

AGEM Index

Association of Gaming Equipment Manufacturers

October 2014

In October 2014, the AGEM Index fell a modest 0.51 points, or -0.3 percent, when compared to September 2014 to a composite index of 186.99. October represented the second consecutive monthly decline in value while the index was down in eight of the past 12 months. Compared to a year ago, the AGEM Index remains off 6.51 points (-3.4 percent), which represents the first annual decline since April of 2011.

In October, a total of 10 of the 17 global gaming equipment manufacturers reported declines in stock price when compared to September. Meanwhile, six manufacturers reported stock price increases, and Ainsworth Game Technology (AGI) posted a flat performance from the prior month.

Broader equities markets trended in a positive direction, contrasting with the AGEM Index. The Dow Jones Industrial Average ended the month at 17,390.52, which was up 2.0 percent from September. The S&P 500 reported a 2.3-percent gain during the month, rising to 2,018.05. NASDAQ witnessed the greatest monthly gain, up 3.1 percent to 4,630.74.

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

- Aristocrat Technologies (ALL) reported a stock price of AU\$6.41 (+9.8 percent) and contributed 2.04 points.
- Scientific Games Corporation (SGMS) contributed 0.68 points due to a 9.3-percent gain in stock price to \$11.77.
- With a stock price of \$13.31 (+8.3 percent), Daktronics (DAKT) contributed 0.35 points.

Selected negative contributors included the following:

- GTECH S.p.A. (GTK) contributed negative 0.93 points due to a 1.3-percent decline in stock price to €18.57.
- Due to a stock price of \$16.39 (-2.9 percent), International Game Technology (IGT) contributed negative 0.84 points.

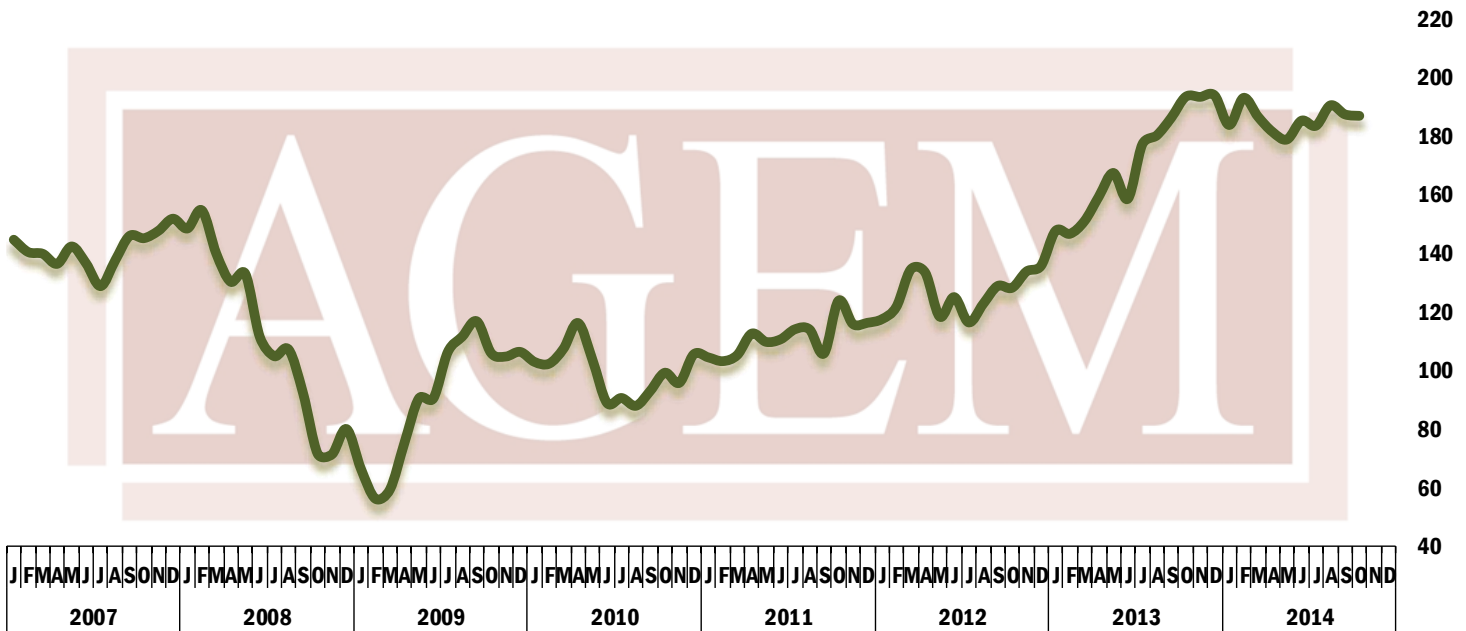
AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Oct-14	Sep-14	Oct-13	Prior Period	Prior Year	
AG&E Holdings Inc.	AMEX: WGA (US\$)	1.22	1.12	1.68	8.93	(27.38)	0.01
Ainsworth Game Technology	ASX: AGI (AU\$)	3.03	3.03	4.36	-	(30.50)	(0.10)
Aristocrat Technologies	ASX: ALL (AU\$)	6.41	5.84	5.05	9.76	26.93	2.04
Astro Corp.	Taiwan: 3064 (NT\$)	30.00	36.60	43.45	(18.03)	(30.96)	(0.10)
Bally Technologies	NYSE: BYI (US\$)	80.40	80.70	73.14	(0.37)	9.93	(0.08)
Crane Co.	NYSE: CR (US\$)	62.35	63.21	63.50	(1.36)	(1.81)	(0.37)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	13.31	12.29	11.96	8.30	11.29	0.35
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.42	0.39	0.25	7.69	68.00	0.01
Gaming Partners International	Nasdaq: GPIC (US\$)	8.30	8.43	8.30	(1.54)	-	(0.01)
Global Cash Access	NYSE: GCA (US\$)	7.29	6.75	8.30	8.00	(12.17)	0.28
GTECH S.p.A.	MILAN: GTK.MI (€)	18.57	18.81	22.39	(1.28)	(17.06)	(0.93)
IGT	NYSE: IGT (US\$)	16.39	16.87	18.80	(2.85)	(12.82)	(0.84)
INTRALOT S.A.	ATHEX: INLOT (€)	1.13	1.60	1.95	(29.38)	(42.05)	(0.50)
Konami	NYSE: KNM (US\$)	20.13	20.78	24.19	(3.13)	(16.78)	(0.66)
Multimedia Games	Nasdaq: MGAM (US\$)	34.90	36.01	32.51	(3.08)	7.35	(0.23)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	11.77	10.77	18.28	9.29	(35.61)	0.68
Transact Technologies	Nasdaq: TACT (US\$)	5.73	6.74	13.79	(14.99)	(58.45)	(0.05)
Change in Index Value							(0.51)
AGEM Index Value: September 2014							187.50
AGEM Index Value: October 2014							186.99

www.AGEM.org

AGEM Index

Association of Gaming Equipment Manufacturers

October 2014



In July, Scientific Games Corporation (SGMS) announced a deal to acquire Bally Technologies (BYI) for \$5.1 billion. Scientific Games recently announced that it raised \$2 billion for the transaction and indicated the acquisition remains on track to close by the end of the calendar year. Shareholders for Bally Technologies are scheduled to vote on the transaction on November 18. The acquisition is also subject to the necessary regulatory approvals.

Both companies (BYI and SGMS) recently announced their financial results for the three months ending September 2014. Bally Technologies reported revenue of \$320.8 million in its fiscal first quarter of 2015, which represents an increase of 28.7 percent compared to the prior year. Electronic gaming machines revenue increased 32.1 percent to \$94.2 million, partially due to an increase in sales in Australia and a 9.0-percent increase in average selling price to \$17,767. Gaming operations revenue for Bally Technologies also increased during the quarter, rising 4.5 percent to \$106.5 million, while systems revenue declined 2.4 percent to \$74.3 million. Bally Technologies also reported \$45.8 million in table products revenue, attributable to the addition of SHFL Entertainment.

Scientific Games Corporation reported revenue of \$415.6 million during its fiscal third quarter of 2014, up from \$234.4 million a year ago. The latest gains are attributable to the addition of WMS as well as an increase in lottery revenue. During the quarter, gaming

segment revenue increased from \$39.4 million to \$202.9 million, primarily due to \$162.5 million in revenue from WMS. Instant products revenue increased 0.9 percent to \$134.0 million, due to a 3.2-percent gain in product sales and a 0.8-percent gain in instant games revenue. In addition, lottery systems revenue increased to \$78.7 million, due to a \$16.9-million increase in product sales revenue. The latest annual gains are due to a rise in terminal and software sales to international customers and hardware sales in the U.S.

In other acquisition news, Aristocrat Technologies (ALL) recently completed its acquisition of Video Gaming Technologies, Inc. (VGT). Aristocrat purchased VGT for \$1.3 billion. Due to VGT's installed base of 20,200 machines in the United States, Aristocrat's installed base in North America will increase from 8,200 units to 28,400 units as a result of the acquisition.

Global Cash Access (GCA) also recently announced plans to acquire Multimedia Games (MGAM). The deal is valued at roughly \$1.2 billion and is expected to close in early 2015, assuming it receives the necessary regulatory approvals. Multimedia Games recently completed its acquisition of PokerTek, Inc. for \$13.5 million.

Consolidation in the global gaming supplier industry has been prominent in the past year as the industry and technology continue to evolve.



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.

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.



For More Information, Contact:

Marcus Prater, Executive Director

P.O. Box 50049, Henderson, NV 89016-0049

702.812.6932 | AGEM.org@cox.net

AGEM Membership Roster

AGEM Gold Members:

- Ainsworth Game Technology
- Aristocrat Technologies
- Aruze Gaming America
- Austrian Gaming Industries
- Bally Technologies
- Global Cash Access (GCA)
- GTECH
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- Multimedia Games
- Scientific Games / WMS
- Video Gaming Technologies (VGT)

AGEM Silver Members: Action Gaming, AG&E Holdings Inc., American Gaming Systems (AGS), Casino Technology, Crane Payment Innovations (CPI), Gaming Partners International (GPI), JCM Global, Merkur Gaming, Ortiz Gaming, Suzo-Happ Group, TCSJohnHuxley 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, Gambelit 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, AMD, Arrow International, Asimex Global, Atrient, British Group Interactive (BGI), Brown & Brown Insurance of Nevada, Camryn Industries, Carmanah Signs, Casino Enterprise Management, Catapult Global, 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, Olsen Gaming/Spectronix, Outpost Creative, Portilla, Ruy-Díaz y Aguilar, Portwell, Proforma GPS, Rainmaker, Regulatory Management Counselors (RMC), Renewable Creative, Robert Half Technology, 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).