

AGEM Index

Association of Gaming Equipment Manufacturers

December 2014

In the final month of 2014, the AGEM Index reported a composite value of 181.84. The December 2014 index represents a decline of 3.74 points (-2.0 percent) when compared to November 2014. Compared to a year ago, the AGEM Index declined 12.11 points (-6.2 percent). The index reported monthly declines for four consecutive months and was down for nine of the past 12 months. In December, Global Cash Access (GCA) completed its acquisition of Multimedia Games Corporation, removing Multimedia Games from the overall index.

During the latest period, eight of the 14 global gaming equipment suppliers reported month-to-month gains in stock price, with one reporting a gain of more than five percent. Of the six companies reporting a month-to-month decline in stock price, two were down by more than five percent.

The broader stock markets also reported a downturn in December 2014 when compared to the prior month. The Dow Jones Industrial Average declined modestly, falling from 17,828.24 to 17,823.07. The S&P 500 ended the month at 2,058.90, representing a decline of 0.4 percent, while NASDAQ witnessed a 1.2-percent decline to 4,736.05.

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

- International Game Technology (IGT) reported a stock price of \$17.25 (+1.3 percent) and contributed 0.50 points.
- Daktronics (DAKT) contributed 0.24 points due to a 4.9-percent gain in stock price to \$12.51.
- The biggest stock price gainer, Ainsworth Game Technology (AGI), jumped 5.4 percent. Due to exchange rate fluctuations, the supplier contributed 0.04 points to the overall index.

Selected negative contributors included the following:

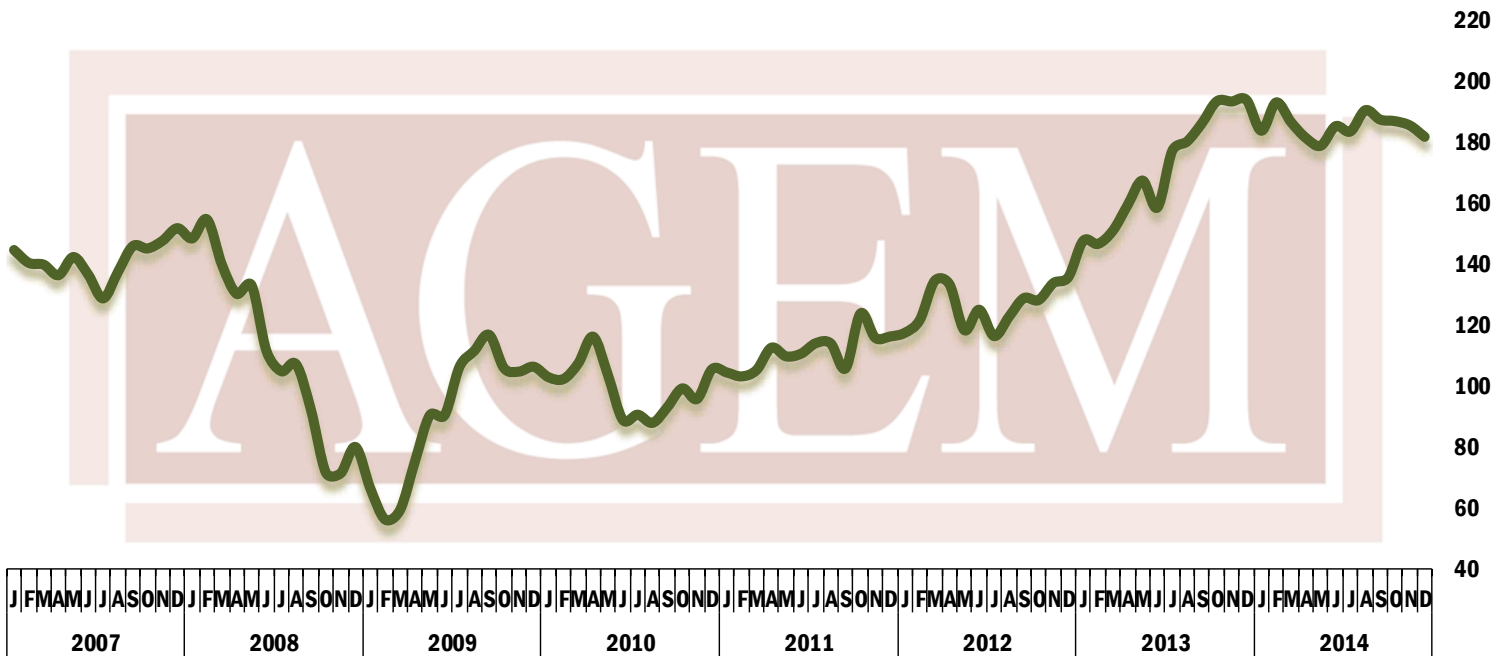
- Scientific Games Corporation (SGMS) reported a stock price of \$12.73 (-15.9 percent) and contributed negative 1.54 points.
- Aristocrat Technologies (ALL) reported a 0.8-percent increase in stock price to AU\$6.56. However, due to a decline in exchange rate, the company contributed negative 1.10 points to the index.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Dec-14	Nov-14	Dec-13	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	2.36	2.24	4.39	5.36	(46.24)	0.04
Aristocrat Technologies	ASX: ALL (AU\$)	6.56	6.51	4.69	0.77	39.87	(1.10)
Astro Corp.	Taiwan: 3064 (NT\$)	30.50	30.85	44.10	(1.13)	(30.84)	(0.02)
Crane Co.	NYSE: CR (US\$)	58.70	59.03	67.25	(0.56)	(12.71)	(0.17)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	12.51	11.93	15.68	4.86	(20.22)	0.24
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.39	0.38	0.24	2.63	62.50	0.00
Gaming Partners International	Nasdaq: GPIC (US\$)	8.61	8.25	8.17	4.36	5.39	0.03
Global Cash Access	NYSE: GCA (US\$)	7.15	7.10	9.99	0.70	(28.43)	0.03
GTECH S.p.A.	MILAN: GTK.MI (€)	18.49	18.43	22.16	0.33	(16.56)	(0.96)
IGT	NYSE: IGT (US\$)	17.25	17.03	18.16	1.29	(5.01)	0.50
INTRALOT S.A.	ATHEX: INLOT (€)	1.09	1.18	1.84	(7.63)	(40.76)	(0.19)
Konami	NYSE: KNM (US\$)	18.34	18.80	22.95	(2.45)	(20.09)	(0.58)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	12.73	15.14	16.93	(15.92)	(24.81)	(1.54)
Transact Technologies	Nasdaq: TACT (US\$)	5.47	5.49	12.53	(0.36)	(56.34)	(0.00)
Change in Index Value							(3.74)
AGEM Index Value: November 2014							185.58
AGEM Index Value: December 2014							181.84

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Gaming expansion continues in the state of New York. In November 2013, voters in the Empire State approved a constitutional amendment to expand casino gambling. As a result, New York State, which has nine racetracks with video-lottery terminals and five tribal casinos, will eventually add up to seven commercial casinos. However, initially, only four casinos will be allowed, and all of them will be located in upstate New York.

The New York State Gaming Facility Location Board recently awarded licenses to three operators, including Montreign Resort and Casino, Rivers Casino and Resort and Lago Resort Casino. Another 13 proposals were rejected by the review board, including plans from Caesars Entertainment to build an \$880-million casino in Orange County and Genting’s proposal for a \$1.5-billion development in Sterling Forest.

Montreign Resort and Casino will be located in Thompson in the Catskills. The \$1.1-billion project will include an 18-story resort with 391 hotel rooms and an 86,300-square-foot casino with 61 table games and 2,150 slot machines. The property is also expected to include an 80,000-square-foot indoor water park, a golf course and a 200,000-square-foot entertainment village.

Rivers Casino and Resort will be built in Schenectady County. The project will cost an estimated \$300 million and will include a 150-room hotel and a 50,000-square-foot gaming floor. The casino will include 66 table games as well as 1,150 slot machines.

Lago Resort and Casino will be located in Seneca County. The \$425-million project will include a 94,000-square-foot casino with 2,000 slot machines and 85 table games. In addition, the development will include 207 hotel rooms, a 40,000-square-foot pool area and a 10,000-square-foot spa.

In addition to the three commercial casinos soon to be underway, the Oneida Indian Nation is planning to open a \$20-million casino in Chittenango, which is 60 miles from the planned Lago Resort and Casino in Seneca County. The 67,000-square-foot development is expected to open in the spring of 2015 and will include 430 slot machines, a 500-seat bingo hall, dining, a country western bar and a general store.

As casino gambling in the state of New York continues to expand, global gaming equipment suppliers are keeping a close eye on opportunities in the region. However, concerns regarding the supply-demand balance in the region persist.



The AGEM Index

The Association of Gaming Equipment Manufacturers (AGEM) produces the monthly AGEM Index that comprises 14 global gaming suppliers throughout the world. A total of 9 suppliers are based in the United States and are listed on the NYSE, Nasdaq 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) / Multimedia Games
- GTECH
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- Scientific Games / Bally / SHFL / 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 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, Advanced Gaming Associates, Adlink Technology, Advantech-Innocore, AMD, Arrow International, Asimex Global, Atrient, British Group Interactive (BGI), Brown & Brown Insurance of Nevada, Camryn Industries, CardConnect, 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).