

AGEM Index

Association of Gaming Equipment Manufacturers

March 2015

In March 2015, the AGEM Index witnessed a month-to-month decline, after reporting a gain of 10.82 points in February 2015. The composite index closed at 190.28 in March, which represented a modest decline of 2.43 points (-1.3 percent) when compared to the prior month. However, compared to a year ago, the AGEM Index witnessed a gain of 3.60 points (+1.9 percent). The latest annual increase follows five consecutive months of year-over-year declines.

In March 2015, five of the 14 global gaming equipment suppliers reported month-to-month gains in stock price, with three up by more than 10 percent. However, of the nine manufacturers that reported declines, seven were down by more than five percent, with three reporting declines of more than 10 percent.

The performance of the AGEM Index in March 2015 was in line with the broader stock markets, as each of the three major indices witnessed monthly declines. NASDAQ fell 1.3 percent to 4,900.88, while the S&P 500 declined 1.7 percent to 2,067.89. The Dow Jones Industrial Average witnessed the greatest decline of the three, falling 2.0 percent from 18,132.70 to 17,776.12.

Selected positive contributors to the March 2015 AGEM Index included the following:

- Aristocrat Technologies (ALL) contributed 3.97 points, due to its 13.3-percent increase in stock price to AU\$8.43.
- Ainsworth Game Technology (AGI) reported a stock price of AU\$2.89 (+15.6 percent) and contributed 0.84 points to the index.
- With a stock price of \$7.62 (+7.2 percent), Global Cash Access (GCA) contributed 0.33 points.

Selected negative contributors included the following:

- Crane Co. (CR) contributed negative 2.17 points, due to its 6.6-percent decline in stock price to \$62.41.
- With a stock price of \$10.47 (-22.5 percent), Scientific Games Corporation (SGMS) contributed negative 1.83 points to the overall index.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Mar-15	Feb-15	Mar-14	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	2.89	2.50	3.64	15.60	(20.60)	0.84
Aristocrat Technologies	ASX: ALL (AU\$)	8.43	7.44	5.38	13.31	56.69	3.97
Astro Corp.	Taiwan: 3064 (NT\$)	28.40	30.55	45.20	(7.04)	(37.17)	(0.04)
Crane Co.	NYSE: CR (US\$)	62.41	66.83	71.15	(6.61)	(12.28)	(2.17)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	10.81	10.23	14.39	5.67	(24.88)	0.24
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.30	0.37	0.34	(18.92)	(11.76)	0.00
Gaming Partners International	Nasdaq: GPIC (US\$)	10.76	8.50	9.23	26.59	16.58	0.21
Global Cash Access	NYSE: GCA (US\$)	7.62	7.11	6.86	7.17	11.08	0.33
GTECH S.p.A.	MILAN: GTK.MI (€)	18.45	18.51	22.05	(0.32)	(16.33)	(0.82)
IGT	NYSE: IGT (US\$)	17.41	17.84	14.06	(2.41)	23.83	(0.95)
INTRALOT S.A.	ATHEX: INLOT (€)	1.50	1.79	2.31	(16.20)	(35.06)	(0.42)
Konami	NYSE: KNM (US\$)	18.73	20.18	23.07	(7.19)	(18.81)	(1.75)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	10.47	13.51	13.73	(22.50)	(23.74)	(1.83)
Transact Technologies	Nasdaq: TACT (US\$)	5.91	6.52	11.49	(9.36)	(48.56)	(0.04)
Change in Index Value							(2.43)
AGEM Index Value: February 2015							192.71
AGEM Index Value: March 2015							190.28

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Consolidation continues in the equipment manufacturing industry. On April 7, 2015, GTECH completed its \$6.4-billion acquisition of International Game Technology. The new company, which will go by the name “IGT,” is the world’s largest gaming machine manufacturer as well as top lottery contractor and expects to achieve roughly \$280 million in corporate cost savings going forward. The transaction (consolidation of IGT and GTECH) will be reflected in the April 2015 edition of the AGEM Index, which will be released in early May 2015.

In March, GTECH released its fourth quarter 2014 financial results. During the quarter, the company reported €809.5 million in net revenues, which represents an increase of 4.7 percent compared to the fourth quarter of 2013. The increase was primarily due to gains in product sales revenues, which increased 69.7 percent year-over-year to €86.0 million. Service revenues reported little change during the period, rising 0.1 percent to €723.5 million.

In the fourth quarter of 2014, GTECH reported a 9.7-percent increase in net revenues in the Americas, which rose to €261.5 million, due to VLT sales in Oregon and strong instant ticket sales revenues. Meanwhile, International revenues increased 34.2 percent year-over-year to €113.4 million, primarily attributable to strong product sales in Belgium, an increase in machine sales to casino customers in EMEA and a rise in systems sales in Europe. Additionally, GTECH was awarded a contract for up to 5,550 of the initial 16,500 VLTs in Greece. Strong revenues in the Americas and internationally were

partially offset by a 3.5-percent decline in revenues in Italy to €434.5 million. The company notes that the decline was attributable to higher sports betting payout during the period.

Global Cash Access (GCA) also recently completed an acquisition when its \$1.2-billion buy-out of Multimedia Games completed in December 2014. During the fourth quarter of 2014, Global Cash Access reported \$152.1 million in net revenues, which represents an increase of 8.3 percent compared to the prior year period. Adjusted EBITDA increased 40.4 percent year-over-year to \$24.0 million.

In the fourth quarter, Multimedia Games reported an 18.9-percent decline in net revenues to \$48.0 million, while adjusted EBITDA fell 21.9 percent to \$22.8 million. During the quarter, the company reported 537 units sold compared to 1,375 in the prior year, while average sales price fell 6.0 percent to \$16,318. By the end of the quarter, domestic participation installed units totaled 13,287, which is up 5.0 percent from a year ago.

The combined Global Cash Access and Multimedia Games operations will remain headquartered in Las Vegas, Nevada, while the technology and manufacturing facilities will continue to be located in Austin, Texas. The companies plan to consolidate their manufacturing operations later this year, which is expected to reduce costs.



www.AGEM.org

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/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, NanoTech 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, G2 Gamedesign, GameAccount Network, Gaming Capital Group, Ganlot Inc., 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, Young Electric Sign Company (YESCO) and Zebra Technologies.