### INTERNATIONAL GAME TECHNOLOGY Form 10-Q May 13, 2010

#### United States Securities and Exchange Commission Washington, D.C. 20549

### FORM 10-Q

### x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended April 3, 2010

OR

### 0 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-10684

International Game Technology

Nevada (State of Incorporation) 88-0173041 (I.R.S. Employer Identification No.)

9295 Prototype Drive Reno, Nevada 89521 (Address of principal executive offices)

(775) 448-7777 (Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

### Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer x Accelerated filer o Non-accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes o No x

At May 10, 2010, there were 298.1 million shares of our \$.00015625 par value common stock outstanding.

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# GLOSSARY OF TERMS AND ABBREVIATIONS (as used in this document)

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UK United Kingdom		e e
US United States		•
	US	United States
VIE variable interest entity		•
VSOE vendor specific objective evidence		
WAP wide area progressive	WAP	wide area progressive

not meaningful (in tables)

\*

### PART I – FINANCIAL INFORMATION

## Item 1.

### Unaudited Condensed Consolidated Financial Statements

# CONSOLIDATED INCOME STATEMENTS

	Quarters Ended March 31,				Six Months Ended March 31,					
	2010		,	2009		2010		,	2009	
(In millions, except per share										
amounts)										
Revenues										
Gaming operations	\$ 281.3		\$	294.5	\$	558.6		\$	607.8	
Product sales	213.1			181.2		451.5			469.5	
Total revenues	494.4			475.7		1,010.1			1,077.3	
Costs and operating expenses										
Cost of gaming operations	107.3			121.5		211.4			273.4	
Cost of product sales	114.5			94.2		229.6			238.0	
Selling, general and										
administrative	86.6			109.3		176.5			224.3	
Research and development	52.5			52.8		99.2			106.3	
Depreciation and amortization	19.0			19.4		38.6			39.4	
Impairment and restructuring	76.2			8.3		76.2			25.7	
Total costs and operating										
expenses	456.1			405.5		831.5			907.1	
Operating income	38.3			70.2		178.6			170.2	
Other income (expense)										
Interest income	15.4			14.8		31.4			31.3	
Interest expense	(39.0	)		(32.2	)	(82.2	)		(67.7	)
Other	1.0			(1.5	)	(0.1	)		(9.5	)
Total other income (expense)	(22.6	)		(18.9	)	(50.9	)		(45.9	)
Income before tax	15.7			51.3		127.7			124.3	
Income tax provision	15.0			17.7		53.7			29.5	
Net income	\$ 0.7		\$	33.6	\$	74.0		\$	94.8	
Basic earnings per share	\$ 0.00		\$	0.11	\$	0.25		\$	0.32	
Diluted earnings per share	\$ 0.00		\$	0.11	\$	0.25		\$	0.32	
61										
Cash dividends declared per share	\$ 0.06		\$	0.06	\$	0.12		\$	0.21	
Weighted average shares										
outstanding										
Basic	295.9			293.6		295.5			293.4	
Diluted	297.3			293.7		297.7			293.5	

See accompanying notes

# CONSOLIDATED BALANCE SHEETS

	March 31, 2010	September 30, 2009
(In millions, except par value)		
Assets		
Current assets		
Cash and equivalents	\$171.8	\$146.7
Investment securities	8.4	21.3
Restricted cash and investments	79.0	79.4
Jackpot annuity investments	66.2	67.2
Accounts receivable, net	294.8	334.3
Current maturities of notes and contracts receivable, net	172.0	154.8
Inventories	125.1	157.8
Deferred income taxes	89.4	82.8
Other assets and deferred costs	166.8	189.4
Total current assets	1,173.5	1,233.7
Property, plant and equipment, net	563.0	558.8
Jackpot annuity investments	381.3	396.9
Notes and contracts receivable, net	208.5	249.4
Goodwill	1,149.5	1,151.5
Other intangible assets, net	228.9	259.2
Deferred income taxes	180.3	172.2
Other assets and deferred costs	278.2	306.4
Total Assets	\$4,163.2	\$4,328.1
Liabilities and Stockholders' Equity		
Liabilities		
Current liabilities		
Short-term debt	\$-	\$5.3
Accounts payable	78.0	90.5
Jackpot liabilities, current portion	157.6	155.5
Accrued employee benefits	14.1	32.8
Accrued income taxes	2.3	9.4
Dividends payable	17.8	17.8
Other accrued liabilities	274.5	313.2
Total current liabilities	544.3	624.5
Long-term debt	1,884.6	2,014.7
Jackpot liabilities	407.7	432.6
Other liabilities	187.7	192.7
Total Liabilities	3,024.3	3,264.5
	0,02110	0,20110
Commitments and Contingencies		
Stockholders' Equity		
Common stock: \$.00015625 par value; 1,280.0 shares authorized;		
338.8 and 337.2 issued; 297.9 and 296.6 outstanding	0.1	0.1
Additional paid-in capital	1,451.8	1,417.8
Treasury stock at cost: 40.9 and 40.6 shares	(801.3	) (799.3 )
	(20-10	/ (

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Retained earnings	475.7	437.3
Accumulated other comprehensive income	13.1	6.1
Total IGT Stockholders' Equity	1,139.4	1,062.0
Noncontrolling Interests	(0.5	)