

INTERNATIONAL GAME TECHNOLOGY  
Form 425  
October 21, 2014

Filed by GTECH S.p.A.

pursuant to Rule 425 under the Securities Act of 1933

and deemed to be filed pursuant to Rule 14a-12

under the Securities and Exchange Act

Subject Company: GTECH S.p.A.; International Game Technology

Filer's SEC File No.: 333-146050

Date: October 21, 2014

**INFORMATION DOCUMENT**

relating to the

**CROSS-BORDER MERGER OF GTECH S.P.A.**

**WITH AND INTO GEORGIA WORLDWIDE PLC**

The official version of the Information Document in Italian, prepared on a voluntary basis in accordance with Article 70, paragraph 6, of CONSOB Regulation no. 11971 of May 14, 1999 as subsequently amended, has been made available on October 20, 2014. This translation of the Information Document is provided for convenience purposes only.

GTECH S.p.A. Registered Office: Rome, Viale del Campo Boario 56/D (Italy) Share Capital: Euro 174,951,075.00 Companies Register of Rome/Tax code no. 08028081001 Subject to direction and coordination activity by De Agostini S.p.A.

*GTECH S.p.A. has exercised the option to waive the obligation to publish an information document for material mergers/demergers and acquisitions/divestments, as permitted by Article 70, paragraph 8, and Article 71, paragraph 1-bis, of the CONSOB Regulation no. 11971 of May 14, 1999 as subsequently amended ( Issuers Regulation ) (so-called opt-out ).*

*However, given the significance of the transaction described herein, GTECH S.p.A. considered it advisable to provide adequate information to shareholders through the publication of an information document before the extraordinary shareholders meeting called to approve the merger by absorption of GTECH S.p.A. with and into Georgia Worldwide PLC.*

*This information document has been prepared, on a voluntary basis, in accordance with the scheme for material merger transactions provided by Article 70, paragraph 6, of Issuers Regulation, taking into account also the wider transaction involving the acquisition of International Game Technology, of which the merger is a part.*

*Pursuant to Article 6 of the CONSOB Regulation no. 17211 of March 12, 2010, as subsequently amended ( Regulation 17221/2010 ), Georgia Worldwide PLC is a related party of GTECH S.p.A., being controlled by the latter. As communicated to the market on 16 July 2014, the execution of the Merger Agreement (as defined below) and the merger between GTECH S.p.A. and Georgia Worldwide PLC are not subject to the procedures for related party transactions by virtue of the exemption set forth in Article 14 of the Regulation 17221/2010 and Article 3.2 of the Disposizioni in materia di operazioni con parti correlate ( Procedures for transactions with related parties ) adopted by GTECH on July 28, 2011 (as amended) and published on the website [www.gtech.com](http://www.gtech.com). Therefore, GTECH S.p.A. will not publish an information document for related party transactions as provided by Article 5 of the Regulation 17221/2010.*

Disclaimer

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Forward-looking statements

This Information Document contains forward-looking statements concerning the business of GTECH S.p.A., International Game Technology and, following completion of the transactions, of Georgia Worldwide PLC. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of the management, as well as assumptions made by, and information currently available to, such management. These forward-looking statements are subject to various risks and uncertainties, which are outside the control of the companies involved in the transaction. Therefore, you should not place undue reliance on such statements. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including, without limitation: failure to obtain authorizations, consents or shareholders' approvals, changes in general economic conditions, economic growth and other changes in business conditions, changes in regulation and governmental environment (in Italy or abroad), and many other factors, most of which are outside of the control of the companies party to the transaction.

**SELECTED CONSOLIDATED PRO FORMA INFORMATION AND PRO FORMA PER SHARE INDICATORS OF THE ISSUER  
(GTECH S.P.A.) AND GEORGIA WORLDWIDE PLC AT AND FOR THE SIX MONTHS ENDED JUNE 30, 2014**

**Consolidated Income Statement**

(in million, unless otherwise specified)	Six months ended June 30, 2014		
	Unaudited GTECH IFRS Historical	Pro forma adjustments	Unaudited UKCo IFRS Pro Forma
Total revenue	1,532.3	769.5	2,301.8
Operating income	336.9	(10.6)	326.3
Income before income tax expense	249.4	(149.1)	100.3
Net income attributable to owners of the parent	135.8	(80.4)	55.4
Net income attributable to non controlling interest	11.4		11.4
Earnings per share (in )			
- basic	0.78	(0.48)	0.30
- diluted	0.78	(0.48)	0.30

**Consolidated Statement of Financial Position**

(in million)	At June 30, 2014		
	Unaudited GTECH IFRS Historical	Pro forma adjustments	Unaudited UKCo IFRS Pro Forma
Non-current assets	5,393.8	5,837.2	11,231.0
Current assets	1,499.0	956.1	2,455.1
<b>Total assets</b>	<b>6,892.8</b>	<b>6,793.3</b>	<b>13,686.1</b>
Equity attributable to owners of the parent	2,226.0	(91.6)	2,134.4
Non-controlling interests	279.7		279.7
<b>Total equity</b>	<b>2,505.7</b>	<b>(91.6)</b>	<b>2,414.1</b>
Non-current liabilities	2,926.2	6,000.1	8,926.3
Current liabilities	1,460.9	884.8	2,345.7
<b>Total liabilities</b>	<b>4,387.1</b>	<b>6,884.9</b>	<b>11,272.0</b>
<b>Total equity and liabilities</b>	<b>6,892.8</b>	<b>6,793.3</b>	<b>13,686.1</b>

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## DEFINITIONS

Capitalized terms used but not expressly defined in this Information Document have the meanings assigned to them in the following definitions.

<b>B&amp;D Holding</b>	B&D Holding di Marco Drago e C. S.a.p.A., with registered office in Via G. da Verrazano 15, Novara (Italy).
<b>Borsa Italiana</b>	Borsa Italiana S.p.A., with registered office in Piazza degli Affari 6, Milan (Italy).
<b>Closing Date</b>	The date on which the Transaction will be completed pursuant to the Merger Agreement.
<b>CONSOB</b>	The Italian authority for issuers and financial markets ( <i>Commissione Nazionale per le Società e la Borsa</i> ), with head office in Via G.B. Martini 3, Rome (Italy).
<b>Companies</b>	Jointly, GTECH and IGT.
<b>De Agostini</b>	De Agostini S.p.A., with registered office in Via G. da Verrazano 15, Novara (Italy).
<b>DeA Shareholders</b>	Jointly, De Agostini and DeA Partecipazioni S.p.A., with registered office in Via G. da Verrazano 15, Novara (Italy).
<b>Decree 108/08</b>	The Legislative Decree no. 108 of May 30, 2008, as amended, implementing in Italy the Directive 2005/56/EC of the European Parliament and Council of October 26, 2005 on cross-border mergers of limited liability companies.
<b>DTC</b>	Depository Trust & Clearing Corporation, with registered office in 55 Water Street, New York (USA).
<b>Entitled Shareholders</b>	Shareholders of UKCo who, after maintaining ownership of UKCo Ordinary Shares for a continuous period of three years, subject to the terms and conditions specified in the Post-GTECH Merger Articles and in the Loyalty Plan, may elect to receive the right to direct the exercise of votes attaching to an equal number of Special Voting Shares.
<b>Exchange Ratio</b>	The exchange ratio determined by the board of directors of each of GTECH and UKCo in connection with the GTECH Merger, as better described in this Information Document.
<b>Expert Report</b>	The report relating to the Exchange Ratio issued by Grant Thornton UK LLP, as independent expert appointed in the United Kingdom upon joint request of GTECH and UKCo to the High Court of England and Wales pursuant to Regulation 9 of the UK Regulation and Article 9 of the Decree 108/08.
<b>Expert</b>	Grant Thornton UK LLP.

<b>Gaming Approvals</b>	The authorizations required under gaming laws, as defined in the Merger Agreement.
<b>Georgia US</b>	Georgia Worldwide Corporation, with office in 10 Memorial Boulevard, Providence, Rhode Island (USA).
<b>GTECH Group or Group</b>	The group of companies consisting of GTECH and the companies controlled by GTECH pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Italian Financial Act.
<b>GTECH Merger Effective Date</b>	The date starting from which the GTECH Merger will be effective, which shall be fixed by the High Court of England and Wales, with its order as competent English authority.
<b>GTECH Merger Terms</b>	The common cross-border merger terms relating to the GTECH Merger, drafted in accordance with Article 6 of the Decree 108/08 and Article 7 of the UK Regulation and approved by the board of directors of each of GTECH and UKCo on October 1, 2014.
<b>GTECH Merger</b>	The cross-border merger by absorption of GTECH with and into UKCo.
<b>GTECH Share Trading Price</b>	The average of the volume-weighted average prices, rounded to four decimal points, of ordinary shares of GTECH on the MTA (converted to the US\$ equivalent calculated at the end of each trading day) for 10 randomly selected trading days within the period of 20 consecutive trading days ending on (and including) the second full trading day prior to the IGT Merger Effective Time.
<b>GTECH or Issuer</b>	GTECH S.p.A., with registered office in Viale del Campo Boario 56/D, Rome (Italy).
<b>IGT Consideration</b>	The consideration, partly in cash and partly in UKCo Ordinary Shares, which will be paid to IGT shareholders for each IGT share held by them, as described herein.
<b>IGT Group</b>	The group of companies consisting of IGT and its subsidiaries.
<b>IGT Merger Effective Date</b>	The date on which the articles of merger relating to the IGT Merger will be filed with the Secretary of State of the State of Nevada, as provided by the Nevada Revised Statutes.
<b>IGT Merger</b>	The merger under the laws of Nevada between Georgia US and IGT, pursuant to which Georgia US will merge with and into IGT and each outstanding share of common stock of IGT will be converted into the right to receive the IGT Consideration.
<b>IGT</b>	International Game Technology, with registered office in 6355, Buffalo Drive, Las Vegas, Nevada (USA).
<b>Information Document</b>	This information document.

<b>International Financial Reporting Standards or IFRS</b>	The International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union including all the interpretations adopted by the IFRS Interpretations Committee.
<b>Issuers Regulation</b>	The regulation adopted by CONSOB with resolution no. 11971 of May 14, 1999, as amended.
<b>Italian Civil Code</b>	The Italian Civil Code adopted with the Royal Decree no. 262 of March 16, 1942, as subsequently amended.
<b>Italian Financial Act</b>	The Legislative Decree no. 58 of February 24, 1998, as amended.
<b>Italian Reorganization</b>	The reorganization of GTECH's Italian business that will be implemented prior to the completion of the GTECH Merger, as described herein.
<b>Loyalty Plan</b>	The loyalty scheme for UKCo shareholders relating to the Special Voting Shares.
<b>Merger Agreement</b>	The Agreement and Plan of Merger executed on 15 July 2014 by and between GTECH, UKCo, GTECH Corporation, Georgia US and IGT, as amended on September 23, 2014.
<b>Mergers or Transaction</b>	Jointly, the GTECH Merger and the IGT Merger.
<b>MTA</b>	The <i>Mercato Telematico Azionario</i> , organized and managed by Borsa Italiana S.p.A.
<b>Nominee</b>	The nominee which will be allotted the Special Voting Shares in accordance with the provisions of the Post-GTECH Merger Articles and the Loyalty Plan.
<b>NYSE</b>	The New York Stock Exchange.
<b>Post-GTECH Merger Articles</b>	The articles of association to be adopted by UKCo on the GTECH Merger Effective Date.
<b>Registration Statement</b>	The registration statement on Form F-4, together with any amendments, filed with the SEC.
<b>SEC</b>	The United States Securities and Exchange Commission.
<b>Securities Act</b>	The Securities Act of 1933, as subsequently amended.
<b>Special Voting Shares</b>	The special voting shares with a nominal value of US\$0.000001 each issued by UKCo to the Nominee under the Post-GTECH Merger Articles and the Loyalty Plan.
<b>Sterling Shareholder</b>	Elian Corporate Services (UK) Limited (formerly Ogier Corporate Services (UK) Limited), holding, pursuant to an administration agreement, 50,000 sterling non-voting shares with a nominal value

of £1.00 each issued by UKCo.

<b>Subscriber Share</b>	The sole ordinary share of UKCo having voting rights before the completion of the GTECH Merger, with a nominal value of £1.00 and held by GTECH.
<b>Support Agreement</b>	The agreement signed on July 15, 2014 by DeA Shareholders and IGT, providing for certain provisions aimed at the implementation of the Transaction.
<b>UK Companies Act</b>	The UK Companies Act of 2006, as amended.
<b>UK Regulation</b>	The Companies (Cross-Border Mergers) Regulations of 2007, as amended, implementing in the United Kingdom the Directive 2005/56/EC of the European Parliament and Council of October 26, 2005 on cross-border mergers of limited liability companies.
<b>UKCo</b>	Georgia Worldwide PLC, with registered office in 11 Old Jewry, 6th Floor, London, EC2R 8DU (United Kingdom).
<b>UKCo Group</b>	The group of companies consisting of UKCo and its subsidiaries, following the completion of the Transaction.
<b>UKCo Ordinary Shares</b>	The ordinary shares of UKCo with a nominal value of US\$0.10 each, which will be allotted and issued by UKCo to GTECH shareholders and IGT shareholders in exchange for the respective GTECH and IGT shares on the basis of the Exchange Ratio of the GTECH Merger and the IGT Consideration, respectively.
<b>US GAAP</b>	United States Generally Accepted Accounting Principles
<b>Voting Agreement</b>	The agreement signed on July 15, 2014 by DeA Shareholders and IGT, providing, <i>inter alia</i> , for certain provisions relating to the corporate governance of UKCo following the completion of the Transaction.

## SUMMARY

### *Introduction*

This information document (the **Information Document**) has been prepared by GTECH S.p.A. (**GTECH**) on a voluntary basis in accordance with the scheme provided by Article 70, paragraph 6, of the regulation on issuers adopted by CONSOB with resolution no. 11971 of May 14, 1999 (the **Issuers Regulation**) to provide GTECH shareholders with information about the cross-border merger of GTECH with and into Georgia Worldwide PLC (**UKCo**), a public company limited by shares organized under the laws of England and Wales whose voting share capital is wholly and directly owned by GTECH (the **GTECH Merger**).

The GTECH Merger is part of a wider transaction involving the acquisition by GTECH of International Game Technology (**IGT**) and, together with GTECH, the **Companies**), a Nevada corporation whose shares are listed on the New York Stock Exchange (the **Transaction**).

On July 15, 2014, GTECH, UKCo, GTECH Corporation, a Delaware corporation and a wholly owned subsidiary of GTECH, Georgia Worldwide Corporation, a Nevada corporation and a wholly owned subsidiary of UKCo (**Georgia US**), and IGT entered into an Agreement and Plan of Merger in connection with the execution of the Transaction (such agreement, as amended on September 23, 2014, the **Merger Agreement**). The Merger Agreement provides that the Transaction shall be completed through:

- the GTECH Merger, pursuant to which holders of GTECH ordinary shares will receive one UKCo ordinary share (a **UKCo Ordinary Share**) in exchange for each GTECH ordinary share held; and
- the merger (under the laws of Nevada) between Georgia US and IGT (the **IGT Merger**), pursuant to which (a) Georgia US will merge with and into IGT and (b) each issued and outstanding share of IGT will be converted into the right to receive a combination of US\$13.69 in cash, plus a number of UKCo Ordinary Shares equal to US\$4.56 divided by the US dollar value of GTECH shares prior to the closing, subject to adjustments and limitations described herein (the **IGT Consideration**).

The GTECH Merger and the IGT Merger, although legally distinct transactions, are intended to produce a single economic result with the effective time of the GTECH Merger immediately preceding the effective time of the IGT Merger. The execution of each transaction shall take place only once all conditions precedent to the GTECH Merger and the IGT Merger have been satisfied or validly waived and all pre-merger formalities have been taken.

For further information relating to the GTECH Merger Effective Date and the IGT Merger Effective Date (as defined below), please refer to Paragraph 2.1.2 below.

Before the completion of the GTECH Merger, GTECH intends to carry out, subject to any required authorizations, a reorganization of its Italian business, in order to separate operating activities from holding activities, to allow the continuity of the management of the Italian activities and

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to rationalize its participations, through one or more Italian companies wholly owned by GTECH to which (a) the business unit composed of tangible and intangible assets (including shareholdings), receivables, debts, personnel and other assets and liabilities related to the exercise of the concession for the Lotto game and to the supply of administrative, commercial and general services in favor of the companies directly

or indirectly controlled by GTECH, will be contributed, and (b) almost all the equity holdings in Italian companies held by GTECH will be contributed and sold (the **Italian Reorganization** ).

For further information relating to the Italian Reorganization, please refer to Paragraph 2.2.2 below.

As a result and following the GTECH Merger and the IGT Merger, UKCo will become the new holding company of the enlarged group resulting from the combination of GTECH and IGT, since UKCo will control directly the entire issued share capital of IGT and, indirectly, all the companies currently controlled by IGT; UKCo will also control, directly and/or indirectly, all the companies currently controlled by GTECH, as reorganized pursuant to the Italian Reorganization.

The diagrams below illustrate the corporate structure of the GTECH Group and the IGT Group prior the Transaction and the resulting structure following the completion of the Italian Reorganization, the Mergers and other transactions related to the Transactions.

#### **Pre-Transaction Structure**

**Post-Transaction Structure**

It is expected that, following the completion of the Transaction, the UKCo Ordinary Shares will be listed on the NYSE. UKCo Ordinary Shares will be held through the centralized clearing system organized and managed by the Depository Trust & Clearing Corporation ( **DTC** ) and will be registered in the shareholders' ledger in the name of Cede & Co., as DTC's nominee.

In light of the structure and unitary nature of the envisaged Transaction, this Information Document has been prepared for the purposes of the GTECH Merger, having taken into account also the IGT Merger, considered in combination with the GTECH Merger as one and the same Transaction, even though structured in different steps, taking into consideration the overall impact of the Transaction on GTECH and its shareholders.



On October 1, 2014, the board of directors of GTECH and the board of directors of UKCo approved the common cross-border merger terms relating to the GTECH Merger (the **GTECH Merger Terms** ).

The GTECH Merger Terms (together with all the relevant annexes) attached to this Information Document as Annex 2 were filed with the Companies Register of Rome on October 1, 2014 and registered on October 2, 2014 and filed with the Registrar of Companies of England and Wales on

October 14, 2014. The GTECH Merger Terms were deposited and made available for inspection at the GTECH registered office and published on the GTECH website ([www.gtech.com](http://www.gtech.com)) on October 4, 2014. The GTECH Merger Terms will be made available for inspection at the registered office of UKCo at least one month in advance of the court-convened meeting of UKCo shareholders for approval of the GTECH Merger. The notice provided by article 7 of the Legislative Decree no. 108 of May 30, 2008 as amended (the **Decree 108/08** ), was published on the Italian Official Gazette on October 4, 2014.

For further information relating to the documents publicly available, please refer to Paragraph 2.3 below.

The GTECH Merger Terms will be submitted to GTECH shareholders for approval at the extraordinary shareholders meeting called on November 4, 2014. De Agostini S.p.A. and DeA Partecipazioni S.p.A. (together, the **DeA Shareholders** ) have committed, pursuant to the Support Agreement, to vote in favour of the GTECH Merger at said GTECH extraordinary shareholders meeting.

The GTECH Merger Terms will also be submitted for approval at the court-convened meeting of UKCo shareholders on or around December 15, 2014. GTECH is the sole shareholder of UKCo having voting rights.

#### *Scope of the Transaction*

The purpose of the Transaction is to create a world leading end-to-end gaming group, uniquely positioned to capitalize on opportunities across global gaming market segments. The new group will combine best-in-class content, operator capabilities, and interactive solutions for the on-line segment, and will also combine IGT's leading game library and manufacturing and creative operating capabilities with GTECH's gaming operations, lottery technology and services. The Transaction will thus give rise to a business with competitive dimensions across gaming businesses, geographies and product lines.

The board of directors considered, *inter alia*, that the Transaction:

- will result in the creation of a world-leading end-to-end gaming company with significant market position across the lottery, machine gaming and interactive wagering and social gaming segments and strong product offerings across the client spectrum;
- will result in enhanced global scale with a diversified product portfolio and geographic mix and strengthened research and development capabilities;
- will result in a well-diversified revenue base that reduces dependence on the machine gaming replacement cycle in key product sales markets and on the Italian economy;

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- will allow UKCo, because of scale in the machine gaming, interactive, and social gaming markets, to support substantial recurring R&D investment which is critical to continued development of successful content and technology solutions;
- will result in the UKCo ability to achieve industrial efficiencies, including economies of scale in purchasing, to consolidate corporate and support activities, and to optimize R&D spending;
- will result, because of the complementary product portfolios and extensive lottery and gaming customer base, in a greater ability to meet operating customers' needs, providing its customers

with a more compelling and holistic product offering across land-based, online, and mobile channels, and to increase revenue potential;

- will be carried out by the GTECH management team that, working together with the members of IGT management, will be able to integrate successfully the two companies;
- will allow the achievement of cost synergies and additional possible revenue synergies;
- will allow UKCo to be uniquely positioned to capture gaming sector trends including government stimulated growth, the emergence of multichannel offerings, and the increased importance of proprietary content due to gaming industry convergence; and
- will result in an increased earnings and cash flow and better access to capital markets for UKCo as a result of enhanced size and business diversification.

*Exchange Ratio*

At the GTECH Merger Effective Date, each holder of GTECH ordinary shares, shall be allotted and issued one UKCo Ordinary Share (with a nominal value of US\$0.10) in exchange for each GTECH ordinary share (with a nominal value of 1.00) held by such holder (the **Exchange Ratio**), without any cash payment by UKCo.

The Special Voting Shares (described in Paragraph 2.1.1.1) that will be issued by UKCo at the GTECH Merger Effective Date will not form part of the Exchange Ratio.

The Exchange Ratio relating to the GTECH Merger, approved by the board of directors of GTECH and by the board of directors of UKCo, has been examined by Grant Thornton UK LLP as independent expert (the **Expert**) appointed in the United Kingdom upon joint request of GTECH and UKCo to the High Court of England and Wales pursuant to Regulation 9 of the Companies (Cross-Border Mergers) Regulations of 2007, as amended ( **UK Regulation** and Article 9 of the Decree 108/08, for the purposes of the relevant opinion on the fairness of the Exchange Ratio. Such opinion has been issued on October 2, 2014. The Expert's report is attached to this Information Document as Annex 4.

No payments, in cash or otherwise, shall be made by UKCo to the GTECH shareholders in respect of the GTECH Merger (other than in the case of the valid exercise of cash exit rights and shares being purchased by GTECH in the context of the relevant liquidation process pursuant to Article 2437 *et seq.* of the Italian Civil Code and, in any event, without prejudice to the right of GTECH to terminate the Merger Agreement should the maximum amount of exercised cash exit rights referred to in Paragraph 2.1.2.1 below be exceeded, in which case the Transaction will not be completed).

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For further information relating to the Exchange Ratio and the Expert report, please refer to Paragraphs 2.1.2.3 and 2.1.2.4 below.

### *Conditions precedent*

The obligation of each party of the Merger Agreement to execute the Transaction is subject to satisfaction or, if permitted, to the waiver at or prior to the Closing Date, of the conditions precedent specified in the following Paragraph 2.1.2.1.

*Special Voting Shares*

At the GTECH Merger Effective Date, UKCo will issue, in addition to the ordinary shares to be allotted and issued pursuant to the Exchange Ratio, a number of special voting shares with a nominal value of US\$0.000001 each (the **Special Voting Shares**) equal to the total amount of UKCo Ordinary Shares issued pursuant to the GTECH Merger, which will be issued to a nominee (the **Nominee**), pursuant to a loyalty scheme for UKCo shareholders. According to such scheme, shareholders of UKCo that maintain the ownership of UKCo Ordinary Shares for a continuous period of three years, subject to the terms and conditions specified in the articles of association to be adopted by UKCo upon the GTECH Merger (the **Post-GTECH Merger Articles**), which are attached to the GTECH Merger Terms, and in the terms and conditions of the loyalty scheme relating to such Special Voting Shares (the **Loyalty Plan**), may elect to receive the right to direct the exercise of votes attaching to an equal number of Special Voting Shares (such persons being **Entitled Shareholders**).

The Nominee will vote the Special Voting Shares (i) at the direction of any Entitled Shareholders and (ii) in respect of all other Special Voting Shares held by it, in accordance with the outcome of UKCo's general meeting. Accordingly, until the right to direct the exercise of votes attaching to the Special Voting Shares is elected by Entitled Shareholders after the applicable 3-year continuous holding period as provided for in accordance with the Post-GTECH Merger Articles and in the Loyalty Plan, the Nominee will exercise the votes attaching to the Special Voting Shares in accordance with the outcome of UKCo's general meeting.

The characteristics of Special Voting Shares are specified in the Post-GTECH Merger Articles; in particular, the Special Voting Shares (i) do not carry economic rights (except an amount of US\$1 in aggregate on a return of capital on a winding up); (ii) carry 0.9995 votes per Special Voting Share; (iii) may not be transferred other than in accordance with the provisions of the Post-GTECH Merger Articles and in the Loyalty Plan; and (iv) may be purchased or redeemed by UKCo and may be subject to reduction in accordance with the provisions of the Post-GTECH Merger Articles. In addition, Entitled Shareholders must direct the exercise of votes attaching to each of their Special Voting Shares in the same way as they exercise the vote attaching to the associated UKCo Ordinary Shares.

For the sake of clarity, the Special Voting Shares shall neither constitute part of the Exchange Ratio nor shall be granted to GTECH or IGT shareholders at the GTECH Merger Effective Date or the IGT Merger Effective Date. UKCo shareholders will be entitled to participate in the Loyalty Plan only after the 3-year continuous holding period of UKCo Ordinary Shares.

For further information on the Special Voting Shares, please refer to Paragraph 2.1.1.1 below.

*Accounting Effects*

With reference to the accounting effects of the Transaction, as provided for in the GTECH Merger Terms and illustrated in the report of the board of directors of GTECH, the financial information in relation to the assets, liabilities and other legal obligations of GTECH will be reflected in the accounts and other financial reports of UKCo as of the GTECH Merger Effective Date, that is the date of issuance of the shares for the purpose of the GTECH Merger and accordingly also the accounting effects of the GTECH Merger will be recognized in UKCo's accounts from such date.



For a detailed description of the accounting treatment of the GTECH Merger reference is to be made to the directors' report prepared by the GTECH board of directors; see also Paragraph 2.1.2.7 below.



**1. RISK FACTORS**

Following is a brief description of risks and uncertainties relating to the Transaction described in this Information Document that could potentially have a significant impact on the activities of GTECH and the business of UKCo.

Other risks and uncertainties, which are currently unforeseeable or considered to be unlikely, could also have a significant influence on the operating performance, financial position and future prospects of GTECH.

**1.1. MAIN RISKS AND UNCERTAINTIES RELATING TO THE GTECH ACTIVITIES**

**1.1.1. Risks related to general economic conditions**

GTECH is exposed to risks associated with the performance of the global economy and the markets in which it operates. GTECH's income and results of operations have been influenced, and will continue to be influenced, to a certain degree, by the general state and the performance of the global economy. The recent volatility of the financial markets shows that there can be no assurance that any recovery is sustainable or that there will be no recurrence of the global financial and economic crisis or similar adverse market conditions.

GTECH's business is sensitive to trends in discretionary consumer spending in the markets in which it operates, which may be affected by general economic conditions in these markets. Economic contraction, economic uncertainty and the perception by GTECH's customers of weak or weakening economic conditions may cause a decline in demand for entertainment in the forms of the gaming services that GTECH offers. In addition, changes in discretionary consumer spending or consumer preferences could be driven by factors such as an unstable job market, perceived or actual disposable consumer income and wealth, or fears of war and future acts of terrorism.

In particular, the lack of resolution of the sovereign debt crisis of several countries of the Eurozone, including Greece, Italy, Cyprus, Ireland, Spain and Portugal, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has raised a number of uncertainties regarding the stability and overall standing of the European Monetary Union. Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the euro. The departure or risk of departure from the euro by one or more Eurozone countries and/or the abandonment of the euro as a currency could have major negative effects on both existing contractual relations and the fulfillment of obligations by GTECH and/or its customers, which could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.2. Risks related to revenues of the GTECH Group deriving from the Lotto and the instant lottery concessions**

A substantial portion of GTECH's revenues, equal to approximately 53.4% of GTECH's total consolidated revenues for the six-month period ended June 30, 2014 (52.4% and 54.8% for the years ended December 31, 2013 and 2012, respectively), is derived from exclusive and non-exclusive concessions awarded to GTECH by *Agenzia delle Dogane e Dei Monopoli* (formerly *Amministrazione*



*Autonoma dei Monopoli di Stato*, **ADM** ), the governmental authority responsible for regulating and supervising gaming in Italy.

In particular, a substantial portion of GTECH's revenues is derived from two exclusive concessions, one for the operation of the Lotto game and one for instant tickets (equal to approximately 13.4% and 12.3%, respectively, of GTECH's total consolidated revenues for the six-month period ended June 30, 2014, 13.3% and 12.3%, respectively, for the year ended December 31, 2013 and 13.1% and 12.4%, respectively, for the year ended December 31, 2012). The Lotto game concession and the instant ticket concession have been respectively awarded by ADM to GTECH and its subsidiary, Lotterie Nazionali S.r.l. GTECH's management believes that in the future, a significant portion of GTECH's business and profitability will continue to depend upon the concessions awarded to GTECH by ADM and other Italian governmental entities. Therefore, a material reduction in GTECH's revenues from these concessions, including as a result of an early termination, non-renewal or non-award of these concessions following their expiration, could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

GTECH's management believes that the Lotto concession held by GTECH will expire on June 8, 2016 as was determined by an arbitral ruling in favor of GTECH on August 1, 2005, and confirmed by the Supreme Court of Cassation on February 3, 2014, with reference to the starting date of the Lotto concession to calculate its aggregate 18-year term. However, the appeal through which Stanley International Betting Limited ( **Stanley** ) challenged the renewability of the Lotto concession after the expiration of the first 9 years-period is still pending before the State Council. The judicial decree that declared the extinction of the trial for the failure of Stanley to reinstatement in terms has been appealed by Stanley and the council chamber has not yet been set. Should this trial continue, the upholding of the Stanley appeal could result in the earlier termination of GTECH's Lotto concession prior to June 8, 2016, which could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

#### **1.1.3. Risks related to cancellation or non-renewal of the concessions**

GTECH is required to obtain and maintain licenses from various jurisdictions in order to operate its business.

Upon the expiration of GTECH's concessions, new concessions may be awarded to one or more parties through a competitive bidding process open to parties other than GTECH or its subsidiaries. In addition, concessions may be terminated prior to their expiration dates upon the occurrence of certain events of default affecting GTECH or its subsidiaries or if their continuation is determined under applicable principles of law to be against the public interest.

There can be no assurance that GTECH will be able to renew or be awarded again any of its existing concessions, and the loss, denial, non-renewal or renewal on different terms of any of its concessions could have a material adverse effect on its results of operations, business, financial condition or prospects.

**1.1.4. Risks related to transfer of assets for free upon the termination of concessions**

Upon the termination or non-renewal of the Lotto, instant lottery or machine gaming concessions, GTECH will be required at the request of ADM, if GTECH is not awarded the concession again, to transfer to ADM, free of charge, ownership of certain assets that are part of its central system used to operate the above mentioned concessions and equipment such as terminals at the points of sale, facilities, software, data files, and any other related assets that may be necessary for the full functioning, operation, and operability of the system itself.

As of June 30, 2014, the value of such assets was 53 million (the value of such assets was 61 million as of December 31, 2013) or approximately 0.8% of GTECH's consolidated total assets and approximately 1.4% without goodwill (the value of such assets was approximately 0.9% of GTECH's consolidated total assets and approximately 1.5% without goodwill as of December 31, 2013).

The obligation to transfer the Lotto concession assets may also have detrimental effects on certain other businesses operated by GTECH because GTECH uses terminals, central system hardware and software used in the operation of Lotto in connection with certain of its other businesses.

**1.1.5. Risks related to the enforcement of performance bonds or letter of credit and payment of liquidated damages**

GTECH's Italian concessions, lottery contracts in the United States and in other jurisdictions and other service contracts often require substantial performance bonds to secure its performance under such contracts and require GTECH to pay substantial monetary liquidated damages in the event of non-performance by GTECH.

As of December 31, 2013, GTECH had outstanding performance bonds and letters of credit in an aggregate amount of approximately 956.9 million. These instruments present a potential for expense for GTECH and divert financial resources from other uses.

Claims on performance bonds, drawings on letters of credit and payment of liquidated damages could individually or in the aggregate have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.6. Risks related to decrease in growth or decline in sales of products and services related to lotteries**

In recent years, as the lottery industry has matured in the primary markets where GTECH operates, the rate of lottery sales growth has moderated and some of GTECH's customers have from time-to-time experienced a downward trend in sales. GTECH's dependence on large jackpot games and specifically, the decline in aggregate sales at similar jackpot levels (jackpot fatigue) has had a negative impact on revenue from this game category. These developments may in part reflect increased competition for consumers' discretionary spending, including from a proliferation of destination gaming venues and an increased availability of internet gaming opportunities. GTECH's future success will depend, in part, on the success of the lottery industry, as a whole, in attracting and retaining new players in the face of such increased competition in the entertainment and gambling markets (which competition may continue to increase), as well as its own success in developing innovative services, products and distribution



methods/systems to achieve this goal. In addition, there is a risk that new products and services may replace existing products and services. The replacement of old products and services with new products and services may offset the overall growth of sales of GTECH. A failure by GTECH to achieve these goals could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.7. Risks related to operating in a highly regulated market**

GTECH's activities are subject to extensive and complex governmental regulation which varies from time to time and from jurisdiction to jurisdiction where GTECH operates.

Such governmental regulation includes restrictions on advertising, increases in or differing interpretations by authorities on taxation, limitations on the use of cash and anti-money laundering compliance procedures. GTECH believes that it has developed procedures designed to comply with such regulatory requirements. However, any failure by GTECH to so comply or its inability to obtain required suitability findings could lead regulatory authorities to seek to restrict GTECH's business in their jurisdictions.

In addition, GTECH is subject to extensive background investigations in its lottery and gaming businesses. Authorities generally conduct such investigations prior to and after the award of a lottery contract or issuance of a gaming license. Such investigations frequently include individual suitability standards for officers, directors, major shareholders and key employees. Authorities are generally empowered to disqualify GTECH from receiving a lottery contract or operating a lottery system as a result of any such investigation.

GTECH's failure, or the failure of any of its personnel, systems or machines, in obtaining or retaining a required license or approval in one jurisdiction could negatively impact its ability to obtain or retain required licenses and approvals in other jurisdictions. Any such failure would decrease the geographic areas where GTECH may operate and as a result could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

Further, there have been, are currently and may in the future continue to be, investigations of various types conducted by governmental authorities into possible improprieties and wrongdoing in connection with GTECH's efforts to obtain or the awarding of lottery contracts and related matters. Because such investigations frequently are conducted in secret, GTECH may not necessarily know of the existence of an investigation in which it might be involved. Because GTECH's reputation for integrity is an important factor in its business dealings with lottery and other governmental agencies, a governmental allegation or a finding of improper conduct by or attributable to GTECH in any manner or the prolonged investigation of these matters by governmental or regulatory authorities could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects, including its ability to retain existing contracts or to obtain new or renewed contracts, both in the subject jurisdiction and elsewhere. In addition, adverse publicity resulting from any such proceedings could have a material adverse effect on GTECH's reputation, results of operations, business, financial condition or prospects.

**1.1.8. Risks related to legal and arbitration proceedings**

Due to the nature of its business, GTECH is involved in a number of legal, regulatory, tax and arbitration proceedings regarding, among other matters, claims by and against it as well as injunctions by third parties arising out of the ordinary course of its business and is subject to investigations and compliance inquiries related to its on-going operations. The outcome of these proceedings and similar future proceedings cannot be predicted with certainty.

As of June 30, 2014, GTECH's total provision for litigation risks was 8.7 million. However, it is difficult to accurately estimate the outcome of any proceeding. As such, the amounts of GTECH's provision for litigation risk, accrued also on the basis of assessments made by external counsel, could vary significantly from the amounts GTECH may be asked to pay and from the amounts GTECH would ultimately pay in any such proceeding. In addition, unfavorable resolution of or significant delay in adjudicating such proceedings could require GTECH to pay substantial monetary damages or penalties and/or incur costs which may exceed any provision for litigation risks or, under certain circumstances, cause the termination or revocation of the relevant concession, license or authorization and thereby have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.9. Risks related to regulatory, political and economical changes in the countries in which GTECH operates**

GTECH is a global business and derives a substantial portion of its revenues from operations outside of Italy and the United States (15.6% of GTECH's total consolidated revenues for the six-month period ended June 30, 2014; 19.3% and 18.5% for the years ended December 31, 2013 and 2012, respectively).

Risks associated with GTECH's international operations include changes in governmental regulation of the online lottery industry in the markets where it operates, exchange controls or other currency restrictions and significant political instability.

Other economic risks that GTECH's international activity subjects it to include inflation, currency devaluation, illiquid or restricted foreign exchange markets, high interest rates, debt default, unstable capital markets and foreign direct investment restrictions. Political risks include change of leadership, change of governmental policies, new foreign exchange controls regulating the flow of money into or out of a country, failure of a government to honor existing contracts, changes in tax laws and corruption, as well as global risk aversion driven by political unrest, war and terrorism.

Finally, social instability risks include high crime in certain of the countries in which GTECH operates due to poor economic and political conditions, riots, unemployment and poor health conditions. These factors may affect GTECH's work force as well as the general business environment in a country. The materialization of such risks could have a negative impact on GTECH's results of operations, business, financial condition or prospects.

**1.1.10. Risks related to protection of intellectual property rights**

GTECH protects its proprietary technology and intellectual property to ensure that its competitors do not use such technology and intellectual property. However, intellectual property laws in Italy, the United States and in other jurisdictions may afford differing and limited protection, may not permit GTECH to gain or maintain a competitive advantage, and may not prevent GTECH's competitors from duplicating its products, designing around its patented products, or gaining access to its proprietary information and technology.

Although GTECH takes measures intended to prevent disclosure of its trade secrets through non-disclosure and confidentiality agreements and other contractual restrictions, GTECH may not be able to prevent the unauthorized disclosure or use of its technical knowledge or trade secrets. For example, there can be no assurance that consultants, vendors, former employees or current employees will not breach their obligations regarding non-disclosure and restrictions on use. In addition, anyone could seek to challenge, invalidate, circumvent or render unenforceable any GTECH patent. GTECH cannot provide assurance that any pending or future patent applications it holds will result in an issued patent, or that, if patents are issued, they would necessarily provide meaningful protection against competitors and competitive technologies and/or adequately protect GTECH's then-current products and technologies. GTECH may not be able to detect the unauthorized use of its intellectual property or take appropriate steps to enforce its intellectual property rights effectively, and certain contractual provisions, including restrictions on use, copying, transfer and disclosure of licensed programs, may be unenforceable under the laws of certain jurisdictions.

GTECH licenses intellectual property rights from third parties. If such third parties do not properly maintain or enforce the intellectual property rights underlying such licenses, or if such licenses are terminated or expire without being renewed, GTECH could lose the right to use the licensed intellectual property, which could adversely affect its competitive position or its ability to commercialize certain of its technologies, products or services.

GTECH intends to enforce its intellectual property rights, and from time to time it may initiate claims against third parties that it believes are infringing its intellectual property rights if it is unable to resolve matters satisfactorily through negotiation. Litigation brought to protect and enforce GTECH's intellectual property rights could be costly, time-consuming and distracting to management and could fail to obtain the results sought and could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.11. Risks related to potential infringement of third parties' intellectual property rights**

GTECH cannot provide assurance that its products or methods do not infringe the patents or other intellectual property rights of third parties. Infringement and other intellectual property claims and proceedings brought against GTECH, whether successful or not, are costly, time-consuming and distracting to management, and could harm GTECH's reputation.

In addition, intellectual property litigation or claims could require GTECH to do one or more of the following: (i) cease selling or using any of its products that allegedly incorporate the infringed intellectual property, (ii) pay substantial damages, (iii) obtain a license from the third party owner, which license may not be available on reasonable terms, if at all, (iv) rebrand or rename its products, and (v)





redesign its products to avoid infringing the intellectual property rights of third parties, which may not be possible and, if possible, could be costly, time-consuming or result in a less effective product.

The loss of proprietary technology or a successful claim against GTECH could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.12. Risks related to employees, directors, agents and security systems integrity**

The real and perceived integrity and security of a lottery is critical to its ability to attract players. GTECH strives to set exacting standards of personal integrity for its employees and directors, as well as system security for the systems that it provides to its customers, and its reputation in this regard is an important factor in its business dealings with lottery and other governmental agencies. For this reason, an allegation or a finding of improper conduct on GTECH's part, or on the part of one or more of its current or former employees, directors or agents that is attributable to GTECH, or an actual or alleged system security defect or failure attributable to GTECH, could have a material adverse effect upon GTECH's results of operations, business, financial condition or prospects, including its ability to retain or renew existing contracts or obtain new contracts.

**1.1.13. Risks related to interruption of the operating information technology systems**

GTECH's ability to provide goods (such as software and lottery terminals) and services to its customers and to effectively operate its games and services depends to a great extent on the reliability and security of the information technology systems providers and networks it uses. Information technology systems and networks used by GTECH are potentially subject to damage and interruption caused by human error, problems relating to the telecommunications network, natural disasters, sabotage, hacking, viruses and similar events. Interruptions in the system could have a negative impact on the quality of the services offered and, as a result, on demand from consumers and consequently on the volume of sales and revenues. In addition, interruptions in systems or networks could result in the termination of certain of GTECH's concessions or lottery contracts or the imposition of substantial penalties. GTECH has, from time to time, experienced system downtime and problems with telecommunications networks.

**1.1.14. Risks related to technological innovation**

Many of GTECH's software and hardware products are based on proprietary technologies. While management believes that certain of GTECH's technologies, such as the GTECH Enterprise Series open-architecture software platform, provide an industry standard, if GTECH were to fail to enhance its product and service offerings to take advantage of technological developments, it may fall behind its competitors and GTECH's results of operations, business, financial condition or prospects could suffer.

**1.1.15. Risks related to lottery contracts**

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GTECH derives a portion of its revenues and cash flow from its portfolio of long-term lottery contracts in the Americas and International segments (equal to approximately 30.7% of GTECH's total)

consolidated revenues for both the six-month period ended June 30, 2014 and the year ended December 31, 2013, respectively), awarded through competitive procurement processes. In addition, GTECH's U.S. lottery contracts typically permit a lottery authority to terminate the contract at any time for failure to perform and for other specified reasons, and many of these contracts in the U.S. permit the lottery authority to terminate the contract at will with limited notice and do not specify the compensation, if any, to which GTECH would be entitled were such termination to occur.

Further, in the event that GTECH is unable or unwilling to perform, some of its lottery contracts permit the lottery authority to acquire title to its system related equipment and software during the term of the contract or upon the expiration or earlier termination of the contract, in some cases without paying GTECH any compensation related to the transfer of that equipment and software to the lottery authority.

The termination of or failure to renew or extend one or more of GTECH's lottery contracts, or the renewal or extension of one or more of GTECH's lottery contracts on materially altered terms or the transfer of its assets without compensation could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.16. Risks related to a concentrated customer base**

Revenues from GTECH's top ten customers outside of Italy accounted for approximately 18.6% of GTECH's total consolidated revenues for the six-month period ended June 30, 2014 (18.3% and 17.7% for the years ended December 31, 2013 and 2012, respectively). If GTECH were to lose any of these larger customers, or if these larger customers experience slow lottery ticket sales and consequently reduced lottery revenue, there could be a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.17. Risks related to breach or termination of agreements with suppliers**

GTECH purchases most of the parts, components and subassemblies necessary for its lottery and machine gaming terminals and other system components from outside sources. GTECH outsources all of the manufacturing and assembly of certain lottery products to a single vendor while other products have portions outsourced to multiple qualified vendors. Although GTECH works closely with its manufacturing outsourcing vendor and GTECH is likely to be able to realign its manufacturing facilities to manufacture its products itself, GTECH's operating results could be adversely affected if one or more of its manufacturing outsourcing vendors failed to meet production schedules. For example, while most of the parts, components and subassemblies can be purchased through more than one supplier, GTECH currently has approximately three material source vendors for lottery terminals for its lottery products. GTECH's total purchases from these three vendors during the year ended December 31, 2013 was approximately 57.7% of its total consolidated purchases of parts, components and subassemblies for that product for that year.

GTECH's management believes that if a supply contract with one of these vendors were to be terminated or breached, GTECH would be able to replace the vendor. However, it may take time to replace the vendor under some circumstances and any replacement parts, components or subassemblies may be more expensive, which could reduce GTECH's margins. Depending on a number of factors,



including the level of the related part, component or subassembly in GTECH's inventory, the time it takes to replace a vendor may result in a delay in its implementation for a customer. Generally, if GTECH fails to meet its delivery schedules under its contracts, it may be subject to substantial penalties or liquidated damages, or even contract termination, which in turn could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.18. Risks related to management of U.S. lottery contracts**

In the United States, state lotteries are exploring lottery manager contracts as a means of maximizing lottery profits. Under these contracts (currently in Illinois, Indiana and New Jersey), GTECH is required to guarantee income levels to the state. In addition, in other states, agreements may require upfront payments for concessions. Arrangements such as the guarantee of income when not achieved, large up-front payments or other similar arrangements may have a material adverse effect on GTECH's results of operation, business, financial condition or prospects.

**1.1.19. Risks related to competition**

The gaming business is highly competitive. GTECH faces competition from a number of companies in Italy, the United States and worldwide. Although GTECH is making investments, including the Mergers intended to position it to exploit the opportunities in the machine gaming, interactive gaming and sports betting markets, it expects significant competition in these markets from other companies. Competition could cause GTECH to lose players or customers and could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

The online lottery industry has faced increased competition from the gaming machine and gambling industries in recent years, including from a proliferation of destination gaming venues, and an increased availability of gaming opportunities including gaming opportunities on the internet.

In recent years there has been increased competition in the gaming industry and in some instances, GTECH observed extremely aggressive pricing from these competitors in an effort to gain market share. Increased competition and aggressive pricing practices from competitors could adversely affect GTECH's ability to retain business, to win new business and may impact the margin of profitability on contracts that GTECH is successful in retaining or winning.

Also, awards of contracts to GTECH are, from time to time, challenged by its competitors. Increased competition also may have a material adverse effect on the profitability of contracts which GTECH does obtain. Over the past several fiscal years, GTECH has experienced and may continue to experience a reduction in the percentage of lottery ticket sales that it receives from certain customers resulting from contract rebids, extensions and renewals due to a number of factors, including the substantial growth of lottery sales, reductions in the cost of technology and telecommunications services and general and competitive dynamics.

GTECH may also be affected by increased competition as a result of consolidation among gaming equipment and technology companies. GTECH expects the trend toward consolidation in its global industry to continue as gaming equipment and technology companies attempt to strengthen or expand their market positions in the gaming industry through mergers and acquisitions.



Several acquisitions of slot machine and other gaming equipment makers by gaming technology companies have been announced recently, such as the pending acquisition of Bally Technologies by Scientific Games Corp., announced in August 2014, and the acquisition of Multimedia Games by Global Cash Access Holdings Inc., announced in September 2014 and expected to close next year. GTECH believes that industry consolidation such as these acquisitions may result in stronger competitors that are better able to compete by increasing their scale and operating efficiencies.

Consolidation may also result in competitors with greater resources which may be directed toward accelerating innovation and product development, resulting in a broader service and product offering. Such changes in the competitive landscape could potentially reduce GTECH's market share and lead to declining sales volumes and prices for its products and services. If any of these risks are realized, GTECH's competitive position and therefore its business, results of operations and financial condition may be materially adversely affected.

**1.1.20. Risks related to gaming and betting market regulation**

The gaming and betting industry is heavily regulated. In Italy, this regulation determines, among others, (i) games that may be operated and amounts that may be charged by operators, (ii) the prizes for the players, (iii) the compensation paid to concessionaires, including GTECH, (iv) the kinds of points of sale and (v) the applicable tax regulations. Renewing existing and applying for new licenses, concessions, permits and approvals can be costly and time consuming and there is no assurance of success. Any failure to renew or obtain any such license, concession, permit or approval could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects. Any changes in the legal or regulatory framework or other changes, such as increases in the taxation of gaming or betting, changes in the compensation paid to concessionaires or increases in the number of licenses, authorizations or concessions awarded to competitors of GTECH could materially and adversely affect its profitability.

In the United States and in many international jurisdictions where GTECH currently operates or seeks to do business, lotteries are not permitted unless expressly authorized by law. The successful implementation of GTECH's growth strategy and its business could be materially adversely affected if jurisdictions that do not currently authorize lotteries do not approve new lotteries or if those jurisdictions that currently authorize lotteries do not continue to permit such activities.

Once authorized, the on-going operations of lotteries and lottery operators are typically subject to extensive and evolving regulation. In the United States, in particular, lottery authorities generally conduct an investigation of the winning vendor and its employees prior to and after the award of a lottery contract. Further, lottery authorities may require the removal of any of the vendor's employees deemed to be unsuitable and are generally empowered to disqualify GTECH from receiving a lottery contract or operating a lottery system as a result of any such investigation. Some jurisdictions also require extensive personal and financial disclosure and background checks from persons and entities beneficially owning a specified percentage (typically 5% or more) of GTECH's securities. The failure of these beneficial owners to submit to such background checks and provide required disclosure could jeopardize the award of a lottery contract to GTECH or provide grounds for termination of an existing lottery contract. Additional restrictions are often imposed by international jurisdictions upon foreign corporations, such as GTECH, seeking to do business there.



Finally, sales generated by lottery games frequently are dependent upon decisions over which GTECH has no control made by lottery authorities with respect to the operation of these games, such as matters relating to the marketing and prize payout features of lottery games. Because GTECH is typically compensated in whole or in part based on a jurisdiction's gross lottery sales, lower than anticipated sales due to these factors could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.1.21. Risks related to illegal gaming market**

A significant threat for the entire gaming and betting industry arises from illegal activities. Such illegal activities may drain significant betting volumes away from the regulated industry. In particular, illegal gaming could take away a portion of the present players that are the focus of GTECH's business. The loss of such players could have a material adverse effect on GTECH's results of operations, business, financial condition or prospects.

**1.2. MAIN RISKS AND UNCERTAINTIES ASSOCIATED WITH THE TRANSACTION**

**1.2.1. Risks related to the conditions precedent to the Merger Agreement**

The obligations of GTECH and IGT to complete the Mergers are subject to satisfaction or waiver (if permitted) of a number of conditions, including, among other conditions, (i) IGT and GTECH obtaining shareholder approvals, (ii) receipt of certain antitrust approvals in the U.S., Canada and Colombia, (iii) obtaining certain Gaming Approvals, (iv) effectiveness of the Registration Statement filed with the Securities and Exchange Commission for the UKCo Ordinary Shares, (v) NYSE listing approval for the UKCo Ordinary Shares, (vi) the expiration or early termination of a 60-day GTECH creditor opposition period in accordance with the applicable laws, (vii) the absence of any order prohibiting or restraining the Mergers, (viii) subject to certain materiality exceptions, the accuracy of each party's representations and warranties in the Merger Agreement and performance by each party of their respective obligations under the Merger Agreement, (ix) the receipt of the UKCo Merger order issued by the High Court of England and Wales and (x) in the case of IGT's obligation to close the IGT Merger, IGT's receipt of certain tax opinions.

The satisfaction of all of the required conditions could delay the completion of the Mergers for a significant period of time or prevent them from occurring. Any delay in completing the Mergers could cause the UKCo not to realize some or all of the benefits that the UKCo expects to achieve if the Mergers are successfully completed within its expected timeframe. Further, there can be no assurance that the conditions to the closing of the Mergers will be satisfied or waived or that the Mergers will be completed.

In addition, if the Mergers are not completed on or before July 15, 2015 (subject to certain extension rights), either GTECH or IGT may choose not to proceed with the Mergers.

IGT may also terminate the Merger Agreement under certain circumstances, including among others in order to enter into an agreement with respect to a proposal that is determined by the IGT Board to be superior to the Merger Agreement, subject to the terms and conditions of the Merger Agreement (including an opportunity for GTECH to match any such proposal).



GTECH may also terminate the Merger Agreement under certain circumstances, including among others (i) if GTECH shareholders exercise rescission rights pursuant to Article 2437 of Italian Civil Code in respect of more than 20% of GTECH's ordinary shares outstanding as of the date of the Merger Agreement, (ii) if UKCo would, as a result of a change in applicable law, be treated as a domestic corporation for U.S. federal income tax purposes as of or after the Closing or (iii) if the Special Voting Shares provided for by the Post-GTECH Merger Articles cannot be implemented under certain circumstances.

**1.2.2. Risks related to the consummation failure of the Mergers**

If the Mergers are not completed for any reason, including as a result of IGT shareholders failing to approve the Merger Agreement, without realizing any of the benefits of having completed the Mergers, GTECH would be subject to a number of risks. In particular:

- GTECH may be required, under certain circumstances, to pay IGT a termination fee of approximately US\$270.6 million or, in certain situations, US\$135.3 million, and in certain situations reimburse IGT for certain expenses related to IGT's cooperation with respect to the financing of the transaction;
- GTECH is subject to certain restrictions on the conduct of its businesses prior to completing the Mergers. Such restrictions may adversely affect GTECH's ability to execute certain of its business strategies;
- GTECH has incurred and will continue to incur significant costs and fees associated with the proposed Transaction;
- GTECH may experience negative reactions from the financial markets, including negative impacts on its stock prices;
- GTECH may experience negative reactions from its customers, regulators and employees;
- matters relating to the Mergers (including integration planning) will require substantial commitments of time and resources by GTECH management, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to GTECH as an independent company.

In addition, GTECH could be subject to litigation related to any failure to complete the Mergers or related to any enforcement proceeding commenced against GTECH to perform its obligations under the Merger Agreement. If the Mergers are not completed, these risks may materialize and may adversely affect GTECH's businesses, financial condition, financial results and stock price.

**1.2.3. Risks related to potential opposition of creditors**

Pursuant to Article 2503 of the Italian Civil Code, the GTECH Merger cannot take effect until 60 days after the last registration required under article 2502-*bis* of the Italian Civil Code, unless the consent of the creditors prior the relevant registration pursuant to Article 2501-*ter*, paragraph 3, of the Italian Civil Code has been obtained or the payment of those creditors who have not consented or the deposit of the corresponding amounts with a bank have occurred, unless the independent expert appointed to

issue the report concerning the exchange ratio fairness certifies under its own responsibility that the financial statements and assets of the companies involved in the GTECH Merger makes unnecessary additional safeguards to protect creditors of the above. If none of the above circumstances has occurred, the above mentioned creditors may file their claim against the execution of the GTECH Merger within the above 60-day period.

Even if a claim has been filed, the competent Court may still decide, pursuant to Article 2503, paragraph 2, and Article 2445, paragraph 4, of the Italian Civil Code, that the GTECH Merger will be carried into effect, if it deems that there would be no prejudice for the creditors or if the company offers adequate security. GTECH has agreed to use reasonable best efforts to avoid, or obtain the early termination of, these rights of creditors of GTECH.

**1.2.4. Risks related to termination fees to be paid in accordance with the Merger Agreement**

In the event the Merger Agreement is terminated, GTECH must pay IGT a termination fee of US\$270,634,000 in the following circumstances, among others : (i) a governmental entity of competent jurisdiction has issued a final and non-appealable law that (a) prohibits, enjoins or otherwise prevents either of the Mergers solely as a result of any of the provisions of the Holdco Articles related to the special voting shares or (b) renders the issuance of special voting shares illegal, or prohibits, enjoins or otherwise prevents the issuance of the special voting shares, (ii) the NYSE has issued a final and non-appealable determination that it will not authorize the UKCo Ordinary Shares for listing solely as a result of any provisions of the Post-GTECH Merger Articles related to the Special Voting Shares, (iii) holders of more than 20% of the GTECH ordinary shares issued and outstanding as of the date of the Merger Agreement exercise rescission rights.

In addition, GTECH must pay IGT a termination fee of US\$135,317,000 if the Merger Agreement is terminated by GTECH because UKCo would, as a result of the change of any applicable law following the date of the Merger Agreement and prior to the Closing, be treated as a domestic corporation for U.S. federal income tax purposes as of or after the Closing.

**1.2.5. Risks related to legal proceedings connected with the Mergers**

The members of the IGT Board, IGT, GTECH, UKCo and its subsidiary, UKCo Worldwide Corporation, are named as defendants in multiple putative class action lawsuits brought by purported IGT shareholders challenging the Mergers. The actions allege that members of the IGT Board breached their fiduciary duties by agreeing to sell IGT for inadequate consideration and pursuant to an inadequate process, and that GTECH, UKCo and UKCo Worldwide Corporation aided and abetted these alleged breaches. Among other remedies, the plaintiffs seek to enjoin the Mergers.

One of the conditions to the closing of the Mergers is that no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the completion of the Mergers will be in effect. If the plaintiffs are successful in obtaining an injunction prohibiting the defendants from consummating the Mergers on the agreed terms, then such injunction may prevent the Mergers from becoming effective, or from becoming effective within the expected timeframe.



**1.2.6. Risks related to publicly traded securities**

Prior to the Mergers, there has been no market for the UKCo Ordinary Shares. At the effective time of the Mergers, the UKCo Ordinary Shares will be listed for trading on the NYSE. However, there can be no assurance that an active market for the UKCo Ordinary Shares will develop after closing of the Mergers, or that if it develops, the market will be sustained.

In addition, following completion of the Mergers, UKCo Ordinary Shares will be publicly traded on the NYSE, enabling GTECH shareholders (including De Agostini, although De Agostini will initially be subject to the share transfer restrictions of the Voting Agreement) to sell the UKCo Ordinary Shares they receive in the Mergers. Such sales of UKCo Ordinary Shares may take place promptly following the Mergers and could have the effect of decreasing the market price for UKCo Ordinary Shares below the market price of GTECH ordinary shares prior to the completion of the Mergers.

**1.2.7. Risks related to the waiver of certain conditions**

Some of the conditions set forth in the Merger Agreement may be waived by GTECH or IGT, subject to certain limitations. If any conditions are waived, GTECH and IGT will evaluate whether further shareholder approval would be warranted. Subject to applicable law, if the boards of directors of GTECH and IGT determine that further shareholder approval is not required, GTECH and IGT will have the discretion to complete the IGT Merger without seeking further shareholder approval.

**1.2.8. Risks related to the management**

The UKCo's success after the Mergers have been completed will depend in part upon the ability of UKCo to retain key employees of GTECH and IGT. Current and prospective employees of GTECH and/or IGT may experience uncertainty about the effect of the Mergers, which may impair GTECH's and IGT's ability to attract and retain their key employees prior to and following the Mergers.

Pursuant to change-in-control provisions in IGT's employment and transition agreements, certain key employees of IGT are entitled to receive severance payments upon a constructive termination of employment. Certain key IGT employees potentially could terminate their employment following specified circumstances set forth in the applicable employment; for example, such circumstances could occur in connection with the Mergers as a result of changes in roles and responsibilities. The departure of key employees of GTECH or IGT, and the inability to hire and retain qualified and new employees could therefore have a material adverse effect on the prospects of UKCo and its subsidiaries following the completion of the Transaction ( **UKCo Group** ) and the integration of the Companies. Accordingly, no assurance can be given that UKCo will be able to attract or retain key employees of GTECH and IGT to the same extent that those companies have been able to attract or retain their own employees in the past.

**1.2.9. Risks related to the impact of the Transaction on GTECH's and IGT's business relationships**

Parties with which GTECH and IGT do business may experience uncertainty associated with the Transaction, including with respect to current or future business relationships with GTECH, IGT or UKCo.

GTECH's and IGT's business relationships may be subject to disruption as customers, distributors, suppliers, vendors and others may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than GTECH, IGT or UKCo. These disruptions could have an adverse effect on the businesses, financial condition, results of operations or prospects of UKCo Group, including an adverse effect on the UKCo Group's ability to realize the anticipated benefits of the Mergers. The risk and adverse effect of such disruptions could be exacerbated by a delay in completion of the Mergers or termination of the Merger Agreement.

**1.2.10. Risks related to governmental authorizations**

Although GTECH and IGT have agreed in the Merger Agreement to use their reasonable best efforts to make certain governmental filings and obtain the required governmental authorizations or termination of relevant waiting periods, as the case may be, there can be no assurance that the relevant waiting periods will expire or that the relevant authorizations will be obtained. In addition, the governmental authorities from which these authorizations are required have broad discretion in administering the governing regulations. As a condition to authorization of the Mergers, these governmental authorities may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of UKCo's business after completion of the Mergers. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of delaying completion of the Mergers or imposing additional material costs on or materially limiting the revenues of UKCo following the Mergers, or otherwise adversely affecting, including to a material extent, UKCo's businesses and results of operations after completion of the Mergers. In addition, there can be no assurance that these conditions, terms, obligations or restrictions will not result in the delay or abandonment of the Mergers.

**1.2.11. Risks related to obtaining the resources required for the consummation of the Transaction**

GTECH's obligation to complete the Mergers is not subject to any conditions regarding the ability of GTECH to finance, or obtain debt financing for the Mergers. Under the Merger Agreement GTECH is obligated to have sufficient funds available to satisfy its obligations provided therein.

GTECH intends to finance all or a portion of the cash component of the IGT Consideration with new debt financing. The proceeds from these borrowings or issuances of debt financing will be used by GTECH to pay all or a portion of the cash consideration to be paid in the Mergers, to redeem and/or refinance existing specified indebtedness of GTECH, IGT and their subsidiaries and to pay fees and expenses related to the Transaction.

In the event that the debt financing contemplated by the debt commitment letter (please see Paragraph 2.1.2) is not available, other financing may not be available on acceptable terms, in a timely manner or





at all. If other financing becomes necessary and GTECH is unable to obtain such other financing, the Mergers may not be completed.

**1.2.12. Risks related to the bridge facility repayment**

GTECH has obtained a commitment letter pursuant to which, subject to certain conditions, affiliates of Credit Suisse AG, Barclays PLC and Citigroup Inc. committed to fund a 364-day senior bridge term loan credit facility up to an aggregate principal amount of approximately US\$10.7 billion or approximately 7.9 billion based on the US\$/ exchange rate of 0.737 on July 15, 2014 (which such amount is equal to approximately US\$10.4 billion or approximately 8.2 billion based on the US\$/ exchange rate of 0.785 on September 26, 2014), to cover the cash portion of the merger consideration, the transaction expenses, any potential redemption and/or refinancing of the existing indebtedness of GTECH and IGT and their subsidiaries, as well as the payments to any GTECH shareholders exercising rescission rights.

The bridge facility will be drawn only to the extent that GTECH is unable to raise debt financing in the form of term loans and/or debt securities at or prior to the closing of the Mergers.

To the extent that the bridge facility is drawn in part or in full, GTECH will need to seek alternative financing before its 364-day maturity; save the right, subject to applicable conditions, to extend the maturity up to 544-days. There is a risk that due to market conditions or otherwise, GTECH may not be able to find alternative financing timely, or to find other financing at least as favorable, with respect to cost, enforceability, financing structure and conditionality.

**1.3. MAIN RISKS AND UNCERTAINTIES ASSOCIATED WITH THE UKCO BUSINESS**

**1.3.1. Risks related to the integration and the possible failure to reach the expected synergies resulting from the Transaction**

The combination of two independent companies is a complex, costly and time-consuming process. As a result, the UKCo Group will be required to devote significant management attention and resources to integrating the business practices and operations of GTECH and IGT. The integration process may disrupt the business of either or both of the companies and, if implemented ineffectively, could preclude realization of the full benefits expected by GTECH and IGT. The failure of UKCo Group to meet the challenges involved in successfully integrating the operations of GTECH and IGT or otherwise to realize the anticipated benefits of the Mergers could cause an interruption of the activities of UKCo Group and could seriously harm its results of operations. In addition, the overall integration of the two companies may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of client relationships, and diversion of management's attention, and may cause UKCo's stock price to decline.

The difficulties of combining the operations of the companies include, among others:

- managing a significantly larger company;
- coordinating geographically separate organizations;

- the potential diversion of management focus and resources from other strategic opportunities and from operational matters;
- retaining existing customers and attracting new customers;
- maintaining employee morale and retaining key management and other employees;
- integrating two unique business cultures, which may prove to be incompatible;
- the possibility of faulty assumptions underlying expectations regarding the integration process;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations;
- issues in integrating information technology, communications and other systems;
- unanticipated changes in applicable laws and regulations;
- managing tax costs or inefficiencies associated with integrating the operations of UKCo; and
- unforeseen expenses or delays associated with the Mergers.

Many of these factors will be outside of UKCo Group's control and any one of them could result in increased costs, decreased revenues and diversion of management's time and energy, which could materially impact the UKCo Group's businesses, financial condition and results of operations. In addition, even if the operations of GTECH and IGT are integrated successfully, UKCo Group may not realize the full benefits of the Mergers, including the synergies, cost savings or sales or growth opportunities expected. These benefits may not be achieved within the anticipated time frame, or at all. As a result, GTECH cannot assure that the combination will result in the realization of the benefits anticipated from the Transaction.

**1.3.2. Risks related to costs connected with the Transaction**

GTECH and IGT expect to incur a number of non-recurring costs associated with the Mergers and combining the operations of the two companies. The substantial majority of non-recurring expenses will be comprised of transaction and regulatory costs related to the Mergers. GTECH and IGT have agreed to use their respective reasonable best efforts to effect all necessary notices, reports and other filings and to obtain all consents, registrations, approvals, permits, expirations of waiting periods and authorizations necessary or advisable to be obtained from any third party and/or any governmental entity in order to consummate the Mergers.

GTECH also will incur transaction fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and employment-related costs. GTECH continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the Mergers and the integration of the two companies.

The incurrence of these costs may materially impact the UKCo Group's businesses, financial condition and results of operations until the integration is substantially completed.

**1.3.3. Risks related to UKCo indebtedness after the Mergers**

The total debt of GTECH as of June 30, 2014 was approximately 2,828 million. GTECH's pro forma total debt as of June 30, 2014, after giving effect to the Mergers, would be approximately 8,035 million. UKCo Group would have substantially increased indebtedness following completion of the Mergers in relation to that of GTECH and IGT on a recent historical basis, which could have the effect, among other things, of reducing UKCo Group's flexibility to respond to changing business and economic conditions and will increase the UKCo Group's interest expense, in respect of the amount of cash required to service the indebtedness of GTECH and IGT prior to the Mergers. The increased levels of indebtedness following completion of the Mergers could also reduce funds available for UKCo Group's investments in product development as well as capital expenditures, share repurchases, dividend payments and other activities and may create competitive disadvantages for UKCo Group relative to other companies with lower debt levels. Further, it is not expected that all of UKCo's debt will be guaranteed by all of the entities of the UKCo Group and accordingly, certain cash flows of UKCo Group may not be available to service UKCo debt.

In connection with executing UKCo Group's business strategies following the Mergers, GTECH expects to continue to evaluate the possibility of acquiring additional assets and making further strategic investments. GTECH or UKCo Group may elect to finance these endeavors by incurring additional indebtedness. Moreover, to respond to competitive challenges, GTECH or UKCo Group may be required to raise substantial additional capital to finance new product or service offerings. GTECH's or UKCo Group's ability to arrange additional financing will depend on, among other factors, GTECH's and, following the Mergers, UKCo Group's financial position and performance, as well as prevailing market conditions and other factors beyond GTECH's or UKCo Group's control. No assurance can be given that UKCo Group will be able to obtain additional financing on terms acceptable or at all. The acquiring of additional indebtedness by GTECH or UKCo could negatively effect the UKCo credit ratings, which could further raise the UKCo's borrowing costs and further limit its access to capital and its ability to satisfy its obligations under its indebtedness.

**1.3.4. Risks related to GTECH rating**

Following the announcement of the Mergers, S&P lowered its corporate credit rating on GTECH to BBB- from BBB, and also lowered its short-term rating to A-3 from A-2. S&P also lowered its ratings on GTECH's senior unsecured debt to BBB- from BBB, and lowered its ratings on GTECH's subordinated debt to BB from BB+. Any further downgrades of the UKCo's credit ratings will impact the cost and availability of future borrowings and, accordingly, the UKCo's cost of capital, including any borrowings to refinance the bridge facility (if drawn).

**1.3.5. Risks related to financial covenants of debt instruments**

Any further ratings downgrades could lead to enhanced covenant restrictions under the UKCo's debt instruments, including in respect of dividend payments and share repurchases. In addition, future borrowings under circumstances in which the UKCo's debt is rated below investment grade may contain further covenant restrictions that impose significant restrictions on the way the UKCo operates its business, including restrictions on its ability to:

- make acquisitions or investments;
- make loans or otherwise extend credit to others;
- incur indebtedness;
- create security;
- pay dividends;
- sell or lease assets;
- merge or consolidate with other companies; and
- transact with affiliates.

Certain of the UKCo's debt instruments will require it to comply with certain affirmative covenants and certain specified financial covenants and ratios. These restrictions could affect its ability to operate its business and may limit its ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect UKCo Group's ability to finance its operations, make strategic acquisitions, investments or alliances, restructure its organization or finance its capital needs.

Additionally, UKCo Group's ability to comply with these covenants and restrictions may be affected by events beyond its control such as prevailing economic, financial, regulatory and industry conditions. UKCo could be in default under one or more of its debt instruments if it breaches any of these covenants (including financial covenants or ratios) or restrictions; such breaches, if not cured or waived, could result in acceleration of the indebtedness under such agreements and cross defaults under its other debt instruments. Any such actions could result in the enforcement of its lenders' security interests and/or force UKCo into bankruptcy or liquidation, which could have a material adverse effect on the UKCo Group's business, financial condition and results of operations.

#### **1.3.6. Risks related to UKCo share price**

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Upon completion of the Mergers, holders of GTECH ordinary shares (other than those who exercise rescission rights in connection with the UKCo Merger) will become holders of UKCo Ordinary Shares. UKCo's businesses following the Mergers will differ from those of GTECH prior to completion of the Mergers in important respects and, accordingly, after the Mergers, the market price of UKCo Ordinary Shares may be affected by factors different from those currently affecting the market price of GTECH ordinary shares.

### **1.3.7. Risks related to UKCo shareholders' rights**

Upon completion of the Mergers, the rights of GTECH shareholders who become shareholders of UKCo will be governed by the Post-GTECH Merger Articles and by the laws of England and Wales. The rights associated with GTECH ordinary shares are different from the rights associated with UKCo Ordinary Shares. Differences between the rights of shareholders of GTECH and the rights of shareholders of UKCo could include differences with respect to, among other things, distributions, dividends, repurchases and redemptions, dividends in shares issues, preemptive rights, the election of



directors, the removal of directors, the fiduciary and statutory duties of directors, conflicts of interests of directors, the indemnification of directors and officers, limitations on director liability, the convening of annual meetings of shareholders and special shareholder meetings, notice provisions for meetings, the quorum for shareholder meetings, the adjournment of shareholder meetings, the exercise of voting rights, shareholder action by written consent, shareholder suits, shareholder approval of certain transactions, rights of dissenting shareholders, anti-takeover measures and the amendment of governing documents.

English law also generally provides shareholders with preemptive rights when new shares are issued for cash; however, it is possible for the articles of association, or shareholders in general meeting, to exclude preemptive rights. Such an exclusion of preemptive rights may be for a maximum period of up to five years from the date of adoption of the articles of association, if the exclusion is contained in the articles of association, or from the date of the shareholder resolution, if the exclusion is by shareholder resolution; in either case, this exclusion would need to be renewed by UKCo's shareholders upon its expiration (*i.e.*, at least every five years). The Post-Merger GTECH Articles will exclude preemptive rights for a period of five years following the date of the relevant shareholder resolution. In order to remain effective, such exclusion will need to be renewed upon expiration (*i.e.*, at least every five years), it being understood that the renewal (for additional five year or any shorter period) may be sought even before the relevant expiration.

English law also generally prohibits a public company from repurchasing its own shares without the prior approval of shareholders by ordinary resolution, being a resolution passed by a simple majority of votes cast, and other formalities. Such approval may be for a maximum period of up to five years. Prior to the completion of the Mergers, UKCo will adopt an ordinary resolution to permit purchases of UKCo shares. This ordinary resolution will need to be renewed upon expiration (*i.e.*, at least every five years), it being understood that the renewal (for additional five year or any shorter period) may be sought even before the relevant expiration.

### **1.3.8. Risks related to distributions in accordance with English law**

Under English law, UKCo will only be able to declare dividends, make distributions or repurchase shares out of distributable profits, it being understood that they are a company's accumulated, realized profits (so far as not previously utilized by distribution or capitalization), less its accumulated, realized losses (so far as not previously written off in a reduction). UKCo, as a public company, may only make a distribution if the amount of its net assets is not less than the aggregate of its share capital and undistributable reserves and if, and to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate. Immediately after the Mergers, UKCo may not have distributable profits. Following the effective date for the Mergers, it is expected that UKCo will capitalize the merger reserve created pursuant to the Mergers and implement a parallel court-approved reduction of that capital in order to create a distributable reserve to support the payment of possible future dividends or future share repurchases. Neither the capitalization of the merger reserve effected in the context of the Merger nor the reduction will impact shareholders' relative interests in the capital of UKCo.

The Post-GTECH Merger Articles will, from the effective date of the Mergers, permit UKCo by ordinary resolution of the shareholders to declare dividends, provided that the directors have made a

recommendation as to its amount. The dividends shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring the payment of a dividend, the directors will be required under English law to comply with their duties, including considering UKCo's future financial requirements.

**1.3.9. Risks related to growth management**

From time to time, UKCo expects it will pursue acquisitions in support of its strategic goals. In connection with any such acquisitions, UKCo could face significant challenges in managing and integrating its expanded or combined operations, including acquired assets and personnel. There can be no assurance that acquisition opportunities will be available on acceptable terms or at all or that UKCo will be able to obtain necessary financing or regulatory approvals to complete potential acquisitions. The UKCo's ability to succeed in implementing its strategy will depend to some degree upon the ability of its management to identify, complete and successfully integrate commercially viable acquisitions. Acquisition transactions may disrupt the UKCo's ongoing business and distract management from other responsibilities.

**1.3.10. Risks related to changes in consumer preferences and behavior**

The popularity and acceptance of gaming is influenced by the prevailing social mores, and changes in social mores could result in reduced acceptance of gaming as a leisure activity. The UKCo Group's future financial success will depend on the appeal of its gaming offerings to its customers and players and the acceptance of gaming generally. If UKCo is not able to anticipate and react to changes in consumer preferences and social mores, its competitive and financial position may be adversely affected. In addition, the UKCo Group's future success will also depend on the success of the gaming industry as a whole in attracting and retaining players in the face of increased competition for players' entertainment dollars. Gaming may lose popularity as new leisure activities arise or as other leisure activities become more popular. If the popularity of gaming declines for any reason, UKCo's business, financial condition and results of operations may be adversely affected.

**1.3.11. Risks related to information technology systems**

The UKCo Group games and gaming systems depend to a great extent on the reliability and security of UKCo's information technology system, software and network, which are subject to damage and interruption caused by human error, problems relating to the telecommunications network, software failure, natural disasters, sabotage, viruses and similar events. Any interruption in UKCo's systems could have a negative effect on the quality of products and services offered and, as a result, on customer demand and therefore volume of sales. As UKCo will also offer online access to games and betting, such services may be subject to attack by hackers or experience other network interruptions that interfere with the provision of service and thereby subject the UKCo to liability for losses by players or to fines from the applicable governmental authorities for failure to provide the required level of service under its concessions.

**1.3.12. Risks related to greater difficulty to proceed against UKCo**

Because UKCo is a public limited company incorporated under English law, after the effective time of the Mergers, shareholders could experience more difficulty enforcing judgments obtained against UKCo in Italian courts than would currently be the case for Italian judgments obtained against GTECH. In addition, it may be more difficult (or impossible) to bring some types of claims against UKCo in courts in England than it would be to bring similar claims against an Italian company in Italian court.

**1.3.13. Risks related to exchange rates fluctuation**

UKCo Group will transact business in numerous countries around the world and expects that a significant portion of its business will continue to take place in international markets. UKCo will prepare its consolidated financial statements in its functional currency, while the financial statements of each of its subsidiaries will be prepared in the functional currency of that entity. Accordingly, fluctuations in the exchange rate of the functional currencies of the UKCo Group's foreign currency entities against the functional currency of UKCo will impact its results of operations and financial condition. As such, it is expected that UKCo's revenues and earnings will continue to be exposed to the risks that may arise from fluctuations in foreign currency exchange rates. Such fluctuations could have a material adverse effect on UKCo's business, results of operation or financial condition.

**1.3.14. Risks related to taxation**

*Future changes to U.S. and foreign tax laws could adversely affect UKCo.*

UKCo believes that, under current law, it is, and following the closing will be, treated as a foreign corporation for U.S. federal tax purposes. However, changes to the inversion rules in Section 7874 of the Internal Revenue Code or the U.S. Treasury Regulations promulgated thereunder (including Treasury Regulations recently announced by the U.S. Treasury Department) or other guidance from the U.S. Internal Revenue Service (IRS) could adversely affect UKCo's status as a foreign corporation for U.S. federal tax purposes or otherwise adversely affect UKCo for U.S. federal income tax purposes, and any such changes could have prospective or retroactive application to GTECH, IGT, their respective shareholders, affiliates or the Mergers. In addition, recent legislative proposals have aimed to expand the scope of U.S. corporate tax residence, and such legislation, if passed, could have an adverse effect on UKCo.

Moreover, the U.S. Congress, the Organization for Economic Co-operation and Development and other government agencies in jurisdictions where GTECH, IGT and their affiliates do business are focusing on issues related to the taxation of multinational corporations. One example is in the area of base erosion and profit shifting, where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. As a result, the tax laws in the United States and other countries in which GTECH, IGT and their affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely affect UKCo and its affiliates (including IGT and its subsidiaries after the Mergers).

*UKCo intends to operate so as to be treated exclusively as a resident of the U.K. for tax purposes, but the relevant tax authorities may treat it as also being a resident of another jurisdiction for tax purposes.*

UKCo is a company incorporated in the U.K. Current U.K. law, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that UKCo, a group holding company, is likely to be regarded as being a U.K. resident from incorporation and remaining so if, as UKCo intends that, (i) all major meetings of its board of directors and most routine meetings are held in the U.K. with a majority of directors present in the U.K. for those meetings; (ii) at those meetings there are full discussions of, and decisions are made regarding, the key strategic issues affecting UKCo and its subsidiaries; (iii) those meetings are properly minuted; (iv) at least some of the directors of UKCo, together with supporting staff, are based in the U.K.; and (v) UKCo has permanent staffed office premises in the U.K. sufficient to discharge its functions as a holding company.

Even if UKCo is resident of the U.K. for tax purposes, as expected, it would nevertheless not be treated as a resident of the U.K. if (a) it were concurrently resident of another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the U.K. and (b) there is a tiebreaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

Residence of UKCo for Italian tax purposes is largely a question of fact based on all relevant circumstances. A rebuttable presumption of residence in Italy may apply under Article 73(5-bis) of Decree 22 December 1986, n. 917 (Italian Consolidated Tax Act, or **CTA**). However, UKCo intends to set up its management and organizational structure in such a manner that it should be regarded as resident in the U.K. from its incorporation for the purposes of the Italy-U.K. tax treaty. Because this analysis is highly factual and may depend on future changes in UKCo's management and organizational structure, there can be no assurance regarding the final determination of UKCo's tax residence. Should UKCo be treated as an Italian tax resident, it would be subject to taxation in Italy on its worldwide income and may be required to comply with withholding tax and/or reporting obligations provided under Italian tax law. Should any Italian withholding taxes be imposed on dividends as a consequence of UKCo being treated as Italian tax resident, this would not have any material impact on the overall tax burden for Italian shareholders, since they would in any case be subject to Italian taxation at the same rates applicable to dividends paid by a UK resident company. With respect to non-Italian shareholders, whether such Italian withholding taxes are creditable against a tax liability to which a shareholder is otherwise subject depends on the law of such shareholder's jurisdiction and such shareholder's particular circumstances.

*Transfers of UKCo Ordinary Shares may be subject to stamp duty or stamp duty reserve tax ( **SDRT** ) in the U.K., which would increase the cost of dealing in UKCo Ordinary Shares as compared to GTECH or IGT shares.*

Stamp duty and/or SDRT are imposed in the U.K. on certain transfers of chargeable securities (which include shares in companies incorporated in the U.K.) at a rate of 0.5% of the consideration paid for the transfer. Certain issues or transfers of shares to depositaries or into clearance systems, as discussed below, are charged at a higher rate of 1.5%.

Transfers of shares held in book entry form through the Depository Trust & Clearing Corporation ( **DTC** ) should not be subject to stamp duty or SDRT in the U.K. A transfer of title in the shares from within the DTC system out of DTC and any subsequent transfers that occur entirely outside the DTC system, including repurchase by UKCo, will generally be subject to stamp duty or SDRT at a rate

of 0.5% of any consideration, which is payable by the transferee of the shares. Any such duty must be paid (and the relevant transfer document stamped by HMRC) before the transfer can be registered in the books of UKCo. If such shares are redeposited into the DTC system, the redeposit will attract stamp duty or SDRT at the higher 1.5% rate.

Following the Mergers, UKCo expects to put in place arrangements to require that shares held in certificated form cannot be transferred into the DTC system until the transferor of the shares has first delivered the shares to a depository specified by UKCo so that stamp duty or SDRT may be collected in connection with the initial delivery to the depository. Any such shares will be evidenced by a receipt issued by the depository. Before the transfer can be registered in the books of UKCo, the transferor will also be required to put in the depository funds to settle the applicable stamp duty or SDRT, which will be charged at a rate of 1.5% of the value of the shares.

*Tax consequences of the loyalty voting structure are uncertain.*

No statutory, judicial or administrative authority has provided public guidance on how the receipt, ownership, or loss of the entitlement to instruct the Nominee on how to vote in respect of Special Voting Shares and, as a result, the tax consequences are uncertain.

The fair market value of the UKCo Special Voting Shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, (i) the Special Voting Shares are not transferrable (other than in very limited circumstances as provided for in the Loyalty Plan), (ii) on a return of capital of UKCo on a winding up or otherwise, the holders of the Special Voting Shares will only be entitled to receive out of UKCo assets available for distribution to its shareholders, in aggregate, US\$1, and (iii) loss of the entitlement to instruct the Nominee on how to vote in respect of Special Voting Shares will occur for nil consideration, UKCo believes and intends to take the position that the value of each Special Voting Share is minimal.

However, the relevant tax authorities could assert that the value of the Special Voting Shares as determined by UKCo is incorrect. The tax treatment of the Special Voting Shares is unclear and shareholders are urged to consult their tax advisors as to the tax consequences of receipt, ownership and loss of the entitlement to instruct the Nominee on how to vote in respect of Special Voting Shares. See [Material Tax Consequences of the Transaction](#) for a further discussion.

### **1.3.15. Risks related to the shareholding and corporate governance structure**

Assuming that: (a) the current shareholding structure of GTECH and IGT will not vary until the Transaction has completed; (b) no GTECH shareholder will exercise cash exit rights; (c) the 1,793,026 treasury shares currently held by GTECH will be kept in the GTECH portfolio and cancelled in the context of the GTECH Merger; and (d) for each IGT share, IGT shareholders will receive 0.1819 UKCo Ordinary Shares, upon completion of the Transaction DeA Shareholders would own shares representing approximately 47.0% of the UKCo Ordinary Shares. In addition, under the terms of the Merger Agreement, DeA Shareholders will designate six out of thirteen directors of members of UKCo board of directors; in addition to Marco Sala, Chief Executive Officer of GTECH that will become the Chief Executive Officer of UKCo. Therefore DeA Shareholders may have a significant influence over



the matters submitted to the UK shareholders for approval, including election and removal of directors and change in control transactions. In addition, DeA Shareholders will be able to block any such matter which, under English law, requires approval by special resolution (*i.e.*, a resolution approved by the holders of at least 75% of the voting share capital), such as amendment of the Post-GTECH Merger Articles or the exclusion of pre-emptive rights. The interests of DeA Shareholders may not always coincide with the interests of the other UKCo shareholders.

In addition, under the terms of the Merger Agreement, the board of directors of UKCo will, for a period of three years after the completion of the Mergers, consist of 13 members, including the Chief Executive Officer of GTECH and other directors to be designated by IGT and by DeA Shareholders prior to the completion of the Mergers. Accordingly, holders of UKCo Ordinary Shares will have limited ability to influence the composition of the UKCo board of directors during such three-year period.

**1.3.16. Risks related to the loyalty voting structure**

UKCo shareholders that maintain their ownership of UKCo Ordinary Shares continuously for at least three years will be entitled, upon election, to direct the voting rights in respect of one Special Voting Share per ordinary share held for such period, provided that such shareholders meet the conditions described in the Post-GTECH Merger Articles and in the *Loyalty Plan*

If UKCo shareholders maintaining ownership of a significant number of UKCo Ordinary Shares for an uninterrupted period of at least three years elect to receive the right to direct the exercise of the voting rights attaching to Special Voting Shares, a relatively large proportion of the voting power of UKCo could be further concentrated in a relatively small number of shareholders who would have significant influence over UKCo.

The provisions of the Post-GTECH Merger Articles establishing the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of UKCo, even if a change of control were considered favorably by shareholders holding a majority of UKCo Ordinary Shares.

The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changes in UKCo's management.

**1.3.17. Risks related to the pro-forma data**

This Information Document contains consolidated pro-forma financial information as of June 30, 2014 that has been prepared, in accordance with the applicable reporting standards, to provide investors with information on the impact of the Transaction on the earnings and financial position and on the statements of income of the GTECH Group had the Transaction occurred during the period to which those pro-forma figures relate. Given that these figures are based on assumptions, it should be noted that if the Transaction had taken place on the dates on which the pro-forma figures are based rather than the actual effective date, the historic figures may have differed from the pro-forma figures provided. In addition, the pro-forma figures are not forward-looking and should not be considered a forecast of future earnings for the GTECH Group resulting from the Transaction. They have been prepared for the sole purpose of providing an illustrative representation of the identifiable and objectively measurable effects of the Transaction. Finally, given that the pro-forma data and the historic





data have a different purpose and that different methodologies have been used to calculate the impacts on the statements of financial position, income and cash flows, the pro-forma statements of financial position, income and cash flows should be read and analyzed separately without attempting to reconcile those statements with each other.

**1.3.18. Risks related to forward-looking statements contained in this Information Document**

This Information Document contains forward-looking statements concerning the activities of GTECH, IGT and, following the completion of the Transaction, of UKCo. These statements do not represent statements of fact but are based on current expectations and projections of the companies party to the Transaction in relation to future events and, by their nature, are subject to inherent risks and uncertainties. Earnings estimates and projections are based on specific knowledge of the sector, publicly available data, and past experience. Underlying the projections are assumptions concerning future events and trends that are subject to uncertainty and whose actual occurrence or non-occurrence could result in significant variations from the projected results. These forward-looking statements relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: general economic conditions, economic growth and other changes in business conditions, changes in government regulation and framework (in each case, in Italy or abroad), and many other factors, some of which are referred to in this Section, most of which are outside of the control of the companies participating in the Transaction.

**1.3.19. Risks related to the requirements of the DTC system**

The facilities of *Depository Trust & Clearing Corporation* ( **DTC** ) are a widely-used mechanism that allow for rapid electronic transfers of securities between the participants in the DTC system, which include many banks and brokerage firms. UKCo expects that, upon the completion of the Mergers, UKCo Ordinary Shares will be eligible for deposit and clearing within the DTC system. However, DTC is not obligated to accept UKCo Ordinary Shares for deposit and clearing within its facilities at the Closing and, even if DTC does initially accept UKCo Ordinary Shares, it will generally have discretion to cease to provide the above mentioned facilities. If DTC determines at any time that UKCo Ordinary Shares are not eligible for facilities provided, then UKCo believes that UKCo Ordinary Shares would not be eligible for continued listing on a U.S. securities exchange and the relevant trading would be disrupted. While UKCo would pursue alternative arrangements to preserve the listing and maintain trading, any such disruption of facilities provided by DTC could have a material adverse effect on the trading price of UKCo Ordinary Shares.

**2. INFORMATION ABOUT THE TRANSACTION**

**2.1. SUMMARY DESCRIPTION OF THE TERMS AND CONDITIONS OF THE TRANSACTION**

**2.1.1. Description of the participating companies**

**2.1.1.1. UKCo**

**Introduction**

UKCo, a public limited company organized under the laws of England and Wales, was incorporated on July 11, 2014, as a private limited company. On September 16, 2014 UKCo was re-registered as a public company limited by shares. The incorporation of UKCo was a preliminary step to the Transaction and, as of the date of this Information Document, the whole voting share capital of UKCo, consisting of one ordinary share, is directly owned by GTECH. Since incorporation, UKCo has carried out only activities in connection with for the Transaction and it is not expected that the company will carry out activity of any other nature until the Transaction is completed.

A description of UKCo as of the date of this Information Document, as well as of expected activities in connection with and following the Transaction, is provided below

**Name, form of incorporation, registered office and share capital**

UKCo is registered with the Registrar of Companies of England and Wales under the registration number 9127533, with the legal name of Georgia Worldwide PLC.

The address of UKCo's registered office is 1 Old Jewry, 6th Floor, London, EC2R 8DU (United Kingdom) (telephone no. +44 207 160 5000). As of the date of this Information Document, the share capital of UKCo, equal to £50,001, is divided into 50,001 shares and is currently owned as follows:

- (i) one ordinary share with a nominal value of £1.00 and carrying one vote (the **Subscriber Share** );

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(ii) 50,000 sterling non-voting shares with a nominal value of £1.00 each, which broadly have, among others, the following characteristics: (a) they are not entitled to any economic rights (except an amount of £1 in aggregate on a return of capital on a winding up); (b) they have no voting rights; (c) they may not be transferred other than in accordance with the provisions of the articles of association of UKCo currently in force; and (d) they may be redeemed by UKCo for nil consideration at any time.

### **Duration and financial year**

UKCo has a perpetual duration and its financial year ends on December 31.

### **Shareholders structure**

The Subscriber Share is held by GTECH and the 50,000 sterling non-voting shares are held by Elian Corporate Services (UK) Limited (formerly Ogier Corporate Services (UK) Limited, the **Sterling Shareholder** ).

The Sterling Shareholder has been appointed pursuant to an administration agreement which, amongst other things, governs the terms upon which the sterling non-voting shares will be held.

## Corporate bodies

As of the date of this Information Document, the board of directors of UKCo is composed of Mr. Alberto Fornaro and Mr. Declan James Harkin.

## Amendments to the articles of association associated with or resulting from the Transaction

The articles of association of UKCo, adopted in the context of the incorporation on July 11, 2014, were amended on September 16, 2014, at the time the company was re-registered as a public company limited by shares. At the GTECH Merger Effective Date, UKCo will adopt the Post-GTECH Merger Articles. The Post-GTECH Merger Articles of UKCo are provided as an appendix to the GTECH Merger Plan, made available on the GTECH corporate website ([www.gtech.com](http://www.gtech.com)) and attached to this Information Document as Annex 2.

A table is enclosed as an appendix to this Information Document, containing a summary comparison between (a) the current rights of GTECH shareholders under Italian law and GTECH's by-laws; and (b) the rights which UKCo shareholders will have upon the completion of the Transaction under English law and the Post-GTECH Merger Articles.

### (I) *Company name and registered office*

The company name of UKCo currently Georgia Worldwide PLC and/or the registered address (provided that the registered office will remain in the United Kingdom) may be changed before the GTECH Merger Effective Date by a resolution of the UKCo board of directors and notice given to the Registrar of Companies of England and Wales, pursuant to the current UKCo articles of association and applicable law. Shareholders, creditors and other interested parties will be informed about the new name and/or new registered address through publication on the corporate website of GTECH ([www.gtech.com](http://www.gtech.com)).

### (II) *Share capital of UKCo*

Prior to the GTECH Merger Effective Date, the UKCo directors and/or GTECH (as shareholder) are expected to pass certain resolutions in order to, among other matters, authorize UKCo directors to carry out the actions required of UKCo in relation to the Transaction including: (i) the authority for the directors of UKCo to allot and issue, *inter alia*, (a) ordinary shares to be issued to GTECH shareholders and IGT shareholders who are entitled to receive UKCo shares pursuant to the Transaction; (b) Special Voting Shares, (c) ordinary shares for the purposes of the stock plans that, further to the completion of the Transaction, will be referenced to UKCo Ordinary Shares and (d) ordinary shares for the purposes of certain conditions of the non-convertible securities, issued by GTECH, entitled 750,000,000 Subordinated Interest-Deferrable Capital Securities due 2066, which will be assumed by UKCo as of the GTECH Merger Effective Date; (ii) the approval of the UKCo reduction of capital following the GTECH Merger Effective Date in order to create distributable reserves (if applicable); and (iii) the authority for the directors of UKCo to enter into certain off-market buyback contracts.

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Following the completion of the GTECH Merger, all GTECH shares currently outstanding, including any treasury shares possibly held by GTECH as of the GTECH Merger Effective Date, will be

cancelled in accordance with applicable law provisions. Upon such cancellation, UKCo, at the GTECH Merger Effective Date and on the basis of the Exchange Ratio, will allot and issue one UKCo Ordinary Share (with a nominal value of US\$0.10) for each outstanding GTECH ordinary share (with a nominal value of 1.00), save for any treasury shares held by GTECH, which therefore shall be cancelled without exchange.

At the GTECH Merger Effective Date, (i) the Subscriber Share will be acquired for nil consideration and cancelled by UKCo immediately prior to the issuance of ordinary shares and Special Voting Shares pursuant to the GTECH Merger, and (ii) the 50,000 sterling non-voting shares will continue to be held by the Sterling Shareholder.

It is expected that, following the completion of the Transaction, UKCo Ordinary Shares will be traded on the NYSE. UKCo Ordinary Shares will be held through the book-entry system provided by the Depository Trust & Clearing Corporation ( **DTC** ) and will be registered in the register of shareholders in the name of Cede & Co., as DTC's nominee.

The Special Voting Shares, the features of which are described below, will be issued to the *Nominee* in accordance with the Post-GTECH Merger Articles and the Loyalty Plan (as defined below), drawn up for shareholders of UKCo.

(III) *The voting structure connected with the Special Voting Shares*

Purpose

At the GTECH Merger Effective Date, UKCo will issue, in addition to the ordinary shares to be allotted and issued pursuant to the Exchange Ratio, the Special Voting Shares, to promote stability of UKCo's shareholder base, as well as to encourage the long term investment and the commitment of the shareholders whose goals are aligned with the long-term strategic interests of the group.

The Special Voting Shares grant to UKCo shareholders maintaining the ownership of UKCo Ordinary Shares for a continuous period of three years and electing to participate in the Loyalty Plan the right to direct the exercise of voting rights of Special Voting Shares as described below.

Characteristics of the Special Voting Shares

Each Special Voting Share carries 0.9995 votes. Special Voting Shares and UKCo Ordinary Shares shall be treated as if they are a single class of shares and not divided into separate classes for voting purposes (save upon a resolution in respect of the potential termination of the Loyalty Plan).

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The Special Voting Shares have only minimal economic entitlements (*i.e.* an amount of US\$1 in aggregate on a return of capital on a winding up). Such economic entitlements are provided to comply with English law but are immaterial for investors.

### Issue

At completion of the Transaction, UKCo will allot and issue to the Nominee such number of Special Voting Shares as is equal to the number of UKCo Ordinary Shares allotted pursuant to the GTECH Merger and IGT Merger. The Nominee will hold such Special Voting Shares on behalf of the shareholders of UKCo as a whole, and will exercise the voting rights attached to those shares in accordance with the Post-GTECH Merger Articles.

Participation in the Loyalty Plan

In order to become entitled to elect to participate in the Loyalty Plan, a person must maintain ownership (in accordance with the Post-GTECH Merger Articles) of one or more UKCo Ordinary Shares for a continuous period of three years or more (an **Entitled Shareholder** ). The board of directors of UKCo may, in accordance with the terms and conditions of the Loyalty Plan, deem that a person held UK Ordinary Shares as beneficial owner although it is not the legal owner of the relevant UK Ordinary Shares.

Therefore, no shareholder, other than the Nominee, will be entitled to exercise any rights in Special Voting Shares until after the third anniversary of completion of the Mergers.

Entitled Shareholders may elect to participate in the Loyalty Plan by submitting a validly completed and signed election form to the Company's designated agent ( **Agent** ). The election form will, amongst other things, include: (i) representations and warranties from the Entitled Shareholder and, if relevant, their broker, bank or intermediary that such Entitled Shareholder has held a relevant interest in the relevant UKCo Ordinary Shares for a continuous period of three years; (ii) agreement by the Entitled Shareholder to the voting arrangements for the Special Voting Shares as set out in the Post-GTECH Merger Articles and the terms and conditions of the Loyalty Plan; and (iii) an undertaking not to transfer any interest in the Special Voting Shares or the associated UKCo Ordinary Shares without first delivering to the Agent a withdrawal form.

The election form will be available on the website of UKCo following completion of the Mergers.

Upon receipt of the election form, the Agent will register the relevant UKCo Ordinary Shares in a separate register (the **Loyalty Register** ).

For so long as an Entitled Shareholder's UKCo Ordinary Shares remain in the Loyalty Register, they may not be sold, disposed of, transferred, pledged or subjected to any lien, fixed or floating charge or other encumbrance, except in very limited circumstances.

Voting system

The Nominee will exercise the votes attaching to the Special Voting Shares held by it at a general meeting or a class meeting as follows:

(i) for the Special Voting Shares connected with UKCo Ordinary Shares registered in the Loyalty Register, the Nominee will exercise the votes in the same manner as the relevant Entitled Shareholder has exercised his, her or its votes for such UKCo Ordinary Shares;

(ii) for the Special Voting Shares connected with UKCo Ordinary Shares not registered in the Loyalty Register, the Nominee will exercise the votes in the same percentages as the total outcome of the vote exercised in the general meeting, taking into account the votes



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exercised by the Nominee in connection with the Special Voting Shares connected with UKCo Ordinary Shares registered in the Loyalty Register.

### Transfer or withdrawal

The Special Voting Shares may not be transferred, except in limited circumstances, (e.g. for transfers between nominees).

If, at any time, one or more UKCo Ordinary Shares are removed from the Loyalty Register for any reason, or any UKCo Ordinary Shares in the Loyalty Register are sold, disposed of, transferred, pledged

or subjected to any lien, fixed or floating charge or other encumbrance, the Special Voting Shares associated with those UKCo Ordinary Shares will cease to confer on the Entitled Shareholder any voting rights (or any other rights) in connection with those Special Voting Shares.

An Entitled Shareholder may request the removal of their UKCo Ordinary Shares from the Loyalty Register at any time by submitting a withdrawal form to the Agent. The Agent will release the UKCo Ordinary Shares from the Loyalty Register within three business days thereafter. Upon the removal from the Loyalty Register, such shares will be freely transferable and tradable. From the date of submission of the withdrawal form, a person's rights in connection with the relevant Special Voting Shares shall cease with immediate effect.

#### Termination of the Loyalty Plan

The Loyalty Plan may be terminated at any time with immediate effect by a resolution taken at a general meeting with the approval of members representing 75% or more of the total voting rights attaching to the UKCo Ordinary Shares of members who have voted in person or by proxy. The votes attaching to the Special Voting Shares shall not be exercisable upon such resolution.

#### Repurchase or redemption

Special Voting Shares may only be purchased or redeemed by UKCo in limited circumstances, e.g. to reduce the number of Special Voting Shares held by the Nominee in order to align the aggregate number of ordinary shares and Special Voting Shares in issue from time to time; upon termination of the loyalty voting structure; or pursuant to an off-market purchase arrangement. Special Voting Shares may be redeemed for nil consideration and repurchased for, depending on the circumstances, nil consideration or their nominal value.

#### *(IV) Changes to the corporate governance system associated with or resulting from the Transaction*

The UKCo Board will be comprised of 13 members and will be responsible for the ordinary management of the company and for management and strategy of the company.

As of the date of this Information Document, it is expected that the following persons will be appointed as UKCo's directors following the completion of the Transaction, to serve for a term of three years:

- six directors designated by DeA Shareholders, in addition to Marco Sala, Chief Executive Officer of GTECH;
- five directors designated by IGT, including the Chief Executive Officer and Chairman of the board of directors of IGT; and

- one independent director mutually agreed to by GTECH and IGT.

The Chief Executive Officer of GTECH, Marco Sala, will become the Chief Executive Officer of UKCo and the Chairman (Philip G. Satre) and the Chief Executive Officer (Patti S. Hart) of IGT will become, respectively, Chairman and Vice-chairman of UKCo. In addition, one of the directors designated by DeA Shareholders will also become a Vice-chairman.

The three additional directors designated by IGT are Paget Alves, Vincent Sadusky and Tracey Weber. The six directors designated by De Agostini are Paolo Ceretti, Alberto Dessy, Marco Drago, Sir Jeremy

Hanley, Lorenzo Pellicioli and Gianmario Tondato da Ruos. The independent director mutually agreed to by GTECH and IGT will be James F. McCann.

The UKCo Board shall form, after the completion of the Transaction, the following board committees: Audit, Compensation, Nominating & Governance.

Each committee will be composed entirely of directors deemed to be, in the judgment of the UKCo board of directors, independent in accordance with the applicable rules of the NYSE, with which rules UKCo will comply. The UKCo board of directors may otherwise make rules of procedure for all or any committee.

Prior to the completion of the Mergers, UKCo expects to adopt a compensation policy for UKCo's directors. The form and amount of the compensation to be paid to UKCo's directors following the completion of the Mergers will be determined by the UKCo board of directors in line with that compensation policy.

UKCo must appoint an independent auditor to make a report on the annual accounts of the company.

#### **Information on English company law**

In addition to the description of the corporate governance structure of UKCo upon completion of the Mergers, below is a brief overview of the laws applicable to UKCo, as a company organized under the laws of England and Wales.

#### Issuance of Shares

Under the UK Companies Act 2006 ( **UK Companies Act** ), subject to a limited number of exceptions, the board of directors of an English company must not issue shares unless it has first been authorized to do so either by the company's articles of association or by way of a shareholders' resolution.

Such authority must state the maximum amount of shares that may be allotted under it, and must specify the date on which it will expire. Such date must be not more than five years from the date on which the resolution is passed by virtue of which the authorization is given.

The Post-GTECH Merger Articles will authorize the directors, for a period of up to five years from the date of the resolution granting the authority, to allot shares in UKCo, or to grant rights to subscribe for or to convert or exchange any security into shares in UKCo, up to an aggregate nominal amount (*i.e.*, par value) of US\$ 185,000,000. Such authorization will continue for five years and renewal of such authorization by a resolution of the UKCo shareholders in a general meeting is expected to be sought at least once every five years, and possibly

more frequently.

The UK Companies Act prohibits an English company from issuing shares at a discount to nominal amount (*i.e.*, par value) or for no consideration, including with respect to grants of restricted stock made pursuant to equity incentive plans. If the shares are issued upon the lapse of restrictions or the vesting of any restricted stock award or any other share-based grant underlying any UKCo Ordinary Shares, the nominal amount (*i.e.*, par value) of the shares must be paid up pursuant to the UK Companies Act.

*Rights of pre-emption*

Under the UK Companies Act, a company must not allot equity securities that are to be paid for wholly in cash unless it has first made an offer to the existing holders of ordinary shares to allot to such

holders, on the same or more favourable terms, a proportion of those securities that is as nearly as practicable equal to the proportion in nominal value (*i.e.* par value) held by such holders of the ordinary share capital of the company. The rights of pre-emption do not apply to shares held under an employees' share scheme. The rights of pre-emption may be excluded if shareholders pass a special resolution (*i.e.*, a resolution approved by the holders of at least 75% of the aggregate voting power of the outstanding UKCo shares that, being entitled to vote, vote on the resolution) or if the articles of association provide an exclusion from this requirement (which exclusion can be for a maximum of five years after which shareholders' approval would be required to renew the exclusion). In this context, equity securities generally means shares other than shares which, with respect to dividends or capital, carry a right to participate only up to a specified amount in a distribution.

In relation to UKCo, this would include the UKCo Ordinary Shares and all rights to subscribe for or convert securities into such shares. In the event of an issuance of Special Voting Shares under the terms of the Loyalty Plan shareholders will not have any right of pre-emption.

The Post-GTECH Merger Articles will authorize the directors, for a period of up to five years from the date of the resolution granting the authority, to exclude pre-emptive rights in respect of such issuances, up to an aggregate nominal amount (*i.e.* par value) of \$US 185,000,000. Such authorization will continue for five years and renewal of such authorization by a special resolution of the UKCo shareholders in a general meeting is expected to be sought at least once every five years, and possibly more frequently.

#### Repurchase of shares

English law prohibits UKCo from purchasing its own shares unless such purchase has been approved by its shareholders. Shareholders may approve two different types of such share purchases; on-market purchases or off-market purchases.

On-market purchases may only be made on a recognized investment exchange, which does not include the NYSE, which is the only exchange on which it is intended that UKCo's shares will be traded.

In order to purchase its own shares, UKCo must therefore obtain shareholder approval for off-market purchases. UKCo shareholders shall approve a special resolution approving the terms of the contract pursuant to which the purchase(s) are to be made. Such approval may be for a maximum period of up to five years.

The Post-GTECH Merger Articles authorizes the directors, for a period of up to five years from the date of the resolution granting the authority, to purchase its own shares of any class, on the terms of any buyback contract approved by the shareholders (or otherwise as may be permitted by the UK Companies Act), provided that:

1. the maximum aggregate number of UKCo Ordinary Shares authorized to be purchased will equal 20% of the total issued UKCo Ordinary Shares of the relevant class on the GTECH Merger Effective Date (subject to adjustments for consolidation or division);

2. the maximum price that may be paid to purchase a UKCo Ordinary Share is 105% of the average market value of a UKCo Ordinary Share for the five business days prior to the day the purchase is made (subject to any further price restrictions contained in any buyback contract); and

3. the maximum aggregate number of Special Voting Shares authorized to be purchased will equal 20% of the total issued Special Voting Shares of the relevant class on the GTECH Merger Effective Date (subject to adjustments for consolidation or division);
  
4. the maximum price that may be paid to purchase a Special Voting Share is its nominal value.

Prior to the GTECH Merger Effective Date, a resolution will be passed by GTECH, as the current sole voting shareholder of UKCo, to grant to directors the authority contemplated by the Post-GTECH Merger Articles to purchase UKCo's own shares and to approve certain buyback contracts pursuant to which UKCo will be able to make off-market purchases from selected investment banks. This resolution may be renewed prior to its expiration (*i.e.*, within five years), and renewal of such authorization may be sought at least once every five years, and possibly more frequently. The Post-GTECH Merger Articles provide that any renewal of the authorization may specify a different maximum aggregate number of UKCo Ordinary Shares and Special Voting Shares that may be repurchased and a different maximum price that may be paid to purchase a UKCo Ordinary Share.

Except in the case of an employee share scheme, UKCo is only permitted to purchase its own shares if they are fully paid, and must pay for them in full when purchasing them.

UKCo may only purchase its own shares out of distributable profits of the company, or, subject to certain exceptions, out of the proceeds of a fresh issue of shares made for the purposes of financing the purchase.

#### Reduction of share capital

A public limited company may only reduce its share capital with the approval of the competent English court. In order to obtain an order, the shareholders must first have passed a special resolution to approve the reduction. There must also be no restriction in the articles of association. The Post-GTECH Merger Articles do not prohibit a reduction of share capital by UKCo.

Following the GTECH Merger Effective Date, it is expected that UKCo will capitalize the merger reserve created pursuant to the Mergers and implement a parallel court-approved reduction of that capital in order to create a reserve of an equivalent amount of distributable profits to support the payment of possible future dividends or future share repurchases. Neither the capitalization nor the reduction will impact shareholders' relative interests in the capital of UKCo.

#### Transfer of shares

The transferability of shares of a company is determined by the articles of association of that company.



*Ordinary Shares*

The Post-GTECH Merger Articles allow holders of UKCo Ordinary Shares to transfer all or any of their shares by instrument of transfer in writing in any usual form or in any other form which is permitted by the UK Companies Act and is approved by the UKCo board of directors. The instrument of transfer must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee.

The Post-GTECH Merger Articles provide that UKCo, at its option, may or may not charge a fee for registering the transfer of a share or for making any other entry in the register.

The UKCo board of directors may, in their absolute discretion, refuse to register a transfer of shares to any person, whether or not it is fully paid or a share on which the UKCo has a lien.

If the UKCo board of directors refuses to register a transfer of a share, the instrument of transfer must be returned to the transferee as soon as practicable and in any event within two months after the date on which the transfer was lodged with UKCo with the notice of refusal and reasons for refusal unless they suspect that the proposed transfer may be fraudulent.

It is a condition to closing of the Mergers that the UKCo Ordinary Shares will be listed on the NYSE following the GTECH Merger Effective Date. The UKCo Ordinary Shares will, unless withdrawn from the system by the shareholder, be held through the book-entry system provided by DTC and will be registered in the register of shareholders in the name of Cede & Co, as DTC's nominee. If a shareholder wishes to transfer beneficial ownership of UKCo Ordinary Shares held through DTC, it must do so by way of electronic transfer made by a DTC participant. Such transfer will be subject to the rules of DTC.

#### *Special Voting Shares*

Special Voting Shares may not be transferred, save in limited circumstances (e.g. between the *Nominee* and a replacement nominee). UKCo does not have a right to purchase or redeem a Special Voting Share, except to reduce the number of Special Voting Shares held by the Nominee (i) in order to align the aggregate number of UKCo Ordinary Shares and Special Voting Shares in issue from time to time; (ii) upon termination of the loyalty voting structure; or (iii) pursuant to an off-market purchase arrangement.

#### *Sterling non-voting shares*

The 50,000 sterling non-voting shares are not transferable save with the prior consent of the UKCo board of directors.

#### *Annual accounts and independent auditor*

Under English law, a quoted company, which includes a company whose equity share capital is admitted to dealing on the NYSE, must deliver to the Registrar of Companies a copy of:

1. the company's annual accounts;
2. the directors remuneration report;
3. the directors' report;

4. any separate corporate governance statement;
5. a strategic report; and
6. the auditor's report on those accounts, on the auditable part of the directors' remuneration report, on the directors' report, the strategic report and any separate corporate governance statement.

The annual accounts and reports must be laid before the company in general meeting (although no vote is required in respect of such documents). Copies of the annual accounts and reports must, unless a shareholder agrees to receive more limited information in accordance with the UK Companies Act, be sent to shareholders, debenture holders and everyone entitled to receive notice of general meetings at least 21 days before the date of the meeting at which copies of the documents are to be laid. The Post-GTECH Merger Articles provide that such documents may be distributed in electronic form.

UKCo must appoint an independent auditor to make a report on the annual accounts of the company. The auditor is usually appointed by ordinary resolution at the general meeting of the company at which the company's annual accounts are laid. Directors can also appoint auditors at any time before the company's first accounts meeting, after a period of exemption or to fill a casual vacancy.

The remuneration of an auditor is fixed by the members of the company by ordinary resolution or in a manner that the members by ordinary resolution determine.

Payment of dividends

Dividends may only be paid out of distributable reserves, defined as the company's accumulated realized profits, so far as not previously utilized by distribution or capitalization, less its accumulated, realized losses, so far as not previously written off in a reduction or reorganization of capital duly made, and not out of share capital, which includes the share premium account. Distributable reserves are determined in accordance with generally accepted accounting principles at the time the relevant accounts are prepared.

The amount of UKCo's distributable reserves is a cumulative calculation, UKCo may be profitable in a single financial year but unable to pay a dividend if the profits of that year do not offset all previous year's accumulated realized losses.

Additionally, as a public limited company, UKCo will be permitted to pay a dividend only if, at the time that dividend is paid, the amount of its net assets is not less than the total of its called up share capital and undistributable reserves, and if, and to the extent that, the dividend itself, at the time that it is made, does not reduce the amount of the net assets to less than that total.

The Post-GTECH Merger Articles provide that, subject to the U.K. Companies Act, the UKCo shareholders may declare a dividend by ordinary resolution on the recommendation of the board of directors, and the board of directors may decide to pay an interim dividend to shareholders in accordance with their respective rights and interests in UKCo, and may fix the time for payment of such dividend. Dividends may be declared and paid on the UKCo Ordinary Shares. Neither the Special Voting Shares, nor the sterling non-voting shares entitle the holders thereof to participate in any dividend.

The shareholders of UKCo may, by ordinary resolution on the recommendation of the directors, decide that the payment of all or any part of a dividend be satisfied by transferring non-cash assets of equivalent value, including shares or securities in any corporation.

The Post-GTECH Merger Articles also permit a scrip dividend scheme under which the directors may, with the prior authority of an ordinary resolution of UKCo, allot to those holders of a particular class of shares, who have elected to receive them, further shares of that class or ordinary shares, in either case credited as fully paid, instead of cash in respect of all or part of a dividend or dividends specified by the resolution.

The UKCo board of directors intends to adopt a formal dividend policy, but has not done so as of the date of this Information Document.



Annual general meeting

Under English law, UKCo is required to hold an annual general meeting of shareholders within six months from the day following the end of its fiscal year. English law does not specify what business must be transacted at the annual general meeting, nor are there any restrictions on business.

General meeting of shareholders and place of meetings

A general meeting may be held at a date, time and place determined by the UKCo board of directors, whether within or outside of the U.K.

Notice of call and agenda

Under English law, an annual general meeting must be called by not less than 21 clear days' notice (*i.e.* excluding the date of receipt or deemed receipt of the notice and the date of the meeting itself). All other general meetings must be called by not less than 14 clear days' notice, unless a shorter notice is agreed to by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority who together hold not less than 95% in nominal value of the shares given that right. At least 7 clear days' notice is required for any meeting adjourned for 28 days or more or for an indefinite period.

Under English law, notice must be given in hard copy form, electronic form or by means of a website or partly by one such means and partly by another.

The notice must specify the time and date of the meeting and the place of the meeting. It must also state the general nature of the business to be dealt with at the meeting.

The notice of a general meeting must be given to the shareholders (other than any who, under the provisions of the company's articles of association or the terms of allotment or issue of shares, are not entitled to receive notice), to the UKCo board of directors, to the auditors and to the beneficial owners nominated to enjoy information rights under the UK Companies Act.

Under English law, UKCo must convene such a meeting once it has received requests to do so from shareholders representing at least 5% of the paid up share capital of the company as carries voting rights at general meetings.

Admission and registration

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Under English law, the notice of a general meeting must specify a time by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time specified in the notice will be disregarded in deciding the rights of any person to attend or vote.

A member may appoint another person as his proxy to exercise all (or any) of his rights to attend and to speak and to vote (both on a show of hands and on a poll) on a resolution, an amendment to a resolution, or on any other business arising at the general meeting. The appointment of a proxy must be in writing in any usual form (or in another form approved by the directors). The directors may accept appointment of a proxy delivered by electronic means.

Arrangements are being put in place to enable those persons holding shares via the DTC to attend and vote at general meetings.

Directors may attend and speak at general meetings whether or not they are members. The chairman of a general meeting may permit any other person to attend and speak at a general meeting if he considers it will assist the deliberations of the meeting.

The general meeting is chaired by the chairman of the board of directors, if present. If he is absent, any vice, deputy or assistant chairman appointed by the directors shall act as chairman. If the directors have not appointed a chairman (or vice, deputy or assistant chairman), or if the chairman (or vice, deputy or assistant chairman) is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start, a chairman will be appointed by the directors present or (if there are no directors present) by the meeting. If only one director is present and willing and able to act, he shall be the chairman.

Voting rights

Voting rights are determined by a company's articles of association.

The Post-GTECH Merger Articles provide that, subject to the UK Companies Act, the necessary quorum for a general shareholder meeting is the shareholders who together represent at least a majority of the voting rights of UKCo entitled to be exercised at the meeting, present in person or by proxy.

The general meeting may vote on a show of hands, or by poll. Under the Post-GTECH Merger Articles, a poll on a resolution may be demanded by the chairman, the directors, five or more people having the right to vote on the resolution or a shareholder or shareholders (or their duly appointed prox(ies)) having not less than 10% of either the total voting rights or the total paid up share capital. Such persons may demand the poll both in advance of, and during, a general meeting, either before or after a show of hands on a resolution.

On a show of hands, each shareholder present will have one vote. A proxy will also have one vote, except where:

1. that proxy has been appointed by more than one shareholder entitled to vote on the resolution; and
2. the proxy has been instructed by one or more of those shareholders:
  - a. to vote for or against the resolution; or
  - b. to vote in the same way on the resolution (whether for or against) and one or more of those shareholders has permitted the proxy discretion as to how to vote,



in which case, the proxy has one vote for and one vote against the resolution.

On a poll taken at a meeting, every qualifying shareholder present and entitled to vote on the resolution has one vote for every UKCo Ordinary Share of which he, she or it is the holder, and 0.9995 votes for every Special Voting Share of which he, she or it is entitled to.

The Nominee will exercise the votes attaching to the Special Voting Shares held by it at a general meeting or a class meeting as follows:

(i) for the Special Voting Shares connected with UKCo Ordinary Shares registered in the Loyalty Register, the Nominee will exercise the votes in the same manner as the relevant Entitled Shareholder has exercised his, her or its votes for such UKCo Ordinary Shares;

(ii) for Special Voting Shares connected with UKCo Ordinary Shares not registered in the Loyalty Register, the Nominee will exercise the votes in the same percentages as the total outcome of the vote exercised in the general meeting, taking into account the votes exercised by the Nominee in connection with the Special Voting Shares connected with UKCo Ordinary Shares registered in the Loyalty Register.

The sterling non-voting shares have no voting rights.

Shareholders' votes on certain transactions

On a vote by show of hands, an ordinary resolution requires the affirmative vote of the holders of a simple majority of the voting rights attaching to UKCo shares that, being entitled to vote, vote on the resolution at a general meeting. A vote by poll requires the affirmative vote of the simple majority of the voting rights of UKCo entitled to be exercised at the meeting, present in person or by proxy.

A special resolution requires the affirmative vote of the holders of at least 75% of the voting rights attaching to UKCo shares that, being entitled to vote, vote on the resolution at a general meeting.

The UK Companies Act requires that a number of matters are approved by way of special resolution, including (amongst other things) an amendment to the company's articles of association, change of name, and re-registration as a public or private company.

Amendments to the UKCo articles of association, including variation of rights

Under English law, the shareholders may amend any provision of the articles of association of a public limited company, other than entrenched provisions, by special resolution at a general meeting.

An entrenched provision of the articles of association is a provision that may be amended or repealed only if certain conditions are complied with. These conditions are more restrictive than those applied to a special resolution (e.g. a higher majority than the threshold for a special resolution, being 75%). Entrenchment does not prevent alteration to the articles by unanimous consent of the shareholders.

The Post-GTECH Merger Articles do not contain any entrenched provisions.

Rights attaching to any class of shares may be varied only in accordance with the company's articles of association, or, if no provision is made in the articles, by a statutory procedure set out in section 630 of the UK Companies Act. Both the statutory procedure and the Post-GTECH Merger Articles require the consent in writing from the holders of at least three-quarters in nominal value of the issued shares of the relevant class (excluding any shares held as treasury shares), or a special resolution passed at a separate general meeting of the holders of the relevant class

sanctioning the variation.

Winding-up

In the event of a voluntary winding-up of UKCo, the liquidator may, upon obtaining any sanction required by law, divide among the shareholders the whole or any part of the assets of UKCo, whether or not the assets consist of property of one kind or of different kinds and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, will determine.

The liquidator may not, however, distribute to a shareholder without his consent an asset to which there is attached a liability or potential liability for the owner.

Upon any such winding up, after payment or provision for payment of UKCo's debts and liabilities and payment of US\$1 in aggregate to all holders of the Special Voting Shares and £1 in aggregate to all holders of sterling non-voting shares, the holders of UKCo Ordinary Shares (and any other shares outstanding at the relevant time which rank equally with such shares) will share equally, on a share for share basis, in UKCo's assets remaining for distribution to the holders of UKCo Ordinary Shares.

Liability of directors

Under English law, any provision that purports to exempt a director of a company (to any extent) from any liability that would otherwise attach to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void. However, despite this prohibition, UKCo is permitted to purchase and maintain limited insurance for a director of the company.

Shareholders can ratify by ordinary resolution a director's conduct amounting to negligence, default, breach of duty or breach of trust in relation to UKCo.

Whilst directors are not generally jointly and severally liable, joint and several liability may arise at common law where more than one director is involved in the same breach of duty.

Indemnification of directors and officers

Subject to certain exceptions, English law does not permit UKCo to indemnify a director against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to UKCo. The exceptions allow UKCo to:

1. purchase and maintain director and officer insurance against any liability attaching in connection with any negligence, default, breach of duty or breach of trust owed to the company;
2. provide a qualifying third party indemnity provision which permits UKCo to indemnify its directors (and directors of an associated company, *i.e.* a company that is a parent, subsidiary or sister company of UKCo) in respect of proceedings brought by third parties, covering both legal costs and the amount of any adverse judgment, except for: (i) the legal costs of an unsuccessful defence of criminal proceedings or civil proceedings brought by the company itself; (ii) fines imposed in criminal proceedings; and (iii) penalties imposed by regulatory bodies;
3. indemnify a director in respect of defence costs in relation to civil and criminal proceedings against him or her (even if the action is brought by the company itself). This is subject to the requirement for the director or officer to reimburse the company if the defence is unsuccessful; and

4. provide a qualifying pension scheme indemnity provision, which allows the company to indemnify a director of a company that is a trustee of an occupational pension scheme against liability incurred in connection with such company's activities as a trustee of the scheme (subject to certain exceptions).

The Post-GTECH Merger Articles provide that, to the fullest extent permitted by the UK Companies Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of UKCo or any of its associates (other than any person engaged by UKCo or any of its associates as auditor) shall be and shall be kept indemnified out of the assets of UKCo against all costs, charges, losses and liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise as a director or such other

officer of UKCo any of its associates) in relation to UKCo or any of its associates or its/their affairs. This is subject to the exceptions set out in the UK Companies Act, which are reflected in the Post-GTECH Merger Articles.

#### Takeover Provisions

An English public limited company is potentially subject to the takeover provisions in the U.K. City Code on Takeovers and Mergers (the **Takeover Code** ). However, the Takeover Panel which is an independent body whose main functions are to administer the Takeover Code and to supervise and regulate takeovers and other matters to which the Takeover Code applies has confirmed that UKCo will not be subject to the Takeover Code.

It is possible that, in the future, circumstances could change that may cause the Takeover Code to apply to UKCo. It should be noted that if UKCo becomes subject to the Takeover Code, the ability of the directors of UKCo to engage in defensive measures to seek to frustrate takeover bids will, in addition to being subject to the directors' statutory and fiduciary duties, be subject to the provisions of the Takeover Code.

#### **Listing**

It is a condition to closing of the Mergers that the UKCo Ordinary Shares will be listed on the NYSE following the GTECH Merger Effective Date, subject to official notice of issuance.

#### Listing rules

In the light of the jurisdiction of organization of UKCo, following the admission to listing on the NYSE, the following rules, among others, shall apply.

#### Shareholder disclosure and reporting obligation under the articles of association

Under the Post-GTECH Merger Articles, shareholders must comply with the notification obligations to the company contained in Chapter 5 ( *Vote Holder and Issuer Notification Rules* ) of the Disclosure and Transparency Rules ( **DTR** ) (including, without limitation, the provisions of DTR 5.1.2) as if UKCo were an issuer whose home member state is in the U.K., save that the obligation will arise if the percentage of voting rights reaches, exceeds or falls below one percent and each one percent threshold thereafter (up or down) up to one hundred percent. In effect, this means that a shareholder must notify UKCo if the percentage of voting rights in UKCo it holds reaches one percent and crosses any one percent threshold thereafter (up or down).

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Section 793 of the UK Companies Act gives UKCo the power to require persons whom it knows have, or whom it has reasonable cause to believe have, or within the previous three years have had, any ownership interest in any UKCo shares to disclose specified information regarding those shares. Failure to provide the information requested within the prescribed period (or knowingly or recklessly providing false information) after the date the notice is sent can result in criminal or civil sanctions being imposed against the person in default.

Under the Post-GTECH Merger Articles, if any shareholder, or any other person appearing to be interested in UKCo shares held by such shareholder, fails to give UKCo the information required by a Section 793 notice, then UKCo may withdraw voting and certain other rights, place restrictions on the rights to receive dividends and transfer such shares (including any shares allotted or issued after the date of the Section 793 notice in respect of those shares).

Shareholder disclosure and reporting obligation under U.S. law

Holders of more than 5% of UKCo Ordinary Shares will be required to file certain beneficial ownership reports with the Securities and Exchange Commission that are required under Section 13 of the Exchange Act and the rules and regulations promulgated thereunder.

If UKCo were to fail to qualify as a foreign private issuer for purposes of U.S. securities laws in the future, Section 16(a) of the Exchange Act requires UKCo's directors and executive officers, and persons who own more than 10% of a registered class of UKCo's equity securities, to file reports of ownership of, and transactions in, UKCo's equity securities with the SEC. Such directors, executive officers and 10% stockholders would also be required to furnish UKCo with copies of all such reports they file.

2.1.1.2. GTECH

**Name, form of incorporation, registered office and share capital**

GTECH S.p.A. is incorporated as a joint stock company (*Società per azioni*) under Italian law and has its registered office at Viale del Campo Boario 56/D, Rome, Italy (telephone no.: +39 06518991), VAT code, tax code and number of registration at the Companies Registrar of Rome: 08028081001.

GTECH shares are traded on the Mercato Telematico Azionario, organized and managed by Borsa Italiana S.p.A. (the Milan Stock Exchange, **MTA** ).

As of the date of this Information Document, the authorized corporate share capital of GTECH is equal to 190,502,053.00, while the subscribed and paid in share capital is equal to 174,951,075.00, divided into 174,951,075 ordinary shares with a par value of 1.00 each.

GTECH is subject to direction and coordination by De Agostini S.p.A.

**Duration and financial year**

GTECH is established for a period ending on December 31, 2070 and its financial year ends on December 31.

**Corporate purpose**



GTECH's objective is all activities pertaining to the organization, management and fulfilment of games and/or lotteries, instant and/or traditional, for example games of ability, forecasting competitions, lottery draws and betting, whether directly or through concessions, in Italy or abroad. In particular, GTECH can organize and manage, under license from the Department of Finance, the automatic lottery, as provided for by section 1 of the d.m. 4832/GAB of March 17, 1993 and subsequent amendments. GTECH can also carry out any concessionary activity and/or activities connected with services delegated, or in any way given in concession, to tobacconist shops and/or collectors for the Public Administration, including the collection of car taxes. GTECH can further exercise and develop, under concession, national pari-mutuel games through a distribution network.

GTECH can carry out any other delegated activity granted by the Public Administration in connection to concessionary services or activities.

GTECH can carry out all manufacturing, financial, commercial, security and real estate transactions, in any way instrumental to the pursuit of the company objective, including the issuing of surety bonds and collateral securities, the acquisition, assignment and use of industrial rights, patents and inventions.

GTECH can participate with and have interests in other companies, businesses and associations, established or in formation, including foreign companies, essential to, connected with or instrumental in achieving the company objective and can carry out, in general, any essential or desirable transaction with this aim in mind within the provisions of activity as per Section 106 and following sections of the Legislative Decree no. 385/1993 and related administrative provisions.

### Shareholders structure

GTECH is controlled by B&D Holding di Marco Drago e C. S.A.p.A. (hereinafter **B&D Holding**) (58.662%), through De Agostini S.p.A. (52.904%) which exercises direction and coordination on GTECH, and DeA Partecipazioni S.p.A. (5.758%)(1).

As of the date of this Information Document, the other shareholder who on the basis of the communications received pursuant to Article 120 of Italian Financial Act and information in any event available to GTECH hold, through its subsidiaries, shares in GTECH representing more than 2% of the voting share capital is Assicurazioni Generali S.p.A., with an interest equal to 3.255%.

As of the date of this Information Document, GTECH holds 1,793,026 treasury ordinary shares, equal to 1.02% of the share capital. As of the date of this Information Document, no other companies of the group hold GTECH shares.

In addition, as of as of the date of this Information Document, GTECH directors and managers having a strategic responsibility who own GTECH shares are the following:

Director / Manager having a strategic responsibility	No. of shares	% share capital
Lorenzo Pelliccioli	71,400	0.041
Marco Sala	492,845	0.282
Paolo Ceretti	3,060	0.002
Jaymin Patel	193,070	0.110
Renato Ascoli	82,643	0.047
Other managers having a strategic responsibility	44,273	0.025

### Corporate bodies

Board of directors and managers having a strategic responsibility

The board of directors, elected by shareholders at the ordinary shareholders meeting held on May 8, 2014 and in office until the date of the ordinary shareholders meeting that will be called in order to approve the financial statement at December 31, 2016, is composed as follows:

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(1) Percentages based on the communications received pursuant to Article 120 of Italian Financial Act and information in any event available to GTECH.

<b>Name</b>	<b>Position</b>
Lorenzo Pellicoli	Chairman
Marco Sala	Chief Executive Officer
Jaymin B. Patel	Director
Paolo Ceretti	Director
Marco Drago	Director
Donatella Busso	Independent Director
Alberto Dessy	Independent Director
Anna Gatti	Independent Director
Antonio Mastrapasqua	Independent Director
Elena Vasco	Independent Director

The managers having a strategic responsibility are the following:

<b>Name</b>	<b>Position</b>
Renato Ascoli	General Manager
Fabio Cairoli	General Manager
Alberto Fornaro	Chief Financial Officer and manager in charge of drawing up corporate financial reports
Walter Bugno	In charge of International Region

#### Board of Statutory Auditors

The board of the statutory auditors, elected by shareholders at the general meeting held on May 8, 2014 and in office until the date of the general meeting that will be called in order to approve the financial statement at December 31, 2016, is composed as follows:

<b>Name</b>	<b>Position</b>
Massimo Cremona	Chairman
Caterina Margherita Baldari	Statutory Auditor
Sergio Duca	Statutory Auditor

#### Committees

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The board of directors has established among its members the remuneration and nomination Committee and the control, risk and related parties Committee being the latter comprised solely of independent directors.

Independent Auditors

PricewaterhouseCoopers S.p.A. was appointed as the GTECH's independent auditor for statutory reporting purposes in Italy on May 8, 2014, and the relevant mandate will expire upon completion of the audit of the financial statements for the year ended December 31, 2022.

The previous independent auditor, Reconta Ernst & Young S.p.A., issued an unqualified opinion on the GTECH's 2013 statutory and consolidated financial statements.

Reports of the independent auditors are publicly available as indicated under Paragraph 2.3.

Changes to share-based incentive plans resulting from the Transaction

GTECH has currently outstanding certain stock incentive plans to the benefit of officers and employees of the companies belonging to its group. There are currently stock option plans (2009-2015, 2010-2016, 2011-2017, 2012-2018, 2013-2019, 2014-2020 plans) and restricted stock plans (2011-2015, 2012-2016, 2013-2017, 2014-2018 plans).

Subject to the completion of the Transaction, for each right held, the beneficiaries of said stock option and restricted stock plans referred to GTECH ordinary shares shall be granted a comparable right with respect to an adequate number of UKCo Ordinary Shares, effective from the GTECH Merger Effective Date, subject to the revision, as the case may be, of the performance objectives for any options and awards not yet vested.

2.1.1.3. IGT

**Name, form of incorporation, registered office and share capital**

IGT is a global gaming company specializing in the design, development, manufacture, and marketing of casino-style gaming equipment, systems technology, and game content across multiple platforms – land-based, online real-money and social gaming. IGT is a leading supplier of gaming entertainment products worldwide and provides a diverse offering of quality products and services at competitive prices, designed to enhance the gaming player experience.

IGT was incorporated in Nevada in December 1980 to facilitate its initial public offering (IPO) in 1981. Principally serving the U.S. gaming markets when founded, IGT expanded into jurisdictions outside the U.S. beginning in 1986.

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IGT has a registered office at 9295 Prototype Drive, Reno, Nevada (telephone no.: +1 (775)448-7777), SEC File number: 001-10684.

The authorized capital stock of IGT consists of 1,280,000,000 shares of common stock, par value of US\$0.0015625 per share, 247,296,260 of which were outstanding as of October 10, 2014. Shares of IGT common stock are currently listed on the NYSE.

### **Financial years**

IGT's fiscal year ends on the Saturday nearest September 30 of each year.

### **Shareholder structure**

The following sets forth information with respect to the beneficial ownership of IGT common stock by persons known by IGT to own beneficially more than 5% of the outstanding common stock of

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IGT, based on information made public pursuant to Rule 13d-1 of the Securities Exchange Act of 1934, as amended, with percentages calculated based on the number of shares outstanding as of October 10, 2014:

- The Vanguard Group, Inc.(1): 6.677%
- BlackRock, Inc.(2): 6.039%
- State Street Corporation(3): 5.074%
- Gates Capital Management, Inc.(4): 5.057%

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(1) *Based upon beneficial ownership information contained in a Schedule 13G/A filed with the SEC by The Vanguard Group, Inc. on February 11, 2014, in its capacity as an investment advisor of several trusts.*

(2) *Based upon beneficial ownership information contained in a Schedule 13G/A filed with the SEC by BlackRock, Inc. on January 29, 2014, on behalf of BlackRock, Inc. and its subsidiaries.*

(3) *Based upon beneficial ownership contained in a Schedule 13G filed with the SEC by State Street Corporation on February 3, 2014, on behalf of State Street Corporation and its subsidiaries.*

(4) *Based upon beneficial ownership contained in a Schedule 13G filed with the SEC by Gates Capital Management, Inc., Gates Capital Partners, L.P., ECF Value Fund, L.P., ECF Value Fund II, L.P., ECF Value Fund International Master L.P. and Jeffrey L. Gates on January 29, 2014.*

As of October 10, 2014, IGT held 27,424,345 treasury shares, equal to the 11.1% of its share capital. There are not companies belonging to Group IGT that hold IGT shares.

The following sets forth information as of October 10, 2014 with respect to the ownership of IGT's outstanding common stock by each of IGT's directors and executive officers:



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Director / Executive Officer	No. of shares	% voting share capital
Paget L. Alves	29,253	0.0118%
Eric A. Berg (1)	28,988	0.0117%
Eric F. Brown	4,828	0.002%
Janice D. Chaffin	36,284	0.0147%
Greg Creed	12,750	0.0052%
Will Daugherty	0	0%
Paul C. Gracey, Jr.	13,155	0.0053%
Patti S. Hart	951,129	0.3846%
Robert J. Miller	29,534	0.0119%
Vincent L. Sadusky	26,284	0.0106%
Philip G. Satre	106,107	0.0429%
Eric P. Tom	94,618	0.0383%
John M. Vandemore	24,691	0.01%
Tracey D. Weber	4,828	0.002%

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(1) On October 15, 2014 Eric A. Berg resigned from his position as Chief Operations Officer of IGT.

**Corporate bodies**

The board of directors, appointed by the annual shareholder meeting of IGT on March 10, 2014 for one year, is composed of the following (as of October 10, 2014):

<b>Name</b>	<b>Position</b>
Philip G. Satre	Chairman and Independent Director
Patti S. Hart	Chief Executive Officer and Director
Paget L. Alves	Independent Director
Eric F. Brown	Independent Director
Janice D. Chaffin	Independent Director
Greg Creed	Independent Director
Robert J. Miller	Independent Director
Vincent L. Sadusky	Independent Director
Tracey D. Weber	Independent Director

The executive officers are the following (as of October 10, 2014):

<b>Name</b>	<b>Position</b>
Patti S. Hart	Chief Executive Officer
Eric A. Berg (1)	Chief Operations Officer
Will Daugherty	Senior Vice President and General Manager of DoubleDown Interactive
Paul C. Gracey	General Counsel and Secretary
Eric P. Tom	Executive Vice President Global Sales
John M. Vandemore	Chief Financial Officer and Treasurer

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(1) On October 15, 2014, Eric A. Berg resigned from his position as Chief Operations Officer of IGT.

Committees

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The IGT board of directors has five standing committees, namely: (i) the Audit Committee, (ii) the Capital Deployment Committee, (iii) the Compensation Committee, (iv) the Executive Committee and (v) the Nominating and Corporate Governance Committee.

### **2.1.2. Description of the structure, terms and conditions of the Transaction**

#### *2.1.2.1 Modalities, structure and conditions of the Transaction*

##### *Modalities and structure of the Transaction*

The GTECH merger will be implemented by absorption of GTECH with and into UKCo, a company whose voting share capital is wholly and directly owned by GTECH. The GTECH Merger will be executed pursuant to the Directive 2005/56/EC of the European Parliament and Council of 26

October 2005 on cross-border mergers of limited liability companies, implemented in the United Kingdom by the UK Regulation and in Italy by the Decree 108/08.

The GTECH Merger is part of a wider transaction involving the acquisition by GTECH of IGT, a company incorporated under the laws of Nevada and with shares listed on the New York Stock Exchange.

The Merger Agreement provides, in particular, that the Transaction shall be carried out through:

- the GTECH Merger, pursuant to which holders of GTECH ordinary shares will receive one UKCo Ordinary Share in exchange for each GTECH ordinary share held; and
- the IGT Merger, pursuant to which (a) Georgia US will merge with and into IGT and (b) each issued and outstanding share of common stock of IGT will be converted into the right to receive a combination of (i) US\$13.69 in cash (together with any additional cash described in clause (iii) below, the **Per Share Cash Amount** ), (ii) a number of UKCo Ordinary Shares determined by dividing US\$4.56 by the average of the volume-weighted average prices, rounded to four decimal points, of GTECH ordinary shares on the MTA (converted to the US\$ equivalent calculated at the end of each trading day) on 10 randomly selected individual trading days within the period of 20 consecutive trading days ending on (and including) the second trading day prior to the effective time of the IGT Merger (such average, the **GTECH Share Trading Price** ), subject to a minimum of 0.1582 UKCo Ordinary Shares and a maximum of 0.1819 UKCo Ordinary Shares (the **Share Consideration** ), provided that (iii) if the Share Consideration would, but for the cap described in clause (ii), exceed 0.1819, the Per Share Cash Amount will be increased by an additional amount in cash equal to the product of such excess number of shares (up to a maximum of 0.0321) and the GTECH Share Trading Price.

The calculation explained above reflects a collar mechanism, as described in the press release issued by GTECH on July 16, 2014, based on the fluctuation of the GTECH Share Trading Price, compared to the GTECH share market price used as benchmark when the Merger Agreement was executed, within the limits of +/- 15%.

Following completion of the Transaction, approximately 79.4% of UKCo s ordinary share capital will be held by current GTECH shareholders and approximately 20.6% of UKCo s ordinary share capital will be held by current IGT shareholders (2).

The Merger Agreement is available, in English, as an attachment of the Registration Statement, on the GTECH website ([www.gtech.com](http://www.gtech.com)).

It is expected that, in accordance with the terms of the Merger Agreement, the GTECH Merger and the IGT Merger will be completed, subject to the satisfaction or waiver, if permitted, of the conditions precedent set forth in the Merger Agreement and in the GTECH Merger Terms, as follows:

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(i) pursuant to the provisions of Articles 4 and 15, paragraph 3, of the Decree 108/08 and the UK Regulation, the GTECH Merger shall be executed in accordance with the relevant provisions of

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(2) Percentages calculated assuming that: (a) for each of the 247,296,260 shares outstanding of IGT, IGT shareholders will receive 0.1819 UKCo shares (without any adjustment to the IGT Consideration in accordance with the terms of the Merger Agreement); (b) no GTECH shareholders will exercise cash exit rights; (c) the 1,793,026 treasury shares currently held by GTECH will be kept in the GTECH portfolio and cancelled in the context of the GTECH Merger; and (d) the number of issued shares of GTECH will be equal to 174,951,075.

English law and will become effective on the date which shall be fixed by the High Court of England and Wales, with its order as competent English authority; and

(ii) the IGT Merger will be the final transaction and will be effective immediately after the GTECH Merger, or at such later date, permitted by the laws of Nevada, as may be agreed by the parties to the Merger Agreement,

it being understood that the GTECH Merger and the IGT Merger, although legally distinct transactions, are intended to produce a single economic result with the effective times for each merger being as proximate as possible. The execution of each transaction shall take place only once all conditions precedent to the GTECH Merger and the IGT Merger have been satisfied or validly waived and all pre-merger formalities have been taken.

Before the GTECH Merger is completed, GTECH intends to carry out, subject to any required authorizations, a reorganization of its Italian business, in order to separate operating activities from holding activities, to allow the continuity of Italian activities and to rationalize its participations, through one or more Italian companies wholly owned by GTECH to which (a) the business unit composed by tangible and intangible assets (including shareholding), receivables, debts, personnel and other assets and liabilities, related to the exercise of the concession for the Lotto game and to the supply of administrative, commercial and general services in favor of the companies directly or indirectly controlled by GTECH, will be contributed, and (b) almost all the equity holdings in Italian companies held by GTECH will be contributed and sold.

As a result and following the GTECH Merger and the IGT Merger, UKCo will become the new holding company of the enlarged group resulting from the combination of IGT and GTECH, since UKCo will control directly the entire issued share capital of IGT and, indirectly, all the companies currently controlled by IGT; UKCo will also control, directly and/or indirectly, all the companies currently controlled by GTECH, as reorganized pursuant to the Italian Reorganization.

Conditions to the Transaction

(1) Conditions precedent to the obligation of each of the parties of the Merger Agreement to execute the GTECH Merger and the IGT Merger

The respective obligations of each party of the Merger Agreement to execute the GTECH Merger and the IGT Merger are subject to satisfaction or, if permitted, to the waiver (in writing) prior to the Closing Date (as defined in the Merger Agreement) of the following conditions specified in the Merger Agreement:

(i) the approval of the Merger Agreement and transactions contemplated thereby at the IGT shareholders meeting;

(ii) the approval of the GTECH Merger at the GTECH Extraordinary Shareholders Meeting;

(iii) the declaration of effectiveness of the registration statement on Form F-4 (together with any amendments, the **Registration Statement**) by the *Securities and Exchange Commission* ( **SEC** ) under the *Securities Act* of 1933, as amended (the **Securities Act** ); no stop order suspending the effectiveness of the Registration Statement having been issued by the SEC and remaining in effect, and no proceedings for that purpose having been initiated or to the knowledge of GTECH, UKCo or IGT threatened by the SEC;

- (iv) UKCo Ordinary Shares, which are to be allotted and issued to GTECH and IGT shareholders in connection with the GTECH Merger and the IGT Merger, respectively, having been authorised for listing on the New York Stock Exchange ( **NYSE** ), subject to an official notice of issuance;
- (v) the 60-day period following the date upon which the resolution of the GTECH Extraordinary Shareholders Meeting has been registered with the Companies Register of Rome having expired or having been earlier terminated pursuant to the posting of a bond by GTECH sufficient to satisfy GTECH's creditors' claims, if any, without prejudice to Article 2503 of the Italian Civil Code;
- (vi) (a) the waiting period (and any extensions thereof) applicable to the IGT Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the laws and regulations issued pursuant to this, having expired or been terminated; (b) the Competition Act Clearance, as defined in the Merger Agreement, applicable to the consummation of the Transaction having been received; and (c) the waiting periods and approvals applicable to the consummation of the GTECH Merger and IGT Merger of the Antitrust Laws of Colombia having expired, been terminated or been obtained, as applicable;
- (vii) the Gaming Approvals, as defined in the Merger Agreement (the **Gaming Approvals** ), relating to GTECH and IGT, having been obtained and being in full force and effect; provided that, notwithstanding anything to the contrary herein, GTECH may in its sole discretion waive any such Gaming Approval on behalf of both IGT and GTECH, if consummation of the Transaction in the absence of such Gaming Approval would not constitute a violation of applicable law, on the advice of outside counsel reasonably satisfactory to GTECH and IGT; provided that (a) GTECH has confirmed in an irrevocable written notice delivered to IGT that all of the conditions set forth in this Paragraph (1) and the next Paragraph (2) have been satisfied or waived (other than those conditions that by their nature are to be satisfied or waived at the Closing (as defined in the Merger Agreement), provided that such conditions are reasonably capable of being satisfied), (b) the Closing (as defined in the Merger Agreement) shall occur immediately following any such waiver and (c) no such waiver shall otherwise affect the obligations of GTECH, UKCo and Georgia US set forth in the Merger Agreement;
- (viii) no governmental entity of competent jurisdiction having enacted, issued, promulgated, enforced or entered any order which is in effect and prohibits consummation of the Transaction in accordance with the terms set forth in the Merger Agreement;
- (ix) the order approving the GTECH Merger having been issued by the High Court of England and Wales and having been in full force and effect for at least 21 days; and
- (x) if GTECH or UKCo determines (acting reasonably and in good faith) that a prospectus or equivalent document is required to be prepared by GTECH and/or UKCo in connection with the Transaction, formal approval by the relevant competent authority in respect of such document having been obtained.

With reference to the condition precedent relating to antitrust laws provided in point (vi) above, on July 29, 2014, GTECH and IGT filed their respective notifications pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 with the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice, and the antitrust agencies granted early termination of the applicable





waiting period on August 8, 2014. GTECH and IGT filed an advance ruling certificate application pursuant to Section 102 the Competition Act (Canada) (the **Competition Act** ) on August 21, 2014, and premerger notifications pursuant to Section 114 of the Competition Act on August 27, 2014. The relevant waiting period under the Competition Act expired on September 26, 2014, and on October 6, 2014, GTECH was advised in writing by the Competition Bureau that the Commissioner of Competition does not, at such time, intend to make an application under section 92 of the Competition Act in respect of the GTECH Merger and the IGT Merger. On September 15, 2014, GTECH and IGT received notification from the competition authorities in Colombia of closing of the review of the Transaction. In light of the above, the condition precedent under point (vi) above is already fulfilled.

(2) Conditions precedent to the obligation of each of GTECH, UKCo and Georgia US to execute the GTECH Merger and the IGT Merger.

The obligation of GTECH, UKCo and Georgia US to effect the GTECH Merger and the IGT Merger is subject to the satisfaction, or waiver (in writing), of each of the following additional conditions at or prior to the Closing Date (as defined in the Merger Agreement):

- (i) the representations and warranties of IGT, as set forth in the Merger Agreement, being true, subject to the materiality and timing standards set forth in the Merger Agreement;
- (ii) IGT having performed in all material respects all obligations required to be performed by it under the Merger Agreement at or prior to the Closing Date (as defined in the Merger Agreement);
- (iii) GTECH having received a certificate signed by an executive officer of IGT on behalf of IGT as to the satisfaction of the conditions set out under (i) and (ii) of this Paragraph (2).

In addition, under the GTECH Merger Terms, the GTECH Merger is subject to the condition precedent that the Merger Agreement is not terminated by GTECH or IGT under the terms of the Merger Agreement and, in particular, that GTECH does not terminate the Merger Agreement following the exercise of cash exit rights by the shareholders of GTECH representing over 20% of the GTECH ordinary shares outstanding at the date of signing of the Merger Agreement.

(3) Conditions precedent to the obligation of IGT to execute the IGT Merger

The obligation of IGT to effect the IGT Merger is subject to the satisfaction, or waiver (in writing), of each of the following additional conditions at or prior to the Closing Date (as defined in the Merger Agreement):

- (i) the representations and warranties of GTECH, as set forth in the Merger Agreement, being true, subject to the materiality and timing standards set forth in the Merger Agreement;

(ii) GTECH, UKCo and Georgia US having performed in all material respects all obligations required to be performed by them under the Merger Agreement at or prior to the Closing Date (as defined in the Merger Agreement);

(iii) IGT having received a certificate signed by an authorized officer of GTECH on behalf of GTECH as to the satisfaction of the conditions set out under (i) and (ii) of this Paragraph (3); and

(iv) IGT having received an opinion of a law firm of international standing provided by GTECH confirming that the GTECH Merger and any related transactions, including the issue of shares in favour of the relevant shareholders, excluding any withdrawal from GTECH: (a) will be tax neutral for GTECH shareholders for the purposes of the EU Council Directive 90/434 of 23 July 1990, as implemented in *Capo* III and *Capo* IV, *Titolo* III, of the Italian Presidential Decree No. 917 of 22 December 1986, as amended; (b) will not trigger any Italian Taxes, as defined in the Merger Agreement, for UKCo, GTECH (except for the Italian exit tax which, based on estimates as at the date of the Merger Agreement and representations of GTECH, should not exceed 50 million Euro), IGT or their shareholders (on the assumption that they are not resident in Italy or operate through a permanent Italian establishment), and will not reasonably expose GTECH, UKCo or their shareholders to material future tax liabilities in Italy in respect of the GTECH Merger, and in the case of tax claims the risk that the tax authorities could succeed is remote; and (c) will not trigger any United Kingdom Taxes (as defined in the Merger Agreement) for UKCo, GTECH, IGT or their shareholders.

Satisfaction or waiver of the conditions set out in Paragraphs (1), (2) and (3) above will be evidenced between the administrative bodies of each Company in a written statement to be addressed by the GTECH Board to the UKCo administrative body and vice versa, subject to (as the case may be) prior approval by the GTECH Extraordinary Shareholders Meeting, if required.

In addition to the foregoing, the GTECH Merger cannot be completed until:

(i) a declaration has been received from the Court of Rome, declaring that no creditor has opposed the GTECH Merger under Article 2503 of the Italian Civil Code or, in case of any opposition proposed within 60 days from the date of registration with the Register of Companies of Rome of the resolution of approval of these Common Cross-Border Merger Terms at the GTECH extraordinary shareholders meeting, a deposit with a bank of the amount required to satisfy possible claims by creditors of GTECH which might have opposed the GTECH Merger, without prejudice to the provisions under Article 2503 of the Italian Civil Code; and

(ii) delivery by the Italian public notary selected by GTECH and the competent UK Court of the pre-merger compliance certificate; such certificate being the pre-merger compliance certificate within the meaning of EU Directive 2005/56/EC of the European Parliament and Council of 26 October 2005 on cross-border mergers of limited liability companies and of Article 11 of the Decree 108/08 and Regulation 6 of UK Regulation.

Source of financing of the Transaction

On July 15, 2014, GTECH obtained a debt commitment letter, pursuant to which affiliates of Credit Suisse AG, Barclays PLC and Citigroup Inc. provided commitments to fund a 364-day senior bridge term loan credit facility in an aggregate principal amount up to approximately US\$10.7 billion or approximately 7.9 billion based on the US\$/ exchange rate of 0.737 on July 15, 2014 (such amount is equal to approximately US\$10.4 billion or approximately 8.2 billion based on the US\$/ exchange rate of 0.785 on September 26, 2014). The bridge facility is to consist of four sub-facilities, the proceeds of which are to be used, among other things, to pay the cash portion of the IGT merger consideration, to fund transaction expenses, to redeem and/or refinance existing specified indebtedness of GTECH and IGT, to the extent applicable, and to fund cash payments to GTECH shareholders

exercising rescission rights. It is anticipated that the bridge facility will be drawn only to the extent that GTECH is unable to raise debt financing in the form of term loans and/or debt securities at or prior to the closing of the Mergers.

The obligation of each commitment party to fund its commitments under, and perform the agreed upon services set forth in, the debt commitment letter is subject to a number of conditions, including, without limitation, execution and delivery of definitive documentation consistent with the debt commitment letter. The commitments will expire on the earliest to occur of (i) the date of July 15, 2015 (except for certain extension rights under terms and conditions provided in the commitment letter), (ii) the closing of the acquisition, (iii) the date the Merger Agreement is terminated or expires and (iv) receipt by the commitment parties of written notice from GTECH and UKCo of their election to terminate the commitments.

The definitive documentation governing the debt financing has not been finalized and, accordingly, the actual terms of the debt financing may differ from those described herein. Although the debt financing described herein is not subject to due diligence or a market out, such financing may not be considered assured. The obligation of the commitment parties to provide debt financing under the debt commitment letter is, as noted above, subject to a number of conditions.

As announced by GTECH to the market with an ad hoc press release, on August 20, 2014, the aforesaid 364-day committed bridge term loan credit facility of up to US\$10.7 billion has been fully syndicated.

Support Agreement and Voting Agreement

In connection with the Merger Agreement, on July 15, 2014, DeA Shareholders entered into a Support Agreement with IGT. Pursuant to the Support Agreement, the DeA Shareholders committed, *inter alia*, to (i) vote the shares held by them in favour of the Transaction in any shareholders' meeting of GTECH called to resolve upon the same; (ii) vote the shares held by them against (a) any GTECH Competing Proposal as defined in the Merger Agreement, such term meaning any proposal or offer (other than a proposal or offer by IGT or any of its subsidiaries or the reorganization of GTECH Italian activities as referred to in the Merger Agreement) relating to, among others, any direct or indirect acquisition (whether by merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution, equity investment, joint venture or otherwise) of more than twenty percent (20%) of the assets of GTECH and the GTECH Subsidiaries or the acquisition in any manner of more than twenty percent (20%) of the issued and outstanding GTECH Shares or any action which is a component of any GTECH Competing Proposal, and (b) any amendment of the GTECH charter (*regolamento del consiglio di amministrazione*) or GTECH by-laws or other proposal, which would in any manner impede, frustrate, prevent or nullify any provision of the Merger Agreement or any of the other transactions contemplated by the Merger Agreement or change in any manner the voting rights of the GTECH ordinary shares; and (iii) not to transfer the shares held by them until the completion of the Transaction. The DeA Shareholders' obligations pursuant to the Support Agreement will terminate upon the earlier of (1) the effective date of the GTECH Merger, (2) the termination of

the Merger Agreement in accordance with its terms, and (3) any amendment to the Merger Agreement without the prior written consent of the DeA Shareholders that (x) increases the consideration for the IGT Merger or (y) modifies, in a manner material and adverse to the DeA Shareholders, the rights associated with the UKCo Special Voting Shares.

The *Support Agreement* has been published by the parties pursuant to Article 122 of the Italian Financial Act. The abstract of such agreement is available on CONSOB's website ([www.consob.it](http://www.consob.it)) and on GTECH's website ([www.gtech.com](http://www.gtech.com)).

On July 15, 2014, the DeA Shareholders also entered into a *Voting Agreement* with IGT. Pursuant to the Voting Agreement, from and after the GTECH Merger Effective Time until the three-year anniversary of the IGT Merger Effective Time, the DeA Shareholders shall vote all of the UKCo Ordinary Shares then owned in favor of any proposal or action so as to effect and preserve the board and executive officer composition of UKCo in place immediately following the Mergers.

In addition, pursuant to the Voting Agreement, the DeA Shareholders are restricted from transferring any covered UKCo Ordinary Shares (i) to any affiliate prior to the three-year anniversary of the IGT Merger Effective Time, unless the affiliate agrees to be bound by the Voting Agreement, or (ii) to any other person prior to the two-month anniversary of the IGT Merger Effective Time.

The Voting Agreement will terminate upon the earlier of (1) the termination of the Merger Agreement in accordance with its terms, (2) any amendment to the Merger Agreement that (x) increases the merger consideration to be received by IGT shareholders or (y) modifies, in a manner adverse to DeA Shareholders, the rights associated with the Special Voting Shares, in the case of each of clauses (x) and (y), without the prior written consent of DeA Shareholders, and (3) three years after the IGT Merger Effective Time.

All determinations regarding any dispute between UKCo, IGT and the DeA Shareholders following the effective times of the Mergers will be made by a committee of independent directors of UKCo who are not directors, officers or employees of the DeA Shareholders.

#### *Relationships between GTECH and IGT*

As of the date of this Information Document, GTECH Group maintains no significant relationship with IGT Group.

For the sake of completeness, below is provided a brief description of the contracts between GTECH and IGT in force as of the date of this Information Document: (i) in August 2008, subsidiaries of IGT and GTECH entered into a Game Manufacturer Cashless License Agreement pursuant to which GTECH licenses certain intellectual property rights relating to cashless gaming functionality offered in some GTECH casino gaming machines; (ii) in October 2011, subsidiaries of GTECH and IGT entered into a Gaming Platform License Agreement pursuant to which GTECH is able to offer IGT interactive game content to GTECH gambling operator customers; (iii) in March 2012, subsidiaries of GTECH and IGT entered into an agreement allowing GTECH to use and distribute in Italy IGT game content on GTECH Video Lottery Terminals (VLTs) and to lease a limited quantity of IGT Video Lottery Terminals (VLTs) in the Italian VLT market; (iv) in October 2012, subsidiaries of GTECH and IGT entered into an agreement that allows GTECH to use IGT interactive game content in the Italian market; and (v) in July 2014,



subsidiaries of GTECH and IGT entered into an agreement that allows GTECH to use IGT interactive game content in the Norwegian market.

Management does not believe that any of the above contracts are material.

To the knowledge of GTECH, there are no significant relationship or agreement between its directors and/or officers, on one side, and IGT, on the other.

*Fees and expenses relating to the Transaction*

All costs and expenses incurred in connection with the Merger Agreement and the Mergers and the other transactions contemplated by the Merger Agreement generally are to be paid by the party incurring such costs and expenses, except that GTECH will be responsible for certain expenses associated with antitrust and gaming approvals and the NYSE listing application, provided that IGT must reimburse such expenses associated with antitrust and gaming approvals and the NYSE listing application if the Merger Agreement is terminated by GTECH because of an uncured breach of the Merger Agreement by IGT that gives rise to the failure of certain conditions to Closing. In addition, GTECH will be responsible for certain expenses incurred by IGT due to IGT's cooperation with respect to the financing of the transaction.

*2.1.2.2 Values attributed to companies participating in the Transaction*

The board of directors of GTECH determined the Exchange Ratio after first conducting a valuation of the companies taking part in the GTECH Merger, and considering the anticipated nature and size of UKCo on the GTECH Merger Effective Date.

Furthermore, with regard to the Transaction in the context of which the GTECH Merger is taking place, and, specifically, to the effects on UKCo that will be determined immediately after the completion of the GTECH Merger, the completion of the IGT Merger and the payment of the IGT Consideration to IGT shareholders, the board of directors also considered it appropriate to conduct a comparative valuation of the companies taking part in the Transaction, considering the specific characteristics of the Transaction itself and the theoretical effects that it could have on UKCo's economic value.

In conducting the valuations, the GTECH board of directors was assisted by financial advisor Credit Suisse Securities Europe Limited, which also issued a fairness opinion regarding the fairness from a financial viewpoint of the Exchange Ratio in connection with the Transaction. The fairness opinion issued by Credit Suisse on July 15, 2014, together with the bring-down letter issued on October 1, 2014, are attached as Annex 5.

(1) *Valuation approach and methodologies*



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The Exchange Ratio was determined after having conducted valuations of the companies taking part in the GTECH Merger, and having regard to the anticipated nature and size of UKCo on the GTECH Merger Effective Date. More specifically, as (a) this is a cross-border reverse merger of GTECH into a wholly-controlled company with a subscribed and paid-up share capital of £50,001, divided into: 1 ordinary share held by GTECH and 50,000 sterling non-voting shares, each with a nominal value of £1.00, and (b) UKCo will have no material economic value immediately before the

GTECH Merger Effective Date, there will be a substantial continuity in the values of GTECH into UKCo, without dilutive effects for GTECH shareholders.

Having said this, with reference to the GTECH Merger, for the purpose of the valuations of the companies taking part in the broader Transaction, the valuation methodologies of the economic capital of GTECH and IGT were chosen taking into account the specific characteristics of the sectors in which the companies operate, their activities, their status as listed companies and the objectives of the valuation itself, in accordance with the criteria commonly used in corporate finance, as well as by applying the methodologies normally adopted in transactions involving the integration of different economic entities.

In the specific context of company valuations for mergers or integrations, the main objective is to estimate the relative values of the companies economic capital, and these values should not therefore be assumed with reference to contexts other than that in which the Transaction is taking place. Generally, the principle underlying company valuations used to determine if exchange ratio is appropriate consists of homogenizing analysis and estimated criteria for the companies taking part. This involves selecting criteria and methods that follow the same valuation logic and that are most appropriate for the companies being valued, but which nevertheless take into account the differences between them, in order to propose comparable and consistent values that allow the appropriateness of the exchange ratio to be determined.

For the purpose of the analysis to determine the valuation of GTECH and IGT, the companies were considered on a stand-alone basis and as going concerns, thereby leaving aside any potential economic or financial impact that could be generated by the Transaction.

In the case in question, the methods used by the board of directors to value GTECH and IGT were the Discounted Cash Flow ( **DCF** ) and the trading multiples of comparable companies. Other valuation methods were also used purely for information purposes, such as market trading prices and an analysis of financial analysts target prices, as well as an analysis of the implied multiples paid in similar and comparable transactions.

In light of the above and having determined the stand-alone valuations of the companies, the board of directors verified that the Exchange Ratio was appropriate, based on the theoretical value of UKCo s economic capital and the relative value implicit in UKCo shares, upon completion of the Transaction, assuming the exchange ratio of one ordinary UKCo share for each ordinary GTECH share.

In calculating the theoretical value of UKCo s economic capital, and the relative implicit price per share, the specific characteristics of the Transaction and the theoretical effects that the Transaction could have on the economic value of the companies taking part therein, and particularly UKCo, were considered. These effects mainly relate to the impact resulting from the increase in financial debt for UKCo necessary to pay IGT shareholders the amount due in cash for IGT shares, as well as the potential economic, financial and tax benefits resulting from the integration of the companies with UKCo. In addition, certain effects were taken into consideration which, although not certain, could occur in relation to the Transaction, particularly the exercise of cash exit rights by GTECH shareholders (see Paragraph 2.1.2.5), the potential impact resulting from the increase in the cash component in the payment for ordinary IGT shares by UKCo compared with the component settled in UKCo shares owing to a possible adjustment due to the collar mechanism.

In order to value GTECH and IGT on a stand-alone basis and calculate the theoretical value of UKCo's economic capital and the related implicit price per share, ranges of values were determined for each valuation methodology, whose upper and lower extremes were labeled Low and High respectively.

For the sake of completeness of its analysis, the board of directors also considered, for the purposes of the GTECH Merger, the valuation of GTECH and UKCo on a stand-alone basis, without taking into account the theoretical effect of the Transaction on the economic value of UKCo.

(2) *Description of the valuation methodologies*

DCF methodology

The DCF methodology was adopted in order to calculate the operating cash flows that the companies could generate in the future, taking into account their specific characteristics in relation to profitability, growth, risk level, capital structure and expected investment level.

Based on this method, a company's economic capital is calculated as the sum of (a) the current value of unlevered operating cash flows expected over the life of a medium- to long-term explicit forecast plan, and in general, (b) the company's residual value at the end of the explicit forecast period of the cash flows ( terminal value ), net of (c) net financial debt, any value of interests held by third parties and making adjustments for any non-operating assets. The present value of cash flows is usually obtained through the weighted average cost of capital ( WACC ), calculated as the weighted average of cost of equity capital and the cost of debt capital, net of tax effect. The cost of equity is usually estimated using the Capital Asset Pricing Model ( CAPM ).

Comparable companies trading multiples analysis

The comparable companies trading multiples method assumes that a company's value may be determined using information provided by the market with reference to companies with similar characteristics. Specifically, according to the multiples method, a company's value may be calculated based on the valuation that the market assigns to comparable companies, expressed as a ratio between the Enterprise Value or market capitalization, and certain reference financial indicators (e.g. EBITDA or net profit).

To apply this method, the sample of comparable companies must be determined, as well as the multiples that are best adapted to the characteristics of the companies being analyzed, and the purpose of the analysis itself. Once the multiples for comparable companies have been calculated, and an appropriate range has been identified, this range must be used to calculate the value of the company in question by multiplying it by the relevant financial indicators.

A more accurate valuation of a company's economic capital is obtained if the companies included in the sample have similar characteristics to the company being analyzed, the type of multiple used reflects the specific nature of the sector and the objective of the analysis, and the multiples of the companies included in the sample are constructed and adjusted coherently and homogeneously.

Analysis of trading prices

Market price analysis enables a company's economic value to be identified with the value attributed to it by the stock market where the company's shares are traded.

This methodology consists of valuing the company's shares based on the market price on a certain date, or the average price of the shares registered in the stock market in which the shares are traded over a certain time period.

Specifically, the choice of the time period over which to calculate the average prices must be fairly balanced between the mitigation of any short-term volatility (for which a longer time horizon would be preferable) and the need to reflect the most recent market conditions and the current situation of the company being valued (for which only recent prices should be taken into consideration).

Furthermore, the chosen time period should only include prices that are not influenced by news on the potential transaction in the context of which the valuation is being conducted, or other information which could generate a distortive effect (prices defined as "unaffected").

#### Analysis of analysts' target prices

The methodology consists of analyzing the target prices and recommendations contained in the research of analysts who cover the securities being valued. These prices must be adjusted to reflect solely the stand-alone valuation of the companies being analyzed and not also the effects of announced or potential extraordinary transactions.

#### Analysis of comparable transactions multiples

The comparable transactions multiples method follows the same logic as the comparable companies trading multiples method. The identification of the multiple to be applied to the relevant financial indicators of the company being valued is calculated as the ratio between the price paid or the implied Enterprise Value and the relevant reference financial indicator. Unlike market multiples, the reference financial indicator is based solely on the latest available historical data and not on future estimates.

In selecting the previous transactions, the analysis must take into consideration, among other things, the industrial and commercial sectors in which the companies are active, the characteristics of the acquiring company, the shareholding to be acquired, payment methods and price adjustment mechanisms, as well as the competitive nature of the acquisition process.

#### *2.1.2.3 Valuation criteria and methodologies applied for the exchange ratio determination*

The GTECH Merger will be conducted through the cross-border merger of GTECH into UKCo with the issue to GTECH shareholders of UKCo shares, based on the Exchange Ratio established.

As part, and in continuity, of the Transaction, and immediately following the GTECH Merger, the IGT Merger will be completed, through the merger of GTECH US (a company wholly-owned by UKCo) into IGT, at the same time as the issue of UKCo shares to IGT shareholders for the

component of the purchase price for their shares not settled in cash.

Given that, based on the Exchange Ratio, GTECH shareholders will receive one ordinary UKCo share for each ordinary share of GTECH held, the GTECH board of directors conducted the valuations of GTECH and IGT within the context of the overall Transaction in order to calculate the potential theoretical value of UKCo's economic capital and the relative implicit value per share, so as to be able to determine if the proposed exchange ratio is appropriate. In determining the value of UKCo's economic capital and the relative implicit value per share, the effect of the specific characteristics of the

Transaction and the effects that the Transaction could have on the economic value of the companies taking part therein, and of UKCo in particular, were also taken into consideration.

(1) *Application of the selected methodologies*

DCF

The DCF analysis for GTECH and IGT was conducted in order to determine the fundamental valuation of the two companies, calculating the present value of operating cash flows that the Companies could generate in the future.

The methodology was applied to the GTECH and IGT business plans, as prepared by GTECH's management. These business plans provide an explicit forecast period for operating cash flow for the years from 2014 to 2018; a terminal value was also estimated for both Companies after the years covered by the explicit forecasts of the respective business plan, based on expected normalized cash flow.

The WACC range for the valuation of GTECH and IGT was constructed as the central value resulting from the application of the CAPM. To determine the economic capital, the Enterprise Value was adjusted for the Companies' latest net financial debt, along with other adjustments (*i.e.* minority interests and non-operating items). In the case of GTECH, the Enterprise Value was adjusted to take into account the estimated cost to renew the *Gratta e Vinci* ( *Scratch & Win* ) concession to be sustained beyond the explicit forecast horizon of the operating cash flows.

Application of market multiples

The market multiples method is based on the application of amounts obtained through the analysis of comparable companies (multiples) to certain financial parameters of the companies being valued.

Two different samples were used for GTECH and IGT, which better reflected the specific characteristics of the companies and the sectors in which they operate, specifically:

- for GTECH, the sample includes selected operators in the lottery business (Intralot, Opap, Tatts Group, Tabcorp, Scientific Games) and the sale of gaming machines (Aristocrat, Bally, Multimedia Games, IGT);

- for IGT, the sample includes Aristocrat, Bally, Multimedia Games and Scientific Games. The sample used for IGT only includes selected operators mainly active in the gaming machines sector, as they are more representative of IGT's business model.

As the main but not exclusive methodology, the EV/EBITDA and EV/(EBITDA net of fixed investment) were used as a multiplier of the companies in the sample, having as reference the financial estimates relating to the year 2015.

The range of values was determined taking into account a sensitivity analysis based also on the average multiplier of the companies in the sample.

The data for the calculation of the multipliers of the companies in the sample were taken from financial analysts' consensus forecasts, financial statements and company data.



Other methodologies

In addition to the main methodologies, other methods used for purely information purposes are also shown below.

Analysis of trading prices: the application of this method led to the definition of a range based, for GTECH, on the minimum and maximum value of the share price over a time period of 12 months up to June 13, 2014 (the last trading day before GTECH issued a press release announcing that it was engaged in preliminary, exploratory discussions as part of a process regarding a potential transaction with IGT). For IGT, the share price was determined based on the minimum and maximum values up to June 6, 2014; it was considered that after June 6, 2014, the share price was affected by rumors and press releases relating to a potential strategic operation regarding IGT.

Analysis of financial analysts' consensus forecasts: the recommendations and target prices of analysts who publish research on GTECH and IGT were examined.

Analysis of implied multiples paid in comparable companies transactions: an analysis was conducted using this methodology, but the results were considered to be of little significance given the low number of comparable transactions and their nature.

(2) *Exchange Ratio established*

The GTECH board of directors decided to propose an exchange ratio of one ordinary UKCo share for every ordinary GTECH share.

In order to assess whether the Exchange Ratio was appropriate within the context of the Transaction, the board of directors also compared the value of GTECH shares with the theoretical value of UKCo shares resulting from the Transaction, taking into account all the potential effects generated by and resulting from the integration of GTECH, IGT and UKCo.

For the valuation of UKCo's Enterprise Value resulting from the Transaction, the DCF was used as the reference methodology, supported and verified by the results of the comparable companies' trading multiples methodology.

With regard to the valuation of UKCo's Enterprise Value based on DCF, the Low and High cases were constructed by adding together the Enterprise Value of GTECH and IGT on the basis of the DCF in the Low and High cases respectively. The DCFs of GTECH and IGT in the Low and High cases assume different valuation hypotheses as regards the WACC and the long-term growth rate  $g$ . To determine UKCo's Enterprise Value, the potential economic, financial and tax benefits that could be generated in the future by the integration of GTECH, IGT and UKCo, net of the costs to be sustained to carry out this integration, were also taken into consideration.

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Starting from UKCo's Enterprise Value, the theoretical value of UKCo's economic capital resulting from the Transaction was then defined, by subtracting the following items: (a) net financial debt and other items (*i.e.* minority interests and non-operating items) of GTECH and IGT; (b) the amount of the purchase price for IGT shares paid in cash; (c) the Transaction costs. Sensitivity analyses were conducted for prudential reasons. In particular, in conducting these analyses, the impact that could result from the potential exercise of cash exit rights by GTECH shareholders (see Paragraph 2.1.2.5)

and any other potential financial costs relating to the potential impact of the collar on the form of payment of the amount due to IGT shareholders were considered.

As regards cash exit rights, a maximum limit of 20% of the total number of GTECH shares outstanding was assumed, taking into account the provisions of the Merger Agreement.

The theoretical value of UKCo's economic capital was finally used to calculate the implicit theoretical price of UKCo shares resulting from the Transaction and the related integration of UKCo with GTECH and IGT. UKCo shares post-Transaction were calculated:

(i) by adding together (a) the number of UKCo shares issued by UKCo on the basis of the assumed Exchange Ratio, and (b) the number of UKCo shares being issued to IGT shareholders for the portion of the IGT Consideration not settled in cash; and

(ii) by subtracting from this sum any shares bought back to satisfy GTECH shareholders who exercised cash exit rights (assuming that all shares are purchased by GTECH, not by other shareholders or third parties).

The same analytical procedure was adopted in the valuation of UKCo's Enterprise Value with the support methodology, that is using market multiples to determine the Enterprise Values of GTECH and IGT.

In particular, market multiples were analyzed using EV/EBITDA and EV/(EBITDA net of fixed investment) multiples, taking as a reference the financial indicators expected in the year 2015 and conducting sensitivity analyses on the level of the potential exercise of cash exit rights by GTECH shareholders (*i.e.* up to 20% of the GTECH issued share capital) and assuming different impacts resulting from the collar mechanism. It should be noted that in determining the theoretical value of UKCo's economic capital and the theoretical implicit price of UKCo shares, the valuation of potential economic, financial and tax benefits which could be generated in the future by the integration of GTECH, IGT and UKCo, net of the integration costs to be incurred to conduct this integration, was made using the DCF methodology.

For the sake of completeness of its analysis, the board of directors also subsequently considered, for the purposes of the GTECH Merger, the valuation of GTECH and UKCo without taking into account the theoretical effect of the Transaction on the economic value of UKCo.

The tables below set out:

(i) the relative contribution of GTECH and UKCo based on the main valuation methodologies and assuming that both GTECH and UKCo are valued as stand-alone entities

- (ii) the Net Asset Value for both GTECH and UKCo.

Primary valuation methodologies	GTECH		UKCo		GTECH		UKCo	
	Equity Value ( bn)		Equity Value ( bn)		relative contribution		relative contribution	
	Low	High	Low	High	Low	High	Low	High
DCF	3.4	4.6	0.0	0.0	100.0%	100.0%	0.0%	0.0%
EV /EBITDA	2.9	4.0	0.0	0.0	100.0%	100.0%	0.0%	0.0%
EV / (EBITDA - Capex)	3.0	4.6	0.0	0.0	100.0%	100.0%	0.0%	0.0%

Assuming UKCo valuation of £50,001 and converted in based on £/ exchange rate of 0.7948

	GTECH	UKCo
Net asset value ( bn)	2.2	0.0

Assuming UKCo valuation of £50,001 (converted in at £/ exchange rate of 0.7948) on the basis of 50,001 shares and a value of £1 per share

The overall valuation analyses on GTECH, IGT and UKCo carried out by the board of directors of GTECH have reassured the board of directors with regard to the appropriateness of the Exchange Ratio of one ordinary UKCo share for each ordinary GTECH share in the context of the Transaction.

(3) *Difficulties and limits encountered in the valuation analysis*

Pursuant to Article 2501-*quinquies* of the Civil Code, the GTECH board of directors did not encounter difficulties in the valuation conducted for the purpose of determining the Exchange Ratio.

In the context of the valuations conducted in respect of the Transaction and on the companies taking part therein, in order to conduct the valuation analysis described in the paragraphs above, the following were taken into consideration: (a) the particular characteristics of the companies taking part in the Transaction, and (b) the typical critical issues that result from the application of the valuation methods adopted.

In particular:

- (i) certain valuation methodologies, including the DCF and comparable companies trading multiples, were applied using economic and financial estimates relating to future years that were prepared by the management of the companies. These estimates largely depend on macroeconomic assumptions, the outlook and the regulatory and concessionary framework in which GTECH and IGT operate, and are therefore by their very nature subject to a degree of risk and uncertainty;

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(ii) the analyses conducted assume that the current regulatory framework in which GTECH and IGT operate presents business continuity requirements with respect to the past, and will not be changed as a consequence of the Transaction;

(iii) the market multiples analysis is based on a sample of companies operating in the gaming sector. The GTECH board of directors believes that this sample represents the best possible reference benchmark in terms of comparison. However, each company considered has a specific nature, and none of the companies in the sample can be considered fully comparable to the companies being valued. The same considerations also apply to the analysis of comparable transactions where, in addition to the specific features of the companies, the distinctive characteristics of each transaction must be considered;

(iv) the analysis of market prices presents intrinsic problems relating both to the underlying assumption that the market is sufficiently liquid and efficient, and to price volatility. Furthermore, the prices of the companies being analyzed could also be influenced by events unrelated to the companies themselves;

(v) the analysis of the theoretical value of UKCo's economic capital and the theoretical implicit price of UKCo shares also takes into account the potential economic, financial and tax benefits that could be generated in the future by the integration of GTECH, IGT and UKCo, net of the integration costs to be incurred to conduct this integration; the size and timing of this integration, and the way GTECH management expects it to take place, are subject to integration risks typical of operations of this nature;

(vi) the Transaction is marked by uncertainties beyond the external macroeconomic environment or future estimates, but which may have a significant economic and financial impact, for example the impact of the cash exit rights;

(vii) the above does not take into account any events subsequent to the analyses reference date.

#### *2.1.2.4 Expert report Exchange Ratio*

Grant Thornton UK LLP was appointed as independent expert appointed in the United Kingdom upon joint request of GTECH and UKCo to the High Court of England and Wales pursuant to Regulation 9 of the UK Regulation and Article 9 of the Decree 108/08, for the purpose of issuing the Exchange Ratio Report (as defined below).

On October 2, 2014, Grant Thornton UK LLP issued its written report to the GTECH board of directors with respect to the reasonableness and non-arbitrariness of the valuation methods adopted by the GTECH board of directors in determining the Exchange Ratio (the **Exchange Ratio Report** ).

The Exchange Ratio Report is attached as Annex 4 to this Information Document and is also available at the registered office and on the website of GTECH ([www.gtech.com](http://www.gtech.com)).

#### *2.1.2.5 Allocation of UKCo shares and date of entitlement*

Following the completion of the GTECH Merger, all GTECH shares currently outstanding, including any possible treasury shares held by GTECH, will be cancelled in accordance with applicable law provisions. Upon such cancellation, UKCo, at the GTECH Merger Effective Date and on the basis of the Exchange Ratio, will allot and issue one UKCo Ordinary Share (with a nominal value of US\$0.10 each) for each outstanding GTECH ordinary share (with a nominal value of 1.00 each), save for any possible treasury shares held by GTECH, which therefore shall be cancelled without exchange.

At the GTECH Merger Effective Date, (i) the Subscriber Share will be acquired for nil consideration and cancelled by UKCo immediately prior to the issuance of ordinary shares and Special Voting Shares pursuant to the GTECH Merger, and (ii) the 50,000 sterling non-voting shares will continue to be held by the Sterling Shareholder. For further information on the Special Voting Shares, please refer to Paragraph 2.1.1.1. above.

The UKCo Ordinary Shares being allotted and issued in connection with the Transaction will be admitted to listing on the NYSE, subject to the completion of the Transaction, and will be allotted and



issued in dematerialized form and delivered to the shareholders of GTECH and IGT through the centralized clearing system with effect from the GTECH Merger Effective Date and the IGT Merger Effective Date.

Additional information on the conditions and procedure for the allotment of UKCo Ordinary Shares shall be announced to the market by way of a notice published on the GTECH website ([www.gtech.com](http://www.gtech.com)), and on the newspaper *Il Sole 24Ore*. GTECH shareholders will not incur any out-of-pocket costs in relation to the GTECH Merger.

Both the UKCo Ordinary Shares issued and allotted for the purposes of the Exchange Ratio, and the UKCo Ordinary Shares issued and allotted to IGT shareholders as payment of (the non-cash component of) the IGT Consideration will carry the entitlement to participate in any profits that may be distributed by UKCo from 1 January of the fiscal year of the GTECH Merger Effective Date. It is expected that such shares will be entitled to profits as from 1 January 2015.

GTECH shareholders who do not vote in favour of the approval of the GTECH Merger Terms will be entitled to exercise their cash exit rights ( *diritto di recesso* ) pursuant to:

- (i) Article 2437, paragraph 1, letter (a) of the Italian Civil Code, as a consequence of UKCo's nature as a holding company;
- (ii) Article 2437, paragraph 1, letter (c) of the Italian Civil Code, given that GTECH's registered seat is to be transferred outside Italy;
- (iii) Article 2437-*quinquies* of the Italian Civil Code, given that GTECH's shares will be delisted from a regulated market; and
- (iv) Article 5 of Decree 108/08, given that UKCo is subject to the laws of a country other than Italy (*i.e.* the law of England and Wales).

Given that the circumstances referred to above will only occur upon the completion of the GTECH Merger, cash exit rights exercised by GTECH shareholders will be subject to the condition precedent of the High Court of England and Wales making its order approving the completion of the GTECH Merger and fixing the GTECH Merger Effective Date, and such order not having been cancelled or withdrawn.

In accordance with Article 2437-ter of the Italian Civil Code, the cash exit price payable to shareholders validly exercising cash exit rights is equivalent to the arithmetic average of the closing price of GTECH ordinary shares (as calculated by Borsa Italiana S.p.A.) in the six-month period prior to the date of publication of the notice of the GTECH extraordinary shareholders' meeting called to approve the GTECH Merger Terms. The call notice for the extraordinary shareholders' meeting has been published on October 4, 2014, and the extraordinary shareholders' meeting will be held on single call on November 4, 2014. The liquidation value per each GTECH share to be paid to shareholders validly exercising the right of withdrawal, determined as provided by the law, is equal to 19.174.

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In accordance with Article 2437-bis of the Italian Civil Code, the shareholders entitled to cash exit rights may exercise their cash exit rights, in relation to some or all of their shares, by sending a notice via registered mail with confirmation of receipt to the registered office of GTECH no later than fifteen days following registration with the Companies Register of Rome of the minutes of the GTECH extraordinary shareholders meeting which approves the GTECH Merger Terms. Notice of

the registration of the resolution will be published in the newspaper *Il Sole 24Ore* and on the website of GTECH (www.gtech.com). In particular, shareholders exercising their cash exit rights must deliver the specific communication to be issued by an authorized intermediary attesting the continuous ownership of the shares for which the shareholder has exercised his/her cash exit rights since prior to the relevant shareholders' meeting, the resolution of which triggers the cash exit rights, through the date of the notice. Further details regarding the exercise of cash exit right will be provided to GTECH shareholders in accordance with applicable laws and regulations.

Once the fifteen-day exercise period following the registration of the merger resolution has expired and before the GTECH Merger becomes effective, the shares with respect to which cash exit rights have been exercised will be offered by GTECH to its existing shareholders and subsequently, if any of such shares remained unsold, on the market for at least one trading day. In the event that, following the offer to shareholders and the offer on the market, any shares remain unsold, such shares will be eventually acquired by GTECH.

The aforesaid offer and sale procedure will be conditional upon the High Court of England and Wales making its order approving the completion of the GTECH Merger and fixing the GTECH Merger Effective Date, and such order not having been cancelled or withdrawn. Therefore, the transfer to the relevant purchasers of GTECH shares for which cash exit rights have been exercised, as well as the payment to shareholders who exercised cash exit rights, through the relevant depositaries, of the cash exit price, will take place only once the aforesaid condition precedent is fulfilled.

Since the exercise of cash exit rights by GTECH shareholders is subject to the aforesaid condition precedent, in the event that such condition is not satisfied the GTECH Merger will not be completed and the shares will continue to be held by the shareholders who exercised said rights; no payment will be made to such shareholders and GTECH shares will not be delisted from the MTA. Moreover, in the event that one or more of the conditions precedent to the Transaction will not be satisfied or waived, if permitted (in which case the GTECH Merger will not be completed), the offer and subsequent settlement of the shares of shareholders exercising cash exit rights will not take place or become effective.

#### 2.1.2.6 *Effectiveness of the Transaction for accounting and tax purposes*

In accordance with Articles 4 and 15, para. 3, of the Decree 108/08 and the UK Regulation and subject to the execution of the pre-merger formalities of the GTECH Merger and the satisfaction or waiver, if permitted, of the conditions precedent set forth in the Merger Agreement, the GTECH Merger will become effective from the date which will be fixed by the High Court of England and Wales, with its order as competent English authority.

At the GTECH Merger Effective Date, GTECH will cease to exist and UKCo will assume any and all assets and liabilities, rights, obligations and other legal relationships of GTECH (as resulting following the Italian Reorganisation), save for any shares held by GTECH in UKCo, which will be cancelled as of the GTECH Merger Effective Date.

The financial information in relation to the assets, liabilities and other legal obligations of GTECH will be reflected in the accounts and other financial reports of UKCo as of the GTECH Merger Effective Date, that is the date of issuance of the shares for the purpose of the GTECH Merger, and, accordingly,



the accounting effects of the GTECH Merger will be recognized in UKCo's accounts from such date.

It is expected that UKCo will prepare its consolidated financial statements in accordance with the International Financial Reporting Standards (hereinafter **IFRS**), which meet the requirements applicable for a Foreign Private Issuer (FPI) with shares listed on the NYSE. UKCo's consolidated IFRS financial statements will be prepared under the predecessor-value method, *i.e.* using GTECH predecessor book values. In fact, the first consolidated financial statements of UKCo will present comparative information derived from GTECH's consolidated financial statements, although UKCo had not yet been constituted during that period, and include GTECH predecessor book values for the current period, except for the composition of the shareholders' equity, which will reflect the legal set up of the Transaction. It should be noted that should UKCo decide to adopt US GAAP in the future for the preparation of consolidated financial statements, the accounting treatment of GTECH Merger discussed above would not change.

In addition, UKCo will have to prepare financial statements in order to meet the UK requirements. In accordance with UK company law, UKCo would have the option to apply (i) IFRS as adopted by the European Union (hereinafter **EU-IFRS**) or (ii) UK GAAP in the preparation of its first statutory separate financial statements for the period ending 31 December 2015. Regardless of which of the applicable accounting frameworks are adopted, UKCo will have to prepare separate financial statements, in which assets, liabilities and other legal relations of GTECH will be recognized at the date of issue of the relevant shares in the GTECH Merger, under the predecessor-value method. In addition, UKCo may not be obliged to prepare consolidated financial statements for UK legal purposes if it meets the exemption requirements; however should UKCo prepare consolidated EU-IFRS financial statements, the accounting treatment of the GTECH Merger discussed above would not change.

Pursuant to the Nevada Revised Statutes (**NRS**) and subject to the execution of the pre-merger formalities of the IGT Merger and the satisfaction or waiver, if permitted, of the conditions precedent set forth in the Merger Agreement, the IGT Merger will become effective from the date of filing with the Secretary of State of the State of Nevada of the articles of merger (the **Articles of Merger**), in accordance with the NRS (the **IGT Merger Effective Date**). Pursuant to the Merger Agreement, the IGT Merger will be effective immediately after the GTECH Merger, or at such later date permitted under the NRS as is agreed in writing between the parties and specified in the Articles of Merger. At the IGT Merger Effective Date, Georgia US will be merged by in corporation into IGT and IGT will become a wholly owned subsidiary of UKCo.

Pursuant to the Merger Agreement, the Mergers will be completed within the third business day following the satisfaction or waiver of all the conditions precedent to the Mergers, or on such other date agreed in writing by GTECH and IGT.

It is expected that the GTECH Merger Effective Date and the Merger IGT Effective will fall during the first six months of 2015.

2.1.2.7 *Accounting treatment applicable to the Transaction*

GTECH prepares its consolidated financial statements in accordance with EU-IFRS, while IGT prepares its consolidated financial statements under US GAAP.

On completion of the Transaction, UKCo will prepare (i) consolidated financial statements in accordance with IFRS given that its ordinary shares will be listed on the NYSE, and (ii) separate financial statements in accordance with EU-IFRS, given that, as previously indicated, UKCo will have its registered office in the UK. As discussed above, if UKCo does not meet the exemption requirements it will also be obliged to prepare consolidated financial statements for UK regulation purposes.

In accordance with IFRS and EU-IFRS, and in particular, with IFRS 3 *Business Combinations*, GTECH Merger qualifies as a *reverse merger* and, as previously indicated, will be accounted for using the predecessor-values method. Therefore, the first consolidated financial statements of UKCo will present comparative information derived from GTECH's consolidated financial statements, although UKCo had not yet been constituted during that period, and include GTECH predecessor book values for the current period, except for the composition of shareholders equity, which will reflect the legal set up of the Transaction. In the UKCo's separate financial statements prepared to meet the UK requirements, assets, liabilities and other legal relations of GTECH will be recognized at the date of issue of the relevant shares in the GTECH Merger, using GTECH predecessor book values.

In accordance with IFRS and EU-IFRS, and in particular, with IFRS 3 *Business Combinations*, IGT Merger qualifies as the acquisition of IGT by UKCo. In particular, on the date at which control over IGT is acquired, the identifiable assets acquired and liabilities assumed will be recognized in UKCo's consolidated financial statements at fair value. The difference between the acquisition consideration and the net fair value at the acquisition date of the identifiable assets acquired and liabilities assumed, net of any non-controlling interest in the IGT group, if positive shall be recognized as goodwill, or if negative will be recognized in the consolidated income statement. The acquisition consideration is defined as the sum of the acquisition date fair values of the assets transferred, the liabilities incurred by UKCo to former owners of IGT and any equity instruments issued. All the IGT acquisition related costs will be recognized in the income statement as incurred, with the exception of costs related to the capital increase, which will be recognized as a decrease in equity, net of the tax effect. The shares that will be issued by UKCo as part of the IGT acquisition will be recognized at fair value on the acquisition date.

2.1.2.8 *Material tax consequences of the Transaction*

**Material Italian tax consequences**

This Paragraph describes the material Italian tax consequences of the GTECH Merger and IGT Merger and of the ownership and transfer of UKCo Ordinary Shares. The following description does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to own or dispose of the shares (such as Italian inheritance and gift tax considerations, and transfer tax considerations) and, in particular does not discuss the treatment of shares that are held in connection with a permanent establishment or a fixed base through which a non-Italian resident shareholder carries on business or performs personal services in Italy.

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For the purposes of this discussion, an **Italian Shareholder** is a beneficial owner of GTECH ordinary shares, IGT shares or UKCo Ordinary Shares that is:

- an Italian-resident individual, or
- an Italian-resident corporation.

This Paragraph does not apply to shareholders subject to special rules, including:

- non-profit organizations, foundations and associations that are not subject to tax,
- Italian commercial partnerships and assimilated entities (*società in nome collettivo, in accomandita semplice*),
- Italian noncommercial partnerships (*società semplice*),
- Individuals holding the shares in connection with the exercise of a business activity, and
- Italian real estate investment funds (fondi comuni di investimento immobiliare) and Italian real estate SICAF, (società di investimento a capitale fisso).

In addition, where specified, this Paragraph also applies to Italian pension funds, Italian investment funds (fondi comuni di investimento mobiliare) and Società di Investimento Collettivo A Capitale Variabile (SICAVs).

For the purposes of this Paragraph, a **Non-Italian Shareholder** means a beneficial owner of GTECH ordinary shares, IGT shares or UKCo Ordinary Shares that is not an Italian Shareholder nor a permanent establishment or a fixed base through which a non-Italian resident shareholder carries on business or performs personal services in Italy nor a partnership.

This Paragraph is limited to Italian Shareholders and Non-Italian Shareholders that hold their shares directly and whose shares represent, and have represented in any 12-month period preceding each disposal: (i) a percentage of voting rights in the ordinary shareholders meeting not greater than two percent for listed shares or (ii) a participation in the share capital not greater than five percent for listed shares.

This Paragraph is based upon tax laws and applicable tax treaties and what is understood to be the current practice in Italy in effect on the date of this Information Document (*Documento Informativo*) which may be subject to changes in the future, even on a retroactive basis. Italian



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Shareholders and Non-Italian Shareholders should consult their own advisors as to the Italian tax consequences of the ownership and disposal of UKCo Ordinary Shares in their particular circumstances.

### Italian Reorganization

#### *Contribution of the Italian Business to GTECH Italian OpCo*

Prior to the GTECH Merger, GTECH will transfer all of the assets and liabilities related to its Italian business, including the Lotto concession and shareholdings, to a newly-formed Italian subsidiary ( **GTECH Italian OpCo** ) in exchange for shares of GTECH Italian OpCo. As it is expected that the contributed assets and assumed liabilities represent a branch of business , under Article 176 of the CTA their tax basis will be rolled over to the shares in GTECH Italian OpCo and the contribution will not trigger Italian corporate income taxes.

#### *Transfer of the Italian subsidiaries, including GTECH Italian OpCo, to GTECH Italian HoldCo*

Prior to the GTECH Merger, GTECH will transfer at fair market value the stock of almost all of its Italian subsidiaries (including GTECH Italian OpCo) to a new Italian subsidiary ( **GTECH Italian**

**HoldCo** ), in exchange for GTECH Italian HoldCo shares and an intercompany receivable. Such transfer will trigger the realization of capital gains for Italian tax purposes on the stock of the Italian subsidiaries (including GTECH Italian OpCo). It is expected that such gains will benefit from the participation exemption regime under the combined rules as per Article 87 and 175 of the CTA. The transfer of the stock of the Italian Subsidiaries (including GTECH Italian OpCo) will be exempt from the Italian Financial Transaction Tax.

#### The GTECH Merger

##### *Tax consequences to GTECH*

The GTECH Merger should be qualified as a cross-border merger transaction within the meaning of Article 178 of the CTA, implementing the Directive 90/434/EEC of 23 July 1990 (codified in the Directive 2009/133/CE).

UKCo intends to set up its business and organizational structure in such a manner that it will not maintain a permanent establishment in Italy after the Mergers.

As a consequence, Italian tax laws provide that such a cross-border merger will in principle result in the realization of capital gains or losses on all GTECH assets and liabilities held at GTECH Merger effective date, including the shares in GTECH Italian HoldCo (giving rise to an **Italian Exit Tax** ).

Under Italian law (Article 166 (2-quater) of the CTA), companies which cease to be Italian resident and become tax-resident in another EU Member State may apply to suspend or pay in installments any Italian Exit Tax under the principles of the Court of Justice of the European Union case C-371/10, National Grid Indus BV. Italian rules implementing Article 166 (2-quater), as amended in July 2014, excluded cross-border merger transactions from the suspension, or payment in installments of the Italian Exit Tax. As a result, the GTECH Merger will in principle result in the immediate charge of an Italian Exit Tax in relation to GTECH assets.

However, since latent capital gains on the stock of almost all of the Italian subsidiaries (including GTECH Italian OpCo) will have already been taxed in connection with the above described Italian Reorganization (meaning the contribution of the Italian business to GTECH Italian OpCo and the Transfer of almost all of the Italian subsidiaries, including GTECH Italian OpCo, to Italian HoldCo) no material Italian Exit Tax is expected.

GTECH's net equity does not include any tax-deferred reserves. GTECH does not have any carried-forward losses, on a stand-alone basis or within the Fiscal Unit with De Agostini S.p.A. Therefore, the GTECH Merger will not trigger the negative effects provided for by Article 180 and Article 181 of the CTA.

A fixed registration tax of Euro 200 is due in Italy in respect of the GTECH Merger.

*Tax consequences of GTECH Merger on the Italian fiscal unit*

GTECH and some of its Italian subsidiaries are currently included in a Fiscal Unit with De Agostini S.p.A. Pursuant to Articles 117, 120 and 124 of the CTA, the GTECH Merger might trigger the interruption of the Fiscal Unit between De Agostini and such Italian subsidiaries, depending on the residual De Agostini S.p.A.'s interest in these subsidiaries after the GTECH Merger. It is expected that any such interruption will not materially adversely affect GTECH and that, should such interruption occur, GTECH Italian HoldCo may form a new fiscal unit with the GTECH Italian subsidiaries.

*Italian Shareholders*

Currently, GTECH is resident in Italy for tax purposes.

For the purposes of the Italy-U.K. tax treaty, UKCo is expected to be resident in the United Kingdom from its incorporation. According to Italian tax laws, the GTECH Merger will not trigger any taxable event for Italian income tax purposes for GTECH Italian Shareholders. UKCo Ordinary Shares received by such GTECH Italian Shareholders at the effective time of the GTECH Merger would be deemed to have the same aggregate tax basis as the GTECH common shares held by the said Italian Shareholders prior to the GTECH Merger.

GTECH Italian Shareholders that exercise their cash exit rights will be entitled to receive an amount of cash per share of GTECH ordinary shares under Article 2437-ter of the Italian Civil Code ( **Cash Exit Price** ).

Italian Shareholders that receive the Cash Exit Price as a consideration for their GTECH ordinary shares being sold to other GTECH shareholders or to the market will recognize a capital gain or loss equal to the difference between the amount received and their tax basis in their GTECH ordinary shares (see *Ownership of UKCo Ordinary Shares Italian Shareholders Taxation of Capital Gains Italian resident individual shareholders* for further discussion).

Italian resident individual shareholders of GTECH that have their GTECH ordinary shares redeemed and cancelled pursuant to their rescission rights will be subject to a 26% final withholding tax on any profits derived from such redemption, which profits will be deemed equal to the difference between the Cash Exit Price and their tax basis in their GTECH ordinary shares (see *Ownership of UKCo Ordinary Shares Italian Shareholders Taxation of dividends Italian resident individual shareholders* for further discussion). Any losses are not deductible (unless an election is made for the so called Regime del Risparmio Gestito, discussed further below).

Italian resident corporate shareholders of GTECH that have their GTECH ordinary shares redeemed and cancelled pursuant to their rescission rights will recognize gain or loss equal to the difference between the Cash Exit Price (or portion thereof) which is paid out of share capital and capital reserves and their tax basis in GTECH ordinary shares (see *Ownership of UKCo Ordinary Shares Italian Shareholders Taxation of Capital Gains Italian resident corporations* for further discussion), while the portion of the rescission price (if any) which is paid out of annual profit and/or profit reserves will be treated as a dividend distribution (see *Ownership of UKCo Ordinary Shares Italian Shareholders Taxation of Capital Gains Italian resident corporations* for further discussion).

Italian Shareholders should consult their tax advisor in connection with any exercise of rescission rights in their particular circumstances.

*Non-Italian Shareholders*

According to Italian tax laws, the GTECH Merger will not trigger any taxable event for Italian income tax purposes for GTECH Non-Italian Shareholders.

Non-Italian Shareholders that receive the Cash Exit Price as a consideration for their GTECH ordinary shares being sold to other GTECH shareholders or to the market will not be subject to taxation in Italy.

Non-Italian Shareholders that have their GTECH ordinary shares redeemed and cancelled pursuant to their rescission rights should be subject to a 26% final withholding tax on any profits derived from such redemption, which profits will be deemed equal to the difference between the cash exit price and their tax basis in their GTECH ordinary shares. A more favorable regime might be provided for by the applicable international tax treaties.

*The IGT Merger*

*Italian Shareholders*

According to Italian tax laws, the IGT Merger should be regarded as taxable event for Italian income tax purposes for Italian Shareholders of IGT.

*Non-Italian Shareholders*

According to Italian tax laws, the IGT Merger will not trigger any taxable event for Italian income tax purposes for Non-Italian Shareholders of IGT.

*Ownership of UKCo Ordinary Shares*

*Italian Shareholders*

*Taxation of Dividends*

The tax treatment applicable to dividend distributions depends upon the nature of the dividend recipient, as summarized below.

*Italian resident individual shareholders.*

Dividends paid by a non-Italian-resident company, such as UKCo, to Italian resident individual shareholders are subject to a 26% tax. Such tax (i) may be applied by the taxpayer in its tax assessment or (ii) if an Italian withholding agent intervenes in the collection of the dividends, may be withheld by such withholding agent.

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In the event that a taxpayer elects to be taxed under the *Regime del Risparmio Gestito* (discussed below in the paragraph entitled *Taxation of Capital Gains - Italian resident individual shareholders* ), dividends are not subject to the 26% tax, but are subject to taxation under such *Regime del Risparmio Gestito*.

Pursuant to Law Decree No. 167 of 28 June 1990, as amended, Italian resident individual shareholders who hold (or are beneficial owners of) foreign financial activities not being deposited or otherwise held or traded through Italian resident financial intermediaries, must in certain circumstances, disclose the aforesaid to the Italian tax authorities in their income tax return.

### *Italian resident corporations.*

Subject to the paragraph below, Italian Shareholders subject to Italian corporate income tax ( **IRES** ) should benefit from a 95% exemption on dividends if certain conditions are met. The remaining five percent of dividends are treated as part of the taxable business income of such Italian resident corporations, subject to tax in Italy under the IRES.

Dividends, however, are fully subject to tax in the following circumstances: (i) dividends paid to taxpayers using IAS/IFRS in relation to shares accounted for as *held for trading* on the balance sheet of their statutory accounts; (ii) dividends which are considered as *deriving from profits accumulated*

by companies or entities resident for tax purposes in States or Territories with a preferential tax system; or (iii) dividends paid in relation to shares acquired through repurchase transactions, stock lending and similar transactions, unless the beneficial owner of such dividends would have benefited from the 95% exemption described in the above paragraph. In the case of (ii), 100% of the dividends is subject to taxation, unless a special ruling request is filed with the Italian tax authorities in order to prove that the shareholding has not been used to enable taxable income to build up in the said States or Territories.

For certain companies operating in the financial field and subject to certain conditions, dividends are also included in the tax base for the regional tax on productive activities (*Imposta regionale sulle attività produttive* **IRAP** ).

*Italian pension funds.*

Dividends paid to Italian pension funds (subject to the regime provided for by article 17 of Italian legislative decree No. 252 of 5 December 2005) are not subject to any withholding tax, but must be included in the result of the relevant portfolio accrued at the end of the tax period, subject to substitute tax at the rate of 11.5% for fiscal year 2014. For the following tax periods the substitute tax referred to above will apply at the rate of 11%.

*Italian investment funds (fondi comuni di investimento mobiliare) and SICAVs.*

Dividends paid to Italian investment funds and SICAVs are not subject to any withholding tax nor to any taxation at the level of the fund or SICAV. A withholding tax may apply in certain circumstances at the rate of up to 26% on distributions made by the Fund or SICAV.

*Taxation of Capital Gains*

*Italian resident individual shareholders.*

Capital gains realized upon disposal of shares or rights by an Italian resident individual shareholder are subject to Italian final substitute tax (*imposta sostitutiva*) at a 26% rate.

Capital gains and capital losses realized in the relevant tax year have to be declared in the annual income tax return (*Regime di Tassazione in Sede di Dichiarazione dei Redditi*). Losses in excess of gains may be carried forward against capital gains realized in the four subsequent tax years. While losses generated as of July 1, 2014 can be carried forward for their entire amount, losses realized until December 31, 2011 can be carried forward for 48.08% of their amount only and losses realized between January 1, 2012 and June 30, 2014 for 76.92% of their amount.



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As an alternative to the *Regime di Tassazione in Sede di Dichiarazione dei Redditi* described in the above paragraph, Italian resident individual shareholders may elect to be taxed under one of the two following regimes:

(i) *Regime del Risparmio Amministrato*: under this regime, separate taxation of capital gains is allowed subject to (i) the shares and rights in respect of the shares being deposited with Italian banks, *società di intermediazione mobiliare* or certain authorized financial intermediaries resident in Italy for tax purposes and (ii) an express election for the *Regime del Risparmio Amministrato* being timely made in writing by the relevant shareholder. Under the *Regime del Risparmio Amministrato*, the financial intermediary is responsible for accounting for the substitute tax in respect of capital gains realized on each sale of the shares or rights on the shares, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a

corresponding amount from the proceeds to be credited to the shareholder. Under the *Regime del Risparmio Amministrato*, where a sale of the shares or rights on the shares results in a capital loss, such loss may be deducted (up to 48.08% for capital losses realized until December 31, 2011 and up to 76.92% for capital losses realized between January 1, 2012 and June 30, 2014) from capital gains of the same kind subsequently realized under the same relationship of deposit in the same tax year or in the four subsequent tax years. Under the *Regime del Risparmio Amministrato*, the shareholder is not required to declare the capital gains in its annual tax declaration;

(ii) *Regime del Risparmio Gestito*: under this regime, any capital gains accrued to Italian resident individual shareholders, that have entrusted the management of their financial assets, including the shares and rights in respect of the shares, to an authorized Italian-based intermediary and have elected for the *Regime del Risparmio Gestito*, are included in the computation of the annual increase in value of the managed assets accrued, even if not realized, at year-end, subject to the 26% substitute tax to be applied on behalf of the taxpayer by the managing authorized Italian-based intermediary. Under the *Regime del Risparmio Gestito*, any fall in value of the managed assets accrued at year-end may be carried forward (up to 48.08% if accrued until December 31, 2011 and up to 76.92% if accrued between January 1, 2012 and June 30, 2014) and set against increases in value of the managed assets which accrue in any of the four subsequent tax years. Under the *Regime del Risparmio Gestito*, the shareholder is not required to report capital gains realized in its annual tax declaration.

*Italian resident corporations.*

Capital gains realized through the disposal of UKCo common shares by Italian Shareholders which are companies subject to IRES benefit from a 95% exemption (referred to as the **Participation Exemption Regime** ), if the following conditions are met:

- the shares have been held continuously from the first day of the 12th month preceding the disposal; and
- the shares were accounted for as a long term investment in the first balance sheet closed after the acquisition of the shares (for companies adopting IAS/IFRS, shares are considered to be a long term investment if they are different from those accounted for as held for trading ).

Based on the assumption that UKCo should be a holding company resident of the U.K. for tax purposes, that its ordinary shares will be listed on a regulated market, that its value will be predominantly composed of shareholdings in companies carrying on a business activity and not resident in a State with a preferential tax system, the two additional conditions set forth by Article 87 of the CTA in order to enjoy the Participation Exemption Regime (*i.e.*, the company is not resident in a State with a preferential tax system and carries on a business activity) are both met.

The remaining five percent of the amount of such capital gain is included in the aggregate taxable income of the Italian resident corporate shareholders and subject to taxation according to ordinary IRES rules and rates.

If the conditions for the Participation Exemption Regime are met, capital losses from the disposal of shareholdings realized by Italian resident corporate shareholders are not deductible from the taxable income of the company.



Capital gains and capital losses realized through the disposal of shareholdings which do not meet at least one of the aforementioned conditions for the Participation Exemption Regime are, respectively, fully included in the aggregate taxable income and fully deductible from the same aggregate taxable income, subject to taxation according to ordinary rules and rates. However, if such capital gains are realized upon disposal of shares which have been accounted for as a long-term investment on the last three balance sheets, then if the taxpayer so chooses the gains can be taxed in equal parts in the year of realization and the four following tax years.

The ability to use capital losses to offset income is subject to significant limitations, including provisions against dividend washing. In addition, Italian resident corporations that recognize capital losses exceeding 50,000 are subject to tax reporting requirements in their annual income tax return (also in case such capital losses are realized as a consequence of a number of transactions). Furthermore, for capital losses of more than 5,000,000, deriving from transactions on shares booked as fixed financial assets, the taxpayer must report the relevant information in its annual income tax return (also in case such capital losses are realized as a consequence of a number of transactions). Such an obligation does not apply to parties who prepare their financial statements in accordance with IAS/ IFRS international accounting standards. Italian resident corporations that recognize capital losses should consult their tax advisors as to the tax consequences of such losses.

For certain types of companies operating in the financial field and subject to certain conditions, the capital gains are also included in the IRAP taxable base.

#### *Italian pension funds.*

Capital gains realized by Italian pension funds are not subject to any withholding or substitute tax. Capital gains and capital losses must be included in the result of the relevant portfolio accrued at the end of the tax period, which is subject to an 11.5% substitute tax. for fiscal year 2014. For the following tax periods the substitute tax referred to above will apply at the rate of 11%.

#### *Italian investment funds (fondi comuni di investimento mobiliare) and SICAVs*

Capital gains realized by Italian investment funds and SICAVs are not subject to any withholding or substitute tax. Capital gains and capital losses must be included in the fund's or SICAV's annual result, which is not subject to tax. A withholding tax may apply in certain circumstances at the rate of up to 26% on distributions made by the fund or SICAV.

#### *IVAFE-Imposta sul Valore delle Attività Finanziarie detenute all' Estero*

According to Article 19 of the Decree of 6 December 2011, No. 201 ( **Decree No. 201/2011** ), converted with Law of 22 December 2011, No. 214, Italian resident individuals holding financial assets including shares outside the Italian territory are required to pay a special tax (IVAFE) at the rate of 0.20%. The tax applies to the market value at the end of the relevant year of such financial assets held outside the Italian territory.

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Taxpayers may deduct from the tax a tax credit equal to any wealth taxes paid in the State where the financial assets are held (up to the amount of the Italian tax due).

***Non-Italian Shareholders***

***Taxation of Dividends***

According to Italian tax laws, the distribution of dividends by UKCo will not trigger any taxable event for Italian income tax purposes for Non-Italian Shareholders.

***Taxation of Capital Gains***

According to Italian tax laws, capital gain on UKCo Ordinary Shares will not trigger any taxable event for Italian income tax purposes for Non-Italian Shareholders.

***Special Voting Shares***

No statutory, judicial or administrative authority has provided published guidance on the Italian tax consequences of the receipt, ownership or loss of the entitlement to instruct the Nominee on how to vote in respect of *Special Voting Shares* and as a result, such tax consequences are uncertain. Accordingly, we urge Italian shareholders to consult their tax advisors as to the tax consequences of the receipt, ownership and loss of the entitlement to instruct the Nominee on how to vote in respect of *Special Voting Shares*.

***Receipt of the entitlement to instruct the Nominee on how to vote in respect of Special Voting Shares***

An Italian Shareholder that receives the entitlement to instruct the Nominee on how to vote in respect of *Special Voting Shares* issued by UKCo should in principle not recognize any taxable income upon the receipt of such entitlement. Under a possible interpretation, the issue of *Special Voting Shares* can be treated as the issue of bonus shares free of charge to the shareholders out of existing available reserves of UKCo. Such issue should not have any material effect on the allocation of the tax basis of an Italian Shareholder between its UKCo Ordinary Shares and the corresponding UKCo *Special Voting Shares*. Because the *Special Voting Shares* are not transferable (other than in very limited circumstances as provided for in the Loyalty Plan) and their very limited economic rights (equal to a fraction of the aggregate sum of US\$1) can be enjoyed only at the time of a return of capital of the company of a winding up or otherwise UKCo believes and intends to take the position that the tax basis and the fair market value of the *Special Voting Shares* is minimal. However, because the determination of the tax basis and fair market value of the *Special Voting Shares* is not governed by any guidance that directly addresses such a situation and is unclear, the Italian tax authorities could assert that the tax basis and fair market value of the *Special Voting Shares* as determined by UKCo is incorrect.

***Loss of the entitlement to instruct the Nominee on how to vote in respect of Special Voting Shares***

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The tax treatment of an Italian Shareholder that loses its entitlement to instruct the Nominee on how to vote in respect of *Special Voting Shares* for no consideration is uncertain. It is possible that an Italian Shareholder should recognize a loss to the extent of the Italian Shareholder's tax basis (if any). The deductibility of such loss depends on individual circumstances and conditions required by Italian law. It is also possible that an Italian Shareholder would not be allowed to recognize a loss upon losing its entitlement to instruct the Nominee on how to vote in respect of *Special Voting Shares* and instead should increase its basis in its UKCo Ordinary Shares by an amount equal to the tax basis (if any) in such UKCo *Special Voting Shares*.

***Stamp Duty (Imposta di bollo)***

According to Article 19 of Decree No. 201/2011, a proportional stamp duty applies on a yearly basis on the market value of any financial product or financial instruments. The stamp duty applies at the rate of 0.20% and, in respect of Italian shareholders or Non-Italian Shareholders other than individuals, it cannot exceed 14,000. The stamp duty applies with respect to any Italian Shareholders or Non-Italian Shareholders (other than banks, insurance companies, investments and pension funds and certain other financial intermediaries) to the extent that the shares are held through an Italian based banking or financial intermediary or insurance company.

***Financial Transaction Tax***

According to Article 1 of the Law of December 24, 2012, No. 228, an Italian Financial Transaction tax ( **FTT** ) will apply as of March 1, 2013 on the transfer of property rights in shares issued by Italian resident companies, such as GTECH, regardless of the tax residence of the parties and/or where the transaction is entered into. If a holder of GTECH ordinary shares exercises its rescission rights, according to Italian law such holder must first offer its GTECH ordinary shares for sale to the holders of GTECH ordinary shares that have not chosen to exercise rescission rights. Shareholders of GTECH that purchase shares of a holder exercising its cash exit rights may be subject to the FTT. The FTT applies at a rate of 0.20%, reduced to 0.10% if the transaction is executed on a regulated market or a multilateral trading system, as defined by the law. The taxable base is the transaction value, which is defined as the consideration paid for the transfer or as the net balance of the transactions executed by the same subject in the course of the same day. The FTT is due by the party that acquires the shares and will be levied by the financial intermediary (or by any other person) that is involved, in any way, in the execution of the transaction. Specific exclusions and exemptions are set out by the law by Decree 21 February 2013 (as amended by Decree 16 September 2013) which also regulates in detail other aspects of the FTT. Specific rules apply for the application of the FTT on derivative financial instruments having as underlying instruments shares issued by Italian resident companies and on high frequency trading transactions.

***Material U.K. Tax Consequences***

This Paragraph is the mere non-certified translation in Italian language of the *Material U.K. Tax Considerations* section included in the Registration Statement in English language (Form F-4) filed with the Securities and Exchange Commission. Investors are invited to make direct reference to such Registration Statement (Section *Material U.K. Tax Considerations* ).

The following statements are intended to apply only as a general guide to certain United Kingdom ( U.K. ) tax considerations, and are based on current U.K. tax law and current published practice of HM Revenue and Customs ( **HMRC** ), both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the U.K. taxation treatment of investors who are resident and, in the case of individuals, domiciled in (and only in) the U.K. for U.K. tax purposes (except to the extent that the position of non-U.K. resident shareholders is expressly referred to), who will hold the UKCo Ordinary Shares as investments (other than under an individual savings account or a self invested personal pension) and who are the beneficial owners of both the UKCo Ordinary Shares.



The statements of this Paragraph may not apply to certain classes of investors such as (but not limited to) persons acquiring their UKCo Ordinary Shares in connection with an office or employment, dealers in securities, insurance companies and collective investment schemes.

Any shareholder or potential investor should obtain advice from his or her own investment or taxation adviser.

Taxation of dividends

UKCo will not be required to withhold tax at source from dividend payments it makes.

*U.K. resident individual shareholders*

An individual shareholder who is resident in the U.K. for tax purposes and who receives a dividend from UKCo will be entitled to a tax credit which may be set off against such individual shareholder's total income tax liability on the dividend. Such an individual shareholder's liability to income tax is calculated on the aggregate of the dividend and the tax credit (the **Gross Dividend**) which will be regarded as the top slice of the individual's income. The tax credit is equal to 10% of the Gross Dividend (*i.e.*, one-ninth of the amount of the cash dividend received).

A U.K. resident individual shareholder who is not liable to income tax in respect of the Gross Dividend will not be entitled to reclaim any part of the tax credit. A U.K. resident individual shareholder who is liable to income tax at the basic rate will be subject to income tax on the dividend at the rate of 10% of the Gross Dividend so that the tax credit will satisfy in full such shareholder's liability to income tax on the dividend. A U.K. resident individual shareholder liable to income tax at the higher rate will be subject to income tax on the Gross Dividend at 32.5% but will be able to set the tax credit off against part of this liability. A U.K. resident individual shareholder liable to income tax at the additional rate will be subject to income tax on the Gross Dividend at 37.5% but will be able to set the tax credit off against part of this liability.

The effect of the tax credit is that a basic rate taxpayer will not have to account for any additional tax to HMRC, a higher rate taxpayer will have to account for additional tax equal to 22.5% of the Gross Dividend (which equals 25% of the cash dividend received) and an additional rate taxpayer will have to account for additional tax equal to 27.5% of the Gross Dividend (which is approximately 30.56% of the cash dividend received).

*U.K. resident corporate shareholders*

A corporate shareholder resident in the U.K. for tax purposes which is a small company for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will not be subject to U.K. corporation tax on any dividend received from UKCo provided certain conditions are met (including an anti-avoidance condition).

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Other corporate shareholders resident in the U.K. for tax purposes will not be subject to U.K. corporation tax on any dividend received from UKCo so long as the dividends fall within an exempt class and certain conditions are met. For example, (i) dividends paid on shares that are not redeemable and do not carry any present or future preferential rights to dividends or to a company's assets on its winding up, and (ii) dividends paid to a person holding less than a 10% interest in UKCo, should generally fall within an exempt class. However, the exemptions mentioned above are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or such a corporate shareholder elects an otherwise exempt dividend to be taxable, the shareholder will be subject to U.K. corporation tax on dividends received from UKCo, at the rate of corporation tax applicable to that corporate shareholder (currently 21%, although it is expected that the rate of U.K. corporation tax will be reduced to 20% beginning on April 1, 2015).

*U.K. resident exempt shareholders*

U.K. resident shareholders who are not liable to U.K. taxation on dividends, including pension funds and charities, will not be entitled to reclaim the tax credit attaching to any dividend paid by UKCo.

*Non-U.K. resident shareholders*

A shareholder resident outside the U.K. for tax purposes and who holds the UKCo Ordinary Shares as investments will not generally be liable to tax in the U.K. on any dividend received from UKCo, but would also not be able to claim payment from HMRC of any part of the tax credit attaching to a dividend received from UKCo, although this will depend on the existence and terms of any double taxation convention between the U.K. and the country in which such shareholder is resident.

A non-U.K. resident shareholder may also be subject to taxation on dividend income under local law. A shareholder who is not solely resident in the U.K. for tax purposes should consult his own tax advisers concerning his tax liabilities (in the U.K. and any other country) on dividends received from UKCo, whether he is entitled to claim any part of the tax credit and, if so, the procedure for doing so, and whether any double taxation relief is due in any country in which he is subject to tax.

*Taxation of Capital Gains*

*IGT Merger*

The receipt of cash by IGT shareholders will be treated as a part disposal of their shares of IGT common stock. The proportion of the shareholder's base cost attributable to that part disposal should be computed as the proportion that the cash received bears to the aggregate value of the cash received and the UKCo Ordinary Shares on the completion of the IGT Merger.

Subject to the statements below, the receipt of UKCo Ordinary Shares by IGT shareholders pursuant to the IGT Merger should be treated as a scheme of reconstruction for the purposes of U.K. taxation of chargeable gains. This means that, except to the extent that IGT shareholders are treated as disposing of their shares of IGT common stock as a consequence of their receipt of cash as described above, IGT shareholders should not be treated as disposing of their shares of IGT common stock and, instead, the UKCo Ordinary Shares received by them should be treated as the same asset, acquired at the same time, and for the same amount, as the IGT shares in respect of which they are issued.

In the case of IGT shareholders who alone, or together with persons connected with them, hold 5% or more of the shares or debentures, or any class of shares or class of debenture, of IGT, this rollover treatment will only apply if the provisions of section 137(1) Taxation of Chargeable Gains Act 1992 ( **TCGA** ) (scheme of reconstruction must be for bona fide commercial reasons and not part of a scheme for the avoidance of U.K. tax) do not prevent it. IGT shareholders should note that no application for clearance (which would confirm that section 137(1) TCGA should not prevent the IGT Merger being treated as a scheme of reconstruction) has been made.

If the IGT Merger is not treated as a scheme of reconstruction, U.K. resident IGT shareholders would be treated as having disposed of their entire holding of IGT shares in consideration of the payment to them of the cash and the issue to them of UKCo Ordinary Shares.

#### *GTECH Merger*

The GTECH Merger should be treated as a reorganization of share capital under section 136 TCGA 1992.

As a result, GTECH shareholders who are resident for tax purposes of the United Kingdom and who exchange their shares in GTECH for shares in UKCo under the GTECH Merger would not be treated as disposing of their shares and would, instead, be treated as having acquired their UKCo Ordinary Shares at the same time and for the same consideration as the GTECH ordinary shares in respect of which they are issued.

GTECH shareholders who are resident in the UK and who alone, or together with persons connected with them, hold 5% or more of the shares or debentures in, or any class of shares or debentures in, GTECH should note that in certain circumstances section 137(1) TCGA may operate to prevent the rollover treatment described in the preceding paragraph and that no application for clearance (which would provide clearance that section 137(1) TCGA would not prevent the rollover treatment from applying) has been made.

A GTECH shareholder who is resident, for tax purposes, of the United Kingdom and who exercises his rescission rights will be treated as having disposed of his GTECH ordinary shares and may, depending on such shareholder's personal circumstances be liable to pay U.K. taxation on chargeable gains.

#### *Disposal of UKCo Ordinary Shares*

A disposal or deemed disposal of UKCo Ordinary Shares by a shareholder who is resident of the U.K. for tax purposes may, depending on the shareholder's circumstances and subject to any available exemptions and reliefs (such as the annual exempt amount for individuals and indexation allowance for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of U.K. taxation of capital gains.

If an individual shareholder who is subject to income tax at either the higher or the additional rate becomes liable to U.K. capital gains tax on the disposal of UKCo Ordinary Shares, the applicable rate will be 28%. For an individual shareholder who is subject to income tax at the basic rate and liable to U.K. capital gains tax on such disposal, the applicable rate would be 18%.

A shareholder who is not resident of the U.K. for tax purposes should not normally be liable to U.K. taxation on chargeable gains on a disposal of UKCo Ordinary Shares. However, an individual shareholder who has ceased to be resident of the U.K. for tax purposes for a period of less than five years and who disposes of UKCo Ordinary Shares during that period may be liable on his return to the U.K. to U.K. taxation on any capital gain realized (subject to any available exemption or relief).

Stamp Duty and Stamp Duty Reserve Tax

*The Issue of UKCo Ordinary Shares*

No liability to stamp duty or stamp duty reserve tax (SDRT) should generally arise on the issue of the UKCo Ordinary Shares, including into the DTC system.

*Subsequent transfers*

Transfers of UKCo Ordinary Shares within the DTC system should not be subject to stamp duty or SDRT provided that no instrument of transfer is entered into and that no election that applies to the UKCo Ordinary Shares is made or has been made by DTC under section 97A of the Finance Act 1986.

Transfers of UKCo Ordinary Shares within the DTC system where an election that applies to the UKCo Ordinary Shares is or has been made under section 97A of the Finance Act 1986 will generally be subject to SDRT (rather than stamp duty) at the rate of 0.5% of the amount or value of the consideration.

Transfers of UKCo Ordinary Shares that are held in certificated form will generally be subject to stamp duty at the rate of 0.5% of the consideration given (rounded up to the nearest £5). SDRT may be payable on an agreement to transfer such UKCo Ordinary Shares, generally at the rate of 0.5% of the consideration given under the agreement to transfer the UKCo Ordinary Shares. This charge to SDRT would be discharged if stamp duty is duly paid on the instrument transferring the UKCo Ordinary Shares, within six years of the date of the agreement.

If UKCo Ordinary Shares (or interests therein) are subsequently transferred into a clearing system including the DTC system or to a depository, stamp duty or SDRT will generally be payable at the rate of 1.5% of the amount or value of the consideration given or, in certain circumstances, the value of the shares (save to the extent that an election is made or has been made under section 97A of the Finance Act 1986 that applies to the UKCo Ordinary Shares).

The purchaser or transferee of the UKCo Ordinary Shares will generally be responsible for paying such stamp duty or SDRT.

Inheritance Tax

The UKCo Ordinary Shares will be assets situated in the U.K. for the purposes of U.K. inheritance tax. A gift or settlement of such assets by, or on the death of, an individual holder of such assets may (subject to certain exemptions and reliefs and depending upon the shareholder's circumstances) give rise to a liability to U.K. inheritance tax even if the holder is not a resident of or domiciled in the U.K. for tax purposes. For inheritance tax purposes, a transfer of assets at less than market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

A charge to inheritance tax may arise in certain circumstances where UKCo Ordinary Shares are held by close companies and by trustees of settlements. Shareholders should consult an appropriate tax adviser as to any inheritance tax implications if they intend to make a gift or transfer at less than market value or intend to hold UKCo Ordinary Shares through a close company or trust arrangement.

Shareholders and/or potential investors who are in any doubt as to their tax position, or who are subject to tax in any jurisdiction other than the U.K., should consult a suitable professional adviser.

**Material U.S. tax consequences**

As regards the tax consequences for U.S. shareholders, please make reference to the Registration Statement in English language filed with the Securities and Exchange Commission (Sezione *Material United States Federal Income Tax Considerations* ).



**2.1.3. Shareholders structure estimate of UKCo subsequent to the completion of the Transaction**

At the date of this Information Document, holders of shares with voting rights in GTECH in excess of 2%, based on the communications received pursuant to Article 120 of Italian Financial Act and information in any event available to GTECH, are the following:

B&D Holding di Marco Drago e C. S.a.p.A.*	58.662
Assicurazioni Generali S.p.A.**	3.255

\* Overall shareholding held through the subsidiaries De Agostini S.p.A. (52.904%) and DeA Partecipazioni S.p.A. (5.758%)

\*\* Overall shareholding held through the subsidiaries Alleanza Assicurazioni S.p.A. (2.489%), Generali Italia S.p.A. (0.536%), Genertellife S.p.A. (0.225%) and BSI S.p.A. (0.004%)

At the date of this Information Document, GTECH holds 1,793,026 treasury shares, equal to 1.02% of the share capital.

The following sets forth information with respect to the beneficial ownership of IGT common stock by persons known by IGT to own beneficially more than 5% of the outstanding common stock of IGT, based on information made public pursuant to Rule 13d-1 of the Securities Exchange Act of 1934, as amended, with percentages calculated based on the number of shares outstanding as of October 10, 2014.

- The Vanguard Group, Inc.(1): 6.677%
- BlackRock, Inc.(2): 6.039%
- State Street Corporation(3): 5.074%
- Gates Capital Management, Inc.(4): 5.057%

(1) Based upon beneficial ownership information contained in a Schedule 13G/A filed with the SEC by The Vanguard Group, Inc. on February 11, 2014, in its capacity as an investment advisor of several trusts.

*(2) Based upon beneficial ownership information contained in a Schedule 13G/A filed with the SEC by BlackRock, Inc. on January 29, 2014, on behalf of BlackRock, Inc. and its subsidiaries.*

*(3) Based upon beneficial ownership contained in a Schedule 13G filed with the SEC by State Street Corporation on February 3, 2014, on behalf of State Street Corporation and its subsidiaries.*

*(4) Based upon beneficial ownership contained in a Schedule 13G filed with the SEC by Gates Capital Management, Inc., Gates Capital Partners, L.P., ECF Value Fund, L.P., ECF Value Fund II, L.P., ECF Value Fund International Master L.P. and Jeffrey L. Gates on January 29, 2014.*

The following table shows the expected percentage interest of major shareholders of UKCo (for illustrative purposes, this table only considers those shareholders holding, directly and/or indirectly, more than 1% in the UKCo ordinary share capital) following the GTECH Merger Effective Date and the IGT Merger Effective Date, taking into account the Exchange Ratio and the IGT Consideration. Percentages indicated hereafter have been calculated assuming that: (a) the current shareholding structure of GTECH and IGT will not vary until the Transaction has completed; (b) no GTECH shareholder will exercise cash exit rights; (c) the 1,793,026 treasury shares currently held by GTECH will be kept in the GTECH portfolio and cancelled in the GTECH Merger; and (d) for each IGT

share, IGT shareholders will receive 0.1819 UKCo Ordinary Shares (assuming that no adjustment is made in accordance with the terms of the Merger Agreement).

UKCo Shareholder	% of ordinary share capital*
B&D Holding di Marco Drago e C. S.a.p.A.	47.047
Assicurazioni Generali S.p.A.	2.610
Vanguard Group, Inc.	1.377
BlackRock, Inc.	1.245
State Street Corporation	1.046
Gates Capital Management, Inc.	1.043
Other shareholders (total)	45.631

\* The table does not consider the Special Voting Shares, that will be issued by UKCo in a number equal to the UKCo Ordinary Shares to be issued for the purposes of the GTECH Merger and the IGT Merger and that will be allotted to the Nominee and voted by it in accordance with the Post-GTECH Merger Articles and the Loyalty Plan. Until the right to direct the exercise of votes attaching to the Special Voting Shares is elected by Entitled Shareholders after the applicable 3-year continuous holding period as provided for in accordance with the Post-GTECH Merger Articles and in the Loyalty Plan, the Nominee will exercise any votes attaching to the Special Voting Shares in accordance with the outcome of UKCo's general meeting.

If the Transaction is completed, the directors and managers with strategic responsibilities of GTECH will receive one UKCo Ordinary Share for each GTECH common share held. Based on the GTECH common shares held as the date of this Information Document, representing approximately 0.507% of GTECH common shares, the directors and managers with strategic responsibilities of GTECH will be entitled to receive, on an aggregate basis, 887,291 UKCo Ordinary Shares, representing 0.407%(3) of UKCo shares after the Merger. On an individual basis such directors and managers with strategic responsibilities of GTECH will receive UKCo Ordinary Shares in the following amounts:

- Lorenzo Pellicoli: 71,400 shares;
- Marco Sala: 492,845 shares;
- Paolo Ceretti: 3,060 shares;
- Jaymin Patel: 193,070 shares;

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- Renato Ascoli: 82,643 shares;
  
- Other managers having a strategic responsibility: 44,273 shares.

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(3) The number of shares and the percentages indicated hereafter have been calculated assuming that: (a) the current shareholding structure of GTECH and IGT will not vary until the Transaction has completed; (b) no GTECH shareholder will exercise cash exit rights; (c) the 1,793,026 treasury shares currently held by GTECH will be kept in the GTECH portfolio and cancelled in the context of the GTECH Merger; and (d) for each IGT share, IGT shareholders will receive 0.1819 UKCo Ordinary Shares (assuming that no adjustment is made in accordance with the terms of the Merger Agreement).

**2.1.4. Effects of the Transaction on shareholders agreements**

Based on the communications received pursuant to Article 122 of the Unified Financial Act and applicable provisions of the Issuers Regulation, the following shareholders agreements relating to GTECH are in force:

- on June 30, 2012, the shareholders of B&D Holding, a company holding 68.23% of De Agostini S.p.A. ( **De Agostini** ), entered into a three year shareholders agreement in order to regulate the corporate governance rules and the reallocation of the stock interests owned by them (the **Project** ) in B&D Holding and in the relevant subsidiaries De Agostini and B&D Finance S.p.A. The Project - through a series of corporate transactions - has allowed certain shareholders of B&D Holding (i) to hold directly an overall participation equal to 26.47% in the share capital of De Agostini, while the majority holding, equal to 68.23% of the share capital, remains with the parent company and the residual 5.20% of the share capital is currently held by Investendo Due S.r.l.; (ii) to hold directly a shareholding equal in the aggregate, as of the date hereof, to 16.77% of B&D Finance S.p.A., while the majority holding of 72.05% of the share capital is with the parent company and the remaining 11.18% is owned by B&D Finance S.p.A. itself, and (iii) to exercise a possible exit option in 2015, aimed at divesting the participation directly held in De Agostini in favour of B&D Holding (or one of its subsidiaries) or, in the event it would not be possible to pursue such solution, to initiate a series of alternatives. On October 18, 2013, B&D Holding announced some amendments to the agreement partly related to the adherence by additional parties;

- on July 15, 2014, De Agostini and DeA Partecipazioni S.p.A. (jointly, the **DeA Shareholders** ) entered into a Support Agreement with IGT, providing for certain commitments of the DeA Shareholders aimed at the implementation of the Transaction. The DeA shareholders committed, *inter alia*, to vote the shares held in GTECH equal, for De Agostini, to 92,556,318 shares (approximately 52.95% of the share capital at the date of the agreement), and, for DeA Partecipazioni, to 10,073,006 shares (approximately 5.76% of the share capital at the date of the agreement) in favour of the Transaction in any shareholders&#146