

Scientific Games Wins Eight-Year Maryland Lottery Contract To Provide Systems And Services



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Scientific Games Corporation →
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LAS VEGAS and ATLANTA, June 28, 2017 /PRNewswire/ -- Scientific Games Corporation (NASDAQ: SGMS) ("Scientific Games" or the "Company") today announced that it was awarded a new, eight-year systems technology and services contract from the Maryland Lottery and Gaming Control Agency ("MLGCA"). Scientific Games will provide an agile, open-architecture central monitoring and control system, a wide array of advanced, new retailer terminals, a telecommunications network to support the Lottery and its network of 4,500 retailers, and an innovative portfolio of draw and monitor games. As part of the contract, the Company will also deliver systems software and operational support.

"Of the three companies that submitted bids, Scientific Games represented the best value to the state," said Maryland Lottery and Gaming Director Gordon Medenica. "Their technology, marketing expertise and retail maximization practices will help us drive sales growth."

Pat McHugh, Scientific Games' Senior Vice President, Global Lottery Systems, said, "We are pleased that the MLGCA awarded Scientific Games this contract. Scientific Games received the highest evaluation based on our industry-leading games, products, technology and service excellence, and our ability to generate the most revenue for the State of Maryland. We appreciate the diligent work of the Maryland Lottery, and we look forward to continuing to help maximize revenue and return for the State."

As part of the new contract, Scientific Games will provide a portfolio of draw and monitor games, including its *Racetrax*® game, which currently generates more than \$170 million in retail sales per year for the Maryland Lottery and is the second highest-selling monitor game in the world behind Keno. Scientific Games will also provide the Lottery with software, systems operation and maintenance, instant games support, and marketing services. The contract begins in May 2018 and may be extended by the Lottery for up to four additional years.

"We look forward to continuing the successful relationship we have with Scientific Games," said Director Medenica. "The Maryland Lottery is eager to make the transition to the new system as quickly as possible to benefit our retailers, players and ultimately, our state beneficiaries, through increased sales and revenue."

Ranked by *La Fleur's Almanac* as one of the Top 20 lotteries worldwide for total sales per capita, the Maryland Lottery is also contracted with Scientific Games for instant games and marketing services, instant game management technologies, licensed properties, and the groundbreaking *My Lottery Rewards* player loyalty program.

Since its inception in 1973, the MLGCA has contributed \$14.4 billion in revenue to the State of Maryland and awarded more than \$22.2 billion in prizes to players.

Scientific Games 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.

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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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