Lottery and Gaming Control Commission

1800 Washington Boulevard, Suite 330, Baltimore, MD 21230

PROPOSED MERGER AGREEMENT

between

International Game Technology
("IGT")

and

GTECH, S.p.A.
("GTECH")

COMMISSION PRESENTATION

EXECUTIVE SUMMARY

Introduction

On July 28, 2014, the Maryland Lottery and Gaming Control Agency (MLGCA) received official notification of the proposed Merger Agreement between International Game Technology ("IGT") and GTECH, S.p.A ("GTECH"). The Gaming Law (State Gov't (SG) § 9-1A-01, *et seq.*) requires that the Maryland Lottery and Gaming Control Commission ("Commission') determine whether a transfer of a licensee's interests meets, and is consistent with, the requirements of the Gaming Law. SG § 9-1A-19.

Proposed Merger

On July 15, 2014, GTECH, S.p.A. ("GTECH") and International Game Technology ("IGT") entered into a definitive Merger Agreement (the "Merger Agreement"). The aggregate transaction value is approximately $6.4 billion inclusive of the assumption of approximately $1.75 billion in existing IGT net debt.

The transaction involves several important steps (see attached charts). IGT and GTECH will combine under a recently formed UK holding company, initially titled Georgia Worldwide Limited ("NewCo") through the merger of GTECH with and into NewCo and at the same time the merger of a NewCo subsidiary (Georgia Worldwide Corporation) with and into International Game Technology.

NewCo will have its corporate headquarters in the United Kingdom and operating headquarters in each of Las Vegas, Nevada; Providence, Rhode Island; and Rome, Italy. NewCo will be solely listed on the New York Stock Exchange (NYSE). IGT's will cease trading on the NYSE and GTECH's shares will cease to trade on the Italian Stock Exchange (Borsa Italiana). Finally, International Game Technology will acquire GTECH Holdings, through a series of additional steps. Initially, the existing GTECH gaming subsidiaries currently owned by GTECH will remain direct subsidiaries of NewCo. The transaction is currently expected to be completed in the first or second quarter of 2015.

The transaction is subject to the receipt of required antitrust and gaming clearances, approval by each of the IGT and GTECH shareholders, and other customary conditions. The GTECH / NewCo merger will trigger the withdrawal right of GTECH shareholders not approving the transaction in the meeting of GTECH shareholders. GTECH can terminate the Merger Agreement and not proceed to the closing of the transaction in the event that withdrawal rights are exercised in excess of 20 percent of GTECH share capital.

The transaction will include an election mechanism for IGT shareholders to elect all-stock, all-cash, or mixed consideration subject to proration in accordance with the terms of the Merger Agreement. Assuming a mixed consideration election, IGT shareholders will receive a combination of $13.69 in cash plus 0.1819 NewCo shares (subject to adjustment) for each share of IGT common stock, equal to an aggregate value of $18.25 per IGT share. The stock component of the purchase price is subject to adjustment with a 15 percent up and down collar based on the trading price of GTECH shares prior to the closing of the transaction. GTECH shareholders will exchange each of their existing GTECH shares for one (1) newly issued ordinary share of NewCo.

As a result of the transaction, it is anticipated that existing IGT and GTECH shareholders will own approximately 20 percent and 80 percent respectively (assuming no withdrawal rights are exercised), of NewCo’ s ordinary shares and De Agostini is expected to hold approximately 47 percent of NewCo’ s outstanding ordinary shares.

GTECH expects to finance the cash portion of the consideration through a combination of cash on hand and new financing. In connection with entering into the transaction, GTECH has received binding commitments totaling $10.7 billion from Credit Suisse, Barclays and Citigroup to finance the transaction, including refinancing certain existing indebtedness.

Upon closing of the transaction, the initial board of directors of NewCo will be comprised of 13 directors including Marco Sala, GTECH’s Chief Executive Officer, who will serve as the Chief Executive Officer of NewCo; five directors to be appointed by International Game Technology from International Game Technology’s existing board of directors, (including Phil Satre, International Game Technology’s current Chief Executive Officer, who will serve as a Vice-Chairman, and three additional independent directors) and six directors to be appointed by GTECH shareholders, at least four of whom will be independent and one of whom will serve as a Vice-Chairman and on independent director mutually agreed upon by GTECH and International Game Technology.

Manufacturer Background Information

GTECH, S.p.A ("GTECH")

GTECH is a world-wide market leader in lottery technologies and management services. The company has its headquarters in Rome, Italy and in Providence, Rhode Island and employs approximately 8,600 employees worldwide. GTECH is publicly traded on the Milan Stock Exchange and was formerly known as Lottomatica, S.p.A. GTECH is owned in part by De Agostini, S.p.A., a privately held Italian company, which currently owns approximately 59.5 percent of the company's shares. GTECH holds lottery and gaming licenses all over the world.

GTECH, S.p.A. was approved as a Manufacturer by the Maryland Lottery and Gaming Control Commission on December 8, 2009. In addition, two Principal Entities; GTECH Holding Corporation and Lottomatica, as well as 26 Principals were also approved by the Commission on that same date. Should additional licensing applications be required following the merger, staff will ensure they are submitted promptly and thoroughly investigated.

International Game Technology ("IGT")

International Game Technology is a world-wide leader in supplying electronic gaming machines to the casino market and has recently taken a dominant position in the social gaming space with the acquisition of several companies, including Double Down. International Game Technology has its corporate headquarters in Reno, Nevada and employs roughly 4,500 employees world-wide. International Game Technology is publicly traded on the New York Stock Exchange and holds gaming licenses all over the world.

International Game Technology was approved as a Manufacturer by the Maryland Lottery and Gaming Control Commission on April 30, 2010. In addition, one Principal Entity; Black Rock, Incorporated, and 17 Principals were also approved by the Commission on that same date. Should additional licensing applications be required following the merger, staff will ensure they are submitted promptly and thoroughly investigated.

Findings

Based on our investigation, MLGCA staff has determined that this proposed merger meets and is consistent with the Gaming Law. Therefore, MLGCA staff recommends MLGCC approval of the proposed merger.