



## NEWS RELEASE

### INTERNATIONAL GAME TECHNOLOGY PLC REPORTS THIRD QUARTER 2017 RESULTS

- **Net loss of \$804 million includes \$714 million non-cash impairment charge and \$118 million of net foreign exchange loss; adjusted Net income of \$81 million**
- **Adjusted EBITDA of \$428 million reflects robust lottery same-store revenue growth, strong product sales, and reduced operating expenses**
- **The Company expects to achieve Adjusted EBITDA of \$1,640 – 1,680 million for the full-year period**
- **Cash dividend declared of \$0.20 per ordinary share**

**LONDON, U.K.** – November 14, 2017 – International Game Technology PLC (“IGT”) (NYSE:IGT) today reported financial results for the third quarter and nine months ended September 30, 2017. Today, at 8:00 a.m. EST, management will host a conference call and webcast to present the third quarter results; access details are provided below.

“Our strong third quarter performance reflects the scope and balance of our business,” said **Marco Sala, CEO of IGT**. “Our largest global Lottery operations are growing steadily and acceptance of our newest gaming machines is expanding around the world. The significant increase in Gaming and Lottery product sales demonstrates clear interest in our systems and technology solutions. We expect our sustained investment in innovation, led by a customer-first, player-centric focus, to drive continued momentum in both Lottery and Gaming.”

“Thanks to a favorable product sales mix and reduced operating expenses, Adjusted EBITDA improved from the prior-year period, after considering certain non-comparable items, such as the DoubleDown sale,” said **Alberto Fornaro, CFO of IGT**. “Based on the

year-to-date results and current exchange rates, we expect to achieve Adjusted EBITDA of \$1,640-\$1,680 million for the full-year period.”

### Summary of Consolidated Third Quarter 2017 Financial Results

	Quarter Ended September 30,		Change (%)	Constant Currency Change (%)
	2017	2016		
<b>(In \$ millions, unless otherwise noted)</b>				
Revenue	1,221	1,266	-4%	-6%
Operating income (loss)	(556)	164	-439%	-447%
Net (loss) income per diluted share	(3.95)	(0.01)	NM	
Net debt	7,335	7,937	-8%	
Adjusted EBITDA	428	430	0%	-3%
Adjusted operating income	258	286	-10%	-12%
Adjusted net income per diluted share	0.40	0.45	-11%	

Note: Adjusted EBITDA, adjusted operating income, and adjusted net income per diluted share are non-GAAP financial measures. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures are provided at the end of this news release.

### Comparability of Results

All figures presented in this news release are prepared under U.S. GAAP, unless noted otherwise. Adjusted figures exclude the impact of items such as purchase accounting, impairment charges, restructuring expense, foreign exchange, and certain one-time, primarily transaction-related items. Reconciliations to the most directly comparable U.S. GAAP measures are included in the tables in this news release. Constant currency changes for 2017 are calculated using the same foreign exchange rates as the corresponding 2016 period. Management uses non-GAAP financial measures to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, and to evaluate the Company’s financial performance. Management believes these non-GAAP financial measures reflect the Company’s ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of business trends. These constant currency changes and non-GAAP financial measures should however be viewed in addition to, and not as an alternative for, the Company’s reported results prepared in accordance with U.S. GAAP.

### Overview of Consolidated Third Quarter Results

Consolidated revenue was \$1,221 million compared to \$1,266 million in the third quarter of 2016. Revenue was down 6% in constant currency, primarily on the sale of Double Down Interactive LLC (“DoubleDown”) and new Lotto concession amortization. Adjusted for these items, consolidated revenue was up 2% in constant currency, reflecting growth in global Lottery and Gaming revenue.

Global lottery same-store revenue, excluding Italy, grew a robust 6.8% in the third quarter, led by broad-based strength in North America. In Italy, late numbers activity was considerably lower than the elevated levels in the third quarter of 2016. Excluding late numbers, Italy lottery wagers increased 6% on exceptional growth for both 10eLotto and Scratch & Win.

Gaming service revenue declined 9%, primarily impacted by the DoubleDown sale; adjusted for DoubleDown, gaming service revenue increased 5%. The global installed base grew 3,275 units from the prior-year period, including expansion for both casino and VLT units. Global gaming product revenue increased 9% from the prior-year period on strong system and software sales. The Company shipped 6,406 gaming machines worldwide during the third quarter with higher average selling prices than the prior year.

Operating loss of \$556 million is due to a non-cash, non-tax deductible impairment charge of \$714 million to write down the carrying value of the Company's North America Gaming and Interactive reporting unit to fair value. The impairment charge reflects a delayed recovery for the North America Gaming and Interactive reporting unit. Going forward, revenue and profit levels for the North America Gaming and Interactive reporting unit are expected to grow as new games and cabinets come to market. The impairment charge has no impact on the Company's operations, cash flow, ability to service debt, compliance with financial covenants, or underlying liquidity.

Adjusted operating income was \$258 million compared to \$286 million in the prior-year period. Adjusted EBITDA was \$428 million compared to \$430 million in the third quarter of 2016, as higher product sales and lower operating expenses essentially compensated for the DoubleDown sale and the timing of incentive contributions from the New Jersey Lottery.

Interest expense was \$114 million compared to \$118 million in the prior-year period.

Net loss attributable to IGT was \$804 million in the third quarter of 2017, reflecting the previously mentioned impairment charge and \$118 million of net foreign exchange loss. On an adjusted basis, net income attributable to IGT was to \$81 million. The Company reported a net loss per diluted share of \$(3.95) and earned \$0.40 per diluted share on an adjusted basis.

Cash from operations was \$601 million in the first nine months of the year and capital expenditures were \$552 million.

Cash and cash equivalents were \$300 million as of September 30, 2017, compared to \$294 million as of December 31, 2016. Net debt was \$7,335 million as of September 30, 2017, compared to \$7,569 million as of December 31, 2016.

## **Operating Segment Review**

### **North America Gaming & Interactive**

Revenue for North America Gaming & Interactive was \$262 million compared to \$317 million in the third quarter of 2016. Comparability is affected by the DoubleDown sale; adjusted for DoubleDown, revenue for North America Gaming & Interactive rose 4% in the third quarter.

Service revenue was \$171 million compared to \$241 million in the prior-year period, the decline is primarily attributed to DoubleDown and a year-over-year decrease in the installed base.

Product sales revenue increased 20% to \$91 million, driven by large software and system sales. The segment shipped 3,597 gaming machine units in the quarter compared to 5,238 units in the prior-year period, when there was significant new and expansion and VLT replacement activity. Average selling price per unit was higher, supported by demand for new cabinets.

Operating income for North America Gaming & Interactive was \$65 million compared to \$68 million in the third quarter of 2016. The decline is entirely attributable to the DoubleDown sale, which was largely offset by a high-margin product sales mix and lower operating expenses.

### **North America Lottery**

North America Lottery revenue of \$307 million was in line with the prior-year period, which included a significant incentive contribution from the New Jersey Lottery; the 2017 New Jersey incentive was mostly recognized in the second quarter of 2017. Adjusting for the timing of the New Jersey contribution, revenue increased 9% from the prior year.

Lottery same-store revenue rose 9.4% on top of 6.3% growth in the prior year, supported by broad-based strength in draw-based games, instant tickets, and multi-state jackpots. Product sales were significantly above the prior year.

Operating income for North America Lottery was \$75 million compared to \$85 million in the third quarter of 2016. Adjusted for the timing of the New Jersey Lottery incentive, operating income was up double-digits on the high profit flow-through of strong same-store revenue growth.

### **International**

International revenue increased 9% to \$234 million, and was up 8% on a constant currency basis.

Lottery service revenue of \$70 million was essentially in line with the prior year, as a 1.4% decline in same-store revenue was offset by a higher effective rate in the period.

Gaming service revenue increased 36% to \$59 million, reflecting the benefit of discrete, non-recurring items and significant expansion in the installed base.

Product sales revenue rose 5% to \$87 million, supported by Gaming system and Lottery software sales. Gaming terminal sales were below the prior year, as the segment shipped a total of 2,809 gaming machine units during the third quarter of 2017 compared to 3,742 units in the prior-year period.

International operating income of \$40 million increased 7% at constant currency, reflecting higher revenue and disciplined cost management that was partially offset by product mix.

### **Italy**

Italy revenue was \$418 million compared to \$426 million in the third quarter of 2016. The decline in revenue is entirely attributable to amortization associated with the new Lotto concession and significantly lower late numbers activity.

Total Lotto wagers in the quarter were €1,815 million compared to €1,967 million in the prior-year period. Excluding late numbers, Lotto wagers increased 7% over the prior-year period reflecting strong growth in 10eLotto. Instant-ticket wagers grew 5% reaching €2,198 million on the strong acceptance of new games.

Machine gaming service revenue was down in constant currency on higher gaming machine taxes that were partially offset by improved VLT performance. Sports betting revenue rose on strong wager growth.

Italy operating income was \$126 million compared to \$147 million in the third quarter of 2016. The decrease was entirely attributable to the new Lotto amortization, as strong underlying performance offset higher gaming machine taxes and lower late number wagers.

### **Other Developments**

The Company's board of directors declared a quarterly cash dividend of \$0.20 per ordinary share. The dividend is payable on December 12, 2017 to holders of record as of the close of business on November 28, 2017.

### **Outlook**

Based on the year-to-date results and current exchange rates, the Company expects to achieve adjusted EBITDA of \$1,640-\$1,680 million for the full-year period. Net debt is expected to remain essentially in line with the third quarter level.

## **Conference Call and Webcast**

Today, at 8:00 a.m. EST, management will host a conference call to present the third quarter 2017 results. Listeners may access a live webcast of the conference call along with accompanying slides under “News, Events & Presentations” on IGT's Investor Relations website at [www.IGT.com](http://www.IGT.com). A replay of the webcast will be available on the website following the live event. To listen by telephone, the US/Canada toll-free dial-in number is +1 844 842 7999 and the dial-in number for participants outside the US/Canada is +1 612 979 9887. The conference ID/confirmation code is 2259942. A telephone replay of the call will be available for one week at +1 855 859 2056 for the US/Canada or +1 404 537 3406 outside the US/Canada using the conference ID/confirmation code 2259942.

## **About IGT**

IGT (NYSE:IGT) is the global leader in gaming. We enable players to experience their favorite games across all channels and regulated segments, from Gaming Machines and Lotteries to Interactive and Social Gaming. Leveraging a wealth of premium content, substantial investment in innovation, in-depth customer intelligence, operational expertise and leading-edge technology, our gaming solutions anticipate the demands of consumers wherever they decide to play. We have a well-established local presence and relationships with governments and regulators in more than 100 countries around the world, and create value by adhering to the highest standards of service, integrity, and responsibility. IGT has over 12,000 employees. For more information, please visit [www.IGT.com](http://www.IGT.com).

## **Cautionary Statement Regarding Forward-Looking Statements**

This news release may contain forward-looking statements (including within the meaning of the Private Securities Litigation Reform Act of 1995) concerning International Game Technology PLC and its consolidated subsidiaries (the “Company”) and other matters. These statements may discuss goals, intentions, and expectations as to future plans, trends, events, dividends, results of operations, or financial condition, or otherwise, based on current beliefs of the management of the Company 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 speak only as of the date on which such statements are made and are subject to various risks and uncertainties, many of which are outside the Company’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) the factors and risks described in the Company’s annual report on Form 20-F for the financial

year ended December 31, 2016 and other documents filed from time to time with the SEC, which are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and on the investor relations section of the Company's website at [www.IGT.com](http://www.IGT.com). Except as required under applicable law, the Company does not assume any obligation to update these forward-looking statements. You should carefully consider these factors and other risks and uncertainties that affect the Company's business. All forward-looking statements contained in this news release are qualified in their entirety by this cautionary statement. All subsequent written or oral forward-looking statements attributable to International Game Technology PLC, or persons acting on its behalf, are expressly qualified in its entirety by this cautionary statement.

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**International Game Technology PLC**  
**Condensed Consolidated Statements of Operations**  
*(\$ and shares in thousands, except per share data)*  
**Unaudited**

	For the three months ended	
	September 30,	
	2017	2016
Service revenue	1,013,054	1,088,842
Product sales	208,147	176,808
<b>Total revenue</b>	<b>1,221,201</b>	<b>1,265,650</b>
Cost of services	625,247	625,235
Cost of product sales	150,358	136,702
Selling, general and administrative	196,862	242,510
Research and development	79,009	87,354
Restructuring expense	9,976	5,658
Impairment loss	715,220	4,230
Transaction expense, net	627	129
<b>Total operating expenses</b>	<b>1,777,299</b>	<b>1,101,818</b>
<b>Operating (loss) income</b>	<b>(556,098)</b>	<b>163,832</b>
Interest income	2,906	3,240
Other (expense) income, net	(9,802)	2,907
Foreign exchange loss, net	(117,526)	(21,143)
Interest expense	(113,711)	(117,618)
<b>Total non-operating expenses</b>	<b>(238,133)</b>	<b>(132,614)</b>
<b>(Loss) income before (benefit from) provision for income taxes</b>	<b>(794,231)</b>	<b>31,218</b>
(Benefit from) provision for income taxes	(19,824)	12,812
<b>Net (loss) income</b>	<b>(774,407)</b>	<b>18,406</b>
Less: Net income attributable to non-controlling interests	29,207	20,309
<b>Net loss attributable to IGT PLC</b>	<b>(803,614)</b>	<b>(1,903)</b>
<b>Net loss attributable to IGT PLC per common share - basic</b>	<b>(3.95)</b>	<b>(0.01)</b>
<b>Net loss attributable to IGT PLC per common share - diluted</b>	<b>(3.95)</b>	<b>(0.01)</b>
<b>Weighted-average shares - basic</b>	<b>203,489</b>	<b>202,029</b>
<b>Weighted-average shares - diluted</b>	<b>203,489</b>	<b>202,029</b>



**International Game Technology PLC**  
**Condensed Consolidated Statements of Operations**  
*(\$ and shares in thousands, except per share data)*  
**Unaudited**

	For the nine months ended	
	September 30,	
	2017	2016
Service revenue	3,063,477	3,313,917
Product sales	529,812	518,763
<b>Total revenue</b>	<b>3,593,289</b>	<b>3,832,680</b>
Cost of services	1,866,281	1,911,830
Cost of product sales	403,056	403,118
Selling, general and administrative	607,571	709,277
Research and development	242,142	256,349
Restructuring expense	30,706	21,514
Impairment loss	715,220	6,582
Transaction (income) expense, net	(26,682)	1,560
<b>Total operating expenses</b>	<b>3,838,294</b>	<b>3,310,230</b>
<b>Operating (loss) income</b>	<b>(245,005)</b>	<b>522,450</b>
Interest income	7,992	10,287
Other expense, net	(33,247)	(4,994)
Foreign exchange loss, net	(384,749)	(94,547)
Interest expense	(344,494)	(353,748)
<b>Total non-operating expenses</b>	<b>(754,498)</b>	<b>(443,002)</b>
<b>(Loss) income before provision for income taxes</b>	<b>(999,503)</b>	<b>79,448</b>
Provision for income taxes	53,932	64,593
<b>Net (loss) income</b>	<b>(1,053,435)</b>	<b>14,855</b>
Less: Net income attributable to non-controlling interests	94,870	36,836
<b>Net loss attributable to IGT PLC</b>	<b>(1,148,305)</b>	<b>(21,981)</b>
<b>Net loss attributable to IGT PLC per common share - basic</b>	<b>(5.66)</b>	<b>(0.11)</b>
<b>Net loss attributable to IGT PLC per common share - diluted</b>	<b>(5.66)</b>	<b>(0.11)</b>
<b>Weighted-average shares - basic</b>	<b>203,002</b>	<b>201,238</b>
<b>Weighted-average shares - diluted</b>	<b>203,002</b>	<b>201,238</b>

**International Game Technology PLC**  
**Condensed Consolidated Balance Sheets**  
(\$ thousands)  
**Unaudited**

	September 30, 2017	December 31, 2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	300,079	294,094
Restricted cash and investments	236,731	247,222
Trade and other receivables, net	948,993	947,237
Inventories	370,911	347,494
Other current assets	400,991	424,727
Income taxes receivable	26,919	28,792
<b>Total current assets</b>	<b>2,284,624</b>	<b>2,289,566</b>
Systems, equipment and other assets related to contracts, net	1,405,335	1,199,674
Property, plant and equipment, net	197,633	357,841
Goodwill, net	5,715,885	6,810,012
Intangible assets, net	2,325,960	2,874,031
Other non-current assets	1,485,199	1,497,662
Deferred income taxes	32,303	31,376
<b>Total non-current assets</b>	<b>11,162,315</b>	<b>12,770,596</b>
<b>Total assets</b>	<b>13,446,939</b>	<b>15,060,162</b>
<b>Liabilities, redeemable non-controlling interests, and shareholders' equity</b>		
Current liabilities:		
Accounts payable	1,150,748	1,216,079
Other current liabilities	814,161	1,097,045
Current portion of long-term debt	588,342	77
Income taxes payable	165,072	28,590
<b>Total current liabilities</b>	<b>2,718,323</b>	<b>2,341,791</b>
Long-term debt, less current portion	7,046,678	7,863,085
Deferred income taxes	602,015	761,924
Other non-current liabilities	434,174	444,556
<b>Total non-current liabilities</b>	<b>8,082,867</b>	<b>9,069,565</b>
<b>Total liabilities</b>	<b>10,801,190</b>	<b>11,411,356</b>
<b>Commitments and contingencies</b>	-	-
<b>Redeemable non-controlling interests and shareholders' equity</b>	<b>2,645,749</b>	<b>3,648,806</b>
<b>Total liabilities, redeemable non-controlling interests, and shareholders' equity</b>	<b>13,446,939</b>	<b>15,060,162</b>

**International Game Technology PLC**  
**Condensed Consolidated Statements of Cash Flows**  
(\$ thousands)  
**Unaudited**

	For the nine months ended	
	September 30,	
	2017	2016
<b>Operating activities</b>		
Net (loss) income	(1,053,435)	14,855
Adjustments for:		
Impairment loss	715,220	6,582
Foreign exchange loss, net	384,749	94,547
Amortization	317,989	377,163
Depreciation	289,088	293,284
Amortization of upfront payments to customers	155,318	85,160
Loss on early extinguishment of debt	35,428	-
Debt issuance cost amortization	16,602	13,757
Stock-based compensation expense	5,102	24,502
Non-cash gain on sale of Double Down Interactive LLC	(51,348)	-
Other, net	8,428	16,603
<b>Cash flows before changes in operating assets and liabilities</b>	<b>823,141</b>	<b>926,453</b>
Changes in operating assets and liabilities, net of disposition:		
Trade and other receivables	42,023	83,085
Inventories	16,526	(46,761)
Accounts payable	(60,733)	(135,297)
Other assets and liabilities	(220,004)	(206,483)
<b>Net cash flows provided by operating activities</b>	<b>600,953</b>	<b>620,997</b>
<b>Investing activities</b>		
Proceeds from sale of Double Down Interactive LLC, net of cash divested	823,788	-
Proceeds from sale of assets	168,201	55,713
Upfront payments to customers	(185,368)	(390,390)
Capital expenditures	(552,169)	(371,497)
Other	2,779	15,196
<b>Net cash flows provided by (used in) investing activities</b>	<b>257,231</b>	<b>(690,978)</b>
<b>Financing activities</b>		
Principal payments on long-term debt	(1,601,134)	(177,977)
Dividends paid	(121,840)	(120,726)
Return of capital - non-controlling interests	(62,538)	(35,407)
Dividends paid - non-controlling interests	(51,508)	(27,813)
Payments in connection with the early extinguishment of debt	(38,832)	-
Net payments of financial liabilities	(32,495)	-
Debt issuance costs paid	(16,350)	(10,736)
Capital increase - non-controlling interests	127,211	151,359
Proceeds from long-term debt	938,160	-
Other	(24,785)	2,225
<b>Net cash flows used in financing activities</b>	<b>(884,111)</b>	<b>(219,075)</b>
Net decrease in cash and cash equivalents	(25,927)	(289,056)
Effect of exchange rate changes on cash	31,912	11,471
Cash and cash equivalents at the beginning of the period	294,094	627,484
<b>Cash and cash equivalents at the end of the period</b>	<b>300,079</b>	<b>349,899</b>
<b>Supplemental Cash Flow Information:</b>		
Interest paid	(397,555)	(408,864)
Income taxes paid	(159,613)	(136,015)

**International Game Technology PLC**  
**Net Debt**  
(\$ thousands)

	September 30, 2017	December 31, 2016
6.250% Senior Secured Notes due 2022	1,476,058	1,472,150
6.500% Senior Secured Notes due 2025	1,086,560	1,085,537
4.750% Senior Secured Notes due 2023	992,426	884,917
4.125% Senior Secured Notes due 2020	820,013	730,465
5.625% Senior Secured Notes due 2020	595,304	593,954
4.750% Senior Secured Notes due 2020	574,535	509,050
7.500% Senior Secured Notes due 2019	148,876	521,894
5.500% Senior Secured Notes due 2020	125,856	126,294
5.350% Senior Secured Notes due 2023	61,106	61,187
6.625% Senior Secured Notes due 2018	-	521,556
<b>Senior Secured Notes</b>	<b>5,880,734</b>	<b>6,507,004</b>
Term Loan Facilities due 2023	935,198	-
Revolving Credit Facilities due 2021	230,746	516,529
Term Loan Facilities due 2019	-	839,552
<b>Long-term debt, less current portion</b>	<b>7,046,678</b>	<b>7,863,085</b>
6.625% Senior Secured Notes due 2018	588,320	-
Other	22	77
<b>Current portion of long-term debt</b>	<b>588,342</b>	<b>77</b>
<b>Total debt</b>	<b>7,635,020</b>	<b>7,863,162</b>
Cash and cash equivalents	300,079	294,094
<b>Net debt</b>	<b>7,334,941</b>	<b>7,569,068</b>

**International Game Technology PLC**  
**Condensed Consolidated Statement of Operations**  
**Reconciliation of Non-GAAP Financial Measures**  
(\$ and shares in thousands, except per share data)

	Q3 2017 As Reported	Adjustments			Q3 2017 As Adjusted
		Purchase Accounting	Foreign Exchange	Impairment/ Restructuring Expense	
<b>Total revenue</b>	1,221,201	(182)	-	-	1,221,019
Cost of services	625,247	(36,918)	-	-	588,329
Cost of product sales	150,358	(23,961)	-	-	126,397
Selling, general and administrative	196,862	(27,180)	-	-	169,682
Research and development	79,009	(15)	-	-	78,994
Restructuring expense	9,976	-	-	(9,976)	-
Impairment loss	715,220	-	-	(715,220)	-
Transaction expense, net	627	-	-	-	(627)
<b>Total operating expenses</b>	1,777,299	(88,074)	-	(725,196)	963,402
<b>Operating (loss) income</b>	(556,098)	87,892	-	725,196	257,617
Foreign exchange loss, net	(117,526)	-	117,526	-	-
Other expense, net	(9,802)	(84)	-	-	9,703
Interest expense, net	(110,805)	610	-	-	(110,195)
<b>Total non-operating expenses</b>	(238,133)	526	117,526	-	9,703
<b>(Loss) income before (benefit from) provision for income taxes</b>	(794,231)	88,418	117,526	725,196	147,239
(Benefit from) provision for income taxes (a)	(19,824)	30,834	26,056	2,998	(3,230)
<b>Net (loss) income</b>	(774,407)	57,584	91,470	722,198	110,405
Less: Net income attributable to non-controlling interests	29,207	26	-	-	29,233
<b>Net (loss) income attributable to IGT PLC</b>	(803,614)	57,558	91,470	722,198	81,172
<b>Net (loss) income per common share - diluted</b>	(3.95)				0.40
<b>Weighted-average shares - diluted (b)</b>	203,489				203,689

(a) Benefit from income taxes was determined based on the statutory tax rate in effect in the respective jurisdiction where the adjustment originated.

(b) Weighted-average shares – diluted, as adjusted, include shares that were excluded from the as reported computation, due to the net loss as reported.

**International Game Technology PLC**  
**Condensed Consolidated Statement of Operations**  
**Reconciliation of Non-GAAP Financial Measures**  
(\$ and shares in thousands, except per share data)

	Year to date September 2017 As Reported	Adjustments				Year to date September 2017 As Adjusted
		Purchase Accounting	Foreign Exchange	Impairment/ Restructuring Expense	Transaction and Refinancing Expense, net	
<b>Total revenue</b>	3,593,289	(540)	-	-	-	3,592,749
Cost of services	1,866,281	(117,658)	-	-	-	1,748,623
Cost of product sales	403,056	(77,261)	-	-	-	325,795
Selling, general and administrative	607,571	(90,277)	-	-	-	517,294
Research and development	242,142	(426)	-	-	-	241,716
Restructuring expense	30,706	-	-	(30,706)	-	-
Impairment loss	715,220	-	-	(715,220)	-	-
Transaction income, net	(26,682)	-	-	-	26,682	-
<b>Total operating expenses</b>	3,838,294	(285,622)	-	(745,926)	26,682	2,833,428
<b>Operating (loss) income</b>	(245,005)	285,082	-	745,926	(26,682)	759,321
Foreign exchange loss, net	(384,749)	-	384,749	-	-	-
Other (expense) income, net	(33,247)	1,567	-	-	35,428	3,748
Interest expense, net	(336,502)	2,415	-	-	-	(334,087)
<b>Total non-operating expenses</b>	(754,498)	3,982	384,749	-	35,428	(330,339)
<b>(Loss) income before provision for income taxes</b>	(999,503)	289,064	384,749	745,926	8,746	428,982
Provision for income taxes (a)	53,932	101,066	87,152	9,132	(88,159)	163,123
<b>Net (loss) income</b>	(1,053,435)	187,998	297,597	736,794	96,905	265,859
Less: Net income attributable to non-controlling interests	94,870	77	-	-	-	94,947
<b>Net (loss) income attributable to IGT PLC</b>	(1,148,305)	187,921	297,597	736,794	96,905	170,912
<b>Net (loss) income per common share - diluted</b>	(5.66)					0.84
<b>Weighted-average shares - diluted (b)</b>	203,002					203,303

(a) Provision for income taxes was determined based on the statutory tax rate in effect in the respective jurisdiction where the adjustment originated.

(b) Weighted-average shares – diluted, as adjusted, include shares that were excluded from the as reported computation, due to the net loss as reported.

**International Game Technology PLC**  
**Condensed Consolidated Statement of Operations**  
**Reconciliation of Non-GAAP Financial Measures**  
(\$ and shares in thousands, except per share data)

	Q3 2016 As Reported	Adjustments			Q3 2016 As Adjusted	
		Purchase Accounting	Foreign Exchange	Impairment/ Restructuring Expense		Transaction (Income) Expense
<b>Total revenue</b>	1,265,650	376	-	-	-	1,266,026
Cost of services	625,235	(46,222)	-	-	-	579,013
Cost of sales	136,702	(29,740)	-	-	-	106,962
Selling, general and administrative	242,510	(35,254)	-	-	-	207,256
Research and development	87,354	(465)	-	-	-	86,889
Restructuring expense	5,658	-	-	(5,658)	-	-
Impairment loss	4,230	-	-	(4,230)	-	-
Transaction expense, net	129	-	-	-	(129)	-
<b>Total operating expenses</b>	1,101,818	(111,681)	-	(9,888)	(129)	980,120
<b>Operating income</b>	163,832	112,057	-	9,888	129	285,906
Foreign exchange loss, net	(21,143)	-	21,143	-	-	-
Other income, net	2,907	(211)	-	-	-	2,696
Interest expense, net	(114,378)	2,073	-	-	-	(112,305)
<b>Total non-operating expenses</b>	(132,614)	1,862	21,143	-	-	(109,609)
<b>Income before provision for income taxes</b>	31,218	113,919	21,143	9,888	129	176,297
Provision for income taxes (a)	12,812	40,437	9,857	2,538	40	65,684
<b>Net income</b>	18,406	73,482	11,286	7,350	89	110,613
Less: Net income attributable to non-controlling interests	20,309	26	-	-	-	20,335
<b>Net (loss) income attributable to IGT PLC</b>	(1,903)	73,456	11,286	7,350	89	90,278
<b>Net (loss) income per common share - diluted</b>	(0.01)					0.45
<b>Weighted-average shares - diluted</b>	202,029					202,606

(a) Provision for income taxes was determined based on the statutory tax rate in effect in the respective jurisdiction where the adjustment originated.

**International Game Technology PLC**  
**Condensed Consolidated Statement of Operations**  
**Reconciliation of Non-GAAP Financial Measures**  
(\$ and shares in thousands, except per share data)

	Year to date September 2016 As Reported	Adjustments				Year to date September 2016 As Adjusted
		Purchase Accounting	Foreign Exchange	Impairment/ Restructuring Expense	Transaction Expense	
<b>Total revenue</b>	3,832,680	1,332	-	-	-	3,834,012
Cost of services	1,911,830	(137,366)	-	-	-	1,774,464
Cost of sales	403,118	(89,091)	-	-	-	314,027
Selling, general and administrative	709,277	(104,857)	-	-	-	604,420
Research and development	256,349	(1,459)	-	-	-	254,890
Restructuring expense	21,514	-	-	(21,514)	-	-
Impairment loss	6,582	-	-	(6,582)	-	-
Transaction expense, net	1,560	-	-	-	(1,560)	-
<b>Total operating expenses</b>	3,310,230	(332,773)	-	(28,096)	(1,560)	2,947,801
<b>Operating income</b>	522,450	334,105	-	28,096	1,560	886,211
Foreign exchange loss, net	(94,547)	-	94,547	-	-	-
Other expense, net	(4,994)	3,881	-	-	-	(1,113)
Interest expense, net	(343,461)	6,147	-	-	-	(337,314)
<b>Total non-operating expenses</b>	(443,002)	10,028	94,547	-	-	(338,427)
<b>Income before provision for income taxes</b>	79,448	344,133	94,547	28,096	1,560	547,784
Provision for income taxes (a)	64,593	122,338	23,431	7,718	302	218,382
<b>Net income</b>	14,855	221,795	71,116	20,378	1,258	329,402
Less: Net income attributable to non-controlling interests	36,836	76	-	-	-	36,912
<b>Net (loss) income attributable to IGT PLC</b>	(21,981)	221,719	71,116	20,378	1,258	292,490
<b>Net (loss) income per common share - diluted</b>	(0.11)					1.45
<b>Weighted-average shares - diluted</b>	201,238					201,901

(a) Provision for income taxes was determined based on the statutory tax rate in effect in the respective jurisdiction where the adjustment originated.



**International Game Technology PLC**  
**Adjusted EBITDA and Free Cash Flow**  
**Reconciliations of Non-GAAP Financial Measures**  
**(\$ thousands)**

	For the three months ended	
	September 30,	
	2017	2016
Net (loss) income	(774,407)	18,406
(Benefit from) provision for income taxes	(19,824)	12,812
Non-operating expenses	238,133	132,614
Impairment loss	715,220	4,230
Depreciation	103,182	94,403
Amortization	99,562	124,089
Amortization of upfront payments to customers	54,279	29,982
Restructuring expense	9,976	5,658
Stock-based compensation expense	1,829	7,468
Transaction expense, net	627	129
Bad debt expense	4	-
Non-cash purchase accounting (excluding D&A)	(126)	67
<b>Adjusted EBITDA</b>	<b>428,455</b>	<b>429,858</b>
Cash flows from operating activities	57,729	97,190
Capital expenditures	(181,579)	(151,865)
<b>Free Cash Flow</b>	<b>(123,850)</b>	<b>(54,675)</b>

	For the nine months ended	
	September 30,	
	2017	2016
Net (loss) income	(1,053,435)	14,855
Provision for income taxes	53,932	64,593
Non-operating expenses	754,498	443,002
Impairment loss	715,220	6,582
Amortization	317,989	377,163
Depreciation	289,088	293,284
Amortization of upfront payments to customers	155,318	85,160
Restructuring expense	30,706	21,514
Stock-based compensation expense	5,102	24,502
Non-cash purchase accounting (excluding D&A)	(513)	921
Bad debt recovery	(17,858)	-
Transaction (income) expense, net	(26,682)	1,560
<b>Adjusted EBITDA</b>	<b>1,223,365</b>	<b>1,333,136</b>
Cash flows from operating activities	600,953	620,997
Capital expenditures	(552,169)	(371,497)
Upfront payments to customers	(185,368)	(390,390)
<b>Free Cash Flow</b>	<b>(136,584)</b>	<b>(140,890)</b>

## International Game Technology PLC Segment Performance

Revenue Detail

(\$ millions)

		INTERNATIONAL GAME TECHNOLOGY PLC		Quarter Change	
		2016	2017	Percentage	Constant FX
		Q3	Q3	Q3	Q3
Gaming	<b>Total Revenue</b>	<b>644</b>	<b>611</b>	<b>-5.1%</b>	<b>-7.1%</b>
	<b>Gaming Services</b>	<b>489</b>	<b>443</b>	<b>-9.4%</b>	<b>-11.7%</b>
	Terminal	322	319	-1.1%	-3.8%
	Social (DDI)	66	0	-100.0%	-100.0%
	Other	101	124	23.1%	20.8%
	<b>Product Sales</b>	<b>155</b>	<b>168</b>	<b>8.6%</b>	<b>7.4%</b>
	Terminal	108	98	-9.7%	-10.7%
Other	47	70	50.8%	49.5%	
Lottery	<b>Total Revenue</b>	<b>545</b>	<b>521</b>	<b>-4.4%</b>	<b>-6.0%</b>
	<b>Lottery Services</b>	<b>523</b>	<b>487</b>	<b>-6.9%</b>	<b>-8.6%</b>
	FM/Concessions	436	448	2.7%	-0.4%
	LMA	59	34	-42.9%	-42.9%
	Other Services	28	5	-81.5%	-63.1%
	<b>Product Sales</b>	<b>22</b>	<b>34</b>	<b>55.3%</b>	<b>55.9%</b>
	Terminal	2	1	-63.2%	-63.2%
Systems/Other	20	34	65.2%	65.8%	
Other	<b>Total Revenue</b>	<b>77</b>	<b>89</b>	<b>16.1%</b>	<b>10.7%</b>
	<b>Service Revenue</b>	<b>77</b>	<b>84</b>	<b>8.6%</b>	<b>3.2%</b>
	<b>Product Sales</b>	<b>(0)</b>	<b>6</b>	<b>NM</b>	<b>NM</b>
Consolidated	<b>Revenue</b>	<b>1,266</b>	<b>1,221</b>	<b>-3.5%</b>	<b>-5.5%</b>
	<b>Operating Income:</b>				
	Segment Total	338	305	-9.6%	-11.3%
	Purchase Accounting	(112)	(802)	615.6%	615.6%
	Corporate Support	(62)	(59)	-3.9%	-5.6%
<b>Total</b>	<b>164</b>	<b>(556)</b>	<b>-439.4%</b>	<b>-442.2%</b>	

			NORTH AMERICA GAMING & INTERACTIVE		Quarter Change	
			2016	2017	Percentage	Constant FX
			Q3	Q3	Q3	Q3
<b>Gaming</b>	<b>Total Revenue</b>		<b>317</b>	<b>262</b>	<b>-17.5%</b>	<b>-17.7%</b>
	<b>Gaming Services</b>		<b>241</b>	<b>171</b>	<b>-29.1%</b>	<b>-29.2%</b>
	Terminal		133	123	-8.0%	-8.2%
	Social (DDI)		66	0	-100.0%	-100.0%
	Other		42	48	14.9%	14.8%
	<b>Product Sales</b>		<b>76</b>	<b>91</b>	<b>19.7%</b>	<b>19.1%</b>
	Terminal		51	47	-9.3%	-9.5%
Other		24	44	80.5%	79.2%	
<b>Total</b>	<b>Revenue</b>		<b>317</b>	<b>262</b>	<b>-17.5%</b>	<b>-17.7%</b>
	<b>Operating Income</b>		<b>68</b>	<b>65</b>	<b>-4.1%</b>	<b>-2.4%</b>

			NORTH AMERICA LOTTERY		Quarter Change	
			2016	2017	Percentage	Constant FX
			Q3	Q3	Q3	Q3
<b>Gaming</b>	<b>Total Revenue</b>		<b>37</b>	<b>48</b>	<b>29.7%</b>	<b>28.9%</b>
	<b>Gaming Services</b>		<b>37</b>	<b>40</b>	<b>8.1%</b>	<b>7.3%</b>
	Terminal		25	25	0.3%	0.3%
	Social (DDI)		0	0	0.0%	0.0%
	Other		12	14	25.2%	22.5%
	<b>Product Sales</b>		<b>0</b>	<b>8</b>	<b>NM</b>	<b>NM</b>
	Terminal		0	6	0.0%	0.0%
Other		0	2	<b>NM</b>	<b>NM</b>	
<b>Lottery</b>	<b>Total Revenue</b>		<b>271</b>	<b>259</b>	<b>-4.1%</b>	<b>-4.2%</b>
	<b>Lottery Services</b>		<b>253</b>	<b>237</b>	<b>-6.1%</b>	<b>-6.1%</b>
	FM/Concessions		163	171	4.7%	4.7%
	LMA		59	34	-42.9%	-42.9%
	Other Services		31	33	6.7%	6.7%
	<b>Product Sales</b>		<b>18</b>	<b>22</b>	<b>24.1%</b>	<b>22.9%</b>
	Terminal		2	1	-63.2%	-63.2%
Systems/Other		16	22	33.2%	31.9%	
<b>Total</b>	<b>Revenue</b>		<b>307</b>	<b>307</b>	<b>-0.1%</b>	<b>-0.2%</b>
	<b>Operating Income</b>		<b>85</b>	<b>75</b>	<b>-11.6%</b>	<b>-11.6%</b>

		INTERNATIONAL		Quarter Change	
		2016	2017	Percentage	Constant FX
		Q3	Q3	Q3	Q3
Gaming	<b>Total Revenue</b>	<b>122</b>	<b>128</b>	<b>4.8%</b>	<b>2.9%</b>
	<b>Gaming Services</b>	<b>43</b>	<b>59</b>	<b>36.3%</b>	<b>34.0%</b>
	Terminal	12	14	10.9%	11.2%
	Social (DDI)	0	0	0.0%	0.0%
	Other	31	45	46.6%	43.3%
	<b>Product Sales</b>	<b>79</b>	<b>69</b>	<b>-12.4%</b>	<b>-14.2%</b>
	Terminal	57	45	-19.9%	-21.8%
Other	22	24	6.8%	5.4%	
Lottery	<b>Total Revenue</b>	<b>75</b>	<b>82</b>	<b>8.9%</b>	<b>11.0%</b>
	<b>Lottery Services</b>	<b>71</b>	<b>70</b>	<b>-1.6%</b>	<b>0.1%</b>
	FM/Concessions	51	48	-5.5%	-7.9%
	LMA	0	0	0.0%	0.0%
	Other Services	20	22	8.3%	20.3%
	<b>Product Sales</b>	<b>4</b>	<b>12</b>	<b>191.9%</b>	<b>200.1%</b>
	Terminal	0	0	0.0%	0.0%
Systems/Other	4	12	191.9%	200.1%	
Other	<b>Total Revenue</b>	<b>18</b>	<b>24</b>	<b>31.9%</b>	<b>28.9%</b>
	<b>Service Revenue</b>	<b>18</b>	<b>18</b>	<b>-0.4%</b>	<b>-3.2%</b>
	<b>Product Sales</b>	<b>(0)</b>	<b>6</b>	<b>NM</b>	<b>NM</b>
Total	<b>Revenue</b>	<b>215</b>	<b>234</b>	<b>8.5%</b>	<b>7.9%</b>
	<b>Operating Income</b>	<b>38</b>	<b>40</b>	<b>3.8%</b>	<b>7.0%</b>

		ITALY		Quarter Change	
		2016	2017	Percentage	Constant FX
		Q3	Q3	Q3	Q3
Gaming	<b>Total Revenue</b>	<b>168</b>	<b>173</b>	<b>3.1%</b>	<b>-2.6%</b>
	<b>Gaming Services</b>	<b>168</b>	<b>173</b>	<b>3.1%</b>	<b>-2.6%</b>
	Terminal	151	157	3.8%	-1.9%
	Social (DDI)	0	0	0.0%	0.0%
	Other	16	16	-3.7%	-9.0%
	<b>Product Sales</b>	<b>0</b>	<b>0</b>	<b>5.7%</b>	<b>0.3%</b>
	Terminal	0	0	-100.0%	-100.0%
Other	0	0	7.0%	1.5%	
Lottery	<b>Total Revenue</b>	<b>199</b>	<b>180</b>	<b>-9.9%</b>	<b>-14.8%</b>
	<b>Lottery Services</b>	<b>199</b>	<b>180</b>	<b>-9.9%</b>	<b>-14.8%</b>
	FM/Concessions	222	229	3.2%	-2.5%
	LMA	0	0	0.0%	0.0%
	Other Services	(23)	(50)	115.8%	103.9%
	<b>Product Sales</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>
	Terminal	0	0	0.0%	0.0%
Systems/Other	0	0	0.0%	0.0%	
Other	<b>Total Revenue</b>	<b>59</b>	<b>66</b>	<b>11.3%</b>	<b>5.2%</b>
	<b>Service Revenue</b>	<b>59</b>	<b>66</b>	<b>11.3%</b>	<b>5.2%</b>
	<b>Product Sales</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>
Total	<b>Revenue</b>	<b>426</b>	<b>418</b>	<b>-1.8%</b>	<b>-7.2%</b>
	<b>Operating Income</b>	<b>147</b>	<b>126</b>	<b>-14.5%</b>	<b>-20.0%</b>

## Consolidated Key Performance Indicators (KPIs)

Period Ended September 30	Third Quarter		
	2017	2016	% change
<b>Installed base (end of period)</b>			
Casino	35,946	34,159	5.2%
VLT - Government Sponsored (ex-Italy)	16,794	15,594	7.7%
VLT - Italy Supplier (B2B)	8,752	8,464	3.4%
<b>Total installed base</b>	<b>61,492</b>	<b>58,217</b>	<b>5.6%</b>
Yield (average revenue per unit per day - \$0.00)	29.07	32.27	-9.9%
<u>Additional Italian Network Details:</u>			
VLT - Operator (B2C)	10,958	10,930	0.3%
AWP	59,084	58,069	1.7%
<b>Machine units shipped</b>			
New/Expansion	905	2,315	-60.9%
Replacement	5,501	6,665	-17.5%
<b>Total machines shipped</b>	<b>6,406</b>	<b>8,980</b>	<b>-28.7%</b>
<b>Global lottery same-store revenue growth</b>			
Instants & draw games			4.2%
Multistate Jackpots			24.3%
<b>Total lottery same-store revenue growth (ex-Italy)</b>			<b>6.8%</b>
<b>Italy lottery revenue growth</b>			<b>-14.9%</b>

## North America KPIs

Period Ended September 30	Third Quarter		
	2017	2016	% change
<b>Installed base (end of period)</b>			
Casino	22,924	24,163	-5.1%
VLT - Government Sponsored	15,225	15,322	-0.6%
<b>Total installed base</b>	<b>38,149</b>	<b>39,485</b>	<b>-3.4%</b>
<b>Machine units shipped</b>			
New/Expansion	729	2,017	-63.9%
Replacement	2,868	3,221	-11.0%
<b>Total machines shipped</b>	<b>3,597</b>	<b>5,238</b>	<b>-31.3%</b>
<b>Lottery same-store revenue growth</b>			
Instants & draw games			6.3%
Multistate Jackpots			26.4%
<b>Total lottery same-store revenue growth</b>			<b>9.4%</b>

## International KPIs

Period Ended September 30	Third Quarter		
	2017	2016	% change
<b>Installed base (end of period)</b>			
Casino	13,022	9,996	30.3%
VLT - Government Sponsored	1,569	272	476.8%
<b>Total installed base</b>	<b>14,591</b>	<b>10,268</b>	<b>42.1%</b>
<b>Machine units shipped</b>			
New/Expansion	176	298	-40.9%
Replacement	2,633	3,444	-23.5%
<b>Total machines shipped</b>	<b>2,809</b>	<b>3,742</b>	<b>-24.9%</b>
<b>Lottery same-store revenue growth</b>			
Instants & draw games			-1.8%
Multistate Jackpots			5.8%
<b>Total lottery same-store revenue growth</b>			<b>-1.4%</b>

## Italy KPIs

Period Ended September 30	Third Quarter		
	2017	2016	% change
<i>(In € millions, except machines)</i>			
<b>Lottery</b>			
<b>Lotto wagers</b>	<b>1,815</b>	<b>1,967</b>	<b>-7.7%</b>
10eLotto	1,261	1,094	15.3%
Core	494	550	-10.1%
Late Numbers	60	324	-81.6%
<b>Scratch &amp; Win Wagers</b>	<b>2,198</b>	<b>2,091</b>	<b>5.1%</b>
<b>Italy lottery revenue growth</b>			<b>-14.9%</b>
<b>Gaming</b>			
<b>Installed base (end of period)</b>			
VLT - Operator (B2C)	10,958	10,930	0.3%
VLT - Supplier (B2B)	8,752	8,464	3.4%
AWP	59,084	58,069	1.7%
<b>Total Installed Base</b>	<b>78,794</b>	<b>77,463</b>	<b>1.7%</b>
<b>Wagers</b>			
VLT - Operator (B2C)	1,329	1,309	1.5%
AWP	948	986	-3.9%
Interactive Wagers (Gaming)	404	393	2.8%
<b>Other</b>			
Sports Betting Wagers <sup>1</sup>	204	178	14.6%
Sports Betting Payout (%) <sup>1</sup>	83.3%	82.1%	1.1 pp

<sup>1</sup> Includes Virtual Wagers and Pools & Horses