

January 05, 2005

***MGAM capitalized \$111 million in expenditures in latest year.***

Multimedia Games, Inc. (NASDAQ: MGAM, \$14.51) added \$110.9 million to its assets last year, according to its own annual report filed on December 14, 2004. At March 31, 2002 Multimedia Games had \$68.3 million in assets and reported net income for the quarter of \$6.9 million. Multimedia Games claimed it generated net income of \$7.2 million on purported assets of \$217.4 million in its latest reported quarter.

In 2004 Multimedia Games reported total revenues of \$153.7 million and increased its assets by \$110.9 million. Multimedia Games wrote-off \$37.3 million in assets last year. Multimedia Games still reported an increase in assets of \$73.7 million in excess of this \$37.3 million of asset write-offs or reductions.

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](http://www.asensio.com).

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