

GLOBAL CASH ACCESS HOLDINGS, INC.

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 8, 2014**

Global Cash Access Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction of
Incorporation)

001-32622
(Commission File Number)

20-0723270
(IRS Employer Identification No.)

7250 S. Tenaya Way, Suite 100
Las Vegas, Nevada
(Address of Principal Executive Offices)

89113
(Zip Code)

Registrant's telephone number, including area code: **(800) 833-7110**

(Former name or former address if changed since last
report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

On September 8, 2014, Global Cash Access Holdings, Inc. (“GCA”) and Multimedia Games Holding Company, Inc. (“Multimedia Games”) issued a joint press release announcing that they had entered into a definitive agreement pursuant to which GCA has agreed to acquire Multimedia Games. In addition, GCA will hold a conference call and simultaneous presentation to investors at 5:00 p.m. EDT to discuss the transaction. The joint press release is attached hereto as Exhibit 99.1 and the investor presentation is attached hereto as Exhibit 99.2, and each is incorporated herein by reference.

The information contained in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is being furnished and, as a result, such information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits .

(d)

<u>Exhibit No.</u>	<u>Description</u>
99.1	Joint Press Release issued by GCA and Multimedia Games, dated September 8, 2014
99.2	Investor Presentation, dated September 8, 2014

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLOBAL CASH ACCESS HOLDINGS, INC.

Date: September 8, 2014

By: /s/ Ram V. Chary
Ram V. Chary
President and Chief Executive Officer

Exhibit Index

Exhibit No.	Description
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99.2	Investor Presentation, dated September 8, 2014

Global Cash Access to Acquire Multimedia Games

Las Vegas, NV and Austin, TX — September 8, 2014 — Global Cash Access Holdings, Inc. (NYSE: GCA) and Multimedia Games Holding Company, Inc. (“Multimedia Games”) (Nasdaq: MGAM) announced today that they have entered into a merger agreement whereby GCA has agreed to acquire all the outstanding common stock of Multimedia Games for \$36.50 per share, for an aggregate purchase price of approximately \$1.2 billion in cash. The transaction has been unanimously approved by the boards of directors of the two companies.

“The acquisition of Multimedia Games represents a gaming-relevant transformational opportunity to combine two companies with rich gaming heritages and uniquely positions GCA as an important strategic partner to gaming operators by offering them deeper and more integrated solutions across their entire gaming floor,” remarked Ram V. Chary, President and Chief Executive Officer of GCA. “This acquisition further strengthens and broadens GCA’s portfolio of solutions, which has been embraced by our customer base,” added Mr. Chary.

Patrick J. Ramsey, Chief Executive Officer of Multimedia Games, noted, “We are excited about the opportunity this combination provides to leverage Multimedia Games’ creative and innovative game development capabilities with GCA’s expansive customer base to provide best-in-class, integrated solutions to the gaming community, and deliver increased value and scale to our respective customers and employees.”

Transaction Highlights

Pursuant to the merger agreement, GCA will acquire all of the outstanding stock of Multimedia Games for \$36.50 per share in cash, representing a 31% premium to the closing stock price as of Friday, September 5, 2014, for an aggregate purchase price of approximately \$1.2 billion. The proposed acquisition will be financed with debt and cash on hand for which GCA has secured committed debt financing. The proposed acquisition is subject to customary closing conditions, including receipt of MGAM shareholder approval and antitrust and gaming regulatory approvals, and is currently expected to be completed in early 2015.

The merger is expected to achieve approximately \$30 million of synergies as a combined entity; and, on a pro forma basis, is estimated to generate about \$800 million in revenues and approximately \$217 million in Adjusted EBITDA based on the last twelve months results as of June 30, 2014. The transaction is expected to be immediately accretive to GCA stockholders as of the closing date of the acquisition.

Ram V. Chary will continue to serve as President and Chief Executive Officer of GCA. The combined company’s headquarters will remain in Las Vegas, NV and its game development operations will be based in Austin, TX.

Advisory Partners

The advisory partners for Global Cash Access included: BofA Merrill Lynch as its exclusive advisor on financial matters; and Pillsbury Winthrop Shaw Pittman and DLA Piper as advisors on legal matters. The advisory partners for Multimedia Games included: Wells Fargo Securities as its exclusive advisor on financial matters; and Latham & Watkins as advisor on legal matters.

BofA Merrill Lynch and Deutsche Bank have agreed to provide committed debt financing to Global Cash Access for the proposed acquisition.

Investor Conference Call and Webcast

GCA will host an investor conference call and simultaneous presentation to discuss the proposed transaction at 5:00 p.m. Eastern Daylight Time (“EDT”). The conference call may be accessed live over the phone by dialing (888) 801-6499 or for international callers by dialing (913) 312-9308. A replay will be available at 8:00 p.m. EDT and may be accessed by dialing (877) 870-5176 or (858) 384-5517 for international callers; the pin number is 1638762. The replay will be available until September 15, 2014. The call will be webcast live from GCA’s website at www.gcainc.com under the Investor Relations section.

About Global Cash Access Holdings, Inc.

GCA is a leading provider of fully integrated cash access solutions and related services to the gaming industry. GCA's products and services provide: (a) gaming establishment patrons access to cash through a variety of methods, including Automated Teller Machine ("ATM") cash withdrawals, credit card cash access transactions, point-of-sale ("POS") debit card transactions, check verification and warranty services and money transfers; (b) integrated cash access devices and related services, such as slot machine ticket redemption and jackpot kiosks to the gaming industry; (c) products and services that improve credit decision making, automate cashier operations and enhance patron marketing activities for gaming establishments; (d) compliance, audit and data solutions; and (e) online payment processing solutions for gaming operators in States that offer intra-state, Internet-based gaming and lottery activities. More information is available at GCA's website at www.gcainc.com.

About Multimedia Games Holding Company, Inc.

Through its wholly owned subsidiary, Multimedia Games, Inc., Multimedia Games Holding Company, Inc. ("Multimedia Games") develops and distributes gaming technology. The company is a creator and supplier of comprehensive systems, content and electronic gaming units for Native American and commercial casinos. Revenue is derived from gaming units in operation on revenue-sharing arrangements as well as from the sale of gaming units and systems that feature proprietary game content and game themes licensed from others. Multimedia Games also supplies the central determinant system for the video lottery terminals ("VLTs") installed at racetracks in the State of New York. The company is focused on pursuing market expansion and new product development for commercial and tribal casinos and VLT markets.

Contacts

Investor and Media Relations — Global Cash Access
(702) 262-5068
ir@gcainc.com

Investor and Media Relations — Multimedia Games
(512) 334-7500

Additional Information

This communication is being made in respect of the proposed transaction involving GCA and Multimedia Games. The intention is that Multimedia Games will file with the SEC a proxy statement in connection with the proposed transaction with GCA. Multimedia Games also intends to file with the SEC other documents regarding the proposed transaction. The definitive proxy statement will be sent or given to the shareholders of Multimedia Games and will contain important information about the proposed transaction and related matters. MULTIMEDIA GAMES' SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. The proxy statement and other relevant materials (when they become available), and any other documents filed by Multimedia Games with the SEC, may be obtained free of charge at the SEC's website, at www.sec.gov. In addition, security holders of Multimedia Games will be able to obtain free copies of the proxy statement from Multimedia Games by contacting Investor Relations by mail at Attn: Investor Relations, Multimedia Games, 206 Wild Basin Road, Building B, Fourth Floor, Austin, TX 78746.

Participants in the Solicitation

GCA and Multimedia Games and their respective directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed merger. Information about GCA's directors and executive officers is included in GCA's Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 11, 2014 and the proxy statement for GCA's 2014 annual meeting of stockholders, filed with the SEC on April 8, 2014. Information about Multimedia Games' directors and executive officers is included in Multimedia Games' Annual Report on Form 10-K for the fiscal year ended September 30, 2013 filed with the SEC on November 14, 2013 and in the proxy statement for Multimedia Games' 2014 annual meeting of shareholders, filed with the SEC on January 10, 2014. Additional information regarding these persons and their interests in the merger will be included in the proxy statement relating to the proposed merger when it is filed with the SEC. These documents can be obtained free of charge from the sources indicated above.

Forward-Looking Statements

Throughout this document pertaining to the merger transaction between GCA and Multimedia Games, we make forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may be typically identified by such words as “may,” “will,” “should,” “would,” “expect,” “anticipate,” “plan,” “likely,” “believe,” “estimate,” “project,” “intend,” and other similar expressions among others. Although we believe the expectations reflected in any forward-looking statements are reasonable, they involve known and unknown risks and uncertainties, are not guarantees of future performance, and actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements and any or all of our forward-looking statements may prove to be incorrect. Consequently, no forward-looking statements may be guaranteed and there can be no assurance that the actual results or developments anticipated by such forward looking statements will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, GCA or Multimedia Games or their respective businesses or operations. Factors which could cause our actual results to differ from those projected or contemplated in any such forward-looking statements include, but are not limited to, the following factors: (1) the risk that the conditions to the closing of the merger are not satisfied (including a failure of the shareholders of Multimedia Games to approve, on a timely basis or otherwise, the merger and the risk that regulatory approvals required for the merger are not obtained, on a timely basis or otherwise, or are obtained subject to conditions that are not anticipated); (2) litigation relating to the merger; (3) uncertainties as to the timing of the consummation of the merger and the ability of each of GCA and Multimedia Games to consummate the merger; (4) risks that the proposed transaction disrupts the current plans and operations of GCA and/or Multimedia Games; (5) the ability of GCA and Multimedia Games to retain and hire key personnel; (6) competitive responses to the proposed merger; (7) unexpected costs, charges or expenses resulting from the merger; (8) the failure by GCA to obtain the necessary debt financing arrangements set forth in the commitment letter received in connection with the merger; (9) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger; and (10) legislative, regulatory and economic developments. The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with statements that are included herein and elsewhere, including the risk factors included in GCA’s and Multimedia Games’ most recent Annual Reports on Form 10-K, and GCA’s and Multimedia Games’ more recent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the U.S. Securities and Exchange Commission. GCA and Multimedia Games can give no assurance that the conditions to the Merger will be satisfied. Except as required by applicable law, neither GCA nor Multimedia Games undertake any obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise. GCA and Multimedia Games do not intend, and assume no obligation, to update any forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this communication.

Additional Notes

This press release may contain industry market data, industry forecasts and other statistical information. Such information has been obtained from publicly available information and industry publications. GCA has not independently verified such information and makes no reprss releases as to the accuracy of such information.

Non-GAAP Financial Measures

This press release includes several financial measures that were not prepared in accordance with generally accepted accounting principles in the United States (GAAP). As used herein, Adjusted EBITDA is a non-GAAP measurement presented herein as a supplemental disclosure. GCA defines Adjusted EBITDA as earnings before interest income and expense, income taxes, depreciation, amortization, and equity compensation expense. Multimedia Games defines Adjusted EBITDA as net income before net interest expense, income taxes, depreciation, amortization and accretion of contract rights. As shown in this press release, Adjusted EBITDA for the combined company is presented based on the combination of GCA’s consolidated Adjusted EBITDA and Multimedia Games’ consolidated Adjusted EBITDA for the trailing 12-month period ended June 30, 2014, taking into account synergies GCA expects to achieve. Adjusted EBITDA is presented herein for informational purposes only and does not represent “pro forma” amounts determined in accordance with SEC rules and regulations.

Source

Global Cash Access Holdings, Inc.



Investor Presentation

September 8, 2014

PRIVILEGED AND CONFIDENTIAL

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Additional Notes

This presentation may contain industry market data, industry forecasts and other statistical information. Such information has been obtained from publicly available information and industry publications. GCA has not independently verified such information and makes no representations as to the accuracy of such information.

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Transformational combination that positions GCA as a unique and formidable provider of best-in-class, gaming-relevant solutions



Global Cash Access Announces Agreement to Acquire Multimedia Games



- GCA has announced an agreement to acquire all the outstanding stock of MGAM for approximately \$1.2 billion in cash
- The transaction combines a global leader in cash access services with the fastest growing U.S. based manufacturer and supplier of gaming machines and systems to commercial and Native American casino operators
 - Diversifies revenue base, expands margins and propels future growth
 - Broadens GCA's product and service offerings and enhances recurring revenue
 - Significant cross selling potential and leverage across an established sales force and global customer base
 - Accelerates MGAM entry into new markets
- Meaningful cost synergies
- Materially enhances shareholder value, both immediate and long-term
 - Highly accretive to both earnings and free cash flow immediately after close
 - Pro forma company will have ability to rapidly pay down debt incurred as part of this transaction
- Transaction is expected to close in approximately 4 to 7 months, subject to MGAM shareholder and requisite regulatory approvals

Per Share Consideration	<ul style="list-style-type: none"> • Cash consideration of \$36.50 per MGAM share
Transaction Value	<ul style="list-style-type: none"> • Equity value of approximately \$1.2 billion, and transaction value (excluding net cash) of approximately \$1.1 billion
Valuation (pre/post synergies)	<ul style="list-style-type: none"> • 9.1x LTM 6/30/14 Adjusted EV/EBITDA multiple, excluding anticipated synergies • 7.2x LTM 6/30/14 Adjusted EV/EBITDA multiple, including \$30mm of anticipated run-rate synergies
Sources of Financing	<ul style="list-style-type: none"> • Financing commitment received from Bank of America Merrill Lynch and Deutsche Bank <ul style="list-style-type: none"> ▪ \$800 million Term Loan B ▪ \$400 million Senior Notes ▪ \$50 million revolving credit facility
Conditions to Closing	<ul style="list-style-type: none"> • Required approvals <ul style="list-style-type: none"> ▪ MGAM shareholder approval ▪ Gaming regulatory approvals ▪ Other customary conditions
Expected Closing	<ul style="list-style-type: none"> • Approximately 4 to 7 months, subject to MGAM shareholder and requisite regulatory approvals

Note: Company reported EBITDA excluding stock based compensation.

Market Leader of Cash Access Services Provided to the U.S. Gaming Market



Cash Advance (40% of LTM⁽¹⁾ Revenue):

- Enables cash advances through credit card cash access and POS debit card transactions
- Processed 9mm transactions in 2013
- \$4.9bn in dollar volume

ATM (48% of LTM⁽¹⁾ Revenue):

- Enables cash withdrawals using a patron's ATM, debit or credit card
- Processed 74mm transactions in 2013
- \$14.3bn in total dollar volume

Check Services (4% of LTM⁽¹⁾ Revenue):

- Check verification and warranty services, which allow gaming establishments to manage and reduce risks on patron checks cashed
- Processed 4mm transactions in 2013
- \$1.1bn in dollar volume

Other (8% of LTM⁽¹⁾ Revenue):

- Includes slot machine and jackpot kiosk sales and services, central credit reporting services, casino marketing services and business intelligence software
- ~54% revenue growth in segment during 2013

Historical Revenue



Historical Adjusted EBITDA⁽²⁾



Note: Fiscal year ending December 31

(1) LTM 6/30/14

(2) Adjusted EBITDA excludes stock-based compensation

Rapidly Growing Manufacturer With Strong Recurring Revenue Base and Significant Upside Potential



Gaming Operations (66% of LTM ⁽¹⁾ Revenue):

- 13,167 gaming units installed throughout North America as of June 30, 2014
- Revenue is derived from revenue-sharing arrangements or lease fees on the installed fleet of units
- Supplies the central determinant system for ~17K video lottery terminals ("VLTs") in the state of NY

Machine Sales and Other (34% of LTM ⁽¹⁾ Revenue):

- Broad portfolio of gaming machine products sold to casino customers
- Game themes focused on proprietary content developed in-house
- Approximately 3,900 slot machines sold in the LTM period ended June 30, 2014

Historical Revenue



Historical Adjusted EBITDA⁽²⁾



Note: Fiscal year ending September 30

(1) LTM 6/30/14.

(2) Company reported EBITDA excludes accretion of contract rights



- ~\$217 million in combined LTM 6/30/14 EBITDA ⁽¹⁾
 - Significant earnings accretion
 - Enhanced growth and margin profile
 - Improved relevance in marketplace
 - Complementary recurring revenue base
 - Meaningful cost synergies



Materially Enhanced Shareholder Value

(1) Includes ~\$30 million in estimated run-rate cost synergies.



E-poker / E-tables: Fast paced, electronic table games



NEWave: Suite of cutting-edge compliance software for gaming operators

TournEvent: "Gotta have" slot tournament product with features including streaming video, automated emcee and real-time leaderboards. Dominant market share with more than 4,000 units in ~275 casinos



JackpotXchange: Automate jackpot payments and process jackpots in system and dispense the proper amount for player payment

Premium Games "High Rise": Premium games combine video and traditional mechanical reel games. Developed to look "licensed" without added cost and with more game flexibility



CXC 4.0: Integrated full service solution for ticket redemption, bill breaking and cash access services. Using ATM 3-in-1-rollover technology, CXC 4.0 offers maximum feature functionality and ease in delivering cash to the casino floor

Class II Games: Played on servers, which must be physically located on Tribal Lands. Provide customers with a variety of linked interactive slot games and back-office systems

	GCA	MGAM	Combined
Revenue	\$582	\$218	\$800
<i>% recurring</i>	~90%	~66%	~80%+
EBITDA	\$71	\$116	\$187
<i>% margin</i>	12%	53%	23%
Synergies	--	--	\$30
Pro Forma EBITDA ⁽¹⁾	\$71	\$116	\$217
<i>% margin</i>			27%

80%+ recurring revenue provides predictable and stable cash flow generation

Note: Data as of LTM period ended 6/30/14. MGAM revenue shown on a net basis.
 (1) Combined statistic includes ~\$30 million in estimated run-rate cost synergies. Excludes stock-based compensation.

- Accelerates scale and growth profile
 - ~80%+ recurring revenue provides predictable and stable cash flow generation
 - Pro forma EBITDA⁽¹⁾ of \$217 million for the trailing four quarter period ended June 30, 2014
- Meaningful synergy potential
 - Potential to achieve 80% of estimated annual synergies during year 1
 - Combine field services and back office operations
 - SG&A
- Significant shareholder value creation
 - Immediately accretive to EPS
- Substantial cash flow generation provides material deleveraging opportunities
 - Expected ability to utilize GCA's Net Operating Losses of \$110 million over the next 3 years
 - Continued ability to use GCA's tax deductible goodwill through 2019

(1) Includes ~\$30 million in estimated run-rate cost synergies. Excludes stock-based compensation.

Fully Committed Debt Financing Provided by Bank of America Merrill Lynch and Deutsche Bank

Pro Forma Capitalization (\$ in millions)	Amount
New Revolver (\$50mm)	\$--
New Term Loan B	\$800
New Senior Notes	400
Total Indebtedness	\$1,200
Combined Company EBITDA + Expected Synergies ⁽¹⁾	\$217
Total Debt / (Combined Company EBITDA + Expected Synergies ⁽¹⁾)	5.5x

⁽¹⁾ Includes \$30mm of expected annual synergies. Excludes stock-based compensation and accretion of contract rights.



