

INTERNATIONAL GAME TECHNOLOGY

Form S-4/A

October 19, 2001

As filed with the Securities and Exchange Commission on October 19, 2001

Registration No. 333-67928

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

INTERNATIONAL GAME TECHNOLOGY

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation or organization)

3990
(Primary Standard Industrial
Classification Code Number)

88-0173041
(I.R.S. Employer
Identification No.)

9295 Prototype Drive

Reno, Nevada 89511
(775) 448-7777

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Sara Beth Brown
Senior Vice President and General Counsel
International Game Technology
9295 Prototype Drive
Reno, Nevada 89511
(775) 448-7777

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Dallas, Texas 75201
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Approximate date of commencement of proposed sale to public:

As soon as practicable after this registration statement becomes effective and the merger has become effective under the agreement and plan of merger as described herein.

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the Securities Act), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. _____

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. _____

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, par value \$0.000625 per share	17,259,608 shares	Not applicable	\$895,342,165	\$223,835.54 ⁽³⁾

- (1) Represents the number of shares of common stock, par value \$0.000625 per share, of International Game Technology expected to be issued pursuant to the merger based upon the number of shares of common stock, par value \$0.01 per share, of Anchor Gaming outstanding or subject to outstanding options as of July 8, 2001, the date of the merger agreement.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(1) and 457(c) under the Securities Act and based on \$51.875, the average of the high and low per share prices of common stock of Anchor Gaming as reported on the Nasdaq National Market on August 15, 2001.
- (3) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this document is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. We may not sell these securities until that registration statement is effective. This document is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 19, 2001

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT!

Dear Stockholder:

I am pleased to report that the boards of directors of International Game Technology and Anchor Gaming have each unanimously approved a merger of the two companies.

In the merger, Anchor stockholders will receive, for each share of Anchor common stock they own, a number of shares of IGT common stock calculated according to an exchange ratio based on the average closing price of IGT common stock during a specified twenty-day measurement period. If the IGT average closing price is between \$50.00 and \$75.00 per share, Anchor stockholders will receive one share of IGT common stock for each share of Anchor common stock they own. If the IGT average closing price is less than \$50.00 per share, Anchor may terminate the merger agreement, subject to IGT's right to provide a higher exchange ratio such that the value of IGT stock received by Anchor stockholders equals \$50.00 per share. Conversely, if the IGT average closing price exceeds \$75.00 per share, IGT may terminate the merger agreement, subject to Anchor's right to accept a lower exchange ratio such that the value of IGT stock received by Anchor stockholders equals \$75.00 per share. In addition, IGT will convert each outstanding option to purchase Anchor common stock into the right to acquire on the same terms and conditions a number of shares of IGT common stock based on the merger exchange ratio. IGT common stock trades on The New York Stock Exchange under the symbol IGT.

One condition for completion of the merger is that IGT's stockholders approve the issuance of IGT common stock to Anchor stockholders in the merger. IGT has scheduled a special meeting for its stockholders to vote on this issuance of shares in the merger.

At the special meeting, IGT's stockholders will also vote on a proposal to increase by 900,000 the number of shares of IGT common stock available for issuance under the International Game Technology 1993 Stock Option Plan to accommodate stock option grants IGT committed to as part of the merger.

We are furnishing you with this joint proxy statement/prospectus in connection with the solicitation by the board of directors of IGT of your vote at the special meeting. The special meeting of IGT stockholders will take place at [place], on [date], at [time].

The board of directors of IGT believes that the merger and the stock option plan amendment are both in the best interests of IGT stockholders, and recommends that you vote **FOR** both of these proposals.

This joint proxy statement/prospectus contains important information that you should consider in determining your vote on the above proposals. **In particular, please see Risk Factors beginning on page 19 for a discussion of some of the risks that you should consider in evaluating the proposed merger.**

Sincerely,

G. Thomas Baker
President and Chief Executive Officer
International Game Technology

Neither the United States Securities and Exchange Commission, any state securities commission, the Nevada Gaming Commission, the Nevada State Gaming Control Board, nor any other gaming regulatory authority has approved or disapproved of the IGT common stock to be issued in the merger or the investment merits of the IGT common stock or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is unauthorized and may violate applicable law.

This joint proxy statement/prospectus is dated _____ and is first being mailed to stockholders on or about _____.

SUBJECT TO COMPLETION, DATED OCTOBER 19, 2001

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT!

Dear Stockholder:

I am pleased to report that the boards of directors of International Game Technology and Anchor Gaming have each unanimously approved a merger of the two companies.

In the merger, Anchor stockholders will receive, for each share of Anchor common stock they own, a number of shares of IGT common stock calculated according to an exchange ratio based on the average closing price of IGT common stock during a specified twenty-day measurement period. If the IGT average closing price is between \$50.00 and \$75.00 per share, Anchor stockholders will receive one share of IGT common stock for each share of Anchor common stock they own. If the IGT average closing price is less than \$50.00 per share, Anchor may terminate the merger agreement, subject to IGT's right to provide a higher exchange ratio such that the value of IGT stock received by Anchor stockholders equals \$50.00 per share. Conversely, if the IGT average closing price exceeds \$75.00 per share, IGT may terminate the merger agreement, subject to Anchor's right to accept a lower exchange ratio such that the value of IGT stock received by Anchor stockholders equals \$75.00 per share. In addition, IGT will convert each outstanding option to purchase Anchor common stock into the right to acquire on the same terms and conditions a number of shares of IGT common stock based on the merger exchange ratio. IGT common stock trades on The New York Stock Exchange under the symbol IGT.

One condition for completion of the merger is that Anchor's stockholders approve the merger. Anchor has scheduled a special meeting for its stockholders to vote on the merger.

We are furnishing you with this joint proxy statement/prospectus in connection with the solicitation by the board of directors of Anchor of your vote at the special meeting. The special meeting of Anchor stockholders will take place at 815 Pilot Road, Suite G, Las Vegas, Nevada 89119, on [date], at [time].

The board of directors of Anchor believes that the merger is in the best interests of Anchor stockholders, and recommends that you vote FOR this proposal.

This joint proxy statement/prospectus contains important information that you should consider in determining your vote on the above proposals. **In particular, please see Risk Factors beginning on page 19 for a discussion of some of the risks that you should consider in evaluating the proposed merger.**

Sincerely,

Thomas J. Matthews
Chairman, Chief Executive Officer and President
Anchor Gaming

Neither the United States Securities and Exchange Commission, any state securities commission, the Nevada Gaming Commission, the Nevada State Gaming Control Board, nor any other gaming regulatory authority has approved or disapproved of the IGT common stock to be issued in the merger or the investment merits of the IGT common stock or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is unauthorized and may violate applicable law.

This joint proxy statement/prospectus is dated _____ and is first being mailed to stockholders on or about _____.

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF
INTERNATIONAL GAME TECHNOLOGY**

International Game Technology hereby invites you, as one of its stockholders, to attend in person or by proxy a Special Meeting of Stockholders of IGT to be held at [place], on [date] at [time] local time, for the purposes of considering and acting on the following proposals:

1. A proposal to approve the issuance of shares of IGT common stock in the merger contemplated by the Agreement and Plan of Merger dated as of July 8, 2001 among IGT, NAC Corporation, a wholly-owned subsidiary of IGT, and Anchor Gaming, as more fully described in the accompanying joint proxy statement/prospectus.
2. A proposal to amend the International Game Technology 1993 Stock Option Plan to increase by 900,000 the number of shares of IGT common stock available for issuance under the stock option plan.
3. To transact any other business that may properly come before the meeting.

Under New York Stock Exchange rules, holders of at least a majority of the outstanding shares of IGT on [record date] must be present in person or by proxy at the meeting to constitute a quorum, which may conduct business at the meeting. The affirmative vote of a majority of the shares voted at the special meeting, in person or by proxy, is required to approve the issuance of IGT common stock to Anchor stockholders in the merger and to approve the stock option plan amendment.

If you were an IGT stockholder at the close of trading on [record date], you are entitled to vote on the proposals to be considered at the meeting. Whether or not you plan to attend the meeting, we urge you to vote now by completing and returning the enclosed proxy card.

IGT's board of directors has unanimously approved the issuance of IGT common stock to Anchor stockholders in the merger and the stock option plan amendment and recommends that you vote **FOR** both of these proposals.

G. Thomas Baker
President and Chief Executive Officer

Reno, Nevada
[date]

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF ANCHOR GAMING

Anchor Gaming hereby invites you, as one of its stockholders, to attend in person or by proxy a Special Meeting of Stockholders of Anchor to be held at 815 Pilot Road, Suite G, Las Vegas, Nevada 89119, on [date] at [time] local time, for the purposes of considering and acting on the following proposals:

1. A proposal to approve and adopt the Agreement and Plan of Merger dated as of July 8, 2001 among International Game Technology, NAC Corporation, a wholly-owned subsidiary of International Game Technology, and Anchor Gaming, and the merger contemplated by that agreement, as more fully described in the accompanying joint proxy statement/prospectus.

2. To transact any other business that may properly come before the meeting.

Under Anchor's bylaws, holders of at least a majority of the outstanding shares of Anchor on [record date] must be present in person or by proxy at the meeting to constitute a quorum, which may conduct business at the meeting. Under Nevada law, the holders of a majority of Anchor's outstanding shares on [record date] must vote for the merger proposal at the special meeting either in person or by proxy for it to be approved.

If you were an Anchor stockholder at the close of trading on [record date], you are entitled to vote on the proposals to be considered at the meeting. Whether or not you plan to attend the meeting, we urge you to vote now by completing and returning the enclosed proxy card.

Anchor's board of directors has unanimously approved the merger proposal and recommends that you vote **FOR** this proposal.

Thomas J. Matthews
*Chairman of the Board, Chief Executive Officer
and President*

Las Vegas, Nevada
[date]

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why are the companies proposing the merger?

A: IGT and Anchor have been working together since 1996 as joint venture partners. The combination of the companies will permit the companies to work even more closely together to develop new games and use their complementary resources to benefit casinos and casino customers. In addition, Anchor has attractive businesses that IGT is not currently in, most notably the lottery business, and the companies believe that their combined resources will make them a more effective competitor in these businesses.

Q: What happens to my shares in the merger?

A: *IGT stockholders:* Upon completion of the merger, you will retain the same number of shares of IGT common stock as you currently own. *Anchor stockholders:* Upon completion of the merger, the outstanding shares of Anchor common stock will be converted into shares of IGT common stock. The number of shares of IGT common stock each Anchor stockholder will receive depends on the final exchange ratio for the merger, which will depend in turn on the IGT average share value. If the IGT average share value is

between \$50.00 per share and \$75.00 per share, inclusive, IGT will exchange each share of Anchor common stock for one share of IGT common stock.

less than \$50.00 per share, and

Anchor does not notify IGT in writing of its intention to terminate the merger agreement, IGT will exchange each share of Anchor common stock for one share of IGT common stock; or

Anchor notifies IGT in writing of its intention to terminate the merger agreement and IGT, in its sole and absolute discretion, elects to adjust the exchange ratio rather than allow the merger agreement to terminate, IGT will exchange each share of Anchor common stock for the number of shares of IGT common stock equal to a fraction, the numerator of which is \$50.00 and the denominator of which is the IGT average share value.

greater than \$75.00 per share, and

IGT does not notify Anchor in writing of its intention to terminate the merger agreement, IGT will exchange each share of Anchor common stock for one share of IGT common stock; or

IGT notifies Anchor in writing of its intention to terminate the merger agreement and Anchor, in its sole and absolute discretion, elects to adjust the exchange ratio rather than allow the merger agreement to terminate, IGT will exchange each share of Anchor common stock for the number of shares of IGT common stock equal to a fraction, the numerator of which is \$75.00 and the denominator of which is the IGT average share value.

IGT and Anchor intend to issue a press release announcing the final exchange ratio for the merger promptly after it is determined. The following toll-free number is available for stockholders of IGT and Anchor to obtain a daily closing price for IGT common stock: 800-

Anchor stockholders will not receive any fractional shares. Instead, they will receive cash based upon the market value of a share of IGT common stock upon the closing of the merger multiplied by the appropriate fraction in lieu of any fractional shares.

Please see Terms of the Merger Agreement and Related Agreements Conversion of Shares in the Merger on page 65 for a more detailed explanation of the merger consideration.

Q: How will the companies calculate the IGT average share value?

A: The IGT average share value is equal to the average per share closing price of IGT common stock on the New York Stock Exchange during a specified period before the closing of the merger. The period for determining the IGT average share value is

the twenty consecutive trading days ending on the third trading day before the Anchor stockholders meeting, or

if the closing of the merger is more than five trading days after the Anchor stockholders meeting, the twenty consecutive trading days ending on the third trading day before the closing date.

Q: Will the merger dilute the ownership of IGT stockholders?

A: Yes. The issuance of shares of IGT common stock to Anchor stockholders will dilute the ownership of existing IGT stockholders. After completion of the merger and assuming an exchange ratio of one-for-one, former Anchor stockholders will own approximately 16.6% of the outstanding shares of IGT common stock, and existing IGT stockholders will own approximately 83.4% of the outstanding shares of IGT common stock. Assuming the exercise of all 2.4 million vested and unvested Anchor stock options, which will become options to purchase IGT common stock upon completion of the merger, Anchor stockholders would own approximately 18.7% of the outstanding shares of IGT common stock if the final exchange ratio is one-for-one.

Q: When do the companies expect to complete the merger?

A: The companies intend to complete the merger as soon as possible after the stockholders meetings. Currently, the companies expect to complete the merger before January 30, 2002. However, the companies cannot complete the merger until they satisfy additional conditions, including the receipt of all required gaming regulatory authority and other governmental approvals. The companies are unable to predict when they will complete the merger since they do not know when they will satisfy all of the conditions set forth in the merger agreement. However, either company can terminate the merger agreement if the merger is not completed by January 30, 2002, unless the reason the merger has not been completed by that date is that the companies are still awaiting approval from a governmental authority, in which event either IGT or Anchor can extend the date of termination from January 30, 2002 to April 30, 2002. Please see Terms of the Merger Agreement and Related Agreements Conditions to the Merger on page 74 and Termination on page 76 for a more detailed explanation of the conditions to and termination of the merger.

Q: What am I being asked to vote on?

A: *IGT stockholders:* You are being asked to vote on the following two proposals:

to approve the issuance of IGT common stock to Anchor stockholders in connection with the merger; and

to approve an amendment to the International Game Technology 1993 Stock Option Plan to increase by 900,000 the number of shares of IGT common stock available for issuance under the stock option plan. Please see Proposal Amendment to the 1993 Stock Option Plan on page 91 for a more detailed explanation of the stock option plan amendment.

Anchor stockholders: You are being asked to vote on the proposal to approve and adopt the merger agreement.

Q: Do the boards of directors of IGT and Anchor recommend voting in favor of the merger?

A: Yes. After careful consideration, the boards of directors of both IGT and Anchor recommend voting in favor of the merger. See The Merger IGT Board Reasons for the Merger; Recommendation of the IGT Board on page 41 and The Merger Anchor Board Reasons for the Merger; Recommendation of the Anchor Board on page 43.

Q: How do I vote?

A: If you hold shares of IGT or Anchor common stock, mail your signed proxy card in the enclosed return envelope as soon as possible. You may also attend the respective special stockholders meeting in person instead of submitting a proxy. If your shares are held by your broker as your nominee, your broker will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Unless you instruct your broker how to vote, your shares will not be voted at the special meeting.

Q: How will the companies vote my shares if I return a blank proxy card?

A: *IGT stockholders:* If you sign and send in your proxy card and do not indicate how you want to vote, IGT will count your proxy as a vote FOR the merger and stock option plan amendment proposals submitted at the special meeting.

Anchor stockholders: If you sign and send in your proxy card and do not indicate how you want to vote, Anchor will count your proxy as a vote FOR the merger proposal submitted at the special meeting.

Q: How can I change my vote after I have mailed my proxy?

A: You may change your vote by delivering a signed revocation or a subsequently dated, signed proxy card to the corporate Secretary of either IGT or Anchor, as applicable, before the stockholder meeting, or by attending the stockholder meeting and voting in person. However, if you have delivered a valid proxy, your mere presence at the stockholder meeting will not, by itself, revoke that proxy.

Q: Are there risks I should consider in deciding whether to vote for the merger?

A: Yes. The companies have set out under the heading **Risk Factors** beginning on page 19 of this joint proxy statement/prospectus a number of risk factors that you should carefully consider before voting.

Q: Should I send in my stock certificates now?

A: *IGT stockholders:* No. You will continue to own your shares of IGT common stock after the merger and should continue to hold your stock certificates.

Anchor stockholders: No. IGT will appoint an exchange agent to coordinate the exchange of your shares of Anchor common stock for shares of IGT common stock after the completion of the merger. The exchange agent will send you written instructions on how to exchange your stock certificates.

Q: May Anchor stockholders sell the shares of IGT common stock they receive in the merger?

A: Anchor stockholders will generally have the right to resell the IGT common stock they receive in the merger. See **The Merger Resales of IGT Common Stock** on page 64.

Q: Do Anchor stockholders have dissenters' rights of appraisal?

A: No. Under the corporation laws of the State of Nevada, Anchor's state of incorporation, Anchor stockholders do not have any appraisal or dissenters' rights in connection with the merger.

Q: How can I find out whether the stockholders of IGT and Anchor approved the merger proposals?

A: IGT and Anchor each intend to issue a press release announcing the voting results for the respective merger proposals at their respective meetings promptly after each meeting is held.

Who Can Help Answer Your Questions

If you have more questions about the merger you should contact:

International Game Technology
9295 Prototype Drive
Reno, Nevada 89511-0580
Attention: Bob McIver, Investor Relations
(775) 448-0110

Anchor Gaming
815 Pilot Road, Suite G
Las Vegas, Nevada 89119-3739
Attention: Geoff Sage
(702) 896-7568

If you are an IGT or Anchor stockholder and would like additional copies of this joint proxy statement/prospectus, or if you have other questions about the merger, you may contact IGT's and Anchor's proxy solicitor, _____, Inc.: 800-_____ (a toll-free number).

You should rely only on the information contained in this joint proxy statement/ prospectus or what the companies have referred you to. The companies have not authorized anyone to provide you with information that is different.

SUMMARY

This summary highlights the material terms of the merger and other important information from this joint proxy statement/prospectus, but it may not contain all of the information that is important to you. To understand the terms of the merger fully and for a more complete description of these terms, you should carefully read this entire joint proxy statement/prospectus, including the annexes and the documents to which IGT and Anchor have referred you. See "Where You Can Find More Information" on page 100.

The Companies

International Game Technology

9295 Prototype Drive
Reno, Nevada 89511-0580
Attention: Bob McIver, Investor Relations
(775) 448-0110

IGT is a world leader in the design, development and manufacture of microprocessor-based gaming products and software systems in all jurisdictions where gaming is legal.

Anchor Gaming

815 Pilot Road, Suite G
Las Vegas, Nevada 89119-3739
Attention: Geoff Sage
(702) 896-7568

Anchor Gaming is a diversified technology company with operations around the world. Anchor operates in three complementary business segments: gaming machines, gaming operations and gaming systems. The gaming machine segment focuses on the development and placement of unique proprietary games. The gaming operations segment operates a Native American casino in San Diego and two casinos in Colorado, and manages gaming machine routes in Nevada. The gaming systems segment provides equipment and related services to on-line lotteries, video lotteries, and pari-mutuel organizations.

Opinions of Financial Advisors

(see page 44)

In deciding to approve the merger, the IGT board of directors considered an opinion from its financial advisor as to the fairness of the consideration to be received by IGT in connection with the merger from a financial point of view. In deciding to approve the merger, the Anchor board of directors considered an opinion from its financial advisor as to the fairness of the exchange ratio from a financial point of view to the Anchor stockholders. IGT received an opinion from Houlihan Lokey Howard & Zukin Financial Advisors, Inc., attached as Annex B to this joint proxy statement/prospectus. Anchor received an opinion from Dresdner Kleinwort Wasserstein, Inc., attached as Annex C to this joint proxy statement/prospectus. The companies encourage you to read and consider the opinions in their entirety before voting on the merger proposals.

Interests of Key Persons

in the Merger (see page 57)

When considering the recommendation of the board of directors of Anchor regarding the merger, you should be aware of the interests that key executive officers and directors of Anchor have in the merger that are different from your and their interests as stockholders generally. These interests include, among other things:

employment agreements that two of Anchor's executive officers have entered into, which will become effective upon completion of the merger;

terms of existing stock option and restricted stock agreements, which provide for acceleration of the vesting of underlying options and restricted stock upon the merger; and

provisions in the merger agreement relating to indemnification and insurance.

Thomas J. Matthews, Chairman, President and Chief Executive Officer of Anchor, will become the Chief Operating Officer of IGT as promptly as practicable following completion of the merger and will remain President and Chief Executive Officer of Anchor. In addition, Mr. Matthews and a person to be mutually agreed upon by IGT and Anchor will each become a director of IGT, filling two newly created seats on the IGT board of directors. Joseph Murphy will remain Chief Operating Officer - Gaming Operations of Anchor following completion of the merger. Messrs. Matthews and Murphy will be granted 500,000 and 100,000 IGT stock options, respectively, at the time of completion of the merger.

Comparison of Stockholder Rights

(see page 88)

Nevada law and Anchor's articles of incorporation and by-laws govern the rights of Anchor stockholders. If the merger is completed, Anchor stockholders will receive shares of IGT common stock. As stockholders of IGT, former Anchor stockholders will have rights governed by Nevada law and IGT's articles of incorporation and by-laws. Please see "Comparison of the Rights of Holders of Anchor Common Stock and International Game Technology Common Stock" for a description of the material differences in these provisions.

IGT Stockholder Approval

(see pages 31 and 34)

Approval of the issuance of IGT common stock to Anchor stockholders pursuant to the merger agreement and approval of the stock option plan amendment each require the affirmative vote of the holders of a majority of the votes cast at the IGT stockholders' meeting in person or by proxy.

On October 12, 2001, directors and executive officers of IGT and their affiliates beneficially owned approximately 3.5% of the outstanding shares of IGT common stock, excluding shares issuable pursuant to options.

Anchor Stockholder Approval

(see pages 31 and 36)

Approval of the merger agreement requires the affirmative vote at the Anchor stockholders' meeting either in person or by proxy of the holders of a majority of the shares of Anchor common stock outstanding on the record date.

On October 12, 2001, directors and executive officers of Anchor and their affiliates beneficially owned approximately 1.7% of the outstanding shares of Anchor common stock, excluding shares issuable pursuant to options.

In connection with the execution of the merger agreement, Anchor stockholders Thomas J. Matthews and Joseph Murphy, who, as of the date of this joint proxy statement/prospectus, beneficially own an aggregate of approximately 1.6% of the outstanding Anchor common stock, excluding shares issuable pursuant to options, entered into voting agreements with IGT. In these agreements, Messrs. Matthews and Murphy agreed to vote all Anchor common stock over which they have voting control in favor of the merger proposal.

Our Recommendations to Stockholders

(see pages 41 44 and 98)

To IGT Stockholders:

The IGT board of directors believes that the merger and the stock option plan amendment are advisable and are in your best interests and unanimously recommends that you vote FOR the proposals to approve the issuance of IGT common stock in the merger and to amend IGT's stock option plan.

To Anchor Stockholders:

The Anchor board of directors believes that the merger is advisable and is in your best interests and unanimously recommends that you vote FOR the proposal to approve the merger agreement and the merger.

The Merger

The merger agreement is attached as Annex A to this joint proxy statement/prospectus. The companies encourage you to read the merger agreement because it is the legal document that governs the merger.

Anchor Stockholders Will Receive Shares of IGT Common Stock

(see page 65)

IGT and Anchor are proposing a transaction in which IGT will acquire Anchor in a merger of Anchor with NAC Corporation, a wholly-owned subsidiary of IGT. Anchor will survive the merger and will continue as a wholly-owned subsidiary of IGT. Subject to receipt of approval of both IGT and Anchor stockholders, regulatory approvals and other matters, IGT and Anchor expect to complete the merger before January 30, 2002.

Upon completion of the merger, the outstanding shares of Anchor common stock will be converted into shares of IGT common stock. The number of shares of IGT common stock each Anchor stockholder will receive depends on the final exchange ratio for the merger, which will depend in turn on the IGT average share value. The IGT average share value is equal to the average per share closing price of IGT common stock on the New York Stock Exchange during a specified period before the closing of the merger. The period for determining the IGT average share value is

the twenty consecutive trading days ending on the third trading day before the Anchor stockholders' meeting, or

if the closing of the merger is more than five trading days after the Anchor stockholders' meeting, the twenty consecutive trading days ending on the third trading day before the closing date.

For example, if the Anchor Stockholders' meeting is on a Wednesday and the closing date falls on the following Monday (that is, less than five trading days after the meeting), the last day of the measurement period will be the Friday preceding the meeting (assuming that the interim days and the Friday were all trading days). Alternatively, if the Anchor Stockholders' meeting is on a Wednesday and the closing date falls on the third Wednesday (that is, more than five trading days) after the meeting, the last day of the measurement period will be the Friday preceding the Wednesday on which the closing occurs.

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If the IGT average share value is

between \$50.00 per share and \$75.00 per share, inclusive, IGT will exchange each share of Anchor common stock for one share of IGT common stock.

less than \$50.00 per share, and

Anchor does not notify IGT in writing of its intention to terminate the merger agreement, IGT will exchange each share of Anchor common stock for one share of IGT common stock; or

Anchor notifies IGT in writing of its intention to terminate the merger agreement and IGT, in its sole and absolute discretion, elects to adjust the exchange ratio rather than allow the merger agreement to terminate, IGT will exchange each share of Anchor common stock for the number of shares of IGT common stock equal to a fraction, the numerator of which is \$50.00 and the denominator of which is the IGT average share value.

For example, if the IGT average share value was \$48.00, and Anchor delivered its termination notice to IGT under the terms of the merger agreement, IGT could, at its sole option, adjust the exchange ratio to 1.0417 ($\$50.00/\48.00), and Anchor stockholders would receive 1.0417 shares of IGT common stock for each share of Anchor common stock they own.

greater than \$75.00 per share, and

IGT does not notify Anchor in writing of its intention to terminate the merger agreement, IGT will exchange each share of Anchor common stock for one share of IGT common stock; or

IGT notifies Anchor in writing of its intention to terminate the merger agreement and Anchor, in its sole and absolute discretion, elects to adjust the exchange ratio rather than allow the merger agreement to terminate, IGT will exchange each share of Anchor common stock for the number of shares of IGT common stock equal to a fraction, the numerator of which is \$75.00 and the denominator of which is the IGT average share value.

For example, if the IGT average share value was \$77.00 and IGT delivered its termination notice to Anchor under the terms of the merger agreement, Anchor could, at its sole option, adjust the exchange ratio to 0.9740 ($\$75.00/\77.00), and Anchor stockholders would receive 0.9740 shares of IGT common stock for each share of Anchor common stock they own.

IGT and Anchor encourage you to obtain current stock price quotations for IGT common stock from a newspaper, the Internet or your broker. IGT common stock trades on the New York Stock Exchange under the symbol IGT. The final calculation of the exchange ratio in the merger will occur before completion of the merger but after the IGT and Anchor stockholders' meetings. IGT intends to issue a press release announcing the final exchange ratio promptly after it is determined. The following toll-free number is also available for stockholders of IGT and Anchor to obtain a daily closing price for IGT common stock: 800- . IGT will pay Anchor stockholders the value of any fractional shares in cash rather than issuing any fractional shares of IGT common stock in the merger.

Upon completion of the merger, by virtue of the merger and without any additional action on the part of stockholders of Anchor, IGT or NAC Corp.:

the Anchor common stock converted as described above will no longer be outstanding, will automatically be canceled and retired, and will cease to exist;

each holder of Anchor common stock will cease to have any rights in Anchor common stock, except the right to receive the appropriate number of shares of IGT common stock, cash in lieu of fractional shares and dividends, if any, declared with a record date after the effective time of the merger; and

each share of common stock of NAC Corp. outstanding immediately before the effective time of the merger will become one share of common stock of the surviving corporation.

IGT stockholders will not have to surrender their stock certificates. Anchor stockholders will have to surrender their Anchor common stock certificates to receive new stock certificates representing IGT common stock. **Please do not send any certificates now.** IGT's exchange agent will send you written instructions on how to surrender your Anchor common stock certificates for new IGT common stock certificates after completion of the merger.

Shares of Anchor common stock owned by Anchor, IGT, or their wholly-owned subsidiaries will be cancelled in the merger and will not be exchanged for shares of IGT common stock.

The Merger Will Generally Be Tax-Free to Stockholders

(see page 60)

IGT may elect not to complete the merger unless it receives an opinion from its counsel, O Melveny & Myers LLP, and Anchor may elect not to complete the merger unless it receives an opinion from its counsel, Hughes & Luce, LLP, in each case to the effect that the merger will be treated as a reorganization under the Internal Revenue Code, which is a transaction that is generally tax-free for United States federal income tax purposes. Assuming that the merger constitutes a reorganization under the Internal Revenue Code, the exchange by Anchor stockholders of shares of Anchor common stock for shares of IGT common stock generally will not cause either IGT stockholders or Anchor stockholders to recognize any gain or loss for U.S. federal income tax purposes. Anchor stockholders, however, will have to recognize income or gain or loss in connection with any cash received in lieu of fractional shares.

This tax treatment may not apply to all Anchor stockholders. Determining the actual tax consequences of the merger to you can be complicated. The actual tax consequences will depend on your specific situation and on variables not within the control of IGT or Anchor. You should consult with your own tax advisor for a full understanding of the merger's tax consequences to you.

Conditions to the Merger

(see page 74)

The companies will not complete the merger until they have satisfied numerous conditions. Some of the conditions are listed below:

the Anchor stockholders and IGT stockholders have each approved their respective merger proposals;

the New York Stock Exchange has authorized the shares of IGT common stock to be issued in the merger for trading on that exchange;

no law or court order has prohibited the merger;

the Securities and Exchange Commission has declared the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part effective under the Securities Act of 1933 and has not issued or sought a stop order;

all applicable waiting periods under United States federal antitrust laws have expired;

the parties have received all necessary gaming approvals from any gaming regulatory authorities;

each party has received an opinion of its respective tax counsel that the merger will be treated as a tax-free reorganization; and

the representations and warranties of the parties contained in the merger agreement are true and correct in accordance with the requirements of the merger agreement and the parties have performed or complied in all material respects with all their agreements and covenants required under the merger agreement.

Where the law permits, either IGT or Anchor can elect to waive a condition to its obligation to complete the merger. IGT and Anchor cannot be certain when or if the conditions to the merger will be satisfied or waived or that the merger will be completed.

Regulatory Approvals

(see page 61)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, the companies must furnish information and materials relating to the business of each of the companies to the Department of Justice and the Federal Trade Commission and wait a specified period of time before the companies can complete the merger. The DOJ or the FTC has the authority to challenge the merger on antitrust grounds before the companies complete the merger. IGT and Anchor made the initial filing with the United States antitrust authorities on July 30, 2001. On August 29, 2001, the FTC requested additional information from the parties, which the parties are in the process of supplying to that agency.

As a result of the merger, IGT will own Anchor's gaming activities in a number of jurisdictions, each of which is subject to various licensing and other regulatory requirements administered by various governmental entities. Some of these laws and regulations require that the applicable gaming regulatory authorities approve the merger. IGT and Anchor have filed or will file applications in each jurisdiction in which they conduct gaming activities with appropriate gaming regulatory authorities. The companies cannot complete the merger unless and until they comply with all applicable gaming regulatory requirements and obtain all requisite gaming approvals.

Termination of the Merger Agreement

(see page 76)

The boards of directors of both companies can jointly agree to terminate the merger agreement at any time without completing the merger. In addition, either company can individually terminate the merger agreement if the stockholders of either IGT or Anchor fail to approve the merger proposal, or if the companies do not complete the merger by January 30, 2002, unless the reason the merger has not closed by that date is that the companies are still awaiting approval from a governmental authority, in which event either IGT or Anchor can extend the date of termination from January 30, 2002 to April 30, 2002.

Anchor also has termination rights if it receives an unsolicited superior proposal, which is a proposal relating to a business combination that the Anchor board determines, in good faith and after consulting with outside legal counsel, it must accept to comply with its fiduciary duties to the Anchor stockholders under applicable laws. Under the merger agreement, Anchor may not solicit alternative proposals to the merger. Anchor also may elect to terminate the merger agreement if the IGT average share value falls below \$50.00, subject to IGT's right, in its sole discretion, to adjust the exchange ratio according to a specified formula instead of allowing the merger agreement to terminate.

In addition, if the IGT average share value exceeds \$75.00, IGT may elect to terminate the merger agreement, subject to Anchor's right, in its sole discretion, to adjust the exchange ratio according to a specified formula instead of allowing the merger agreement to terminate. Both companies have additional termination rights more specifically described in Terms of the Merger Agreement and Related Agreements Termination on page 76.

Anchor must pay IGT a termination fee of \$30,000,000 if the merger agreement is terminated:

by Anchor because it received a superior proposal;

by IGT because the Anchor board withdrew or modified its recommendation to stockholders, recommended a takeover proposal made by a third party to the Anchor stockholders, or failed to call or hold the Anchor stockholders' meeting following receipt of a takeover proposal;
or

by IGT because Anchor willfully and materially breached its covenant not to solicit, initiate, encourage or participate in a takeover proposal except to the extent required for the Anchor board to comply with its fiduciary duties as more specifically described in Terms of the Merger Agreement and Related Agreements No Inconsistent Activities on page 71.

Anchor must also pay the fee if:

a takeover proposal was made before the Anchor stockholders' meeting (whether or not rejected or withdrawn);

the Anchor stockholders did not approve the Anchor merger proposal; and

within twelve months after the termination of the merger agreement Anchor entered into an agreement for, and, within twenty-four months after the termination of the merger agreement, completed a transaction that would constitute a takeover proposal (whether or not with the party who made the initial takeover proposal).

Discretion of IGT and Anchor Boards With Respect to the Merger

If the IGT average share value falls below \$50.00, the board of directors of Anchor, without any further vote of its stockholders, may either elect to proceed with the merger with an exchange ratio equal to one-for-one without any adjustment or elect to terminate the merger agreement. If Anchor were to make the latter election, the merger agreement would terminate unless IGT elected at its sole option to adjust the exchange ratio to provide the Anchor stockholders at least \$50.00 in value (based on the IGT average share value) per share of Anchor common stock. If the IGT average share value during the applicable period exceeds \$75.00, the board of directors of IGT, without any further vote of its stockholders, may either elect to proceed with the merger with an exchange ratio equal to one-for-one without any adjustment or elect to terminate the merger agreement. If IGT were to make the latter election, the merger agreement would terminate unless Anchor elected at its sole option to adjust the exchange ratio to provide the Anchor stockholders \$75.00 in value (based on the IGT average share value) per share of Anchor common stock. See Risk Factors Risks Related to the Merger Stockholder approval confers broad discretion on the Anchor and IGT boards to proceed with the merger despite an IGT average share value that may result in lower overall merger consideration for Anchor stockholders or greater dilution for IGT stockholders on page 20.

Accounting Treatment

The merger will be accounted for as a purchase for financial reporting and accounting purposes, under the newly issued Statement of Financial Accounting Standards (SFAS) No. 141 Business Combinations and SFAS No. 142 Goodwill and Other Intangible Assets. SFAS No. 141 requires the use of the purchase method of accounting for all business combinations initiated after June 30, 2001. The purchase price will be allocated to Anchor's assets and liabilities based upon the fair values of the assets acquired and liabilities assumed. Goodwill and intangible assets acquired after June 30, 2001, will be subject immediately to SFAS No. 142 which changes the accounting for goodwill and intangible assets with indefinite lives from an amortization method to an impairment-only approach. A portion of the purchase price will be allocated to identifiable intangible assets. Any excess of the cost over the fair values of the net tangible and identifiable intangible assets acquired from Anchor will be recorded as goodwill. Goodwill and intangible assets with indefinite lives acquired from Anchor will not be amortized. Amortization will be required for identifiable intangible assets with finite lives. We have included unaudited pro forma financial information in this joint proxy statement/prospectus under the caption Unaudited Pro Forma Combined Condensed Financial Statements on page 80. The pro forma adjustments and the resulting unaudited pro forma combined condensed financial statements were prepared based on available information and assumptions and estimates described in notes to the unaudited pro forma combined condensed financial statements. IGT has not made a final determination of required purchase accounting adjustments, including the allocation of the purchase price to the assets acquired and liabilities assumed and you should consider the allocation reflected in the unaudited pro forma consolidated financial statements preliminary. After the completion of the merger, IGT will include the results of operations of Anchor in the consolidated financial statements of IGT.

Anchor Stockholders Do Not Have Appraisal Rights

(see page 64)

Under the corporation laws of the State of Nevada, Anchor's state of incorporation, Anchor stockholders do not have any appraisal or dissenters' rights in connection with the merger.

International Game Technology

Selected Historical Financial Data

The following selected consolidated financial data as of and for the five years in the period ended September 30, 2000 have been derived from the audited consolidated financial statements of IGT, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The selected historical consolidated financial data for the nine months ended July 1, 2000 and June 30, 2001 and as of June 30, 2001 have been derived from the unaudited consolidated financial statements of IGT. These unaudited consolidated financial statements have been prepared on a basis consistent with the audited financial statements. The unaudited consolidated financial statements include, in the opinion of IGT, all normal recurring adjustments necessary for a fair presentation of the information. Operating results for the nine months ended June 30, 2001 are not necessarily indicative of the results that will be achieved for future periods, including the fiscal year ended September 29, 2001. In March 1998, IGT purchased Barcrest Limited and Olympic Amusements Pty. Limited. In September 1999, IGT completed the purchase of Sodak Gaming, Inc., and in March 2001, IGT completed the purchase of Silicon Gaming, Inc. The operating results of these acquired entities have been included in the consolidated financial statements of IGT since the respective acquisition dates. These selected historical data are only a summary and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes to those financial statements contained in IGT's Annual Report on Form 10-K, as amended on Form 10-K/A for the year ended September 30, 2000, IGT's Quarterly Reports on Form 10-Q for the quarters ended December 30, 2000 and March 31, 2001, each as amended on Form 10-Q/A and IGT's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, which are incorporated by reference in this joint proxy statement/prospectus. See Incorporation of Documents by Reference.

	Fiscal Year Ended					Nine Months Ended	
	Sept. 30, 1996	Sept. 30, 1997	Sept. 30, 1998	Oct. 2, 1999	Sept. 30, 2000	July 1, 2000	June 30, 2001
(in thousands, except per share amounts)							
Operating Data:							
Total revenues	\$ 733,452	\$ 730,799	\$ 758,942	\$ 854,106	\$ 898,404	\$ 614,966	\$ 903,308
Operating costs and expenses(1)	563,619	552,533	605,246	813,344	736,867	512,274	715,767
Earnings of unconsolidated affiliates		13,171	65,181	75,556	105,991	73,274	104,049
Operating income	169,833	191,437	218,877	116,318	267,528	175,966	291,590
Other income (expense), net(2)(3)	14,570	21,188	15,655	(14,925)	(22,541)	(12,230)	(40,060)
Income before income taxes and extraordinary item	184,403	212,625	234,532	101,393	244,987	163,736	251,530
Provision for income taxes	66,386	75,378	82,086	36,081	88,195	58,944	93,066
Income before extraordinary item	118,017	137,247	152,446	65,312	156,792	104,792	158,464
Extraordinary loss on early redemption of debt, net of tax(3)				(3,254)			
Net income	\$ 118,017	\$ 137,247	\$ 152,446	\$ 62,058	\$ 156,792	\$ 104,792	\$ 158,464

	Fiscal Year Ended					Nine Months Ended	
	Sept. 30, 1996	Sept. 30, 1997	Sept. 30, 1998	Oct. 2, 1999	Sept. 30, 2000	July 1, 2000	June 30, 2001
(in thousands, except per share amounts)							
Earnings per share:							
Basic Earnings Per Share							
Income before extraordinary item	\$ 0.93	\$ 1.14	\$ 1.35	\$ 0.65	\$ 2.05	\$ 1.34	\$ 2.16
Extraordinary loss				(0.03)			
Net income	\$ 0.93	\$ 1.14	\$ 1.35	\$ 0.62	\$ 2.05	\$ 1.34	\$ 2.16
Diluted Earnings Per Share							
Income before extraordinary item	\$ 0.93	\$ 1.13	\$ 1.33	\$ 0.65	\$ 2.00	\$ 1.33	\$ 2.07
Extraordinary loss				(0.03)			
Net income	\$ 0.93	\$ 1.13	\$ 1.33	\$ 0.62	\$ 2.00	\$ 1.33	\$ 2.07
Weighted average number of common shares outstanding:							
Basic	126,555	120,715	113,064	99,461	76,586	77,953	73,523
Diluted	127,412	121,829	114,703	100,238	78,229	79,014	76,390
Cash dividends declared per common share	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.03	\$	\$	\$

As of

	Sept. 30, 1996	Sept. 30, 1997	Sept. 30, 1998	Oct. 2, 1999	Sept. 30, 2000	June 30, 2001
(in thousands)						
Balance Sheet Data:						
Cash and cash equivalents(3)	\$ 169,900	\$ 151,771	\$ 175,413	\$ 426,343	\$ 244,907	\$ 276,458
Working capital(3)	488,150	406,958	470,003	739,753	555,233	649,022
Total assets	1,154,187	1,215,052	1,543,628	1,765,060	1,623,716	1,872,544
Long-term notes payable(3)	107,155	140,713	322,510	990,436	991,507	992,372
Total stockholders equity(3)(4)	623,200	519,847	541,276	242,218	96,585	324,395

- (1) Various impairment and restructuring charges are included in the operating costs and expenses for the fiscal 1999 period.
IGT-Australia

In the fourth quarter of fiscal 1999, IGT incurred an impairment charge of \$86.8 million and restructuring costs of \$6.0 million related to its March 1998 acquisition of Olympic Amusements Pty. Ltd. During fiscal 2000, IGT recorded additional restructuring charges of \$1.9 million related to employee terminations associated with Olympic Amusements Pty. Ltd.

IGT-Brazil

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In the fourth quarter of fiscal 1999, the government of Brazil rescinded the law allowing gaming devices in bingo halls. At that time, IGT recorded impairment charges of \$5.3 million relating to its assessment of the recoverability of inventories and receivables in Brazil.

- (2) In the first quarter of fiscal 2000, IGT recorded a legal settlement gain of \$27.0 million (\$17.3 million net of tax) from the resolution of legal actions between IGT and WMS Gaming, Inc. related to infringement claims involving IGT's Telnaes patent for virtual reel technology.

(3) Senior Notes

In May 1999, IGT completed the private placement of \$1.0 billion in aggregate principal amount of Senior Notes pursuant to Rule 144A under the Securities Act of 1933. IGT issued the Senior Notes in two tranches: \$400.0 million aggregate principal amount of 7.875% Senior Notes, due May 15, 2004, priced at 99.053%; and \$600.0 million aggregate principal amount of 8.375% Senior Notes, due May 15, 2009, priced at 98.974%. In August 1999, IGT exchanged all outstanding Senior Notes for identical registered notes. IGT used a portion of the proceeds to redeem previously outstanding 7.84% Senior Notes due 2004, which resulted in a prepayment penalty of \$3.3 million (net of tax) reflected as an extraordinary item in fiscal 1999. Additionally, IGT repaid outstanding borrowings under both IGT's U.S. and Australian credit facilities. IGT used the remaining net proceeds from the offering to fund its acquisition of Sodak, working capital, and share repurchases. IGT recorded interest expense on the Senior Notes of \$31.2 million and \$83.6 million for the fiscal years ended October 2, 1999 and September 30, 2000, and \$62.6 million and \$63.0 million for the prior and current nine month periods.

(4) IGT purchased shares of its common stock as follows (in thousands):

Period	Shares	Purchase Price
Fiscal year ended September 30, 1997	13,060	\$225,474
Fiscal year ended September 30, 1998	5,547	\$122,180
Fiscal year ended October 2, 1999	21,795	\$361,436
Fiscal year ended September 30, 2000	15,655	\$318,473
Nine months ended June 30, 2001		\$

Anchor Gaming

Selected Historical Financial Data

The following selected consolidated financial data as of and for the five years in the period ended June 30, 2001 have been derived from the audited consolidated financial statements of Anchor, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The closing of Anchor's acquisition of Powerhouse Technologies, Inc. occurred concurrent with the end of the fiscal year ended June 30, 1999, and, as a result, the financial statements for the years ended June 30, 1999 and earlier do not include any Powerhouse results of operations, with the exception of the acquired in-process research and development charge recorded for the year ended June 30, 1999 and per share data. These selected historical data are only a summary and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes to those financial statements contained in Anchor's Annual Report on Form 10-K, for the year ended June 30, 2001, which is incorporated by reference in this joint proxy statement/prospectus. See Incorporation of Documents by Reference. All share amounts and per share data have been adjusted to reflect Anchor's 2 for 1 stock split effected before the beginning of trading on November 16, 2000.

	Fiscal Year Ended June 30,				
	1997	1998	1999	2000	2001
	(in thousands, except per share data)				
Operating Data:					
Total revenues	\$ 145,043	\$ 169,568	\$ 169,310	\$ 425,492	\$ 384,448
Operating costs and expenses(1)(2)(3)	96,403	119,971	158,884	397,560	519,359
Earnings of unconsolidated affiliates	4,554	56,634	73,389	93,404	136,154
Operating income	53,194	106,231	83,815	121,336	1,243
Other income (expense), net(4)(5)	3,483	3,209	3,114	(13,966)	(26,040)
Income (loss) before income taxes and cumulative effect of a change in accounting principle	56,677	109,440	86,929	107,370	(24,797)
Provision for income taxes	21,001	41,040	39,422	42,411	28,999
Income (loss) before cumulative effect of change in accounting principle	35,676	68,400	47,507	64,959	(53,796)
Cumulative effect of change in accounting principle(6)					124
Net income (loss)	\$ 35,676	\$ 68,400	\$ 47,507	\$ 64,959	\$ (53,672)
Earnings (loss) per share:					
Basic	\$ 1.34	\$ 2.68	\$ 1.95	\$ 2.74	\$ (3.13)
Diluted	\$ 1.32	\$ 2.60	\$ 1.91	\$ 2.70	\$ (3.13)
Weighted average number of common shares outstanding:					
Basic	26,642	25,502	24,328	23,666	17,146
Diluted	27,084	26,322	24,856	24,023	17,146
Cash dividends declared per common share					

	As of June 30,				
	1997	1998	1999	2000	2001
	(in thousands)				
Balance Sheet Data:					
Cash and cash equivalents	\$ 66,427	\$ 73,187	\$ 32,835	\$ 25,883	\$ 24,147

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Working capital	64,646	54,450	28,908	41,723	17,750
Total assets	188,876	245,134	507,169	548,719	406,430
Long-term debt	2,800		212,805	222,770	406,124
Total stockholders' equity (deficit)	171,331	210,482	220,353	270,520	(70,555)

- (1) Anchor recorded a charge of \$17.5 million for acquired in-process research and development in fiscal 1999 related to the value of research and development projects that were in various stages of completion at the date of the Powerhouse acquisition.

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- (2) Anchor incurred impairment and restructuring charges of \$2.6 million (\$1.6 million net of tax) in fiscal 2000 in connection with the restructuring of its VLC subsidiary.
- (3) During the year ended June 30, 2001, Anchor incurred impairment, restructuring, and other charges of \$129.4 million (\$105.3 million net of tax) primarily related to its AWI subsidiary. Anchor also incurred one-time charges of \$1.7 million (\$1.0 million net of tax) related to immediate vesting of restricted stock grants upon completion of the stock repurchase from the Fulton family and \$7.6 million (\$4.6 million net of tax) for inventory writedowns, contractual disputes and other charges.
- (4) Other income (expense) consists of minority interest in earnings of consolidated subsidiary and other income (expense).
- (5) In the year ended June 30, 2001, Anchor recorded a gain of \$8.1 million on the sale of Sunland Park Racetrack and Casino and Anchor's 25% interest in a Massachusetts horse racing facility to Stanley Fulton, Anchor's former Chairman. This gain is included in other income. The tax expense of \$15.0 million associated with these transactions was the result of tax bases of assets sold lower than the book value.
- (6) In the year ended June 30, 2001, Anchor recorded a cumulative effect of a change in accounting principle of \$124,000, net of tax, related to the implementation of SFAS No. 133.

Summary Unaudited Pro Forma Combined Condensed Financial Data

The following summary unaudited pro forma combined financial data give effect to the merger, which IGT will account for as a purchase business combination in accordance with accounting principles generally accepted in the United States of America. The operating data assume that the merger was completed at the beginning of the periods presented, and the balance sheet data assume that the merger was completed as of June 30, 2001. The summary unaudited pro forma combined financial data do not reflect any cost savings and other synergies that may result from the merger and are not necessarily indicative of the results of operations or the financial position that would have occurred had the merger been completed on the dates indicated, nor are they necessarily indicative of future results or financial position. This information is only a summary, and you should read the information presented below in conjunction with the historical financial statements of IGT and Anchor contained in their annual and quarterly reports incorporated by reference and the unaudited pro forma financial statements and the related notes included in this joint proxy statement/prospectus under the caption Unaudited Pro Forma Combined Condensed Financial Statements.

	Year Ended September 30, 2000	Nine Months Ended June 30, 2001
	(in thousands, except per share amounts)	
Operating Data:		
Total revenues	\$ 1,654,938	\$ 1,540,869
	_____	_____
Income from operations(1)	\$ 360,268	\$ 232,844
	_____	_____
Net income(1)	\$ 212,348	\$ 84,804
	_____	_____
Earnings per share:		