INTERNATIONAL GAME TECHNOLOGY
Form 11-K
June 26, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 11-K

[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-10684

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

IGT PROFIT SHARING PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

INTERNATIONAL GAME TECHNOLOGY

6355 South Buffalo Drive, Las Vegas, Nevada 89113

(702) 669-7777

REQUIRED INFORMATION

The IGT Profit Sharing Plan (the Plan) is subject to the Employee Retirement Income Security Act of 1974 (ERISA). Therefore, in lieu of the requirements of Items 1-3 of Form 11-K, the financial statements and schedule of the Plan for the years ended December 31, 2012 and 2011, which have been prepared in accordance with accounting principles generally accepted in the United States of America and which satisfy the financial reporting requirements of ERISA, are filed herewith and incorporated herein by this reference. The written consent of Burr Pilger Mayer, Inc. with respect to the 2012 annual financial statements of the Plan is filed as Exhibit 23 to this Annual Report.

IGT Profit Sharing Plan

Financial Statements as of and for the Years Ended
December 31, 2012 and 2011,

Supplemental Schedule as of December 31, 2012, and

Report of Independent Registered Public Accounting Firm

IGT Profit Sharing Plan

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Note: Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because of the absence of conditions under which they are required.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of the

IGT Profit Sharing Plan

We have audited the accompanying statements of net assets available for benefits of the IGT Profit Sharing Plan (the Plan) as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for each of the two years in the period ended December 31, 2012. These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits for each of the two years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2012 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. This supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Burr Pilger Mayer, Inc.

San Jose, California

June 26, 2013

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IGT Profit Sharing Plan

Statements of Net Assets Available for Benefits

December 31,	**2012**	**2011**
Assets		
Investments, at fair value	$303,216,094	$286,871,882
Notes receivable from participants	12,116,367	12,838,305
Net assets available for benefits	$315,332,461	$299,710,187

See accompanying notes

IGT Profit Sharing Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31,	**2012**	**2011**
Additions (reductions) to net assets attributed to:		
Investment income (loss):		
Net increase (decrease) in fair value of investments	$13,049,125	$(13,071,143)
Dividends	8,320,235	7,806,903
	21,369,360	(5,264,240)
Interest income on notes receivable from participants	540,598	617,922
Contributions:		
Employer	2,089,744	2,173,610
Participant	15,226,683	13,194,182
	17,316,427	15,367,792
Total additions to net assets available for benefits	39,226,385	10,721,474
Deductions from net assets attributed to:		
Benefits paid to participants	23,568,322	31,992,907
Administrative expenses	35,789	94,533
Total deductions from net assets available for benefits	23,604,111	32,087,440
Net increase (decrease) in net assets available for benefits	15,622,274	(21,365,966)
Net assets available for benefits:		
Beginning of year	299,710,187	321,076,153
End of year	$315,332,461	$299,710,187

See accompanying notes

Notes to Financial Statements

1. Description of Plan

The IGT Profit Sharing Plan (the Plan) is sponsored by International Game Technology (referred to throughout these notes as IGT, we, our and us) and consists of two programs, the profit sharing program and the 401(k) program. The following description of the Plan is provided for general information purposes only. Participants should refer to the IGT Plan document and summary plan description for a more complete description of the Plan's provisions.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and other provisions of the Internal Revenue Code (IRC). This defined contribution plan covering all eligible IGT employees was adopted in December 1980 and is administered by Fidelity Management Trust Company (Fidelity).

As a result of the Double Down Interactive, LLC (DoubleDown) acquisition, certain DoubleDown employees became eligible to participate in the Plan in January 2012. Similarly, as a result of the BringIt, Inc. (BringIt) acquisition, certain former BringIt employees became eligible to participate in the Plan in February 2012.

Profit Sharing Program

IGT may make an annual profit sharing contribution based on operating profits as determined by its Board of Directors. The contribution is allocated to eligible participants' accounts proportionately based on annual eligible compensation. No profit sharing contributions were made for the years ended December 31, 2012 or 2011.

Employees are eligible to participate in the profit sharing program after completing 1,000 hours of service in a calendar year and reaching the age of 18. Once eligible, Plan participants must be employed on the last day of the Plan year (December 31) to receive their annual profit sharing allocations. Participation in profit sharing is retroactive to January 1 of the year in which the employee became eligible.

401(k) Program

Participants may contribute up to 40% of their pre-tax annual compensation, as defined in the Plan. In order to maintain the Plan’s status as nondiscriminatory, the contribution amounts for highly compensated employees may be limited. Participants age 50 or over may be eligible to make additional contributions, subject to certain IRC limitations. Employees may make pre-tax contributions to their accounts upon completion of 30 days of full time employment, or one year of 1,000 hours of part-time employment. A participant may discontinue contributions to the Plan at any time.

The Plan also allows for rollover contributions from other qualified retirement plans. If the rollover is from an individual retirement arrangement, all assets in the prior retirement plan must have originated as contributions made under a qualified plan.

IGT’s 401(k) contribution matching program provides for the matching of 100% of an employee’s contributions up to $750 as determined by the Profit Sharing Committee.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant’s account is credited with the participant’s 401(k) contribution, IGT’s 401(k) employer matching contribution, IGT’s profit sharing contributions, if any, Plan earnings and/or losses less Plan expenses, and forfeitures of non-vested portions of terminated participants’ profit sharing contributions, if any.

Investment Options

The Profit Sharing Committee has selected 28 investment options that have a variety of growth and risk characteristics, including a unitized fund that holds shares of IGT common stock. Participants direct the investment of 100% of their contributions, matching contributions and profit sharing contributions to the Plan.

Plan participants may allocate all contributions to one investment fund or split them between any combinations of funds in increments of 1%. In general a participant may change how current and/or future contributions are invested at any time during the Plan year. When a profit sharing contribution is made, the funds are deposited annually into the Retirement Money Market Portfolio prior to allocation to eligible participants. Once allocated, profit sharing contributions are invested as directed by the participants.

Benefit Payments and Vesting

Participants are vested immediately in their tax deferred 401(k) contributions, 401(k) employer matching contributions, rollover contributions from other qualified plans, and related earnings. Vesting in the Company's discretionary profit sharing contribution is based on years of service. A participant earns one year of vesting service for each Plan year (January 1 to December 31) in which he or she works at least 1,000 hours, and is fully vested after six consecutive years of service, based on the following schedule:

Completed Years of Service	**Vested Portion**
0	0%
1	10%
2	20%
3	40%
4	60%
5	80%
6	100%

Upon termination of employment, a participant may receive a lump sum payment equal to the vested value of his or her account. If the termination of employment is by normal retirement (retirement after age 65), by death or by reason of total disability, the participant becomes 100% vested and has the right to receive payment in full. If a participant leaves IGT for any other reason, he or she is entitled to a distribution only from the vested portion of his or her account.

In accordance with federal tax laws, the Plan requires distributions to terminating participants with vested balances of less than $5,000. The Plan will make a distribution directly to terminating participants with vested balances up to $1,000. If a terminating participant has a vested balance between $1,001 and $5,000, the participant may elect to have such distributions paid directly to him or her, or to an eligible retirement plan in a direct rollover. If no election is made, such distribution will be paid in a direct rollover to an individual retirement plan designated by Fidelity. If a terminating participant's vested account balance exceeds $5,000, the individual may voluntarily defer payment of benefits until the normal retirement date.

Forfeited Accounts

Any participant who terminates employment with IGT will forfeit the non-vested portion of his or her account. Forfeitures occur at the earlier of the date the participant receives a distribution from the Plan or after a five year break in service. In accordance with the Plan document, forfeitures were used to pay expenses of $7,041 in 2012 and $23,643 in 2011. In addition, forfeitures of $636,462 were allocated to eligible participant accounts in 2012 and $948,892 in 2011. The forfeited non-vested amount not yet allocated to active participants totaled approximately $468,300 at December 31, 2012 and $636,500 at December 31, 2011.

Hardship Withdrawals

The Plan allows for hardship withdrawals under defined circumstances. The necessity of the hardship withdrawal is reviewed by IGT’s Plan administrator and includes allowances for major medical expenses, purchase of a primary residence, college expenses for a family member, and prevention of eviction from or foreclosure on a principal residence. A participant must stop making pre-tax 401(k) contributions for six months following a hardship withdrawal.

Notes Receivable from Participants

Participants may borrow from their vested accounts up to a maximum of $50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant’s account and bear interest at rates commensurate with local prevailing rates at the time funds are borrowed, which is not less than the prime rate plus 1%. Principal and interest is paid ratably through bi-weekly payroll deductions. The loan amount may be no less than $1,000 and repayment must be over a period not to exceed 60 months. As of December 31, 2012, interest rates on loans ranged from 4.25% to 10.5% with maturities through 2018.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America (US).

Cash

Cash represents interest bearing cash held for the purpose of providing liquidity and satisfying daily participant requests related to the IGT Unitized Stock Fund. This fund is maintained in accordance with the trust agreement between IGT and Fidelity.

Investment Valuation and Income Recognition

All Plan investments are stated at fair value based on quoted market prices. Generally fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price), in the principal or most advantageous market, in an orderly transaction between market participants, on the measurement date. Assets carried at fair value are classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical instruments

Level 2 – Quoted market prices for similar instruments, using observable market based inputs corroborated by market data

Level 3 – Unobservable inputs using our own assumptions when observable inputs are unavailable

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Plan Expenses

Several of the investment fund options are subject to investment fees based on a percentage of invested assets, as disclosed in the fund's prospectus. All such fees are charged directly against the fund's investment performance and thus are not separately disclosed in the accompanying financial statements. Plan participants pay investment management and trustee fees and also fees related to the administration of their loans. Certain administrative expenses are paid by the Plan. Consulting and record keeping fees are paid by IGT.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Recently Adopted Accounting Standards or Updates

At the beginning of 2012, the Plan adopted an Accounting Standards Update (ASU) issued in May 2011, to amend fair value measurement to achieve convergence between the US GAAP and the International Financial Reporting Standards (IFRS). This ASU primarily changed some fair value measurement principles and disclosure requirements primarily for level 2 and level 3 categories not included in the Plan's financial statements and did not have a material impact on the Plan's financial statements.

Recently Issued Accounting Standards or Updates – Not Yet Adopted

In October 2012, the Financial Accounting Standards Board (FASB) issued an ASU to amend the fair value measurement of investments in defined contribution pension plans to be reduced by brokerage commissions and other selling costs, if significant. This ASU is effective for reporting periods beginning after December 15, 2012, and is not expected to have a material impact on the Plan's financial statements.

3. Fair Value Measurements

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input significant to the fair value measurement. The following is a description of the valuation methodologies used in valuing the Plan's assets, which are all level 1 measurements based on quoted market prices in active markets for identical instruments.

Cash - valued at carrying amount

Money market funds - valued using active trading prices

Mutual funds - valued using the net asset value (NAV) of shares held by the Plan; NAV is a quoted market price equal to the value of assets owned by the fund, less liabilities, divided by the number of shares outstanding

IGT common stock - valued at the publicly-traded market price

All Plan investments below are administered by a Fidelity investment management agent.

December 31,	2012	2011