

AGEM Index

Association of Gaming Equipment Manufacturers

August 2015

The AGEM Index fell to 190.45 in August 2015, representing a decline of 11.45 points (-5.7 percent) from July 2015. While the decline is largely attributable to broader market trends in late August, the latest period represents the fourth monthly decline in the AGEM Index since the start of 2015. Compared to a year ago, the composite index was relatively flat, falling a modest 0.13 points (-0.1 percent) from 190.58. Effective August 24, 2015, Global Cash Access changed its name to Everi Holdings Inc. and began trading as EVRI on the New York Stock Exchange.

In August, eight of the 13 global gaming equipment manufacturers reported a decline in stock price compared to July 2015. Additionally, five manufacturers reported a stock price decline of more than 10 percent, with three down by more than 20 percent. Of the five manufacturers that reported gains in stock price during the month, all but one were up by less than three percent.

The broader stock markets reported declines in August largely due to international economic concerns, with each of the three major indices falling by more than 6.0 percent. NASDAQ ended the month at 4,776.51, which represents a decline of 6.9 percent from the prior month. The Dow Jones Industrial Average fell 6.6 percent to 16,528.03, while the S&P 500 fell 6.3 percent to 1,972.18.

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

- Konami Corp. (TYO:9766) contributed 2.69 points, due to a 2.9-percent increase in stock price to ¥2,664.
- Everi Holdings Inc. (EVRI) reported a stock price of \$5.17 (+2.4 percent) and contributed 0.10 point to the index.

Selected negative contributors included the following:

- Due to a 14.2-percent decline in stock price to \$16.98, International Game Technology PLC (IGT) contributed negative 6.00 points.
- Scientific Games Corporation (SGMS) contributed negative 3.20 points, due to a 27.0-percent decline in stock price to \$11.02.
- With a stock price of AU\$8.44 (-1.5 percent), Aristocrat Technologies (ALL) contributed negative 2.65 points.

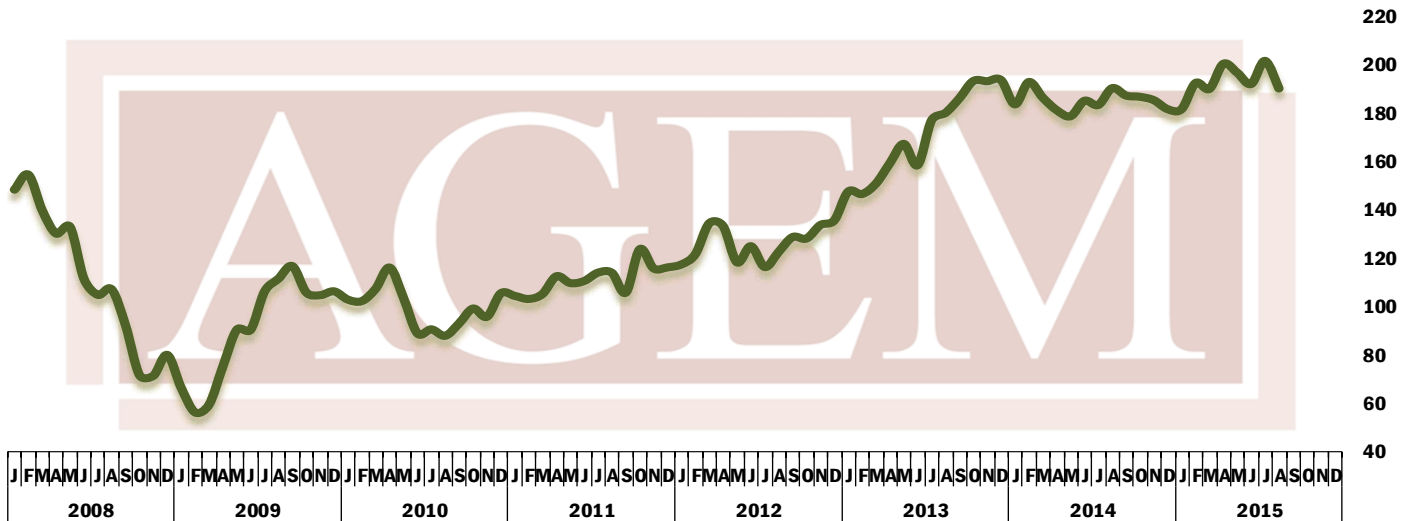
AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Aug-15	Jul-15	Aug-14	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	3.01	3.00	3.36	0.33	(10.42)	(0.33)
Aristocrat Technologies	ASX: ALL (AU\$)	8.44	8.57	5.53	(1.52)	52.62	(2.65)
Astro Corp.	Taiwan: 3064 (NT\$)	16.85	28.35	37.80	(40.56)	(55.42)	(0.20)
Crane Co.	NYSE: CR (US\$)	52.54	53.20	69.59	(1.24)	(24.50)	(0.47)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	8.69	11.43	13.16	(23.97)	(33.97)	(1.14)
Everi Holdings Inc.	NYSE: EVRI (US\$)	5.17	5.05	7.81	2.38	(33.80)	0.10
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.24	0.18	0.38	33.33	(36.84)	0.04
Gaming Partners International	Nasdaq: GPIC (US\$)	9.51	10.00	8.29	(4.90)	14.72	(0.05)
International Game Technology PLC	NYSE: IGT (US\$)	16.98	19.80	16.86	(14.24)	0.71	(6.00)
INTRALOT S.A.	ATHEX: INLOT (€)	1.52	1.70	1.77	(10.59)	(14.12)	(0.27)
Konami Corp	TYO: 9766 (¥)	2,664.00	2,588.00	2,409.00	2.94	10.59	2.69
Scientific Games Corporation	Nasdaq: SGMS (US\$)	11.02	15.10	10.15	(27.02)	8.57	(3.20)
Transact Technologies	Nasdaq: TACT (US\$)	7.51	7.41	7.79	1.35	(3.59)	0.01
Change in Index Value							(11.45)
AGEM Index Value: July 2015							201.90
AGEM Index Value: August 2015							190.45

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In August 2015, many of the gaming equipment manufacturers released their financial results for the period ending June 30, 2015. Selected performances are noted below.

Ainsworth Game Technology (AGI) reported net revenue of AU\$240.6 million in fiscal year 2015, which represents a decline of 1.4 percent from AU\$244.1 million in fiscal year 2014. The company's domestic revenue fell 35.1 percent to AU\$93.0 million as unit volume fell 41.1 percent to 3,535. The company noted the decline in domestic revenue was partially attributable to less business activity with large corporate customers and changes in customer purchasing patterns. However, Ainsworth released the A600™ at the Australasian Gaming Exhibition in August, which is expected to positively impact future sales.

International revenue, which accounts for 61.3 percent of total revenue, was AU\$147.6 million in fiscal year 2015, representing an increase of 46.4 percent from the prior year. Revenue in North America increased 41.4 percent to AU\$82.7 million as unit volume increased 30.2 percent to 3,100. In Latin America, Ainsworth reported net revenue of AU\$50.3 million, up 57.7 percent from a year ago. Unit volume increased 39.3 percent to 2,219 during the period. Other international revenue, which includes Asia, New Zealand and Europe increased 40.4 percent year-over-year to AU\$14.6 million, primarily attributable to sales growth in Asia.

Konami Corporation (9766) reported net revenue of ¥51,202 million for the three months ending June 2015, which represents a 5.3-percent increase from ¥48,606

million one year ago. Revenue for the gaming and systems segment was ¥6,829 million during the period, representing a modest increase of 0.2 percent from a year ago. Meanwhile, the Pachislot and Pachinko machines segment reported an 11.9-percent decline in revenue to ¥3,061 million. During the period, Konami expanded its Podium® series video slot machines and launched a pachislot machine themed after the animated series *Gun X Sword*.

GTECH S.p.A. and International Game Technology completed their merger on April 7, 2015. The following results for the combined company are on a pro forma, constant currency basis.

International Game Technology PLC (IGT) reported revenue of \$1.3 billion in the second quarter of 2015, up 1.2 percent from a year ago. During the period, the North America Lottery segment reported a 14.6-percent gain in revenue, rising to \$270 million. International revenue also positively impacted total revenue growth, rising 17.1 percent year-over-year to \$247 million, primarily due to strong product sales for lottery terminals and gaming machines. These gains were offset by a 6.8-percent decline in North America Gaming & Interactive revenue, which fell to \$353 million, and a 3.7-percent decline in revenue in Italy, which fell to \$432 million. During the quarter, IGT sold 10,147 gaming machines worldwide, up 7.9 percent from the prior year. A 15.2-percent increase in replacement units to 7,960 was offset by a 12.3-percent decline in new or expansion units to 2,187.



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The AGEM Index

The Association of Gaming Equipment Manufacturers (AGEM) produces the monthly AGEM Index that comprises 13 global gaming suppliers throughout the world. A total of 8 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 on the Tokyo 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
- Austrian Gaming Industries
- Everi Holdings Inc.
- International Game Technology PLC (IGT)
- Intralot S.A.
- Konami Gaming
- Sega Sammy Creation
- Scientific Games

AGEM Silver Members: Action Gaming, AGS, Aruze Gaming America, 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., BetConstruct, Bingotimes Digital Technology, Boss Gaming, Cammegh Limited, CG Technology (CGT), Cole Kepro International, DEQ Systems, Euro Games Technology (EGT), FBM, Galaxy Gaming, Gambit 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, 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, Axiontek, 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, G2 Game Design, GameAccount Network, Gaming Capital Group, Ganlot, Gary Platt Manufacturing, Gasser Chair Company, Genesis Interactive Technologies, GeoComply USA, Gill's Printing & Color Graphics, Global Experience Specialists (GES), Global Gaming Group (G3), Greenberg Traurig, Hanco Technologies, House Advantage, Howard & Howard, Impact Display Solutions, Intel, IPS, Ipsos, James Industries, James Industry Research Group, 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, NanoLumens, Olsen Gaming/Spectronix, Outpost Creative, Portilla Ruy-Díaz y Aguilar, Proforma GPS, Quantum Gaming Concepts, Randstad Staffing, Regulatory Management Counselors (RMC), Robert Half Technology, Sanmina, SCA Gaming, Sightline Payments, Southwest Manufacturing Services, Spin Games, StylGame USA, Talent Associates, The Bright Group, Touch Dynamic, Tournament One, TOVIS, TransAct Technologies, Vantiv Gaming Solutions, Veridocs, Wells Fargo, Young Electric Sign Company (YESCO) and Zebra Technologies.