

GTECH HOLDINGS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED INCOME STATEMENTS

	(Unaudited)	
	Three Months Ended	
	November 26, 2005	November 27, 2004
	(Dollars in thousands, except per share amounts)	
Revenues:		
Services	\$ 270,889	\$ 251,945
Sales of products	<u>29,249</u>	<u>63,702</u>
	300,138	315,647
Costs and expenses:		
Costs of services	164,984	155,962
Costs of sales	<u>17,330</u>	<u>44,187</u>
	<u>182,314</u>	<u>200,149</u>
Gross profit	117,824	115,498
Selling, general and administrative	33,751	29,740
Research and development	<u>11,446</u>	<u>13,007</u>
Operating expenses	<u>45,197</u>	<u>42,747</u>
Operating income	72,627	72,751
Other income (expense):		
Interest income	2,836	642
Equity in earnings of unconsolidated affiliates	817	810
Other expense	(1,018)	(2,070)
Interest expense	<u>(7,892)</u>	<u>(3,688)</u>
	<u>(5,257)</u>	<u>(4,306)</u>
Income before income taxes	67,370	68,445
Income taxes	<u>19,537</u>	<u>22,590</u>
Net income	<u>\$ 47,833</u>	<u>\$ 45,855</u>
Basic earnings per share	<u>\$ 0.38</u>	<u>\$ 0.40</u>
Diluted earnings per share	<u>\$ 0.37</u>	<u>\$ 0.35</u>
Weighted average shares outstanding - basic	<u>125,333</u>	<u>115,708</u>
Weighted average shares outstanding - diluted	<u>130,875</u>	<u>131,435</u>
Cash dividends declared per common share	<u>\$ 0.085</u>	<u>\$ 0.085</u>