

AGEM Index

Association of Gaming Equipment Manufacturers

April 2016

The AGEM Index posted a slight increase in April 2016 after gaining 27.35 points in March 2016. The composite index stood at 226.51 at the close of the month, which represents an increase of 2.16 points, or 1.0 percent, when compared to March 2016. The AGEM Index reported a year-over-year increase for the seventh consecutive month, rising 25.84 points, or 12.9 percent, when compared to April 2015.

During the latest period, seven of the 14 global gaming equipment manufacturers reported month-to-month gains in stock price, with two up by more than 10 percent. Of the six manufacturers reporting declines in stock price during the month, two were down by more than 10 percent. The remaining manufacturer, Ainsworth Game Technology (AGI), reported no change in stock price month-to-month.

The broader stock markets reported mixed results in April 2016. The S&P 500 reported a month-to-month increase of 0.3 percent, rising to 2,065.30. Additionally, the Dow Jones Industrial Average increased 0.5 percent to 17,773.64. However, NASDAQ decreased 1.9 percent during the period, falling to 4,775.36.

Selected positive contributors to the April 2016 AGEM Index included the following:

- Konami Corp. (9766) reported a stock price of ¥3,435 (+3.2 percent) and contributed 4.96 points.
- With a stock price of \$55.57 (+3.2 percent), Crane Co. (CR) contributed 1.23 points.
- Scientific Games Corporation (SGMS) contributed 0.53 points due to a 5.2-percent increase in stock price to \$9.92.

Selected negative contributors included the following:

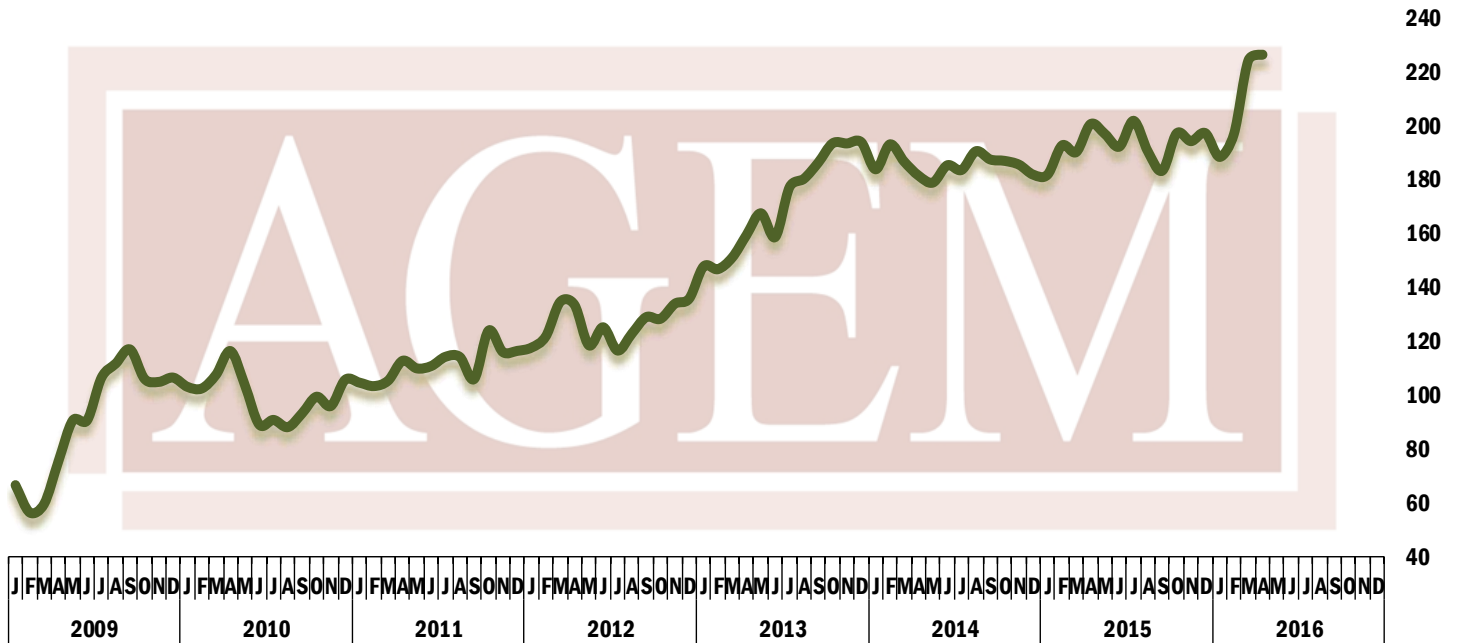
- With a stock price of AU\$10.00 (-2.9 percent), Aristocrat Technologies (ALL) contributed negative 2.16 points.
- International Game Technology PLC (IGT) contributed negative 2.05 points due to a 5.0-percent decline in stock price to \$17.34.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Apr-16	Mar-16	Apr-15	Prior Period	Prior Year	
Agilysys	Nasdaq: AGYS (US\$)	10.68	10.21	9.41	4.60	13.50	0.14
Ainsworth Game Technology	ASX: AGI (AU\$)	2.33	2.33	2.80	-	(16.79)	(0.06)
Aristocrat Technologies	ASX: ALL (AU\$)	10.00	10.30	8.32	(2.91)	20.19	(2.16)
Astro Corp.	Taiwan: 3064 (NT\$)	36.50	54.70	26.95	(33.27)	35.44	(0.33)
Crane Co.	NYSE: CR (US\$)	55.57	53.86	61.11	3.17	(9.07)	1.23
Daktronics, Inc.	Nasdaq: DAKT (US\$)	8.70	7.90	10.73	10.13	(18.92)	0.46
Everi Holdings Inc.	NYSE: EVRI (US\$)	1.68	2.29	7.40	(26.64)	(77.30)	(0.35)
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.25	0.22	0.28	13.18	(11.07)	0.02
Gaming Partners International	Nasdaq: GPIC (US\$)	8.90	9.85	11.08	(9.64)	(19.68)	(0.08)
International Game Technology PLC	NYSE: IGT (US\$)	17.34	18.25	20.35	(4.99)	(14.79)	(2.05)
INTRALOT S.A.	ATHEX: INLOT (€)	1.02	1.13	1.63	(9.73)	(37.42)	(0.20)
Konami Corp.	TYO: 9766 (¥)	3,435	3,330	2,209	3.15	55.50	4.96
Scientific Games Corporation	Nasdaq: SGMS (US\$)	9.92	9.43	12.67	5.20	(21.70)	0.53
Transact Technologies	Nasdaq: TACT (US\$)	8.71	8.14	5.12	7.00	70.12	0.06
Change in Index Value							2.16
AGEM Index Value: March 2016							224.35
AGEM Index Value: April 2016							226.51

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The gaming industry in Atlantic City, New Jersey took a hit in 2014 when four of its 12 casinos, including The Atlantic Club, Showboat, Revel and Trump Plaza, closed their doors and put 8,000 people out of work. However, more than a year and a half later, the city is reporting positive economic growth in 2016 as Atlantic City casino regulators announced hotels are planning on hiring 2,400 workers this year, including 600 full-time positions. While 1,260 of these jobs are expected to be seasonal, the overall increase in employment opportunities as well as a 40-percent annual increase in casino gross operating profit in 2015 point to a stabilizing economic climate in the region.

In addition to the growth in casino employment and gross operating profit, Revel, the \$2.4-billion casino that closed its doors in September 2014, is expected to partially reopen in June. Developer Glenn Straub purchased the casino for \$82 million and recently announced plans to open 500 hotel rooms, some casino space, restaurants, clubs and a zip-line obstacle course by this summer. However, he is still awaiting a casino license from the Division of Gaming Enforcement.

Despite the recent news for Atlantic City casinos, New Jersey voters will be making a potentially industry-altering decision to allow gaming within the state outside of Atlantic City in November's election. Historically, Atlantic City has maintained a monopoly on gaming in

New Jersey. However, the legalization of casinos within neighboring states has severely affected the profitability of the Las Vegas of the east. The vote to expand casinos to other parts of the state is set for November 8th, 2016 and currently has the backing of Governor Chris Christie.

While the proposed amendment has gained support from the Governor, public opinion appears to be split. A recent Rutgers-Eagleton poll found that about 49 percent of voters believe gaming should be limited to Atlantic City, while 44 percent support expansion into other parts of New Jersey.

The upcoming decision is particularly relevant to Atlantic City in that capital spending could be impacted by the approval of the legislation. While Glenn Straub has committed as much as \$500 million in investments toward Revel, competitor Carl Icahn may elect to withhold re-investment in his casino, Trump Taj Mahal. Icahn originally planned on investing \$100 million renovating the property. However, it was recently announced that \$15 million would be invested for immediate needs, but the \$100-million renovation may not take place if the ballot measure is approved in November.



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 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, lotteries, 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:

- AGS
- Ainsworth Game Technology
- Aristocrat Technologies
- Austrian Gaming Industries
- Everi Holdings Inc.
- International Game Technology PLC (IGT)
- Intralot S.A.
- Konami Gaming
- Merkur Gaming
- Sega Sammy Creation
- Scientific Games

AGEM Silver Members: Action Gaming, Aruze Gaming America, Casino Technology, Crane Payment Innovations (CPI), Gaming Partners International (GPI), JCM Global, Ortiz Gaming, Suzo-Happ Group, TCSJohnHuxley and Zitro.

AGEM Bronze Members: Abbiati Casino Equipment, Alfastreet, Amatic Industries, APEX Gaming, Astro Corp., BetConstruct, Bingotimes Digital Technology, Boss Gaming, Cammegh Limited, Century Gaming Technologies, CG Technology (CGT), Cole Kepro International, DEQ Systems, Euro Games Technology (EGT), FBM, Galaxy Gaming, Gamblit Gaming, GameCo, 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, Vantiv Entertainment Solutions, Wells-Gardner Technologies and Win Systems.

AGEM Associate Members: 3M Touch Systems, Abbott Law Chartered, Advanced Gaming Associates, Adlink Technology, Advantech-Innocore, Aglysys, AMD, Arrow International, Asimex Global, Atrient, Axiomtek, British Group Interactive (BGI), Brown & Brown Insurance of Nevada, Camryn Industries, CardConnect, Carmanah Signs, Casino Connection International, Casino Screens, Catapult Global, CDC Gaming Reports, Coloredge, Cooper Levenson, Coretronic, Daktronics, Digital Instinct, DiTronics Financial Services, Duane Morris LLP, DynaGraphic Printing, Eilers & Krejcik Gaming, Elite Gaming Technology, Esterline Interface Technologies, Fantini Research, Four Corners, Fox Rothschild, G2 Game Design, GAN, Gaming and Entertainment Touch Technology, Gaming Capital Group, Ganlot, Gary Platt Manufacturing, Gasser Chair Company, Genesis Interactive Technologies, GeoComply USA, Global Gaming Group (G3), Greenberg Traurig, Holley, Driggs, Walch, Fine, Wray, Puzey & Thompson, House Advantage, Howard & Howard, Impact Display Solutions, Intel, IPS, James Industries, James Industry Research Group, JCS Technologies, Jones Walker, KEY-BAK, Kontron, Lazzano Sámano, Legacy Electronics, Lewis Roca Rothgerber, Lightstone Solutions, McGladrey LLP, Media Resources, Metalcraft, NanoLumens, Olsen Gaming / Spectronix, Outpost Creative, Portilla Ruy-Díaz y Aguilar, Proforma GPS, Randstad Staffing, Regulatory Management Counselors (RMC), RMMC, Sanmina, SCA Gaming, Sightline Payments, Slot Constructor, Southwest Manufacturing Services, Spin Games, StylGame USA, Talent Associates, The Bright Group, Tohkoh Plastics America, Touch Dynamic, Tournament One, TOVIS, TransAct Technologies, Veridocs, Wells Fargo, Young Electric Sign Company (YESCO) and Zebra Technologies.