

SCIENTIFIC GAMES CORP
Form 8-K
February 27, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) **February 26, 2004**

0-13063

(Commission File Number)

SCIENTIFIC GAMES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

81-0422894
(IRS Employer
Identification Number)

750 Lexington Avenue, New York, New York 10022

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(Address of registrant's principal executive office)

(212) 754-2233

(Registrant's telephone number)

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

| Exhibit No. | Description |
|--------------------|--------------------|
|--------------------|--------------------|

| | |
|------|---|
| 99.1 | Press Release of Scientific Games Corporation, dated February 26, 2004. |
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ITEM 12. Results of Operation and Financial Condition.

The information contained in this Current Report is being furnished under Item 12 (Results of Operations and Financial Condition). As such, the information contained herein shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On February 26, 2004, Scientific Games Corporation (the Company) issued a press release announcing, among other things, results for the quarter and the year ended December 31, 2003. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

The Company s press release, in addition to containing results that are determined in accordance with accounting principles generally accepted in the United States of America (GAAP), also contains reference to the Company s EBITDA results, which are non-GAAP earnings results that exclude certain items. EBITDA, as used in the press release, represents operating income plus depreciation and amortization expenses. EBITDA is included in the press release as, among other things, it is a basis upon which the Company assesses its financial performance, and it provides useful information regarding the Company s ability to service its debt. In addition, EBITDA is useful to investors in evaluating the Company s financial performance because it is a commonly used financial analysis tool for measuring and comparing gaming companies in several areas of liquidity, operating performance and leverage. EBITDA should not be considered in isolation or as an alternative to net income, cash flows from operations, or other consolidated income or cash flow data prepared in accordance with GAAP as measures of the Company s profitability or liquidity. EBITDA as used in the press release may differ from similarly titled measures presented by other companies. A table reconciling EBITDA to GAAP net income is included in the condensed consolidated financial statement data included in the Company s press release.

The Company s press release also contains reference to the Company s pro forma net income for the three months and the year ending December 31, 2002, which are non-GAAP earnings results that exclude certain items. Pro forma results are included in the Company s press release as they provide useful information regarding the comparability of the Company s 2002 net income as reported, which was impacted by several unusual items during 2002. The Company s pro forma results should not be considered in isolation or as an alternative to net income, cash flows from operations, or other consolidated income or cash flow data for 2002 prepared in accordance with GAAP as measures of the Company s

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profitability or liquidity. A table reconciling pro forma net income for 2002 to GAAP net income for 2002 is included in the condensed consolidated financial statement data included in the Company's press release.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SCIENTIFIC GAMES CORPORATION

By: /s/ Martin E. Schloss
Name: Martin E. Schloss
Title: Vice President and General Counsel

Date: February 26, 2004

Exhibit Index

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