



2016 First Quarter Results

Ended March 31, 2016

May 26, 2016



Agenda

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**Strategic
Update**

Marco Sala, CEO, International Game Technology PLC

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**Q1'16
Results**

Alberto Fornaro, CFO, International Game Technology PLC

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Q&A



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This presentation 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 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 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 the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include (but are not limited to) the possibility that the businesses of International Game Technology and GTECH S.p.A. will not be integrated successfully, or that the combined companies will not realize estimated cost savings, synergies, growth or other anticipated benefits or that such benefits may take longer to realize than expected, or that the company will incur unanticipated costs in connection with the integration; the possibility that the Company will be unable to pay future dividends to shareholders or that the amount of such dividends may be less than anticipated; the possibility that IGT may not obtain its anticipated financial results in one or more future periods; reductions in customer spending; a slowdown in customer payments and changes in customer demand for products and services as a result of changing economic conditions or otherwise; unanticipated changes relating to competitive factors in the industries in which the company operates; the Company's ability to hire and retain key personnel; the impact of the consummation of the business combination on relationships with third parties, including customers, employees and competitors; the Company's 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 and potential future legal, regulatory or tax 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 IGT's business, including those described in IGT's annual report on Form 20-F for the financial year ended December 31, 2015 and other documents filed from time to time with the Securities and Exchange Commission (the "SEC"), which are available on the SEC website at www.sec.gov and on the investor relations section of IGT's website at www.IGT.com. Except as required under applicable law, IGT does not assume any obligation to update the forward-looking statements. Nothing in this presentation 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 presentation 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 their entirety by this cautionary statement.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures, including adjusted EBITDA, adjusted operating income, adjusted diluted EPS, and free cash flow. Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the appendix to this presentation.



Comparability of Results

All figures presented in this presentation are prepared under U.S. GAAP, unless noted otherwise.

As a result of the combination of GTECH S.p.A. (“GTECH”) and International Game Technology (“legacy IGT”), which was completed on April 7, 2015, a number of items affect the comparability of reported results. Reported financial information for the first quarter of 2016 includes the results of operations of IGT for the entire period, while reported financial information for the first quarter of 2015 includes only GTECH operations. Pro forma figures represent the combined results of both companies.

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 presentation. Constant currency changes for 2016 are calculated using the same foreign exchange rates as the corresponding 2015 period.

Management believes that referring to certain pro forma, constant currency, or adjusted measures is a useful way to evaluate the Company’s underlying performance.

STRATEGIC UPDATE



Strategic Update

Solid start to year; significant profit expansion

- Highest quarterly profits since transaction
- All operating segments contributed to increased profits

Strong lottery growth worldwide

- Record North America Lottery performance, even without Powerball benefit
- Strong Italy Lotto wager trends; improvement in Scratch & Win performance

Award of Italy Lotto concession

Resilient gaming revenue despite variability of product sales and tougher North American industry trends

Progress on emerging gaming opportunities

- Systems wins, “Service Window” acceptance
- OnPremise
- Electronic table games

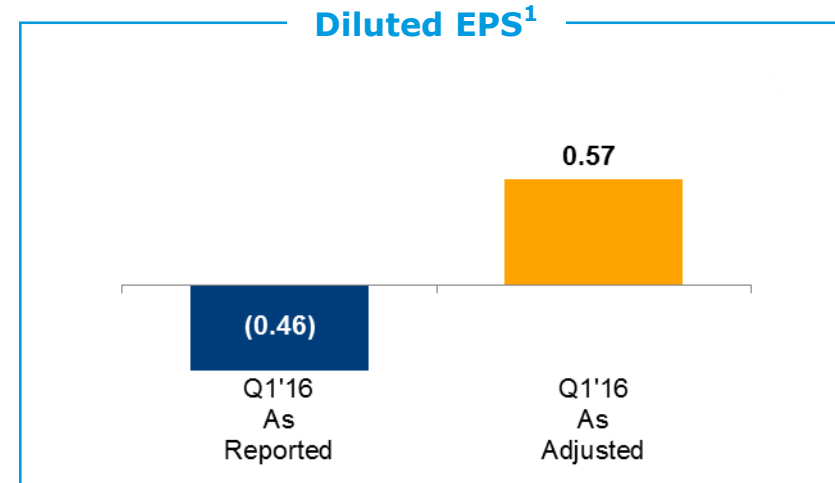
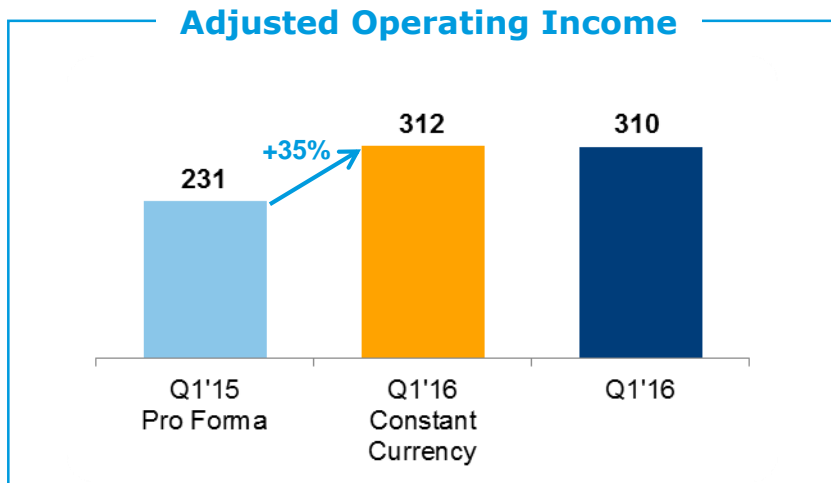
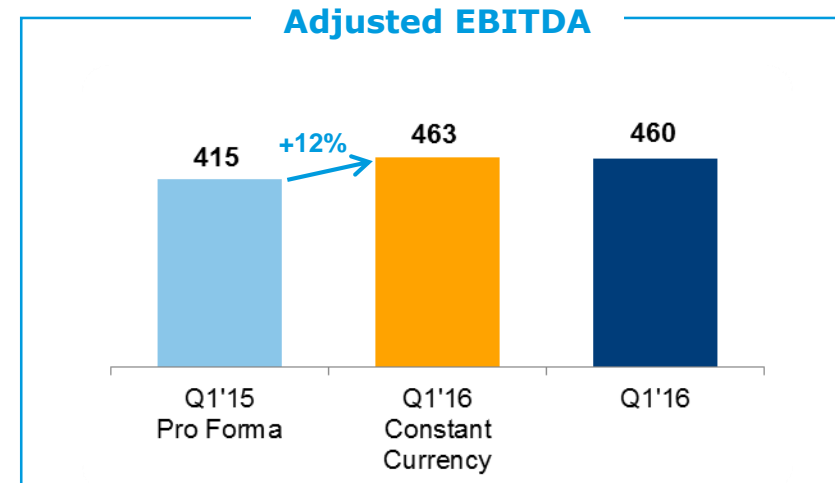
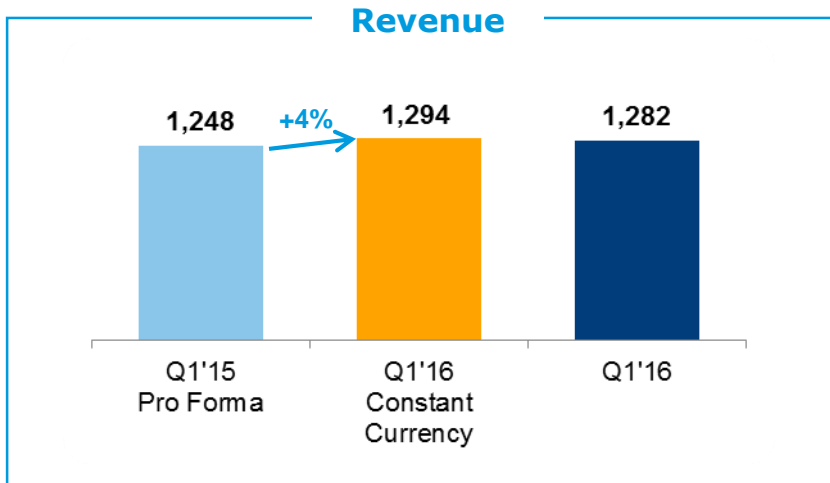


2016 FIRST QUARTER FINANCIAL RESULTS



Q1'16 Financial Highlights (Pro Forma)

\$ M except EPS

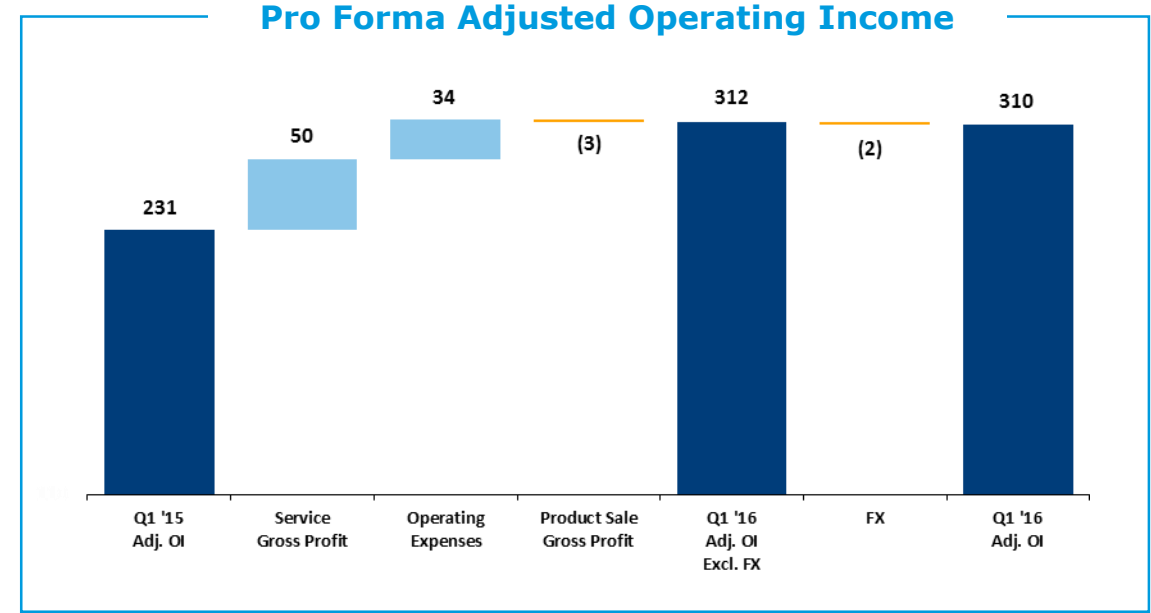
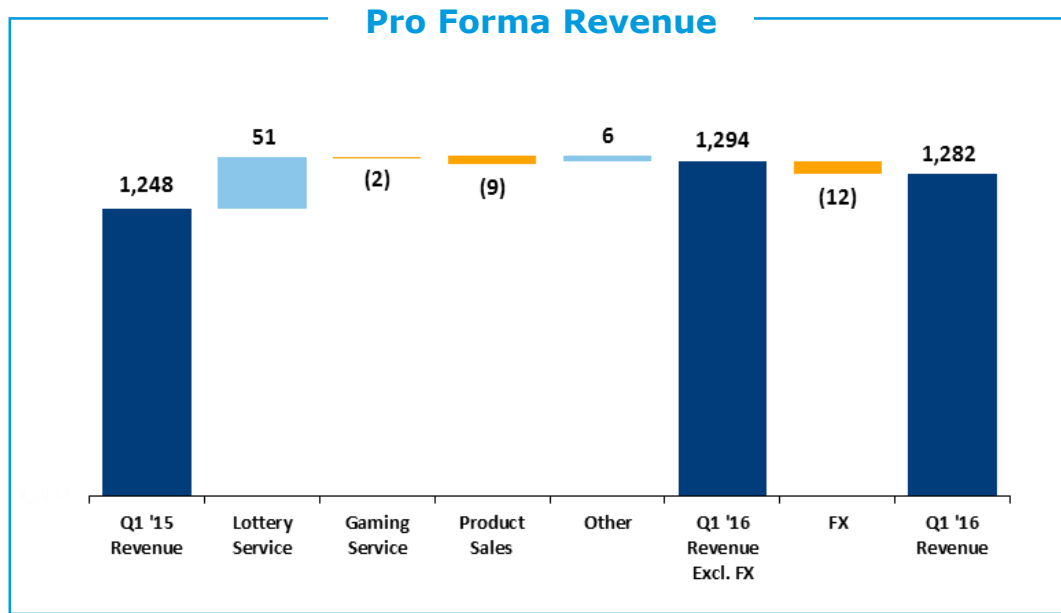


1) Reported EPS includes the non-cash FX impact associated with translating EUR-denominated debt into USD for reporting purposes.
Note: As adjusted results remove impact of purchase accounting, impairment charges, restructuring expense and transaction expense (see appendix for details)
Note: \$/€ FX daily average: 1.10 in Q1'16; 1.13 in Q1'15



Q1'16 Revenue & Operating Income

\$ M



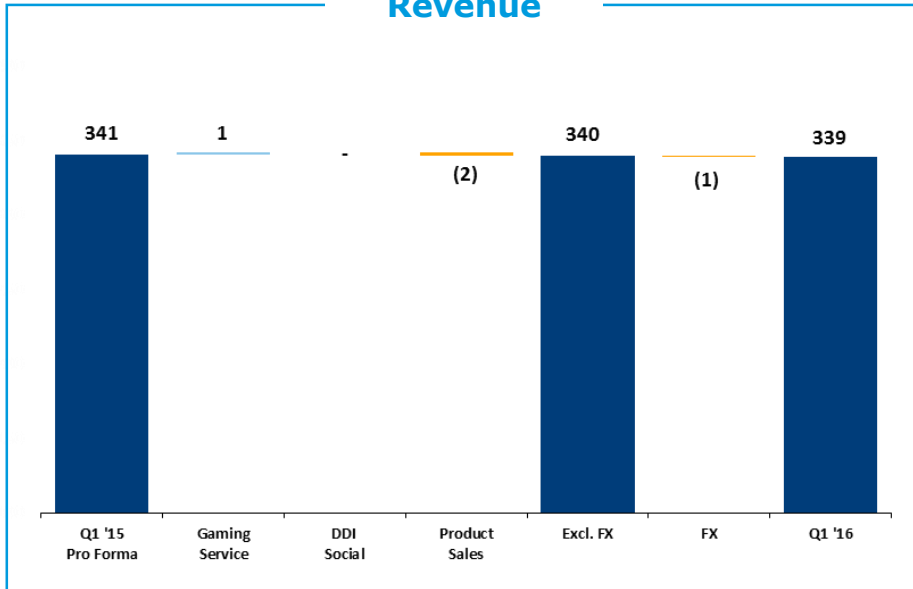
- Lottery growth reflects substantial Powerball contribution and continued global revenue expansion (North America, Italy, EMEA)
- Gaming service revenue stable; higher software revenue mostly offset lower installed base
- Product sales primarily reflect tougher international lottery comparisons; lower gaming machine unit sales largely offset by increased systems sales
- Pro forma, adjusted Operating Income up significantly on high-margin service revenue growth and lower operating expenses (synergies, extraordinary items in Q1'15)



Q1'16 North America Gaming & Interactive Highlights

\$ M

Revenue



Key Performance Indicators

	Q1'16 Reported	Q1'15 Pro Forma	% Change		
Revenue	339	341	-1%		
Operating Income	89	47	89%		
DDI Social					
Revenue	80	81	-1%		
Bookings per DAU	\$0.47	\$0.47	1%		
Machine Units Shipped					
	Q1'16	Q1'15			
Replacement	3,049	4,912			
New & Expansion	902	329			
Total	3,951	5,241			
Casino Installed Base					
	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
	25,882	25,516	25,237	25,418	24,958

Developments

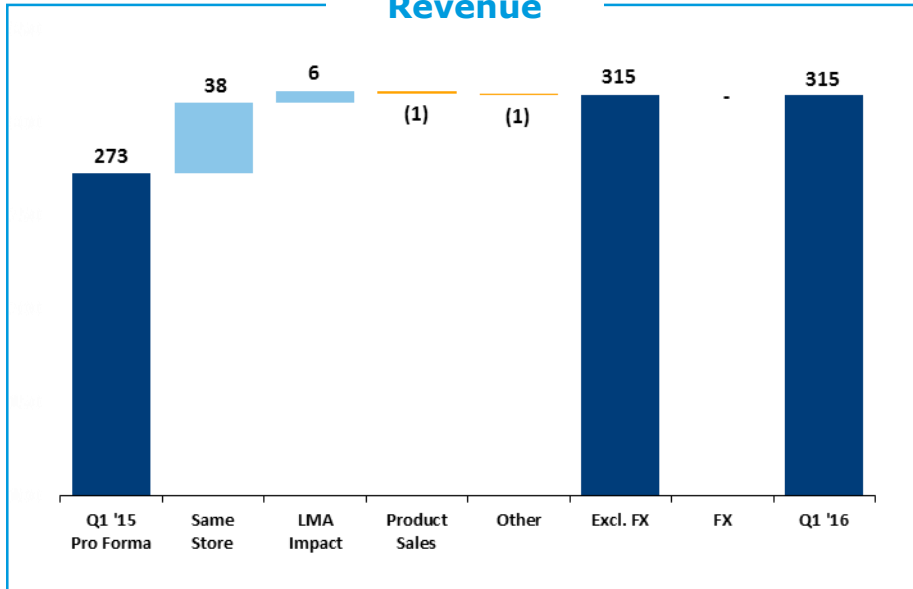
- Gaming service revenue stable as increased contribution from software offset lower installed base; installed base declined modestly (2%) from Q4'15 level
- Casino replacement machine unit shipments up double-digits; total Q1'15 shipments include ~1,900 VLT units and ~1,000 one-time Maryland conversion units
- New products (Jurassic Park Crystal Core, Sherlock Holmes) and 3D titles among our top-performing games
- Operating Income improved on bad debt expense in prior year, revenue mix, and synergies



Q1'16 North America Lottery Highlights

\$ M

Revenue



Key Performance Indicators

	Q1'16 Reported	Q1'15 Pro Forma	% Change		
Revenue	315	273	16%		
Operating Income	88	55	61%		
Same-store revenue growth					
	Q1'16	Q1'15			
Instants & Draw Games	8.8%	6.2%			
Multistate Jackpots	93.4%	8.3%			
Total SSR Growth	22.7%	6.5%			
VLT Installed Base					
	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
	15,992	15,981	15,398	15,241	15,331

Developments

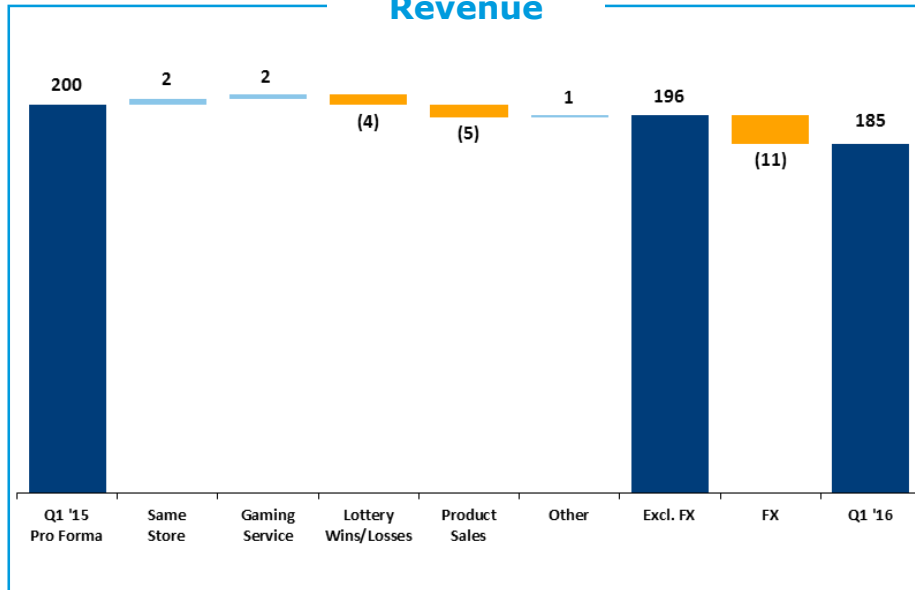
- 23% same-store revenue growth supported by record Powerball jackpot; significant growth on top of elevated jackpot activity in Q1'15 (\$564 million jackpot)
- Solid performance from LMAs
- Instant ticket sales and local draw-based game performance also strong; double-digit instants growth fueled by continuous innovation and successful management of core games
- Operating Income up substantially on strong revenue growth, operating leverage and cost control; record profits achieved even without Powerball benefit



Q1'16 International Highlights

\$ M

Revenue



Key Performance Indicators

	Q1'16 Reported	Q1'15 Pro Forma	% Change		
Revenue	185	200	-8%		
Operating Income	33	27	22%		
Machine Units Shipped					
	Q1'16	Q1'15			
Replacement	1,559	1,321			
New & Expansion	185	266			
Total	1,744	1,587			
Same-store revenue growth					
Instants & Draw Games	2.2%	2.1%			
Multistate Jackpots	4.3%	5.2%			
Total SSR Growth	2.3%	2.3%			
Installed Base					
	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
	10,128	10,066	9,768	9,400	9,506

Developments

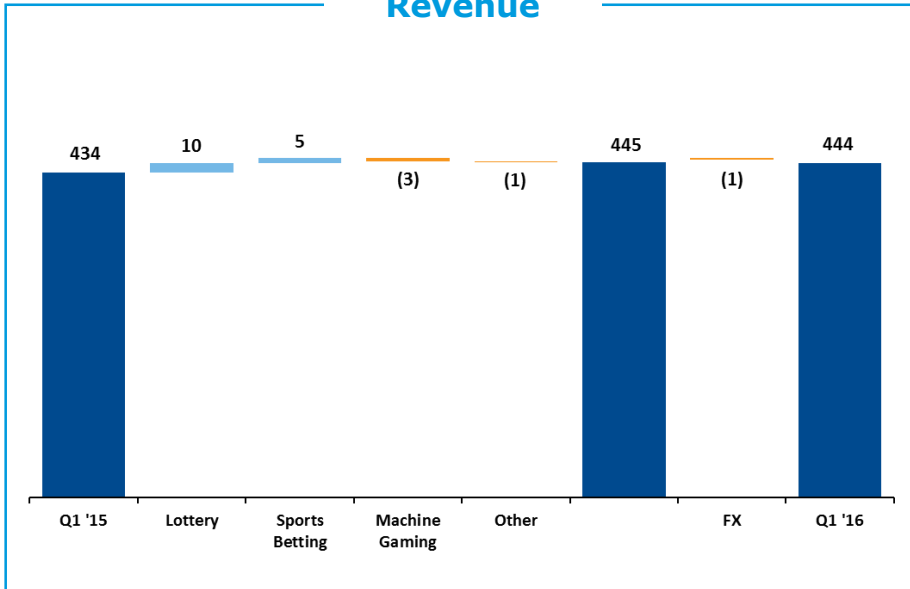
- Gaming service revenue up on interactive growth, South Africa installed base
- Lottery same-store revenue up on strength in Europe (including large UK jackpot)
- Ireland lottery loss partially offset by South Africa win
- Product sales reflect difficult lottery compares with large New Zealand and Singapore sales in Q1'15
- Gaming machine units up on demand for new cabinets
- Operating Income improved on favorable revenue mix and lower costs/operational discipline



Q1'16 Italy Highlights

\$ M

Revenue



Key Performance Indicators

	Q1'16 Reported	Q1'15 Pro Forma	% Change
Revenue	444	434	2%
Operating Income	148	145	2%
€M	Q1'16	Q1'15	% Growth
Lotto Wagers	1,928	1,817	6.1%
10eLotto	1,193	1,074	11.1%
Core	559	638	-12.5%
Late Numbers	176	105	68.5%
S&W Wagers	2,355	2,302	2.3%
Sports Betting Wagers	221	257	-14.0%
Sports Betting Payout	80.9%	84.7%	-3.8 pp
Gaming Wagers			
VLT - Operator (B2C)	1,398	1,373	1.9%
AWP	1,080	1,131	-4.4%
Interactive	424	466	-9.0%

Developments

- Continued resilience in sales and profits supported by strong lottery results
- Double digit increases in 10eLotto/Numero ORO and Late Number wagers on top of double-digit growth in Q1'15
- Scratch & Win growth from new ticket introductions (20X, 50X)
- Machine gaming flat excluding Stability Law and despite decline in AWP units installed
- Sports Betting up on lower payout (-380 bps)
- Operating Income up on lottery growth and disciplined cost management, partially offset by higher gaming machine taxes



New Lotto Concession

STRUCTURE

Lottoitalia JV led by Lottomatica - 61.5%; IGH - 32.5%; Arianna 2001 - 4%; Novomatic - 2%

SCOPE

Lotto (Core Lotto, 10eLotto, Numero Oro)

DURATION

9 years, commencing on November 29, 2016

CONCESSIONAIRE FEE

Fixed at 6% of wagers

UPFRONT PAYMENT

Upfront Payment €770 million in 3 installments: €350 million (paid in May) + €250 million (expected in 4Q'16) + €170 million (April 2017); pro rata contribution from JV partners

INFRASTRUCTURE CAPEX

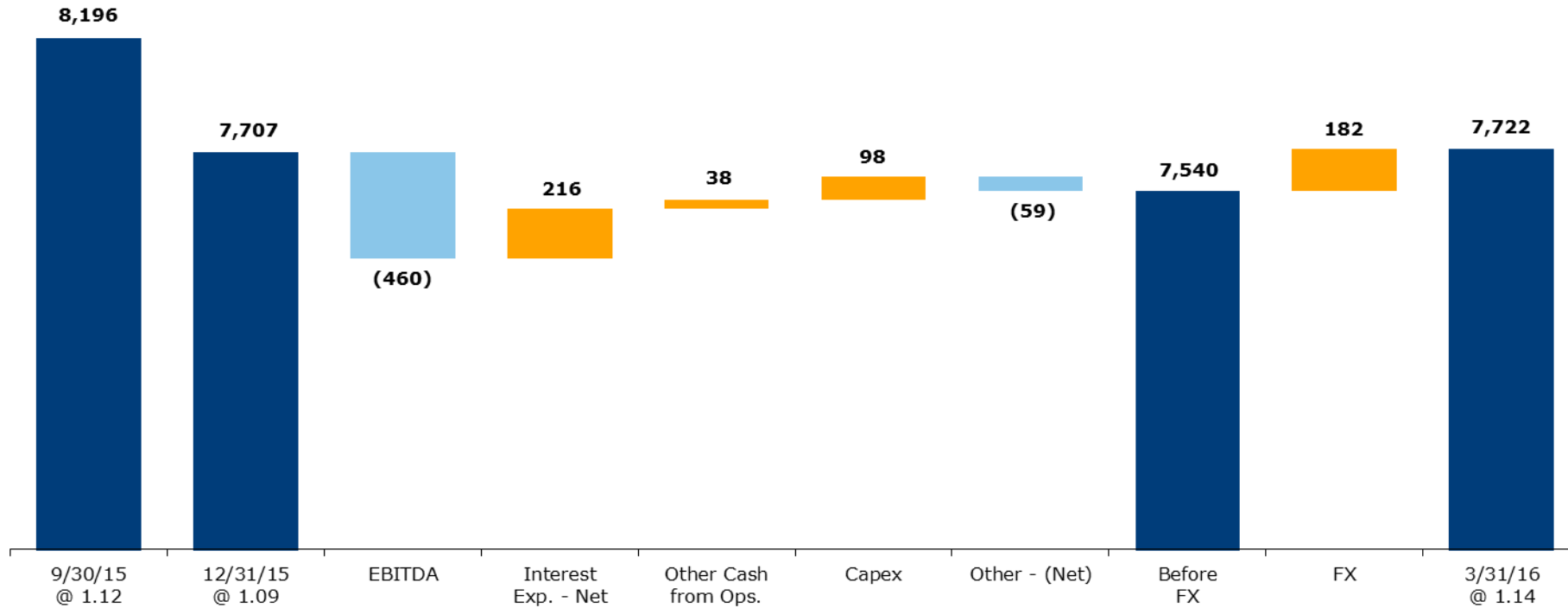
€130 million to upgrade technological infrastructure, 25% in 2016, balance in 2017; pro rata contribution from JV partners





Net Debt & Leverage

\$ M



Net Debt/LTM Adjusted EBITDA	4.81x	4.52x	4.41x
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- Net debt essentially flat with the fourth quarter's level on a reported basis, lower before FX impact
- Leverage ratio continues to improve on strong profit results



Q1'16 Cash Flow Statement

\$ M

Cash Flow	Q1'16
Net Cash Flows from Operating Activities	206
Capex	(98)
Free Cash Flow	108
Debt Proceeds/(Repayment), Net	(319)
Other - Net	81
Other Investing/Financing Activities	(238)
Net Cash Flow	(130)
Effect of Exchange Rates/Other	9
Net Change in Cash	(121)
Cash at End of the Period	506



Q1'16 Free Cash Flow Impacts

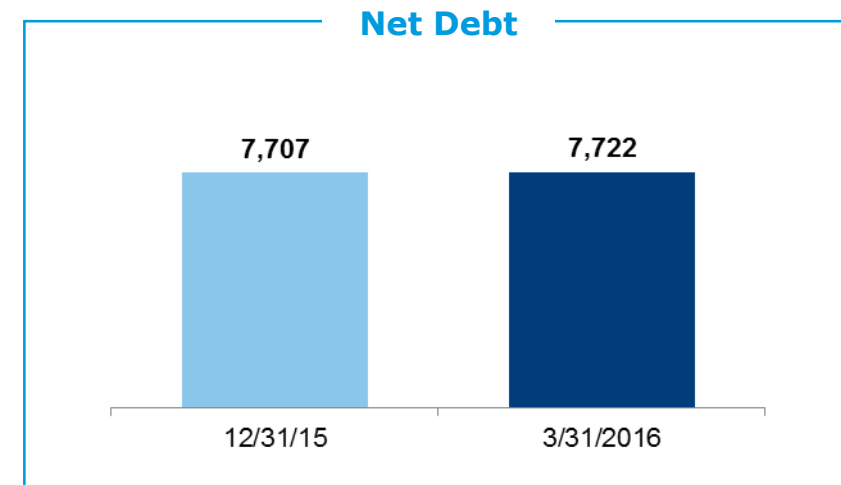
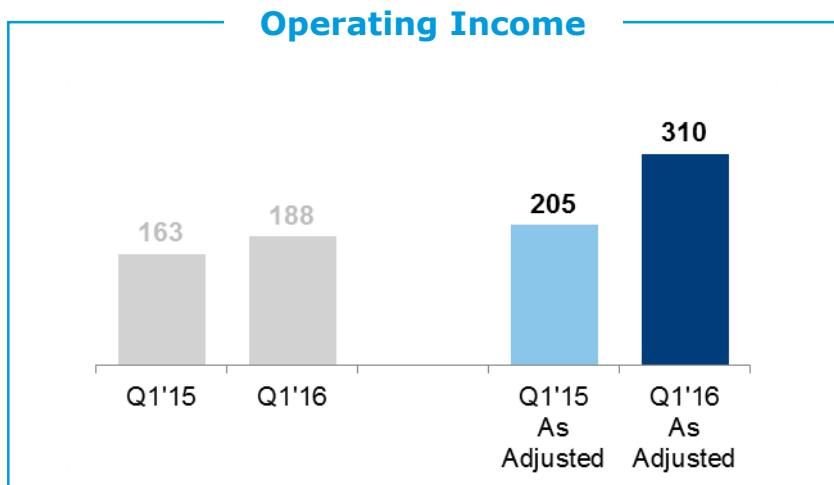
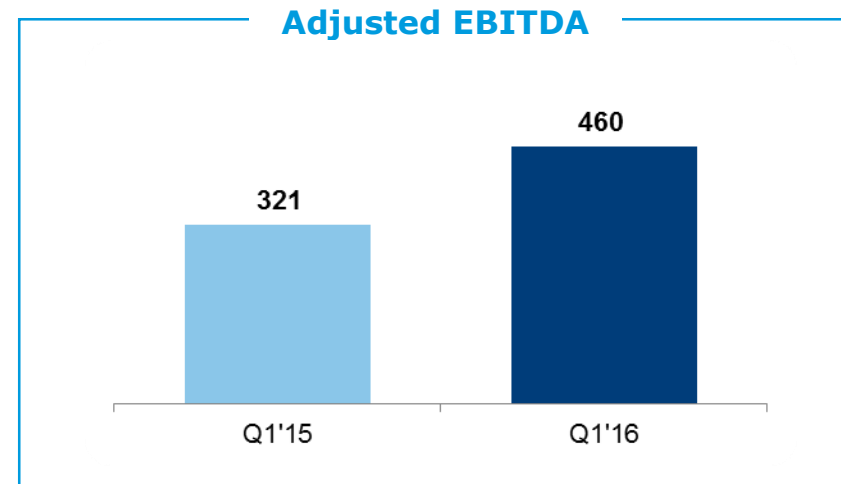
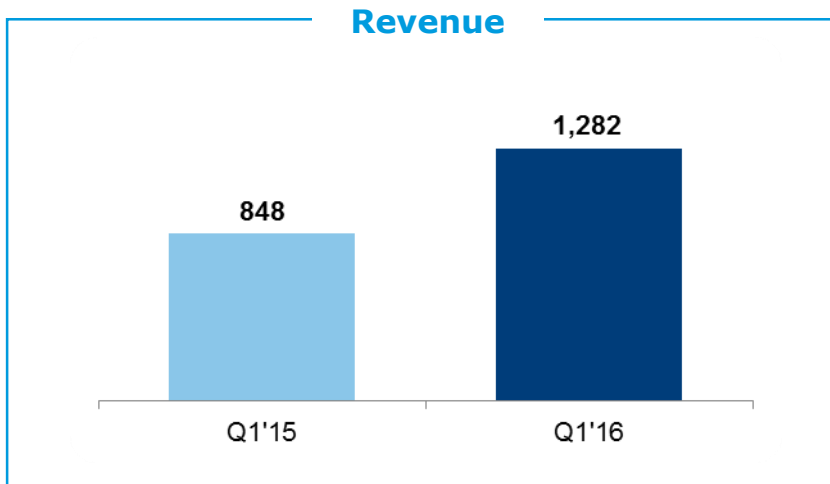
- Strong Q1'16 performance
- Includes approximately \$217 million in cash interest paid during the period
 - Cash interest payments are concentrated in the first and third quarters
- CapEx reflective of normalized run-rate
 - Large FL and Italy sports betting investments expected in second half of year

APPENDIX



Q1'16 Financial Highlights (As Reported)

\$ M



As adjusted results remove impact of purchase accounting, impairment charges, restructuring expense and transaction expense (see appendix for details)



Q1'16 Income Statement (As Reported)

\$ M except EPS

Income Statement	Q1'16	Q1'15	% Change
<i>Service Revenue</i>	1,136	790	44%
<i>Product Sales</i>	146	58	153%
Total Revenue	1,282	848	51%
Adjusted EBITDA	460	321	43%
Operating Income	188	163	15%
<i>Interest Expense, Net</i>	(114)	(94)	
<i>Foreign Exchange</i>	(162)	7	
<i>Other</i>	(7)	(121)	
Financial Charges, Net	(283)	(208)	
Income Before Tax	(95)	(45)	
Net Income (Loss)	(86)	(36)	
Net Income (Loss) - Owners	(93)	(39)	
Diluted EPS	(0.46)	(0.23)	

Note: \$/€ FX daily average: 1.10 in Q1'16; 1.13 in Q1'15



Q1'16 Reconciliation of Non-GAAP Measures

\$ M

	Q1'16 As	Adjustments				Q1'16 As
	Reported	PPA	FX	Restructure	Trans. Exp.	Adjusted
Total Revenue	1,282	-	-	-	-	1,282
Cost of Services	649	(46)	-	-	-	603
Cost of Sales	122	(30)	-	-	-	92
SG&A	228	(35)	-	-	-	193
R&D	85	(1)	-	-	-	84
Restructuring	9	-	-	(9)	-	-
Transaction Expense	1	-	-	-	(1)	-
Total	1,094	(112)	-	(9)	(1)	972
Operating Income	188	112	-	9	1	310
Foreign Exchange	(162)	-	162	-	-	-
Other Expense (Net)	(7)	3	-	-	-	(4)
Interest Expense (Net)	(114)	2	-	-	-	(112)
Total	(283)	5	162	-	-	(116)
Income Before Taxes	(95)	117	162	9	1	194
Income Taxes	(9)	40	37	3	-	71
Net Income	(86)	77	125	6	1	123
Minority Interest	7	-	-	-	-	7
Attributable to IGT	(93)	77	125	6	1	116
EPS - Diluted	(0.46)					0.57
WASO - Diluted	200.4					201.5



Reconciliation of Non-GAAP Measures

\$ M

	As Reported		Legacy IGT	Pro Forma	
	Q1 2015	Q1 2016	Q1 2015	Q1 2015	Q1 2016
Net Loss	(36)	(86)	(13)	(49)	(86)
Provision for Income Taxes	(9)	(9)	(4)	(13)	(9)
Non-Operating Expenses	208	283	10	218	283
Depreciation	72	99	29	101	99
Amortization	33	125	6	39	125
Impairment	-	-	6	6	-
Amortization of Upfront Payments to Customers	27	28	4	31	28
Transaction Expense, Net ¹	11	1	19	30	1
Restructuring Expense	14	9	-	14	9
Non-Cash Purchase Accounting (Excluding D&A)	-	1	-	-	1
Stock Compensation	1	9	6	7	9
Other	-	-	31	31	-
Adjusted EBITDA	<u>321</u>	<u>460</u>	<u>94</u>	<u>415</u>	<u>460</u>