

GTECH HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS

	(Unaudited)	
	Three Months Ended	
	November 27, 2004	November 22, 2003
	(Dollars in thousands, except per share amounts)	
Revenues:		
Services	\$ 251,945	\$ 231,225
Sales of products	<u>63,702</u>	<u>23,697</u>
	315,647	254,922
Costs and expenses:		
Costs of services	155,962	131,991
Costs of sales	<u>44,187</u>	<u>13,094</u>
	200,149	145,085
Gross profit	115,498	109,837
Selling, general and administrative	29,740	28,167
Research and development	<u>13,007</u>	<u>12,926</u>
Operating expenses	42,747	41,093
Operating income	72,751	68,744
Other income (expense):		
Interest income	642	1,494
Equity in earnings of unconsolidated affiliates	810	1,500
Other income (expense)	(2,070)	4,052
Interest expense	<u>(3,688)</u>	<u>(2,986)</u>
	(4,306)	4,060
Income before income taxes	68,445	72,804
Income taxes	<u>22,590</u>	<u>26,937</u>
Net income	\$ <u>45,855</u>	\$ <u>45,867</u>
Basic earnings per share	\$ <u>0.40</u>	\$ <u>0.39</u>
Diluted earnings per share	\$ <u>0.35</u>	\$ <u>0.35</u>
Weighted average shares outstanding - basic	<u>115,708</u>	<u>117,640</u>
Weighted average shares outstanding - diluted	<u>131,435</u>	<u>133,853</u>
Dividends per share - common stock	\$ <u>0.085</u>	\$ <u>0.085</u>