

# Scientific Games Unveils Advanced Lottery Instant Game Software Security System And Robotics

New, Patented Technologies Offer Lotteries Advanced Security in Each Stage of Company's Secure Manufacturing Processes



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LAS VEGAS and ATLANTA, May 30, 2017 /PRNewswire/ -- Scientific Games Corporation (NASDAQ: SGMS) ("Scientific Games" or the "Company") today announced that the Company has unveiled a new, advanced software security system and robotic technologies for lottery instant game security at its Alpharetta, Georgia instant game manufacturing facility, which produces and ships more than 70 percent of lottery instant games sold in the U.S.

The new, patented *KDS360* software security system was developed through a series of advancements in *Keyed Dual Security (KDS)* technology systems, the foundation of Scientific Games' instant games security. *KDS360* extends the protection of an instant game from initial game data generation through the final delivery of the game to the lottery or its retailers, including the critical process of prize balancing.

Joe Bennett, Scientific Games' Vice President of Operations for U.S. Instant Products, said, "There is no other instant game security technology like *KDS360* available to protect lotteries and their players. This software system and robotic technologies are integral to game security and to Scientific Games' ability to provide the most secure instant games in the marketplace."

The *KDS360* security system requires separate random number generation keys from multiple and independent parties to shuffle the prizes within a lottery instant game, and then further extends game security by shuffling games at the individual ticket level during the manufacturing process. The system includes the front-end security infrastructure (secured servers, algorithms, multiple keys and independent oversight), as well as the back-end robotic cells. The robotic cells ensure that each instant game meets or exceeds the lottery's prize structure requirements and that the correct packs, cartons and pallets are securely delivered to the lottery or its retailers.

"Lottery instant games are fun and exciting for players, but Scientific Games also ensures that behind each ticket the Company produces lies a rock solid layer of security," Bennett said.

Scientific Games' *KDS* technology systems continue to be the most sophisticated instant game protection available in the lottery industry. In 2014, the Company introduced *KDS 3.0*, which is rated as a superior security system by independent experts and lotteries around the world.

Scientific Games developed the world's first lottery instant game in 1974, and currently provides games, technology and services to more than 150 lotteries worldwide, 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 us at [www.scientificgames.com](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. Therefore, you should not rely on any of these forward-looking statements as predictions of future events. 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 slow growth of new gaming jurisdictions, slow addition of casinos in existing jurisdictions, and declines in the replacement cycle of gaming machines; ownership changes and consolidation in the gaming industry; opposition to legalized gaming or the expansion thereof; inability to adapt to, and offer products that keep pace with, evolving technology, including any failure of our investment of significant resources in our R&D efforts; inability to develop successful products and services and capitalize on trends and changes in our industries, including the expansion of internet and

other forms of interactive gaming; laws and government regulations, including those relating to gaming licenses and environmental laws; 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 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 products and systems and reliance on or failures in information technology and other systems; challenges or disruptions relating to the implementation of a new global enterprise resource planning system; failure to maintain internal control over financial reporting; 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; failure to achieve the intended benefits of our acquisitions; incurrence of restructuring costs; implementation of complex revenue recognition standards or other new accounting standards; changes in estimates or judgments related to our impairment analysis of goodwill or other intangible assets; 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, restrictions on the payment of dividends from earnings, restrictions on the import of products and financial instability, including the potential impact to our business resulting from the affirmative vote in the U.K. to withdraw from the EU, and the potential impact to our instant lottery game concession or VLT lease arrangements resulting from the recent economic and political conditions in Greece; changes in tax laws or tax rulings, or the examination of our tax positions; dependence on 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, environmental laws 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 March 3, 2017 (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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