PARTICIPANTS

Corporate Participants

Scott H. Betts – Chief Executive Officer, Secretary & Director
Mary Elizabeth Higgins – Chief Financial Officer & Executive Vice President
David B. Lopez – President

Other Participants

David Bain – Analyst, Sterne, Agee & Leach, Inc.
Timothy Wayne Willi – Analyst, Wells Fargo Advisors LLC
Ira L. Unschuld – Portfolio Manager, Brant Point Investment Management LLC
George F. Sutton – Analyst, Craig-Hallum Capital Group LLC
Bryan T. Sekino – Equity Analyst, Brant Point Investment 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 Second Quarter 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, August 7, 2012.

And I would now like to turn the conference over to [ph] Julie Yusgart (01:39) Treasury Manager. Please go ahead, ma'am.

Unverified Participant

Thank you and welcome, everyone to GCA's 2012 second quarter earnings conference call. Joining me on today's call is Chief Executive Officer, Scott Betts; Chief Financial Officer, Mary Beth Higgins; and President, David Lopez.

On today's call, Scott will give an overview on the company's progress and then Mary Beth will provide a brief update on our financial performance in the second quarter and review our guidance for 2012. Following these comments, we will be happy to take questions.

A few important items before I turn it over to Scott. 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 p.m. 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 kiosks and gaming industry for the second half of 2012 and future periods, our current perspective on the Internet and social gaming landscape, our current perspective and belief about our pending strategic alliance with Live Gamer, our belief that we are positioned to grow our business in 2012 and beyond, the impact of the MCA asset acquisition on our business, the impact of the Durbin Amendment, recently implemented changes to rules and

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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, our product pipeline, 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 Scott.

Scott H. Betts, Chief Executive Officer, Secretary & Director

Welcome, everyone. Before we get started today, I'd like to take a moment and formally introduce David Lopez, who as you know, has recently joined the leadership team at GCA. I'm very pleased to have him as part of the GCA business. I've known him for a few years now and have a lot of respect for his leadership, results and experience gained during his tenure at Shuffle Master.

As you will hear, our business continues to grow and expand so David's talents fit well and will help us drive the business forward to new level. David will be part of the Q&A session so you'll have some chance to start to get know him.

Now on to our quarter's results. We're very pleased with the strong results for the second quarter of 2012. Second quarter results were strong with adjusted EBITDA of $21.4 million, up 50% and cash EPS of $0.23, up $0.11 versus second quarter of 2011. Year-to-date results were adjusted EBITDA of $42 million and cash EPS of $0.44, up $0.23 versus the first half of 2011. Clearly, this year is off to a good start. We have confidence that our results for the year will be within the expected range of guidance that we gave for 2012. Recall we stated an adjusted EBITDA target of $73 million to $77 million and cash EPS target of $0.76 to $0.82 for the year.

Like many operators, we do see a modest deceleration in the sequential same-store growth in this quarter versus last quarter, which I'll get into momentarily. Even with this cautionary note, we are reaffirming our prior guidance for 2012. In fact, if market conditions hold as they were in Q2, we believe we will trend towards the higher end of our guidance range.

So for perspective on the market growth for the remainder of 2012, let's look at it as follows. We've seen – we've all seen a mixed bag of results from casino operators in reported jurisdictions, particularly around the slowdown of Q2 in same-store growth. And as you'll see, it has slowed. However, I also think the data is a bit misleading when considering the health and strength of GCA's business.

A significant driver in these reported results is the impact of the new casino openings have had on a few state jurisdictions, Rivers in greater Chicago, Resorts World in New York, the opening of Ohio and Revel are all game changers in their own right. While these new casinos have had a cannibalization effect on the same-store sales of existing casinos in these markets, it's important to note that new casino opens have – openings have driven overall gaming growth in these markets. We see this as a positive for GCA because in the end it is expanding gaming in U.S. and that's good for GCA.

I think some quick numbers will further demonstrate this concept and provide a clearer view on the underlying growth rates that GCA is seeing. First let me state that all growth numbers here are dollars to the floor, the measure that we've consistently used. If we look at total same-store numbers for all states as we usually report, the same-store growth numbers for Q2 would be essentially flat, at plus 0.7%, down from plus 4.6% in Q1. Taken on its face, this certainly is a significant drop. But if we simply remove the five states that are the most impacted by the new

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openings, the remaining vast majority of geographies, the steady-state geographies, if you will, same-store growth trend is a very reasonable plus 3.3%; yes, down modestly from Q1, but not out of normal variation and certainly, within range of our guidance.

Now, if I add back those five states with the new casino volume, then GCA's effective growth rate, excluding MCA contracts, of course, goes up to plus 4.9%, again, well within our initial assumptions for 2012. In effect, these new properties are delivering higher sequential growth contributions, offsetting the modest slip in some same-store numbers.

So as you think about GCA's business, our share of casinos and new openings, we need to look not only at total segment growth, but also same-store growth together; at least in this extraordinary period where we have so many significant new openings. So the growth picture is much more stable for GCA, we're comfortable with Q2 growth rates, but certainly we'll keep an eye on them over the next two quarters.

Cash EPS and EBITDA growth were driven by additional contracts we acquired with the MCA acquisition, new casino openings, the stable results in our core portfolio, the positive impact of our cost structure on recent card association changes. Of significant note, we are seeing a real improvement in the trend in our transaction mix with debit growing two to three times our overall growth rate. Again this is good news for GCA and is a key driver in our margin improvement over and above the additional forecasts that step up from Durbin.

For the remainder of 2012, we see the story being essentially the same. MCA acquisitions will continue to perform at or above expectations. We expect to see continued growth from new casino openings, a modest but growing contribution from our UK start-up, which while very early, is meeting and exceeding expectations and a relatively stable same-store growth trend in the low-single digits for the year.

A quick word on Western Money business. You will see this quarter's numbers in our all other segments coming up and we expect that trend will continue in Q3 as we ship the orders we have on the books. I admit I'm a bit concerned about Q4 as the sales cycle feels a bit sluggish as operators look for more clarity on the year and appear to be constricting some of their capital budget decisions. We are projecting a – but we are projecting a year-over-year increase of 30% plus in units shipped and these minor – pluses and minuses are baked into our reaffirmation of our 2012 guidance. We continue to improve our operations and strengthen our organization and believe contract signings and renewals are on track for the remainder of the year.

Now on to the more exciting news for the call, I'm pleased to announce that GCA has entered into a Letter of Intent to form a strategic alliance with Live Gamer, one of the leading independent providers of monetization technology and services to the digital entertainment and online gaming industry worldwide. Their products include virtual currency E-Wallet; marketing; payments and analytics.

We believe this is a great fit for GCA and Live Gamer as it combines their cutting edge technology, expertise in social gaming, access to a potential new customer base outside the classic casino operator, while building off GCA's strength and leadership and compliance, Cash Access products and the connectivity to 75% plus of the casino operators in the U.S.

So why are we so excited about this partnership? First, I think it's the overall approach we're taking, not of just bringing in a partner that has the scalable proven wallet, but a partner that has deep understandings of the player, customer, and technology challenges driven by the explosion in social gaming over the last few years.

As we stated last time, we believe deeply that the industry will not just pick up where it left off in 2006. To assume that, would be to miss the trends in social gaming, the state of online payments today and the forward progress of technology. We believe the right solution for GCA to bring to the marketplace is one that provides our customers with an end-to-end solution that not only addresses getting funds on the wagering site, but allows them to integrate social gaming, the monetization of virtual currencies and brand expansion with the benefits of a seamless connection between the Internet and the brick and mortar world of traditional casinos.

We believe this will be increasingly important to the sites and companies that will eventually be successful in this space. We believe this approach complements GCA's strategy of integration, the added value of media and analytics and there's leadership we're taking in a broader view of the role that GCA can play in helping our customers succeed.

Second, we believe this is the unique, powerful and impressive set of capabilities we'll bring to the market. Only a combination like this can deliver on this vision and we don't see anyone else having that today.

Third is speed to market we can achieve. This has been an ongoing effort between the two companies for the past several months. So we fully expect to have the first wave of functionality delivered by the end of the year. While functionality may be somewhat limited, it fits nicely with our strategy of first mover advantage and growing with our customers and early adopters. We expect to be able to roll out more robust integrated functionality in 2013.

We will have more to share on this as the year goes on, but we feel this is a big leap forward in the solution set that we're able to bring to our customers. Just to note, deal terms will not be disclosed as they will not be material from a beneficial perspective and we are – and are also subject to the parties finalizing and completing the definitive agreement. However, Mary Beth will give more color on the cap – on capital usage and the increased operating expense we expect moving forward in the second half of 2012.

So with that, I'll turn it over to Mary Beth now.

Mary Elizabeth Higgins, Chief Financial Officer & Executive Vice President

Thanks, Scott, good afternoon, everyone. As Scott suggested, the second quarter of 2012 continued to produce strong results for GCA. I'll provide a quick review of our results for the three and six months ended June 30, 2012. We remain on target to meet our estimates for 2012 cash EPS and adjusted EBITDA. Our cash EPS, which again is defined as net income plus equity compensation expense plus deferred income tax expense plus amortization divided by diluted shares outstanding was $0.23 and $0.44 for the three and six months ended June 30, 2012, respectively. This is with a slight increase in the average shares outstanding. Shares currently total 67,383,000 and 66,786,000 for the three and six months ended June 30, 2012.

Adjusted EBITDA again, which excludes non-cash stock compensation expense, for the second quarter was $21.4 million, an increase of $7.1 million or 50% from $14.3 million in the second quarter of 2012. Year-to-date adjusted EBITDA was $42 million, an increase of $13.6 million or 48% from $28.4 million for the same period in 2012.

Before we look into some of the details behind the numbers, I want to remind everyone the biggest impact to segment revenues for the second quarter of 2012 for both the cash advance and ATM segments was the inclusion of the MCA-related contracts that were acquired in the fourth quarter of last year. These contracts accounted for approximately 9% of the revenue – net revenue growth in each of these segments for the year-to-date numbers.

On a segment basis, cash advance revenues, operating income and operating margin were $56.7 million, $16.8 million and 29.6% for the second quarter of 2012. The six-month revenues, operating income and operating margin were $115 million, $32.6 million and 28.3%. The sequential increase in cash advance margins over the step-up we have seen from Durbin was a result in the growth in the volume of our PIN debit transactions during the quarter which improved our transaction mix.

On a segment basis, ATM revenues, operating income and operating margin for the second quarter of 2012 were $76.6 million, $8.7 million and 11.4%. The six-month revenue operating income and operating margins were $157 million, $17.7 million and 11.3%.

On a segment basis, Check Services revenue operating income and operating margin for the second quarter were $6.6 million, $3.8 million and 57.6%. The six-month revenue operating income and operating margin were $13.1 million, $7.2 million and 55%.

Our other segment includes primarily the results of Western Money and Central Credit operations. On a segment basis Other revenues, operating income and operating margin for the second quarter of 2012 were $7.6 million, $3.8 million and 50%. The six-month revenue operating income and operating margins for the Other segment was $13.4 million, $6.9 million and 51.5%. The timing of equipment sales again is difficult to predict given the fluidity of delivery dates, but the delivery schedule for third quarter is strong and as Scott alluded to, may be slightly softer than planned for Q4.

Corporate operating expenses were consistent with the previous year at about $17.1 million for the second quarters of both 2012 and 2011. From a run rate perspective, this is approximately $1.5 million higher than the first quarter of 2012. This was primarily due to higher payroll and related cost, including non-cash stock comp, taxes, travel and related cost and loss on disposal of assets.

As compared to prior year, for the six months ended June 30, corporate operating expenses are up approximately 6% and we continue to expect corporate expenses to be up approximately 10% for the full year, which is consistent with the 10% increase we provided in our 2012 guidance. We also expect corporate operating expenses to be impacted by our new strategic alliance with Live Gamer and our planned relocation of our corporate headquarters in early 2013.

After a very strong first half and our confidence in the remainder of 2012, we are reaffirming our guidance. Since we are running somewhat ahead of our estimates for the first half of the year, you might be wondering what the follow fall off in the second half is. We already discussed the deceleration in segment growth, while it still supports our guidance for the year, it will not be as high as we saw in the first half. We also expect that Western Money will slow in Q4 and could negatively impact our operations by $1 million to $1.5 million, and OpEx increases, which we estimate could be slightly higher for the last six months of the year by again about $1 million, $1.5 million in support of the Live Gamer transaction, as well as our move into the new offices. These two areas will total somewhere between $0.02 and $0.03 per share in the second half, getting us back to our original guidance range. We'll have certainly a much clear picture of that by the Q3 call.

Based on these expectations for the remainder of the year, we then continue to reaffirm our guidance for the full year at $0.76 to $0.82 cash EPS and adjusted EBDITA of between $73 million and $77 million.

Take a look briefly at the balance sheet. As of today, our total borrowings outstanding were $130 million and as of June 30, 2012, our leverage ratio is approximately 1.8 times based on our outstanding debt level currently of $130 million. At June 30, 2012, our cash was approximately $40 million and our CapEx was about $5 million for the six months ended June 30, 2012.

We anticipate that CapEx for the full-year of 2012 may exceed our previous target of $6 million to $8 million by as much as $3 million to $4 million. Therefore, we'll be increasing our CapEx guidance to between $9 million and $12 million. The reasons for this increase are 1) the capital requirements for our new strategic alliance and development of our iGaming product suite and 2) some capital costs that we might incur towards the end of the year that are associated with the planned relocation of our corporate offices in early 2013. Again, our lease is up in early 2013 and we plan to move to our new location but some of those capital expenditures may impact the fourth quarter as we ready for the move.

That's all I have for right now and I'll turn that back over to Scott.

Scott H. Betts, Chief Executive Officer, Secretary & Director

Thanks, Mary Beth. So in summary, we continue to make good progress on all aspects of our business and we continue to post solid results. Our Western Money kiosk business continues to be a solid acquisition, not just in terms of the units and profit contribution, but also strategically. Our very young relaunch on UK is right on track. We are building momentum in our development capabilities and product launch cycles, both for new products as well as our core product upgrades. As I discussed earlier, we couldn't be more pleased with the choice of Live Gamer as our strategic partner for the development of our iGaming platform. And I encourage all of you to learn more about this very exciting and innovative company at www.livegamer.com.

Our strategy and plans remain focused and consistent with those we've shared previously: 1) to deliver the product pipeline, specifically Internet opportunities and cash management products; 2) to continue to improve on all facets of our customer service; 3) to build the foundation for international growth focusing first on the launch of the UK and then developing the Asia region; and finally, find, foster and execute technology partnerships and acquisitions to grow and expand the company. I think you will agree we're making good progress across all these objectives.

Finally, on a matter unrelated to our earnings, as you probably saw the company filed an 8-K disclosing my intent to opt to adopt a 10b5-1 plan. As many of you know, I'm rapidly approaching the age 60 and I wish to implement some financial retirement estate planning measures that involve reducing my concentration in net wealth in the company's stock. I wish to undertake these transactions – these financial planning measures in a way that is transparent and orderly. Some of the terms are disclosed in the 8-K we filed today and I want to point out that the shares that I'm selling will represent a minority of the shares that I beneficially own.

I want to be clear that this is all about my personal planning and there is no date certain for my retirement or leaving the company. If and when there is any change in my status that decision will be handled the way I've tried to handle everything else under my tenure with thought, planning, transparence to the outside world and with the company's best interest in mind.

I can't tell you how excited I am about what we've done with this company over the past few years and the opportunities ahead, including working with Live Gamer and our new expanded management team and I'll remain focused and excited to deliver on those objectives.

So with that, I'll turn it over to operator for questions. Thank you.

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QUESTION AND ANSWER SECTION

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

<Q – David Bain – Sterne, Agee & Leach, Inc.>: Can you give us a little color on how things will likely progress post the iPoker operator licensing in Nevada as they enter their technical review process and your role there?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: David, I'm not quite sure what -

<Q – David Bain – Sterne, Agee & Leach, Inc.>: Will you be part of the process with the individual operators going through that technical review process with them hand in hand or how will that work? Do you partner up before that?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: I think it will be a mixed bag of how we do it. I think the technical standards and requirements as we move forward actually are being created as we speak. We certainly fully expect to have our system platform, our technology, our code and so forth have to go through the same kind of testing that you'd expect anybody else's to do. As we hopefully develop this business and have firm contracts in place, I think we're kind of – probably be on the leading edge or sorting out how that works with the regulatory bodies. But at this point in time, we're fully expecting that we'll go through the same kind of rigor that the site providers will have to go through.

<Q – David Bain – Sterne, Agee & Leach, Inc.>: Okay. And is there any change or update you're thinking for the rollout or timing on QuikTicket and then maybe if David, can opine on kind of unique product introductions to the industry just given his background at Shuffle, what perspectives he could bring to the QuikTicket?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: Sure, I'll let David to speak for himself in terms of how he feels about the company's product portfolio. We're still tracking on QuikTicket, obviously, our – we spent a lot of focus and time in this quarter on the Live Gamer piece actually prior to that, we've – like I said, we've been working together for several months now. So – but yes, no change.

<Q – David Bain – Sterne, Agee & Leach, Inc.>: Okay.

<A – David Lopez – Global Cash Access Holdings, Inc.>: And from my perspective, David, one of the reasons I came on board was the products. Obviously with the health of the company at the time and the growth that Scott had demonstrated over the last year. So when it comes to products and I think we have the best of breed here, we've got, whether it's the 3-in-1 or whether the opportunity to roll out QuikTicket and I think there's a lot of ways to link up the floor with the GCA product line. Don't want to get into all from here obviously because we operate in a competitive environment but I think there's plenty of opportunities and the company has shown again today that they have an appetite for continuous improvement in the product portfolio. So obviously with the Live Gamer announcement that only adds to depth and breadth of what we can do here.

<Q – David Bain – Sterne, Agee & Leach, Inc.>: Okay. And then just last one on Western Money, if I can just get a little bit more color on where we are in the 30% year-over-year number you gave and then a little bit more on the 4Q drop-off what was to go to the backlog. Is that – are we looking at a seasonal at this point, slowing CapEx spend on kiosk tax, competition and then overall, if you expect this product to really go hand in hand with QuikTicket over time in terms of spurring additional sales?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: Yes, let me – I'll talk a little bit about some of the – I think more of a strategic outlook or how I think about it. And again, this is the first year where we've launched and significantly had an opportunity to sell our new redesigned line-up. I couldn't be more pleased with the plus 30% growth year over year on units shipped. I think Mary Beth has always used the term that sales will be lumpy quarter to quarter, they tend to be large contracts that we get and we're seeing both contracts for new casinos, as well as refreshing old floor equipment and we're winning in those things head to head too.

So I just – when we think about the quarter and the pluses or minuses and really, why we're continuing to take a prudent stance on our guidance is it just feels like fourth quarter is a little bit softer. I can't tell you whether it's just the lumpiness or seasonality; we haven't run this business long enough for me to be able to tell you that, just being open and transparent about it. I just think it's – like I said, I couldn't be happier with the 30% plus kind of growth rate year over year. That was well within what we said because I think we said 25% when we started the year.

<Q – David Bain – Sterne, Agee & Leach, Inc.>: And the 30%, is that – what percentage of that are we looking at it for the third quarter just for modeling purposes?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: Yes, I can't give you that number. I mean, we don't – that's kind of quarter-to-quarter guidance.

<Q – David Bain – Sterne, Agee & Leach, Inc.>: Okay. All right, cool. Thanks, guys.

<A – Scott Betts – Global Cash Access Holdings, Inc.>: Okay. Thanks, David.

Operator: Thank you. Our next question comes from the line of Tim Willi with Wells Fargo. Please go ahead.

<Q – Timothy Willi – Wells Fargo Advisors LLC>: Thanks. Good afternoon. A couple of questions, first, just going back to some of your earlier comments, Scott, about the dollars to the floor, I just want to make sure I understood various numbers that you'd given out. So, David, if we talk just total dollars that Global Cash Access helped provide to casino floors irregardless of new casinos or same-store, that number was the 4.9% that you gave, is that correct?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: No, Tim. Let me kind of break that down a little bit and be a little bit clear and I apologize if I wasn't the first time through. The numbers I gave was to try to give some perspective on how do we see the underlying segment trends in – for lack of another term, sort of the stable jurisdictions out there, okay? Those that are not significantly impacted by those four or five new openings and if I – which is again, only – we only looked at that in five states. So, all the reminders, if you take a look at all the remaining jurisdictions, our same-store growth rate, and again, same-store. So any new, newer or locked accounts are pulled out of that with the 3.3% number that I gave, okay.

<Q – Timothy Willi – Wells Fargo Advisors LLC>: Okay.

<A – Scott Betts – Global Cash Access Holdings, Inc.>: So, that kind of gives you, and again I wanted to give people some perspective on how we think about it that, I think if you collectively take sort of the [ph] right guises (29:32) out there on second quarter, people go, geez, this has been this great deceleration. Yes, we've seen that, but it hasn't been huge in those geographies. Now let's go back to the five that have been just hugely impacted by these new openings. If you look – if you add just the same-store number back in those five geographies, plus the cash to the floor of the new openings, okay; so, it still excludes any other pluses and minuses on that, okay. That's what brings it up to the 4.9%.

<Q – Timothy Willi – Wells Fargo Advisors LLC>: Okay. That's -

<A – Scott Betts – Global Cash Access Holdings, Inc.>: Did I make that clear? Did I make it more complicated?

<Q – Timothy Willi – Wells Fargo Advisors LLC>: No. That helps.

<A – Scott Betts – Global Cash Access Holdings, Inc.>: Okay. Thanks, Tim.

<Q – Timothy Willi – Wells Fargo Advisors LLC>: Great. And then on the Live Gamer, I won't profess to be an expert in the social gaming, I'm sure my son is, but I'm not. I'm just curious what the landscape for additional partnerships might look like over time? Is this an exclusive deal, I don't remember if that wording was in the press release, but can you – obviously, it seems like a huge end market with a lot of energy, are you able to go out and sign other partnerships, with other players?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: I'm not sure. What the – I do know what you're trying to ask. I think here is the way I look at it. I think when we look at the combination of Live Gamer and GCA, the part that excites us is, not – I mean, yes, they have tremendous technology, great platform, they have an E-Wallet, all of that, that kind of functionality that we need in our business. But a combined two customer pools, if you will, that I think are interesting, that's number one because we don't know where Internet wagering is going to go and we don't know who the players are going to be long-term, and that was more to my comment on if we just assume this is going to be a start-up of – a restart of where we were in 2006, I think you missed the point of what has happened in social gaming.

So will social gaming players in the social gaming space move into the wagering space? Could happen, we don't know, could happen. If it does these, guys have a tremendous customer portfolio. They work with EA Sports, Sony Online, Facebook, guys like that, okay. So not only do they bring the expertise, which I think is going to be important to successful sites in our industry because it does build off with the customer or the player expectation is from social gaming but also opens up access to what eventually may become a slightly bigger or a slightly different pool of people who are playing in the for-wager space. So it just makes a lot of sense to combine those two.

<Q – Timothy Willi – Wells Fargo Advisors LLC>: I mean, is the CapEx you referenced for, there's some partnership that must be capitalized software or are there going to be some new hardware facilities or something like that, when you're talking about ramping up the CapEx associated with this?

<A – Mary Higgins – Global Cash Access Holdings, Inc.>: A couple of things, some licensing, some – certainly some software, combination of things.

<Q – Timothy Willi – Wells Fargo Advisors LLC>: Okay, great. That's all I have. Thank you.

<A – Scott Betts – Global Cash Access Holdings, Inc.>: Okay. Thanks, Tim.

Operator: Thank you. Our next question comes from the line of Ira Unschuld with Brant Point Capital Management. Please go ahead.

<Q – Ira Unschuld – Brant Point Investment Management LLC>: Hi, guys.

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

<Q – George Sutton – Craig-Hallum Capital Group LLC>: That sounded pretty cool. I don't know if I can sound that cool. Last quarter when we talked and I did miss part of Scott's presentation today, but I don't think you addressed this, you were fairly concerned about some of the Durbin give-backs you might have to make and they seem to be more prospective in terms of your concern given the margins that we saw and the outlook you're providing, it doesn't sound like there's much give-back, is that a fair conclusion?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: Up to this point, that's a fair conclusion.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Okay. Now on the debit mix that you mentioned, do you have a sense for what's driving that better mix, we're seeing it obviously overall in payments, but I'm curious are you doing anything to PIN prompt or is there anything that specifically driving that improvement?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: We've always had a proprietary 3-in-1 Rollover, which drives our percentage of debit higher than any of our competitors for our customers because we can complete more transactions that may have happened because if somebody's ATM withdrawal limits were – for the weekend were exceeded. So we've consistently seen our ability to grow debit transactions and I think that's certainly an underlying piece of what's happening here, we're also able to bring that functionality with its demonstrated strength across the MCA portfolio which has been great for our customers that we've acquired that way.

I think the other part of it is there's just a – as you say, there is a general improvement in how consumers are using their cards and debits continue to grow and we see that in just sort of – if you recall way back, three plus years ago, when we were getting into the downturn, we saw the step-down of transaction types and hopefully this is sort of early green sheets kind of indications that we are improving in the overall gaming segment and we'd expect that thing to happen in reverse if you will. So -

<A – Mary Higgins – Global Cash Access Holdings, Inc.>: But I think another thing to your point and it's been gradual over time, but we constantly are improving the screen flows and the ease of operating our 3-in-1 and those things happen all the time and as we expand into more locations, they improve the screen flow, make it more and more simple and I think that it just continues to show how powerful that 3-in-1 product is as well, you make it easy and people will use it.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Okay. And then my last question relative to the online gaming opportunity, you have been very cautionary in I think last quarter and certainly at our conference, I think you were fairly cautionary relative to timing, meaning put zero in your models for a certain period of time. Are you – given the fact Nevada seems to be moving fairly quickly towards a conclusion are you – I assume you're not building anything into your guidance for the year relative to this, but I wonder if you'd be coming a little more optimistic about the timing?

<A – Scott Betts – Global Cash Access Holdings, Inc.>: I will tell you I'm very excited about our capability. I don't think – I have to look at it two ways. One is that we think that what we've said before about the development of the overall online gaming industry is still accurate and still holds, okay. We obviously have a tremendous amount of work that has to happen in getting our product set ready, developed, tested, through gaming regulators and so forth and I couldn't – like I said, I'm very excited about our ability to take a great step forward on that with Live Gamer.

So from my standpoint, I think we're now fully ready to meet the development of this business as it comes on, but I still think it will be more like 2013 than 2012, for sure. Nevada has a lot of its own limitations, if it's just within Nevada, in terms of how big the business can be. But we continue to feel the momentum of the industry and other states moving towards online gaming. So, no change

in my perspective on the overall business opportunity. I'm much more confident and excited about our ability to meet those challenges with the products that are just going to be world-class.

<Q – George Sutton – Craig-Hallum Capital Group LLC>: Perfect. Well, thank you and welcome to David.

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

Operator: Thank you. Our next question comes from the line of Bryan Sekino with Brant Point Capital Management. Please go ahead.

<Q – Bryan Sekino – Brant Point Investment Management LLC>: Hi.

Operator: [Operator Instructions] Our next question comes from the line of Bryan Sekino with Brant Point Capital Management. Please go ahead. Your line is open Mr. Sekino, please go ahead.

<A – Mary Higgins – Global Cash Access Holdings, Inc.>: Mute is on.

Operator: Well, it appears that there are no further questions in the queue.

<A – Scott Betts – Global Cash Access Holdings, Inc.>: Okay.

Operator: Ladies and gentlemen, that concludes the question-and-answer session. I'd now like to turn the conference back over to management for closing remarks.

Scott H. Betts, Chief Executive Officer, Secretary & Director

Okay, well again, thanks everyone for being on the call here. We're very excited about the business in moving forward and thank you for sharing your evening with us. We'll talk to you next quarter. Bye.

Operator: Thank you. Ladies and gentlemen, that concludes the Global Cash Access Holdings conference call. We thank you for your participation. You may now disconnect.

corrected transcript

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