

Bringing More to the Table™

FY 2007 - Investor Presentation



Forward Looking Statement

During this presentation and the Q&A session, various remarks we make about future expectations, plans and prospects for the company constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect and are subject to inherent known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Risk factors that could cause actual results to differ materially from expectations are included in our recent SEC filings. We will also be discussing certain financial measures such as adjusted EBITDA, which represents a non-GAAP financial measure.

This presentation includes reclassifications for discontinued operations and segment realignment.

Today's Presentation

- ♠ Company Overview
- ♠ Product Segments Overview
- ♠ Planning For Our Future
- ♠ Financial Highlights
- ♠ Investment Considerations
- ♠ Question and Answer



Company Overview

Company Overview

- ♠ Shuffle Master is the gaming industry's leading provider of:
 - ◆ **Utility Products**
 - ◆ **Proprietary Table Games**
 - ◆ **Electronic Table Systems**
- ♠ It is also a premier supplier of Electronic Gaming Machines designed for select markets in Australasia
- ♠ Shuffle Master is a fast-growing company which over the past five years has grown revenues at a compound annual rate of 32%
- ♠ Organic growth and strategic acquisitions have positioned the company for long-term future growth



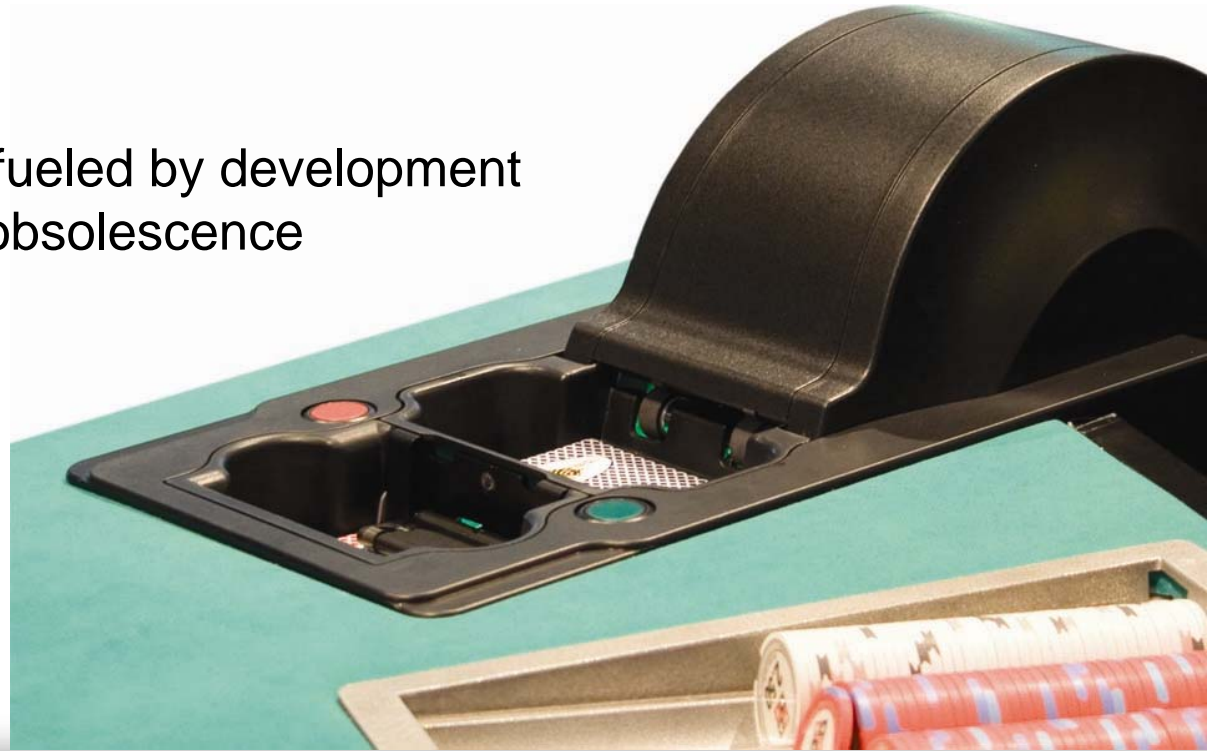
Product Segments Overview

Four Operating Segments

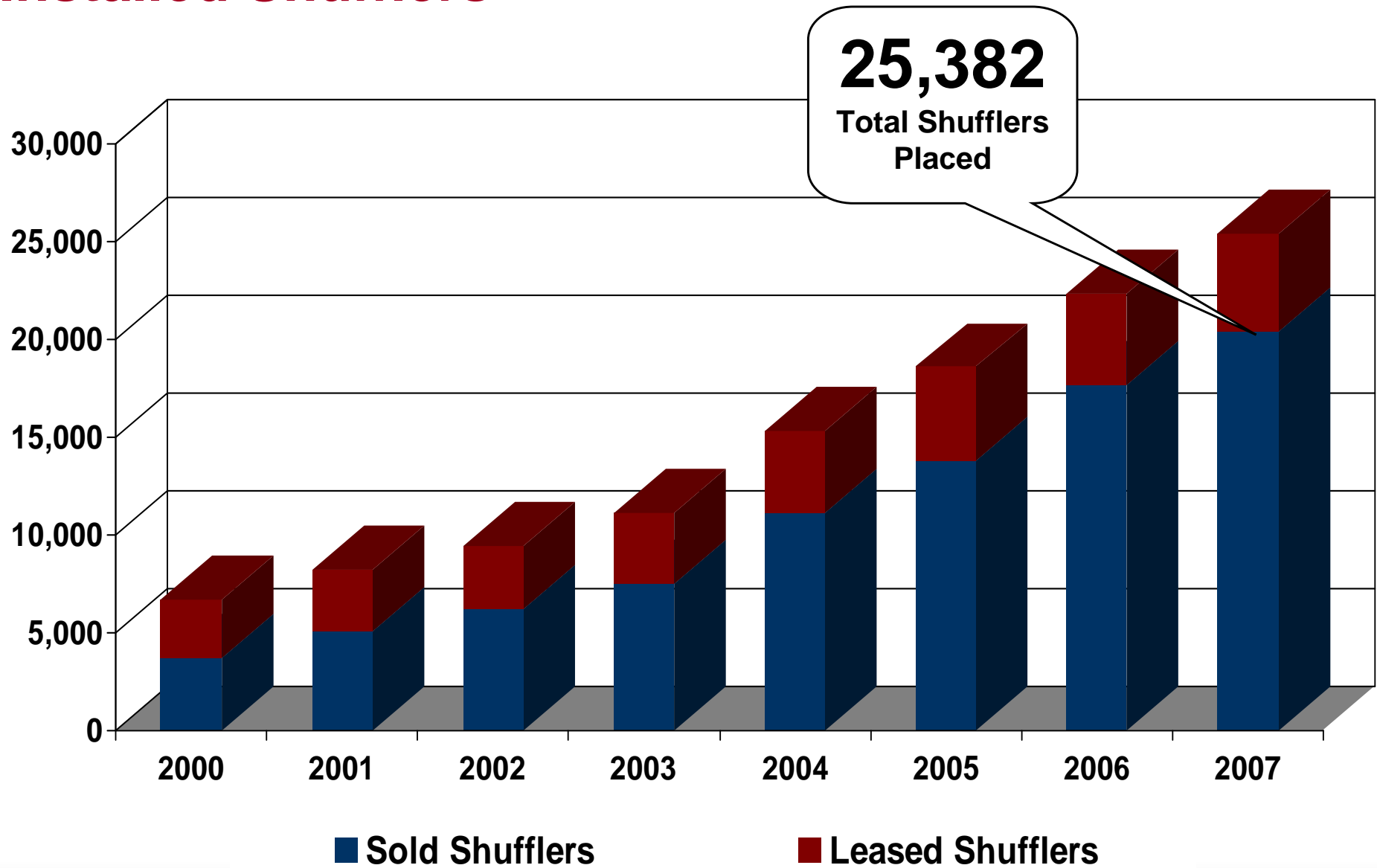
- ♠ **Utility Products:** Category includes our automatic card shufflers, roulette chip sorters and card reading shoes
- ♠ **Proprietary Table Games:** Category includes our live specialty table games, side bets and our internet gaming content licenses
- ♠ **Electronic Table Systems:** Category includes our Table Master, Vegas Star and Rapid Table Games e-table platforms as well as our wireless gaming products
- ♠ **Electronic Gaming Machines:** Category includes a variety of popular slot titles and progressive links acquired as part of our Stargames acquisition

Utility Products - Shufflers

- ♠ Shuffle Master is responsible for introducing automatic card shuffling to gaming
- ♠ Shufflers enhance game speed, productivity and security
- ♠ Shufflers have driven the expansion of the specialty table game market
- ♠ Shuffler replacement cycle is fueled by development of new features and planned obsolescence
- ♠ New shuffler features include optical card recognition, remote diagnostics and card sorting capabilities



Installed Shufflers



Other Utility Products

- ♠ Easy Chipper C[®] and Chipmaster[™] are devices that maximize roulette game play by automating the chip sorting process
 - ◆ Chipmaster: worldwide installed base of over 290 units
 - ◆ Easy Chipper C: worldwide installed base of over 440 units
 - ♣ Easy Chipper uses next-generation technology
- ♠ iShoe[™] is a card dealing shoe that uses optical card recognition to read the rank and suit of each card dealt
 - ◆ It can learn any brand of card
 - ◆ Initial installations are currently taking place in Asia and North America



Proprietary Table Games

- ♠ Proprietary table games and side bets are intellectual property (patent, trademark and copyright) protected
- ♠ Segment is growing in popularity because:
 - ◆ Games appeal to casinos because of their increased revenue performance
 - ◆ Fast-paced, exciting content appeals to a broad player demographic
- ♠ Shuffle Master currently offers all of the top 5 and 11 of the top 15 titles
- ♠ Shuffle Master generates revenue by collecting royalties from intellectual property
- ♠ Current installed base of over 5,400 tables



Specialty Table Game Progress



Caribbean Stud, the industry's first proprietary game, is introduced

Royal Match 21, the industry's most popular side bet for blackjack, is introduced

Spanish 21, a variation of blackjack, is introduced

Bonus Blackjack and Progressive Pai Gow Poker are introduced

21+3, another blackjack variant, is introduced

1990

1994

1996

1998

2000

1987

1993

1995

1997

1999

Pai Gow Poker, the first specialty game, begins being played in Las Vegas casinos

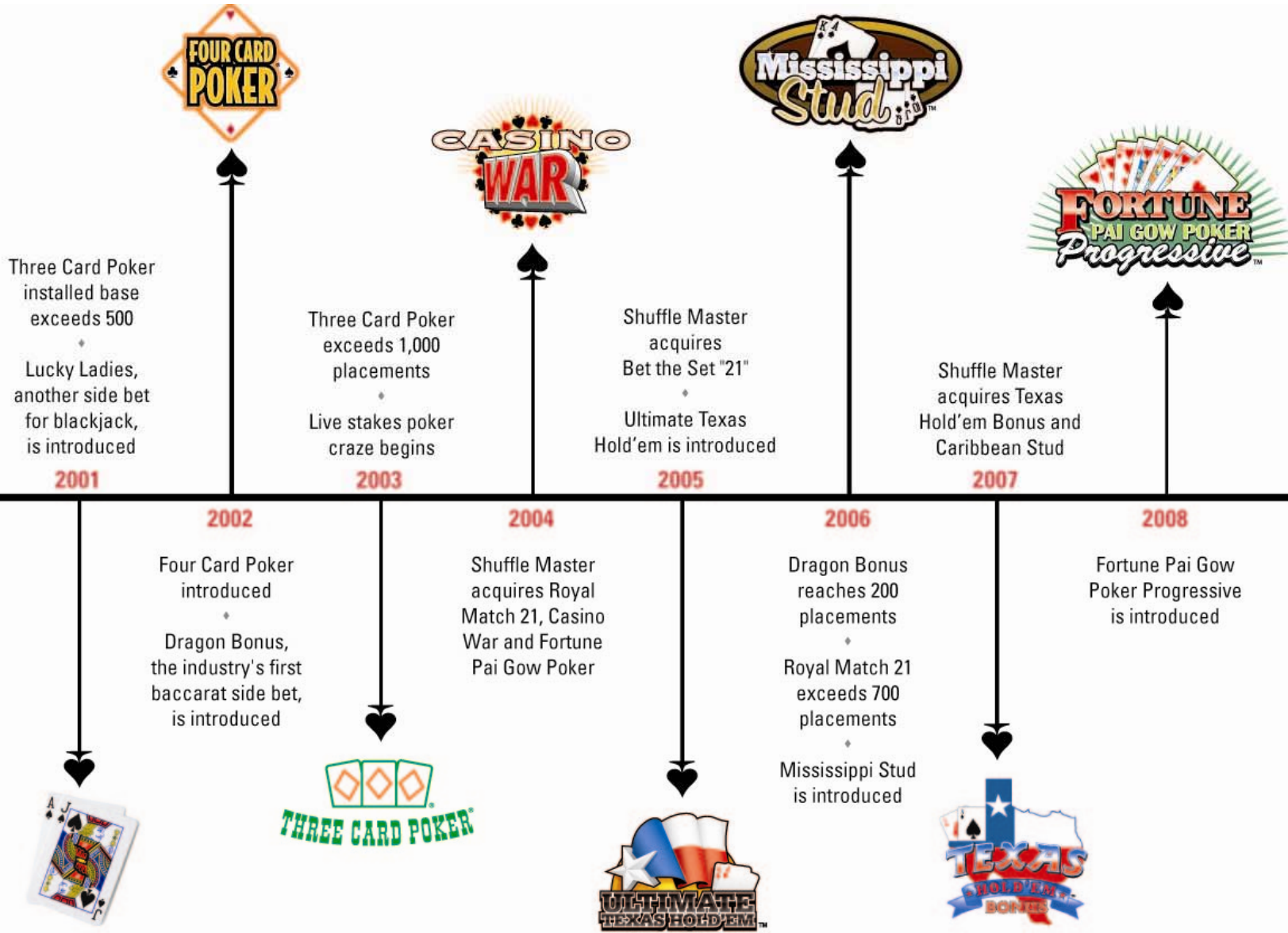
Let It Ride is introduced by Shuffle Master to increase the need for its shufflers

Three Card Poker is introduced at the Jackpot Card Club in Dublin
*
Fortune Pai Gow Poker introduced

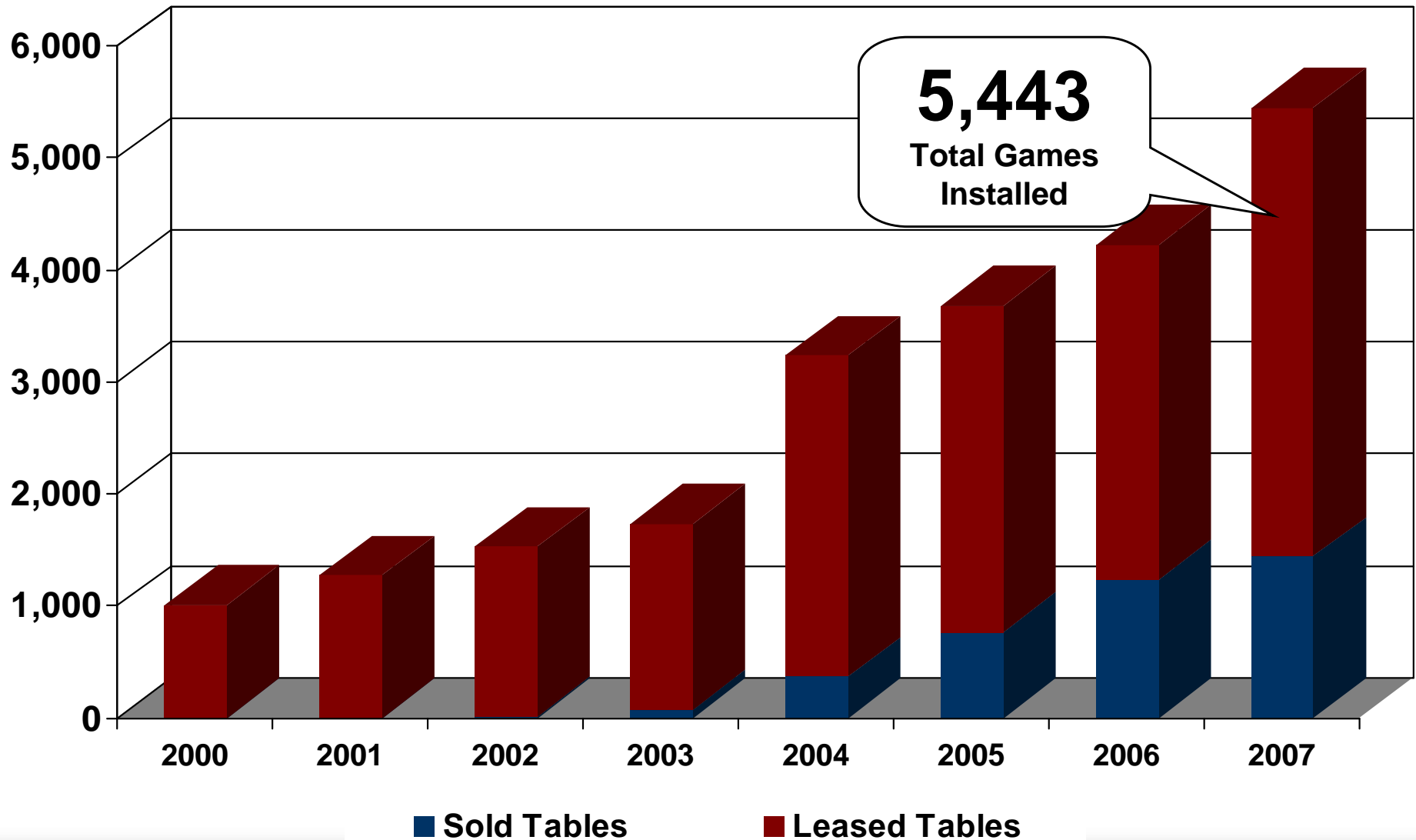
Let It Ride Bonus is introduced with a \$1 side bet that pays \$25,000 for a royal flush

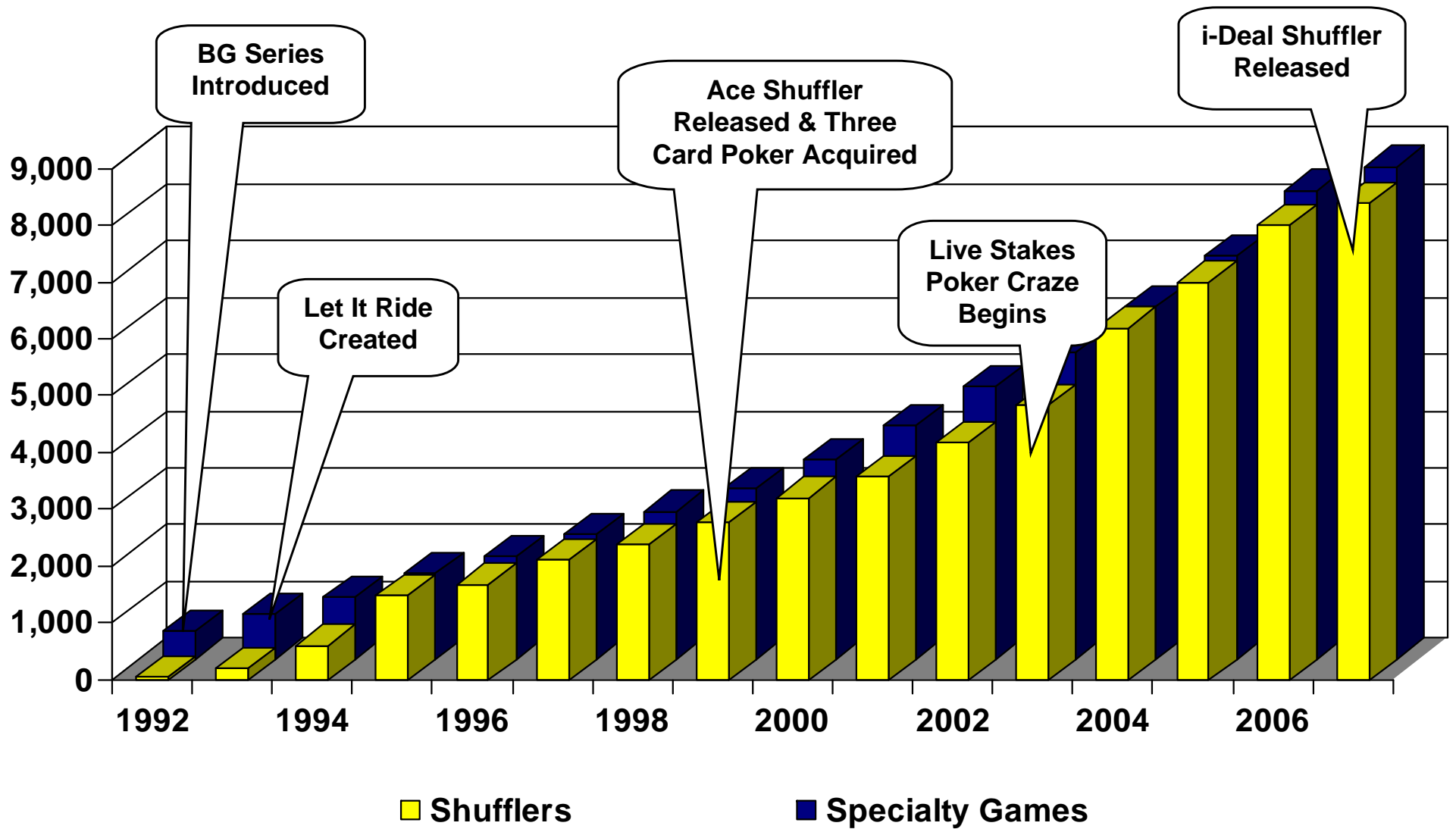
Shuffle Master acquires Three Card Poker
*
Perfect Pairs, another blackjack side bet, is introduced





Installed Proprietary Table Games



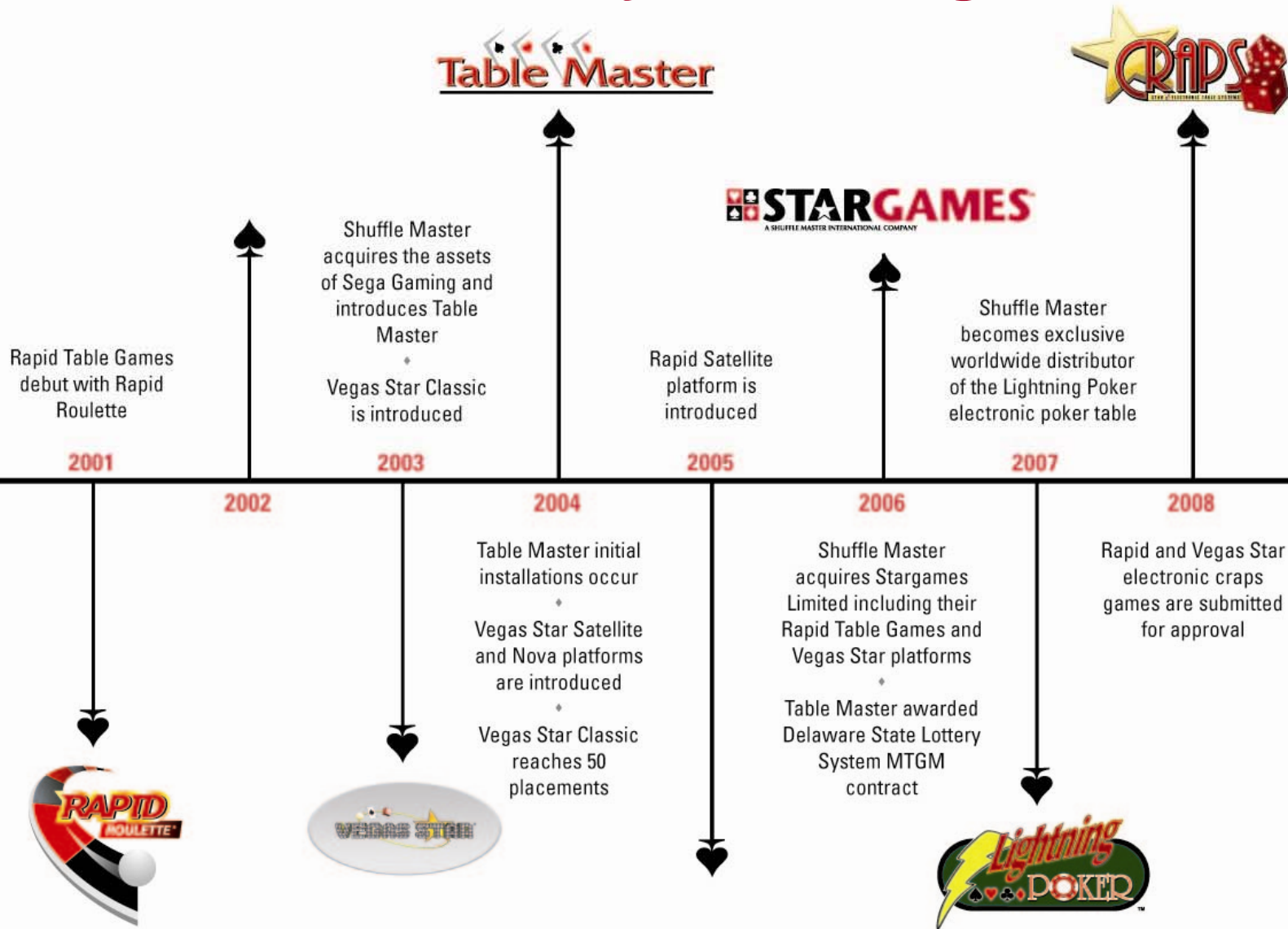


Electronic Table Systems

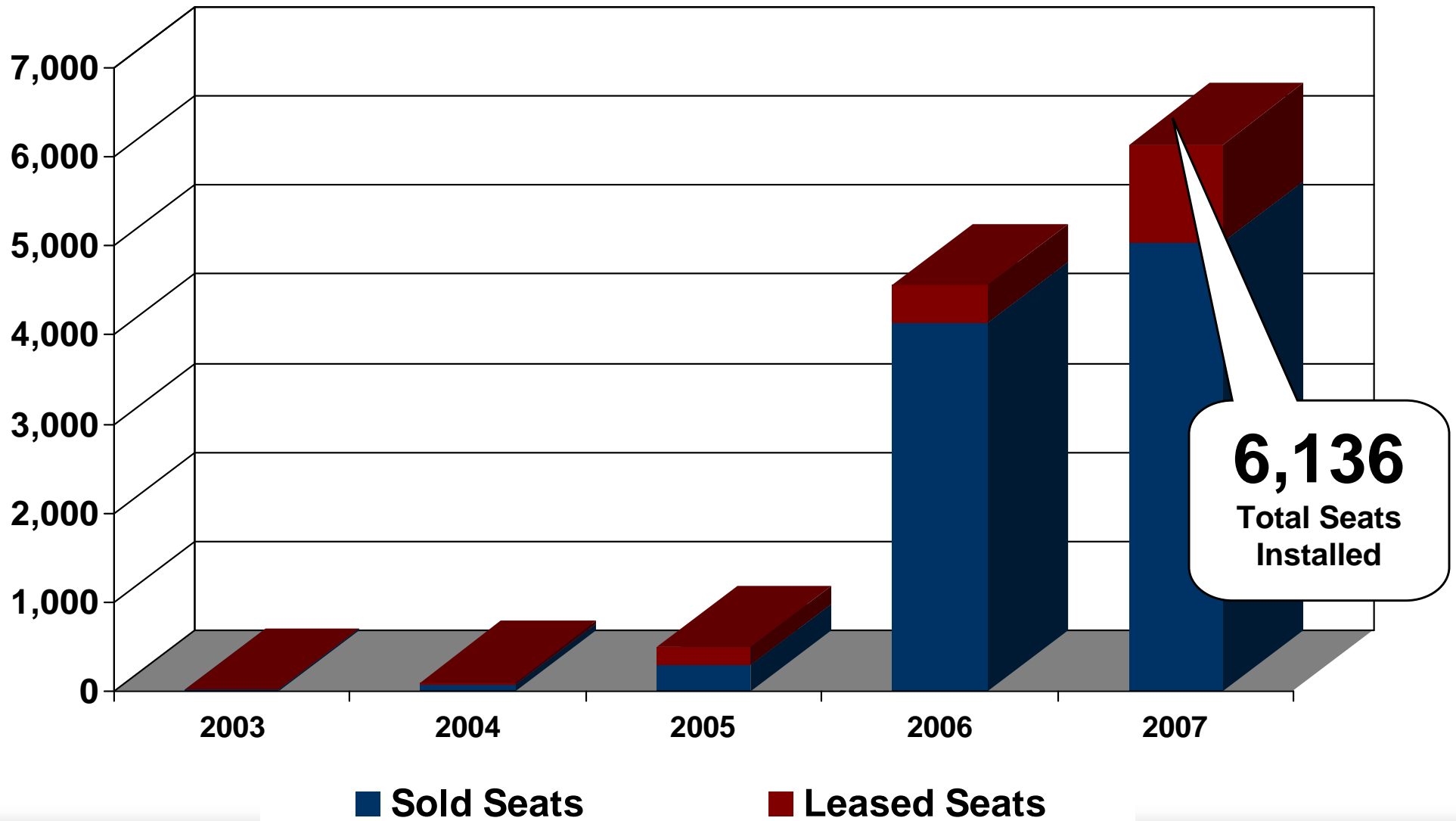
- ♣ Table Master and Vegas Star are fully-automated electronic tables that:
 - ◆ Enable table game play in areas where live games are not allowed
 - ◆ Offer multiple configurations on PC4 platform
 - ◆ Have new games in development including Table Master Four Card Poker and Vegas Star Craps
 - ◆ Current installed base of over 4,300 seats
- ♣ Rapid Table Games are semi-automated electronic tables that:
 - ◆ Combine a live game result with touch-screen betting terminals on PC4 platform
 - ◆ Increase the speed, average wager, security and efficiency of high traffic games
 - ◆ Have new games in development including Rapid Craps
 - ◆ Current installed base of over 1,700 seats



Electronic Table System Progress



Installed Electronic Table Systems (ETS) Seats



Electronic Gaming Machines

- ♣ Video technology enabled slot machines designed primarily for the Australasian gaming market
- ♣ Content library features extensive range of high-performance game titles including:
 - ◆ Drifting Sands 3
 - ◆ Pink Panther
 - ◆ Ninja 3
- ♣ EGMs can be configured as a network of machines or as stand-alone units
- ♣ New PC4 platform enhances game graphics and performance
- ♣ Current installed base of over 18,900 units





Planning For Our Future

Five Point Strategic Plan

1. A renewed emphasis on leasing versus selling.
2. Continuing development of relevant technology to drive new products across all product lines.
3. An effort to increase the return from existing assets already in the field by adding new value elements.
4. A value engineering program to reduce manufacturing costs across all product lines.
5. The monetization of non-core assets and the utilization of the proceeds to reduce debt.

Worldwide Table Market

Estimated Table Games	The Americas	Europe & Africa	Asia Pac	Total
Live Table Games - Public Domain	16,335	6,235	8,895	31,465
Live Table Games – Proprietary	7,690	530	450	8,670
Total Live Table Games (1)	24,025	6,765	9,345	40,135
Live Poker Tables	7,205	2,020	250	9,475
Total Card Based Games	31,230	8,785	9,595	49,610
Roulette Games	2,470	5,380	900	8,750
Total Current Table Games	33,700	14,165	10,495	58,360
5 Year Forecast				
Live Table Games - Public Domain	3,030	535	8,080	11,645
Live Table Games – Proprietary	2,740	200	1,200	4,140
Live Poker Tables	1,100	705	325	2,130
Live Roulette Tables	785	585	1,400	2,770
Anticipated New Table Growth	7,655	2,025	11,005	20,685
Anticipated 5 Year Grand Total	41,355	16,190	21,500	79,045

(1) Includes proprietary table games

Source: Company estimates, various gaming industry analyst reports and other industry resources as of 12/31/07.

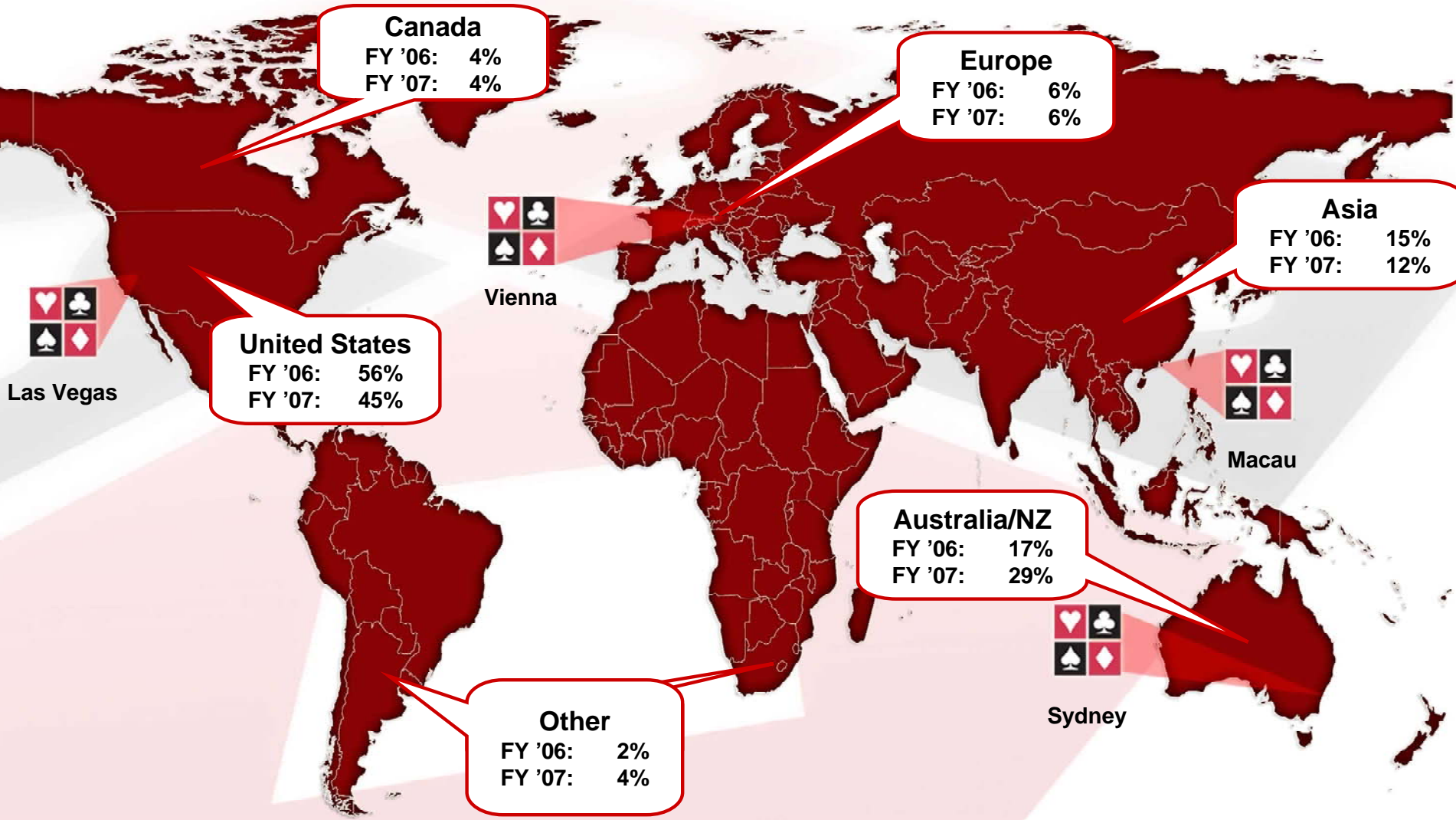
Worldwide e-Table Market

Estimated e-Tables	The Americas	Europe & Africa	Asia Pac	Total
MTGM: e-Tables	4,800	5,860	4,275	14,935
MTGM: e-Tables, Hybrid (1)	630	1,580	2,450	4,660
MTGM: e-Tables, Poker	1,660	190	200	2,050
Total e-Table seats	7,090	7,630	6,925	21,645
 5 Year Forecast				
MTGM: e-Tables	8,190	2,840	5,220	16,250
MTGM: e-Tables, Hybrid (1)	1,520	470	3,160	5,150
MTGM: e-Tables, Poker	3,880	1,540	540	5,960
Anticipated Seat Growth	13,590	4,850	8,920	27,360
Anticipated 5 Year Grand Total	20,680	12,480	15,845	49,005

(1) Hybrid e-Tables combine a live dealer with an electronic player terminal

Source: Company estimates, various gaming industry analyst reports and other industry resources as of 12/31/07.

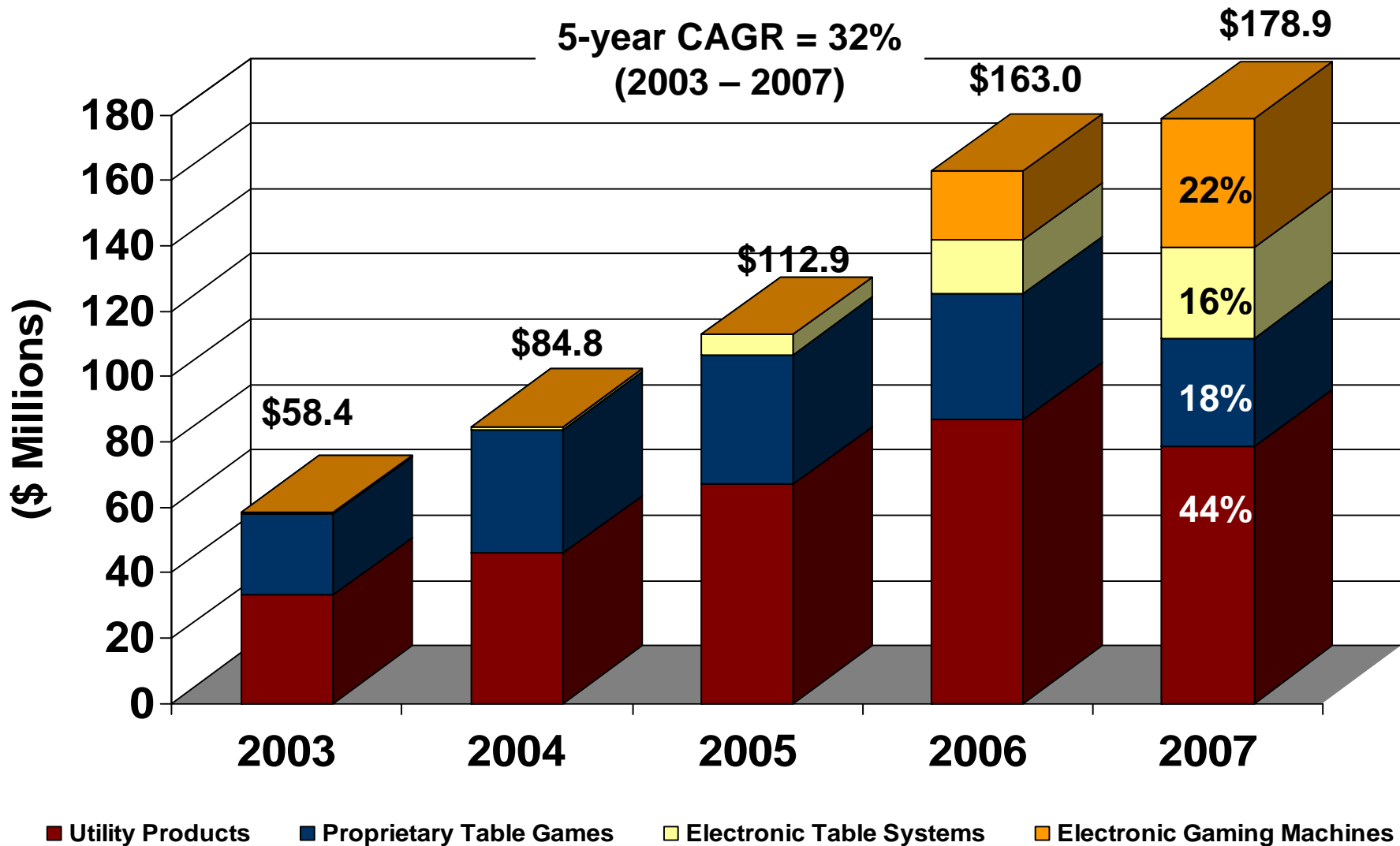
FY 2007 Revenue = \$178.9 million



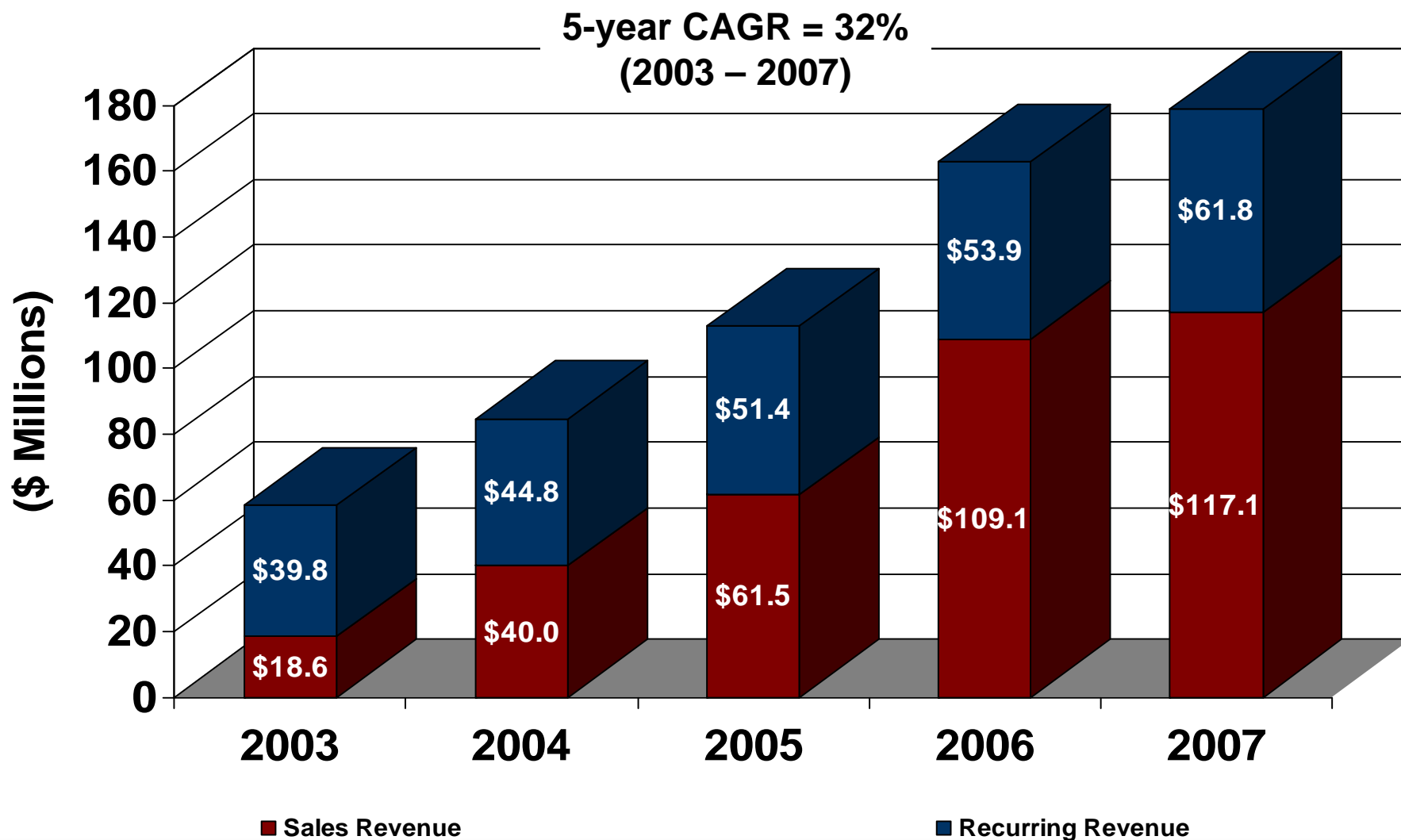


Financial Highlights

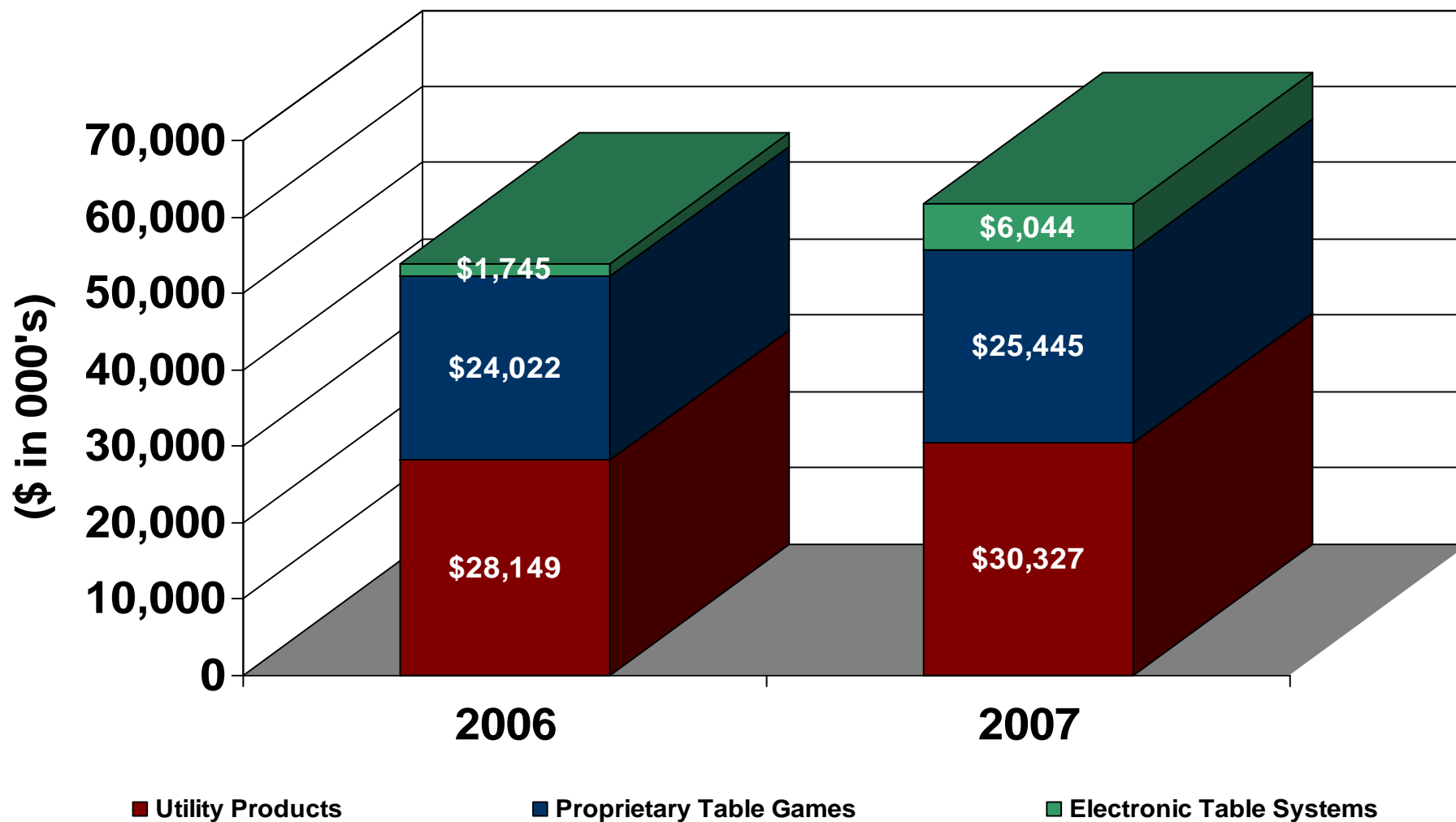
Total Revenue (from continuing operations)



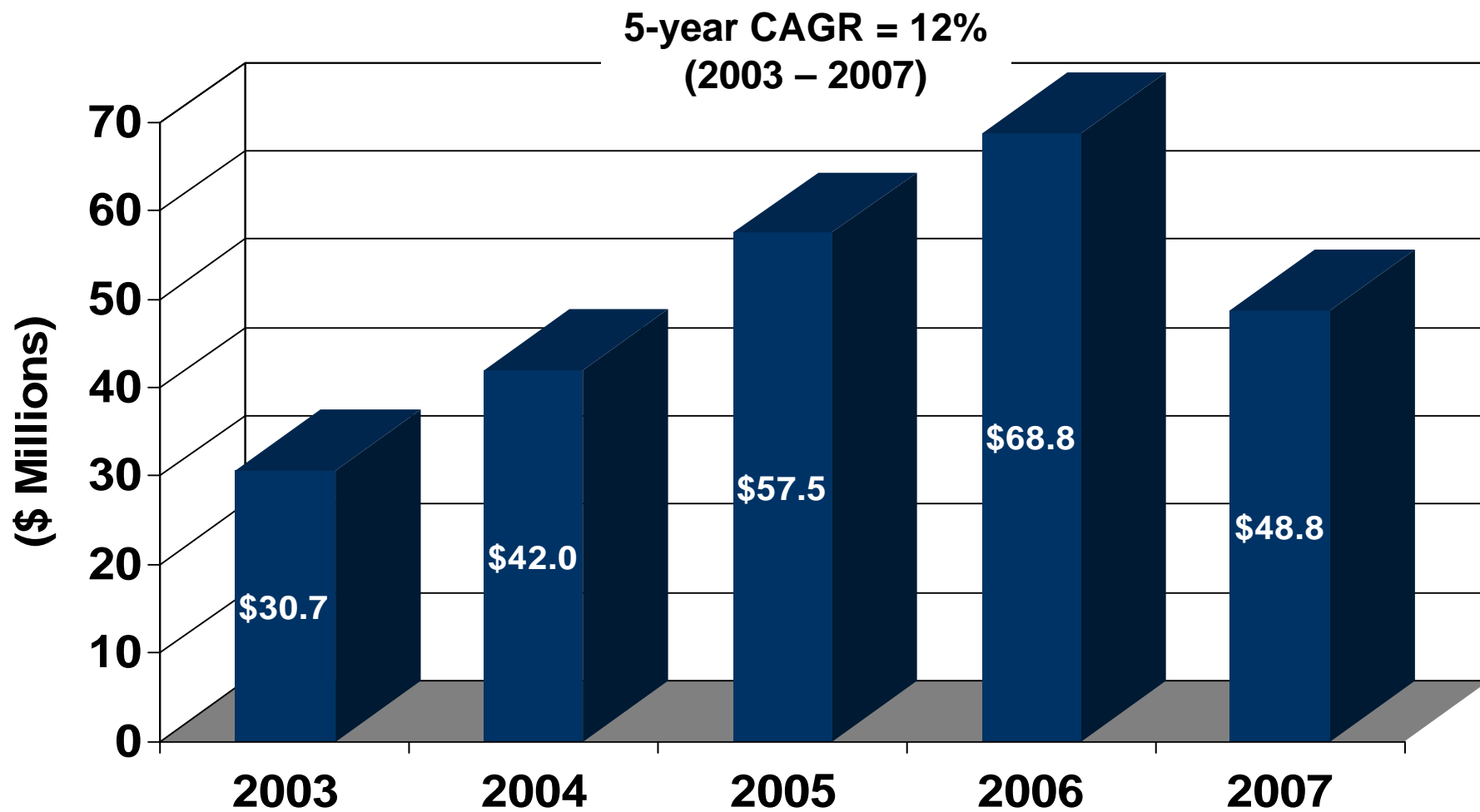
Recurring vs. Sales Revenue (from continuing operations)



Recurring Revenue By Product Segment

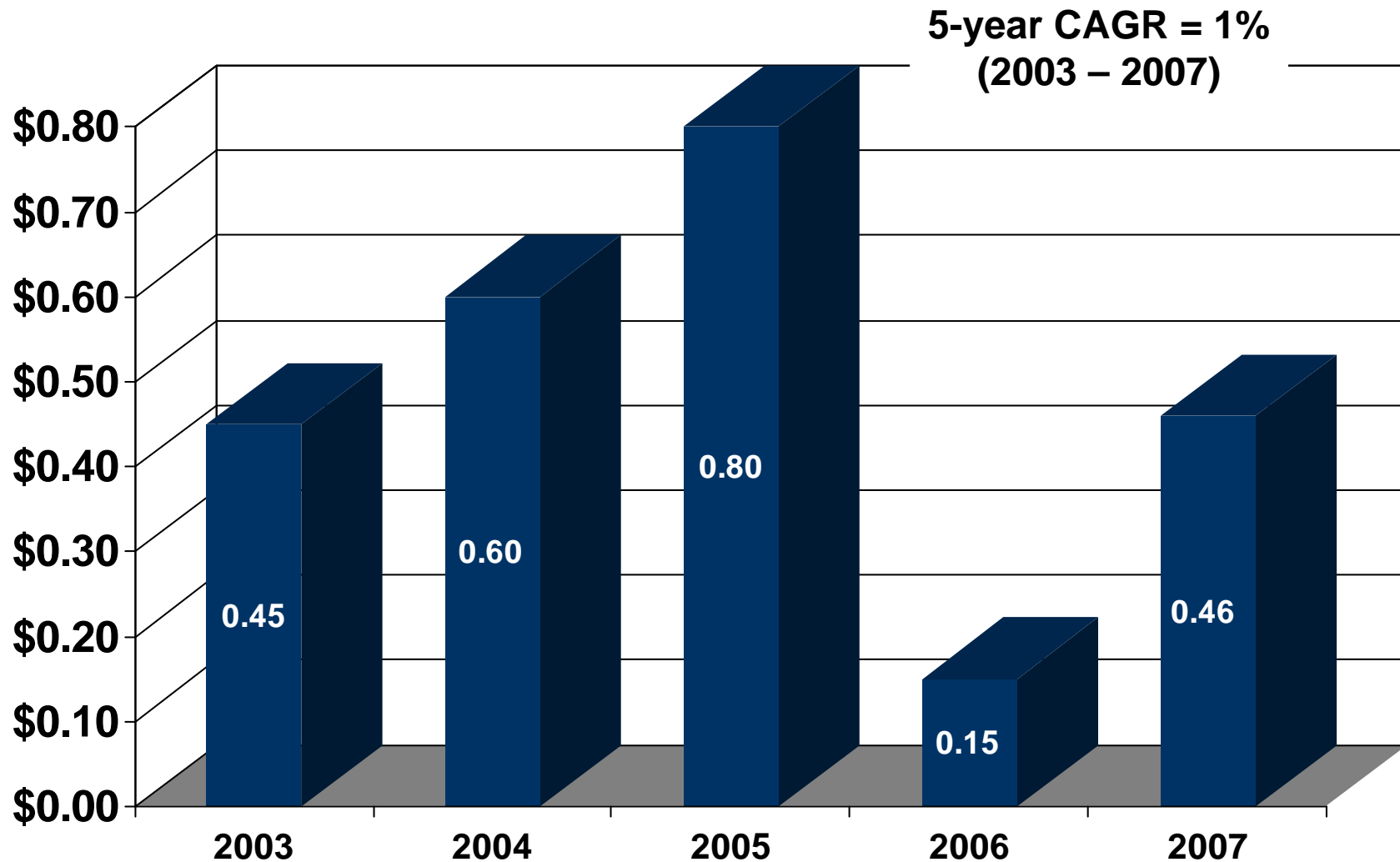


EBITDA (from continuing operations)



Earnings per Diluted Share

(from continuing operations)



Fiscal Year Ended October 31, 2007

(from continuing operations)

	<u>10/31/07</u>	<u>10/31/06</u>	<u>Variance</u>
Total Revenue	\$ 178,851	\$ 162,991	10%
Adjusted EBITDA	\$ 48,815	\$ 64,235 ⁽¹⁾	<24%>
EPS – Fully Diluted	\$ 0.46 ⁽²⁾	\$ 0.15 ⁽³⁾	207%

(All dollars shown in thousands, except per share amounts)

- (1) Excludes one-time gain on sale of patent.
- (2) Fiscal year ended 10/31/07 includes a one-time tax benefit related to the amortizable PC4 intangible asset of \$6,707 or a \$0.19 impact to EPS.
- (3) Fiscal year ended 10/31/06 includes a one-time IPR&D write-off of (\$19,145) or a (\$0.53) impact to EPS.

EBITDA from continuing operations

(Fiscal year ended October 31, 2007)

Reconciliation of income from continuing operations to Adjusted EBITDA:

Fiscal year ended October 31:	<u>2007</u>	<u>2006</u>	<u>Variance</u>
Income from continuing operations	\$ 16,301	5,339	205%
Other expense	9,974	6,699	49%
Share-based compensation	4,812	5,512	<13%>
Equity method investment loss	306	416	<26%>
IPR&D, Stargames acquisition	-	19,145	<100%>
One-time gain on sale of patent	-	<4,566>	100%
Investment write-down	-	1,655	<100%>
Benefit provision for income taxes	<1,999>	13,373	<115%>
Depreciation and amortization	19,421	16,662	17%
Adjusted EBITDA from continuing operations (a)	\$ 48,815	\$ 64,235	<24%>

(All dollars shown in thousands)

(a) Adjusted EBITDA is earnings before other expense, benefit provision for income taxes, depreciation, amortization, share-based compensation, in-process research and development and equity method investment loss. Adjusted EBITDA is presented exclusively as a supplemental disclosure because management believes that it is a useful performance measure and is widely used to measure the performance, and as a basis for valuation, within our industry. Adjusted EBITDA is not calculated in the same manner by all companies and, accordingly, may not be an appropriate measure for comparison. Management uses Adjusted EBITDA as a measure of the operating performance of its segments and to compare the operating performance of its segments with those of its competitors. The Company also presents Adjusted EBITDA because it is used by some investors as a way to measure a company's ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming equipment suppliers have historically reported EBITDA as a supplement to financial measures in accordance with U.S. generally accepted accounting principles ("GAAP"). Adjusted EBITDA should not be considered as an alternative to operating income as an indicator of the Company's performance, as an alternate to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net income, Adjusted EBITDA does not include depreciation, amortization or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. The Company compensates for these limitations by using Adjusted EBITDA as only one of several comparative tools, together with GAAP measurements, to assist in the evaluation of operating performance. Such GAAP measurements include operating income (loss), net income (loss), cash flows from operations and cash flow data. The Company has significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges, which are not reflected in Adjusted EBITDA.

Balance Sheet Statistics

	<u>10/31/07</u>	<u>10/31/06</u>
Total Cash & Investments	\$ 4,392	\$ 8,917
Working Capital*	\$ 61,768	\$ <18,895>
Total Debt	\$ 235,011	\$ 234,991
Total Net Debt	\$ 232,238	\$ 227,141
Total Equity	\$ 87,634	\$ 32,549

(All amounts shown in thousands)

*10/31/06 includes current temporary acquisition debt of \$70,000, which was refinanced in Q1-07.
Working capital excluding this Stargames acquisition debt would be \$51,105.

Existing 1.25% Convertible Notes



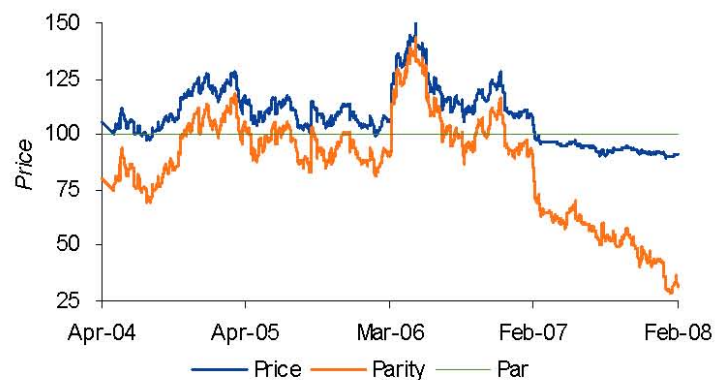
Ranking: Senior, Unsecured
 Size: \$125MM
 Greenshoe: \$25MM
 Maturity: 20 years
 Coupon/YTM (s.a.): 1.25%
 Premium: 37.0%
 Call feature: NC-5
 Put feature: Years 5, 10 & 15
 Special features: CoCo @ 120%

Deutsche Bank Securities
 April 15, 2004

Issue terms

Issue date:	4/15/2004
Maturity:	4/15/2024
Issue proceeds:	\$150 million
Coupon:	1.25%
Conversion premium:	37.0%
Conversion price:	\$28.07
Settlement:	Net Share Settle
Call date:	4/21/2009
First put date:	4/15/2009

Price to parity



Current trading

Current bid/ask:	90.50% / 91.50%
Equity price:	\$9.03
Equity parity value:	32.17%
Current yield to put:	9.93%
Current premium:	181.36%
Premium points:	\$58.33
Bond floor:	90.51%
Delta:	1.60%

Largest current holders

Holder	holdings (000's)	% of total	Filing date
Pioneer Investment Mgmt	28,900	19.3%	09/07
Highbridge Capital Mgmt	26,514	17.7%	09/07
Advent Capital Mgmt	20,768	13.8%	09/07
Canyon Capital Advisors	12,500	8.3%	09/07
Shenkman Capital Mgmt	10,750	7.2%	09/07
Fore Research and Mgmt	7,000	4.7%	09/07
Citigroup Inc	6,840	4.6%	09/07
Wolverine Asset Mgmt	6,511	4.3%	09/07
RG Capital Mgmt	6,134	4.1%	09/07
CNH Partners	5,250	3.5%	09/07
Total	131,167	87.4%	



Investment Considerations

Investment Considerations

- ♠ Proprietary table game growth remains strong
- ♠ Growing demand, especially in North America, for e-Tables with compelling content
- ♠ Leading market share within our core businesses
- ♠ Strength of our intellectual property portfolio and related high margin products
- ♠ Continued investment in R & D
- ♠ Strong balance sheet and cash flow generation



SHUFFLE  MASTER

Question & Answer