

Scientific Games Wins North Carolina's Instant Game Business

Company to Leverage Advanced Technologies to Maximize Lottery Returns to Education



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LAS VEGAS and ATLANTA, June 14, 2016 /PRNewswire/ -- Scientific Games Corporation (NASDAQ: SGMS) ("Scientific Games" or the "Company") today announced that the Company will bring its world-leading *Cooperative Services Program*SM ("*CSP*SM") for instant game management to the North Carolina Education Lottery (the "Lottery"). Scientific Games was awarded a new eight-year contract for *CSP* services, which may be extended by the Lottery for two additional years.

Alice Garland, Executive Director, North Carolina Education Lottery, said, "Scientific Games is a proven instant game partner to the North Carolina Education Lottery. The growth potential and efficiencies created by our new *CSP* partnership will enable us to optimize the player and retailer experience and ultimately, the winners will be our state's educational programs." Currently, instant games represent two-thirds of the North Carolina Education Lottery's revenue.

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

The company's CSP solution has been refined over three decades and is 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.

John Schulz, Senior Vice President, Global Instant Products for Scientific Games, said, "We are continually advancing the secure technologies in our CSP solution and will apply these technologies, along with our global insights on instant category management, to help the North Carolina Education Lottery continue their track record of growth in year-over-year instant game sales and profit each year since the Lottery began."

Scientific Games creates and manufactures instant games for 23 of the world's Top 25 lotteries for instant game per capita sales (*La Fleur's* 2016 Almanac). Six of the Top 10 utilize CSP services for instant product management.

The Company created the first secure instant lottery game in 1974 and today provides lottery games, services, systems and retail technology to more than 150 lotteries globally.

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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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