

# AGEM Index

Association of Gaming Equipment Manufacturers

November 2014

The AGEM Index reported a composite value of 185.58 in November 2014, which represents a decline of 1.41 points (-0.8 percent) when compared to October 2014. Compared to a year ago, the index fell 7.89 points (-4.1 percent). The AGEM Index reported month-to-month declines for three consecutive months and year-over-year declines for two consecutive months. In November, Scientific Games Corporation (SGMS) completed its acquisition of Bally Technologies, removing Bally from the index.

During the latest period, 10 of the 16 global gaming suppliers reported a monthly decline in stock price, with six falling by more than five percent. Of the six companies reporting gains in stock price, only one was up by more than five percent.

Broader equities markets continued to trend in a positive direction in November 2014. The Dow Jones Industrial Average ended the month at 17,828.24, up 2.5 percent from the prior month. The S&P 500 also reported a 2.5-percent increase during the period, rising to 2,067.56. NASDAQ reported the greatest monthly increase of the three major indices, rising 3.5 percent to 4,791.63.

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

- Scientific Games Corporation (SGMS) contributed 3.10 points, due to a 28.6-percent increase in stock price to \$15.14.
- International Game Technology (IGT) reported a stock price of \$17.03 (+3.9 percent) and contributed 1.39 points.
- With a stock price of \$36.29 (+4.0 percent), Multimedia Games (MGAM) contributed 0.36 points.

Selected negative contributors included the following:

- Due to a stock price of \$59.03 (-5.3 percent), Crane Co. (CR) contributed negative 1.56 points.
- Konami (KNM) reported a stock price of \$18.80 (-6.6 percent) and contributed negative 1.50 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Nov-14	Oct-14	Nov-13	Prior Period	Prior Year	
AG&E Holdings Inc.	AMEX: WGA (US\$)	0.76	1.22	1.68	(37.70)	(54.76)	(0.03)
Ainsworth Game Technology	ASX: AGI (AU\$)	2.24	3.03	4.50	(26.07)	(50.22)	(1.45)
Aristocrat Technologies	ASX: ALL (AU\$)	6.51	6.41	4.72	1.56	37.92	(0.46)
Astro Corp.	Taiwan: 3064 (NT\$)	30.85	30.00	41.55	2.83	(25.75)	0.00
Crane Co.	NYSE: CR (US\$)	59.03	62.35	62.31	(5.32)	(5.26)	(1.56)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	11.93	13.31	15.30	(10.37)	(22.03)	(0.45)
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.38	0.42	0.23	(9.52)	65.22	(0.01)
Gaming Partners International	Nasdaq: GPIC (US\$)	8.25	8.30	8.20	(0.60)	0.61	(0.00)
Global Cash Access	NYSE: GCA (US\$)	7.10	7.29	9.75	(2.61)	(27.18)	(0.10)
GTECH S.p.A.	MILAN: GTK.MI (€)	18.43	18.57	22.65	(0.75)	(18.63)	(0.73)
IGT	NYSE: IGT (US\$)	17.03	16.39	17.49	3.90	(2.63)	1.39
INTRALOT S.A.	ATHEX: INLOT (€)	1.18	1.13	1.89	4.42	(37.57)	0.06
Konami	NYSE: KNM (US\$)	18.80	20.13	25.90	(6.61)	(27.41)	(1.50)
Multimedia Games	Nasdaq: MGAM (US\$)	36.29	34.90	29.00	3.98	25.14	0.36
Scientific Games Corporation	Nasdaq: SGMS (US\$)	15.14	11.77	17.95	28.63	(15.65)	3.10
Transact Technologies	Nasdaq: TACT (US\$)	5.49	5.73	12.71	(4.19)	(56.81)	(0.02)
Change in Index Value							(1.41)
AGEM Index Value: October 2014							186.99
<b>AGEM Index Value: November 2014</b>							<b>185.58</b>

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With the results of the November 2014 election in the rear-view mirror, the fate of gaming-related initiatives was decided by voters in eight states. The initiatives largely focused on the expansion of gambling within each state. The results are highlighted below and demonstrate that while gaming continues to expand throughout the United States, residents in some areas remain hesitant to allow it to move forward.

In South Dakota, voters approved a ballot measure to amend the state constitution to allow live craps, roulette and keno in casinos in the City of Deadwood as well as tribal casinos in the state. The games are subject to approval from the South Dakota Legislature during the upcoming legislative session. The South Dakota Commission on Gaming expects casinos will be able to begin offering the new games by July 1, 2015.

In Massachusetts, voters rejected a measure that would repeal a 2011 law allowing for three casino licenses and one slots-only facility in the state. As a result of the election, the Massachusetts Gaming Commission officially awarded casino licenses to MGM Resorts and Wynn Resorts. While the operators received approval for their casinos a few months ago, licensing was delayed until the fate of gaming in the state was known.

MGM Resorts plans to build an \$800 million resort in Springfield, while Wynn Resorts will be developing a \$1.6 billion resort near Boston. Both operators plan to begin construction on their properties in 2015, with the first resort expected to open by 2017. In addition, Penn

National Gaming, which was awarded the license for the slot facility, continues to move forward with construction. The \$225 million property in Plainville is expected to open next year.

Ballot initiatives in California, Colorado and Rhode Island that would have expanded gambling in the three states were all rejected by voters in the November election. In California, the North Fork Rancheria Band of Mono Indians will not be allowed to build its proposed tribal casino nearly 40 miles from its reservation.

In addition, Colorado voters denied a measure to allow a racetrack operator in Arapahoe County to add a casino to its facility. The initiative was the eighth failed ballot attempt at expanding gambling in the state in 20 years.

Finally, voters in Rhode Island rejected an initiative to allow Newport Grand to add table games at its facility, which is the second time the initiative has failed in two years. However, voters did approve a second ballot measure that will allow them to approve a casino's location before it re-locates.

Other initiatives that gained approval from voters involved the legalization of charitable raffles or lotteries. In Kansas and South Carolina, nonprofit, religious and veteran groups will now be allowed to hold raffles for fundraising purposes. Meanwhile, in Tennessee, organizations serving veterans can now hold annual lotteries.



[www.AGEM.org](http://www.AGEM.org)

## 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, 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.



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## AGEM Membership Roster

### AGEM Gold Members:

- Ainsworth Game Technology
- Aristocrat Technologies
- Aruze Gaming America
- Austrian Gaming Industries
- Global Cash Access (GCA)
- GTECH
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- Multimedia Games
- Scientific Games / WMS / Bally Technologies
- 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 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, DEQ Systems, Euro Games Technology (EGT), FBM, 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, Wells-Gardner Technologies and Win Systems.

**AGEM Associate Members:** 3M Touch Systems, Abbott Law Chartered, 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, Legacy Electronics, 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, Touch Dynamic, Tournament One, TOVIS, TransAct Technologies, Twain Financial Partners, Vantiv Gaming Solutions, Veridocs, Wells Fargo and Young Electric Sign Company (YESCO).