



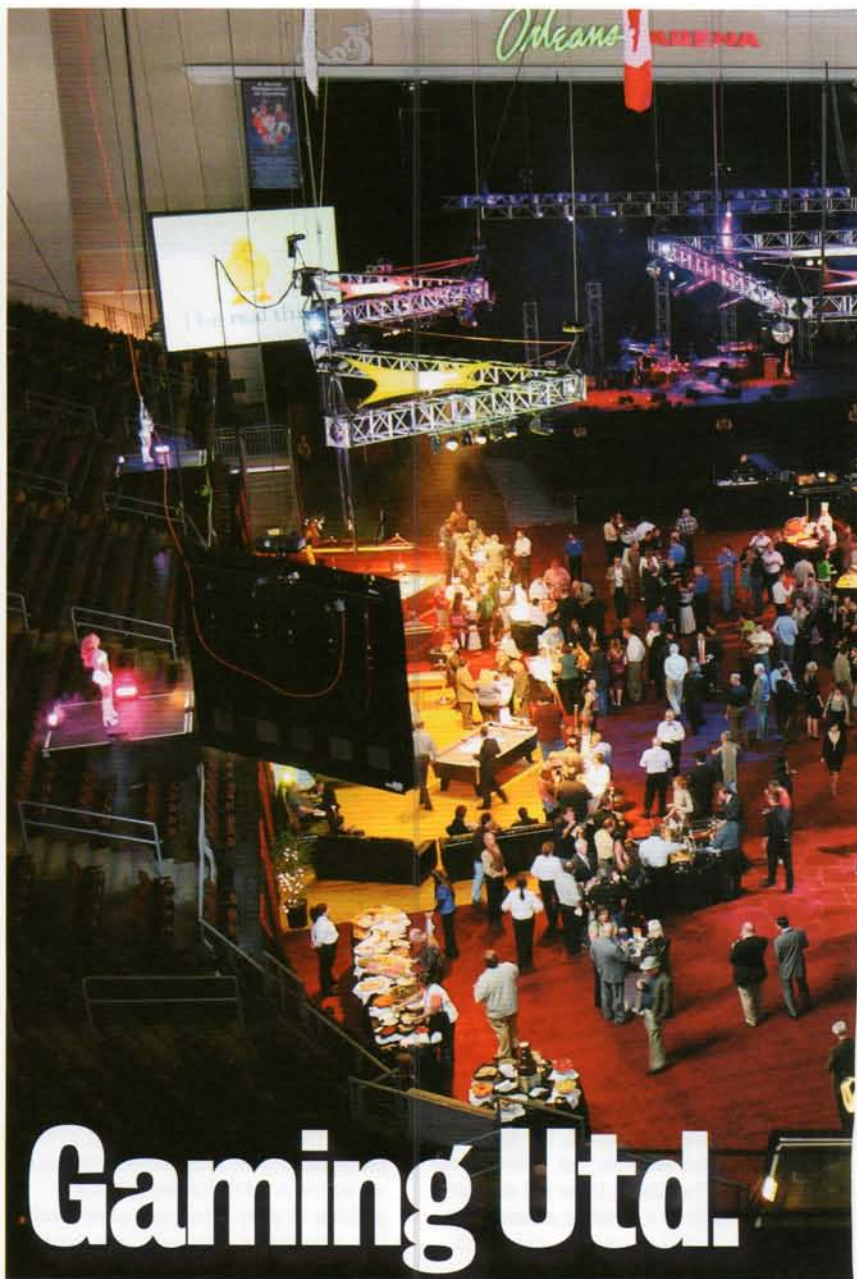
The Association of Gaming Equipment Manufacturers found its voice at the G2E show, albeit with the help of a microphone

The American casino market is served by two trade associations, the AGA and the AGEM. One is the internationally recognised operators association fronted by industry heavy-weight Frank Fahrenkopf, and the other is its smaller cousin, representing the interests of the manufacturing industry. The role and influence of the American Gaming Association has always been clearly defined and understood, while that of the AGEM has remained somewhat anonymous. Even the name, the Association of Gaming Equipment Manufacturers, has been commonly misconstrued as the American Gaming Equipment Manufacturers, when in fact the organisation is a global body encompassing all manufacturers in the gaming industry.

At the G2E show in Vegas last year, the AGEM stepped into the spotlight in spectacular fashion to host the largest gaming industry party ever staged, combining the traditional week of manufacturers' parties into a single one night special event that brought Aristocrat, Bally, IGT, WMS, Konami, Atronic etc. all under one roof for a massive celebration with their customers. Without the AGEM this would never have happened – and it's fair to say that without Marcus Prater running the AGEM, the association would never have pulled it off.

Mr. Prater was the well known face handling the press and public relations side of Bally Technologies' international business before joining the AGEM early in 2008. Since then the association has grown from 32 members to 60 in just nine months. The expansion has been predominantly in the international sector with companies such as Aruze, Octavian and TCSJohnHuxley joining the fold. A key driver is undoubtedly the discount AGEM members receive in booking their stands at the G2E exhibition, but it's just one of benefits that the association is offering its members.

"The G2e discount is a conversation starter," concedes Mr. Prater. "But the real benefits are greater than this, they're to do with the issues affecting everyone in the business. Some of the problems faced by IGT and Bally are unique, but the majority of the issues broadly affect each and every company involved in the gaming industry and its these that we are bringing to the table. We have been North America-centric in the past, and continue to have monthly membership meetings in Las Vegas, but we also open these meetings up via teleconferencing, with an agenda that encompasses the full membership. Any member is entitled to add a topic to the agenda. All actions to be taken are minuted and acted upon."



The AGEM G2E party was a direct result of the members addressing a problem affecting everyone in the sector. The top tier gaming manufacturers traditionally spending millions on the parties thrown in Vegas during the course of the exhibition. A combined show saved AGEM's members significant expenditure in a time of economic uncertainty, but as Mr. Prater underlines, the AGEM is not just a party organiser. "We put a lot of energy into the G2E party," admits Mr. Prater. "It was a great way to get our members working together while saving millions of dollars at the same time. The feedback has been tremendous too, with customers and manufacturers thrilled by the event. But we're also much more than just an organisation capable of staging a party."

Though right, the uniting of the most competitive businesses in the gaming industry under a single party banner was no mean feat. The party was seamlessly staged and though the Europeans may have booed Kenny Loggins as the headline act, the largest ever gaming industry event was a huge success in all other regards.

Taking over the reins in March 2008, Mr. Prater set about revitalising the organisation's press and public image, both internationally and domestically. As he describes it himself, Mr. Prater has been banging the AGEM drum to raise awareness of the organisation at all levels. "We've grown from a handful of companies to an association that lists all the major players in the global market, with unsolicited enquiries now coming



Top left to right, TJ Matthews, Chairman and CEO, International Game Technology (IGT); Richard Haddrill, CEO, Bally Technologies; Mark L. Yoseloff, Ph.D., Chairman and CEO, Shuffle Master, Inc.; Aki Isoi, CEO, JCM Global; Nick Kihn, President, Aristocrat Technologies; Orrin Edidin, President, WMS; Satoshi Sakamoto, Chairman and CEO, Konami Gaming; Frank J. Fahrenkopf, President and CEO, American Gaming Association

manufacturing industry as it relates to gaming, with 26,000 directly employed in the creation of gaming equipment. It's the first accurate study into the scale of the manufacturing sector in the gaming industry, revealing the facts, figures and impact of this important business.

"The AGA started out small too," explains Mr. Prater of the AGEM's ambitions. "It grew its membership over time, and we're not there yet, but we have achieved a lot in less than a year. As long as we can continue to support our members there is no limit to the growth we can achieve. We are continuing to add services to both member and associate members, offering membership to the best companies in the best markets in the world."

You don't have to wait to be invited either - which has been another perceived barrier to joining the AGEM. As Mr. Prater explained, US members do need to hold a manufacturer or distributor licence in the US, but international companies need only to apply subject to approval from the AGEM's board of directors. "We don't plan to conquer the world, but rather fill a void. Right now there isn't an association that ties everyone together. The gaming industry is comparably small, but covers a lot of ground. 8,000 individuals make up our membership base, which means that we're set-up well for a trade organisation in an industry that's small enough for the AGEM to make a real difference. To be a voice in the global marketplace."

The AGEM is undoubtedly weighted heavily with North American companies, as much a result of history as geography. The key for the future of the organisation is its ability to offer something to all its members at the global level. "We're not looking to over-promise our members," clarifies Mr. Prater. "What we're trying to do is offer benefits to them. Whether you like it or not, each is competing at the global level. An issue might be US-centric as it's affecting IGT in Argentina, but it's most likely affecting our other members too. I believe that by working collectively we can benefit all our members."

Last seen on the stage of the G2E party, addressing the combined gathering of the good and the great of international manufacturers and operators, Marcus Prater might not have Mr. Fahrenkopf's industry influence right now, or indeed his salary, but having recognised the need at an international level for a unified manufacturing voice in the gaming sector, he got a much bigger cheer than Kenny Loggins.

in from all quarters," said Mr. Prater. "We are based in Nevada, which I think is relevant to the wider global market in many ways. Our position in Nevada means that we can make a difference in this market, a market that has great influence and impact at the global level. It is also a market in which our members want to be involved and I think we are better positioned to be in the middle of that and lobby on behalf of our members at the highest level." The need to set a global agenda while taking localised action is a problem of which Mr. Prater is acutely aware. He is also conscious of the needs to grow the AGEM while at the same time continuing to serve the needs of all of its members. It's a balancing act that requires determination, deep knowledge and political dexterity, and one that has already borne results.

"Contributing to the ballot process in Maryland as helped ensure that the bill passed, opening a market for 15,000 machines across the state," described Mr. Prater of an AGEM success story. "The AGEM's role is to identify the issues rather than wait for them to come to us. We have to match the pace of growth in global markets and not just be reactive to the changes taking place. In regards to this, we have instigated the first Economic Impact Study, a research project examining the revenues, employment, charitable donations etc. that the gaming industry contributes both to the economy and society as a whole."

Collecting information from its 60+ members, the AGEM has compiled a report that shows the wider



AGEM Executive Director Marcus Prater unveils the results of the economic impact study.