

# Scientific Games is First in Lottery Industry to Receive PCI Data Security Certification for Secure Cashless Purchases of Lottery Games

New Retail Technology Innovation Integrates with Lottery Gaming Systems

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**Scientific Games Corporation** →

Jun 01, 2016, 16:01 ET

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LAS VEGAS and ATLANTA, June 1, 2016 /PRNewswire/ -- A new retail technology will give U.S. consumers the opportunity to use their credit and debit cards to purchase lottery games at select retailers. Scientific Games Corporation (NASDAQ: SGMS) ("Scientific Games" or the "Company") today announced that the company's new payment card technology solution for lottery retail sales is the first in the lottery industry to receive official Payment Card Industry ("PCI") Data Security Standard certification. The Multi-State Lottery Association has also approved Scientific Games' payment card solution for use in the U.S. where authorized.

Designed by the Payment Card Industry Security Standards Council, PCI certification ensures secure processing and end-to-end encrypted transmittal of credit card information. Scientific Games' innovation is a payment processing technology directly integrated with a lottery's gaming systems technology. PCI certification of the solution, which was field-tested with lottery retailers in Pennsylvania, was awarded following a stringent evaluation of key performance indicators (KPIs) and an IT controls assessment.

Steve Beason, Enterprise Chief Technology Officer, Scientific Games, said, "Lottery is a \$276 billion consumer product business globally. We are becoming an increasingly cashless society and consumers want to purchase lottery games on credit and debit cards, just like any other product they purchase at big box retailers, grocery stores, neighborhood shops, convenience stores and gas stations."

Scientific Games' payment solution features card processing terminals which are Europay, Mastercard and Visa (EMV) compliant for financial security standards; the terminals also support mobile payment options such as Android Pay, Apple Pay and Samsung Pay.

According to the National Association of Convenience Stores, 40 percent of convenience store transactions in 2014 were credit and debit card purchases. Cash purchases at point-of-sale are expected to drop to 22.5 percent in 2017 (*Huffington Post Money*).

"We are the first company to implement secure, cashless payment solutions for lotteries, giving their retailers and players peace of mind that payment card transactions are processed on a secure, supervised system. Our global operations teams understand this is an important step forward to align with consumer demand," said Beason.

At the center of the secure payment card solution is Scientific Games' unique omni-channel enterprise service bus (ESB) technology, a service-oriented gaming platform designed to securely integrate third-party products and services such as credit, debit and gift card payment processing, as well as pay at the pump and in-lane at multi-checkout retail locations.

With operations on six continents, Scientific Games provides games, services, systems and retail technology to more than 150 lotteries globally, including nearly every North American lottery.

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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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