

March 01, 2004

Asensio & Company, Inc. Announces Investment Opinion on Multimedia Games, Inc.

Asensio & Company, Inc., a leading equity research firm, announced that it has reduced its target price for shares of Multimedia Games, Inc. (NASDAQ Symbol: MGAM, \$42.00) based on its belief that the U.S. Department of Justice ("DOJ") will continue to seek to shutdown Multimedia's Oklahoma business and the serious consequences of last Friday's decision by the State of Oklahoma to create competitive and authentic gaming in the state. This allows legitimate industry leaders such as International Game Technology (NYSE: IGT, \$39.24) and Alliance Gaming Corporation (NYSE: AGI, \$24.26) to offer Oklahoma casinos their existing world class games at competitive prices. Multimedia is entirely dependent on Oklahoma gaming. Having nothing to lose Multimedia is willing to supply Oklahoma with games that the DOJ believes to be illegal. This willingness to assume risk is no longer of any value.

The U.S. Supreme Court is scheduled to announce its decision on whether it will entertain the DOJ's arguments against Multimedia-style gaming later this morning.

Today Asensio & Company, Inc. published today a report on Multimedia titled "Prudential back tracks on MGAM." The report is available at www.asensio.com

In addition to the above, Asensio & Company, Inc.'s opinions are also based on the following:

We believe Multimedia is materially inflating its reported earnings per share by adding expenses to its balance sheet. For example in just the last six months the amount of costs added to assets per additional installed gaming machine increased from \$6,493 to \$11,282 per game, which equals an increase in average capitalized cost per additional machine of 73.8%. This variance alone accounts for 25% of Multimedia's alleged pre-tax income. There are other significant questionable amounts included in Multimedia's assets that have not been expensed.

Multimedia's historical performance was generated with games that were not sanctioned by Oklahoma or the NIGC. Multimedia's customers were recently forced to replace those games. We believe that the replacement games Multimedia supplied are materially less profitable.

Multimedia has disclosed that "the new legislation will likely enable intensified competition in the Oklahoma market, including new competition from credible gaming industry participants that to date have only had a limited presence in Oklahoma". This brief statement is buried in a 10 paragraph press release claiming that Oklahoma's new gaming law is "an exciting development."

Asensio & Company, Inc. covers Multimedia Games, Inc. and maintains a Strong Sell and Short Sell opinion. A summary of the basis of our opinion is found in our October 2, 2003 report published on www.asensio.com.

Asensio & Company, Inc. reports are published and distributed solely and exclusively to registered [asensio.com](http://www.asensio.com) subscribers who have read and agreed to the Terms of Use and Mandatory User Agreement located at <http://www.asensio.com/TermsOfUse.aspx> and included herein in its entirety by reference and by the provision of its availability.