

GTECH HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS

	(Unaudited)	
	Three Months Ended	
	August 27, 2005	August 28, 2004
	(Dollars in thousands, except per share amounts)	
Revenues:		
Services	\$ 266,341	\$ 248,114
Sales of products	43,601	75,401
	<u>309,942</u>	<u>323,515</u>
Costs and expenses:		
Costs of services	161,624	148,481
Costs of sales	24,744	43,874
	<u>186,368</u>	<u>192,355</u>
Gross profit	123,574	131,160
Selling, general and administrative	29,838	29,889
Research and development	11,243	12,647
Operating expenses	<u>41,081</u>	<u>42,536</u>
Operating income	82,493	88,624
Other income (expense):		
Interest income	2,105	981
Equity in earnings of unconsolidated affiliates	531	293
Other expense	(638)	(1,924)
Interest expense	<u>(8,005)</u>	<u>(3,719)</u>
	<u>(6,007)</u>	<u>(4,369)</u>
Income before income taxes	76,486	84,255
Income taxes	<u>27,534</u>	<u>31,174</u>
Net income	<u>\$ 48,952</u>	<u>\$ 53,081</u>
Basic earnings per share	<u>\$ 0.41</u>	<u>\$ 0.45</u>
Diluted earnings per share	<u>\$ 0.38</u>	<u>\$ 0.40</u>
Weighted average shares outstanding - basic	<u>120,851</u>	<u>117,070</u>
Weighted average shares outstanding - diluted	<u>130,052</u>	<u>132,743</u>
Cash dividends declared per common share	<u>\$ 0.085</u>	<u>\$ 0.085</u>