PARTICIPANTS

Corporate Participants

David B. Lopez – President, Chief Executive Officer & Director, Global Cash Access Holdings, Inc.
Mary Elizabeth Higgins – Chief Financial Officer & Executive Vice President, Global Cash Access Holdings, Inc.

Other Participants

David Bain – Analyst, Sterne, Agee & Leach, Inc.
Matthew J. Kempler – Analyst, Sidoti & Co. LLC
George F. Sutton – Analyst, Craig-Hallum Capital Group LLC
Daniel J. Moses – Co-Founder & Partner, Seawolf Capital LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon, ladies and gentlemen, thank you for standing by. Welcome to the Global Cash Access Holdings Incorporated Second Quarter 2013 Earnings Conference Call. During today's presentation, all parties will be in a listen-only mode. Following the presentation, the conference will be opened for questions. [Operator instructions]

I would now like to turn the conference over to Miss Julie [ph] Yusgart (0:00:34). Please go ahead ma'am.

Unverified Participant

Thank you and welcome everyone to GCA's 2013 Second Quarter Earnings Conference Call. Joining me on today call is President and Chief Executive Officer, David Lopez; Vice President and Chief Financial Officer, Mary Beth Higgins. On today's call, David will be giving an overview on the company's progress and then Mary Beth will provide a brief update on our financial performance for the second quarter and review our guidance for 2013. Following these comments, we will be happy to take questions. A few important items before I turn it over to David.

First, we have posted our earnings release to the Investor Relations section of our website at www.gcainc.com for anyone who needs access to that information. Also, during this call, if we use any non-GAAP financial measures for references, we will put up the appropriate GAAP financial reconciliation on our website. Finally, a replay of today's call will be posted on our website around 5 PM Pacific Time.

As we begin, let me remind everyone that today's discussion contains forward-looking statements based on the environment as we currently see it and are subject to a number of risks and uncertainties. These include without limitation, statements regarding market and segment trends and conditions in the cash access, kiosk and gaming industry for 2013 and future periods; the anticipated impact of less favorable pricing terms associated with several customer contract renewals in 2013; the anticipated impact of certain customers not renewing their contracts; flat to low industry growth; limited significant or projected casino openings in 2013; anticipated significant increases in our kiosk sales and services business 2013; continued investment with respect to the company's technology infrastructure and personnel; our product pipeline and ability to introduce new products and services; our current perspective on the Internet and social gaming landscape;

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our current perspective and belief about our strategic alliance with Scientific Games; the implemented changes to rules and regulations regarding the interchange reimbursement structure for ATM transactions and other uncertainties regarding changes in network fees on our business; our projections and guidance regarding cash EPS, adjusted EBITDA and other financial metrics; regulatory approvals for new products and our competitive position

Factors that could cause actual results to differ materially from those described in our forward-looking statements, we refer you to our SEC filings and the Risk Factors set forth therein.

With that, let me now hand it over to David.

David B. Lopez, President, Chief Executive Officer & Director

Thank you, Julie, and good afternoon, everyone. Thanks for joining us today to discuss Q2, 2013 financial results and progress on our overall business. On today's call, we will touch on the following topics. First, we will go over second quarter results and reaffirm our guidance for the full year. We also have a couple of exciting announcements to discuss, first being Graton Casino in Northern California and second our agreement with Scientific Games.

As sales and product execution is a big focus of ours, we'll spend some time discussing this and how it dovetails so nicely with our high level goals as a company. Lastly, we once again cover our plans for returning value to our shareholders.

I'll start at a high level, were in the quarter we delivered revenue of $149.1 million, adjusted EBITDA of $19.1 million, and cash EPS of $0.21.

Once again we are in line with our internal estimates for the first six months of the year and in reviewing our futures and the overall sales pipeline, we remain comfortable with our full year guidance figures of adjusted EBITDA between $70 million and $74 million and cash EPS between $0.74 and $0.83.

In Q2, our top contributors were Cash Access, Check Services and other, which was primarily driven by kiosk sales. Cash Access segment revenue and contribution were slightly ahead of plan for the quarter bolstered by our international operations, which has shown demonstrable growth over the same period last year primarily due to new business in the Greater European region, where we have started services with over 40 locations during the past year. Not only is the revenue contribution and steady growth from our European operation encouraging, but the bottom line contribution is nice as we run an extremely efficient operation in the region.

Our other segment increased significantly, primarily due to kiosk sales and services, which we will touch on more specifically later in the call. The ATM segment results were very similar to the first quarter impacted by a few factors that we expect such as revenue reductions due to lower reverse interchange revenue and loss volume due to an identified customer losses.

Additionally, as we discussed last quarter, we continue to see a year-over-year decline in volume of transactions due to customers withdrawing more funds at one time, thus reducing the number of ATM transactions overall.

Now, let's talk about two recent announcements that are exciting for GCA, our customers and our shareholders. First is the signing of Graton Resort & Casino in Northern California, which is managed by Station Casinos. In case you missed the news last quarter, we announced the largest kiosk sale in the history of Global Cash Access. That sales force was also with Station Casinos.

This new agreement with Graton is to provide cash access services, ATM and all kiosks for Northern California's newest full amenity gaming resort.

These two deals in back-to-back quarters are not just great for business but is a positive indication that we have seized momentum in both the kiosk business and in the area of corporate relationships within the gaming payment space.

Today we also announced we have entered into an agreement with Scientific Games International to provide payment services and integrated digital wallet functionality for its U.S. based Internet lottery clients. This agreement represents our first Internet and e-wallet customer, but Scientific Games is much more than that. They're a true channel partner that operates in a legal and live online space where they can leverage their strong lottery presence to bring us business over the coming years.

Although iLottery is relatively young as compared to the traditional lottery business, we believe the Sci Games' position in the land-based market operating in 43 states and their market share in the scratch-off market of roughly 90% will lead to potential future business. We're truly excited about this new relationship, their aggressive team, and their thought leadership they will bring to our partnership.

Let's talk about sales effectiveness, our product suite, and how these relate to our high level goals.

Single point of accountability is not just a marketing sales term, it's something our customers have been asking for over the last few years. Single point of accountability means that when our customers choose GCA's complete suite of cash management products and payment solutions, they will get continuity in product quality, customer service, sales interaction, and executive relationships that will cover multiple products and touch points throughout the casinos payment ecosystem.

Our ability to offer a single point of accountability, along with the unquestionable strength of our kiosk product line and our core services, has put us in a very good position for managing renewals and responding to our customers' RFPs. As we mentioned earlier in the call, our momentum in the kiosk business continues to build with our latest win at Graton Casinos. This contract represents a lot to GCA from a customer relations perspective.

From a point of execution, our exchange kiosk business and of course, the increased contribution on our financial performance. The great news is that our successes in this area of the business are not singular, and they go well beyond one account, which is evident when reviewing our contribution from the others segment, where kiosk revenues are recorded.

In reviewing our pipeline for the remainder of the year, it's clear that it continues to be strong and is maintaining momentum. On our previous earnings calls, I've been consistent about not discussing new products until they are released in the field and being tested by our customers. In some instances, we'll wait even longer for strategic reasons. That said, we're very pleased to say that our first beta trial QuikTicket has gone smoothly.

As with any beta test, we're being diligent to measure activity, patron response and gather feedback from our casino management partners. The good news is that all these indicators are positive, as we have found that the transaction is well understood by casino patrons, and they're opting for the transaction without specific marketing push to make people aware of the functionality. Our next steps will be to fine tune the product to achieve broader approval and begin a controlled roll-out in 2014.

This product, which aims to reduce cash levels and look for an increased gaming velocity, will be yet another product that enhances our single point of accountability philosophy in turn, offering us greater leverage versus other providers in competitive bid situations. In summary, I think it's important to pause here, and take stock of where we are with this news.

In short, we've scored yet another meaningful account in Graton Casino where we're providing kiosk and cash access services. We have signed a meaningful agreement with Scientific Games for the iLottery space. And lastly we've introduced via beta test our long awaited QuikTicket technology. These are three important accomplishments and I believe they signify real progress towards our goal of being the most complete provider of cash management and payment solutions available in land-based and online gaming operators.

With that, I will turn it over to Mary Beth before I return with some final thoughts.

Mary Elizabeth Higgins, Chief Financial Officer & Executive Vice President

Thanks, David. Good afternoon, everyone. As David suggested, the second quarter of 2013 results still keep us on pace to meet our full year 2013 guidance expectations. Our cash EPS, which is defined as net income, plus equity compensation expense, plus deferred income tax expense, plus amortization, divided by diluted shares outstanding, was $0.21 and $0.40 for the three and six months ended June 30, 2013. Average diluted shares totaled 67 million and 67.4 million for the three and six months ended June 30.

Adjusted EBITDA, which excludes non-cash stock compensation expense for the second quarter of 2013, was $19.1 million, a decrease of 11% from $21.4 million for the same period in 2012.

Same-store cash to the floor, our best indicator of industry trends, showed overall growth, increasing approximately 4.6% for the second quarter of 2013 over the same period in 2012. And although ATM cash to the floor is slightly up compared to the same quarter last year, absolute transaction volume is down about 1.1%, indicating a growth in the average transaction size.

On a segment basis, cash advance revenues, operating income and operating margin were $57.3 million; $15.6 million; and 27% for the second quarter and $116 million; $31.3 million; and 27% for the six months ended June 30. This was a 1% revenue increase from the prior-year in both the quarter and year-to-date periods.

On a segment basis, ATM revenues, operating income and operating margin were $73 million; $6.2 million; and 9% for the quarter, and $148.2 million; $13.2 million; and 9% for the six months ended June 30.

Revenue was down approximately 5% or $3.6 million from the second quarter of 2012 and 6% or $8.7 million from the six months ended June 30.

For these periods, $400,000 and $3.1 million, respectively, of that decrease was anticipated and was the result of the change in the amount of reverse interchange, which began in April of 2012. The remaining decrease in revenue was a result of lower transaction volumes at our same-store locations combined with lost business.

As a result of the revenue decrease, the ATM margin also decreased in Q2 and year-to-date 2013. This decrease was a result of both the increases in surcharges enacted by casino customers to offset the revenue – the reverse interchange pass-throughs in Q2 2012, as well as transaction volume decreases. As a reminder, the casino gets the lion's share of the surcharge revenue. Therefore, any increase in that surcharge goes primarily to the casino and not GCA.

On a segment basis, Check Services revenue, operating income and operating margin were $5.5 million; $3.4 million; and 62%, and $11.4 million; $6.8 million; and 60%, respectively, for the three and six months ended June 30, 2013. Revenue was down 16% and 13%, respectively, from Q2 and year-to-date 2012. However, operating margins increased from both the second quarter and year-to-date periods when compared to the same periods in 2012. The decrease in revenue due to declining transactions, which includes lost business.

Our other segment includes primarily the result of kiosk sales and services and our central credit operations. On a segment basis, other revenue, operating income and operating margin were $13.3 million; $6.4 million; and 48% for the second quarter of 2013, and $20.3 million; and $9.8 million; and 48% for the six months ended June 30.

Revenues were up approximately 75% and 51%, respectively, from Q2 and year-to-date 2012, primarily due to higher kiosk sales. Operating income was up 68% and 42%, respectively, for the quarter and year-to-date periods when compared to the same periods in 2012.

Corporate operating expenses were $17.9 million and $34.6 million, respectively, for the three and six months ended June 30, 2013, as compared to $17.1 million and $32.7 million, respectively, for the same periods in 2012. This was primarily due to higher payroll and related costs and occupancy costs to support the growth in our infrastructure and our corporate office relocation.

Looking to our guidance for 2013, the company is progressing well against our budget through June, and therefore, we reaffirm our guidance estimates that cash earnings per share will be approximately $0.74 and $0.83 on diluted shares of approximately 67.2 million, adjusted EBITDA is estimated to be between $70 million and $74 million.

As we indicated in our press release earlier this year, our outlook is based upon margin degradation from customer renewals in both 2012 and 2013; the anticipated impact from the loss of customers; a stable but low-single-digit growth in the U.S. casino industry, with limited casino openings in 2013; and the anticipated growth in our kiosk sales and services businesses. On an operating expense basis, we anticipated slight increase in SG&A due to the relocation of our corporate headquarters, as well as continued investment with respect to the company's technology infrastructure and personnel.

Looking briefly to the balance sheet. As of June 30, 2013, our total borrowings outstanding were $112 million and our leverage ratio was approximately 1.55 times. It should be noted that we successfully amended our senior credit facility during the second quarter of 2013, reducing our interest rate from 7% to 4%, thus significantly lowering our interest costs. As of June 30 our cash balance was at $65.4 million.

Our capital expenditures were $7.2 million for the six months ended June 30, 2013, and are still estimated to be between $14 million and $16 million for the year. This is primarily due to costs associated with the development of our iGaming product, continued spending on the improvement of our base platform and base product improvements, as well as capital required in connection with our new corporate headquarters.

We have repurchased approximately 1 million shares and 1.7 million shares of common stock for cash of $7 million and $11.7 million, respectively, under the share repurchase program during the three and six months ended June 30, 2013.

Now I'd like to turn the call back over to David for some closing remarks.

David B. Lopez, President, Chief Executive Officer & Director

Thanks, Mary Beth. Looking back at my first year at GCA, it's been incredibly exciting with some great surprises. We are now creating some real momentum and beginning to produce some meaningful results.

Momentum is key in our business, and it is momentum that is so obvious to me when measuring progress with our customer relationships, which has been great, while observing the focus of our sales and product management teams, which again is impressive, and finally while measuring overall product development and delivery, where we've made meaningful strides.

With our focus on single point of accountability, we're leveraging all of this momentum with our – and with our hard work internationally to help the overall business produce predictable results. With new products like QuikTicket beginning to get exposure, as we begin our iGaming journey by signing with Sci Games, we are better positioning ourselves for growth, not just from a product perspective but also from the perspective of providing stable level of cash flow moving forward.

It is this cash flow that has allowed us to delever and also repurchase 1.7 million shares of stock in the first half of this year. No less important is that our cash flow allows us to explore additional growth drivers, regardless of the past, be it internal investment in product, geographical expansion, like we've seen in Europe, or an acquisition that will further propel us towards our objective of being the most complete provider of cash management and payment solutions available to land-based and online gaming operators.

Once again, I cannot be more pleased in my first year here. I'm equally pleased with the performance this quarter and I'm encouraged with the momentum that the GCA team has created in the first six months of the fiscal year, which has positioned us well for success looking forward. So stay tuned as we believe there's more to come.

With that, I'll turn it back to the operator for some questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question is from the line of David Bain with Sterne Agee. Please go ahead.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Great, thanks. Guys, first congrats on the Graton contract and I think we can talk about that for a second. I understand it's a 4Q opening, so ongoing revenue will mostly impact 2014. But I got to be believe it's going to be a top 10 customer. I'm wondering why the kiosk sales in 4Q wouldn't impact guidance and if there's – when you add in the refi, is there something else that may be fell off during the quarter, or is this kind of a conservative outlook at this point?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Well, no. Remember our guidance is a range, David. And thank you, by the way for our – the congrats on the deal. It was hard-earned. So I think that guidance starts with a range, and we're still comfortable with that range. And every year, I think that we're looking at a guidance range we've done a pretty good job with so far, year-to-date. We've expected some things to happen, but there's also – there's puts and takes along the way. We've been projecting to you guys and sharing with you guys what's happened in the ATM space. So we're comfortable with the guidance. No need to make a change at this point. But obviously, looking forward to some good positive momentum.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Okay, great. And then, also congrats with the Sci Games contract and I know lottery is online now in Illinois and I'm wondering if you can provide any insight into I guess one, why you think Sci Games made the switch from their former partner, any kind of feel for that and any kind of color you can give us around the timing and economics as this begins to ramp?

<A – David Lopez – Global Cash Access Holdings, Inc.>: I think I'll start with, I really don't know why they made any switch. I would always hope that they just look at GCA and say that we're a great partner. Looking at the volume we do in land-based casinos and the commitment we've made through our partnership with Live Gamer and everything else we're doing in the brick-and-mortar space that we're just a trusted entity. So I'd like to believe that, that's the reason why. I don't want to speak for them, though. As far as contribution in 2013, I think that we won't see much in 2013, David. I think that we might see some activity, but I would think that most of what we see will come in 2014.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Okay. And then, just last one from me. If you could discuss the recent Court decision eliminating limits on debit transactions and I understand this can go in different directions as it relates to a cap, but if you can give us an idea as to impact to you, should it go one way or another or any kind of thoughts in general would be helpful?

<A – David Lopez – Global Cash Access Holdings, Inc.>: That's Mary Beth's favorite topic. So I'll turn it over to her.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Okay. All right, thanks.

<A – Mary Beth Higgins – Global Cash Access Holdings, Inc.>: Well I mean obviously there is zero really guidance about direction. But what I would say about this is one, it's going to take quite a while for everyone to mash this out, because whatever the Fed decides to do, likely it's going to end up getting appealed by either the financial institution side or the merchant side, if they don't think it's tight enough.

And I would also say all good news, good news for us. Certainly will reduce our debit costs yet again. But keep in mind for us, I mean for the average retailer, the drop from variable to fixed was meaningful, I mean meaningful.

For us the drop from variable to fixed was phenomenal. So the drop from a fixed number to a fixed number is going to be pennies a transaction. So whether it's $0.01 or $0.07, it's still pennies a transaction as opposed to the first drop, which was significantly bigger than that. So hey happiness, we're happy about it. But we're not going to predict when and how big it is. It's good momentum for pressure in all of the card deals. So we're happy.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Okay great. Well thanks guys.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Thanks, David.

Operator: Thank you. Our next question is from the line of Matthew Kempler with Sidoti & Co. Please go ahead.

<Q – Matt Kempler – Sidoti & Co. LLC>: Thank you. So first I was wondering for those not familiar with [ph] aside (0:23:36) could you educate us a little bit on the iLottery market?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Well iLottery essentially I think if you look at it like you just heard the last guy that called in, it's active in two jurisdictions right now. As I said in my quotes it's – or in my prepared remarks it's relatively young. The lottery business in the United States is huge. Sci Games, as I said again in the prepared remarks, 48 states they are working in right now. They have the lion's share of the scratch-off market.

And as lotteries in each state begin to legalize iLottery, the scratch-off market in particular I think will translate well to the online space. So it's early. It is early like I said. But I think that the size of the land-based market is enormous. And I think that Sci Games is just a wonderful partner. And we are delighted to be doing business with them, especially considering their market share.

<Q – Matt Kempler – Sidoti & Co. LLC>: Okay. And are there any other similar type of legal markets that you're pursuing right now?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Well traditional iGaming obviously will be a pursuit. But as you see traditional iGaming right now isn't moving at a blistering pace. We believe that it will move along and it evolve. And then we'll get to a point where we'll see it move much quicker than it is right now.

But I think that that's preparation, readiness, and all the different providers within the channel for iGaming, has to be A, licensable and B, ready. So I think that's what we're looking at is all the entities that want to get online, they need to make sure that they're working with reputable partners. Or it could cost their license or something to that effect.

<A – Mary Beth Higgins – Global Cash Access Holdings, Inc.>: And Matt there's something that was – there's something we talked about on the last call but couldn't get too aggressive about trying to explain to you. But they are using the whole e-wallet ecosystem. It's a very complicated multi-tiered wallet. And for the lottery system and it – as opposed to what's happening in the Internet-gaming space at least here in Nevada, where you have maybe an ACH, and then you got to go cash in at the casino case. And it's sort of a Band-Aid, sort of interim product before the iGaming space evolves into what it will be.

This space, the iLottery space, already exists. And it's got all the legal hurdles covered. So it's capable of using the complexity of what we really got into this for. And so for us it's – it couldn't be a

better partner. They are – they – we think they get it. They think we get it. And they are so forward-thinking and ready for whatever other challenges are presented, and they are really a big fan of the platform. So from us it's just a huge, huge step in the right direction.

<Q – Matt Kempler – Sidoti & Co. LLC>: Great. And then on the kiosk side, the strength we saw in the second quarter, was that primarily one customer or multiple casinos that have been upgrading? And can you just help us a little bit with your thoughts around linearity? Do we have a deployment backlog at this point, and maybe on the pipelines side, what you are thinking?

<A – David Lopez – Global Cash Access Holdings, Inc.>: I think, as far as the leverage goes, we've done a very good job delivering. I don't want to say that we've had any sort of backlog where we've been challenged to actually deliver to any of our customers. Linearity, it's going to be lumpy. When you look at the size of some of these deals, it can provide a little bit of lumpiness. But as you can see, we've been pretty consistent with the delivery of this product. This is a lot of customers. This is not one customer where we're delivering a high volume of products to you and then we don't deliver anything to any other customer. I think that this all goes back to G2E of, what was it, in 2012, when we were showing the products and the level of interest with every customer that brought – was brought into the booth was very high. And to the credit to our guys in the field, we've got sales and relationship managers in the field. They've been able to deliver the goods on these deals and then on our kiosk teams side, they been able to deliver. So no, we haven't had a backlog. It is multiple customers and it'll continue to be so along the way. Yes, there will be a little bit of lumpiness when you throw in a big deal here and there, but it's a high quantity of deals that we're getting done.

<A – Mary Beth Higgins – Global Cash Access Holdings, Inc.>: Yes, and I just might remind you too is when you have a big deal, like the Stations deal, it's best for all properties. Those are never delivered in any one – they're staggered for their protection and for ours, because they've got to do IT set up and all of those things. So most of those large deals are delivered over time.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Yes. They usually straddle a quarter when they're that big. As Mary Beth said, it's not – it usually is not due to the fact that we can't produce a kiosk and deliver it, and said, this is – for some – for these bigger companies, this is quite a project. This is a good number of units. So we are very happy with how things have gone, and we're very happy with our ability to deliver to our customers.

<Q – Matt Kempler – Sidoti & Co. LLC>: Okay. And then just regarding the core, at this point, more than halfway through 2013, have we still – are we still in the middle of negotiations for any 2013 contracts or we gone past that point here?

<A – David Lopez – Global Cash Access Holdings, Inc.>: I think that this is – I hate to sort of give you the same answer we always do because we're always in negotiations. There's a percentage of the business that we're working through consistently, all year long, every year and it never really stops. That said, from what's going on in 2013, and we will go all the way into 2014, we're very proactive in approaching our customers. We get out in front of these things before an RFP comes to us, and we make sure that we have – we've counted it before. We have six to eight touch points between us and every customer that we have, so we can ensure the best chances of winning those RFPs.

<Q – Matt Kempler – Sidoti & Co. LLC>: Okay, thanks. I'll get back in the queue.

Operator: Thank you. [Operator Instructions] Our next question is from the line of George Sutton with Craig-Hallum. Please go ahead.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Thank you. Congrats guys.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Thank you, George.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: So, David you'd mentioned demonstrable growth in the UK and that you're now at 40 locations. I know that's been a focus for you. Can you give us a sense of how significant the opportunity there might be and then also if you could discuss some of your other international opportunities?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Yes. Well, we – right now, that's sort of a European number. It's the broader European market. And keep in mind, those 40-plus locations, and I think it's somewhere around 47 locations that we've installed into over the last year, they are boutique-type casinos. These are not – they're not the Bellagio and they're not Caesars Palace, right? They're not enormous casinos.

We think that we continue to see some growth in that market, and there's various areas within Europe that we know that we can expand into. We just have to be patient and make sure that we do it right. Internationally, we keep hacking away at Asia to do the best we can, and we think that we have our methods and approaches to get into these markets and it just takes time to execute, much like it did in Europe. It doesn't happen overnight. But as our strategy plays out, and as we saw it play out in the European market, it's been successful. And we believe we'll see the same thing over time in Asia.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Now last quarter you mentioned that kiosk opportunities were fairly significant in the international market. Has that been some of the success we've seen from the kiosk side?

<A – David Lopez – Global Cash Access Holdings, Inc.>: It's a mixed bag obviously. There's some international in there. And obviously we're doing a – we're announcing domestic business with you. And obviously we are working very hard in the international market. But it's not all U.S. And going forward throughout the rest of the year it won't all be U.S.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Okay. You mentioned the cash flow flexibility that you have now and discussed potentially acquisitions, international expansion, et cetera. Can you just give us a sense of where you may be the most focused?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Probably a little early for that. And I think it's just something that we want to be careful with. We don't want to talk about anything too soon. Obviously were a gaming and payments company. So as I've said on previous calls, we've got a lot of options. We really do.

And with our capital position and the cash flow that we project over the next year, we know that we're capable of doing some things, but we want to keep our options open. I don't want to sit here and tell you, oh, we're so uber-focused in this one area. And then we make a decision and it happened to be a great opportunity in a different area.

So I think that as I've always said, we're in a business right now. We're online. We're going online that is. We're in the brick-and-mortar business. We're not just offering payment solutions, but we're doing – I call it cash management through the kiosk business. And we've got some great partners that we're working with.

So as we continue to really improve our business through those areas and release our new products, I think some of these other opportunities will become very obvious. And maybe we've already seen some that are becoming obvious. So we look forward to sharing more with you in the future, George.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Lastly if I could relative to the Graton win, did you – did that give you any good information about the competitive landscape that you could share?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Well it gave me great information about the competitive landscape, but I'm hesitant to share. But I think we learn something on every deal that we win. And I'd say that we certainly learn something on the deals that we don't win as well.

But we certainly learned a lot. And I think that I don't mean to just echo the prepared remarks, but what we have learned for sure is that with the product suite that we have and the fact that we have this single point of accountability that customers have been asking for and now we're certainly delivering it over the past year. And our kiosk business is – I think it's an understatement to say that it's hit its stride.

I think that's the biggest thing we're learning, is that that single point of accountability makes it much easier and a much more comfortable decision for our casino partners to choose GCA. Not only are we leaders within the market, but we have such a broad portfolio that it's hard for them to say, geez, why do I want to deal with two or three or more vendors when I can just – I can have GCA be a single point of contact? And sometimes they even say, I don't want to talk to anyone but one person. And then I want a backup number just in case.

And they love that. That's something they really enjoy, is that they can get treatment from one person and they also know they can get right on up through the system to the CEO and the CFO if they want to chat with us.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Perfect. Thanks, David. Thanks, Mary Beth.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Thanks, have a good one.

Operator: Thank you, our next question is a follow-up question from the line of David Bain with Sterne Agee. Please go ahead.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Great, thanks. I had to hop back on, ask about QuikTicket. Just any kind of data points you could give us with respect to customer impact at this point? Did it work to increase coin in? Can you give us maybe a broad idea of percentage of patrons that actually chose Ticket over cash? Anything that could kind of show where we're at at this point would be really helpful?

<A – David Lopez – Global Cash Access Holdings, Inc.>: So I will admit, David, I was shocked that you didn't bring up QuikTicket in your first round of questioning. So I'm glad you called back in. I would have been terribly like surprised.

I think it's been – QuikTicket's been interesting. When you release a product like this, and I view it as we're blazing a trail. It's something that's relatively new to this business. Obviously tickets are not new, but the way that we're doing this QuikTicket product is new. And we're blazing a trail. So there's a lot of learning to have happen here, from a customer, from a patron perspective, from a GCA perspective. We've got tons of data points, loads of them, David.

And actually they're all encouraging data points. As I said earlier we – there's no model standing alongside a kiosk saying, this is how you use this product. There's no customer service agent having to explain that this is what QuikTicket is and here is how you access it. I think that we are

very good at screen flows. We do a good job at presenting the product to the customer. And we haven't done any on-screen marketing or any flyers in the casino yet, any posters of any kind to explain the product, and people are opting for it. And that's a great start.

So we have loads of data. None of – I mean most of it would just being numbers, if I were to share it on the call right now. But we'll keep charging along here and at some point, we'll be able to share great numbers. But I think we'll get it in, in a handful of casinos so we can give you a broader base of numbers across more casinos.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Okay. Great, thank you very much.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Thanks for calling back and asking that David.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Thanks.

Operator: Thank you. Our next question is from the line of Danny Moses with Seawolf Capital. Please go ahead.

<Q – Danny Moses – Seawolf Capital LLC>: Hey guys, congrats on the two wins.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Thanks, Danny.

<Q – Danny Moses – Seawolf Capital LLC>: Just a quick question on the Sci Games contract. When I think about certain states, lottery is running the entire Internet gaming program, Delaware as an example. With SGMS buying WMS, so with that deal closing later this year, does that get you into the WMS? And when I think about iLottery, can I make an assumption that you'll also be in there bidding for online gaming as well non-lottery things? Thanks.

<A – David Lopez – Global Cash Access Holdings, Inc.>: No. I wouldn't – our agreement just doesn't give us any lockups there, Danny. It's a separate deal. And right now, being that, that isn't – hasn't all come to fruition, although I see where you're going with this. And obviously, we can be hopeful. Our job is to go out there and perform in this iLottery space. And as I've said to the team, we had to overwhelm everyone with the job that we do to create opportunities in every other area of iGaming, right?

So if somewhere on the other side of the wall sets the guidance in charge of iGaming and is involved in what is now the WMS entity, let's overwhelm them with service and being accountable and doing a great job and just really doing what GCA does well. So I see where you're going with it. It's not – that's not something that we just lock up in this deal. This is an iLottery deal. But I certainly see the direction that you're heading with it, and we've got to go out there and do a great job and win that business at some point, too.

<Q – Danny Moses – Seawolf Capital LLC>: Okay. And I would assume you're still also pursuing other avenues within online gaming down the road?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Of course. Now, this isn't the only thing that we'll do. I mean, the traditional iGaming space, we're pursuing it. We're obviously very excited about what could be there. But obviously, it's still moving a bit slow.

<Q – Danny Moses – Seawolf Capital LLC>: Okay. Thanks guys.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Thanks Danny.

Operator: Thank you. At this time, there are no further questions. I'd like to turn the call back to management for closing remarks.

David B. Lopez, President, Chief Executive Officer & Director

Thanks. I appreciate everybody calling in today and we'll look forward to next quarter with you guys.

Operator: Ladies and gentlemen, that does conclude the Global Cash Access Holdings, Incorporated Second Quarter 2013 earnings conference call. We thank you for your participation, you may now disconnect.

corrected transcript

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