

SCIENTIFIC GAMES CORP
Form 8-K
May 04, 2006

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): May 3, 2006

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

(Address of registrant's principal executive office)

(212) 754-2233

(Registrant's telephone number)

Not Applicable

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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 2 - Financial Information

Item 2.02. Results of Operation and Financial Condition.

The information contained in this Current Report is being furnished under Item 2.02. 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 May 3, 2006, Scientific Games Corporation (the Company) issued a press release announcing, among other things, results for the three months ended March 31, 2006. 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 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. Also included in the Company's press release is certain net income information presented on a non-GAAP adjusted basis to indicate the effect of certain items noted in the press release. Adjusted EBITDA, non-GAAP adjusted net income and non-GAAP adjusted net income per diluted share are non-GAAP financial measures that are presented as supplemental disclosures and are reconciled to GAAP net income in financial schedules accompanying the Company's press release. In calculating the adjusted financial measures, the Company excludes certain expenses which it believes are unusual in nature, in order to facilitate an understanding of the Company's operating performance. The Company's management uses these adjusted financial measures in conjunction with GAAP financial measures to monitor and evaluate its operating performance and to facilitate internal and external comparisons of the historical operating performance of the Company and its business units. The Company's management believes that these adjusted financial measures are useful to investors to provide them with disclosures of the Company's operating results on the same basis as that used by the Company's management. Additionally, the Company's management believes that these adjusted financial measures provide useful information to investors about the performance of the Company's overall business because such financial measures eliminate the effects of unusual charges that are not directly attributable to the Company's underlying operating performance.

The Company's management also believes that because it has historically provided such 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. Accordingly, the Company's 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 useful financial information that can be used in assessing the Company's financial condition and operating performance. The adjusted financial measures should not be considered in isolation or as a substitute for net income or net income per diluted share prepared in accordance with GAAP. The adjusted financial measures as used in the press release may differ from similarly titled measures presented by other companies. The adjusted financial measures, as well as other information in the press release, should be read in conjunction with the Company's financial statements filed with the Securities and Exchange Commission.

Section 9 - Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release of Scientific Games Corporation, dated May 3, 2006.

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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/ DeWayne E. Laird	
	Name:	DeWayne E. Laird
	Title:	Vice President and Chief Financial Officer

Date: May 3, 2006

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Exhibit Index

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