

SCIENTIFIC GAMES CORP
Form S-4
November 08, 2012
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As Filed With the Securities and Exchange Commission on November 8, 2012

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SCIENTIFIC GAMES INTERNATIONAL, INC.

(as Issuer)

Delaware
(State or other jurisdiction of
incorporation or organization)

2754
(Primary Standard Industrial
Classification Code Number)

58-1943521
(I.R.S. Employer
Identification Number))

SCIENTIFIC GAMES CORPORATION

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(as guarantor)

(and the other guarantors identified in the Table of Additional Registrants below)

Delaware
(State or other jurisdiction of
incorporation or organization)

7373
(Primary Standard Industrial
Classification Code Number)

81-0422894
(I.R.S. Employer
Identification Number)

Scientific Games Corporation

750 Lexington Avenue, 25th Floor

New York, New York 10022

(212) 754-2233

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jack B. Sarno, Esq.

Scientific Games Corporation

750 Lexington Avenue, 25th Floor

New York, New York 10022

(212) 754-2233

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Marc D. Jaffe, Esq.

Senet S. Bischoff, Esq.

Latham & Watkins LLP

885 Third Avenue

New York, New York 10022

(212) 906-1200

Approximate date of commencement of proposed sale to the public:

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As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a
smaller reporting
company)

Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration fee
6.250% Senior Subordinated Notes due 2020 Guarantees related to the 6.250% Senior Subordinated Notes due 2020(2)	\$ 300,000,000	100%	\$300,000,000(1)	\$ 40,920.00
	N/A	N/A	N/A	N/A

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(f) under the Securities Act of 1933, as amended (the Securities Act), exclusive of any accrued interest.

(2) No separate consideration will be received for the guarantees and, therefore, pursuant to Rule 457(n) under the Securities Act, no additional fee is required.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting

pursuant to said Section 8(a), may determine.

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TABLE OF ADDITIONAL REGISTRANTS

Name of Additional Registrant	State of Incorporation or Formation	IRS Employer Identification Number	Commission File Number
MDI Entertainment, LLC*	Delaware	58-1943521	333-
Scientific Games Products, Inc.*	Delaware	45-0565615	333-
Scientific Games SA, Inc.*	Delaware	58-1673074	333-
Sciplay Inc.*	Delaware	30-0632206	333-
SG Gaming, Inc.*	Nevada	88-0415955	333-

*Address of the Principal Executive Offices of each of the Additional Registrants:

1500 Bluegrass Lakes Parkway

Alpharetta, GA 30004

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The information in this prospectus is not completed and may be changed. We may not sell these securities or accept any offer to buy these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted

SUBJECT TO COMPLETION, DATED NOVEMBER 8, 2012

PRELIMINARY PROSPECTUS

\$300,000,000

SCIENTIFIC GAMES INTERNATIONAL, INC.

(as Issuer)

SCIENTIFIC GAMES CORPORATION

(as Guarantor)

Exchange Offer for

6.250% Senior Subordinated Notes due 2020

The Exchange Offer:

- Scientific Games International, Inc., referred to as the Issuer, issued \$300,000,000 in aggregate principal amount of its 6.250% senior subordinated notes due 2020 on August 20, 2012 and will exchange all \$300,000,000 of the outstanding 6.250% senior subordinated notes due 2020, referred to as the old notes, that are validly tendered and not validly withdrawn for an equal principal amount of 6.250% senior subordinated notes due 2020, referred to as the new notes, that are, subject to specified conditions, freely transferable.
- The exchange offer expires at 5:00 p.m., New York City time, on _____, unless extended. We do not currently intend to extend the expiration date.
- You may withdraw tenders of old notes at any time prior to the expiration date of the exchange offer.
- Neither Scientific Games Corporation nor the Issuer will receive any cash proceeds from the exchange offer.

The New Notes:

- We are offering new notes to satisfy certain obligations under the registration rights agreement entered into in connection with the private offering of the old notes.
- The terms of the new notes are substantially identical to the old notes, except that the new notes, subject to specified conditions, will be freely transferable.
- The new notes will be guaranteed on a senior subordinated unsecured basis by Scientific Games Corporation and all of its wholly owned domestic subsidiaries (other than the Issuer), which are referred to as the guarantors.
- We do not plan to list the new notes on a national securities exchange or automated quotation system.

Please see Risk Factors beginning on page 14 of this prospectus for a discussion of certain factors that you should consider before participating in this exchange offer.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes as required by applicable securities laws and regulations. The letter of transmittal states that, by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended (the Securities Act).

This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 180 days after the expiration of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale.

None of the Securities and Exchange Commission, any state securities commission, the Nevada Gaming Commission, the Nevada State Gaming Control Board, the Mississippi Gaming Commission, the Louisiana Gaming Control Board, the Indiana Gaming Commission, the New Jersey Casino Control Commission or any other gaming

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authority or other regulatory agency has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , .

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We have not authorized any dealer, salesperson or other person to give any information or represent anything to you other than the information contained in this prospectus. You must not rely on unauthorized information or representations.

This prospectus does not offer to sell nor ask for offers to buy any of the securities in any jurisdiction where it is unlawful, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the securities. The information in this prospectus is current only as of the date on its cover and may change after that date.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this document. You may obtain information incorporated by reference, at no cost, by writing or telephoning us at the following address:

Scientific Games Corporation
Attention: Investor Relations
750 Lexington Avenue, 25th Floor
New York, New York 10022
(212) 754-2233

To obtain timely delivery, you must request the information no later than five (5) business days prior to the expiration of the exchange offer, or , . See Where You Can Find More Information and Incorporation of Certain Documents by Reference beginning on page ii.

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INDUSTRY AND MARKET DATA

Certain market data and other statistical information included in this prospectus (including the documents incorporated by reference in this prospectus) are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data is also based on our good faith estimates, which are derived from our review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

BASIS OF PRESENTATION

Unless the context indicates otherwise, references in this prospectus to Scientific Games International, Inc. and the Issuer refer to Scientific Games International, Inc., a Delaware corporation and the issuer of the new notes, and references to the guarantors refer to Scientific Games Corporation and its wholly owned domestic subsidiaries (other than the Issuer) that will guarantee the new notes. Unless the context indicates otherwise, references to Scientific Games, the Company, we, our, ours and us refer to Scientific Games Corporation and its consolidated subsidiaries, including the Issuer. United States (U.S.) jurisdictions refer to the 50 states in the U.S. plus the District of Columbia and Puerto Rico.

WHERE YOU CAN FIND MORE INFORMATION

The Issuer is not subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), pursuant to Rule 12h-5 under the Exchange Act. Scientific Games Corporation, however, is subject to the informational requirements of the Exchange Act and, accordingly, files annual, quarterly and current reports, proxy statements and other information with the United States Securities and Exchange Commission (the SEC). You may read and copy any document we file with the SEC at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room and its copy charges. Our SEC filings are also available to the public on the SEC s website at www.sec.gov.

We have filed with the SEC a registration statement on Form S-4 under the Securities Act with respect to the exchange offer. This prospectus does not contain all of the information contained in the registration statement and the exhibits to the registration statement. Copies of our SEC filings, including the exhibits to the registration statement, are available through us or from the SEC through the SEC s website or at its facilities described above.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

In this prospectus, we incorporate by reference information we file with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with the SEC rules), which means that we can disclose important information to you by referring to that information. The information incorporated by reference is considered to be an important part of this prospectus. Any statement in a document incorporated by reference in this prospectus will be deemed to be modified or superseded to the extent a statement contained in

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this prospectus or any other subsequently filed document that is incorporated by reference in this prospectus modifies or supersedes such statement. In addition, information contained in this prospectus shall be modified or superseded by information in any such subsequently filed documents that are incorporated by reference in this prospectus. We incorporate by reference in this prospectus the following documents filed with the SEC pursuant to the Exchange Act:

- Annual Report on Form 10-K for the year ended December 31, 2011, filed on February 29, 2012;
- Amendment No. 1 on Form 10-K/A for the year ended December 31, 2011, filed on June 28, 2012;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 (filed on May 10, 2012) June 30, 2012 (filed on August 8, 2012) and September 30, 2012 (filed on November 8, 2012); and
- Current Reports on Form 8-K filed on March 8, 2012, March 22, 2012, April 26, 2012, June 5, 2012, August 15, 2012 and August 21, 2012.

We also incorporate by reference any future filings made by us with the SEC (other than information furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K or as otherwise permitted by the SEC's rules) under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act on or after the date of this prospectus and prior to the termination of the offering, and any reoffering, of the securities offered hereby.

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References in this prospectus to this prospectus will be deemed to include the documents incorporated by reference, which are an integral part of this prospectus. You should obtain and review carefully copies of the documents incorporated by reference. Any statement contained in the documents incorporated by reference will be modified or superseded for purposes of this prospectus to the extent that a statement contained in a subsequently dated document incorporated by reference or in this prospectus modifies or supersedes the statement. Information that we file later with the SEC will automatically update the information incorporated by reference and the information in this prospectus. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of these filings, at no cost, by writing or telephoning us at the address on page i of this prospectus. Exhibits to the filings will not be sent, however, unless those exhibits have been specifically incorporated by reference in this prospectus.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this prospectus constitute forward-looking statements. 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 on 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 regulations, 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 joint venture, Northstar Lottery Group, LLC, to meet the net income targets or otherwise realize the anticipated benefits under its private management agreement with the Illinois lottery; seasonality; 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 on contracts; resolution of pending or future litigation; labor matters; and stock market volatility. For a discussion of these and other factors that may affect our business, you should also read carefully the factors described in the Risk Factors section of this prospectus. 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 our filings with the SEC. Forward-looking statements speak only as of the date they are made and, except for our ongoing obligations under the U.S. federal securities laws, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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SUMMARY

This is only a summary of the prospectus. You should read carefully the entire prospectus, including Risk Factors, and our consolidated financial statements and related notes as well as the documents incorporated by reference in this prospectus, before making an investment decision.

Our Company

Overview

We are a global leader in providing customized, end-to-end gaming solutions to lottery and gaming organizations worldwide. Our integrated products and services include instant lottery games, lottery gaming systems, terminals and related services, and internet applications, as well as server-based interactive gaming terminals and associated gaming control systems. We also gain access to technology and pursue global expansion through strategic equity investments.

Operational Overview

We report our operations in three business segments: Printed Products; Lottery Systems; and Gaming. The following table summarizes the primary business activities and investments included in each of our business segments.

Segment	Primary Business Activities	Strategic Equity Investments
Printed Products	<ul style="list-style-type: none"> Design, printing and sale of instant lottery tickets to lottery operators Provision of instant ticket-related value-added services to lottery operators Provision of licensed properties, player loyalty programs, second chance drawings and internet-based products primarily to lottery operators 	<ul style="list-style-type: none"> Lotterie Nazionali S.r.l. (LNS) 20% equity interest in the operator of the Gratta e Vinci instant ticket lottery in Italy Northstar Lottery Group (Northstar) 20% equity interest in the private manager of the Illinois lottery Beijing CITIC Scientific Games Technology Co., Ltd. (CSG) 49% equity interest in the instant ticket supplier to the China Sports Lottery

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- Printing and sale of phone cards

Lottery Systems

- Provision of lottery systems, including equipment, software, data communication services and support, to lottery operators
- Beijing Guard Libang Technology Co., Ltd. (Guard Libang) 50% equity interest in a provider of lottery systems and services for the China Welfare Lottery
- Provision of instant ticket validation systems to lottery operators
- Provision of central monitoring and control systems to lottery operators and gaming regulators
- Provision of software, hardware and support for sports wagering systems and keno to lottery operators

Gaming

- Provision of server-based gaming terminals, systems and content to commercial gaming operators such as betting shops, bingo halls, arcades and pubs
- Roberts Communication Network (RCN) 29.4% equity interest in provider of communications services to racing and non-racing customers
- Provision of interactive gaming products and content primarily to gaming operators
- Sportech Plc (Sportech) 20% equity interest in operator and supplier of soccer pools and tote systems

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Printed Products

Our Printed Products segment is primarily comprised of our global instant lottery ticket business. We generate revenue from the manufacturing and sale of instant tickets, as well as the provision of value-added services such as game design, sales and marketing support, specialty games and promotions, inventory management and warehousing and fulfillment services. We also provide lotteries with cooperative service programs, or CSPs, to help them efficiently and effectively manage and support their operations to achieve higher retail sales and lower operating costs.

We believe we are the leading designer, manufacturer and distributor of instant lottery tickets in the world. We supply instant lottery tickets to 41 of the 44 U.S. jurisdictions that sell instant lottery tickets. In addition, we have sold instant lottery tickets to customers in approximately 50 countries.

We operate five instant ticket printing facilities across four continents (including the facility owned by CSG) with an aggregate capacity to print approximately 44 billion 2" by 4" equivalent standard instant lottery tickets annually. We believe that our extensive service offerings, together with our innovative products and extensive library of licensed properties, enable us to effectively help lotteries to increase their retail sales of instant tickets.

We provide lotteries with access to some of the world's most popular entertainment brands on lottery products, which we believe helps increase our customers' instant ticket sales. Our licensed entertainment brands include Harley-Davidson®, Major League Baseball®, Monopoly®, National Basketball Association®, The Price is Right®, Wheel-of-Fortune® and World Poker Tour®. We also provide branded merchandise prizes, advertising, promotional support, turnkey drawing management services and prize fulfillment programs. In addition, we offer lotteries a web-based platform called Properties Plus®, which features players clubs, reward programs, second chance promotional websites, interactive games and, subject to applicable law, a subscription system that enables players to purchase lottery games securely over the internet.

LNS. We are a 20% equity owner in LNS, an entity comprised principally of us, Lottomatica Group S.p.A. (Lottomatica) and Arianna 2001, a company owned by the Federation of Italian Tobacconists, that was awarded the concession from the Italian Monopoli di Stato to be the exclusive operator of the Italian Gratta e Vinci instant ticket lottery beginning on October 1, 2010. The concession has an initial term of nine years (subject to a performance evaluation during the fifth year) and could be extended by the Monopoli di Stato for an additional nine years. We are the primary supplier of instant lottery tickets for LNS, under which we expect to provide no less than 80% of total instant tickets through our supply contract with LNS.

Northstar. We are a 20% equity owner in Northstar, an entity formed with GTECH Corporation, a subsidiary of Lottomatica, to bid for the agreement to be the private manager for the Illinois lottery for a ten-year term. Northstar was selected as the private manager following a competitive procurement and entered into a private management agreement with the State of Illinois on January 18, 2011 (the PMA). Operations under the PMA commenced on July 1, 2011. As the private manager, Northstar, subject to the oversight of the Illinois lottery, manages the day-to-day operations of the lottery including lottery game development and portfolio management, retailer recruitment and training, supply of goods and services and overall marketing strategy. Under our CSP contract with Northstar, we are the exclusive supplier of instant lottery tickets and are responsible for instant ticket design, development, manufacturing, warehousing and distribution.

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CSG. We are a 49% equity owner in CSG, which holds a 15-year contract to supply instant lottery tickets to the China Sports Lottery. In connection with the contract, CSG established an instant ticket manufacturing facility that began producing instant lottery tickets at the end of 2008. The facility has capacity to print eight billion 2" by 4" equivalent standard instant ticket units annually. We also receive a royalty fee from CSG for intellectual property rights deemed necessary to promote lottery ticket sales equal to 1% of the total gross profits distributed by CSG.

Lottery Systems

We are a leading provider of customized computer software, software support, equipment and data communication services to lotteries. Our lottery systems use proprietary technology that facilitates high-speed processing of wagers as well as validation of winning draw and instant tickets. Our lottery systems business includes the supply of proprietary transaction-processing software, draw lottery games, keno, point-of-sale terminals, central site computers and communication platforms as well as ongoing operational support and maintenance services.

We have contracts to operate online lottery systems for 11 of the 45 U.S. jurisdictions that operate draw lotteries. We believe we are the second largest online lottery provider in the U.S. and a leading provider in Europe. Internationally, we have lottery systems operating in Argentina, Australia, Canada, China, France, Germany, Hungary, Iceland, Israel, Latvia,

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Mexico, Norway, the Philippines, Spain and Switzerland. We are the exclusive instant ticket validation network provider to the China Sports Lottery.

In addition, we provide video lottery central monitoring and control systems and networks primarily to lotteries and gaming regulators. We currently have central monitoring and control systems contracts in Delaware, Illinois, Maine, New Mexico, South Dakota and West Virginia, as well as in Australia, Canada and Iceland. We also provide software, hardware and support for sports wagering systems.

Guard Libang. We have a 50% equity ownership interest in Guard Libang, a provider of instant ticket activation and validation and inventory management systems and services to a majority of the China Welfare Lottery provincial jurisdictions.

Gaming

Our Gaming segment includes The Global Draw Limited (Global Draw), a leading supplier of server-based gaming terminals and systems and game content primarily to bookmakers that operate licensed betting offices (LBOs) in the U.K. and, increasingly, to gaming operators outside the U.K. The Gaming segment also includes Barcrest Group Limited (Barcrest) and Games Media Limited (Games Media), leading suppliers of gaming terminals, systems and game content to pubs, bingo halls and arcades in the U.K. and continental Europe. We provide many of our Gaming customers with a turnkey offering, which typically includes gaming terminals, remote management of game content and management information, central computer systems, secure data communication and field support services. We develop our own game content and supplement our offering with content from third parties.

We had an installed base of approximately 23,100 LBO gaming terminals in the U.K. as of December 31, 2011. As of December 31, 2011, we had an installed base of approximately 6,100 gaming terminals in our U.K. pub, bingo hall and arcade business.

We continue to seek to expand our server-based gaming terminal business outside the U.K., with current deployments in the Caribbean, Czech Republic, Italy, Mexico and Puerto Rico. As of December 31, 2011, we had an installed base of approximately 6,500 gaming terminals outside of the U.K.

Roberts Communication Network. We have a 29.4% equity interest in RCN, which provides communications services to racing and non-racing customers.

Sportech. We own approximately 20% of the outstanding shares of Sportech. Sportech operates soccer pools and associated games through various distribution channels including direct mail and telephone, agent-based collection and via the internet. Sportech also provides wagering technology solutions to racetracks and off-track wagering networks and also operates a portfolio of online casino, poker, bingo and fixed-odds games.

Industry Overview

Lottery

Lotteries are operated by domestic and international government authorities and their licensees in 179 jurisdictions throughout the world. Currently, 45 U.S. jurisdictions have online draw lotteries and 44 U.S. jurisdictions have instant ticket lotteries. Governments typically authoriz