



**2015 First Quarter Results**  
Ended March 31, 2015

May 13, 2015

# Agenda



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**Strategic  
Update**

Marco Sala, CEO, International Game Technology PLC

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**Q1'15  
Results**

Alberto Fornaro, CFO, International Game Technology PLC

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**Q&A**

# Cautionary Statement Regarding Forward-Looking Statements



This communication may contain forward-looking statements (including within the meaning of the Private Securities Litigation Reform Act of 1995) concerning IGT and other matters. These statements may discuss goals, intentions, projections and expectations as to future plans, strategies, strengths, trends, events, results of operations or financial condition, revenue, income, earnings (or loss) per share, capital expenditures, dividends, capital structure or other financial items, or otherwise, based on current beliefs of the management of IGT as well as assumptions made by, and information currently available to, such management

Forward-looking statements may be accompanied by words such as “aim,” “anticipate,” “believe,” “plan,” “could,” “would,” “should,” “shall,” “continue,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “will,” “possible,” “potential,” “predict,” “project” or the negative or other variations of them. These forward-looking statements are subject to various risks and uncertainties, many of which are outside IGT’s control. Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may differ materially from those predicted in the forward-looking statements and from past results, performance or achievements. Therefore, you should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include (but are not limited to) risks that the businesses of Legacy IGT and GTECH S.p.A. will not be integrated successfully, following the recent completion of their business combination, or that the combined companies will not realize estimated cost savings, value of certain tax assets, synergies, growth or other anticipated benefits or that such benefits may take longer to realize than expected; risks relating to unanticipated costs of integration of the two companies; reductions in customer spending; a slowdown in customer payments and changes in customer demand for products and services; unanticipated changes relating to competitive factors in the industries in which the company operates; ability to hire and retain key personnel; the potential impact of the consummation of the business combination on relationships with third parties, including customers, employees and competitors; ability to attract new customers and retain existing customers in the manner anticipated; reliance on and integration of information technology systems; changes in legislation or governmental regulations affecting the company; international, national or local economic, social or political conditions that could adversely affect the company or its customers; conditions in the credit markets; risks associated with assumptions the company makes in connection with its critical accounting estimates; the resolution of pending legal proceedings and investigations; and the company’s international operations, which are subject to the risks of currency fluctuations and foreign exchange controls. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect the company’s business, including those described in IGT’s registration statement on Form F-4 and other documents filed from time to time with the Securities and Exchange Commission (the “SEC”). Forward-looking statements speak only as of the date on which such statements are made, Except as required under applicable law, the company does not assume any obligation to update these forward-looking statements. Nothing in this announcement is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per IGT share for the current or any future financial years will necessarily match or exceed the historical published earnings per IGT share, as applicable. All forward-looking statements contained in this communication are qualified in their entirety by this cautionary statement. All subsequent written or oral forward-looking statements attributable to IGT, or persons acting on its behalf, are expressly qualified in its entirety by the cautionary statements contained throughout this communication.

## **Presentation of Financial Information**

The financial results contained herein are for GTECH S.p.A. operations and are presented under International Financial Reporting Standards (“IFRS”).



# Strategic Update



# Strategic Update

- Solid GTECH performance
  - Global lottery growth, strong gaming machine performance
  - EBITDA near all-time high
- Portfolio diversity and operational discipline
  - Good growth in the Americas
  - Stability in International operations
  - Strong Lotto growth in Italy; sports betting weighed on results
- Successful completion of transformative IGT transaction; integration and synergy planning on track
  - New organizational structure
  - Revitalization of R&D capabilities
  - Rationalization of industrial footprint
  - Non-strategic asset sales
- Customers and employees excited about the new IGT

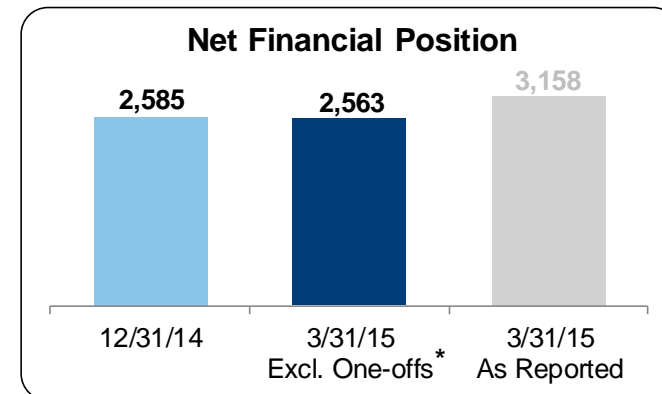
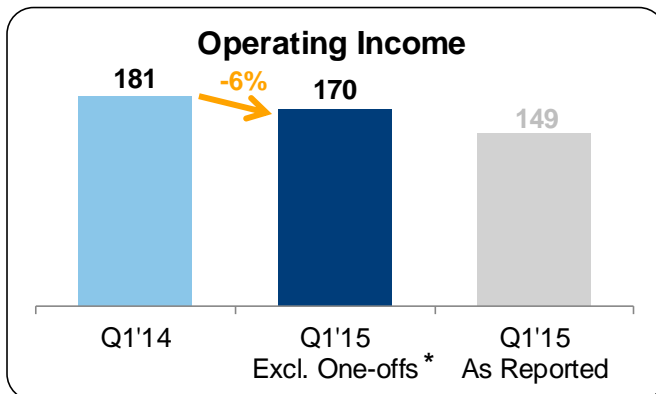
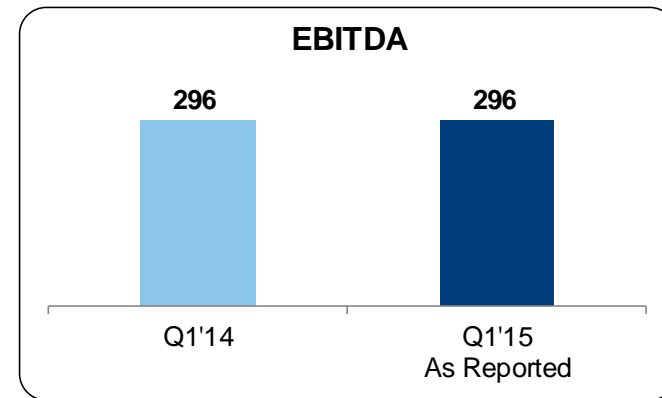
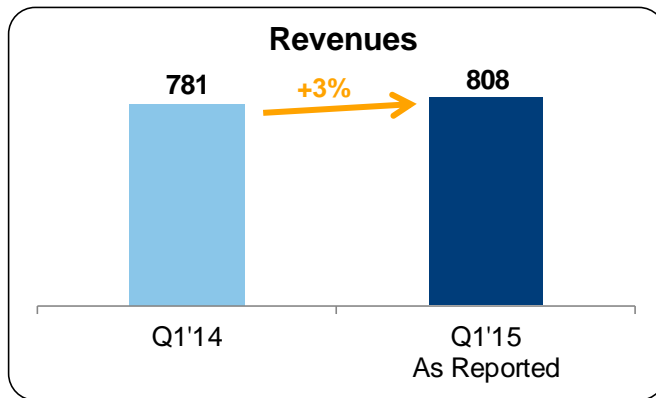


# **Q1'15 Results for GTECH Operations**



# Q1'15 Financial Highlights

€ M



\* Q1'15 adjusted results remove impact of IGT acquisition costs (see appendix for details)

# Q1'15 Americas Highlights



€ M except Gaming units

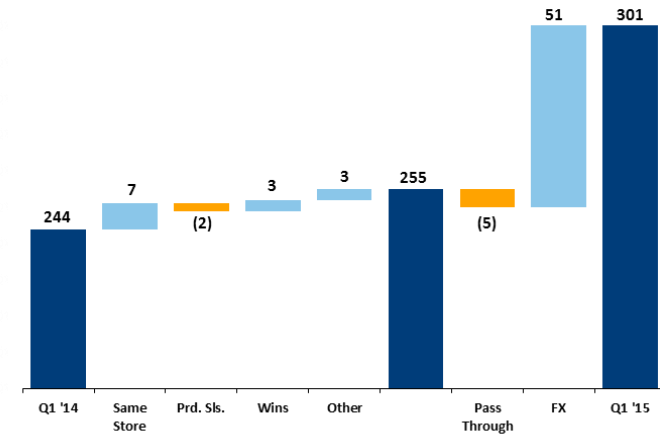
## Business Drivers

Lottery Same-Store Revenues	Q1'15	Q1'14	% Chg.
Instants & Draw Games	121	115	4.3%
Multistate (PB/MM)	19	18	8.8%
<b>Total</b>	<b>140</b>	<b>133</b>	<b>4.9%</b>

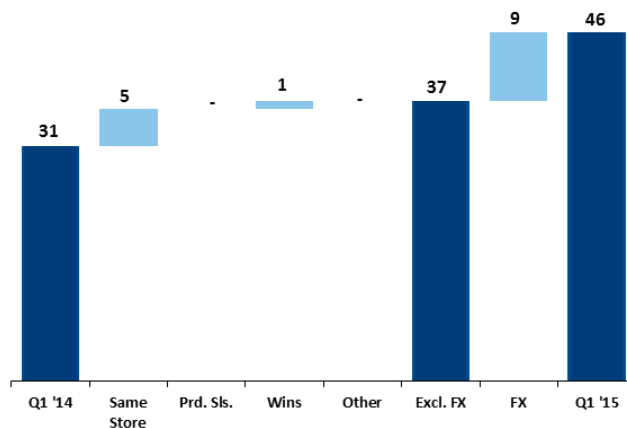
### Gaming Machines

Total Units Shipped & Sold	1,380	1,616	-14.6%
NA Casino Participation (Installed Units)	2,567	1,883	36.3%

## Revenues



## Operating Income



## Developments

- 5% Lottery same-store revenue growth supported by broad based strength across instants, draw games and jackpots
- Growth in gaming machine product sales offsets lower lottery product sales (significant deliveries in PA and CA in Q1'14)
- Strong demand for new games, especially Sphinx 3D and Zuma
- Gaming machine unit shipments down from high comps, boosted by Canada last year



# Q1'15 International Highlights



€ M except Gaming units

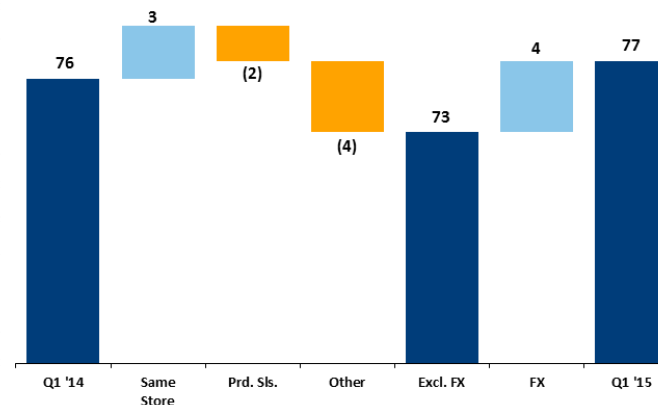
## Business Drivers

Lottery Same-Store Revenues	Q1'15	Q1'14	% Chg.
Instants & Draw Games	22	19	12.1%
EuroMillions	3	3	5.9%
<b>Total</b>	<b>25</b>	<b>22</b>	<b>11.4%</b>

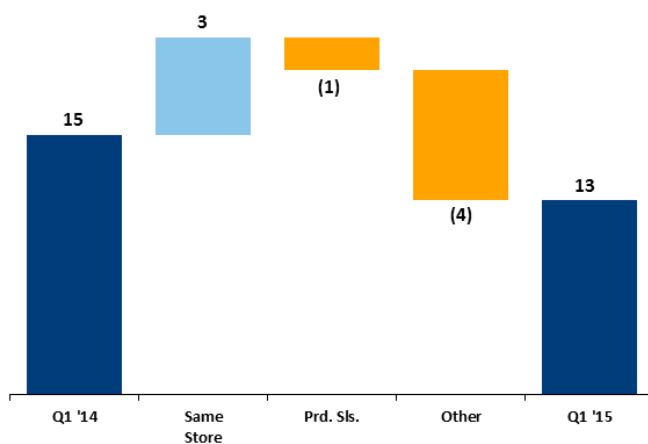
## Gaming Machines

Total Units Shipped & Sold	323	337	-4.2%
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## Revenues



## Operating Income



## Developments

- 11% increase in Lottery same-store revenues driven by strong instant ticket growth in the UK and jackpot activity in Eastern Europe
- Lower machine gaming product sales mitigated by growth in lottery product sales (New Zealand)
- Expect roll out of Greek VLTs to support revenue growth in the second half of 2015

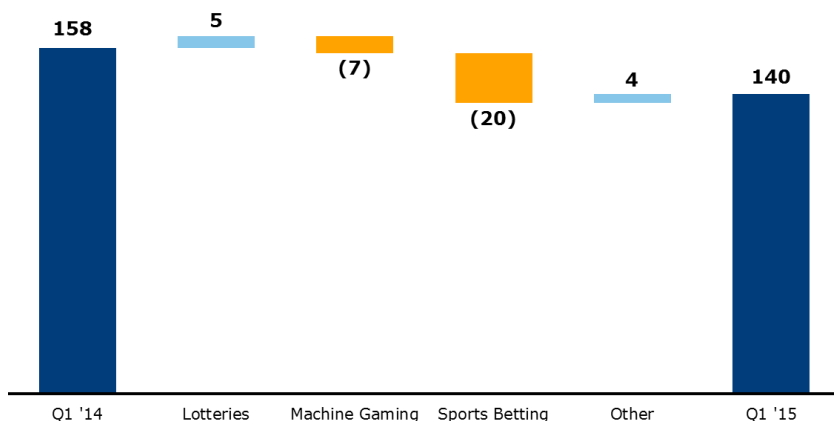
# Q1'15 Italy Highlights



## Business Drivers

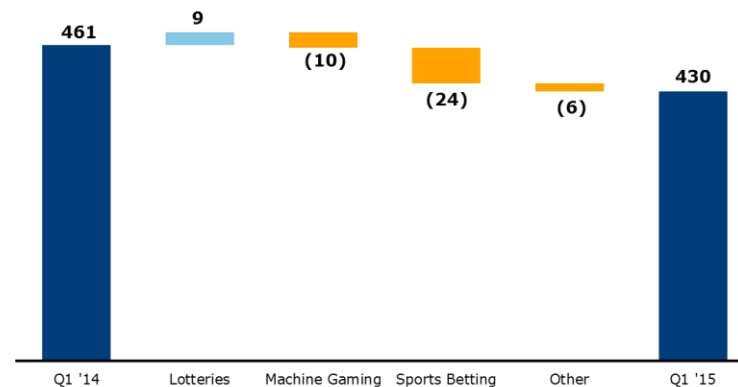
Wagers	Q1'15	Q1'14	% Chg.
<b>Lottery Wagers</b>	<b>4,119</b>	<b>4,045</b>	<b>1.8%</b>
Scratch & Win Wagers	2,302	2,476	-7.0%
Lotto Wagers	1,817	1,569	15.8%
Late Numbers	105	60	75.8%
<b>Machine Gaming Wagers</b>	<b>2,503</b>	<b>2,638</b>	<b>-5.1%</b>
Machines Installed – AWP	64.7K	69.5K	-6.9%
Machines Installed – VLT	11.0K	10.6K	3.9%
<b>Sports Betting Wagers</b>	<b>257</b>	<b>251</b>	<b>2.0%</b>
<b>Interactive Wagers</b>	<b>474</b>	<b>479</b>	<b>-1.0%</b>

## Operating Income



€ M except machines installed

## Revenues



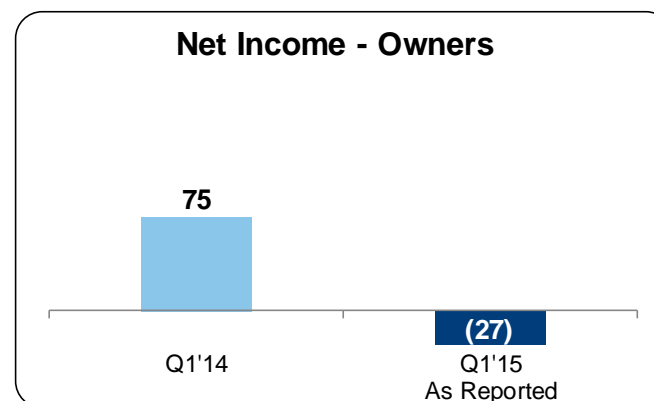
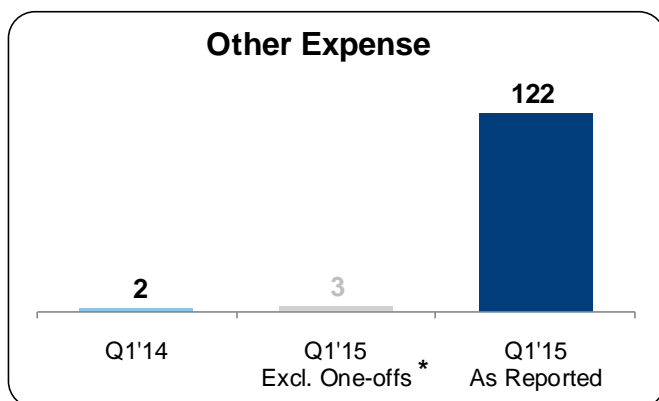
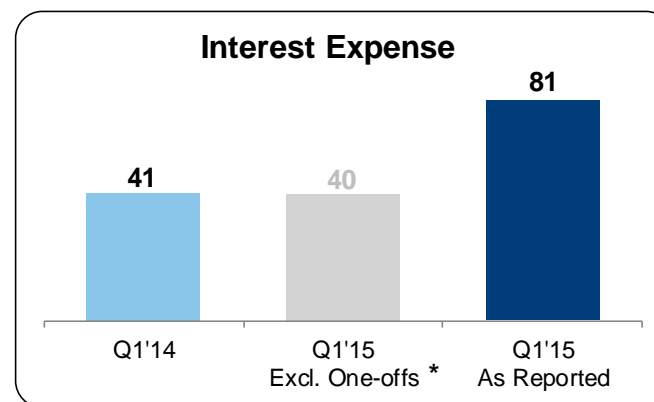
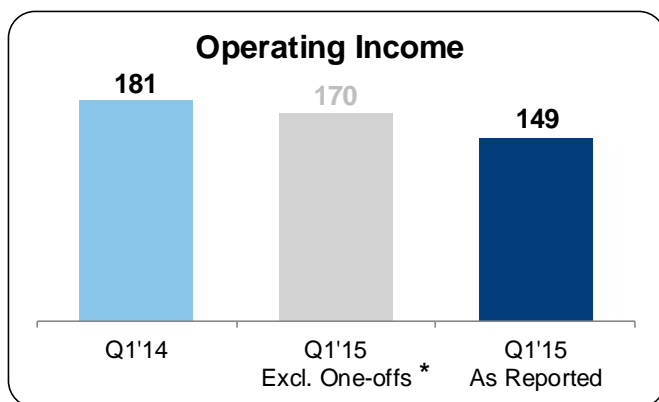
## Developments

- Double-digit growth in Lotto wagers; significant pickup in late numbers
- Sports betting revenues down on sharp increase in payout, in line with industry average
- Machine gaming revenues impacted by Stability Law implementation

# Q1'15 Financial Highlights



€ M



\* Q1'15 adjusted results remove impact of IGT acquisition costs (see appendix for details)

# Q1 Income Statement



€ M except EPS

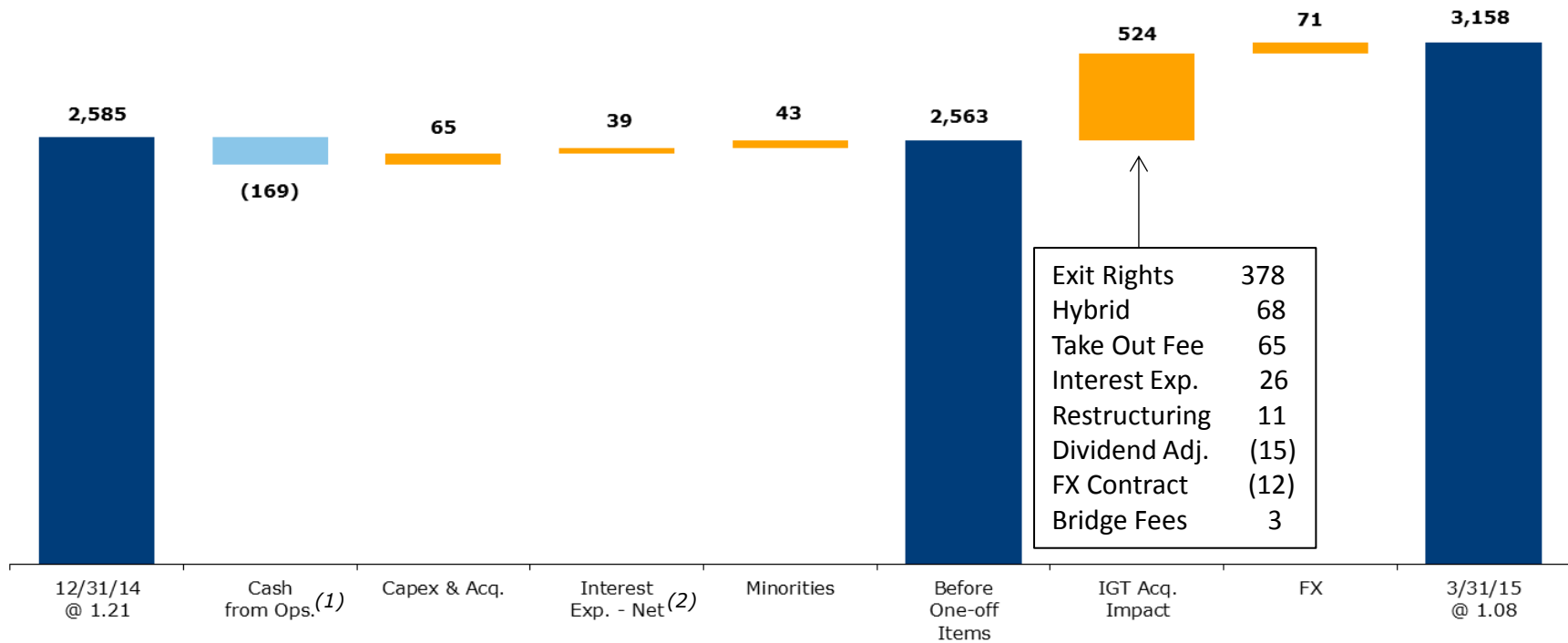
<b>Income Statement</b>	<b>Q1'15</b>	<b>Q1'14</b>	<b>% Change</b>	<b>Constant Currency Q1'15</b>	<b>% Chg.</b>
<i>Service Revenues</i>	756	729	4%	705	-3%
<i>Product Sales</i>	52	52	1%	47	-9%
<b>Revenues</b>	<b>808</b>	<b>781</b>	<b>3%</b>	<b>752</b>	<b>-4%</b>
<b>EBITDA</b>	<b>296</b>	<b>296</b>	<b>0%</b>	<b>281</b>	<b>-5%</b>
<b>Operating Income</b>	<b>149</b>	<b>181</b>	<b>-17%</b>	<b>150</b>	<b>-17%</b>
<i>Interest Expense, Net</i>	(81)	(40)			
<i>Foreign Exchange</i>	9	(1)			
<i>Other</i>	(121)	(2)			
Financial Charges, Net	(193)	(43)			
<b>Income Before Tax</b>	<b>(44)</b>	<b>138</b>	<b>n.m.</b>		
<b>Net Income</b>	<b>(24)</b>	<b>82</b>	<b>n.m.</b>		
<b>Net Income - Owners</b>	<b>(27)</b>	<b>75</b>	<b>n.m.</b>		
<b>Diluted EPS</b>	<b>(0.16)</b>	<b>0.43</b>	<b>n.m.</b>		

Note: - \$/€ FX daily average: 1.13 in Q1'15; 1.37 in Q1'14



€ M

# Net Financial Position (“NFP”)



(1) Excludes impact of IGT related restructuring costs

(2) Excludes impact of IGT related interest expense



# Integration Update

- \$230 million in cost synergies on track
  - Expect to achieve two-thirds of savings by the end of year one on annualized basis
- Second quarter results to reflect combined entity
  - New organizational structure
  - Reporting in US dollars
  - Alignment of fiscal reporting calendars
  - U.S. GAAP



**Q&A**



# Appendix





# Q1 Impact of One-off Items

€ M

	Operating Income			Net Income - Owners			NFP
	Q1'15	Q1'14	Change	Q1'15	Q1'14	Change	3/31/15
<b>As Reported</b>	<b>149</b>	<b>181</b>	<b>(32)</b>	<b>(27)</b>	<b>75</b>	<b>(102)</b>	<b>3,158</b>
<b>IGT Acquisition Items:</b>							
Transaction Costs	10	-	10	10	-	10	-
Transaction Related Restructuring Costs	11	-	11	11	-	11	(11)
Bridge Loan Termination				49	-	49	(3)
Hybrid Tender Premium				70	-	70	(68)
Interest Expense				41	-	41	(26)
FX Gain on Forward Contract				(12)	-	(12)	12
Take Out Fee							(65)
Cash Exit Rights							(378)
Dividend Liability Adjustment							15
<b>Income Taxes:</b>							
Impact of Above Items				(37)	-	(37)	
<b>FX Impact on Debt</b>							
							(71)
<b>As Adjusted</b>	<b>170</b>	<b>181</b>	<b>(11)</b>	<b>105</b>	<b>75</b>	<b>30</b>	<b>2,563</b>

# Pro-Forma EPS



€ M except EPS

Pro-Forma EPS	Q1'15	Q1'14
<b>Net Income - Owners (Reported)</b>	<b>(27)</b>	<b>75</b>
<b>Pro-Forma Adjustments:</b>		
<i>GTECH Purchase Price Accounting</i>	13	12
<i>FX Gain on Forward Contract</i>	(12)	-
<i>Restructuring</i>	13	3
<i>IGT Acquisition Impact</i>	170	-
<i>Other - Net</i>	1	-
Total	185	15
Income Tax Effect of Adjustments	(43)	(5)
<b>Net Income - Owners (Pro-Forma)</b>	<b>115</b>	<b>85</b>
<b>Diluted EPS: Pro-Forma</b>	<b>0.67</b>	<b>0.49</b>
<b>Diluted EPS: Reported</b>	<b>(0.16)</b>	<b>0.43</b>

# Q1 Revenues - Americas



€ M

	Q1'15	Q1'14	€ Change	% Change
<b>Service Revenues</b>				
Lottery Same-Store Revenues	140	133	7	4.9%
Wins	3	-	3	-
Gaming & Other	50	46	4	4.6%
Sub-Total	193	179	14	6.6%
Lottery Management Services	27	32	(5)	-15.2%
FX Impact	47	-	47	-
<b>Total Service Revenues</b>	<b>267</b>	<b>211</b>	<b>56</b>	<b>25.7%</b>
<b>Product Sales Revenues</b>				
Lottery	4	12	(8)	-63.3%
Gaming & Other	26	21	5	23.8%
Sub-Total	30	33	(3)	-7.4%
FX Impact	4	-	4	-
<b>Total Product Sales Revenues</b>	<b>34</b>	<b>33</b>	<b>1</b>	<b>4.0%</b>
<b>Total Americas Revenues</b>	<b>301</b>	<b>244</b>	<b>57</b>	<b>22.8%</b>

# Q1 Revenues - International



€ M

	Q1'15	Q1'14	€ Change	% Change
<b>Service Revenues</b>				
Lottery Same-Store Revenues	25	22	3	11.4%
Wins	-	-	-	-
Gaming & Other	32	36	(4)	-9.8%
Sub-Total	57	58	(1)	-1.6%
FX Impact	3	-	3	-
<b>Total Service Revenues</b>	<b>60</b>	<b>58</b>	<b>2</b>	<b>4.1%</b>
<b>Product Sales Revenues</b>				
Lottery	6	3	3	101.8%
Gaming & Other	10	15	(5)	-35.9%
Sub-Total	16	18	(2)	-11.6%
FX Impact	1	-	1	-
<b>Total Product Sales Revenues</b>	<b>17</b>	<b>18</b>	<b>(1)</b>	<b>-4.8%</b>
<b>Total International Revenues</b>	<b>77</b>	<b>76</b>	<b>1</b>	<b>2.0%</b>

# Balance Sheet



€ M

<b>Balance Sheet</b>	<b>3/31/15</b>	<b>12/31/14</b>
Non-Current Assets	2,369	2,283
Goodwill	3,732	3,402
Net Working Capital/Other	(357)	(482)
<b>Net Invested Capital</b>	<b>5,744</b>	<b>5,203</b>
Shareholders' Equity	2,586	2,618
Net Financial Position	3,158	2,585
<b>Shareholders' Equity and NFP</b>	<b>5,744</b>	<b>5,203</b>

# Q1 Cash Flow Statement



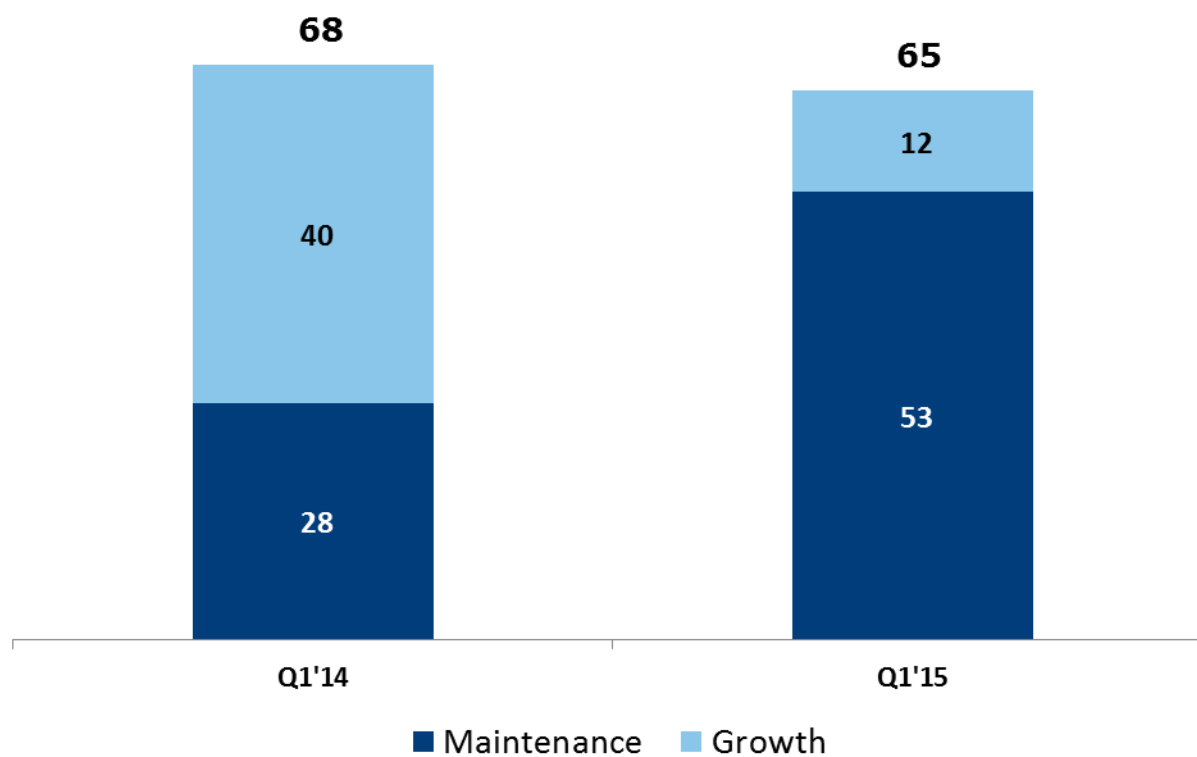
€ M

<b>Cash Flow</b>	<b>Q1'15</b>	<b>Q1'14</b>
<b>Net Cash Flows from Operating Activities</b>	<b>158</b>	<b>163</b>
Capex and Acquisitions	(65)	(68)
Debt Proceeds/(Repayment), Net	320	(1)
Interest Paid, Net	(107)	(108)
Dividends Paid	(115)	-
Non-Controlling Interests/Other	(212)	(145)
<b>Net Cash Flows Used in Investing/Financing</b>	<b>(179)</b>	<b>(322)</b>
<b>Net Cash Flow</b>	<b>(21)</b>	<b>(159)</b>
Effect of Exchange Rates/Other	15	(4)
<b>Net Change in Cash</b>	<b>(6)</b>	<b>(163)</b>
<b>Cash at End of the Period</b>	<b>255</b>	<b>256</b>

# Q1 Capex



€ M



# Q1 Financial Charges, Net



€ M

<b>Financial Charges, Net</b>	<b>Q1'15</b>	<b>Q1'14</b>	<b>Change</b>
Interest and Other Income, Net	(121)	(1)	(120)
Foreign Exchange, Net			
<i>Cash Foreign Exchange</i>	(2)	-	(2)
<i>Non-Cash Foreign Exchange</i>	11	(1)	12
<b>Total Foreign Exchange, Net</b>	<b>9</b>	<b>(1)</b>	<b>10</b>
Interest Expense			
<i>Senior Notes</i>	(32)	-	(32)
<i>Bridge Facility</i>	(17)	-	(17)
<i>2010 Notes (Due 2018)</i>	(9)	(7)	(2)
<i>Revolving Credit Facilities</i>	(9)	-	(9)
<i>2012 Notes (Due 2020)</i>	(6)	(5)	(1)
<i>Capital Securities</i>	(5)	(16)	11
<i>€800M Term Loan</i>	(2)	-	(2)
<i>2009 Notes (Due 2016)</i>	-	(9)	9
<i>Facilities</i>	-	(2)	2
<i>Other</i>	(1)	(2)	1
<b>Total Interest Expense</b>	<b>(81)</b>	<b>(41)</b>	<b>(40)</b>
<b>Total Financial Charges, Net</b>	<b>(193)</b>	<b>(43)</b>	<b>(150)</b>



# Q1 Segment Information



€ M

<b>Revenues</b>	<b>Q1'15</b>	<b>% of Total</b>	<b>Q1'14</b>	<b>% of Total</b>
Americas	301	37%	244	31%
International	77	10%	76	10%
Italy	430	53%	461	59%
<b>Sub-Total</b>	<b>808</b>	<b>100%</b>	<b>781</b>	<b>100%</b>
Purchase Accounting	-	0%	-	0%
<b>Total</b>	<b>808</b>	<b>100%</b>	<b>781</b>	<b>100%</b>

<b>Operating Income</b>	<b>Q1'15</b>	<b>% of Total</b>	<b>Q1'14</b>	<b>% of Total</b>
Americas	46	31%	31	18%
International	13	8%	15	8%
Italy	140	94%	158	87%
<b>Sub-Total</b>	<b>199</b>	<b>133%</b>	<b>204</b>	<b>113%</b>
Corporate Support	(35)	-23%	(10)	-6%
Purchase Accounting	(15)	-10%	(13)	-7%
<b>Total</b>	<b>149</b>	<b>100%</b>	<b>181</b>	<b>100%</b>