

# Scientific Games' Successful Partnership with Georgia Lottery Corporation Extended for Seven Years

Jumbo Bucks Instant Game Tops \$10 Billion for No. 2 Lottery in the World



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**Scientific Games Corporation** →  
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LAS VEGAS and ATLANTA, June 16, 2016 /PRNewswire/ -- Scientific Games Corporation (NASDAQ: SGMS) ("Scientific Games" or the "Company") today announced that the Company will continue to provide its world-leading instant games and *Cooperative Services Program*<sup>SM</sup> ("CSP<sup>SM</sup>") for instant game management to the Georgia Lottery Corporation (the "Lottery") with a seven-year extension of the current instant games contract.

Scientific Games has served as the Lottery's instant game partner since the Lottery's inception in 1993. The Company played a key role in growing the Lottery's instant games to a U.S. \$3 billion consumer product category in 2015, increasing retail sales 18 percent in the last five years. Recently, Scientific Games' *Jumbo Bucks* games surpassed the \$10 billion mark for all-

time retail sales in the state, and remain the top-selling games for the Georgia Lottery. The Georgia Lottery Corporation is currently ranked No. 2 in the world for instant game per capita sales (*La Fleur's Almanac*).

Debbie Alford, President and CEO of the Georgia Lottery Corporation, said, "We look forward to continuing our partnership with Scientific Games in delivering innovative, high-quality and entertaining, instant scratch games for Georgia Lottery players. The success of Georgia's instant scratch product, and our collaboration with Scientific Games, has been instrumental in generating more than \$17 billion for education – benefitting millions of Georgia students and their families."

The instant game *CSP* agreement for the Georgia Lottery includes game design, security, manufacturing, marketing services, warehousing and distribution. *CSP* is driven by Scientific Games patented and proprietary technologies featuring *MAP*™ for marketing analysis and planning, and the *SciTrak Ultra*™ supply chain solution, which includes a predictive ordering system and an automated instant game sorting system. All of the technologies integrate with retail sales functionality to help manage instant products for the Lottery.

John Schulz, Senior Vice President, Global Instant Products for Scientific Games, said, "The Georgia Lottery is one of the most successful lotteries in the world. We have worked to create and manage a portfolio of instant games delivering record-breaking retail sales, and most importantly, record-breaking returns to the Lottery's educational beneficiaries in the state."

The Company's *CSP* partnerships have been refined over more than three decades and are currently in place in 20 lottery jurisdictions worldwide. In fiscal 2015, U.S. lotteries utilizing *CSP* delivered 50 percent higher average sales for instant games per lottery retailer, and more than \$1 billion in combined growth in the instant product category for the 11 domestic lotteries participating in the program.

Scientific Games creates the games that account for 75 percent of the world's instant lottery game retail revenues. The Company supplies 23 of the world's top 25 lotteries ranked by instant game per capita sales. Scientific Games created the world's first secure instant game in 1974. Today, with operations on six continents, the Company provides lottery games, services, systems and retail technology to more than 150 lotteries globally.

## **About Scientific Games**

Scientific Games Corporation (NASDAQ: SGMS) is a leading developer of technology-based products and services and associated content for worldwide gaming, lottery, and interactive markets. The Company's portfolio includes gaming machines, game content and systems; table games products and utilities; instant and draw-based lottery games; server-based lottery and gaming systems; sports betting technology; loyalty and rewards programs; and interactive content and services. For more information, please visit <http://www.scientificgames.com>.

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## **Forward Looking Statements**

In this press release, Scientific Games makes "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements describe future expectations, plans, results or strategies and can often be identified by the use of terminology such as "may," "will," "estimate," "intend," "plan," "continue," "believe," "expect," "anticipate," "target," "should," "could," "potential," "opportunity," "goal," or similar terminology. These statements are based upon management's current expectations, assumptions and estimates and are not guarantees of timing, future results or performance. Actual results may differ materially from those contemplated in these statements due to a variety of risks and uncertainties and other factors, including, among other things: competition; U.S. and international economic and industry conditions, including declines in or slow growth of gross

gaming revenues or lottery retail sales, reductions in or constraints on capital spending by gaming or lottery operators and bankruptcies of, or credit risk relating to, customers; limited growth from new gaming jurisdictions, declines in the replacement cycle of existing gaming machines and slow addition of casinos in existing jurisdictions; ownership changes and consolidation in the gaming industry, including by casino operators; opposition to legalized gaming or the expansion thereof; inability to adapt to, and offer products that keep pace with, evolving technology; inability to develop successful gaming concepts and content; laws and government regulations, including those relating to gaming licenses and environmental laws; inability to identify and capitalize on trends and changes in the gaming, lottery and interactive industries; dependence upon key providers in our social gaming business; inability to retain or renew, or unfavorable revisions of, existing contracts, and the inability to enter into new contracts; level of our indebtedness, higher interest rates, availability or adequacy of cash flows and liquidity to satisfy indebtedness, other obligations or future cash needs; inability to reduce or refinance our indebtedness; restrictions and covenants in our debt agreements, including those that could result in acceleration of the maturity of our indebtedness; protection of our intellectual property, inability to license third party intellectual property, and the intellectual property rights of others; security and integrity of our software and systems and reliance on or failures in our information technology systems; natural events that disrupt our operations or those of our customers, suppliers or regulators; inability to benefit from, and risks associated with, strategic equity investments and relationships, including (i) the inability of our joint venture to realize the anticipated benefits under its private management agreement with the Illinois lottery or from the disentanglement services performed in connection with the termination thereof, (ii) the inability of our joint venture to meet the net income targets or other requirements under its agreement to provide marketing and sales services to the New Jersey Lottery or otherwise to realize the anticipated benefits under such agreement and (iii) failure to realize the anticipated benefits related to the award to our consortium of an instant lottery game concession in Greece; failure to achieve the intended benefits of the Bally acquisition or the WMS acquisition, other recent acquisitions, or future acquisitions, including due to the inability to successfully integrate such acquisitions or realize synergies in the anticipated amounts or within the contemplated time frames or cost expectations, or at all; disruption of our current plans and operations in connection with our recent acquisitions (including in connection with the integration of Bally and WMS), including departure of key personnel or inability to recruit additional qualified personnel or maintain relationships with customers, suppliers or other third parties; costs, charges and expenses relating to the Bally acquisition and the WMS acquisition; incurrence of employee termination or restructuring costs, and impairment or asset write-down charges; changes in estimates or judgments related

to our impairment analysis of goodwill or other intangible assets; implementation of complex revenue recognition standards; fluctuations in our results due to seasonality and other factors; dependence on suppliers and manufacturers; risks relating to foreign operations, including fluctuations in foreign currency exchange rates and restrictions on the payment of dividends from earnings, restrictions on the import of products and financial instability, including the potential impact to our instant lottery game concession or VLT lease arrangements resulting from the recent economic and political conditions in Greece; dependence on our key employees; litigation and other liabilities relating to our business, including litigation and liabilities relating to our contracts and licenses, our products and systems, our employees (including labor disputes), intellectual property and our strategic relationships; influence of certain stockholders; and stock price volatility.

Additional information regarding risks, uncertainties and other factors that could cause actual results to differ materially from those contemplated in forward-looking statements is included from time to time in our filings with the SEC, including the Company's current reports on Form 8-K, quarterly reports on Form 10-Q and its latest annual report on Form 10-K filed with the SEC on February 29, 2016 (including under the headings "Forward Looking Statements" and "Risk Factors"). Forward-looking statements speak only as of the date they are made and, except for Scientific Games' ongoing obligations under the U.S. federal securities laws, Scientific Games undertakes no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

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