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**Final Report: IMA – International Trade Fair for Amusement and Vending Machines.
18 to 21 January 2011, Düsseldorf Exhibition Centre**

Satisfactory order levels and slight increase in visitor numbers at IMA in Düsseldorf

The central issue at this year's IMA was market consolidation. It was a constant theme recurring in the comments made by all industry associations and exhibiting companies. The reasons for this can be found in a largely saturated market and the uncertainty among the market participants caused by political discussions.

Düsseldorf. After four days at the Düsseldorf Exhibition Centre, the 30th IMA is closing its gates. With 8,982 visitors, the trade fair for the amusement and vending machine industry shows only a slight increase (previous year 8,838). This matches the view expressed by the ifo Institute in its industry expertise which calls 2011 a year of consolidation.

Once again interest at IMA focussed on screen-based gaming machines with cash winning option this year, the so-called Multigamers. The market in this segment is largely saturated, however. The number of new projects for amusement arcades is significantly lower than in preceding years. As a result, the equipment market is primarily characterised by purchases for replacement or optimisation purposes. The VDAI emphasises that in principle, the industry is in favour of local authorities exercising their right to regulate the use of buildings. In a free and social market economy, entrepreneurship must be possible while respecting the framework set by the local political forces. In his opening address, VDAI Chairman Paul Gauselmann emphasised that local authorities have all the necessary instruments. However, he made a confident claim to the industry's right to offer citizens all over the country attractive entertainment by providing facilities for small-scale gambling. This especially in view of the fact that, due to the opportunities offered by the new Gambling Ordinance, the cost of small-scale gambling to the gambling guest has dropped to less than 11 euro per hour. "This is a price which is fully competitive in today's market of recreational activities", Gauselmann said.

At IMA the trade fair themes of marketing networks, cash management for amusement arcades, project design and interior furnishings have become increasingly prevalent in the exhibitor segment. Currently, not only new projects but also a large number of modernisation

schemes are realised. The issue of project financing is also much more strongly represented than in the past, since modern amusement arcades require high investments. After years of stagnation, billiard is also recording a slight recovery. The trend towards more sports games is also confirmed by the growing interest in the Bowling World exhibition segment. Sports gaming and recreational gambling seem to move closer again.

Overall, the mood among exhibitors and visitors was good, in spite of a sense of uncertainty regarding future developments. Many entrepreneurs are concerned about the massive increases in amusement taxes in some cities. The VDAI notes that this is primarily the case in cities with government-operated casinos. Obviously the idea is to recover the tax revenue lost due to self-inflicted losses in casino turnover. Unfortunately, these increases made by the cities in question create a considerable media echo and therefore have a signal effect for other local authorities. As a result, tax increases can quickly spread like wildfire.

At the same time, the evaluation of the 2006 Gambling Ordinance is on the agenda. From the perspective of the VDAI this has proved extremely valuable in terms of gambler protection and prevention. Since, however, it is unclear if there will be any changes in the sense of a fine-tuning, this creates additional uncertainty. Another aggravating factor is the discussion on the amendment of the Gambling Treaty. While this does not directly affect commercial gambling, some states attempt to extend their monopoly to include small-scale gambling as well.

These attempts were criticised by Prof. Dr. Kurt Biedenkopf at the opening ceremony of the trade fair already. The former premier of Saxonia exposed the approach taken by some states as double standards, since their only motive also was to secure higher revenue. He even phrased his criticism in very sharp terms: "I would say that the states in their capacity as entrepreneurs have set up a kind of cartel in order to establish a monopoly with the aim of increasing their revenue and at the same time squeezing commercial competitors out of the market."

The next IMA will take place from 17th to 20th January 2012 at the Düsseldorf Exhibition Centre.

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