

Scientific Games strikes \$3.3B deal to buy Bally

August 1 2014



In this June 6, 2007 file photo, Bally Technologies slot machines are showcased at the Palms hotel-casino in Las Vegas. Scientific Games on Friday, Aug. 1, 2014 said it will pay about \$3.3 billion to buy slot machine maker Bally Technologies in a cash deal that expands its casino management system portfolio. (AP Photo/Jae C. Hong, File)

Scientific Games plans to pay about \$3.3 billion to buy Bally Technologies in a deal that would combine makers of gambling equipment ranging from slot machines to instant-win lottery games.

The electronic gambling machine maker said Friday that it will pay \$83.30 for each share of Bally. That amounts to a 38 percent premium to Bally's closing price of \$60.17 on Thursday.

The deal value totals \$5.1 billion counting about \$1.8 billion in Bally debt.

The companies expect the transaction to close early next year, but it still needs approval from Bally shareholders and antitrust and gambling regulators.

The boards of both companies have already approved it.

Bally Technologies Inc. was founded during the Great Depression and started as a pinball maker. It makes reel-spinning and video slots and casino management and accounting systems.

Scientific Games Corp. sells instant-win lottery games and sports betting technology. It said the deal also will add table products like automatic shufflers and proprietary table games to its portfolio.

Bally CEO Richard Haddrill and Chairman David Robbins are expected to join the Scientific Games board after the deal closes.

Both companies completed sizeable acquisitions last fall. Scientific Games closed a \$1.42 billion deal to buy gambling equipment company WMS Industries Inc. Las Vegas-based Bally finished its acquisition of rival casino device company SHFL Entertainment Inc., a deal valued at \$1.3 billion including debt.

Bally shares jumped more than 29 percent, or \$17.65, to \$77.82 in morning trading Friday. Scientific Games stock also climbed more than 9 percent, or 79 cents, to \$9.33. Meanwhile, the Standard & Poor's 500

index was nearly flat.

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