Global, Atrient, British Group Interactive (BGI), Brown & Brown Insurance of Nevada, Camryn Industries, Carmanah Signs, Casino Enterprise Management, Coloredge, Cooper Levenson, Cybertec Gaming Systems, Daktronics, Digital Instinct, DiTronics Financial Services, DynaGraphic Printing, Eilers Research, Elite Gaming Technology, Esterline Interface Technologies, Fantini Research, Fox Rothschild, FutureLogic, GameAccount Network, Gaming Capital Group, Gary Platt Manufacturing, Gasser Chair Company, Genesis Interactive Technologies, GeoComply USA, Global Experience Specialists (GES), Global Gaming Group (G3), Greenberg Traurig, Hanco Technologies, Howard & Howard, Impact Display Solutions, Intel, IPS, Ipsos, James Industries, JCS Technologies, Joingo, Jones Walker, KEY-BAK, Kontron, Lazcano Sámano, Leap Forward Gaming, Lewis Brisbois Bisgaard & Smith, Lewis Roca Rothgerber, Lightstone Solutions, McGladrey LLP, Metalcraft, Outpost Creative, Portilla, Ruy-Díaz y Aguilar, Portwell, Proforma GPS, Rainmaker, Regulatory Management Counselors (RMC), Renewable Creative, Robert Half Technology, Rye Park Gaming, SCA Gaming, Sightline Payments, Southwest Manufacturing Services, Spin Games, Strategy9, StylGame USA, Talent Associates, The Bright Group, Tournament One, TOVIS, TransAct Technologies, Twain Financial Partners, Vantiv Gaming Solutions, Veridocs, Wells Fargo and Young Electric Sign Company (YESCO).