

INTERNATIONAL GAME TECHNOLOGY

Form 10-Q

May 14, 2004

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**United States
Securities and Exchange Commission**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-10684

International Game Technology

(Exact name of registrant as specified in its charter)

Nevada
(State of Incorporation)

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

9295 Prototype Drive
Reno, Nevada 89521
(Address of principal executive offices)

(775) 448-7777
(Registrant's telephone number, including area code)

www.IGT.com
(Registrant's website)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2004
Common Stock par value \$.00015625 per share	348,919,480

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	Quarters Ended March 31,		Six Months Ended March 31,	
	2004	2003	2004	2003
(In thousands, except per share amounts)				
Revenues				
Product sales	\$362,354	\$254,529	\$ 692,837	\$ 495,779
Gaming operations	273,730	274,559	551,308	522,942
Total revenues	636,084	529,088	1,244,145	1,018,721
Costs and operating expenses				
Cost of product sales	170,562	131,775	334,815	257,950
Cost of gaming operations	126,413	127,370	249,155	243,496
Selling, general and administrative	79,513	71,291	147,218	132,040
Depreciation and amortization	16,721	11,489	30,525	24,186
Research and development	31,185	23,150	62,893	43,931
Provision for bad debts	5,678	3,961	11,284	7,013
Total costs and operating expenses	430,072	369,036	835,890	708,616
Operating income	206,012	160,052	408,255	310,105
Other income (expense)				
Interest income	13,518	12,544	28,176	24,642
Interest expense	(24,179)	(29,286)	(54,175)	(55,934)
Gain (loss) on the sale of assets	39	4	(525)	(63)
Other	(10,071)	(425)	(9,760)	169
Other expense, net	(20,693)	(17,163)	(36,284)	(31,186)

Income from continuing operations before tax	185,319	142,889	371,971	278,919
Provision for income taxes	67,635	53,869	137,629	105,152
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Income from continuing operations	117,684	89,020	234,342	173,767
Discontinued operations, net of tax of \$(488), \$(1,152), \$35,312 and \$2,987	(742)	(1,906)	58,924	4,934
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