

## SCIENTIFIC GAMES ANNOUNCES ITS JOINT VENTURE SELECTED TO PROVIDE MARKETING AND SALES SERVICES TO THE NEW JERSEY LOTTERY

**NEW YORK – April 15, 2013** – <u>Scientific Games Corporation</u> (NASDAQ: SGMS) today announced that the New Jersey Treasury Department has issued a notice of intent to award a contract to the Northstar New Jersey Lottery Group ("Northstar NJ") to provide marketing and sales services to the New Jersey Lottery. Northstar NJ is a joint venture comprised of Scientific Games International, Inc., GTECH Corporation, a subsidiary of Lottomatica Group S.p.A (LTO.MI), and OSI LTT NJ Holdings Inc., an indirect subsidiary of OMERS Administration Corporation, the administrator of the Ontario Municipal Employees Retirement System pension funds (OMERS). A subsidiary of Scientific Games will own approximately 18% of the Northstar NJ joint venture. An entity comprised of GTECH and OSI will own approximately 82% of the Northstar NJ joint venture.

Northstar NJ will provide a wide range of specialized services to the Lottery that will focus on strengthening its marketing and sales function and will include support for lottery game development, the procurement of related goods and services and marketing and advertising. All of these activities will be subject to control and oversight by the Lottery. The services agreement is expected to commence after a transition period and is expected to end of June 30, 2029.

Under the terms of the contract, Northstar NJ will be entitled to receive incentive payments to the extend the Lottery's net income exceeds specified target levels, subject to a cap of 5% of the applicable year's net income. Northstar NJ will be responsible for payments to the State to the extend the Lottery net income levels set forth in Northstar NJ's successful bid are not achieved, subject to a cap of 2% of the applicable year's net income and \$20 million shortfall payment credit. Northstar NJ will also be required to make a \$120 million payment to the State upon execution of the agreement.

Scientific Games and GTECH will provide Northstar NJ with instant lottery games, lottery systems and services along with a player loyalty and rewards program. Under the terms of a separate joint venture agreement between Scientific Games an GTECH and supply arrangements with Northstar NJ, Scientific Games will have a 30 percent economic interest (and be responsible for 30 percent of the capital requirements) associated with such supply arrangements.

"We look forward to proving how meaningful a commercial lottery business model can be to the State of New Jersey and its residents," stated A. Lorne Weil, Chairman and Chief Executive Officer of Scientific Games. "We have been a long-time partner of the New Jersey Lottery, including launching the industry's first internet-based second chance drawing in 2001 for the New Jersey Lottery. We are proud to continue to be a part of the Lottery's progressive efforts in establishing itself as an industry leader in terms of both performance and innovation."

## **About Scientific Games**

Scientific Games Corporation is a global leader in providing customized, end-to-end gaming solutions to lottery and gaming organizations worldwide. Scientific Games' integrated array of products and services includes instant lottery games, lottery gaming systems, terminals and services, and internet applications, as well as server-based interactive gaming terminals and associated gaming control systems. For more information, please visit our website at <a href="https://www.scientificgames.com">www.scientificgames.com</a>.

## **Company Contacts**

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## **Forward-Looking Statements**

In this press release, the Company 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," "continue," "believe," "expect," "anticipate," "should," "could," "potential," "opportunity," or similar terminology. These statements are based upon management's current expectations, assumptions and estimates and are not guarantees of 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; material adverse changes in economic and industry conditions; technological change; retention and renewal of existing contracts and entry into new or revised contracts; availability and adequacy of cash flows to satisfy obligations and indebtedness or future needs; protection of intellectual property; security and integrity of software and systems; laws and government regulation, including those relating to gaming licenses, permits and operations; inability to identify, complete and integrate future acquisitions; inability to benefit from, and risks associated with, strategic equity investments and relationships; failure of our Northstar Illinois joint venture to meet the net income targets or otherwise realize the anticipated benefits under its private management agreement with the Illinois Lottery; failure of our Northstar NJ joint venture to enter into an agreement to provide marketing and sales services to the New Jersey Lottery (including as a result of a protest) or to meet the net income targets or other requirements under any such agreement or otherwise realize the anticipated benefits under any such agreement; the seasonality of our business; inability to obtain the approvals required to complete the merger with WMS Industries Inc. ("WMS"); failure to complete the merger with WMS or, if completed, failure to achieve the intended benefits of such merger or disruption of our current plans and operations; inability to identify and capitalize on trends and changes in the lottery and gaming industries, including the potential expansion of regulated gaming via the internet; inability to enhance and develop successful gaming concepts; dependence on suppliers and manufacturers; liability for product defects; fluctuations in foreign currency exchange rates and other factors associated with international operations; influence of certain stockholders; dependence on key personnel; failure to perform under our contracts; resolution of pending or future litigation; labor matters and stock price volatility. Additional information regarding risks and 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 the Company's filings with the Securities and Exchange Commission, including under the heading "Risk Factors" in the Company's periodic reports. Forwardlooking statements speak only as of the date they are made and, except for the Company's ongoing obligations under the U.S. federal securities laws, the Company undertakes no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.