PARTICIPANTS

Corporate Participants

David B. Lopez – President
Mary Elizabeth Higgins – Chief Financial Officer & Executive Vice President

Other Participants

David Bain – Analyst, Sterne, Agee & Leach, Inc.
George F. Sutton – Analyst, Craig-Hallum Capital Group LLC
Matthew J. Kempler – Analyst, Sidoti & Co. LLC
Chris Gamaitoni – Analyst, Millennium Management LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen. Thank you for standing by. Welcome to the Global Cash Access Holdings, Inc. 2012 Fourth Quarter and Full Year 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. This conference is being recorded today, Tuesday, March 12 of 2013. And I would now like to turn the conference over to [ph] Julie Yusgart (00:24), Treasury Director. Please go ahead, ma'am.

Unverified Participant

Thank you and welcome, everyone, to GCA's 2012 fourth quarter and full year earnings conference call. Joining me on today's call is President and Chief Executive Officer, David Lopez; 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 in the fourth quarter and full year 2012, as well as a review of 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 5:00 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 2012 and 2013; the anticipated impact of certain customers not renewing their contracts; flat to low industry growth; no significant or projected casino openings in 2013; anticipated significant increase in our kiosk sales and service business in 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; our current perspective and belief about our strategic alliance with Live Gamer; the implemented changes to rules and regulations regarding the interchange

corrected transcript

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.

For 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

Thank you, Julie. And good afternoon, everyone. After nine months on the job and amazing enough just over two months as CEO, I'm truly pleased to be here today discussing Q4 and 2012 results, our view on the current business and the coming fiscal year.

On today's call, we'll focus our time on the following five topics. First, of course, we'll take a quick look back at 2012. Second, we'll do an operational excellence – have a discussion on operational excellence and customer service. Third, product development and delivery. Fourth will be people and culture. And lastly, we'll talk about returning value to our shareholders. Now take a look back at 2012.

Clearly fiscal 2012 was a great year of financial performance driven by a slight recovery in gaming, Durbin and the re-acquisition of the Caesars business. Full-year EBITDA performance was the best since 2009. The fourth quarter and the year came in at the high end of our raised guidance, and same-store numbers were positive within the quarter. With the help of the Global Gaming Expo in October, we exited the fiscal year with good momentum in the sales pipeline for our Kiosk business. So with a positive fiscal 2012 behind us, we know we can't rest on our laurels. Our management team is highly focused on 2013, and having reviewed the previous year from an operational and product delivery perspective, we know we have a lot of work ahead.

Looking back at the last 12 months, it's much too easy to simply focus on our wins, the account renewals and positive financial performance as it was a successful year. But in order to improve our business for the coming years, we identified areas where there's room for improvement.

First example is where we have seen some margin degradation which is mainly driven by competitive pricing in the market for core cash access services. In this space, we have seen smaller competitors continue to push down margins in an attempt to gain business from single location accounts, mainly in tribal and smaller gaming jurisdictions that have a lower bar for licensing. In the primary or larger markets there's been some compression of margins, but to a lesser extent as evidenced by some recent renewals. Most disappointing over the last year or so is the loss of a couple of long-term customers; one from late 2011 and another, being Mohegan Sun, which happened more recently.

Although pricing tends to be a leading factor for customers to change service providers, there's rarely just one reason for the change. With this in mind, we've examined our product strategy and delivery, our account management and our tactical approach to winning deals. These are all areas that affect our win/loss rate with customers and our leadership team understands we must improve our thought process and execution in order to maintain current customers and acquire new accounts. This is where operational excellence and customer service are so incredibly important.

So let's go ahead and move to the second topic of operational excellence and customer service. Blocking and tackling fundamentals and customer first, these aren't just clichés or business jargon. They're what I believe are the foundations to a good business practice. Business fundamentals and customer service are high on my list of initiatives for 2013. And with the majority of my professional

experience in operations, product management and the launching of product, putting customer first is my top priority. These experiences are not just history for me, but they are indicators of where my focus has been with the team since joining GCA and even more so since becoming CEO.

A term we like to use when discussing customer service is operational excellence. In order to achieve our product or our customer service goals, we must expect excellence of ourselves, so that in turn our customers will expect the same. Being thought leaders in product strategy is extremely important and we'll continue to do so, but the fundamentals of business, committing to best practices and operations, and blocking and tackling aren't just imperative elements of customer service. They're necessary for strategic execution as well as being the foundation for growth be it organic or otherwise. Execution needs to be in our DNA and our senior management team is crystal clear on the objective and is focused on delivering.

Moving on to our third topic, product development and delivery. On previous calls, we've discussed product development, product strategy and how the integration of our product lines both existing and future will give us a competitive advantage. While I agree 100% that a full suite of cash access product coupled with a robust kiosk platform along with complementary products like QuikTicket and TableXchange are a benefit to our customers. We will be more prudent with how much detail we disclose until our products are delivered to the market. Because we are the only pure gaming payments company that is public, I believe it is not in our best interest to share tactical product information in our conference calls.

That said, we'll do our best to share high level vision and long-term product strategy, but we'll carefully limit our sharing of product details in specific launch dates when addressing these topics on calls. The most important aspect of delivering a new product to market is readiness to execute for the casino customer, and user friendliness for casino patrons. My aim is to keep our investors and customers informed and aware of our strategy assuring everyone we understand the needs of the market, and then we are über-focused on delivering on those needs.

In 2013, our product priorities are many, ranging from the upgrades of existing core products, to the establishment of our iGaming solutions. With our iGaming partner selected, improved technology and payments, leadership in the C-Suite and, of course, the fact that Nevada and New Jersey are moving forward to allow online gaming in their respective states we are focused in this business opportunity and has our full attention. Although some states are pushing forward on the legal front, it continues to evolve and many questions remain unanswered. We do know we will position ourselves to be an approved and licensed vendor for online gaming payments, capable of providing the most basic payment law or the most complex solution of the mobile wallet serving many purposes for both the online gaming operator and those in traditional land-based casinos. Undoubtedly, our aim is to once again be user-friendly for the gamer and the casino operator.

Our last topic before I turn over to Mary Beth is people and culture. In the last call I spoke about people and the importance of culture in the organization. Throughout this call you may have picked up on these elements as people are at the heart of every topic we have covered so far. Today I want to discuss the C-Suite, and how Scott Betts and I have worked over the last nine months to solidify the team. Although we discussed this previously, perfect example of focusing on the fundamentals with the hiring of Robert Myhre, our CIO, not only brings his experience in the debit – in prepaid card space, but he also presents to us with the ability to build a strong team, and recruit high quality talent in a technology space relevant for iGaming, and our core products. Rob has a great pedigree and has raised the bar for excellence in our operating group and R&D. Although there is a lot of work to do, I know we have the right CIO for the job.

More recently, we have promoted some outstanding talent from within the organization by elevating Scott Dowty for the position of Chief Marketing Officer. Scott with over seven years at GCA and 18 total years in the payments industry adds experience in a very high level and intensity to the team,

both being important for his position in leadership. With these two additions to the C-Suite, I'm confident that team can execute on our current endeavors and future business expansion opportunities. As previously indicated, I will continue to communicate regarding people and culture as they are the catalyst at every company. Within the C-Suite we now have a wealth of ops; finance, gaming, payments and tech experience all sitting around the same table. With these recent additions I cannot express how confident I am about the potential of our team members.

With that, I will turn it over to Mary Beth before I close in my last topic of returning value to our shareholders.

Mary Elizabeth Higgins, Chief Financial Officer & Executive Vice President

Thanks, David. Good afternoon, everyone. As David suggested 2012 ended at the high end of our revised guidance. 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 with $0.17 and $0.84 for the 3 and 12 months ended December 31, 2012 respectively. Average shares totaled $68 million and $67.3 million for the 3 and 12 month ended December 31, 2012. Adjusted EBITDA, which excludes noncash stock compensation expense, for the fourth quarter of 2012 with $16.4 million, a decrease of 18% for $20 million in the fourth quarter of 2011. Adjusted EBITDA was $79.3 million for the 12 months ended December 31, 2012, an increase of 29% from $61.7 million for the same period in 2011.

Looking at same-store cash to the floor our best indicator of industry trends, we have now seen positive year-over-year comparisons in both 2011 and in 2012. Overall gross in the same-store cash to the floor was approximately 2.9% for the year, and was 4.6% for the fourth quarter of 2012. We continue to see growth in our cash advance transactions in both number and size, up 3.5% in number of transactions and 4.1% for cash to the floor with a continued slight shift to PIN debit and ATM. And although ATM cash to the floor is up, absolute transaction volume is down slightly less than 1% indicating a growth in the average transaction side.

Before we look into some of the details behind the numbers, I want to remind everyone that the biggest impact to segment revenues for the fourth quarter and full year of 2012, for both cash advance and ATM was the inclusion of the MCA related contract that were acquired in the fourth quarter of last year. These contracts accounted for approximately 7% of the revenue growth in the cash advance segment for the year.

On a segment basis cash advance revenues, operating income and margin were $55 million, $15.4 million and 28% for the fourth quarter of 2012. This was a 6% revenue increase from Q4 2011 and cash advance operating income was up approximately 2% from the same quarter in 2011. The full year 2012 revenues operating income and operating margin were $227.5 million, $63.8 million and 28%. Revenue was up $11.6 from the prior year and operating income was up $25.3 million.

These were results to both the inclusion of new properties including the Caesars property as well as the impact of Durbin on our cost of debit transactions. On a segment basis, ATM revenues operating income and operating margin for the fourth quarter of 2012 were $69.8 million, $6.7 million and 10%. Revenue is down approximately $0.5 million from Q4 of 2011. The full year 2012 revenues operating income and operating margin were $303.2 million, $32.3 million and 11%. Revenue was up $19.4 million or approximately 7% as compared to the year ended December 31, 2011. The ATM margin decreased slightly in the quarter, and was primarily the result of increases in surcharges that were enacted by casino customers to offset the reverse interchange pass-through that came in Q2.

On a segment basis, Check Services revenue operating income and operating margin for the fourth quarter were $5.7 million, $2.9 million and 51%. Revenue was down approximately $800,000 from the prior year. Full-year 2012 revenues, operating income and operating margin were $25.4 million, $13.9 million and 55%. Operating income was down 1.9% from 2011.

In our Other segment, which includes primarily the results of kiosk sales and services and central credit operations, on a segment basis, Other revenues operating income and operating margin for the fourth quarter were $5.7 million, $2.9 million and 51%. Other revenue was $9.2 million for the fourth quarter of 2011, a decrease of $3.5 million. This comparison was difficult given that we had a very large casino opening in the fourth quarter of 2011 which resulted in strong kiosk sales for that period. The full 2012 revenues operating income and operating margin for the Other segment were $28.4 million, $14.5 million and 51%. This compared to $30.2 million in Other revenue for 2011, a decrease of 6% or $1.8 million. Operating income declined $351,000 or 2.4% from $14.8 million to $14.4 million. As we have indicated before, the timing of equipment sales is more difficult to predict given the fluidity of delivery dates and the delivery schedule, so this number can fluctuate quarter-to-quarter.

Corporate operating expenses were $18.2 million for the fourth quarter of 2012, as compared to $16.3 million for the same period in 2011. This was primarily due to higher payroll and related costs, $1.7 million of which was for CEO separation payments and $1.5 million of that $1.7 million was noncash. As compared to the prior year, for the full year 2012 corporate operating expenses were up approximately 7%, which was consistent with our expectations that corporate expenses would be up approximately 6% to 8% for the full year of 2012.

Looking to our guidance for 2013, the company estimates that cash earnings per share will be approximately $0.74 to $0.83 and diluted shares of approximately 67.2 million. This is a slight tweak from our preliminary estimates as we left room for some share count and interest expense variability. Adjusted EBITDA remains the same as our preliminary guidance and 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 no significant or projected casino openings in 2013. However, we do anticipate growth in our kiosk sales and service business in 2013. On an operating expense basis, we anticipate slight increases to SG&A due to the planned relocation of our corporate headquarters in early 2013 which will impact expenses as well as continued investment with respect to the company's technology, infrastructure and personnel.

Looking briefly to the balance sheet, as of December 31, 2012, our total borrowings outstanding were $121.5 million and our leverage ratio was approximately 1.69 times. Cash at the yearend was high at $153 million due to the calendar for new years, and limited banking days for settlement. This cash was increased was offset by a similar decrease in receivables. Our capital expenditures were $13.7 million for the full year of 2012. After considering the proceeds from sale of fixed assets of $900,000, our capital expenditures were only slighter higher than a revised guidance of $12 million.

Capital expenditures for 2013 are estimated to be between $14 million and $16 million. This is primarily due to costs associated with the development of our iGaming platform, continued product improvement and expenses in connection with our corporate office relocation in 2013.
With that I'll turn the call back over David for some closing remarks.

David B. Lopez, President

Thank you, Mary Beth. I'd like to close today with our topic of returning value to our shareholders in 2013 and beyond. Our third quarter call, we announced a share buyback program with a target of $40 million over the next two years. We also indicated our strategy to be in the market consistently so this program would be predictable for shareholders. Since that announcement we have repurchased the total of 519,000 shares. Throughout fiscal 2013, we will continue our buyback program in line with the strategy. The only caveat is if we identify more productive use of capital than buyback for debt repayment. This may come in the form of investments in the core business and acquisition or other opportunities. If any one of these initiatives were to be starting, it would require us to evaluate the level of buybacks, but not necessarily make a change.

Beyond our goals for excellence and executing on the plan in place, the team and I are intensely focused on shareholder value and the appropriate expansion of our business. With an improving balance sheet and strong cash flow, we're poised to make changes and take the appropriate steps towards GCA's future.

Fiscal 2012 was a solid year of financial performance and although we now transition into a challenging 2013, we do so with a newly assembled executive management team that is focused on delivering excellence to our customers and returning value to our shareholders. Personally, I'm not only excited to be here leading GCA, but I'm proud enough about the team, the products and our potential for the future.

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

corrected transcript

QUESTION AND ANSWER SECTION

Operator: Thank you, sir. We will now begin the question-and-answer session. [Operator Instructions] Our first question comes from the line of David Bain with Sterne, Agee. Please go ahead.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Great. Thanks. You know, first I was hoping just to go in again on that tweak made to the low end of the guide and, I guess, as David remarked, does that relate to the conservatism on potential repurchases in case of some compelling investment? And if that's the case, can we get your overall thought process on acquisitions or investments and them being accretive or strategic? And just how you think about that big picture?

<A – David Lopez – Global Cash Access Holdings, Inc.>: I think I'll start with your second part of the question, then I'll turn it back to Mary Beth for your first part. So on acquisitions, I think there's probably three types of acquisitions. And right now I don't know about a thought process to share with you because we haven't identified anything in particular, but obviously there's the good old tuck and run where it's something small, we can grab it and run with it and it's going to be accretive and it's going to be easy and it'll be something easy to assimilate for our operating group. Sort of the more moderate-sized acquisitions that we'd have to be a lot more thoughtful about, consider the impact of the operating team and then there's obviously more transformative ones.

But at this point, David, I think it's – I've been here nine months. I've been 2.5 months on the job as CEO. It's certainly a focus. I think it's part of good fundamentals of business and certainly of growing businesses. And I think that at the appropriate time, we'll share more thought on where we want to go with acquisitions. So with that I'll kick it back to Mary Beth for that first part of your question.

<A – Mary Beth – Global Cash Access Holdings, Inc.>: Yeah. We just honestly tweaked the cash EPS because there are many more variables in that than the EBITDA. Originally with the preliminary estimates we lined it up pretty tight with the EBITDA, but the reality of it is given interest rate environments and stock volatility, we could buy back more, we could pay down more debt, we could refinance the debt and lower the interest, I mean there are some variables in that, that aren't actually in the EBITDA number. So we just gave ourselves a little bit of range around those topics, and it was probably a step one way or the other.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Okay. Great. And then just two more if I could, one would be on the – your partnership status with the casinos in states where online gaming framework is legal. Assuming these guys do go live and have potential full legislation, one would think that the integration period could begin ahead of that point. And I guess the question is when formalities could begin with operators on the interactive front?

<A – David Lopez – Global Cash Access Holdings, Inc.>: You know that's a good question, David, and it's something I think that has come up now a couple quarters in a row. And interestingly enough, I think on the last call that we had, someone asked specifically about one of the leading casinos that want us to be out in front of this in Nevada. And they wanted to be in the market September-October, and here we sit March 12 and they're still not in the market, and I'm not sure when they're going to be in the market.

So discussions are underway, and I think that's the most important part right now, is that we're getting in front of customers, we're sharing with them our vision, how that vision on the online space and our e-wallet integrates with the brick-and-mortar casino. And I think that's the most important thing for us right now, because we obviously have our core Cash Access business, we have our Kiosk business and the Casino, which is a nice entry point and a way to interact with the e-wallet if you're an online gamer, and of course the Online Gaming solution. And as I said in the

prepared remarks, anything from a payment wall to the full-blown e-wallet is what we're focusing on.

And again, just, I think that to get out there in front of our customers, keep them aware of our game plan, be aware of how they want to look at the business, and really use that feedback as a way to shape our strategy going forward. But I'd love to say that it's right now and everything's here and now, but you probably know the casino we're talking about. And again, they're well behind schedule, that's right here in Nevada.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Right, okay. And then just a final one, if I could, on QuikTicket, and I understand your sensitivities there, but it was said that if the product's in beta, you would announce it. Is that, one, still the case? And then, two, I was hoping just to hear your big picture on pricing power as it relates to that product, if I could.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Well, I think that – I think our bolt-on products and our Kiosk business could afford us some pricing power, and I'd be careful with the word power there. It affords us the ability to go into the casino and maybe be a leader in an RFP, or be the top pick in an RFP. But we may not be, and probably are not, the cheapest option for them. So the casinos would be looking at us as more of a strategic option than just a pricing option. So I think that's, when you look at our bolt-on products, QuikTicket being one of them, as far as your first part of that question, just to make sure that I answer it and I don't just forget about it, is that yeah, we will share with you when we have, I'd say, a couple installs in the market.

And what's really important, Dave, and I think you know my history and you know, sort of, my upbringing in the vendor space. And to me, the most important part is, again, in my remarks earlier, is that the product's ready, it's to our satisfaction, that it's going to be user-friendly for the casino patron, and that reporting in every piece of the interactive elements of that product are what we want it to be, and what our customers, the casino operator want it to be before we really talk about it too much on the conference call. So there will be a point, yes. We'll share it when we get a couple of installs. We're not quite there yet. When we get comfortable, we'll definitely share that with you.

<Q – Dave Bain – Sterne, Agee & Leach, Inc.>: Okay. Great. Thank you, guys.

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

Operator: Thank you. Our next question comes from the line of George Sutton with Craig-Hallum Capital Group. Please go ahead.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Thank you. David, just to close the loop on that last question, you talked about going in more strategically to sell. And I'm just curious if you'd give us an update on your comfort now with the sales force ability to sell at that more strategic level and the signs you're getting back from customers?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Well, I'll start – let me just start with the sales force. And you know I talk a lot about people. I love our sales force, I do. I think that our sales force, coupled with we have an executive pairing program where we go out and each executive, VP and above or senior VP and above gets coupled with a salesperson in the field. And so we're not just running point through the sales person, but we're actually running point with executives out in the field. So Mary Beth has an account or two, I have a few accounts, and we go out and visit these people. And what I'm happy with is the decision makers that we can get in front of.

So again, I've been in the business over 15 years and this is a sales force and the leadership, and I mentioned Scott Dowty and others. They can get us in front of the decision makers. I'm getting in

front of anything from a director of finance, CFO, COO and at times even higher in the organization. So I'm very pleased with who we're getting in front of and I think that we'll continue to get better through some of the things that we're doing in our sales program, to be more strategic in our selling. But we are certainly strategic, especially being the fact that we have a Kiosk business. We have a fully integrated business, and you know in the coming future we'll have an e-wallet too for the online space.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: So you mentioned early in your prepared remarks that you're seeing good momentum in the kiosk area. And I wondered if you could give us a little more detail there, and specifically international opportunities you're seeing.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Yeah. You know that's a very good question, especially on the international front. You know we have some international opportunities on kiosks. It is not the size of our domestic business by any stretch. A big focus for me right now is the kiosk business overall. Efficiencies in the operations side, how we sell it, how we package it you know. And certainly domestically the funnel is doing fantastic.

Internationally, I think that there's opportunities. There might be some in Latin America. There certainly are some in Asia and I'm going to say Asia more broadly instead of just saying Macau. We have opportunities out there. So international overall is something that we want to focus on. It's definitely one of the focuses for our chief marketing officer. He understands the need to grow the international business. It's an area that I spent a good bit amount of time in my career. So nothing specific for you, but it is a focus for both Scott Dowty and myself and I'm sure I have some international trips in my near future.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Then lastly for Mary Beth, the – could you just give us a sense what sort of comp store assumptions are you making in your guidance and with respect to the kind of the proactive move you're taking in terms of assuming some changes in future pricing, can you just give us a sense of what your thought process is there?

<A – Mary Beth – Global Cash Access Holdings, Inc.>: So, the base business we're looking at low single digit growth in kind of in across product lines, probably ATM less so than cash access just based on the same-store trends. Part of why I give you those same-store trends is so that you can see kind of what we're seeing. It's not necessarily a predictor, but it gives us a sense of momentum and there's really no metric for us to use except gaming revenue and gaming outlooks that we get which are pretty much across the board, kind of flat for 2013, really low single digits to flat in some jurisdiction. So the top line is really pretty modest growth.

And in terms of the margins, I think what we're trying to prepare you for is the guidance for 2013 absolutely takes into consideration some of our belief either about the reality because we've done some of these at the end of 2012 or some preview into 2013 that we've baked into our forecast based on what we already know as most of you know as you're preparing for renewals. They happen. Generally, the discussions happen well ahead of the actual renewal, so we have some visibility into those negotiations already. So for those that we had, we baked them in and really between those compressing margins and the fairly large Mohegan move, those are really what combine. I mean if you do a little bit of margin tweak and then throw Mohegan in and you get to our number pretty easily.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Got you. Thanks, guys.

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

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

<Q – Matthew Kempler – Sidoti & Co. LLC>: Thank you. So first I just wanted to get your perspective on what's changing the landscape that the competition is intensifying at the local level with the smaller players?

<A – David Lopez – Global Cash Access Holdings, Inc.>: You know that's a good question as far as like what's changing it in particular, I don't know. I don't sit on their side of the fence and I don't really know how they formulate their plans or even what really they're getting into and so I can't get into the mind of competitors and some that appear to maybe be doing business at a very skinny or no margin. So, what motivates that? I'm not sure. I think they're just trying to maybe get out there and get a little bit of business and get some momentum. But I don't really know that I can comment on it that much. I mean I track the competition very closely. We have a very good idea of what their products are, what their strengths and weaknesses are.

But again, I think what they're aiming for is more of just to get the casinos to make a tactical pricing decision. And to stay away from high level strategic decisions that would involve a company like GCA where they know that we have a full product suite and we're going to have an Internet solution and an e-wallet. So I think that they're taking it from a tactical point of view and trying to drive them away from long-term strategic decisions.

<Q – Matthew Kempler – Sidoti & Co. LLC>: Okay. And then you listed earlier a number of the strategic priorities for GCA. I'm wondering from your view, what do you think are the most important priorities that will help protect market share if you were to prioritize them? What will help protect the market share and preserve the margins? What do you need to implement first?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Well, I think the execution on technology and operations it's probably unfortunately just lumped into number one. The team would probably tell you I have five number ones. So I don't know if I can prioritize them for you, but I think execution and technology side, execution on the operational side and getting back to a question earlier which was regarding how we sell our products with the sales team and how we turn those into strategic sales and at the right level with customers. These are all very important. They really all go into the pot and something that we look at very closely and we review regularly. And when we don't have success, we always do a post-mortem and go through exactly what happened, why we think a deal didn't happen.

We sometimes we're just making suppositions but we're really piecing this thing apart department by department that touches customers or has an effect on our products. So that's development, that's operations, that's customer service and that's sales and marketing and it goes right up to the executive team in the C-suite where we're out visiting customers.

<Q – Matthew Kempler – Sidoti & Co. LLC>: Okay. And then shifting over to iGaming, I know things are still in progress but are customers today at the vendor selection stage? And if not, when does that start to happen?

<A – David Lopez – Global Cash Access Holdings, Inc.>: I think that it's early for most customers to be in the vendor selection stage. I think some of them would really like to be in that stage. In reading the tea leaves on when that will happen, it's still hard. It's still early to say when Internet's going to take off. We know it's going on in Nevada and New Jersey. You know we heard some sort of grumblings today about some legislation for Pennsylvania. We heard earlier in the week about Illinois. So everybody's getting moving on this, which perhaps is just a good thing because it may push this to a federal level if enough of the individual states start to take action.

Liquidity's important. So there's going to have to be compacts between states. And I think that if it gets to the federal level, that's when we'll really see traction and that's when we'll really see

customers in their readiness stage to work with GCA and to make a selection on an e-wallet. But I think it's just – I think it's early. And I think our job right now, back to what I was saying earlier, is just stay in front of every customer that we know wants to have an online solution, and make sure that we're at the forefront of their discussion and that they understand our strategy long term.

<Q – Matthew Kempler – Sidoti & Co. LLC>: Okay. And then just lastly, I think it was this time last year or maybe it was the third quarter call, I'm not sure, where management said based on our contract discussions, and we've already signed, we have about 80% visibility into our 2012 revenue. I'm wondering if we have – if you feel like we have similar visibility today, or if the discussion's a little bit more backend loaded this time around.

<A – David Lopez – Global Cash Access Holdings, Inc.>: I probably wasn't here for those discussions, but so – I'm sorry, can you clarify that a little bit...

<A – Mary Beth – Global Cash Access Holdings, Inc.>: I know what he – I know what he...

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

<A – Mary Beth – Global Cash Access Holdings, Inc.>: I know what he's referring to. I just don't have the metric. I mean we had – we had early last year signed a couple of things earlier and really had what – I mean just so we put this in perspective. What we normally would have every year is something 30% to 35% renewal. We'd already signed ahead a portion of those. So we felt maybe there's only 20% of those still out there during the year. I don't really have that metric. I didn't do the work on it. I don't think that they're any more front or backend loaded. We're doing a lot of – like I said, we have a lot of pre-work done on some of those. But you know you hate to jinx those, right, Matt? You just say...

<Q – Matthew Kempler – Sidoti & Co. LLC>: Yeah.

<A – Mary Beth – Global Cash Access Holdings, Inc.>: Say I'm not going to count them as a done.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Yeah. And so I – now I see where you're going with the question and yeah, Mary Beth's right. You know about a third of the business every year is up for renewal. And I don't have that metric in front of me either. We do have our entire list of what's up and coming, but we just – we don't bring that on the call with us here.

<Q – Matthew Kempler – Sidoti & Co. LLC>: Okay. All right. Thank you.

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

Operator: Thank you. [Operator Instructions] Our next question comes from the line of Chris Gamaitoni with Millennium Partners. Please go ahead.

<Q – Chris Gamaitoni – Millennium Management LLC>: Hi. Thanks for taking my call. Could you give me an insight into who may be a competitor in the virtual wallet product and, kind of, what the barriers to entry or competitive dynamics that you foresee in that solution being?

<A – David Lopez – Global Cash Access Holdings, Inc.>: Well, that's a very good question. As far as the competition, we track them pretty closely. And we try to track exactly what they're going to be offering, and that's a big spectrum of what, like, competition could be. And we really don't know what all the regulations are just yet. We know that in some instances, you might need a money transmitter license. In some instances, you're definitely going to have to be licensed in

Nevada or New Jersey. And we haven't really seen which one of those jurisdictions will be the tightest yet on regulations.

As far as who the competition is, I think that if you go out and you look into the online world outside the U.S., some of those people may try to come into the domestic U.S. business. I'd hate to mention any of their names on the conference call and give them any free press, so I think I'll just refrain from that. I do apologize. But they're out there. We study them. We watch them very closely. And what we're trying to do is make sure that between alternative payments, simple payment walls, and a full e-wallet solution, that not only performs its job in the online space, but can cross over into the brick-and-mortar casino, we would just like to be a one-stop shop for that and make sure that our customers know that we can not only meet their needs on the brick-and-mortar side, but we can do it online as well.

<Q – Chris Gamaitoni – Millennium Management LLC>: Thank you. And has there been a significant focus from the limited regulatory discussions you've had about – I just see anti-money laundering issues become probably the biggest issue from a regulatory perspective for this space, and how that kind of feeds into the foreign counterparties.

<A – David Lopez – Global Cash Access Holdings, Inc.>: Yeah. I think that – I think it is a big deal, and I think it probably should be a big deal. And I think that, as the regulations come out, obviously GCA, we root for the appropriate regulations in all these areas. Know your customer, anti-money laundering. And we obviously think that the bar should be relatively high for the online space versus brick-and-mortar, but we'll wait and see how that goes. And obviously we're in very close discussions with each jurisdiction right now.

<Q – Chris Gamaitoni – Millennium Management LLC>: Right. Thank you so much.

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

<A – Mary Beth – Global Cash Access Holdings, Inc.>: Thanks.

Operator: Thank you. And those are all the questions we have for today. Ladies and gentlemen, this concludes the Global Cash Access Holdings, Inc., 2012 Fourth Quarter and Full Year Earnings Conference Call. We thank you for your participation today, and you may now disconnect.

corrected transcript

Disclaimer
The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2013. CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.