

SCIENTIFIC GAMES®

INVESTOR MEETING
January 21, 2010

A World of Possibilities

Forward Looking Statements

In this presentation and the subsequent discussion, Scientific Games Corporation ("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," "continue," "believe," "expect," "anticipate," "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 projected 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 in Scientific Games' markets; technological change; retention and renewal of existing contracts and entry into new or amended contracts; availability and adequacy of cash flow 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; seasonality; ability to enhance and develop successful gaming concepts; dependence on suppliers and manufacturers; liability for product defects; factors associated with foreign operations; influence of certain stockholders; dependence on key personnel; failure to perform on 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 Scientific Games' filings with the Securities and Exchange Commission.

The date of this presentation is as of January 21, 2010, and the information provided herein is presented through the dates indicated on the applicable slides. 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.

Additionally, the business and financial information and materials and any other statement or disclosure on, or made available through the websites referred to herein shall not be incorporated by reference herein unless specifically identified as such.

Note Regarding Presentation of Non-GAAP Financial Measures

This presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934. The Appendix at the end of this presentation includes reconciliations of the non-GAAP financial measures found in the following presentation to the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Appendix also provides further explanation and disclosure regarding our use of non-GAAP financial measures and should be read in conjunction with these presentation slides. Such information may also be found on our corporate website at www.scientificgames.com under "Investor Information."



Welcome

Mike Chambrello
President and CEO



Agenda

1. Strategic Overview

- Who We Are
- Where We're Going
- Why We Expect to Win

Mike Chambrello

2. Business Updates

- U.S. Lottery
- International Lottery
- Global Draw

Jim Kennedy
John Walsh
Steve Frater

----- Break -----

- Internet Gaming
- North American Gaming Systems

Rick Weil
Steve Beason

3. Product Demonstrations

Steve Beason

4. Creative Content

Steve Saferin

5. Financial Update

Jeff Lipkin

6. Wrap-Up

Mike Chambrello

7. Q & A

Mgmt Team

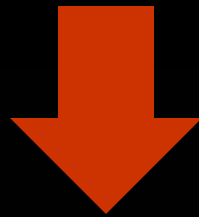


Who We Are

A global leader in supplying products and services to lotteries and a leader in providing content, entertainment and interactive media driven by sophisticated technology to gaming ventures worldwide.

Who We Are

A global leader in supplying products and services to lotteries and a leader in providing content, entertainment and interactive media driven by sophisticated technology to gaming ventures worldwide.



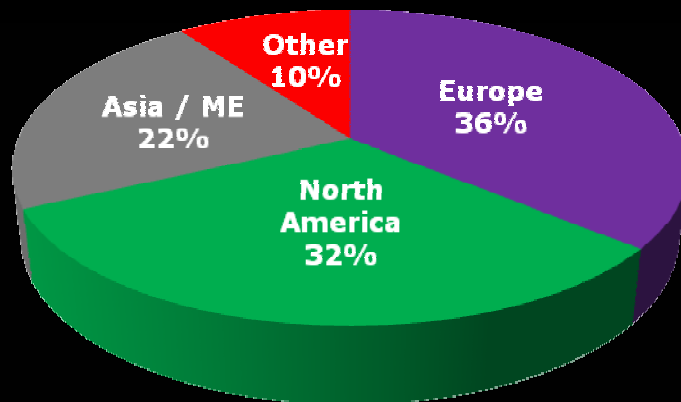
**Global Reach with Significant
Growth Potential!**

Global Gaming Industry

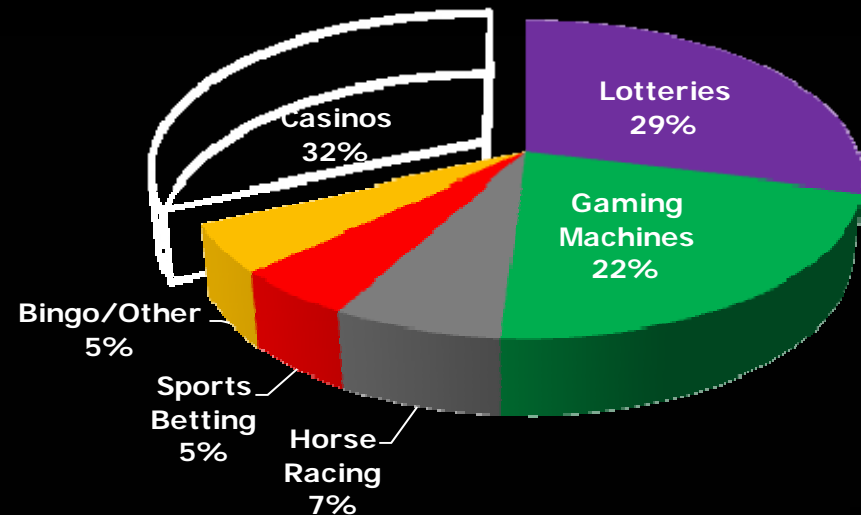
The global gaming industry is huge and expected to continue to grow, following a flat year in 2009

2008 Global Gaming Industry: \$336bn

Geographic Breakdown



Segment Breakdown



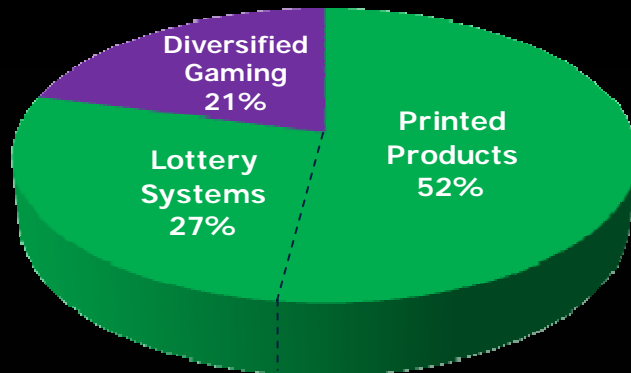
Source: H2 Gambling Capital November 2009. Revenue size represents gross gaming yield defined as gross gaming dollars, net of prizes and awards.

Revenue Composition

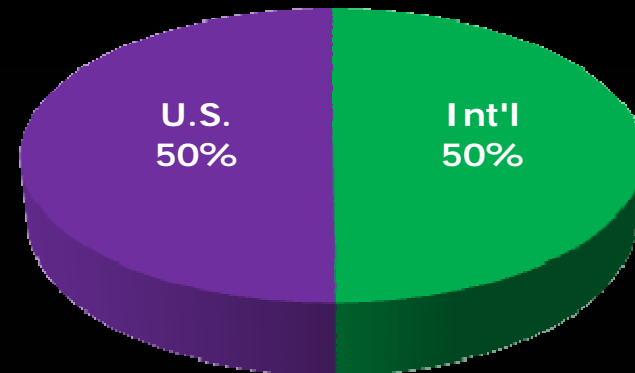
Nearly 80% of our worldwide revenue is concentrated in strong, recession-resistant Lottery businesses...

2008 SG Revenue: \$1.1bn

By Business



By Geographic Region



...and our international businesses are well-established, generating half of our worldwide revenue base.

Business Segments

Printed Products

- ❑ #1 instant ticket provider; contracts w/ 40 states and sales to over 50 countries
- ❑ 6 printing facilities globally; 38bn standard instant ticket units printed in 2008
- ❑ Largest portfolio of licensed games in industry
- ❑ Recession-resistant business with growth potential
- ❑ Key success factors include content library, government relationships, technological sophistication and security expertise

Lottery Systems

- ❑ Leading operator of global lottery systems with 11 U.S. and 2nd largest lottery systems provider in Europe
- ❑ Exclusive instant ticket validation network provider to the China Sports Lottery
- ❑ Recession-resistant business with newfound growth potential
- ❑ Key success factors include content library, government relationships, technological sophistication and security expertise

Business Segments

Diversified Gaming

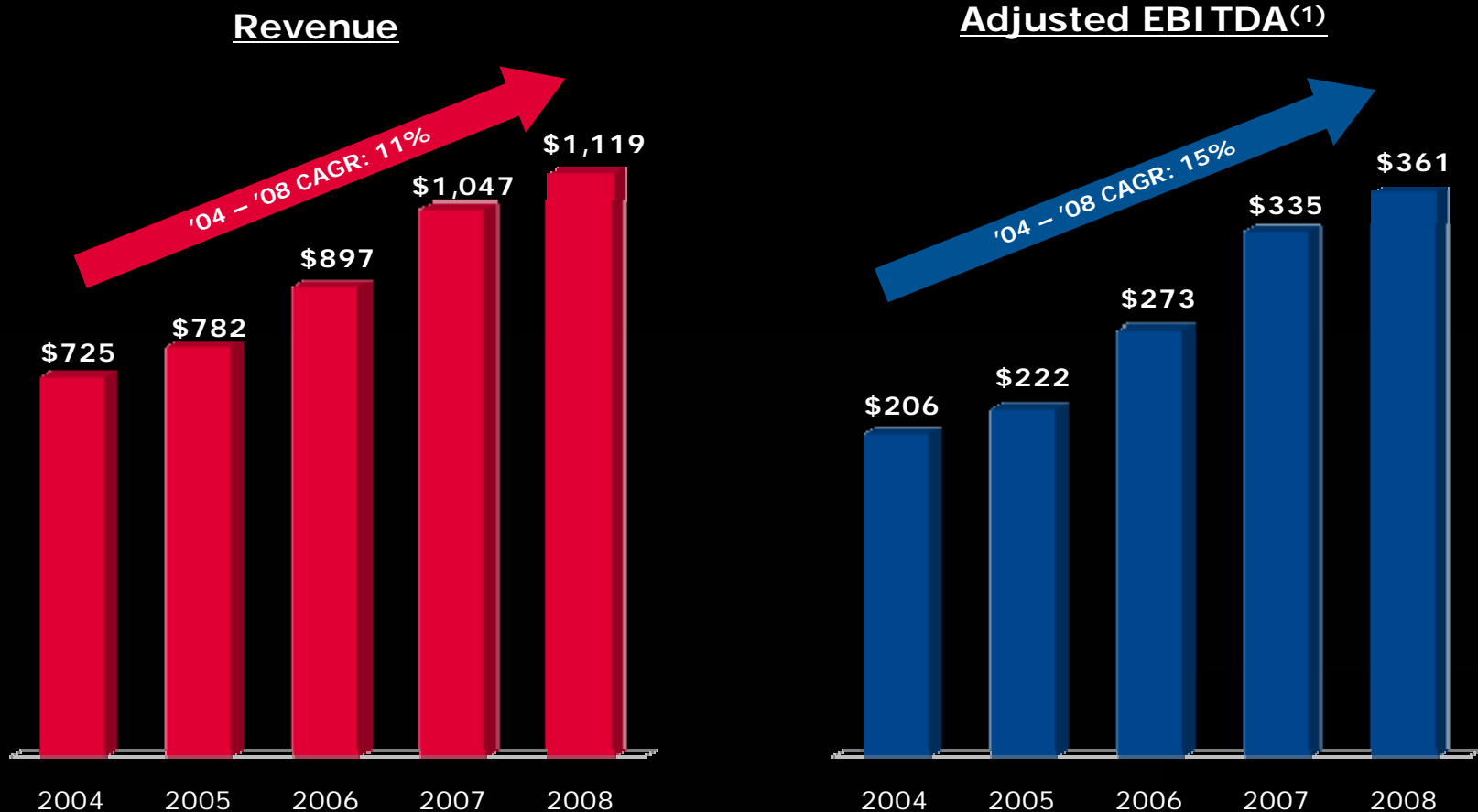
- ❑ A leading provider of server-based gaming in UK with over 15K installed terminals
- ❑ Additional 4K installed gaming terminals worldwide
- ❑ Recession-resistant business with significant growth potential
- ❑ Robust library of gaming content
- ❑ Operator of central monitoring systems linked to ~80K video lottery terminals worldwide
- ❑ Key success factors include content library, gov't relationships, technological sophistication, security expertise and service

Strategic Joint Ventures

- ❑ Italy: 20% equity ownership in Italy's instant ticket lottery via Consorzio Lotterie Nazionali (CLN)
- ❑ China: 49% interest in Chinese JV partnership to supply instant tickets to the China Sports Lottery
- ❑ China: 50% ownership of provider of systems/services to a majority of China Welfare Lottery jurisdictions
- ❑ Playtech: Recent strategic partnerships in areas of internet / and expanded gaming
- ❑ Racing: 29% equity interest in RCN
- ❑ Joint ventures enable immediate access to desired technology, new venues, content and new business opportunities with significantly reduced CAPEX

Historical Perspective

We achieved double-digit growth in revenue and Adjusted EBITDA over the past five years



⁽¹⁾ Adjusted EBITDA is a non-GAAP measure, defined as net income (loss) plus income tax expense, depreciation and amortization expenses, and interest expense, net of other income (loss) and is adjusted to add back certain items that management believes have less bearing on Scientific Games' performance. See reconciliation to most directly comparable GAAP financial measure in Appendix of this presentation.

Margin Structure

The Company maintains attractive margins in all business segments

2008 Adjusted Gross Margin⁽¹⁾

	Printed Products	Lottery Systems	Diversified Gaming
% Margin	39.4%	40.2%	40.6%

Profitability Improvement Program and heightened financial discipline expected to further strengthen margins over time

⁽¹⁾ Non-GAAP adjusted segment gross margin represents segment revenue less cost of services and cost of sales (before the allocation of depreciation and amortization), plus certain items that management believes have less bearing on Scientific Games' performance, divided by segment revenue. See reconciliation to most directly comparable GAAP financial measure in Appendix of this presentation.



2009 Snapshot

- 2009 was a challenging year...

<u>Sales</u>	<u>EBITDA⁽¹⁾</u>	Adjusted
SG Sept YTD '09 vs '08	-19%	-18%

...but our underlying Lottery business proved to be recession-resistant and helped to mitigate the impact.

Key Performance Drivers:

- Contract repricings for several large customers
 - Big impacts behind us
 - No single large events until 2012
- Unfavorable FX translation
- Global recession further pressured results

- Q4 results will be consistent with first three quarters

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2009 Snapshot

❑ Despite 2009 challenges, meaningful progress was made to strengthen the business:

- Generated strong Free Cash Flow
- Strengthened balance sheet and liquidity profile
- Enhanced financial discipline and focus on driving operating efficiencies across the Company
- Positioned business for future growth and success

Italy JV

- Operating under existing terms
- Waiting for decision from authorities

China

- Developed 10-Point Strategic Plan with CSL
- Very attractive growth projected for foreseeable future

Playtech

- Negotiated transaction that positions us for future success

- Completed management transition



2009 Snapshot

Key Message

The resiliency of the core business, coupled with strong financial discipline, helped to mitigate the impact of major contract repricings and the global recession, and we are entering 2010 with tailwinds from new initiatives and a focus on profitable growth.

What It Takes to Win

Critical Success Factors in Evolving Gaming Industry

	<u>SG Capability</u>
Strong relationships with government regulators	✓
Systems integrity & security expertise	✓
Robust library & other creative content	✓
Leading-edge technology with integrated, cost-effective platform	✓
Expertise in network design and management	✓
Unquestionable organizational integrity	✓
Highly sophisticated printing and lottery systems capabilities	✓
Innovative culture	✓
Disciplined financial management	✓
Strong and experienced management team	✓

Where We're Going

Key Industry Trends

Three key trends likely to transform the Gaming Industry

Convergence

Wide Area
Gaming

Role of Gov't

Transformative Implications for Worldwide Industry

Expected Evolution of Worldwide Industry

Lotteries, venue-based gaming, internet-based gaming and entertainment are beginning to converge and are expected to become immediately accessible Anytime and Anywhere⁽¹⁾



- ❑ Consumer demand for more exciting, interactive entertainment driving technology and new distribution channels
- ❑ Evolution requires more sophisticated technology solutions
- ❑ Government increasingly exploring expanded gaming opportunities



Note: Excludes casinos, in which SG does not participate. ⁽¹⁾ Consistent with regulation.

The Playtech Deal

Our Industry-Leading B2G Experience,
Relationships, Expertise & Content



Playtech's State-of-the-Art B2B Technology,
Content & Games



**Unprecedented "Plug and Play" Simplicity
and More Robust Gaming Experience**

The Playtech Strategic Partnership

Positioned to catapult SG to content- and technology-driven leadership in delivering a full suite of next generation products for regulated gaming

Gaming Partnerships

Global Draw & VideoBet

- ❑ Combines state-of-the-art Playtech VideoBet back-end technology platform with Global Draw gaming expertise
- ❑ Enables faster play and easy addition of games, resulting in projected increase in volume
- ❑ Scientific Games branding/customer facing remains unchanged

Aegis Video & Playtech

- ❑ Combines state-of-the-art VideoBet technology platform with Aegis CMS
- ❑ Results in more robust gaming experience
- ❑ Scientific Games branding/customer facing remains unchanged

Internet Partnership



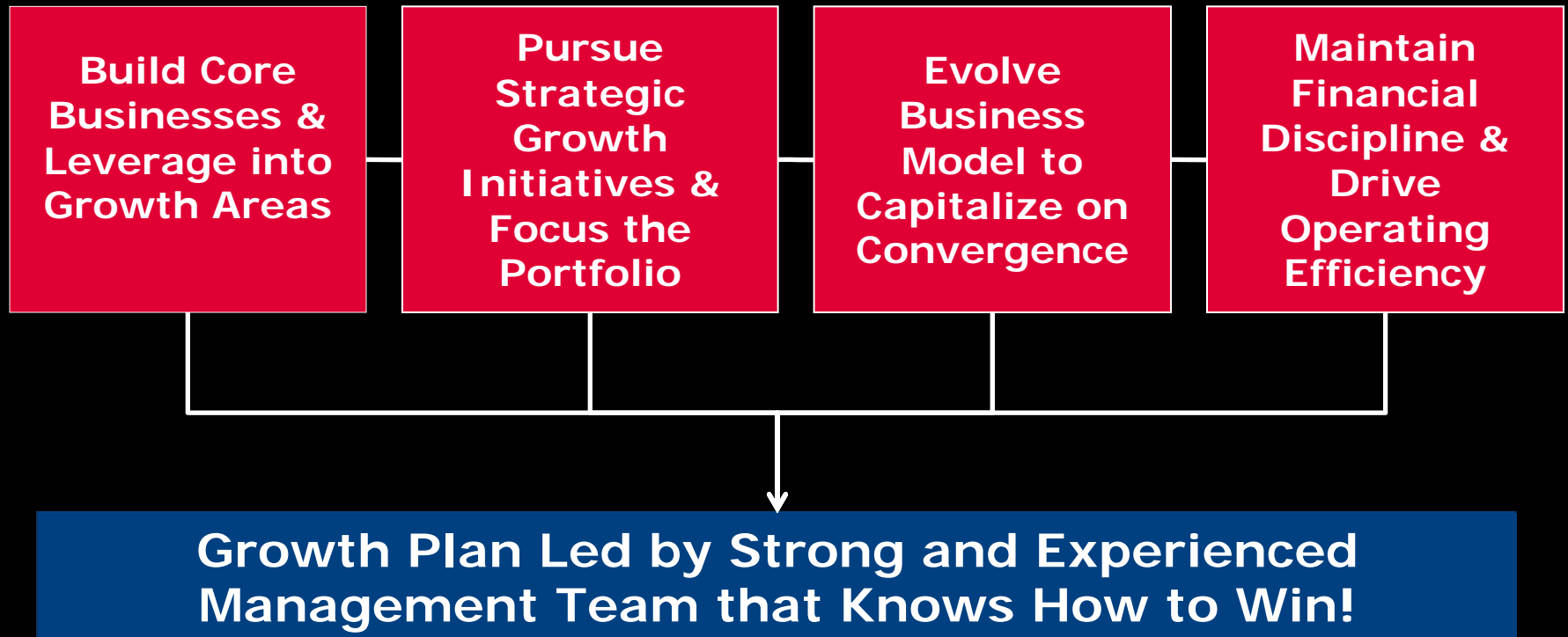
- ❑ Creates entirely new interactive product that leverages Scientific Games' strong government relationships and gaming experience with Playtech's systems expertise and consumer knowledge
- ❑ Projected to result in cooperative service offering for the internet, including management of customer website, gameplay, loyalty programs, etc.

Exciting for Consumers, Cost-Efficient for Customers and Profitable for Shareholders!

Why We Expect to Win

Corporate Strategy

To deliver sustainable and profitable growth that drives long-term value creation for all stakeholders



Build and Leverage The Core

Key Initiatives

- Increase and optimize points of sale

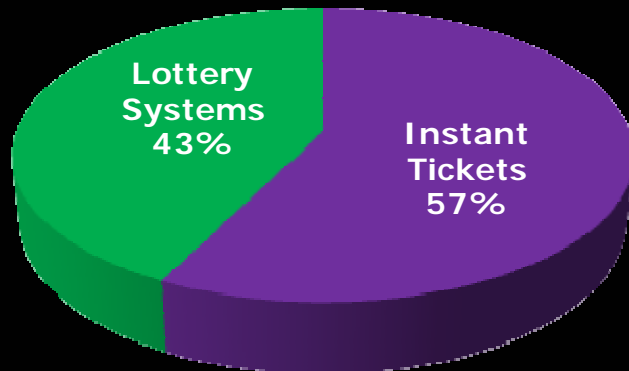
Build and Leverage The Core

Key Initiatives

- Increase and optimize points of sale
- Maximize international instant ticket opportunity in existing geographies

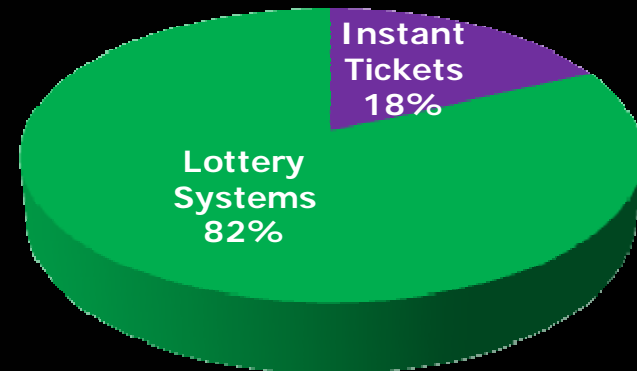
Instant Ticket Penetration – % of Total Lottery Sales

United States



U.S. Lottery Sales: \$53bn

International



Int'l Lottery Sales: \$174bn

Build and Leverage The Core

Key Initiatives

- Increase and optimize points of sale
- Maximize international instant ticket opportunity in existing geographies
- Sell more to existing customers / leverage existing infrastructure
 - Puerto Rico
 - Norway
 - Delaware

Build and Leverage The Core

Key Initiatives

- ❑ Increase and optimize points of sale
- ❑ Maximize international instant ticket opportunity in existing geographies
- ❑ Sell more to existing customers / leverage existing infrastructure
- ❑ Pursue new business opportunities
 - International Business Development prospects in Brazil, Russia and India over the mid- to long-term
 - Expanded CSP opportunities internationally
 - Domestic VLT and systems-based opportunities

Pursue Strategic Initiatives / Focus Portfolio

Key Initiatives

- De-commoditize instant ticket business by enhancing the buying experience, broadening consumer base and expanding our distribution platform

Pursue Strategic Initiatives / Focus Portfolio

Key Initiatives

- ❑ De-commoditize instant ticket business by enhancing the buying experience, broadening consumer base and expanding our distribution platform

- ❑ Use partnerships to gain immediate access to strategically important geography/business/expertise, while reducing capital burden and minimizing risk
 - Playtech partnership
 - China
 - Evolving operator model

Pursue Strategic Initiatives / Focus Portfolio

Key Initiatives

- ❑ De-commoditize instant ticket business by enhancing the buying experience, broadening consumer base and expanding our distribution platform
- ❑ Use partnerships to gain immediate access to strategically important geography/business/expertise, while reducing capital burden and minimizing risk
- ❑ Continue to evaluate portfolio, making strategic acquisitions and pruning underperforming businesses

Capitalize on Convergence

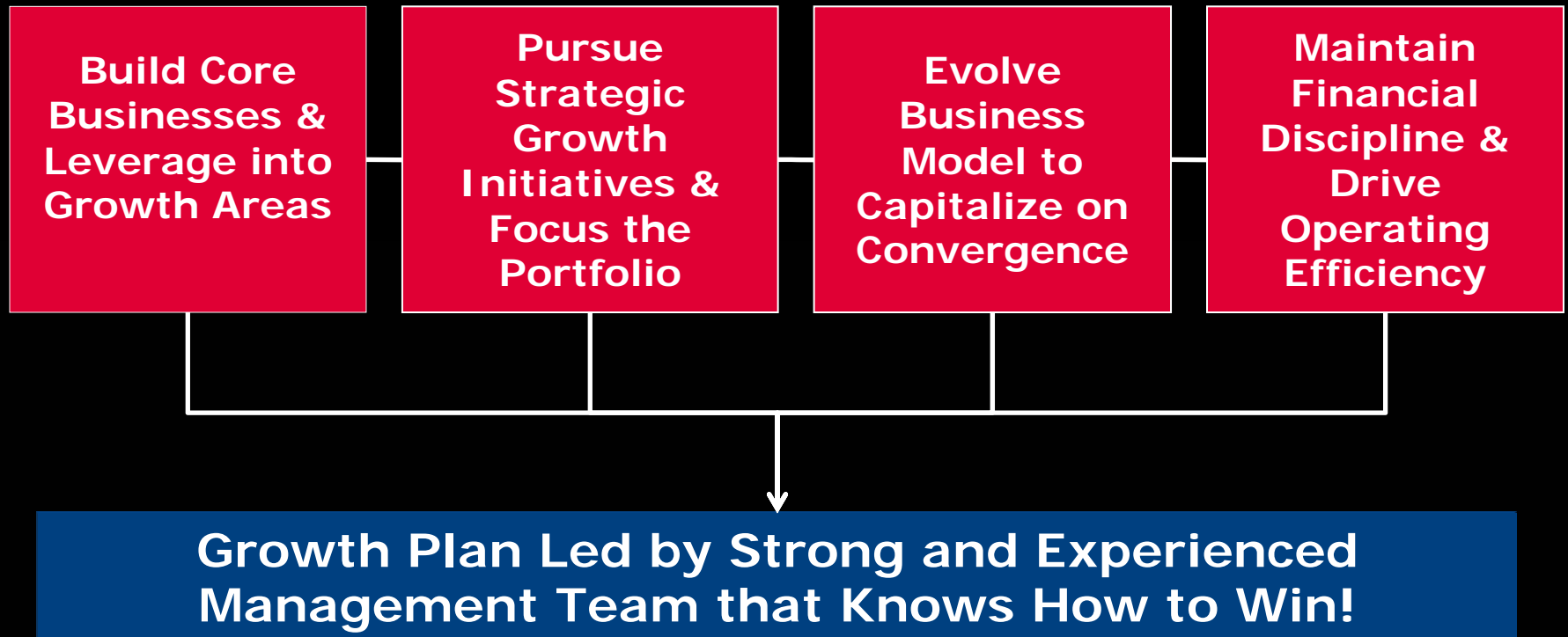
Given that players...

- ❑ Are no longer loyal to one specific venue
- ❑ Want the flexibility to use one common electronic wallet with diversified delivery options
 - Shops/Traditional Venues
 - Home and Internet
 - iPhones
- ❑ Expect rewards to be independent of delivery mechanisms

...we are positioning ourselves to deliver the next generation of products and services that are exciting for our consumers and efficient for our customers

Corporate Strategy

To deliver sustainable and profitable growth that drives long-term value creation for all stakeholders



U.S. Lottery

Jim Kennedy
Senior Vice President
Global Sales & Marketing



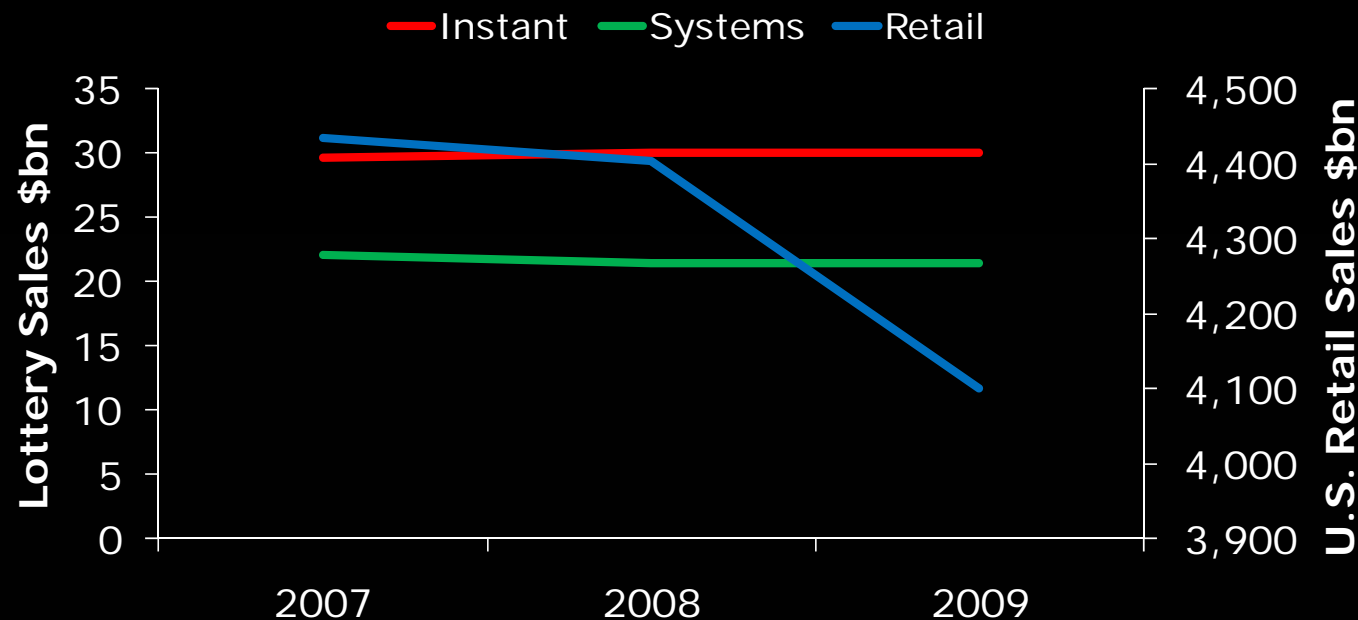
United States Lottery Business

- ❑ 2009 U.S. Lottery Performance
- ❑ Long Term Growth and Inflection Points
- ❑ Growth Opportunities

U.S. 2009 Retail Sales Performance

Despite weak U.S. Retail Sales, the Lottery industry proved to be recession-resistant

2009 U.S. Lottery Sales vs. U.S. Retail Sales



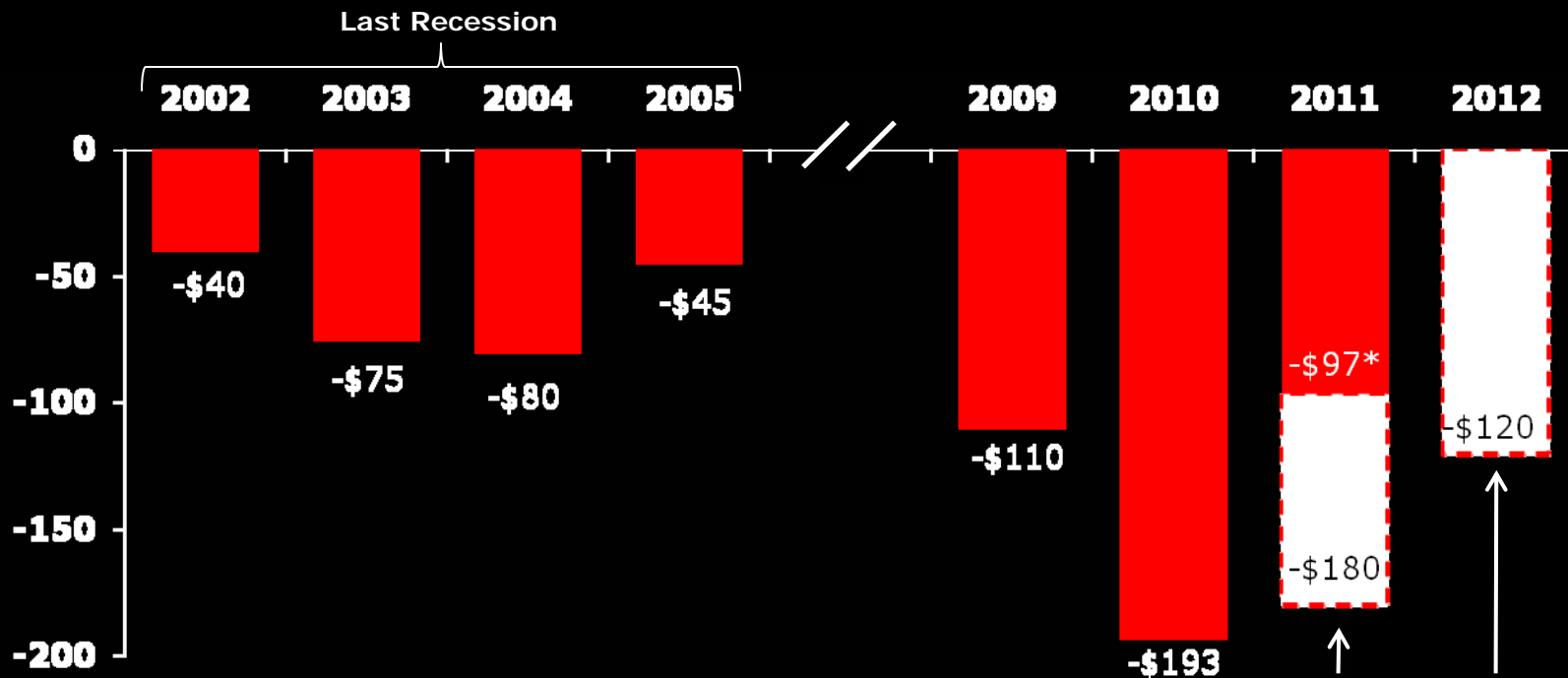
- ❑ U.S. Retail Sales down 7%
- ❑ Total Lottery up 0.9%
- ❑ Instant down 1.05%
- ❑ Systems up 3.7%

The "Real" Demand Curve

The States' need for additional revenues drives the Lottery business

- Deficits estimated at \$493 billion thru 2012
- Need for funding drives Lottery innovation

Total State Budget Shortfall (\$bn)

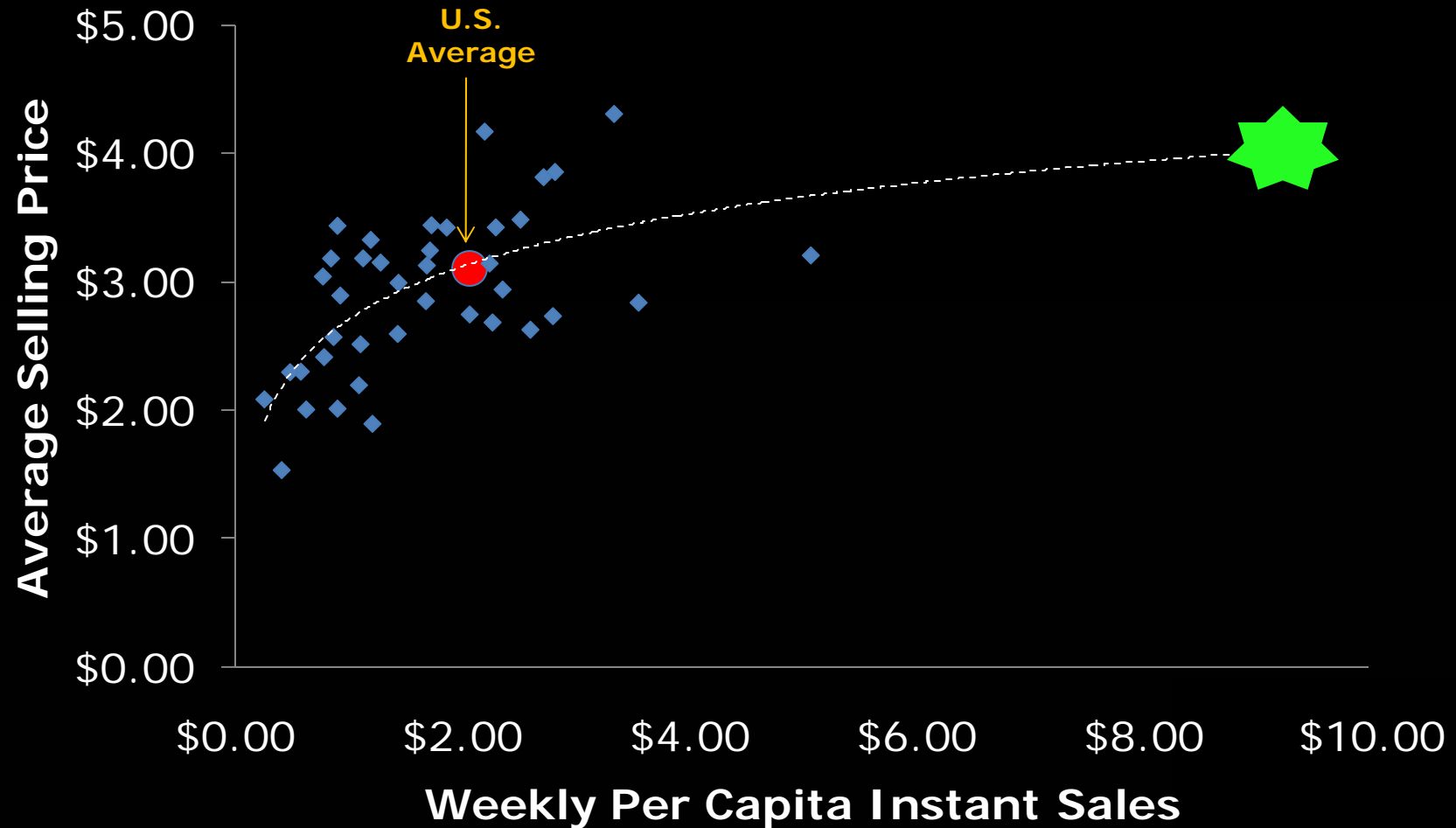


* Reported to date.
Source: CBPP survey.

Estimate

Instant Product Opportunity Curve

Wide variations exist in state lottery performance



Optimization Opportunity

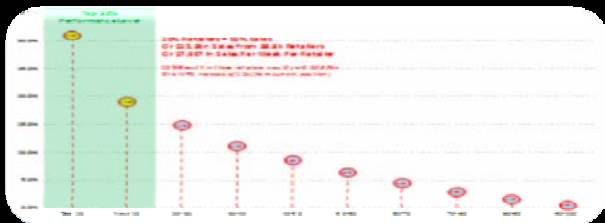
Product Optimization



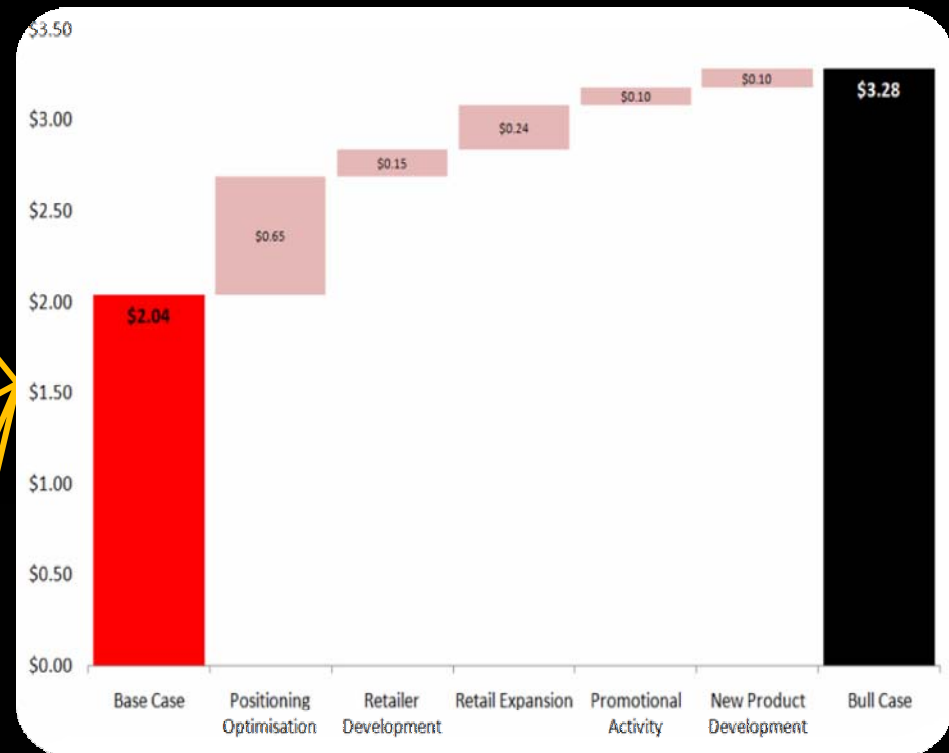
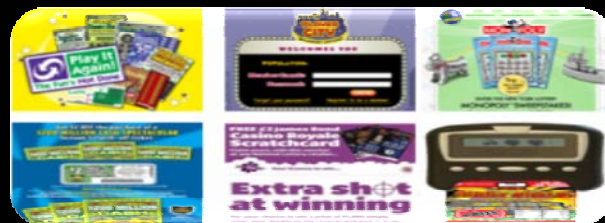
Retail Expansion



Retailer Development



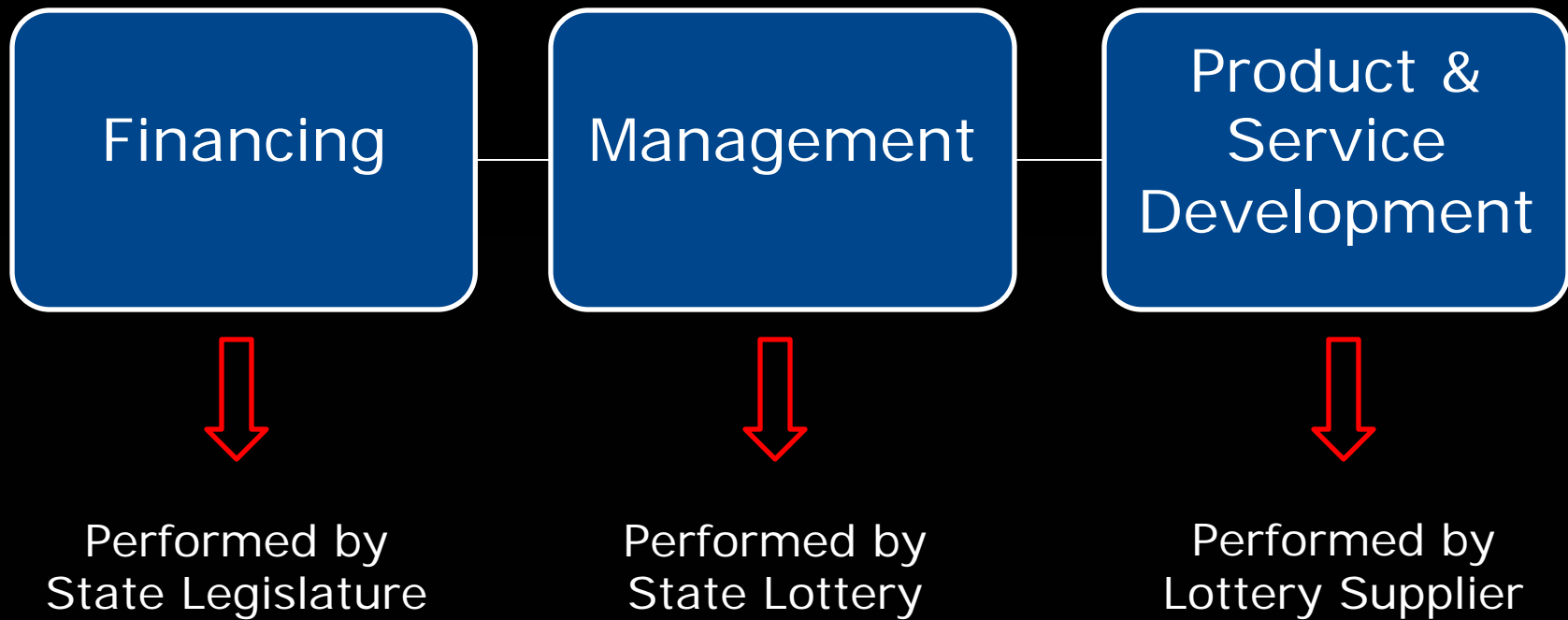
New Products & Promotional Activity



- ❑ The U.S. Instant Ticket weekly per capita spend is \$2.04...which is ~\$29.5bn in retail sales
- ❑ Growth components could drive the weekly per capita to \$3.28...an \$18bn opportunity in retail sales

The U.S. Lottery Model

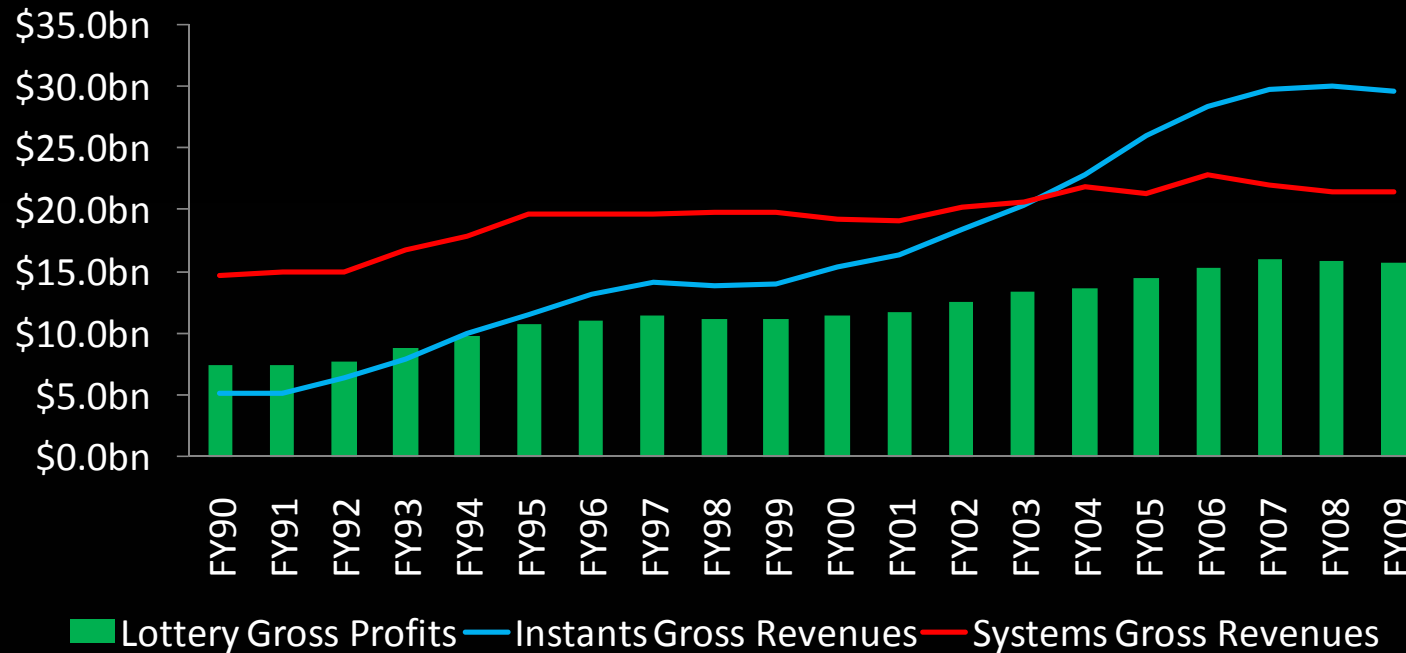
The Lottery model is fundamentally different than traditional consumer products companies



Innovation Adoption Curve

The adoption of new models drives periods of growth

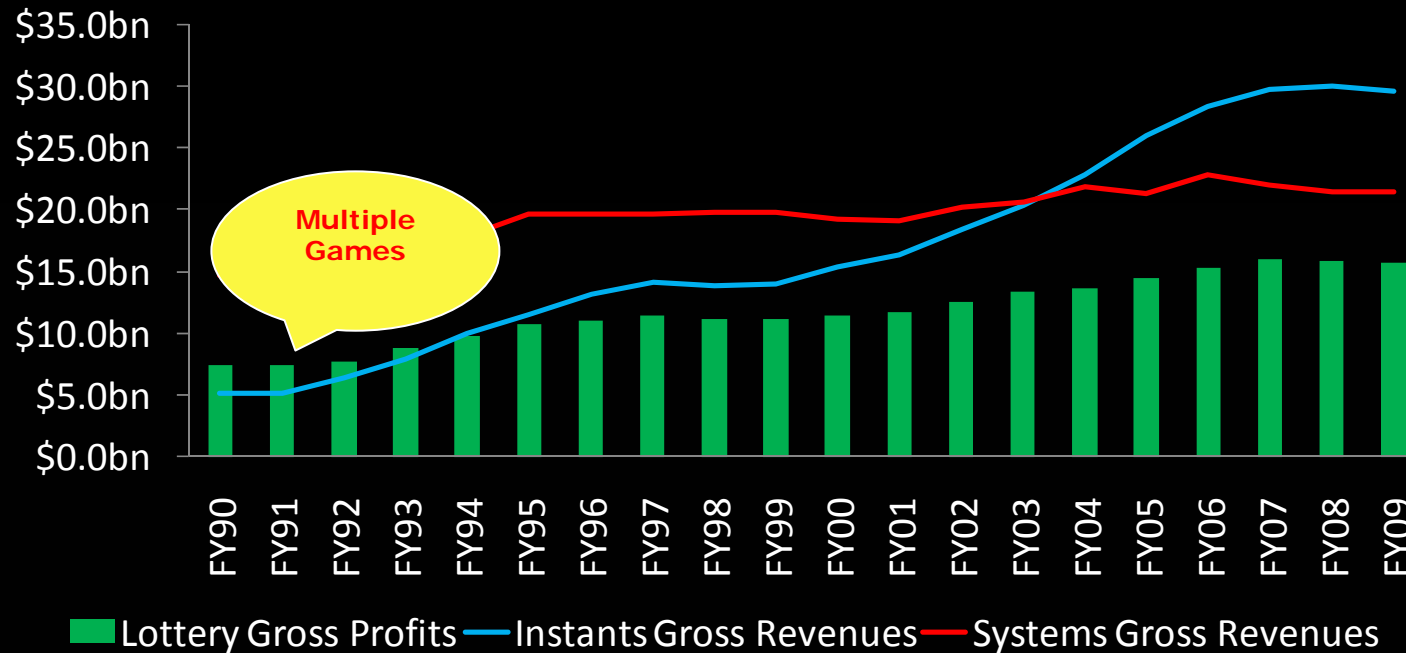
Sales and Profit Trends



Innovation Adoption Curve

The adoption of new models drives periods of growth

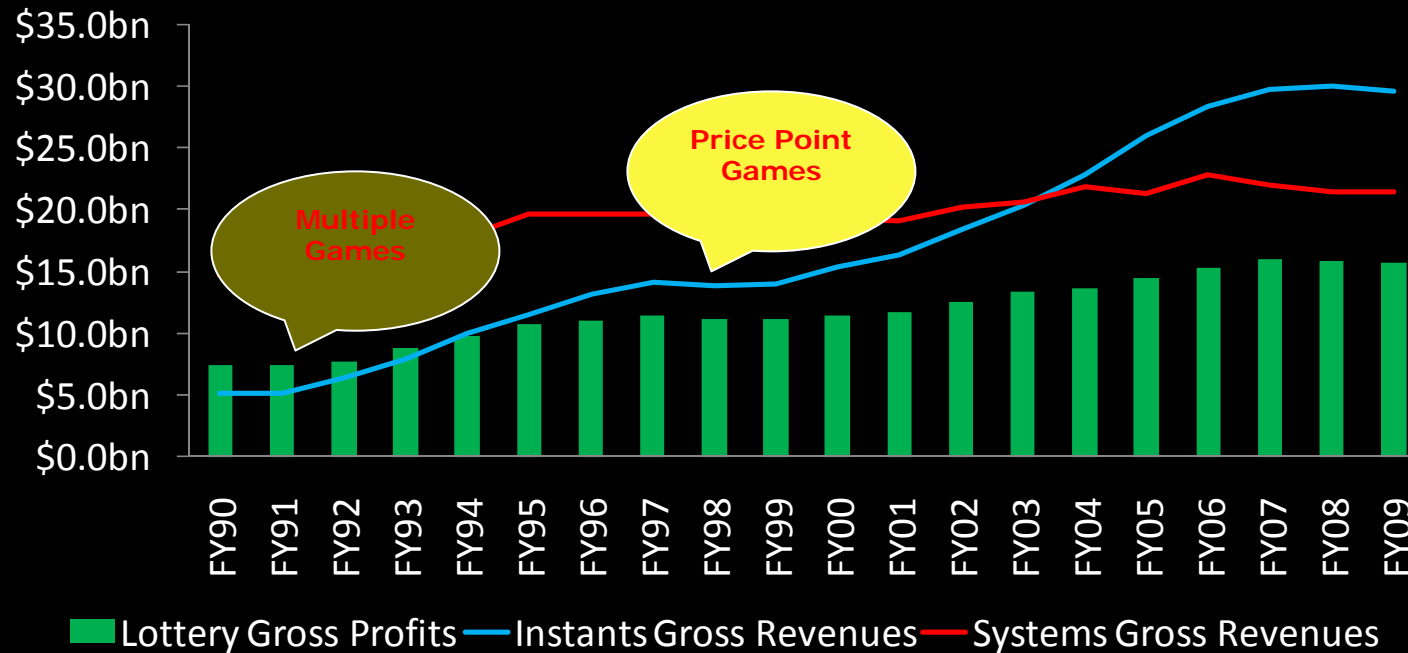
Sales and Profit Trends



Innovation Adoption Curve

The adoption of new models drives periods of growth

Sales and Profit Trends



Evidence of Inflection Point

- ❑ Lottery cross selling initiatives
- ❑ New retail chains
- ❑ New bid structure – Illinois
- ❑ Performance weighted RFP's – NY & TX
- ❑ Request for national support from suppliers

A Typical Lottery Player

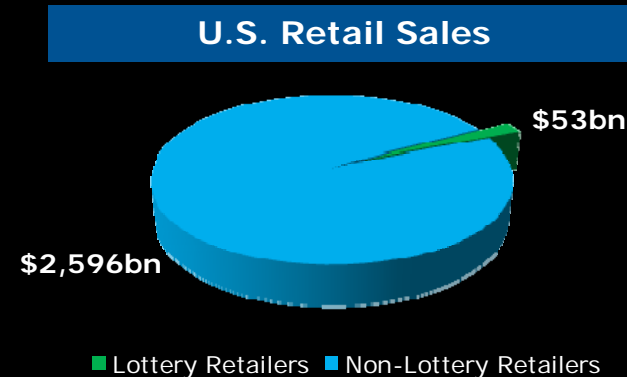
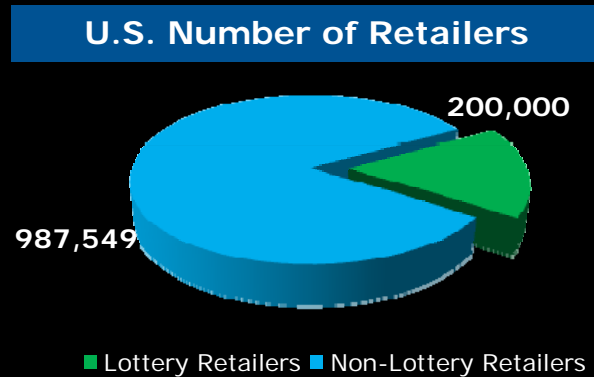
- ❑ **71.2% of the U.S. has played a lottery product in their lifetime**

- ❑ **Lottery play is enjoyed across a large demographic of age and income levels**
 - Instant products particularly popular among 25-34 year olds
 - Systems products skew slightly older

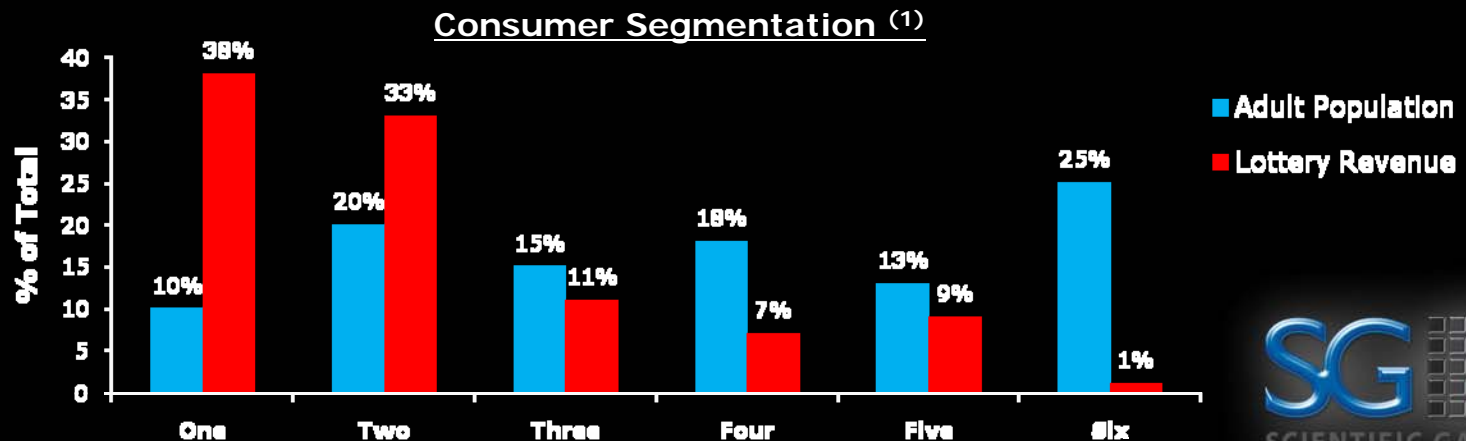
- ❑ **71.4% of U.S. lottery players have accessed the internet within the past 30 days**
 - Those who have played lottery within the past 12 months report a higher level of internet accessibility, with 75% using the internet within the past 30 days (105 index)

Market Penetration

- ❑ Large untapped retail distribution available

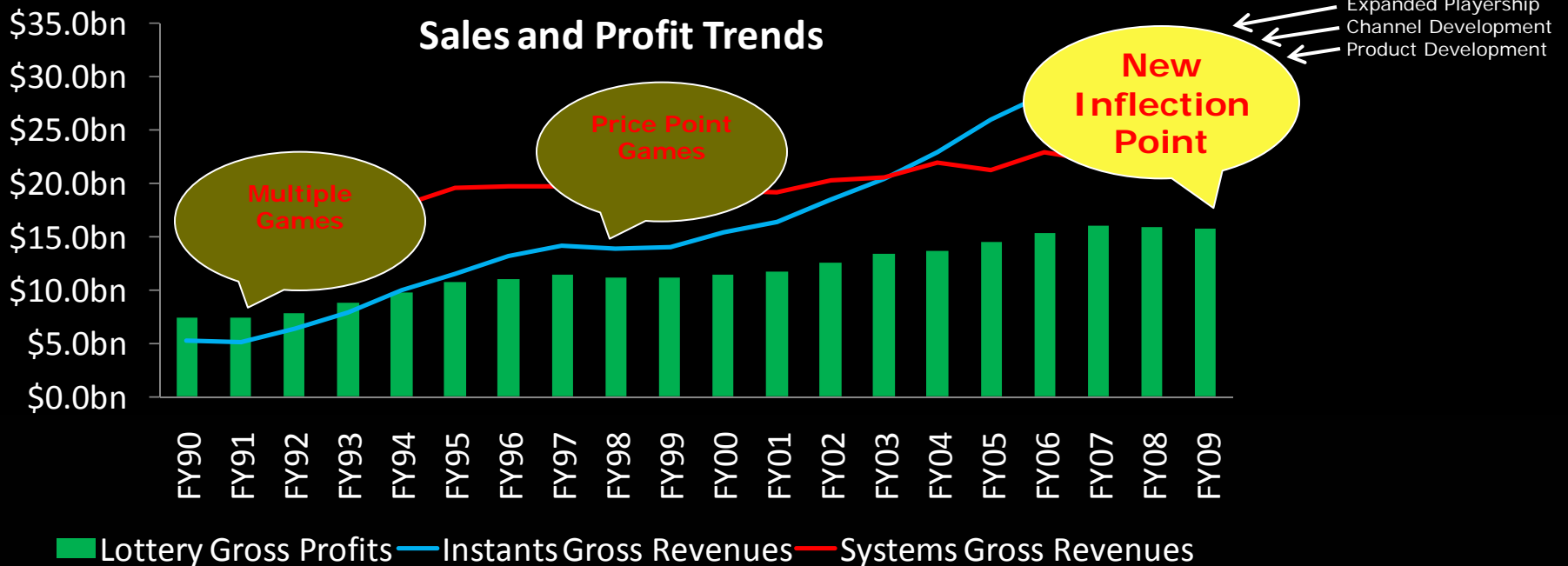


- ❑ Large available consumer population without access to lottery products



(1) Psychographic segmentation based on internal and external consumer research.

What's Possible?



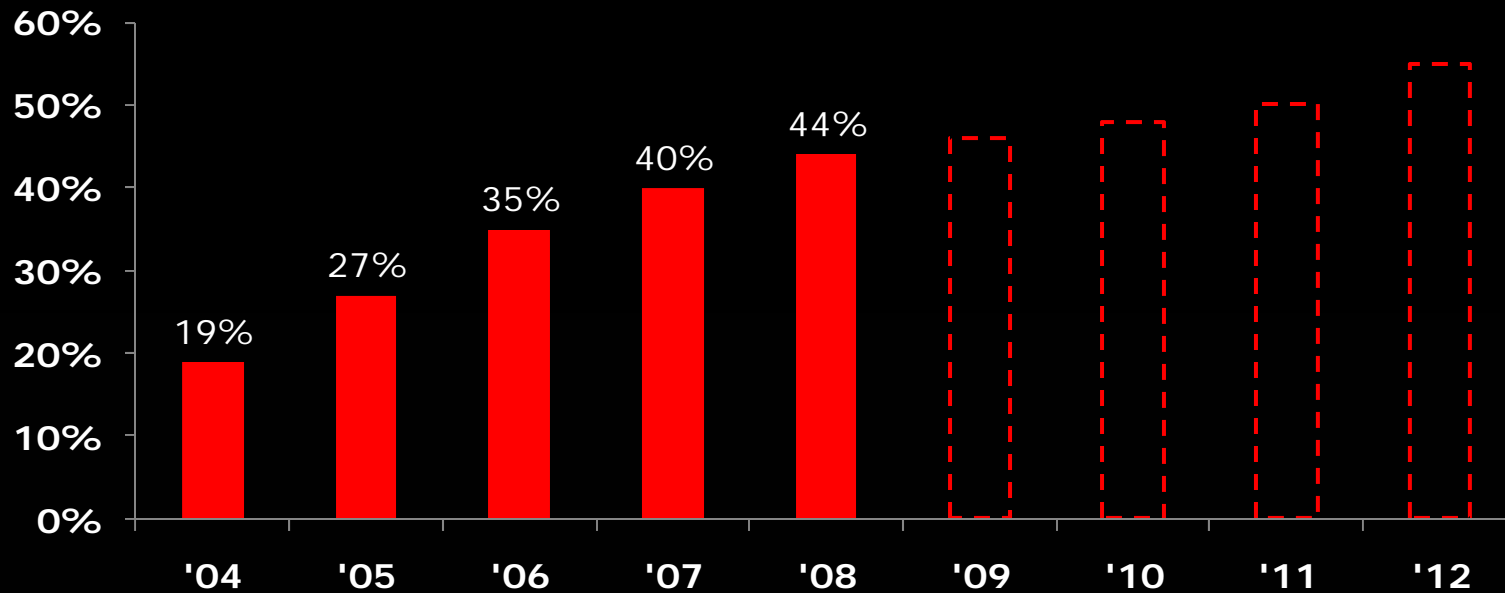
- ❑ **High Demand for Additional Budget Revenues**
- ❑ **Growth from Market Optimization improving lottery performance using existing best practice models**
- ❑ **Growth from Market Penetration from introducing lottery games into new retail establishments to willing consumers**
- ❑ **Growth from on-line price points**

International Lottery

John Walsh
Senior Vice President
International Business Development

SG International Growth

Int'l Revenue % of Total Company Revenue



Track record of consistent, attractive growth is projected to continue

Instant Games

We are the largest provider of instant tickets on five continents

	Global Printing Capacity (Billion STUs)		
	SG	Pollard	Gtech
Canada	6	10	0
US	27	8	11
Australia	3	0	0
UK	6	0	0
China	8	0	0
Chile	3	0	0
Total	53	18	11

- ❑ Continue the modernization of our production capabilities
- ❑ Marry our production capacity to the major opportunities



Source: Company estimates.

Online Systems and Services

Leading international online systems & services model driven by systems sales followed by software/service revenue vs. facilities management model in the US

- ❑ 2nd largest lottery systems provider in Europe

- ❑ AEGIS EF – WAVE Terminal

- ❑ System
 - Germany States (12 States)
 - Norway
 - Hungary
 - FDJ (Instant)

Licensed Properties

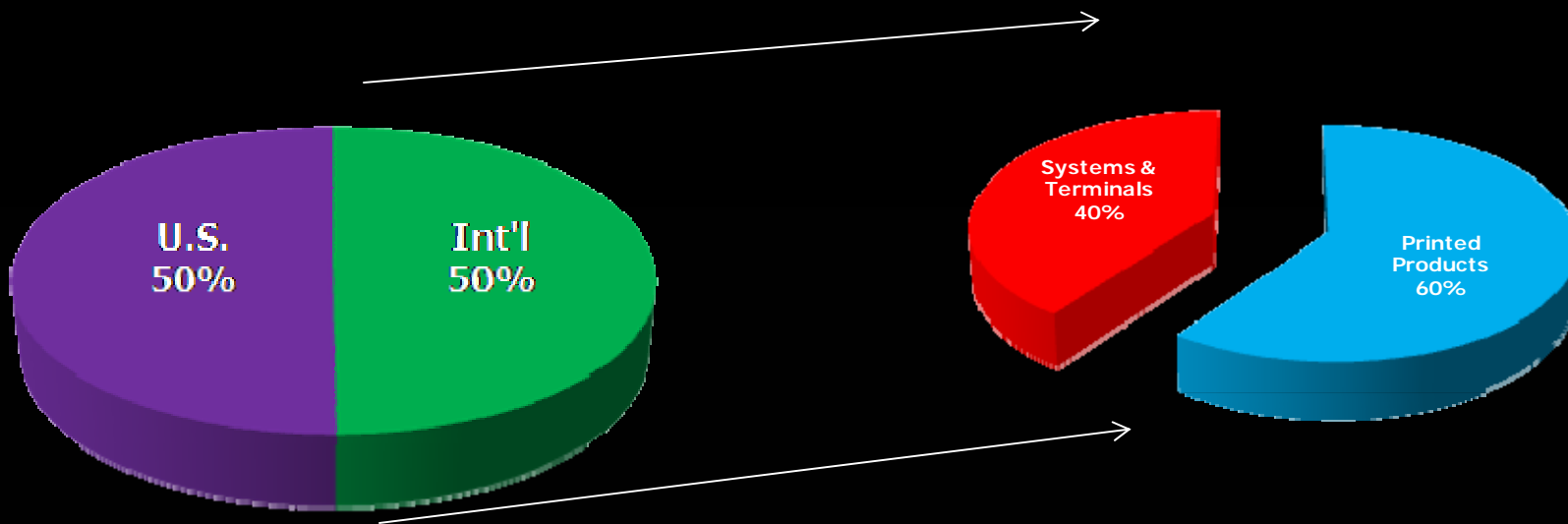
Licensed properties are significantly underutilized in international lotteries



- CLN Italy - Monopoly
- Camelot - Various
- China CSL - NBA
- Various Lotteries for Interactive

SG International Lottery Business

International lottery business mix is...

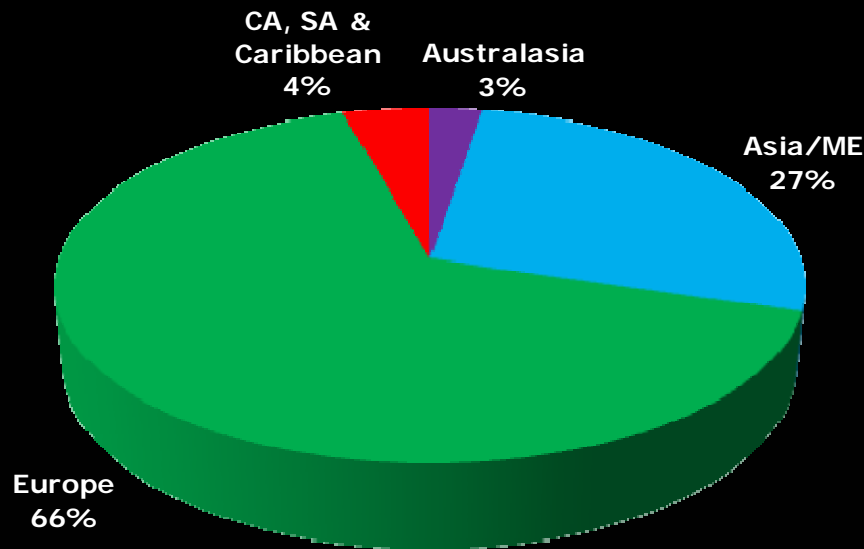


International Lottery Landscape

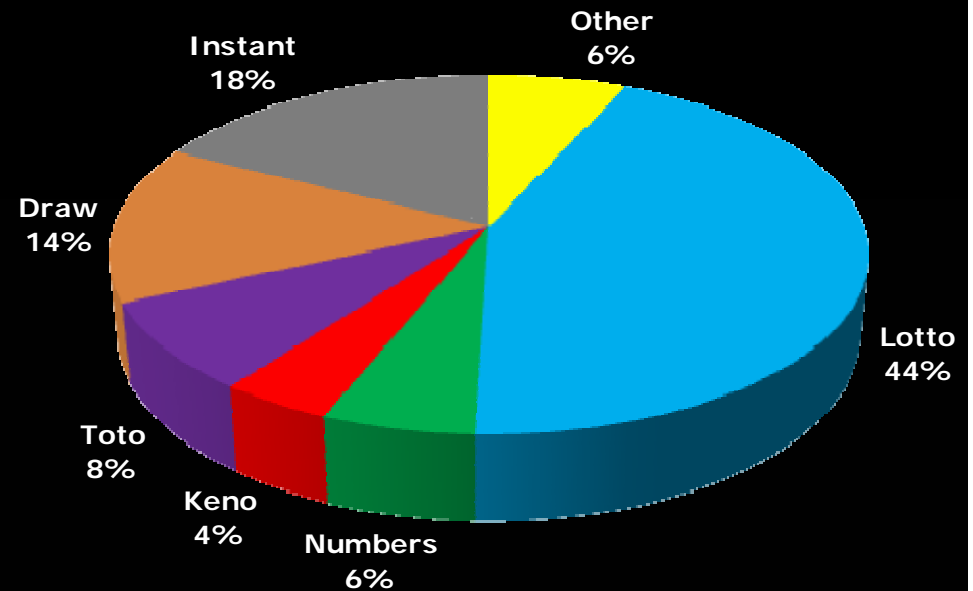
International Lottery Overview

2008 International Retail Sales: \$174bn

Regions



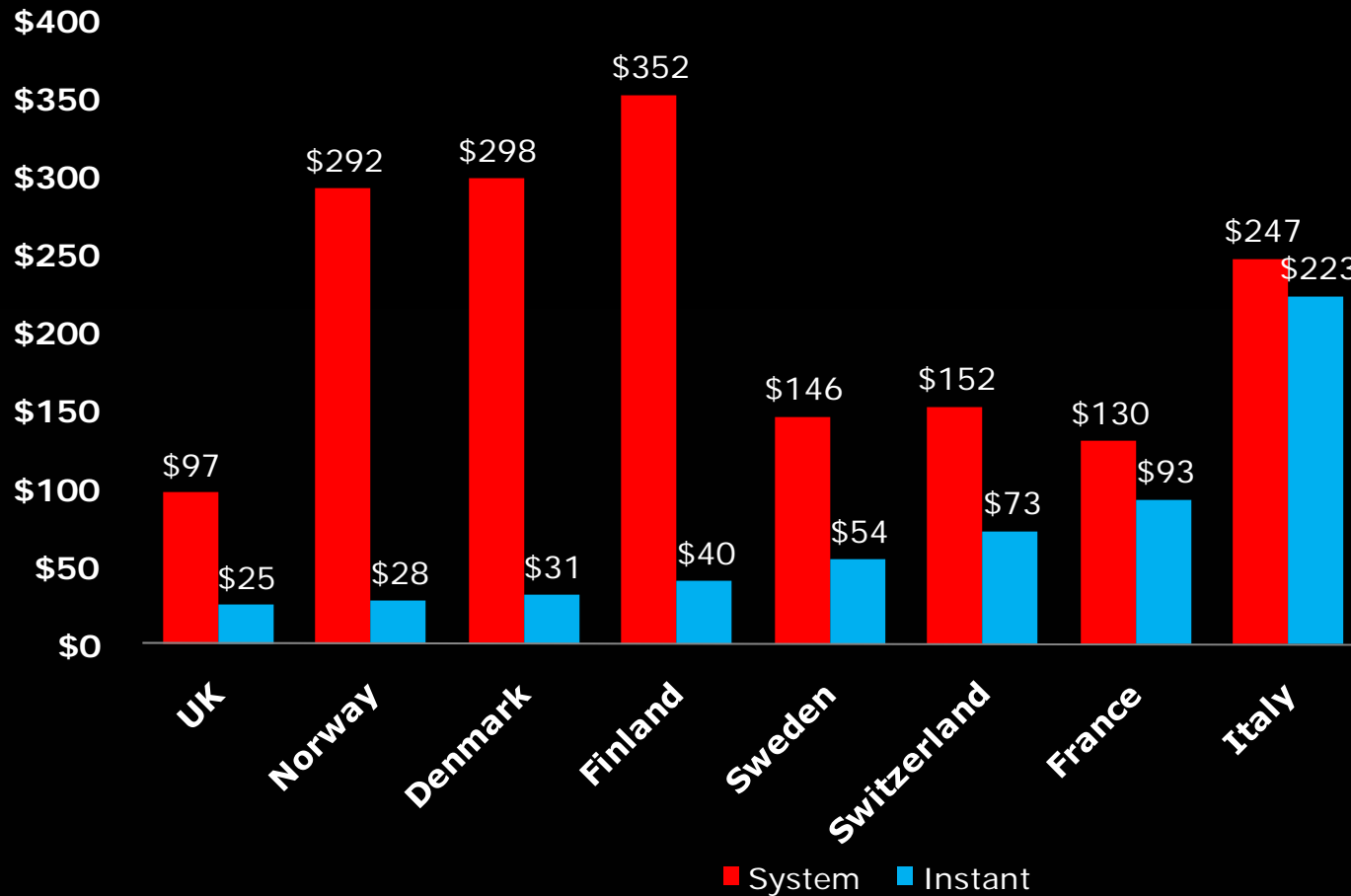
Product Mix



Source: Lafleur's Lottery Almanac.

Europe Per Capita Sales

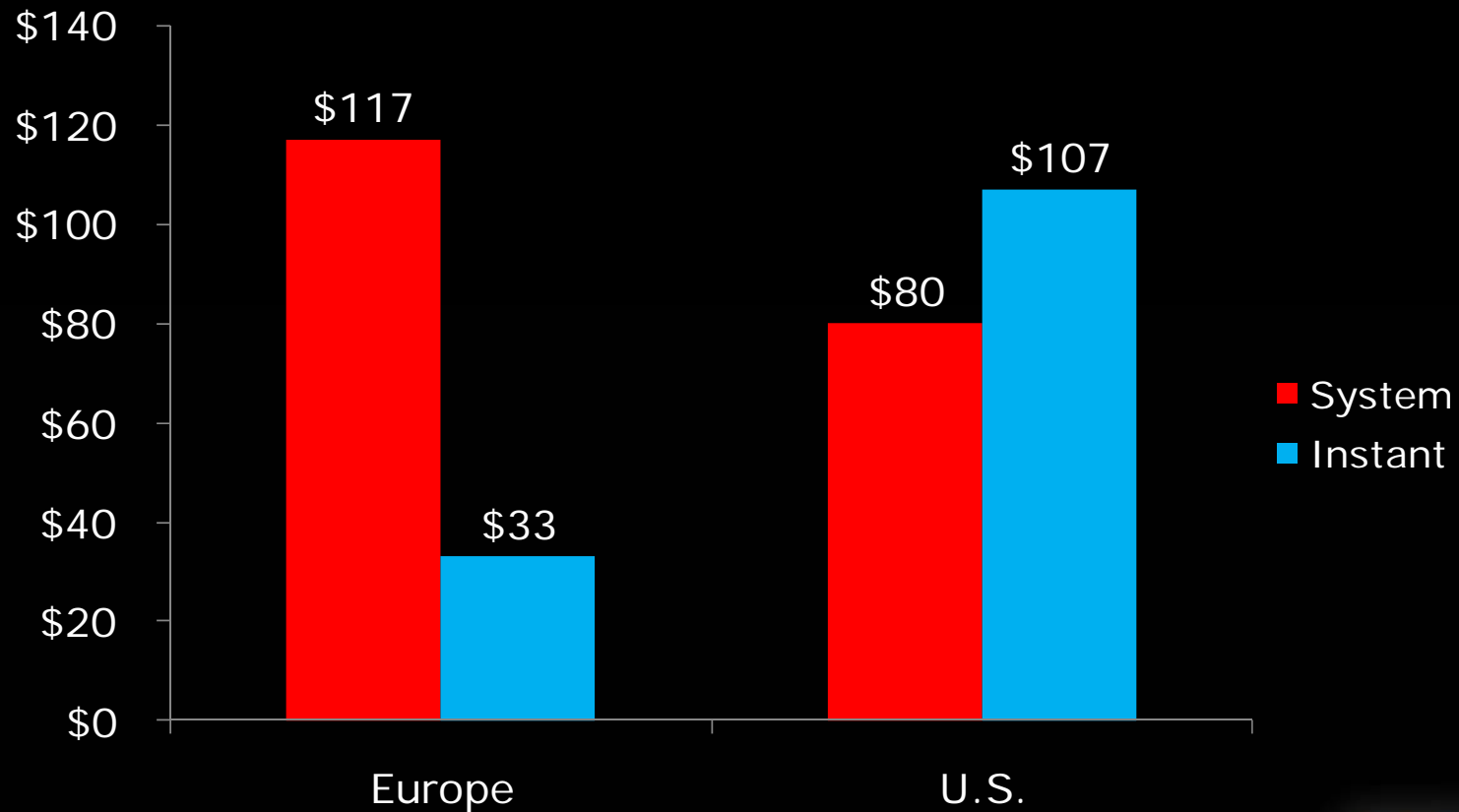
2008 Per Capita Retail Sales



Source: Lafleur's Lottery Almanac.



Per Capita Sales: U.S. vs. Europe



Source: Lafleur's Lottery Almanac.



International Growth Opportunities

Italy

Key Observations

- ❑ Solid position with CLN
- ❑ Completed our terminal sale of 15,000 WAVE terminals to SISAL
- ❑ Leverage our JV with Playtech



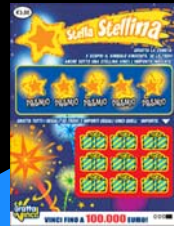
Determinants of Success



€1
56%
2"x4"
€7,000



€2
61%
4"x4"
€70,000



€3
63%
5"x4"
€100,000



€5
70%
6"x4"
€500,000



€10
75%
8"x4"
€1,000,000

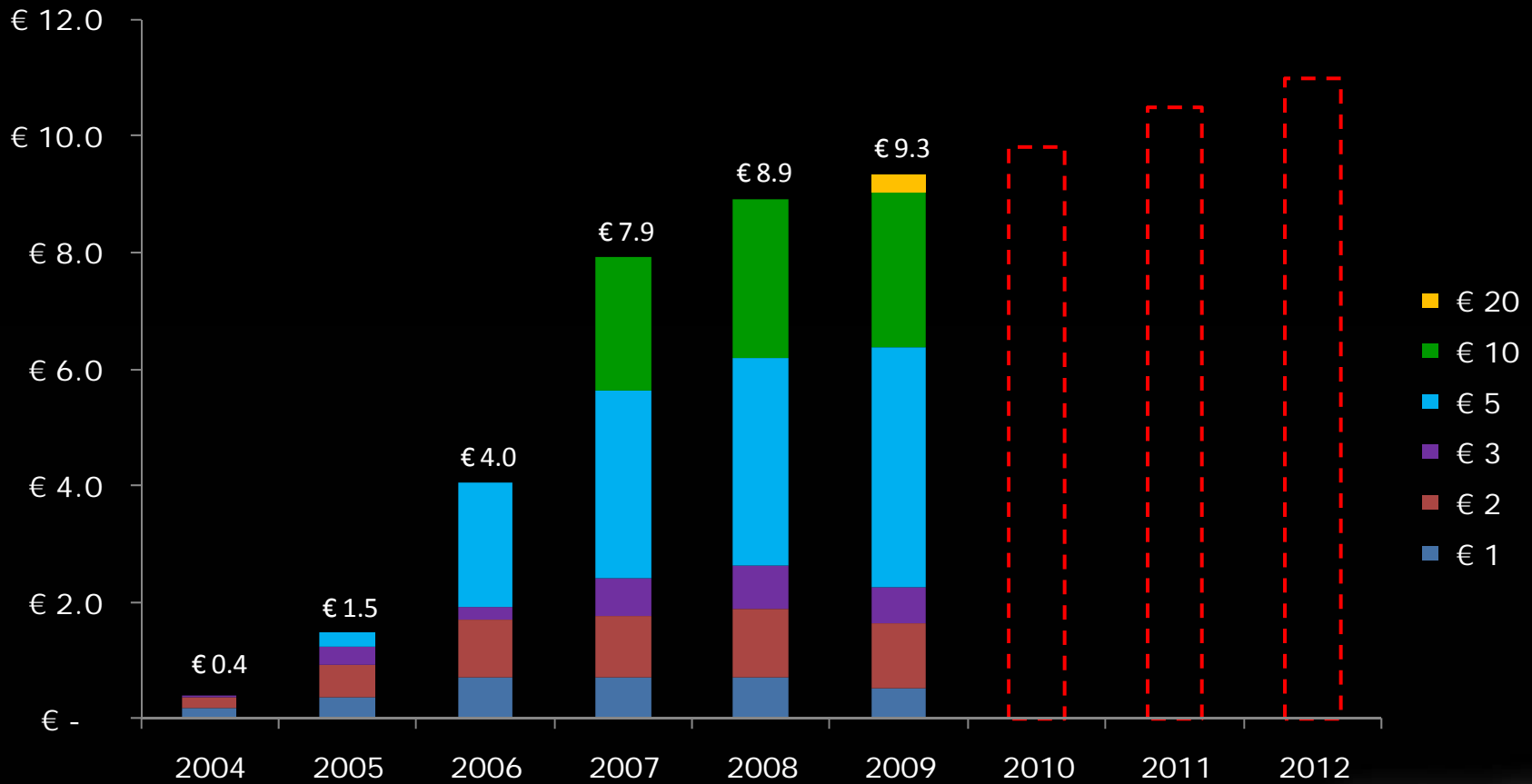


€20
80%
10"x4"
€4,000,000

5 Best Practices:

1. Price points
2. Prize payout
3. Prizes
4. Distribution
5. Branding

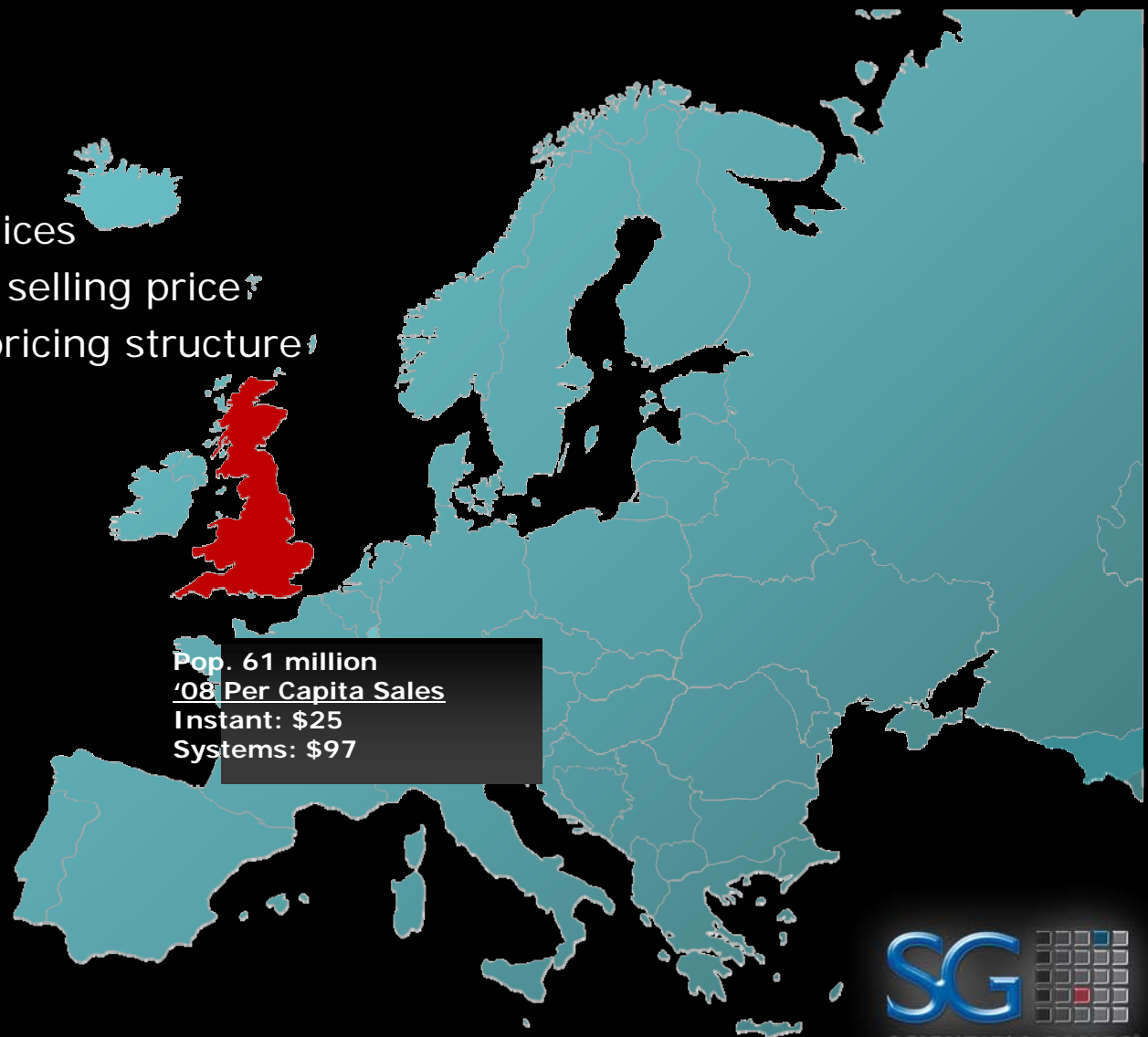
Italy



U.K.

Key Observations

- ❑ Implement best practices
- ❑ Increase the average selling price
- ❑ Maximize our tiered pricing structure

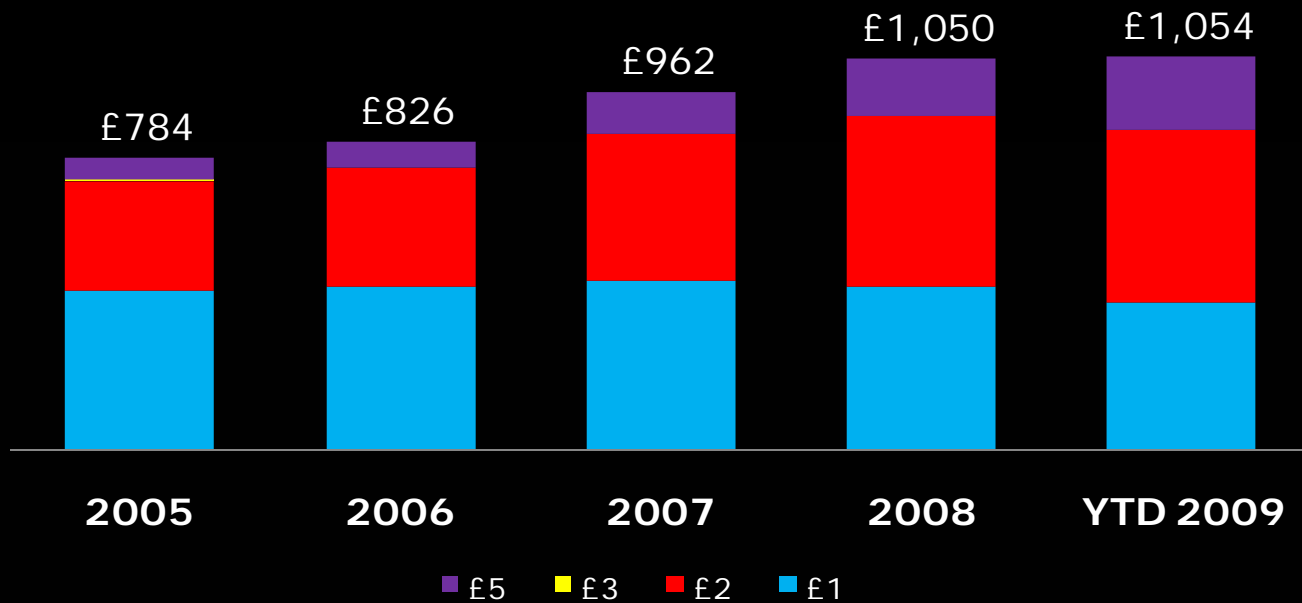


Source: Lafleur's Lottery Almanac.

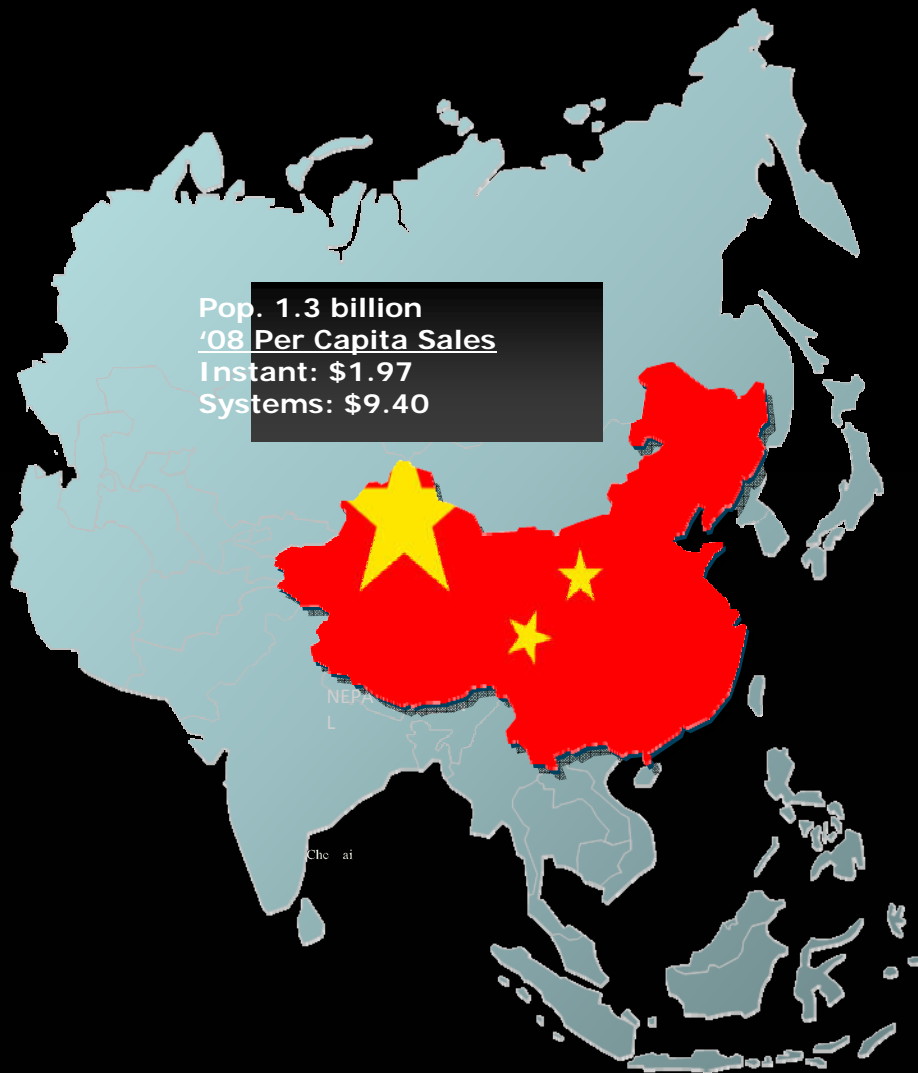


U.K.

Growth in the U.K. has been facilitated by higher price points and is projected to continue, mirroring the Italy model



China



Key Observations

- ❑ During our first full year, the CSL sold 70% of instant tickets in China
- ❑ Key elements in the supply chain are traditional. Modern techniques are slow to adopt
- ❑ Government fully supportive of responsible growth

Source: Lafleur's Lottery Almanac.

China Initiatives

PRIMARY GOALS

- **Retailer Network Expansion** – Add a minimum of 40,000 new retailers
- **Increase Brand Awareness /Expand Player base** – Utilize partners (NBA) and media to build awareness and player-ship levels
- **Product Supply Chain Management** – Maximize the sales/inventory ratio through strategic initiatives

SECONDARY GOALS

- **IVT Network Expansion** – Target of 90,000 installed by the end of 2010
- **Align Provincial Sales Target w/ Nat'l Target** to maximize marketing synergies
- **Execute Promotional Extensions** – Nationwide execution of one promotion extension per quarter
- **Marketing Communication Plan** – Consistent Operation Center communication strategy with PSL's

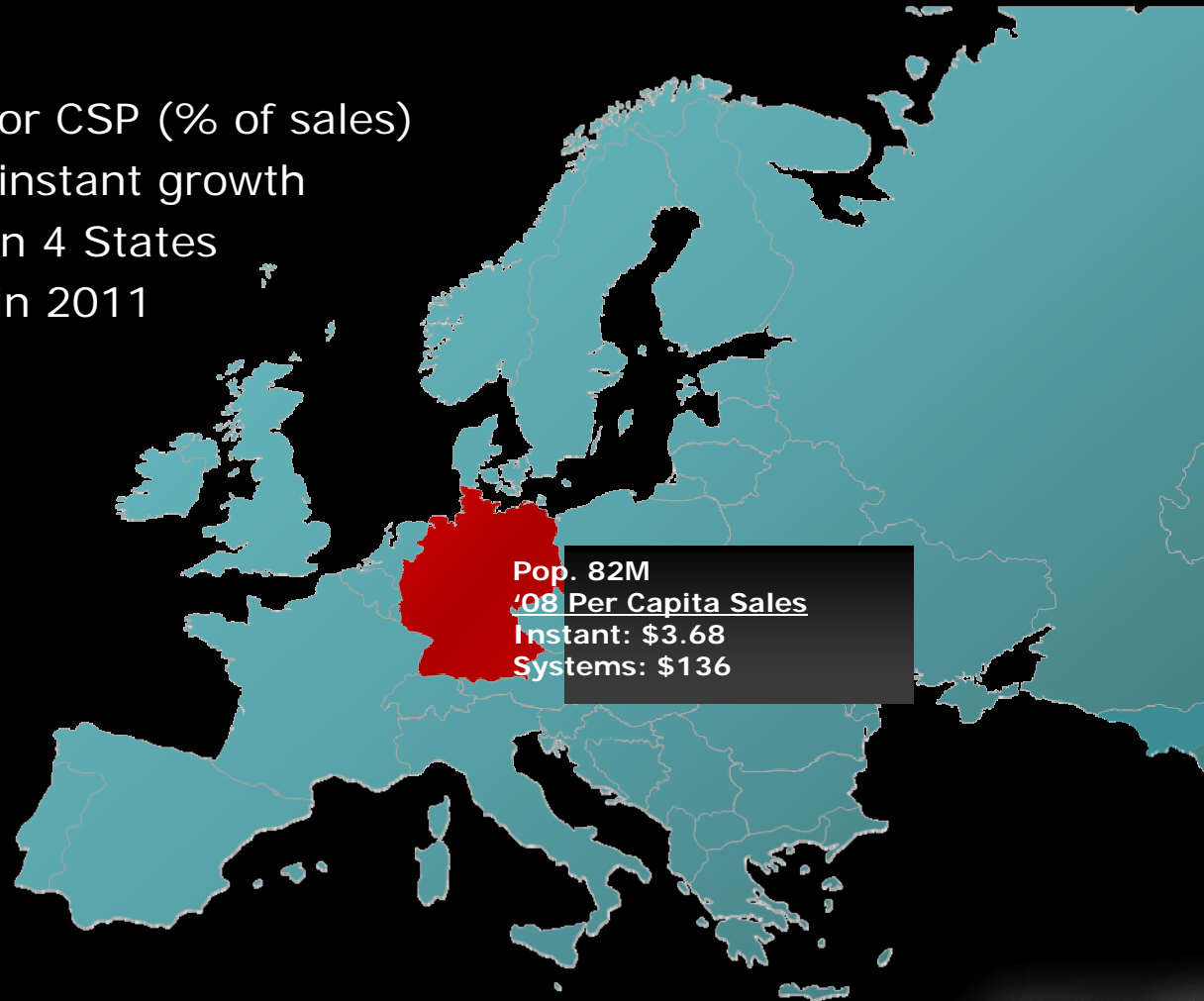
PROGRESSION GOALS

- **Speed to Market** – Improve distribution/logistic speed to bring games to market
- **Game Plan** – Provide the right product to the right place at the right time
- **Training Plan** – Expand the lottery base to all levels of the lottery

Germany

Key Observations

- ❑ Six state contracts for CSP (% of sales)
- ❑ Policy issues inhibit instant growth
- ❑ System conversion in 4 States
- ❑ Terminal Sales due in 2011

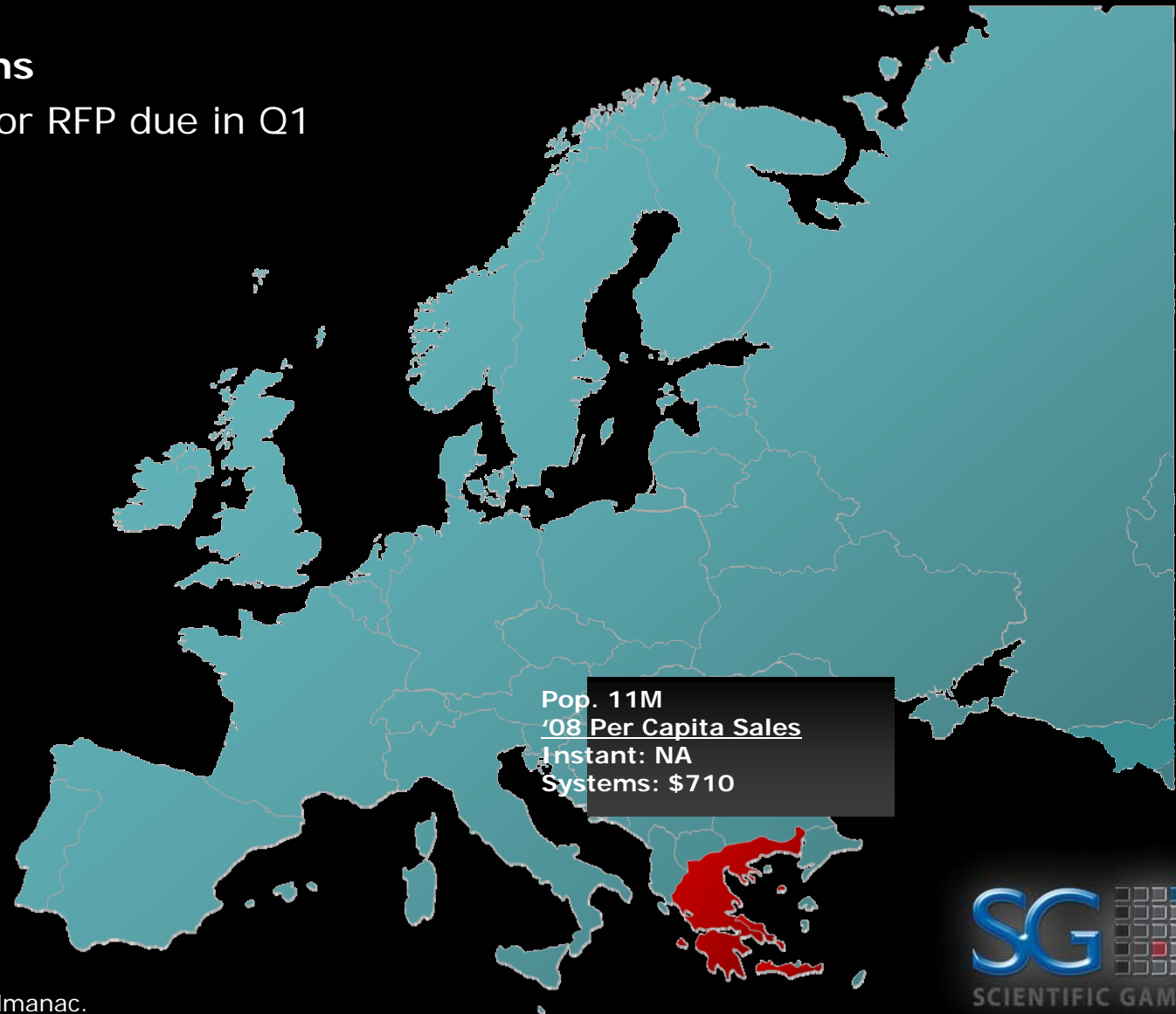


Source: Lafleur's Lottery Almanac.

Greece

Key Observations

- ❑ Instant Operator RFP due in Q1 2010

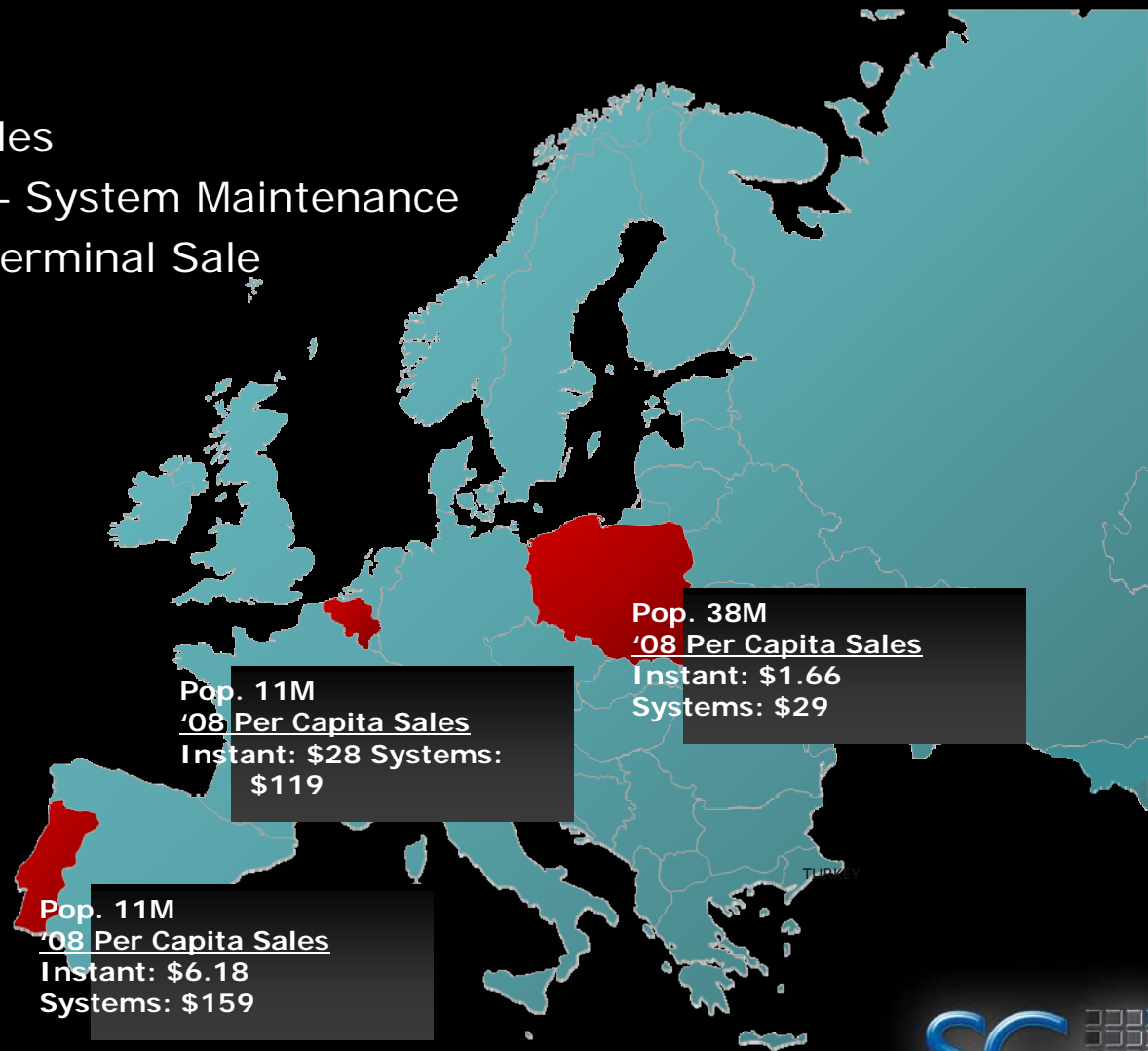


Source: Lafleur's Lottery Almanac.

Portugal, Belgium & Poland

Key Observations

- ❑ System & Terminal Sales
- ❑ Poland Terminal Sale – System Maintenance
- ❑ Portugal – System & Terminal Sale

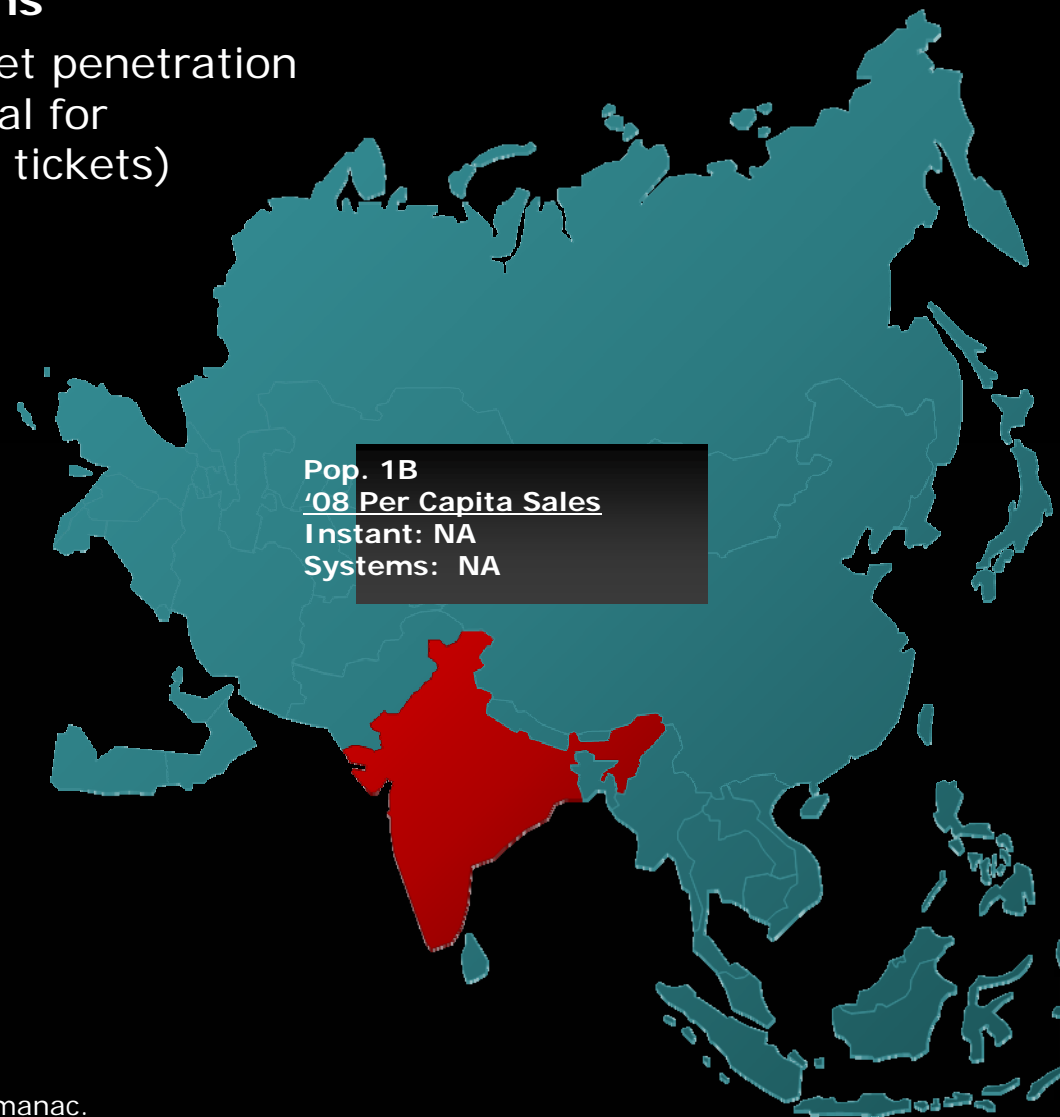


Source: Lafleur's Lottery Almanac.

India

Key Observations

- ❑ No instant ticket penetration
(currently illegal for
predetermined tickets)



Source: Lafleur's Lottery Almanac.

Russia



Key Observations

- ❑ No meaningful penetration of instant tickets
- ❑ Banned gaming machines creates a vacuum
- ❑ Olympic fund raising efforts will begin

Source: Lafleur's Lottery Almanac.

Vietnam

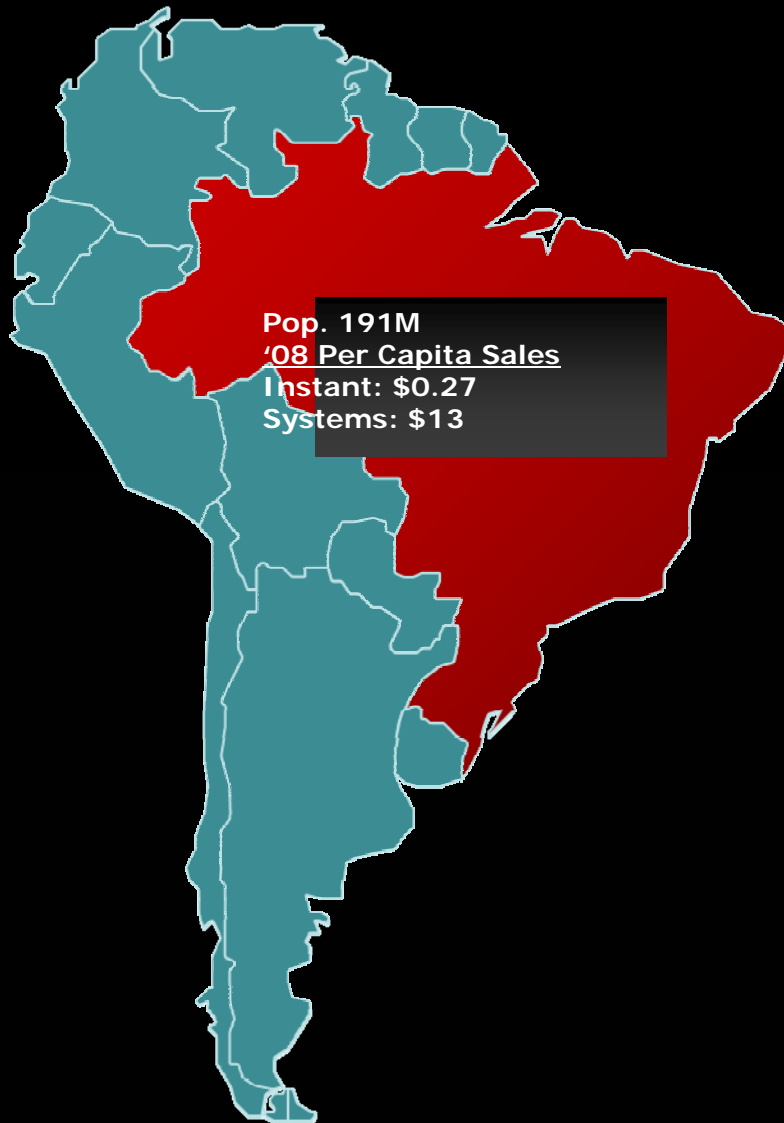


Key Observations

- ❑ MOF is reviewing lottery legislation
- ❑ No instant ticket penetration
- ❑ Lottery structure very similar to China

Source: Lafleur's Lottery Almanac.

Brazil



Key Observations

- ❑ No significant instant ticket penetration
- ❑ Caixa terminal RFP
- ❑ Caixa instant ticket RFP Q3 2010
- ❑ Various state lottery opportunities for various products

Source: Lafleur's Lottery Almanac.

What's Possible?

- ❑ Significant instant ticket growth opportunities among existing lotteries
- ❑ Emerging opportunities in BRIC countries
- ❑ New regulation could facilitate the sale of new products across existing infrastructure

Global Draw

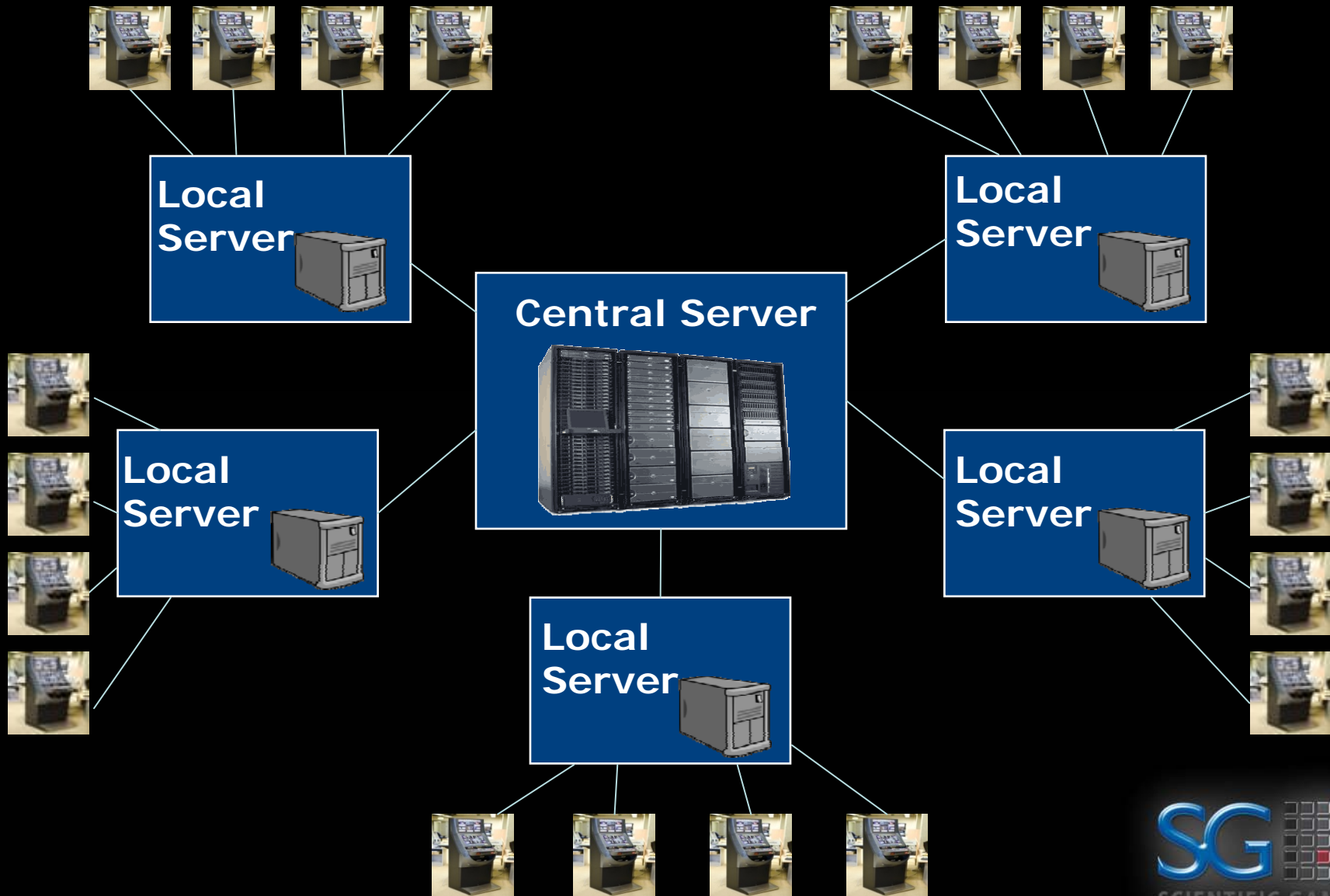
Steve Frater
Chairman and CEO, Global Draw
and Games Media



Who We Are

- ❑ The leading and most successful supplier of server-based gaming systems to U.K. betting shops
- ❑ An innovator of server-based gaming since its inception 10 years ago
- ❑ Creating a revolution in U.K. Pub gaming with a server-based gaming machine offering

What We Do: Server-Based Gaming



What Server-Based Gaming Means to Us

- ❑ Flexibility
- ❑ Improved Functionality
- ❑ Increased Cash Box
- ❑ Reduced Cost
- ❑ Improved Profitability

Recurring Revenue, Participation Model

- ❑ We own the gaming machines, control the system and content
- ❑ We supply the communications and field service
- ❑ We share in the cashbox
- ❑ We are incentivised to grow and build the cashbox with our customer partners
- ❑ Profitability of business provides attractive returns
- ❑ Incremental machines add significant incremental margin to the bottom line

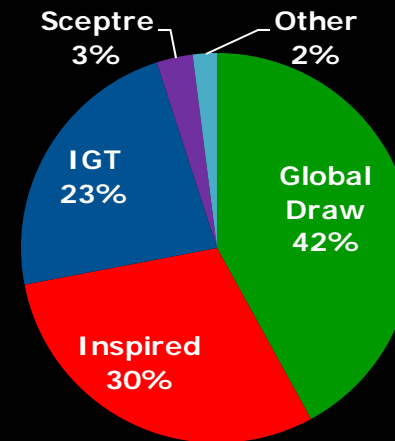
U.K. Betting Shop Landscape

- ❑ 8,800 shops and circa 30,800 machines
- ❑ Global Draw is the only supplier to have contracts with all the big 3 bookmakers
- ❑ Only William Hill follow the dual supplier route
- ❑ Company of choice for the independent bookmaker
- ❑ 100% contract renewal rate in the last 12 months
- ❑ Contracts typically between 1 and 4 years
- ❑ On average our customers have been with us for 8 yrs

Bookmaker	Shops	Machines	GD Machines	% GD Machines
William Hills	2,200	8,360	2,425	29%
Ladbrokes	1,936	7,897	302	4%
Coral	1,600	6,400	6,400	100%
BetFred	880	2,816	0	0%
Tote	616	1,935	1,935	100%
Others	1,584	3,392	1,819	54%
	8,816	30,800	12,881	42%

Source: William Hill Investor Day pack and Gambling Commission figures.

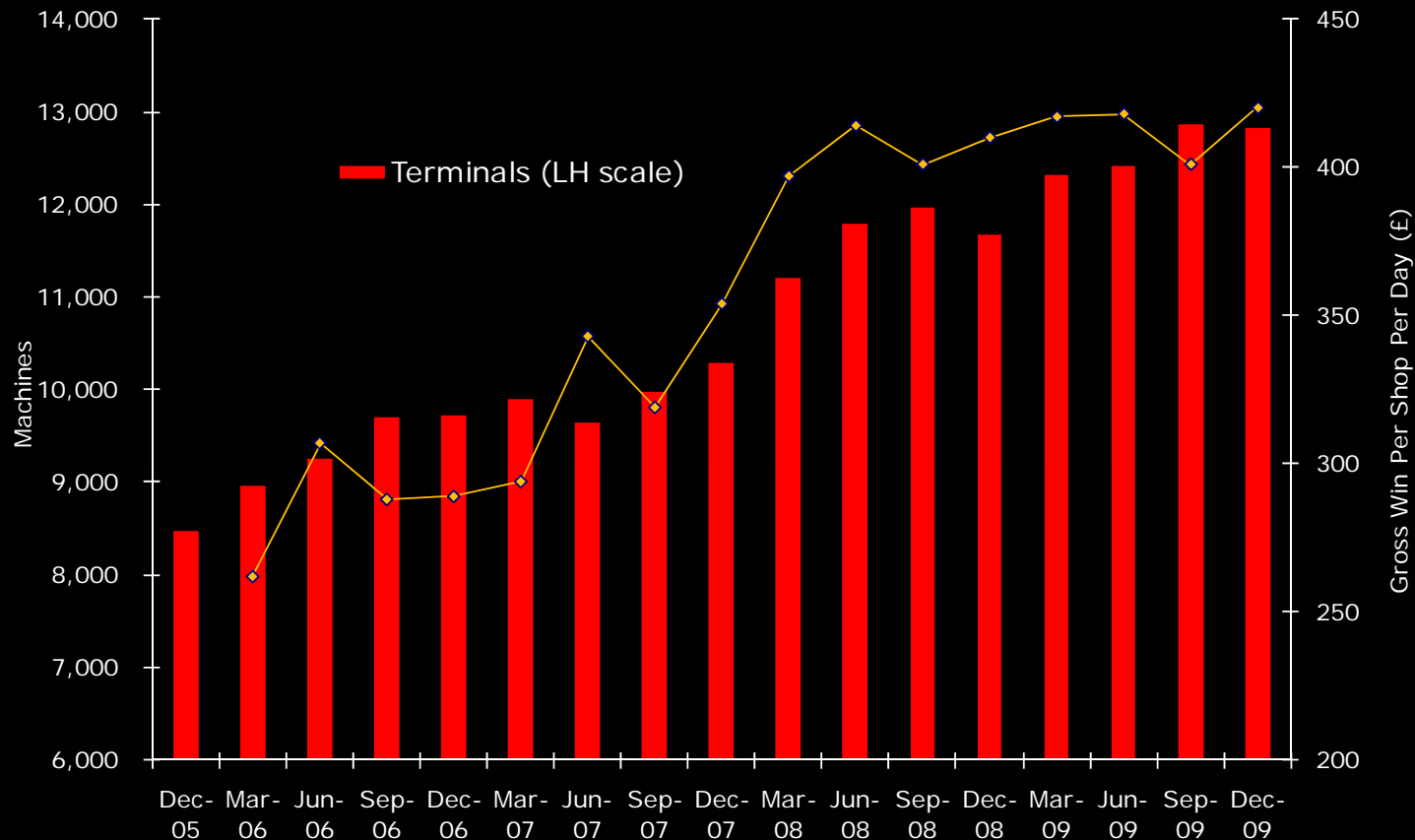
U.K. Machine Mix



Source: Company estimates.



Significant Growth in Win/Day



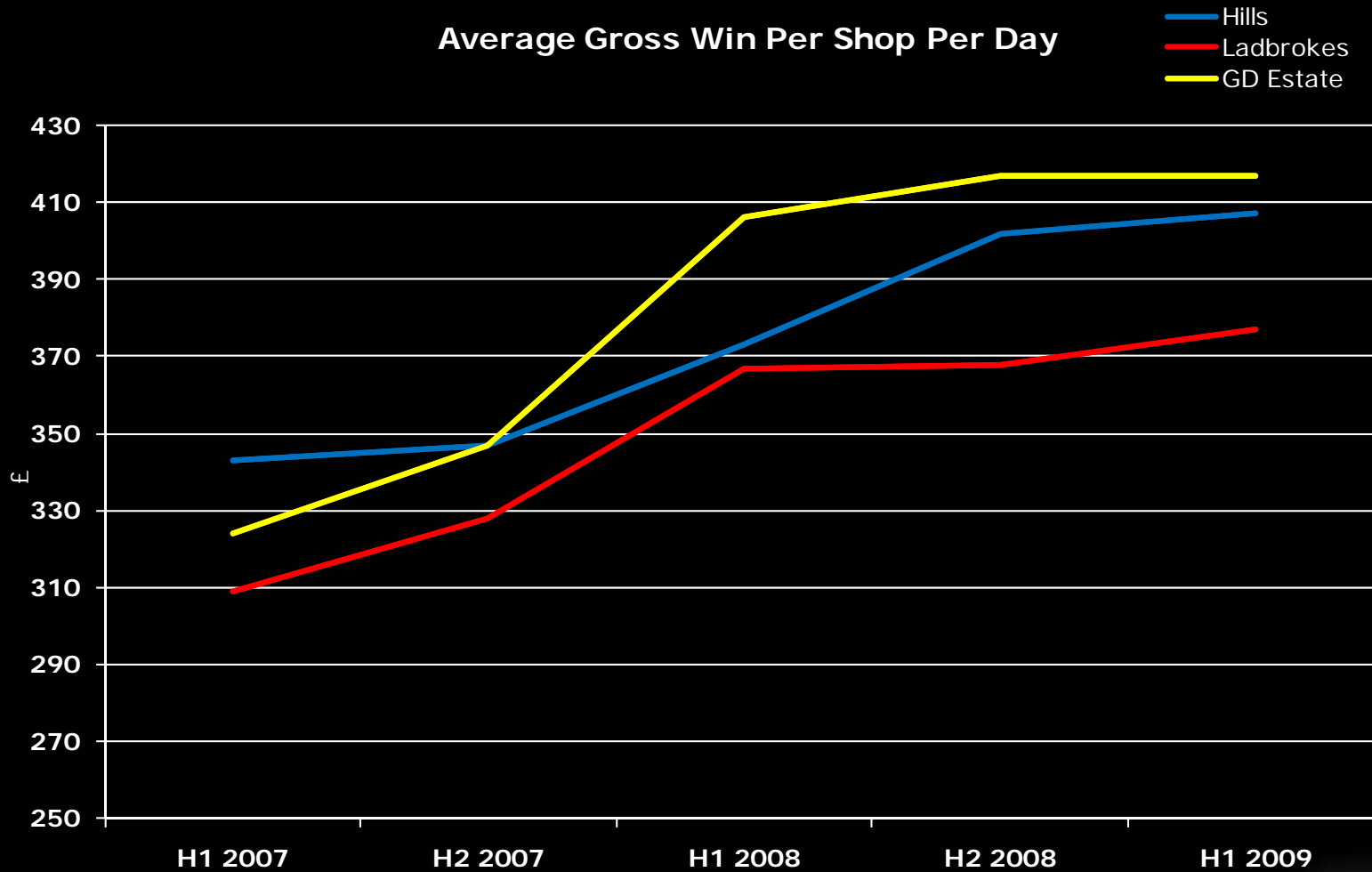
Since Global Draw was acquired in April 2006 we have:

- ❑ Grown Win/Shop/Day by 60% - despite a smoking ban introduced in June '08 and the global slowdown, and
- ❑ Grown the terminal installed base by 51%

Which has resulted in...

Industry Leading Performance

Average Gross Win Per Shop Per Day



Source: Ladbrokes filings, Hills filings and Global Draw Management information.

Sole or Dual Supply

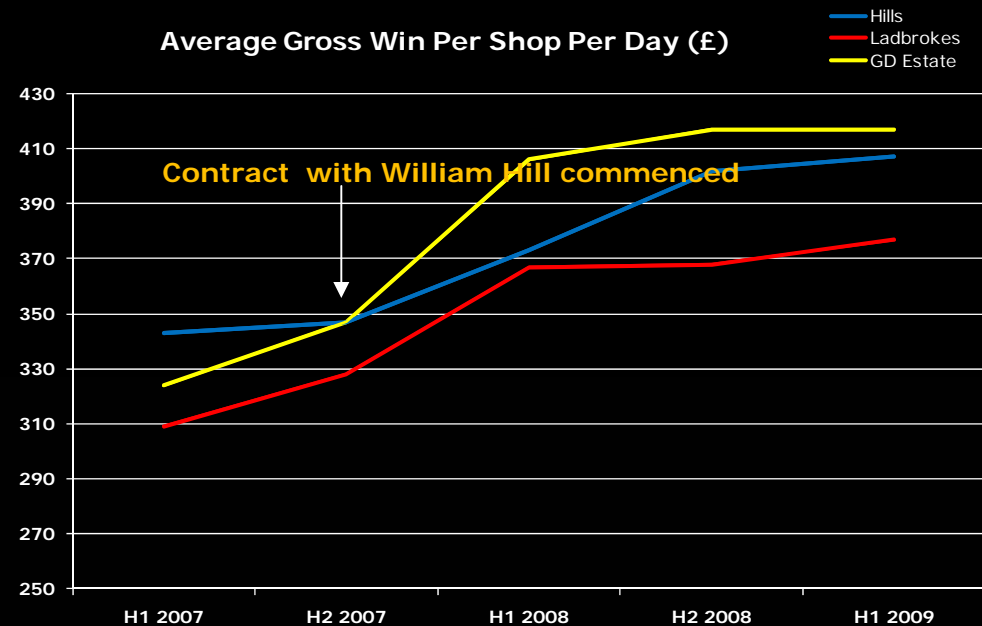
☐ DUAL SUPPLY

William Hill

☐ SOLE SUPPLY

All other Bookmakers

Ladbrokes tendering
for possible dual
supply Q1 2010



You don't need Dual Supply if you have the best



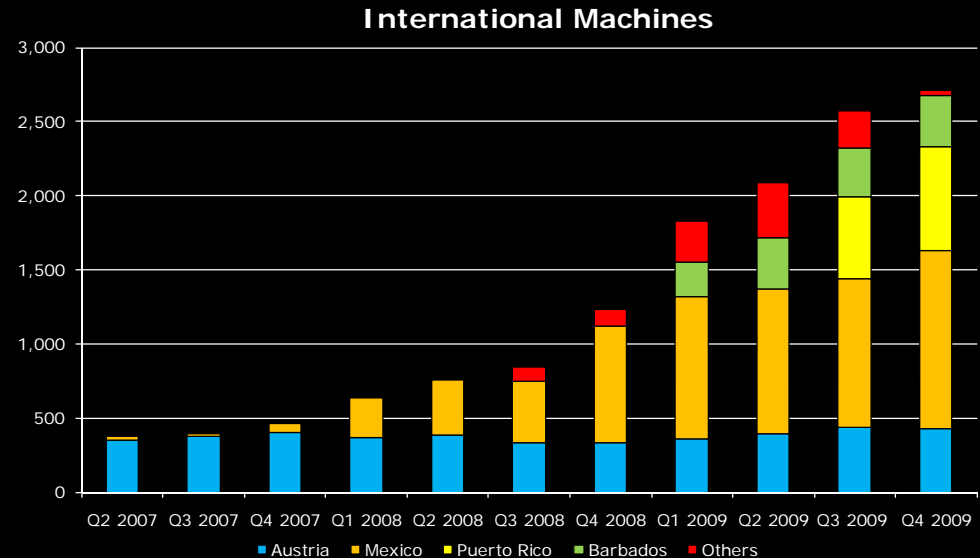
International Expansion: Growth Driver for the Coming Years

- ❑ Outside of the U.K. Global Draw operates in four countries and has games in four languages

- Austria
- Mexico
- Puerto Rico
- Barbados

- ❑ Expansion plans for 2010 include focusing on existing territories and

- Malta
- Argentina
- Class 3 NA
- St Kitts
- Far East
- Dominican Republic



Country	Machines	Machines in Use	Location
Mexico	1,200	80,000	Slot Halls
Puerto Rico	600	50,000	Bars and Betting Outlets
Austria	433	20,000	Slot Halls and Betting Shops
Barbados	340	3,000	Bars and Slot Halls

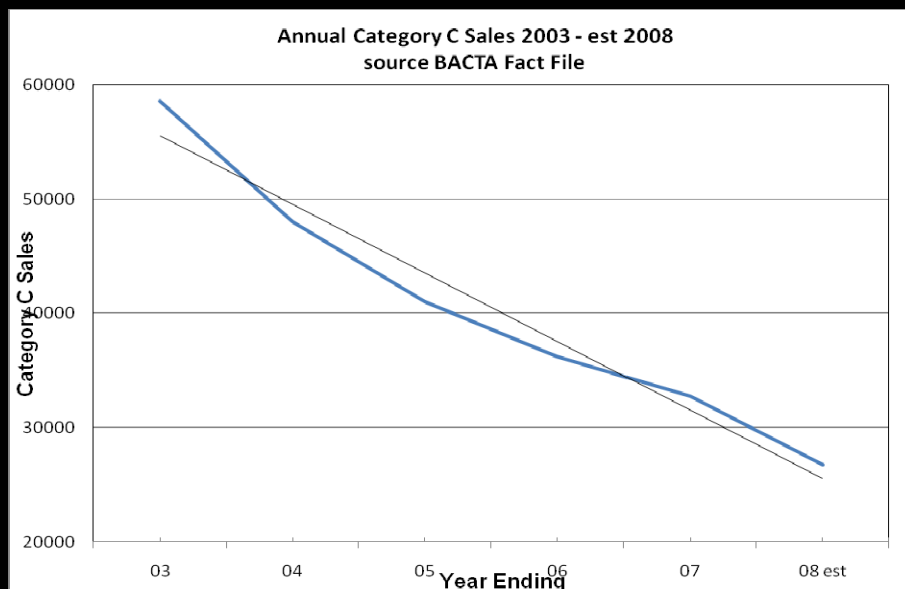
Games Media U.K. Pubs

□ Overview

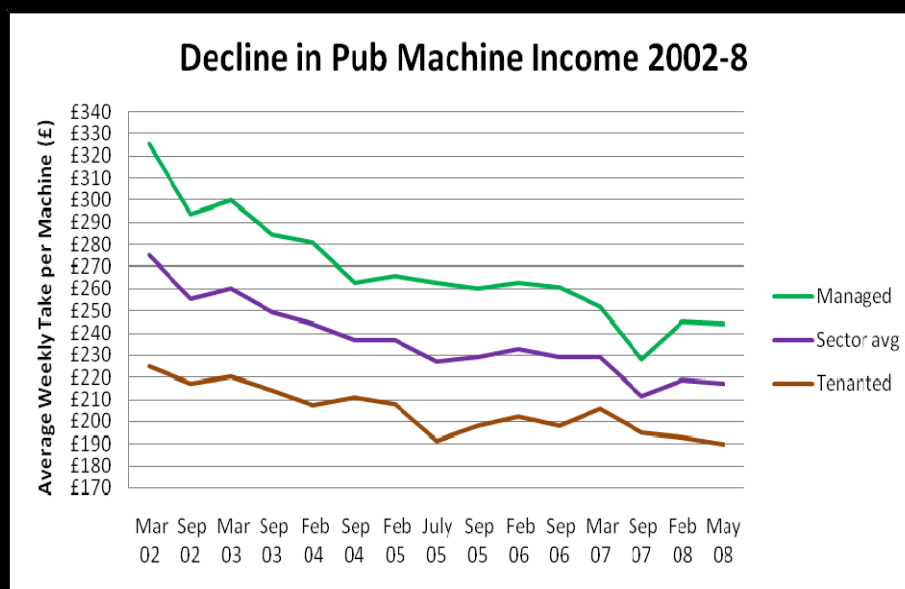
- There are currently 54,000 pubs in the U.K. with c.46,000 having machines
- Machines in use: c.69,000 AWP and 35,000 SWP

□ Historically supplied with Traditional (non SBG) products for over 25 years

- Outdated business model
- Decline in numbers produced and injected
- Decline in Cashbox performance
- Commercial pressure on rental model
- Lack of investment and innovation
- Less than 5% of pub customer currently play machines



Source: BACTA.

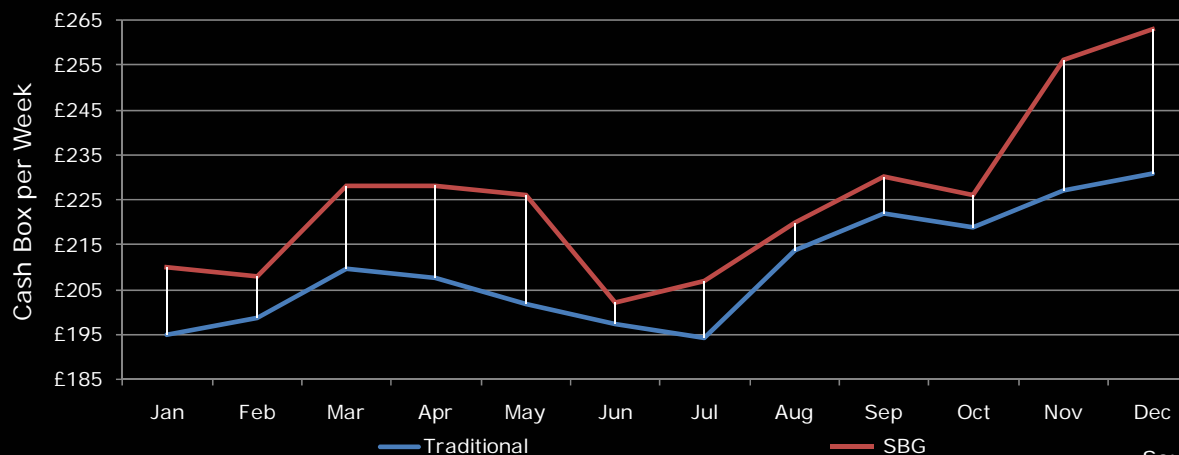


U.K. Pubs: A Growth Area

There are numerous benefits of SBG

- ❑ **Fully connected estate**
 - Speed of delivery (game changes, stakes & prize)
 - Real time information
 - Ability to effect change based on fact not fiction
- ❑ **Investment in innovation including payment and cash collection methods**
 - Ticket out is driving 10%+ uplift in cashbox
- ❑ **Menu configuration offering multigame opportunity**
 - Wider choice of game styles (feature rich, roulette, casino slots)
 - Growing the player base

Games Media SBG v Traditional Cashbox 2009



Source: Management information.

U.K. Pubs: A Growth Area

Huge potential lots to play for...

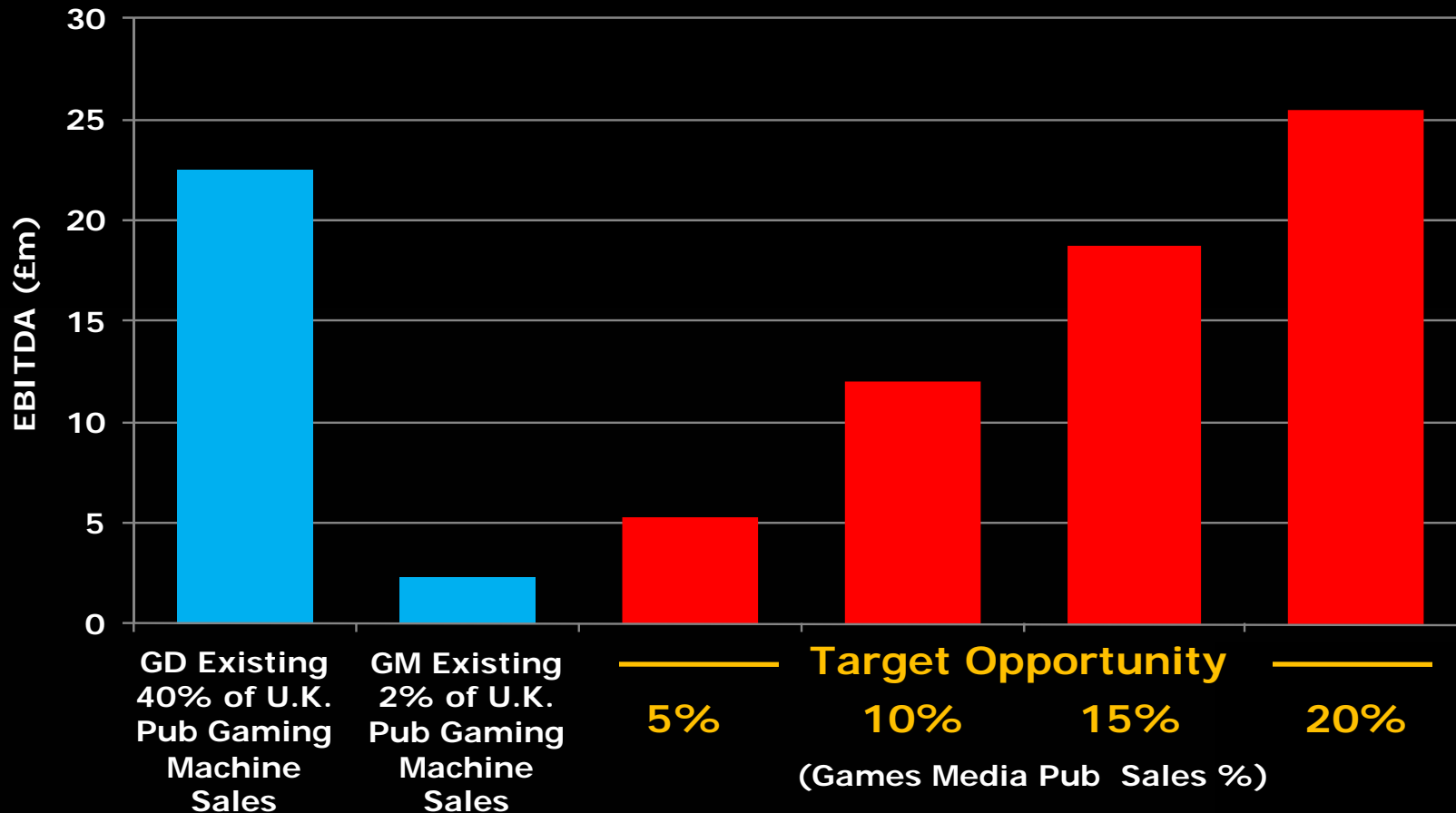
Pub Company	Current Installs	Approx Operated Sites	GM %
Marstons *	322	2,260	14%
Enterprise	275	7,780	4%
Admiral Taverns	120	1,100	11%
Orchid Pubs	106	240	44%
Green King	87	860	10%
Freetrade	49	8,500	1%
Punch Pub Co	28	860	3%
Whitbread	15	400	4%
	<u>1,002</u>	<u>22,000</u>	<u>5%</u>

* Recently awarded contract for additional 350 sites



U.K. Pubs: A Growth Area

Games Media Growth Potential



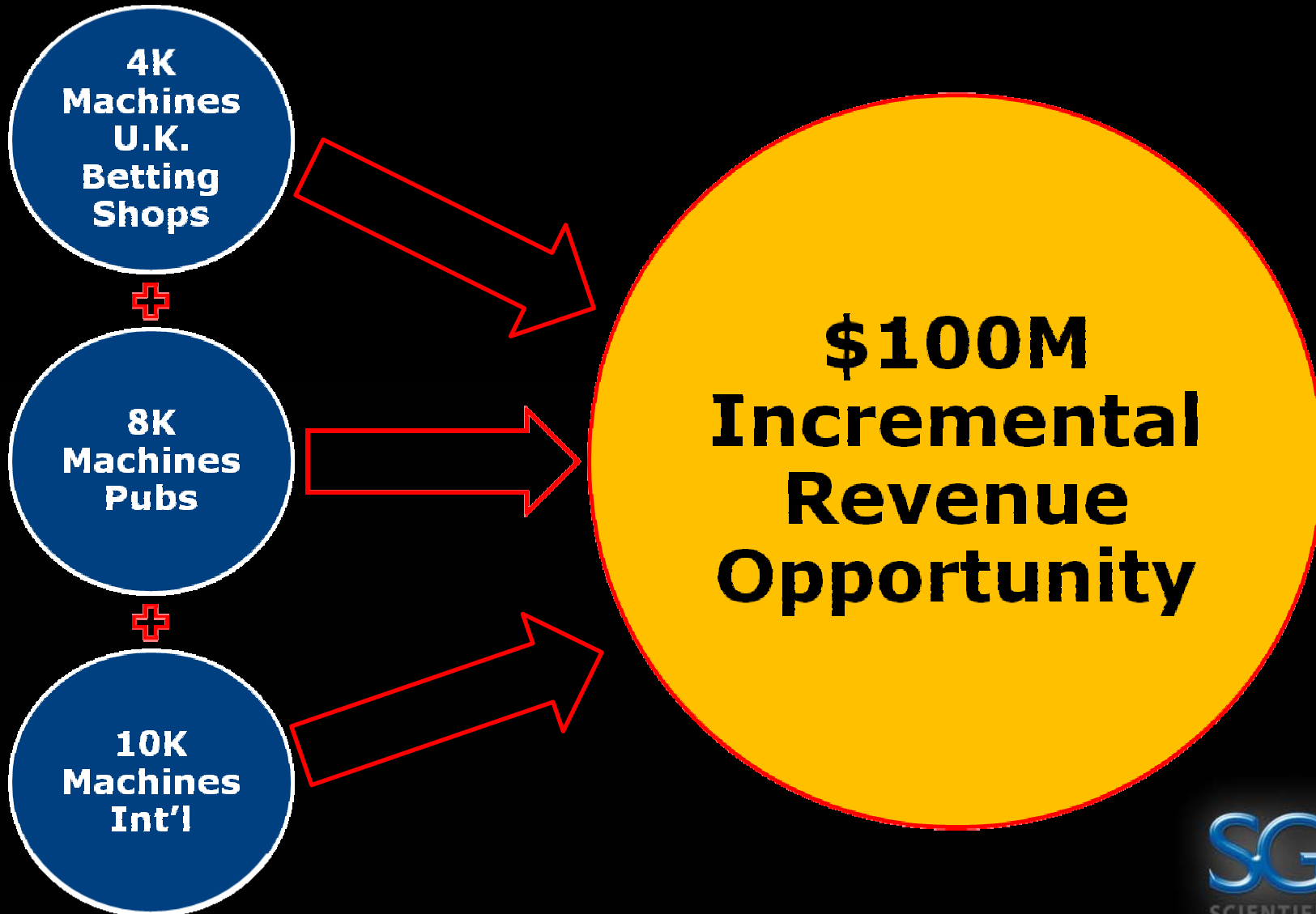
Licensing Agreement with Videobet

- ❑ Lower Technology Costs
- ❑ Leading Edge Technology
- ❑ Increased Functionality
- ❑ Opens Up New Venues
- ❑ Massive Content Library

To Sum Up...

- ❑ **A Flexible “State-of-the-Art” SBG Platform**
- ❑ **A Wealth of Industry Leading Content**
- ❑ **A Highly Profitable Business Model**
- ❑ **A Long Established and Contracted Customer Base**
- ❑ **Significant Growth Potential Within our Current Business**
- ❑ **Untapped Potential in New Venues**

What's Possible?





SG 
SCIENTIFIC GAMES®

BREAK

A World of Possibilities

Internet Gaming

Rick Weil
CEO & Managing Director



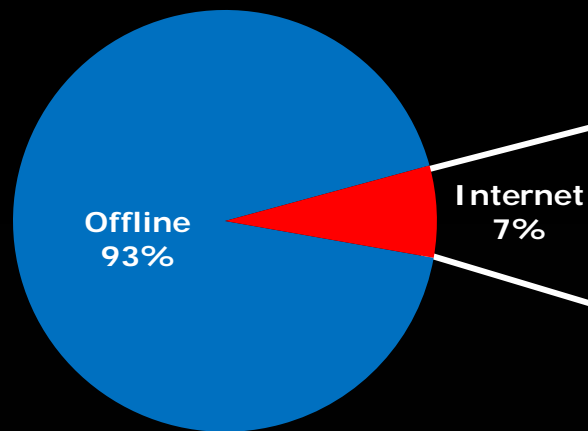
Internet Gaming

- ❑ Lotteries are among the most heavily visited, but most under-utilized websites
- ❑ Government sponsored gaming is the next great frontier for internet gaming, and lotteries will be the primary vehicle
- ❑ To successfully exploit the "B2G" opportunity presented by the above, suppliers will need a special combination of technology, support service, marketing and government relations skills
- ❑ The experience and core competencies of Sciplay – the Scientific Games/Playtech joint venture – match these requirements more closely than those of any existing competitor

Internet Gaming Overview

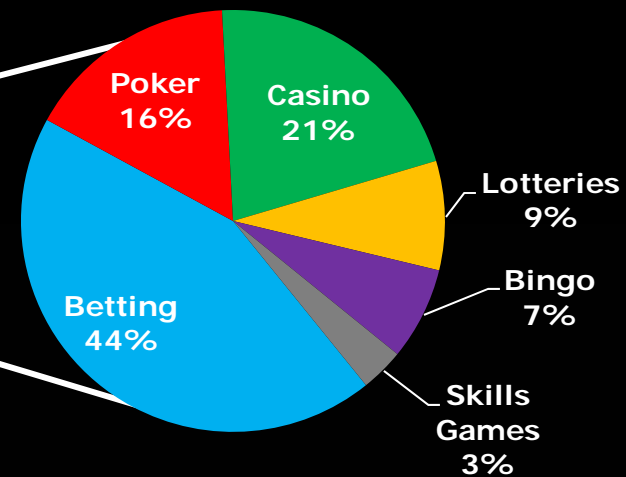
Internet gaming represents only 6% of global gaming revenue

Gaming Distribution



2008: \$336bn

Product Mix



2008: \$24bn

Key Observations:

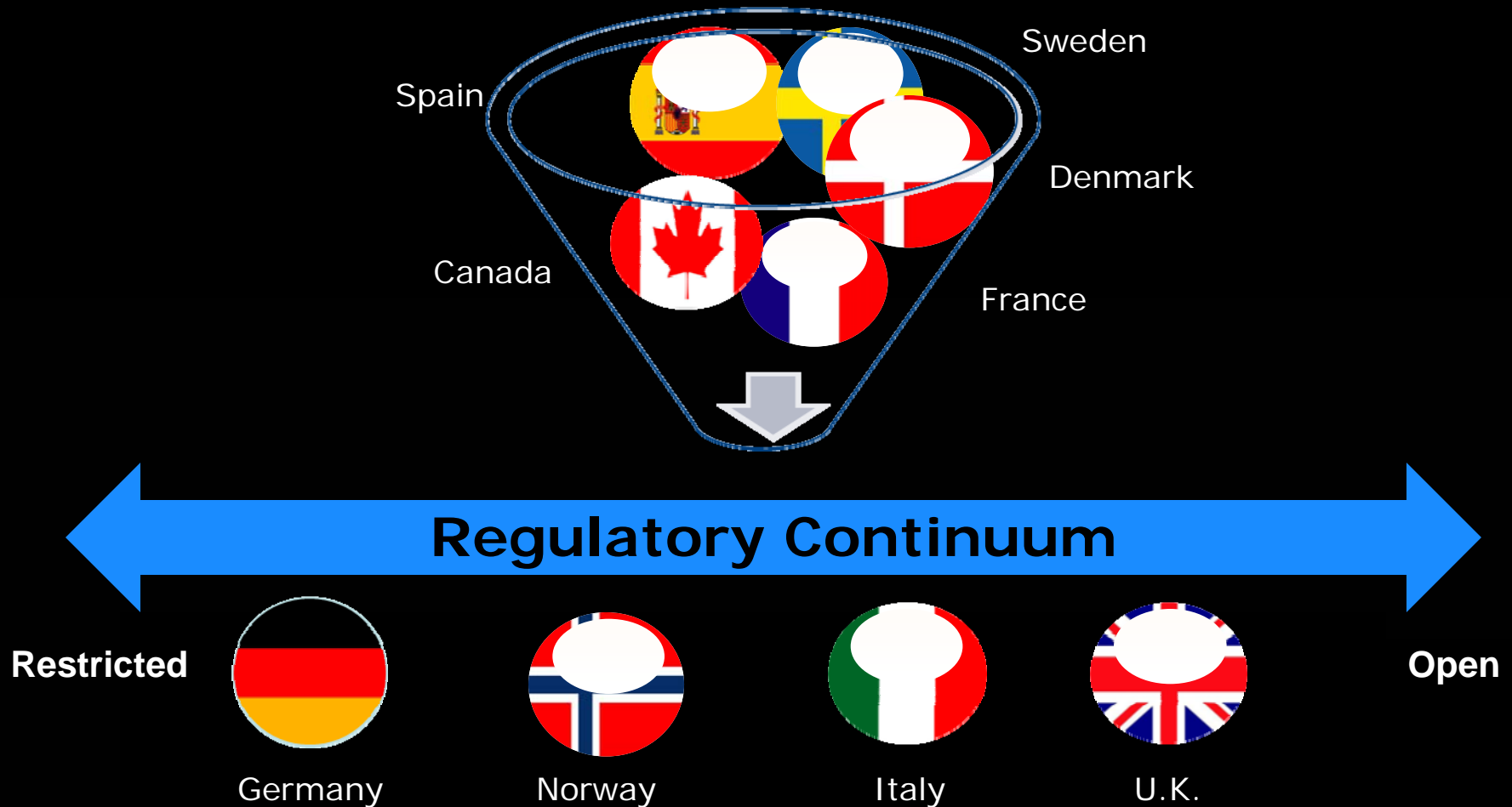
- ❑ Competitive and consolidating
- ❑ New entrants entering space
- ❑ Regulation shaping and reshaping the competitive landscape
- ❑ Excludes \$1.7bn of fast-growing casual games revenue



Source: H2 Gambling Capital November 2009. Revenue size represents gross gaming yield defined as gross gaming dollars, net of prizes and awards.

Potential Regulatory Frameworks

Europe and Canada are increasingly regulating internet gaming, although regulatory frameworks vary greatly and are evolving by country



Regulated B2B/B2G Economics

- ❑ **Opportunity size will vary by country**
 - Per capita internet gaming spend in regulated countries currently ranges from \$34 in the U.K. to \$87 in Sweden in 2008
- ❑ **Impact on operators will vary based on established regulatory framework**
 - Competitive licensing
 - Restrictive licensing
- ❑ **Attractive revenue participation model for B2B/B2G suppliers**
 - 3-5 year contracts
 - Low to mid teens % net win on casino games (depending on volume)
 - Low single-digit % on poker rake
- ❑ **Limited capital investment**
- ❑ **Very high margin business**
 - Robust gross margins
 - Low overhead costs
 - Marketing costs absorbed by operator

How Can Lotteries Exploit the Internet?

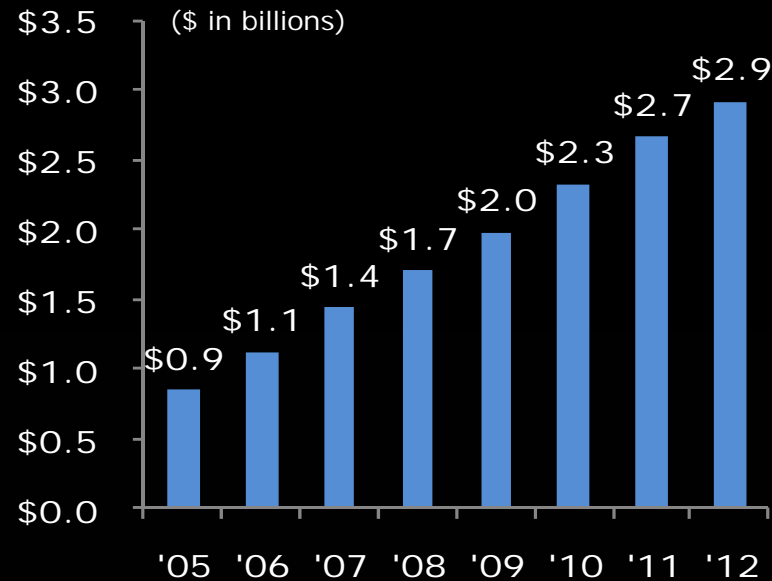
One Way: Player Convergence

Due to significant demographic overlaps, there is an attractive opportunity to marry lottery players with casual/soft games



Casual Games

Over 200 million people worldwide play casual games each month on the internet



- ❑ Casual/soft games on the internet are typically games developed for entertainment purposes (Tetris, Farmville, Zynga Poker)
- ❑ Casual/soft games are fun, quick to access, easy to learn, and require no previous gaming skills, expertise or regular time commitment to play

Lotteries & the Internet

Lottery Websites	3 Month Average		
	US Traffic Rank	Page Views/User	Time on Site (Minutes)
California	688	3.69	3.57
NY	1201	2.91	3.09
Florida	1231	3.08	3.04

Casual Games Sites	3 Month Average		
	US Traffic Rank	Page Views/User	Time on Site (Minutes)
Pogo.com	46	13.55	10.77
Miniclip.com	344	4.11	7.51
King.com	632	14.1	29.45

- ❑ **Lottery and casual game sites are among the most heavily trafficked on the web**
- ❑ **Lotteries have the cheapest cost of “eyeballs”**
 - Traffic generated by daily and multi-state jackpot draws at virtually no cost to lotteries
 - Lotteries spend ~1% of marketing budgets online vs. 10% in the retail industry
- ❑ **To date, lotteries have made limited efforts to monetize this robust traffic**



How to Capitalize on Trends

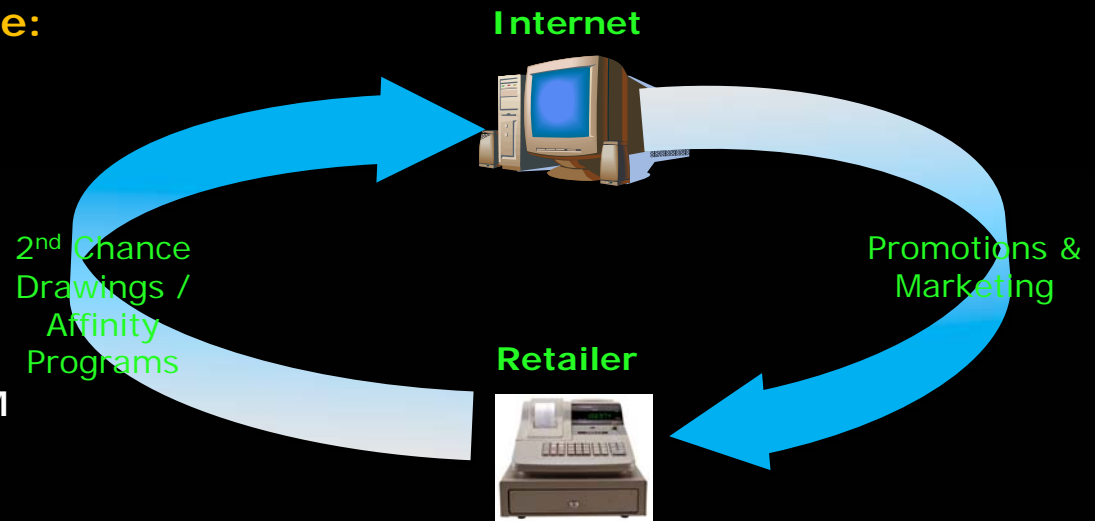
Build a portfolio of products & services for lotteries to use under today's regulatory framework that monetizes and grows web traffic while simultaneously promoting traditional lottery products

❑ Products and services include:

- Website design
- Casual game content
- Licensed brands
- Online scratch
- Player affinity programs
- Player marketing: SEO & CRM
- Second chance drawings
- Subscriptions

❑ Use instant tickets to drive players to the web

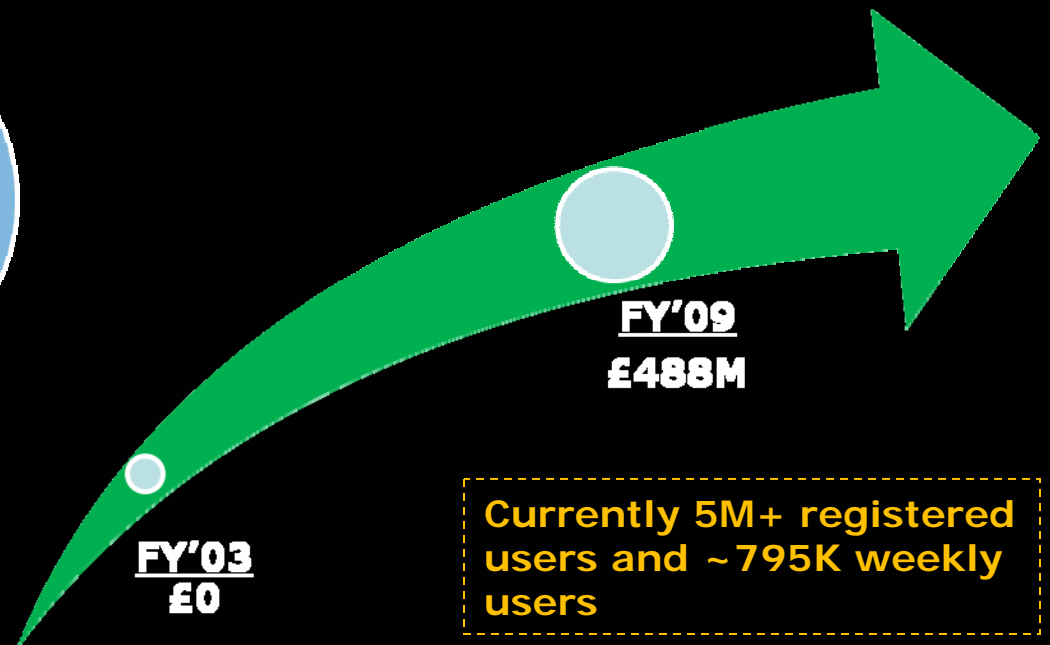
- Cost effective and players are prequalified



Casual Gaming & Lottery: What's Possible?

U.K. Interactive results a great example of interactive growth

Camelot Interactive Sales





sciplay Joint Venture

The scisplay Advantage

Two gaming industry leaders coming together to provide a complete suite of next-generation internet gaming solutions and services



Industry leader with nearly 40 years of "B2G" expertise in creating revenue-generating, responsible gaming, fully compliant solutions for government gaming entities

The scisplay Advantage

Two gaming industry leaders coming together to provide a complete suite of next-generation internet gaming solutions and services



Industry leader with nearly 40 years of "B2G" expertise in creating revenue-generating, responsible gaming, fully compliant solutions for government gaming entities

Acclaimed "B2B" internet gaming software and content

- ❑ Leading player management system
- ❑ Full cross-platform product suite
- ❑ Ongoing pipeline of new content

The sciplay Advantage



- ❑ Brings together the pre-eminent technology and deep industry know-how of the two partners to deliver a comprehensive B2B offering
- ❑ Highly complementary skill-sets allied with a truly global reach
- ❑ Provides opportunity to leverage off combined know-how to maximum effect
- ❑ Together with the software licensing agreements, marks an important step for both companies
- ❑ Further opportunities to work together as gaming regulations change

scisplay Products & Services*



Poker



Casino



Sports Betting



Bingo & Casual Games



Global Draw Terminals



Aegis Video CMS



Mobile

Seamless e-Gaming Platform
Single player wallet, integrated management system

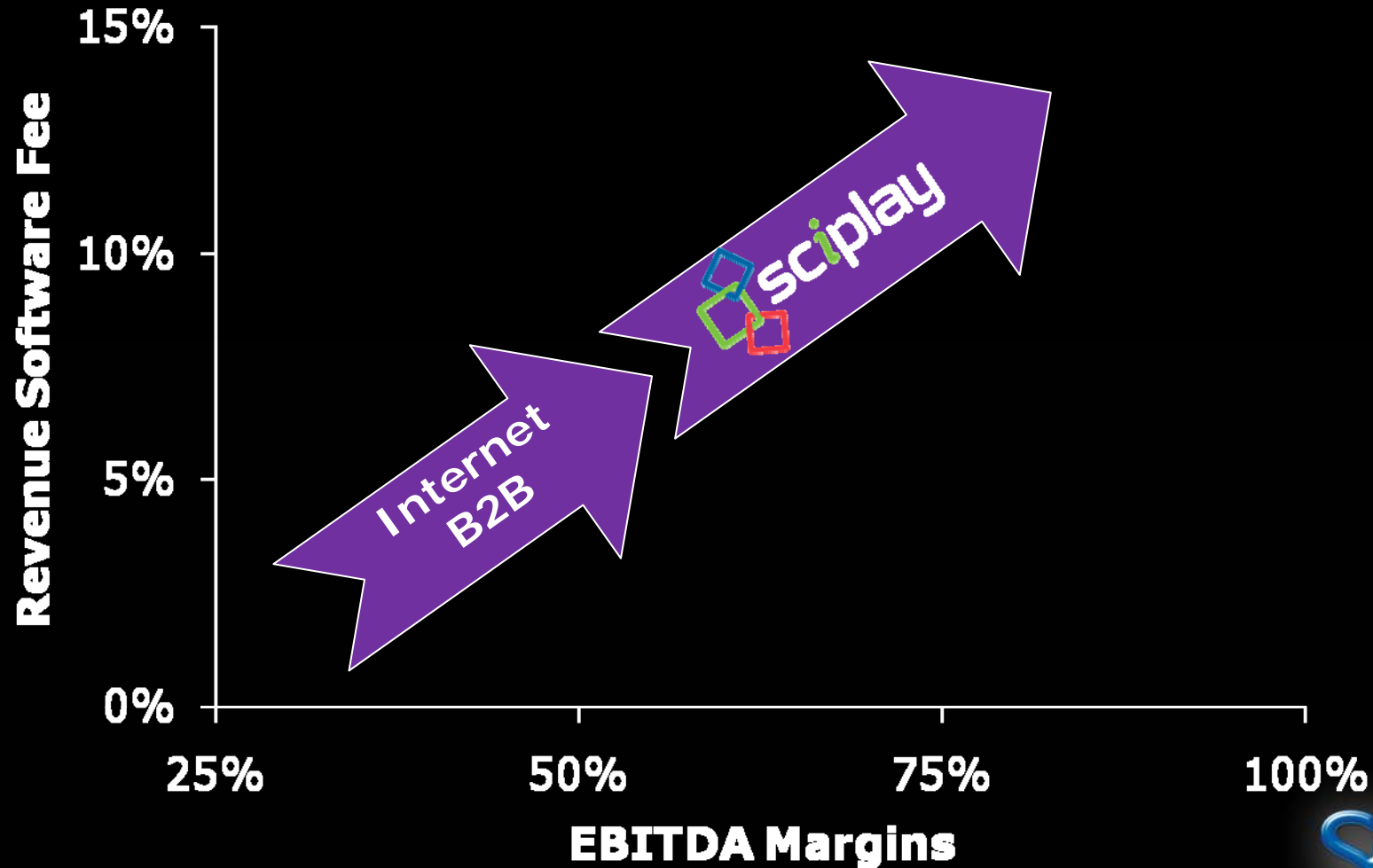
Player Management System
Hosting
Payment Processing
Content Management
Customer Relationship Marketing
Search Engine Optimization




*Where permitted by law.

sciplay What's Possible?

The B2G JV offers attractive economics similar to B2B



sciplay Key Takeaways

- ❑ Lotteries are among the most heavily visited, but most under-utilized websites
- ❑ Government sponsored gaming is the next great frontier for internet gaming, and lotteries will be the primary vehicle
- ❑ To successfully exploit the "B2G" opportunity presented by the above, suppliers will need a special combination of technology, support service, marketing and government relations skills
- ❑ The experience and core competencies of  sciplay – the Scientific Games/Playtech joint venture – match these requirements more closely than those of any existing competitor

Formidable Force in Industry!



North American Gaming Systems

Steve Beason
President of Lottery Systems Group
& Chief Technology Officer

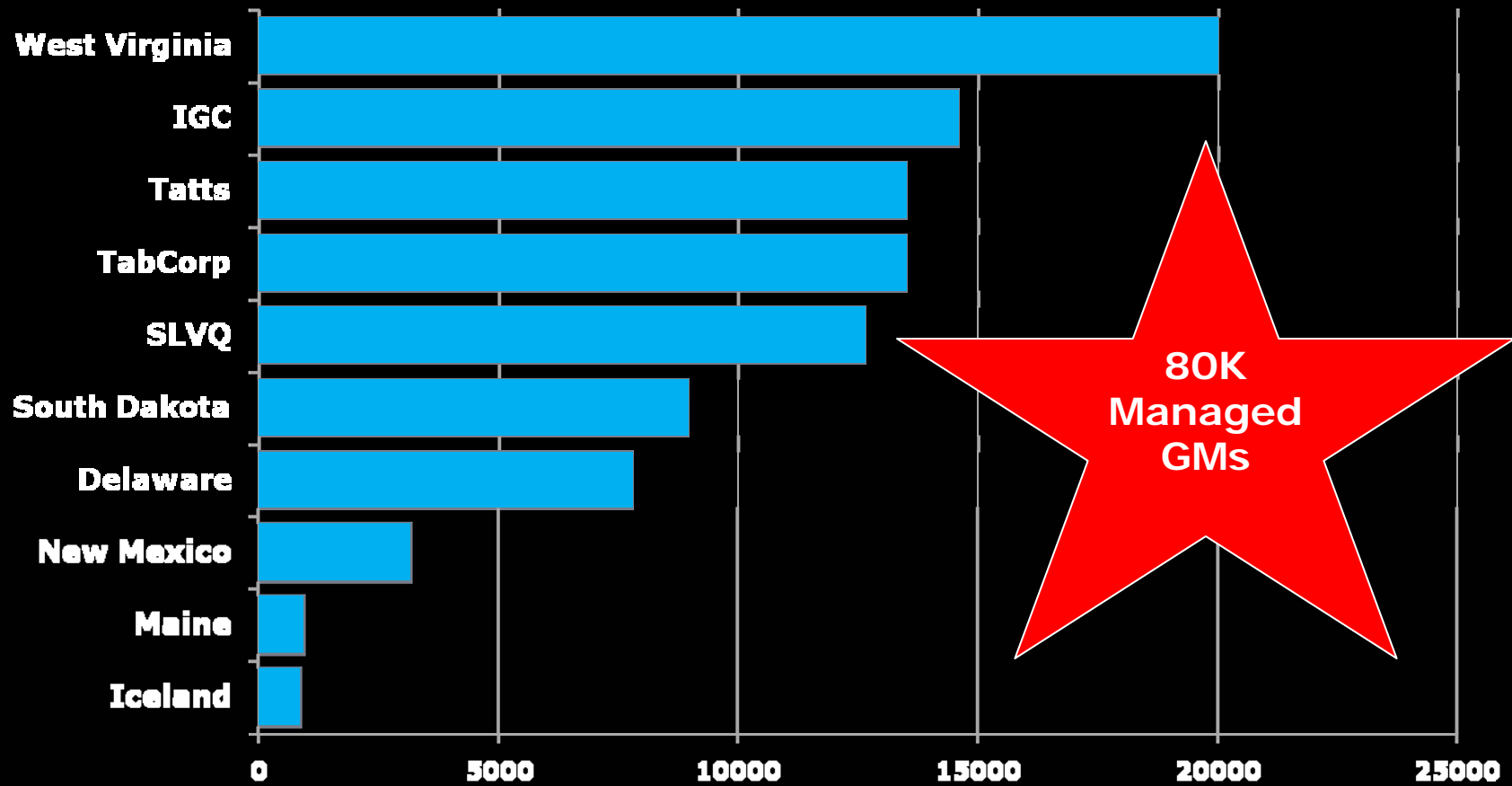


Proven Experience

- ❑ Nearly two decades of experience in system conversion, operations, integration and support of the Video Lottery environment
- ❑ Server-Based Gaming through Global Draw products
- ❑ 6 systems installed in 4 years
- ❑ First system supplier to fully adopt an open system protocol
- ❑ Flexible, adaptable system design supported by qualified resources



Systems Installed

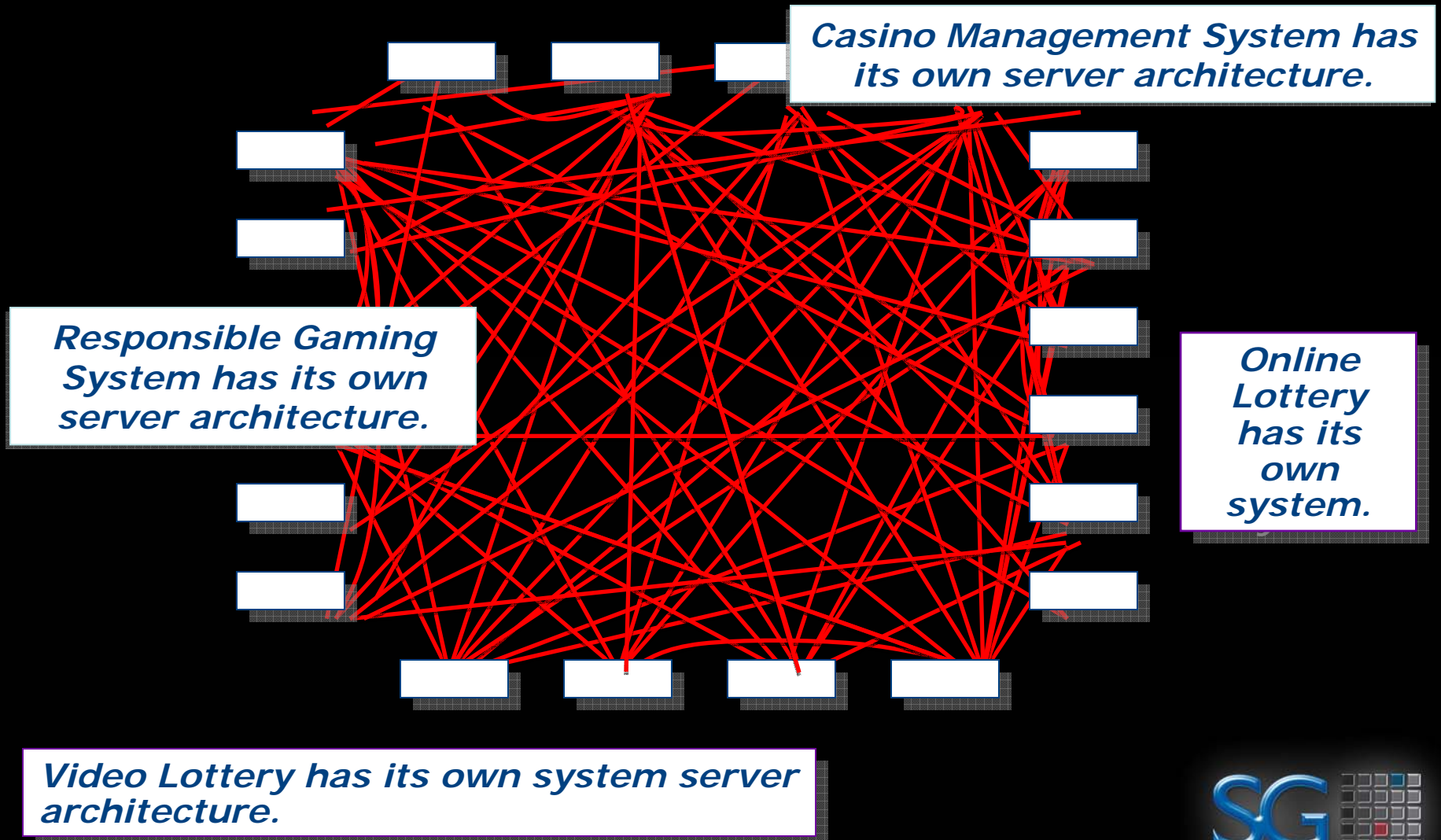


Server-Based Gaming

**Is delivering
innovative
technology and
functionality to the
Gaming Industry**

Server-Based Gaming (SBG)

Current State



Products and Services

Gaming Products and Services

Central Monitor & Control Systems
Player Loyalty Systems
Gaming Machines
Sports Betting

Responsible Gaming
System Operations
Game Library
Lottery Cross Platform

Player Tracking
Downloadable
Tech Support
Internet



REGULATORS



CASINOS



RACINOS



RETAIL



BARS & TAVERNS

Vision

Roadmap to a future proof, integrated system

- ❑ SAS to S2S/G2S
- ❑ Integration of Government Central Monitoring
- ❑ Single Wallet
- ❑ Minimize Capital Investment by Reusing Hardware
- ❑ Simplify Cage and Floor Cash Management
- ❑ The World's Most Flexible and Advanced Server-Based Gaming System
 - Progressives, Programmed Content, Bonusing, Live Events
- ❑ Internet/Cross Platform

Scientific Games Offering

PRODUCTS



INTEGRATION

Cross Platform Integration

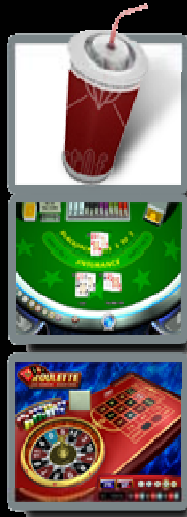
Gaming Protocols (S2S, SAS, G2S)	Single Wallet	Single Account	Single Administration and Monitoring
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AEGIS Video

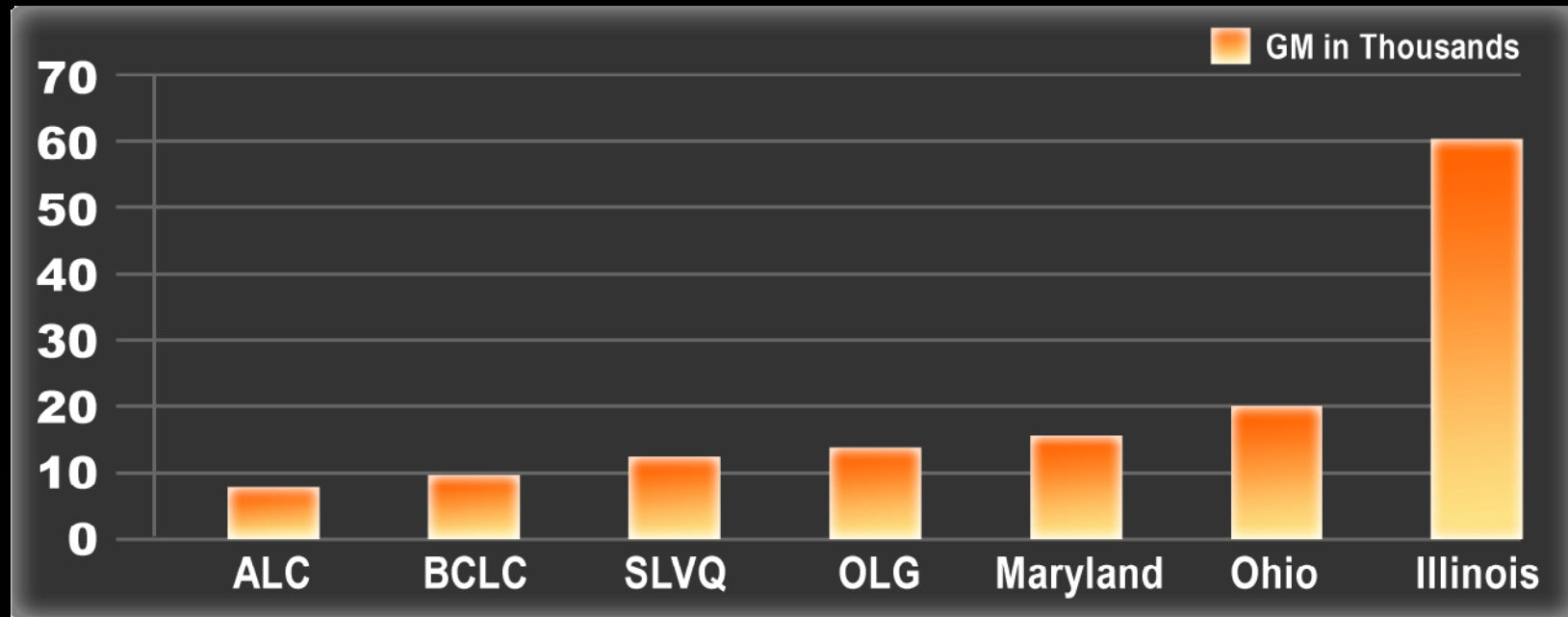
AEGIS Video + G2S Support

Videobet VLT (SAS, G2S)



Service Window

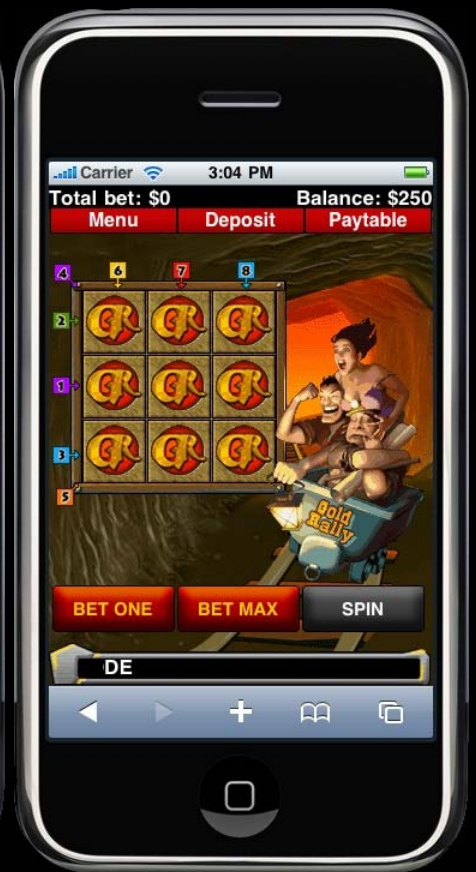
Growth Opportunities in NA



- ❑ 84K gaming machines are now at racetracks and over half connect to a central monitoring system
- ❑ 71% of gaming machines at bars in the US are connected to a central monitoring system
- ❑ Seven central monitoring system RFPs are out or anticipated in the next 12 months with a value of \$140M
- ❑ Several gaming machines RFPs are out or anticipated in the next 12 months with a value of \$1.5B

Product Demonstrations

Mobile



Internet



Bingo

BINGO LOGIN



Please enter your username and password to log in.

USERNAME:

PASSWORD:

LOGIN

CREATE ACCOUNT Don't have an account yet?
Click "Create account"

LOST YOUR PASSWORD? **HELP** **EXIT**

Playtech Bingo - Windows Internet Explorer

http://www.playtech.com/eng/2223105/BATE/18/01/2010

BINGO **playtech**

90 90 Ball Room 75 75 Ball Room

90 90/2 Room

MONEY MOUNTAIN!

BALANCE: 18.87

GETTING STARTED

GO PLAY

Join the Party

Golden Gate

Top Man's Treasure

Ultra 23 Top

Playtech Bingo - Windows Internet Explorer

http://www.playtech.com/eng/2223105/BATE/18/01/2010

BINGO **playtech**

22/01/10 18/01/2010

LOADING... PLEASE WAIT

GENERAL CHAT

PLAYERS

1 18 21 40 51

2 14 44 47 54

3 8 15 48 55

4 19 34 49 56

5 29 35 50 57

6 21 38 53 58

7 24 37 54 59

8 25 40 55 70

9 26 41 56 71

10 27 42 57 72

11 28 43 58 73

12 29 44 59 74

13 30 45 60 75

SG **SCIENTIFIC GAMES**

Cross-Platform



+



=



Product Demonstration

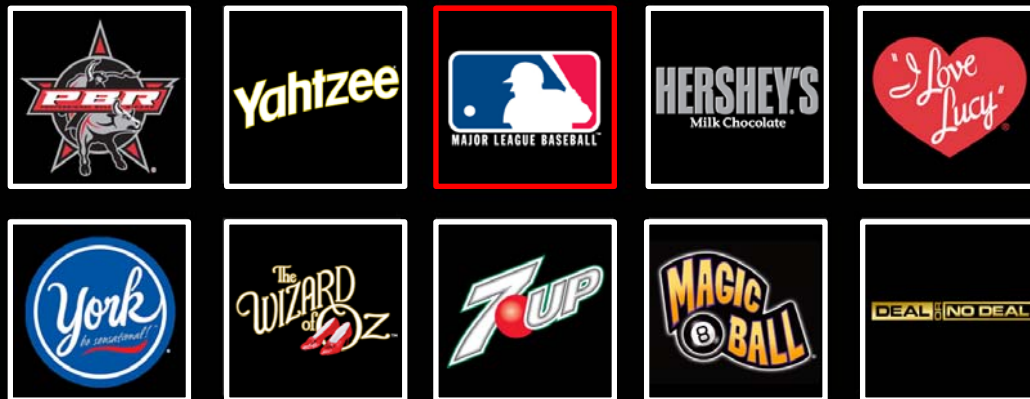


Steve Saferin

Chief Creative Officer



Creative Content



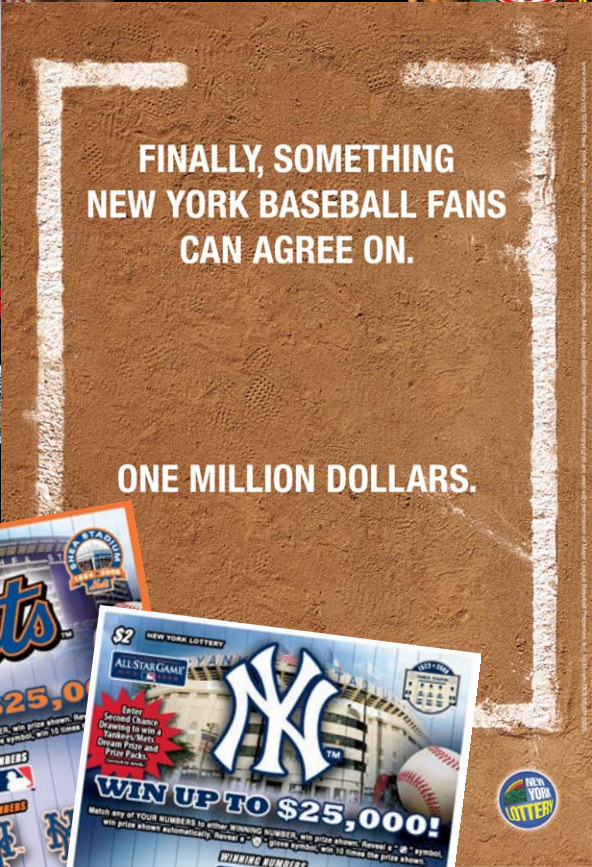




THROW OUT THE CEREMONIAL FIRST PITCH:
ULTIMATE PRIZE #4



ULTIMATE PRIZES FOR THE TRUE FAN. THIS IS



FINALLY, SOMETHING
NEW YORK BASEBALL FANS
CAN AGREE ON.

ONE MILLION DOLLARS.



WIN TICKETS TO THE
OUTDOOR BALLPARK I

WIN WITH THE
Twins

Enter 2nd Drawing to TWINS!

- 9-game lower level season ticket sampler packs to the new TWINS ballpark in 2010 (9 packs awarded)
- Pair of Champion Club Seat tickets to the new TWINS ballpark (81 pairs awarded)
- 2010 SPRING TRAINING trip for two to Fort Myers, Florida (3 trips awarded)
- 2010 in-season trip for two to travel to a TWINS road game (3 trips awarded)
- Pair of Party Suite passes to the new TWINS ballpark in 2010 (42 pairs awarded)
- TWINS merchandise prize packs valued at \$595 each (1040 packs awarded)

20 CHANCES TO WIN!

\$100,000 TOP PRIZE!

NEW YORK LOTTERY

ALLSTAR GAME

Mets

WIN UP TO \$25,000

Enter Second Chance Drawing to win a Yankees, Mets, Dream Prize and Prize Pack!

Match any of YOUR NUMBERS to either WINNING NUMBER, win prize shown! Repeat # 1 - 10. Give symbol, win 10 times!

WINNING NUMBERS

YOUR NUMBERS

PRIZE

000

NEW YORK LOTTERY

ALLSTAR GAME

NYC

WIN UP TO \$25,000!

Enter Second Chance Drawing to win a Yankees, Mets, Dream Prize and Prize Pack!

Match any of YOUR NUMBERS to either WINNING NUMBER, win prize shown! Repeat # 1 - 10. Give symbol, win 10 times!

WINNING NUMBERS

YOUR NUMBERS

PRIZE

000

BOSTON RED SOX LIMITED EDITION

WORLD SERIES CHAMPIONS

WIN UP TO \$10,000,000 INSTANTLY!

OVERALL CHANCE OF WINNING BETTER THAN 1 IN 3

100 RED SOX ROAD TRIPS!

20 \$1,000,000 PRIZES!

OVER 951,000 PRIZES FROM \$40 TO \$20,000!

WINNING NUMBERS

YOUR NUMBERS

WIN UP TO 15 TIMES!

VOID IF REMOVED

DEAL OR NO DEAL

DEAL OR NO DEAL



Your chance to play in Hollywood with Howie Mandel

Win up to **\$2,500,000** and a chance to be a contestant on TV

DEAL OR NO DEAL

Enter by January 16, 2009 for a chance to win:
A trip for two to Hollywood & a chance to be an actual contestant on TV,
or
An entry into a multi-state drawing for up to \$2.5 million. (See brochure for details.)

WIN UP TO \$30,000 INSTANTLY!

DEAL OR NO DEAL KENTUCKY LOTTERY

Win a trip to Hollywood with a chance to win the new daily version of the DEAL OR NO DEAL game and a chance to win up to \$2,500,000! See ticket back for details.

Search each of the 17 BRIEFCASES to reveal either:
A dollar amount or the DEAL symbol. Search the corresponding amount symbol on the PRIZE TABLE to determine that value.
If the 1 remaining rectangle on the PRIZE TABLE is a dollar amount, win that amount.

1	2	3
4	5	6
7	8	9
10	11	12
13	14	15
16	17	

BRIEFCASES

PRIZE TABLE	
FREE \$5 TICKET	
\$ NO DEAL	
\$ 10	
\$ 15	
\$ NO DEAL	
\$ 20	
\$ 25	
\$ NO DEAL	
\$ 30	
\$ 40	
\$ NO DEAL	
\$ 60	
\$ 100	
\$ NO DEAL	
\$ 200	
\$ 2,000	
\$ NO DEAL	
\$ 30,000	

WIN UP TO \$30,000! OVER \$3.1 MILLION IN CASH PRIZES!

BANKER'S BONUS BOX: Search the Banker's Bonus Box. Find any prize amount, with that amount.

KENTUCKY OTTERY

kylottery.com

Enter by January 16, 2009

See brochure for details.

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\$ 200	
\$ 2,000	
\$ NO DEAL	
\$ 30,000	

WIN UP TO \$30,000! OVER \$3.1 MILLION IN CASH PRIZES!

WIN UP TO \$30,000 INSTANTLY!

DEAL OR NO DEAL
New Half-Hour Episodes, 5 Days a Week.

W 3 W 3 FOX 41 FOX 56 FOX 11 FOX TV NEWS

Go to www.DealOrNoDealTV.com for tune-in time in your city.

DEAL OR NO DEAL



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BRIEFCASES

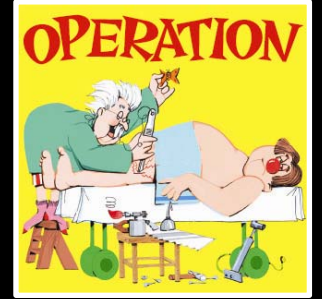
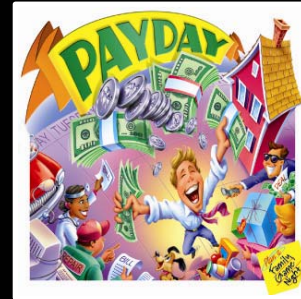
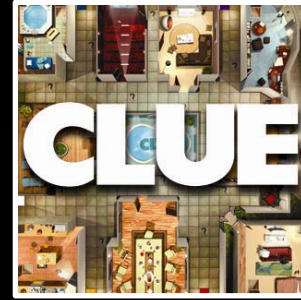
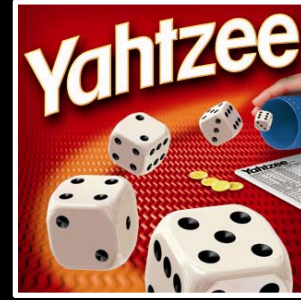
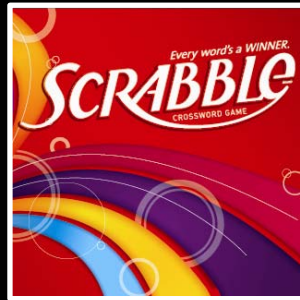
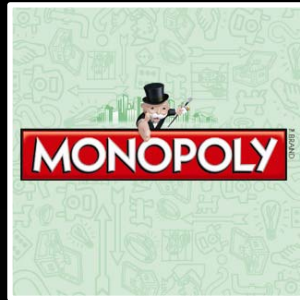
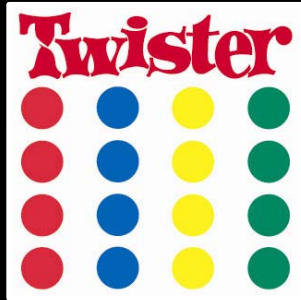
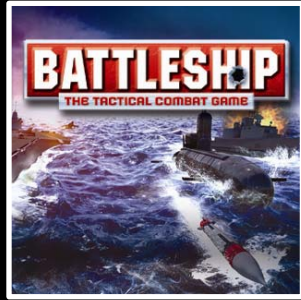
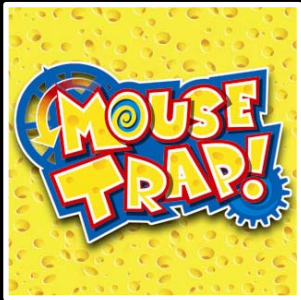
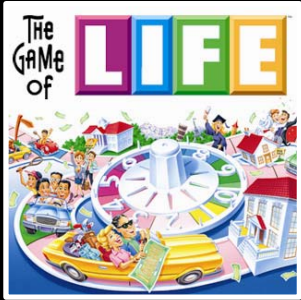
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WIN UP TO \$30,000! OVER \$3.1 MILLION IN CASH PRIZES!

BANKER'S BONUS BOX: Search the Banker's Bonus Box. Find any prize amount, with that amount.

Deal or No Deal TM & © 2008 Entombed International, Inc.
Deal or No Deal game show experience price includes a recorded DVD of the non-synchronized produced show.
No Hollywood, cost of all participating lottery entries, 20 persons will also be selected to participate in the daily version of the Deal or No Deal television show with a chance to win up to \$500,000.

Elimination play style.
Scientific Games, Inc. Patent Pending.







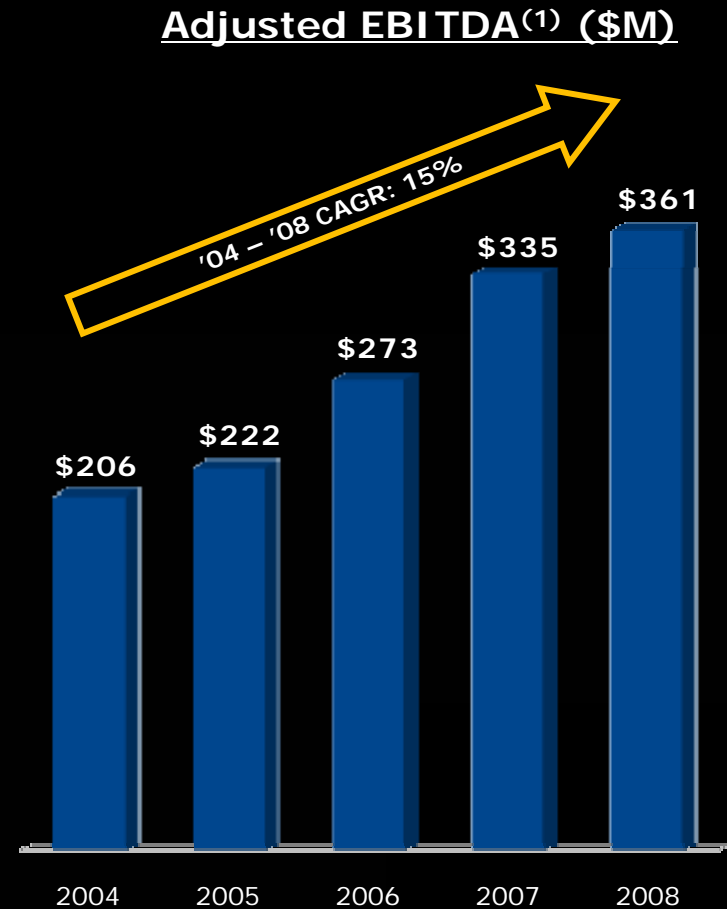
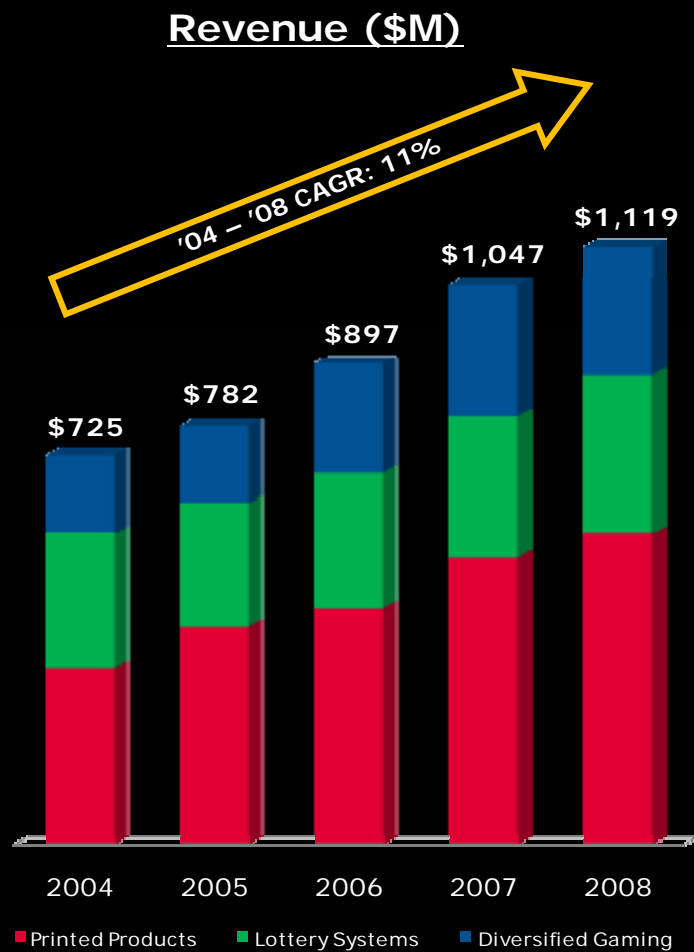
Financial Update

Jeff Lipkin
Vice President and Chief Financial Officer



Historical Financial Results

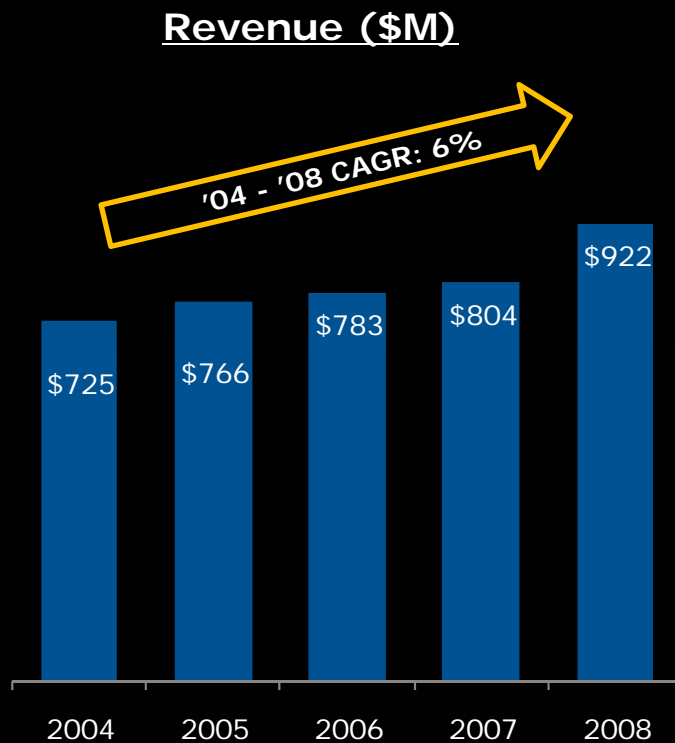
We have delivered double-digit growth over the past five years



⁽¹⁾ Adjusted EBITDA is a non-GAAP measure, defined as net income (loss) plus income tax expense, depreciation and amortization expenses, and interest expense, net of other income (loss) and is adjusted to add back certain items that management believes have less bearing on Scientific Games' performance. See reconciliation to most directly comparable GAAP financial measure in Appendix of this presentation.

Growth Story

Performance has reflected solid "organic" growth...



Note: "Organic" results exclude impact of acquisitions in the year acquired but includes growth from acquisitions thereafter.

Growth Story

Performance has reflected solid "organic" growth...



Year	Acquisitions
2005	□ Honsel
2006	□ Global Draw □ EssNet □ Shoreline
2007	□ OGT □ Games Media

...with incremental growth from acquisitions.



Note: "Organic" results exclude impact of acquisitions in the year acquired but includes growth from acquisitions thereafter.

Historical Capital Investment

Acquisition spending was significant in 2006 and 2007, and CAPEX has increased steadily since 2004

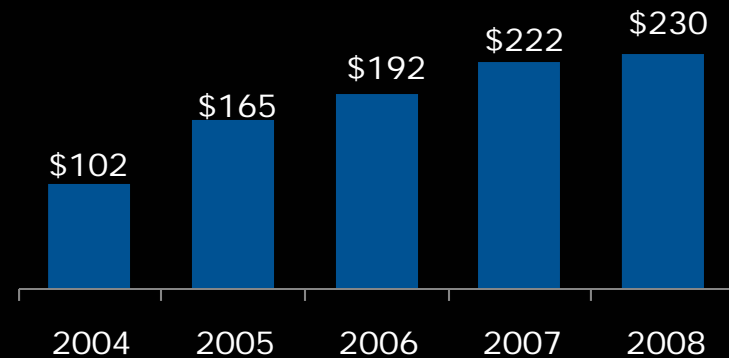
Total CAPEX & Acquisitions (\$M)



■ CAPEX ■ Acquisitions

- Acquisitions are lumpy and uncertain
- CAPEX is more controllable and manageable

Total CAPEX (\$M)



- Recent CAPEX spend driven by several large contracts where results are still to be proven
- We believe our pipeline includes better quality opportunities with higher return potential

Analysis of Capital Investment

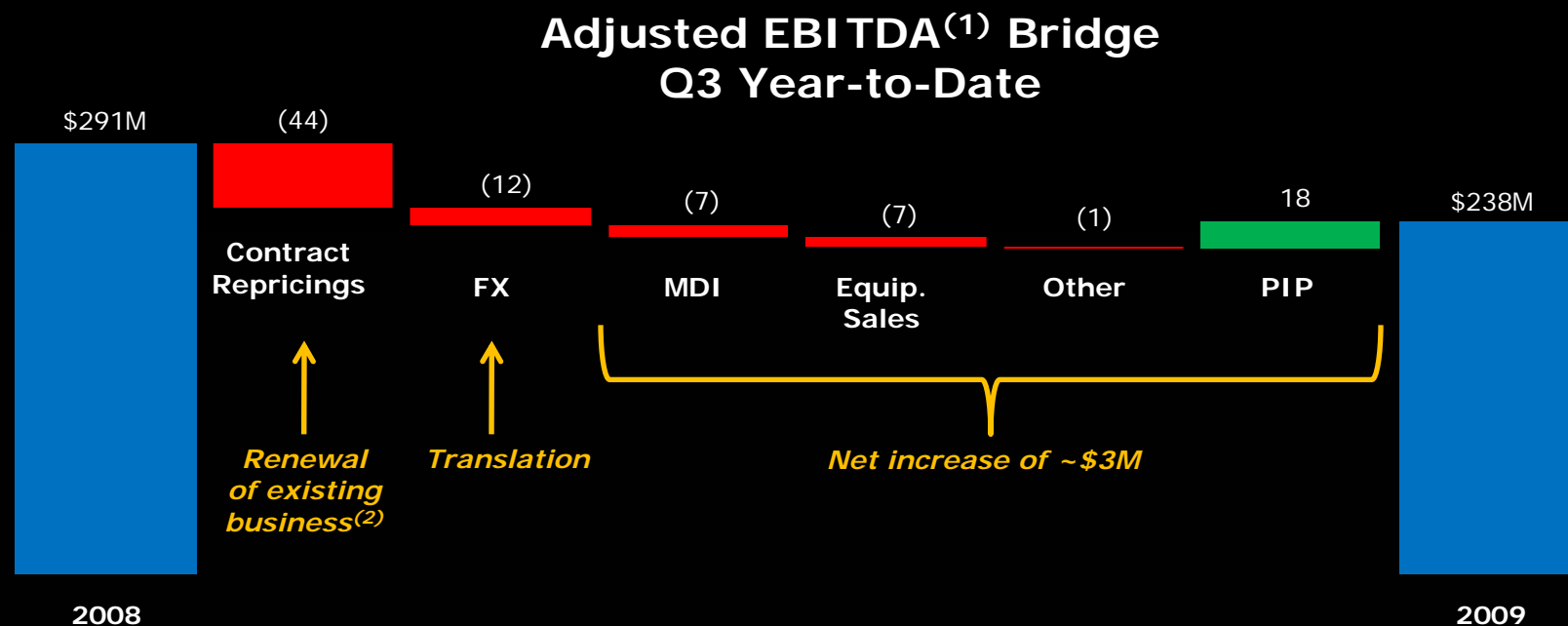
- ❑ **Maintenance capital has represented, on average, \$20M-\$30M of our annual capital spending**
- ❑ **Capital is required to fund renewals of some of our existing contracts**
 - Approximately 85%-90% of our revenue is under contract; 50%-55% of our revenue is under contracts where capital is required at renewal
 - Average remaining contract life (including extensions):
 - Printed Products: 4.2 years
 - Lottery Systems: 6.9 years
 - Global Draw: 2.8 years
 - Implication is that every year we need to invest some of our CAPEX to renew the existing business
- ❑ **Strategic initiatives developed within the business are also pursued to grow revenue or reduce cost**
- ❑ **Annual capital allocation process focuses on ranking investment opportunities based on ROI, strategic value and intermediate/long-term impact**

2009 Performance Review



2009 Performance Review

1. Base business performed well, despite the economic downturn, with Adjusted EBITDA essentially flat, excluding the impact of unusual items



(1) Adjusted EBITDA is a non-GAAP measure, defined as net income (loss) plus income tax expense, depreciation and amortization expenses, and interest expense, net of other income (loss) and is adjusted to add back certain items that management believes have less bearing on Scientific Games' performance. See reconciliation to most directly comparable GAAP financial measure in Appendix of this presentation.

(2) Primarily related to Florida and Pennsylvania, which are two of our larger, more profitable contracts.

2009 Performance Review

2. Overall performance in Q4 expected to be negatively impacted by factors similar to those of the first nine months...

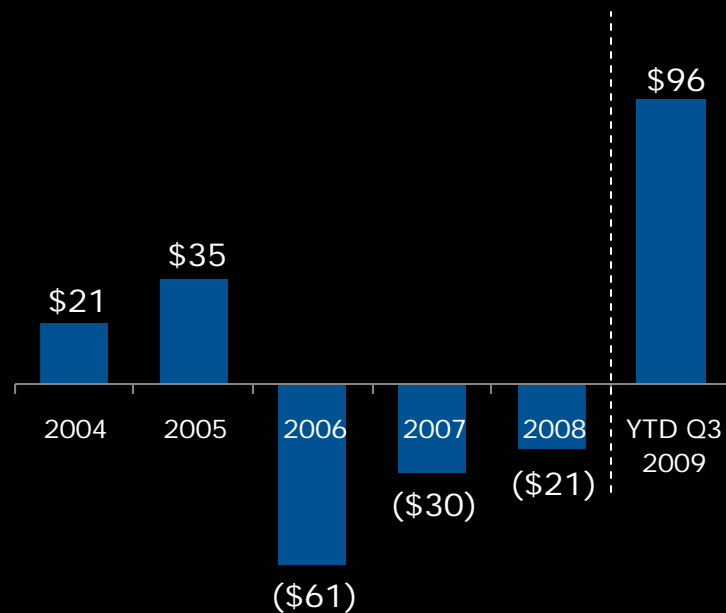
- ❑ Residual impact of contract repricings
- ❑ Negative FX translation adjustment
- ❑ One-time impacts associated with recent strategic and cost-saving initiatives
- ❑ Write-offs related to Racing and other assets
- ❑ Management transition costs

...importantly, much of these costs are behind us as we enter 2010.

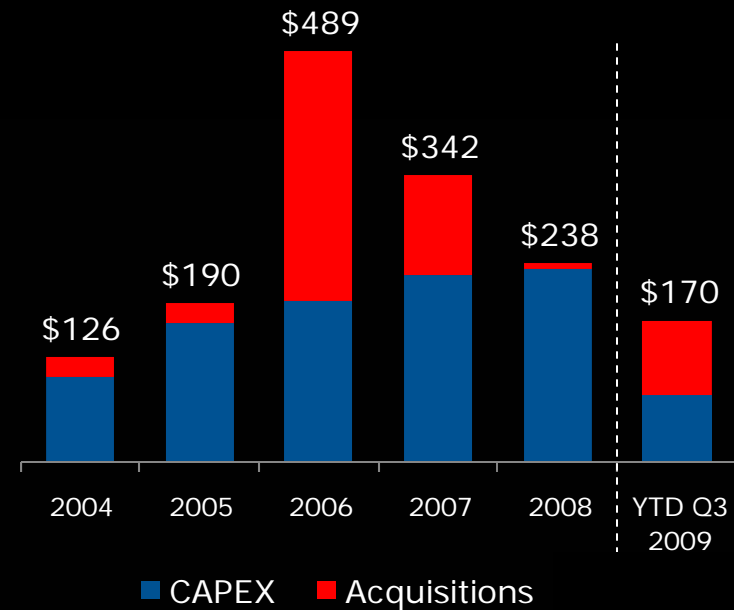
2009 Performance Review

3. Free Cash Flow performance was exceptional, due to significantly lower capital spending and disciplined financial management

Free Cash Flow⁽¹⁾ (\$M)



Total CAPEX & Acquisitions (\$M)



⁽¹⁾ Free Cash Flow is a non-GAAP financial measure and represents net cash provided by operating activities less total capital expenditures (which includes wagering systems expenditures and other intangible assets and software expenditures). See reconciliation to most directly comparable GAAP financial measure in Appendix of this presentation.

2009 Performance Review

4. Strengthened balance sheet and liquidity profile

- ❑ Extended maturities via bond offerings
- ❑ Successfully managed liquidity issues related to converts
- ❑ Refinanced China debt
- ❑ Deferred Global Draw Earn-Out debt

5. Enhanced financial discipline and focus on operating efficiency

- ❑ Implemented Profitability Improvement Program
 - Achieved expected 2009 savings in excess of \$20M
 - Completed procurement initiative to drive 2010 savings initiative
- ❑ Recently hired Chief Procurement Officer to drive further improvement

Maturity Profile as 9/30/09⁽¹⁾

Liquidity Metrics

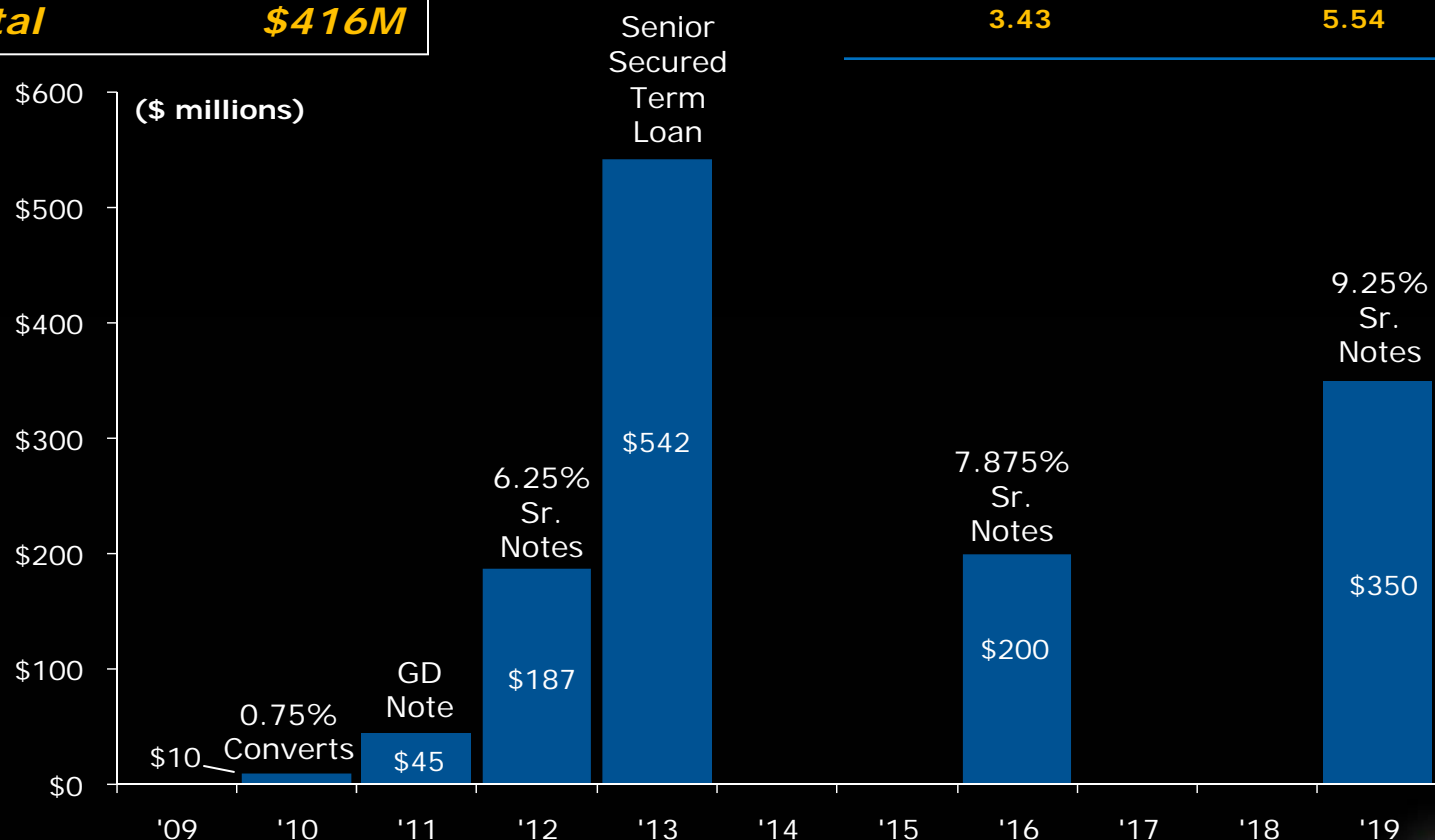
Cash	\$251M
Undrawn Rev.	\$165M
Total	\$416M

Weighted Average Debt Maturity (Years)

At 12/31/08	At 9/30/09
-------------	------------

3.43

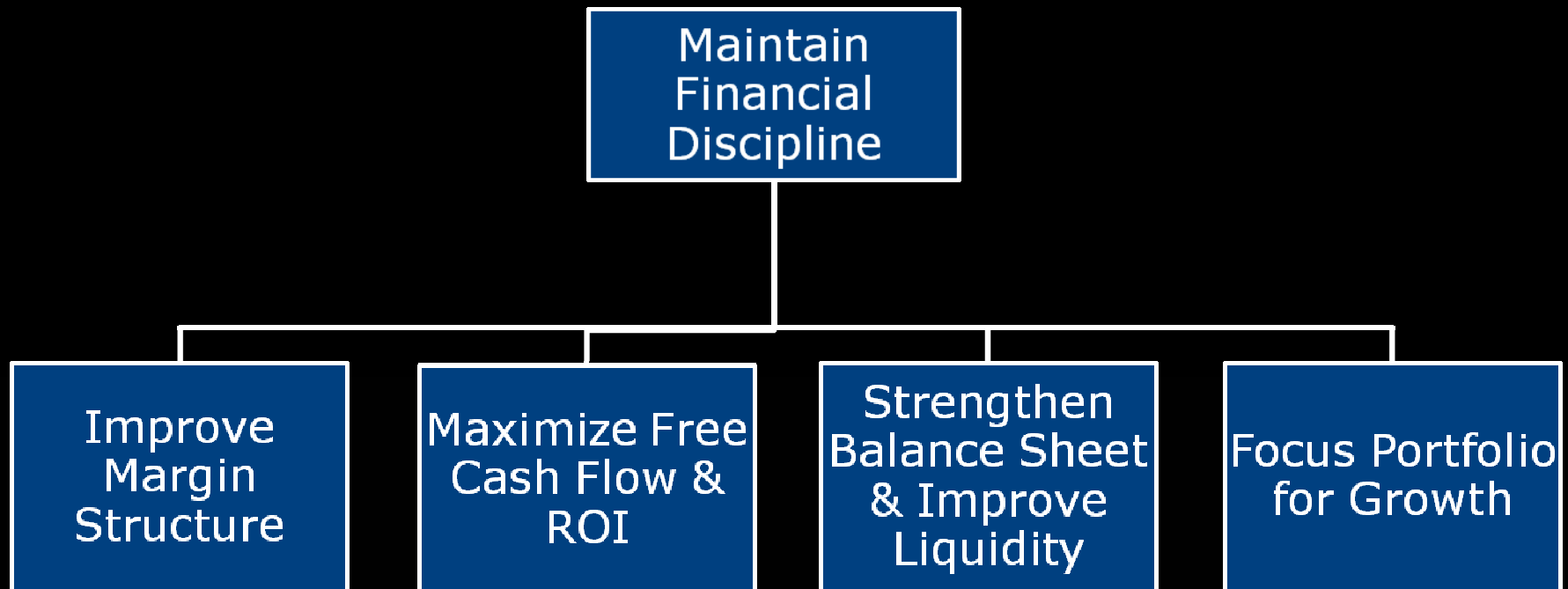
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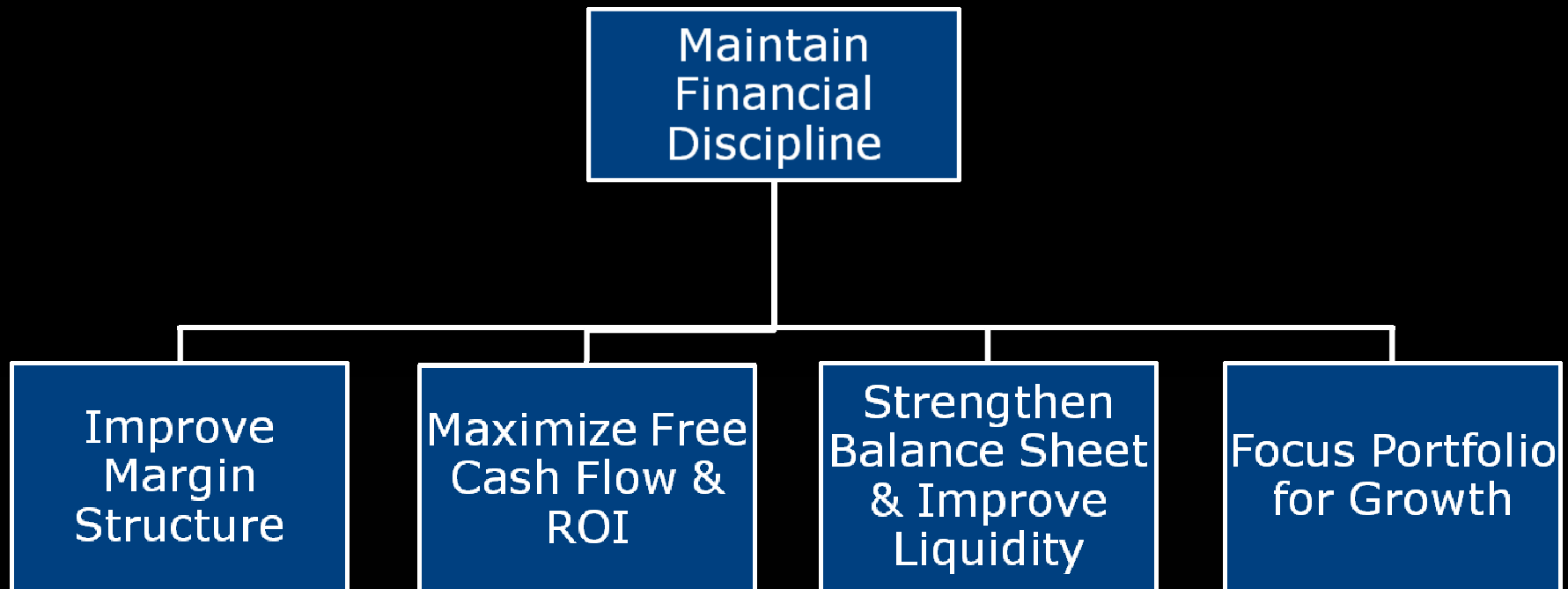
⁽¹⁾ Pro Forma for Convertible Tender Offer and Tack-On Bond Offering; excludes debt placed in China.

Financial Strategy

Financial Strategy

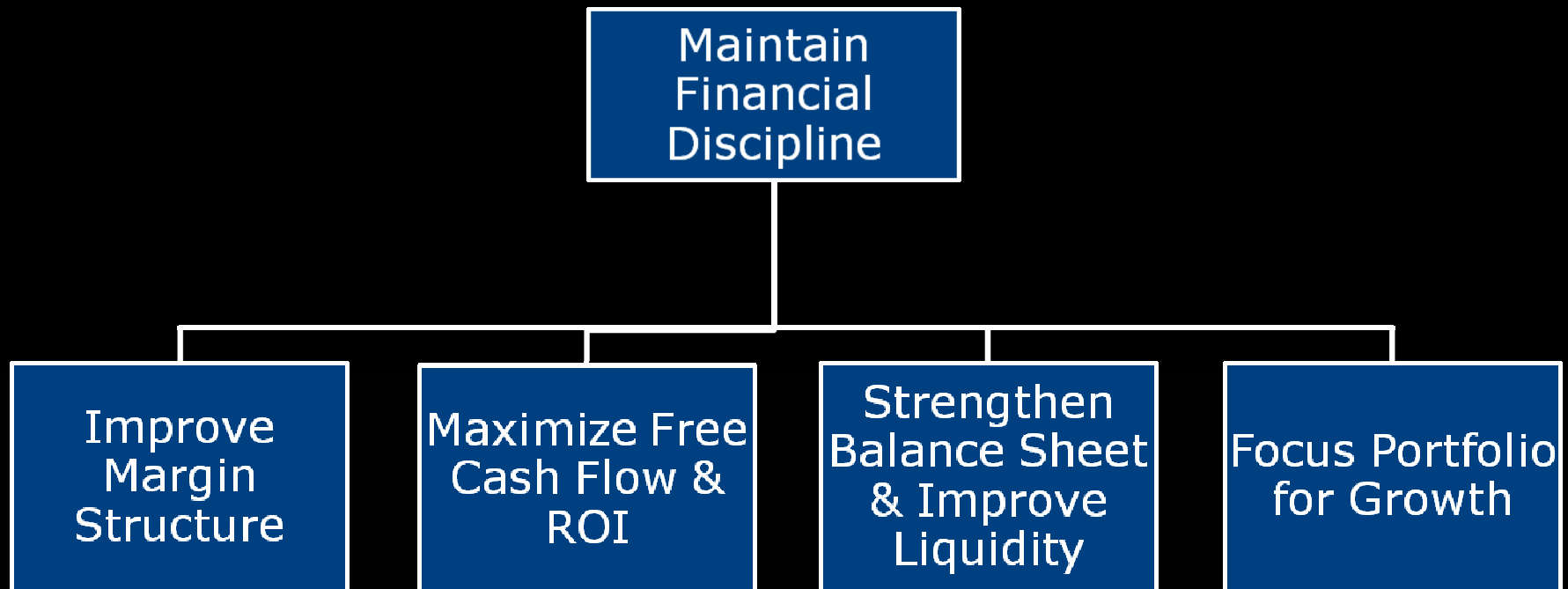


Financial Strategy



- ❑ Institutionalize PIP Program
- ❑ Formalize outsourcing
- ❑ Pursue further cost reduction opportunities

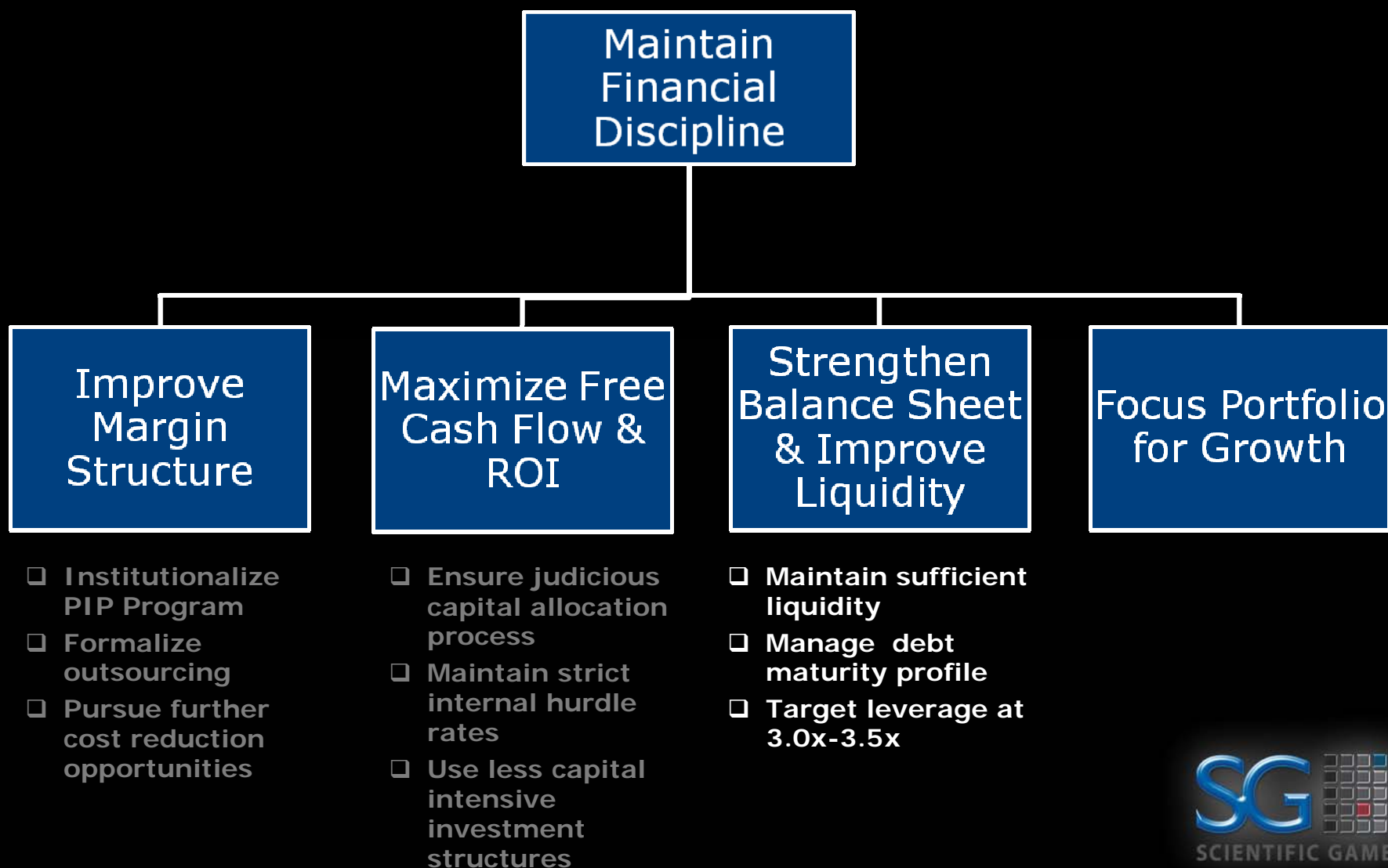
Financial Strategy



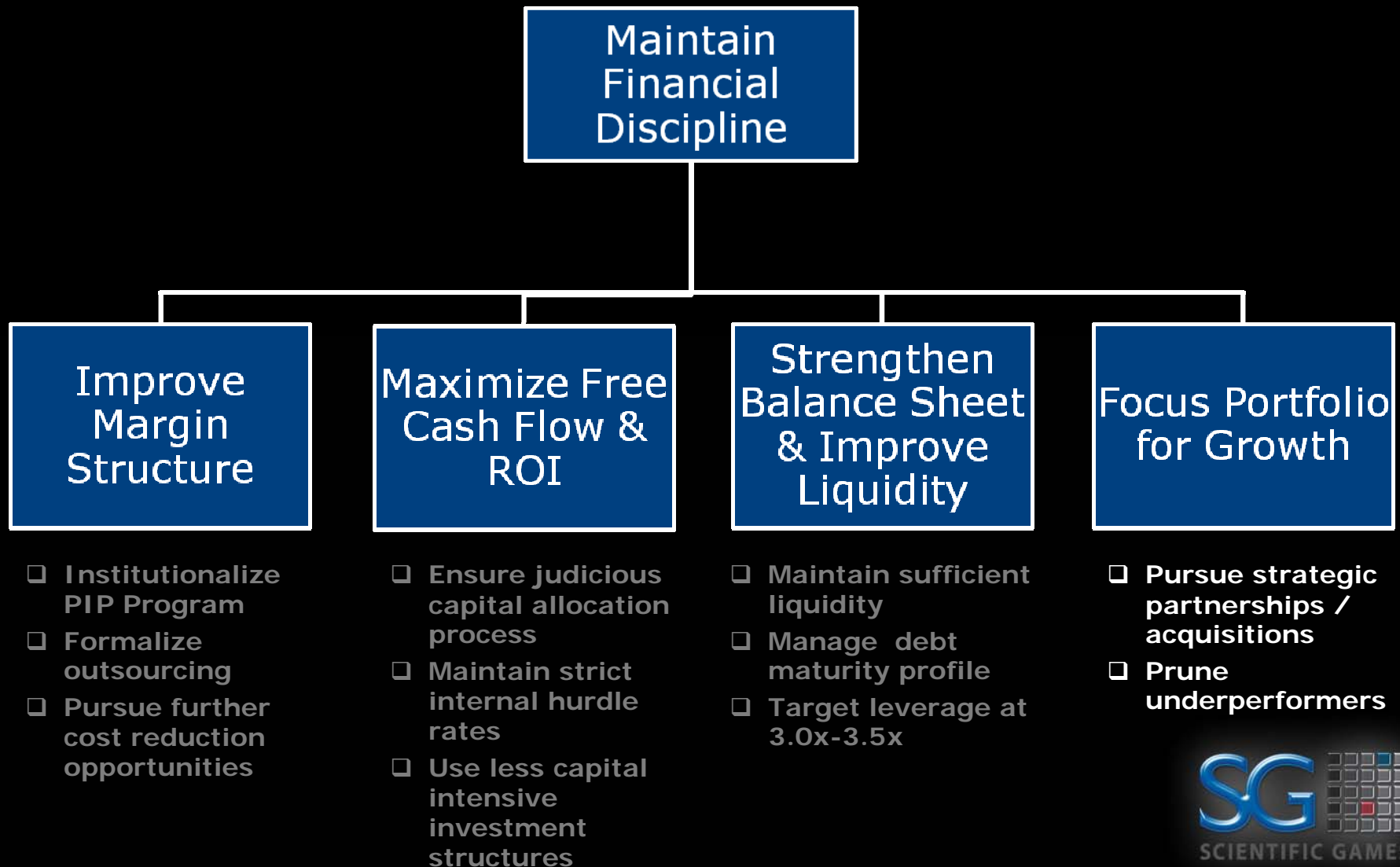
- ❑ Institutionalize PIP Program
- ❑ Formalize outsourcing
- ❑ Pursue further cost reduction opportunities

- ❑ Ensure judicious capital allocation process
- ❑ Maintain strict internal hurdle rates
- ❑ Use less capital intensive investment structures

Financial Strategy



Financial Strategy



Financial Implications of Playtech Transaction

- ❑ Attractive revenue growth projected over time
- ❑ Margin structure enhanced due to higher-margin nature of Playtech model
- ❑ Capital needs likely to be reduced due to JV structure
- ❑ Royalty fee arrangement for SGMS to utilize lower-cost Playtech development organization, resulting in annual net cash cost savings of \$3M-6M
- ❑ One-time restructuring charge estimated at \$5M-7M to reposition development organization

Strategic transaction with significant long-term potential, although growth is not projected to be meaningful in 2010.

What's Possible?

1. Given...

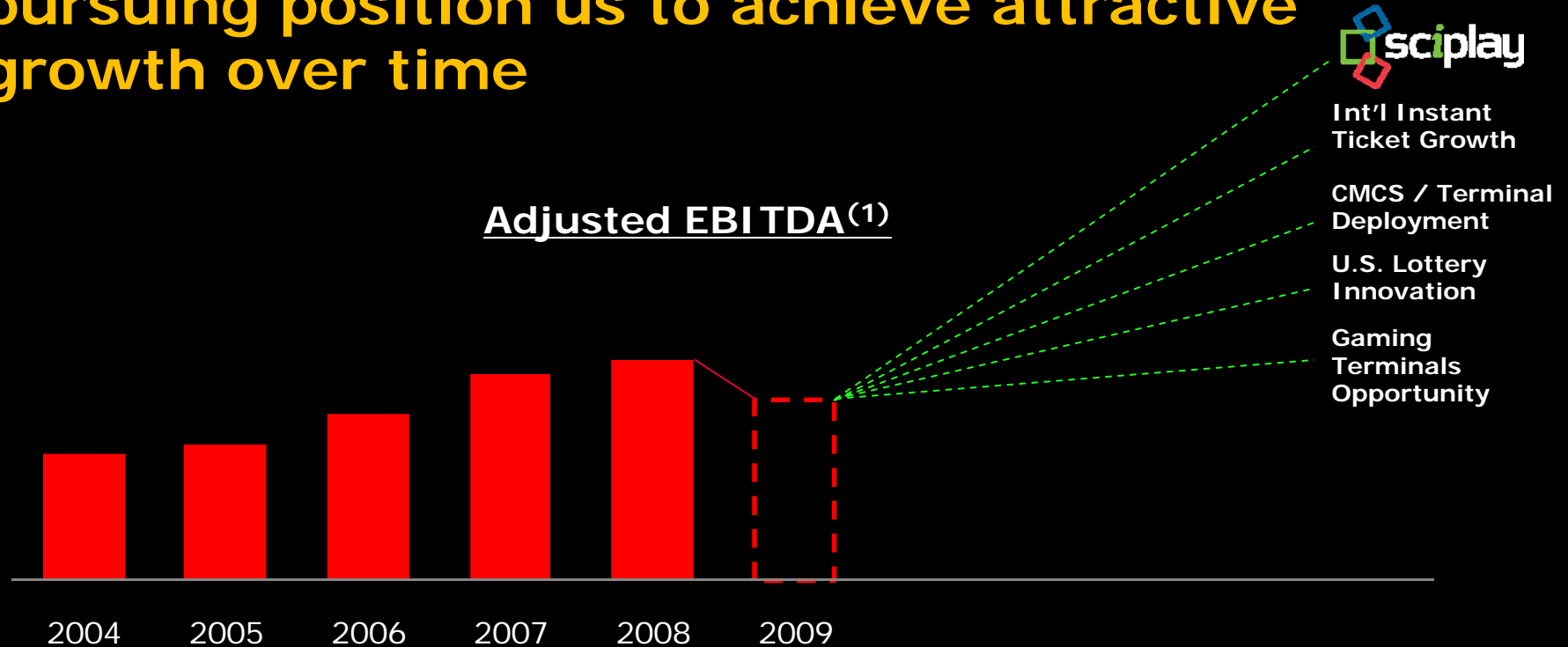
- **The resiliency of the core business**
- **The significant growth we've teed up globally**

...we believe we have significant untapped growth potential

2. We are pursuing growth in a disciplined manner with a focus on profitability and free cash flow
3. This is not a 2010 "big bang" story, but a smart, proactive and disciplined approach to sustainable, profitable growth and maximizing value creation

What's Possible?

The numerous strategic opportunities we are pursuing position us to achieve attractive growth over time



Key Metrics to Track Our Progress:

- Adjusted EBITDA
- Free Cash Flow
- Cash Net Income (before amortization of Italy upfront payment)

(1) Adjusted EBITDA is a non-GAAP measure, defined as net income (loss) plus income tax expense, depreciation and amortization expenses, and interest expense, net of other income (loss) and is adjusted to add back certain items that management believes have less bearing on Scientific Games' performance. See reconciliation to most directly comparable GAAP financial measure in Appendix of this presentation.

Wrap-Up

Mike Chambrello
President and CEO

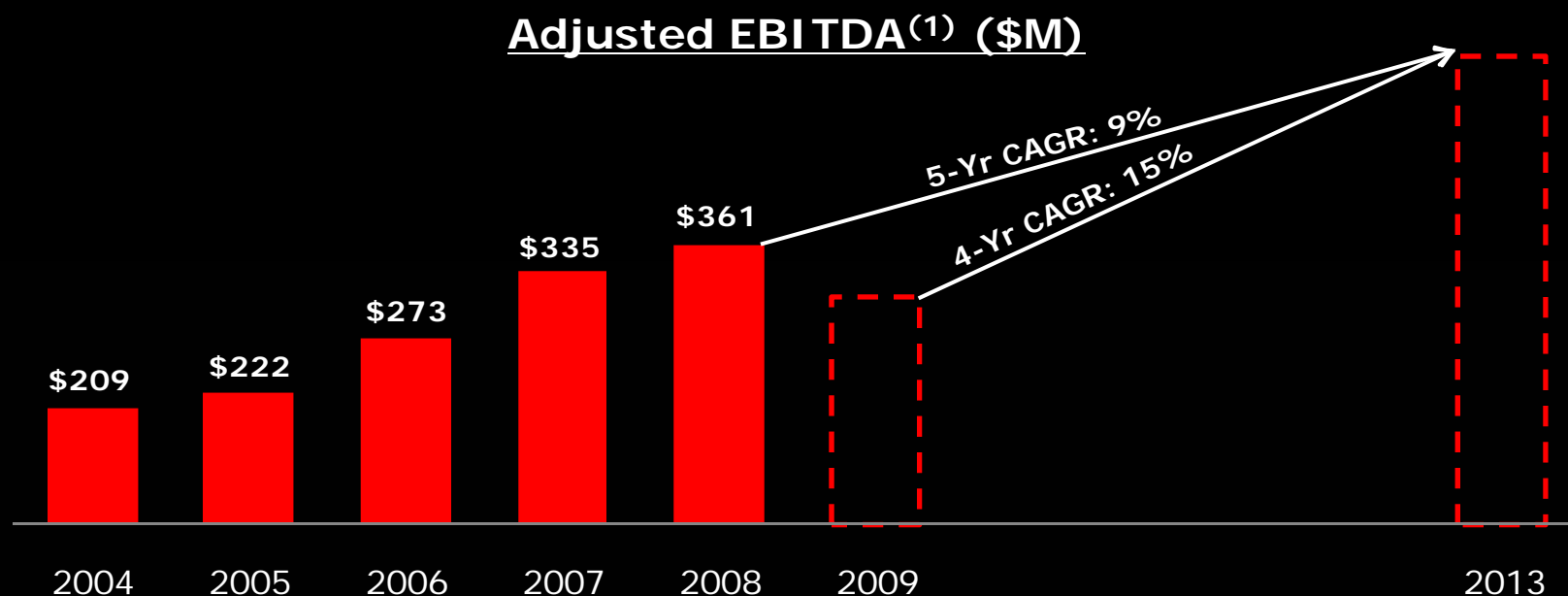
Why We Expect to Win

- ✓ **Global industry leader, with significant untapped growth potential**
- ✓ **Industry-leading security, regulatory compliance and expertise**
- ✓ **Unparalleled relationships with government regulators worldwide**
- ✓ **Most robust library of licensed games and other creative content**
- ✓ **Highly sophisticated printing and lottery capability**
- ✓ **Leading-edge technology with integrated, cost-effective platform**
- ✓ **Expertise in network design and management**
- ✓ **Strong and experienced management team and unquestionable organizational integrity**
- ✓ **Disciplined financial management**



What Success Looks Like

We are targeting to maintain our historical growth rate over the 2009-2013 period, which translates into 9% average growth using 2008 as the base year



Growth will not be linear and will come from both organic business growth and strategic acquisitions/initiatives.

⁽¹⁾ Adjusted EBITDA is a non-GAAP measure, defined as net income (loss) plus income tax expense, depreciation and amortization expenses, and interest expense, net of other income (loss) and is adjusted to add back certain items that management believes have less bearing on Scientific Games' performance. See reconciliation to most directly comparable GAAP financial measure in Appendix of this presentation.

What Success Looks Like

2009 was a transition year on many fronts, and our focus on driving financial disciplines and Free Cash Flow delivered strong results

	<u>2004-08 Average</u>	<u>2009 Performance</u>	<u>2010-13 Target</u>
Cash Flow From Operations	\$171M	>\$171M	Expands w/ Business Growth

What Success Looks Like

2009 was a transition year on many fronts, and our focus on driving financial disciplines and Free Cash Flow delivered strong results

	<u>2004-08 Average</u>	<u>2009 Performance</u>	<u>2010-13 Target</u>
Cash Flow From Operations	\$171M	>\$171M	Expands w/ Business Growth
CAPEX	\$189M	\$110M-\$120M	Targeted at \$125M Annually

What Success Looks Like

2009 was a transition year on many fronts, and our focus on driving financial disciplines and Free Cash Flow delivered strong results

	<u>2004-08 Average</u>	<u>2009 Performance</u>	<u>2010-13 Target</u>
Cash Flow From Operations	\$171M	>\$171M	Expands w/ Business Growth
CAPEX	\$189M	\$110M-\$120M	Targeted at \$125M Annually
Free Cash Flow	(\$18M)	\$94M (Q3 YTD)	Reflects Business Growth and CAPEX Discipline

We are targeting to continue to achieve strong results moving forward.

What Success Looks Like

Cumulative View: 2010-2013

- EBITDA growth with high incremental margins
- Free Cash Flow generation of approximately \$500M
- Corresponding reduction in net debt, net of strategic acquisitions/initiatives
- Return on capital expected to increase, based on investment opportunities
- Value creation opportunity is significant

Strong Historical Correlation between Our Return on Capital and Our Valuation.



Appendix



Basis of Presentation

This presentation, in addition to containing results that are determined in accordance with GAAP, contains certain non-GAAP financial measures. Adjusted EBITDA, as included in this presentation, represents net income (loss) plus income tax expense, depreciation and amortization expenses, and interest expense, net of other income (loss) and is adjusted to add back certain items that management believes have less bearing on Scientific Games' performance, which adjustments are set forth in further detail in the reconciliations for each relevant period included in this presentation.

Free cash flow, as included in this presentation, represents net cash provided by operating activities less total capital expenditures (which includes wagering systems expenditures and other intangible assets and software expenditures).

Non-GAAP adjusted segment gross margin, as included in this presentation, represents segment revenue less cost of services and cost of sales (before the allocation of depreciation and amortization), plus certain items that management believes have less bearing on Scientific Games' performance, which adjustments are set forth in further detail in the reconciliations for 2008 included in this presentation, divided by segment revenue.

Adjusted EBITDA, free cash flow and non-GAAP adjusted segment gross margin are non-GAAP financial measures that are presented as supplemental disclosures and are reconciled to the nearest comparable GAAP measures in financial schedules accompanying this presentation. Management believes that the GAAP financial measure used by Scientific Games that is most directly comparable to adjusted EBITDA is operating income, the GAAP financial measure used by Scientific Games that is most directly comparable to free cash flow is net cash provided by operating activities and the GAAP financial measure used by Scientific Games that is most directly comparable to non-GAAP adjusted segment gross margin is segment operating income margin.

Management uses these non-GAAP financial measures in conjunction with GAAP financial measures to: monitor and evaluate the performance of Scientific Games' business operations; facilitate management's internal comparisons of Scientific Games' historical operating performance of its business operations; facilitate management's external comparisons of the results of its overall business to the historical operating performance of other companies that may have different capital structures and debt levels; review and assess the operating performance of Scientific Games' management team and as a measure in evaluating employee compensation and bonuses; analyze and evaluate financial and strategic planning decisions regarding future operating investments; and plan for and prepare future annual operating budgets and determine appropriate levels of operating investments.

In particular, management believes adjusted EBITDA and non-GAAP adjusted segment gross margin are helpful in assessing our operating performance and highlighting trends in our core businesses that may not otherwise be apparent when relying solely on GAAP financial measures, because these non-GAAP financial measures eliminate from earnings financial items that management believes have less bearing on Scientific Games' performance. In addition, management believes that adjusted EBITDA is useful in evaluating Scientific Games' financial performance because it is a commonly used financial analysis tool for measuring and comparing gaming companies in several areas, such as liquidity, operating performance and leverage. Management believes that non-GAAP adjusted segment gross margin is useful in evaluating Scientific Games' financial performance because it is a commonly used financial analysis tool for measuring and comparing gaming companies in several areas, such as operating performance. Management further believes that adjusted EBITDA and free cash flow provide useful information regarding Scientific Games' liquidity and its ability to service debt and fund investments.

Management believes adjusted EBITDA is particularly useful to investors in Scientific Games' debt securities. Adjusted EBITDA under our credit agreement for the first three quarters of 2009 included all of the adjustments used in the adjusted EBITDA reconciliation for the nine months ended September 30, 2009 as set forth in this presentation for purposes of calculating our leverage ratio and senior debt ratio (and included stock compensation expense but not employee termination costs and Lottery Systems Mexico legal costs for purposes of calculating our interest coverage ratio under our credit agreement). The principal difference between adjusted EBITDA as defined in this presentation and adjusted EBITDA under our credit agreement is that adjusted EBITDA in our credit agreement excludes income of any non consolidated entity in which we have an ownership interest (such as our Italian joint venture) except to the extent that any such income is actually received by us in the form of a dividend or distribution. Our management compensation for 2009 is determined based on an adjusted EBIT amount that allows for all of the adjustments presented in this presentation plus certain items agreed to with the Compensation Committee in advance of the fiscal year. These other items include sign-on bonuses for newly hired personnel, costs incurred to repurchase stock in accordance with a board authorized stock buy-back program, costs incurred to repurchase convertible debt and other costs incurred for projects not anticipated in the budget that may be approved by the Compensation Committee, including, but not limited to, legal and advisor costs related to acquisitions or disposition due diligence.

Basis of Presentation (cont'd)

Management believes that these adjusted financial measures are useful to investors to provide them with disclosures of Scientific Games' operating results on the same basis as that used by Scientific Games' management. Management also believes that because it has previously provided these adjusted non-GAAP financial measures in its earnings releases, continuing to do so provides consistency in its financial reporting and continuity to investors for comparability purposes. For example, Scientific Games believes investors expect the specific adjustments used to calculate adjusted EBITDA to vary from period to period, as these adjustments are necessary to eliminate from earnings financial items that management believes have less bearing on Scientific Games' performance. The methods used by Scientific Games to calculate the baseline amounts for EBITDA remain the same from period to period. As a result, Scientific Games believes that the use of this non-GAAP financial measure provides continuity to investors for comparability purposes because investors are able to compare the baseline results from period to period, and also compare the various adjustments from period to period against the consistent method used to calculate the baseline amounts. Management believes that the presentation of the adjusted non-GAAP financial measures, when used in conjunction with GAAP financial measures, provides both management and investors with financial information that can be useful in assessing Scientific Games' financial condition and operating performance.

The non-GAAP financial measures used in this presentation should not be considered in isolation of, as a substitute for or superior to the financial information prepared in accordance with GAAP. The adjusted financial measures as defined in this presentation may differ from similarly titled measures presented by other companies. The adjusted financial measures, as well as other information in this presentation, should be read in conjunction with Scientific Games' financial statements filed with the Securities and Exchange Commission.

Adjusted EBITDA

\$ in thousands

	2004	2005	2006	2007	2008
Revenue	\$725,495	\$781,683	\$897,230	\$1,046,704	\$1,118,829
Net Income (loss)	65,516	64,478	55,261	53,155	(4,485)
Add: Income tax expense	28,844	28,402	24,113	25,211	8,352
Add: Interest expense, net of other income or loss	47,304	36,050	54,076	68,722	76,340
Add: Depreciation and amortization expense	61,277	66,794	106,006	160,366	218,643
EBITDA	202,941	195,724	239,456	307,454	298,850
Add: Severance charges	-	5,097	14,860	3,642	14,625
Add: Diversified Gaming accrual charges	3,091	583	509	-	700
Add: SERP termination charge	-	12,363	313	-	-
Add: Printed Products defective tickets/legal/start-up charges	-	3,840	-	-	-
Add: Printed Products Honsel earn out costs	-	1,658	-	-	-
Add: Lottery Systems legal/consulting/start-up costs	-	3,183	-	-	-
Add: Global Draw earn out costs	-	-	-	-	4,376
Add: Lottery Systems contract impairment charge	-	-	-	-	7,831
Add: Lottery Systems insurance settlement	-	-	-	-	-
Add: Property tax settlement	-	-	-	-	-
Add: Italy legal costs	-	-	-	-	-
Add: Printed Products Peru Lottery business unit disposal costs	-	-	-	2,763	-
Add: Purchase accounting reserve reversal	-	-	-	(3,892)	-
Add: Stock compensation charges	-	-	17,910	25,312	34,122
Adjusted EBITDA	\$206,032	\$222,448	\$273,048	\$335,279	\$360,504

Adjusted EBITDA

\$ in thousands

	Nine months ended	
	9/30/2008	9/30/2009
Revenue	\$854,911	\$694,864
Net Income (loss)	64,583	10,262
Add: Income tax expense	30,672	46,599
Add: Interest expense, net of other income or loss	57,192	57,333
Add: Depreciation and amortization expense	106,099	93,453
EBITDA	258,546	207,647
Add: Severance charges	3,702	3,920
Add: Diversified Gaming accrual charges	700	-
Add: SERP termination charge	-	-
Add: Printed Products defective tickets/legal/start-up charges	-	-
Add: Printed Products Honsel earn out costs	-	-
Add: Lottery Systems legal/consulting/start-up costs	-	(212)
Add: Global Draw earn out costs	3,446	-
Add: Lottery Systems contract impairment charge	-	-
Add: Lottery Systems insurance settlement	-	(1,308)
Add: Property tax settlement	-	1,005
Add: Italy legal costs	-	657
Add: Printed Products Peru Lottery business unit disposal costs	-	-
Add: Purchase accounting reserve reversal	-	-
Add: Stock compensation charges	24,348	25,903
Adjusted EBITDA	\$290,742	\$237,612

Non-GAAP Adjusted Segment Gross Profit Margins

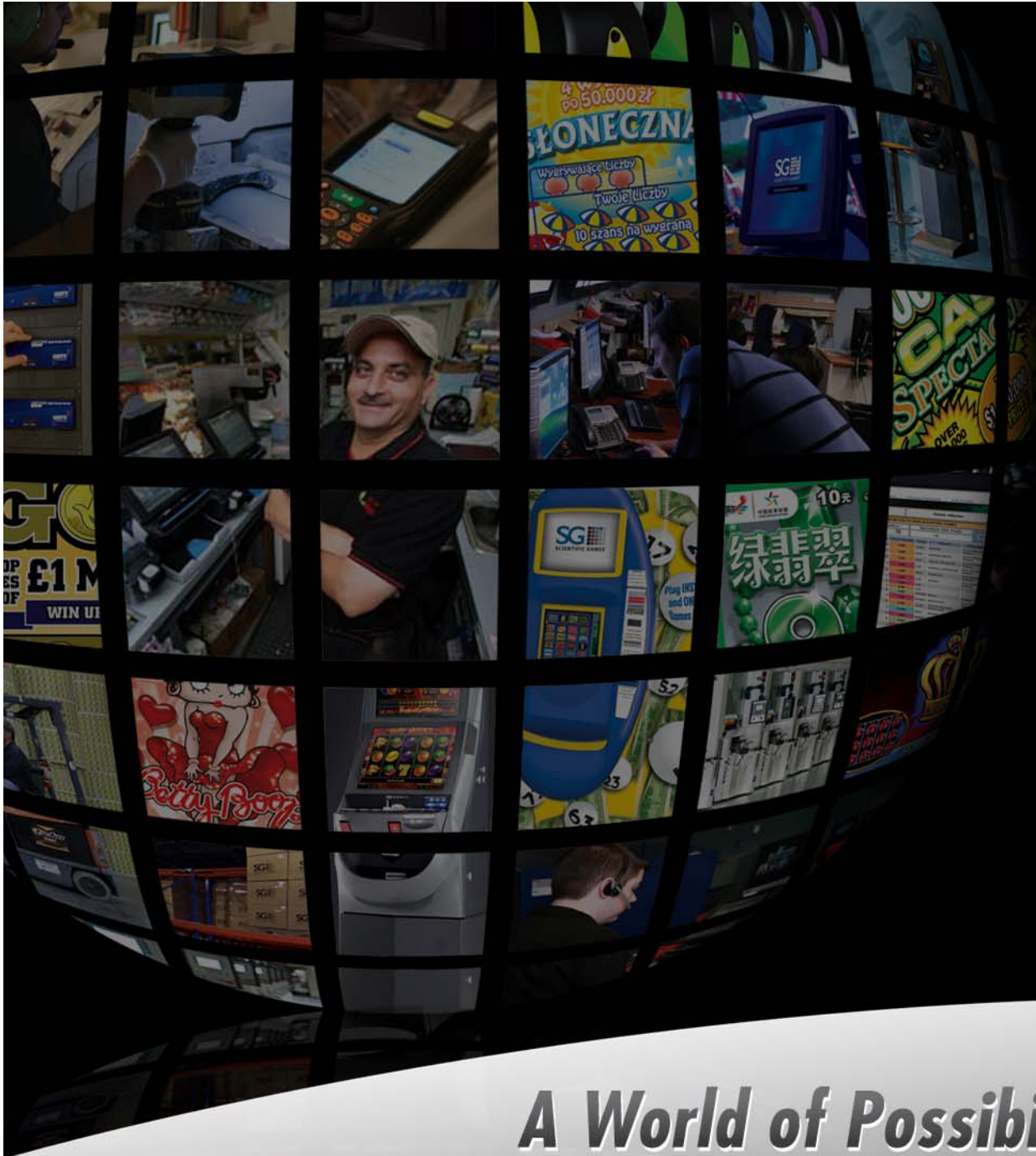
\$ in thousands

	Year Ended			
	December 31, 2008			
	Printed Products	Lottery Systems	Diversified Gaming	Totals
Service revenues	\$548,308	\$236,022	\$215,642	\$999,972
Sales revenues	31,943	62,708	24,206	118,857
Total revenues	580,251	298,730	239,848	1,118,829
Cost of services (1)	331,501	132,335	130,949	594,785
Cost of sales (1)	20,177	54,254	11,425	85,856
	351,678	186,589	142,374	680,641
Non-GAAP gross profit	228,573	112,141	97,474	438,188
Non-GAAP gross profit margin	39.4%	37.5%	40.6%	39.2%
Selling, general and administrative expenses	59,336	33,634	25,923	118,893
Employee termination costs	7,213	2,576	1,152	10,941
Depreciation and amortization (2)	43,091	125,764	45,575	214,430
Segment operating income	\$ 118,933	\$ (49,833)	\$ 24,824	\$ 93,924
Unallocated corporate costs				69,533
Corporate employee termination costs				2,754
				\$ 21,637
(1) Exclusive of depreciation and amortization				
(2) Includes amortization of service contract software				
Non-GAAP gross profit	228,573	112,141	97,474	438,188
Add: Lottery Systems contract impairment	-	7,831	-	7,831
Adjusted Non-GAAP gross profit	\$228,573	\$119,972	\$97,474	\$446,019
Adjusted Non-GAAP gross profit margin	39.4%	40.2%	40.6%	39.9%
Segment operating profit margin	20.5%	-16.7%	10.3%	8.4%

Free Cash Flow

\$ in thousands

	2004	2005	2006	2007	2008	YTD Q3 2009
Cash from Operations	\$123,123	\$200,855	\$131,197	\$192,241	\$208,498	\$175,994
Capital expenditures	27,279	32,357	15,988	34,686	19,686	9,135
Wagering expenditures	53,154	110,817	125,856	148,974	163,954	44,870
Intangible assets and software	22,028	22,312	49,946	38,569	46,278	26,040
Total capital expenditures	102,461	165,486	191,790	222,229	229,918	80,045
Free Cash Flow	\$20,662	\$35,369	(\$60,593)	(\$29,988)	(\$21,420)	\$95,949



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